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(800) 464-2817

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**SECOND AMENDED AND RESTATED DECLARATION
OF COVENANTS, CONDITIONS AND RESTRICTIONS**

**FOR MARRAKESH COMMUNITY ASSOCIATION
a California nonprofit mutual benefit corporation**

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

TABLE OF CONTENTS

Table of Contents.....	i
Article 1: Definitions	2
1.1 <i>“Architectural & Landscape Committee” or “ALC”</i>	2
1.2 <i>“Architectural Rules and Guidelines”</i>	2
1.3 <i>“Articles”</i>	2
1.4 <i>“Assessment”</i>	2
1.5 <i>“Association”</i>	2
1.6 <i>“Board”</i>	2
1.7 <i>“Budget”</i>	2
1.8 <i>“Bylaws”</i>	2
1.9 <i>“CC&Rs”</i>	2
1.10 <i>“City”</i>	2
1.11 <i>“Committee”</i>	2
1.12 <i>“Common Area”</i>	2
1.13 <i>“Common Expenses”</i>	3
1.14 <i>“County”</i>	3
1.15 <i>“Development”</i>	3
1.16 <i>“Director”</i>	3
1.17 <i>“Eligible Mortgagee”</i>	3
1.18 <i>“Governing Documents”</i>	3
1.19 <i>“Improvements”</i>	3
1.20 <i>“Lender”</i>	3
1.21 <i>“Lot”</i>	3
1.22 <i>“Maintenance Responsibility Chart”</i>	3
1.23 <i>“Manager”</i>	3
1.24 <i>“Marrakesh Country Club” or “MCC”</i>	3
a. <i>“Social Membership” and “Social Member”</i>	4
b. <i>“Golf Club Membership” and “Golf Club Member”</i>	4
c. <i>“Full Membership” and “Full Member”</i>	4
d. <i>“Non-Owner Membership” and “Non-Owner Member”</i>	4
1.25 <i>“Marrakesh Country Club Property” or “Golf Course Development”</i>	4
1.26 <i>“MCC Bylaws”</i>	4
1.27 <i>“MCC Management Agreement”</i>	4
1.28 <i>“Member” and “Membership”</i>	5
1.29 <i>“Membership Approval” or “Approval of the Membership”</i>	5
1.30 <i>“Mortgagee”</i>	5
1.31 <i>“Officer”</i>	5
1.32 <i>“Owner”</i>	5

1.33	<i>"Quorum"</i>	5
1.34	<i>"Regular Assessments"</i>	5
1.35	<i>"Reimbursement Special Assessments" or "Reimbursement Assessments"</i>	5
1.36	<i>"Renovation"</i>	5
1.37	<i>"Reserves" or "Reserve Accounts"</i>	6
1.38	<i>"Residence"</i>	6
1.39	<i>"Resident"</i>	6
1.40	<i>"Rules"</i>	6
1.41	<i>"Special Assessments"</i>	6
1.42	<i>"Tenant" or "Lessee"</i>	6
1.43	<i>"Utility Lines"</i>	6
1.44	<i>"Voting Power"</i>	6
1.45	<i>Definitions of Other Terms</i>	6
Article 2: The Development		6
2.1	<i>General</i>	6
2.2	<i>Description of the Development</i>	7
2.3	<i>Rights and Obligations in Marrakesh Country Club</i>	7
2.4	<i>Presumption Regarding Boundaries of Lots</i>	7
2.5	<i>Association as Master Lessor Under Master Lease and Owner of Common Area</i>	7
2.6	<i>Due on Sale</i>	8
2.7	<i>Common Area Partition</i>	8
2.8	<i>Common Area Easements</i>	8
2.9	<i>Easement for Use and Enjoyment</i>	9
2.10	<i>Easement</i>	9
2.11	<i>Encroachment Easement</i>	9
Article 3: Membership in Association		9
3.1	<i>Membership in the Association</i>	9
3.2	<i>Membership in Marrakesh Country Club</i>	9
3.3	<i>No Separate Transfer of Membership</i>	10
3.4	<i>Owners' Tenants, Family, Guests, etc</i>	10
3.5	<i>Impersonal Entities</i>	10
a.	<i>Trust</i>	10
b.	<i>Corporation</i>	10
c.	<i>Partnership</i>	10
d.	<i>Limited Liability Company</i>	10
e.	<i>Other Entities</i>	10
f.	<i>Registration of Person as Member and Changes to Designation</i>	11
3.6	<i>Voting Rights</i>	11
3.7	<i>Obligation to Comply with Governing Documents</i>	11
3.8	<i>Security</i>	11

3.9	<i>Purchase Subject to Violations</i>	11
3.10	<i>Notice of Transfer of Ownership</i>	11
3.11	<i>Obligation to Carry Insurance</i>	11
3.12	<i>Reimbursement to Association</i>	11
3.13	<i>Liability for Mitigation</i>	12
3.14	<i>Guests</i>	12
3.15	<i>Correction of Violations</i>	12
3.16	<i>Golf Course Disclaimer/Waiver</i>	12
Article 4: The Association		13
4.1	<i>Board of Directors</i>	13
4.2	<i>Powers of a Nonprofit Corporation</i>	13
4.3	<i>Incur and Pay Expenses</i>	13
4.4	<i>Marrakesh Country Club Property</i>	13
4.5	<i>Taxes and Assessments</i>	14
4.6	<i>Rules and Regulations</i>	14
4.7	<i>Foreclose, Hold Title and Make Conveyances</i>	14
4.8	<i>Commercial Concessions</i>	14
4.9	<i>Utility and Cable Easements</i>	14
4.10	<i>Granting Utility and Other Easements</i>	14
4.11	<i>Granting Exclusive Use Easements Over Common Area</i>	15
4.12	<i>Borrow Money</i>	15
4.13	<i>Represent Association in Litigation</i>	15
4.14	<i>Receive Property</i>	15
4.15	<i>Dispose of Property</i>	15
4.16	<i>Capital Improvements</i>	15
a.	Defined	15
b.	10% Limitation	16
c.	Obsolescence	16
4.17	<i>Resale Office; Business Operations</i>	16
4.18	<i>Vendor Contracts</i>	16
4.19	<i>Gate Control Services</i>	16
4.20	<i>Delegation to Manager</i>	16
4.21	<i>Nonprofit Character of Association</i>	16
4.22	<i>Discharge of Liens</i>	16
Article 5: Architectural Provisions		17
5.1	<i>Architectural & Landscape Committee</i>	17
a.	Architect	17
b.	Conflicts of Interest	17
5.2	<i>No Improvements or Alterations Without Approval</i>	17
5.3	<i>Architectural Changes Not Requiring Prior Approval</i>	18

5.4	<i>Applicants in Good Standing</i>	18
5.5	<i>Right to Decorate Residence</i>	18
5.6	<i>Architectural Rules and Guidelines</i>	19
5.7	<i>Rescinding Approval</i>	19
5.8	<i>Submission of Plans</i>	19
5.9	<i>Failure to Comply with Approval Requirements</i>	19
5.10	<i>Appeal to the Board</i>	19
5.11	<i>Review Fees and Construction Agreement</i>	20
5.12	<i>Variances</i>	20
5.13	<i>Engineering and Code Requirements</i>	20
5.14	<i>Inspection</i>	20
5.15	<i>Enforcement</i>	20
5.16	<i>Building Department and Association Approvals</i>	21
5.17	<i>Mechanics' Liens</i>	21
5.18	<i>Hold Harmless and Indemnify</i>	21
5.19	<i>No Combining Lots</i>	22
5.20	<i>Drainage</i>	22
5.21	<i>Occupancy of Unfinished, Temporary or Mobile Structures Prohibited</i>	22
5.22	<i>Removal of Temporary Buildings</i>	22
5.23	<i>Waiver of Liability</i>	22
	Article 6: Maintenance, Repair and Replacement Obligations	22
6.1	<i>Owner's Maintenance, Repair and Replacement</i>	22
a.	<i>Alterations</i>	22
b.	<i>Utility Lines</i>	22
c.	<i>Weeds and Trash/Rubbish</i>	23
d.	<i>Exterior Maintenance/Paint</i>	23
e.	<i>Sidewalk and Street Encroachments</i>	23
f.	<i>Concrete and Paver Driveways</i>	23
g.	<i>Fences</i>	23
h.	<i>Insects and Plant Diseases</i>	23
i.	<i>Termites and Pests</i>	24
j.	<i>Garage Doors</i>	24
k.	<i>Fireplaces</i>	24
l.	<i>Patios</i>	24
m.	<i>Skylights</i>	24
n.	<i>Drainage Structures</i>	24
6.2	<i>Easement for Maintenance</i>	24
6.3	<i>Water Damage and Mold</i>	25
6.4	<i>Association Maintenance, Repair, and Replacement Responsibilities</i>	25
a.	<i>Marrakesh Country Club Property</i>	25
b.	<i>Common Area Amenities</i>	25
c.	<i>Gates, Private Streets</i>	25
d.	<i>Common Area Fences</i>	25
e.	<i>Buildings and Equipment</i>	26

f.	Landscaping.....	26
g.	Lot Landscaping.....	26
h.	Utility Lines.....	26
i.	Residence Exterior Painting.....	26
j.	Termites and Pests.....	26
k.	Areas Outside Development.....	26
6.5	<i>Common/Party Wall</i>	27
6.6	<i>Maintenance and Repair Damage to Wall or Contents</i>	27
Article 7: Use Restrictions		27
7.1	<i>Antennas</i>	27
7.2	<i>Barbecues and Fire Pits</i>	27
7.3	<i>Drones</i>	27
7.4	<i>Flammable Materials</i>	27
7.5	<i>Health/Safety Hazards</i>	28
7.6	<i>Laundry</i>	28
7.7	<i>Nudity</i>	28
7.8	<i>Nuisance</i>	28
a.	Unreasonableness.....	28
b.	Secondhand Smoke.....	28
c.	Allergies.....	28
d.	Board Determination.....	28
7.9	<i>Occupancy Restriction</i>	28
7.10	<i>Grandfathered Occupancy</i>	28
7.11	<i>Obstruction or Alteration of Common Areas</i>	29
7.12	<i>Ownership Limitation</i>	29
7.13	<i>Quiet Enjoyment</i>	29
7.14	<i>Residential Use</i>	29
7.15	<i>Sale of Lot</i>	29
7.16	<i>Satellite Dishes</i>	29
7.17	<i>Solar Energy Systems</i>	30
7.18	<i>Signs</i>	30
7.19	<i>Smoking and Vaping</i>	30
7.20	<i>Marijuana and Controlled Substances</i>	30
7.21	<i>Hiring of Association Employees</i>	30
7.22	<i>Use of Independent Contractors</i>	30
7.23	<i>Window Coverings</i>	31
7.24	<i>Drains</i>	31
7.25	<i>Drilling and Exploration</i>	31
7.26	<i>Machinery and Equipment</i>	31
7.27	<i>Sanitary Conditions</i>	31
7.28	<i>Storage</i>	31

7.29	<i>Transfer of Occupancy</i>	31
7.30	<i>Trash Containers</i>	31
7.31	<i>Utility Service</i>	31
7.32	<i>No Criminal Activity</i>	32
Article 8: Leasing and Ownership Limitations		32
8.1	<i>No Hotel Purposes</i>	32
8.2	<i>No Short-Term and Transient Rentals</i>	32
a.	Prohibited Short Term Rental Period	32
b.	Advertising Limitation	32
8.3	<i>Lease Requirements</i>	32
8.4	<i>Rental Cap</i>	32
a.	Rental Cap Exception	32
b.	Waiting List	32
c.	Maximum Lease Term	33
8.5	<i>Lease Addendum</i>	33
8.6	<i>Governing Documents</i>	33
8.7	<i>Common Area Privileges</i>	33
8.8	<i>Repair Damage</i>	33
8.9	<i>Unlawful Detainer</i>	33
8.10	<i>Assignment of Rents</i>	34
Article 9: Pets		34
9.1	<i>Pet Limitation</i>	34
9.2	<i>Assistance Animals</i>	34
9.3	<i>Nuisance</i>	34
9.4	<i>Dangerous Animals</i>	34
9.5	<i>Liability</i>	34
9.6	<i>Control</i>	35
Article 10: Vehicles and Parking		35
10.1	<i>Management of Parking</i>	35
10.2	<i>Parking</i>	35
10.3	<i>Commercial Vehicles</i>	35
10.4	<i>Guest Parking</i>	35
10.5	<i>Proper Operating Condition</i>	35
10.6	<i>Electric Vehicle Charging Stations</i>	35
10.7	<i>Repair of Vehicles</i>	35
10.8	<i>Fluid Leaks</i>	36
10.9	<i>Theft or Damage</i>	36
10.10	<i>Impeding Access</i>	36

Article 11: Enforcement of Governing Documents	36
11.1 <i>Right to Enforce</i>	36
11.2 <i>Association Enforcement Rights</i>	36
a. Monetary Penalties (Fines).....	36
b. Suspend Common Area Privileges	37
c. Alternative Dispute Resolution.....	37
d. Judicial Enforcement	37
11.3 <i>Cumulative Remedies</i>	37
11.4 <i>Failure to Enforce Not a Waiver</i>	37
11.5 <i>Remedy at Law Inadequate</i>	37
11.6 <i>Right of Action Against Buyer</i>	37
11.7 <i>Violation as a Nuisance</i>	37
11.8 <i>Attorneys' Fees</i>	37
Article 12: Right of Entry	38
12.1 <i>Limited Right of Entry</i>	38
12.2 <i>Notice of Entry</i>	38
12.3 <i>Avoid Unreasonable Interference</i>	38
12.4 <i>Emergency Entry</i>	38
12.5 <i>Refusal to Allow Entry</i>	38
12.6 <i>Damage Repaired by Association</i>	38
12.7 <i>Power to Vacate Lot</i>	38
a. Notice	39
b. Duty to Vacate	39
12.8 <i>Entry by Owner</i>	39
Article 13: Assessments	39
13.1 <i>Covenant to Pay</i>	39
13.2 <i>Purposes of Assessments</i>	39
13.3 <i>Regular Assessment</i>	40
a. 20% Limitation.....	40
b. Rate of Regular Assessments.....	40
c. Payable Monthly.....	40
d. Written Notice	40
13.4 <i>Special Assessment</i>	40
a. 5% Limitation	40
b. Uniform Rate of Assessment	40
c. Reimbursement Assessments.....	40
d. Payment Schedule.....	41
e. Written Notice	41
13.5 <i>Emergency Assessment</i>	41
13.6 <i>Marrakesh Country Club Dues, Fees, Charges, Assessments or Other Monetary Obligations</i>	41

13.7	<i>Deposit of Assessments</i>	42
a.	Commingling.....	42
b.	Interest.....	42
13.8	<i>Reserves</i>	42
a.	Be Segregated.....	42
b.	Be Invested.....	42
c.	Require Two Signatures.....	42
d.	Not Be Reimbursed.....	42
Article 14: Enforcement of Assessments		42
14.1	<i>Liability for Assessments</i>	42
14.2	<i>Enforcement Rights</i>	43
a.	Late Fees and Interest.....	43
b.	File Suit.....	43
c.	Lien and Foreclose.....	43
d.	Suspend Privileges.....	43
e.	Additional Remedies.....	43
14.3	<i>No Offsets</i>	43
14.4	<i>No Exemption by Waiver of Use</i>	44
14.5	<i>Attorneys' Fees</i>	44
14.6	<i>Non -Waiver of Assessments</i>	44
14.7	<i>Marrakesh Country Club Charges</i>	44
a.	Country Club Dues, Fees, Charges, Assessments.....	44
b.	Collection of Delinquent Dues, Fees, Charges, Assessments.....	44
c.	Personal Liability.....	45
14.8	<i>Protection Afforded to Marrakesh Country Club</i>	45
Article 15: Insurance		45
15.1	<i>Association Insurance</i>	45
a.	Automobile Liability Insurance.....	45
b.	Boiler and Machinery Insurance.....	45
c.	Comprehensive or Commercial General Liability ("CGL").....	45
d.	Direct Physical Loss.....	45
e.	Directors and Officers.....	47
f.	Earthquake Insurance.....	47
g.	Employment Practices Liability.....	47
h.	Fidelity Bond.....	47
i.	Flood Insurance.....	47
j.	Umbrella Policy.....	47
k.	Workers Compensation.....	47
15.2	<i>Owner Obligation to Carry Insurance</i>	47
a.	Waiver of Claims.....	48
b.	Assignment of Proceeds.....	48
15.3	<i>Payment of Deductible</i>	48
15.4	<i>Liability for Increased Insurance Rates</i>	48
15.5	<i>Choice of Contractor</i>	48
15.6	<i>Insurance Company Rating</i>	48
15.7	<i>Failure to Acquire Insurance</i>	49

Article 16: Protection of Lenders	49
16.1 General.....	49
16.2 No Right of First Refusal.....	49
16.3 Unpaid Assessments.....	49
16.4 Action Requiring Mortgagee Approval.....	49
16.5 Payment of Taxes and Insurance.....	50
16.6 Priority of Proceed or Award Distribution.....	50
16.7 Notification of Eligible Mortgagees.....	50
16.8 Inspection of Documents, Books and Records.....	51
16.9 Loan to Facilitate.....	51
16.10 Mortgagee Furnishing Information.....	51
16.11 Financial Statement.....	51
16.12 Termination without Substantial Destruction.....	51
Article 17: Limitations of Liability	51
17.1 Standard for Liability.....	51
17.2 Limited Personal Liability.....	51
17.3 Association Not a Security Provider.....	52
17.4 Duty to Defend.....	52
17.5 Duty to Protect.....	52
17.6 Personal Injury or Property Damage Sustained Within a Lot.....	52
17.7 Actions Against Volunteers.....	52
Article 18: Damage/Destruction to Improvements	53
18.1 Generally.....	53
18.2 Association's Duties.....	53
18.3 Cost of Repair.....	53
18.4 Discretion Not to Rebuild.....	53
18.5 Disbursements to Owners and Mortgagees.....	53
18.6 Owner's Duties.....	54
18.7 Duties of Board During Reconstruction.....	54
Article 19: Eminent Domain.....	54
19.1 Notice.....	54
19.2 Payment for Common Area or Marrakesh Country Club Property.....	54
19.3 Payment for Lot.....	54
19.4 Revision of Documents.....	55
19.5 Status of Membership.....	55

Article 20: Conversion of Subleasehold Interests in Lots into Fee Interests	55
20.1. <i>Controlling Provisions</i>	55
20.2. <i>Definitions</i>	55
a. "Land Acquisition Loan"	55
b. "Golf Course Acquisition Date"	55
c. "Golf Course Development Acquisition Loan"	55
d. "Residential Development"	55
e. "Residential Development Acquisition Date"	55
20.3. <i>Sublessee Option to Convert to Fee Interest</i>	55
20.4. <i>Special Debt Service Assessments</i>	56
20.5. <i>Conversion to Fee Interest</i>	57
20.6. <i>Due on Sale</i>	57
Article 21: Miscellaneous	57
21.1 <i>Amendment</i>	57
21.2 <i>Eligible Mortgagee Approval</i>	57
21.3 <i>Amendment to Conform to Statute</i>	58
21.4 <i>Term of CC&Rs</i>	58
21.5 <i>Attorneys' Fees</i>	58
21.6 <i>Notices</i>	58
21.7 <i>Headings</i>	59
21.8 <i>Liberal Construction</i>	59
21.9 <i>Number and Gender</i>	59
21.10 <i>Severability</i>	59
21.11 <i>Successor Association</i>	59
21.12 <i>Conflicting Provisions</i>	59
CERTIFICATION	60
EXHIBIT "A"	Legal Descriptions
EXHIBIT "B"	Pertinent Historical Information
EXHIBIT "C"	Original CC&Rs for the Fourteen Units
EXHIBIT "D"	Common Area
EXHIBIT "E"	Residential Lots
EXHIBIT "F"	Maintenance Responsibility Chart

MARRAKESH COMMUNITY ASSOCIATION
a California nonprofit mutual-benefit corporation

THIS SECOND AMENDED AND RESTATED Declaration of Covenants, Conditions and Restrictions for Marrakesh Community Association ("CC&Rs") is made by all owners of Lots in the planned development known as Marrakesh Community Association located in Palm Desert, Riverside County, California. These CC&Rs apply to and bind all properties described in Exhibit "A" which sets forth the originally developed 364 individual residential lots segregated into fourteen (14) unit areas ("Units").

By this instrument, except as set forth in Exhibit "B" which sets forth pertinent historical information, and except for any recorded covenants affecting only a single Lot, these CC&Rs fully amend, supersede, substitute, and restate all previous declarations of covenants, conditions and restrictions recorded in the Official Records of Riverside County, including: Restated Declaration of Covenants, Conditions and Restriction for Marrakesh Community Association, recorded on September 30, 2009, as Instrument No. 2009-0505718; First Amendment to Restated Declaration of Covenants, Conditions and Restrictions for Marrakesh Community Association, recorded on September 16, 2015, as Instrument No. 2015-0412358; First Amendment to Restated Declaration of Covenants, Conditions and Restrictions for Marrakesh Community Association, recorded on November 13, 2015 as Instrument No. 2015-0501049; and Second Amendment to Restated Declaration of Covenants, Conditions and Restrictions, recorded on July 19, 2016, as Instrument No. 2016-0302051 (collectively "First Restated CC&Rs").

These CC&Rs are recorded and prepared for the following purposes:

1. The benefit of Members of the Association;
2. The benefit, enhancement and protection of the desirability, value and attractiveness of the Development and each Lot therein;
3. To inure to the benefit of and be binding upon each successor in interest of the Association, each Owner, Tenant, Resident, and occupant of any portion of the Development, as well as their respective heirs, personal representatives, grantees, Tenants, licensees, successors and assigns; and
4. As equitable servitudes that run with the land and bind all parties having or acquiring any right, title or interest in the Development or any portion of the Development, whether as sole owners, joint owners, Tenants, Residents, occupants or otherwise.

NOW THEREFORE, all Lots in the Development, as well as any conveyance, transfer, sale, assignment, rental, lease or sublease of a Lot, are deemed to incorporate the provisions of these CC&Rs. Each successor in interest is subject to all of the covenants, conditions and restrictions contained in these CC&Rs.

ARTICLE 1: DEFINITIONS

1.1 “Architectural & Landscape Committee” or “ALC” means the committee established by the Board, or the Board sitting as such a committee, tasked with reviewing proposals for physical changes, alterations, repairs or Improvements to Lots and Common Areas.

1.2 “Architectural Rules and Guidelines” means those rules and guidelines which govern the making of physical changes, alterations, repairs or Improvements to Lots and Common Areas.

1.3 “Articles” means the Association’s Articles of Incorporation.

1.4 “Assessment” means any Regular Assessment, Special Assessment, Reimbursement Special Assessment, assessments for membership in Marrakesh Country Club or any other assessment levied, imposed, or assessed against an Owner’s Lot as provided herein or applicable law.

