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Page 1 of 39

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SECOND RESTATED DECLARATION

OF

COVENANTS, CONDITIONS AND RESTRICTIONS

FOR

PLUMAS EUREKA ESTATES UNIT No. 6

TABLE OF CONTENTS
TO
SECOND RESTATED DECLARATION
OF
COVENANTS, CONDITIONS AND RESTRICTIONS
FOR
PLUMAS EUREKA ESTATES UNIT No. 6

	Page Number
RECITALS.....	1
ARTICLE 1 DEFINITIONS.....	2
1.1 Absolute Majority.....	2
1.2 Additional Charges.....	2
1.3 Architectural Rules.....	2
1.4 Articles.....	2
1.5 Assessment.....	2
1.6 Association.....	3
1.7 Board of Directors.....	3
1.8 Bylaws.....	3
1.9 Common Area.....	3
1.10 Contract Purchaser/Contract Seller.....	3
1.11 County.....	3
1.12 Declaration.....	3
1.13 Development.....	3
1.14 Director.....	3
1.15 Governing Documents.....	3
1.16 Improvement.....	3
1.17 Lot.....	3
1.18 Member.....	3
1.19 Member in Good Standing.....	3
1.20 Mortgage.....	3
1.21 Owner.....	4
1.22 Record.....	4
1.23 Residence.....	4
1.24 Resident.....	4
1.25 Rules.....	4
1.26 Simple Majority.....	4
1.27 Subdivision Map.....	4
1.28 Total Voting Power.....	4
ARTICLE 2 COMMON AREA.....	4
2.1 Purpose of Common Area.....	4
2.2 Owners Non-Exclusive Easements of Enjoyment.....	4
2.3 Assignment of Rights of Use.....	5
2.4 Common Area Construction.....	6
2.5 Mechanic's Liens.....	6

ARTICLE 3	EASEMENTS	6
3.1	Easements in General.....	6
3.2	Utility Easements.....	6
3.3	Easements Granted by Board.....	6
3.4	General Association Easements for Maintenance, Repair and Replacement.....	7
3.5	Encroachment Easements.....	7
3.6	Party Wall Easements.....	7
3.7	Utility Maintenance and Repair Easements.....	7
3.8	Easements for Public Agencies.....	7
ARTICLE 4	USE RESTRICTIONS	7
4.1	Single Family Residential Use.....	7
4.2	No Partition, Subdivision or Merger.....	7
4.3	Restriction on Businesses.....	8
4.4	Offensive Conduct, Nuisances, Noise.....	8
4.5	Use of the Common Area.....	8
4.6	Requirement of Architectural Approval.....	8
4.7	Sports Apparatus.....	8
4.8	Window Coverings.....	8
4.9	Signs.....	9
4.10	Antennas.....	9
4.11	Trash Disposal.....	9
4.12	Construction Materials, Construction Debris.....	9
4.13	Vehicles and Parking.....	10
4.14	Garages.....	11
4.15	Outbuildings and Temporary Structures.....	11
4.16	Compliance with Laws.....	11
4.17	Animals.....	11
4.18	Rental of Lots.....	12
4.19	Clotheslines.....	13
4.20	Mailboxes and Exterior Newspaper Tubes.....	13
4.21	Activities Affecting Insurance.....	13
4.22	Variances.....	13
ARTICLE 5	HOMEOWNERS ASSOCIATION	14
5.1	Management and Operation.....	14
5.2	Membership.....	14
5.3	Voting.....	14
5.4	Board of Directors.....	14
5.5	Association Rules.....	14
5.6	Manager and Other Personnel.....	15
5.7	Insurance.....	15
5.8	Capital Improvements.....	15
5.9	Sale or Transfer of Association Property.....	15
5.10	Transfer or Dedication of Common Area to Public Agency or Utility.....	15
5.11	Borrow Money.....	15
5.12	Mortgage of Association Property.....	15
5.13	Mergers and Consolidations.....	15
5.14	Dissolution.....	15
5.15	Limitation of Liability.....	16
ARTICLE 6	ASSESSMENTS AND LIENS	16
6.1	Covenant of Owner.....	16
6.2	Creation of Lien.....	16
6.3	Purpose of Assessments.....	16

6.4	Authority of the Board.....	17
6.5	Annual Assessment.....	17
6.6	Special Assessments.....	17
6.7	Reimbursement Assessments.....	18
6.8	Enforcement Assessments.....	18
6.9	Failure to Fix Assessments.....	18
6.10	Offsets.....	18
6.11	Delinquent Assessments.....	18
6.12	Power of Sale.....	19
6.13	Certificate of Satisfaction and Release of Lien.....	19
6.14	Priority.....	19
6.15	Association Funds.....	19
6.16	Waiver of Exemptions.....	19
6.17	Property Exempt From Assessments.....	19
ARTICLE 7	DAMAGE OR DESTRUCTION; CONDEMNATION.....	20
7.1	Damage to or Destruction of Improvements to Association Property.....	20
7.2	Rebuilding or Repair of Improvements on Lots.....	20
7.3	Condemnation of Common Area.....	20
7.4	Condemnation of Lots.....	21
ARTICLE 8	MAINTENANCE OF PROPERTY.....	21
8.1	Association Responsibilities.....	21
8.2	Owner Responsibilities.....	22
8.3	Compliance With Architectural Provisions.....	24
8.4	Owner Failure to Maintain.....	24
8.5	Owner Liability.....	24
8.6	Authority for Entry of Lot.....	24
8.7	Association Liability.....	24
8.8	Board Discretion.....	24
8.9	Cooperative Maintenance Obligations.....	24
ARTICLE 9	ARCHITECTURAL CONTROL.....	25
9.1	Submission of Plans and Specifications.....	25
9.2	General Design Standards.....	25
9.3	Architectural Rules.....	25
9.4	Application.....	25
9.5	Fees.....	25
9.6	Grant of Approval.....	25
9.7	Modifications Affecting Structural Integrity.....	26
9.8	Form of Approval.....	26
9.9	Time for Board Action.....	26
9.10	Commencement.....	26
9.11	Completion.....	26
9.12	Inspection.....	26
9.13	Non-Waiver.....	27
9.14	Estoppel Certificate.....	27
9.15	Notice of Noncompliance.....	28
9.16	Liability.....	28
9.17	Compliance With Governmental Requirements.....	28
ARTICLE 10	ENFORCEMENT.....	28
10.1	Violations as Nuisance.....	28
10.2	Violation of Law.....	28
10.3	Owners' Responsibility for Conduct and Damages.....	28
10.4	No Avoidance.....	29

10.5	Rights and Remedies of the Association.....	29
10.6	Disciplinary Rules.....	30
10.7	Emergency Situations.	30
10.8	Alternative Dispute Resolution.	30
10.9	Non-Waiver.....	30
10.10	Notices.	30
10.11	Costs and Attorneys' Fees.	30
ARTICLE 11	AMENDMENT.....	31
ARTICLE 12	GENERAL PROVISIONS	31
12.1	Headings.	31
12.2	Severability.	31
12.3	Liberal Construction.	31
12.4	Number; Gender.....	31
12.5	Easements Reserved and Granted.	31
12.6	Power of Attorney.....	31
12.7	Term.	31

**SECOND RESTATED DECLARATION
OF
COVENANTS, CONDITIONS AND RESTRICTIONS
FOR
PLUMAS EUREKA ESTATES UNIT NO. 6**

This Second Restated Declaration of Covenants, Conditions and Restrictions for Plumas Eureka Estates Unit No. 6 (the "Declaration") is made by the Plumas Eureka Villas Home Owners Association, Inc., a California nonprofit mutual benefit corporation (the "Association").

RECITALS

A. The Association is an "association", as that term is defined in California Civil Code Section 4080, which has been created to manage the common interest development located in Plumas County, California commonly known as Plumas Eureka Estates Unit No. 6 and more particularly described as follows (the "Development"):

All property shown on the subdivision map entitled "Plumas Eureka Estates Unit No. 6" recorded on November 3, 1978 in Book 4 of Maps, Page 121 in the official records of Plumas County, California.

B. The original developer of the Development, Plumas Eureka Associates, a general partnership ("Declarant"), executed a document entitled "Declaration of Covenants, Conditions and Restrictions for Plumas Eureka Associates, A General Partnership" which was recorded on June 25, 1979 as Instrument No. 9842 in Volume 310, Page 555 et seq., in the official records of Plumas County, California (the "Original Declaration"); which was amended by a document entitled "First Restated Declaration of Covenants, Conditions and Restrictions for Plumas Eureka Estates Unit No. 6" which was recorded on October 31, 2007 as document number 2007-0008926, in the official records of Plumas County, California (the "First Restated Declaration").

C. The Original Declaration established certain limitations, easements, covenants, restrictions, conditions, liens, and charges which run with and are binding upon all parties having or acquiring any right, title, or interest in the real property comprising the Development.

D. The Declarant, who was the subdivider of the Development as referred to in Article XII, Section 9 of the Original Declaration, no longer owns any property within the Development.

E. Members of the Association holding at least absolute majority of the total voting power of the Association desire to amend, restate and supersede the First Restated Declaration pursuant to Article 11 of the First Restated Declaration.

NOW, THEREFORE, it is hereby declared as follows:

1. The First Restated Declaration is hereby amended, restated and superseded in its entirety to read as set forth in this Declaration.
2. All of the real property comprising the Development constitutes a "planned development", as that term is defined in California Civil Code Section 4175.
3. All of the real property comprising the Development is held and owned and shall be held, owned, operated, managed, conveyed, hypothecated, encumbered, leased, used, occupied, and improved subject to the following covenants, conditions, and restrictions, all of which are declared and agreed to be in furtherance of a plan and purpose of protecting, preserving, and enhancing the value, desirability, and attractiveness of the Development and every part thereof, and of fostering the development, management, improvement, enjoyment, and sale of the real property comprising the Development and any part thereof.
4. All of the covenants, conditions, and restrictions set forth in this Declaration shall constitute enforceable equitable servitudes as provided in California Civil Code Section 5975, shall constitute covenants that shall run with the real property comprising the Development, and shall be binding upon and inure to the benefit of each Owner of any portion of such real property or of any interest therein and their heirs, successors, and assigns.

ARTICLE 1 DEFINITIONS

- 1.1 Absolute Majority. "Absolute Majority" shall mean a majority of the Total Voting Power of the Association.
- 1.2 Additional Charges. "Additional Charges" shall mean all costs, fees, charges, and expenditures, including without limitation, interest, late charges, attorneys' fees, Recording and filing fees, and all other costs actually incurred by the Association in collecting and/or enforcing payment of Assessments, fines, and/or penalties.
- 1.3 Architectural Rules. "Architectural Rules" shall mean the rules and regulations adopted by the Board pursuant to Section 9.3 of this Declaration.
- 1.4 Articles. "Articles" shall mean the Articles of Incorporation of the Association, as they may be amended from time to time, and as filed with the Office of the Secretary of State of California.
- 1.5 Assessment. "Assessment" shall mean a charge levied by the Association against an Owner and his or her Lot as provided in Article 6 of this Declaration. "Assessment" shall include any or all of the following:
 - 1.5.1 Annual Assessments, which shall have the meaning set forth in Section 6.5 of this Declaration.
 - 1.5.2 Enforcement Assessments, which shall have the meaning set forth in Section 6.8 of this Declaration.
 - 1.5.3 Reimbursement Assessments, which shall have the meaning set forth in Section 6.7 of this Declaration.

