



REAL ESTATE TRANSFER DISCLOSURE STATEMENT
(CALIFORNIA CIVIL CODE §1102, ET SEQ.)
(C.A.R. Form TDS, Revised 6/24)

☐ This property is a duplex, triplex or fourplex. A TDS is required for all units. This TDS is for ALL units (or ☐ only unit(s) ____).
THIS DISCLOSURE STATEMENT CONCERNS THE REAL PROPERTY SITUATED IN THE CITY OF Palm Desert, **COUNTY OF** Riverside, **STATE OF** CALIFORNIA,
DESCRIBED AS 103 Camino Arroyo S, Palm Desert, CA, 92260.

THIS STATEMENT IS A DISCLOSURE OF THE CONDITION OF THE ABOVE DESCRIBED PROPERTY IN COMPLIANCE WITH § 1102 OF THE CIVIL CODE AS OF (DATE) 08/17/2026. IT IS NOT A WARRANTY OF ANY KIND BY THE SELLER(S) OR ANY AGENT(S) REPRESENTING ANY PRINCIPAL(S) IN THIS TRANSACTION, AND IS NOT A SUBSTITUTE FOR ANY INSPECTIONS OR WARRANTIES THE PRINCIPAL(S) MAY WISH TO OBTAIN.

I. COORDINATION WITH OTHER DISCLOSURE FORMS

This Real Estate Transfer Disclosure Statement is made pursuant to § 1102 of the Civil Code. Other statutes require disclosures, depending upon the details of the particular real estate transaction (for example: special study zone and purchase-money liens on residential property).

Substituted Disclosures: The following disclosures and other disclosures required by law, including the Natural Hazard Disclosure Report/Statement that may include airport annoyances, earthquake, fire, flood, or special assessment information, have or will be made in connection with this real estate transfer, and are intended to satisfy the disclosure obligations on this form, where the subject matter is the same:

- ☐ Inspection reports completed pursuant to the contract of sale or receipt for deposit.
☒ Additional inspection reports or disclosures: _____
Seller may have obtained a limited number of third-party inspections that will be supplied to Buyer at buyers request if available.
☐ No substituted disclosures for this transfer.

II. SELLER'S INFORMATION

The Seller discloses the following information with the knowledge that even though this is not a warranty, prospective Buyers may rely on this information in deciding whether and on what terms to purchase the subject property. Seller hereby authorizes any agent(s) representing any principal(s) in this transaction to provide a copy of this statement to any person or entity in connection with any actual or anticipated sale of the property.

THE FOLLOWING ARE REPRESENTATIONS MADE BY THE SELLER(S) AND ARE NOT THE REPRESENTATIONS OF THE AGENT(S), IF ANY. THIS INFORMATION IS A DISCLOSURE AND IS NOT INTENDED TO BE PART OF ANY CONTRACT BETWEEN THE BUYER AND SELLER.

Seller ☐ is ☒ is not occupying the property.

A. The subject property has the items checked below:*

- | | | |
|--|--|--|
| ☒ Range | ☐ Wall/Window Air Conditioning | ☐ Pool: |
| ☒ Oven | ☒ Sprinklers | ☐ Child Resistant Barrier |
| ☒ Microwave | ☒ Public Sewer System | ☐ Pool/Spa Heater: |
| ☒ Dishwasher | ☐ Septic Tank | ☐ Gas ☐ Solar ☐ Electric |
| ☐ Trash Compactor | ☐ Sump Pump | ☒ Water Heater: |
| ☐ Garbage Disposal | ☐ Water Softener | ☒ Gas ☐ Solar ☐ Electric |
| ☒ Washer/Dryer Hookups | ☒ Patio/Decking | ☒ Water Supply: |
| ☒ Rain Gutters | ☐ Built-in Barbecue | ☒ City ☐ Well |
| ☐ Burglar Alarms | ☐ Gazebo | ☐ Private Utility or |
| ☐ Carbon Monoxide Device(s) | ☐ Security Gate(s) | <u>Other Coachella Valley Water District</u> |
| ☐ Smoke Detector(s) | ☒ Garage: | ☒ Gas Supply: |
| ☐ Fire Alarm | ☒ Attached ☐ Not Attached | ☒ Utility ☐ Bottled (Tank) |
| ☐ TV Antenna | ☐ Carport | ☐ Window Screens |
| ☐ Satellite Dish | ☐ Automatic Garage Door Opener(s) | ☐ Window Security Bars |
| ☐ Intercom | ☒ Number Remote Controls _____ | ☐ Quick Release Mechanism on |
| ☒ Central Heating | ☐ Sauna | <u>Bedroom Windows</u> |
| ☒ Central Air Conditioning | ☒ Hot Tub/Spa: | ☐ Water-Conserving Plumbing Fixtures |
| ☐ Evaporator Cooler(s) | ☐ Locking Safety Cover | |
| Exhaust Fan(s) in <u>Unknown</u> | 220 Volt Wiring in _____ | Fireplace(s) in <u>gas</u> |
| ☒ Gas Starter _____ | ☒ Roof(s): Type: <u>Tile</u> | Age: _____ (approx.) |
| ☐ Other: _____ | | |

Are there, to the best of your (Seller's) knowledge, any of the above that are not in operating condition? ☐ Yes/☒ No. If yes, then describe. (Attach additional sheets if necessary): _____
List of items in the home may not be complete. Any items remaining in home at time of sale will be left.

Seller has never occupied this property. Seller encourages Buyer to have their own inspections performed and verify all information relating to this property.
(*see note on page 2)

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Seller's Initials BB / _____

Buyer's Initials _____ / _____



REAL ESTATE TRANSFER DISCLOSURE STATEMENT (TDS PAGE 1 OF 3)

Opendoor Brokerage, Inc. | Opendoor Brokerage, LLC, 410. N Scottsdale Rd. Ste. #1600 Tempe AZ 85281

Phone:

Fax:

New Forms

Produced with Lone Wolf Transactions (zipForm Edition) 717 N Harwood St, Suite 2200, Dallas, TX 75201 www.lwolf.com

B. Are you (Seller) aware of any significant defects/malfunctions in any of the following? ☒ Yes ☐ No. If yes, check appropriate space(s) below.

☐ Interior Walls ☐ Ceilings ☐ Floors ☐ Exterior Walls ☐ Insulation ☐ Roof(s) ☐ Windows ☐ Doors ☒ Foundation ☐ Slab(s)
☐ Driveways ☐ Sidewalks ☐ Walls/Fences ☐ Electrical Systems ☒ Plumbing/Sewers/Septics ☐ Other Structural Components
 (Describe: See Add'l Property Info: SB-Defects. Seller has never occupied this property. Seller encourages Buyer to have their own inspections performed and verify all information relating to this property where applicable as noted.)

If any of the above is checked, explain. (Attach additional sheets if necessary.):

See Add'l Property Info: SC-Awareness. Seller has never occupied this property. Seller encourages Buyer to have their own inspections performed and verify all information relating to this property where applicable as noted.

*Installation of a listed appliance, device, or amenity is not a precondition of sale or transfer of the dwelling. The carbon monoxide device, garage door opener, or child-resistant pool barrier may not be in compliance with the safety standards relating to, respectively, carbon monoxide device standards of Chapter 8 (commencing with § 13260) of Part 2 of Division 12 of, automatic reversing device standards of Chapter 12.5 (commencing with § 19890) of Part 3 of Division 13 of, or the pool safety standards of Article 2.5 (commencing with § 115920) of Chapter 5 of Part 10 of Division 104 of, the Health and Safety Code. Window security bars may not have quick-release mechanisms in compliance with the 1995 edition of the California Building Standards Code. § 1101.4 of the Civil Code requires all single-family residences built on or before January 1, 1994, to be equipped with water-conserving plumbing fixtures after January 1, 2017. Additionally, on and after January 1, 2014, a single-family residence built on or before January 1, 1994, that is altered or improved is required to be equipped with water-conserving plumbing fixtures as a condition of final approval. Fixtures in this dwelling may not comply with § 1101.4 of the Civil Code.

C. Are you (Seller) aware of any of the following:

1. Substances, materials, or products which may be an environmental hazard such as, but not limited to, asbestos, formaldehyde, radon gas, lead-based paint, mold, fuel or chemical storage tanks, and contaminated soil or water on the subject property ☐ Yes ☒ No
 2. Features of the property shared in common with adjoining landowners, such as walls, fences, and driveways, whose use or responsibility for maintenance may have an effect on the subject property ☐ Yes ☒ No
 3. Any encroachments, easements or similar matters that may affect your interest in the subject property ☐ Yes ☒ No
 4. Room additions, structural modifications, or other alterations or repairs made without necessary permits. ☒ Yes ☐ No
 5. Room additions, structural modifications, or other alterations or repairs not in compliance with building codes ☒ Yes ☐ No
- (Note to C4 and C5: If transferor acquired the property within 18 months of accepting an offer to sell it, transferor shall make additional disclosures regarding the room additions, structural modifications, or other alterations or repairs on a Seller Property Questionnaire (C.A.R. Form SPQ).)
6. Fill (compacted or otherwise) on the property or any portion thereof ☐ Yes ☒ No
 7. Any settling from any cause, or slippage, sliding, or other soil problems ☐ Yes ☒ No
 8. Flooding, drainage or grading problems ☐ Yes ☒ No
 9. Major damage to the property or any of the structures from fire, earthquake, floods, or landslides ☐ Yes ☒ No
 10. Any zoning violations, nonconforming uses, violations of "setback" requirements ☐ Yes ☒ No
 11. Neighborhood noise problems or other nuisances ☐ Yes ☒ No
 12. CC&R's or other deed restrictions or obligations ☒ Yes ☐ No
 13. Homeowners' Association which has any authority over the subject property ☒ Yes ☐ No
 14. Any "common area" (facilities such as pools, tennis courts, walkways, or other areas co-owned in undivided interest with others) ☒ Yes ☐ No
 15. Any notices of abatement or citations against the property ☐ Yes ☒ No
 16. Any lawsuits by or against the Seller threatening to or affecting this real property, claims for damages by the Seller pursuant to § 910 or 914 threatening to or affecting this real property, claims for breach of warranty pursuant to § 900 threatening to or affecting this real property, or claims for breach of an enhanced protection agreement pursuant to § 903 threatening to or affecting this real property, including any lawsuits or claims for damages pursuant to § 910 or 914 alleging a defect or deficiency in this real property or "common areas" (facilities such as pools, tennis courts, walkways, or other areas co-owned in undivided interest with others) ☐ Yes ☒ No

If the answer to any of these is yes, explain. (Attach additional sheets if necessary.):

12. HOA Name: Chaparral Association, Inc., Phone Number: (760) 346-9000, Main Fee: \$805.00 paid monthly. HOA Demand and CCRs attached. Seller has never occupied this property. Seller encourages Buyer to have their own inspections performed and verify all information relating to this property where applicable as noted.

Seller has never occupied this property. Seller encourages Buyer to have their own inspections performed and verify all information relating to this property.

- D. 1. The Seller certifies that the property, as of the close of escrow, will be in compliance with § 13113.8 of the Health and Safety Code by having operable smoke detector(s) which are approved, listed, and installed in accordance with the State Fire Marshal's regulations and applicable local standards.
2. The Seller certifies that the property, as of the close of escrow, will be in compliance with § 19211 of the Health and Safety Code by having the water heater tank(s) braced, anchored, or strapped in place in accordance with applicable law.

Seller certifies that the information herein is true and correct to the best of the Seller's knowledge as of the date signed by the Seller.

Seller Brad Bonney Authorized Signer on Behalf of Opendoor Property Trust I Date 08/17/2026

Seller _____ Date _____



III. AGENT'S INSPECTION DISCLOSURE

(To be completed only if the Seller is represented by an agent in this transaction.)

THE UNDERSIGNED, BASED ON THE ABOVE INQUIRY OF THE SELLER(S) AS TO THE CONDITION OF THE PROPERTY AND BASED ON A REASONABLY COMPETENT AND DILIGENT VISUAL INSPECTION OF THE ACCESSIBLE AREAS OF THE PROPERTY IN CONJUNCTION WITH THAT INQUIRY, STATES THE FOLLOWING:

- ☒ See attached Agent Visual Inspection Disclosure (AVID Form)
- ☐ Agent notes no items for disclosure.
- ☐ Agent notes the following items: _____

Agent (Broker Representing Seller) Opendoor Brokerage Inc.
(Please Print)By Lisa Soltez
(Associate Licensee or Broker Signature)Date 08/17/2026**IV. AGENT'S INSPECTION DISCLOSURE**

(To be completed only if the agent who has obtained the offer is other than the agent above.)

THE UNDERSIGNED, BASED ON A REASONABLY COMPETENT AND DILIGENT VISUAL INSPECTION OF THE ACCESSIBLE AREAS OF THE PROPERTY, STATES THE FOLLOWING:

- ☐ See attached Agent Visual Inspection Disclosure (AVID Form)
- ☐ Agent notes no items for disclosure.
- ☐ Agent notes the following items: _____

Agent (Broker Obtaining the Offer) _____
(Please Print)By _____
(Associate Licensee or Broker Signature)

Date _____

V. BUYER(S) AND SELLER(S) MAY WISH TO OBTAIN PROFESSIONAL ADVICE AND/OR INSPECTIONS OF THE PROPERTY AND TO PROVIDE FOR APPROPRIATE PROVISIONS IN A CONTRACT BETWEEN BUYER AND SELLER(S) WITH RESPECT TO ANY ADVICE/INSPECTIONS/DEFECTS.**I/WE ACKNOWLEDGE RECEIPT OF A COPY OF THIS STATEMENT.**Seller Brad Bonney Date 08/17/2026 Buyer _____ Date _____

Authorized Signer on Behalf of

Seller _____ Opendoor Property Trust Date _____ Buyer _____ Date _____

Agent (Broker Representing Seller) Opendoor Brokerage Inc.
(Please Print)By Lisa Soltez
(Associate Licensee or Broker Signature)Date 08/17/2026Agent (Broker Obtaining the Offer) _____
(Please Print)By _____
(Associate Licensee or Broker Signature)

Date _____

§ 1102.3 OF THE CIVIL CODE PROVIDES A BUYER WITH THE RIGHT TO RESCIND A PURCHASE CONTRACT FOR AT LEAST THREE DAYS AFTER THE DELIVERY OF THIS DISCLOSURE IF DELIVERY OCCURS AFTER THE SIGNING OF AN OFFER TO PURCHASE. IF YOU WISH TO RESCIND THE CONTRACT, YOU MUST ACT WITHIN THE PRESCRIBED PERIOD.**A REAL ESTATE BROKER IS QUALIFIED TO ADVISE ON REAL ESTATE. IF YOU DESIRE LEGAL ADVICE, CONSULT YOUR ATTORNEY.**

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TDS REVISED 6/24 (PAGE 3 OF 3)**REAL ESTATE TRANSFER DISCLOSURE STATEMENT (TDS PAGE 3 OF 3)**Produced with Lone Wolf Transactions (zipForm Edition) 717 N Harwood St, Suite 2200, Dallas, TX 75201 www.lwolfo.com

New Forms





SELLER PROPERTY QUESTIONNAIRE

(C.A.R. Form SPQ, Revised 6/26)

This form is not a substitute for the Real Estate Transfer Disclosure Statement (TDS). It is used by the Seller to provide additional information when a TDS is completed. If Seller is exempt from completing a TDS, Seller should either complete an Exempt Seller Disclosure (C.A.R. Form ESD) or use this SPQ form instead:

NOTE TO SELLER: YOU ARE STRONGLY ADVISED TO CAREFULLY REVIEW THE DISCLOSURE INFORMATION ADVISORY (C.A.R. Form DIA) BEFORE YOU COMPLETE THIS SELLER PROPERTY QUESTIONNAIRE. ALL SELLERS OF CALIFORNIA REAL PROPERTY ARE REQUIRED TO PROVIDE VARIOUS DISCLOSURES, WHETHER BY CONTRACT, STATUTE, OR CASE LAW. MANY DISCLOSURES MUST BE MADE WITHIN CERTAIN TIME LIMITS. TIMELY AND THOROUGH DISCLOSURES HELP TO REDUCE DISPUTES AND FACILITATE A SMOOTH SALES TRANSACTION.

Seller makes the following disclosures with regard to the real property or manufactured home described as 103 Camino Arroyo S, Palm Desert, CA, 92260, Assessor's Parcel No. 622-132-074, situated in Palm Desert, County of Riverside California ("Property").

☐ This property is a duplex, triplex, fourplex, or otherwise has additional dwelling units. A SPQ is required for all units. This SPQ is for ALL units (or ☐ only unit(s) _____).

1. **Disclosure Limitation:** The following are representations made by the Seller and are not the representations of the Agent(s), if any. This disclosure statement is not a warranty of any kind by the Seller or any agents(s) and is not a substitute for any inspections or warranties the principal(s) may wish to obtain. This disclosure is not intended to be part of the contract between Buyer and Seller. Unless otherwise specified in writing, Broker and any real estate licensee or other person working with or through Broker, has not verified information provided by Seller. A real estate broker is qualified to advise on real estate transactions. If Seller or Buyer desires legal advice, they should consult an attorney.

2. **Note to Seller, PURPOSE:** To tell the Buyer about known material or significant items affecting the value or desirability of the Property and help to eliminate misunderstandings about the condition of the Property.

- Answer based on actual knowledge and recollection at this time.
- Something that you do not consider material or significant may be perceived differently by a Buyer.
- Think about what you would want to know if you were buying the Property today.
- Read the questions carefully and take your time.
- If you do not understand how to answer a question, or what to disclose or how to make a disclosure in response to a question, whether on this form or a TDS, you should consult a real estate attorney in California of your choosing. A broker cannot answer the questions for you or advise you on the legal sufficiency of any answers or disclosures you provide.

3. **Note to Buyer, PURPOSE:** To give you more information about known material or significant items affecting the value or desirability of the Property and help to eliminate misunderstandings about the condition of the Property.

- Something that may be material or significant to you may not be perceived the same way by the Seller.
- If something is important to you, be sure to put your concerns and questions in writing (C.A.R. Form BMI).
- Sellers can only disclose what they actually know. Seller may not know about all material or significant items.
- Seller's disclosures are not a substitute for your own investigations, personal judgments, or common sense.

4. **SELLER AWARENESS:** For each statement below, answer the question "Are you (Seller) aware..." by checking either "Yes" or "No."

- A "Yes" answer is appropriate no matter how long ago the item being asked about happened or was documented unless otherwise specified.
- Explain any "Yes" answers in the space provided or attach additional comments and check **paragraph 19B** is checked and attach additional comments.

5. **DOCUMENTS:** Documents include any reports, inspections, disclosures, warranties, maintenance recommendations, estimates, studies, surveys, or other documents that pertain to:

- (i) the condition or repair of the Property;
- (ii) any improvement on this Property;
- (iii) easements, encroachments, or boundary disputes affecting the Property.

These documents include, but are not limited to, any document:

- (i) prepared in the past or present;
- (ii) provided during any previous transaction or from a previous owner;
- (iii) indicating the condition or proposing recommendations, whether or not Seller acted upon them; and
- (iv) whether or not it was provided to the Seller.

- A. Are you (Seller) aware of any Documents regarding the Property that were prepared before your ownership, whether in your possession or in the possession of others? ☒ Yes ☐ No
- B. Are you (Seller) aware of any Documents regarding the Property that were prepared for you during your ownership, whether in your possession or in the possession of others? ☒ Yes ☐ No
- C. Are you (Seller) aware of any Documents regarding the Property that were provided by others during your ownership (such as Documents obtained by potential buyers)? ☒ Yes ☐ No

Note: If yes to any, provide any such documents in your possession to Buyer. Receipt for Reports (C.A.R. Form RFR) may be used to list such documents and explanation can be given to provide context.

If Yes to any, provide explanation: Seller is a corporate entity. Documents in Seller's possession during ownership include work orders, inspection reports, renovation scopes, and third-party assessments. Seller will provide available details upon request.

6. **STATUTORILY OR CONTRACTUALLY REQUIRED OR RELATED:** **ARE YOU (SELLER) AWARE OF...**

- A. Within the last 3 years, the death of an occupant of the Property upon the Property ☐ Yes ☒ No
(Note to Seller: The manner of death may be a material fact to the Buyer, and should be disclosed, except for a death by HIV/AIDS.)
- B. An Order from a government health official identifying the Property as being contaminated by methamphetamine. (If yes, attach a copy of the Order.) ☐ Yes ☒ No



Property Address: 103 Camino Arroyo S, Palm Desert, CA, 92260

If this Property is a duplex, triplex, fourplex, or otherwise has additional dwelling units this SPQ is for unit # _____.

- C. The release of an illegal controlled substance on or beneath the Property ☐ Yes ☒ No
- D. Whether the Property is located in, or adjacent to, an "industrial use" zone ☐ Yes ☒ No
(In general, a zone or district allowing manufacturing, commercial or airport uses.)
- E. Whether the Property is affected by a nuisance created by an "industrial use" zone ☐ Yes ☒ No
- F. Whether the Property is located within 1 mile of a former federal or state ordnance location (In general, an area once used for military training purposes that may contain potentially explosive munitions.) ☐ Yes ☒ No
- G. Whether the Property is (i) a condominium or (ii) located in a planned unit development or (iii) other common interest subdivision (see **paragraph 14** for more disclosures)..... ☒ Yes ☐ No
- H. Insurance claims affecting the Property within the past 5 years ☐ Yes ☒ No
- I. Matters affecting title of the Property ☐ Yes ☒ No
- J. Plumbing fixtures on the Property that are non-compliant plumbing fixtures as defined by Civil Code § 1101.3 ☐ Yes ☒ No
- K. Any inspection reports on any exterior balconies, stairways, or other "Elevated Elements" on buildings with 3 or more units on the Property prepared within the last 6 years, or 9 years for condominiums ☐ Yes ☒ No
(See C.A.R. Form WBSA for more information)
- L. Material facts or defects affecting the Property not otherwise disclosed to Buyer ☒ Yes ☐ No

If Yes to any, provide explanation: _____

See Add'l Property Info: S4-HOA. Seller has never occupied this property. Seller encourages Buyer to have their own inspections performed and verify all information relating to this property where applicable as noted.

7. REPAIRS AND ALTERATIONS:

ARE YOU (SELLER) AWARE OF...

- A. Any alterations, modifications, replacements, improvements, remodeling, or material repairs on the Property (including those resulting from Home Warranty claims) ☒ Yes ☐ No
- B. Any alterations, modifications, replacements, improvements, remodeling, or material repairs to the Property done for the purpose of energy or water efficiency improvement or renewable energy? ☒ Yes ☐ No
- C. Ongoing or recurring maintenance on the Property (for example, drain or sewer clean-out, tree or pest control service) ☐ Yes ☒ No
- D. Any part of the Property being painted within the past 12 months ☐ Yes ☒ No
- E. Whether the Property was built before 1978 (if No, leave (1) and (2) blank)..... ☐ Yes ☒ No
(1) If yes, whether any renovations (i.e., sanding, cutting, demolition) of lead-based paint surfaces started or completed (if No, leave (2) blank) ☐ Yes ☒ No
(2) If yes to (1), whether such renovations were done in compliance with the Environmental Protection Agency Lead-Based Paint Renovation Rule ☐ Yes ☒ No
- F. Whether you acquired the property within 18 months of accepting an offer to sell it..... ☒ Yes ☐ No
If yes, have any room additions, structural modifications, or other alterations or repairs (collectively "Improvements") been performed by a contractor while you have owned the Property?..... ☒ Yes ☐ No

Note 1: If yes to F(1), Seller shall provide in the Explanation below: (i) a list of such Improvements and (ii) the name and contact information for each contractor who performed services of \$1,000 or more.

Note 2: If yes to F(1), Seller shall provide in the Explanation below (i) a list of those Improvements for which Seller has obtained permits, and Seller shall attach copies of those permits to this SPQ, and (ii) for those Improvements for which Seller does not have a permit, Seller shall include a statement identifying those Improvements stating that Seller was not provided permits by the third party making the Improvement, and providing the contact information for such third parties from whom the Buyer may obtain those permits.

If Yes to any, provide explanation: _____

See Add'l Property Info: S7-Improvements. Seller has never occupied this property. Seller encourages Buyer to have their own inspections performed and verify all information relating to this property where applicable as noted.

8. STRUCTURAL, SYSTEMS AND APPLIANCES:

ARE YOU (SELLER) AWARE OF...

- A. Defects in any of the following (including past defects that have been repaired): heating, air conditioning, electrical, plumbing (including the presence of polybutylene pipes), water, sewer, waste disposal or septic system, sump pumps, well, roof, gutters, chimney, fireplace, foundation, crawl space, attic, soil, grading, drainage, retaining walls, interior or exterior doors, windows, walls, ceilings, floors, or appliances ☒ Yes ☐ No
- B. The existence of a solar power system (if yes, Seller to provide C.A.R. Form SOLAR)..... ☒ Yes ☐ No
- C. The existence of a septic system, well, or propane tank (if yes, Seller to provide C.A.R. Form SWPI-Q)..... ☐ Yes ☒ No
- D. The leasing of any of the following on or serving the Property: water softener system, water purifier system, or alarm system ☐ Yes ☒ No
- E. Whether any structure on the Property other than the main improvement is used as a dwelling ☐ Yes ☒ No
(1) If Yes to E, whether there are separate utilities and meters for the dwelling..... ☐ Yes ☒ No
(2) If Yes to E, whether the dwelling received a permit or other government approval as an Accessory Dwelling Unit (ADU) ☐ Yes ☒ No

If Yes to any, provide explanation: _____

9. DISASTER RELIEF, INSURANCE OR CIVIL SETTLEMENT:

ARE YOU (SELLER) AWARE OF...

- A. Financial relief or assistance, insurance or settlement, sought or received, from any federal, state, local or private agency, insurer or private party, by past or present owners of the Property, due to any actual or alleged damage to the Property arising from a flood, earthquake, fire, other disaster, or occurrence or defect, whether or not any money received was actually used to make repairs ☐ Yes ☒ No
If yes, was federal flood disaster assistance conditioned upon obtaining and maintaining flood insurance on the Property ☐ Yes ☒ No
(NOTE: If the assistance was conditioned upon maintaining flood insurance, Buyer is informed that federal law, 42 USC 5154a requires Buyer to maintain such insurance on the Property, and if such insurance is not maintained, and the Property is damaged by a flood disaster, Buyer may be required to reimburse the federal government for the disaster relief provided.)

Property Address: 103 Camino Arroyo S, Palm Desert, CA, 92260

If this Property is a duplex, triplex, fourplex, or otherwise has additional dwelling units this SPQ is for unit # _____.

- B.** Receiving domestic water storage tank assistance pursuant to § 13194 of the Water Code or whether the real property ever received such assistance and the real property currently still has the domestic storage tank..... ☐ Yes ☒ No
- If yes, the following disclosure is made: (1) This property has a domestic water storage tank provided by a county, community water system, local public agency, or nonprofit organization, pursuant to § 13194 of the Water Code. (2) The domestic water storage tank was made available to households that had a private water well that had gone dry, or had been destroyed due to drought, wildfire, other natural disasters, or was otherwise nonfunctioning. (3) The domestic water storage tank provided pursuant to § 13194 of the Water Code might not convey with the real property. (4) Due to the water well issues that led to this property obtaining assistance pursuant to § 13194 of the Water Code, the buyer is advised to have an inspection of the water well and to have a professional evaluate the availability of water to the property to ensure it suits the purposes for which the buyer is purchasing the property.

If Yes to any, provide explanation: _____

10. WATER-RELATED AND MOLD ISSUES:

ARE YOU (SELLER) AWARE OF...

- A.** Water intrusion, whether past or present, into any part of any physical structure on the Property; leaks from or in any appliance, pipe, slab or roof; standing water, drainage, flooding, underground water, moisture, water-related soil settling or slippage, on or affecting the Property ☒ Yes ☐ No
- B.** Any problem with or infestation of mold, mildew, fungus, or spores, past or present, on or affecting the Property.. ☐ Yes ☒ No
- C.** Rivers, streams, flood channels, underground springs, high watertable, floods, or tides, on or affecting the Property or neighborhood ☐ Yes ☒ No

If Yes to any, provide explanation: _____

A. Prior Ownership: slab leak repaired and PEX installed under prior ownership. B. Per work order, roof repaired - penetrations sealed, tiles replaced, and flashing repaired. Seller has never occupied this property. Seller encourages Buyer to have their own inspections performed and verify all information relating to this property where applicable as noted.

11. PETS, ANIMALS, AND PESTS:

ARE YOU (SELLER) AWARE OF...

- A.** Past or present pets on or in the Property ☐ Yes ☒ No
- B.** Past or present problems with livestock, wildlife, insects, or pests on or in the Property ☐ Yes ☒ No
- C.** Past or present odors, urine, feces, discoloration, stains, spots or damage in the Property, due to any of the above ☐ Yes ☒ No
- D.** Past or present treatment or eradication of pests or odors, or repair of damage due to any of the above ☐ Yes ☒ No

If so, when and by whom _____

If Yes to any, provide explanation: _____

12. BOUNDARIES, ACCESS, AND PROPERTY USE BY OTHERS:

ARE YOU (SELLER) AWARE OF...

- A.** Surveys, easements, encroachments or boundary disputes ☐ Yes ☒ No
- B.** Use or access to the Property, or any part of it, by anyone other than you, with or without permission, for any purpose, including but not limited to, using or maintaining roads, driveways, or other forms of ingress or egress or other travel or drainage..... ☐ Yes ☒ No
- C.** Use of any neighboring property by you ☐ Yes ☒ No

If Yes to any, provide explanation: _____

13. LANDSCAPING, POOL AND SPA:

ARE YOU (SELLER) AWARE OF...

- A.** Diseases or infestations affecting trees, plants, or vegetation on or near the Property ☐ Yes ☒ No
- B.** Operational sprinklers on the Property ☒ Yes ☐ No
- (1) If yes, are they ☐ automatic or ☐ manually operated.
- (2) If yes, are there any areas with trees, plants, or vegetation not covered by the sprinkler system. ☐ Yes ☒ No
- C.** A pool heater on the Property ☐ Yes ☒ No
- If yes, is it operational? ☐ Yes ☒ No
- D.** A spa heater on the Property ☐ Yes ☒ No
- If yes, is it operational? ☐ Yes ☒ No
- E.** Past or present defects, leaks, cracks, repairs, or other problems with the sprinklers, pool, spa, waterfall, pond, stream, drainage, or other water-related decor including any ancillary equipment, including pumps, filters, heaters and cleaning systems, even if repaired ☐ Yes ☒ No

If Yes to any, provide explanation: _____

14. CONDOMINIUMS, COMMON INTEREST DEVELOPMENTS AND OTHER SUBDIVISIONS (AND ANY OTHER PROPERTIES FOR WHICH ANY PARAGRAPH A-F APPLIES): (IF APPLICABLE)

ARE YOU (SELLER) AWARE OF...

- A.** Property being: (i) a condominium; (ii) being located in a planned unit development or; (iii) being located in a common interest subdivision..... ☒ Yes ☐ No
- B.** Any Homeowners' Association (HOA) which has any authority over the subject property..... ☒ Yes ☐ No
- C.** Any "common area" (facilities such as pools, fitness centers, walkways, conference rooms, or other areas co-owned in undivided interest with others) ☒ Yes ☐ No
- D.** CC&R's or other deed restrictions or obligations ☒ Yes ☐ No
- E.** Any pending or proposed dues increases, special assessments, rules changes, insurance availability issues, or litigation by or against or fines or violations issued by a Homeowner Association or Architectural Committee affecting the Property ☐ Yes ☒ No
- F.** CC&R's or other deed restrictions or obligations or any HOA Committee that has authority over improvements made on or to the Property ☒ Yes ☐ No

SPQ REVISED 6/26 (PAGE 3 OF 5)

Buyer's Initials _____ / _____

Seller's Initials BB / _____

SELLER PROPERTY QUESTIONNAIRE (SPQ PAGE 3 OF 5)

Produced with Lone Wolf Transactions (zipForm Edition) 717 N Harwood St, Suite 2200, Dallas, TX 75201 www.lwolf.com



Property Address: 103 Camino Arroyo S, Palm Desert, CA, 92260

If this Property is a duplex, triplex, fourplex, or otherwise has additional dwelling units this SPQ is for unit # _____.

- (1) If Yes to F, any improvements made on or to the Property inconsistent with any declaration of restrictions or HOA Committee requirement ☐ Yes ☒ No
- (2) If Yes to F, any improvements made on or to the Property without the required approval of an HOA Committee ☐ Yes ☒ No

If Yes to any, provide explanation: _____

See Add'l Property Info: S10-HOA. Seller has never occupied this property. Seller encourages Buyer to have their own inspections performed and verify all information relating to this property where applicable as noted.

15. TITLE, OWNERSHIP, LIENS, AND LEGAL CLAIMS:

ARE YOU (SELLER) AWARE OF...

- A. Other than the Seller signing this form, any other person or entity with an ownership interest ☐ Yes ☒ No
- B. Leases, options, or claims affecting or relating to title or use of the Property ☐ Yes ☒ No
- C. Past, present, pending or threatened lawsuits, settlements, mediations, arbitrations, tax liens, mechanics' liens, notice of default, bankruptcy or other court filings, or government hearings affecting or relating to the Property, Homeowner Association, or neighborhood ☐ Yes ☒ No
- D. Features of the property shared in common with adjoining landowners, such as walls, fences and driveways, whose use or responsibility for maintenance may have an effect on the subject property ☒ Yes ☐ No
- E. Any encroachments, easements, boundary disputes, or similar matters that may affect your interest in the subject property, whether in writing or not ☐ Yes ☒ No
- F. Any private transfer fees, triggered by a sale of the Property, in favor of private parties, charitable organizations, interest-based groups, or any other person or entity. ☐ Yes ☒ No
- G. Any PACE lien (such as HERO or SCEIP) or other lien on your Property securing a loan to pay for an alteration, modification, replacement, improvement, remodel, or material repair of the Property ☐ Yes ☒ No
- H. The cost of any alteration, modification, replacement, improvement, remodel, or material repair of the Property being paid by an assessment on the Property tax bill ☐ Yes ☒ No

If Yes to any, provide explanation: _____

16. NEIGHBORS/NEIGHBORHOOD:

ARE YOU (SELLER) AWARE OF...

- A. Neighborhood noise, nuisance, or other problems from sources such as, but not limited to, the following: Neighbors, traffic, parking congestion, airplanes, trains, light rail, subway, trucks, freeways, buses, schools, parks, refuse storage or landfill processing, agricultural operations, business, odor, recreational facilities, restaurants, entertainment complexes or facilities, parades, sporting events, fairs, neighborhood parties, litter, construction, air conditioning equipment, air compressors, generators, pool equipment or appliances, underground gas pipelines, cell phone towers, high voltage transmission lines, or wildlife ☐ Yes ☒ No
- B. Any past or present disputes or issues with a neighbor which might impact the use, development and enjoyment of the Property ☐ Yes ☒ No

If Yes to any, provide explanation: _____

17. GOVERNMENTAL:

ARE YOU (SELLER) AWARE OF...

- A. Ongoing or contemplated eminent domain, condemnation, annexation or change in zoning or general plan that applies to or could affect the Property ☐ Yes ☒ No
- B. Existence or pendency of any rent control, occupancy restrictions, improvement restrictions, or retrofit requirements that apply to or could affect the Property ☐ Yes ☒ No
- C. Existing or contemplated building or use moratoria that apply to or could affect the Property ☐ Yes ☒ No
- D. Any state or local requirements or restrictions relating to the future replacement of existing gas-powered appliances that are being transferred with the property. Gas-powered appliances include, but are not limited to, appliances fueled by natural gas or liquid propane ☐ Yes ☒ No
- E. Current or proposed bonds, assessments, or fees that do not appear on the Property tax bill that apply to or could affect the Property ☐ Yes ☒ No
- F. Proposed construction, reconfiguration, or closure of nearby Government facilities or amenities such as schools, parks, roadways, and traffic signals ☐ Yes ☒ No
- G. Existing or proposed Government requirements affecting the Property (i) that tall grass, brush or other vegetation be cleared; (ii) that restrict tree (or other landscaping) planting, removal, or cutting or (iii) that flammable materials be removed ☐ Yes ☒ No
- H. Any protected habitat for plants, trees, animals, or insects that apply to or could affect the Property ☐ Yes ☒ No
- I. Whether the Property is historically designated or falls within an existing or proposed Historic District ☐ Yes ☒ No
- J. Any water surcharges or penalties being imposed by a public or private water supplier, agency or utility; or restrictions or prohibitions on wells or other ground water supplies ☐ Yes ☒ No
- K. Any differences between the name of the city in the postal/mailling address and the city which has jurisdiction over the property ☐ Yes ☒ No

If Yes to any, provide explanation: _____

18. OTHER:

ARE YOU (SELLER) AWARE OF...

- A. Any occupant of the Property smoking or vaping any substance on or in the Property, whether past or present ☐ Yes ☒ No
- B. Any residue, which may be indicated by smell or test results, from smoking tobacco or nicotine products, which includes the use of an electronic cigarette or vape device ☐ Yes ☒ No
- C. Any use of the Property for, or any alterations, modifications, improvements, remodeling or material change to the Property due to, cannabis cultivation or growth ☐ Yes ☒ No
- D. Whether the Property was originally constructed as a Manufactured or Mobile home ☐ Yes ☒ No



Property Address: 103 Camino Arroyo S, Palm Desert, CA, 92260

If this Property is a duplex, triplex, fourplex, or otherwise has additional dwelling units this SPQ is for unit # _____.

- E. Whether the Property is tenant occupied ☐ Yes ☒ No
If Yes, do you have photographs from the beginning of the tenancy (if in your possession, provide along with any other move-in reports created at the beginning of the tenancy)..... ☐ Yes ☒ No
- F. Whether the Property was previously tenant occupied even if vacant now ☐ Yes ☒ No
If yes, disclose if you know the method or manner of how the tenancy ended. _____
If Yes to any, provide explanation: _____

19. MATERIAL FACTS:

- A. Any past or present known material facts or other significant items affecting the value or desirability of the Property not otherwise disclosed to Buyer ☐ Yes ☐ No
- B. ☐ (IF CHECKED) **ADDITIONAL COMMENTS:** The attached addendum contains an explanation or additional comments in response to specific questions answered "yes" above. Refer to line and question number in explanation.
If Yes to any, provide explanation: _____

Seller represents that Seller has provided the answers and, if any, explanations and comments on this form and any attached addenda and that such information is true and correct to the best of Seller's knowledge as of the date signed by Seller. Seller acknowledges (i) Seller's obligation to disclose information requested by this form is independent from any duty of disclosure that a real estate licensee may have in this transaction; and (ii) nothing that any such real estate licensee does or says to Seller relieves Seller from Seller's own duty of disclosure.

Seller Brad Bonney Authorized Signer on Behalf of _____ Date 08/17/2026
Seller _____ Opendoor Property Trust I _____ Date _____

By signing below, Buyer acknowledges that Buyer has read, understands and has received a copy of this Seller Property Questionnaire form.

Buyer _____ Date _____
Buyer _____ Date _____

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SPQ REVISED 6/26 (PAGE 5 OF 5)

SELLER PROPERTY QUESTIONNAIRE (SPQ PAGE 5 OF 5)

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Additional Property Information

PROPERTY ADDRESS

103 Camino Arroyo S, Palm Desert, CA, 92260

ADDITIONAL PROPERTY INFORMATION — continuation of explanations that did not fit their printed boxes.

[SB-Defects] — Transfer Disclosure Statement, Section B (significant defects/malfunctions), Describe: Prior Ownership: slab leak repaired and PEX installed under prior ownership. Per work order, foundation crack filled and sealed. Per work order, roof repaired - penetrations sealed, tiles replaced, and flashing repaired. Per work order, wood fascia replaced. Per work order, exterior porch cracks filled. Per work order, overhead patio cover repaired.

[SC-Awareness] — Transfer Disclosure Statement, Section B/C, "If any of the above is checked, explain": Prior Ownership: slab leak repaired and PEX installed under prior ownership. Per work order, foundation crack filled and sealed. Per work order, roof repaired - penetrations sealed, tiles replaced, and flashing repaired. Per work order, wood fascia replaced. Per work order, exterior porch cracks filled. Per work order, overhead patio cover repaired. Per work order, toilet flush mechanism replaced.

[S4-HOA] — Seller Property Questionnaire, item 4 explanation: HOA Name: Chaparral Country Club, Phone Number: 760-340-1893 x 101, Main Fee: \$441 paid monthly. Property is a condo association with HOA common areas. Please see attached for HOA-related expenses provided to the Seller at the time the Seller purchased this property. Buyer is encouraged to contact the HOA for current information.

[S7-Improvements] — Seller Property Questionnaire, Section 7 improvements (A-F / F1): Prior Ownership: solar panels subject to lease agreement. Per work order, toilet flush mechanism replaced. Per work order, foundation crack sealed. Per work order, roof penetrations sealed, tiles replaced, and flashing repaired. Per work order, wood fascia replaced. Per work order, overhead patio cover repaired.

[S10-HOA] — Seller Property Questionnaire, item 10 explanation: B) Property is part of HOA. F) Contact HOA for specific guidelines and requirements. HOA Name: Chaparral Country Club, Phone Number: 760-340-1893 x 101, Main Fee: \$441 paid monthly. Please see attached for HOA-related expenses provided to the Seller at the time the Seller purchased this property. Buyer is encouraged to contact the HOA for current information.

x *Brad Bonney*

Authorized Signer on behalf of Opendoor Property Trust I

Date: 08/17/2026

The seller has made this page available in an effort to make the contents of this disclosure easier to read, as the current format of the seller disclosure itself does not leave adequate space to explain answers provided. The seller never occupied the property. The information being provided is context gleaned from previous seller inputs, visual assessment, work orders, and publicly available information. Some information from the sources noted could be conflicting and the seller encourages the buyer to obtain their own inspection to verify the details noted here.

Completed Work Summary

PROPERTY ADDRESS

103 Camino Arroyo S, Palm Desert, CA, 92260

****Nuvote LLC**** — admin@nuvote.com • (770) 814-8141

August 1–4, 2026

Roof penetrations sealed with tile replacement and flashing repair; foundation crack filled and sealed; toilet flush mechanism replaced; overhead patio cover repaired and painted; exterior wood fascia replaced and painted; hairline cracks in the exterior porch filled; kitchen and living room interior paint; general readiness items including door stops, strike plates, switch and outlet plates, light bulbs, smoke detector batteries, capping of unused water and gas lines, and new HVAC filters.

****S & L Final Clean**** — laurieojeda@live.com • (951) 551-0292

August 4–5, 2026

Full interior and exterior detail clean covering flooring, windows and tracks, air vent grills, light fixtures and fans, doors and trim, cabinetry, counters, sinks and plumbing fixtures, showers and tubs, baseboards, and kitchen and laundry appliances, with debris removal.

****VRX Photography**** — nate@vrxmediagroup.com • (262) 880-5727

August 7, 2026

Captured a 3D tour of the home.

x *Brad Bonney*

Authorized Signer on behalf of Opendoor Property Trust I

Date: 08/23/2026

The Seller has made this Completed Work Summary available in order to provide transparency regarding work performed at the property. While such work was undertaken at the Seller's direction, it was performed by third-party, independent contractors and vendors, who are solely responsible for the manner, method, and quality of the work performed. The Seller is not a licensed contractor or tradesperson and is not qualified to evaluate, and does not warrant or represent, whether such work was completed in accordance with applicable codes, standards, or workmanship generally accepted in the trade. The Seller never occupied the property. Buyer is encouraged to obtain their own independent inspection to verify the details noted herein.