1.5 “Association” means the Marrakesh Community Association, a California nonprofit mutual-benefit corporation, consisting of all Owners of Lots within the Development, created for the purpose of managing a common interest development. The Association shall include, when the context requires, its Officers, Directors, employees and agents.

1.6 “Board” means the Association’s Board of Directors.

1.7 “Budget” means a pro forma, projected or estimated operating budget of the Association’s income and expenses for a twelve (12) month period.

1.8 “Bylaws” means the duly adopted Bylaws of the Association, including any amendments.

1.9 “CC&Rs” means this Second Restated and Amended Declaration of Covenants, Conditions and Restrictions and any amendments.

1.10 “City” means the City of Palm Desert, California.

1.11 “Committee” means any committee appointed by the Board to assist in the management and administration of the affairs of the Association.

1.12 “Common Area” means the entire Development except the Lots owned by Owners. Each Owner within the fourteen (14) Units holds a fractional interest in the Common Area of the respective Unit where the Lot is located, as set forth and described in Exhibit “D” attached hereto and incorporated by this reference. Common Area also includes the Common Area property set forth in the Grant Deed recorded on November 13, 2015 as Instrument No. 2015-0501044 in the official records of the County of Riverside.

1.13 “Common Expenses” means the costs, expenses and charges in connection with maintaining, managing, insuring, operating, repairing, improving or replacing the Common Areas, managing the affairs of the Association, and all obligations required under the MCC Management Agreement. Common Expenses include, but are not limited to, those amounts reasonably necessary for Reserves. As more specifically set forth in Article 20 of these CC&Rs, Common Expenses also includes the regularly rescheduled monthly payments for loans to acquire fee interest in the Development and Golf Course Development.

1.14 “County” means Riverside County, California.

1.15 “Development” means that certain residential development known as the Marrakesh Community which consists of Common Area and Lots, and the Marrakesh Country Club, which consists of the Marrakesh Country Club Property. The Development is located at 47000 Marrakesh Drive, Palm Desert, CA 92260.

1.16 “Director” means any member of the Board.

1.17 “Eligible Mortgagee” means a holder, insurer or guarantor of a First Mortgage that provides a written request to the Association stating the name and address of such holder, insurer or guarantor and the Lot number, and requesting notice to which such Eligible Mortgagee is due under the Governing Documents.

1.18 “Governing Documents” means these CC&Rs and any other documents which govern the operation of the Association, including, but not limited to, the Articles of Incorporation, Bylaws, Architectural Rules and Guidelines, Rules and Regulations, and Election Rules, and all similar documents, as may be amended.

1.19 “Improvements” means all buildings and other structures located within the Development, including, but not limited to, streets, sidewalks, and utilities.

1.20 “Lender” means the holder of a first mortgage or deed of trust given by an Owner (or his/her predecessor in interest), the lien of which mortgage or deed of trust is superior to all other monetary encumbrances, except real property taxes and assessments.

1.21 “Lot” means a residential lot described in Exhibit “E” attached within a particular unit whereon a Residence is located and includes all Improvements thereon.

1.22 “Maintenance Responsibility Chart” means the list of maintenance, repair, and replacement responsibilities attached as Exhibit “F”.

1.23 “Manager” means any person or company employed or retained by the Association to oversee the operation, maintenance and management of the Association.

1.24 “Marrakesh Country Club” or “MCC” is a nonprofit mutual benefit corporation that owns the Marrakesh Country Club Property. As more specifically set

forth in the MCC Bylaws and other governing documents of the Marrakesh Country Club, membership in Marrakesh Country Club is as follows:

- a. *“Social Membership” and “Social Member”* means a social membership in Marrakesh Country Club.
- b. *“Golf Club Membership” and “Golf Club Member”* means a golf club membership in Marrakesh Country Club.
- c. *“Full Membership” and “Full Member”* a full membership in Marrakesh Country Club that includes both a Social Membership and Golf Membership.
- d. *“Non-Owner Membership” and “Non-Owner Member”* means the membership of any person or entity who is not a record Owner of a Lot but are solely members of Marrakesh Country Club (whether Social or Golf or both) and who are subject to the MCC Bylaws and other governing documents of Marrakesh Country Club.

1.25 *“Marrakesh Country Club Property” or “Golf Course Development”* means the golf course, driving range, clubhouse, tennis/pickleball courts, croquet court, office building, gatehouse, and parking lots and improvements thereon located within the Development and is owned by Marrakesh Country Club as more specifically set forth on Grant Deed, recorded November 13, 2015, as Instrument No. 2015-0501041 in the official records of County of Riverside. The Marrakesh Country Club Property is operated and managed by the Association through a MCC Management Agreement between Marrakesh Country Club and the Association.

1.26 *“MCC Bylaws”* means the bylaws of Marrakesh Country Club as the same may be amended or restated.

1.27 *“MCC Management Agreement”* means the agreement between Marrakesh Country Club and the Association as amended from time to time for the management and operation of the Marrakesh Country Club Property. The MCC Management Agreement includes, but is not limited to:

- a. Assigning, delegating to and appointing and designating the Association all management responsibilities related to the Marrakesh Country Club Property;
- b. Granting the Association any and all powers granted to it under the Association’s Governing Documents (including enforcement powers against Marrakesh Country Club members for violation of any of Marrakesh Country Club’s governing documents, as well as a general power of attorney as its attorney-in-fact, to take any and all necessary actions to fulfill Association’s responsibilities pursuant to the terms of the MCC Management Agreement (including but not limited to collection of

Marrakesh Country Club dues, assessments, fees and charges as set forth in Article 14, Section 14.7 of these CC&Rs).

1.28 “Member” and “Membership” means the Owner, whether one or more persons or impersonal entities, of a Lot within the Development as evidenced by a publicly recorded instrument to an ownership interest in the Lot, but excluding any person or impersonal entity having such an interest in the Lot merely as security for the performance of an obligation. Any person or impersonal entity who becomes the record Owner of a Lot on or after October 1, 2016 is obligated to apply to become a Full Member of Marrakesh Country Club and is subject to the provisions of the MCC Bylaws and any other governing documents of Marrakesh Country Club.

1.29 “Membership Approval” or “Approval of the Membership” means approved or ratified by an affirmative vote of a majority of the votes represented and voting in a duly held election in which a Quorum is represented, which affirmative votes also constitute a majority of the required Quorum, unless otherwise provided in the Governing Documents.

1.30 “Mortgagee” shall refer to a beneficiary (or its assignee) under a deed of trust to a Lot and the term “First Mortgagee” shall refer to a beneficiary (or its assignee) under a deed of trust to a Lot with priority over all other Mortgagees and deeds of trust.

1.31 “Officer” means the president, vice-president, secretary, treasurer, and any other officer of the Association, and as further defined in the Bylaws.

1.32 “Owner” means the owner, of the publicly recorded interest to any Lot within the Development, but excluding any person or impersonal entity having such an interest in the Lot merely as security for the performance of an obligation.

1.33 “Quorum” means more than 50% of the Voting Power of the Association, unless provided otherwise in these CC&Rs or Bylaws.

1.34 “Regular Assessments” means Assessments other than Special Assessments and Reimbursement Assessments, levied or imposed against Owners in order to perform the Association’s obligations under the Governing Documents or the law.

1.35 “Reimbursement Special Assessments” or “Reimbursement Assessments” means those Special Assessments levied against Owners for expenses incurred by the Association arising out of: (i) actions or omissions of Owners, Tenants or their respective family, guests, invitees, or pets; (ii) materials or services provided to Owners, Tenants or their respective family, guests, invitees, or pets; or (iii) conditions originating on a Lot.

1.36 “Renovation” means any improvements, additions, alterations, or modifications by an Owner to any Lot, Residence, or Common Area, but excluding any interior design or interior renovation unless such renovation or work impacts the

structural integrity of the building, or interior electrical, gas plumbing components, or adjoining Lot(s).

1.37 “Reserves” or “Reserve Accounts” means those monies set aside in a separate account for anticipated long-term maintenance, repair, replacement and restoration of major Common Area components of the Development or Improvements upon the Common Areas, and any other obligations of the Association that are authorized by either the Governing Documents or law.

1.38 “Residence” means the residential structure on the Lot and Improvements connected to and within the structure.

1.39 “Resident” means any person in actual possession of all or any portion of a Lot.

1.40 “Rules” means the rules and regulations adopted by the Board to interpret and implement the Governing Documents and for the orderly conduct of the business of the Association.

1.41 “Special Assessments” means Assessments levied from time to time against Owners if at any time during the fiscal year the Regular Assessments are inadequate to perform the Association’s obligations under the Governing Documents or the law, including, but not limited to, Common Area maintenance and repairs, unexpected expenses, capital improvements, and emergency repairs.

1.42 “Tenant” or “Lessee” means a person who has been given the right to temporary use and occupancy of a Lot owned by an Owner, whether such use is paid for in money or other value. Tenants have the same rights to use the Common Areas as Owners, but are not Owners and have no right to vote.

1.43 “Utility Lines” means sewer lines, storm drains, water pipes, electricity lines, gas lines, telephone lines or cables, television cables, satellite dish cables, heating and air conditioning conduits, heating and air conditioning ducts, heating and air conditioning flues, fiber optic cables, data lines, and other similar lines, pipes, cables, ducts, flues, and conduit pipes.

1.44 “Voting Power” means the total number of Lots entitled to vote.

1.45 Definitions of Other Terms. Unless the context clearly requires otherwise, all other terms are defined in the Davis-Stirling Act as the Association is a homeowner association and the development is a common interest development under the Act.

ARTICLE 2: THE DEVELOPMENT

2.1 General. The use and enjoyment of the Development by Owners and their Residents, Tenants, guests, invitees or any other person deriving rights from such Owner, shall be subject to the covenants and restrictions contained in the Governing Documents.

Each such person shall comply with the provisions and be subject to any enforcement actions in the event of violations. Unless otherwise stated in the Governing Documents, the Association, through the Board, shall be responsible for the enforcement of these provisions. The use and enjoyment of the Common Area or Marrakesh Country Club by Non-Owner Members shall be subject to the covenants and restrictions contained in the Governing Documents except as to those specifically applicable to record Owners (i.e., the payment of Assessments), as well as any agreements regarding that Non-Owner Membership.

2.2 Description of the Development. The Development consists of the Lots and Residences and Improvements thereon, and Marrakesh Country Club Property and any property acquired by the Association. The Association shall have the right to transfer and encumber portions of the Development as provided herein. The Common Area is either owned by the Association or the Owners of Lots adjacent to the Common Area in the particular unit where Lot was originally designated in equal and undivided fractional interest, as set forth on Exhibit D.

2.3 Rights and Obligations in Marrakesh Country Club. It is the intent of all Owners within the Association that the Marrakesh Country Club Property, including the golf course and all amenities appurtenant thereto, be maintained in the manner in which it has historically been maintained. It is the further intent of all Owners that they recognize that the value of their own Lot is specifically dependent upon the continued maintenance, repair and upkeep of Marrakesh Country Club Property (including the golf course and those amenities and facilities), whether those Owners are either Social Members or Full Members or Golf Members in Marrakesh Country Club. Accordingly, it is the intent of all the Owners that a portion of the cost to provide for the maintenance, repair and upkeep of Marrakesh Country Club Property be allocated to the all Marrakesh Country Club Members as set forth in these CC&Rs.

2.4 Presumption Regarding Boundaries of Lots. In interpreting deeds, declarations and plans, the existing physical boundaries of a Lot, including any Residence reconstructed in substantial accordance with the original construction plans for the Residence, shall be conclusively presumed to be its boundaries, rather than the description expressed in the deed, any assignment of lease or sublease, or these CC&Rs Declaration. This presumption applies regardless of settling or lateral movement of the building and regardless of minor variances between boundaries shown on the deed, or any plans of the building as constructed or reconstructed. In the event a structure is partially or totally destroyed and then repaired or rebuilt, the Owners agree that minor encroachments over adjoining Lots and/or Common Area shall be permitted and that there shall be appropriate rights for the maintenance of said encroachments so long as they shall exist.

2.5 Association as Master Lessor Under Master Lease and Owner of Common Area. As more specifically set forth in Article 20 of these CC&Rs, and Exhibit B, the Association via an Assignment and Assumption of Ground Lease, Doc. No. 2015-0501048, recorded November 13, 2015, Official Records of County of Riverside, became the master lessor to the master lease ("Master Lease") as more specifically set forth in

Exhibit B to these CC&Rs. The Association became fee owner of the Common Area, and portions of the Development, including certain residential Lots via a Grant Deed, Doc. No. 2015-0501044, recorded November 13, 2015, Official Records of County of Riverside, became the master lessor to the Master Lease. Any person with a leasehold under the Master Lease may acquire the fee simple interest in such person's Lot. Such conversion will require the Association to convey to such sublessee property which is owned by the Association (i.e., the fee interest in the Lot and the undivided interest in the Common Area).

2.6 DUE ON SALE. IF AN OWNER WISHES TO SELL AND/OR ASSIGN ITS INTEREST IN SUCH OWNER'S LOT, SUCH OWNER MUST, AS A CONDITION TO SUCH SALE AND/OR ASSIGNMENT, CONCURRENTLY WITH THE COMPLETION OF SUCH SALE AND/OR ASSIGNMENT PAY TO THE ASSOCIATION THE OUTSTANDING UNPAID BALANCE OF THE LAND ACQUISITION LOAN AND GOLF COURSE DEVELOPMENT ACQUISITION LOAN ATTRIBUTABLE TO SUCH OWNER'S LOT, AT WHICH TIME THE ASSOCIATION SHALL TRANSFER THE FEE INTEREST TO OWNER OR ITS DESIGNEE IN ACCORDANCE WITH THE POLICIES AND PROCEDURES THEN IN EFFECT.

2.7 Common Area Partition. There shall be no judicial partition of the Common Area except as provided under Civil Code § 4610 or its successor. However, the Association may cause the partition of any Common Area outside of a complete sale of the entire Development by Membership Approved.

2.8 Common Area Easements. Easements shall exist in the Common Area and Marrakesh Country Club Property as follows:

- a. An easement for vehicular and pedestrian passage over roadways constructed and maintained on the Common Area and Marrakesh Country Club Property.
- b. An easement for the underground installation, operation and maintenance of water, gas and electrical conduits, telephone cables, sanitary sewer mains, signal transmission cables for master radio and television antenna systems and other utilities facilities, within the Common Area generally, except for any portion thereof on which a swimming pool, cabana or other structure is situated.
- c. For the benefit of the part of Marrakesh Country Club, an easement over the portion of the Common Area adjacent to the golf course facilities to enable golfers to play and retrieve golf balls, greenskeepers and others to carry out normal maintenance of such golf facilities, galleries to view and follow tournament play, for all of such persons to pass from one hole to another on foot or in approved vehicles normally used for such purposes in the normal use, operation

and maintenance of the golf course for which it is convenient and reasonable to go upon or pass over adjacent land.

2.9 Easement for Use and Enjoyment. Owners have a nonexclusive easement of use and enjoyment of the Common Areas, subject to the rights of the Association to establish reasonable Rules regulating the use of the Common Areas and any other rights described in the Governing Documents. Owners also have a nonexclusive easement appurtenant to and for the benefit of their Lots for ingress, egress, and support over, across and through the Common Area.

2.10 Easement. The Association shall have an easement in, to, and throughout the Development and the improvements thereon to perform its duties and exercise its powers.

2.11 Encroachment Easement. There shall exist for the benefit of Lots in the Development, easements in the portion of the Common Area lying within four (4) feet of any boundary of a Lot for encroachment into the Common Area of eaves, doorsteps, foundation footings for masonry walls and fireplaces, doorknobs, windows, garage doors, utility meters, air conditioning equipment and other appurtenances or fixtures which, in the normal construction or use of a single family dwelling would project beyond the external surfaces of the walls thereof. Owners agree that minor encroachments of the Common Area on Lots or of Lots on the Common Area or on other Lots shall be permitted and that valid easements for the encroachments shall exist. Such encroachments shall not be considered to be encumbrances either on the Lots or the Common Area.

ARTICLE 3: MEMBERSHIP IN ASSOCIATION

3.1 Membership in the Association. Each Owner is a Member of the Association upon obtaining a recorded interest in a Lot and remains a Member until he or she ceases to have such recorded interest in a Lot. Each Owner is obligated to promptly pay all Assessments, fees, charges or other costs charged to the Owner or Lot by the Association or Marrakesh Country Club.

3.2 Membership in Marrakesh Country Club. Upon acquisition of title to a Lot on or after October 1, 2016, Owners must apply to become Full Members of Marrakesh Country Club, subject to the terms and conditions of the MCC Bylaws and any other governing documents of Marrakesh Country Club. Owners who acquired Lots prior to October 1, 2016 are members of Marrakesh Country Club at different levels, as more specifically set forth in the MCC Bylaws. Membership in Marrakesh Country Club is subject to the governing documents of Marrakesh Country Club including the MCC Bylaws, and rules promulgated by Marrakesh Country Club. As set forth in Article 14, Section 14.7 of these CC&Rs, each Owner is obligated to promptly pay all dues, fees, charges or other costs charged to the Owner or Lot by Marrakesh Country Club. No Owner may transfer, pledge, or alienate in any way his/her membership in the Marrakesh Country Club except upon the recorded transfer of his/her interest in the Lot or upon a

new designation of person as Member subject to the terms of membership within Marrakesh Country Club.

3.3 No Separate Transfer of Membership. No Owner may transfer, pledge, or alienate in any way his/her membership in the Association and appurtenant membership in Marrakesh Country Club, except upon the recorded transfer of his/her interest in the Lot or upon a new designation of person or entity as Member under 3.5 below. Any transfer of the Owner's title or interest to his Lot or new designation of a person or entity as a Member under 3.5 automatically transfers the appurtenant membership in the Association and Marrakesh Country Club subject to the terms of membership within Marrakesh Country Club, including obligations to pay all membership fees.

3.4 Owners' Tenants, Family, Guests, etc. Where the Governing Documents impose a requirement or restriction on an Owner, the requirement or restriction also applies to an Owner's Tenants, and Owner's and Tenant's family, guests and invitees.

3.5 Impersonal Entities. The following impersonal entities are considered Members.

- a. *Trust.* If the record title to a Lot is held in the name of a trustee on behalf of a trust, the trustee of the trust shall be authorized to exercise the rights and privileges of membership on behalf of the trust.
- b. *Corporation.* If the record title to a Lot is held by a corporation, the president of the corporation, as designated in the corporation's minutes, is authorized to exercise the rights and privileges of membership on behalf of the corporation.
- c. *Partnership.* If the record title to a Lot is held by a partnership, the managing partner, as designated in the partnership agreement, is authorized to exercise the rights and privileges of membership on behalf of the partnership. If no managing partner has been designated in the partnership agreement, then the partnership shall deliver to the Association a written designation of the name of the partner who is authorized to exercise the rights and privileges of membership on behalf of the partnership.
- d. *Limited Liability Company.* If the recorded title to a Lot is held by a limited liability company, the manager, as designated in the limited liability operating agreement, is authorized to exercise the rights and privileges of membership on behalf of the limited liability company.
- e. *Other Entities.* If the record title to a Lot is held by a legal entity not described above, the majority owner of the entity will be considered the Owner of the Lot for purposes of membership in the Association and may exercise the rights and privileges of a Member. If there is no majority owner, an owner of the legal entity shall deliver to the

Association a written designation of the name of the owner who is authorized to exercise the rights and privileges of membership on behalf of the entity.

- f. *Registration of Person as Member and Changes to Designation.* The person(s) designated as a Member(s) for any impersonal entity must be registered with the Association

3.6 Voting Rights. There is only one voting class comprised of all Owners. Owners are entitled to one (1) vote per Lot (regardless of the number of Owners having an interest in the Lot.

3.7 Obligation to Comply with Governing Documents. Owners, Tenants and Residents shall be obligated to follow the Governing Documents and to ensure that their respective family, guests, and invitees abide by the Governing Documents.

3.8 Security. Neither the Association nor any Officer, Director, Committee member, employee or agent of the Association are insurers or guarantors of any level of security within the Development. Owners are responsible for their own security and shall take appropriate measures to ensure their own security as well as that of their family, guests, invitees, and Tenants. Owners may not rely on any security measures provided by the Association. Neither the Association, nor any Officer, Director, Committee member, employee or agent of the Association will be liable for any loss or damage by reason of failure to provide adequate security or ineffectiveness of security measures undertaken.

3.9 Purchase Subject to Violations. Buyers take ownership of Lots subject to any violations of the Governing Documents which may exist concerning the Lot, whether or not such violations were disclosed by the seller of the Lot and whether or not the Association knew of the violations at the time of sale. Such buyers shall be liable for correcting such violations upon demand by the Association. Assessments, fines, and other charges not secured by a lien on the Lot prior to transfer of title are exempt from this provision.

3.10 Notice of Transfer of Ownership. No later than five (5) days after the assignment, sale, quitclaim or other transfer of their Lots, Owners will notify the Association of the name and address of the transferee and the nature of the transfer.

3.11 Obligation to Carry Insurance. Owners must have insurance for their Lot as more fully described in the Article in these CC&Rs entitled "Insurance." The Association may confirm compliance with this Section but is not required to and is specifically relieved of any responsibility or liability for not confirming compliance with this Section.

3.12 Reimbursement to Association. In the event the Association undertakes to provide materials or services that benefit a particular Owner, such Owner will reimburse the Association for the costs incurred by the Association, which may become a Reimbursement Special Assessment against the Owner.

3.13 Liability for Mitigation. Owners are responsible for expenses incurred by the Association to mitigate or repair damage to Common Areas or Marrakesh Country Club Property due to the negligence or misconduct of such Owners, Owners' Tenants, family, guests, invitees, or pets. The Association will repair, restore or replace damaged Common Areas or Marrakesh Country Club Property as it deems appropriate and may impose a Reimbursement Special Assessment against the liable Owner and that Owner's Lot for all costs, expenses and attorney fees incurred by the Association in connection with the damage. The Reimbursement Special Assessment may become a lien against the liable Owner's Lot enforceable by the sale of the Owner's Lot under Civil Code sections 2924, 2924(b), and 2924(c).

3.14 Guests. Each Owner is responsible for the conduct and behavior of persons residing with or visiting the Owner or Owner's Tenant.

3.15 Correction of Violations. Following notice and a hearing and a finding by the Association of a violation of the Governing Documents, the Association will have the right, but not the duty, to correct or cause to be corrected the violation, including entering a Lot after proper notice as provided herein. All expenses incurred by the Association to correct the violation will be recovered from the Owner as a Reimbursement Assessment following notice and a hearing. If permission for entry into the Lot is not granted, the Association may enforce the violation by any other means allowed by the Governing Documents or the law.

3.16 Golf Course Disclaimer/Waiver. Each Owner, by accepting a deed or assignment to a Lot, expressly acknowledges that the proximity of the Owner's Lot to the golf course creates a risk of risk of damage, injury and disturbance from events and activities inherent in the maintenance and use of the golf course, including, but not limited to, the flight and impact of golf balls, as well as overspray of herbicides, fungicides, pesticides, fertilizers and water ("Sprays") over portions of the golf course, provided that the use of such Sprays conform to their recommended specifications and do not violate any applicable environmental laws and regulations. The Association shall not be liable to any Owner or Non-Owner member for any personal injury, or property damage resulting from any such events or activities emanating from the golf course or any players or spectators thereon.