1.5.4 Special Assessments, which shall have the meaning set forth in Section 6.6 of this Declaration.

1.6 Association. "Association" shall mean the Plumas Eureka Villas Home Owners Association, Inc., its successors and assigns.

1.7 Board of Directors. "Board of Directors" or "Board" shall mean the governing body of the Association.

1.8 Bylaws. "Bylaws" shall mean the Bylaws of the Association as they shall be adopted by the Members and any duly-adopted amendments thereof.

1.9 Common Area. "Common Area" shall mean the areas designated as open space easements ("O.S.E.") on the Subdivision Map and all real property owned by the Association for the common use and enjoyment of the Owners and Residents of the Development.

1.10 Contract Purchaser/Contract Seller. "Contract Purchaser" and "Contract Seller" shall mean the purchaser and the seller, respectively, under an installment land contract in which title to the property is transferred after the final installment payment is made.

1.11 County. "County" shall mean Plumas County, California.

1.12 Declaration. "Declaration" shall mean this instrument, as it may be amended from time to time.

1.13 Development. "Development" shall mean all the real property described in Recital A of this Declaration as well as such other real property as may hereafter be brought within the jurisdiction of the Association.

1.14 Director. "Director" shall mean a member of the Board of Directors.

1.15 Governing Documents. "Governing Documents" shall mean the Articles, Bylaws, Declaration, Rules (including the Architectural Rules), and the policies and resolutions duly adopted by the Board and distributed to the Members.

1.16 Improvement. "Improvement" shall mean all structures and improvements including without limitation buildings, landscaping, paving, fences, and signs.

1.17 Lot. "Lot" shall mean any plot of land shown upon the Subdivision Map, with the exception of the Common Area.

1.18 Member. "Member" shall mean an Owner.

1.19 Member in Good Standing. "Member in Good Standing" shall mean a Member of the Association who is current in the payment of all dues, Assessments, fines, penalties, and other charges imposed in accordance with the Governing Documents, and who is in compliance with all of the provisions of the Governing Documents, as may be more particularly set forth in the Bylaws.

1.20 Mortgage. "Mortgage" shall mean a deed of trust as well as a mortgage in the conventional sense. "First Mortgage" shall mean any Recorded Mortgage on a Lot with first priority over other Mortgages on such Lot.

1.21 Owner. "Owner" shall mean any person, firm, corporation or other entity in which fee title to a Lot is vested as shown by the official records of the office of the County recorder, including Contract Sellers, but excluding Contract Purchasers and excluding those having such interest merely as security for the performance of an obligation. Where the context requires, the term "Owner" shall include the members of the Owner's household and the Owner's guests, tenants/lessees and invitees; provided, however, that such persons are not "Owners" for purposes of exercising voting rights in the Association.

1.22 Record. "Record" shall mean, with respect to any document, the recordation or filing of such document in the office of the County recorder.

1.23 Residence. "Residence" shall mean a residential structure located upon a Lot which is designed for human residential use and occupancy.

1.24 Resident. "Resident" shall mean any person who resides on a Lot within the Development whether or not such person is an Owner as defined in Section 1.21 of this Declaration.

1.25 Rules. "Rules" shall mean: (a) the rules and regulations governing the use, occupancy, management, administration, and operation of the Development or any part thereof; and (b) the Architectural Rules, as adopted and published by the Board of Directors from time to time.

1.26 Simple Majority. "Simple Majority" shall mean a majority of the votes of the Members: (a) represented and voting at a meeting at which a quorum is present; or (b) cast by written ballot (in conformity with California Corporations Code Section 7513) in which the number of ballots received equals or exceeds the number required to establish a quorum.

1.27 Subdivision Map. "Subdivision Map" shall mean the subdivision map entitled "Plumas Eureka Estates Unit No. 6" Recorded on November 3, 1978 in Book 4 of Maps, Page 121 in the official records of the County.

1.28 Total Voting Power. "Total Voting Power" shall mean the total number of votes of all Members entitled to vote at a particular time, calculated on the basis of one vote for each Lot, excluding any Lots as to which an Owner is not then a Member in Good Standing.

ARTICLE 2 COMMON AREA

2.1 Purpose of Common Area. Subject to the provisions of the Declaration, the Common Area shall be held, maintained, and used to meet the common interests of the Owners, the members of the Owners' households, and the Owners' tenants, resident Contract Purchasers, and guests as provided in the Governing Documents.

2.2 Owners Non-Exclusive Easements of Enjoyment. Every Owner shall have a non-exclusive easement of use of and enjoyment in, to, and throughout the Common Area, including use for the purposes of ingress, egress and support. Each such non-exclusive easement shall be appurtenant to and pass with the title to every Lot, subject to the following rights and restrictions:

2.2.1 The right of the Board of Directors to establish and enforce reasonable Rules governing the use of the Common Area and the facilities thereon including, without limitation, Rules: (a) limiting the number of guests of Members permitted to use the Common Areas and the facilities thereon at any one time; (b) limiting the hours of use of the Common Areas and the facilities thereon; (c) regulating the use of the Common Areas

and the facilities thereon for group activities; and (d) regulating parking upon the Common Area.

2.2.2 The right of the Board to charge reasonable admission and other use fees for any facilities situated upon the Common Area.

2.2.3 The right of the Board, as more particularly addressed in the Bylaws, to suspend an Owner's right to use the recreational facilities located on the Common Area for: (a) any period during which any Assessment against such Owner's Lot remains unpaid; and/or (b) for violations of the Governing Documents by an Owner or any person for whom an Owner is responsible.

2.2.4 The right of the Board, as set forth in Section 3.2 and Section 3.3 of this Declaration, to grant easements and rights of way in, on, over, or under the Common Area.

2.2.5 The right of the Board to dedicate or transfer all or any part of the Common Area to any public agency, authority, or utility.

2.2.6 The right of the Board to mortgage, pledge, encumber, or otherwise hypothecate the Common Area and facilities thereon as security for money borrowed by the Association.

2.2.7 The right of the Association or its authorized agents to perform its obligations under this Declaration, including, without limitation, obligations with respect to construction, maintenance, repair, or replacement for the benefit of the Common Area.

2.2.8 The right of the Association to establish, construct, maintain, repair and replace entrance signs, street signs, maps, directories and other similar improvements upon the Common Area.

2.2.9 The right of the Association to establish, construct, maintain, repair and replace facilities upon the Common Area including without limitation storage facilities and workshops, which may be necessary or convenient in the discharge of the Association's duties and the exercise of its rights under the Governing Documents.

2.3 Assignment of Rights of Use. Any Owner may assign his rights of use and enjoyment, including easements, in the Development to the members of his household, tenants, Contract Purchasers, guests and invitees, subject to the terms of the Governing Documents. Upon the leasing or renting of a Lot, or upon occupancy of a Lot by a Contract Purchaser, the Owner shall be deemed to have assigned all such rights exclusively to the tenants or Contract Purchasers of such Lot except that such Owner shall continue to have an easement for ingress and egress to such Owner's Lot to the extent necessary to discharge of the Owner's obligations and rights as a landlord. Each Owner shall notify the Secretary of the Association of the names of any tenants or any such Contract Purchasers of such Owner's Lot. Each Owner, tenant, or Contract Purchaser shall also notify the Secretary of the Association of the names of all members of his or her household to whom such Owner, tenant, or Contract Purchaser has assigned any rights of enjoyment in the Development as provided herein and the relationship which each such person bears to such Owner, tenant, or Contract Purchaser. Any rights of enjoyment assigned pursuant to this section are subject to suspension to the same extent that rights of Owners are subject to suspension as provided in the Governing Documents. It is the express purpose and intent of the provisions of this section to limit the right of use and enjoyment of the Common Area to Residents and their guests.

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

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

ARTICLE 3 EASEMENTS

3.1 Easements in General. In addition to all easements reserved and granted on the Subdivision Map and the easements specified in Article 2, there are hereby specifically acknowledged, reserved and granted for the benefit of the Lots and the Owners in common and for each Lot and Owner severally, and for the Association, as their respective interests shall exist, the easements and rights of way as particularly identified in this article.

3.2 Utility Easements. Easements over and under the Development or any portion thereof for the installation, repair, maintenance, and replacement of: (a) electric, telephone, water, gas, and sanitary sewer lines, meters, and facilities; (b) cable lines and facilities; (c) drainage facilities; (d) walkways; and (e) landscaping, as shown on the Subdivision Map, and as may be hereafter required or convenient to service the Development, are reserved by and shall exist in favor of the Association, together with the right to grant and transfer the same. The Association shall maintain all utility installations located in the Common Area except for those installations maintained by utility companies, public, private, or municipal.

3.3 Easements Granted by Board. The Board shall have the power to grant and convey to any person or entity easements and rights of way, in, on, over, or under the Common Area for the purpose of: (a) constructing, erecting, operating, or maintaining thereon, therein, or thereunder overhead or underground lines, cables, wires, conduits, or other devices for electricity, cable television, power, telephone, public sewers, storm drains and pipes, water systems, sprinkling systems, water, heating and gas lines or pipes, and any similar public or quasi-public improvements or facilities; and (b) for any other purposes deemed by the Board to be appropriate and not inconsistent with the purposes and interests of the Association. Each purchaser, in accepting a deed to a Lot, expressly consents to such easements and rights of way. No such easements may be granted if they would unreasonably interfere with the use,

occupancy, or enjoyment by an Owner or Resident of his or her Lot without the consent of the affected Owner of the Lot.

3.4 General Association Easements for Maintenance, Repair and Replacement. The Association shall have an easement in, on, over or under every Lot as reasonably necessary to: (a) maintain and repair the Common Area; (b) maintain and repair those portions of the Lots for which such obligation is assigned to the Association pursuant to Section 8.1; (c) perform maintenance upon a Lot which is not performed by its Owner as provided by Section 8.4 and Section 8.6; and (d) otherwise perform its obligations under this Declaration.

3.5 Encroachment Easements. Each Lot and the Common Area is hereby declared to have an easement over all adjoining Lots and the Common Area for the purpose of accommodating any minor encroachment due to engineering errors, errors in original construction, settlement or shifting of structures, or any other similar cause. There shall be valid easements for the maintenance of such encroachments as long as they shall exist. Notwithstanding the preceding, in no event shall a valid easement for encroachment be created in favor of an Owner or Owners if such encroachment occurred due to the willful misconduct of such Owner or Owners. In the event a structure is partially or totally destroyed, and then repaired or rebuilt, the Owners of each Lot agree that minor encroachments over adjoining Lots or Common Area shall be permitted and that there shall be valid easements for the maintenance of such encroachments so long as they shall exist.

3.6 Party Wall Easements. There shall be reciprocal easements for the mutual benefit of the Lots sharing any party wall for purposes of the maintenance and repair of such party wall as provided in Section 8.2.8.