OS National

July 13, 2026

RE: 103 Camino Arroyo S

Dear Bradley,

The account for the Chaparral property owned by *Hopkins* has a \$595.10 balance due. The July social dues of \$541.00 will need to be collected and pro-rated between the buyer and the seller to the date of purchase. The August social dues of \$441.00 will need to be collected from the buyer. Total receivable due is **\$1,577.10**

A transfer fee of **\$400.00** is due from the seller.

A Capital Dues Assessment in the amount of \$6,000.00 was voted in by the membership early 2025 and is tied to the property. The assessment was levied against the member of record at the time of approval. The Club requires that either the seller pays the assessment in full prior to closing, or the buyer formally assumes the remaining balance, agreeing to make \$100.00 monthly payments and accept full responsibility for repayment or transfer upon any future sale. Per the Escrow Agent, the *Seller* has elected to assume the remaining balance of **\$4,800.00** in this Escrow.

Effective June 1, 2025, all new homebuyers at Chaparral Country Club are required to pay a **\$5,000** Capital Contribution fee.

We have a food and beverage minimum for the calendar year January 1st to December 31st in the amount of \$720.00. The new owner has until December 31st to spend their share of the prorated food and beverage minimum, which is \$321.53 **based upon a closing date of July 21st**.

(This is for informational purposes only).

The current owner's Food & Beverage Minimum has a **\$341.97** balance to meet.

The amount due from escrow is \$12,119.07 (the sum of the 5 underlined amounts). **We kindly request the demand payment to be made on one check.** We ask that the attached form be completed by the buyers and returned to so we can get the buyers into our system. We also require a copy of the Grant Deed before we meet with the new owners and their contact information upon the close of escrow.

If I can be of further assistance, please feel free to contact me at 760-340-1893 extension 101.

Sincerely,

Nisha Kaushal

Controller

Chaparral Country Club, Inc.

100 Chaparral Drive

Palm Desert, CA 92260

Office: (760) 340-1893 ext. 101

Email: grobledo@chaparralcc.org



ACCOUNTING DEPARTMENT DATA COLLECTION FORM

(Please print)

Please fill in the information below and return to Chaparral Country Club's Executive Secretary. If you select "General Use", you are authorizing us to release contact information only to other Chaparral Members.

MEMBER NAME #1: _____

MEMBER NAME #2: _____

CHAPARRAL ADDRESS: _____

CHAPARRAL HOME PHONE#: _____

SECONDARY ADDRESS: _____

SECONDARY HOME PHONE: _____

MEMBER #1 CELL PHONE: _____

MEMBER #2 CELL PHONE: _____

MEMBER #1 E-MAIL ADDRESS: _____

MEMBER #2 E-MAIL ADDRESS: _____

BILLING	
☐	MEMBER #1 E-MAIL STMNT.
☐	MEMBER #2 E-MAIL STMNT.
☐	MAILED STMNT. (\$10 FEE)

KEEP PRIVATE	GENERAL USE
☐	☐
☐	☐
☐	☐
☐	☐
☐	☐

Please return to: Nisha Kaushal
Chaparral Country Club
100 Chaparral Drive
Palm Desert, CA 92260
nkaushal@chaparralcc.org

Billing Disclosure Form

ML-A02778

Charges for Documents Provided as Required by Section 4525

The seller may, in accordance with Section 4530 of the Civil Code, provide to the prospective purchaser, at no cost, current copies of any documents specified by Section 4525 that are in the possession of the seller. A seller may request to purchase some or all of these documents, but shall not be required to purchase ALL of the documents listed on this form.

Account Information:

Association: Chaparral Association, Inc.
 Property Address: 103 Camino Arroyo South
 Palm Desert, CA 92260
 Owner of Property: Theresa Hopkins, Trustee
 Owner's Mailing Address: 103 Camino Arroyo South
 Palm Desert, CA 92260

Provider of §4525 Items:

Name:
 Email:
 Date Completed: 7/24/26

**Not Available (N/A),
 Not Applicable
 (N/App), or Directly
 Provided by Seller
 and Confirmed as
 Current (DP)**

Document	Civil Code Section	Fee for Document	Not Available (N/A), Not Applicable (N/App), or Directly Provided by Seller and Confirmed as Current (DP)
Articles of Incorporation or statement that HOA is not incorporated	4525(a)(1)	\$50.00	
CC&Rs	4525(a)(1)	\$65.00	
Bylaws	4525(a)(1)	\$55.00	
Operating Rules	4525(a)(1)	\$60.00	
Age Restrictions, if any	4525(a)(2)		Refer to the Demand
Rental Restrictions, if any	4525(a)(9)	\$0.00	Refer to CC&Rs
Annual Budget Report or Summary, including Reserve Study	5300, 4525(a)(3)	\$70.00	
Assessment and Reserve Funding Disclosure Summary	5300, 4525(a)(4)	\$55.00	
Financial Statement Review	5305, 4525(a)(3)	\$70.00	
Assessment Enforcement Policy	5310, 4525(a)(4)	\$40.00	
Insurance Summary	5300, 4525(a)(3)	\$50.00	
Regular Assessment	4525(a)(4)		Refer to the Demand
Special Assessment	4525(a)(4)	\$0.00	Refer to the Demand
Emergency Assessment	4525(a)(4)		Refer to the Demand
Other Unpaid Obligations of Seller	5675, 4525(a)(4)		Refer to the Demand
Approved Changes to Assessments	5300, 4525(a)(4),(8)		Included in Budget
Settlement Notice Regarding Common Area Defects	6100, 4525(a)(6),(7)		Refer to the Demand

Billing Disclosure Form

MQL-A02778

Preliminary List of Defects	6000, 6100, 4525(a)(6)		Refer to the Demand
Notice(s) of Violation	5855, 4525(a)(5)	N/A	
Required Statement of Fees	4525	\$225.00	aka Demand
Minutes of Regular Board Meetings Conducted Over the Previous 12 Months, if Requested	4525(a)(10)	\$80.00	
SB326 Inspection Report	SB326, SB721	N/A	
Total Fees for Documents:		\$820.00	

*The information provided by this form may not include all fees that may be imposed before the close of escrow. Additional fees that are not related to the requirements of Section 4525 may be charged separately.

Closing Statement of Fees Bundle (Demand)

ML-A02778

Association: **Chaparral Association, Inc.**
Current Owner: **Theresa Hopkins, Trustee**
Property Address: **103 Camino Arroyo South , Palm Desert, CA 92260**
Purchaser Name: **OPENDOOR PROPERTY TRUST I, a Delaware statutory trust**
Date Prepared: **7/24/26**

****PLEASE CONTACT CHAPARRAL COUNTRY CLUB FOR A SEPARATE CLUB DUES DEMAND AT 760-340-1893, Nisha Kaushal (ext.105) or Jim Shumate (ext.102)****

If the seller is enrolled in the HOAs automatic payment program for monthly Association dues, the seller must contact FirstCitizens Bank directly to discontinue the monthly payments. The Association and management are NOT responsible for cancelling the sellers automatic payments. FirstCitizens Bank should be contacted at 866-800-4656.

Assembly Bill 690 allows sellers the option of providing association documents to prospective buyers in escrow. Please be advised that the Association and Albert Management assume no liability or responsibility if the seller provides out of date versions of Association documents.

THE INFORMATION CONTAINED ON THIS DEMAND IS ONLY GOOD THROUGH THE DATE STATED ABOVE ON THE DEMAND, IF YOU ARE CLOSING AFTER THAT DATE YOU MUST REQUEST AN UPDATED DEMAND THROUGH CONDOCERTS.COM; PLEASE GO TO WWW.CONDOCERTS.COM AND CLICK THE UPDATE YOUR ORDER LINK ON THE HOMEPAGE FOR AN UPDATED DEMAND REQUEST BE SUBMITTED AND PROCESSED OR FOR A VERBAL OR EMAIL UPDATE JUST EMAIL YAZMINA.ALVAREZ@ALBERTMGT.COM OR CALL AT (760) 346-9000 EXT.1005

PRINCIPAL CONTACT

The following information is the principal contact for the Association:

Company Name: **Keystone Pacific Property Management**
Contact: **Yazmina Alvarez**
Address: **41865 Boardwalk Ste 101**
Palm Desert, CA 92211-9031
Phone: **(760) 346-9000 ext.1005**
Email: **yazmina.alvarez@albertmgt.com**

REQUESTER INFORMATION

The following information has been requested by:

Company Name:	OS National	Escrow / File #:	
Contact:	Special Ops Unit	Date Ordered:	7/15/26
Address:	3097 Satellite Blvd, Suite 500	Closing Date:	7/21/26
	Duluth, GA 30096		
Phone:	(678) 282-2342		
Email:	souprocessing@osnational.com		

Closing Statement of Fees Bundle (Demand)

MQL-A02778

INSURANCE INFORMATION

For information on insurance maintained by the Association, please contact:

Carrier: **LaBarre/Oksnee Insurance**
Agent: **Becky Hayes**
Phone: **800-698-0711**
Email: **proof@hoa-insurance.com**

VIOLATION INFORMATION

No violations but we do want to disclose the following:

Security Screen Front Entry Door Conditions: Owner shall be responsible for the maintenance and care of the security door and will repaint the screen when needed and at the direction of the maintenance committee. Security screens must be painted to match Chaparrals required color.

Atriums

Atriums: any atrium within the residence is also the Owners responsibility to maintain.

However, any modifications to the atrium, including, but not limited to, re-surfacing, enclosing, installing skylights, etc. must be approved by the Architectural Committee through the application process . Owners are responsible for ensuring that the drain in their atrium is functioning properly and is kept free of debris.

Patio Floor Covering

Owners are responsible for maintaining and repairing the patio pavers, tile (patio flooring in general).

SOLAR ELECTRIC (PHOTOVOLTAIC) SYSTEMS Conditions:

The Owner indemnifies and holds Harmless the Association, its Directors, Officers and employees against any damage caused to the roof and structure, and to Adjacent roofs and structures during installation and the subsequent lifetime of the solar system.

This includes, but is not limited to, damage to tiles, roofline, and/or Underlying framing, damage from water leaks, damage from failure of the system Due to wind or other causes, and fire damage traceable to the system.

Proof of adequate insurance from the owner is required. If a battery backup or storage system is included in the installation, the homeowner is responsible for any damage resulting from battery malfunction.

As part of the Application Process, the Owner shall submit a signed Maintenance/Indemnity Agreement that includes depiction of the section of the roof where the panels and related equipment will be located.

The owner shall be responsible for all maintenance, repair, and replacement of the affected portion of the roof during the lifetime of the solar system, including the removal of dirt, leaves and debris from beneath or on the system and from the residence gutter.

Closing Statement of Fees Bundle (Demand)

MQL-A02778

The Owner is responsible for all maintenance and repair of the solar system during its lifetime and for any damage to the system, regardless of how it occurs. This includes, but is not limited to, doing damage from windblown debris and from errant golf balls.

The Owner will remove and replace the solar system at his/her cost. At any time, the Association has determined to include the residence in a general roof replacement program. For additional information about solar electric systems, refer to the recorded Maintenance & Indemnity Agreement and HOA Rules and Regulations.

LITIGATION INFORMATION

The Association is NOT currently involved in any pending suit or unsatisfied judgment that could have a material impact on the Association.

Closing Statement of Fees Bundle (Demand)

ML-A02778

RECURRING ASSESSMENT(S)

Amount of all assessments and any other mandatory fees or charges currently imposed by Chaparral Association, Inc.:

<u>Name</u>	<u>Description</u>	<u>Paid Through</u>	<u>Next Due Date</u>
Monthly Assessment	\$805.00 due Monthly on the 1st	6/30/2026	7/1/2026

LATE FEES

A late fee of **10%** is added to the account if it is not paid in full within **16** days of the due date.

Closing Statement of Fees Bundle (Demand)

ML-A02778

SCHEDULE OF FEES CHARGED FOR CLOSING STATEMENT

Any post-closing fee charged by the common interest community manager, if any, and associated with the purchase, disposition and maintenance of the unit and the use of common elements, and the status of the account:

<u>Item</u>	<u>Status</u>	<u>Due From</u>	<u>Payable To</u>	<u>Amount</u>
Owner's Current Balance as of 7/24/2026	Pay at Close	Seller	Association	\$885.50
Standard Closing Statement of Fees Bundle	Paid	Seller	Management Company	\$375.00
Compliance Processing Fee	Paid	Seller	Management Company	\$250.00
Annual Board Meeting Minutes	Paid	Seller	Management Company	\$60.00
Architectural Guidelines	Paid	Seller	Management Company	\$55.00
Collection Policy	Paid	Seller	Management Company	\$40.00
Current Unaudited Financial Documents	Paid	Seller	Management Company	\$70.00
Insurance Dec Page	Paid	Seller	Management Company	\$50.00
Minutes of Regular Board Meetings	Paid	Seller	Management Company	\$80.00
Reserve Reports	Paid	Seller	Management Company	\$55.00
Annual Budget Report	Paid	Seller	Management Company	Incl.
Articles of Incorporation	Paid	Seller	Management Company	Incl.
Bylaws	Paid	Seller	Management Company	Incl.
CCRs	Paid	Seller	Management Company	Incl.
Financial Statement Review	Paid	Seller	Management Company	Incl.
Litigation	Paid	Seller	Management Company	Incl.
Operating Rules	Paid	Seller	Management Company	Incl.
Rental Restrictions	Paid	Seller	Management Company	Incl.
Special Assessment	Paid	Seller	Management Company	Incl.
Prepaid Monthly Assessment	Pay at Close	Buyer	Association	\$805.00
Transfer Fee	Pay at Close	Buyer	Management Company	\$300.00

REMIT AT CLOSING

The following is a summary of the amounts due at closing:

Payable to Chaparral Association, Inc.	\$1,690.50
Chaparral Association, Inc. c/o Keystone Pacific Property Management PO Box 12920 Palm Desert, CA 92255	
Payable to Keystone Pacific Property Management	\$300.00
Keystone Pacific Property Management PO Box 12920 Palm Desert, CA 92255	

Closing Statement of Fees Bundle (Demand)

ML-A02778

ADDITIONAL COMMENTS

HOA DOES NOT AUTHORIZE THE RELEASE OF THESE DOCUMENTS WITHOUT ESCROW AGENT ACQUIRING A SIGNED AUTHORIZATION FROM THE SELLER.

THIS DISCLOSURE IS INTENDED STRICTLY FOR THE USE OF REAL ESTATE AND LENDING PROFESSIONALS. THIS INFORMATION, WHILE DEEMED TO COME FROM RELIABLE SOURCES, IS NOT GUARANTEED. PROSPECTIVE BUYERS OF REAL ESTATE SHOULD SEEK APPROPRIATE AND COMPLETE DISCLOSURES FROM THE SELLER OF THE SUBJECT PROPERTY.

THE RESPONSES HEREIN ARE MADE IN GOOD FAITH AND TO THE BEST OF MY ABILITY AS TO THEIR ACCURACY.

SIGNATURE



Yazmina O. Alvarez
Compliance Assistant - Escrow Dept.

Member Approval for E-Mail Distribution of Association Disclosure Documents
CHAPARRAL
HOMEOWNERS ASSOCIATION

Chaparral Homeowners Association is pleased to offer E-mail distribution services to its members. By signing up for E-mail distribution, not only are you going green and saving trees, but you are saving the Association substantial expenses of copying, postage and supply, ultimately keeping Association costs and assessments down. We are encouraging all 625 **HOA Members** to sign up for the E-mail distribution services and request that you complete the consent form below and return it to the address below.

The undersigned member hereby agrees that the documents listed below can be sent via E-mail in PDF format:

(To download the free Adobe Reader software to view PDF documents, please go to www.adobe.com)

- | | |
|--|---|
| • Notices | • Rules and Regulations |
| • Regular Board Meeting Notices | • Newsletters |
| • Special Board Meeting Notices | • Annual Financial Statements |
| • Proposed Rule Change Notification | • Disclosure Documents Index |
| • Request for Volunteers (Candidates, Committees, Inspector of Election, etc.) | • Assessment and Reserve Funding Disclosure Summary |
| • Pro Forma Operating Budget or Pro Forma Operating Budget Summary | • Assessment Collection Policy |
| • Insurance Coverage Summary | • Notice/Assessments and Foreclosure |
| • Alternative Dispute Resolution (ADR) Rights | • Board Minutes Access |
| • Secondary Address Notification Request | • Internal Dispute Resolution (IDR) Rights |
| • Reserve Funding Plan | • Architectural Changes Notice |
| • Annual Update of Reserve Study | • Monetary Penalties Schedule |
| | • Review of Financial Statement |

Registration forms must be signed and only one E-mail address will be accepted per property address. Signed forms may be scanned and e-mailed to info@albertmgt.com or faxed to 760-346-9997.

By signing below, you agree to receive the above-referenced documents via E-mail delivery and you understand you will no longer receive these documents via U.S. Mail or other methods of delivery. You can revoke this authorization, and again receive Association notices, disclosure and other documentation in hard copy as permitted under California law by sending your revocation notice by E-mail to Albert Management at cynthia.doane@albertmgt.com, faxed to 760-346-9997, or returned by mail to the Albert Management corporate office at: P.O. Box 12920 Palm Desert, CA 92255. Please note that delivery of any notices, disclosures and documents is complete at the time of E-mail transmission. Further, I understand and agree that it is my responsibility to notify the community association if our E-mail address should change. I also understand that I have the right, at any time to have any documents (delivered by E-mail transmission) made available to me on paper or other non-electronic form at any time upon my written request.

(Signature of Owner)

Printed Name: _____

Address within **Chaparral Homeowners Association**:

E-Mail Address: _____

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Ways to contact us

Customer service numbers

General Services (U.S. & Canada)	1-800-655-4555
Payments, Extensions or Payment Options	1-800-950-2356
Emergency Services & Outages	1-800-611-1911
California Alternate Rates for Energy (CARE)	1-800-447-6620
Energy Theft Hotline	1-800-227-3901
Hearing & Speech Impaired (TTY)	1-800-352-8580

Relay calls accepted

Request a large print bill 1-800-655-4555

Multicultural services

Cambodian / ខ្មែរ	1-800-843-1309
Chinese / 中文	1-800-843-8343
Korean / 한국어	1-800-628-3061
Vietnamese / Tiếng Việt	1-800-327-3031
Spanish / Español	1-800-441-2233

Correspondence:

Southern California Edison
P.O. Box 6400
Rancho Cucamonga, CA
91729-6400

www.sce.com

Important information

What are my options for paying my bill?

On-line	Pay one-time or recurring on www.sce.com/bill
Mail-in	Check or Money order
In Person	Authorized payment locations 1-800-747-8908
Phone	QuickCheck 1-800-950-2356
	Debit & credit card 1-833-425-1440
Other	PayPal, Venmo, Apple Pay and Google Pay

Electronic check processing

Your check payment will be processed as a one-time Electronic Fund Transfer (EFT). With EFTs, funds may be withdrawn from your account the day we receive your payment. Your check will not be returned, but will appear on your financial statement.

Rates and applicable rules: Available at www.sce.com or upon request.

Past due bills

When is my bill past due? It is past due 20 days after the preparation date, which was 07/13/26.

- Unable to pay: If payment arrangements were not extended to you by SCE pursuant to SCE's filed tariffs, you may contact the California Public Utilities Commission.
- For safety reasons, if service is disconnected, please ensure any sensitive or potentially hazardous equipment is unplugged on the day of reconnection. For additional home safety tips, visit www.sce.com/safety or call SCE at 1-800-655-4555.

What is the Late Payment Charge (LPC)?

0.8% will be applied to the total unpaid balance if payment is not received by the due date on this bill (except for CARE and state agency accounts).

What is a rotating outage?

Rotating outages are controlled electrical outages used to avoid widespread or uncontrolled blackouts. Your Rotating Outage Group number is located on page 1, upper left, of your SCE bill. Your rotating outage group number may change at any time. For more information, visit www.sce.com/rotating outage.

What is the Power Charge Indifference Adjustment (PCIA)?

The PCIA is a charge to ensure that both SCE customers and those who have left SCE service to purchase electricity from other providers pay for the above market costs for electric generation resources that were procured by SCE on their behalf. 'Above market' refers to the difference between what the utility pays for electric generation and current market prices for the sale of those resources.

Disputed bills

If you believe there is an error on your bill or have a question about your service, please call Southern California Edison (SCE) customer support at 1-800-655-4555. If you are not satisfied with SCE's response, submit a complaint to the California Public Utilities Commission (CPUC) at www.cpuc.ca.gov/ complaints/. The CPUC's Consumer Affairs Branch (CAB) handles billing and service complaints and can be reached by:

Telephone 1-800-649-7570 (8:30 AM - 4:30 PM, Monday - Friday)

Mail CPUC, Consumer Affairs Branch, 505 Van Ness Ave., Room 2003, San Francisco, CA 94102

If you have limitations hearing or speaking, contact the California Relay Service, which is for those needing assistance relaying telephone conversations. Dial 711 or one of the numbers below to be routed to a California Relay Service provider in your preferred mode of communication.

Type of Call	English	Spanish
TTY/VCO/HCO to Voice	1-800-735-2929	1-800-855-3000
Voice to TTY/VCO/HCO	1-800-735-2922	1-800-855-3000
Speech-to-Speech Relay	1-800-854-7784	1-800-854-7784

To avoid having service turned off while waiting for the outcome of a complaint to the CPUC regarding the accuracy of your bill, contact CAB for assistance. If your case meets the eligibility criteria, CAB will instruct you on how to mail a check or money order to be impounded pending resolution of your case. You must continue to pay your current charges while your complaint is reviewed to keep your service turned on.

Definitions

- **Baseline Credit:** The baseline credit provides reduced electricity rates on electricity used up to the baseline allocation for the region that you live in.
- **CA Climate Credit:** Credit from state effort to fight climate change. Applied monthly to eligible businesses and semi-annually to residents.
- **Wildfire Fund Charge:** Supports the California Wildfire Fund which covers costs associated with catastrophic wildfires, including payment of bonds issued by the California Department of Water Resources (DWR)
- **Public Purpose Programs Charge:** Funds state-mandated programs for low income discounts, energy efficiency, renewable energy and R&D.
- **SCE Generation:** For recovering energy procurement and generation costs for that portion of your energy provided by SCE.

To change your contact information, complete the form below and return it to SCE

Change of mailing address: 700394594125

STREET#	STREET NAME	APARTMENT #
CITY	STATE	ZIP CODE
TELEPHONE #	E-MAIL ADDRESS	

Energy Assistance Fund (EAF): I want to help people pay their energy bill through EAF. For info visit www.sce.com/eaf or call (800) 205-8596.

Add this amount for EAF \$

☐

Every
Month

☐

One Month
only

Select one box only and sign below for EAF:

Things you should know

Fixed Recovery Charge

SCE has been permitted to issue bonds that enable it to recover more quickly certain costs related to preventing and mitigating catastrophic wildfires. Your bill for electric service includes a Fixed Recovery Charge that has been approved by the CPUC to repay those bonds. The right to recover the Fixed Recovery Charge has been transferred to a separate entity (called the Special Purpose Entity) that issued the bonds and does not belong to SCE. SCE is collecting the Fixed Recovery Charge on behalf of the Special Purpose Entity.

Stay in Control

If you're behind on payments, enrolled in a payment plan, or facing disconnection, we offer options and energy management solutions to help you stay in control of your bill and costs. Learn more at www.sce.com/billsupport.

Solar Customer Bills

Starting in June 2026, solar customers, except those on MASH or SOMAH, may notice a change in how their bills look. The information will be the same with additional call-outs for clarity. To view the Solar Billing Plan bill guide, visit sce.com/sbpbill. To view the Net Energy Metering (NEM) bill guide (NEM 1.0 and NEM 2.0), visit sce.com/nembill.

Service account 8022281441 **POD-ID**
Service address 103 CAMINO ARROYO S 101760940001263611
 PALM DESERT, CA 92260
Rotating outage Group A054

This is your closing statement

Your cost varies by time of day



Summer cost periods (Jun 01-Sep 30)

	Weekdays	Weekends & Holidays
On peak	4pm - 9pm	
Mid peak		4pm - 9pm
Off peak	12am - 4pm 9pm - 12am	12am - 4pm 9pm - 12am

Your past and current electricity usage

		Electricity (kWh)	
Summer Season	Consumption	Net generation	Total
On peak	181	-109	72
Mid peak	62	-34	28
Off peak	299	-834	-535
Total electricity usage this month in kWh			-435

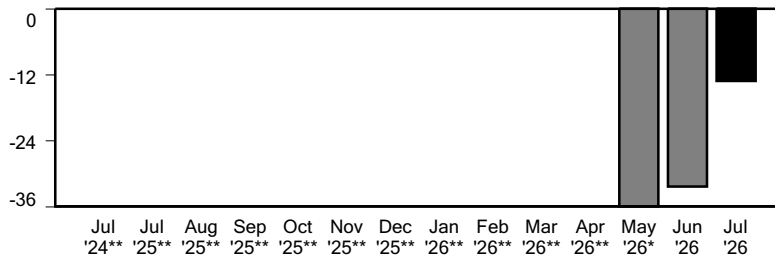
Consumption is the total amount of electricity imported from SCE.

Net generation is the amount of excess electricity exported to the grid by your generating system.

Total electricity usage is your system's total consumption minus your net generation.

Your daily average electricity usage (kWh)

2 Years ago: N/A Last year: N/A This year: -13.18



* Irregular billing period

** No data available

Details of your new charges

Your rate: TOUD-4-9PM

Billing period: 06/08/26 to 07/10/26 (33 days)

Delivery charges - Cost to deliver your electricity

Base services charge 33 days x \$0.76909

\$25.38

Your Delivery charges include:

- \$14.16 distribution charges
- \$11.22 public purpose programs charge

Generation charges - Cost to generate your electricity

SCE

Net Surplus Compensation

Compensation Total 2,352 kWh x -\$0.01736

-\$40.83

Your Generation charges include:

- \$2.09 power charge indifference adjustment (PCIA)

Nonbypassable charges (NBCs)

CTC, NDC, PPPC 454 kWh x \$0.00188

\$0.85

Wildfire fund charge 454 kWh x \$0.00591

\$2.68

Your overall energy charges include:

- \$0.27 franchise fees

Subtotal of your new charges

-\$11.92

Your new charges

-\$11.92

Additional information:

- Net Surplus Compensation (NSC) option: Rollover



An EDISON INTERNATIONAL® Company

Details of your tracked charges

Your rate: TOUD-4-9PM

Billing period: 06/08/26 to 07/10/26 (33 days)

Delivery charges - Cost to deliver your electricity

Baseline credit	-435 kWh x -\$0.10099	\$43.93
Energy-Summer		
On peak	72 kWh x \$0.32391	\$23.32
Mid peak	28 kWh x \$0.32391	\$9.07
Off peak	-535 kWh x \$0.26505	-\$141.80

Generation charges - Cost to generate your electricity

SCE		
Energy-Summer		
On peak	72 kWh x \$0.25307	\$18.22
Mid peak	28 kWh x \$0.13312	\$3.73
Off peak	-535 kWh x \$0.07382	-\$39.49

Other charges or credits

Fixed recovery charge	-435 kWh x \$0.00619	-\$2.69
Energy Charge Total		-\$85.71

Additional information regarding your Net Consumption/Generation:

- Your year-to-date energy charges total as of previous month: -\$597.81
 - Your current month energy charge total: -\$85.71
 - Your year-to-date energy charges: -\$683.52*
 - Your year-to-date kWh: -2,352 kWh
- *If you earned a credit on your bill, the amount you receive may be less than your year-to-date energy Charge which is based on SCE's rates. Your "Compensation Total" is based on the year-to-date kWh shown above, which is then multiplied by a CPUC approved value per kWh.

Additional information:

- Service voltage: 240 volts
- Your summer baseline allowance: 1,485.0 kWh

Rate Identification Number - RIN



USCA-SCSC-0400-0000

In the future, you might use the Rate Identification Number (RIN) to program smart devices like smart thermostats, EV chargers, or energy management systems once the manufacturer has enabled its use. Once these smart device features are available, simply scan the QR code using the smart device app for setup. To learn more, visit sce.com/helpcenter/rin.

Share Your Thoughts at a Public Participation Hearing

Regarding Order Instituting Rulemaking to Consider New Approaches to Disconnections and Reconnections to Improve Energy Access and Contain Costs (R.18-07-005)

August 6, 2026 - 2 p.m. & 6 p.m. (remote only)

Webcast: adminmonitor.com/ca/cpuc

Phone Number: 1-800-857-1917

Passcode: 1673482#

Please note: If you wish to make a public comment, you must participate by phone using the information above. Once you've entered the passcode press *1 and record your name when prompted. A quorum of commissioners may attend but no decisions will be made at this hearing.

What is This About?

The purpose of Rulemaking (R.18-07-005) is to find ways to reduce the disconnection rates of electric and gas services for California customers. The California Public Utilities Commission (CPUC) is exploring additional ways to reduce disconnections and seeking public input on programs, policies, or other approaches that could further lower disconnection rates and reduce impacts on customers.

Why Attend?

These hearings are your opportunity to share your thoughts on customer assistance programs, ways to help customers understand and timely pay their bills, and any experiences you may have had with disconnections for nonpayment. These hearings are part of a proceeding being overseen by an administrative law judge. Your comments could help the CPUC produce a more robust decision and shape future customer programs.

Additional Information

You can read more about the rulemaking and make public comments by visiting apps.cpuc.ca.gov/c/R1807005. To read and download a fact sheet about this rulemaking visit <https://www.cpuc.ca.gov/PPH>.

If you need language interpretation or other reasonable accommodations, please contact the Public Advisor's Office at least five days in advance of the hearing. For questions about participating in CPUC matters, you can contact the Public Advisor's Office at Public.Advisor@cpuc.ca.gov, 1-866-849-8390, or 505 Van Ness Ave., San Francisco, CA 94102.

Please refer to R.18-07-005 in any communication with the CPUC.

Questions About Southern California Edison Company (SCE) and the Rulemaking

For questions about SCE's part in this rulemaking proceeding, please contact Case Administrator

Email: case.admin@sce.com

Phone: 1-626-302-0449

Mail:

Southern California Edison Company
Attn: Case Administrator re: R. 18-07-005
P.O. Box 800
Rosemead, CA 91770

Notice of Southern California Edison's Rate Increase Request

Southern California Edison's Joint Application to the California Public Utilities Commission (CPUC) A. 26-06-019

What is Being Requested?

Pacific Gas and Electric Company (PG&E), San Diego Gas & Electric Company (SDG&E), and Southern California Edison Company (SCE) (jointly the Investor Owned Utilities or IOUs) are filing a joint application proposing to apply their respective Electric Tariff Rules 17 /18, which governs backbillings to all charges on the IOUs' bills, as ordered by the CPUC in Decision 25-09-030.

As part of the joint application, SCE is individually seeking to recover \$1.793 million in incremental costs from 2029-2034 to implement billing system changes. SCE has been ordered to propose how to treat backbilling for all charges (bundled and unbundled) on its bill. Based on the year of the highest rate impact, this amounts to a total requested rate increase of 0.001¢/kWh or 0.003 percent.¹

Proposed Increase by Customer Class

Customer Class	¢/kWh Increase	% Increase
Residential (Non-CARE)	0.001	0.003%
Residential (CARE)	0.001	0.003%
Lighting, Small, & Medium Power	0.001	0.003%
Large Power	0.0004	0.002%
Agricultural & Pumping	0.001	0.002%
Street & Area Lighting	0.0004	0.001%
Standby	0.0002	0.002%

The table shows the requested increase in rates for the year with the highest revenues (2030) compared to current rates. Actual changes in rates may vary by year.

How Would This Impact the Average Residential Customer?

If the request is approved, the average residential customer using 500 kWh per month would see a rate increase of approximately \$0.005 per month.² Similarly, a typical CARE residential customer using 500 kWh per month would see a bill increase of \$0.003 per month.³ The actual impact will vary based on usage, baseline territory, and other factors.

Additional Information

An administrative law judge may hold hearings, consider evidence, testimony, and public comments before drafting a proposed decision on this application. CPUC Commissioners will then vote on a final decision at a public meeting.

You can read more about the utility's request and make public comment by visiting apps.cpuc.ca.gov/c/A2606019. For questions about participating in CPUC matters, you can contact the Public Advisor's Office at Public.Advisor@cpuc.ca.gov, 1-866-849-8390, or 505 Van Ness Ave., San Francisco, CA 94102. Please reference A.26-06-019 in any communication with the CPUC.

Questions About the Request

For questions about this application, please contact SCE by: Phone: 1-800-655-4555 ; Email case.admin@sce.com; Mail: Case Administrator, A.26-06-XXX - Rule 17 Application, Southern California Edison Company, P.O. Box 800 Rosemead, CA 91770, or visit www.sce.com/applications for further information.

¹ Rate change will vary each year. Percentage calculated using largest rate increase for the application years.

² Year 2030 of the application was used to calculate typical customer bill because it is the year with the largest increase of \$0.571 M.

³ *Id.*

**The following notice is pursuant to California Government Code
Section 12956.1(b)(1))**

Notice

If this document contains any restriction based on age, 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 by submitting a “Restrictive Covenant Modification” form, together with a copy of the attached document with the unlawful provision redacted to the county recorder’s office. The “Restrictive Covenant Modification” form can be obtained from the county recorder’s office and may be available on its internet website. The form may also be available from the party that provided you with this document. 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.

Restrictive Covenant Modification

Under current state law, including AB1466 effective January 1, 2022, homeowners can request to modify property documents that contain unlawful discriminatory covenants. Government Code Section 12956.2 allows a person who holds an ownership interest of record in property that the person believes is the subject of an unlawfully restrictive covenant to record a Restrictive Covenant Modification document to have the illegal language stricken. Unlawful restrictions include those restrictions based on race, color, religion, sex, gender, gender identity, gender expression, sexual orientation, familial status, marital status, disability, veteran or military status, national origin, source of income as defined in Government Code Section 12955 subdivision (p), ancestry, or genetic information.

To Record a Restrictive Covenant Modification, you must:

- Complete a Restrictive Covenant Modification Form; this must be signed in front of a notary public.
- Attach a copy of the original document containing the unlawful restrictive language with the unlawful language stricken.
- Submit the completed document to the County Recorder.

This document requires the following:

1. Name(s) of current owner(s)
2. Identification of document page number and language in violation
3. Recording reference of document with unlawful restrictive covenant
4. Copy of referenced document attached complete with unlawful restrictive language stricken out
5. Signature(s) of owner(s)
6. Signature(s) acknowledged
7. Approval by County Counsel provided to County Recorder

Upon receipt, the Recorder's office will submit the document to County Counsel who will determine whether the original document contains any unlawful restrictions, as defined in Government Code Section 12956.2 subdivision (b). Only those determined to be in violation of the law will be recorded and those that are not, will be returned to the submitter unrecorded.

Please note that the County Recorder is not liable for modification not authorized by law. This is the sole responsibility of the holder of ownership interest who caused the modified recordation per Government Code Section 12956.2 subdivision (f).

Pursuant to the requirements of AB1466, and no later than July 1, 2022, the Assessor-County Clerk-Recorder will post an implementation plan outlining our strategy to identify records with discriminatory restrictions.

Recording Requested By

When recorded mail document to

Above Space for Recorder's Use Only

RESTRICTIVE COVENANT MODIFICATION

I (We) _____ have an ownership interest of record in the property located at _____ that is covered by the document described below.

The following referenced document contains a restrictive covenant based on race, color, religion, sex, familial status, marital status, disability, national origin, source of income as defined in subdivision (p) of Section 12955, or ancestry that violates state and federal fair housing laws and that restriction is void. Pursuant to Section 12956.2 of the Government Code, this document is being recorded solely for the purpose of eliminating that restrictive

covenant as shown on page(s) _____ of the document recorded on _____ (date)

In book _____ and page _____, or Document No. _____ of the Official records of the County of _____, State of California.

The document referenced above was originally indexed in the following manner _____

_____ and this document shall be indexed in like manner pursuant to Section 12956.2 (e).

The effective date of the terms and conditions of this modification document shall be the same as the effective date of the original document referenced above.

Dated _____



Printed Name(s)

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

STATE OF CALIFORNIA }
COUNTY OF _____ }

On _____ before me, _____, a Notary Public, personally appeared _____ who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signatures(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument. I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature _____

WHEN RECORDED RETURN TO:

BROWN, WINFIELD AND CANZONERI
Attorneys at Law
615 South Flower Street, Suite 1201
Los Angeles, California 90017

Attention: Eric B. Rasmussen, Esq.

RECEIVED FOR RECORD
25 Min. Past 2 o'clock P.M.

Book 1979, Page 239260

Recorded in Official Records
Alameda County, California

DECLARATION OF COVENANTS, CONDITIONS
AND RESTRICTIONS
OF
CHAPARRAL COUNTRY CLUB

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WHEN RECORDED RETURN TO:

BROWN, WINFIELD AND CANZONERI
Attorneys at Law
615 South Flower Street, Suite 1201
Los Angeles, California 90017

Attention: Eric B. Rasmussen, Esq.

DECLARATION OF COVENANTS, CONDITIONS
AND RESTRICTIONS

OF

CHAPARRAL COUNTRY CLUB

Dame' Construction Co., Inc. ("Declarant") is the owner of that certain real property ("Project") located in the City of Palm Desert, County of Riverside, State of California described in Exhibit A and shown and marked as Phase I Residential Lots and Phase I Common Area on the plot attached as Exhibit B.

Declarant intends to improve the Project for residential purposes and related recreational purposes including swimming pools and spas and hereby establishes a plan for the individual ownership and use of Residential Lots within the Project and the collective use and ownership of the Common Areas within the Project. Declarant intends to improve the Country Club Property (as defined below) with a club house, golf course, tennis courts, lakes, and related recreational facilities.

NOW THEREFORE, it is hereby declared that the Project shall be held, sold and conveyed subject to the following declaration as to division, easements, rights, liens, charges, covenants, servitudes, restrictions, limitations, conditions and uses to which the Project may be put, hereby specifying that such declaration shall operate for the mutual benefit of all Owners of the Project and the Country Club (as defined below) and shall constitute covenants to run with the land and shall be binding on and for the benefit of Declarant, its successors and assigns, the Association, its successors and assigns, the Country Club, its successors and assigns, and all subsequent Owners of all or any part of the Project, together with their grantees, successors,

heirs, executors, administrators, devisees and assigns, for the benefit of the Project and the Country Club Property, and shall, further, be imposed upon all of the Project as a servitude in favor of each and every Owner and the Country Club.

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1. DEFINITIONS.

The following definitions and covenants shall be applicable to this Declaration:

(a) "Articles of Incorporation" means the Articles of Incorporation of the Association as the same may be duly amended from time to time.

(b) "Association" means Chaparral Association, a California nonprofit corporation, its successors and assigns.

(c) "Association Charter Documents" means the By-Laws and Articles of Incorporation of the Association.

(d) "Board" or "Board of Directors" may be used interchangeably herein and shall mean the Board of Directors of the Association as the same may, from time to time, be constituted.

(e) "By-Laws" means the By-Laws adopted by the Association, as the same may be duly amended from time to time.

(f) "Common Area" or "Common Areas" means the real property within the Project owned or to be owned by the Association for the common use and enjoyment of the Owners. The Common Area presently owned or to be owned by the Association as of the sale of the first Residential Lot is described in Exhibit C and is shown and marked as Phase I Common Area on Exhibit B. Upon an annexation pursuant to Section 15, the Common Area will include such additional real property as is annexed as Common Area.

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(g) "Cost of Living Index" means the Consumer Price Index for Union Wage Earners and Clerical Workers, All Items, Los Angeles-Long Beach-Anaheim Area (1967 = 100), published by the United States Department of Labor. If said Index shall not be in existence at the time any computation is to be made, such other index as is published by the governmental authority for use in lieu thereof shall be used.

(h) "Country Club" refers to Chaparral Country Club, Inc., a California nonprofit corporation, its successors and assigns, which will operate the golf, tennis, clubhouse and related country club improvements and facilities to be constructed on and within the Country Club Property.

(i) "Country Club Articles of Incorporation" means the Articles of Incorporation of the Country Club as the same may be duly amended from time to time.

(j) "Country Club Board" or "Country Club Board of Directors" may be used interchangeably herein and shall mean the Board of Directors of the Country Club as the same may, from time to time, be constituted.

(k) "Country Club By-Laws" means the By-Laws adopted by the Country Club as the same may be duly amended from time to time.

(l) "Country Club Charter Documents" means the By-Laws and Articles of Incorporation of the Country Club.

(m) "Country Club Property" refers to that real property described in Exhibit D and shown and marked as Country Club Property in Exhibit B, including the entry gate, entry road, golf course, tennis courts, and clubhouse areas, which is owned or to be owned by the Country Club.

(n) "Declarant" means Dame' Construction Co., Inc., its successors and assigns.

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(o) "Declaration" means this Declaration of Covenants, Conditions and Restrictions, together with any amendments, supplements or modifications hereto.

(p) "Deed of Trust" shall mean and be synonymous with the word "Mortgage", and the same may be used interchangeably with the same meaning; and likewise, the word "Trustor" shall be synonymous with the word "Mortgagor", and the word "Beneficiary" shall be synonymous with the word "Mortgagee".

(q) "Member" means every person or entity who holds a membership in the Association.

(r) "Mortgage" shall mean any security device encumbering all or a portion of the Project or any Residential Lot, and the term "Mortgage" shall include a Deed of Trust.

(s) "Mortgagee" means a person or entity to whom a Mortgage is made or who otherwise is the holder of a Mortgage; "Mortgagor" means a person or entity who mortgages his or its property to another, i.e., the maker of a Mortgage.

(t) "Owner" means the record owner, whether one or more persons or entities, of a Residential Lot, including contract sellers but excluding those having such interest merely as security for the performance of an obligation.

(u) The term "person" means and includes a natural person, corporation, partnership, association, firm or other entity as the case may be and the context may require.

(v) "Project" means the real property described in Exhibit A and marked as Phase I Residential Lots and Phase I Common Area on Exhibit B and such additional real property as is hereafter annexed pursuant to Section 15.

(w) "Residence" means a residential structure or structures, including enclosed yard, patio areas and garages located

on a Residential Lot.

239260 (x) "Residential Lot" or "Residential Lot" means the lots, including improvements now or hereafter thereon, within the Project which are or will be improved with an attached or detached single family dwelling, and such additional real property as is hereafter annexed pursuant to Section 15 for the same purpose and which does not become a part of the Common Area.

(y) "Rules and Regulations" means both those rules and regulations adopted by the Association or its Board, and those rules and regulations adopted by the Country Club or its Board.

(z) "Single Family" means one or more persons each related to the other by blood, marriage or legal adoption, or a group of not more than six persons not all so related, together with his or their domestic servants, maintaining a common household.

(aa) "Social Member", "Golf Member", and "Tennis Member" mean social member, golf member, and tennis member, respectively of the Country Club as such terms are defined in the Country Club By-Laws.

2. COMMON AREA.

The Association shall, prior to Declarant's conveyance of the first Residential Lot, be deeded fee title to the Common Area. The Owner of each Residential Lot shall have a right and easement of enjoyment in and to the Common Area which shall be appurtenant to and shall pass with each transfer, whether voluntary or involuntary, of title to the Residential Lot. Provided, however, that such right and easement of enjoyment shall be subject to the provisions of this Declaration, including the rights of the Association and Declarant to exercise all powers and perform all duties set forth in this Declaration and the Association Charter Documents. No Owner may separate such right and easement of enjoyment from the fee title to his Residential

Lot, although an Owner may delegate his right of enjoyment of the Common Area to the members of his family, his tenants, or contract purchasers who reside in his Residence.

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3. MEMBERSHIPS, VOTING RIGHTS, AND ADMINISTRATION.