- a. Each Owner assumes the risk of such personal injury or property damage and, waives and agrees not to make any claim or sue the Association, or the other Owners, based on or arising from any personal injury or property damage caused by contact with one or more golf balls originating from the golf course, or Sprays, including any theory of recovery based on design defects, concealment of the risk, or negligence.
- b. Each Owner shall warn any tenant, family member, guest, invitee or licensee entering the Owner's Lot or Development of the dangers and risks of personal injury or property damage as a result of the Development's proximity to the golf course and shall indemnify and

hold harmless the Association, and the other Owners from and against any claim or action brought by the Owner's Resident, Tenant, family member, guest, invitee, or licensee who is injured or whose property is damaged by contact with one or more golf balls originating from the golf course and/or Sprays.

- c. Similarly, each Non-Owner Member, by entering into a membership agreement or contract with Marrakesh Country Club, expressly acknowledges such risk of personal injury or property damage and assumes the risk of such personal injury or property damage and waives and agrees not to make any claim or sue the Association, or Owners, or their Residents, Tenants, family members, guest, invitee or licensee based on or arising from any personal injury or property damage caused by contact with one or more golf balls originating from the golf course, including any theory of recovery based on design defects, concealment of the risk, or negligence.

ARTICLE 4: THE ASSOCIATION

4.1 Board of Directors. The management of the Association and all other acts of the Association will be through its Board unless provided otherwise in the Governing Documents.

4.2 Powers of a Nonprofit Corporation. The Association shall have all of the powers of a nonprofit corporation organized under the laws of the State of California, operating for the benefit of its Members. The Association is created for the purpose of managing the Development and is charged with the duties and granted the powers prescribed by law and set forth in the Governing Documents.

4.3 Incur and Pay Expenses. The Association shall have the power to incur and pay the operational expenses of the Association, which shall include but not be limited to, legal and accounting services; utilities; insurance; management services; vendor services, such as security, landscaping, garbage collection, pest control, street sweeping, swimming pool maintenance, cleaning, painting, and other such services; maintenance, repair, reconstruction, and replacement of all or any portion of the Marrakesh Country Club Property, Common Areas or the personal property acquired by the Association; supplies and materials; and such other services for the use, enjoyment and protection of the Development and its Residents as the Board may determine are reasonable, proper, or desirable. The Board must establish a signature authorization policy for approving expenses and signing checks, contracts or other documents.

4.4 Marrakesh Country Club Property. The Association, by and through its Board, shall have all rights granted thereby, of the management, operation, maintenance, repair and replacement of Marrakesh Country Club Property, as well as any other obligations and responsibilities identified in the MCC Management Agreement, MCC Bylaws and other governing documents, for any personal property, improvements,

fixtures, trade fixtures, real property, and any other property owned, leased or used by Marrakesh Country Club. This includes, but is not limited to, the following:

- a. All management responsibilities related to the Marrakesh Country Club Property pursuant to the MCC Management Agreement.
- b. As set forth in Article 14, Section 14.7 of these CC&Rs, the Board has all powers granted to it under the Governing Documents and the MCC Bylaws and other governing documents to impose and collect Marrakesh Country Club dues, assessments, fees and charges from the members of Marrakesh Country Club, and to enforce violations of Marrakesh Country Club's governing documents.

4.5 Taxes and Assessments. The Association shall pay all real property taxes and assessments levied upon any portion of the Common Area not assessed to the Owners for their Lots. The Association shall be responsible for payment of taxes on furnishings and recreational equipment belonging to the Association collectively, and real property taxes and general or special assessments constituting a lien upon the Common Area, but not including taxes and Assessments levied separately against the fractional interest in the Common Area belonging to each of the Owners.

4.6 Rules and Regulations. The Board may adopt, amend, and repeal Rules including, but not limited to: (i) the use, occupancy, and maintenance of the Development; (ii) the general health, welfare, peace, comfort, safety and security of Residents in the Development; and (iii) the interpretation and implementation of the Governing Documents.

4.7 Foreclose, Hold Title and Make Conveyances. The Association is authorized to lien and foreclose upon any Lot for non-payment of Assessments, to take title to Lots, to assume or otherwise pay off encumbrances, and to acquire, hold title to, lease and convey, with or without consideration, real and personal property and interests.

4.8 Commercial Concessions. The Board may negotiate contracts and grant commercial concessions over portions of the Common Area and for the Marrakesh Country Club Property.

4.9 Utility and Cable Easements. The Association has easements to enter onto Lots as is necessary or prudent to: (i) install, maintain, repair, and replace Utility Lines serving the Common Area, Marrakesh Country Club Property or other similar systems; provided that any damage to a Owner's Lot will be repaired at the Association's expense and in a timely fashion to original building construction standards.

4.10 Granting Utility and Other Easements. The Board may grant and convey easements and rights of way for utilities such as wires, conduits, piping, plumbing, water lines, telephone lines, power lines, cable, storm drains, sewer lines, gas lines, and the like. The Board may, with Membership Approval, grant and convey easements, rights of way, parcels or strips of land in, on, over or under any private street, or Common Area for the

purpose of constructing, operating, maintaining, repairing, or replacing roads, streets, walkways, parkways and park areas.

4.11 Granting Exclusive Use Easements Over Common Area. Granting an easement for exclusive use of any portion of the Common Areas so long as the Owner assumes maintenance, repair, and replacement responsibility for such areas. By approval and recording of these CC&Rs, any Owner who has received exclusive use of any Common Area prior to these CC&RS shall be responsible for the maintenance, repair, and replacement of such area as provided under Article 6. Except for granting exclusive use of the Common Area to extend patios to the side (which was approved by the Members in 2011), if granting exclusive use of the Common Area requires approval of the Owners pursuant to Civil Code §4600, then the Board may not grant an Owner exclusive use of the Common Area without the approval of Owners representing a majority of the Lots within the Development. If any of the exceptions to the Owner approval requirement set forth in Civil Code §4600(b) apply to a grant of exclusive use of the Common Area, approval of the Owners is not required.

4.12 Borrow Money. The Association may open bank accounts, and borrow and repay monies, as needed in connection with the discharge of its duties, and pledge or assign Assessment rights, as security for the repayment of such borrowed money. However, the aggregate total of all loans made by the Association in a given fiscal year may not exceed ten percent (10%) of the budgeted gross expenses for the same fiscal year, without Membership Approval.

4.13 Represent Association in Litigation. On behalf of the Association, the Board may institute, defend, settle, or intervene in litigation, arbitration, mediation, administrative proceedings, or any other legal proceeding in any capacity necessary to represent the interests of the Association.

4.14 Receive Property. The Association may acquire, real and personal property by will, gift, bequest or any other legal transfer. Any funds or property so received must be used consistently with the purposes for which the Association was formed.

4.15 Dispose of Property. The Association may not lease, encumber, convey, or otherwise dispose of real and personal property that has a fair market value in an amount equivalent to ten percent (10%) or more of the Association's budgeted gross expenses for the fiscal year unless Membership Approval has been obtained. Notwithstanding the foregoing, the Board may lease, encumber, convey or otherwise dispose of Lots that have been acquired through foreclosure due to delinquent Assessments.

4.16 Capital Improvements. The following applies to Common Area Capital Improvements:

- a. *Defined.* "Capital Improvement" means any substantial discretionary addition to the Common Areas or significant alterations to the appearance of the Development. A Capital Improvement does not

include upgrades to Common Area materials or components which are provided for in the Reserves, upgrading from a component or material no longer manufactured, necessary or prudent to comply with building or safety codes, complying with applicable or changes in law, or to prevent property damage or personal injury, or to reduce operating or maintenance costs for the Common Areas.

- b. *10% Limitation.* Capital Improvements may not be made to the Common Areas in the aggregate in any fiscal year in excess of ten percent (10%) of the Association's budgeted gross expenses for that year, without Membership Approval.
- c. *Obsolescence.* In the event the Board determines that any Common Area amenity is obsolete and the cost to remove the amenity is more than 10% of the Budget, the Board may call for a vote of the Owners to determine whether the amenity should be removed. Any such removal will require Membership Approval.

4.17 Resale Office; Business Operations. Notwithstanding anything contained within these CC&Rs to the contrary, a resale office shall be allowed to be maintained on the Development for the purpose of sale and rental of Lots/Residences located within the Development. Additionally, any prohibition of business and commercial uses within these CC&Rs shall not apply to the operation and intended usage of the Resale Office or of Marrakesh Country Club businesses, such as the pro shop, restaurant, lounge, bar, etc.

4.18 Vendor Contracts. The Association has the authority to negotiate and enter into contracts necessary to fulfill its duties. This includes services of any personnel that the Board determines are necessary or proper for the operation, maintenance, management and improvement of the Development.

4.19 Gate Control Services. The Association shall have the authority to provide for gate control service, access and ingress services, and/or patrol services for the benefit of the Development.

4.20 Delegation to Manager. The Board may delegate its duties, powers, or functions to any qualified person or management company to act as Manager, except (i) attending Board meetings and voting on motions; (ii) electing officers; (iii) filling vacancies on the Board; (iv) appointment executive committees; and (v) approving settlement agreements. Notwithstanding any delegation of duties, however, the Manager shall act at the direction and supervision of the Board.

4.21 Nonprofit Character of Association. The Association may not engage in any activity which may jeopardize the nonprofit character of the Association.

4.22 Discharge of Liens. The Association may discharge any lien against the Common Area and assess the cost thereof to the Owner or Owners responsible for the existence of the lien. Prior to any Board decision to discharge a lien, the Owner or

Owners responsible for the existence of the lien will be given written notice and an opportunity for a hearing before the Board.

ARTICLE 5: ARCHITECTURAL PROVISIONS

All Owners are bound by the provisions of this Article 5.

5.1 Architectural & Landscape Committee. The Board must appoint an Architectural & Landscape Committee – ALC. If the Board is unable appoint one, the Board is deemed to be the ALC. The Board may determine the duties and authority of the ALC and may authorize it to approve, reject, modify, or give conditional approvals on applications.

- a. *Architect*. The Board may retain the services of an architect and one or more consultants to assist the ALC in its duties. Compensation for consultants' services shall be fixed by the Board. The cost of such consultants and any related expenses may be charged to those Owners submitting plans for Renovations. Any significant costs must be submitted to the Owner for approval before incurred by the Association.
- b. *Conflicts of Interest*. A Director or ALC member is not permitted to participate in the decision-making process of any architectural submittal made by that Director or ALC member or members of his or her family. Further, a Director or ALC member is not permitted to participate in the decision-making process of any other architectural submittal if the approval would result in a monetary benefit to the Director or ALC member or any company in which the Director or ALC member, or members of his or her family have a financial interest

5.2 No Improvements or Alterations Without Approval. No Renovations which alter the exterior appearance of any Lot or its Improvements, interior remodel which impacts the structure of the Residence or adjoining Lot(s) or Common Area are permitted until plans and specifications have been submitted to and approved in writing by the ALC and any permits required by the City have been obtained.

- a. The ALC, before giving such approval may require that changes be made to comply with such requirements as the ALC may, in its absolute discretion and subject to the Architectural Rules and Guidelines and California law impose as to structural features of said building or other structure, the type of building material used or other features or characteristics thereof not expressly covered by any of the provisions of this instrument, including the location of the building or other structure with respect to topography and finished ground elevation.
- b. The ALC and or the Architectural Rules and Guidelines may also require that the exterior finish and color, and the architectural style or

character of such building or other structure maintains the architectural theme created originally by the developer John Dawson and architect John Elgin Woolf and is consistent with the general architectural style and character of such structures erected in the Development.

- c. The exterior surface of any building or other structure in the Development shall not be repainted or refinished in a color or manner differing from the previous painting or finishing of such building or other structure until the ALC shall have given its written approval for such repainting or refishing following the submission of an acceptable description of the work proposed to be done.
- d. No change shall be made in the landscaping of the Common Area until an acceptable description of the proposed change is presented to the ALC, and the ALC's written approval thereof obtained. Any such work which is unapproved, different from those approved by the ALC, or done without required permits, is automatically deemed disapproved and the Owner must promptly remove or correct the disapproved work to comply with the Architectural Rules and Guidelines, the ALC's approvals, and other requirements.

5.3 Architectural Changes Not Requiring Prior Approval. Nothing contained in these CC&Rs shall be construed to limit the right of an Owner to (1) paint or redecorate the interior of his/her Residence any color desired and make minor repairs to the exterior of the Residence; (2) improve or alter any improvements within the interior of the Residence, provided such improvement or alteration is in accordance with the Architectural Rules and Guidelines, and does not impair or alter or impact any adjoining Lot/Residence, the Common Area, any utilities, or other systems servicing the Common Area or other Lots/Residences; or (3) landscape within the enclosed atriums, courtyards or patios maintained by the Lot Owner provided it is consistent with Architectural Rules and Guidelines specific to landscaping adopted in compliance with the Architectural Rules and Guidelines and California law and provided such landscaping does not impair or alter or impact any adjoining Lot/Residence, the Common Area, any utilities, or other systems servicing the Common Area or other Lots/Residences.

5.4 Applicants in Good Standing. Only Members in Good Standing may submit requests for architectural approval of Renovations. An Owner is in Good Standing for the purposes of any Governing Documents unless found by the Board, at a properly noticed hearing, (1) to be delinquent in the payment of any Assessment, fee, or fine, by more than sixty (60) days, or (2) otherwise in violation of the Association's Governing Documents.

5.5 Right to Decorate Residence. Owners have the right to decorate the interior surfaces of the walls, partitions, ceilings, floors, and doors within their Residence, subject to any restrictions or procedures in the Governing Documents.

5.6 Architectural Rules and Guidelines. The Board is authorized to adopt, amend, and repeal Architectural Rules and Guidelines. The Architectural Rules and Guidelines may set forth the standards and procedures for the review and approval of proposed Renovations, guidelines or requirements for architectural design, placement of any Renovation, including the exterior finish and color, and to maintain the architectural style or character of such building or other structure originally created by the developer John Dawson and the architect, John Elgin Woolf. If any conflict exists between the Architectural Rules and Guidelines and these CC&Rs, the CC&Rs shall prevail.

5.7 Rescinding Approval. The ALC and/or the Board is authorized to rescind previously approved if they believe that there is good reason to rescind such approval. Good reason includes, but not limited to, facts not disclosed when the application was approved, or a change in the law, ordinances, or building codes.

5.8 Submission of Plans.

- a. Plans and specifications in accordance with the Association's Governing Documents, describing the proposed Renovations, must be submitted to the ALC by personal delivery or certified mail or other means established or accepted by the Board.
- b. Unless approved in writing, applications are not deemed to be approved.
- c. The ALC is authorized to impose any reasonable conditions of approving an architectural application, including, but not limited to, requiring modifications of particular aspects of the Owner's architectural submission.
- d. Unless a shorter period of time is required by the ALC, renovations approved by the ALC must be completed within one (1) year of the Owner receiving approval.

5.9 Failure to Comply with Approval Requirements. Any Renovations, whether in progress or completed, which (1) were not approved by the ALC or Board when such approval is required, (2) violate the ALC's or Board's conditions of approval, the Association's Governing Documents, or any applicable codes, or other laws, or (3) were performed by an unlicensed contractor (where a licensed contractor was required by law, the Governing Documents, or the ALC's conditions of approval), are automatically deemed disapproved and in violation of the Governing Documents.

5.10 Appeal to the Board. Applications that are disapproved must be in writing and must explain why the proposed Renovation is disapproved. The Owner is permitted to seek reconsideration of a disapproved application by the Board, unless the proposed Renovations were disallowed because they would violate the Association's Governing Documents, any Building, Safety and Fire Codes, or any other laws. The Owner seeking reconsideration must submit a written request to the Board not more than forty-five (45) days after the denial. Within forty-five (45) days after receipt of the request for

reconsideration, the Board must hold an open meeting to consider the reconsideration and decide. Failure of the Board to decide within the forty-five (45) day period is deemed a decision in favor of the Member.

5.11 Review Fees and Construction Agreement. The Board may establish a schedule of fees to defray any costs incurred by the Association, including architectural and/or engineering consultant fees, legal fees, and expenses for reviewing plans. In addition, the Board is authorized to adopt and require Owners to sign a remodeling agreement.

5.12 Variances. The ALC is permitted to recommend reasonable architectural variances, subject to Board approval. The Board may grant the variance if it determines that the variance will not (i) constitute a material deviation from the overall plan and scheme of the Development, (ii) result in a material detriment to the Association or any Owner, or (iii) create a nuisance in the Common Area or affect any other Owner. The granting of a variance by the Board in no event be deemed a variance or waiver as to any other Lot, nor will any variance affect the applicability or enforceability of any provision of this Article in respect to any other Lot.

5.13 Engineering and Code Requirements. Plans and specifications approved by the ALC or Board are not approved for engineering design, building, safety or fire codes, or other safety specifications. Approval by the ALC or Board does not absolve Owners of the responsibility of obtaining any necessary governmental approvals or permits. Owners must ensure compliance with applicable building, safety and fire codes, ordinances, and specifications. If any Renovation requires a permit by the City or other governmental entity, such Renovation will not be approved without obtaining any and all required permits. The Owner is solely responsible for determining whether permits are required.

5.14 Inspection. The Association has the right, but not the obligation, to periodically inspect any work approved by the ALC or Board. Prior to performing such inspection, the Owner shall be provided with notice of the entry as set forth in Article 12 of these CC&Rs. Owners must allow inspection and entry onto the Lot and into the Residence, if necessary for such inspection. Any work in progress may be halted and the Owner will be subject to a fine if (1) an inspection is not allowed, or (2) the Renovations are in violation of the Governing Documents as provide in the Section above entitled "Failure to Comply with Approval Requirements" or elsewhere. Such inspections do not absolve Owners from compliance with the Governing Documents and applicable codes.

5.15 Enforcement. In addition to other enforcement remedies set forth in these CC&Rs and the Governing Documents, and in compliance with California law, the Board or ALC shall have enforcement rights with respect to any matters required to be submitted to and approved by it, and may enforce such architectural control by any proceeding at law or in equity in accordance with this Section. The Board or ALC shall have the authority to impose fines and penalties on contractors or their subcontractors for failure to adhere to contractor rules as outlined in the Architectural Rules and Guidelines.

Penalties may include exclusion from the privilege of entering the Development in the case of certain offenses, as indicated in the Architectural Rules and Guidelines.

- a. No work for which approval is required shall be deemed to be approved simply because it has been completed without a complaint, notice of violation or commencement of a suit to enjoin such work.
- b. The Board or ALC shall have the authority to order an abatement of any construction, alteration or other matter for which approval is required to the extent that it has not been approved by the Board or ALC or if it does not conform to the plans and specifications submitted to and approved by the Board or ALC.
- c. The approval by the ALC of any plans, drawings or specifications for any work of improvement done or proposed, or for any other matter requiring the approval of the ALC under this Declaration, or any waiver thereof, shall not be deemed to constitute a waiver of any right to withhold approval of any similar plan, drawing, specification or matter subsequently submitted for approval by the same or some other Owner. Different location for improvements, the size of the structure, proximity to other residences or the Common Area and other factors may be taken into consideration by the Board or ALC in reviewing a particular submittal.

5.16 Building Department and Association Approvals. Any Renovation requiring the issuance of a building permit must be submitted by the Owner to the appropriate governmental entity for review and approval. The ALC may impose conditions of approval which are more restrictive than conditions imposed by governmental agencies. If the conditions of approval imposed by the governmental entity and the ALC conflict, the more restrictive conditions control.

5.17 Mechanics' Liens. Owners must ensure that no lien is placed against any other Lot, or against the Common Areas for labor or material furnished to their Lots. If a lien is placed against the Common Areas and/or another Owner's Lot, and the responsible Owner does not immediately cause the removal of the lien, the Association may, after written notice to the responsible Owner, pay the amounts necessary to have the lien removed and levy a Reimbursement Special Assessment against the responsible Owner for the monies advanced and any fees and costs incurred by the Association.

5.18 Hold Harmless and Indemnify. Approval of plans by the Association signifies only a general conformance with its Architectural Rules and Guidelines and not with any code compliance, lot lines, easements, or best construction practices. The Association and its ALC, Owners, Officers, Directors, employees, and agents are not liable and must be held harmless, defended and indemnified for mistakes in judgment or negligence arising out of or in connection with the Association's approval or disapproval of plans.

5.19 No Combining Lots. The combining of Lots is not allowed within the Development.

5.20 Drainage. Any changes to the established drainage patterns over a Lot (i) must comply with applicable codes (ii) must not adversely affect the property of others, and (iii) must be approved in writing by the ALC in advance of any changes.

5.21 Occupancy of Unfinished, Temporary or Mobile Structures Prohibited. No trailer, RV, bus, mobile home, tent, shack, garage, temporary building or structure of any kind shall be occupied or lived in at any time. Permanent residential dwellings will not be occupied or lived in until they have been completed and the exterior is made to comply with the Architectural Rules and Guidelines.

5.22 Removal of Temporary Buildings. Temporary buildings or structures used during construction or remodeling shall be removed immediately after the completion of construction.

5.23 Waiver of Liability. Neither the ALC or its members nor the Association or its Officers, Directors, employees or agents will be liable for any damage, loss or prejudice suffered or claimed on account of the ALC's review, approval, or disapproval of any plans, drawings or specifications, or the conformance of the construction with the approved plans.