3.7 Utility Maintenance and Repair Easements. Wherever sanitary sewer connections or water connections or electricity, gas, telephone or television lines or drainage facilities (collectively, the "Connections") are installed within the Development, which Connections, or any portion thereof, lie in or upon Lots owned by other than the Owner of the Lot served by such Connections, the Owners of any Lots served by the Connections shall have the right, and are hereby granted an easement to the full extent necessary therefor, to enter such Lots or to have utility companies enter therein, to repair, replace and generally maintain such Connections. Wherever such Connections serve more than one Lot, the Owner of each Lot served by the Connections shall be entitled to the full use and enjoyment of such portions of the Connections which service his or her Lot. Any Owner or utility company exercising the rights granted in this section shall be obligated to restore the Lot and the Residence entered to substantially its former condition.

3.8 Easements for Public Agencies. Law enforcement agencies, fire protection agencies, social service agencies and other related County or other public agencies, shall have easements for ingress, egress and support through the Common Area for the purpose of fulfilling their public responsibilities.

ARTICLE 4 USE RESTRICTIONS

4.1 Single Family Residential Use. Except as specifically provided in Section 4.3, no Lot, or any portion thereof, shall be occupied or used for other than single-family residential purposes. Only one (1) Residence per Lot is permitted and such Residence, and no other building or structure of any kind, may be used as a living area.

4.2 No Partition, Subdivision or Merger. There shall be no judicial partition of the Development or any part thereof, nor shall any Owner or any person acquiring any interest in the

Development or any part thereof seek any judicial partition thereof. Notwithstanding the preceding, if any Lot is owned by two or more co-tenants as tenants in common or as joint tenants, this section shall not be deemed to prevent a judicial partition by sale as between such co-tenants. No Lot may be further subdivided, nor may more than one Lot be combined into a single parcel of land, for any reason.

4.3 Restriction on Businesses. No business of any kind shall be established, maintained, operated, permitted, or conducted within the Development except:

4.3.1 Those professional and administrative occupations as may be permitted by, and which are conducted in conformance with, all applicable governmental ordinances provided that there is no external evidence thereof, and further provided that the Board may, in its complete discretion, prohibit the conduct of any such activities which the Board determines to be incompatible with the nature and character of the Development or which, in the Board's opinion, may or does otherwise negatively impact the quality of life and property values within the Development.

4.3.2 Those other businesses which by law must be permitted to be conducted within the Development.

4.4 Offensive Conduct, Nuisances, Noise. No noxious, harmful or offensive activities shall be conducted upon or within any part of the Development, nor shall anything be done thereon which may be or become a nuisance, or cause unreasonable embarrassment, disturbance, or annoyance to any Residents of the Development, or which shall in any way interfere with their use of the Common Area and facilities thereon or the use and enjoyment of their Lots or Residences. Without limiting any of the foregoing, no Resident shall permit noise, including without limitation the barking of dogs or excessively loud music, to emanate from the Resident's Lot, which would unreasonably disturb another Resident's enjoyment of his or her Lot or of the Common Area. Nothing in this section shall be construed to limit the Association's ability to discharge its duties in accordance with the Governing Documents or otherwise manage the Development.

4.5 Use of the Common Area. All use of the Common Area is subject to the Governing Documents. No alterations or additions to the Common Area shall be made except as authorized by the Board pursuant to Section 2.4. Nothing shall be placed, kept, stored, or parked (except in accordance with Section 4.13) on the Common Area without the prior written consent of the Board, except by the Association. Without limiting the foregoing, no Owner shall place rubbish, debris, or other unsightly or unsanitary materials on the Common Area. Each Owner shall avoid causing damage to the Common Area.

4.6 Requirement of Architectural Approval. As addressed in greater detail in Article 9, construction, installation, modification, or alteration of buildings, outdoor structures, fences, awnings, outdoor lighting and all other exterior Improvements are subject to approval of the Board.

4.7 Sports Apparatus. No sports apparatus, whether portable or fixed, including without limitation basketball standards, which is visible from any Lot other than the Lot upon which it is installed or utilized or from the Common Area including the private streets, shall be permitted within the Development. As used in this section, the term "sports apparatus" does not include bicycles, skateboards, roller skates, roller blades or any other similar wheeled equipment, whether powered or unpowered, provided that the Board of Directors shall have the discretion to adopt rules and regulations, which shall be Rules as defined in Section 1.25, governing the use of such equipment.

4.8 Window Coverings. Drapes, window shades, or shutters shall be installed in the windows of all Residences and garages and shall comply with any Rules adopted by the Board of

Directors. In no event shall windows be painted, nor shall aluminum foil, newspaper, bed sheets, cardboard or similar materials be placed in windows. All window coverings shall be maintained in good repair and condition at all times. All window coverings of garage windows facing the street must be approved by the Association.

4.9 Signs. No sign of any kind shall be displayed to the public view from any portion of the Development except that this restriction shall not apply to: (a) signs required by legal proceedings; (b) signs which by law cannot be prohibited; (c) a single sign of customary and reasonable dimension and design, complying with the Rules and reasonably located on a Lot advertising the Lot for sale or rent; (d) a single identification sign which has been approved by the Board of Directors located on a Lot identifying the number or address of the Lot and/or the name of the Owner of the Lot; (e) signs approved by the Board located at or near any entrance to the Development identifying the Development; (f) signs required for traffic control and regulation of streets or open areas within the Development; (g) signs on the Common Area as approved by the Board for a purpose reasonably related to the affairs of the Association; and (h) such other signs as the Board, in its discretion, may approve provided that the Board may adopt limitations on such other signs including, without limitation, restrictions on the size of the signs, the duration of their posting, and their location. The Board may adopt a policy or policies regarding the display and placement of signs which are consistent with this section and which shall be Rules as defined in Section 1.25.

4.10 Antennas. No outside mast, tower, pole, antenna, or satellite dish shall be erected, constructed, or maintained on the Common Area or upon any Lot, except: (a) those erected, constructed, or maintained by the Association; (b) those expressly approved by the Board of Directors; or (c) those specifically permitted by law. With respect to those outside masts, towers, poles, antennae and satellite dishes specifically permitted by law, the Association shall have the authority to regulate their installation and maintenance to the greatest extent permitted by law. The Owner of each Lot shall be responsible for the repair and maintenance of any outside mast, tower, pole, antenna or satellite installed on his or her Lot and shall indemnify and reimburse the Association for any and all costs and expenses associated therewith, including without limitation any increased costs incurred by the Association in the performance of its maintenance obligations as specified in Article 8.

4.11 Trash Disposal. Trash, garbage, accumulated waste plant material and all other waste and refuse shall be deposited only in covered sanitary containers or recycling containers in accordance with the following provisions:

4.11.1 Except as provided in Section 4.11.2, the containers shall be maintained upon each Lot and shall be screened or otherwise concealed from view from the Common Area, the streets or any other Lot.

4.11.2 The containers may be placed for pickup at a reasonable time prior to trash collection and shall be promptly stored as specified in Section 4.11.1 after collection. The Board may adopt Rules regulating the placement of containers for trash collection which Rules may include limitations on the period of time during which containers may be placed for collection.

4.11.3 No Owner or Resident shall permit or cause any garbage, trash or other waste or refuse to be kept upon any portion of any Lot outside of the Residence or elsewhere in the Development, except in such containers.

4.12 Construction Materials, Construction Debris. No portion of the Development shall be used for the storage of building materials other than in connection construction projects approved in

accordance with Article 9. All construction debris shall be picked up and deposited daily in an appropriate container.

4.13 Vehicles and Parking.

4.13.1 Limitations on Types of Vehicles.

4.13.1.1 No trailer, motor home, recreational vehicle, camper or boat shall be parked, kept, stored, or permitted to remain upon any area within the Development unless placed or maintained completely within an enclosed garage.

4.13.1.2 No truck, van or commercial vehicle shall be permitted within the Development except for such limited times as are necessary for deliveries, the performance of maintenance, repair and replacement of Improvements within the Development and other similar situations, and then subject to any Rules adopted by the Board which may include, without limitation, a limit on the time of day or days of the week when such vehicles may be present within the Development. The term "truck, van or commercial vehicles" shall not include sedans or standard size pickup trucks and vans (with a payload capacity of 3/4 ton or less) which are used for both business and personal uses, provided that any signs or markings of a commercial nature on such vehicles shall be unobtrusive and inoffensive as determined by the Board.

4.13.1.3 No dilapidated, unclean, unsightly, inoperable, or abandoned vehicle shall be parked, kept, stored, or permitted to remain upon any area within the Development unless placed or maintained completely within an enclosed garage.

4.13.1.4 No unreasonably noisy vehicles and no vehicles (including, without limitation, scooters, motorcycles or other motorized devices) emitting foul smelling or offensive exhaust fumes shall be operated within the Development.

4.13.2 Common Area Parking Spaces. Certain portions of the Common Area have been designated for vehicle parking. The Board shall have the authority to add to, eliminate or change the Common Area parking spaces. Subject to the limitations of Section 4.13.1 above, vehicles of guests or Residents may be parked in such parking spaces on a first-come, first-served basis. No vehicle shall be parked for more than seventy-two (72) hours during any period of seven (7) consecutive days in any of the Common Area parking spaces provided that the Board may, in its discretion, permit the parking of vehicles for such longer period as it deems advisable. The movement of any vehicle for the purpose of preventing the application of this section shall be ineffective. Except as specified in this Section 4.13.2 and Section 4.13.3, no vehicle may be parked on any portion of the Common Area.

4.13.3 Driveway Parking. The Owners and Residents of each Lot, and their guests, may, subject to the limitations of Section 4.13.1, above, park their vehicles upon the driveway servicing such Lot (whether the driveway is on the Lot, the Common Area or a combination of both), provided that all vehicles must be parked completely on the driveway and may not, in the judgment of the Board, create a safety hazard within the Development. All driveway parking shall be subject to Rules adopted by the Board regulating the same.

4.13.4 Parking Rules and Enforcement. In order to prevent or eliminate any parking problems within the Development, or to further define and enforce the restrictions contained in this section, the Board shall have the authority to adopt further reasonable rules and restrictions regarding vehicles and parking within the Development as the Board may deem prudent and appropriate. The Board shall also have the power to impose fines and other sanctions for violations of provisions of the Governing Documents relating to vehicles and parking. Such authority and power shall include, without limitation, the power and authority:

4.13.4.1 To cause the towing, at the vehicle owner's expense, of vehicles which are parked within the Development in violation of any of the provisions of the Governing Documents, provided that towing of vehicles of guests and other non-Residents of the Development shall be subject to the provisions of applicable law. Costs incurred by the Association relating to the towing and/or storage of any vehicle parked in violation of any provision of the Governing Documents shall be assessed as a Reimbursement Assessment against the Lot Owner responsible or whose household members, tenants, Contract Purchasers, or guests are responsible for the presence of such vehicle.

4.13.4.2 To fix and impose fines for violations of this section in accordance with Section 10.5.3 and the Bylaws.

4.13.5 Variances. Without the necessity of complying with Section 4.22, the Board, in its complete discretion and upon such basis and terms as it deems prudent, shall have the power to adopt, modify and repeal Rules permitting the temporary use and parking within the Development of vehicles otherwise prohibited by the provisions of this section.