(a) Membership. An Owner of a Residential Lot shall automatically, upon becoming the record owner thereof, be a Member of the Association and a Social Member of the Country Club, and shall remain so until such time as his ownership ceases for any reason, at which time both such memberships shall automatically cease. Such memberships shall be appurtenant to and pass with the ownership of such Residential Lot. Such memberships shall not be transferred, pledged or alienated in any way, except (1) upon and with the transfer of such Residential Lot, or (2) by pledge to a lending institution as additional security for a real estate loan secured by a first Mortgage on the Residential Lot to which such memberships are appurtenant. Any attempt to make a transfer of a membership prohibited by this section shall be void and shall not be reflected upon the Association's or Country Club's books and records. If the Owner of any Residential Lot fails to transfer such memberships appurtenant thereto upon any transfer, whether voluntary or involuntary, of the Residential Lot, the Association and Country Club shall have the right to record the transfer upon their books and thereupon the memberships outstanding in the name of the prior Owner shall be null and void.

(b) Association Voting. The Association shall have two classes of voting membership:

(1) Class A. Class A Members shall be all Owners with the exception of the Declarant and shall be entitled to one vote for each Residential Lot owned. When more than one person holds an interest in any Residential Lot, all such persons shall be Members. The vote for such Residential Lot shall be exercised as they among themselves determine, but in no event shall more than

one Class A vote be cast with respect to any Residential Lot.

239260 (2) Class B. Class B Member shall be the Declarant and shall be entitled to three votes for each Residential Lot owned (including any Residential Lot annexed pursuant to Section 15). The Class B membership shall cease and be converted to Class A membership on the happening of any of the following events, whichever occurs earlier:

(A) When the total votes outstanding in the Class A membership equal the total votes outstanding in the Class B membership, or

(B) Two years from the date of the original issuance of the Final Subdivision Public Report for the then most recent phase of the Project, or

(C) Upon the fourth anniversary of the original issuance of the Final Subdivision Public Report for the first phase of the Project.

(c) Association Administration and Compliance. The common affairs and management of the Project shall be administered by the Association, through its Board, officers and agents in accordance with the provisions of this Declaration, and the Association Charter Documents. In the event that the Association Charter Documents are in any way inconsistent with this Declaration, then this Declaration shall prevail and control. Each Owner, guest, tenant, or occupant of a Residential Lot shall comply with the provisions of this Declaration, the Association Charter Documents and Rules and Regulations, all as lawfully amended, from time to time, and failure to so comply shall be grounds for (i) an action for damages and/or injunctive relief, and (ii) such remedies, by legal proceeding or otherwise, as are available by reason of this Declaration, the Association Charter Documents or the Country Club Charter Documents, each of which remedies shall be cumulative and in addition to each other available remedy.

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(d) Country Club Voting, Administration, and Compliance.

The common affairs and management of the Country Club Property shall be administered by the Country Club through its Board, officers, and agents in accordance with the provisions of the Country Club Charter Documents. The rights, privileges, obligations, duties, rules, regulations, conditions, restrictions, limitations, and voting rights respecting membership in the Country Club shall be governed by, and each Owner, guest, tenant, or occupant of a Residential Lot, and any tenant of any portion of the Country Club Property, and any employee, invitee, or guest of such tenant, shall comply with, the provisions of the Country Club Charter Documents and Rules and Regulations, all as lawfully amended, from time to time; and, failure to so comply shall be grounds for (i) an action by the Country Club and/or the Association for damages and/or injunctive relief, and (ii) such remedies, by legal proceeding or otherwise, as are available by reason of this Declaration, the Association Charter Documents or the Country Club Charter Documents, each of which remedies shall be cumulative and in addition to each other available remedy.

4. POWERS, RIGHTS, AND DUTIES OF THE ASSOCIATION.

The Association shall have the powers, rights and duties, in addition to those provided elsewhere in this Declaration, and the Association Charter Documents to: (i) enforce and comply with the provisions of this Declaration; (ii) pay taxes, special assessments and other liabilities which are or would become a lien on the Common Area, or any portion thereof; (iii) levy assessments and perfect and enforce liens as hereinafter provided; (iv) borrow funds to pay costs of operations, secured by assignment or pledge of rights against delinquent Owners; provided, however, that the vote of a majority of each class of Members shall be required to borrow in excess of \$100 times the number of Residential Lots in the Project; and, (v) make reasonable Rules and Regulations for the operation and use of the Project and to amend them from time to time.

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Whenever this Declaration or the Association Charter Documents require the approval, consent or action of the Association, said approval, consent or action shall be that of the Board, unless otherwise provided by this Declaration or the Association Charter Documents.

Whenever this Declaration requires the approval, consent or action of the Country Club, said approval, consent or action shall be that of the Country Club Board, unless otherwise provided by this Declaration, or the Country Club Charter Documents.

5. ASSESSMENTS AND LIEN.

(a) Creation of Obligation and Lien. Except as otherwise provided in Section 5(d), each Owner including Declarant shall have a personal obligation to pay all assessments, charges and other monetary sums which are duly levied against his Residential Lot by the Association and/or the Country Club, and become due while he is the Owner of such Residential Lot. Such assessments, charges and other sums are also hereby established as charges upon the Residential Lot to which they relate and shall be a lien thereon.

(b) Proportionate Share. Each Owner's proportionate share ("proportionate share") in the receipts and common expenses of the Association shall be a pro rata share equal to the number of Residential Lots owned by such Owner divided by the total number of Residential Lots within the Project. Except in conjunction with an annexation under Section 15, the pro rata share attributable to each Residential Lot shall not be changed without the prior written approval of 75% of Mortgagees of Residential Lots.

(c) Assessments. Except as otherwise provided in Section 5(d) and in this Section 5(c), each Owner, including Declarant, shall be subject to the following assessments in amounts to be determined, with respect to items (1), (2), and (3), by the Board, and with respect to items (4) and (5), by the Country Club Board:

239260 (1) Regular maintenance assessments equal to the Owner's proportionate share of the actual or estimated cost of all maintenance, repairs, taxes, insurance and other common expenses for which the Association is responsible, and adequate reserves for replacement, whether by capital contribution or otherwise, which assessments shall be amortized and collected on a monthly basis, which monthly assessments shall commence as to all Residential Lots within a particular phase, including Declarant's unsold Residential Lots (other than Declarant's Residential Lots in future annexed phases), as of the first of the month following close of escrow for sale of the first Residential Lot in the particular phase.

(2) Special assessments for capital expenditures or other purposes all on the same basis as for regular assessments, provided that in any fiscal year, the Board may not, without the vote or written consent of a majority of each class of Members, levy special assessments to defray costs of any action or undertaking on behalf of the Association which in the aggregate exceed 5% of the budgeted gross expenses of the Association for that fiscal year.

(3) Membership fees, charges, payments, fines, penalties and such other sums as become payable under this Declaration or the By-Laws.

(4) A monthly social membership assessment ("Social Membership Assessment") to the Country Club for the purpose of defraying the actual or estimated cost of such categories of maintenance, repairs, amortized reserves for replacement and other expenses ("Basic Club Expenses") as are set forth in Exhibit E hereto and which are necessary for basic maintenance of the green areas on the Country Club Property. The Social Membership Assessment shall initially be \$32.90 per month per Residential Lot, and may be adjusted by the Country Club Board, without the vote or consent of any class of members of the Country Club and/or the Association, as of the first of each calendar year

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commencing January, 1981, to reflect actual or estimated changes in the Basic Club Expenses, provided however that unless the vote or written consent of a majority of each class of members of the Country Club is obtained, no increase shall exceed changes reflected in the Cost of Living Index using January, 1980, as the base month in relation to the second month preceding the month in which the proposed increase is to become effective. The Social Membership Assessment shall be allocated uniformly to each Residential Lot in the Project and shall commence at the time that voting control of the Country Club passes to the Members as provided in Article II of the Country Club By-Laws.

(5) Membership fees, charges, payments, assessments, penalties, fines and such other sums as become payable under the Country Club By-Laws.

The Board may not, without the vote or written consent of a majority of each class of Members impose a regular annual assessment per Residential Lot which is more than 20% greater than the regular annual assessment for the immediately preceding year.

Assessments on Residential Lots in future annexed phases shall not commence until the close of escrow for the first Residential Lot in each particular phase.

(d) Declarant's Assessment and Country Club Maintenance

Subsidy Obligation. Notwithstanding any other provision of this Declaration or the Association Charter Documents which may be or appear to be contrary, Declarant shall be temporarily exempted from the payment of that portion of regular and special assessments assessed against Residential Lots, which do not include a structural improvement completed for human occupancy, for the purpose of defraying expenses attributable to the existence and the use of structural improvements including, without limitation, expenses attributable to roof replacement, landscape and exterior maintenance, walkway and exterior lighting, refuse disposal, insurance, cable television, irrigation and domestic water. Such exemption shall continue for each such

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Residential Lot until a notice of completion of a structural improvement has been recorded for such Residential Lot or until 120 days after the issuance of the final building permit for a structural improvement on such Residential Lot, whichever date occurs first. Such temporary partial exemption shall not deprive Declarant of any voting rights with respect to the Residential Lots to which the exemption applies.

Declarant recognizes that until a certain number of Residential Lots are annexed, sold, and subject to assessment, the annual cost of maintaining the Country Club Property would be excessive if such costs were to be borne only by a lesser number of Residential Lots. Accordingly, the Social Membership Assessment has been computed and allocated on the basis of 653 completed and sold Residential Lots. However, as provided above in Section 5(d)(4), Social Members will not be required to pay any Social Membership Assessment until the end of the Development Period, as defined in Article II, Section 1 of the Country Club By-Laws. In the interim, Declarant shall maintain the Country Club Property on the following terms and conditions:

(1) Declarant shall enter into a Maintenance Subsidy Agreement ("Subsidy Agreement") with the Country Club which shall obligate Declarant to provide all goods, services, and utilities necessary to keep and maintain the Country Club Property in good repair and condition, upon terms and for a period of time as set forth in such agreement.

(2) Commencing at the close of escrow for sale of the first Residential Lot in the Project, Declarant shall pay to the Country Club a monthly assessment for each unsold Residential Lot in the Project equal to \$1.74 of the monthly Social Membership Assessment for the purpose of providing adequate reserves for replacement of the Country Club Property's improvements.

(3) During the term of the Subsidy Agreement, Declarant shall keep and maintain the Country Club Property, exclusive of the actual operation of the golf course and tennis club, in accordance with standards customary for country clubs in Palm Desert, California.

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(4) The Subsidy Agreement shall comply with Regulation 2792.10 of the Commissioner of the Department of Real Estate and notwithstanding any provision herein which may be or appear to be contrary, Declarant shall be entitled to its full voting rights in both the Association and the Country Club with respect to each Residential Lot in the Project and the in-future annexed phases from and after the time such Residential Lot is described in a recorded Supplemental Declaration providing for the annexation of such Residential Lot to the Project.

(e) Payment. Each Owner shall pay all assessments levied upon his Residential Lot to the Association with respect to items (1), (2), and (3) of Section 5(c) and to the Country Club with respect to items (4) and (5) of Section 5(c) on or before their noticed due date. If an assessment is not paid when due the Association or Country Club, as the case may be, may assess the Owner for late charges, interest and collection and lien enforcement costs (including reasonable attorneys' fees). No Owner may exempt himself from liability for his share of assessments by, waiving the use or enjoyment of the Common Area or the Country Club Property or by abandoning his Residential Lot. The Association and the Country Club shall each have separate and distinct rights to payment and collection of the respective assessments and sums dues them and each shall have a separate and distinct lien to secure such payment as provided below.

(f) Lien. Such assessments (including late charges, interest, collection, attorneys' fees and other costs) shall, if not paid within thirty (30) days of the due date, become a lien upon the Owner's Residential Lot and shall continue to be such a lien until fully paid, subject to the following conditions:

(1) Such lien shall become effective against any such Residential Lot only upon the recordation by the Association or the Country Club, as the case may be, of a Notice of Lien, in the Office of the County Recorder of Riverside County, California. The Notice of Lien shall state the amount of delinquent assessments and other charges, a description of the Residential Lot

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against which the same has been assessed, and the name of the Owner of such Residential Lot. Such Notice of Lien shall be executed by an authorized representative of the Association or the Country Club, as the case may be. Upon the payment of all delinquent assessments and charges, or upon other satisfaction thereof, the Association or the Country Club, as the case may be, shall cause to be recorded a release of lien, provided that the Association or the Country Club, as the case may be, is reimbursed for the cost of preparing and recording the release (including reasonable attorneys' fees).

(2) Any action brought to foreclose such lien shall be commenced within one year following such recordation; provided, however, that said period may be extended by the Association or the Country Club, as the case may be, for a period not to exceed one additional year by recording a written extension thereof.

(3) Any such lien shall not defeat nor render invalid nor rank the lien of any first Mortgage affecting any Residential Lot made in good faith and for value and recorded in the office of said County Recorder prior to the recordation of any such lien, and any such lien shall be subordinate and subject to the lien of any such prior recorded first Mortgage. Any person who acquires title to a Residential Lot by or through trustee's sale or foreclosure shall take such title free of the lien hereof for all assessments which accrued up to the time of such trustee's sale or foreclosure, but subject to the lien hereof for all assessments and charges subsequently accruing.

(g) Foreclosure. The Association or Country Club, as the case may be, is hereby vested with the right and power to bring at its option, any and all actions against an Owner for the collection of said assessments which are not paid when due, and to enforce the aforesaid lien by any and all methods available for the enforcement of contractual obligations or liens including, without limitation, the right to bring a personal action against the Owner on such debt, the right to foreclose such lien

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in any method provided by law for foreclosure of a mortgage, and the right to sell the Owner's interest by power of sale, which may be enforced by the Association or the Country Club, as the case may be, its attorney, or other person authorized to bring such action or make such sale. A sale of an Owner's interest by power of sale shall be conducted in the same manner provided in California Civil Code §§2924, 2924a, 2924b, 2924c, 2924f and 2924g (or any similar statutory provisions that may hereafter exist) for the foreclosure by power of sale of mortgages. Such provisions shall be applied and adapted to the foreclosure of the lien by power of sale to the fullest extent reasonably possible and consistent in view of the differences between the lien and mortgages, generally (for example, "trustor" as used in the statute would refer to the delinquent "Owner" and "beneficiary" would refer to the "Association" or "Country Club", as the case may be). The Association or Country Club, as the case may be, shall have the power to bid in its own name on the property sold and to hold, lease, mortgage and convey the same for the benefit of all the Owners. All rights and remedies granted to the Association or Country Club, as the case may be, hereunder shall be cumulative and the exercise of one or more rights or remedies shall not constitute a waiver or election preventing the use of other rights or remedies. The Association or Country Club, as the case may be, shall be entitled to collect from a defaulting Owner all costs and attorneys' fees incurred in connection with pursuing the collection of said assessments and/or the enforcement of said lien.

(h) Suspension. During any period in which a Member shall be in default in the payment of any assessment levied by the Association, the voting rights and right to use of the recreational facilities, if any, of such Member may be suspended by the Board until such assessment has been paid. Such rights of a Member may also be suspended, after notice and hearing, for a period not to exceed thirty days, for any single infraction of any rules and regulations. The Country Club's rights of suspension shall be as provided in the Country Club By-Laws.

6. INSURANCE.

239260. The Association, for the benefit of the Residential Lots, the Common Area and Owners, shall acquire the following insurance policies.

(a) Casualty. A policy or policies of insurance for the full insurable replacement value, without deduction for depreciation, of all of the Residences in the Project and all improvements located on the Common Areas in the Project, for the interest of and naming as insured the Association for the use and benefit of the Owners, as their interests may appear. In any event, the amount of coverage shall be sufficient so that insurance proceeds from a covered loss shall provide at least the lesser of: (i) the full amount of the covered damage or loss; or (ii) compensation to the first Mortgagee of each Residential Lot equal to the full unpaid balance of the mortgage. Such policy or policies shall:

(1) Provide coverage against the perils of fire, extended coverage, vandalism and malicious mischief, as minimum requirements; and if required by the Secretary of Housing and Urban Development, flood insurance available under the National Flood Insurance Act of 1968; for the amount of the total outstanding principal balance of all Mortgages on the Project, or the maximum limit available under said Act, whichever is less.

(2) Provide for a separate loss payable endorsement in favor of the Mortgagee or Mortgagees, of each Residential Lot, as their interests may appear; and

(3) Provide for thirty 30 days' prior written notice to such Mortgagee or Mortgagees of cancellation or reduction in type or amount of coverage, unless such 30 day cancellation provision is not generally available, in which case the maximum notification period reasonably available, but not less than 10 days, shall be obtained; and

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(4) Contain a waiver of subrogation rights by the insurer as against the Association, its officers, the Board, the Country Club, its officers and Board, and the Owners; and

(5) Provide that, without affecting any protection to Mortgagees, any proceeds payable to the Association shall be paid to a bank or trust company to be designated by the Association to act as depository; and

(6) Be primary to and shall not be affected by any right of setoff, proration or contribution by reason of any insurance held by an Owner or the Country Club.

(b) Public Liability. A policy insuring the Association, its officers, the Board and Owners against any liability, to the public or to the Owners, their guests, invitees, or tenants, incident to the ownership or use of the Project. Limits of liability under such policy or policies of insurance shall not be less than a combined limit of One Million Dollars (\$1,000,000.00). Said policy or policies shall contain severability of interest endorsement which shall preclude the insurer from denying the claim of named insureds because of any neglect or other act or omission of another named insured.

(c) Fidelity. A fidelity bond or insurance for directors, officers, trustees, employees and volunteers responsible for handling funds collected and held for the Association or Owners, naming as insured the Association for an amount sufficient to cover at least one and one-half times the Association's estimated annual operating expenses and reserves.

(d) Worker's Compensation. Worker's compensation insurance, including employer's liability insurance to the extent necessary to comply with applicable laws.

(e) FNMA, FHLMC and GNMA Requirements. Notwithstanding any other provisions herein, the Association shall continuously maintain in effect such casualty, flood and liability insurance

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and a fidelity bond meeting the insurance and bond requirements for planned unit development projects established by Federal National Mortgage Association ("FNMA"), Federal Home Loan Mortgage Corporations ("FHLMC"), and/or Government National Mortgage Association ("GNMA"), respectively, so long as any of said entities are a Mortgagee or Owner of a Residential Lot within the Project, except to the extent such coverage is not available or has been waived in writing by FNMA, FHLMC or GNMA, respectively.

7. MAINTENANCE AND REPAIRS.

(a) General. Notwithstanding the existence of any insurance covering an Owner, the Association, or both, against loss, damage and destruction, the Association and each Owner shall have the affirmative obligation for maintenance, repair and restoration as set forth in this Section.

(b) Maintenance of Common Areas. The Association shall maintain the Common Areas, including all improvements, facilities, landscaping and planting thereon in good condition and repair.

(c) Maintenance of Exteriors of Residences and Residential Lots. The Association shall maintain the Residential Lots and exteriors of Residences (excluding Residence doors and windows) in good condition and repair including roofs, gutters, downspouts, exterior building surfaces, walls, fences and gates, sidewalks, paving, trees, landscaping, planting, and all other exterior improvements and hereditaments which are not the responsibility of an Owner, as provided in Section 7(d). Provided, however, that the repair of damages to the Residential Lot or exterior of a Residence from causes other than normal wear and tear shall be the financial responsibility of the Owner, except to the extent such repair is actually undertaken by the Association pursuant to Section 10.

(d) Owner's Maintenance Obligation. Each Owner shall maintain in good condition and repair, at his cost and expense,

the Residence doors, windows and interior of his Residence (including, without limitation, heating equipment, air conditioning equipment, water heaters, utility outlets, and garage) and any atrium on his Residential Lot which is within and is sold as a part of the Residential Lot at the time of the first sale thereof by Declarant (including all landscaping and planting, if any, within such atrium).

(e) Cost of Maintenance. The cost of the exterior maintenance for which the Association is responsible under Sections 7(b) and (c) shall be assessed uniformly in accordance with Section 5, provided, however, that the cost of any maintenance, repair or replacement of the Common Area, Residences, or Residential Lots which is not covered by insurance and which results from the negligence or willfulness of an Owner, an Owner's guest or the occupant of an Owner's Residential Lot shall be an assessment, lien, and obligation of such Owner and shall be due and payable in all respects as provided in Section 5.

8. PARTY WALLS

The rights and duties of the Owners with respect to party walls shall be as follows:

(a) General. Each wall which is constructed as a part of a Residence and any part which is placed on the dividing line between Residences shall constitute a party wall, and with respect to such wall, each of the adjoining Owners shall assume the burdens and be entitled to the benefits of this Declaration, and to the extent not inconsistent herewith, the general rules of law regarding party walls shall be applied thereto.

(b) Damage By One Owner. In the event any such party wall is damaged or destroyed through the act of one adjoining Owner or any of his agents, guests, invitees, tenants, or members of his family (whether or not such act is negligent or otherwise culpable) so as to deprive the other adjoining Owner of the full use

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and enjoyment of such wall, then the first of the aforementioned Owners shall forthwith proceed to rebuild and repair the same to as good condition as formerly existed, without cost to the adjoining Owner.

(c) Damage By Other Cause. In the event any such party wall is damaged or destroyed by some cause (including ordinary wear and tear and deterioration from lapse of time), other than the act of one of the adjoining Owners, his agents, guests or family, both such adjoining Owners shall proceed forthwith to rebuild or repair the same to as good condition as formerly existed, at their joint expense.

(d) Alterations. In addition to meeting the other requirements of this Declaration and of any building code or similar regulation or ordinance, any Owner proposing to modify, make additions to or rebuild his Residence in any manner which requires the extension or other alteration of any party wall shall first obtain the written consent of the adjoining Owner and the Association.

(e) Dispute. In the event of a dispute between Owners with respect to the repair or rebuilding of a party wall or with respect to the sharing of the cost thereof, upon written request of one of such Owners addressed to the Association, the matter shall be submitted to binding arbitration by the Association or its designated representative.

(f) Binding Effect. The provisions of this paragraph shall remain in full force and effect unless modified or abrogated as to any particular party wall by the agreement of all persons that have an interest therein.

(g) Default in Payment. Upon failure of any Owner required hereby to pay for the rebuilding or repair of a party wall for a period of sixty (60) days, the Association may pay the cost thereof and assess such cost to the responsible party, which assessment shall be due and payable and become an assessment obligation of such Owner and a lien in all respects as provided in Section 5.

9. ARCHITECTURAL CONTROL

239260 (a) A committee for the control of structural, exterior and landscaping architecture and design ("Architectural Control Committee") within the Project, shall be established, consisting of five persons. Declarant may, at its sole option, appoint all of the original committee persons to the Architectural Control Committee and all replacements until the first anniversary of the issuance of the original Final Subdivision Public Report for the first phase of the Project. Thereafter, the Board shall have the right to appoint at least one committee person, but Declarant may, at its sole option, appoint a majority of said committee persons until (i) 90% of the Residential Lots (including any Residential Lots annexed pursuant to Section 15) have been sold, or (ii) until the fifth anniversary of the original issuance of the Final Subdivision Public Report for the first phase of the Project, whichever occurs first, and the Board shall appoint the remaining committee persons. Thereafter, the Board shall appoint all of said committee persons. Architectural Control Committee persons appointed by the Board shall be Members of the Association, but those appointed by Declarant need not be Members of the Association.

(b) No additions, alterations, repairs or restorations to the exterior or structural portions of any Residence nor changes in or additions of fences, hedges, patio covers, landscaping, lighting structures, carports, garages, canopies, shades, umbrellas, awnings, walls, exterior paint or decor, fountains, statues, or other matter visible from the exterior of a Residential Lot shall be commenced, applied, constructed, erected, or maintained by any person, other than the Declarant (through its officers, agents or employees), until the plans and specifications showing the nature, kind, shape, height, materials, color, location and approximate cost of the same shall have been submitted to and approved in writing as to conformity and harmony of external color, design and location with existing structures in the Project by the Architectural Control Committee. If (i) the

Architectural Control Committee fails to approve or disapprove such design and location within forty-five (45) days after said plans and specifications have been submitted to it and no suit relating to or arising out of the making of such additions, alterations or changes has been commenced prior to one hundred and eighty (180) days after the completion thereof, such approval will not be required and this paragraph will be deemed to have been fully complied with as to such particular item.

10. DESTRUCTION OF PROJECT

(a) Bids and Insurance Proceeds. As soon as practicable after the damage or destruction of all or any portion of the Common Area, or all or any substantial portion of two or more Residential Lots, (unless all of such damage or destruction is covered by Section 8 respecting party walls) the Board shall (i) obtain bids from at least two reputable contractors, licensed in California, which bids shall set forth in detail the work required to repair, reconstruct and restore such damaged or destroyed portions of the Project to substantially the same condition as they existed prior to such damage and the itemized cost of such work, and (ii) determine the amount of all insurance proceeds available to the Association, as trustee or otherwise, for the purpose of effecting such repair, reconstruction and restoration and the amount of proceeds of insurance purchased by the Association which will not be made available to the Association for such purpose by reason of the payment of such proceeds to Mortgagees of Residential Lots.

(b) Sufficient Insurance Proceeds. If upon such damage or destruction the insurance proceeds available to the Association, as trustee or otherwise, are sufficient (when added to any sums actually received by the Association as the result of any special assessment) to effect the total repair, reconstruction and restoration of the damaged or destroyed portions of the Project, then the Association shall cause such to be repaired, reconstructed and restored to substantially the same condition as the same existed prior to such damage or destruction.

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(c) Insurance Proceeds Insufficient. If upon such damage or destruction the proceeds of insurance available to the Association, as trustee or otherwise, are insufficient (when added to any sums actually received by the Association as a result of any special assessment) to cover the cost of repair, reconstruction and restoration of the damaged or destroyed portions of the Project, the following provisions shall apply:

(1) If all of such damage or destruction relates solely to the Common Area, then the Members otherwise entitled to vote, who hold a majority of the voting power in the Association shall determine whether (i) to repair, reconstruct and restore the damaged or destroyed Common Area and specially assess all Owners for all additional funds needed for such purpose or (ii) not to repair, reconstruct or restore the Common Area but to distribute such insurance proceeds to the Owners (including Declarant with respect to retained or unsold Residential Lots), each in accordance with his proportionate share, but subject to (i) the rights of Mortgagees of Residential Lots, as their interests may appear, and (ii) all unpaid regular and/or special assessments.

(2) If such damage or destruction is done to all or a substantial portion of two or more Residential Lots, then the proceeds of insurance available to the Association, as trustee or otherwise, shall be allocated between (i) the Residential Lots which are damaged or destroyed and for which insurance proceeds are available to the Association, and (ii) the Common Area, if any, which is damaged or destroyed and for which insurance proceeds are available to the Association, as the respective interests may appear, giving due consideration to the insurance adjustment, insurable value, estimated costs of repair, restoration or reconstruction, payments of insurance proceeds to Mortgagees for debt reduction and insurance proceeds which are otherwise not available to the Association. If none of such damage or destruction relates to the Common Area, or if no insurance proceeds are available to the Association for the Common Areas, then

all available insurance proceeds shall be allocated to the Residential Lots. Thereafter, the following procedure shall be used to determine the disposition of the allocable shares of insurance proceeds:

(A) With respect to the Common Area's allocable share of such insurance proceeds, if any, the Members otherwise entitled to vote, who hold a majority of the voting power in the Association shall determine whether (i) to repair, reconstruct and restore the damaged or destroyed Common Area and specially assess all Owners for additional funds needed for such purpose or (ii) not to repair, reconstruct and restore the Common Area but to distribute the Common Area's allocable share of such insurance proceeds to the Owners (including Declarant with respect to any retained or unsold Residential Lot) each in accordance with his proportionate share, but subject to (i) the rights of Mortgagees of Residential Lots, as their interests may appear, and (ii) all unpaid regular and/or special assessments.

(B) With respect to the damaged or destroyed Residential Lots' allocable share of such insurance proceeds, each Owner (including Declarant with respect to retained or unsold Residential Lots) of a damaged or destroyed Residential Lot (which Residential Lot was subject to the allocation of insurance proceeds) shall, for purposes of this Section 10(c)(2) (B), be entitled to one vote for each such Residential Lot owned. The Owners who hold seventy-five percent (75%) or more of such votes shall determine whether (i) to repair, reconstruct or restore all of such damaged or destroyed Residential Lots pursuant to a common plan by which the Owners of such Residential Lots shall contribute and be assessed for all additional funds needed for such purpose (in which case the Association and the Owners of other Residential Lots shall, by this provision and other appropriate means, be protected and held harmless from any claim or liability, in excess of the Residential Lots' allocable share of available insurance proceeds, relating to such repair, reconstruction and restoration); or (ii) not to repair, reconstruct or

repair such Residential Lots pursuant to a common plan, but to distribute the Residential Lots' allocable share of insurance proceeds to the Owners (including Declarant with respect to retained or unsold Residential Lots) of such damaged or destroyed Residential Lots (which Residential Lots were subject to the allocation of insurance proceeds), as such Owners' interests may appear, giving due consideration to the insurance adjustment, insurable values, estimated costs of repair, reconstruction or restoration, and payments of insurance proceeds to Mortgagees for debt reduction and insurance proceeds which are otherwise not available to the Association, provided, however, that such distribution shall be subject to (i) the rights of Mortgagees of Residential Lots, as their interests may appear, and (ii) all unpaid regular and/or special assessments.

(d) Reconstruction. If a determination is made to repair, reconstruct and restore all or a portion of the Project, the Board shall (i) enter into a written contract with a contractor licensed in California and submitting the lowest reasonable bid for such repair, reconstruction and restoration, (ii) disburse insurance proceeds available for said work and funds collected by reason of special assessments authorized therefor in appropriate progress payments and (iii) take all steps necessary to ensure the commencement and completion of such repair, reconstruction and restoration in a lawful and workmanlike manner at the earliest possible date.

11. WAIVER OF SEVERABILITY.

During the term hereof, no Owner shall sever his ownership interest in a Residential Lot or any portion of a Residential Lot from his memberships in the Association and/or the Country Club or his right of use in and to the Common Areas and/or the Country Club Property. The Owners and all other persons having an interest in the Project shall have no right or cause of action for a judicial partition of the Project, the Common Areas, the Country Club Property, or any part of any of the foregoing during the

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term hereof, provided, however, that a partition of the Project, including all Residential Lots, shall be permitted if (1) three years after damage or destruction to the project which renders a material part thereof unfit for its prior use, the Project has not been rebuilt or repaired substantially to its state prior to its damage or destruction, or (2) three-fourths or more of the Project has been destroyed or substantially damaged, and Owners holding in aggregate more than a majority of the voting power in the Association are opposed to repair or restoration of the Project. Nothing in this paragraph shall prohibit co-ownership of a Residential Lot.

12. CONDEMNATION

In the event the Project or any portion thereof shall be taken or condemned by any authority under the power of eminent domain, all compensation and damages relating to the land or improvements shall be payable to the Association as trustee for all Owners and Mortgagees according to their respective interests as they may appear. The Association shall give prompt written notice of condemnation proceedings to all first Mortgagees of Residential Lots.

13. EASEMENTS AND RIGHT OF ENTRY.

There are hereby specifically reserved for the benefit of the Association, for the Owners in common, for each owner severally, for the members of the Country Club, for any tenant of any portion of the Country Club Property, and for the employees, guests, invitees and licensees thereof, as their respective interests shall obtain, the easements, reciprocal negative easements, secondary easements and rights of way as are particularly identified in this paragraph.

(a) Owners' Easements. There is reserved for the benefit of each Residential Lot, and the Owner thereof, as dominant tenement:

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(1) A nonexclusive easement for utility services and the drainage of surface waters at reasonable places over, under and through the Project, each other Residential Lot, and the Country Club Property, each as the servient tenement.

(2) A nonexclusive easement for the use and enjoyment of and for ingress and egress to and from each Residential Lot, over and through Common Areas and over and through the Project's entry gate and entry road which are a part of the Country Club Property, and said entry gate and entry road shall be maintained and operated by the Country Club for the benefit of the Association, the Owners in common, and for each Owner.

(3) An easement for encroachment, occupancy and use of such portion of the Project, other Residential Lots, and the Country Club Property, jointly as the servient tenement, as shall be encroached upon and occupied by the residence located within the Residential Lot which is the dominant tenement, as a result of any alluvian, accretion, erosion, subsidence, landslide or collapse, deterioration, decay, construction errors, portions of Residences (including without limitation roof overhangs, foundations and party walls) which encroach upon other Residential Lots, the Common Areas, or the Country Club Property, movement or subsidence of buildings or structures, or any portion thereof. The easement of encroachment here reserved shall continue notwithstanding that the encroachment may be cured by repair, reconstruction or restoration.

(4) A nonexclusive easement for the use and enjoyment of and for ingress and egress to and from each Residential Lot, over and through designated walkways and other portions of the Country Club Property which are, from time to time, specifically designated by the Country Club for access by Social Members, subject to Rules and Regulations adopted by the Country Club with respect thereto.

(b) Owner's Right of Entry. To the extent reasonably necessary for the performance of his duties under Section 7, each Owner, upon obtaining written approval from the Board, shall have a right to enter upon other Residential Lots and/or the Common

Areas at reasonable hours and after reasonable notice to the Owner of any Residential Lot to be entered upon.

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(c) Association's and Country Club's Easements and

Right of Entry. There is reserved to the Association, the Country Club, and each of their agents and servants, reciprocal easements in gross over all Residential Lots, the Common Areas, and the Country Club Property, and easements of entry and of access for the installation and maintenance of sewers, storm drains, drainage facilities, utility meter boxes and utility lines which are part of the Common Areas, Residential Lots and/or the Country Club Property and for landscaping and maintenance of the Country Club Property, Common Areas, exteriors of Residences and Residential Lots, and for the performance generally of their rights and duties as provided in this Declaration. For the purposes set forth herein, the Association and Country Club, through their duly authorized officers, agents or employees, shall have the right, after reasonable notice to the Owner, to enter upon any Residential Lot at reasonable hours.

(d) Tenants of the Country Club Property Easements and

Right of Entry. Any tenant of any portion of the Country Club Property pursuant to a written lease, together with the employees, licensees, invitees and guests of such tenant, shall have a nonexclusive easement for the use and enjoyment of and for ingress and egress to and from the leased premises over and through the Country Club Property including the Project's entry gate and entry road, and such easement shall remain in effect regardless of whether ownership and/or control of said entry gate and entry road remains in the Club or is transferred to the Association.

14. COVENANTS AND RESTRICTIONS REGARDING USE.

(a) Except as provided in Section 14(i) (respecting Declarant's use of the Project), the Project shall be used solely for residential use and each Residential Lot shall be used solely for single-family residential use.

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(b) Subject to such Rules and Regulations as the Association may adopt, dogs, cats or other household pets may be kept, provided they are not kept, bred, or maintained for any commercial purpose and are controlled on a leash when outside their master's Residence. Any pet deemed a nuisance by the Association shall be removed from the premises.

(c) No buildings, structures, house trailers, tents or similar objects shall be erected or placed, temporarily or permanently, on any Residential Lot, the Common Areas, or the Country Club Property other than the buildings originally constructed thereon or replacements of such buildings, and structures appurtenant to such buildings. No trucks, vans, campers, boats, recreational vehicles, trailers, motor homes, or similar items shall be parked or placed temporarily or otherwise on the Common Areas, the Country Club Property or on any Residential Lot (other than in an enclosed garage originally constructed on said Residential Lot, or, subject to such Rules and Regulations as are adopted by the Association, on a designated recreational vehicle storage area).

(d) No Owner, tenant or other occupant of the Project shall post any advertisement, signs, flags, banners or posters of any kind for public display except that with the prior written approval of the Board as to size, type, color, style and location, a sign of customary and reasonable dimension may be posted to advertise a Residential Lot for sale or lease; provided, however, that this restriction shall neither apply to nor limit the right of Declarant to display or have displayed signs, posters, banners, flags and similar items advertising the sale or lease of the Project or Residential Lots therein. Display of an American or California flag shall be subject to the Association's rules and regulations and shall require prior written approval of the Board as to compliance therewith. The Board shall have the right to remove any item displayed in violation of this Section 14(d).

(e) No Residential Lot or other part of the Project or

Country Club Property shall be used in such manner as to unreasonably obstruct or interfere with the enjoyment of other residents or Social Members, Golf Members or Tennis Members of the Country Club or to annoy them by unreasonable noises or otherwise; nor shall any nuisance, illegal or noxious activity or waste be committed or permitted to occur within the Project or the Country Club Property.

(f) No Owner, resident or lessee shall install wiring for electrical or telephone installations, television antennae, machines or air conditioning units on the exterior of the buildings of the Project, or wiring that protrudes through the walls or the roof of the buildings except as authorized in writing by the Association.

(g) Except as otherwise provided in this Declaration there shall be no obstruction of the Common Area or the Country Club Property, nor shall anything be kept or stored in the Common Areas or Country Club Property nor shall anything be altered, constructed or planted in, or removed from the Common Areas or Country Club Property without the prior written consent of the Association, with respect to the Common Areas, and the Country Club, with respect to the Country Club Property. The Common Areas and Country Club Property shall be kept free of rubbish, debris and other unsightly or unsanitary materials.

(h) No Owner shall do or permit or suffer anything to be done or kept on his Residential Lot, the Common Areas, or the Country Club Property, which will result in any increase of the Association's or Country Club's insurance premiums or the cancellation of insurance on any part of the Project or Country Club Property, which would be in violation of any law, or which will or may have a tendency to decrease the attractiveness or value of the other Residential Lots, the Common Area, or the Country Club Property. No Owner shall cause or permit anything to be placed on the outside walls of his Residence, and no sign, awning, canopy, window air conditioning unit, shutter, or other fixture shall be affixed to or placed upon the exterior walls or roof of

any building or any part thereof, without the prior written consent of the Association.

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(i) Until Declarant has completed all of the contemplated improvements on the Project and the Country Club Property and closed the sales of all of the Residential Lots, including those in phases subject to annexation pursuant to Section 15, neither the Owners nor the Association shall interfere with the completion of the contemplated improvements and the sale of the Residential Lots. Declarant and its authorized agents and assigns may make such use of the unsold Residential Lots, the Common Areas, and the Country Club Property as may facilitate completion and sale, including, but not limited to, maintenance of model homes and sales and construction offices, the showing of the Project, the Residential Lots, and the Country Club Property; provided, however, that Declarant shall not unreasonably interfere with any Owner's use and enjoyment of his Residential Lot.

(j) All Owners, lessees, guests and occupants of Residential Lots shall abide by this Declaration, the Association Charter Documents and Rules and Regulations and the Country Club Charter Documents and Rules and Regulations.

15. ANNEXATION.

(a) Annexation by Declarant. All or any portion of the real property described in Exhibit F and the Country Club Property may be annexed by Declarant, without the consent of Members or Owners, within three years of the original issuance of the most recently issued Final Subdivision Public Report for a phase of the Project; provided, however, that Declarant shall be under no obligation to develop or annex said additional phases and real property and Declarant makes no representation with respect to whether or not such additional real property will ever be developed or annexed.

(b) Annexation by Consent. Additional residential property and Common Areas, within the real property described in Section

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(c) Procedure. The additions authorized hereby shall be made by recording a Supplementary Declaration of Covenants, Conditions and Restrictions, or similar instrument, with respect to the additional properties which shall extend the scheme of this Declaration and the jurisdiction of the Association to such properties. Subject to the provision of Section 16 below, such supplementary declarations contemplated herein may contain such complementary additions and modifications of the covenants and restrictions contained in this Declaration as may be necessary to reflect the different character, if any, of the added properties and as are not inconsistent with the scheme of this Declaration.

16. AMENDMENT.

The Declaration may be amended by the written approval of at least 75% of each class of voting membership in the Association in existence at the time the amendment is considered. Any such amendment shall become effective upon recordation in the Office of the Riverside County Recorder of a written instrument setting forth such amendment and signed and acknowledged by a majority of the Board who shall certify in said written instrument that at least 75% of each class of voting membership in the Association in existence at the time the amendment is considered have given their written approval of such amendment. Provided, however, that no amendment which materially affects the ownership, possession or use of an Owner, either directly or as a member of the Association, shall be valid unless the prior written consent of the California Real Estate Commissioner is obtained, to the extent that such consent is required under Section 11018.5 of the California Business and Professions Code. Provided, further, that no material amendment shall become effective unless written approval of such amendment is obtained from (i) at least 75% of all first Mortgagees and (ii) Federal National Mortgage Association, Government National Mortgage Association, and/or Federal Home Loan Mortgage Corporation, to the extent that any of said entities hold or are committed to hold a Mortgage on a Residen-

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tial Lot within the Project. For purposes of this Section 16, the term "material amendment" shall mean amendments to provisions of these By-Laws governing the following subjects:

- a. The fundamental purpose for which the Project was created (such as a change from residential use to a different use).
- b. Voting
- c. Assessments, assessment liens, and subordination thereof.
- d. Reserves for repair and replacement of Common Areas, or the Country Club Property.
- e. Property maintenance obligations.
- f. Casualty and liability insurance.
- g. Reconstruction in the event of damage or destruction.
- h. Rights to use the Common Areas, or the Country Club Property.
- i. Annexation.
- j. Any provision which by its express terms is specifically for the benefit of first Mortgagees, or specifically confers rights on first Mortgagees.

17. NOTICE OF TRANSFER.

Upon the lease, sale or other transfer of a Residential Lot, either the Owner who transfers the Residential Lot or the transferee shall promptly notify the Association in writing of the name and address of the transferee, the nature of the transfer and the Residential Lot number involved, as well as such other information relative to the transfer and the transferee as the

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Association may reasonably request. An executed copy of the instrument of transfer shall be transmitted to the Association for any transfer subject to this paragraph, including, but not limited to, transfers occurring by reason of sale, lease, gift, devise or inheritance. The provisions of this Section 17 shall not apply to Declarant.

18. TERM OF RESTRICTIONS.

This Declaration shall remain in full force and effect for a period of forty years from the date hereof. Thereafter, they shall be deemed to have been renewed for successive terms of ten years each unless revoked or amended by an instrument in writing, executed and acknowledged by the Owners of a majority of the Residential lots within the Project, which said instrument shall be recorded in the office of the County Recorder of Riverside County, California, within ninety days prior to the expiration of the initial effective period hereof or any ten year extension.

19. NOTICES.

Any notice required to be sent to any Member of the Association or an Owner under the provisions of this Declaration shall be deemed to have been received when mailed with proper postage prepaid to the last known address of the person who appears as Member on the records of the Association at the time of such mailing, or in the case of hand delivery, upon delivery to such last known address.

20. MORTGAGEES.

(a) Protection. No breach of this Declaration shall defeat or render invalid the lien of any Mortgage made in good faith and for value. However, each and all of the provisions hereof shall be binding upon and effective against any Owner whose title thereto is acquired by or through trustee's sale or foreclosure, except that said person who acquires title in such manner shall take title free of the lien hereof for all assessments that have

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accrued up to the time of trustee's sale or foreclosure, but subject to the lien hereof for all said charges that shall accrue subsequent thereto. The breach of any of the provisions hereof may be enjoined, abated, or reviewed by appropriate proceedings, notwithstanding the lien or existence of any such Mortgage.

(b) Approval. Notwithstanding any provision in this Declaration which may be to the contrary, and in addition to all other approvals and consents required to be obtained from Mortgagees under this Declaration, unless the prior written approval of seventy-five percent (75%) or more of the first Mortgagees or owners of Residential Lots is obtained, the Association shall not be entitled to:

(1) by act or omission seek to abandon, partition, subdivide, encumber, sell or transfer all or a portion of the Common Area. The granting of easements for public utilities or for other public purposes consistent with the intended use of the Project shall not be deemed a transfer within the meaning hereof.