ARTICLE 6: MAINTENANCE, REPAIR AND REPLACEMENT OBLIGATIONS

6.1 Owner's Maintenance, Repair and Replacement. All maintenance, repair and replacement performed by Owners must comply with current laws, codes and ordinances, in addition to the Governing Documents. Except for those duties specifically assigned to the Association or otherwise stated below, Owners, at their sole expense, are responsible for the maintenance, repair and replacement of their Lots, Improvements thereon as further described in the Maintenance Responsibility Chart attached to these CC&Rs as Exhibit F. Additionally, Owners' obligations include, without limitation, the following:

- a. *Alterations.* All alterations, modifications, improvements, remodels, and renovations including those by prior owners or by any party other than the Association to the Lot or any Common Area granted to the Owner, including upgrades and changes to driveways, walkways, etc.
- b. *Utility Lines.* All Utility Lines located on the Lot. Additionally, all Utility Lines that exclusively serve two Lots but are located outside the boundaries of the Lots are the Owners' responsibility to maintain, repair and replace. The following also applies:
 - i. *Water.* The Association will be responsible to repair breaks and/or stoppages in the water supply lines caused by roots of

- trees in Common Area. Owners must promptly report any such breaks or stoppages to the Association.
- ii. *Telephone, Cable TV, Internet.* All wires or conduits providing telephone, cable television and/or internet services to the Lot, wherever located within the Development.
 - iii. *Sewer Lines.* The Association will be responsible to repair breaks and/or stoppages in the sewer lines caused by roots of trees in Common Area. Owners must promptly report any such breaks or stoppages to the Association.
- c. *Weeds and Trash/Rubbish.* Owners must keep their Lots free and clear of all weeds, debris and rubbish, and keep all shrubs, trees, grass, vegetation, and plantings of every kind neatly trimmed, watered, cultivated and free of weeds and other unsightly material. Owners will use only permitted trash receptacles and ensure that such receptacles are visible from the Common Areas only on scheduled trash pick-up days in accordance with the requirements of the City or County and as provided for in the Rules.
 - d. *Exterior Maintenance/Paint.* Although the Association paints the exterior Owners must prevent their Lots from becoming unsightly by reason of deterioration of paint or other materials and do all other things necessary and desirable to keep his/her Lot neat, clean, attractive and in good order.
 - e. *Sidewalk and Street Encroachments.* Owners must ensure that no tree, shrub or planting of any kind on their Lot overhang onto a walkway or street and no vegetation overhang less than ten (10) feet above the walkway or street.
 - f. *Concrete and Paver Driveways.* The concrete and paver driveways on the Lots.
 - g. *Fences.* Unless otherwise agreed to by the affected Owners, Owners who have fences separating their Lots which are not maintained by the Association will equally have the right to the use and enjoyment of the fence equally be liable for maintaining, repairing and replacing the fences. Notwithstanding the foregoing, if fences are damaged due to the negligence or willful misconduct of an Owner, Owner's Tenant, or their respective family, guests, invitees or pets, such Owner will bear the full expense of the repair.
 - h. *Insects and Plant Diseases.* No thing or condition may be permitted to exist upon any Lot which shall induce, breed or harbor infectious plant diseases or noxious insects.

- i. *Termites and Pests*. Owners will bear the costs of any damage to their Lot caused by the presence of wood-destroying pests or organisms (including microorganisms) and must treat and/or repair, at Owner's expense, the areas of their Lot infested or damaged by such presence irrespective of the source of the pests or organisms.
- j. *Garage Doors*. Garage doors, door frames, thresholds, weather stripping, locks, and related hardware.
- k. *Fireplaces*. All components of the fireplace located inside and outside the Residence, including flues, fireboxes, fireplace mantles, the chimney and the chimney cap.
- l. *Patios*. Patio areas and such areas may not be used for storage purpose.
- m. *Skylights*. Skylights, including glass, hardware and components thereof.
- n. *Drainage Structures*. Owners must maintain all drainage courses, ditches and swales on their Lots free and clear of all obstructions, and shall maintain all such drainage ditches, swales and culverts in good order.
 - i. Owners shall not alter or obstruct a natural drainage course, or materially add to the natural water volume of a drainage course without making adequate provisions with respect to neighboring Lots and Common Areas. Any such alterations, obstructions or additions to water volume must have the prior written approval of the ALC.
 - ii. All drainage structures, culverts and canals improved by the Association for the major collection of storm runoff and any natural drainage courses within Common Areas shall be maintained, repaired and replaced by the Association.

6.2 Easement for Maintenance. Each Owner will have easements across adjacent Lots and Common Areas as may be necessary for installing, maintaining, repairing, or replacing any Improvement and component he/she is responsible for as provided herein. Access to other Lots and Common Areas will be limited to a reasonable work area and for a reasonable time. Except in emergencies, reasonable notice and consent, which may not be unreasonably withheld, to perform such work must be obtained from the affected Lot Owner and/or the Association for Common Area access. Immediately after the work is completed, Owners must restore Lots and/or Common Areas to the same or better condition prior to such work. Such restoration work on affected Lots and Common Areas will be done at the Owner's sole expense and completed in timely fashion but no later than three (3) months from completion of the Owner's work to their Improvement.

6.3 Water Damage and Mold. Each Owner is responsible for water intrusion into their Lot and resulting damage and remediation, including mold, which intrusion stems from the Common Area or Marrakesh Country Club Property unless the Association's gross negligence or willful misconduct caused the damage. Owners are also responsible for such flood and water damage, including damage to Common Area, Marrakesh Country Club Property and other Lots, negligently caused by the Owner, Owner's Tenant or their respective family, guests, or invitees, or caused by Owner's failure to mitigate damage by promptly reporting signs of water entry and leaks. Each Owner must regularly inspect their Lot for plumbing leaks, water accumulation, water intrusion through windows, doors, and roofs and signs of mold. Owners must periodically inspect Utility Lines serving their Lot for same purposes.

6.4 Association Maintenance, Repair, and Replacement Responsibilities. Except as specifically allocated as a maintenance, repair or replacement responsibility of the Owner pursuant to the Maintenance Responsibility Chart attached hereto as Exhibit "F", the Association shall be responsible for the maintenance, repair and replacement of those items allocated to the Association pursuant to the Maintenance Responsibility Chart or, if there is no such allocation in the Maintenance Responsibility Chart, all Common Area and Marrakesh Country Club Property items under these CC&Rs or under California law, or as contained within the MCC Agreement with Marrakesh Country Club, including the following:

- a. *Marrakesh Country Club Property.* The Marrakesh Country Club Property amenities, including, without limitation, the golf course, driving range, clubhouse, pro shop, tennis/pickleball courts, croquet court, restaurants, landscaping, streets, administration building, parking lot, and improvements will be repaired, maintained, and replaced in the manner in which it historically has been maintained. The value of the Lots is specifically dependent upon the continued maintenance, repair, and upkeep of the Marrakesh Country Club Property facilities and amenities, whether the Lot Owners are Social, Golf or Full Members in Marrakesh Country Club.
- b. *Common Area Amenities.* The swimming pools and all other recreational equipment and facilities located within the Common Areas.
- c. *Gates, Private Streets.* All gates and private streets located within the Common Area and Marrakesh Country Club Property. This includes concrete and asphalt pavement (except concrete driveways or pavers on Lots), and all unassigned and guest parking areas.
- d. *Common Area Fences.* All Common Area fences. However, Owners shall keep those portions of Common Area fences which face their Lots in a clean and neat condition, including the removal of all weeds. Owners must remove other vegetation and materials from around the fences when so requested by the Association.

- e. *Buildings and Equipment.* All portions of buildings and equipment owned by the Association, as well as all furnishings, equipment and property which is owned by or may be acquired by the Association. The Association may discontinue the use of or dispose of equipment or buildings as it deems appropriate.
- f. *Landscaping.* All Common Area and Marrakesh Country Club Property landscaping, irrigation and landscape lighting, including trees, shrubs, lawns, drainage facilities, fountains and other items.
- g. *Lot Landscaping.* The landscaping, irrigation and landscape lighting of the front yard up to the courtyard wall and the side yards, up to the patio wall.
- h. *Utility Lines.* All Common Area or Marrakesh Country Club Property Utility Lines and services not otherwise maintained by a utility company; provided, however, that all Utility Lines designed to serve two (2) Lots or less but located outside the boundaries of said Lots are allocated exclusively to those particular Lot Owners and are to be maintained, repaired and replaced by said Owners.
- i. *Residence Exterior Painting.* Repainting of exterior surfaces of the Residences as the Board deems necessary to preserve the attractiveness of the Development. Currently, the Association paints the exterior every nine (9) years and the trim/facia every four and a half years (4 ½) but Board has the discretion to divert from this schedule as it deems appropriate, but no more frequently as every two (2) years. Owners may contract individually with the Association or its painting contractor for areas not painted by the Association or unscheduled painting; however, Owners may not be exempted from the Association's regularly scheduled painting and all Owners will be assessed for such work.
- j. *Termites and Pests.* Treat and repair Common Areas and Marrakesh Country Club Property infested or damaged by insects, rodents, and wood destroying pests or organisms (including microorganisms). The Association is authorized to impose a Special Assessment for the cost of the treatment and/or repairs.
- k. *Areas Outside Development.* The Association shall maintain such areas adjacent to the Development as the Board shall determine from time to time to be desirable in order to enhance the appearance of the Development or as may be required from time to time by the City or other applicable governmental agency, and pursuant to the terms of any Agreement, with Marrakesh Country Club.

6.5 Common/Party Wall. Wherever a common wall divides two adjoining Lots or serves as a wall for the Residences located on each such Lot, the Owners of both properties equally have the right to the use of such party wall, and the same will be considered to adjoin and abut against the surface from the bottom of the foundation over the full length and height of each such building. Each Owner may exercise his/her rights of use as not to interfere with the use and enjoyment of the wall by the other. Each Owner will have the use of and maintain that portion of such party wall within the boundaries of his property in good order and repair at all times. No party wall, its footing or any portion may be removed, damaged, injured or destroyed nor shall the same be altered, added to, enlarged or extended. Any modifications of the party wall requires prior submission to, and approval of, the ALC as set forth in Article 5 of these CC&Rs.

6.6 Maintenance and Repair Damage to Wall or Contents. Should any party wall be damaged, destroyed, or fall into disrepair, the Owners of the Lots on either side thereof will immediately re-erect or repair the same at their joint expense, except that if such damage or destruction is caused by the negligence or intentional act of either Owner, he/she will bear the expense of such re-erection or repair. All party wall re-erection or repair shall be done in a workmanlike manner using good new materials of a like kind and quality to that of the wall or contents being re-erected or repaired, and in all ways complying with applicable building codes. Owners obligations for such common/party wall will also be governed by Civil Code § 841 and its successor.

ARTICLE 7: USE RESTRICTIONS

7.1 Antennas. No antennas for transmitting or receiving radio signals or any other form of electromagnetic radiation may be installed, except as provided in the Association's Rules and Regulations, its Architectural Rules and Guidelines, and applicable law.

7.2 Barbecues and Fire Pits. Except for propane, charcoal, pellet, natural gas, or electric barbecues in U.L. approved receptacles designed for such purposes, barbecues are prohibited. Fire pits may only use propane or natural gas, or other substances if allowed in the Rules. The hours of operation, type of equipment, and rules regarding their operation shall be in the Rules and Regulations. Residents must take reasonable precautions to minimize smoke from entering other Lots.

7.3 Drones. A "drone" is defined as a powered aerial vehicle that flies autonomously or is remotely piloted. No person is permitted to operate, cause, allow or authorize the operation of a drone in the airspace above any portion of the Development in such a way as to invade the privacy of Association Owners, guests, Residents or vendors, whether equipped with a camera or otherwise. Prior written approval of the Board must be given for drone operations that are contrary to this Section or the Rules and must comply with such terms and conditions as the Board may deem appropriate under the circumstances.

7.4 Flammable Materials. The storage or use of explosives or fireworks by Owners, Tenants, Residents, or their respective family, guests, or invitees anywhere in

the Development is prohibited. The storage of highly flammable or highly corrosive materials must be in accordance with any governmental requirements, including City ordinances, and any Rules adopted by the Board.

7.5 Health/Safety Hazards. Owners must not engage or permit conditions which constitute a health, safety, or fire hazard to exist on their Lots.

7.6 Laundry. Since there are no backyards, no clothesline or drying rack will be erected, maintained or used within sight of any Common Area or other Lot

7.7 Nudity. Public display of nudity is prohibited.

7.8 Nuisance. Owners are prohibited from causing or permitting any act or condition which constitutes a nuisance.

- a. *Unreasonableness*. To constitute a nuisance, the act or condition must be an unreasonable disturbance or annoyance, unreasonably injurious to health, indecent, or unreasonably detrimental to persons or property.
- b. *Secondhand Smoke*. Any “exfiltration” (air flow outward through a wall, building envelope, window, etc.) of any noxious odor or smoke, including tobacco smoke, from a Lot, whether through windows, doors, vents, or other means, is prohibited. It is the responsibility of the Owner causing such exfiltration of smoke to prevent such exfiltration.
- c. *Allergies*. Residents with allergies or sensitivities must, at their own expense, take precautions to protect themselves against commonplace levels of noise, odors, dust, smoke, gases, pollen, or other environmental pollutants.
- d. *Board Determination*. Because a nuisance is largely subjective, the Association is not obligated to become involved in disputes where, in the opinion of the Board, the alleged disturbance does not constitute a nuisance. Despite the Board’s determination, the parties retain the right to take appropriate legal action against each other without involving the Association.

7.9 Occupancy Restriction. No more than two (2) persons per bedroom plus one additional person may reside in a Residence. For purposes of this restriction, “reside” means to use or occupy any Residence for more than thirty (30) consecutive days and/or more than sixty (60) aggregate days, whether or not consecutive, in any one calendar year.

7.10 Grandfathered Occupancy. Where the number of persons residing (as defined in the previous Section) in a Lot, as of the date these CC&Rs are recorded, exceeds the maximum number permitted in the previous Section, the persons then

residing in the Lot ("Permitted Residents") are permitted to continue residing there; provided, however, any Permitted Residents who cease to reside in the Lot cannot be replaced while the number of Residents in the Lot equals or exceeds the maximum permitted in the previous Section.

7.11 Obstruction or Alteration of Common Areas. Obstruction or misuse of the Common Area for other than their intended purposes, is prohibited, unless expressly permitted in writing by the Board or its authorized manager for good cause. Owners must not alter any portion of the Common Area without prior approval of the ALC or Board.

7.12 Ownership Limitation. At no time shall title and ownership of more than two (2) Lots be vested in or held by the same natural person or persons, their agents, assigns, heirs, or nominees or by any corporation, trust organization or other entity, their agents, or nominees. This restriction shall only be effective upon Owners who acquire Lots after the date these CC&Rs are recorded.

7.13 Quiet Enjoyment. No one may engage in any abusive or harassing behavior or any form of intimidation or aggression, whether verbal or physical, against other Owners, Residents, guests, invitees, members of the Board, or the Association's management, employees, agents, or vendors. Because the breach of quiet enjoyment is subjective, the Board may choose to act only against egregious breaches. When the Association chooses not to act on a complaint of breach of quiet enjoyment, or the complaining party believes the Association's action is not sufficient, such party may take legal action to enforce this provision against other Residents but is not permitted and waives his/her right to take action against the Association and its Officers, Directors, employees, and agents due to their handling of the party's complaint. No one may keep or maintain any fixture, personal property or other object upon any atrium, courtyard, side yard or patio which interferes with the quiet enjoyment of adjacent Lots, and/or which may be in violation of any Rules and Regulations.

7.14 Residential Use. No Owner shall use or permit his/her Lot to be occupied or used for any purpose other than a private residential dwelling. Lots may not be used in any way, directly or indirectly, for any business, commercial, manufacturing, mercantile, storing, vending or other nonresidential purpose. Notwithstanding the foregoing, Residents may use a room in their Residence as a home office, provided that (1) the primary use of the Lot remains residential, (2) no business advertising or signage is used in connection with the home office use, (3) package deliveries are kept to a minimum, and (4) no customers, clients or patients visit the Lot. The Board may adopt additional Rules regarding the use of such home offices.

7.15 Sale of Lot. Open houses, brokers' caravans and other matters relating to the sale of a Lot shall be provided for in the Rules and Regulations.

7.16 Satellite Dishes. Satellite dishes may only be installed as provided for in the Rules and Regulations, Architectural Rules and Guidelines, and applicable law.

7.17 Solar Energy Systems. Solar energy systems may only be installed after obtaining written approval of the ALC and as provided for in the Rules, Architectural Rules and Guidelines, and applicable law

7.18 Signs. Signs, posters, flags, banners, notices, nameplates, cards, and advertisements of any kind may only be displayed to the public view on or from any Lot as allowed by law. Owners may display one for sale or for rent/lease sign and one sign for a security company in designated areas of reasonable dimensions and design, as allowed by law and subject to any restrictions in the Rules and Regulations. Except as allowed in these CC&Rs, commercial signs may not be displayed.

7.19 Smoking and Vaping. All smoking, vaping, and use of e-cigarettes is prohibited in all enclosed Common Areas. Restrictions on smoking, vaping and e-cigarettes in open Common Areas may be further specified in the Rules. "Smoking" shall include, but not be limited to, any practice by which a substance, whether tobacco, marijuana or any other substance, is burned for the purpose of inhaling its smoke. "Vaping" means inhaling water vapor to obtain nicotine, cannabis or any other substance. "E-cigarette" means an electronic device that vaporizes liquid nicotine, cannabis or any other substance. Additional Common Area restrictions on Smoking, Vaping and E-cigarette use may be adopted by the Board.

7.20 Marijuana and Controlled Substances. Growing or distributing marijuana or medical marijuana, whether or not for personal use, as well as manufacturing, synthesizing, producing or distributing any illicit or controlled substances as defined by applicable state and/or federal laws is strictly prohibited in the Development, whether in Lots, or Common Areas.

7.21 Hiring of Association Employees. Owners may hire off-duty Association employees to perform work. However, use of off-duty employees will be at the employing Owner's expense and such Owner is responsible for workers' compensation and payroll deductions for that employee, if applicable. The Association is not liable for the acts or omissions of employees hired by Owners while in the course and scope of employment by the Owner.

7.22 Use of Independent Contractors. Owners may use independent contractors to perform work in their Lots. Such contractors will be licensed and insured as required by law. The Association may, but is not required to, and is specifically relieved of any responsibility or liability for policing this provision. Owners will be liable for any injury to persons or damage to the Development and any personal property caused by the acts or omissions of such Owner's contractor. The Association may in its discretion repair, restore or replace such damaged property and may impose a Reimbursement Special Assessment against the liable Owner and that Owner's Lot for all costs, expenses and attorney fees incurred by the Association in connection with the damage. The Reimbursement Special Assessment may become a lien against the liable Owner's Lot enforceable by the sale of the Owner's Lot under Civil Code sections 2924, 2924(b), and 2924(c).

7.23 Window Coverings. Window coverings must comply with the Rules.

7.24 Drains. There shall be no interference with the established drainage pattern in the Development unless an alternative provision is made and approved in writing by the ALC.

7.25 Drilling and Exploration. No Lot will be used in any manner to explore for, remove, refine, or store any water, gasoline, oil, hydrocarbons, minerals, gravel, earth, or earth substances of any kind.

7.26 Machinery and Equipment. No machinery or equipment of any kind shall be placed, operated or stored upon or adjacent to any Lot except for such machinery or equipment as is usual and customary in connection with the use, maintenance, repair, or construction of a Lot or its Improvements, and only for as long as is necessary to complete such maintenance, repair, or construction.

7.27 Sanitary Conditions. Owners will maintain and repair their Lots and all Improvements thereon in a clean and sanitary condition and not allow rubbish or debris of any kind to accumulate causing any Lot or portion of a Lot to become unsanitary, unsightly, or offensive.

7.28 Storage. No Lot shall at any time be used for open air storage of building materials, vehicles, implements, tools, furniture, landscaping materials or equipment, irrigation pipes or apparatus, junk, trash or any other things whatsoever; provided however that temporary storage of construction related materials for approved Renovations may be allowed as set forth in the Architectural Rules and Guidelines

7.29 Transfer of Occupancy. Owners living offsite must promptly provide the Association with the current name, address, phone number, and email address of all Lot Residents and any changes in such information. The Association has the right to charge reasonable fees for administrative costs incurred due to a transfer in occupancy, including rentals.

7.30 Trash Containers. Every outdoor receptacle for trash, rubbish or garbage shall be placed, screened, and kept out of view of other Residences and as may be further provided for in the Rules.

7.31 Utility Service. No lines, wires or other devices for the communication or transmission of electric current or power, including telephone, television and radio signals, shall be constructed, placed or maintained anywhere in or upon any Lot without approval by the ALC. Such lines, wires or other devices must be constructed, placed and maintained underground or concealed in, under, or on buildings or other structures as specified in the ALC approval. Nothing herein will be deemed to forbid the erection and use of temporary power or telephone services incident to the previously approved construction of buildings on the Lot.

7.32 No Criminal Activity. No person may engage in criminal activities. For purposes of this Section “criminal activities” means drug-related activities (including the illegal manufacture, sale, distribution, use or possession of a controlled substance), gang related activities, unlawful use or discharge of firearms, prostitution, or any misdemeanors or felonies enumerated in the California Penal Code or any other state or federal law.

ARTICLE 8: LEASING AND OWNERSHIP LIMITATIONS

8.1 No Hotel Purposes. Lots and Lot Improvements, including Residences, may not be rented for hotel, fractional or similar purposes.

8.2 No Short-Term and Transient Rentals.

- a. *Prohibited Short Term Rental Period*. Short-term and transient rentals or leases of a Lot for a period of thirty (30) days or less (or at least 28 days if the lease is solely for the month of February) are prohibited.
- b. *Advertising Limitation*. No Lot or Residence may be advertised with Airbnb, VRBO, Flipkey, Homeaway, or by any other means, as being available for rent or lease for a period of thirty (30) days or less (or at least 28 days if the lease is solely for the month of February) or in a manner that would suggest or imply the Lot was available for rent or lease for a period of thirty (30) days or less (or at least 28 days if the lease is solely for the month of February).

8.3 Lease Requirements. No Owner may lease less than the entire Lot nor shall the lease be for an initial term of less than 30 days or at least 28 days if the lease is solely for the month of February. If a Tenant vacates the Lot after less than the initial term, the Owner may not re-lease the Lot until the expiration of the initial term.

8.4 Rental Cap. No more than twenty percent (25%) of the Lots in the Development may be leased to Tenants at any given time. In the event an Owner wishes to lease a Lot to a Tenant at a time when 25% of the Lots are already being leased, the Owner may appeal to the Board for a special exemption.

- a. *Rental Cap Exception*. All record Owners of a Lot on the date these CC&Rs are recorded may rent or lease the Lot regardless of the percentage of rented or leased Lots. Owners must adhere to all other rental or lease rules and requirements.
- b. *Waiting List*. Any Owner wishing to lease a Lot must submit a written request to the Board to ensure the leasing capacity has not been met. When at least 25% of the other Lots are leased to Tenants, the Board must maintain a waiting list.

- c. Maximum Lease Term. The term of any lease for a Lot subject to the Rental Cap must not exceed two (2) years.

8.5 Lease Addendum. Any lease or rental agreement between Owner and Tenant shall be in writing. In addition, Owner, Tenant, and the Association will execute a "Lease Addendum" supplied by the Association. The Owner must provide the Association with contact information of the Tenant and Owner, and such other information as may be required by the Association. Owner and Tenant must agree, at a minimum, to the following terms: (i) the lease is for the entire Lot; (ii) no assignments or subleases are permitted; (iii) the lease is for not less than thirty (30) days (or at least 28 days if the lease is solely for the month of February) and not more than two (2) years and Owner cannot re-lease the Lot if Tenant moves out before the thirty (30) day lease (or 28 days if the lease is solely for the month of February) has been completed; (iv) Tenant agrees to comply with the Association's Governing Documents and be subject to the same disciplinary procedures and fines as Owners; (v) Owner assigns rents to the Association in the event Owner becomes sixty (60) days delinquent in the payment of Assessments to the Association; (vi) Tenant shall carry renter's insurance; (vii) Owner grants the Association the power to institute an unlawful detainer action on his/her behalf for violation of the terms of the Lease Addendum; and (viii) in the event of a conflict, the terms of the Lease Addendum supersede the terms of any other agreement between Owner and Tenant. In the event a Lease Addendum is not executed as described above, Owner and Tenant shall nonetheless be bound by the terms of this Section as though the Lease Addendum had been executed.