4.14 Garages. Each Owner shall keep his or her garage in a neat, orderly, sanitary, and safe condition. Each garage door shall remain closed except during the time required for the entry and exit of vehicles and individuals and when and only for as long as reasonably necessary to: (a) clean the garage; (b) perform routine washing of vehicles; and (c) perform maintenance upon the Lot. No garage shall be remodeled or used as a workshop, storage space, hobby facility or for any other use or facility which would interfere with its accommodation of the number of full-sized passenger vehicles which the garage was originally designed to accommodate.

4.15 Outbuildings and Temporary Structures. No outbuilding, tent, shack, trailer, shed, cabana, temporary building, umbrella or similar building or structure, shall be located within the Development, except in strict compliance with the provisions of this Declaration, including Article 9. In no event shall any such building or structure be used as a living area.

4.16 Compliance with Laws. Nothing shall be done or kept anywhere within the Development which violates any local, state or Federal law, ordinance, statute, rule or regulation.

4.17 Animals.

4.17.1 Household Pets. No animals, reptiles, rodents, birds, fish, livestock, or poultry shall be raised, bred or kept on any Lot or portion of the Development except that a reasonable number of domesticated birds, cats, dogs or aquatic animals, may be kept, provided that they are not kept, bred, or maintained for any commercial purposes and they are maintained under reasonable control at all times, all in conformance with any County ordinances. Each dog must be restrained on a leash held by a responsible person capable of controlling it whenever it is outside of its owner's Lot.

4.17.2 Owner's Responsibility for Pets. The owner of each pet shall be responsible for immediately removing and disposing of any waste introduced to any portion of the Development by such pet. The Board shall have the power to impose fines and other sanctions for violations of provisions of the Governing Documents relating to pets, including without limitation fines for failure to remove and dispose of pet waste as required by this section. Each Owner, Resident, and any person bringing or keeping an animal within the Development shall be absolutely liable to the Association and all other persons for any injury or damage to persons or property caused by the animal brought upon or kept upon the Development by such person or by members of his or her household, tenants, guests, or invitees. Each Owner and Resident shall indemnify the Association and its officers, directors, and agents against any and all claims, damages, losses, demands, liabilities, and expenses, including but not limited to attorneys' fees, arising out of or resulting from the presence or conduct of any animal brought upon or kept within the Development by the Owner or Resident, members of his or her household, guests, tenants, or invitees.

4.17.3 Pet Rules. The Board may adopt and enforce pet rules, which shall be Rules as that term is defined in Section 1.25, in addition to the provisions of this section. Such Rules may include, without limitation, regulations regarding the presence of pets on the Common Area and requirements that pets be registered with the Association. The Association shall have the right to prohibit the keeping of any animal which constitutes, in the sole and exclusive opinion of the Board, a nuisance or danger to any other person.

4.18 Rental of Lots. An Owner shall have the right to rent his or her Lot subject to the provisions of the Governing Documents, including without limitation the following specific requirements:

4.18.1 Owner Responsibility. Each Owner renting a Lot shall be strictly responsible and liable to the Association for the actions of such Owner's tenant in or about all Lots and Common Area and for each tenant's compliance with the provisions of all Governing Documents.

4.18.2 Association's Enforcement Rights. In the event a tenant's conduct involves damage or misuse of any Common Area or facilities on any Common Area or constitutes an unreasonable nuisance to Residents, the Association shall be entitled to maintain an eviction action against such tenant to the same extent as the Owner of the Lot, the Association being deemed to be a third party beneficiary of any lease or rental agreement involving any Lot within the Development. The Association's right to maintain an eviction action shall arise only in the event that: (a) the Association has given notice to the Owner detailing the nature of the infraction and the Owner has had a reasonable opportunity to take corrective action or to appear before the Board to present arguments as to why eviction by the Association is not necessary; and (b) the Owner has not taken action to prevent and/or correct the actions of the tenant giving rise to the damage or nuisance.

4.18.3 Indemnification of Association. Every Owner of a Lot that is occupied by persons other than the Owner pursuant to a rental agreement or otherwise, agrees to and shall indemnify and defend the Association, its officers, directors, managers, and agents and shall hold them harmless from any cost, loss, claim, or damages of any kind, including but not limited to attorneys' fees arising out of the conduct or presence of the occupants of the Lot upon the Development, including any such arising or alleged to have arisen out of the enforcement or non-enforcement by the Association of the Governing Documents against such occupants. Without limiting the generality of the foregoing, all

costs, including attorneys' fees incurred by the Association to enforce the Governing Documents against such occupants, including eviction as provided herein, shall be reimbursed to the Association by the Owner and may be assessed by the Association as a Reimbursement Assessment.

4.18.4 Requirements of Written Rental Agreement. Any rental of any Lot shall be only by written rental agreement which shall expressly provide: (a) that it is subject to all of the provisions of the Governing Documents; (b) that the tenants of such Lot shall comply with all provisions of the Governing Documents; and (c) that any violation of any provisions of the Governing Documents shall constitute a breach and default of the terms of such rental agreement. Pursuant to Section 3.1 of the Bylaws, the rental agreement shall not attempt to, nor shall any such agreement be effective to, transfer membership in the Association to the lessee.

4.18.5 Requirement of Inclusive Rental Agreement. No Owner may rent or hire any garage, accessory building, or similar improvement to anyone who does not have the right of possession of the entirety of the Residence on the Lot.

4.18.6 Time-Share Arrangements. No Lot or Lots or any portion thereof in the Development shall be leased, subleased, occupied, rented, let, sublet, or used for or in connection with any time sharing agreement, plan, program or arrangement, including, without limitation, any so called "vacation license," "travel club," "extended vacation," or other membership or time interval ownership arrangement. The term "time sharing" as used herein shall be deemed to include, without limitation, any agreement, plan, program, or arrangement under which the right to use, occupy, or possess any Lot or Lots or any portion thereof or Residence thereon in the Development rotates among various persons, either corporate, partnership, individual, or otherwise, on a periodically recurring basis for value exchanged, whether monetary or like kind use privileges, according to a fixed or floating interval or period of time. This section shall not be construed to limit the personal use of any Lot or any portion thereof in the Development by any Owner or his or her or its social guests.

4.19 Clotheslines. No exterior clotheslines or other outside clothes drying or airing facility shall be erected or maintained upon any Lot where the same would be visible from the Common Area, including the streets, or any other Lot.

4.20 Mailboxes and Exterior Newspaper Tubes. Except for the cluster-style, grouped mailboxes which are the mail receptacles for the Lots, no newspapers tubes or mailboxes shall be erected or maintained within the Development.

4.21 Activities Affecting Insurance. Nothing shall be done or kept within the Development which will increase the rate of insurance maintained by the Association without the prior written consent of the Association. No Owner shall permit anything to be done or kept within the Development which would result in cancellation of any insurance policy maintained by the Association or any other Owner.

4.22 Variances. The Board shall be authorized to grant reasonable variances from the provisions of Article 4 of this Declaration upon written application from any Owner provided that the Board determines, in its sole discretion, that the specific application of the restriction to such Owner will: (a) cause substantial undue hardship to the Owner; or (b) fail to further or accomplish the common plan for the Development as contemplated by this Declaration. The Board shall have the power to limit any variance granted in scope or duration or otherwise impose such specific requirements as the Board may,

in its complete discretion, see fit to require. The Board shall follow the procedures specified below in acting on any request for a variance:

4.22.1 The Board, in its sole discretion, shall make an initial determination of whether or not the variance request on its face meets the requirements set forth in this section. If the Board determines that the variance request does not on its face meet the requirements set forth in this section, the variance request shall be denied and the Board shall so notify the applicant within forty-five (45) days of the Board's decision. If the Board determines that the variance request does on its face meet the requirements set forth in this section, the procedures set forth in the remainder of this section shall be followed.

4.22.2 If the Board determines that the variance request does on its face meet the requirements set forth in this section, the Board shall conduct a hearing on the variance within sixty (60) days of such determination. Notice shall be given to all Members not less than ten (10) days prior to the date of the hearing. Members may submit comments in writing prior to the hearing and/or appear at the hearing. The Board shall establish a reasonable time limit for Member comments during the hearing. No decision regarding the request for variance shall be made until the conclusion of the hearing.

4.22.3 After the conclusion of the hearing, the Board shall, in its sole discretion, either grant or deny the request for variance in accordance with the standards set forth in this section. As more fully discussed above, if the Board grants the variance request, the Board may impose such conditions as the Board deems appropriate and shall so notify the applicant within forty-five (45) days of the Board's decision.

ARTICLE 5 HOMEOWNERS ASSOCIATION

5.1 Management and Operation. The Association, through the Board of Directors, shall manage and operate the Development in accordance with the Governing Documents and the provisions of California law. The Association shall have all of the powers set forth in the Governing Documents together with general power to do any and all things that a nonprofit mutual benefit corporation may lawfully do under the laws of the State of California, subject only to the limitations upon the exercise of such powers as are expressly set forth in the Governing Documents.

5.2 Membership. Every Owner of a Lot shall be a Member of the Association and shall remain a Member thereof until such time as his or her Lot ownership ceases for any reason. Membership shall be appurtenant to and may not be separated from ownership of a Lot and shall not be transferred, encumbered, pledged, alienated, or otherwise hypothecated in any way, except in connection with the sale or encumbrance of the Lot to which it is appurtenant.

5.3 Voting. Only Members in Good Standing shall be entitled to vote, and only one (1) vote shall be cast for each Lot, all as more particularly specified in the Bylaws.

5.4 Board of Directors. The affairs of the Association shall be managed by or under the direction of a Board of Directors. The number and qualifications of Directors shall be as established in the Bylaws, and the members of the Board shall be elected as provided in the Bylaws. The Board of Directors shall have all of the powers and duties set forth in any provision of the Governing Documents, including without limitation such powers and duties as may be expressly set forth in this Declaration.

5.5 Association Rules. The Board of Directors shall have the power and the authority to establish, promulgate, amend, repeal, and enforce such rules and regulations, which shall be known as

"Rules", as the Board deems necessary for the management and operation of the Development and the conduct of business and affairs of the Association. The Rules may concern, but need not be limited to, matters pertaining to use of the Common Area, pets, signs, collection and disposal of refuse, minimum standards for maintenance of property, use of recreation facilities, parking and traffic regulations, rental or leasing of Lots, and any other subject matter within the jurisdiction of the Association as provided in the Governing Documents or by law.

5.6 Manager and Other Personnel. The Board of Directors shall have the power and authority to employ a manager and such other persons or entities as the Board shall deem appropriate to assist it in managing the Development and conducting the business and affairs of the Association, as more particularly set forth in the Bylaws.

5.7 Insurance. The Board shall procure and maintain liability insurance and property insurance as it shall deem proper and as more particularly set forth in the Bylaws.

5.8 Capital Improvements. The Board of Directors shall have the power and authority to provide for the construction, reconstruction, installation, or acquisition of capital Improvements upon the Common Area, provided that in any fiscal year expenditures for capital Improvements shall not exceed ten percent (10%) of the budgeted gross expenses of the Association for that fiscal year except upon the approval of at least a Simply Majority. This limitation shall not apply to the expenditure of any funds accumulated in a reserve fund for the maintenance, repair or replacement of capital Improvements so long as the expenditure is for the purposes for which the fund was established, nor shall it apply to any reconstruction governed by Article 7.