(2) change the method of determining assessments from that provided in Section 5.

(3) by act or omission change, waive or abandon any scheme of regulations, or enforcement thereof, pertaining to the architectural design or the exterior appearance or maintenance of Residential Lots, the maintenance of party walks, party walls, common fences and driveways, or the upkeep of landscaping within the Common Area.

(4) fail to maintain fire and extended coverage on insurable Common Areas and Residential Lots, as provided in Section 6.

(5) use hazard insurance proceeds for losses to Common Areas and Residential Lots for other than repair, replacement or reconstruction thereof.

(c) Books and Records. First Mortgagees of Residential Lots shall have the right to examine the books and records of the Association at reasonable times and after reasonable notice.

239280 (d) Right to make Payments. First Mortgagees of Residential Lots may, jointly or singly, pay taxes or other charges which are in default and which may or have become a charge against any Common Area and may pay overdue premiums on insurance policies, or secure new insurance coverage on the lapse of a policy, for the Common Area and first Mortgagees making such payments shall be owed immediate reimbursement therefor from the Association. Entitlement to such reimbursement shall be reflected in an agreement in favor of all first Mortgagees of Residential Lots, which shall be duly executed by the Association and provided to Declarant upon request.

(e) Notice of Default. If any Owner defaults in the performance of any obligation under this Declaration (including nonpayment of assessments) or the By-Laws, and such default is not cured within thirty days, each Mortgagee of such Owner's Residential Lot shall be so notified in writing by the Association.

21. WATER RIGHTS

The Association shall have the power and the right to remove underground and surface water from any and all portions of the Project, including the Common Areas and Residential Lots, provided that no well, pump, machine, storage tank, building, shed, structure, dam, or other facility or equipment for water removal, retention, storage, or purification, whether of a temporary or permanent nature, shall be constructed, placed or operated anywhere upon or in the Project without prior approval of the Architectural Control Committee as provided in Section 9 of this Declaration; provided further that no such facility or equipment shall be constructed, placed, or operated upon or in a Residential Lot without the prior written consent of the Owner and Mortgagee of such Residential Lot.

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Any water removed, retained, or stored pursuant to this section may be distributed at the discretion of the Board of Directors for use by Members or by the Association for recreational facilities or for maintenance of the Common Areas and the Country Club facilities. In the event of a domestic water shortage, however, all potable water removed, retained, or stored pursuant to this section shall be distributed on an equitable basis to all Residential Lots for domestic uses only; provided that any surplus water beyond the domestic requirements of Residential Lots shall be available for distribution by the Board of Directors for other uses as described above.

The costs of water removal, retention, storage or purification, including costs of labor, facilities, equipment and supplies incident thereto, shall be common expenses of the Association, and shall be assessed to all Owners as special assessments subject to the provisions of Section 5 of this Declaration. All such facilities, equipment and supplies, whether or not attached to the land, and whether located upon a Residential Lot or upon a Common Area, shall be the property of the Association.

Nothing contained in this section shall be construed to be a grant by Declarant of any mineral rights to the Association or to any Owner of a Residential Lot; and nothing contained herein shall be construed as a grant of an easement or profit by Declarant for removal of any minerals from the Project.

Notwithstanding anything contained in this Section 21 which is or may appear to be in conflict with the provisions of Section 14(c) of this Declaration, the provisions of this Section 21 shall prevail.

22. MISCELLANEOUS.

(a) Enforcement of Restrictions. After the date on which this instrument has been recorded, these covenants, conditions,

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servitudes, rights, reservations, limitations, liens, charges and restrictions may be enforced by any and all of the available legal remedies, including, but not limited to, injunction, declaratory relief, and action to abate a nuisance by the Association or the Country Club each of which shall have the right and duty to enforce the same and expend its assessment funds in pursuant thereof, and/or by any one or more Owners, except that no such Owner shall have the right to enforce independently of the Association or the Country Club any assessment or lien created herein. Failure to enforce any provision hereof shall not constitute a waiver of the right to subsequently enforce said provision or any other provision hereof.

(b) Interpretation. The provisions of this Declaration shall be liberally construed to effectuate its purposes of creating a general plan for the development and operation of the Project. The various headings used herein are for convenience only and shall not affect meaning or interpretation.

(c) Severability. The provisions hereof shall be deemed independent and severable, and the invalidity or partial invalidity or unenforceability of any one provision or portion thereof shall not affect the validity or enforceability of any other provisions hereof.

(d) Power of Attorney. To the extent necessary to carry out and enforce the provisions of this Declaration, separate and irrevocable powers of attorney coupled with an interest are granted to the Association and the Country Club by the Owners; provided, however, that this section shall not affect, limit or abridge, in any way, the rights reserved by Declarant in this Declaration.

(e) Limitation of Liability. Neither the Declarant (nor its agents or employees) nor the Association, its Board (nor any member thereof) nor its officers (nor any of them), nor the Country Club, the Country Club Board (nor any member thereof), nor its officers (nor any of them), shall be liable for any

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failure to provide any service or perform any duty, function or responsibility designated or provided in this Declaration, the By-Laws, or the Country Club By-Laws, to be performed by the same, or for injury and/or damage to persons or property caused by fire, explosion, the elements or by another Owner or person in the Project or resulting from electricity, water, rain, dust or sand which may leak or flow from any Residential Lot or from any pipes, drains, conduits, appliances or equipment, or from any other place or cause unless caused by the willful misconduct of the person or entity seeking the benefit of this limitation of liability.

(f) Indemnification. The Association shall and does hereby indemnify the Board (and each member thereof), and the officers of the Association (and each of them), against all expenses and liabilities, including attorneys' fees, reasonably incurred by such person or persons in connection with any proceeding to which he may be a party, by reason of his being or having been a Board member, or officer of the Association, except in such cases where he has committed a willful misfeasance or malfeasance in the performance of his duties.

The Country Club shall and does hereby indemnify the Country Club Board (and each member thereof), and its officers (and each of them), against all expenses and liabilities, including attorney's fees, reasonably incurred by such person or persons in connection with any proceeding to which he may be a party by reason of his being or having been a board member, or officer of the Country Club, except in such cases where he had committed a willful misfeasance or or malfeasance in the performance of his duties.

(g) Waiver of Homestead Exemption. Each Owner does hereby waive to the fullest extent permitted by law, with respect only to assessment liens created pursuant to this Declaration, the benefit of any homestead or exemption or redemption laws of the State of California in effect at the time any payment of any assessment, whether regular or special becomes delinquent as

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herein provided and such Owner shall be deemed to be estopped to raise said homestead or other exemption or redemption in any action or proceeding to enforce or foreclose such assessment liens.

(h) Completion Bond. In the event that the Project is not completed prior to the issuance of a public report by the California Department of Real Estate and the Association is obligee under a bond or other arrangement (hereinafter "bond") to secure performance of the commitment of the subdivider to complete the improvements, the following provisions shall apply with respect to the Association's initiating action to enforce the obligations of the subdivider and the surety under the bond:

(1) The Board shall consider and vote on the question of action by the Association to enforce the obligations under the bond with respect to any improvements for which a notice of completion has not been filed within 30 days after the completion date specified for that improvement in the planned construction statement appended to the bond. If the Association has given an extension in writing for the completion of any Common Area improvement, the Board shall be directed to consider and vote on the aforesaid question if a notice of completion has not been filed within 30 days after expiration of the extension.

(2) A special meeting of Members for the purpose of voting to override a decision by the Board not to initiate action to enforce the obligations under the bond or on the failure of the Board to consider and vote on the question shall be held not less than 15 days or more than 30 days after receipt by the Board of a petition for such a meeting signed by Members representing 10% of the total voting power of the Association.

(3) The bond shall be enforced against the subdivider and/or the surety upon the affirmative vote of a majority of Members of the Association, excluding the subdivider, at the special meeting called for the purpose set forth in (2) above.

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(4) A vote of the majority of the voting power of the Association residing in Members, other than the subdivider, to take action to enforce the obligations under the bond shall be deemed to be the decision of the Association and the Board of Directors shall thereafter implement this decision by initiating and pursuing appropriate action in the name of the Association.

IN WITNESS WHEREOF, the undersigned have executed this instrument as of this 12th day of October, 1979.

DAME' CONSTRUCTION CO., INC.

By: Carl D. Davis

President

By: Jim Burly

Secretary

CHAPARRAL COUNTRY CLUB, INC.

By: Carl D. Davis

President

By: Robert E. Doty

Secretary

CHAPARRAL ASSOCIATION

By: Carl D. Davis

President

By: Robert E. Doty

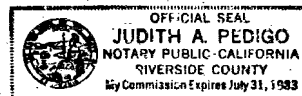
Secretary

239260

STATE OF CALIFORNIA)
) SS
COUNTY OF Riverside)

On this 12th day of October, 1979, before me, the undersigned, a Notary Public in and for said county and state personally appeared Carl Davis, known to me to be the _____ President of the corporation that executed the within instrument and known to me to be one of the persons who executed the within instrument on behalf of said corporation, and Richard Doty, known to me to be the _____ Secretary of the corporation that executed the within instrument and known to me to be one of the persons who executed the within instrument on behalf of said corporation.

WITNESS my hand and official seal.



Judith A. Pedigo
Notary Public

239260

STATE OF CALIFORNIA)
) ss.
County of Contra Costa)

CORPORATION ACKNOWLEDGEMENT

On this 12th day of October, in the year one thousand nine hundred and Seventy-Nine before me, the undersigned, a Notary Public in and for said County and State, residing therein duly commissioned and sworn, personally appeared Jim Busby, Secretary



known to me to be the _____ Secretary of the corporation described in and that executed the within instrument, and also known to me to be the person who executed the within instrument on behalf of the corporation therein named, and he acknowledged to me that such corporation executed the same, pursuant to its by-laws or a resolution of its board of directors.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal, the day and year in this Certificate first above written.

Loretta M. Bishop
Notary Public in and for said County and State

My Commission Expires March 16, 1980

233260

E X H I B I T A

Phase I Residential Lots
Lots 1 through 187 of Tract 13881-1
Per Map recorded on September 4, 1979,
in Book 106, pages 75-80, inclusive, of
Maps in the Office of the County Recorder,
of Riverside County, California

Phase I Common Area Lots
Lots C, D
Lots 188, 189, 190, 191, 192, 193, 194, 196
of Tract 13881-1 per Map recorded on
September 4, 1979, in Book 106,
pages 75-80, inclusive, of Maps, in the
Office of the County Recorder, of
Riverside County, California

239260

EXHIBIT C

Phase I Common Area Lots
Lots C, D
Lots 188, 189, 190, 191, 192, 193, 194, 196
of Tract 13881-1 per Map recorded on
September 4, 1979, in Book 106,
pages 75-80, inclusive, of Maps in the
Office of the County Recorder, of
Riverside County, California

239260

EXHIBIT D

Country Club Property

- Phase I Lot B
Lots 195, 197, 198, 199 of Tract
13881-1 per Map recorded on
September 4, 1979, in
Book 106, pages 75-80, inclusive,
of Maps in the Office of the County
Recorder, of Riverside County, Cali-
fornia
- Phase II Lots 150, 152, 153
of Tentative Tract No. 13881-2 in the
County of Riverside, California
- Phase III Lot 185
of Tentative Tract No. 13881-3 in the
County of Riverside, California
- Phase IV Lots 157, 159, 160
of Tentative Tract No. 13881-4 in the
County of Riverside, California

239260

BASIC CLUB EXPENSES

Insurance
Electricity
Water
Landscaping Service
Landscaping Supplies
Artificial Lake Maintenance
Entry Gate Attendant
Entry Gate
Reserves
New Construction Contingency

EXHIBIT "E"

AC5-M-791009

239250

EXHIBIT F

All Residential and Common Area Property
Other than Phase I

Residential Lots

- Phase II Residential Lots
Lots 1 through 144 of Tentative Tract
No. 13881-2 in the County of Riverside,
California
- Phase III Residential Lots
Lots 1 through 172 of Tentative Tract
No. 13881-3 in the County of Riverside,
California
- Phase IV Residential Lots
Lots 1 through 150 of Tentative Tract
No. 13881-4 in the County of Riverside,
California

Common Area Lots

- Phase II Lots B, C, D
Lots 145, 146, 147, 148, 149, 151 of
Tentative Tract No. 13881-2 in the
County of Riverside, California
- Phase III Lots A, B, C, D, E, F
Lots 173, 174, 175, 176, 177, 178, 179,
180, 182, 183, 184 of Tentative
Tract No. 13881-3 in the County of
Riverside, California
- Phase IV Lots A, B
Lots 151, 152, 153, 154, 155, 156, 158
of Tentative Tract No. 13881-4 in the
County of Riverside, California

END RECORDED DOCUMENT DONALD D. SULLIVAN, COUNTY RECORDER

11849

Recording Requested By and
When Recorded Mail To:

Brown, Winfield & Canzoneri, Inc.
615 South Flower Street, Suite 1201
Los Angeles, California 90017

Attn: Eric B. Rasmussen, Esq.

RECEIVED FOR RECORD
AT 1:00 O'CLOCK A.M.
JAN 18 1980
COUNTY CLERK
COUNTY OF RIVERSIDE

Book 1980, Page 11849

JAN 18 1980

Recorded in Official Records
of Riverside County, California

[Signature]

FIRST AMENDMENT TO
DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS OF
CHAPARRAL COUNTRY CLUB

THIS AMENDMENT TO DECLARATION is made on the date herein-
after set forth by Dame' Construction Co., Inc., hereinafter
referred to as "Declarant."

W I T N E S S E T H

WHEREAS, Declarant is the owner of all that certain real
property ("the Project") located in the County of Riverside,
State of California, which is more particularly described in
Exhibit 1 attached hereto.

Declarant hereby declares as follows:

WHEREAS, Declarant will cause said properties to be conveyed
subject to certain protective covenants, conditions, restric-
tions, reservations, liens and charges as set forth in that
certain Declaration of Covenants, Conditions and Restrictions
recorded as Instrument No. 239260 in the Office of the County
Recorder of Riverside County (the "Declaration").

WHEREAS, it has been determined that certain errors were
made in the legal descriptions attached to said Declaration,

NOW THEREFORE, Declarant hereby declares that the Declara-
tion shall be amended as follows:

(a) Exhibit D to the Declaration, in the description of
Phase IV Country Club Property, the designation "... Tentative
Tract No. 13881-4 ..." shall be changed to "... Tentative Tract
No. 13881 ..."

(b) Exhibit F to the Declaration shall be amended as
follows:

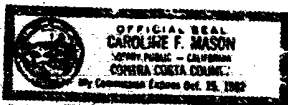
(i) Lot 181 shall be added to the list of Phase III
Common Area Lots.

(ii) In the descriptions of Phase IV Residential Lots
and Phase IV Common Area Lots, the designation
"... Tentative Tract No. 13881-4 ..." shall be
changed to "... Tentative Tract No. 13881 ..."

IN WITNESS WHEREOF, the undersigned, being the Declarant herein, has executed this instrument this 10th day of January, 1980.

DAME' CONSTRUCTION CO., INC.

11849



By Carl B. Dame Pres

By Irvn Loube V. Pres

STATE OF CALIFORNIA)
) ss.
COUNTY OF Contra Costa)

On January 10, 1980, before me, a notary public in and for said County and State, personally appeared Carl B. Dame known to me to be the President of Dame' Construction Co., Inc., the corporation that executed the within instrument, known to me the persons who executed the within instruments on behalf of the said corporation, and acknowledged to me that said corporation executed the within instrument pursuant to its By-laws or a Resolution of its Board of Directors.

WITNESS my hand and official seal.

Caroline F. Mason
Notary Public
Caroline F. Mason

STATE OF CALIFORNIA)
) ss.
COUNTY OF Contra Costa)

On January 10, 1980, before me, a notary public in and for said County and State, personally appeared Irvn Loube known to me to be the Vice President of Dame' Construction Co., Inc., the corporation that executed the within instrument, known to me the persons who executed the within instruments on behalf of the said corporation, and acknowledged to me that said corporation executed the within instrument pursuant to its By-laws or a Resolution of its Board of Directors.

WITNESS my hand and official seal.

Caroline F. Mason
Notary Public
Caroline F. Mason



EXHIBIT 1

PHASE I

Lots 1 through 200 inclusive, and Lots A through D inclusive of Tract 13881-1, as shown by Map on file in Book 106, pages 75 through 80 inclusive of Maps, Riverside County Records.

PHASE II

Lots 1 through 153 inclusive and Lots A through D inclusive of Tract 13881-2, as shown by Map on file in Book 102, pages 46 through 50 inclusive of Maps, Riverside County Records.

PHASE III

Lots 1 through 185 inclusive, and Lots A through F inclusive of Tentative Tract 13881-3 in the County of Riverside, California.

PHASE IV

Lots 1 through 160 inclusive and Lots A and B of Tentative Tract 13881 in the County of Riverside, California.

All of said land is situated in the City of Palm Desert.

END RECORDED DOCUMENT DONALD D. SULLIVAN COUNTY RECORDER

148994

WHEN RECORDED RETURN TO:

RESORT COMMUNITY MANAGEMENT
P.O. Box 12710
Palm Desert, CA 92255

RECEIVED FOR RECORD
AT 8:00 O'CLOCK

MAY 10 1995

DECLARATION OF COVENANTS, CONDITIONS
AND RESTRICTIONS
OF
CHAPARRAL ASSOCIATION AND
CHAPARRAL COUNTRY CLUB

Recorded in Official Records
of Riverside County, California

Recorder
Fees \$ 105

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WHEN RECORDED RETURN TO:

PETERS & FREEDMAN
P.O. Box 1313
Palm Desert, CA 92261

Attention: David M. Peters

DECLARATION OF COVENANTS, CONDITIONS
AND RESTRICTIONS

OF

CHAPARRAL ASSOCIATION AND
CHAPARRAL COUNTRY CLUB

This Declaration applies to certain real property of **Chaparral Association and Chaparral Country Club** located in the City of Palm Desert, County of Riverside, State of California described in Exhibit A and shown and noted as **Residential Lots, Common Area and Country Club Property** on the plot attached as Exhibit B.

It is hereby declared that the **Property** shall be held, sold and conveyed subject to the following declaration as to division, easements, rights, liens, charges, covenants, servitudes, restrictions, limitations, conditions and uses to which the **Property** may be put, hereby specifying that such declaration shall operate for the mutual benefit of all **Owners** of the **Property** and the **Country Club** (as defined below) and shall constitute covenants to run with the land and shall be binding on and for the benefit of the **Association**, its successors and assigns, the **Country Club**, its successors and assigns, and all subsequent **Owners** of all or any part of the **Property**, together with their grantees, successors, heirs, executors, administrators, devisees and assigns, for the benefit of the **Property** and the **Country Club Property**, and shall, further, be imposed upon all of the **Property** as a servitude in favor of each member of the **Association** and the **Country Club**.

1. DEFINITIONS.

The following definitions and covenants shall be applicable to this Declaration. All defined terms shall appear in bold type throughout this declaration.

a. "Association Articles of Incorporation" means the Articles of Incorporation of the Association as the same may be duly amended from time to time.

b. "Association" means Chaparral Association, a California nonprofit corporation, its successors and assigns, which

will operate all **Property** not included in sections 1 (h) and 1 (m) below.

c. **"Association Board"** or **"Association Board of Directors"** may be used interchangeably herein and shall mean the Board of Directors of the Association as the same may, from time to time, be constituted.

d. **"Association By-Laws"** means the By-Laws adopted by the Association, as the same may be duly amended from time to time.

e. **"Association Charter Documents"** means the By-Laws and Articles of Incorporation of the Association.

f. **"Common Area"** or **"Common Areas"** means the real property within the **Property** owned or to be owned by the Association for the common use and enjoyment of the **Owners**. The **Common Area** presently owned or to be owned by the **Association** is shown and marked as **Common Area** on Exhibit B. Upon an annexation pursuant to Section 15, the **Common Area** will include such additional real property as is annexed as **Common Area**.

g. **"Consumer Price Index"** or (CPI) is a measure of the average change in prices over time of basic consumer goods and services. The index measures price changes from a designated reference period, 1967, which equals 100 (1994 equals 152). For this Declaration, the CPI for all urban consumers in Los Angeles, Anaheim and Riverside will apply. The figure used will reflect the change in CPI from the same month of the previous year. If said index shall not be in existence at the time any computation is to be made, such other index as is published by a governmental authority for use in lieu thereof shall be used.

h. **"Country Club"** refers to Chaparral Country Club, Inc., a California nonprofit corporation, its successors and assigns, which will operate the golf, tennis, clubhouse and related **Country Club** improvements and facilities to be constructed on and within the **Country Club Property** or **Association Property** approved for use of the **Country Club**.

i. **"Country Club Articles of Incorporation"** means the Articles of Incorporation of the **Country Club** as the same may be duly amended from time to time.

j. **"Country Club Board"** or **"Country Club Board of Directors"** may be used interchangeably herein and shall mean the Board of Directors of the **Country Club** as the same may, from time to time, be constituted.

k. **"Country Club By-Laws"** means the By-Laws adopted by the **Country Club** as the same may be duly amended from time to time.

l. "Country Club Charter Documents" means the By-Laws and Articles of Incorporation of the Country Club.

m. "Country Club Property" refers to that real property shown and marked as Country Club Property in Exhibit B, including but not limited to the golf course, tennis courts, and clubhouse areas, which is owned or to be owned by the Country Club.

n. "Declaration" means this Declaration of Covenants, Conditions and Restrictions, together with any amendments, supplements or modifications hereto.

o. "Deed of Trust" shall mean and be synonymous with the word "Mortgage", and the same may be used interchangeably with the same meaning; and likewise, the word "Trustor" shall be synonymous with the word "Mortgagor", and the word "Beneficiary" shall be synonymous with the word "Mortgagee".

p. "Member" means every person or entity who holds a membership in the Association.

q. "Mortgage" shall mean any security device encumbering all or a portion of the Property or any Residential Lot, and the term "Mortgage" shall include a Deed of Trust.

r. "Mortgagee" means a person or entity to whom a Mortgage is made or who otherwise is the holder of a Mortgage; "Mortgagor" means a person or entity who mortgages his or its property to another, i.e., the maker of a Mortgage.

s. "Owner" means the owner of record, whether one or more persons or entities, of a Residential Lot, including contract sellers but excluding those having such interest merely as security for the performance of an obligation.

t. "Person" means and includes a natural person, corporation, partnership, association, firm or other entity as the case may be and the context may require.

u. "Property" means the real property belonging to the Association and described in Exhibit A as Residential Lots and Common Area and noted on Exhibit B (map), and Country Club Property described in Exhibit A and marked on Exhibit B (map) and such additional real property as is hereafter annexed by purchase or transfer between the corporations.

v. "Regular Assessment" means a recurring assessment levied on an Owner and his or her separate interest and which continues in force until changed in accordance with the provisions of the CC&R's.

w. "Residence" means a residential structure or

structures, including enclosed yard, patio areas and garages located on a Residential Lot.

x. "Residential Lot" or "Residential Lots" means the lots, including improvements now or hereafter thereon, within the Property which are improved with an attached single family dwelling, and such additional real property as is hereafter annexed for the same purpose and which does not become a part of the Common Area.

y. "Rules and Regulations" means both those rules and regulations adopted by the Association or its Board, and those rules and regulations adopted by the Country Club or its Board.

z. "Single Family Residential Use" means occupancy and use of a Residence for single family 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 single family residential dwellings.

aa. "Social Member" and "Golf Member" mean social member and golf member, respectively, of the Country Club as such terms are defined in the Country Club By-Laws.

bb. "Special Assessment" means a non-recurring assessment levied on an Owner and his or her separate interest. Such payment may be by installment or a single sum, to be determined by the Board imposing the assessment.

2. COMMON AREA.

The Association has been deeded fee title to the Common Area. The Owner of each Residential Lot shall have a right and easement of enjoyment in and to the Common Area which shall be appurtenant to and shall pass with each transfer, whether voluntary or involuntary, of title to the Residential Lot. Provided, however, that such right and easement of enjoyment shall be subject to the provisions of this Declaration, including the rights of the Association to exercise all powers and perform all duties set forth in this Declaration and the Association Charter Documents. No Owner may separate such right and easement of enjoyment from the fee title to his Residential Lot, although an Owner may delegate his right of enjoyment of the Common Area to the members of his family, his tenants, or contract purchasers who reside in his Residence.

3. MEMBERSHIPS, VOTING RIGHT, AND ADMINISTRATION.

a. Membership. An Owner of a Residential Lot shall automatically, upon becoming the owner of record thereof, be a Member of the Association and a Social Member of the Country Club,

and shall remain so until such time as his ownership ceases for any reason, at which time both such memberships shall automatically cease. Such memberships shall be appurtenant to and pass with the ownership of such Residential Lot. Such memberships shall not be transferred, pledged or alienated in any way, except (1) upon and with the transfer of such Residential Lot, or (2) by pledge to a lending institution as additional security for a real estate loan secured by a first Mortgage on the Residential Lot to which such memberships are appurtenant. Any attempt to make a transfer of a membership prohibited by this section shall be void and shall not be reflected upon the Association's or Country Club's books and records. If the Owner of any Residential Lot fails to transfer such memberships appurtenant thereto upon any transfer, whether voluntary or involuntary, of the Residential Lot, the Association and Country Club shall have the right to record the transfer upon their books and thereupon the memberships outstanding in the name of the prior Owner shall be null and void.

b. Association Voting. Voting Members shall be all Owners and shall be entitled to one vote for each Residential Lot owned. When more than one Person holds an interest in any Residential Lot, all such Persons shall be Members. The vote for such Residential Lot shall be exercised as they among themselves determine, but in no event shall more than one vote be cast with respect to any Residential Lot.

c. Association Administration and Compliance. The common affairs and management of the Property, (other than that managed by the Country Club as described in Section 1.h.) shall be administered by the Association, through its Board, officers and agents in accordance with the provisions of this Declaration, and the Association Charter Documents. In the event that the Association Charter Documents are in any way inconsistent with this Declaration, then this Declaration shall prevail and control. Each Owner, guest, tenant, or occupant of a Residential Lot shall comply with the provisions of this Declaration, the Association Charter Documents and Rules and Regulations, all as lawfully amended, from time to time, and failure to so comply shall be grounds for (i) an action for damages and/or injunctive relief, and (ii) such remedies, by legal proceeding or otherwise, as are available by reason of this Declaration, the Association Charter Documents or the Country Club Charter Documents, each of which remedies shall be cumulative and in addition to each other available remedy.

d. Country Club Voting, Administration, and Compliance. The common affairs and management of the Country Club Property shall be administered by the Country Club through its Board, officers, and agents in accordance with the provisions of the Country Club Charter Documents. In the event that the Country Club Charter Documents are in any way inconsistent with this Declaration, then this Declaration shall prevail and control. The rights, privileges, obligations, duties, rules, regulations,

conditions, restrictions, limitations, and voting rights respecting membership in the Country Club shall be governed by, and each Owner, guest, tenant, or occupant of a Residential Lot, and any tenant of any portion of the Country Club Property, and any employee, invitee, or guest of such tenant, shall comply with the provisions of the Country Club Charter Documents and Rules and Regulations, all as lawfully amended, from time to time; and, failure to so comply shall be grounds for (i) an action by the Association and/or the Country Club for damages and/or injunctive relief, and (ii) such remedies, by legal proceeding or otherwise, as are available by reason of this Declaration, the Association Charter Documents or the Country Club Charter Documents, each of which remedies shall be cumulative and in addition to each other available remedy.

4. POWERS, RIGHTS AND DUTIES OF THE ASSOCIATION.

The Association shall have the powers, rights and duties, in addition to those provided elsewhere in this Declaration, and the Association Charter Documents to: (i) enforce and comply with the provisions of this Declaration; (ii) pay taxes, Special Assessments and other liabilities which are or would become a lien on the Common Area, or any portion thereof; (iii) levy Regular and Special Assessments and perfect and enforce liens as hereinafter provided; (iv) borrow funds to pay costs of operations, secured by assignment or pledge of rights against delinquent Owners; provided, however, that the vote of a majority of Members shall be required to borrow in excess of fifteen percent (15%) of the budgeted gross expenses of the Association for that fiscal year; and, (v) make reasonable Rules and Regulations for the operation and use of that part of the Property administered by the Association and to amend them from time to time.

Whenever this Declaration or the Association Charter Documents require the approval, consent or action of the Association Board, said approval, consent or action shall be that of the Board, unless otherwise provided by this Declaration or the Association Charter Documents.

Whenever this Declaration requires the approval, consent or action of the Country Club, said approval, consent or action shall be that of the Country Club Board, unless otherwise provided by this Declaration, or the Country Club Charter Documents.

5. ASSESSMENTS AND LIEN.

a. Creation of Obligation and Lien. Each Owner shall have a personal obligation to pay all assessments, charges and other monetary sums which are duly levied against his Residential Lot by the Association and/or the Country Club, and become due while he is the Owner of such Residential Lot. Such assessments, charges and other sums are also hereby established as charges upon

the Residential Lot to which they relate and shall be a lien thereon.

b. Proportionate Share. Each Owner's proportionate share in the receipts and common expenses of the Association shall be a pro rata share equal to the number of Residential Lots within the Property. The pro rata share attributable to each Residential Lot shall not be changed without the prior written approval of 60% of Mortgagees of Residential Lots.

c. Association Assessments. Each Owner shall be subject to the following assessments in amounts to be determined, with respect to items (1), (2) and (3) by the Association Board,

(1) Regular maintenance assessments equal to the Owner's proportionate share of the actual or estimated cost of all maintenance, repairs, taxes, insurance, labor, and other common expenses for which the Association is responsible, and adequate reserves for replacement, whether by capital contribution or otherwise, which assessments shall be amortized and collected on a monthly basis, as of the first of the month. The Association Board may not, without the vote or written consent of a majority of Members impose a regular annual assessment per Residential Lot which is more than 20% greater than the regular annual assessment for the immediately preceding year. Subject to the above limitations, the Association Board of Directors may change the rate of assessments at any time upon thirty (30) days prior written notice to the membership.

(2) Special Assessments for capital expenditures or other purposes all on the same basis as for Regular Assessments, provided that in any fiscal year, the Association Board may not, without the vote or written consent of a majority of Members, levy Special Assessments to defray costs of any action or undertaking on behalf of the Association which in the aggregate exceed 5% of the budgeted gross expenses of the Association for that fiscal year.

(3) Membership fees, charges, payments, fines, penalties and such other sums as become payable under this Declaration or the By-Laws.

d. Country Club Assessments. Each Owner shall be subject to the following assessments in amounts to be determined, with respect to items (1) and (2) by the Country Club Board.

(1) Regular social membership assessment equal to the Owner's proportionate share of the actual or estimated cost of all maintenance, repairs, taxes, insurance, labor and other common expenses for which the Country Club is responsible, and adequate reserves for replacement, whether by capital contribution or otherwise, which assessments shall be amortized and collected on a monthly basis. The social membership assessment may be adjusted by

the **Country Club Board** as of the first of each calendar year, but without majority approval of the **Social Members** cannot exceed changes reflected in the **Consumer Price Index** in relation to the second month preceding the month in which the increase is to become effective, or be greater than 7% of the assessment for the preceding year, whichever is greater.

(2) Membership fees, charges, payments, assessments, penalties, fines and such other sums as become payable under the **Country Club By-Laws**.

e. Payment. Each **Owner** shall pay all assessments levied upon his **Residential Lot** to the **Association** with respect to items (1), (2), and (3) of Section 5.c. and to the **Country Club** with respect to items (1) and (2), of Section 5.d. on or before their noticed due date. If an assessment is not paid when due the **Association** or **Country Club**, as the case may be, may assess the **Owner** for late charges, interest and collection and lien enforcement costs (including reasonable attorneys' fees). No **Owner** may exempt himself from liability for his share of assessments by waiving the use or enjoyment of the **Common Area** or the **Country Club Property** or by abandoning his **Residential Lot**. The **Association** and the **Country Club** shall each have separate and distinct rights to payment and collection of the respective assessments and sums due them and each shall have a separate and distinct lien to secure such payment as provided below.

f. Lien. Such assessments (including late charges, interest, collection, attorneys' fees and other costs) shall, if not paid within thirty (30) days of the due date, become a lien upon the **Owner's Residential Lot** and shall continue to be such a lien until fully paid, subject to the following conditions:

(1) Such lien shall become effective against any such **Residential Lot** only upon the recordation by the **Association** or the **Country Club**, as the case may be, of a Notice of Lien, in the Office of the County Recorder of Riverside County, California. The Notice of Lien shall state the amount of delinquent assessments and other charges, a description of the **Residential Lot** against which the same has been assessed, and the name of the **Owner** of such **Residential Lot**. Such Notice of Lien shall be executed by an authorized representative of the **Association** or the **Country Club**. Upon the payment of all delinquent assessments and charges, or upon other satisfaction thereof the **Association** or the **Country Club**, shall cause to be recorded a release of lien, provided that the **Association** or the **Country Club** is reimbursed for the cost of preparing and recording the release (including reasonable attorneys' fees).

(2) Any action brought to foreclose such lien shall be commenced within one year following such recordation; provided, however, that said period may be extended by the **Association** or the

Country Club for a period not to exceed one additional year by recording a written extension thereof.

(3) Any such lien shall not defeat nor render invalid nor rank the lien of any first **Mortgage** affecting any **Residential Lot** made in good faith and for value and recorded in the office of said County Recorder prior to the recordation of any such lien, and any such lien shall be subordinate and subject to the lien of any such prior recorded first **Mortgage**. Any **Person** who acquires title to a **Residential Lot** by or through trustee's sale or foreclosure shall take such title free of the lien hereof for all assessments which accrued up to the time of such trustee's sale or foreclosure, but subject to the lien hereof for all assessments and charges subsequently accruing.

g. Foreclosure. The **Association** or **Country Club**, as the case may be, is hereby vested with the right and power to bring at its option, any and all actions against an **Owner** for the collection of said assessments which are not paid when due, and to enforce the aforesaid lien by any and all methods available for the enforcement of contractual obligations or liens including, without limitation, the right to bring a personal action against the **Owner** on such debt, the right to foreclose such lien in any method provided by law for foreclosure of a **Mortgage**, and the right to sell the **Owner's** interest by power of sale, which may be enforced by the **Association** or the **Country Club**, its attorney, or other person authorized to bring such action or make such sale. A sale of an **Owner's** interest by power of sale shall be conducted in the same manner provided in California Civil Code 2924, 2924a, 2924b, 2924c, 2924f and 2924g (or any similar statutory provisions that may hereafter exist) for the foreclosure by power of sale of mortgages. Such provisions shall be applied and adapted to the foreclosure of the lien by power of sale to the fullest extent reasonable possible and consistent in view of the differences between the lien and mortgages, generally (for example, "trustor" as used in the statute would refer to the delinquent "**Owner**" and "beneficiary" would refer to the "**Association**" or "**Country Club**"). The **Association** and **Country Club** shall have the power to bid in its own name on the property sold and to hold, lease, mortgage and convey the same for the benefit of all the **Owners**. All rights and remedies granted to the **Association** or **Country Club** hereunder shall be cumulative and the exercise of one or more rights or remedies shall not constitute a waiver or election preventing the use of other rights or remedies. The **Association** or **Country Club** shall be entitled to collect from a defaulting **Owner** all costs and attorneys' fees incurred in connection with pursuing the collection of said assessments and/or the enforcement of said lien.

h. Suspension. During any period in which a **Member** shall be in default in the payment of any assessment levied by the **Association**, the voting rights and right to use of the recreational facilities, if any, of such **Member** may be suspended by the **Board**

until such assessment has been paid. Such rights of a **Member** may also be suspended, after notice and hearing, for a period not to exceed thirty days, for any single infraction of any **rules and regulations**. The **Country Club's** rights of suspension shall be as provided in the **Country Club By-Laws**.

6. **INSURANCE.**

The **Association**, for the benefit of the **Residential Lots**, the **Common Area** and **Owners**, shall acquire the following insurance policies:

a. **Casualty.** A policy or policies of insurance, for the full insurable replacement value, when available, without deduction for depreciation, of all of the **Residences** in the **Property** and all improvements located on the **Common Areas** in the **Property**, for the interest of and naming as insured the **Association** for the use and benefit of the **Owners**, as their interests may appear. In any event, the amount of coverage shall be sufficient so that insurance proceeds from a covered loss shall provide at least the lesser of: (i) the full amount of the covered damage of loss; or (ii) compensation to the first **Mortgagee** of each **Residential Lot** equal to the full unpaid balance of the **Mortgage**. Such policy or policies shall:

(1) Provide coverage against the perils of fire, extended coverage, vandalism and malicious mischief, as minimum requirements; and if required by the Secretary of Housing and Urban Development, flood insurance available under the National Flood Insurance Act of 1968; for the amount of the total outstanding principal balance of all **Mortgages** on the **Property**, or the maximum limit available under said Act, whichever is less.

(2) Provide for separate insurance protection in favor of the **Mortgagee** or **Mortgagees**, of each **Residential Lot**, as their interests may appear; and

(3) Provide for thirty 30 days' prior written notice to such **Mortgagee** or **Mortgagees** of cancellation or reduction in type or amount of coverage, unless such 30 day cancellation provision is not generally available, in which case the maximum notification period reasonably available, but not less than 10 days, shall be obtained; and

(4) Contain a waiver of subrogation rights by the insurer as against the **Association**, its officers, and **Board**, the **Country Club**, its officers and **Board**, and the **Owners**; and

(5) Provide that, without affecting any protection to **Mortgagees**, any proceeds payable to the **Association** shall be paid to a bank or trust company to be designated by the **Association** to act as depository; and

(6) Be primary to and shall not be affected by any right of setoff, proration or contribution by reason of any insurance held by an Owner or the Country Club.

b. Liability. A commercial general or condominium liability policy insuring the Association, its officers, and Board and Owners against any liability, to the public or to the Owners, their guests, invitees, or tenants, incident to the ownership or use of the Property. Limits of liability under such policy or policies of insurance shall not be less than a combined limit of Five Million Dollars (\$5,000,000.00). Said policy or policies shall contain severability of interest endorsement which shall preclude the insurer from denying the claim of named insureds because of any neglect or other act or omission of another named insured.

c. Fidelity. A fidelity bond or insurance for directors, officers, trustees, employees and volunteers responsible for handling funds collected and held for the Association or Owners, naming as insured the Association for an amount sufficient to cover at least the amount of reserve funds and three months' Regular Assessments.

d. Worker's Compensation. Worker's compensation insurance, including employer's liability insurance to the extent necessary to comply with laws applicable to the Association.

e. FNMA, FHLMC and GNMA Requirements. Notwithstanding any other provisions herein, the Association shall continuously maintain in effect such casualty, flood and liability insurance and a fidelity bond meeting the insurance and bond requirements for planned unit development projects established by Federal National Mortgage Association ("FNMA"), Federal Home Loan Mortgage Corporations ("FHLMC"), and/or Government National Mortgage Association ("GNMA"), respectively, so long as any of said entities are a Mortgagee or Owner of a Residential Lot within the Property, except to the extent such coverage is not available or has been waived in writing by FNMA, FHLMC, or GNMA, respectively.

7. MAINTENANCE AND REPAIRS.

a. General. Notwithstanding the existence of any insurance covering an Owner, the Association, or both, against loss, damage and destruction, the Association and each Owner shall have the affirmative obligation for maintenance, repair and restoration as set forth in this Section.

b. Maintenance of Common Areas. The Association shall maintain the Common Areas, including all improvements, facilities, landscaping and planting thereon in good condition and repair.

c. Maintenance of Exteriors of Residences and Residential Lots. The Association shall maintain the Residential Lots and exteriors of Residences (excluding repair and replacement of Residence doors, windows, and skylights) in good condition and repair including roofs, gutters, downspouts, exterior building surfaces, walls, fences and gates, sidewalks, paving, trees, landscaping, planting, and all other exterior improvements and hereditaments which are not the responsibility of an Owner as provided in Section 7(d). However, the repair of damages to the Residential Lot or exterior of a Residence from causes other than normal wear and tear shall be the financial responsibility of the Owner, except to the extent such repair is actually undertaken by the Association pursuant to Section 10.

d. Owner's Maintenance Obligation. Each Owner shall maintain in good condition and repair, at his cost and expense, the Residence doors (including frames and apparatus), windows, owner installed skylights and interior of his Residence (including without limitation, heating equipment, air conditioning equipment, water heaters, garage, plumbing, all utility lines, circuits and outlets within the Residence or underneath the slab of the Residence, and damage caused by wood destroying pests or organisms) and any atrium on his Residential Lot which is within and is sold as a part of the Residential Lot, including all landscaping and planting if any within such atrium. Further, the repair of any damage which may occur to interior of the Residence as a result of failure of any of the aforesaid equipment or utility lines, circuits or outlets is the responsibility of the Owner.

e. Cost of Maintenance. The cost of the exterior maintenance for which the Association is responsible under Sections 7.b. and c. shall be assessed uniformly in accordance with Section 5., provided, however, that the cost of any maintenance, repair or replacement of the Common Area, Residences, or Residential Lots which is not covered by insurance and which results from the negligence or willfulness of an Owner, an Owner's guest or the occupant of an Owner's Residential Lot shall be an assessment, lien, and obligation of such Owner and shall be due and payable in all respects as provided in Section 5.

8. PARTY WALLS

The rights and duties of the Owners with respect to party walls shall be as follows:

a. General. Each wall which is constructed as a part of a Residence and any part which is placed on the dividing line between Residences shall constitute a party wall, and with respect to such wall, each of the adjoining Owners shall assume the burdens and be entitled to the benefits of this Declaration, and to the extent not inconsistent herewith, the general rules of law regarding party walls shall be applied thereto.

b. Damage By One Owner. In the event any such party wall is damaged or destroyed through the act of one adjoining Owner or any of his agents, guests, invitees, tenants, or members of his family (whether or not such act is negligent or otherwise culpable) so as to deprive the other adjoining Owner of the full use and enjoyment of such wall, then the first of the aforementioned Owners shall forthwith proceed to rebuild and repair the same to as good condition as formerly existed, without cost to the adjoining Owner.

c. Damage By Other Cause. In the event any such party wall is damaged or destroyed by some cause (including ordinary wear and tear and deterioration from lapse of time), other than the act of one of the adjoining Owners, his agents, guests or family, both such adjoining Owners shall proceed forthwith to rebuild or repair the same to as good condition as formerly existed, at their joint expense.

d. Alterations. In addition to meeting the other requirements of this Declaration and of any building code or similar regulation or ordinance, any Owner proposing to modify, make additions to or rebuild his Residence in any manner which requires the extension or other alteration of any party wall shall first obtain the written consent of the adjoining Owner and the Association.

e. Dispute. In the event of a dispute between Owners with respect to the repair or rebuilding of a party wall or with respect to the sharing of the cost thereof, upon written request of one of such Owners addressed to the Association, the matter shall be submitted to binding arbitration by the Association or its designated representative.

f. Binding effect. The provisions of this paragraph shall remain in full force and effect unless modified or abrogated as to any particular party wall by the agreement of all persons that have an interest therein.

g. Default in Payment. Upon failure of any Owner required hereby to pay for the rebuilding or repair of a party wall for a period of sixty (60) days, the Association may pay the cost thereof and assess such cost to the responsible party, which assessment shall be due and payable and become an assessment obligation of such Owner and a lien in all respects as provided in Section 5.