8.6 Governing Documents. Owners must provide their Tenants with the Association's Rules and Regulations and ensure compliance with them.

8.7 Common Area Privileges. Residents have the right to use the Association's Common Area facilities when occupying a Lot. Offsite Owners also have the right to use the Common Area facilities even when their Residence is occupied by others. The Tenant's right to use the Marrakesh Country Club Property is as set forth in the MCC Bylaws or other Marrakesh Country Club governing documents.

8.8 Repair Damage. Owners are liable for any and all damage to the Lots, Common Areas, or Marrakesh Country Club Property and any personal property when the cause of such damage originates from that Owner's Lot or which was caused by the acts or omissions of such Owner, Owner's Tenant, or their respective family, guests, invitees, or pets. The Association may in its discretion repair, restore or replace such damaged property and may impose a Reimbursement Special Assessment against the liable Owner and that Owner's Lot for all costs, expenses and attorney fees incurred by the Association in connection with the damage. The Reimbursement Special Assessment may become a lien against the liable Owner's Lot enforceable by the sale of the Owner's Lot under Civil Code sections 2924, 2924(b), and 2924(c).

8.9 Unlawful Detainer. Owners who lease their Residences must ensure compliance with the Association's Governing Documents by their Tenants. If an Owner fails to take action against his/her Tenant who is violating the Governing Documents,

within ten (10) days after receipt of the Association's written demand to do so, the Owner assigns the Association rights to institute unlawful detainer proceedings on behalf of such Owner and against the Tenant and grants the Association the right of possession to the Lot and/or Residence for such purpose. The Association is entitled to recover attorneys' fees and costs for such action.

8.10 Assignment of Rents. As security for the payment of Assessments, fines, and other sums owed to the Association, Owners who lease their Lots pledge their rights as landlords (including the right to receive rent) to the Association. If an Owner becomes delinquent in payment of Assessments or fines to the Association, the Owner assigns the rents payable by the Tenant to the Association until the Owner's account is paid in full as provided for in Civil Code §2938 or any other provision of law. During the period of assignment, Owners have no right to collect the assigned amounts from Tenants and may not evict Tenants for complying with the Association's assignment of rents.

ARTICLE 9: PETS

9.1 Pet Limitation. As more specifically set forth in the Rules, a reasonable number of usual domesticated dogs, cats, fish, and birds may be kept as household pets. No animal shall be kept, bred, or maintained: (i) for any commercial purpose; (ii) in unreasonable numbers; or (iii) for any purpose that would involve any odor, noise, or other nuisance which would unreasonably disturb the use and enjoyment of any portion of the Development by other Owners. The Board may establish additional restrictions, rules, and regulations regarding the quantity, kinds and sizes of pets, and tanks which may be kept and other pet issues.

9.2 Assistance Animals. An animal otherwise prohibited which is kept by a Resident for the purpose of servicing the Resident's qualified disability may be kept provided the animal is properly cared for (i.e., kept healthy, clean, and properly groomed and waste material is properly disposed of) and not unruly or disruptive (e.g., barking, growling, running loose, displaying aggressive behavior, etc.). All pet rules shall apply to assistance animals unless contrary to law.

9.3 Nuisance. The Association may prohibit any animal which, in its opinion, constitutes a nuisance to other Residents pursuant to evidence provided at a noticed hearing.

9.4 Dangerous Animals. No animal may be kept in the Development which the Board determines is aggressive or dangerous pursuant to evidence provided at a noticed hearing. The Association may restrict categories of animals which are dangerous or have aggressive tendencies, as designated by the insurance industry or a governmental agency.

9.5 Liability. Owners are liable for any injury to persons or property caused by any animal brought or permitted onto or kept within the Development by the Owner, Owner's Tenant or their respective family, guests, or invitees.

9.6 Control. No pets shall be allowed in the Common Area, except as may be permitted by the Rules. Except for the dog park, no dog shall enter the Common Area, except while on a leash held by a person capable of controlling it. The Association may cause any unleashed dog found within the Common Areas to be removed to a pound or animal shelter under the jurisdiction of the City or County in which the Development is located.

ARTICLE 10: VEHICLES AND PARKING

10.1 Management of Parking. The Association shall manage and control the use of parking and streets on all Common Area and Marrakesh Country Club Property.

10.2 Parking. As more specifically set forth in the Rules, Residents must always fully utilize their garages for parking or storing their vehicles and golf carts. Subject to the Rules, Residents may park (not store) one (1) non-recreational vehicle in the guest/pool parking space located not more than fifty (50) yards from their garage. Resident parking in the guest/pool parking spaces must not exclude guests or swimmers from being able to park in such areas. Residents must not park in the driveway of their Lot except for temporary loading or unloading. Guest parking on the driveway is allowed, subject to the Rules. Vehicles must not be parked on the private streets within the Development, except as allowed in the Rules or by management.

10.3 Commercial Vehicles. Resident's commercial vehicles, including pickup trucks 3/4 ton or larger panel trucks, tow trucks, stake bed trucks, tank trucks, dump trucks, step vans, concrete trucks, taxis, buses, vans designed for ten (10) people or more, vehicles with commercial signage, and the like, are prohibited from being parked in the Common Area and Marrakesh Country Club Property, except as provided in the Rules

10.4 Guest Parking. Guest parking is limited and no vehicle will be permitted to park long term or stored in guest parking, and as further provided for in the Rules. Owners' guest parking may be suspended for delinquencies and Rules violations. The Board may adopt further Rules addressing guest parking.

10.5 Proper Operating Condition. All vehicles must be maintained in proper operating condition so as not to be a hazard or nuisance by noise, exhaust emissions, or appearance. All vehicles must display current registration tags properly and be insured.

10.6 Electric Vehicle Charging Stations. Owners may, with written approval of the ALC, install at their own expense an electric charging station inside the garage and not visible from the Common Area. The Association may impose reasonable requirements on the location and installation of the equipment. All electrical work must be done by a licensed electrician with appropriate permits from the Building Department. Owners must also comply with Civil Code § 4745 or any successor statute.

10.7 Repair of Vehicles. No Owner shall construct, repair, or service any vehicle within any portion of the Common Areas or Marrakesh Country Club Property, except for emergency repairs to the extent necessary for the movement of the vehicle to a

proper repair facility, or on any Lot except in an area on the Lot not visible from the Common Areas or neighboring properties.

10.8 Fluid Leaks. Owners must keep driveways, Common Area, Marrakesh Country Club Property and streets in front of their Lots free of fluids such as oil, radiator coolant, brake fluid, power steering fluid, etc. Owners who fail to do so may be fined or may be subject to a Reimbursement Special Assessment for the cost of cleaning the affected areas.

10.9 Theft or Damage. The Association is not liable for any loss or damage suffered by any Owner, Resident, Tenant or guest by reason of theft of or damage to any vehicle or its contents, unless caused by the Association's intentional misconduct or gross negligence.

10.10 Impeding Access. No vehicle shall be parked in such a manner as to impede or prevent ready access to any other driveway or Common Area or Marrakesh Country Club Property entrance or exit.

ARTICLE 11: ENFORCEMENT OF GOVERNING DOCUMENTS

11.1 Right to Enforce. The Association or any Owner shall have the right to enforce, by any proceeding at law or in equity, all restrictions, conditions, covenants, reservations, liens and charges now or hereafter imposed by the Governing Documents. Each Owner of a Lot shall have a right of action against the Association or any Owner for failure to comply with the provisions of the Governing Documents. Any violation of any state, municipal or local law, ordinance or regulation pertaining to the Ownership, occupation or use of any Lot or Residence within the Development is declared to be a violation of the Governing Documents and subject to any or all of the enforcement procedures herein set forth.

11.2 Association Enforcement Rights. In addition to any other rights described in these CC&Rs and without waiving the Association's right to institute other enforcement measures, and subject to the notice and hearing provisions in the Bylaws, the Governing Documents may be enforced by any or all of the following, as may be appropriate:

- a. *Monetary Penalties (Fines)*. The Board may assess monetary penalties (fines) for violations of the Association's Governing Documents by an Owner, Owner's Tenant or their respective family, Residents, invitees or guests. Such Owner will be liable for all costs of collection, including reasonable attorneys' fees, court costs, and related expenses. Additionally, a monetary penalty (fine) imposed by the Association as a disciplinary measure for failure of an Owner to comply with the governing documents, may be treated as and is hereby an assessment that may become a lien against the Owner's separate interest, but such lien may not be enforced by the sale of the interest under Sections 2924, 2924b, and 2924c (non-judicial foreclosure).

- b. *Suspend Common Area Privileges.* The Board may temporarily suspend the Common Area privileges of Owners, Owner's Tenants and their respective family, invitees, and guests for their failure to comply with the Association's Governing Documents.
- c. *Alternative Dispute Resolution.* If required by the Davis-Stirling Act, prior to initiating a lawsuit, the Association must offer to submit the dispute to alternative dispute resolution.
- d. *Judicial Enforcement.* A lawsuit for damages and/or injunctive relief may be filed, whether or not the relief sought is for negative or affirmative action.

11.3 Cumulative Remedies. The respective rights and remedies, provided by these CC&Rs, by law, or available in equity, will be cumulative and the exercise of any one or more of such rights or remedies shall not preclude or affect the exercise, at the same or at different times, of any other such rights or for the same or different failures of the Owners or others to perform or observe any provision of these CC&Rs.

11.4 Failure to Enforce Not a Waiver. Failure to enforce the Governing documents, whether by the Board or any Owner or other person entitled to enforce them, will not be deemed a waiver of the right to do so. Waiver or attempted waiver of any provision of these CC&Rs with respect to a given Lot is not deemed a waiver as to any other Lot. Additionally, violation of any provision hereof with respect to any Lot or Lots shall not affect the applicability or enforceability of any provision of these CC&Rs to any other Lot.

11.5 Remedy at Law Inadequate. Remedies at law for violation of the Association's Governing Documents are inadequate and equitable and injunctive relief may be sought and awarded.

11.6 Right of Action Against Buyer. Failure by an Owner to correct Lot violations prior to the transfer of title to the Lot shall give the Association the right to enforce compliance against the buyer.

11.7 Violation as a Nuisance. Any violation of the Governing Documents constitutes a nuisance and every remedy allowed by law or equity against a nuisance, either public or private, shall be applicable against every such result and may be exercised by any Owner and the Association.

11.8 Attorneys' Fees. In the event any party initiates any action or proceeding to enforce or interpret the Governing Documents or California law relating to the Development, the prevailing party shall be awarded reasonable attorneys' fees and costs, including reasonable experts' fees.

ARTICLE 12: RIGHT OF ENTRY

12.1 Limited Right of Entry. During reasonable hours and subject to the notice requirements contained in this Article, the Association's representatives, employees, and vendors may enter Lots: (i) to inspect, maintain, repair, and replace the Lots or Common Areas as required by these CC&Rs; or (ii) to mitigate or repair damage; or (iii) to inspect Lots to ensure compliance with the Governing Documents. Such persons, acting in good faith, shall not be liable for trespass.

12.2 Notice of Entry. For entry into a Lot, the Association must give written notice within a reasonable time prior to the entry, stating the purpose for the entry and the time of the entry.

12.3 Avoid Unreasonable Interference. The right of entry must be exercised in reasonable manner as to not unnecessary interference with the possession, use, and enjoyment of the Owner or Resident of such Lot.

12.4 Emergency Entry. In the event of an emergency, the Board or its authorized representative may enter the Lot without permission and not be subject to liability to the Owner or occupant. Such entry shall not constitute trespass or any other wrongful act. If it is necessary for the Association to damage or destroy property to gain access to the Lot, the Owner shall have no right of action against the Association or its representatives. However, the Association shall repair the damage if the emergency did not originate in the Lot. Prior to emergency entry, if feasible, the Board must make a good faith effort to give notice.

12.5 Refusal to Allow Entry. In the event the Resident refuses to allow entry for any reason authorized in these CC&Rs, the Association shall have the right to assess against the Owner all expenses including reasonable attorneys' fees (regardless of whether legal proceedings are instituted) incurred by the Association arising from the Resident's refusal to allow entry. Such fees and expenses shall become a Reimbursement Special Assessment against the Owner and shall be fully enforceable by all means provided for in these CC&Rs including lien and foreclosure.

12.6 Damage Repaired by Association. Except for damage from an emergency entry as noted above, any damage caused by the Association to the Lot improvements from its entry must be promptly repaired by the Association to original building construction standards.

12.7 Power to Vacate Lot. The Association is permitted to require Residents to vacate a Lot to allow maintenance, repair or replacement of the Common Areas, Marrakesh Country Club Property or other areas for which the Association is obligated. All costs of temporary relocation during the maintenance, repair or replacement of the areas within the responsibility of the Association will be borne by the Owner owing the Lot affected. Such temporary relocation costs include, without limitation, food, lodging, lost rent or other income, and any other associated expenses incurred by the Owner. However, it is the Association's duty to diligently make such repairs reasonably quickly.

- a. *Notice.* The Board shall give notice of the need to temporarily vacate a Lot to its Resident(s) and Owner(s) not less than fifteen (15) days prior to the date of the relocation. The notice should state the reason for the temporary relocation, the date and time of the repairs, and the anticipated date and time of completion of repairs. Notice shall be either by personal delivery or first-class mail to the address shown on the books of the Association.
- b. *Duty to Vacate.* Owners shall ensure that Residents vacate their Lots. In the event any Owner fails to cause the Residents to vacate, the Association shall have the right to levy a Reimbursement Special Assessments against the Owner for all expenses and attorneys' fees incurred by the Association in removing such Residents from the Lot and any additional costs caused by the delay.

12.8 Entry by Owner. Each Owner must permit other Owners and their representatives to enter his/her Lot to perform installations, alterations, or repairs to the mechanical or electrical services to a Lot, if: (i) requests for entry are made in advance; (ii) entry is made at a time reasonably convenient; and (iii) the entered Lot is left in substantially the same condition as existed immediately preceding such entry. Any damage to the Lot caused by entry must be repaired by the entering Owner. Both the Owner allowing entry and the Owner gaining entry must hold harmless and defend the Association and its Officers, Directors, Committee members, Owners, agents, and employees against claims of damage or injury resulting from one Owner's entry into another Owner's Lot.

ARTICLE 13: ASSESSMENTS

13.1 Covenant to Pay. Each Owner by acceptance of the deed (or sublease or assignment) to the Owner's Lot is deemed to covenant and agree to pay to the Association Regular, Special, and Reimbursement Special Assessments, and all other charges duly levied by the Association pursuant to the provisions of these CC&Rs, the Collection Policy, and California law. A Regular, Special, or Reimbursement Special Assessments, and any late charges, reasonable costs of collection, and interest, as assessed in accordance with the provisions of Article 14, shall also be a personal debt of the Owner of the Lot at the time the Assessment or other sums are levied. The Owner may not waive or otherwise escape liability for these Assessments by nonuse of the Common Area, Marrakesh Country Club Property, or abandonment of the Owner's Lot. Each Owner, by virtue of acceptance of a deed (or sublease or assignment), is deemed to covenant and agree to pay the applicable fees, dues, late charges, or interest as may be imposed by Marrakesh Country Club, pursuant to the MCC Bylaws or other governing documents of Marrakesh Country Club.

13.2 Purposes of Assessments. The general purpose of Assessments is to provide for the recreation, health, safety, and welfare of the Owners; and to provide the Association means to enforce the Governing Documents, manage the Development, enhance the quality of life in the Development, improve, maintain, repair, and replace

Common Areas, and provide for the acquisition and maintenance of property, services and facilities devoted to these purposes, and for any action or undertaking on behalf of the Association. Additionally, Assessments may be used for the regularly rescheduled monthly payments for loans to acquire fee interest in the Development as more specifically set forth in Article 20 of these CC&Rs.

13.3 Regular Assessment. The Board will levy Regular Assessments in an amount necessary for the purposes above, however:

- a. *20% Limitation.* The Board may not, without the approval of Owners casting a majority of the votes with Quorum present, impose a Regular Assessment which is more than twenty percent (20%) greater than the Regular Assessment for the immediately preceding fiscal year. Quorum for this purpose means more than fifty percent (50%) of the Members of the Association.
- b. *Rate of Regular Assessments.* Regular Assessments are uniform for all Lots.
- c. *Payable Monthly.* Regular Assessments are paid by each Owner in twelve (12) equal monthly installments on the first day of each calendar month or at such other dates and in such other installments as the Board may determine. Assessments for new Owners will be prorated in the first month of membership on the date the individual becomes an Owner.
- d. *Written Notice.* Written notice of any increase in Regular Assessments will be sent to each Owner not less than thirty (30) days nor more than sixty (60) days prior to the increased Assessment becoming due.

13.4 Special Assessment. In addition to the Regular Assessment, the Board may levy a "Special Assessment" for any purpose necessary for it to carry out its duties; provided, however:

- a. *5% Limitation.* The Board may not, without the approval of Owners casting a majority of the votes with Quorum present, impose a Special Assessment which is more than five percent (5%) of the budgeted gross expenses of the Association for such fiscal year. Quorum for this purpose means more than fifty percent (50%) of the Members of the Association.
- b. *Uniform Rate of Assessment.* Special Assessments will be fixed at a uniform rate for all Lots except as provided herein.
- c. *Reimbursement Assessments.* Special Assessments may also be levied against individual Owners for reimbursement of expenses incurred by the Association arising out of actions or omissions of such Owner,

Owner's Tenant, family, guests, invitees or pets. As provided elsewhere in these CC&Rs, such expenses shall include, but not be limited to: (i) enforcing compliance with the Association's Governing Documents; (ii) mitigating or repairing damage to Association property or Common Areas; (iii) collecting delinquent Assessments; (iv) attorneys' fees and costs incurred by the Association related to any Owner; and (v) materials and services provided by the Association to individual Owners, Tenants or their respective family, guests, or invitees.

- d. *Payment Schedule.* Special Assessments shall be payable by each Owner against whom assessed either monthly or at such dates and in such installments as the Board determines.
- e. *Written Notice.* Written notice of Special Assessments shall be sent by to each Owner not less than thirty (30) days nor more than sixty (60) days prior to the Assessment becoming due.

13.5 Emergency Assessment. In emergency situations, the Board may increase Regular Assessments beyond twenty percent (20%) or impose Special Assessments above five percent (5%) only as provided for by law. For purposes of this Section, an emergency situation is any one of the following:

- a. An extraordinary expense required by an order of a court.
- b. An extraordinary expense necessary to repair or maintain the Development or any part of it for which the Association is responsible where a threat to personal safety on the property is discovered.
- c. An extraordinary expense necessary to repair or maintain the Development or any part of it for which the Association is responsible that could not have been reasonably foreseen by the Board in preparing and distributing the annual budget report required by law. However, prior to the imposition or collection of an Assessment under this subdivision, 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, and the resolution shall be distributed to the Owners with the notice of Assessment.

13.6 Marrakesh Country Club Dues, Fees, Charges, Assessments or Other Monetary Obligations. In addition to Association Assessments, each Owner is obligated to pay dues, fees, charges, assessments and any other monetary obligations for membership to and use of Marrakesh Country Club (whether as a Social, Golf Club, or Full Membership). The imposition of such dues, fees charges, assessments or other monetary obligations shall be in accordance with the MCC Bylaws. Enforcement of dues, fees, charges, assessments or other monetary obligations owed to Marrakesh Country

Club is set forth in Article 14 of these CC&Rs, the MCC Agreement, MCC Bylaws or other governing documents.

13.7 Deposit of Assessments. All sums received by the Association will be deposited into accounts clearly designated in the Association's name.

- a. *Commingling*. The Association will maintain separate accounts for its operating funds and its Reserves, respectively, and funds from those separate accounts should not be commingled at any time.
- b. *Interest*. No Owner shall have the right to receive interest on any such funds deposited.

13.8 Reserves. All sums assessed and collected and budgeted to fund Reserves are for anticipated long-term maintenance, repair, and replacement of Common Area Improvements, the cost of which would not ordinarily be incurred on an annual basis and are subject to the following:

- a. *Be Segregated*. Set aside and segregated from the other monies and not be commingled with the Association's operating account.
- b. *Be Invested*. Invested in low-risk investments. Reserves will be deposited in financial institutions authorized to do business in California and where the Association's deposits are insured against loss. Alternatively, the Association may deposit funds with brokerage houses or institutions which are members of the Financial Industry Regulatory Authority and where the Association's deposits are insured against loss.
- c. *Require Two Signatures*. Withdrawn only upon approval by the Board and the signature of two (2) Directors.
- d. *Not Be Reimbursed*. All contributions to the Reserves, as well as interest earned, are for the benefit of the Association and not to the benefit of any individual Owner. As such, contributions and interest are not refundable to Owners when they cease to be Members of the Association.

ARTICLE 14: ENFORCEMENT OF ASSESSMENTS

14.1 Liability for Assessments. Assessments, together with charges, interest, costs, and attorneys' fees (regardless of whether legal proceedings are instituted), shall be a charge on the land and shall be a continuing lien upon the property against which each such Assessment is made. In addition, Owners shall be personally liable for any and all Assessments, together with any accompanying late charges, interest, costs, attorneys' fees (regardless of whether legal proceedings are instituted), and penalties as may be authorized under these CC&Rs and law. All Owners owning a partial interest in a Lot

shall be personally liable, jointly and severally, for the entire amount of any and all Assessments against such Lot.

14.2 Enforcement Rights. Any Assessment made in accordance with these CC&Rs shall be the separate debt of each Owner against whom the same is assessed. In addition to any other rights provided for by law or described in these CC&Rs and the collection policy, the Board has the right to collect delinquent Assessments as follows:

- a. *Late Fees and Interest.* Assessments shall be deemed delinquent fifteen (15) days after they are due and subject to a late charge of the greater of either ten percent (10%) or Ten Dollars (\$10.00), which may be imposed on each delinquent payment, and interest at the rate of twelve percent (12%) per annum, which may commence thirty (30) days after the Assessment becomes due.
- b. *File Suit.* The Association may commence and maintain a lawsuit directly on the debt without waiving its right to establish a lien and initiate foreclosure against the Owner's Lot for the delinquent Assessment. In any action to collect delinquent Assessments, late charges or interest, the prevailing party will be entitled to costs and reasonable attorneys' fees. If such costs and fees are awarded to the Association, they may become a Reimbursement Special Assessment against the Owner and fully enforceable by all means including lien and foreclosure.
- c. *Lien and Foreclose.* In accordance with the Davis-Stirling Act, a delinquent Assessment or installment, together with any late charges, interest, costs, attorneys' fees, and penalties, shall become a lien on the Lot upon the recordation of a "Notice of Delinquent Assessment" in the Office of the County Recorder. The Board may enforce any Assessment lien against a Lot by filing an action for judicial foreclosure or by nonjudicial foreclosure. The Association, through its Board, may bid on the Lot at the sale and may hold, lease, mortgage, and convey the acquired Lot.
- d. *Suspend Privileges.* Subject to the notice and hearing provisions set forth in the Bylaws, privileges may be suspended until such time as delinquent Assessments, fees and fines, including any accumulated penalties, interest, and costs of collection have been paid in full.
- e. *Additional Remedies.* The remedies provided in this Section shall be in addition to, not in substitution for, any other rights and remedies which the Association may have.