5.9 Sale or Transfer of Association Property. The Board of Directors shall have the power to sell the Association's property provided that the Board shall not, in any fiscal year, sell real property owned by the Association having a value in excess of ten percent (10%) of the budgeted gross expenses of the Association for that fiscal year without approval of at least a Simple Majority.

5.10 Transfer or Dedication of Common Area to Public Agency or Utility. The Board of Directors shall have the power to dedicate or transfer all or any part of the Common Area to a public agency, authority or utility or other person or entity for such purposes and subject to such conditions as may be agreed to by the Board.

5.11 Borrow Money. The Board of Directors shall have the power to borrow money in the name of the Association.

5.12 Mortgage of Association Property. The Board of Directors shall have the power and authority to mortgage, pledge, encumber, or otherwise hypothecate the real and personal property of the Association for money borrowed or debts incurred by the Association.

5.13 Mergers and Consolidations. The Association may: (a) participate in mergers and consolidations with other nonprofit corporations organized for the same purposes as the Association; or (b) annex additional property to the Development, provided that the approval of an Absolute Majority is obtained.

5.14 Dissolution. So long as there is any Lot, parcel or area for which the Association is obligated to provide management, maintenance, preservation or control, the consent of all Members must be obtained for the Association to: (a) transfer all or substantially all of its assets; or (b) file a certificate of dissolution.

5.15 Limitation of Liability. Neither the Association or its directors, officers, employees, agents or committee members (collectively and individually referred to as the "Released Party") shall be personally liable for damages or in equity to any of the Members, or to any other person, for any error or omission in the discharge of their duties and responsibilities or for their failure to provide any service required hereunder or pursuant to the Bylaws, even if such Released Party is negligent, provided that such Released Party has not acted in bad faith. This standard of care and limitation of liability shall extend, without limitation, to matters such as: (a) the establishment of the Association's annual financial budget; (b) the funding of Association reserve accounts; (c) the discharge of the Association's maintenance, repair and replacement obligations; (d) the enforcement of the Governing Documents; and (e) to any other fiduciary duties or responsibilities imposed by law or the Governing Documents.

ARTICLE 6 ASSESSMENTS AND LIENS

6.1 Covenant of Owner. Each Owner of a Lot within the Development, by acceptance of a deed or other conveyance thereof, whether or not it shall be so expressed in such deed or conveyance, shall be deemed to have covenanted and agreed to pay to the Association: (a) Annual Assessments; (b) Special Assessments; (c) Reimbursement Assessments; and (d) Enforcement Assessments levied by the Association as hereinafter provided, together with all Additional Charges. Such deed or conveyance shall be deemed to vest in the Association the right and power to initiate all actions and procedures as the Board shall deem necessary or appropriate for the collection of such Assessments and Additional Charges and for the enforcement of the liens hereinafter provided for.

Each Assessment levied by the Association under this article, together with all Additional Charges, shall be a separate, distinct, and personal debt and obligation of the Owner against whom it is assessed, and shall bind his or her heirs, devisees, personal representatives, successors, and assigns. Such obligation to pay Assessments and Additional Charges and the right and power of the Association to initiate all actions and procedures for collection shall run with the land, so that each successive Owner or Owners of Record of any Lot shall, in turn, become liable to pay all such Assessments and Additional Charges assessed during the time he or she is Record Owner of such Lot. After an Owner transfers of Record any Lot he or she owns, he or she shall not be liable for any Assessments levied thereafter with respect to such Lot. Such Owner shall remain personally liable, however, for all unpaid amounts due and owing at the time of transfer, together with Additional Charges accruing until time of collection. A Contract Seller of any Lot shall continue to be liable for all Assessments and Additional Charges until a conveyance by deed of such Lot is Recorded.

6.2 Creation of Lien. Each Assessment levied by the Association pursuant to this Declaration, together with all Additional Charges, shall be a charge upon the land and upon levy shall be secured by a continuing lien upon the property against which such Assessment is levied. The Association shall have a separate lien and a separate lien is hereby created upon each Lot to secure the payment of any such Assessments and Additional Charges as may be levied under this Declaration. The lien provided for herein shall continue to secure all Assessments and Additional Charges levied upon any Lot notwithstanding the transfer of Record title to such Lot, and any such transfer shall be subject to the Association's lien, provided that, prior to such transfer, a Notice of Delinquent Assessment has been Recorded as provided in this Declaration and by law. The priority of all such liens on each Lot shall be in inverse order so that upon the foreclosure of the lien for any particular charge on any Lot, any sale of such Lot pursuant to foreclosure of the lien will be made subject to all liens securing the respective monthly Assessments and Additional Charges on such Lot for succeeding months.

6.3 Purpose of Assessments. The Assessments levied by the Board shall be used exclusively for: (a) managing and operating the Development; (b) conducting the business and affairs of the Association; (c) promoting the recreation, health, safety, welfare, benefit, and interests of the Owners and

Residents of the Development; (d) improving and maintaining the Common Area and, to the extent provided for in the Governing Documents or by law, the Lots situated within the Development; (e) enforcing the Governing Documents; and/or (f) otherwise benefitting the Owners.

6.4 Authority of the Board. The Board shall have the power and the duty to levy Annual and Special Assessments sufficient to meet the Association's obligations under the Governing Documents and applicable law.

6.5 Annual Assessment.

6.5.1 Calculation of Estimated Requirement. Not less than thirty (30) days nor more than ninety (90) days prior to the beginning of each fiscal year, the Board shall complete and distribute to all Owners an estimate of the net funds required by the Association for such fiscal year (including a reasonable amount allocated to contingencies and to a reserve fund for restoration, repair, and/or replacement of those components for which the Association is responsible and which must be repaired or replaced on a periodic basis) to manage, administer, operate, and maintain the Development; to conduct the affairs of the Association; and to perform all of the Association's duties in accordance with this Declaration.

6.5.2 Allocation of Annual Assessment. The Board shall allocate and assess the amount of estimated required funds equally among the Lots by dividing the amount by the number of Lots.

6.5.3 Payment of Annual Assessments. Unless the Board shall designate a less frequent payment schedule, Annual Assessments shall be levied on an annual basis and shall be paid in twelve (12) equal monthly installments during the fiscal year, and each installment shall be due and payable on the first day of each month.

6.5.4 Increases in Annual Assessment. Pursuant to California Civil Code Section 5605, except as otherwise provided by law, the Board shall not increase the Annual Assessment for any fiscal year above the amount of the Annual Assessment for the preceding fiscal year by more than the maximum amount permitted by law, except upon the affirmative vote or written consent of a majority of Members voting on any such increase in the Annual Assessment, provided that a quorum is established. For purposes of the preceding sentence, a quorum shall mean more than fifty percent (50%) of the Members of the Association, notwithstanding any lower quorum requirement which may be set forth in the Bylaws.

6.6 Special Assessments.

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

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

6.6.3 Approval of Special Assessments. Except in the case of an emergency situation as defined in California Civil Code Section 5610, in any fiscal year the Board may not levy Special Assessments which, in the aggregate, exceed five percent (5%) of the budgeted gross expenses of the Association for that fiscal year, except upon the affirmative vote or written consent of a majority of the Members voting on any such Special Assessment, provided that a quorum is established. For purposes of the preceding sentence, a quorum shall mean more than fifty percent (50%) of the Members of the Association, notwithstanding any lower quorum requirement which may be set forth in the Bylaws.

6.7 Reimbursement Assessments. The Association shall levy a Reimbursement Assessment against any Owner and his or her Lot: (a) if a failure by such Owner, or any person or pet for whom the Owner is responsible, to comply with any provision of the Governing Documents has necessitated or resulted in an expenditure of funds by the Association to deal with such lack of compliance or to bring such Owner or his Lot into compliance; or (b) in the event that the Association has expended funds performing emergency repairs as authorized by this Declaration or for any other reasons specifically authorized by the provisions of this Declaration.

In addition, the Board may in its sole and complete discretion (but shall not be required to) cause the Association to levy a Reimbursement Assessment against any Owner and his or her Lot in an amount equal to any increase in the cost of insurance policies maintained by the Association as a result of the rental of such Lot on a short term basis. In exercising the preceding authority, the Board shall have the right: (a) to determine which Lots are deemed to be rented on a short term basis; and (b) to determine the appropriate allocation of such increased cost among the Lots so-rented.

A Reimbursement Assessment shall include any costs, including attorneys' fees, incurred by the Association, including costs of collecting from an Owner any amount which the Owner is obligated to pay to the Association. A Reimbursement Assessment shall be due and payable to the Association when levied.

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

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

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

6.11 Delinquent Assessments. Any installment or other portion of an Assessment not paid within fifteen (15) days after its due date shall be delinquent and shall be subject to interest and late charges not to exceed the maximum rate permitted by law, as well as all other Additional Charges. The

Board, on behalf of the Association, may enforce the payment of any delinquent Assessment plus Additional Charges by bringing an action at law against any Owner personally obligated to pay the same, or by foreclosing the lien against the Owner's Lot by judicial or non-judicial foreclosure, except as prohibited by law. Except as prohibited by law, upon any delinquency in payment, the Association may, at its option, declare the entire balance of all sums then due or to become due from the Owner, immediately due and payable, which total sum may then be included in any suit, action, or other procedure initiated to collect such sums, including all Additional Charges. The Board may commence any procedure for the collection of delinquent Assessments upon its own decision. The remedies provided in this Declaration for collection of delinquent Assessments shall be cumulative and not exclusive.

6.12 Power of Sale. Each Owner does hereby appoint the Association as trustee to enforce and to foreclose any lien which is established pursuant to the terms of this Declaration, by private power of sale, as provided in Division III, Part 4, Title 14, Chapter 2, Article 1, of the California Civil Code, and does further grant to the Board of Directors, on behalf of the Association, the authority and power to sell the Lot of such Owner in the event of any default in payment of any Assessments or Additional Charges levied against such Lot, for lawful money of the United States, to the highest bidder, to satisfy such lien, except as prohibited by law. The Association or any Owner may purchase the Lot at the sale.

6.13 Certificate of Satisfaction and Release of Lien. Upon payment in full of a delinquent Assessment, including any Additional Charges, or the satisfaction thereof, the Board shall Record, in the same manner as the Notice of Delinquent Assessment, a further certificate stating the satisfaction thereof and the release of the lien.

6.14 Priority. Except as otherwise expressly provided by law, the lien securing each of the Assessments provided for under this Article shall have priority as of the date of Recording of the original declaration applicable to the Development over all other liens and encumbrances applicable to the Lots. Notwithstanding the preceding, a lien for Assessments which have become due and payable prior to the sale of a Lot pursuant to a decree of foreclosure of a First Mortgage, or pursuant to a power of sale contained in any such First Mortgage, shall be subordinate to the lien of any First Mortgage Recorded against the Lot. Such foreclosure sale shall not relieve the Lot from liability for any Assessments and Additional Charges thereafter becoming due, nor from the lien of any subsequent Assessment.