9. ARCHITECTURAL CONTROL.

A committee for the control of structural exterior architecture and design ("Architectural Control Committee") within the Property, shall be established, consisting of five persons. This committee derives its authority from that granted by the Association Board and that which may be delegated to it from time

to time by the Country Club Board.

a. Chairman and Committee Members. The Association Board shall appoint one of its elected members as chairperson of the said committee and ratify the appointment of the four other members of the committee. All appointed persons shall be Members of the Association.

b. Changes to Residential Lot. No additions, alterations, repairs or restorations to the exterior or structural portions of any Residence nor changes in or additions of fences, hedges, patio covers, landscaping, lighting structures, garages, canopies, shades, umbrellas, awnings, walls, sidewalks, exterior paint or decor, fountains, statues, or other matter visible from the exterior of a Residential Lot shall be commenced, applied, constructed, erected, or maintained by any person, until the plans and specifications showing the nature, kind, shape, height, materials, color, location and approximate cost of the same shall have been submitted to and approved in writing as to conformity and harmony of external color, design and location with existing structures of the Property by the Architectural Control Committee, subject to the architectural guidelines approved by the Association Board. Changes or variances to the architectural guidelines shall be ratified by the Board. If the Architectural Control Committee fails to respond within sixty (60) days after said plans and specifications have been submitted to it, then an appeal must be made in writing to the Association Board before proceeding with any alterations.

10. DESTRUCTION OF PROPERTY

a. Bids and Insurance Proceeds. As soon as practicable after the damage or destruction of all or any portion of the Common Area, or all or any substantial portion of Residential Lots, (unless all of such damage or destruction is covered by Section 8 respecting party walls) the Association Board shall (i) obtain bids from at least two reputable contractors, licensed in California, which bids shall set forth in detail the work required to repair, reconstruct and restore such damaged or destroyed portions of the Property to substantially the same condition as they existed prior to such damage and the itemized cost of such work, and (ii) determine the amount of all insurance proceeds available to the Association for such purpose by reason of the payment of such proceeds to Mortgagees of Residential Lots.

b. Sufficient Insurance Proceeds. If upon such damage or destruction the insurance proceeds available to the Association, as trustee or otherwise, are sufficient (when added to any sums actually received by the Association as the result of any Special Assessment) to effect the total repair, reconstruction and restoration of the damaged or destroyed portions of the Property, then the Association shall cause such to be repaired, reconstructed

and restored to substantially the same condition as the same existed prior to such damage or destruction.

c. Insurance Proceeds Insufficient. If upon such damage or destruction the proceeds of insurance available to the Association, as trustee or otherwise, are insufficient (when added to any sums actually received by the Association as a result of any special assessment) to cover the cost of repair, reconstruction and restoration of the damaged or destroyed portions of the Property, the following provisions shall apply:

(1) If all of such damage or destruction relates solely to the Common Area, then the Members otherwise entitled to vote, who hold a majority of the voting power in the Association shall determine whether (i) to repair, reconstruct and restore the damaged or destroyed Common Area and specially assess all Owners for all additional funds needed for such purpose or (ii) not to repair, reconstruct or restore the Common Area but to distribute such insurance proceeds to the Owners each in accordance with his proportionate share, but subject to (1) the rights of Mortgagees of Residential Lots, as their interests may appear, and (ii) all unpaid Regular and/or Special Assessments.

(2) If such damage or destruction is done to all or a substantial portion of two or more Residential Lots, then the proceeds of insurance available to the Association, as trustee or otherwise, shall be allocated between (i) the Residential Lots which are damaged or destroyed and for which insurance proceeds are available to the Association, and (ii) the Common Area, if any, which is damaged or destroyed and for which insurance proceeds are available to the Association, as the respective interests may appear, giving due consideration to the insurance adjustment, insurable value, estimated costs of repair, restoration or reconstruction, payments of insurance proceeds to Mortgagees for debt reduction and insurance proceeds which are otherwise not available to the Association. If none of such damage or destruction relates to the Common Area, or if no insurance proceeds are available to the Association for the Common Areas, then all available insurance proceeds shall be allocated to the Residential Lots.

(3) Thereafter, the following procedure shall be used to determine the disposition of the allocable shares of insurance proceeds:

(a) With respect to the Common Area's allocable share of such insurance proceeds, if any, the Members otherwise entitled to vote, who hold a majority of the voting power in the Association shall determine whether (i) to repair, reconstruct and restore the damaged or destroyed Common Area and specially assess all Owners for additional funds needed for such purpose or (ii) not to repair, reconstruct and restore the Common Area but to

distribute the Common Area's allocable share of such insurance proceeds to the Owners each in accordance with his proportionate share, but subject to (i) the rights of Mortgagees of Residential Lots, as their interests may appear, and (ii) all unpaid Regular and/or Special Assessments.

(b) With respect to the damaged or destroyed Residential Lots' allocable share of such insurance proceeds, each Owner of a damaged or destroyed Residential Lot (which Residential Lot was subject to the allocation of insurance proceeds) shall, for purposes of this Section 10(c)(2)(B), be entitled to one vote for each such Residential Lot owned. The Owners who hold sixty percent (60%) or more of such votes shall determine whether (i) to repair, reconstruct or restore all of such damaged or destroyed Residential Lots pursuant to a common plan by which the Owners of such Residential Lots shall contribute and be assessed for all additional funds needed for such purpose (in which case the Association and the Owners of other Residential Lots shall, by this provision and other appropriate means, be protected and held harmless from any claim or liability, in excess of the Residential Lots' allocable share of available insurance proceeds, relating to such repair, reconstruction and restoration); or (ii) not to repair, reconstruct or repair such Residential Lots pursuant to a common plan, but to distribute the Residential Lots' allocable share of insurance proceeds to the Owners of such damaged or destroyed Residential Lots (which Residential Lots were subject to the allocation of insurance proceeds), as such Owners' interests may appear, giving due consideration to the insurance adjustment, insurable values, estimated costs of repair, reconstruction or restoration, and payments of insurance proceeds to Mortgagees for debt reduction and insurance proceeds which are otherwise not available to the Association, provided, however, that such distribution shall be subject to (i) the rights of Mortgagees of Residential Lots, as their interests may appear, and (ii) all unpaid Regular and/or Special Assessments.

d. Reconstruction. If a determination is made to repair, reconstruct and restore all or a portion of the Property, the Board shall (i) enter into a written contract with a contractor licensed in California and submitting the lowest reasonable bid for such repair, reconstruction and restoration, (ii) disburse insurance proceeds available for said work and funds collected by reason of Special Assessments authorized therefor in appropriate progress payments and (iii) take all steps necessary to ensure the commencement and completion of such repair, reconstruction and restoration in a lawful and workmanlike manner at the earliest possible date.

11. WAIVER OF SEVERABILITY.

During the term hereof, no Owner shall sever his ownership interest in a Residential Lot or any portion of a Residential Lot

from his memberships in the Association and/or the Country Club or his right of use in and to the Common Areas and/or the Country Club Property. The Owners and all other persons having an interest in the Property shall have no right or cause of action for a judicial partition of the Property, or any part of any of the foregoing during the term hereof, provided, however, that a partition of the Property, including all Residential Lots, shall be permitted if (1) three years after damage or destruction to the Property which renders a material part thereof unfit for its prior use, the Property has not been rebuilt or repaired substantially to its state prior to its damage or destruction, or (2) three-fourths or more of the Property has been destroyed or substantially damaged, and Owners holding in aggregate more than a majority of the voting power in the Association are opposed to repair or restoration of the Property. Nothing in this paragraph shall prohibit co-ownership of a Residential Lot.

12. CONDEMNATION

In the event the Property belonging to the Association or any portion thereof shall be taken or condemned by any authority under the power of eminent domain, all compensation and damages relating to the land or improvements shall be payable to the Association as trustee for all Owners and Mortgagees according to their respective interests as they may appear. The Association shall give prompt written notice of condemnation proceedings to all first Mortgagees of Residential Lots.

13. EASEMENTS AND RIGHT OF ENTRY.

There are hereby specifically reserved for the benefit of the Association, for the Owners in common, for each Owner severally, for the members of the Country Club, for any tenant of any portion of the Country Club Property, and for the employees, guests, invitees and licensees thereof, as their respective interests shall obtain, the easements, reciprocal negative easements, secondary easements and rights of way as are particularly identified in this paragraph.

a. Owners' Easements. There is reserved for the benefit of each Residential Lot, and the Owner thereof, as dominant tenement:

(1) A nonexclusive easement for utility services and the drainage of surface waters at reasonable places over, under and through the Property, each other Residential Lot, and the Country Club Property, each as the servient tenement.

(2) A nonexclusive easement for the use and enjoyment of and for ingress and egress to and from each Residential Lot, and over and through Common Areas.

(3) An easement for encroachment, occupancy and use of such portion of the **Common Area**, other **Residential Lots**, and the **Country Club Property**, jointly as the servient tenement, as shall be encroached upon, and occupied by the **Residence** located within the **Residential Lot** which is the dominant tenement, as a result of any alluvian, accretion, erosion, subsidence, landslide or collapse, deterioration, decay, construction errors, portions of **Residences** (including without limitation roof overhangs, foundations and party walls) which encroach upon other **Residential Lots**, the **Common Areas**, or the **Country Club Property**, movement or subsidence of buildings or structures, or any portion thereof. The easement of encroachment here reserved shall continue notwithstanding that the encroachment may be cured by repair, reconstruction or restoration.

(4) A nonexclusive easement for the use and enjoyment of and for ingress and egress to and from each **Residential Lot**, over and through designated walkways and other portions of the **Country Club Property** which are, from time to time, specifically designated by the **Country Club** for access by **Social Members**, subject to **Rules and Regulations** adopted by the **Country Club** with respect thereto.

(5) The **Association Board of Directors** shall have the right to grant easements to individual **Owners** for the limited purpose of extending patios onto the **Common Area** and/or enclosing patios with low walls or hedges.

b. Owner's Right of Entry. To the extent reasonably necessary for the performance of his duties under Section 7, each **Owner**, upon obtaining written approval from the **Board**, shall have a right to enter upon other **Residential Lots** and/or **Common Areas** at reasonable hours and after reasonable notice to the **Owner** of any **Residential Lot** to be entered upon.

c. Association's and Country Club's Easements and Right of Entry. There is reserved to the **Association**, the **Country Club**, and each of their agents and servants, reciprocal easements in gross over all **Residential Lots**, the **Common Areas**, and the **Country Club Property**, and easements of entry and of access for the installation and maintenance of sewers, storm drains, drainage facilities, utility meter boxes and utility lines which are part of the **Common Areas**, **Residential Lots** and/or the **Country Club Property**, and for landscaping and maintenance of the **Country Club Property**, **Common Areas**, exteriors of **Residences** and **Residential Lots**, and for the performance generally of their rights and duties as provided in this Declaration. For the purposes set forth herein, the **Association** and **Country Club**, through their duly authorized officers, agents or employees, shall have the right, after reasonable notice to the **Owner**, to enter upon any **Residential Lot** at reasonable hours.

d. Tenants of the Country Club Property Easements and

Right of Entry. Any tenant of any portion of the **Country Club Property** pursuant to a written lease, together with the employees, licensees, invitees and guests of such tenant, shall have a nonexclusive easement for the use and enjoyment of and for ingress and egress to and from the leased premises over and through the **Country Club Property** or the **Common Area**.

14. COVENANTS AND RESTRICTIONS REGARDING USE.

Use restrictions regarding the use of **Residences** and the **Common Area** may be adopted by the **Board** in accordance with the terms hereof and as specified in the **Bylaws** of the **Association** and incorporated herein by this reference.

a. Single Family Occupancy. The lots within the **Property** are restricted exclusively to residential use. "Occupancy," for purposes of this Declaration, shall be defined as staying overnight in a **Residence**. No **Owner** may lease, sublease, rent, less than an entire **Residence**.

(1) "Family", for purposes of this Declaration, shall be defined as a group of persons bearing the genetic character of a family unit as a relatively permanent household. A "family" shall include, but not be limited to biologically related individuals or a group of individuals who reside together as a relatively permanent household and who resemble a family unit.

(2) Each **Residence** shall be used as a **Single Family Residence** and shall not be rented for transient or hotel purposes, which is defined as: (a) rental for any period less than thirty (30) days; or (b) any rental if the occupants of the **Residence** are provided customary hotel service such as room service, maid service, laundry service, etc. The foregoing does not apply in limited situations when an **Owner** rents a separate **Residence** for visiting friends or relatives.

(3) This single family occupancy restriction shall not apply to require the removal of any **Person** occupying a **Residence** on the date on which this Declaration is recorded in the Office of the Riverside County Recorder. However, any **Person** who is an occupant of a **Residence** on the date on which this Declaration is recorded in the Office of the Riverside County Recorder, shall be permitted to occupy a **Residence** if either before or after the occupancy by such person, that **Residence** does not or would not comply with the single family occupancy restriction set forth in this paragraph.

b. Residential Use. Each **Residence** shall be used for residential purposes only, and no trade or business may be conducted in or from a **Residence**, including business uses secondary to a primary residential use. The terms "business" and "trade," as used in this provision, shall be construed to have their ordinary or generally accepted meanings, and shall include, without

limitation, any occupation, work, or activity undertaken on an on-going basis which involves the provision of goods or services to persons other than the provider's family and for which the provider receives a fee, compensation, or other form of consideration, regardless of whether: (i) such activity is engaged in full or part-time; (ii) such activity is intended to or does generate a profit; or (iii) a license is required. Nothing in this section shall be deemed to restrict or prohibit business use of a **Residence** that is not visible from the exterior of the **Residence** and does not place a burden on the **Common Area** due to increased traffic or otherwise, as determined by the **Board**.

c. Housepets. Subject to such **Rules and Regulations** as the **Association** may adopt, dogs, cats or other household pets may be kept, provided they are not kept, bred, or maintained for any commercial purpose and are controlled on a leash when outside their master's **Residence**. Any pet deemed a nuisance by the **Association** shall be removed from the premises.

d. Structures. Unless approved by a vote or written consent of a majority of the **Members** no buildings, structures, house trailers or similar objects shall be erected or placed, temporarily or permanently, on any **Residential Lot**, the **Common Areas**, or the **Country Club Property**; however, the replacement of buildings originally constructed on the **Property** and structures appurtenant to original buildings or replacements are permitted subject to the provisions of Section 9b. of this **Declaration**.

e. Vehicular Parking and Storage. Parking of commercial vehicles, vans, campers, boats, recreational vehicles, trailers, motor homes, or similar items is restricted in accordance with the **Rules and Regulations**.

f. Signs. No **Owner**, tenant or other occupant of the **Property** shall post any advertisement, signs, flags, banners or posters of any kind for public display except in compliance with the **Association's** rules and regulations. The **Association Board** shall have the right to remove any item displayed in violation of this Section 14d.

g. Usage of Residential Lots or Property. No **Residential Lot** or other part of the **Property** shall be used in such manner as to unreasonably obstruct or interfere with the enjoyment of other residents or **Social Members**, or **Golf Members** of the **Country Club** or to annoy them by unreasonable noises or otherwise; nor shall any nuisance, illegal or noxious activity or waste be committed or permitted to occur within the **Property**.

h. Property Exchange by Board Consent. **Common Areas** of the **Association** and **Country Club Property** may be exchanged between the corporations upon agreement between the **Association** and **Country Club Boards**.

i. Wiring. No Owner, resident or lessee shall install wiring for electrical, cable television or telephone installations, television antennae, machines or air conditioning units on the exterior of the buildings of the Property, or wiring that protrudes through the walls or the roof of the buildings except as authorized in writing by the Association.

j. Alterations. Except as otherwise provided in this Declaration, there shall be no obstruction of the Common Area or the Country Club Property, nor shall anything be kept or stored in the Common Areas or Country Club Property nor shall anything be altered, constructed or planted in, or removed from the Common Areas or Country Club Property without the prior written consent of the Association, with respect to the Common Areas, and the Country Club, with respect to the Country Club Property. The Common Areas and Country Club Property shall be kept free of rubbish, debris and other unsightly or unsanitary materials.

k. Insurance Premiums. No Owner shall do or permit or suffer anything to be done or kept on his Residential Lot, the Common Areas, or the Country Club Property, which will result in any increase of the Association's or Country Club's insurance premiums or the cancellation of insurance on any part of the Property or Country Club Property, which would be in violation of any law, or which will or may have a tendency to decrease the attractiveness or value of the other Residential Lots, the Common Areas, or the Country Club Property. No Owner shall cause or permit anything to be placed on the outside walls of his Residence, and no sign, awning, canopy, window air conditioning unit, shutter, or other fixture shall be affixed to or placed upon the exterior walls or roof of any building or any part thereof, without the prior written consent of the Association.

l. Adherence to Governing Documents. All Owners, lessees, guests and occupants of Residential Lots shall abide by this Declaration, the Association Charter Documents and Rules and Regulations and the Country Club Charter Documents and Rules and Regulations.

15. ANNEXATION.

a. Annexation by Member Consent. Additional residential property and Common Areas may be annexed to the Property with the consent of two-thirds of Members, either directly or by merger or consolidation with any other similar Association.

b. Procedure. The additions authorized hereby shall be made by recording a Supplementary Declaration of Covenants, Conditions and Restrictions, or similar instrument, with respect to the additional properties which shall extend the scheme of this Declaration and the jurisdiction of the Association to such properties. Subject to the provision of Section 16 below, such

supplementary declarations contemplated herein may contain such complementary additions and modifications of the covenants and restrictions contained in this Declaration as may be necessary to reflect the different character, if any, of the added properties and as are not inconsistent with the scheme of this Declaration.

16. AMENDMENT.

The Declaration may be amended by the written approval of at least 60% of voting membership in the Association in existence at the time the amendment is considered. Any such amendment shall become effective upon recordation in the Office of the Riverside County Recorder of a written instrument setting forth such amendment and signed and acknowledged by a majority of the Board who shall certify in said written instrument that at least 60% of voting membership in the Association in existence at the time the amendment is considered have given their written approval of such amendment. Provided, however, that no material amendment shall become effective unless written approval of such amendment is obtained from (i) at least 60% of all first Mortgagees and (ii) Federal National Mortgage Association, Government National Mortgage Association, and/or Federal Home Loan Mortgage Corporation, to the extent that any of said entities hold or are committed to hold a Mortgage on a Residential Lot within the Property. For purposes of this Section 16, the term "material amendment" shall mean amendments to provisions of this Declaration, Association Charter Documents, and Country Club Charter Documents governing the following subjects:

- a. The fundamental purpose for which the Property was created (such as a change from residential use to a different use).
- b. Voting.
- c. Assessments, assessment liens, and subordination thereof.
- d. Reserves for repair and replacement of Common Areas, or the Country Club Property.
- e. Property maintenance obligations.
- f. Casualty and liability insurance.
- g. Reconstruction in the event of damage or destruction.
- h. Rights to use the Common Areas, or the Country Club Property.
- i. Annexation.
- j. Any provision which by its express terms is specifically

for the benefit of the Mortgagees, or specifically confers rights on first Mortgagees.

17. NOTICE OF TRANSFER.

Upon the lease, sale or other transfer of a Residential Lot, either the Owner who transfers the Residential Lot or the transferee shall promptly notify the Association in writing of the name and address of the transferee, the nature of the transfer and the Residential Lot number involved, as well as such other information relative to the transfer and the transferee as the Association may reasonably request. An executed copy of the instrument of transfer shall be transmitted to the Association for any transfer subject to this paragraph, including, but not limited to, transfers occurring by reason of sale, lease, gift, devise or inheritance, upon the request of the Association.

18. TERM OF RESTRICTIONS.

This Declaration shall remain in full force and effect for a period of fifty-five years from the date of recordation of this Declaration unless revoked or amended by an instrument in writing, executed and acknowledged by the Owners of a majority of the Residential Lots within the Property, which said instrument shall be recorded in the office of the County Recorder of Riverside County, California, within ninety days prior to the expiration of the initial effective period hereof or any ten year extension.

19. NOTICES.

Any notice required to be sent to any Member of the Association or an Owner under the provisions of this Declaration shall be deemed to have been received when mailed with proper postage prepaid to the last known address of the Person who appears as Member on the records of the Association at the time of such mailing, or in the case of hand delivery, upon delivery to such last known address.

20. MORTGAGEES.

a. Protection. No breach of this Declaration shall defeat or render invalid the lien of any Mortgage made in good faith and for value. However, each and all of the provisions hereof shall be binding upon and effective against any Owner whose title thereto is acquired by or through trustee's sale or foreclosure, except that said Person who acquires title in such manner shall take title free of the lien hereof for all assessments that have accrued up to the time of the trustee's sale or foreclosure, but subject to the lien hereof for all said charges that shall occur subsequent thereto. The breach of any of the provisions hereof may be enjoined, abated, or reviewed by appropriate proceedings, notwithstanding the lien or existence of

any such Mortgage.

b. Approval. Notwithstanding any provision in this Declaration which may to the contrary, and in addition to all other approvals and consents required to be obtained from Mortgagees under this Declaration, unless the prior written approval of seventy-five percent (75%) or more of the first Mortgagees and sixty percent (60%) of Owners of Residential Lots is obtained, the Association shall not be entitled to:

(1) by act or omission seek to abandon, partition, subdivide, encumber, sell or transfer all or a portion of the Common Area. The granting of easements for public utilities or for other purposes consistent with the intended use of the Property in accordance with the provisions of the CC&R's shall not be deemed a transfer within the meaning hereof.

(2) change the method of determining assessments from that provided in Section 5.

(3) by act or omission change, waive or abandon any scheme of regulations, or enforcement thereof, pertaining to the architectural design or the exterior appearance or maintenance of Residential Lots, the maintenance of party walks, party walls, common fences and driveways, or the upkeep of landscaping within the Common Area.

(4) fail to maintain fire and extended coverage on insurable Common Areas and Residential Lots, as provided in Section 6.

(5) use hazard insurance proceeds for losses to Common Areas and Residential Lots for other than repair, replacement or reconstruction thereof.

c. Books and Records. First Mortgagees of Residential Lots shall have the right to examine the books and records of the Association at reasonable times and after reasonable notice.

d. Right to make Payments. First Mortgagees of Residential Lots may, jointly or singly, pay taxes or other charges which are in default and which may or have become a charge against any Common Area and may pay overdue premiums on insurance policies, or secure new insurance coverage on the lapse of a policy, for the Common Area and first Mortgagees making such payments shall be owed immediate reimbursement therefor from the Association. Entitlement to such reimbursement shall be reflected in an agreement in favor of all first Mortgagees of Residential Lots, which shall be duly executed by the Association.

e. Notice of Default. If any Owner defaults in the performance of any obligation under this Declaration (including

nonpayment of assessments under the By-Laws, and such default is not cured within thirty days, each Mortgagee of such Owner's Residential Lot shall be notified in writing by the Association.

21. WATER RIGHTS

The Association shall have the power and the right to remove underground and surface water from any and all portions of the Property, including the Common Areas and Residential Lots, provided that no well, pump, machine, storage tank, building, shed, structure, dam, or other facility or equipment for water removal, retention, storage, or purification, whether of a temporary or permanent nature, shall be constructed, placed or operated anywhere upon or in the Property without prior approval of the Architectural Control Committee as provided in Section 9 of this Declaration; provided further that no such facility or equipment shall be constructed, placed, or operated upon or in a Residential Lot without the prior written consent of the Owner and Mortgagee of such Residential Lot. The Association shall not unreasonably withhold water for maintenance of Country Club Property.

Any water removed, retained, or stored pursuant to this section may be distributed at the discretion of the Association Board of Directors for use by Members or for maintenance of the Common Areas and, in agreement with the Country Club Board of Directors, for use for the Country Club facilities. In the event of a domestic water shortage, however, all potable water removed, retained, or stored pursuant to this section shall be distributed on an equitable basis to all Residential Lots for domestic uses only; provided that any surplus water beyond the domestic requirements of Residential Lots shall be available for distribution by the Board of Directors for other uses as described above.

All such water facilities, equipment and supplies, whether or not attached to the land, and whether located upon a Residential Lot or upon a Common Area, shall be the property of the Association.

Nothing contained in this section shall be construed to be a grant by Dame' Construction Co. Inc., its successors and assigns, of any mineral rights to the Association or to any Owner of a Residential Lot; and nothing contained herein shall be construed as a grant of an easement or profit by aforesaid Dame' for removal of any minerals from the Property.

22. MISCELLANEOUS.

a. Enforcement of Restrictions. After the date on which this instrument has been recorded, these covenants, conditions, servitudes, rights, reservations, limitations, liens, charges and restrictions may be enforced by any and all of the

available legal remedies, including, but not limited to, injunction, declaratory relief, and action to abate a nuisance by the Association or the Country Club each of which shall have the right and duty to enforce the same and expend its assessment funds in pursuant thereof, and/or by any one or more Owners, except that no such Owner shall have the right to enforce independently of the Association or the Country Club any assessment or lien created herein. Failure to enforce any provision hereof shall not constitute a waiver of the right to subsequently enforce said provision or any other provision hereof.

b. Interpretation. The provisions of this Declaration shall be liberally construed to effectuate its purposes of creating a general plan for the development and operation of the Property. The various headings used herein are for convenience only and shall not affect meaning or interpretation.

c. Severability. The provisions hereof shall be deemed independent and severable, and the invalidity or partial invalidity or unenforceability of any one provision or portion thereof shall not affect the validity or enforceability of any other provisions hereof.

d. Power of Attorney. To the extent necessary to carry out and enforce the provisions of this Declaration, separate and irrevocable powers of attorney coupled with an interest are granted to the Association and the Country Club by the Owners.

e. Limitation of Liability. Neither the Association, its Board (nor any member thereof) nor its officers (nor any of them), nor the Country Club, the Country Club Board (nor any member thereof), nor its officers (nor any of them), shall be liable for any failure to provide any service or perform any duty, function or responsibility designated or provided in this Declaration, the Association By-Laws, or the Country Club By-Laws, to be performed by the same, or for injury and/or damage to persons or property caused by fire, explosion, the elements or by another Owner or person in the Property or resulting from electricity, water, rain, dust or sand which may leak or flow from any Residential Lot or from any pipes, drains, conduits, appliances or equipment, or from any other place or cause unless caused by the willful misconduct of the Person or entity seeking the benefit of this limitation of liability.

f. Indemnification. The Association shall and does hereby indemnify the Association Board (and each member thereof), and the officers of the Association (and each of them), against all expenses and liabilities, including attorneys' fees, reasonably incurred by such Person or Persons in connection with any proceeding to which he may be a party, by reason of this being or having been a Board member, or officer of the Association, except in such cases where he has committed a willful misfeasance or

malfeasance in the performance of his duties.

The Country Club shall and does hereby indemnify the Country Club Board (and each member thereof), and its officers (and each of them), against all expenses and liabilities, including attorney's fees, reasonably incurred by such Person or Persons in connection with any proceeding to which he may be a party by reason of his being or having been a Board member, or officer of the Country Club, except in such cases where he had committed a willful misfeasance or malfeasance in the performance of his duties.

g. Waiver of Homestead Exemption. Each Owner does hereby waive to the fullest extent permitted by law, with respect only to assessment liens created pursuant to this Declaration, the benefit of any homestead or exemption or redemption laws of the State of California in effect at the time any payment of any assessment, whether regular or special becomes delinquent as herein provided and such Owner shall be deemed to be estopped to raise said homestead or other exemption or redemption in any action or proceeding to enforce or foreclose such assessment liens.

IN WITNESS WHEREOF, the undersigned have executed this instrument as of this 1st day of May, 1995

CHAPARRAL COUNTRY CLUB, INC.

By: Robert J. Revelli
President Robert Revelli

By: W. N. Koppenhefer
Secretary W. N. Koppenhefer

CHAPARRAL ASSOCIATION

By: Bernard Kurtz
President Bernard Kurtz

By: Robert Thomas
Secretary Robert Thomas

EXHIBIT A

Residential Lots

- Phase I Lots 1 through 157 of Tract 13881-1 per map recorded on September 4, 1979, in Book 106, pages 75-80, inclusive, of Maps in the Office of the County Recorder, of Riverside County, California
- Phase II Lots 1 through 28 of Tract 17461 recorded March 1981 in the County of Riverside, California. Lots 1 through 73 and 104 through 144 of Tract 13881-2 in the County of Riverside, California
- Phase III Lots 1 through 157 of Tract 13881-3 recorded in 1980 in the County of Riverside, California
- Phase IV Lots 1 through 137 of Tract 13881 recorded in 1982 in the County of Riverside, California

Common Area Lots

- Phase I Lots B, C, D, Lots 24, 168, 169, 190, 191, 192, 194, 196, 199 and 200 of Tract 13881-1 recorded in the County of Riverside, California
- Phase II Lots B, C, D, Lots 145, 146, 147, 149, 150 and 151 of Tract 13881-2 recorded in the County of Riverside, California
- Phase III Lots A, B, C, D, E, F, Lots 159 through 171 of Tract 13881-3 recorded in the County of Riverside, California
- Phase IV Lots A, B, Lots 138 through 143 of Tract 13881 recorded in the County of Riverside, California

County Club Property

- Phase I Lots 195, 197, and 198 of Tract 13881-1 per Map recorded on September 4, 1979 in Book 106, pages 75-80, inclusive, of Maps in the Office of the County Recorder, of Riverside County, California
- Phase II Lots 152 and 153 of Tract 13881-2 in the County of Riverside, California
- Phase III Lot 172 of Tract 13881-3 in the County of Riverside, California
- Phase IV Lot 144 of Tract 13881 in the County of Riverside

STATE OF CALIFORNIA)
) SS.
COUNTY OF RIVERSIDE)

On May 8, 1995, before Vera Kitchen, a
Notary Public for the State of California, personally appeared
Robert Revelli, personally known to me (or proven to me on
the basis of satisfactory evidence to be the same 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 acted, executed the instrument.

WITNESS MY HAND AND OFFICIAL SEAL

Vera Kitchen



STATE OF CALIFORNIA)
) SS.
COUNTY OF RIVERSIDE)

On May 8, 1995, before me, Vera Kitchen, a
Notary Public for the State of California, personally appeared
W. N. Kopenhagen personally known to me (or proven to me on the
basis of satisfactory evidence to be the same person whose name is
subscribed to the within instrument and acknowledged to me that he
executed the same in his authorized capacity and that by his
signature on the instrument the person or the entity upon behalf of
which the person acted, executed the instrument.

WITNESS MY HAND AND OFFICIAL SEAL

Vera Kitchen



STATE OF CALIFORNIA)
) SS.
COUNTY OF RIVERSIDE)

On May 8, 1995, before Vera Kitchen, a
Notary Public for the State of California, personally appeared
Bernard Kurtz, personally known to me (or proven to me on
the basis of satisfactory evidence to be the same 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 acted, executed the instrument.

WITNESS MY HAND AND OFFICIAL SEAL

Vera Kitchen



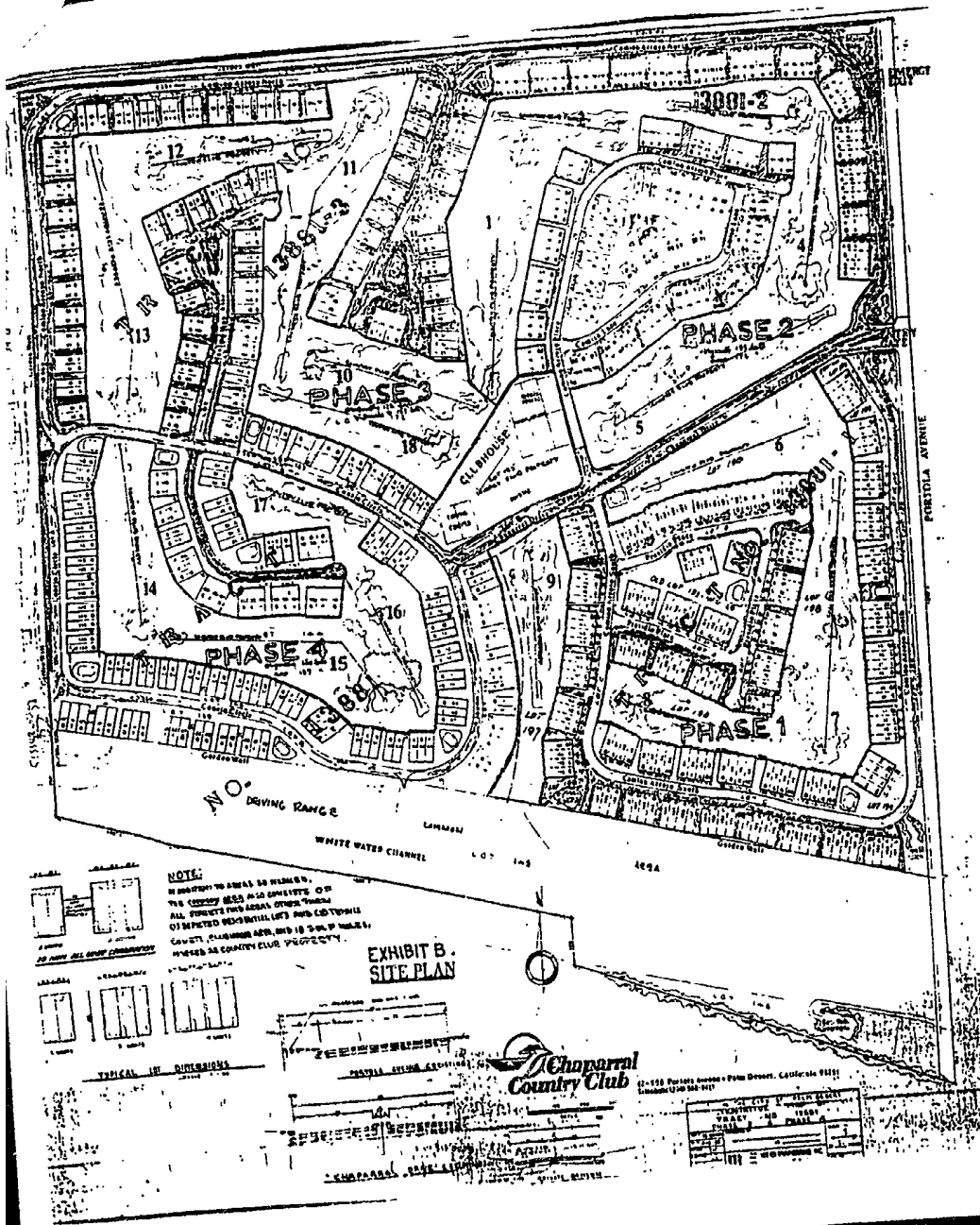
STATE OF CALIFORNIA)
) SS.
COUNTY OF RIVERSIDE)

On May 8, 1995, before me, Vera Kitchen, a
Notary Public for the State of California, personally appeared
Robert Thomas, personally known to me (or proven to me on the
basis of satisfactory evidence to be the same person whose name is
subscribed to the within instrument and acknowledged to me that he
executed the same in his authorized capacity and that by his
signature on the instrument the person or the entity upon behalf of
which the person acted, executed the instrument.

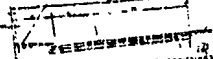
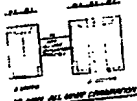
WITNESS MY HAND AND OFFICIAL SEAL

Vera Kitchen





NOTE:
 IN ADDITION TO THE LOTS SHOWN, THE CLUBHOUSE AND OTHER BUILDINGS OF THE CLUB ARE LOCATED WITHIN THE PHASE 1 DEVELOPMENT. THE CLUBHOUSE AND OTHER BUILDINGS ARE LOCATED WITHIN THE PHASE 1 DEVELOPMENT.



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Recorded in Official Records

County of Riverside

Larry W. Ward

Assessor, County Clerk & Recorder

Recording Requested and
when Recorded Mail to:

PETERS & FREEDMAN, L.L.P.
191 Calle Magdalena, Suite 220
Encinitas, CA 92024
Telephone: (760) 436-3441



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**SECOND RESTATED
DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS
FOR
CHAPARRAL ASSOCIATION AND CHAPARRAL COUNTRY CLUB, INC.
CITY OF PALM DESERT, COUNTY OF RIVERSIDE
STATE OF CALIFORNIA**

If this document contains any restriction based on race, color, religion, sex, familial status, marital status, disability, national origin, or ancestry, that restriction violates state and federal fair housing laws and is void, and may be removed pursuant to Section 12956.1 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.

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SECOND RESTATED

DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS

FOR

CHAPARRAL ASSOCIATION AND CHAPARRAL COUNTRY CLUB, INC.

The Declaration of Covenants, Conditions and Restrictions of CHAPARRAL ASSOCIATION AND CHAPARRAL COUNTRY CLUB, INC., recorded on May 10, 1995, as Instrument No. 148994, of the Official Records of Riverside County, California ("First Restated Declaration"), and all amendments thereto, which affect all of the Community described and commonly known as Chaparral Country Club is hereby amended and restated in its entirety to read as follows:

RECITALS

(A) A Declaration of Covenants, Conditions and Restrictions of Chaparral Country Club, recorded on November 8, 1979, as Instrument No. 239260, of the Official Records of Riverside County ("1979 Declaration"), established CHAPARRAL ASSOCIATION ("Association") to oversee, manage, maintain and operate the real property ("Development") subject to the 1979 Declaration, plus all annexations to the Development. The legal description of the Development is set forth in Exhibit A, attached hereto, and incorporated herein by reference. The Development shall consist of a "Planned Unit Development," as defined in California Civil Code Section 1351(k). A site plan depicting the Development and the Country Club Property is set forth in Exhibit B, attached hereto and made a part hereof by this reference. The legal description of the Country Club Property is set forth in Exhibit C, attached hereto, and incorporated herein by reference. The Country Club Property, along with the Development shall collectively be referred to herein as the "Community."

(B) The Community was originally conveyed, subject to certain easements, protective covenants, conditions, restrictions, reservations, liens and charges as set forth in the 1979 Declaration referred to above, all of which were for the purpose of enhancing and protecting the value, desirability and attractiveness of the Community and all of which ran with the Community and were binding on all parties having or acquiring any right, title or interest in the Community, or any part thereof, their heirs, successors and assigns, and inured to the benefit of and were binding upon each Owner thereof, the Association and the Country Club.

(C) The 1979 Declaration was amended and restated in its entirety by the First Restated Declaration. The Residential Lots, Common Area and Country Club Property comprising the Community are described in Exhibit A and shown in Exhibit B attached to the First Restated Declaration.

(D) The Association and Country Club now desire to amend and restate the Declaration and replace it in its entirety with this Second Restated Declaration, and that upon recordation of same, the Community, Owners, Association and Country Club shall be subject to the covenants,

conditions, restrictions, rights, reservations, grants of easements, equitable servitudes, liens and charges contained herein.

ARTICLE 1

DEFINITIONS

Section 1.1. “**Architectural Committee**” means the Committee created in accordance with Article 8 of this Declaration.

Section 1.2. “**Architectural Guidelines and Application Procedures**” means the rules, regulations and/or guidelines which have been or shall be adopted by the Architectural Committee and amended from time to time.

Section 1.3. “**Articles**” means the Articles of Incorporation of CHAPARRAL ASSOCIATION, which are filed in the Office of the California Secretary of State, as such Articles may be amended from time to time.

Section 1.4. “**Assessment**” means any Regular, Special Reimbursement or any other Assessment made or assessed by the Association against an Owner on his or her Residential Lot in accordance with the provisions of Article 5 of this Declaration.

Section 1.5. “**Association**” means the CHAPARRAL ASSOCIATION, a California nonprofit corporation (formed pursuant to the Nonprofit Mutual Benefit Corporation Law of the State of California), its successors and assigns. The Association is an “Association” as defined in California *Civil Code* Section 1351(a).

The Association operates the Development, except for property included in Sections 1.16 and 1.20 of this Article.

Section 1.6. “**Association Charter Documents**” means the Bylaws and Articles of Incorporation of the Association.

Section 1.7. “**Beneficiary**” means a mortgagee under a mortgage or, as the case may be, the beneficiary of or holder of a note secured by a Deed of Trust, and/or the assignees of such mortgage, beneficiary or holder.

Section 1.8. “**Board of Directors,**” “**Board**” or “**Directors**” means the Board of Directors of the Association.

Section 1.9. “**Bylaws**” means the Bylaws of the Association, as such Bylaws may be amended from time to time.

Section 1.10. “**City**” means the City of Palm Desert and its various departments, divisions, employees and representatives.

Section 1.11. “Common Area” means all the real property owned by the Association for the common use and enjoyment of the Owners, his or her family, guests, tenants, registered domestic partners, and invitees. Unless the context clearly indicates a contrary intention, any reference herein to the “Common Areas” shall also include any Common Facilities located thereon. “Common Area” shall also mean the entire Development, except the separate interests therein.

Section 1.12. “Common Expense” means any use of Association funds authorized by Article 5 hereof and Article 12 of the Bylaws and includes, without limitation:

(A) All expenses or charges incurred by or on behalf of the Association for the management, maintenance, administration, insurance, operation, repairs, additions, alterations or reconstruction of the Common Area, Common Facilities or any portion of any Residential Lot that the Association is obligated to maintain or repair;

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

(C) Any amounts reasonably necessary for reserves for maintenance, repair and replacement of the Common Areas and Common Facilities or any portion of any Residential Lot that the Association is obligated to maintain or replace, and for nonpayment of any Assessments; and

(D) Any use of such funds 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 as provided in the Governing Documents.

(E) Costs incurred by the authorized Committees of the Association.

Section 1.13. “Common Facilities” means, without limitation, the trees, hedges, plantings, lawns, shrubs, landscaping, fences, utilities, pipes, lines, lighting fixtures, swimming pools, putting green, spas, ponds, benches, gates, walls (except those constructed by Owners), perimeter walls, security gates, guard house, streets, curbs, parking areas, structures, buildings, and other facilities constructed or installed, or to be constructed or installed, or currently located within the Common Area. “Common Facilities” does not include patio walls, patio extensions and garage additions constructed by Owners in accordance with approval of the Architectural Committee as set forth in this Declaration.

Section 1.14. “Community” means all parcels of real property Residential Lots, Common Area and Country Club Property described in Exhibits A and C and shown in Exhibit B to this Declaration, and all buildings, structures, utilities, Common Facilities, and all other Improvements now located or hereafter constructed or installed thereon, all appurtenances thereto, and such additional real property as is hereafter annexed by purchase or transfer between the corporations.

Section 1.15. “Consumer Price Index” or (CPI) is a measure of the average change in prices over time of basic consumer goods and services. This index is compiled monthly by the Bureau of Labor Statistics (BLS). For this Declaration, the CPI for all urban consumers in Los Angeles, Orange and Riverside counties will apply. The figure used will reflect the change in CPI from the same month

of the previous year. If said index shall not be in existence at the time any computation is to be made, such other index as is published by a governmental authority for use in lieu thereof shall be used.

Section 1.16. “**Country Club**” refers to Chaparral Country Club, Inc., a California nonprofit corporation, its successors and assigns, which operates the golf, tennis, clubhouse, and related Country Club improvements, and facilities constructed on and within the Country Club Property.

Section 1.17. “**Country Club Articles of Incorporation**” means the Articles of Incorporation of the Country Club as the same may be duly amended from time to time.

Section 1.18. “**Country Club Board**” or “**Country Club Board of Directors**” may be used interchangeably herein and shall mean the Board of Directors of the Country Club as the same may, from time to time, be constituted.

Section 1.19. “**Country Club Bylaws**” means the Bylaws adopted by the Country Club as the same may be duly amended from time to time.

Section 1.20. “**Country Club Property**” refers to that real property described in Exhibit C attached hereto and made a part hereof by this reference, including but not limited to the golf course, tennis courts, and clubhouse areas.

Section 1.21. “**Country Club Rules and Regulations**” means the rules and regulations which have been or shall be adopted by the Country Club Board of Directors, as well as amended from time to time by the Country Club’s Board of Directors.

Section 1.22. “**County**” means the County of Riverside, State of California, and its various departments, divisions, employees and representatives.

Section 1.23. “**Declaration**” means this instrument, as the same may be amended from time to time.

Section 1.24. “**Deed of Trust**” or “**Trust Deed**” means a first mortgage or a first Deed of Trust, as the case may be.