14.3 No Offsets. All Assessments shall be payable in the amount specified by the Assessment and no offsets against such amount shall be permitted for any reason, including, without limitation: (i) a claim that the Association is not properly exercising its

duties and powers, as provided in these CC&Rs or the law; (ii) an Owner has not made or elects not to make use of the Common Area or Marrakesh Country Club Property; (iii) any construction or maintenance for which the Association is responsible that has not been performed; or (iv) any construction or maintenance for which the Association is responsible that has not been performed to an Owner's satisfaction.

14.4 No Exemption by Waiver of Use. Owners may not exempt themselves from liability for Assessments nor release their Lots from liens and charges by waiver of their use and enjoyment of the Common Areas or Marrakesh Country Club Property, by abandonment of their Lots, or through non-use of Common Areas or Marrakesh Country Club Property or membership privileges.

14.5 Attorneys' Fees. Any reasonable attorneys' fees and costs incurred by the Association in the enforcement of its Assessment rights against an Owner may become a Reimbursement Special Assessment against that Owner, which may be collected in any manner provided for by these CC&Rs or by law.

14.6 Non -Waiver of Assessments. If the Board fails to approve a Budget or fix the Assessments for the current year, the Budget and Assessments from the preceding year shall continue until a new Budget is approved and new Assessments are fixed.

14.7 Marrakesh Country Club Charges.

- a. *Country Club Dues, Fees, Charges, Assessments.* The dues, fees, charges, assessments and/or other monetary obligations imposed by Marrakesh Country Club on its members shall be as determined by Marrakesh Country Club, and as contained in the MCC Bylaws, or other governing documents of Marrakesh Country Club. Each record Owner of a Lot within the Association, by acceptance of title to a Lot, shall be deemed to covenant to the pay dues, fees, charges, assessments and/or other monetary obligations imposed by Marrakesh Country Club. As set forth in Section 3.2 of these CC&Rs, upon acquisition of title to a Lot on or after October 1, 2016, Owners must apply to become Full Members of Marrakesh Country Club, subject to the terms and conditions of the MCC Bylaws and any other governing documents of Marrakesh Country Club.
- b. *Collection of Delinquent Dues, Fees, Charges, Assessments.* Any delinquent dues, fees, charges, assessments and/or other monetary obligations imposed by Marrakesh Country Club shall become a lien on the Lot of a delinquent Owner(s) upon the recordation of a notice of assessment lien by the Association and as provided by California law. Such lien for collection of delinquent dues, fees, charges, assessments and/or other monetary obligations imposed by Marrakesh Country Club may be enforced by the Association in the same manner and with the same rights and remedies provided to the Association under this Article 14.

- c. *Personal Liability.* In addition, the record Owner(s) shall be deemed to have assumed personal liability for payment of all dues, fees, charges, assessments and/or other monetary obligations imposed by Marrakesh Country Club.

14.8 Protection Afforded to Marrakesh Country Club. The Board shall not have the right to increase Marrakesh Country Club assessments beyond the amounts determined by Marrakesh Country Club unless the Board obtains the approval of a majority of a Quorum of the Members. Additionally, the Board shall have no right to levy any Marrakesh Country Club special assessment, unless said special assessment has been approved by a majority of Quorum of the Members. The term "a majority of a Quorum of the Members" shall mean and refer to that term as defined in the Bylaws as applicable to a majority of a Quorum of the Members of the Association. Any election regarding Marrakesh Country Club assessments shall be conducted in accordance with the Election Rules of the Association and California law. This Section 14.8 does not apply to Non-Owner Golf Memberships.

ARTICLE 15: INSURANCE

15.1 Association Insurance. The Association will obtain and maintain policies of insurance for the Development as described below, unless otherwise stated. To help keep premiums at a reasonable level, the Association may establish appropriate deductibles for its policies of insurance. Unless otherwise determined by the Board, coverage should be on an occurrence basis. The Association does not have a duty to tender any claim to its insurer and will make a business decision on tendering.

- a. *Automobile Liability Insurance.* If appropriate, non-owned and hired automobile liability coverage and garage-keepers legal liability coverage.
- b. *Boiler and Machinery Insurance.* If appropriate, the Association may purchase insurance for the loss or damage to or as a result of equipment failures such as boilers, pressure vessels, pressure pipes, motors, mechanical breakdowns, electrical failures, and the like.
- c. *Comprehensive or Commercial General Liability ("CGL").* One or more CGL policies which provides appropriate liability limits for injury or death to one or more persons in any one accident or occurrence related to ownership and use of the Common Areas. The Association shall carry coverage in amounts that meet or exceed those called for in Civil Code §5805 and any successor statutes.
- d. *Direct Physical Loss.* One or more policies for loss or damage by fire or other perils for the Common Areas and the Residences on the Lots covered by the standard "Special Form" policy (or its equivalent. The Board is authorized, in its sole discretion, to limit the scope of coverage for the Residences to what is commonly referred to as "bare

walls,” which exclusions from coverage may include, but are not limited to, the following fixtures and/or components within or appurtenant to a Residence:

- i. Floor, wall, and ceiling coverings;
- ii. Forced air units, heaters, air conditioners, and electrical and plumbing fixtures;
- iii. Water heaters, water softeners, water filters, and built-in and free-standing appliances;
- iv. Built-in cabinets and countertops;
- v. Window treatments and components, such as curtains, drapes, blinds, and related hardware;
- vi. Personal property;
- vii. Betterments and improvements made by the Owners; and
- viii. Replacements of any of the foregoing.

The amount of such insurance shall be not less than one hundred percent (100%) of the aggregate full insurable value, meaning replacement cost, not depreciated amount or actual cash value (ACV), if available. The coverage shall be written on a blanket basis with an agreed value endorsement and an inflation guard endorsement, if available. The Association’s insurance policy must be primary with respect to property damage. Because construction costs can be unpredictable and suddenly escalate whenever large losses occur, the Association shall not be liable if actual construction costs are greater than the 100% replacement cost provided by the insurance policy. In addition, if available, the Association shall include the following:

- i. “Ordinance or Law Coverage” or its equivalent, including:
 - (a) Coverage for Loss to the Undamaged Portion of the building or structure.
 - (b) Demolition Cost Coverage.
 - (c) Increased Cost of Construction Coverage.
- ii. “Maintenance Fees Receivable” coverage, or its equivalent, to cover the loss from unpaid or uncollected Assessments resulting from a covered property loss.

- iii. Such other endorsements which the Board may deem necessary or reasonable.
- e. *Directors and Officers*. Directors and Officers errors and omission insurance, which shall provide appropriate liability limits insuring Directors, Officers, Committee members, and management employees. The Association shall carry coverage in amounts that meet or exceed those called for in Civil Code §5800 and any successor statutes.
- f. *Earthquake Insurance*. Earthquake insurance, after considering the cost and availability.
- g. *Employment Practices Liability*. If it has employees, the Association may purchase employment practices liability insurance, after considering the cost and availability.
- h. *Fidelity Bond*. The Association must maintain fidelity bond coverage for all Directors, Officers, Committee members, and employees of the Association in an amount no less than the greater of either (1) 150% of annual operating expenses plus Association reserves, or (2) the combined amounts of the total assessments of the Association for three (3) months, plus Association reserves. Such fidelity bond must include coverage for computer fraud, funds transfer fraud and social engineering fraud. If the Association uses a managing agent or management company, the fidelity bond coverage must also include dishonest acts by that person or entity and its employees.
- i. *Flood Insurance*. When required by law, the Association must purchase flood insurance. Otherwise, the Association may purchase flood insurance, after considering the cost and availability.
- j. *Umbrella Policy*. Excess or umbrella policy over its public liability and property damage, Directors and Officers liability, and workers' compensation policies to provide higher liability limits as the Board shall determine.
- k. *Workers Compensation*. Workers' compensation insurance as required by law to cover employees of the Association. Even if it has no employees, the Association may carry workers' compensation insurance to protect its volunteers or those working on its properties.

15.2 Owner Obligation to Carry Insurance. At their sole expense, Owners shall purchase insurance, including: (i) real property and personal property coverage that insures their Lot, Improvements and contents against damage or loss which are not covered by the Association's property damage policy; (ii) premises liability that includes protection for bodily injury and property damage for occurrences on their Lot, and use of the Common Area; (iii) personal liability coverage, (iv) loss of use that protects an

Owner for additional living expenses should his/her Lot become uninhabitable due to a covered loss; (v) loss assessment coverage that protects against Special Assessments due to a loss which exceeds the Association's master policy limits or deductible, and (vi) such other coverage as the Owner deems appropriate. In addition, if an Owner operates a vehicle, including a golf cart, which is driven across or stored in the Association's Common Areas or Marrakesh Country Club Property, the Owner must carry appropriate automobile and golf cart insurance. The Association has no obligation to police this provision and is specifically relieved of any responsibility or liability from doing so or failing to do so.

- a. *Waiver of Claims.* Owners waive their claims against the Association to the extent such claims are covered under insurance which Owners are required to carry under these CC&Rs, regardless of whether Owners actually carry such insurance.
- b. *Assignment of Proceeds.* If any loss intended to be covered by the Association's insurance occurs and the proceeds payable are reduced because of an Owner's insurance coverage, that Owner shall assign such insurance proceeds to the Association, to the extent of the reduction. The Board shall apply those proceeds to the same purposes as the reduced proceeds received by the Association.

15.3 Payment of Deductible. If a loss occurs as a result of the negligent act or omission of any Owner, Owner's Tenant, or their respective family, guests, invitees, or pets, the Owner will pay the Association's liability policy deductible, if any. If a loss occurs, due to other than negligence, as a result of a failure of a portion of the Lot, the Owner shall be responsible for the portion of the loss not paid by the Association's insurance carrier due to the Association's property insurance policy deductible.

15.4 Liability for Increased Insurance Rates. In the event any negligent act or omission, or willful act of any Owner, Owner's Tenant, or their respective family, guests, invitees, or pets causes an increase in the cost of the Association's insurance, the amount of the increase shall be assessed against the Owner and his/her Lot as a Reimbursement Special Assessment.

15.5 Choice of Contractor. With respect to any repairs for which proceeds of insurance are paid or are payable to the Association, the Board shall designate the contractor to perform the repairs to the Common Areas. Individual Owners shall be responsible for overseeing repairs done to their respective Lots. Repairs to Lots must be completed within a reasonable time as determined by the Board. All repairs must be done in accordance with Article 5 of these CC&Rs pertaining to architectural approval.

15.6 Insurance Company Rating. All policies of insurance shall be from an insurance company qualified to do business in the State of California and preferably holding an A.M. Best Insurance rating of "A" or better, or such other comparable rating as may be given by Standard and Poor's.

15.7 Failure to Acquire Insurance. The Association, and its Directors and officers, shall have no liability to any Owner or Lender if, after a good faith effort, it is unable to obtain any insurance required hereunder, because the insurance is no longer available or, if available, can be obtained only at a cost that the Board in its sole discretion determines is unreasonable under the circumstances, or the Owners fail to approve any Assessment increase needed to fund the insurance premiums. In such event, the Board immediately shall notify each Owner entitled to notice that the specific insurance will not be obtained or renewed.

ARTICLE 16: PROTECTION OF LENDERS

16.1 General. No breach of any of the covenants, conditions and restrictions herein contained, nor the enforcement of any lien provisions herein, shall render invalid the lien of any first mortgage on any Lot made in good faith and for value, but all of said covenants, conditions and restrictions shall be binding upon and effective against any Owner whose title is derived through foreclosure or trustee's sale, or otherwise.

16.2 No Right of First Refusal. These CC&Rs neither contain nor shall be amended to contain any provision creating a "right of first refusal" to the Association before a Lot can be sold. Should any such rights nevertheless be created in the future, such rights shall not impair the rights of any First Lender to: (a) foreclose or take title to a Lot pursuant to the remedies provided in the mortgage, (b) accept a deed {or assignment} in lieu of foreclosure in the event of a default by a mortgagor, or (c) sell or lease a Lot acquired by the Mortgagee.

16.3 Unpaid Assessments. Except as otherwise provided by statute, where the Mortgagee of a First Mortgage of record or other purchaser of a Lot obtains title to the same pursuant to the remedies in the mortgage or as a result of foreclosure, such acquirer of title, his/her successors and assigns, shall not be liable for the share of the Common Expenses or Assessments or of any fees, dues or charges made by the Association chargeable to such Lot which became due prior to the acquisition of title to such Lot by such acquirer.

16.4 Action Requiring Mortgagee Approval. Except as provided by statute in case of condemnation or substantial loss to the Lot and Common Area, unless at least fifty-one percent (51%) of the Eligible Mortgagees (based upon one (1) vote for each mortgage owned) have given their prior written approval, the Association and/or the Owners shall not be entitled to:

- a. By act or omission seek to abandon, or terminate the Development as a common interest development (except for abandonment or termination provided by law in the case of substantial destruction by fire or other casualty or in the case of a taking by condemnation or eminent domain).
- b. Change the pro rata interest or obligations of any individual Lot for the purpose of (i) levying Assessments or charges or allocating distributions of hazard insurance proceeds or condemnation awards, or (ii) determining

the pro rata share of Ownership of each Lot in the Common Area, provided that no Owner's undivided interest in the Common Area may be changed without the consent of that Owner.

- c. Partition or subdivide any Lot.
- d. By act or omission seek to abandon, partition, or subdivide the Common Area or any property owned, directly or indirectly, by the Association (the granting of easements for public utilities or other public purposes consistent with the intended use of the Common Area by the Association, as well as any approved grant of use to an Owner pursuant to California law is not a transfer in the meaning of this clause).
- e. Use hazard insurance proceeds for losses to any of the Development (whether to Lots, Common Area) for other than the repair, replacement or reconstruction of such property.

16.5 Payment of Taxes and Insurance. First Mortgagees may, jointly or singularly, pay taxes or other charges which are in default and which may or have become a charge against the Common Area or Marrakesh Country Club Property and may pay overdue premiums on hazard insurance policies, or secure new hazard insurance coverage on the lapse of a policy, for such Common Area and Marrakesh Country Club Property. First Mortgagees making such payments shall be owed immediate reimbursement from the Association.

16.6 Priority of Proceed or Award Distribution. Any other provision herein contained to the contrary notwithstanding, no provision of the Governing Documents shall give an Owner, or any other party, priority over any rights of the First Mortgagee pursuant to its mortgage in the case of a distribution to such Owner of insurance proceeds or condemnation awards for losses to or a taking of the Common Area or Marrakesh Country Club Property.

16.7 Notification of Eligible Mortgagees. Upon written request to the Association, identifying the name and address of the holder, insurer or guarantor and the Lot number or address, any Eligible Mortgagee will be entitled to timely written notice of:

- a. Any condemnation loss or any casualty loss which affects a material portion of the Development or the Lot insured or guaranteed by such Eligible Mortgagee;
- b. Any default in the performance by an Owner of any obligation under the Governing Documents not cured within sixty (60) days;
- c. Any lapse, cancellation or material modification of any insurance policy or fidelity bond maintained by the Association; and

- d. Any proposed action which would require the consent of a specified percentage of Eligible Mortgagees as required by the Governing Documents.

16.8 Inspection of Documents, Books and Records. The Association shall make available to Eligible Mortgagees, current copies of the Governing Documents and the accounting books, records and financial statements of the Association. "Available" means available for inspection, upon request, during normal business hours or under other reasonable circumstances and upon payment of Association's costs and expenses.

16.9 Loan to Facilitate. Any first mortgage given to secure a loan to facilitate the resale of a Lot after acquisition by foreclosure or by a deed-in-lieu of foreclosure or by an assignment in-lieu of foreclosure shall be deemed to be a loan made in good faith and for value and entitled to all of the rights and protections of this Article.

16.10 Mortgagee Furnishing Information. Any Mortgagee can furnish information to the Board concerning the status of any mortgage.

16.11 Financial Statement. Any First Mortgagee shall be entitled, on written request therefore, to have the Association provide an audited financial statement for the immediately preceding fiscal year, which statement shall be furnished within a reasonable time following such request.

16.12 Termination without Substantial Destruction. Except as provided by statute or by other provision of the Governing Documents in case of substantial destruction or condemnation of the Development, the approval of at least seventy-five percent (75%) of Owners and the approval of fifty-one percent (51%) of Eligible Mortgagees shall be required to terminate the Development.

ARTICLE 17: LIMITATIONS OF LIABILITY

17.1 Standard for Liability. Officers, Directors, Committee members, employees, or agents shall not be responsible to any Owner, Owner's Tenant, or their respective family, guests, or invitees for any loss or damage to person or property suffered by reason of water, fire, smoke, explosion, electricity, dust, sand, insect or rodent infestation, or any other source, unless there is clear and convincing evidence the damage or loss was caused by the gross negligence or willful misconduct of the Association's Officers, Directors, Committee members, employees, or agents. The standard for determining liability shall not be strict liability.

17.2 Limited Personal Liability. No Officer, Director, Committee member, or employee of the Association shall be personally liable for any loss, injury, or damage to persons or property for any act or omission, if the act or omission was performed in good faith, within the scope of the person's duties for the Association, was not self-dealing, and did not constitute intentional misconduct or gross negligence.

17.3 Association Not a Security Provider. While the Development is a gated community, the Association is not a provider of security and shall have no duty to provide any security in the Development. The obligation to provide security lies with each Owner individually. The Association shall not be held liable for any harm to persons or property by reason of failure to provide adequate security or ineffectiveness of security measures undertaken, if any. This shall include, but not be limited to, any loss or damage suffered by reason of theft of or damage to any article or thing which is placed or stored in or on any portion of the Common Area or Marrakesh Country Club Property.

17.4 Duty to Defend. The Association shall indemnify and defend and shall advance reasonable attorneys' fees and costs to its Officers, Directors, Committee members, and employees against all expenses and liabilities reasonably incurred by such person(s) in connection with any proceeding (including, but not limited to, alternative dispute resolution proceedings) to which they may be a party by reason of having been an Officer, Director, Committee member, or employee of the Association. Provided, however, the Association may recover its attorneys' fees and costs from, and shall not be liable for any judgments or other liabilities for, those persons who are adjudged to have acted in bad faith or in gross negligence in the performance of their duties.

17.5 Duty to Protect. The Association must protect its Officers, Directors, Committee members, and employees from unlawful harassment in the workplace as such phrase is defined in the law. However, the Association has no duty to prosecute or fund the prosecution of any claim or cause of action which an Officer, Director, Committee member, or employees of the Association asserts against another Officer, Director, Committee member or employee of the Association, or against an Owner, which is (1) not based on conduct of the accused performed in the course and scope of his or her duties (2) founded on personal issues or disputes between the parties, (3) for personal injuries or emotional distress, or (4) for defamation.

17.6 Personal Injury or Property Damage Sustained Within a Lot. The following shall apply if any person sustains personal injury or property damage within a Lot and the injury or damage results in a claim against the Association or any of its Officers, Directors, Committee members, Owners, agents, or employees. The Owner of the Lot where the injury or damage occurred shall: (i) fully indemnify and hold harmless the Association, Officer, Director, Committee member, Owner, agent, or employee against whom such claim or suit is brought; and (ii) defend, at his/her own cost and expense, any resulting litigation against the parties. However, there shall be no obligation to defend or indemnify any party whose gross negligence or willful misconduct was the cause of the injury or damage.

17.7 Actions Against Volunteers. No cause of action by an Owner against a Director or Officer of the Association acting within the scope of that person's duties as a Director or Officer shall be included in a pleading unless the court first determines that the Owner seeking to file the pleading has established evidence that substantiates the claim.

ARTICLE 18: DAMAGE/DESTRUCTION TO IMPROVEMENTS

18.1 Generally. This Article applies when portions of the Development that the Association is responsible for maintenance and repair or which the Association has insured has been partially or totally destroyed by fire, earthquake, flood or other casualty, but do not apply to damage resulting from normal wear and tear and/or failure to maintain, repair or replace any building component or Common Area or Marrakesh Country Club Property.

18.2 Association's Duties. In the event of partial or total destruction of portions of the Development that the Association is responsible for maintenance and repair or which the Association has insured, the Association will restore the same to maintain the architectural theme created originally by the developer John Dawson and the architect, John Elgin Woolf as promptly as practical. The proceeds of any insurance received will be used for such repairs and/or replacement.

18.3 Cost of Repair. Any cost of repair or replacement in excess of insurance proceeds from the Association's master property insurance shall be a Common Expense, levied as a Special Assessment against Lots in the same proportion as Regular Assessments are levied. Enforcement of these Assessments shall be in accordance with the provisions of Article 14.

18.4 Discretion Not to Rebuild. Notwithstanding the above, the Association may decide upon approval of a majority of the Owners not to rebuild or replace any portion of the Development so damaged or destroyed or not to rebuild or replace with like-kind but something else. Any insurance attributable to an Owner or Owners where there is a decision not to rebuild, will be distributed to such Owner or Owners. Except to the extent that other persons or entities will receive insurance proceeds:

- a. The insurance proceeds attributable to a Lot that are not rebuilt must be distributed to the Owner of that Lot, or to lien holders.
- b. The remainder of the proceeds must be distributed to each Lot Owner or lien holder, as their interests may appear, in proportion to the interests of all the Lots.
- c. If the Owners vote not to rebuild a Lot or Residence, the common interest portions of the Lot or Residence shall be reallocated among all other Lots, and the Association shall prepare, execute and record an amendment to the CC&Rs reflecting the reallocations.

18.5 Disbursements to Owners and Mortgagees. Any insurance proceeds distributed to Owners and Mortgagees shall be distributed proportionately according to the fair market values of the Lots at the time of the destruction as determined by an independent appraisal. That appraisal shall be performed by an independent appraiser who shall be selected by the Board and who shall be a member of, and apply the standards of, a nationally recognized appraiser organization.

18.6 Owner's Duties. Any damage to a Lot, the interior of any Residence, including, without limitation, all fixtures, cabinets and improvements therein, together with restoration and repair of all interior paint, wall coverings and floor coverings, shall be made by and at the individual expense of the Owner of the Residence so damaged. To the extent that the Association's master property insurance provides coverage for such interior damage, the Association shall remit a check to the Owner of the Lot and/or lienholder to facilitate said repairs Unless there is a determination not to rebuild the Development after the casualty losses as provided above, such interior repair and restoration shall be commenced within three (3) months after the damage occurs and shall be completed within nine (9) months after damage occurs, unless a different time frame is approved by the Board. Such restoration work shall be completed in a workmanlike manner and in accordance with plans approved by the Association's ALC.

