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

OF

DEEP CANYON TENNIS CLUB OWNERS ASSOCIATION

If this document contains any restriction based on race, color, religion, sex, **familial status, marital** status, disability, national origin, or ancestry, that restriction violates state and federal fair housing laws and is void, and may be removed pursuant to Section 12956.1 of the Government Code. Lawful restrictions under state and federal law on the age of occupants in senior housing or housing for older persons shall not be construed as restrictions based on familial status.

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**SECOND RESTATED DECLARATION OF
COVENANTS, CONDITIONS AND RESTRICTIONS
OF
DEEP CANYON TENNIS CLUB OWNERS ASSOCIATION**

The Declaration of Covenants, Conditions and Restrictions of Deep Canyon Tennis Club Owners Association which was recorded in the official records of Riverside County, California, on August 23, 1973, as Instrument No. 73-111187 ("Original Declaration") is hereby amended and restated in its entirety to read as follows:

RECITALS

1. Declarant, KAISER AETNA, a California general partnership, was the owner of that certain real property ("Properties") located in the City of Palm Desert, County of Riverside, and State of California, which is more particularly described in Exhibit "A" attached hereto and incorporated herein by this reference.
2. Declarant conveyed the Properties, subject to certain easements, protective covenants, conditions, restrictions, reservations, liens and charges as set forth in the Original Declaration referred to above, all of which are for the purpose of enhancing and protecting the value, desirability and attractiveness of the Properties and all of which shall run with the Properties and be binding on all parties having or acquiring any right, title or interest in the Properties, or any part thereof, their heirs, successors and assigns, and shall inure to the benefit of each Owner thereof.
3. Declarant sold and conveyed condominium Units to the Owners, subject to the protective covenants, conditions, restrictions, limitations, reservations, grants of easements, rights, rights-of-way, liens, charges and equitable servitudes between Declarant and such Owners which are set forth in this Declaration and which are intended to be in furtherance of a general plan for the subdivision, development, sale and use of the Properties as a common interest development as defined in Section 1351(c) of the California *Civil Code*.

**ARTICLE I
DEFINITIONS**

Section 1. "Architecture Committee" means the Committee created in accordance with Article VII of this Declaration.

Section 2. "Articles" means the Articles of Incorporation of the Association which are filed in the Office of the California Secretary of State, as such Articles may be amended from time to time.

Section 3. "Assessment" means any Regular, Special or Reimbursement Assessment made or assessed by the Association against an Owner and his or her Unit in accordance with the provisions of Article V of this Declaration.

Section 4. "Association" or "Corporation" means the DEEP CANYON TENNIS CLUB OWNERS ASSOCIATION, a California nonprofit mutual benefit corporation (formed pursuant to the Nonprofit Mutual Benefit Corporation Law of the State of California) its successors and assigns. The Association is an "association" as defined in California Civil Code Section 4080.

Section 5. "Beneficiary" means a mortgagee under a mortgage or, as the case may be, the beneficiary of or holder of a note secured by a Deed of Trust, and/or the assignees of such mortgage, beneficiary or holder.

Section 6. "Board of Directors" or "Board" means the Board of Directors of the Association.

Section 7. "Bylaws" means the Bylaws of the Association; as such Bylaws may be amended from time to time.

Section 8. "City" means the City of Palm Desert and its various departments, divisions, employees and representatives.

Section 9. "Common Area" means the entire Project, except all Units, as defined in Article I, Section 24 and shown on the Condominium Plan. Unless the context clearly indicates a contrary intention, any reference herein to the "Common Areas" shall also include any Common Facilities located thereon. As more particularly described in Article I, Section 17, portions of the Common Area are designated as Exclusive Use Common Areas whose use and enjoyment are restricted to the Owners and occupants of the residence adjacent to such Exclusive Use Common Areas.

Section 10. "Common Expense" means any use of Common Funds authorized in the governing documents and includes, without limitation:

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

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

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

(D) The use of such funds to defray the costs and expenses incurred by the Association in the performance of its functions or in the proper discharge of the responsibilities of the Board as provided in the Governing Documents; and

(E) Any expense reasonably incurred to protect, preserve and maintain the properties in the discretion of the Board of Directors.

Section 11. "Condominium" means an estate in real property as described in California Civil Code Sections 783 and 4075 consisting of an undivided fractional interest as a tenant in common in all or any portion of the Common Area.

Section 12. "Condominium Plan" means any Condominium Plan recorded by the original Declarant for this Project, pursuant to California Civil Code Section 4290 and any amendments to the plans.