Section 1.25. “**Development**” means the real property legally described in Exhibit A attached hereto and made a part hereof by this reference and generally includes the residential portion and all related Common Areas that are subject to the jurisdiction of the Association. The Development does not include the Country Club Property.

Section 1.26. “**Governing Documents**” is a collective term that means and refers to this Declaration and to the Articles of Incorporation, the Bylaws, the Rules and Regulations, Association Standards, Architectural Guidelines and Application Procedures, Landscape Policies and Procedures, Election Rules and any other policies, procedures, guidelines, etc. adopted by the Association.

Section 1.27. “**Member**” means every person or entity who holds a membership in the Association and whose rights as a Member are not suspended pursuant to Article 18, Section 18.1 (A) hereof.

Section 1.28. “**Mortgage**” means any security device encumbering all or any portion of the Community, including any Deed of Trust. “**First Mortgagee**” shall refer to the beneficiary of, or the holder of a Note secured by a first Deed of Trust (Trust Deed) or, as the case may be, the mortgagee under a first mortgage, and/or the assignee of such beneficiary, holder or mortgagee.

Section 1.29. “**Owner**” means any person, firm, corporation or other entity, which owns a fee simple interest in a Residential Lot. The term Owner shall not include persons or entities that hold an interest in a Residential Lot merely as security for the performance of an obligation or as a contract purchaser. The terms “**Owner of Record**” and “**Member of the Association**” includes an Owner and means any person, firm, corporation or other entity in which title to a Residential Lot is vested as shown by the official records of the Office of the County Recorder.

Section 1.30. “**Regular Assessment**” means a recurring Assessment levied against an Owner and his or her Residential Lot in accordance with Article 5, Section 5.5, hereof.

Section 1.31. “**Reimbursement Assessment**” means an Assessment levied on an Owner and his or her Residential Lot in accordance with Article 5, Section 5.8 hereof.

Section 1.32. “**Residence**” means a private, single family dwelling, constructed on a Residential Lot and includes patio walls, patio extensions, enclosed yards and garage additions that are partially constructed on Common Area and patio walls and patio extensions constructed on Country Club Property provided that patio wall and patio extensions involving the Country Club Property must be approved consistent with Section 20.11 of this Declaration.

Section 1.33. “**Residential Lot**” means any parcel of real property designated by a number on the Subdivision Map for any portion of the Development, excluding the Common Area. When appropriate within the context of this Declaration, the term “**Residential Lot**” shall also include the Residence and other Improvements constructed or to be constructed on a Residential Lot. For purposes of this Declaration, “**Residential Lot**” does not exclude the parcel on which the tax assessment is based.

Section 1.34. “**Rules and Regulations**” means the Rules, Regulations and policies of the Association, adopted by the Board of Directors of the Association, as the same may be in effect from time to time.

Section 1.35. “**Single Family Residential Use**” means occupancy and use of a Residence for single family 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 single family residential dwellings.

Section 1.36. “**Social Member** and “**Golf Member**” means a Social Member, Tennis Member and Golf Member, respectively, of the Country Club as such terms are defined in the Country Club Bylaws.

Section 1.37. "Social Membership" Each Owner of a Residential Lot must have a Social Membership which entitles the Social Members thereof to use the non-golf facilities located on the Country Club Property on the terms and conditions set forth in this Declaration and in the Country Club Bylaws.

Section 1.38. "Special Assessment" means a non-recurring Assessment levied on an Owner and his or her Residential Lot in accordance with Article 5, Section 5.6 hereof.

Section 1.39. "Voting Power" or "voting power" means those Owners who are eligible to vote for the election of Directors or with respect to any other matter, issue, or proposal properly presented to the Owners for approval at the time any determination of voting power is made.

ARTICLE 2

MEMBERSHIP AND VOTING RIGHTS OF THE ASSOCIATION

Section 2.1. Membership.

(A) Owners, by virtue of their ownership of a Residential Lot shall automatically be a Member of the Association and shall be entitled to vote on all matters upon which Members of the Association are entitled to vote pursuant to the Governing Documents.

(B) Ownership of a Residential Lot or interest therein shall be the sole qualification for and entitlement to membership in the Association.

(C) Each Owner shall remain a Member of the Association until such time as his or her ownership or ownership interest in his or her Residential Lot in the Development ceases for any reason, at which time his or her membership in the Association shall automatically cease.

(D) A Member is not intended to include persons or entities that hold an interest in a Residential Lot merely as security for performance of an obligation; nor is a Member intended to include contract purchasers.

Section 2.2. One Class of Membership. The Association shall have one (1) class of membership and the rights, duties, obligations and privileges of the Members shall be as set forth in the Governing Documents.

Section 2.3. Voting. Subject to the provisions of the Governing Documents, each Owner shall be entitled to one (1) vote for each Residential Lot in which he or she holds the interest required for membership. Membership shall be appurtenant to and may not be separated from ownership of any Residential Lot. Each Owner is obligated promptly, fully and faithfully to comply with and conform to this Declaration, the Articles, the Bylaws, the Election Rules and the Rules and Regulations adopted thereunder from time to time by the Board.

Section 2.4. Transfer. Membership in the Association shall not be transferred, pledged or alienated in any way, except upon the sale of the Residential Lot to which it is appurtenant, and then only to the purchaser. The transfer of title to a Residential Lot or the sale of a Residential Lot and transfer of possession thereof to the purchaser shall automatically transfer the membership appurtenant to such Residential Lot to the transferee. Any attempt to make a prohibited transfer is void, and will not be reflected upon the books and records of the Association. In the event an Owner should fail or refuse to transfer the membership registered in his or her name to the purchaser of such Residential Lot, the Association shall have the right to record the transfer upon the books of the Association and the membership outstanding in the name of the prior Owner shall be null and void.

Section 2.5. Joint Owner Disputes. The vote for each Residential Lot shall be cast as a single vote, and fractional votes shall not be allowed. In the event that joint Owners are unable to agree among themselves as to how their vote shall be cast, they shall lose their right to vote on the matter in question. If any Owner casts a vote representing a certain Residential Lot, it will thereafter be conclusively presumed for all purposes that he, she or they were acting with the authority and consent of all other Owners of the same Residential Lot.

ARTICLE 3

PROPERTY RIGHTS AND OBLIGATIONS

Section 3.1. Common Area. The Association has been deeded fee title to the Common Area. The Owner of each Residential Lot shall have a right and easement of enjoyment in and to the Common Area, which shall be appurtenant to and shall pass with each transfer, whether voluntary or involuntary, of title to the Residential Lot. Provided, however, that such right and easement of enjoyment shall be subject to the provisions of this Declaration, including the rights of the Association to exercise all powers and perform all duties set forth in the Governing Documents. No Owner may separate such right and easement of enjoyment from the fee title to his or her Residential Lot, although an Owner may delegate his or her right of enjoyment of the Common Area to the members of his or her family, tenants, or contract purchasers who reside in his or her Residence, as more specifically set forth in Section 3.6 of this Article.

Section 3.2. Owners' Nonexclusive Easements of Enjoyment. Every Owner shall have a nonexclusive easement for use and enjoyment in and to the Common Areas within the Development. Such right shall be appurtenant to and shall pass with the ownership of a Residential Lot, subject to all of the easements, covenants, conditions, restrictions and other provisions contained in this Declaration, including, without limitation, the following provisions:

(A) The right of the Association to limit the number of guests of Owners, subject to the Rules and Regulations.

(B) The right of the Association to establish reasonable Rules and Regulations pertaining to the use of the Common Area.

(C) The right of the Association to temporarily suspend the voting rights of an Owner and right to use the Common Facilities by an Owner for any period during which any Assessments

remain unpaid. Any action to suspend an Owner's right shall only be valid after a hearing by the Board, in accordance with the provisions of the Bylaws and Section 1363(h) of the California *Civil Code*.

(D) The right of the Association to suspend an Owner's right to use the Common Facilities for any infraction of this Declaration, the Bylaws, the Election Rules and/or the published Rules and Regulations by that Owner, his or her family, tenants, guests, registered domestic partners, and invitees or occupants. Any action to suspend an Owner's rights shall only be valid after a hearing by the Board, in accordance with the provisions of the Bylaws and Section 1363(h) of the California *Civil Code*. Any suspension of use privileges may not exceed a period of thirty (30) days for any one violation.

(E) The right of the Association to grant easements on, over and under the Common Area to public utilities or governmental entities or agencies; provided that such easement shall not unreasonably interfere with the right of any Owner, his or her family, guests, tenants, registered domestic partners, and invitees to the use and enjoyment of his or her Residential Lot and the Common Area.

(F) The right of the Association to take such steps as are reasonably necessary to protect the Common Areas against foreclosure.

(G) Subject to the limitations set forth in Article 8, Section 8.4 of the Association's Bylaws, the right of the Association to borrow money for the purpose of improving the Residential Lots and Common Area or any other purpose reasonably related to fulfilling the Association's obligations under the Governing Documents.

Section 3.3. Persons Subject to Governing Documents.

(A) All present and future Owners, his or her family, guests, tenants, registered domestic partners, invitees and occupants of Residences within the Development shall be subject to, and shall comply with, each and every provision of the Governing Documents, as they may 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, his or her family, guests, tenants, registered domestic partners, and invitees, etc.).

(B) The acceptance of a deed to any Residential Lot, the entering into a lease or contract of sale with respect to any Residential Lot, or the occupancy of any Residence shall constitute the consent and agreement of such Owner, his or her family, guests, tenants, registered domestic partners, and invitees 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.

Section 3.4. Waiver of Use. No Owner may exempt himself or herself from personal liability for Assessments duly levied by the Association, nor release the Residential Lot owned by him or her from the liens, charges and other provisions of the Governing Documents, by waiver of the use and enjoyment of the Common Area, or the abandonment of his or her Residential Lot.

Section 3.5. Obligations of Owners. Owners of Residential Lots within the Development shall be subject to the following:

(A) **Owner's Duty to Notify Association of Tenants and Contract Purchasers.** Each Owner shall notify the Association, the Association's property manager, if any, as well as the Country Club, of the names of any contract purchaser or tenant of the Owner's Residential Lot. Each Owner shall also notify the Association of the names of all persons to whom such Owner has delegated any rights to use and enjoy the Development and the relationship that each such person bears to the Owner.

(B) **Contract Purchaser.** A contract seller of a Residential Lot must delegate his or her voting rights as an Owner of the Association and his or her right to use and enjoy the Common Area and Common Facilities 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.

(C) **Payment of Assessments and Compliance With Governing Documents.** Each Owner shall pay when due each Regular, Special and Reimbursement Assessment levied against the Owner and his or her Residential Lot. Each Owner shall observe, comply with and abide by any and all Rules and Regulations promulgated by the Board pursuant to any Governing Document for the purpose of protecting the interests of all Owners or protecting the Common Area.

(D) **Discharge of Assessment Liens.** Each Owner shall promptly discharge any Assessment lien that may hereafter become a charge against his or her Residential Lot.

(E) **Joint Ownership of Residential Lots.** In the event of joint ownership of any Residential Lot, the obligations and liabilities of the multiple Owners under the Governing Documents shall be joint and several. Without limiting the foregoing, this subparagraph shall apply to all obligations, duties and responsibilities of Owners as set forth in this Declaration, including, without limitation, the payment of all Assessments.

(F) **Prohibition on Avoidance of Obligations.** No Owner, by non-use of the Common Area, or abandonment of the Owner's Residential Lot, or otherwise, may avoid the burdens and obligations imposed on such Owner by the Governing Documents, including, without limitation, the payment of Assessments levied against the Owner and his or her Residential Lot pursuant to this Declaration.

(G) **Termination of Obligations.** Upon the conveyance, sale, assignment or other transfer of a Residential Lot to a new Owner, the transferor-Owner shall not be liable for any Assessments due after the date of recording of the deed evidencing said transfer and, upon such recording, all Association membership rights possessed by the transferor by virtue of the ownership of said Residential Lot shall cease.

Section 3.6. Delegation of Use.

(A) Any Owner may delegate his or her rights of enjoyment in the Development, including the Common Area, to his or her family, guests, tenants, registered domestic partners, invitees, and to such other persons subject to the terms and conditions set forth in the Governing Documents.

(B) Each Owner shall notify the Association of the names of any contract purchasers, lessees or renters of such Owner's Residential Lot. Any rights of enjoyment delegated pursuant hereto are subject to suspension to the same extent that rights of the Owners are subject thereto.

Section 3.7. Owner's Obligation for Taxes. Each Owner shall be obligated to pay any taxes or assessments assessed by the County Assessor of Riverside County against his or her Residential Lot and against his or her personal property.

Section 3.8. Association's Encroachment and Easement Rights. The Owner of each Residential Lot is hereby granted an easement over all adjoining Residential Lots and the Common Area for the purpose of accommodating any minor encroachments due to engineering errors, errors in original construction, settlement or shifting of any building, or any other cause. There shall be easements for the maintenance of said encroachments as long as they shall exist, and the rights and obligations of Owners shall not be altered in any way by said encroachments, settlement or shifting, provided, however, that in no event shall an easement for encroachment be created in favor of any Owner if said encroachment occurred due to the willful misconduct of an Owner. In the event any portion of the property is partially or totally destroyed and then repaired or rebuilt, the Owner shall be granted easements for the maintenance of said encroachments so long as they shall exist.

Section 3.9. Association's Easements and Right of Entry. There is reserved to the Association, and each of its agents and servants, reciprocal easements in gross over all Residential Lots and the Common Areas. There is also reserved to the Association, and each of its agents and servants easements of entry and of access for the installation and maintenance of sewers, storm drains, drainage facilities, utility meter boxes and utility lines which are part of the Common Areas and/or Residential Lots and for landscaping and maintenance of the Common Areas, exteriors of Residences and Residential Lots, and for the performance generally of its rights and duties as provided in this Declaration.

Section 3.10. Owner's Right of Entry. To the extent reasonably necessary for the performance of his or her duties under Article 11 of this Declaration, each Owner, upon obtaining written approval from the Board, shall have a right to enter upon other Residential Lots and/or Common Areas at reasonable hours and after reasonable notice to the Owner of any Residential Lot to be entered upon.

ARTICLE 4

POWER AND DUTIES OF THE ASSOCIATION

Section 4.1. Management and Control. The Association, through its Board, except as otherwise provided herein, shall have the obligation, sole authority, and duty to manage, make decisions, operate, control, repair, replace or restore all of the Residential Lots, Common Area, or any portion thereof, together with the improvements and landscape thereon, all as more fully set forth in this Declaration, the Articles and the Bylaws.

(A) In the event the Board shall determine that any portion of the Development required to be maintained by the Association has been damaged or destroyed by any negligent or malicious act or omission of any Owner, his or her family, guests, tenants, registered domestic partners, agents and invitees such Owner shall be responsible for the cost of repairing the damage. In the event that the Owner fails to pay the cost for the repairs, then the Association shall make such repairs or replacements and the cost thereof shall be levied against such Owner as a Reimbursement Assessment.

(B) Subject to the provisions of the Governing Documents and California law, the Board shall have the right to adopt reasonable Rules and Regulations and to amend the same from time to time relating to the use of the Residential Lots, Common Area, and Common Facilities situated on the Development by each Owner and by his or her family, guests, tenants, registered domestic partners, and invitees, and the conduct of such persons with respect to vehicle parking, outside storage, disposal of waste materials, drying of laundry, control of pets and other activities reasonably contemplated under the Governing Documents.

(1) At least thirty (30) days prior to adopting, amending or repealing Rules and Regulations that relate to use of the Residential Lots, Common Area, Owners discipline (including monetary penalties for violation of the governing documents), delinquent Assessment payment plans, and procedures regarding resolution of Assessment disputes, the Board shall provide the Owners with written notice of the proposed Rule change. This notice shall include the text of the proposed Rule change and a description of the purpose and effect of such proposed change.

(2) The Rules and Regulations may be amended only by the vote of a majority of the entire Board at a duly held meeting after consideration of any comments made by the Owners.

(3) Within fifteen (15) days after making any rule change, the Board shall deliver notice of the rule change to every Owner.

(4) The requirement that Owners be sent notice of proposed rule changes does not apply to any rule change that the Board determines is necessary to address an imminent threat to public health or safety or imminent risk of substantial economic loss to the Association.

(5) The Rules and Regulations shall be binding upon each Owner, his or her family, guests, tenants, registered domestic partners, and invitees and shall be enforceable to the same extent as if they were specifically set forth as provisions in this Declaration. A copy of such Rules and Regulations shall be:

(a) Maintained in the office of the Association and be available for inspection at all reasonable times; and

(b) Given to each Owner within a reasonable time after the Association has notice of his or her occupancy of a Residential Lot.

Section 4.2. Powers and Responsibilities of the Board.

(A) As more specifically set forth in Article 11 of this Declaration, the Board shall maintain and otherwise manage all of the Common Area and Common Facilities, including all improvements and landscaping thereon, and all property subsequently acquired by the Association. The Board shall also have the right to assign, rent, license or otherwise designate and control the use of the Common Area and/or the improvements thereon. The Board may impose and receive deposit or other administrative fees for the use or operation of the Common Area.

(B) The Board shall acquire, provide and/or pay for water, sewer, garbage disposal, gas, electrical, telephone, cable television, refuse and rubbish collection, gardening service and other necessary utility services for the Common Area, and make these and such other utilities as the Board may determine, available to all Residences if and when the Residential Lots are not separately billed therefor.

(C) The Board shall pay real or personal property taxes or other charges assessed against the Common Area. Such taxes and assessments may be contested or compromised by the Association; provided, however, that they are paid or a bond insuring payment is posted prior to the sale or the disposition of any property to satisfy the payment of such taxes.

(D) The Association Board may grant exclusive licenses and/or easements as follows:

(1) For utility permits, licenses and easements, under, through, or over the Common Area as may be reasonably necessary to or desirable for the ongoing management, maintenance and operation of the Residential Lots and Common Area.

(2) To Owners over the Common Area for the purpose of adding patio walls and patio extensions. The licenses and easements shall be for no more than two (2) feet into the Common Area and shall be issued for the sole purpose of extending an individual Owner's patio. These actions have been voted on and approved by more than sixty-seven percent (67%) of the Owners and therefore, further licenses and easements for patio walls and patio extension shall require a zero percent (0%) vote of the Owners.

(3) To Owners over the Common Area for the purpose of adding a garage addition. The licenses and easements shall be for no more than two (2) feet into the Common Area and requires that a minimum of sixteen inches (16") of planter bed be left between the side of the addition and the existing sidewalk and shall be issued for the sole purpose of extending an individual Owner's garage. These actions have been ratified/voted on and approved by more than sixty-seven percent (67%) the Owners and therefore, further licenses and easements for garage additions shall require a zero percent (0%) vote of the Owners.

(4) To Owners that were given a five-foot (5') patio extension by the original builder that extends past the property line, the Association may grant easements extending those patios up to two additional feet (2') into Common Areas from the original five feet (5'). This has been voted on and approved by more than sixty-seven percent (67%) of the Owners and therefore, further licenses and easement for patio extension shall require a zero percent (0%) vote of the Owners.

(5) To Owners for the exclusive use of any portion of the Common Area if the value of said portion of the Common Area is less than five percent (5%) of the budgeted gross expenses of the Association for that fiscal year. For purposes of *Civil Code* Section 1363.07, the affirmative vote of zero percent (0%) of the Owners is required for the Board to grant these easements.

(6) Except for licenses and easements set forth in (2), (3) (4) and (5) of this Section 4.2(D), the Board may not sell or grant any license or easement over the Common Area to any Owners of any Residential Lot without prior approval of a majority of the total voting power of the Association.

(E) As more specifically set forth in Article 18 of this Declaration, the Board shall enforce the Governing Documents by the imposition of reasonable monetary fines, Reimbursement Assessments, and suspension of use of Common Facilities and voting privileges. These powers, however, shall not be construed as limiting any other legal means of enforcing the use restrictions or Rules and Regulations. An Owner's use of the Common Facilities and his or her voting rights may only be suspended after reasonable written notice and an opportunity for a hearing before the Board, as set forth in California *Civil Code* Section 1363 (h).

(F) Subject to the limitations set forth in Article 8, Section 8.4 of the Bylaws, the Board may:

(1) Enter into contracts or arrangements for services or materials for the benefit of or improvement of the Residential Lots and Common Area.

(2) Make capital improvements to the Common Area, provided, however that the aggregate expenditures for capital improvements to the Common Area or Residential Lots in any fiscal year shall not exceed ten percent (10%) of the budgeted gross expenses of the Association for that fiscal year without obtaining approval of the membership as set forth in the Bylaws.

(3) Borrow money for the purposes of improvements, maintenance or restoration of the Common Area and Common Facilities thereon.

(4) Sell property owned by the Association however, if the property sought to be sold has a value greater than five percent (5%) of the budgeted gross expenses of the Association for that fiscal year, no such sale shall take place unless such action is approved by a majority of the total voting power of the Association as set forth in the Association Bylaws.

(G) The Board shall secure and maintain policies of insurance, as provided in Article 15 herein.

(H) The Board shall have the authority to delegate its powers, duties and responsibilities to committees or employees, including a professional managing agent (sometimes hereinafter referred to as "manager").

(I) The Board may suspend the voting rights and right to use the Common Facilities, located on the Common Area, of an Owner who is in default of his or her payment of any Assessment or for any infraction of its published Governing Documents, including published Rules and Regulations, after reasonable written notice and an opportunity for a hearing before the Board, as set forth in California *Civil Code* Section 1363(h).

(J) Notwithstanding more restrictive language contained within the Bylaws, the Association, by and through the Board, may enter into contracts (or make other arrangements) for a term not exceeding ten (10) years with the Country Club, by and through the Country Club Board, to establish shared financial and maintenance arrangements on the following items: security, water replenishment, electrical pumping, pump repairs, roadrunner expenses, telephone, administration expenses, wash maintenance, driving range expenses, and fountain electric costs.

Section 4.3. Right of Entry. For the purpose of maintaining the Common Area, or for any other purpose reasonably related to the performance by the Board of its responsibilities under the Governing Documents, the Association's officers, agents or employees shall have the right, after reasonable notice to Owner(s), to enter any Residential Lot, or any portion of the Residential Lot (not into the Residence) at reasonable hours and after reasonable notice to the Owner of the Residential Lot.

In addition to, and not in limitation of all other rights, the Association may enter onto the Residential Lots but not into Residences for emergency, security, or safety purposes, which right may be exercised by the Association's Board of Directors, officers, agents, employees, managers, and all policemen, firemen, ambulance personnel, and similar emergency personnel in the performance of their respective duties. In an emergency situation, if practicable, prior to entering the Residential Lot, a reasonable attempt will be made to notify the occupant and the Owner of the Residential Lot of the Association's need and intent to enter the Residential Lot.

Section 4.4. Limitation of Liability.

(A) To the fullest extent permitted by the laws of California, the Association Board, Architectural Committee, Landscape Committee, Maintenance Committee, Security Committee, Standing Committee, and any other Committee Members or volunteers of the Association shall not be liable to any Owner, his or her family, guests, tenants, registered domestic partners, or invitees for any damages, loss or prejudice suffered or claimed on account of any decision, approval or disapproval of plan or specifications (whether or not defective), act, error of omission, or negligence where the Board, Committee Members, and volunteers acted reasonably and in good faith without willful or intentional misconduct.

(B) Neither the Association, its Board of Directors (nor any member thereof), nor its Officers (nor any of them), nor its Committee Members, or volunteers, shall be liable for any failure to provide any service or perform any duty, function or responsibility designated or provided in this Declaration, the Association Bylaws, and the Rules and Regulations which are to be performed by the same, or for injury and/or damage to persons or property caused by fire, explosion, the elements or by another Owner or person in the Development or resulting from electricity, water, rain, dust or sand which may leak or flow from any Residential Lot or Common Area or from any pipes, drains, conduits, appliances or equipment, or from any other place or any other cause unless that cause was due to willful misconduct of the person(s) listed herein.

Section 4.5. Indemnification.

(A) The Association shall, and does, hereby indemnify the past, present and future Directors, Officers, Committee Members, volunteers, employees, or other agents of the Association against all expenses, judgments, and liabilities including reasonable attorney's fees, costs incurred or imposed upon them in connection with any proceeding in which such Directors, Officers, Committee Members, volunteers, employees, or other agents may be party, or may become involved, by reason of their being, or having been, Directors, Officers, Committee Members, volunteers, employees, or other agents of the Association, or any settlement thereof, except in such cases wherein the Directors, Officers, Committee Members, volunteers, employees, or other agents are adjudged guilty of gross negligence or willful malfeasance in the performance of their duties. Indemnification shall be in addition to and not exclusive of all other rights to which such Directors, Officers, Committee Members, volunteers, employees, or other agents may be entitled

Section 4.6. Property Exchange by Board Consent. Common Areas of the Association and Country Club Property may be exchanged between the corporations upon agreement between the Association and Country Club Boards.

ARTICLE 5

COVENANT FOR ASSOCIATION ASSESSMENTS

Section 5.1. Assessments Generally.

(A) **Purpose of Assessment.** The Assessments provided for herein shall be used for the

general purpose of the preservation, improvements, and proper operation of the Development, and for promoting the recreation, health, safety, welfare, and enjoyment of the Members of the Association.

(B) No Avoidance of Assessment Obligations. No Owner may exempt himself or herself from personal liability for payment of the Assessments, or installments duly levied by the Association, nor release the Residential Lot from the liens and discharges hereof, by waiver of the use and enjoyment of all or any portion of the Common Area, or by abandonment or non-use of his or her Residential Lot or any other portion of the Development, by any alleged failure of the Association to perform services, or for any other reason.

Section 5.2. Agreement to Pay. Each Owner of any Residential Lot, by acceptance of a deed therefore, whether or not it shall be so expressed in such deed or conveyance, is deemed to covenant and agree to pay the Association's:

- (A) Regular Assessments or charges;
- (B) Special Assessments;
- (C) Cable Television Service Assessment (if the Board elects to contract for cable television service, Cable Television Service Assessments may be levied by the Board against the Residential Lot on a monthly basis); and
- (D) Reimbursement Assessments against any particular Residential Lot which are established pursuant to the terms of the Governing Documents.

Section 5.3. Personal Obligation. All Assessments, or installments thereof, together with late charges, interest, collection costs, and reasonable attorney's fees duly levied by the Association shall be the personal obligation of each Owner of a Residential Lot at the time when the Assessment fell due. Said Assessments, late charges, costs, and attorney's fees, in the maximum amount permitted by the laws of the State of California shall be a charge on the Residential Lot and shall be a continuing lien upon the Residential Lot against which each Assessment is made. In the event more than one person or entity is the Owner of a Residential Lot, the personal obligation to pay such Assessment, or installment thereof, shall be joint and several.

(A) Assessments shall be paid on a monthly basis on the first day of each month or in such manner and on such dates as may be fixed by the Association's Board.

(B) The personal obligation for delinquent Assessments, or delinquent installments, thereof, and such other sums, shall not pass to an Owner's good faith and for value successors in interest unless expressly assumed by them.

(C) Any Assessment not paid within thirty (30) days after the date due shall bear interest from the date due at the rate provided for in Article 6, Section 6.2(A).

Section 5.4. Preparation of Annual Budget.

(A) The Board shall prepare or cause to be prepared a 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 needed to defray the costs of future repairs, replacement or additions to the Common Facilities) by preparing and distributing to all Association Members a budget satisfying the requirements of Article 12 of the Bylaws.

(B) If the Board fails to distribute the budget for any fiscal year within the time period in this section, the Board shall not be permitted to increase the Regular Assessments for that fiscal year unless the Board first obtains the approval of the Owners, constituting a quorum, casting a majority of the votes at a meeting or election of the Association conducted in accordance with the Bylaws.

Section 5.5. 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, except as provided in this Section, the Board of Directors may not impose a Regular Assessment that is more than twenty percent (20%) greater than the Regular Assessment for the Association's immediately preceding fiscal year without the vote or written consent of Owners, constituting a quorum, casting a majority of the votes at a meeting or election of the Association conducted in accordance with the Association Bylaws. For purposes of this section, "quorum" shall constitute a majority of Owners.

(A) The Regular Assessments may be raised during the fiscal year without the vote or written consent of the Owners as set forth herein, up to the twenty percent (20%) limitation, the membership shall be given thirty (30) days notice of such increase in Regular Assessments.

(B) 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 this Article for that year, shall be assessed against each Owner and his or her Residential Lot on account of the then current fiscal year and the Assessments shall be payable on the regular payment dates established by the Association.

Section 5.6. Special Assessments. In addition to the Regular Assessments, authorized above, the Board may levy Special Assessments for the purpose of defraying, in whole or in part, the cost of any capital improvement to the Common Area or such other purpose as may be determined by the Board; provided, however, that no Special Assessment shall exceed, in the aggregate during any fiscal year of the Association, an amount equal to five percent (5%) of the budgeted gross expenses of the Association for that fiscal year, without the vote or written consent of Owners, constituting a quorum, casting a majority of the votes at any meeting or election of the Association. For purposes of this Section, "quorum" shall constitute a majority of Owners. All such Special Assessments shall be levied upon each Residential Lot in the same proportion as Regular Assessments are levied.

Section 5.7. Assessments to Address Emergency Situations. The requirement of a vote of the Owners to approve increases in excess of twenty percent (20%) of the previous year's Regular Assessment or Special Assessments in excess of five percent (5%) of the budgeted gross expenses of the Association for that fiscal year shall not apply to any Assessment increases necessary to address emergency situations. For purposes of this Section, an emergency situation is any of the following:

- (A) An extraordinary expense required by an order of a court.
- (B) An extraordinary expense necessary to repair or maintain the Common Areas or any portion of the separate interests, which the Association is obligated to maintain, where a threat to personal safety is discovered.
- (C) An extraordinary expense necessary to repair or maintain the Common Areas 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 Section 5.4(A) above, provided that, prior to the imposition or collection of an Assessment under this paragraph, 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 Owners together with the notice of Assessment.

Section 5.8. Reimbursement Assessments.

(A) **Circumstances Giving Rise to Reimbursement Assessments.** In addition to the Special Assessments levied against all Owners in accordance with Section 5.6, above, the Board of Directors may impose Reimbursement Assessments against an Owner in any of the circumstances described, without limitation, in subparagraphs (1) through (3) below, provided that no Reimbursement Assessment may be imposed against an Owner pursuant to this Section until the Owner has been afforded the notice and hearing rights to which the Owner is entitled pursuant to this Article, and, if appropriate, has been given a reasonable opportunity to comply voluntarily with the Governing Documents. Subject to the foregoing, the acts and circumstances giving rise to liability for Reimbursement Assessments include the following:

- (1) **Damage to Common Area or Common Facilities.** In the event that any damage to, or destruction of, any portion of the Common Area or the Common Facilities, including any portion of the Residential Lot which the Association is obligated to repair and maintain is caused by the willful misconduct or negligent act or omission of any Owner, his or her family, guests, tenants, registered domestic partners, invitees, servants, contractors, and employees, 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. Reimbursement Assessments imposed under this subsection may be collected in the same manner as Regular and Special Assessments as allowed by California law.

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

(3) Required Maintenance on Residential Lots. As more particularly provided in Article 11, if any Residential Lot is maintained so as to become a nuisance, fire or safety hazard for any reason, including without limitation, the accumulation of trash, junk, automobiles, or improper weed or vegetation control, the Association shall have the right to enter said Residential Lot, correct the offensive or hazardous condition and recover the reasonable 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 herein, notice thereof shall be mailed to the affected Owner and the Reimbursement Assessment shall thereafter be due and payable in full to the Association within 30 days after the mailing of notice of the Assessment.

Section 5.9. Notice/Certificate of Status. Written notice of an Assessment shall be given to every Owner. The Association shall, upon demand and for a reasonable charge, furnish a certificate signed by an officer or other agent of the Association setting forth whether the Assessments of a specified Residential Lot have been paid.

Section 5.10. Exemption of Certain Properties From Assessments. The following real property subject to this Declaration shall, unless devoted to use as a residential dwelling, be exempted from the Association Assessments and the lien thereof provided herein:

- (A) Any portion of the Development dedicated and accepted by a local public authority;
- (B) The Common Area and Common Facilities;
- (C) Any Residential Lot owned by the Association.
- (D) Country Club Property.

Section 5.11. Uniform Rate of Assessments. Regular and Special Assessments must be fixed at a uniform rate for all Residential Lots.

ARTICLE 6

ENFORCEMENT OF ASSOCIATION ASSESSMENTS

Section 6.1. Right to Enforce Assessments.

(A) The right to collect and enforce Assessments is vested in the Board acting for and on behalf of the Association. Such Assessments are the personal obligation of the Owner against whom they are assessed and are a lien against the Residential Lot. The Association, its authorized representatives, including any manager, shall have the authority to create and enforce a lien with the power of sale on each separate Residential Lot and all improvements thereon to secure payment of the amount of any Assessment, to the full extent permitted by applicable law.

Section 6.2. Debt of Owner. Any Assessment provided for in this Declaration, which is not paid when due, shall be delinquent on said due date (the "delinquency date"). The obligation and the lien for Assessments may also include:

(A) A late or delinquency charge in the amount of the greater of ten dollars (\$10.00) or ten percent (10%) of the amount of each Assessment, or installment payment, or such higher amount as may be authorized by the laws of the State of California;

(B) Interest on each Assessment or installment not paid when due and on any delinquency fee or late charge pertaining thereto from the date the charge was first due and payable at the rate of twelve percent (12%) per annum, or such higher rate as authorized by the laws of the State of California;

(C) The cost of collection, including court costs and the expenses of sale;

(D) Reasonable attorney's fees actually incurred;

(E) The fair rental value of the Residential Lot from the time of institution of suit until the sale at foreclosure or other satisfaction of any judgment; and

(F) Any expenses required for the protection and preservation of the Residential Lot;

Section 6.3. Effect of Non-Payment of Association Assessments.

(A) As more particularly provided in California *Civil Code* Section 1367 or comparable superseding statute, and provided the Association has complied with the pre-lien requirements set forth in California Civil Code Section 1367.1 or successor statute, the Association, upon a vote of a majority of the Board made at an open Board meeting, may file for recording in the Office of the Riverside County Recorder a notice of delinquency as to such Residential Lot, which notice shall state all amounts which have become delinquent with respect to such Residential Lot and the costs (including attorney's fees) and interest which have accrued thereon, the amount of any Assessments relating to such Residential Lot which are due and payable, although not delinquent, a description of the Residential Lot with respect to which the delinquent Assessments are owed, and the name of

the record or reputed record Owner of such Residential Lot. Such notice shall be signed by the President of the Association, or other officer of the Board, or by a majority of the Members of the Board, or by the Association's attorney.

(B) Immediately upon the recording of any notice of delinquency pursuant to the foregoing provision of this Section, the amount delinquent, as set forth in such notice, together with the costs (including attorney's fees), penalties and interest accruing thereon, shall be and become a lien upon the Residential Lot described therein, which shall also secure all other payments and/or Assessments which shall become due and payable with respect to said Residential Lot following such recording, and all costs (including attorney's fees), penalties and interest accruing thereon. Said lien shall continue until all amounts secured thereby are fully paid or otherwise satisfied.

(C) In the event the delinquent Assessment and all other Assessments which have become due and payable with respect to the same Residential Lot, together with all costs (including attorney's fees) and interest which have accrued on such amounts, are fully paid or otherwise satisfied prior to the completion of any sale held to foreclose the lien provided for in this Article, the Association shall cause to be recorded a release of lien, provided that the Association is reimbursed for the cost of preparing and recording the release (including reasonable attorney's fees).

Section 6.4. Assignment of Rents. Each Owner does hereby presently assign to the Association, absolutely and regardless of possession of the property, all rents and other monies now due or hereafter to become due under any lease or agreement or otherwise for the use or occupation of any or all parts of any Residential Lot owned by the Owner, now existing or hereafter made for the purpose of collecting all Assessments due the Association pursuant to this Declaration which are in default.

The Association hereby confers on each Owner the authority to collect and retain the rents and other monies derived from any such lease or agreement as they become due and payable, provided that the Association at its sole discretion, may revoke such authority at any time, upon written notice to the Owner of a default in the payment of any Assessment due hereunder.

Upon revocation of such authority the Association may, pursuant to court order or by receiver, collect and retain such monies, whether past due and unpaid or current. The Association's rights under this Section shall be subordinate to the rights of any first Mortgagee.

Section 6.5. Association's Right to Foreclosure.

(A) Each Assessment lien may be foreclosed upon as and in the same manner as the foreclosure of a mortgage upon real property under the laws of the State of California, or may be enforced by sale pursuant to California *Civil Code* Section 2924 and following, and Sections 1366 and 1367.4 of the California *Civil Code*, as set forth in the Association's collection policy, and to that end a power of sale is hereby conferred upon the Association.

Section 6.6. Subordination of Lien. The lien of the Assessments provided for herein shall be subordinate to the lien of any first Mortgage of record made in good faith and for value upon any Residential Lot, 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. Otherwise, sale or transfer of any Residential Lot shall not affect the Assessment lien.

Section 6.7. Waiver of Exemptions. Each Owner does hereby waive, to the extent of any liens created pursuant to this Article, the benefit of any homestead or exemption laws of the State of California in effect at the time any Assessment, or installment thereof, becomes delinquent or any lien is imposed pursuant to the terms hereof.

Section 6.8. Association's Right to Acquire Foreclosed Property. The Association shall have the power to bid in their own names on the foreclosed property and to hold, lease, mortgage and convey the same for the benefit of all the Owners.

ARTICLE 7

USE RESTRICTIONS

Section 7.1. Occupancy. Use restrictions regarding the use of Residential Lots and the Common Areas may be adopted by the Board in accordance with the terms hereof and as specified in the Bylaws of the Association, and are as follows:

(A) **Single Families.** The Residences within the Development are restricted exclusively to residential use, and no Residence shall be occupied by more than a single family as determined in accordance with current Federal, California, and City laws and ordinances. "Occupancy," for purposes of this Declaration, shall be defined as staying overnight in a Residence for a total of more than thirty (30), either consecutive or non-consecutive days, in any one (1) year. For purposes of the Association's Governing Documents, a "guest" is a person who is not an "occupant" as set forth in this Section.

This single family occupancy restriction shall not apply to require the removal of any person occupying a Residence on the date on which this Declaration is recorded in the Office of the Riverside County Recorder.

(B) **Residential Use.** Each Residence shall be used for residential purposes only. Legal trade or business may be conducted in or from a Residence or any part of the Residential Lot, so long as there is no material impact on the Development due to the operation or conducting of any legal trade or business. For purposes of this Section, the term "material impact" shall include, but not be limited to, any increase in traffic or noise affecting the Development. The terms "business" and "trade", as used in this provision, shall be construed to have their ordinary or generally accepted meanings, and shall include, without limitation, any legal occupation, work, or activity undertaken on an on-going basis which involves the provision of goods or services to persons other than the provider's family and for which the provider receives a fee, compensation, or other form of consideration, regardless of whether: (1) such activity is engaged in full or part-time; (2) such activity is intended to or does generate a profit; or (3) a license is required therefor.

(C) Lessee/Tenant Bound by Governing Documents. Each Owner shall have the right to lease his or her Residential Lot and interest in the Common Area together, provided that such lease is in writing and provides that the tenant shall be bound by and obligated to the provisions of this Declaration, the Bylaws and the Rules and Regulations; provided, however, that no such lease shall be for transient or hotel purposes. Any such lease which is either for a period of less than thirty (30) days or pursuant to which the Lessor provides any services normally associated with a hotel shall be deemed to be for transient or hotel purposes. See Article 9 herein for the rights and obligations of Owners with respect to leasing of Residential Lots.

(D) No camping, whether temporary or permanent, shall be permitted on any Residential Lot.

Section 7.2. Pets.

(A) No undomesticated animals, livestock, or poultry of any kind shall be raised, bred, or kept on any part of the Development, except as provided below.

(B) No more than a reasonable number of domestic pets, as determined by the Board, may be kept by their respective owners in the Residences, provided that they are not kept, bred, or maintained for any commercial purpose and do not endanger the health, or unreasonably disturb the Owner of any Residential Lot, or any resident thereof, or create a nuisance. For purposes of this Declaration, "domestic pet" means any domesticated bird, cat, dog, aquatic animal kept within an aquarium, or other animal as agreed to between the Association and the Owner.

(C) No domestic pet, regardless of size or type, shall be permitted to be kept within any portion of the Development property if it makes excessive noise, or otherwise constitutes an unreasonable annoyance, or danger to other Owners or their family, guests, tenants, registered domestic partners, and invitees.

(D) No pet enclosures shall be erected, placed, or permitted to remain on any property subject to this Declaration, except as approved by the Board.

(E) The keeping of pets and their ingress, egress, and travel upon the Common Area shall be subject to such Rules and Regulations as may be issued by the Board.

(F) If an Owner his or her family, guests, tenants, registered domestic partners, or invitees fail to abide by the Rules and Regulations and/or covenants applicable to pets, the Board may restrict or bar the pet(s) of the Owner, his or her family, guests, tenants, registered domestic partners, and invitees, from use of, or travel upon, the Common Areas.

(G) Each Owner his or her family, guests, tenants, registered domestic partners, and invitees must immediately clean up after their pet.

(H) Pets shall be allowed on the Common Area only when they are leashed and are otherwise under the supervision and restraint of their owners.

(I) Each person bringing or keeping a domestic pet upon the Development shall be absolutely liable to other Owners, their family, guests, tenants, registered domestic partners, invitees, and occupants for any damage to person or property caused by any domestic pet brought upon or kept upon the Development by such person or by members of his or her family, guests, or invitees.

Section 7.3. Signs, Flags and Banners.

(A) **Commercial Signs.** Except as may be required by legal proceedings or authorized by the Association's Rules and Regulations, no commercial signs, billboards, real estate flags or advertising of any kind shall be maintained or permitted on any portion of the Development without the prior written approval of the Board, except for one "For Sale" or "For Rent" sign per Residential Lot, not larger than 18" by 24".

(B) **Non-Commercial Signs.** Non-commercial signs, flags and banners may be displayed in accordance with California law.

(C) **Common Area and Country Club Property.** No signs shall be erected or displayed on the Common Area, as well as the Country Club Property, except signs placed by authority of the Board (or as applicable approval by the Country Club Board). The Board, on behalf of the Association, shall have the right to erect reasonable and appropriate signs on the Common Areas (or as applicable, the Country Club may display signs on the Country Club Property). Flagpoles are not permitted to be installed in the ground of the Common Areas.

(D) **United States Flag.** Nothing in this section shall be construed to limit or prohibit the display of the United States Flag by an Owner on his or her Residential Lot.

Section 7.4. Antennas and Similar Devices. No Owner his or her family, guests, tenants, registered domestic partners, and invitees may install a video or television antenna or satellite dish which has a diameter or diagonal measurement of greater than one (1) meter in diameter. Owners his or her family, guests, tenants, registered domestic partners, and invitees may install a video or television antenna, including a satellite dish, that has a diameter or diagonal measurement of one (1) meter or less in diameter in accordance with the procedures adopted by the Board of Directors. These procedures may require reasonable screening, establish preferred locations, and impose other restrictions as permitted by applicable federal and state law, provided they do not preclude an acceptable signal or unreasonably increase the cost or cause unreasonable delay in the installation of same. These restrictions are subject to change based on federal and state law.

Section 7.5. Vehicles and Parking. The Board may adopt Rules for the regulation of all parking of private passenger vehicles, commercial vehicles, vans, campers, boats, recreational vehicles, trailers, and motor homes within the Development, including the assessment of charges to owners who violate, or whose families, guests, tenants, registered domestic partners, invitees, and contractors who violate, such Rules and Regulation. Any charges so assessed shall be Reimbursement Assessments.