6.15 Association Funds. All Association accounts shall be maintained in one (1) or more banks or other depositories selected by the Board, which accounts shall be clearly designated as belonging to the Association. The Assessments collected by the Association shall be properly deposited into such accounts. The Assessments collected by the Association shall be used for the purposes set forth in Section 6.3.

6.16 Waiver of Exemptions. Each Owner, to the extent permitted by law, does hereby waive, to the extent of any liens created pursuant to this article, the benefit of any homestead or exemption laws of the State of California in effect at the time any Assessment or installment thereof becomes delinquent or any lien is imposed pursuant to the terms of this Article.

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

6.17.1 All property dedicated to and accepted by the County or other local public authority and devoted to public use.

6.17.2 Any Lot which is owned by the Association as a result of the Association having acquired such Lot through foreclosure. Such exemption shall be applicable only during the period in which the Association is Record Owner of such Lot.

6.17.3 All Common Area.

ARTICLE 7 DAMAGE OR DESTRUCTION; CONDEMNATION

7.1 Damage to or Destruction of Improvements to Association Property. In the event of damage to or destruction of any Improvement to the Common Area or to any other real property owned by the Association, the Board of Directors shall, in its discretion and based upon considerations such as the existence of insurance proceeds from insurance coverage for such damage or destruction and the frequency of use of the Improvement, determine whether to repair or replace the damaged or destroyed Improvement. If any such damage or destruction was insured against and the insurance proceeds are insufficient to cover the costs of repair or replacement of the damaged or destroyed Improvement, and if the Board elects to repair or replace the Improvement, the Association may levy a Special Assessment against the Members as provided in this Declaration to cover the additional cost of the repair or replacement not covered by the insurance proceeds. If the Board elects not to repair or replace the Improvement, the applicable insurance proceeds shall be used in the manner consistent with the purposes of the Association and as determined by the Board.

7.2 Rebuilding or Repair of Improvements on Lots.

7.2.1 Damage to Single Lot. If the Improvements on a single Lot are damaged or destroyed by fire or other casualty, the available insurance proceeds shall be paid to the Owner of such Lot and such Owner shall use the proceeds to rebuild or repair such Lot to its condition prior to the damage or destruction, or to such other condition as shall have been approved in advance by the Board pursuant to Article 9. The Board shall have the authority to control the disbursement of insurance proceeds to ensure that the Improvements are rebuilt or repaired. In the event the insurance proceeds are insufficient to complete such work, the Owner of the Lot shall pay such additional sums as may be necessary to complete such rebuilding and repair. Repair or rebuilding shall be commenced within a reasonable time, which shall in no event exceed one (1) year after the occurrence of the damage or destruction, unless specifically extended beyond one (1) year in the discretion of the Board.

7.2.2 Damage to Two or More Lots. If the Improvements on two (2) or more Lots are damaged or destroyed by fire or other casualty, the amount of available insurance proceeds shall be paid to the Association, and the Board shall contract to repair or rebuild the damaged portions of the Lots to their condition prior to the damage or destruction, or to such other condition as shall have been approved in advance by the Board pursuant to Article 9 and agreed to by the Owners in question. In the event the insurance proceeds are insufficient to pay all of the costs of repairing or rebuilding, the Board shall levy a Reimbursement Assessment solely against the damaged Lots in an amount sufficient to pay all such costs in excess of insurance proceeds.

7.3 Condemnation of Common Area. If at any time all or any portion of any Common Area, or any interest therein, shall be taken for any public or quasi-public use, under any statute, by right of eminent domain, or by private purchase in lieu of eminent domain, the entire compensation or award in condemnation, to the extent such award is not apportioned among the Owners by court judgment or by agreement among the condemning authority, the Association and each of the affected Owners, shall be

paid to the Association and shall be used in the manner determined by the Board, provided that such use shall not be inconsistent with the purposes of the Association. The Association shall represent the interests of all Owners in any proceedings relating to such condemnation to the extent such Owners have any interest in the Common Area.

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

ARTICLE 8 MAINTENANCE OF PROPERTY

8.1 Association Responsibilities.

8.1.1 Association Maintenance of Common Area. The Association shall maintain, repair, and replace the Common Area and all facilities, Improvements and landscaping thereon, including without limitation the private roads, parking areas, open park areas, walks and utility facilities (except for those utility facilities which are maintained by public or private utility companies or agencies), and all other real and personal property that may be acquired by the Association, keeping such property in good condition and repair.

8.1.2 Association Maintenance of Lots. The Association shall have limited maintenance, repair and replacement responsibilities with respect to the Lots as specified in this section. The Association shall maintain, repair and, when necessary, replace:

8.1.2.1 The roofs of the Residences, including without limitation the underlying sheathing to which the roof coverings are attached and the structural elements of the roofs.

8.1.2.2 The siding of the Residences, including the underlying structural elements to which the siding is attached.

8.1.2.3 The exterior trim of the Residences.

8.1.2.4 The exterior doors and door frames, except the doors and the door frames for those doors which slide horizontally on a track.

8.1.2.5 The garage door frames.

8.1.2.6 The foundations of the Residences.

8.1.2.7 The driveways and sidewalks serving the Residences.

8.1.2.8 Except as provided in Section 8.2.1.9, the decks and patios.

8.1.2.9 Fences and railings.

8.1.3 Landscaping. The Association may, at its discretion, remove landscaping on an Owner's Lot for reasons including, but not limited to, preventing damage to the sewer and preventing a fire hazard. If the Association removes landscaping on an Owner's Lot, the Association will be responsible for replacement of larger plantings only, as determined in the sole discretion of the Board, and necessary sprinkler additions or adjustments. All other replacements shall be the responsibility of the Owner pursuant to Section 8.2.4, below.

8.2 Owner Responsibilities.

8.2.1 Owner Maintenance of Lots. Except to the extent that specific maintenance, repair or replacement responsibilities with respect to the Lots are expressly and clearly made the responsibility of the Association by this Declaration, each Owner shall be responsible for the maintenance, repair and replacement of his or her Lot, and the Residence and all other Improvements thereon. Each Owner's responsibility shall include, without limitation, the maintenance, repair and replacement of:

8.2.1.1 The exterior light fixtures.

8.2.1.2 Solar devices and skylights.

8.2.1.3 Heating and air conditioning equipment.

8.2.1.4 Exterior doors and door frames for those doors which slide horizontally on a track.

8.2.1.5 Window frames and panes.

8.2.1.6 Garage doors and windows, and the interior of the garage including without limitation the automatic garage door opener.

8.2.1.7 Window and door screens.

8.2.1.8 Those portions of the sewer, water, electrical, cable television and other utility lines located on the Lot, except for those which are maintained by public or private utility companies or agencies.

8.2.1.9 The covers on decks and any plants on decks or patios.

8.2.2 Alterations to Original Construction. Notwithstanding the fact that such maintenance, repair or replacement would otherwise be the responsibility of the Association pursuant to Section 8.1.2, or the fact that any such modification, addition or alteration was approved by the Association, the Owner of each Lot shall be solely responsible for the maintenance, repair and replacement of any portion of the Lot, or the Improvements thereon, which were modified, added to or otherwise altered by other than the Association from its original construction when the Residence and other Improvements on the Lot were first built.

8.2.3 Wood-Destroying Pests and Organisms. Where any maintenance, repair or replacement of a Lot, including the Residence and other Improvements thereon, is made

necessary by the presence of wood-destroying pests or organisms, the Owner of the Lot shall be solely responsible for such maintenance, repair or replacement, including the cost thereof, notwithstanding the fact that such maintenance, repair or replacement would otherwise be the responsibility of the Association pursuant to Section 8.1.2.

8.2.4 Landscaping. If the Association removes landscaping on an Owner's Lot pursuant to Section 8.1.3, the Owner is responsible for the cost of replacement of plants.

8.2.5 Owner Repair of Sewer Line. Each Owner shall be responsible for the maintenance, repair and replacement of any sewer lines exclusively serving the Owner's respective Lot, even if a portion of the line exists in the Common Area. If an Owner's Lot is damaged as a result of an action or lack of action by the Association, the Association shall not be liable unless the Association's action or lack of action constitutes gross negligence.

8.2.6 Chimney Flues. Each Owner shall be responsible for the cleaning and maintenance of their respective chimney flues every two (2) to three (3) years, as well as repair, replacement and maintenance as needed. Should damages result from the Owner's improper maintenance or lack of maintenance of their chimney flue, the Owner will be accountable for the repair of all damages made to their Lot or Residence.

8.2.7 Exterior Lights. Each Owner shall maintain, repair and replace exterior lights on the buildings on the Owner's Lot. All exterior lights must be "dark sky" certified.

8.2.8 Owner Maintenance of Party Walls. Each Owner shall maintain, repair and replace all party walls in accordance with the following provisions:

8.2.8.1 General Rules of Law to Apply. Each wall which is built as a part of the original construction of the Residences within the Development and placed on the dividing line between the Lots shall constitute a party wall. The general rules of law regarding party walls and liability for property damage due to negligence or willful acts or omissions shall apply thereto.

8.2.8.2 Sharing of Repair and Maintenance. The cost of maintenance and repair of a party wall shall be shared by the Owners who make use of the wall in proportion to such use.

8.2.8.3 Destruction by Fire or Other Casualty. If a party wall is destroyed or damaged by fire or other casualty, any Owner who has used the wall may restore it, and if the other Owners thereafter make use of the wall, they shall contribute to the cost of restoration thereof in proportion to such use, without prejudice, however, to the right of any such Owners to call for a larger contribution from the others under any rule of law regarding liability for negligent or willful acts or omissions.

8.2.8.4 Weatherproofing. Notwithstanding any other provision of this section, an Owner who by his or her negligent or willful act causes a party wall to be exposed to the elements shall bear the whole cost of furnishing the necessary protection against such elements.

8.2.8.5 Right to Contribution Runs With Land. The right of any Owner to contribution from any other Owner under this section shall be appurtenant to and run with the land and shall pass to such Owner's successors in title.

8.3 Compliance With Architectural Provisions. An Owner's right and responsibility for maintaining, repairing or replacing any portions of his or her Lot shall be subject to any applicable provisions of the Governing Documents relating to architectural control, including Article 9.

8.4 Owner Failure to Maintain. The Board shall have the absolute discretion to determine whether any maintenance, repair, or replacement which is the responsibility of an Owner is necessary to preserve the appearance and value of the property comprising the Development, or any portion thereof, and may notify an Owner of the work the Board deems necessary. In the event an Owner fails to perform such work within thirty days after notification by the Board to the Owner, the Board may, after written notice to the Owner and the right of a hearing before the Board, cause such work to be done and charge the cost thereof to the Owner as a Reimbursement Assessment. In the event an Owner's failure to maintain leads to structural damage, the Board has the discretion to assign the costs of structural repair to the Owner.

8.5 Owner Liability. In the event the need for any maintenance, repair, or replacement by the Association is caused by the willful or negligent act or omission of an Owner, members of any Owner's household, or an Owner's tenants, Contract Purchaser, guests, invitees, or household pets, the cost of such maintenance, repair, or replacement, including the cost of materials, labor, supplies, and services shall be charged to, and paid by, such Owner in the form of a Reimbursement Assessment.