18.7 Duties of Board During Reconstruction. If reconstruction is undertaken, the Board shall: (i) enter into a written contract with a contractor who is licensed and insured for such repair, reconstruction, and restoration; (ii) disburse insurance proceeds available for the work, along with funds collected by reason of Assessments, 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, workmanlike manner at the earliest possible date.

ARTICLE 19: EMINENT DOMAIN

19.1 Notice. Promptly upon learning of any potential condemnation or sale by eminent domain, the Board shall notify all Owners and first mortgagees who have filed a written request for notice.

19.2 Payment for Common Area or Marrakesh Country Club Property. In the event an action in eminent domain is brought to condemn all or any portion of the Common Areas, or the Marrakesh Country Club Property, the Association shall represent the Owners in all proceedings, negotiations, or settlements. Awards for the acquisition of Common Area or Marrakesh Country Club Property shall be paid to the Board, as trustee, for deposit into the Association's Reserves unless a majority of the total voting power of the Association elects to distribute the award among the Owners in accordance with their percentage interest.

19.3 Payment for Lot. In the event of an award for the taking of any Lot in the Development by eminent domain, the Owner of such Lot shall be entitled to receive the award for such taking, less any fees and costs incurred in collecting such amount and only up to the fair market value of his/her Lot, and after acceptance thereof he/she and the Mortgagee shall be divested of all interest in the Development if such Owner shall vacate his/her Lot as a result of such taking. The remaining Owners shall decide by majority vote whether to rebuild or repair the Development, or take other action. The remaining portion of the Development shall be resurveyed, if necessary, and the CC&Rs shall be amended to reflect such taking and to readjust proportionately the percentages of undivided interest of the remaining Owners in the Development based on the number of Lots remaining in the Development.

19.4 Revision of Documents. In the event of any condemnation of a part of the Development, the Board shall, as soon as practical, cause to be prepared, filed, and/or recorded a revised subdivision map, or other documents, reports, schedules, or exhibits necessary to show the changed or altered status of the Development.

19.5 Status of Membership. In the event a Lot is taken in condemnation, the Lot shall cease to be part of the Development, the Owner shall cease to be a Member of the Association, and the percentage interest in Common Area appurtenant to that Lot shall automatically become vested in the remaining Owners, in proportion to their respective percentage interests in the Common Area.

ARTICLE 20: CONVERSION OF SUBLEASEHOLD INTERESTS IN LOTS INTO FEE INTERESTS

20.1. Controlling Provisions. Notwithstanding anything in these CC&Rs to the contrary, the provisions of this Article 20 shall control with respect to Association's acquisition of the fee interest in the Development and the subsequent conveyance of the fee interest in individual Lots and the appurtenant interest in the Common Area.

20.2. Definitions. For purposes of this Article, the following definitions apply:

- a. *"Land Acquisition Loan"* means the loan (and any refinancing of all or a portion thereof) taken out by the Association to acquire the fee interest in the Residential Development.
- b. *"Golf Course Acquisition Date"* means mean the date on which Association acquired fee title to the Golf Course Development.
- c. *"Golf Course Development Acquisition Loan"* means the loan (and any refinancing of the loan) taken out by Marrakesh Country Club to fund its acquisition of the Golf Course Development.
- d. *"Residential Development"* means the real property acquired by the Association pursuant to the Grant Deed recorded on November 13, 2015, as Instrument No. 2015-0501044 in the official records of Riverside County.
- e. *"Residential Development Acquisition Date"* means November 13, 2015, the date on which Association acquires fee title to the Residential Development.

20.3. Sublessee Option to Convert to Fee Interest. A sublessee may acquire the fee simple interest in such sublessee's Lot as further provided in these CC&Rs Such conversion will require the Association or TRUST, as applicable, to convey to such sublessee property which is owned by the Association or TRUST, as applicable (i.e., the fee interest in the Lot and the undivided interest in the Common Area). Notwithstanding anything herein to the contrary, no approval of the Members shall be required for any

such conveyance of property owned by the Association in connection with such a conversion.

20.4. Special Debt Service Assessments. The Association has acquired the fee interest in the Residential Development. The combined initial principal balance of the Land Acquisition Loan and the Golf Course Development Acquisition Loan (defined below) shall not exceed \$10,500,000.00 and shall be on such terms and conditions as approved by the Board. The Land Acquisition Loan may be secured by any or all of (i) a deed of trust of the Association's interest in the Residential Development; (ii) an assignment of the Association's rights under the Master Lease; and (iii) a security interest in the Special Debt Service Assessments and all other Assessments levied under these CC&Rs and the Association's bank accounts. No approval of the Owners shall be required for the Board to obtain the Land Acquisition Loan and any refinancing of the Land Acquisition Loan approved by the Board of Directors so long as all the terms thereof are consistent with these CC&Rs.

- a. The Board shall fix, establish, levy and collect, from time to time, Special Debt Service Assessments as provided herein. The purpose of the Special Debt Service Assessments shall be primarily to pay all amounts due, from time to time, under the Land Acquisition Loan and the Golf Course Acquisition Loan as are not covered by rent collected by the Association under the individual Lot subleases (all of which shall be applied against the amounts due under the Land Acquisition Loan). The Special Debt Service Assessments shall be an amount equal to the payments of principal, interest and other charges payable from time to time under the Land Acquisition Loan (including without limitation any costs of refinancing and resulting increased interest rate and fees and the Golf Course Development Acquisition Loan). The Special Debt Service Assessments shall be levied against, and paid by the sublessees of Lots pro rata based on the ratio of the square footage of each Lot (as reflected on the applicable tract map for such Lot recorded in Official Records of Riverside County) in relation to the total square footage of all the Lots subject to subleases in the Development. The Special Debt Service Assessments shall be paid monthly in advance to permit the Association adequate time to collect sufficient funds to pay amounts due under the Land Acquisition Loan. Owners of fee interests to Lots shall not be subject to assessment for payment of Special Debt Service Assessments.
- b. The Special Debt Service Assessments shall constitute a charge against all Lots subject to subleases and a continuing lien upon each Lot against which the Special Debt Service Assessments are levied. The rights and obligations of the Owners and the Association with respect to the levy, payment, collection and enforcement of the Special Debt Service Assessments shall be the same as provided in Article 13 of these CC&Rs for other Assessments.

- c. All Owners acknowledge and agree that each Owner shall be obligated to convert the subleasehold interest in such Owner's Lot to a fee interest on the sale by such Owner of its Lot all in accordance with Section 20.6 below ("Final Conversion Date").
- d. Once the Land Acquisition Loan and the Golf Course Development Acquisition Loan have been paid in full (other than through refinancing of same), the Board may no longer levy Special Debt Service Assessments.

20.5. Conversion to Fee Interest. The Board shall develop policies and procedures related to the payoff by Owners of their shares of the Land Acquisition Loan and Golf Course Acquisition Loan and the concurrent conveyance of the fee interest in the Lot and appurtenant undivided interest in the Common Area to such Owners.

20.6. DUE ON SALE. IF AN OWNER WISHES TO SELL AND/OR ASSIGN ITS INTEREST IN SUCH OWNER'S LOT, SUCH OWNER MUST, AS A CONDITION TO SUCH SALE AND/OR ASSIGNMENT, CONCURRENTLY WITH THE COMPLETION OF SUCH SALE AND/OR ASSIGNMENT PAY TO THE ASSOCIATION THE OUTSTANDING UNPAID BALANCE OF THE LAND ACQUISITION LOAN AND GOLF COURSE DEVELOPMENT ACQUISITION LOAN ATTRIBUTABLE TO SUCH OWNER'S LOT, AT WHICH TIME THE ASSOCIATION SHALL TRANSFER THE FEE INTEREST TO OWNER OR ITS DESIGNEE IN ACCORDANCE WITH THE POLICIES AND PROCEDURES THEN IN EFFECT.

ARTICLE 21: MISCELLANEOUS

21.1 Amendment. These CC&Rs may be amended by the affirmative vote of Members comprising more than fifty percent (50%) of the Voting Power of the Association or as provided for by law. Any amendment enacted in compliance with this provision shall become effective when recorded with the Office of the County Recorder. Any amendment becomes effective after (a) the approval of the required percentage of Owners has been given and (b) that fact has been certified in the form of a written document executed and acknowledged by an officer designated by the Association for that purpose and (c) the document has been recorded in Riverside County.

21.2 Eligible Mortgagee Approval. Notwithstanding any other provision in these CC&Rs, the approval of a majority of Eligible Mortgagees shall be required to add or amend any material provisions of these CC&Rs which establish, provide for, govern or regulate:

- a. Assessments, assessment liens or subordination of such liens.
- b. Reserves for maintenance, repair and replacement of the Common Area and Marrakesh Country Club Property.

- c. Insurance or fidelity bonds.
- d. An Owner's interest in the Common Area, except as allowed under Section 4.11 and Civil Code Section 4600.
- e. Convertibility of Lots into Common Area, or Common Area into Lots, except as allowed under Section 4.11 and Civil Code Section 4600.
- f. Imposition of any rights of first refusal or similar restriction on the right of an Owner to sell, transfer or otherwise convey his/her Lot.

An Eligible Mortgagee who receives a written request to approve additions or amendments by certified or registered mail, return receipt requested, addressed to the address provided by such Eligible Mortgagee, who does not deliver to the requesting party a negative response within thirty (30) days after the notice of the proposed addition or amendment shall be deemed to have approved such request.

21.3 Amendment to Conform to Statute. If at any time a provision in these CC&Rs contradicts current law, according to a written opinion of the Association's legal counsel, the Board will have the authority, on the unanimous approval of the Directors and without approval of the Members, to amend that provision, but only to the extent necessary to comply with applicable law.

21.4 Term of CC&Rs. These CC&Rs shall continue in full force and effect for a term of sixty (60) years from the date of their recordation (the Renewal Date), after which time they shall be automatically extended for successive periods of twenty (20) years. These CC&Rs may be terminated if, within six (6) months prior to the Renewal Date of any twenty-year extension period, (i) at least seventy-five percent (75%) of the Members and seventy-five percent (75%) of the First Mortgagees approve, and (ii) an appropriate governmental agency has agreed in writing to assume the Association's Common Area and Marrakesh Country Club Property maintenance obligations, and (iii) certification of the Membership's and First Mortgagee's approval to terminate and the agency's agreement to assume maintenance duties are recorded with the Office of County Recorder, and (iv) the Association's contractual and other legal obligations are wound up, and (v) all required corporate filings, tax returns, and notices are filed with appropriate agencies to effectuate dissolution of the Association/corporation, and (vi) insurance tail coverage is purchased to cover any potential liability the Association may have until all applicable statutes of limitations have run their course.

21.5 Attorneys' Fees. Any reasonable attorneys' fees and costs incurred by the Association in the enforcement of the Governing Documents against an Owner or to determine the rights or duties of the Owner under the Governing Documents may be levied against that Owner as a Reimbursement Special Assessment, which may be collected in any manner provided for by these CC&Rs or by law.

21.6 Notices. Any communication or notice permitted or required may be delivered as provided in these CC&Rs or law and be in writing and may be served, as an

alternative to personal service, by mailing same as follows:

To an Owner:	To the street address of the Lot or at such other address as Owner may designate in writing to the Association.
To the Association:	To the address of the Manager or the Board President.
To a Lender or Eligible Mortgagee:	To the address provided by such Lender or Eligible Mortgagee.

All notices or demands to be served by mail will be by first-class mail with postage prepaid. Notice will be deemed to have been given at the time when delivered personally or deposited in the mail.

21.7 Headings. The headings contained in these CC&Rs are for convenience of reference and are not a part of and are not intended to govern, limit, or aid in the construction of any term or provision of these CC&Rs.

21.8 Liberal Construction. The provisions of the Governing Documents shall be liberally construed to effectuate their purpose of creating a uniform plan for the use, operation and maintenance of the Development.

21.9 Number and Gender. Whenever the context so requires, the singular number includes the plural, the plural includes the singular, the masculine gender includes the feminine and/or neuter, and the neuter gender includes the masculine and/or feminine.

21.10 Severability. The provisions of these CC&Rs and any other Governing Document shall be deemed independent and severable and the invalidity, partial invalidity, or unenforceability of any one provision shall not affect the validity or enforceability of any other provision.

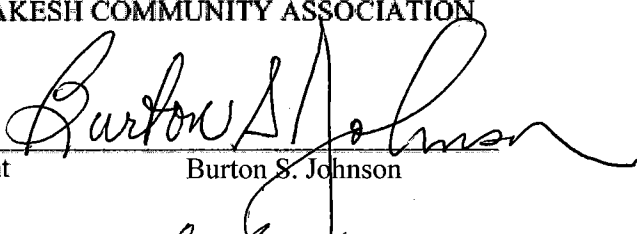
21.11 Successor Association. In the event the Association, as a corporate entity, is dissolved, a nonprofit, unincorporated association shall, without further action, automatically succeed to all the rights and duties of the corporation. The affairs of the unincorporated association shall continue to be governed by these CC&Rs, the Bylaws, Architectural Rules and Guidelines, and the Rules and Regulations, as well as any applicable law.

21.12 Conflicting Provisions. In the event of any conflict between these CC&Rs and the Articles or the Bylaws, these CC&Rs shall control. In the event of any conflict between the Articles and the Bylaws, the Articles shall control. When there is a conflict between the Maintenance Responsibility Chart and any other portions of the CC&Rs (Articles 1 through 21, inclusive), the other portions of the CC&Rs (Articles 1 through 21, inclusive) control.

CERTIFICATION

WE CERTIFY this 12th day of October, 2021 that this Second Restated Declaration of Covenants, Conditions and Restrictions has been duly approved and adopted by the affirmative vote of at least fifty-five percent (55%) of Owners of Lots within the Marrakesh Community Association.

WE FURTHER CERTIFY that there were no Eligible Mortgagees from whom to obtain approval of this Second Restated Declaration of Covenants, Conditions and Restrictions.

MARRAKESH COMMUNITY ASSOCIATION

President

Burton S. Johnson



Secretary

Michael A. Boulware

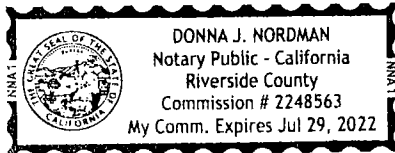
CALIFORNIA ACKNOWLEDGMENT**CIVIL CODE § 1189**

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 Riverside }On October 12, 2021 before me, Donna J. Nordman, Notary Public
Date Here Insert Name and Title of the Officerpersonally appeared Burton S. Johnson and
Name(s) of Signer(s)
Michael A. Boulware

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



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

WITNESS my hand and official seal.

Signature

Signature of Notary Public

Place Notary Seal and/or Stamp Above

OPTIONAL

Completing this information can deter alteration of the document or fraudulent reattachment of this form to an unintended document.

Description of Attached Document Second Restated Declaration
Title or Type of Document: of Covenants, Conditions & Restrictions
Document Date: October 12, 2021 Number of Pages: 90
Signer(s) Other Than Named Above: N/A

Capacity(ies) Claimed by Signer(s)Signer's Name: Burton S. Johnson

☐ Corporate Officer – Title(s): _____
☐ Partner – ☐ Limited ☐ General
☐ Individual ☐ Attorney in Fact

☐ Trustee ☒ Guardian or Conservator

☒ Other: Board President

Signer is Representing: MCA Board of Directors

Signer's Name: Michael A. Boulware

☐ Corporate Officer – Title(s): _____
☐ Partner – ☐ Limited ☐ General
☐ Individual ☐ Attorney in Fact

☐ Trustee ☐ Guardian or Conservator

☒ Other: Board Secretary

Signer is Representing: MCA Board of Directors

EXHIBIT "A"
LEGAL DESCRIPTIONS

Unit One: Lots 1 to 17, inclusive, of Tract No. 3837, as shown on a map recorded in Book 61 at Pages 73 & 74 of Maps, Official Records of Riverside County, California.

Unit Two: Lots 1 to 25, inclusive, of Tract No. 3733, as shown on a map recorded in Book 61 at Pages 71 & 72 of Maps, Official Records of Riverside County, California.

Unit Three: Lots 1 to 39, inclusive, of Tract No. 3957, as shown on a map recorded in Book 65 at Pages 44 & 45 of Maps, Official Records of Riverside County, California.

Unit Four: Lots 1 to 33, inclusive, of Tract No. 4125, as shown on a map recorded in Book 68 at Pages 80 & 81 of Maps, Official Records of Riverside County, California.

Unit Five: Lots 1 to 27, inclusive, of Tract No. 4273, as shown on a map recorded in Book 71 at Pages 77 & 78 of Maps, Official Records of Riverside County, California.

Unit Six: Lots 1 to 37, inclusive, of Tract No. 4274, as shown on a map recorded in Book 71 at Pages 79 & 80 of Maps, Official Records of Riverside County, California.

Unit Seven: Lots 1 to 39, inclusive, of Tract No. 4749, as shown on a map recorded in Book 76 at Pages 55 & 56 of Maps, Official Records of Riverside County, California.

Unit Eight: Lots 1 to 23, inclusive, of Tract No. 5445, as shown on a map recorded in Book 79 at Pages 45 & 46 of Maps, Official Records of Riverside County, California.

Unit Nine: Lots 1 to 18 and Lot 36, inclusive, of Tract No. 5904, as shown on an amended map recorded in Book 82 at Pages 98-100 of Maps, Official Records of Riverside County, California.

Unit Ten: Lots 19 to 35, inclusive, of Tract No. 5904, as shown on an amended map recorded in Book 82 at Pages 98-100 of Maps, Official Records of Riverside County, California.

Unit Eleven: Lots 1 to 34, inclusive, of Tract No. 6229-1, as shown on a map recorded in Book 83 at Pages 7-9 of Maps, Official Records of Riverside County, California.

Unit Twelve: Lots 1 to 25, inclusive, of Tract No. 6229-3, as shown on a map recorded in Book 85 at Pages 63 & 64 of Maps, Official Records of Riverside County, California.

Unit Thirteen: Lots 1 to 19, inclusive, of Tract No. 6229-2, as shown on a map recorded in Book 85 at Pages 61 & 62 of Maps, Official Records of Riverside County, California.

Unit Fourteen: Lots 1 to 27, inclusive, of Tract No. 9129, as shown on a map recorded in Book 92 at Pages 10-12 of Maps, Official Records of Riverside County, California.

EXHIBIT "B"

PERTINENT HISTORICAL INFORMATION

This information is for historical purposes and to explain the various transactions and original ownership and leasehold structure which has since been modified as indicated herein.

In July 1967, Elisabeth Stewart entered into a lease agreement with John Dawson to lease a 155-acre tract of land in southern Palm Desert ("Ground Lease").¹ The property was developed by Mr. John Dawson, and was planned as residential lots with adjacent common areas situated around an executive golf course and country club. The Ground Lease covered all real property intended to be developed. The Ground Lease had a 75-year timeframe and was to expire in 2042, with no contingencies. It was the intent of John Dawson to develop this community by building and selling houses, and the owners would enter into subleases for the term of the Ground Lease. The lease payments received from the homeowners would be divided 60% to Dawson and 40% to Elisabeth Stewart.

About a year after the execution of the Ground Lease, Mr. Dawson sold his interest to a group of investors and that entity was known originally as Marrakesh Leaseholding Corporation, which later became Marrakesh Leaseholding Partnership ("MLP") and remains in existence today.² While MLP has no interest or ownership in the land, it is still the sublessor of the subleases with the homeowners and continues to receive payments until 2042, at which time the subleases will expire.

Mr. Dawson hired John Elgin Woolf to design Marrakesh's overall style along with the residential units and common area buildings, Rick Harrison to design the club house, and Ted Robertson to design the golf course. The area was subsequently developed in phases by Dawson's Marrakesh Building and Country Club Corporation into fourteen (14) separate units. Each unit contained lots upon which residential dwellings were constructed along with adjacent common areas. A separate set of governing documents known as Covenants, Conditions and Restrictions ("CC&Rs") were developed for each of the fourteen units. The residential buildings were sold to 364 individual "Dwelling Unit" buyers, who assumed the "sublease" payments for both the Ground Lease and the sublease payments for the property they purchased.

On October 1, 1976, the Marrakesh Building and Country Club Corporation (Mr. Dawson) and MLP sold the Club's ownership and development assets to the homeowners. There were two categories of assets: Marrakesh Country Club (the club house and golf course development) and the residential and adjacent common areas (the residential development). The management of both the golf course and the residential development were conducted by Marrakesh Management Corporation. Elisabeth Stewart retained ownership of the land, and on September 16, 1977, transferred it into the Declaration of Trust for Elisabeth E. Stewart, Elisabeth Stewart Trustee and Michael O. Smith, Successor Trustee ("Trust").

In early August 1981, it was desirable to amend those fourteen separate sets of CC&Rs in order to create a more efficient and economical method of managing and maintaining the residential

¹ A table showing the recording of the Ground Lease, amendments and assignments is at the end of this Exhibit B.

² See table at the end of this exhibit B for recording information of the Ground Lease assignments.

lots and common areas of those Units. This was approved, via a Second Amendment to each of the fourteen separate sets of CC&Rs, and all power relating to management, operation, and maintenance of the common area, as well as certain rights, duties and powers relating to residential lots, would be vested in Marrakesh Management Corporation, thereafter, called Marrakesh Management.

In 2002, Marrakesh Country Club entered into negotiations with the Trust, to procure an extension of the Ground Lease (due to expire in 2042) to extend it to 2082. As part of that extension, there was also negotiated an Option to Purchase the individual residential lots, and for Marrakesh Country Club members collectively to purchase the golf course and grounds. The proposition was taken to the members in 2003, with certain conditions to be met. As part of this option Marrakesh Country Club agreed to bring itself into compliance with the California Civil Code section governing common interest developments, known as the Davis-Stirling Common Interest Development Act and, to consolidate the fourteen sets of CC&Rs into one set and the fourteen separate units into one common interest development by 2012. That was all duly passed by the members and accomplished by 2009. At this time, the residential development became known as Marrakesh Community Association (MCA).

In early 2014, discussions took place between the Trust and officers of Marrakesh. The outcome of these discussions was an agreement by both parties to exercise the Option to Purchase and in July, 2015, an understanding of agreement was completed.

As authorized by a July, 2015 vote of the homeowners, on November 13, 2015, MCA acquired fee title to all the residential lots and adjacent common area.³ The same day, Marrakesh Country Club acquired fee title to the golf course/clubhouse property.⁴ The total purchase price was \$9,790,000 and was allocated as follows: \$8,680,000 for the residential lots and common area property, and \$1,110,000 for the golf course/clubhouse property. The Ground Lease was assigned to and assumed by MCA the same day, effectively eliminating the same.⁵

As further authorized by a vote of the homeowners, MCA obtained financing in the amount of \$6,850,000. Depending on the size of the residential lot, homeowners were assessed between \$22,707 and \$34,057, for a total of \$10,101,000, including closing costs. Homeowners had the choice of paying their assessed share in cash at the time of closing, or to make monthly payments to MCA. If the owner chose to finance, payment would be for a period of ten years, maturing in 2025. MCA was also given the right to refinance this note at any time. The homeowners' approval included a due on sale provision, and when title to a financed residential lot/dwelling is sold, any remaining amount due for the land purchase is paid off. It is the intention of MCA to be clear of any financing for the land purchase by the end of 2025.