(A) All Owners his or her family, guests, tenants, registered domestic partners, invitees, and contractors shall have and keep in force, at their own expense, liability and property damage

insurance on their automobiles, golf carts, motorcycles, or any other type of motorized vehicles that are operated within the Development.

Section 7.6. Garages.

(A) No garage doors shall be permitted to remain open except when being used to enter and exit, for a temporary purpose, or as allowed in the Rules and Regulations. For purposes of this Section, "temporary purpose" shall include permitting reasonable work to be performed in the garage during normal daytime/evening hours.

(B) The Board shall have the power to make reasonable Rules and Regulations regarding the use of and storage in garages.

Section 7.7. Impairment/Alteration of Residential Lots and Common Area.

(A) No Owner his or her family, guests, tenants, registered domestic partners, and invitees shall perform nor commence any work that will impair the structural soundness or integrity of another Residential Lot, or impair any easement, nor do any act nor allow any condition to exist which will adversely affect the other Residential Lots or their Owners or occupants.

(B) No Owner, his or her family, guests, tenants, registered domestic partners, and invitees shall make or cause to be made structural alterations or modifications to his or her Residence or to the exterior of a Residence which is visible from the Common Area and/or another Residence, without the prior written consent of the Architectural Committee as provided in Article 8 herein.

(C) No building of any kind shall be moved from any other place onto any of said Residential Lots, or from one Residential Lot onto another without the prior written consent of the Architectural Committee as provided in Article 8 herein.

(D) No Owner, his or her family, guests, tenants, registered domestic partners, and invitees shall place or remove any plants without the prior written consent of the Board or the Landscape Committee

(E) Except as otherwise provided herein, nothing shall be altered or constructed in or removed from the Common Area except upon the written consent of the Board or Architectural Committee.

(F) Except as otherwise provided in this Declaration, there shall be no obstruction of the Common Area, nor shall anything be kept or stored in the Common Areas, nor shall anything be altered, constructed or planted in, or removed from the Common Areas without the prior written consent of the Association Board.

Section 7.8. Rubbish, Trash, and Garbage. Rubbish, trash and garbage shall not be allowed to accumulate outside any Residential Lot or Common Areas. Trash containers shall be stored in the garage when it is not trash pick- up day.

Section 7.9. Nuisance.

(A) No noxious, illegal, or materially offensive activities shall be carried out or conducted upon any Residential Lot or Common Area or in any part of the Development, which shall unreasonably interfere with any other resident's right to quiet enjoyment.

(B) No Owner his or her family, guests, tenants, registered domestic partners, and invitees of a Residence may use or allow the use of the Residence or any portion of the Residential Lot in any way or for any purpose which may endanger the health or unreasonably annoy or disturb other Owners or occupants of a portion of the Residential Lot; or in such a way as to constitute, in the sole opinion of the Board, a nuisance.

(C) No Residential Lot or other part of the Common Area shall be used in such a manner as to unreasonably obstruct or interfere with the enjoyment of other residents or to annoy them by unreasonable noises or otherwise; nor shall any nuisance, illegal or noxious activity or waste be committed or permitted to occur within the Development.

(D) Nothing herein shall be construed to affect the rights of an aggrieved Owner to proceed individually for relief from interference with his or her property or personal rights.

Section 7.10. Unsightly or Unkempt Conditions. The pursuit of activities, including without limitations, the assembly and/or disassembly of motor vehicles and other mechanical devices, which might tend to cause disorderly, unsightly, or unkempt conditions, shall not be pursued or undertaken on any part of the Residential Lot or on or within any part of the Development property.

Section 7.11. Use of Residential Lots Affecting Insurance or Value.

(A) Nothing shall be done or kept on any Residential Lot, or upon the Common Area which will increase the rate of insurance relating thereto on any policy maintained by the Association without the prior written consent of the Association's Board.

(B) No Owner, his or her family, guests, tenants, registered domestic partners, and invitees shall permit anything to be done or kept on his or her Residential Lot or within the Common Area which would cause any improvements to be uninsurable against loss by fire or casualty or result in the cancellation of insurance for the Development, on any Residence, Residential Lot, or any part of the Common Area.

(C) No Owner, his or her family, guests, tenants, registered domestic partners, and invitees shall permit anything to be done or kept on his or her Residential Lot or within the Common Area which would be in violation of any law, or which will or may have a tendency to decrease the attractiveness or value of the Residential Lots or the Common Areas.

Section 7.12. Responsibility for Damage to the Development.

(A) Each Owner shall be legally liable to the Association for all damages to the personal property owned by the Association or any area in which the Association has the maintenance

obligation, including but not limited to the buildings, Common Facilities and landscaping caused by such Owner, his or her family, guests, tenants, registered domestic partners, and invitees, licensee(s) or any occupant of such Owner's Residential Lot.

(B) In the event, after written request by the Board, the Owner fails to pay the Association for the damage caused by the Owner, his or her family, guests, tenants, registered domestic partners, invitees or any occupant of such Owner's Residential Lot, the Board, by majority vote, may assess the Owner in the same manner and with the same remedies as described in this Declaration.

(C) Each Owner does further, by acceptance of his or her deed to a Residential Lot, agree for himself or herself, and his or her family, guests, tenants, registered domestic partners, contract purchasers, or invitees, to indemnify each and every other Owner and the Association and to hold each and every Owner and the Association harmless from, and to defend each and every other Owner and the Association against, any claim of any person or persons for personal injury or property damage occurring within the Residential Lot of the indemnifying Owner.

Section 7.13. Window Covers. The Board shall have the power to make reasonable Rules and Regulations regarding window coverings, which are visible from the exterior of the Residence. Each Owner shall promptly repair any broken windows on the Residence.

Section 7.14. No Exterior Clotheslines. No exterior clotheslines shall be erected or maintained and there shall be no outside drying or laundering of clothes on the property or on the patio, porch, windows or other areas of any Residential Lot in a manner, which is visible from any neighboring property or the Common Area.

Section 7.15. Machinery and Equipment. No machinery or equipment of any kind shall be placed, operated or maintained upon or adjacent to any Residential Lot except such machinery or equipment as is usual or customary in connection with the use, maintenance or repair of a private Residence or appurtenant structures within the Development, or the reasonable pursuit of hobbies.

Section 7.16. Diseases and Pests No Owner, his or her family, guests, tenants, registered domestic partners, invitees, and occupants shall permit any thing or condition to exist on her or her Residential Lot which shall induce, breed, or harbor infectious plant diseases, rodents or noxious insects.

Section 7.17. Oil Drilling/Water Wells. Except as permitted by the Association Board, no oil drilling, oil development operations, oil refining, quarrying, or mining operations of any kind, shall be permitted upon or in the Development nor shall oil wells, tanks, tunnels or mineral excavations or shafts be permitted upon the surface of the Development. No derrick or other structures designed for use in boring for water, oil or natural gas shall be erected, maintained or permitted anywhere upon the Development, except as permitted by the Association Board. No well for the production of or from which there is produced water shall be operated on any Residential Lot.

Section 7.18. No Interference With Established Drainage Patterns.

(A) There shall be no interference with the established drainage pattern over any Residential Lot so as to affect any other Residential Lot, unless an adequate alternative provision is

made for proper drainage which is first approved in writing by the Architectural Committee. For the purpose of this Section, "established drainage" is defined as the drainage which existed at the time the overall final grading of any Residential Lot was completed or any later grading changes that are shown on plans approved by the Architectural Committee, which may include drainage from the Common Area over any Residential Lot.

(B) The Owner of each Residential Lot will be responsible for reasonably maintaining any drainage of the atrium and patio controls located on his or her Residential Lot.

Section 7.19. Association Governing Documents. Each Owner and his or her family, guests, tenants, registered domestic partners, invitees, and occupants of a Residence shall comply with the provisions of the Governing Documents as adopted by the Association, which may be amended from time to time. Failure to comply with the Governing Documents shall be grounds for an action to recover sums due, for damages, or for injunctive relief, or for any other remedy permitted by law or permitted by the terms of this Declaration.

Section 7.20 Golf Course Disclosures. Living adjacent to or near the Country Club Property carries with it the risk of damage caused to persons and property by golf balls coming onto the Development from the Country Club Property. The Association and the Country Club Property have provided no assurances whatsoever concerning the frequency with which golf balls will enter the Development and has provided no guarantees as to what, if any, action may be taken by the Country Club to mitigate such injury. The Country Club Property may be served by well water and/or reclaimed water. There may be overspray of such water onto the Residential Lots which may have an adverse impact on landscaping and improvements located within the Residential Lots. There may be overspray onto the Residential Lots of pesticides and fertilizer applied to the Country Club Property, which pesticides may have an adverse affect on the landscaping and improvements located within the Residential Lots. Country Club Property use begins immediately after daylight, up to seven days per week, and Country Club Property maintenance, including irrigation, may be carried on during nighttime and daylight hours. As a result, each Owner acknowledges and understands that Country Club Property use and maintenance will create noise and other disturbances which may result in inconvenience and disturbance to Owners or Residents of the Residential Lots within the Development.

Due to the proximity of the Residential Lot to the Country Club Property, Owners of any Residential Lot within the Development and their families, tenants, guests, invitees, agents and employees face a risk of damage, injury and disturbance from events and activities inherent in the maintenance and use of the Country Club Property, including, but not limited to, the flight and impact of errant golf balls. By virtue of taking title to a Residential Lot within the Development, each Owner thereof agrees to assume the risk of injury or damage to property (including but not limited to, broken windows of any Residence) or persons resulting from activities and events emanating from the golf course and to obtain such policies of insurance as may be determined by the Owner to be necessary to ensure such Owner or such Owner's family, guests, invitees, agents or employees from injury or damage to property or person resulting from activities and events emanating from the Country Club Property.

In recognition of the fact that the provisions of this Article are for the benefit of the Country Club, no amendment to this Section 7.20 and no amendment and derogation of any rights reserved or granted to the Country Club by any other provisions within this Declaration, may be made without the written approval of the Country Club's Board of Directors.

ARTICLE 8

ARCHITECTURAL CONTROL

Section 8.1. Architectural Committee. The Board may appoint an Architectural Committee (the "Committee") which consists of at least five (5) members, none of whom shall be required to meet any particular qualifications. The Association's Board shall appoint one (1) of its elected members as chairperson of the Committee and ratify the appointment of the other members of the Committee.

The Board of Directors may establish other committees to be responsible for specific portions of the Architectural Committee's responsibilities as defined herein.

Section 8.2. Duties of the Committee. It shall be the duty of the Committee to consider and act upon any and all proposals or plans submitted to it pursuant to the terms hereof, to insure that any improvements constructed on or within the Development conform to plans approved by the Committee, to adopt Architectural Guidelines and Application Procedures, and to perform other duties imposed upon it by this Declaration.

Section 8.3. Architectural Committee Approval of Improvements. Notwithstanding anything contained in this Declaration expressly or impliedly to the contrary, the following will apply:

(A) No building, fence, wall or other structure or improvement shall be constructed or maintained upon the Development, nor shall any exterior addition, change or alteration be made in, on or to the Development, or any part thereof, including without limitation all Improvements referred to herein, until the plans and specifications, locating plat and color scheme showing the nature, shape, dimensions, materials and location of the same shall have been submitted to and approved in writing by the Committee.

(B) Approval shall be based, among other things, on conformity and harmony of design and location in relation to surrounding improvements, effect on location and use of improvements and landscaping on neighboring property, aesthetic beauty, assurance of adequate access to the Common Area and conformity with Rules and Regulations and/or Architectural Guidelines and Application Procedures adopted by the Committee.

(C) The Committee shall recommend to the Board whether or not the prevention or removal of any unauthorized and unapproved constructions of Improvements should be undertaken. The Board, on behalf of the Association, may then exercise all available legal and equitable remedies to prevent or remove any unauthorized and unapproved construction of improvements on the Development property or any portion thereof.

Section 8.4. Improvements and Alterations.

(A) For purposes of this Declaration, the term "Improvement" includes, without limitation:

(1) Construction, installation, additions, alterations, remodeling, repairs or restorations to the exterior or visible portions of any Residential Lot;

(2) Changes or additions to the atrium enclosures, divider walls between patios, fences, patio extensions, patio walls and gates, patio covers, awnings, walls, sidewalks, buildings, walkways, fountains, garages, skylights, garage additions, garage doors, garage vents, garage screen doors, entrance gate enclosures, gates, front entry roof extensions, golf ball protection screens, solar lights, windows, greenhouse windows, drop blinds, lighting and lighting fixtures, dryer vents, screening walls, patio glass block walls, glass block bathroom windows, misting systems, atrium drains, steps, decks, poles, ornamental lighting, drainage, evaporative coolers, air conditioners or systems, or any structure of any kind. In no event shall the term "Improvement" be interpreted to include projects which are restricted to the interior of any Residence;

(3) Changes to or installation of utility systems (including plumbing and electrical) which affect, or could affect the Association's maintenance obligations;

(4) Changes, additions, remodeling of the structural elements (e.g., bearing walls) inside the Residence which affect, or could affect the Association's maintenance obligations.

(5) Any landscape modifications must be approved by the Landscape Committee, or other designated Committee, or the Board in accordance with the Landscape Policies and Procedures.

(B) The Committee shall approve or disapprove all plans submitted to it within sixty (60) days. If a plan is disapproved, the disapproval must include a description of why the plan was disapproved and a description of the procedure for reconsideration of the decision by the Committee. In the event the Committee fails to approve the submitted plans within sixty (60) days, the applicant may send written notice, via certified mail, to the Committee advising the Committee that the plans will be deemed approved if not disapproved sixty (60) days from the receipt of said certified letter if said Improvements conform and are in harmony with the overall design and style of the Association.

(C) If a proposed plan is finally disapproved, the applicant is entitled to reconsideration by the Board at an open meeting of the Board.

(D) Once a submitted plan for an Improvement has been duly approved by the Architectural Committee, no material modifications shall be made in the approved plans and specifications thereof and no subsequent alteration, relocation, addition or modification shall be made to the plan of Improvement, as approved, without a separate submittal to, and review and approval by, the Committee. If the proposed modification will have, or is likely to have, a material

affect on other aspects or components of the plan, the Architectural Committee, in its discretion, may order the Owner, his or her contractors and agents to cease working not only on the modified component of the Improvement, but also on any other affected component.

(E) An Owner will obtain the approval of the Committee with respect to such Owner's plans, specifications, plats and schemes pursuant to this paragraph before submitting the same to the City for a building permit or other approval of any kind that may be required from the City. Notwithstanding the foregoing, prior to an Owner submitting plans, specifications, plats and/or schemes to the Committee pursuant to this Article, such Owner shall consult the City's staff to identify and determine all regulations, standards, guidelines and other criteria that will be applicable to such Owner and the approval which such Owner intends to request of the Committee. Any permits required to be obtained by the City must be obtained. A copy of any and all permits shall be provided to the Board, upon request.

(F) Notwithstanding a contrary provision of the Governing Documents, the Committee's decision on an Owner's proposed application may not violate any governing provision of law, including but not limited to, the Fair Employment and Housing Act, (Part 2.8 of Division 3 of Title 2 of the *Government Code*), or a building code or other applicable law governing land use or public safety.

Section 8.5. Meetings. The Committee shall meet from time to time as necessary to perform its duties hereunder. The vote or written consent of a majority of the Committee Members, at a meeting or otherwise, shall constitute the act of the Committee unless the unanimous decision of the Committee is required by any other provision of this Declaration. The Committee shall keep and maintain a written record of all actions taken by it at such meetings or otherwise. Members of the Committee shall not receive any compensation for services rendered.

Section 8.6. Architectural Guidelines and Application Procedures. The Committee may, from time to time, and in its sole and absolute discretion, adopt, amend and repeal, by unanimous vote or written consent, guidelines, to be known as "Architectural Guidelines and Application Procedures." The Committee's approval, amendment or repeal of Architectural Guidelines and Application Procedures shall be ratified by the Association's Board and made subject to California *Civil Code* Sections 1357.100 et. seq. The Architectural Guidelines and Application Procedures shall interpret and implement this Declaration by setting forth the standards and procedures for Committee review and the guidelines for design and placement of improvements and/or alterations.

Section 8.7. Variances. The Architectural Committee shall be entitled to allow applications for reasonable variances with respect to this Article in order to overcome practical difficulties or avoid unnecessary hardships, on a case-by-case basis. In approving a variance, the Committee shall make a good faith determination that the requested variance does not constitute a material deviation from the overall plan and scheme of the Development or any restriction contained herein, or is related to a requirement that is unduly burdensome under the circumstances, or will not result in a material detriment, or create an unreasonable nuisance within the Development. Such approvals shall be forwarded to the Board for their ratification, which shall thereafter constitute final approval.

Section 8.8. Waiver. The approval by the Committee of any plans, drawings, or specifications for any work done or proposed, or for any other matter requiring the approval of the Committee 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.

Section 8.9. Approval by Single Committee Member. A single committee member may approve plans and specifications if the plans and specifications are listed in the Architectural Guidelines and Application Procedures. In the event a single Committee Member approves architectural plans and specification that are not listed in the Architectural Guidelines and Application Procedures, such approval should not be relied upon and shall not be deemed approval by the Architectural Committee.

Section 8.10. Liability. Neither the Committee nor any member thereof shall be liable to the Association, any Owner, or to any other party, for any damage, loss or prejudice suffered or claimed on account of (a) the approval or disapproval of any plans, drawings, or specifications, or (b) the construction or performance of any work, whether or not pursuant to approved plans, drawings and specifications; provided that with respect to the liability of a member, such member has acted in good faith on the basis of actual knowledge possessed by him or her.

Section 8.11. Appeal. In the event plans and specifications submitted to the Architectural Committee are disapproved, then the Owner may appeal in writing to the Board. The written request must be received by the Board not more than forty-five (45) days following the final decision of the Architectural Committee. Within forty-five (45) days following receipt of the request for appeal, the Board shall render its written decision. Failure of the Board to render a decision within the forty-five (45) day period shall be deemed a decision in favor of the applicant.

Section 8.12. Completion of Improvements. Unless expressly extended in writing by the Committee or Board, all Improvements must be completed within the time limit established by the Architectural Guidelines and Application Procedures.

Section 8.13. Interior Improvements. Any interior remodeling must comply with the City's building ordinances or other requirements, and Owners must obtain proper permits where required.

Section 8.14. Inspection. Any member or agent of the Committee or Board may, from time to time, at any reasonable hour or hours and upon reasonable notice, enter and inspect any Residential Lot for the purpose of carrying out its duties herein.

Section 8.15. Country Club Property Exemption. Notwithstanding anything contained within this Article 8 and/or the Declaration to the contrary, only the Country Club Board of Directors is vested with the jurisdiction as to determining what modifications and/or new improvements may be installed on Country Club Property (except for patio walls and patio extensions of Residential Lots over Country Club Property which may be approved consistent with Section 20.11 herein).

ARTICLE 9

LEASING OF RESIDENTIAL LOTS

Section 9.1. Definition. "Leasing," for purposes of this Declaration, is defined as regular, exclusive occupancy of a Residence by any person or persons other than the Owner for which the Owner receives any consideration or benefit, including, but not limited to, a fee, service or gratuity.

Section 9.2. Leasing Provision. All leasing at the Development shall be in writing and shall be governed by the following provisions:

(A) **Notice.** Within fourteen (14) days after entering into the lease of a Residential Lot, the Owner shall provide the Board with the name, telephone number and address of the lessee, the name, address and phone number of the Owner, and such other information as the Board may reasonably require.

(B) **Lease Bound by the Governing Documents.** Any leasing of a Residential Lot shall contain the following language, and if such language is not expressly contained therein, then such language is deemed to be and shall be incorporated into a lease by existence of this covenant on all Residential Lots. Any tenant, by occupancy of a Residence, agrees to the applicability of this covenant and incorporation of the following language and terms into the lease:

(1) **General.** Residential Lots may be leased only in their entirety; no fraction or portion may be leased. There shall be no subleasing of Residential Lots or assignment of leases. No transient tenants may be accommodated in a Residence. The Owner must make available to the tenant copies of the Governing Documents. All rentals must be for a term of no less than thirty (30) consecutive days.

(2) **Liability for Assessments.** Upon written request by the Board, the tenant shall pay to the Association all unpaid Regular and Special Assessments, but not to exceed the lease payments unpaid at the time of the Association's request. All such payments thus made shall reduce the tenant's obligation to Lessor by like amount. Payment of Assessments shall be deemed necessary for maintenance of the habitability of the Residence.

(C) **Compliance with Governing Documents.** Lessee and Lessee's family, guests, registered domestic partners and invitees shall abide by and comply with all provisions of the Governing Documents as they may be amended from time to time, and the violation of same shall constitute a default under their lease. If a tenant or an occupant violates the Declaration, Bylaws, or the Rules and Regulations for which a fine is imposed, such fine shall be the joint responsibility of the Owner and tenant.

(D) **Enforcement.** The Owners hereby delegate and assign to the Association, acting through the Board, the power and authority of enforcement against the tenant for breaches resulting from the violation of the Governing Documents adopted pursuant thereto, including the power and authority to evict the tenant on behalf of and for the benefit of the Owner, in accordance with the terms hereof. In the event the Association proceeds to evict the tenant, any costs, including

attorneys' fees and court costs, associated with the eviction shall be specially assessed against the Residential Lot and the Owner(s) thereof, such being deemed hereby as an expense which benefits the leased Residential Lot and the Owner(s) thereof.

(E) Use of the Development. The Owner delegates to the tenant his or her rights to enjoy the Common Areas subject to the terms and conditions of the Governing Documents.

(F) Existing Leases. Leases existing on the effective date of this Declaration shall be permitted to continue in accordance with the terms of the Declaration as it existed prior to the effective date of this Amended and Restated Declaration. However, any assignment, extension, renewal, or modification of any lease agreement, including, but not limited to, changes in the terms or duration of occupancy, shall be considered a termination of the old lease and commencement of a new lease, which must comply with this Article.

ARTICLE 10

PROHIBITION OF TIMESHARES

Section 10.1. Timeshare Prohibition. Timeshare projects, Timeshare estates, Timeshare programs and Timeshare uses as defined pursuant to Section 11003.5 of the California *Business and Professions Code* are prohibited and Timeshares and Timeshare Programs as defined in this section are prohibited.

(A) For the purpose of this section, the term "Timeshare Program" shall include and not be limited to any arrangement, plan, scheme, or similar device, whether by membership, agreement, tenancy in common, sale, lease, deed, rental agreement, license, right-to-use agreement, or by any other means, whereby a Timeshare Interval is created and whereby the use, occupancy or possession of an Accommodation, Residential Lot, Improvement, single-family dwelling, within such use, occupancy or possession circulates among purchasers of the Timeshare Interval according to a fixed or floating time schedule on a periodic basis occurring annually over any period of time in excess of one (1) year in duration.

(B) For the purpose of this section, the term "Timeshare Use" means any contractual right of exclusive occupancy, whether fixed for a specific time period or not, which does not fall within the definition of a "Timeshare Estate," including, without limitation, a vacation license, prepaid hotel reservations, club membership, limited partnership, trust agreement, or vacation bond.

Section 10.2. Multiple Ownership Restrictions. Ownership of a Residential Lot or Residence as tenants in common, joint tenants or any other form of multiple ownership by more than four (4) persons or entities is prohibited.

ARTICLE 11

MAINTENANCE RESPONSIBILITIES

Section 11.1. Association Maintenance Responsibilities.

(A) Common Area. The Association shall be solely responsible for all maintenance, repair, upkeep and replacement within the Common Area, including, but not limited to the following: private streets, roads, driveways, parking areas, storm drains and drainage facilities, curbs, gutters, street lights, utility lines, sewers. 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 without the written consent of the Board or its designee. In addition, no person shall remove any tree, shrub or other vegetation form, or plant any tree, shrub, or other vegetation upon the Common Area or the Common Facilities without express written approval of the Board or its designee.

The Association shall maintain, repair and replace any landscaped slope areas within the Common Area in a neat, orderly and safe condition and in such a manner as to prevent erosion or sliding problems and to facilitate the orderly discharge of water through established drainage facilities and systems. Any natural slope areas within the Common Area shall be maintained in a natural condition and in such a manner as to prevent noxious or dangerous weeds, sagebrush, chaparral or any other brush or weeds from attaining such growth as to become a fire menace or public nuisance.

The Association shall be responsible for the maintenance of all open space lots within the Development.

(B) Maintenance of Exteriors of Residences and Residential Lots. The Association shall maintain the Residential Lots and exterior surfaces of all Residences (excluding repair and replacement of Residence doors, garage doors, garage additions, windows, skylights, and all Owner installed Improvements) in good condition and repair including the painting thereof and shall maintain and repair all roofs, gutters, downspouts, exterior building surfaces, walls, fences and gates, sidewalks, paving, trees, landscaping, planting, and all other exterior improvements built as part of original construction and which are not the responsibility of an Owner as provided in Section 11.2. However, the repair of damages to the Residential Lot or exterior of a Residence caused by the Owner, his or her family, guests, tenants, registered domestic partners, and invitees shall be the financial responsibility of the Residential Lot Owner.

Section 11.2. Owner Maintenance Responsibilities. Except as designated as the Association's maintenance responsibility in the Governing Documents, each Owner shall maintain in good condition and repair, at his or her cost and expense, his or her Residence and Residential Lot. This obligation shall include, without limitation, the maintenance and repair of Owner installed Improvements, doors, screen doors (including frames and apparatus), windows, window screens, golf ball protection screens, garage additions, garage doors, patio walls, patio extensions, Owner installed skylights, and Owner installed concrete. Owners are also responsible for the maintenance, repair and replacement of the interior of the Residence including, without limitation, heating equipment, air

conditioning equipment, water heaters, plumbing, all utility lines, circuits, and outlets within the Residence, or underneath the slab of the Residence and damage caused by wood destroying pests or organisms within the Residence. Further, the repair of any damage, which may occur to the interior of the Residence as a result of failure of any of the previously mentioned equipment or utility lines, circuits or outlets, is the responsibility of the Owner.

Owners are also responsible for the maintenance, repair, replacement, and drainage of any atrium on the Residential Lot, which is within and is sold as a part of the Residential Lot, including all landscaping and planting, if any, within such atrium.

Section 11.3. Cost of Maintenance. The cost of the exterior maintenance for which the Association is responsible under Section 11.1 shall be assessed uniformly in accordance with Article 5, provided, however, that the cost of any maintenance, repair or replacement of the Common Area, Residences, or Residential Lots which is not covered by insurance and which results from the negligence or willfulness of any Owner, his or her family, guests, tenants, registered domestic partner or invitees shall be a Reimbursement Assessment, lien, and obligation of such Owner and shall be due and payable in all respects as provided in Article 5 and enforceable as set forth in Article 6.

Section 11.4. Party Walls/Fences. Each wall (including retaining walls) or fence which is built as a part of the original construction of the Residences upon the Development and placed on the dividing line between the Residential Lots shall constitute a "Party Wall", and, to the extent not inconsistent with the provisions of this Article, the general rules of law regarding party walls and liability for property damage due to negligence or willful acts or omissions shall apply thereto.

(A) **Repair and Maintenance.** The cost of reasonable repair and maintenance of a Party Wall shall be shared by the Owners who make use of the wall in proportion to such use.

(B) **Damage by One Owner.** In the event any such Party Wall is damaged or destroyed through the act of one adjoining Owner or any of his or her family, guests, tenants, registered domestic partners, invitees, and occupants (whether or not such act is negligent or otherwise culpable) so as to deprive the other adjoining Owner of the full use and enjoyment of such Party Wall, then the first of the aforementioned Owner shall forthwith proceed to rebuild and repair the same to as good condition as formerly existed, without cost to the adjoining Owner.

(C) **Destruction by Fire or Other Causes.** If a Party Wall is destroyed or damaged by fire or other causes, the Owners thereafter that make use of the Party Wall, shall contribute to the cost of restoration thereof in proportion to such use without prejudice, however, to the right of any such Owners to call for a larger contribution from the others under any rule of law regarding liability for negligent or willful acts or omissions.

(D) **Weatherproofing.** Notwithstanding any other provision of this Article, an Owner who by his or her negligent or willful act causes the Party Wall to be exposed to the elements shall bear the whole cost of furnishing the necessary protection against such elements.

(E) **Alterations.** In addition to meeting the other requirements of this Declaration and of any building code or similar regulation or ordinance, any Owner proposing to modify, make

additions to or rebuild his Residence in any manner which requires the extension or other alteration of any Party Wall shall first obtain the written consent of the adjoining Owner and the Association Board or its designee.

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

(G) Arbitration. In the event any dispute arises concerning a Party Wall, or under the provisions of this Article, each party shall choose one arbitrator, and such arbitrators shall choose one additional arbitrator, and the decisions shall be by a majority of all the arbitrators.

Section 11.5. Failure of Owner to Carry Out Maintenance Responsibilities. In the event the Owner of a Residential Lot fails to perform his or her maintenance responsibilities, the Board shall have the right, but not the obligation, through itself or its agents, to perform appropriate maintenance and/or repairs at the expense of the Owner. In such event, in addition to other penalties and disciplinary measures imposed by the Board, the Board may levy a Reimbursement Assessment against such Owner in the amount equal to all direct and indirect costs and expenses incurred by the Board in its performance of such maintenance and/or repairs. Any claim by the Owner against the Board shall not constitute a defense or offset in any action of the Board for nonpayment of any amounts, which may have been assessed hereunder.

Section 11.6. Liability for Damages. Owners shall be responsible to the Association for repairs necessitated by the act(s) and/or negligence of the Owners, his or her family, guests, tenants, registered domestic partners, invitees, and occupants. The Owner shall be liable for any damage or additional maintenance costs incurred as a result of Owner's unauthorized construction, erection or repair of the Common Area or areas of which the Association has the maintenance responsibility.

At the discretion of the Board, damages incurred under this section may be a Reimbursement Assessment against the Owner's Residential Lot.

Section 11.7. Cooperative Maintenance Obligations. To the extent necessary or desirable to accomplish the Association's maintenance obligations hereunder, individual Owners, their family, guests, tenants, registered domestic partners, invitees, and occupants shall cooperate with the Association and its agents in the performance of its work.

ARTICLE 12

WAIVER OF SEVERABILITY/PARTITION

Section 12.1. Partition. No Owner of a Residential Lot shall sever his or her interest in a Residential Lot or any portion of a Residential Lot from his or her ownership/membership in the Association or his or her right of use in and to the Common Areas. The Owners and all other persons having an interest in the property shall have no right or cause of action for judicial partition of the property, or any part of any of the foregoing during the term hereof, provided, however, that

a partition of Common Area, including all Residential Lots , shall be permitted if:

(A) More than three (3) years before the filing of the action, the Development was damaged or destroyed so that a material part was rendered unfit for its prior use, and the Development has not been rebuilt or repaired substantially to its state prior to its damage or destruction, or

(B) Three-fourths (3/4) or more of the Development has been destroyed or substantially damaged, and the Owners holding in aggregate more than a majority of the voting power of the Association are opposed to repair or restoration of the Development, or

(C) The Development has been in existence in the excess of fifty (50) years, that it is obsolete and uneconomic, and Owners holding in aggregate more than a majority of the voting power of the Association are opposed to repair or restoration of the Development; however, that if any Residential Lot shall be owned by two (2) or more co-tenants as tenants in common or as joint tenants, nothing herein shall be deemed to prevent a judicial partition by sale as between such co-tenants.

Section 12.2. Power of Attorney. The Association is hereby granted a power of attorney to sell the Common Area for the benefit of all the Owners thereof when partition of the Owners' interest in said Common Area may be had pursuant to this Article. The power of attorney herein granted may be exercised upon the vote or written consent of Owners holding in the aggregate at least a majority of the interest in the Common Area by any three (3) Members of the Board who are hereby authorized to record a certificate of exercise in the Office of the Riverside County Recorder. Such certificates shall be conclusive evidence thereof in favor of any person relying thereon in good faith.

ARTICLE 13

AMENDMENTS

Section 13.1. General.

(A) This Declaration may be amended at any time and from time to time by the vote or written consent of a majority of the total voting power of the Association. Except as provided in subdivision (B), consent of the Country Club is not required. The President and Secretary may sign a certificate which certifies that the amendment was approved in accordance with the provisions of this Declaration. Any amendments shall be effective upon the recording of the amendment and certificate with the Office of the County Recorder of Riverside County, California.

(B) In addition to the vote or written consent of a majority of the total voting power of the Association, the written consent of the Country Club Board must be obtained in order to amend any of the following provisions of this Declaration:

(1) Article 1, Sections 1.14, 1.15, 1.16, 1.17, 1.18, 1.19, 1.20, 1.21, 1.25, 1.32, 1.36 and 1.37;

- (2) Article 4, Sections 4.2(J), 4.6;
- (3) Article 5, Section 5.10(D);
- (4) Article 7, Sections 7.3(C) and 7.20;
- (5) Article 8, Section 8.15;
- (6) Article 13, Section 13.1
- (7) Article 19 in its entirety
- (8) Article 20 in its entirety
- (9) Article 21, Section 21.10

(10) Any amendment to the Declaration which would have an impact on the maintenance, repair, replacement, operation and/or management of the Country Club Property (or if applicable, the Country Club).

Section 13.2. Prior Approval of Mortgagees. No material amendment shall become effective unless written approval of such amendment is obtained from (1) at least sixty-percent (60%) of all first Mortgagees and (2) Federal National Mortgage Association, Government National Mortgage Association, and/or Federal Home Loan Mortgage Corporation, to the extent that any of said entities hold or are committed to hold a Mortgage on a Residential Lot within the Development. For purposes of this Section, the term "material amendment" shall mean amendments to provisions of this Declaration and Association Governing Documents, and governing the following subjects:

- (A) The fundamental purpose for which the Development was created (such as a change from residential use to a different use).
- (B) Voting.
- (C) Assessments, Assessment liens, and subordination thereof.
- (D) Reserves for repair and replacement of Common Areas, or the Country Club Property.
- (E) Property maintenance obligations.
- (F) Casualty and liability insurance.
- (G) Reconstruction in the event of damage or destruction.
- (H) Rights to use the Common Areas, or the Country Club Property.
- (I) Annexation.

(J) Any provisions which by its express terms is specifically for the benefit of first Mortgagees, or specifically confers rights on first Mortgagees.

Any amendment sent to a Mortgagee pursuant to this provision which is not returned within thirty (30) days, shall be considered a valid consent to the amendment. An addition or amendment to the Declaration or Bylaws shall not be considered "material" if it is for the purpose of correcting technical errors, or for clarification only.

ARTICLE 14

DESTRUCTION OF COMMON AREA AND RESIDENTIAL LOT IMPROVEMENTS

Section 14.1. Minor Repair, Restoration or Reconstruction. The Association shall have the duty to repair, restore or reconstruct any Residential Lots or Common Area improvements, without the consent of the Owners and irrespective of the amount of available insurance proceeds, in all cases of damage to or partial destruction of the Residential Lot and/ or Common Area when the estimated cost of repair, restoration or reconstruction does not exceed ten percent (10%) of budgeted gross expenses of the Association for that fiscal year. The Board may waive this absolute duty to repair by a unanimous vote, which shall be duly noted in the minutes of the meeting at which the vote was taken, and shall be communicated to the Owners.

Section 14.2. Sufficient Insurance Proceeds. If there is damage to or a total or partial destruction of any Residential Lots and/or Common Area improvements, and if the available proceeds of the insurance are sufficient to cover at least eighty-five percent (85%) of the estimated cost of the repair, restoration, or reconstruction thereof, then, except as provided in Section 14.7 below, the Association shall promptly repair, restore or reconstruct the damaged or destroyed portion of the Residential Lots and/ or Common Area Improvements to substantially the same condition as the same existed prior to such damage or destruction, unless within ninety (90) days from the date of such damage or destruction, at a duly constituted meeting of the Association, Owners representing seventy-five percent (75%) of the total voting power of the Association, determine that such repair, restoration or reconstruction shall not take place.

Section 14.3. Insufficient Insurance Proceeds. If there is damage to or a total or partial destruction of any Residential Lots and/or Common Area improvements, and if the available proceeds of insurance are insufficient to cover at least eighty-five percent (85%) of the estimated cost of the repair, restoration, or reconstruction thereof, then, except as provided in Section 14.7 below, the Association shall nevertheless promptly repair, restore, or reconstruct the Residential Lots and/or Common Area improvements to substantially the same condition as the same existed prior to such damage or destruction, unless within ninety (90) days from the date of such damage or destruction at a duly constituted meeting of the Associations, Owners representing a majority of the total voting power of the Association, determine that repair, restoration, or reconstruction shall not take place. If the Owners elect not to rebuild, the Association shall have the right, after obtaining the consent,

of a majority of the total voting power of the Association to purchase the Residential Lots that were damaged or destroyed.

The price for any such Residential Lot which shall be paid by the Association to the Owner of the damage or destroyed Residential Lot shall be the lesser of:

(A) The replacement cost of the Residential Lot, as determined by the Association based on bids to repair, restore, or reconstruct the Residential Lot received from at least two (2) reputable and licensed contractors, less the insurance proceeds payable to the Owner; or

(B) The fair market value of the Residential Lot. Fair market value may be determined by an appraisal conducted by an appraiser mutually satisfactory to Owner and the Association, or in the absence of a mutually satisfactory appraiser, the fair market value shall be the average of appraisals conducted by two (2) appraisers, one selected by the Owner and one selected by the Association.

Section 14.4. Assessments. If Residential Lots or Common Area improvements are repaired, restored or reconstructed and insurance proceeds are insufficient to cover the total cost of the damaged or destroyed property, the Board may levy a Special Assessment obligating each Owner to contribute such funds as may be necessary to pay his or her proportionate share of the cost, over and above the insurance proceeds, to repair, restore, or reconstruct the damaged property. Such Assessments may be enforced as provided in Article 6 of this Declaration.

Section 14.5. Failure to Rebuild. If the Owners determine not to repair, restore, or reconstruct the Residential Lots and/or Common Area Improvements, pursuant to Section 14.2 or Section 14.3 above, then each Owner and his or her Mortgagee(s) as their respective interest shall then appear shall be entitled to receive that portion of insurance proceeds equal to the proportion of the decrease in fair market value of his or her Residential Lot as compared to the aggregate decrease in fair market values of all the Residential Lots caused by such damage or destruction. For the purposes hereof, fair market value shall be determined by a qualified real estate appraiser selected by the Board and hired by and at the expense of the Association. Should a dispute arise as to the disposition of insurance proceeds, the dispute shall be decided by arbitration by the American Arbitration Association pursuant to its Commercial rules of Arbitration.

Section 14.6. Contractor Bids. As soon as practicable after the total or partial damage or destruction of all or any portion of the Residential Lots, or all or any portion of Common Area, the Association Board or its authorized representative shall obtain bids from at least two (2) reputable licensed contractors, and shall award the repair, restoration, or reconstruction work to the lowest bidder unless Owners decide not to rebuild the Residential Lots or Common Area pursuant to Section 14.2 above. The Association shall have the authority to enter into a written contract with said contractor for such repair, restoration, or reconstruction, and the insurance proceeds held by the Association shall be disbursed to said contractor according to the terms of the agreement. It shall be the obligation of the Board to take all steps necessary to assure the commencement and completion of such repair and reconstruction at the earliest possible date if the same is authorized.

Section 14.7. Reconstruction of Residential Lots. Damaged or destroyed Residential Lots will be repaired, restored or reconstructed to substantially the same condition as such existed prior to the damage or destruction if there has been no modification to the exterior or interior of the Residence from the original construction plans and specifications. If there have been modifications, the following shall apply:

(A) If the exterior of a Residence has been modified from the original construction with the approval of the Architectural Committee, the exterior of the Residence may be rebuilt in accordance with the previously approved modifications. However, the Owner shall be responsible for any increased costs in rebuilding such modifications.

(B) If the exterior of a residence has not been modified, but the Owner wishes to do so, the Owner must secure the approval of the Architectural Committee and agree to pay the additional costs, if any, of the approved modifications.

(C) An Owner may have the interior of his or her Residence rebuilt with such modifications to the original construction plans and specifications as desired if he or she agrees to pay the additional costs, if any, for such modifications.

ARTICLE 15

INSURANCE

Section 15.1. Types of Insurance. All insurance coverage obtained by the Association shall be in the name of the Association and shall be maintained for the benefit of the Association, the Owners, and the Mortgagees as their interest may appear.

(A) **Property Insurance.** The Association shall obtain and maintain a blanket policy of fire insurance for the full replacement value of the Residential Lots and all improvements on the Common Areas within the Development. The form, content, and term of the policy and its endorsements and the issuing insurance company must be satisfactory to all institutional Mortgagees and have a clause waiving subrogation against Owners/Members of the Association and persons upon the Development with the permission of an Owner. The policy may afford protection against the loss or damage by fire, and other hazards covered by the standard extended coverage endorsements, including without limitation an "agreed amount endorsement" or its equivalent, an increased cost of construction endorsement or a contingent liability form for the operation of building laws endorsement, an inflation guard endorsement or its equivalents, debris removal endorsement, cost of demolition, theft, vandalism, malicious mischief, windstorm, water damage, thirty (30) day written notice of cancellation clause, and such other risks as shall customarily be covered with respect to similar planned unit developments in the area of the Development. The blanket policy shall be primary to and shall not be affected by any right of setoff, prorated or contribution by reason of any insurance held by a Residential Lot Owner.

(B) **Comprehensive General Liability.** The Association shall obtain and maintain at all times a comprehensive general liability policy, insuring the Association, the Board, manager, Owners, and occupants of the Residential Lots and their respective family members, guests, invitees,

registered domestic partners and the agents and employees of each, against any liability incident to the ownership or use of the Common Area or any other Association owned property and including a cross-liability or severability of interest endorsement insuring each insured against liability to each other insured. The limit of insurance shall not be less than three million dollars (\$3,000,000) for personal or bodily injury, death or property damage per any one occurrence or any greater amount the Board may determine from time to time.

Such insurance shall also include coverage for water damage liability, liability for owned, non-owned and hired automobile liability, liability for the property of others, thirty (30) day prior written notice of cancellation clause, and other liability or risks customarily covered with respect to similar planned unit developments in the area of the Development. The insurance policy shall contain severability of interest endorsement which shall preclude the insurer from denying the claim of an Owner because of negligent acts or omissions of the Association or another Owner.

(C) Director & Officer Liability Insurance. The Association shall purchase and maintain at all times a Directors and Officers insurance policy insuring the Association, the Directors and Officers of the Board, the Committee Members, the volunteers, the employees, and managers against any liability for the negligent acts or omissions made within the scope of their duties while acting in good faith and without intentional or willful misconduct. The Association shall purchase and maintain insurance in an amount of no less than one million dollars (\$1,000,000) on behalf of the Association, the Directors and Officers of the Board, the Committee Member, the volunteers, the employees, and managers or any higher amount of insurance limit that the Board may determined from time to time.

Such Directors & Officers insurance, should include endorsements, if available, for duty to defend, injunctive relief, employment practices liability, broad definition of wrongful acts, no exclusion for failure to maintain insurance, spousal extension, thirty (30) day prior written notice of cancellation clause, full prior acts protection and other endorsements customarily provided for similar planned unit developments in the area of the Development.

(D) Fidelity Bond. The Association shall obtain and maintain at all times fidelity coverage against dishonest acts on the part of the Directors, Officers, Committee Members, employees, volunteers, trustees, managers or any other persons who handle or are responsible to handle the funds of the Association. Such fidelity bond shall name the Association as obligee and shall be written in an amount not less then one-hundred percent (100%) of each year's estimated annual operating expenses and reserves. The Fidelity bond shall be endorsed to provide coverage to include volunteers in the definition of an employee and have a thirty (30) day prior written notice of cancellation clause.