8.6 Authority for Entry of Lot. The Association or its agents may enter any Lot, whenever such entry is necessary, in the Board's sole discretion, in connection with the performance of any maintenance, repair, construction, or replacement for which the Association is responsible or which it is authorized to perform, including without limitation the authorization provided in Section 8.4. Although under no obligation to do so, the Board, in its complete and sole discretion, may enter or may authorize the Association's agents to enter any Lot to effect emergency repairs where such repairs are necessary for safety reasons or to prevent or discontinue damage to the entered Lot, any other Lot or the Common Area. The cost of performing any such emergency repairs shall be charged to the Owner as a Reimbursement Assessment. Such entry shall be made with as little inconvenience to the Residents as practicable and only upon reasonable advance written notice of not less than twenty-four (24) hours, except in emergency situations.

8.7 Association Liability. The Association shall not be responsible or liable for any maintenance, repair, or replacement of a Lot or any Improvement thereon, except to the extent that the need for such maintenance, repair, or replacement results from the gross negligence or fault of the Association, its employees, contractors, or agents.

8.8 Board Discretion. The Board shall have the discretion to determine the manner, method, extent and timing of the performance of any and all maintenance, repair and replacement obligations imposed upon the Association by this article.

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

ARTICLE 9 ARCHITECTURAL CONTROL

9.1 Submission of Plans and Specifications. Except for Improvements made or constructed by or on behalf of the Association, no interior structural Improvements or exterior Improvements including without limitation landscaping, Residences, buildings, fences, walls, obstructions, balconies, screens, patio covers, awnings, or other structures of any kind, shall be commenced, located, erected, painted, or maintained within the Development, nor shall any exterior addition to or change or alteration therein be made, until the plans and specifications showing the nature, kind, shape, color, height, size, materials, and location of the same shall have been submitted to and approved in writing by the Board as to: (a) quality of workmanship, design and materials; (b) harmony of external design in relation the nature and character of the Development and the Improvements thereon; and (c) location in relation to surrounding structures, topography and grade elevations.

9.2 General Design Standards. The exterior design of all the Improvements on any Lot shall be compatible with the overall atmosphere of the Development. Approval of such exterior design shall be in the discretion of the Board, subject to the review of the Board. All improvements must comply with the provisions of this Declaration including, without limitation, those specified in Article 4.

9.3 Architectural Rules. The Board may, from time to time, adopt, amend, and repeal rules and regulations to be known as "Architectural Rules" which shall be Rules as defined in Section 1.25. The Architectural Rules may interpret and implement the provisions of this article by setting forth the standards and procedures for Board review of approval requests and provide guidelines for architectural design, color schemes, exterior finishes and materials, and similar features which are recommended for use in the Development. The Architectural Rules shall not be in derogation of the minimum standards required by this Declaration. The Architectural Rules may also impose limits on the days and hours of construction and impose any other restrictions and regulations which the Board deems appropriate to limit the impact of construction activities on the Residents. In its discretion, the Board may grant variances from specific Architectural Rules subject to such terms and conditions as it deems appropriate.

9.4 Application. Any Owner proposing to perform any work of any kind whatever, which requires prior approval pursuant to this article, shall apply for approval by notifying the Association, in writing, of the nature of the proposed work and furnishing such information and documentation as the Board may require, including without limitation samples of proposed paints in such sizes and formats as the Board may deem appropriate. In accordance with Section 10.5.3, and in addition to any other remedies the Association may have, the Board may impose a fine against any Owner who fails to submit an application, and obtain the required approval thereof, prior to proceeding with any Improvement for which approval is required pursuant to this Article.

9.5 Fees. The Board may charge a reasonable fee or fees for its review of architectural or landscaping applications, drawings, plans, and specifications which may include the cost of retaining outside consultants including but not limited to architects, engineers, soils experts, or contractors.

9.6 Grant of Approval. The Board shall grant the requested approval only if:

9.6.1 The Owner has complied with the provisions of Section 9.1 and Section 9.2 above;

9.6.2 The Board finds that the plans and specifications conform to both: (a) this Declaration; and (b) the Architectural Rules in effect at the time such plans were submitted to the Board, unless a variance is granted from such Architectural Rules pursuant to Section 9.3; and

9.6.3 The Board determines that the proposed Improvements would be consistent with the standards of the Development and the purposes of this Declaration as to quality of workmanship, design and materials, as to harmony of exterior design with the existing structures, and as to location with respect to surrounding structures, topography and finished grade elevations.

9.7 Modifications Affecting Structural Integrity. Any modification affecting the structural integrity of any building on a Lot must be: (a) completed by a licensed contractor; and (b) completed with permits granted by Plumas County. The Owner, not the Association, will not be responsible for any damages or repairs caused by modifications that are completed by an unlicensed contractor and/or completed without permits issued by the County.

9.8 Form of Approval. All approvals and denials of requests for approval shall be in writing except as provided in Section 9.9. Any denial of a request for approval shall include an explanation of why the request for approval was denied. The Board may approve a request for approval subject to the Owner's consent to any modifications made by the Board. If the Owner does not consent to the modifications, the request for approval shall be deemed denied in its entirety.

9.9 Time for Board Action. Any request for approval which has not been acted upon by the Board within forty-five (45) days from the date of receipt thereof by the Board shall be deemed approved. The Owner requesting approval shall have the burden of establishing the date of receipt of the request for approval by the Board by evidence in the form of either a copy of such request for approval date-stamped by the Association or by a return receipt provided by the U. S. Postal service acknowledging that such request for approval was delivered to the Association.

9.10 Commencement. If approval is received pursuant to this article, the Owner shall, not later than ninety (90) days from the date of such approval, commence the installation, construction, reconstruction, refinishing, alterations, and excavations pursuant to such approval and shall thereafter diligently proceed with the completion of the same. If the Owner fails to comply with this paragraph, any approval previously granted shall be deemed revoked unless the Board in its discretion extends the time for such commencement. No such extension shall be granted except upon a finding by the Board that there has been no change in the circumstances upon which the original approval was granted.

9.11 Completion. The Owner shall, in any event, complete the installation, construction, reconstruction, refinishing, or alteration of any Improvement, within one year after commencing construction thereof (or in the case of projects under construction when this Declaration is Recorded, within one year after the date of Recordation), except and for as long as such completion is rendered impossible or would result in great hardship to the Owner due to strikes, fires, national emergencies, natural calamities, or other supervening forces beyond the control of the Owner or his agents. If an Owner fails to comply with this section, the Board shall proceed in accordance with the provisions of Section 9.12, below, as though the failure to complete the Improvements was a non-compliance with approved plans.

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

9.12.1 Upon the completion of any installation, construction, reconstruction, alteration, or refinishing of the exterior of any Improvements, or upon the completion of any other work for which approved plans are required under this article, the Owner shall give written notice thereof to the Board.

9.12.2 Within sixty (60) days after the receipt of such written notice, the Board, or its duly authorized representative, may inspect such Improvement to determine whether it

was installed, constructed, reconstructed, altered, or refinished to substantial compliance with the approved plans. If the Board finds that such installation, construction, reconstruction, alteration, or refinishing was not done in substantial compliance with the approved plans, it shall notify the Owner in writing of such non-compliance within such sixty (60) day period, specifying particulars of non-compliance and shall require the Owner to remedy such non-compliance.

9.12.3 If the Owner fails to remedy such non-compliance upon the expiration of thirty (30) days from the date of such notification, the Board shall then set a date on which a hearing before the Board shall be held regarding the alleged non-compliance. The hearing shall be noticed and conducted in accordance with Section 8.1.4 of the Bylaws.

9.12.4 At the hearing the Owner, and, in the Board's discretion, any other interested person, may present information relevant to the question of the alleged non-compliance. After considering all such information, the Board shall determine whether there is a non-compliance, and, if so, the nature thereof and the estimated cost of correcting or removing the same. If a non-compliance exists, the Board shall require the Owner to remedy or remove the same within a period determined in the discretion of the Board. If the Owner does not comply with the Board's ruling within such period or within any extension of such period as the Board, in its discretion, may grant, the Board may: (a) remove the non-complying Improvement or remedy the non-compliance and all expenses incurred in connection therewith shall be assessed against the Owner as a Reimbursement Assessment; (b) exercise any of the enforcement rights specified in Section 10.5; and/or (c) fine the Owner if an Owner does not comply with the specifications set forth in the Owner's approved architectural Improvement.

9.12.5 If, for any reason, the Board fails to notify the Owner of any non-compliance within sixty (60) days after receipt of a notice of completion from the Owner, the Improvement shall be deemed to be in accordance with the approved plans. The Owner shall have the burden of establishing the date of receipt of the notice of completion by the Board by evidence in the form of either a copy of such notice date-stamped by the Association's office or by a return receipt provided by the U. S. Postal service acknowledging that such notice was delivered to the Association.

9.13 Non-Waiver. The approval by the Board of any plans, drawings, or specifications for any work done or proposed, or for any other matter requiring the approval of the Board under this Declaration, shall not be deemed to constitute a waiver of any right to withhold approval of any similar plan, drawing, specification, or matter subsequently submitted for approval.

9.14 Estoppel Certificate. Within thirty (30) days after written demand is delivered to the Association by any Owner, and upon payment to the Association of a reasonable fee (as fixed from time to time by the Board), the Board shall Record an estoppel certificate, if permitted by the County, certifying (with respect to any Lot of such Owner) that as of the date thereof, either: (a) all Improvements made and other work completed by such Owner comply with this Declaration; or (b) such Improvements or work do not so comply, in which event the certificate shall also identify the non-complying Improvements or work and set forth with particularity the basis of such non-compliance. Any purchaser from the Owner, or from anyone deriving any interest in a Lot through him, shall be entitled to rely on such certificate with respect to the matters therein set forth, such matters being conclusive as between the Association and all Owners and such persons deriving any interest through them.

9.15 Notice of Noncompliance. If any Improvements are installed within the Development that are not in conformance with this Declaration, the Association is authorized to Record a Notice of Noncompliance, if permitted by the County. The Notice of Noncompliance shall provide: (a) a legal description of the Lot affected; (b) the name of the record Owner as most recently reported to the Association; and (c) a description of the general nature of the noncompliance. If and when such Lot is brought into compliance with this Declaration, as determined by the Board, the Association shall issue and, if permitted by the County, Record an estoppel certificate in accordance with Section 9.14.

9.16 Liability. Neither the Board nor any member or representative thereof shall be liable to the Association or to any Owner for any damage, loss, or prejudice suffered or claimed on account of: (a) the approval or disapproval of any plans, drawings, and specifications, whether or not defective; (b) the construction or performance of any work, whether or not pursuant to approved plans, drawings, and specifications; (c) the development of any property within the Development; (d) the execution and filing of an estoppel certificate pursuant to Section 9.14, whether or not the facts therein are correct; provided, however, that the Board or any member or representative thereof has acted in good faith on the basis of such information as may be possessed by it or him; or (e) the execution and filing of a notice of noncompliance pursuant to Section 9.15, whether or not the facts therein are correct; provided, however, that the Board or any member or representative thereof has acted in good faith on the basis of such information as may be possessed by it or him. Without in any way limiting the generality of the foregoing, the Board or any member or representative thereof, may, but is not required to, consult with or hear the views of the Association or any Owner with respect to any plans, drawings, specifications, or any other proposal submitted to the Board. Every purchaser, by acquiring title to a Lot or portion thereof agrees not to bring any action or suit against the Board or their members or representatives seeking to recover any such damages.