Today, homeowners, who have completed the purchase of their property have a fee simple interest in their residential lots plus a fractional ownership of the common area within their

³ Grant Deed recorded on November 13, 2015 as Instrument No. 2015-0501044 in the Official Records of Riverside County, California.

⁴ Grant Deed recorded on November 13, 2015, as Instrument No. 2015-0501041 in the Official Records of Riverside County, California.

⁵ Assignment and Assumption of Ground Lease recorded on November 13, 2015 as Instrument No. 2015-0501048 in the Official Records of Riverside County, California.

individual unit. The property is still subject to a subleasehold estate interest from MLP, requiring a monthly fee. These fees vary as to each property. This subleasehold interest expires on July 6, 2042, with no contingencies.

All Marrakesh homeowners are obligated to apply for membership in Marrakesh Country Club upon purchase of a home in the Marrakesh community. The Marrakesh Country Club is a non-equity club that is a separate corporation from the MCA, but operated, by agreement, by the same management.

Table of Ground Lease and Unit Subleases
Recorded in the Office of the Riverside County Recorder

<u>Unit</u>	<u>Document Name/Information</u>	<u>Date Recorded</u>	<u>Instrument Number</u>
N/A	Agreement of Lease (Elisabeth E. Stewart, Lessor and John W. Dawson, Lessee) ("Ground Lease")	11/06/1968	106350
N/A	Assignment of Lease (assigned by John and Velma Dawson to Marrakesh Leaseholding Corporation)	12/09/1968	119731
N/A	Amendment to Agreement of Lease (Elisabeth E. Stewart, Lessor and Marrakesh Leaseholding Corporation, Lessee)	04/30/1969	42349
N/A	Assignment of Lease (assigned by Marrakesh Leaseholding Corporation to Marrakesh Leaseholding Partnership)	05/28/1978	105986
N/A	Assignment and Assumption of Ground Lease (Units 1-14)	11/13/2015	2015-0501048
Unit 1	Memorandum of Lease	09/15/1969	94305
Unit 2	Memorandum of Lease	09/15/1969	94306
Unit 3	Memorandum of Lease	10/30/1970	109676
Unit 4	Memorandum of Lease	11/12/1971	129870
Unit 5	Memorandum of Lease	09/07/1972	119539
Unit 6	Memorandum of Lease	09/07/1972	119537

<u>Unit</u>	<u>Document Name/Information</u>	<u>Date Recorded</u>	<u>Instrument Number</u>
Unit 7	Memorandum of Lease	08/03/1973	102045
Unit 8	Memorandum of Lease	04/29/1974	50264
Unit 8	Approval by Master Lessor of Rent Schedule and Sublease and Assignment forms Tract No. 5445	06/06/1974	69290
Unit 9	Memorandum of Lease	10/10/1974	130499
Unit 9	Memorandum of Lease (re-recorded to add Exhibit A)	04/11/1975	41243
Unit 9	Amendment to Memorandum of Lease	08/04/1975	94022
Unit 10	Memorandum of Lease	10/10/1974	130498
Unit 10	Memorandum of Lease (re-recorded to add Exhibit A)	04/11/1975	41244
Unit 10	Amendment to Memorandum of Lease	08/04/1975	94023
Unit 11	Memorandum of Lease	03/10/1976	31586
Unit 12	Memorandum of Lease	12/28/1976	199518
Unit 13	Memorandum of Lease	06/16/1977	111407
Unit 14	Memorandum of Lease	10/07/1977	198390

EXHIBIT "C"
ORIGINAL CC&RS FOR THE FOURTEEN UNITS¹

Unit One

Declaration of Covenants, Conditions and Restrictions/Marrakesh Unit No. One/Tract No. 3837 recorded on July 24, 1969 as Document No. 75389.

Second Amendment to Declaration of Covenants, Conditions and Restrictions recorded August 4, 1981 as Document No. 147627.

Third Amendment to the Declaration of Covenants, Conditions and Restrictions For Marrakesh Unit No. One recorded June 22, 2007 as Document #2007-0408056.

Unit Two

Declaration of Covenants, Conditions and Restrictions/Marrakesh Unit No. Two/Tract No. 3733 dated July 16, 1969.

Second Amendment to Declaration of Covenants, Conditions and Restrictions recorded August 14, 1981 as Document No. 155183.

Third Amendment to the Declaration of Covenants, Conditions and Restrictions for Marrakesh Unit No. Two recorded June 22, 2007 as Document #2007-0408057.

Unit Three

Declaration of Covenants, Conditions and Restrictions/Marrakesh Unit No. Three/Tract No. 3957 recorded on April 27, 1970 as Document 38686.

Amendment to Declaration of Covenants, Conditions and Restrictions recorded on October 30, 1970 as Document No. 109675.

Second Amendment to Declaration of Covenants, Conditions and Restrictions recorded August 26, 1981 as Document No. 162296.

Third Amendment to the Declaration of Covenants, Conditions and Restrictions for Marrakesh Unit No. Three recorded June 22, 2007 as Document #2007-0408058.

Unit Four

Declaration of Covenants, Conditions and Restrictions/Marrakesh Unit No. Four/Tract No. 4125 recorded October 8, 1971 as Document No. 115025.

¹ All documents are recorded in the Riverside County recorder's office.

Second Amendment to Declaration of Covenants, Conditions and Restrictions recorded August 19, 1981 as Document No. 157664.

Third Amendment to the Declaration of Covenants, Conditions and Restrictions for Marrakesh Unit No. Four recorded June 22, 2007 as Document #2007-0408059.

Unit Five

Declaration of Covenants, Conditions and Restrictions/Marrakesh Unit No. Five/Tract No. 4273 recorded June 7, 1972 as Document No. 73590.

Amendment to Declaration of Covenants, Conditions and Restrictions recorded September 7, 1972 as Document No. 119538.

Second Amendment to Declaration of Covenants, Conditions and Restrictions recorded August 10, 1981 as Document No. 151665.

Third Amendment to the Declaration of Covenants, Conditions and Restrictions for Marrakesh Unit No. Five recorded June 22, 2007 as Document #2007-0408060.

Unit Six

Declaration of Covenants, Conditions and Restrictions/Marrakesh Unit No. 6/Tract No. 4274 recorded June 7, 1972 as Document No. 73589.

Amendment to Declaration of Covenants, Conditions and Restrictions recorded September 7, 1972 as Document No. 119536.

Second Amendment to Declaration of Covenants, Conditions and Restrictions recorded on October 21, 1981 as Document No. 197822.

Third Amendment to the Declaration of Covenants, Conditions and Restrictions for Marrakesh Unit No. Six recorded June 22, 2007 as Document #2007-0408061.

Unit Seven

Declaration of Covenants, Conditions and Restrictions/Marrakesh Unit No. Seven/Tract No. 4749 recorded May 22, 1973 as Document 66388.

Second Amendment to Declaration of Covenants, Conditions and Restrictions recorded November 20, 1981 as Document No. 217326.

Third Amendment to the Declaration of Covenants, Conditions and Restrictions for Marrakesh Unit No. Seven recorded June 22, 2007 as Document #2007-0408062.

Unit Eight

Declaration of Covenants, Conditions and Restrictions/Marrakesh Unit No. Eight/Tract No. 5445 recorded November 29, 1973 as Document No. 154481.

Second Amendment to Declaration of Covenants, Conditions and Restrictions recorded August 4, 1981 as Document No. 147626.

Third Amendment to the Declaration of Covenants, Conditions and Restrictions for Marrakesh Unit No. Eight recorded June 22, 2007 as Document #2007-0408063.

Unit Nine

Declaration of Covenants, Conditions and Restrictions/Marrakesh Unit No. Nine/Tract No. 5904 recorded August 14, 1974 as Document No. 104464.

Amendment to Declaration of Covenants, Conditions and Restrictions recorded August 4, 1975 as Document No. 94020.

Second Amendment to Declaration of Covenants, Conditions and Restrictions recorded August 11, 1981 as Document No. 152502.

Third Amendment to the Declaration of Covenants, Conditions and Restrictions for Marrakesh Unit No. Nine recorded June 22, 2007 as Document #2007-0408064.

Unit Ten

Declaration of Covenants, Conditions and Restrictions/Marrakesh Unit No. Ten/Tract No. 5904 recorded August 14, 1974 as Document No. 104465.

Amendment to Declaration of Covenants, Conditions and Restrictions recorded August 4, 1975 as Document No. 94021.

Second Amendment to Declaration of Covenants, Conditions and Restrictions recorded August 4, 1981 as Document No. 147625.

Third Amendment to the Declaration of Covenants, Conditions and Restrictions for Marrakesh Unit No. Ten recorded June 22, 2007 as Document #2007-0408065.

Unit Eleven

Declaration of Covenants, Conditions and Restrictions/Marrakesh Unit No. 11/Tract No. 6229-1 recorded on February 21, 1976 as Document No. 25819.

Second Amendment to Declaration of Covenants, Conditions and Restrictions recorded August 4, 1981 as Document No. 147629.

Third Amendment to the Declaration of Covenants, Conditions and Restrictions for Marrakesh Unit No. Eleven recorded June 22, 2007 as Document #2007-0408066.

Unit Twelve

Declaration of Covenants, Conditions and Restrictions/Marrakesh Unit No. 12/Tract 6229-3 recorded on December 15, 1976 as Document No. 192513.

Second Amendment to Declaration of Covenants, Conditions and Restrictions recorded August 4, 1981 as Document No. 147513.

Third Amendment to the Declaration of Covenants, Conditions and Restrictions for Marrakesh Unit No. Twelve recorded June 22, 2007 as Document #2007-0408067.

Unit Thirteen

Declaration of Covenants, Conditions and Restrictions/Marrakesh Unit No. 13/Tract No. 6229-2 recorded June 6, 1977 as Document No. 102466.

Second Amendment to Declaration of Covenants, Conditions and Restrictions recorded September 3, 1981 as Document No. 167931.

Third Amendment to the Declaration of Covenants, Conditions and Restrictions for Marrakesh Unit No. Thirteen recorded June 22, 2007 as Document #2007-0408068.

Unit Fourteen

Declaration of Covenants, Conditions and Restrictions/Marrakesh Unit No. 14/Tract No. 9129 recorded September 26, 1977 as Document No. 188827.

Second Amendment to Declaration of Covenants, Conditions and Restrictions recorded August 4, 1981 as Document No. 147628.

Third Amendment to the Declaration of Covenants, Conditions and Restrictions for Marrakesh Unit No. Fourteen recorded June 22, 2007 as Document # 2007-0408069.

EXHIBIT "D"
COMMON AREA

Unit One: Lot 17 of Tract No. 3837. Each Owner of a residential lot in Unit One shall include an undivided 1/16 interest in and to Lot 17 of Tract No. 3837.

Unit Two: Lot 25 of Tract No. 3733. Each Owner of a residential lot in Unit Two shall include an undivided 1/24 interest in and to Lot 25 of Tract No. 3733.

Unit Three: Lot 39 of Tract No. 3957. Each Owner of a residential lot in Unit Three shall include an undivided 1/38 interest in and to Lot 39 of Tract No. 3957.

Unit Four: Lot 33 of Tract No. 4125. Each Owner of a residential lot in Unit Four shall include an undivided 1/32 interest in and to Lot 33 of Tract No. 4125.

Unit Five: Lot 27 of Tract No. 4273. Each Owner of a residential lot in Unit Five shall include an undivided 1/26 interest in and to Lot 27 of Tract No. 4273.

Unit Six: Lot 37 of Tract No. 4274. Each Owner of a residential lot in Unit Six shall include an undivided 1/36 interest in and to Lot 37 of Tract No. 4274.

Unit Seven: Lot 39 of Tract No. 4749. Each Owner of a residential lot in Unit Seven shall include an undivided 1/38 interest in and to Lot 39 of Tract No. 4749.

Unit Eight: Lot 23 of Tract No. 5445. Each Owner of a residential lot in Unit Eight shall include an undivided 1/22 interest in and to Lot 23 of Tract No. 5445.

Unit Nine: Lot 36 of Tract No. 5904. Each Owner of a residential lot in Unit Nine shall include an undivided 1/18 interest in and to Lot 36 of Tract No. 5904.

Unit Ten: Lot 35 of Tract No. 5904. Each Owner of a residential lot in Unit Ten shall include an undivided 1/16 interest in and to Lot 35 of Tract No. 5904.

Unit Eleven: Lots 19, 20, 33 and 34 of Tract No. 6229-1. Each Owner of a residential lot in Unit Eleven shall include an undivided 1/30 interest in and to Lots 19, 20, 33 and 34 of Tract No. 6229-1.

Unit Twelve: Lot 25 of Tract No. 6229-3. Each Owner of a residential lot in Unit Twelve shall include an undivided 1/24 interest in and to Lot 25 of Tract No. 6229-3.

Unit Thirteen: Lot 19 of Tract No. 6229-2. Each Owner of a residential lot in Unit Thirteen shall include an undivided 1/18 interest in and to Lot 19 of Tract No. 6229-2.

Unit Fourteen: Lot 27 of Tract No. 9129. Each Owner of a residential lot in Unit Fourteen shall include an undivided 1/26 interest in and to Lot 27 of Tract No. 9129.

EXHIBIT "E"
RESIDENTIAL LOTS

Throughout this document, the term "Lot" shall refer to one of said lots within each Unit/subdivision.

- Unit One: Lots 1 to 16, inclusive, of Tract No. 3837.
- Unit Two: Lots 1 To 24, inclusive, of Tract No. 3733.
- Unit Three: Lots 1 To 38, inclusive, of Tract No. 3957.
- Unit Four: Lots 1 To 32, inclusive, of Tract No. 4125.
- Unit Five: Lots 1 To 26, inclusive, of Tract No. 4273.
- Unit Six: Lots 1 To 36, inclusive, of Tract No. 4274.
- Unit Seven: Lots 1 To 38, inclusive, of Tract No. 4749.
- Unit Eight: Lots 1 To 22, inclusive, of Tract No. 5445.
- Unit Nine: Lots 1 To 18, inclusive, of Tract No. 5904.
- Unit Ten: Lots 19 To 34, inclusive, of Tract No. 5904.
- Unit Eleven: Lots 1 To 18, inclusive, and Lots 21 to 32, inclusive, of Tract No. 6229-1.
- Unit Twelve: Lots 1 To 24, inclusive, of Tract No. 6229-3.
- Unit Thirteen: Lots 1 To 18, inclusive, of Tract No. 6229-2.
- Unit Fourteen: Lots 1 To 26, inclusive, of Tract No. 9129

EXHIBIT "F"
MAINTENANCE RESPONSIBILITY CHART

This Maintenance Responsibility Chart attached hereto, incorporated by reference and made a part of the CC&Rs to which it is attached. If there is a conflict between this Chart and any other portions of the CC&Rs, the other portions of the CC&Rs shall control.

The following is a listing of the items within the Development for which Members and the Association are responsible for the routine maintenance, repair and replacement duty, in accordance with the CC&Rs and may not apply to situations where damage is caused by the negligence or willful misconduct of any party.

Unless specifically provided otherwise in the Chart, the items below include the responsibility to maintain, repair, replace and paint (if painting is applicable).

This Chart is provided for convenience as to the general determination of responsibility for the maintenance, repair and replacement of various components of the Development. The physical boundaries of the various components of the Development, such as the Residence, Lot, and Common Area, are not necessarily determinative of the responsibility for routine maintenance, repair and replacement.

In certain situations, the Association's insurance coverage may provide for the repair/replacement of components that are designated as the Members' maintenance responsibility under the CC&Rs, including this Chart. These circumstances shall not be deemed to be, or construed as, modifying the routine maintenance, repair and replacement duties set forth herein.

ALL OWNERS ARE REMINDED THAT ALTERATIONS, CHANGES, ADDITIONS, ETC. ARE SUBJECT TO COMPLIANCE WITH ARCHITECTURAL/LANDSCAPING GUIDELINES.

COMPONENT(S)	Maintain Clean/ Attractive Condition	Repair	Replace	Paint
O = Owner, A = Association				
EXTERIOR OF RESIDENCES/LOTS				
Asphalt Driveways	A	A	A	N/A
Atrium Exterior Door	O	O	O	A
Atrium – Repair to prevent water intrusion	O	O	O	N/A

COMPONENT(S) O = Owner, A = Association	Maintain Clean/ Attractive Condition	Repair	Replace	Paint
Building Footings, Foundations and Slabs of Residence	O	O	O	N/A
Concrete Driveways (except for damage due to Common Area tree roots or Association repair of sewer or water lines)	O	O	O	N/A
Concrete Driveways – damage due to Common Area tree roots or Association repair of sewer or water lines	N/A	A	A	N/A
Doors – Residence - Hardware, Weather Stripping and Fixtures	O	O	O	N/A
Faucet – Common Area	A	A	A	N/A
Faucet – Residence Exterior	O	O	O	N/A
Front Door & Front Door Frame in Standard Color	O	O	O	A (exterior) O (interior)
Garage Entry Door and Frame	O	O	O	A O (interior)
Garage Pedestrian Door	O	O	O	A O (interior)
Garage Walls and Trim	O	O	O	A
Landscaping, irrigation and landscape lighting– front yard up to court yard wall and side yard, up to patio wall	A	A	A	N/A
Light Fixtures and Bulbs – Interior and Exterior of Lot	O	O	O	N/A

COMPONENT(S) O = Owner, A = Association	Maintain Clean/ Attractive Condition	Repair	Replace	Paint
Mailboxes	A	A	A	N/A
Outside Trim of Residence (White)	O	O	O	A
Outside Walls of Residence	O	O	O	A
Perimeter Walls (Slump Stone Blocks and Stucco) (Marrakesh Pink)	A	A	A	A
Pest, Rodent and Termite Control – Common Area	A	A	A	N/A
Pest, Rodent and Termite Control – Lot	O	O	O	N/A
Retaining Walls	A	A	A	A
Roof of Residences, including gutters & scuppers	O	O	O	A
Sidewalks on Lot, including cracks of more than 0.5” unless caused by Common Area tree resulting in crack over 0.5”	O	O	O	N/A
Trash Enclosure	O	O	O	A (slump walls) O (all other)
Utility Service Boxes and Meters exclusively serving one Lot	O	O	O	N/A
Windows, Window Frames, Weather Stripping, Glass, Sliding Doors, & All Components of Window System	O	O	O	N/A
Window Screens	O	O	O	N/A
RESIDENCE INTERIOR				
Air Conditioner	O	O	O	N/A
Air Duct System	O	O	O	N/A

COMPONENT(S) O = Owner, A = Association	Maintain Clean/ Attractive Condition	Repair	Replace	Paint
Bathroom fixtures – including bathtubs, shower stalls, shower pans, tile.	O	O	O	O
Cabinets – kitchen, bath, others.	O	O	O	O
Doors (includes interior painting, hardware, weather stripping and fixtures)	O	O	O	O
Faucets	O	O	O	N/A
Fireplaces, spark arrester and related components/utility connections	O	O	O	O
Furnace	O	O	O	N/A
Garage – includes interior painting of garage door	O	O	O	O
Garage Door Opener and System	O	O	O	N/A
HVAC System – including all interior/exterior duct work and utility penetrations	O	O	O	N/A
Plumbing Fixtures	O	O	O	N/A
Residence – All interior surfaces and structural elements	O	O	O	O
Skylights and Solartubes (including transition and connection to roof system)	O	O	O	N/A
Wall Coverings	O	O	O	O
Walls – Residence - includes structural elements, insulation and painting	O	O	O	O
Water Heater System	O	O	O	N/A
ATRIUM/ COURTYARD/PATIO AREAS				
Concrete Slab – Courtyard, Patio and Patio Extensions	O	O	O	N/A
Courtyard Walls	O	O	O	A

COMPONENT(S) O = Owner, A = Association	Maintain Clean/ Attractive Condition	Repair	Replace	Paint
Door/Gate facing Common Area	O	O	O	A (exterior) O (interior)
Door/Gate facing Courtyard Interior	O	O	O	A (exterior) O (interior)
Faucets -- Front and Rear Patio Area	O	O	O	N/A
Hardscape -- Patios and Sidewalks (includes modifications, additions and damage to underlying hardscape)	O	O	O	O
Irrigation System within Atrium Courtyard, and Patio	O	O	O	N/A
Landscaping within Atrium, Courtyard and Patio	O	O	O	N/A
Light Fixtures, Bulbs and Landscape Lighting in Side Yards	O	O	O	N/A
Patio Doors & Glass	O	O	O	N/A
Patio Door Screens	O	O	O	N/A
Patio Support Poles	O	O	O	A
Patio Walls -- Owner Installed	O	O	O	A
Personal Property and Owner Installed Improvements	O	O	O	O (except Patio and Courtyard walls
Pressure Regulator Valves	O	O	O	N/A

COMPONENT(S) O = Owner, A = Association	Maintain Clean/ Attractive Condition	Repair	Replace	Paint
Private Pools, Spas, Water Features and all appurtenant pipes and equipment	O	O	O	O
Raised Planters – includes painting, water sealing, plant material, tile treatment and irrigation	O	O	O	O
Security Light Fixtures and Bulbs	O	O	O	O
Trim or Wrought Iron	O	O	O	A
COMMON AREA				
Irrigation System (except irrigation systems within Atriums, Courtyards and Patios of Lots)	A	A	A	N/A
Landscaping (except within Atriums, Courtyards and Patios of Lots)	A	A	A	N/A
Perimeter Walls	A	A	A	A
Pools, Spas and Pool Restrooms – Common Area	A	A	A	A
Private Streets, Curbs and Parking Lots	A	A	A	A
Sidewalks – including those adjacent to Residences in Common Area (excludes enclosed Courtyards)	A	A	A	N/A
Trees (Owners who wish to request pruning of any tree in Common Area must submit request to Association)	A	A	A	N/A
UTILITIES				
Cable TV, Satellite, or Internet exclusively serving a Lot, wherever located within the Development	O	O	O	N/A
Electrical lines on the Lot and those exclusively serving two Lots wherever located within the Development	O	O	O	N/A
Gas lines on the Lot and those exclusively serving two Lots wherever located within the Development	O	O	O	N/A

COMPONENT(S) O = Owner, A = Association	Maintain Clean/ Attractive Condition	Repair	Replace	Paint
Sewer Lines on the Lot and those exclusively serving two Lots wherever located within the Development (unless caused by roots of trees in Common Area)	O	O	O	N/A
Sewer Line Breaks and/or Stoppages caused by roots of trees located in Common Area	N/A	A	A	N/A
Telephone & Telephone Wires exclusively serving a Lot, wherever located in the Development	O	O	O	N/A
Water Supply System on the Lot and those exclusively serving two Lots wherever located within the Development	O	O	O	N/A
Water Supply System breaks and/or stoppages caused by roots of trees in Common Area	N/A	A	A	N/A