(E) Umbrella Liability Insurance. The Association shall obtain and maintain a policy of umbrella/excess liability insurance to supplement all other liability insurance policies maintained by the Association. The limits of such insurance policy shall be determined by the Board from time to time.

Section 15.2. Other Insurance.

(A) The Association may purchase and maintain earthquake insurance to the extent that coverage is available in adequate amounts and reasonable premium cost to protect the Residential Lots and Common Area

(B) The Association may purchase and maintain demolition insurance in adequate amounts to cover demolition costs and in case of total or partial destruction of the Residential Lots and Common Area.

(C) The Association may purchase and maintain worker's compensation insurance, to the extent that it is required by California law.

(D) The Association may purchase and maintain insurance on personal property owned by the Association, and such other insurance, including plate-glass insurance as it deems necessary.

(E) The Association shall annually determine whether the amounts and types of insurance it has obtained provide adequate coverage for all Residences and Common Area in light of increased construction costs, inflation, practice in the area in which the Development is located or any other factor which tends to indicate that either additional insurance policies or increased coverage under existing policies are necessary or desirable to protect the interests of the Association and the Owners. If the Association determines that increased coverage or additional insurance is appropriate, it shall obtain the same.

Section 15.3. Insurance Policy Deductibles. The Board shall have the power, in its sole discretion, to determine the amount of any deductible applicable to any insurance policy carried by the Association. In the event of a loss for which Association insurance coverage is used, the responsibility for payment of any deductible shall be as follows:

(A) Owners' shall be responsible for the cost of any deductible if the damage or loss occurs to the Owners' real, personal property, improvements, or other property for which the Owner is responsible.

(B) The Association shall be responsible for the cost of any deductible if the damage or loss occurs to any item owned by the Association, or for which the Association is responsible.

(C) If the damage or loss occurs to both Residential Lot and the Common Area the responsibility for the payment of any deductible shall be apportioned among the affected parties on the basis of the ratio of each parties cost of repair or replacement to the total costs of repair or replacement of the loss.

(D) The foregoing notwithstanding, if the damage or loss is caused by the negligence or misconduct of any Owner, his or her family, guests, tenants, registered domestic partners, invitees, and occupants, the responsible Owner shall be liable for the cost of the deductible.

Section 15.4. Premium, Proceeds and Settlement.

(A) Insurance premiums for any insurance coverage obtained by the Association shall be a Common Expense to be included in the Regular Assessments levied by the Association.

(B) Insurance proceeds shall be used by the Association for the repair or replacement of the property for which the insurance was carried, or otherwise disposed of as provided in the Article 14 hereof entitled "Destruction of Common Area and Residential Lot Improvements."

(C) The Association 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 the provision of this Article 15. The Association is granted full right and authority to compromise and settle any claim or enforce any claim by legal action or otherwise and to execute releases in favor of any insurer. Any settlement must be approved by the majority of the Board.

Any two (2) Directors of the Association with the approval of a majority of the Board may sign a loss claim form and/or release form in connection with the settlement of a loss, and such signatures shall be binding on the Association and the Owners.

Section 15.5. Owner's Insurance. Each Owner shall be responsible for maintaining insurance on his or her personal property including all interior and exterior improvements to or around his or her Residential Lot and an Owner may carry personal liability, personal injury and property damage insurance for any loss or occurrence that occurs within or around his or her Residential Lot. However, any such policy shall include a waiver of subrogation clause acceptable to the Board and to any Institutional First Mortgagees, if such a waiver is customarily obtained.

No Owner can separately insure his or her Residential Lot, except the approved exterior improvements and garage additions which will remain the responsibility of the Owner, against loss by fire or other casualty covered by any insurance policy carried by the Association under this Article. If an Owner violates this provision, any diminution in insurance proceeds otherwise payable pursuant to the provisions of this Article will be chargeable to the Owner and the Owner will be liable to the Association to the extent of any diminution. However, earthquake insurance may be purchased by the Owner for his or her Residence if the Association is not able to secure full coverage for the Residential Lots and the Common Area.

Section 15.6. Waiver by Members. As to each of the policies provided for in this Article, which will not be voided or impaired by the requirements of this Section, the Owners hereby waive and release all claims against the Association, the Board, Committee Members, volunteers and their agents and employees, with respect to any loss covered by such insurance, whether or not caused by negligence of or breach of any agreement by said persons, but only to the extent of insurance proceeds received in compensation for such loss.

Section 15.7. Limitation of Liability for Failure to Obtain Insurance. Neither the Association, the Board, nor any managing agent shall be liable for failure to obtain any coverages required by this Article 15, or for any loss or damages resulting from such failure, if such failure is due to the

unavailability of such coverages from reputable insurance companies, or if such coverages, in the judgment of the Board, are available only at unreasonable cost.

Section 15.8. Annual Review. The Association shall annually determine whether the amounts and types of insurance it has obtained provide adequate coverage for the Residential Lots and Common Area in light of increased construction costs, inflation, practices in the area, in which the Development is located, or any other factor which tends to indicate that either additional insurance policies or increased coverage under existing policies are necessary or desirable to protect the interests of the Association.

Section 15.9. FNMA, FHLMC and GNMA Requirement. Notwithstanding any other provisions herein, the Association shall continuously maintain in effect casualty, flood, and liability insurance and a fidelity bond meeting the insurance and bond requirements for a planned unit development project established by the Federal National Mortgage Association ("FNMA"), Federal Home Loan Mortgage Corporations ("FHLMC"), and/or Government National Mortgage Association (GNMA"), so long as any of said entities are a Mortgagee or Owner of a Residential Lot within the Development, except to the extent such coverage is not available or has been waived in writing by FNMA, FHLMC, or GNMA.

ARTICLE 16.

CONDEMNATION

Section 16.1. Taking of a Residential Lot. In the event of any taking of a Residential Lot, by condemnation, eminent domain or any proceeding in lieu thereof, the Owner (and his or her Mortgagees as their interest may appear) of the Residential Lot shall be entitled to receive the award for such taking and after acceptance thereof such Owner and his or her Mortgagee shall be divested of all further interests in the Residential Lot. Such Owner shall vacate his or her Residential Lot as a result of such taking.

Section 16.2. Taking of Common Area. If any portion of the Common Area is taken by condemnation, eminent domain or any proceeding in lieu thereof, the Award Balance shall be retained by the Association or disbursed to the owners in whole or in part as determined by the Board.

Section 16.3. Priority of Mortgagee Rights. In the event there shall be any express or implied conflict between any provision of this Article and any provision of a note or Mortgage held by a Mortgagee, the provisions of said note or Mortgage shall govern and prevail.

ARTICLE 17

RIGHTS OF LENDERS

Section 17.1. Protection. No breach of this Declaration shall defeat or render invalid the lien of any Mortgage made in good faith and for value. However, each and all of the provisions hereof shall be binding upon and effective against any Owner whose title thereto is acquired by or through trustee's sale or foreclosure, except that said person who acquires title in such manner shall take title free of the lien hereof for all Assessments that have accrued up to the time of the trustee's sale or foreclosure, but subject to the lien hereof for all said charges that shall occur subsequent thereto. The breach of any of the provisions hereof may be enjoined, abated, or reviewed by appropriate proceedings, notwithstanding the lien or existence of any such Mortgage.

Section 17.2. Approval. Notwithstanding any provision in this Declaration which may be to the contrary, and in addition to all other approvals and consents required to be obtained from Mortgagees under this Declaration, unless the prior written approval of seventy-five percent (75%) or more of the first Mortgagees and sixty percent (60%) of Owners of Residential Lots is obtained, the Association shall not be entitled to:

(A) By act or omission seek to abandon, partition, subdivide, encumber, sell or transfer all or a portion of the Common Area. The granting of easements for public utilities or for other purposes consistent with the intended use of the Development in accordance with the provisions of the Governing Documents shall not be deemed a transfer within the meaning hereof;

(B) Change the method of determining Assessments from that provided in Article 5;

(C) By act or omission charge, waive or abandon any scheme of regulations or enforcement thereof, pertaining to the architectural design or the exterior appearance or maintenance of Residential Lots, the maintenance of party walks, party walls, common fences and driveways, or the upkeep of landscaping within the Common Area;

(D) Fail to maintain fire and extended coverage on insurable Common Areas and Residential Lots, as provided in Article 16; and

(E) Use hazard insurance proceeds for losses to Common Areas and Residential Lots for other than repair, replacement or reconstruction thereof.

Any request for approval sent to a Mortgagee via certified mail, return receipt requested, pursuant to this provision which is not returned within thirty (30) days, shall be considered a valid consent.

Section 17.3. Books and Records. First Mortgagees of Residential Lots shall have the right to examine the books and records of the Association at reasonable times and after reasonable notice.

Section 17.4. Right to make Payments. First Mortgagees of Residential Lots may, jointly or singly, pay taxes or other charges which are in default and which may or have become a charge

against any Common Area and may pay overdue premiums on insurance policies, or secure new insurance coverage on the lapse of a policy, for the Common Area, and first Mortgagees making such payments shall be owed immediate reimbursement therefor from the Association. Entitlement to such reimbursement shall be reflected in an agreement in favor of all first Mortgagees of Residential Lots, which shall be duly executed by the Association.

Section 17.5. Notice of Default. If any Owner defaults in the performance of any obligation under this Declaration (including nonpayment of Assessments) or the Bylaws, and such default is not cured within thirty (30) days, each Mortgagee of such Owner's Residential Lot shall be so notified in writing by the Association.

ARTICLE 18

ENFORCEMENT

Section 18.1. Enforcement. Each Owner, his or her family, guests, tenants, registered domestic partners, invitees, and occupants of a Residential Lot shall comply with the provisions of the Governing Documents and decisions and resolutions of the Association or its duly authorized representatives. Failure to comply with any such provisions, decisions or resolutions shall be grounds for enforcement action which may include but not be limited to the following, in addition to other remedies afforded by law:

(A) **Suspension of Rights.** The Association may temporarily suspend the voting rights of an Owner and right to use the Common Facilities by an Owner his or her family, guests, tenants, registered domestic partners, invitees, and occupants for any period during which any Assessments remain unpaid. Additionally, the Association may suspend the voting rights of an Owner and right to use the Common Facilities by an Owner, his or her family, guests, tenants, registered domestic partners, invitees, and occupants for up to thirty (30) days due to a violation of the Governing Documents by any Owner, his or her family, guests, tenants, registered domestic partners, invitees, and occupants. No suspension shall take place unless the procedures set forth in subsection (D) have been taken.

(B) **Fines/Monetary Penalties.** The Board may impose fines and/or monetary penalties against an Owner, or his or her family, guests, tenants, registered domestic partners, invitees, and occupants or agents' violation of the Governing Documents, after due process, as set forth in Subsection (D). Prior to imposing any such penalties, the Board shall adopt and distribute to the Owners, by personal delivery or first-class mail, a schedule of the penalties. The Board shall only be required to distribute additional schedules in the event of any amendments to such schedule.

(C) **Reimbursement Assessments.** The Board may levy Reimbursement Assessments, for damage to the Common Area or to reimburse the Association for costs incurred to bring an Owner into compliance with the Governing Documents, as set forth in Article 5, Section 5.8.

(D) **Due Process.** Such suspension, fines, or Reimbursement Assessments may occur only after the Owner has been given at least ten (10) days notice, and an opportunity to be heard before the Board before the effective date of the action, as set forth in Section 1363(h) of the California

Civil Code, or successor statute. Within fifteen (15) days after the hearing, the Board shall give the Owner written notice of the action taken against the Owner, in conformance with California *Civil Code* Section 1363(h).

(E) Alternative Dispute Resolution (ADR). In accordance with *Civil Code* Section 1369.520, the Association or any Owner may not file an action in the superior court to enforce the Governing Documents that is solely for declaratory, injunctive or writ relief, or for that relief in conjunction with a claim for damages not in excess of \$5000, unless such party has offered alternative dispute resolution to the other party.

(F) Internal Dispute Resolution Procedures. Where there is a dispute between the Association and an Owner involving their rights, duties, or liabilities under California law or the Governing Documents, the Association shall provide a fair, reasonable and expeditious procedure for resolving the dispute as set forth in *Civil Code* Sections 1363.810 - 1363.850.

(G) Towing of Vehicles. The Association shall have the power to tow vehicles from the Common Area, including private streets and driveways, which are parked in violation of the Association's Governing Documents or California law, pursuant to *Vehicle Code* Section 22658. The Association may also use booting or other legal methods to enforce parking restrictions and rules.

(H) Right of Entry. The Board shall have the right of entry onto a Residential Lot to remedy violations of the Governing Documents, and where necessary to protect, preserve and maintain the Common Area, as set forth in Article 4, Section 4.3.

(I) Legal Action. The Board shall have the power and duty to enforce the Governing Documents by all legal means available, and bring an action in law or in equity, and to utilize any lawful enforcement remedy.

(J) Lien and Foreclosure. The Association shall have the lien and foreclosure rights as set forth in Article 6 and California *Civil Code* Section 1367.4 to enforce the obligation to pay Assessments and related charges.

(K) Other Remedies. The Association shall have all other remedies provided by law or otherwise to remedy violations, and to enforce the Governing Documents.

Section 18.2. Violation of Law. Any violation of any state, municipal or local law, ordinance or regulation, pertaining to the ownership, occupation or use of the Development, or any part thereof, is hereby declared to be a violation of this Declaration and subject to any or all of the enforcement procedures set forth herein.

Section 18.3. No Waiver. The failure of the Board to enforce any of the provisions 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 on the Association or the Board.

Section 18.4. Attorneys' Fees. In the event the Association, or any Owner, shall commence litigation to enforce any of the covenants, conditions or restrictions herein contained, the prevailing party in said action shall be entitled to actual attorneys' fees and costs reasonably incurred.

Section 18.5. Cumulative Remedies. Each and all legal or equitable remedies provided for herein shall be deemed to be cumulative.

ARTICLE 19

WATER RIGHTS

Section 19.1. Removal of Underground and Surface Water. The Association shall have the power and the right to remove underground and surface water from any and all portions of the Development, provided that no well, pump, machine, storage tank, building, shed, structure, dam, or purification, whether of a temporary or permanent nature shall be constructed, placed or operated anywhere upon or in the Development, without the prior written approval of the Board of Directors and the Country Club Board of Directors (provided further that no such facility or equipment shall be constructed, placed, or operated upon or in a Residential Lot without the prior written consent of the Owner and Mortgagee of such Residential Lot). Neither the Association nor the Country Club shall unreasonably withhold water for the maintenance of the Community.

Section 19.2. Association Disbursement of Water. Any water removed retained, or stored by the Association pursuant to this Article may be distributed at the discretion of the Association's Board of Directors for use by Owners or for the maintenance of the Development. In the event of a domestic water shortage, however, all potable water removed retained, or stored by the Association pursuant to this section shall be distributed on an equitable basis to all Residential Lots for domestic uses only; provided that any surplus water beyond the domestic requirements of Residential Lots shall be available for distribution by the Association Board of Directors for other uses as described above.

Section 19.3. Water Facilities. All such water facilities, equipment and supplies, whether or not attached to the land located upon a Residential Lot or upon a Common Area, shall be the property of the Association.

ARTICLE 20

CHAPARRAL COUNTRY CLUB

Subject to the terms and conditions hereof (including but not limited to, golf playing privileges are limited to Golf Members as more particularly identified in the Country Club Bylaws), each Owner must have a Social Membership which entitles the Social Member thereof to a non-exclusive easement of ingress, egress, use and enjoyment over, upon and in the Country Club Property, and subject to the limitations set forth herein and in the Country Club Bylaws. Such non-exclusive easement and Social Membership shall be subject to the Country Club's right to administer the use and enjoyment of such Social Membership and non-exclusive easement and to impose certain limitations and requirements in connection therewith. Such non-exclusive easement and Social

Membership shall be appurtenant to and pass with title to every Residential Lot in the Development. With respect to such easement and Social Membership, the Country Club shall have each of the following rights:

Section 20.1. Membership Limitations. To limit the non-exclusive use and enjoyment of the Country Club Property by Owner(s) who are Golf Members and/or Social Member(s) in good standing. The Country Club shall also have the right to limit the number of guests and tenants of Social Members and Golf Members, in accordance with the Country Club Bylaws, as well as rules and regulations adopted from time to time by the Country Club Board of Directors.

Section 20.2. Social Membership Basic Dues. To charge and bill each Owner reasonable dues in consideration of such Social Membership and Country Club's maintenance of the Country Club Property ("Basic Dues"). Increases for such Basic Dues cannot exceed changes reflected in the Consumer Price Index in relation to the second month preceding the month in which the increase is to become effective, or seven percent (7%) of the Basic Dues for the preceding year, whichever is greater. Additionally, each Social Membership shall have a Food and Beverage Minimum Charge as established from time to time by resolution of the Country Club Board of Directors. The Country Club Board of Directors shall have the right to adopt written policies and/or rules and regulations related to the implementation of the Food and Beverage Minimum Charge and the collection of any unused portion of the Food and Beverage Minimum Charge from the Social Member and against his/her/its Residential Lot.

The Basic Dues shall be payable monthly in advance. The Country Club Board shall, prior to the beginning of each fiscal year, establish the adjustment, if any, in the Basic Dues to be made during the following year, and Basic Dues payable during the following year shall be based upon such established adjustment. If Basic Dues, Country Club Special Assessment or any other monetary obligation owed to the Country Club, are not paid when due, then the Country Club may assess the Social Member/ Golf Member for late charges, interest and collection and lien enforcement costs (including reasonable attorney's fees).

Each Owner covenants for each Residential Lot owned, and each Owner, by acceptance of a deed to a Residential Lot, shall be deemed to covenant, to pay Basic Dues as herein provided. Any of the delinquent Basic Dues, as well as unpaid fees and charges, shall become a lien on the Residential Lot of the delinquent Owner upon the Country Club's recordation of a Notice of Assessment Lien as provided in Section 1367 of the Civil Code of California. Since the lien for nonpayment of assessments relates to debts owed the Country Club and not the Association, it is hereby agreed that the procedure to collect delinquent assessments shall be consistent with *Civil Code* §1367 and §2924, 2924(b) and 2924(c); specifically, the Country Club will not need to comply with the procedures for lien and enforcement assessments required of community associations subject to the *Davis-Stirling Common Interest Development Act* as specifically provided in *Civil Code* §1367.1, §1367.4 and §1367.5 and any successor statutes thereto.

Any delinquent fees or monetary obligations (including but not limited to Country Club charges, fees and/or any unused portion of the Food and Beverage Minimum Charge) shall become a lien on the Residential Lot of the delinquent Owner which may be enforced as provided in this Paragraph 20.3 herein. In addition to all other rights and remedies available at law or equity or otherwise available

to the Country Club pursuant to this Declaration and/or the Country Club Bylaws, the Country Club shall have the right from time to time to bring a suit at law against a delinquent Owner (and Social Member and/or Golf Member, if applicable) for unpaid fees, charges, or monetary obligations. Any judgment rendered in such action shall include a sum for reasonable costs and attorneys' fees in such amount as the Court may determine.

The rights and obligations of Social Members are more particularly identified within the Country Club's Bylaws, as well as rules and regulations adopted from time to time by the Country Club's Board of Directors.

Section 20.3. Enforcement of Monetary Obligations Owed to the Country Club.

(A) The right to collect and enforce Basic Dues, Country Club Special Assessments and any other monetary obligation owed to the Country Club ("Monetary Obligation") is vested in the Country Club Board acting for and on behalf of the Country Club. Such Monetary Obligations are the personal obligation of the Owner against whom they are assessed and are a lien against the Residential Lot. The Country Club, its authorized representative, including any manager, shall have the authority to create and enforce a lien with the power of sale on each separate Residential Lot and all improvements thereon to secure payment of the amount of any Monetary Obligation.

(B) Such Monetary Obligations (including late charges, interest, collection, attorneys' fees and other costs) shall, if not paid within thirty (30) days of the due date, become a lien upon the Owner's Residential Lot and shall continue to be such a lien until fully paid, subject to the following conditions:

(1) Such lien shall become effective against any such Residential Lot only upon the recordation by the Country Club of a Notice of Lien, in the Office of the County Recorder of Riverside County, California. The Notice of Lien shall state the amount of delinquent Monetary Obligations and other charges, a description of the Residential Lot against which the same has been assessed, and the name of the Owner of such Residential Lot. Such Notice of Lien shall be executed by an authorized representative of the Country Club and, upon the payment of all delinquent Monetary Obligations and charges, or upon other satisfaction thereof, the Country Club shall cause to be recorded a release of lien, provided that the Country Club is reimbursed for the cost of preparing and recording the release (including reasonable attorneys' fees);

(2) Any such lien shall not defeat nor render invalid nor rank the lien of any first Mortgage affecting any Residential Lot made in good faith and for value and recorded in the office of said County Recorder prior to the recordation of any such lien, and any such lien shall be subordinate and subject to the lien of any such prior recorded first Mortgage. Any person who acquired title to a Residential Lot by or through trustee's sale or foreclosure shall take such title free of the lien hereof for all Monetary Obligation which accrued up to the time of such trustee's sale or foreclosure but subject to the lien hereof for all Monetary Obligations and charges subsequently accruing.

(C) Foreclosure. The Country Club is hereby vested with the right and power to bring, at its option, any and all actions against an Owner for the collection of said Monetary Obligations which are not paid when due, and to enforce the aforesaid lien by any and all methods available for the enforcement of contractual obligations or liens including, without limitation, the right to bring a personal action against the Owner on such debt, the right to foreclose such lien in any method provided by law for foreclosure of a Mortgage, and the right to sell the Owner's interest by power of sale, which may be enforced by the Country Club, its attorney or other person authorized to bring such action or make such sale. A sale of an Owner's interest by power of sale shall be conducted in same manner provided in California *Civil Code* Sections 2924, 2924a, 2924b, 2924c, 2924f and 2924g (or any similar statutory provisions that may hereafter exist) for the foreclosure by power of sale of mortgages. Such provisions shall be applied and adapted to the foreclosure of the lien by power of sale to the fullest extent reasonably possible and consistent in view of the differences between the lien and mortgages, generally (for example, "trustor" as used in the statute would refer to the delinquent "Owner" and "beneficiary" would refer to the "Country Club"). The Country Club shall have the power to bid in its own name on the property sold and to hold, lease, mortgage and convey the same for the benefit of all the Owners. All rights and remedies granted to the Country Club herein shall be cumulative and the exercise of one or more rights or remedies shall not constitute a waiver or election preventing the use of other rights or remedies. The Country Club shall be entitled to collect from a defaulting Owner all costs and attorneys' fees incurred in connection with pursuing the collection of said Monetary Obligations and/or the enforcement of said lien.

Section 20.4. Golf Membership. To charge and bill each Golf Member reasonable dues and fees provided in connection with the operation of the Country Club.

(A) Fees for golf memberships shall be on a calendar year basis and shall be established not later than the beginning of each calendar year.

(B) The rights and obligations of Golf Members (inclusive of initiation and/or transfer fees) are more particularly identified within the Country Club's Bylaws, as well as rules and regulations adopted from time to time by the Country Club's Board of Directors.

Section 20.5. Country Club Rules and Regulations. The Country Club Board shall have the right to adopt, promulgate and impose Country Club Rules and Regulations regulating the use and enjoyment of the Country Club Property by Golf Members, Social Members, as well as their guests, tenants, family, invitees and licensees.

Section 20.6. Suspension of Rights. To suspend the right of enjoyment and use of the Country Club Property by a Golf Member, and/or a Social Member for any period during which Social Membership Basic Dues, Golf Member dues and fees and/or any other monetary obligation owing the Country Club in connection with such Owner's use of the Country Club Property remain unpaid and delinquent.

Section 20.7. Imposition of Fines for Violations. The Country Club Board shall have the right to impose monetary fines for violation of the Country Club Bylaws, this Declaration and/or Country Club Rules and Regulations in an amount determined by the Country Club Board of Directors from

time to time. Except for non-payment of any Basic Dues, Golf Member dues, fees, Country Club charges, or any other monetary obligation owing to the Country Club, the right of use and enjoyment of the Country Club Property by a Golf Member, and/or Social Member may also be suspended for a period of up to six (6) months for each violation. For any non-payment of an Basic Dues, Golf Member dues, fees, charges, or any other monetary obligation owing to the Country Club, suspension of the use and enjoyment of the Country Club Property by a Golf Member and/or Social Member shall continue until the Golf Member and/or Social Member remits payment of all sums due to the Country Club, including any collection costs. No such suspension or monetary penalty shall be imposed except after written notice to the Golf Member/Social Member and a hearing given and held in accordance with the Country Club Bylaws.

Section 20.8. Reservations at Restaurant and Bar Facilities. To permit Social Members to reserve the restaurant and bar facilities to entertain private parties, subject to availability and any rules, regulations and fees adopted from time to time by the Country Club Board of Directors.

Section 20.9. Responsibility for Damage to the Country Club Property.

(A) Each Owner shall be legally liable to the Country Club for all damages to the personal property owned by the Country Club or any area in which the Country Club has the maintenance obligation, including but not limited to the buildings, recreational facilities and landscaping caused by such Owner, his or her family, guests, tenants, registered domestic partners, and invitees, licensee(s) or any occupant of such Owner's Residential Lot.

(B) In the event, after written request by the Country Club Board, the Owner fails to pay the Country Club for the damage caused by the Owner, his or her family, guests, tenants, registered domestic partners, invitees or other occupant of such Owner's Residential Lot, the Country Club Board, by majority vote, may suspend the Social/Golf Member's privileges in the Country Club and/or assess the Owner in the same manner and with the same remedies as previously described in Section 5.8 of this Declaration.

Section 20.10. Country Club Bylaws and Rules and Regulations. Each Owner and his or her family, guests, tenants, registered domestic partners, invitees, and occupants of a Residence shall comply with the provisions of the Country Club Bylaws and/or Country Club Rules and Regulations as adopted by the Country Club which may be amended from time to time. Failure to comply with the Country Club Bylaws and/or Country Club Rules and Regulations shall be grounds for an action to recover sums due, for damages, or for injunctive relief, or for any other remedy permitted by law or permitted by the terms of this Declaration and/or Country Club Bylaws.

Section 20.11. Country Club Board Granting of Patio Easements. Patio extensions and patio walls that encroach up to a maximum of two feet (2') onto Country Club Property ("2' Area") as of February 1, 2007 are hereby granted by the Country Club, retroactively, an exclusive easement over the 2' Area, provided that the Owner of the Residential Lot receiving the benefit of the 2' Area easement ("Easement Owner") is solely responsible for the maintenance, repair and replacement of any improvements located within the 2' Area and, further, said Easement Owner shall and does hereby indemnify and agree to hold harmless the Country Club as well as the past, present and future directors, officers, volunteers, employees or agents of the Country Club against all expenses,

liabilities and judgments (including reasonable attorneys' fees and costs incurred in defending any claim) brought related to the use, maintenance and repair of the 2' Area by any third party and/or the Easement Owner. Furthermore, the Country Club hereby grants similar 2' Area easements to other Owners of Residential Lots who wish to improve their property with an extension of the patio / wall, subject to the above-referenced two requirements, as well as obtaining Association architectural approval.

Section 20.12. Waiver of Severability Partition/Waiver of Use. No Owner of a Residential Lot shall sever his or her interest in a Residential Lot or any portion of a Residential Lot from his or her Social Membership in the Country Club or his or her right of use in and to the Country Club Property. The Owners and all other persons having an interest in the property shall have no right or cause of action for judicial partition of the property, or any part of any of the foregoing during the term hereof. No Owner may exempt himself or herself from personal liability for Social Membership Basic Dues and/or Country Club Special Assessments to be levied by the Country Club (levied pursuant to the terms of the Country Club Bylaws), nor release the Residential Lot owned by him or her from the liens, charges and other provisions of the Country Club's Bylaws, Country Club's Rules and Regulations and/or this Declaration, by waiver of the use and enjoyment of the Country Club Property.

Section 20.13. Limitation of Liability. The Country Club shall not be liable for any failure to provide any service or perform any duty, function or responsibility designated or provided in this Declaration, the Country Club Bylaws and the Country Club Rules and Regulations which are to be performed by the same, or for injury and/or damage to persons or property caused by fire, explosion, the elements or resulting from electricity, water, rain, dust or sand which may leak or flow the Country Club Property or from any pipes, drains, conduits, appliances or equipment, or from any other place or any other cause unless that cause was due to a willful misconduct or gross negligence of the Country Club.

Section 20.14. Special Assessment. The Country Club may levy a special assessment against Social and/or Golf Members in accordance with the Country Club's Bylaws. Said Special Assessment shall be collected in the same manner as Basic Dues, all as more particularly identified in Section 20.2 above.

Section 20.15. Business Operation at Chaparral Country Club. Notwithstanding anything contained within this Declaration to the contrary, a resale office shall be allowed to be maintained at the Clubhouse within the Country Club Property for the purpose of sale and rental of Residential Lots located within the Development. Additionally, any prohibition of business and commercial uses within this Declaration shall not apply to the operation and intended uses of the Chaparral Country Club Property.

Section 20.16. Designation of Membership Rights to Tenants. Social Members and Golf Members may designate a tenant to use and enjoy the rights and privileges of the respective membership consistent with the Country Club's Bylaws and Country Club Rules and Regulations as the same may be amended from time to time.

Section 20.17. Automatic Social Membership. An Owner of a Residential Lot shall automatically, upon becoming the record Owner thereof, be a Social Member of the Country Club and shall remain so until such time as his/her Ownership ceases for any reason, at which time the Social Membership shall automatically cease. The Social Membership shall be appurtenant to and pass with the ownership of such Residential Lot. Such Social Membership shall not be transferred, pledged or alienated in any way except (1) upon and with the transfer of such Residential Lot, or (2) by pledge to a lending institution as additional security for a real estate loan secured by a first Mortgage on the Residential Lot to which such membership is appurtenant. Any attempt to make a transfer of a Social Membership prohibited by this Section shall be void and shall not be reflected upon the Country Club's books and records. If the Owner of any Residential Lot fails to transfer such Social Membership appurtenant thereto upon any transfer, whether voluntary or involuntary, of the Residential Lot, then the Country Club shall have the right to record the transfer upon the books and thereupon the Social Membership outstanding in the name of the prior Owner shall be null and void.

Section 20.18. Errant Golf Balls. A golfer his or family, guests, and tenants who breaks a window or otherwise damages property on or adjacent to the course shall immediately report the damage to the golf shop or the Country Club office, and to the Owners, if available, as outlined in the Country Club's Rules and Regulations.

Section 20.19. Contracts and Other Arrangements with the Country Club. Notwithstanding more restrictive language contained within the Country Club's Bylaws, the Country Club, by and through the Country Club Board, may enter into contracts or make other arrangements for a term not exceeding ten (10) years with the Association, by and through the Association Board to establish shared financial and maintenance arrangements on the following items: security, water replenishment, electrical pumping, pump repairs, roadrunner expenses, telephone, administrative expenses, wash maintenance, driving range expenses and fountain electric costs.

ARTICLE 21

GENERAL PROVISIONS

Section 21.1. General Duties and Powers. The Association shall have all those duties and powers set forth in this Declaration, the Articles and Bylaws of the Association or permitted pursuant to the provisions of the California *Corporations Code* for nonprofit mutual benefit corporations. All such duties and powers shall be subject to any specific limitations set forth in this Declaration, the Articles or Bylaws of the Association. All such duties and powers shall be exercised by the Board unless specifically reserved for the Owners.

Section 21.2. Notices. Any notice to be given to an Owner or Mortgagee under the provisions of the Governing Documents shall be in writing and may be delivered personally or by first class mail, postage prepaid to the latest recorded address in the business records of the Association. If delivery is made by mail, it shall be deemed to have been delivered upon deposit in the United States mail. Notice may also be given via e-mail, facsimile, or other electronic means, if the recipient has agreed to that method of delivery. If a document is delivered by electronic means, delivery is complete at the time of transmission.

Section 21.3. Extension of Declaration. Each and all of these Covenants, Conditions and Restrictions shall terminate on December 31, 2057, after which date they shall automatically be extended for successive periods of ten (10) years unless amended or extinguished by a written instrument executed by at least a majority of the Owners of Residential Lots in the Development and such written instrument is recorded with the Riverside County Recorder.

Section 21.4. Liberal Interpretation of Declaration. The provisions of this Declaration shall be liberally construed to effectuate its purpose of creating a uniform plan for the operation of the Development for the mutual benefit of all Owners. The various headings used herein are for convenience only and shall not affect meaning or interpretation.

Section 21.5. Severability. Invalidation or reformation of any one of these covenants or restrictions by judgment or court order or otherwise shall in no way affect the application of such provision to other circumstance(s) or any other provision(s) which shall remain in full force and effect.

Section 21.6. Number; Gender. The singular shall include the plural and the plural the singular unless the context requires the contrary, and the masculine, feminine and neuter shall each include the masculine, feminine or neuter, as the context requires.

Section 21.7. Successors and Assigns. This Declaration shall be binding upon and shall inure to the benefit of all heirs, personal representatives, successors, assigns, personal representatives, grantees, lessees, licensees and renters of Owners.

Section 21.8 Joint and Several Liability. In the case of Joint Ownership of a Residential Lot, the liability of each Owner and the Owners thereof in connection with the liabilities and obligations of the Owners, set forth in or imposed by this Declaration, shall be joint and several.

Section 21.9 Conflicts. If there are conflicts or inconsistencies between the provisions of California law, this Declaration, the Articles of Incorporation, the Bylaws and the Rules and Regulations, the provisions of California laws, the Declaration, the Articles of Incorporation, the Bylaws and the Rules and Regulations (in that order) shall prevail.

Section 21.10 Power of Attorney. To the extent necessary to carry out and enforce the provisions of this Declaration, separate and irrevocable power of attorney coupled with an interest are granted to the Association and the Country Club by the Owners.

CERTIFICATE OF AMENDMENT

I, the undersigned, declare:

1. I am the duly elected and acting Secretary of CHAPARRAL ASSOCIATION, a California Nonprofit Mutual Benefit Corporation; and

2. The foregoing SECOND RESTATED DECLARATION OF COVENANTS, CONDITIONS, AND RESTRICTIONS FOR CHAPARRAL ASSOCIATION AND CHAPARRAL COUNTRY CLUB, INC., comprising 63 pages, constitutes the Declaration of Restrictions of the Association duly adopted by a vote of at least sixty percent (60%) of the voting power of the Association.

IN WITNESS WHEREOF, I hereunto subscribe my name and affix the seal of said corporation this 6th day of August, 2007.

CHAPARRAL ASSOCIATION

By: Patricia Wyman
Patricia Wyman, Secretary

Nevada)
STATE OF CALIFORNIA)
Lyon) ss
COUNTY OF RIVERSIDE) CS

On Aug. 6, 2007 before me Stephanie L. Jackson a Notary Public, personally appeared Patricia Wyman personally known to me (or proven to me on the basis of satisfactory evidence) to be the person (s) whose name(s) is are subscribed to the within instrument and acknowledged to me that he she they executed the same in his her their authorized capacity(ies), and that by his her their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

WITNESS my hand and official seal.

Signature Stephanie L. Jackson (Seal)



I, the undersigned, declare:

1. I am the duly elected and acting President of CHAPARRAL ASSOCIATION, a California Nonprofit Mutual Benefit Corporation; and

2. The foregoing SECOND RESTATED DECLARATION OF COVENANTS, CONDITIONS, AND RESTRICTIONS FOR CHAPARRAL ASSOCIATION AND CHAPARRAL COUNTRY CLUB, INC., comprising 63 pages, constitutes the Declaration of Restrictions of the Association duly adopted by a vote of at least sixty percent (60%) of the voting power of the Association.

IN WITNESS WHEREOF, I hereunto subscribe my name and affix the seal of said corporation this 25 day of July, 2007.

CHAPARRAL ASSOCIATION

By: Joseph J. Diehl
Joseph Diehl, President

STATE OF CALIFORNIA)
) ss
COUNTY OF RIVERSIDE)

On July 25, 2007 before me Kathy R. Piper a Notary Public, personally appeared Joseph J. Diehl personally known to me (or proven to me on the basis of satisfactory evidence) to be the person (s) whose name (s) ~~is~~ are subscribed to the within instrument and acknowledged to me that ~~he~~ he ~~she~~ they executed the same in (his) ~~her~~ their authorized capacity (ies), and that by (his) ~~her~~ their signature (s) on the instrument the person (s), or the entity upon behalf of which the person (s) acted, executed the instrument.

WITNESS my hand and official seal.

Signature Kathy R. Piper (Seal)



I, the undersigned, declare:

1. I am the duly elected and acting Director of CHAPARRAL ASSOCIATION, a California Nonprofit Mutual Benefit Corporation; and

2. The foregoing SECOND RESTATED DECLARATION OF COVENANTS, CONDITIONS, AND RESTRICTIONS FOR CHAPARRAL ASSOCIATION AND CHAPARRAL COUNTRY CLUB, INC., comprising 63 pages, constitutes the Declaration of Restrictions of the Association duly adopted by a vote of at least sixty percent (60%) of the voting power of the Association.

IN WITNESS WHEREOF, I hereunto subscribe my name and affix the seal of said corporation this 30th day of July, 2007.

CHAPARRAL ASSOCIATION

By: Rudy Friedrich
Rudy Friedrich, Director

STATE OF CALIFORNIA)
) ss
COUNTY OF RIVERSIDE)

On July 30, 2007 before me Kathy R. Piper a Notary Public, personally appeared Rudy Friedrich personally known to me (or proven to me on the basis of satisfactory evidence) to be the person ~~(s)~~ whose name ~~(s)~~ is subscribed to the within instrument and acknowledged to me that he/she/they executed the same in ~~(his/her/their)~~ authorized capacity ~~(ies)~~, and that by ~~his/her/their~~ signature ~~(s)~~ on the instrument the person ~~(s)~~, or the entity upon behalf of which the person ~~(s)~~ acted, executed the instrument.

WITNESS my hand and official seal.

Signature Kathy R. Piper (Seal)



I, the undersigned, declare:

1. I am the duly elected and acting Director of CHAPARRAL ASSOCIATION, a California Nonprofit Mutual Benefit Corporation; and

2. The foregoing SECOND RESTATED DECLARATION OF COVENANTS, CONDITIONS, AND RESTRICTIONS FOR CHAPARRAL ASSOCIATION AND CHAPARRAL COUNTRY CLUB, INC., comprising 63 pages, constitutes the Declaration of Restrictions of the Association duly adopted by a vote of at least sixty percent (60%) of the voting power of the Association.

IN WITNESS WHEREOF, I hereunto subscribe my name and affix the seal of said corporation this 26th day of July, 2007.

CHAPARRAL ASSOCIATION

By:

Kathy McIntosh
Kathy McIntosh, Director

STATE OF CALIFORNIA)
) ss
COUNTY OF RIVERSIDE)

On July 26, 2007 before me Kathy R. Piper a Notary Public, personally appeared Kathy McIntosh personally known to me (or proven to me on the basis of satisfactory evidence) to be the person (s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

WITNESS my hand and official seal.

Signature Kathy R. Piper (Seal)



CERTIFICATE OF CONSENT

I, the undersigned, declare:

1. I am the duly elected and acting Secretary of CHAPARRAL COUNTRY CLUB, INC., a California Nonprofit Mutual Benefit Corporation; and

2. The CHAPARRAL COUNTRY CLUB hereby consents to the foregoing SECOND RESTATED DECLARATION OF COVENANTS, CONDITIONS, AND RESTRICTIONS FOR CHAPARRAL ASSOCIATION AND CHAPARRAL COUNTRY CLUB, INC., comprising 63 pages.

IN WITNESS WHEREOF, I hereunto subscribe my name and affix the seal of said corporation this 14th day of August, 2007.

CHAPARRAL COUNTRY CLUB, INC.

By: Bill Tackabery
Bill Tackabery, Secretary

STATE OF Utah)
~~CALIFORNIA~~)
COUNTY OF Summit) ss
~~RIVERSIDE~~)

On Aug. 14, 2007 before me Debbie Hoffmeyer a Notary Public, personally appeared Bill Tackabery personally known to me (or proven to me on the basis of satisfactory evidence) to be the person (s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

WITNESS my hand and official seal.

Signature Debbie Hoffmeyer (Seal)



I, the undersigned, declare:

1. I am the duly elected and acting President of CHAPARRAL COUNTRY CLUB, INC., a California Nonprofit Mutual Benefit Corporation; and

2. The CHAPARRAL COUNTRY CLUB hereby consents to the foregoing SECOND RESTATED DECLARATION OF COVENANTS, CONDITIONS, AND RESTRICTIONS FOR CHAPARRAL ASSOCIATION AND CHAPARRAL COUNTRY CLUB, INC., comprising 63 pages.

IN WITNESS WHEREOF, I hereunto subscribe my name and affix the seal of said corporation this 10 day of August, 2007.

CHAPARRAL COUNTRY CLUB, INC.

By:


Dennis Schneider, President

Dennis Schneider, President

STATE OF CALIFORNIA)
)
) ss
COUNTY OF RIVERSIDE)
)
)

On August 10, 2007 before me Robyn J. Freund a Notary Public, personally appeared Dennis Schneider personally known to me (or proven to me on the basis of satisfactory evidence) to be the person (s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

WITNESS my hand and official seal.

Signature Karen J. French (Seal)

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Revision Date: June 30, 2007

ROBYN J. FREUND
Notary Public, Oakland County, MI
My Commission Expires 9-10-07



EXHIBIT "A"
LEGAL DESCRIPTION OF THE DEVELOPMENT

Residential Lots

- Phase I Lots 1 through 187 of Tract 13881-1 per map recorded on September 4, 1979, in Book 106, pages 75-80, inclusive of Maps in the Office of the County Recorder of Riverside County, California.
- Phase II Lots 1 through 28 of Tract 17401 recorded on March 1981 in the County of Riverside, California. Lots 1 through 73 and 104 through 144 of Tract 13881-2 in the County of Riverside, California.
- Phase III Lots 1 through 157 of Tract 13881-3 recorded in 1980 in the County of Riverside, California.
- Phase IV Lots 1 through 137 of Tract 13881 recorded in 1982 in the County of Riverside, California.

Common Area Lots

- Phase I Lots B, C, D, Lots 29, 188, 189, 190, 191, 192, 194, 196, 199 and 200 of Tract 13881-1 recorded in the County of Riverside, California.
- Phase II Lots B, C, D, Lots 145, 147, 149, 150, 151, and 200 ("Well Site") of Tract 13881-2 recorded in the County of Riverside, California.
- Phase III Lots A, B, C, D, E, F, Lots 158 - 171 of Tract 13881-3 recorded in the County of Riverside, California.
- Phase IV Lots A, B, Lots 138 through 143 of Tract 13881 recorded in the County of Riverside, California.

EXHIBIT "B"
SITE PLAN DEPICTING DEVELOPMENT AND COUNTRY CLUB PROPERTY

The Site Plan depicting the Development and Country Club Property is attached as Exhibit "B" to the Declaration of Covenants, Conditions and Restrictions of Chaparral Association and Chaparral Country Club, recorded on May 10, 1995, as Instrument No. 148994, of the Official Records of Riverside County, California.

EXHIBIT "C"
LEGAL DESCRIPTION OF THE COUNTRY CLUB

1. Lots 195, 197 and 198 of Tract 13881-1 per Map recorded on September 4, 1979 in Book 106, pages 75-80, inclusive, of Maps in the Office of the County Recorder, of Riverside County, California.
2. Lots 152 and 153 of Tract 13881-2 in the County of Riverside, California.
3. Lot 172 of Tract 13881-3 in the County of Riverside, California.
4. Lot 144 of Tract 13881 in the County of Riverside.
5. Any and all other real property owned by and/or vested in the name of the Country Club from time to time.