9.17 Compliance With Governmental Requirements. The application to the Association, and the review and approval of any proposals, plans, or other submittals, shall in no way be deemed to be satisfaction of or compliance with any building permit process or any other governmental requirements, the responsibility for which lies solely with the respective Owner, nor shall it constitute the assumption of any responsibility by or impose any liability on the Board or its members as to the accuracy, efficacy, or sufficiency of such proposals, plans or other submittals.

ARTICLE 10 ENFORCEMENT

10.1 Violations as Nuisance. Every act or omission constituting or resulting in a violation of any of the provisions of the Governing Documents shall be deemed to constitute a nuisance. In addition to any other remedies which may be available, such nuisance may be abated or enjoined by the Association, its officers, the Board or by any Owner. The Board shall not be obligated to take action to abate or enjoin a particular violation if, in the exercise of its discretion, the Board determines that acting to abate or enjoin such violation is not likely to foster or protect the interests of the Association and its Members as a whole.

10.2 Violation of Law. Any violation of a state, municipal or local law, ordinance or regulation pertaining to the ownership, occupancy, or use of any property within the Development is hereby declared to be a violation of this Declaration and subject to any and all of the enforcement procedures set forth herein.

10.3 Owners' Responsibility for Conduct and Damages. Each Owner shall be fully responsible for informing members of his or her household and his or her tenants, Contract Purchasers, contractors and guests of the provisions of the Governing Documents, and shall be fully responsible for the conduct, activities, any Governing Document violation of any of them, and for any damage to the

Development or the Association resulting from the negligent or intentional conduct of any of them or any household pets. If a Lot is owned jointly by two or more persons, the liability of each Owner in connection with the obligations imposed by the Governing Documents shall be joint and several.

10.4 No Avoidance. No Owner may avoid the burdens or obligations imposed by the Governing Documents through non-use of any Common Area facilities or by abandonment of his or her Lot.

10.5 Rights and Remedies of the Association.

10.5.1 Rights Cumulative. The Association, its Directors, Officers, or agents, and any Owner shall have the right to enforce any and all provisions of the Governing Documents by any proceeding at law or in equity, or through the use of such other remedies as are available and deemed appropriate by the Board. Each remedy provided is cumulative and not exclusive.

10.5.2 Member Not In Good Standing. Upon a determination by the Board of Directors, after prior notice to the affected Member and an opportunity for a hearing, that such Member has violated any provision of the Governing Documents including a failure to pay any Assessment when due, the Board shall give notice in writing to such Member that he or she is deemed not to be a Member in Good Standing. Such Member shall be deemed to remain in that status until such time as the Board shall determine in writing that the violation which resulted in the Board's determination has been cured or remedied or, on some other basis as in the judgment of the Board is just and proper, that such Member shall again be deemed to be a Member in Good Standing of the Association. Such Member shall be so notified in writing with a copy given to the Secretary.

10.5.3 Imposition of Sanctions. In the event of a breach or infraction of any provision of the Governing Documents by an Owner, members of an Owner's household, or his or her tenants, Contract Purchasers, contractors, guests, pets or invitees, the Board shall have the power to impose sanctions against the Owner. Such sanctions may include, without limitation, the imposition of fines and/or the suspension of an Owner's rights as a Member, including an Owner's voting rights or an Owner's right to use the recreational or community facilities on the Common Area. Except as provided in Section 10.7, below, imposition of sanctions shall be effective only after the Board has held a hearing as provided in Section 8.1.4 of the Bylaws. The payment of any such fine may be enforced as an Enforcement Assessment as provided in Section 6.8 of this Declaration as well as in any manner permitted by law. Further, each Owner shall be obligated to pay Reimbursement Assessments levied by the Board for reimbursement of any costs incurred by the Association relating to violation of any provisions of the Governing Documents by such Owner, members of such Owner's household, or his or her tenants, Contract Purchasers, contractors, guests, pets or invitees.

10.5.4 Inadequacy of Legal Remedy. Except for the non-payment of any Assessment levied pursuant to the provisions of Article 6 of this Declaration, it is hereby declared that a remedy at law to recover damages for a default in the performance of any of the terms and provisions of any of the Governing Documents or for the breach or violation of any such provisions is inadequate and that the failure of any Owner or a member of the household of any Owner or an Owner's tenants, guests, or household pets or any other occupant or user of any of the property within the Development to comply with any provision of the Governing Documents may be enjoined in any judicial proceedings

initiated by the Association, its Officers or Board of Directors, or by any Owner or by their respective successors in interest.

10.5.5 Limitation on Disciplinary Rights. The Association shall not have the power and authority to cause a forfeiture or abridgment of a Member's right to the full use and occupancy of his or her Lot as the result of the failure by such Owner, members of such Owner's household, or his or her tenants, guests, invitees or household pets to comply with any provision of the Governing Documents, except where such forfeiture or abridgment is the result of the judgment of a court of competent jurisdiction, a decision arising out of an arbitration proceeding, or a foreclosure or sale under private power of sale for failure of such Owner to pay Assessments levied by the Association pursuant to Article 6 of this Declaration. The provisions of this subsection shall not affect the Association's right to impose fines or monetary penalties or to suspend an Owner's membership rights, as provided in the Governing Documents.

10.6 Disciplinary Rules. The Board or a committee appointed by the Board for that purpose may adopt rules and regulations that further elaborate upon and refine procedures for conducting disciplinary proceedings and otherwise imposing sanctions upon Members of the Association for violation of provisions of the Governing Documents. Such rules, when approved and adopted by the Board, shall be deemed to be a part of the Association Rules provided for in, and constituting a part of, the Governing Documents.

10.7 Emergency Situations. The following shall constitute emergency situations: (a) an immediate and unreasonable infringement of or threat to the safety or peaceful enjoyment of Residents of the Development; (b) a traffic or fire hazard; or (c) a threat of material damage to or destruction of the Development or any portion thereof. Notwithstanding any other provisions of the Governing Documents, under circumstances involving conduct that constitutes an emergency situation, the Association may undertake immediate corrective action. Hearings with respect to such corrective action shall be held following the corrective action in accordance with Section 8.1.4.5 of the Bylaws.

10.8 Alternative Dispute Resolution. Compliance with California Civil Code Sections 5925 through 5965 and Civil Code Sections 5900 through 5920 shall be required with respect to any dispute subject to such sections.

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

10.10 Notices. Any notices required or given under this article shall, at a minimum, set forth the date, time, and location of any hearing, a brief description of the act or omission constituting the alleged violation of the Governing Documents, a reference to the specific Governing Document provision or provisions alleged to have been violated, and the sanction, disciplinary action, or other enforcement action being contemplated by the Board, if any. The notice shall be in writing and may be given by any method reasonably calculated to give actual notice to the affected Member; provided, however, that if notice is given by mail, it shall be sent by first-class mail, postage prepaid, sent to the most recent address for the affected Member as shown on the records of the Association.

10.11 Costs and Attorneys' Fees. In the event the Association shall take any action to enforce any of the provisions of the Governing Documents or shall determine that any Member or members of his or her household or his or her tenants, Contract Purchasers, guests, invitees or household pets have violated any provision of the Governing Documents, and whether or not legal or judicial proceedings are initiated, the prevailing party shall be entitled to recover the full amount of all costs incurred, including

attorneys' fees, in responding to such a violation and/or in enforcing any Governing Document provision. The remedies of the Association to recover the amount of such costs and attorneys' fees shall include, without limitation, the imposition of a Reimbursement Assessment as provided in Section 6.7 of this Declaration.

ARTICLE 11 AMENDMENT

This Declaration may be amended by the affirmative vote or written consent of Members representing at least an Absolute Majority. Any amendment of the Declaration shall be signed and acknowledged by the duly authorized officer(s) of the Association and shall be Recorded.

ARTICLE 12 GENERAL PROVISIONS

12.1 Headings. The headings used in this Declaration are for convenience only and are not to be used in interpreting the meaning of any of the provisions of this Declaration, or otherwise.

12.2 Severability. The provisions of this Declaration shall be deemed independent and severable, and the invalidity or partial invalidity or unenforceability of any provision hereof shall not invalidate any other provisions hereof.

12.3 Liberal Construction. The provisions of this Declaration shall be liberally construed to effectuate its purpose of fostering a plan of community ownership and occupancy and of management of the Development for the benefit of the community.

12.4 Number; Gender. The singular shall include the plural and the plural the singular unless the context requires the contrary, and the masculine, feminine, and neuter shall each include the masculine, feminine, or neuter, as the context requires.

12.5 Easements Reserved and Granted. Any and all easements referred to herein shall be deemed reserved or granted, or both reserved and granted, as appropriate, by reference to this Declaration in a deed to any Lot.

12.6 Power of Attorney. To the extent necessary to carry out and enforce the provisions of this Declaration, an irrevocable power of attorney coupled with an interest is granted to the Association by the Owners and each of them.

12.7 Term. The covenants, conditions, restrictions, limitations, reservations, grants of easement, rights, rights-of-way, liens, charges, and equitable servitudes contained in this Declaration shall run with and shall benefit and burden all of the real property subject to this Declaration, including without limitation the Lots and the Common Area, and shall inure to the benefit of and be binding upon the Owners, the Association, its Board of Directors and officers, and their respective agents and successors in interest, for a term of thirty (30) years from the date of Recordation of this Declaration. Thereafter the term shall be automatically extended for successive periods of ten (10) years each, unless within the six (6) months prior to the expiration of the initial thirty (30) year term or any ten (10) year extension period a written instrument, approved by at least an Absolute Majority, terminating the effectiveness of this Declaration is Recorded.

IN WITNESS WHEREOF, the Members of PLUMAS EUREKA VILLAS HOME OWNERS ASSOCIATION, INC., holding at least an Absolute Majority of the Association hereby affirm, approve, and adopt this Second Restated Declaration of Covenants, Conditions and Restrictions for Plumas Eureka Estates Unit No. 6 pursuant to Article 11 of the First Restated Declaration, by means of the signatures of the President and the Secretary of the Association, which Declaration shall be Recorded.

DATED: 12/16, 2016

PLUMAS EUREKA VILLAS HOME OWNERS ASSOCIATION, INC., a California nonprofit mutual benefit corporation

Chris Johnson

, President

(Print Name)

Lauree K. Humphries

Lauree K. Humphries, Secretary
(Print Name)

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 Calif

County of Lake

On 12/6/16 before me, Pam MacLeod, Notary Public,
(here insert name and title of the officer)

personally appeared Cheri Johnson,
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

(Seal)



ACKNOWLEDGMENT

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

State of California
County of Plumas)

On December 13, 2016 before me, Candice B. MacLean, A Notary Public
(insert name and title of the officer)

personally appeared Laurie K. Humphries,
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 Candice B MacLean (Seal)