Section 13. "Common Facilities" means the swimming pools, tennis courts, clubhouse, spas, parking spaces, streets, trees, hedges, plantings, lawns, shrubs, landscaping, fences, utilities, beams, lighting fixtures, buildings, structures, and other facilities constructed or installed, or to be constructed or installed, or currently located within the Common Area.

Section 14. "County" means the County of Riverside, State of California, and its various departments, divisions, employees and representatives.

Section 15. "Declaration" means this instrument, including all of the Exhibits referred to herein (all of which shall be deemed incorporated herein by reference), as the same may be amended from time to time. The "Original Declaration" means and refers to the document referenced in the preamble to this Declaration.

Section 16. "Deed of Trust" or "Trust Deed" means a first mortgage or a first Deed of Trust, as the case may be.

Section 17. "Exclusive Use Common Area" shall mean any portion of the Common Areas designated by this Declaration and/or the Condominium Plan for the exclusive use of one or more, but fewer than all, of the Owners of the separate interests and which is or will be appurtenant to the separate interests or interest, and shall consist of carports, patios, balcony patios, and stairways as the same are designated as "restricted common area" in the Condominium Plan. Unless otherwise provided herein or on the Condominium Plan, any doorsteps, exterior doors, door frames and hardware incident thereto, screens and windows or other fixtures designed to serve a single separate interest, but located outside the boundaries of the separate interests, are Exclusive Use Common Areas. Internal and exterior telecommunications wiring and/or cable designed to serve a single separate interest, are exclusive use areas allocated exclusively to that separate interest. Subject to the consent of the Association, the Owner of a separate interest shall be entitled to reasonable access to the Common Areas for the purpose of maintaining the internal and external telephone lines. The Association's approval shall not be unreasonably withheld, but may include conditions as the Association determines reasonable.

Section 18. "Governing Documents" is a collective term that means and refers to this Declaration, the Articles, the Bylaws and the Association Rules.

Section 19. "Improvement" includes, without limitation, the construction, installation, alteration, or remodeling of any units, walls, carports, patios, balcony patios, stairways, decks, entryways, fences, landscaping, landscape structures, skylights, solar heating equipment, spas, antennas, utility lines, or any structure of any kind.

Section 20. "Member" means every person or entity who holds a Membership in the Association and whose rights as a Member are not suspended pursuant to Article IV, Section 2(13) hereof.

Section 21. "Mortgage" means any security device encumbering all or any portion of the Properties, including any Deed of Trust. "Mortgagee" shall refer to the beneficiary of, or the holder of a Note secured by a first Deed of Trust (Trust Deed) or, as the case may be, the Mortgagee under a first mortgage, and/or the assignee of such beneficiary, holder or Mortgagee.

Section 22. "Owner" means any person, firm, corporation or other entity which owns a *fee* simple interest in a Unit which is part of the Condominium Property, including contract sellers, but excluding those having such interest merely as security for the performance of an obligation.

Section 23. "Owner of Record" and "Member of the Association" includes an Owner and means any person, firm, corporation or other entity in which title to a Unit is vested as shown by the official records of the Office of the County Recorder.

Section 24. "Project" or "Real Property" means all parcels of real property (Common Area and Condominium Units) described and identified in Recital "1" hereof, together with all buildings, structures, utilities, Common Facilities, and all other Improvements now located or hereafter constructed or installed thereon, and all appurtenances thereto.

Section 25. "Recreational Area" shall mean and refer to all real property owned by the Association from time to time for the common use and enjoyment of the Owners.

Section 26. "Regular Assessment" means an assessment levied against an Owner and his or her Unit in accordance with Article V. Section 3, hereof.

Section 27. "Reimbursement Assessment" means an assessment levied against an Owner and his or her Unit in accordance with Article V. Section 5 hereof.

Section 28. "Residential Use" means occupancy and use of a residence for dwelling purposes in conformity with this Declaration and the requirements imposed by applicable zoning or other applicable laws or governmental regulations limiting the number of persons who may occupy residential dwellings.

Section 29. "Rules and Regulations" means the rules, regulations and policies adopted by the Board of Directors of the Association, pursuant to Article III, Section 2(B); Article IV, Section 2(A); and Article XV111, Section 2 of this Declaration, as the same may be in effect from time to time.

Section 30. "Special Assessment" means an Assessment levied against an Owner and his or her Unit in accordance with Article V. Section 4 hereof.

Section 31. "Unit" means the elements of a Condominium that are not owned in common with the Owners of Condominiums in the Project, such Units and their respective boundaries being shown and particularly described in the Condominium Plan, deeds conveying condominiums, and this Declaration. "Unit" does not include other interests in real property that are less than estates in real property, such as exclusive or non-exclusive easements. In interpreting deeds and plans, the existing physical boundaries of the Unit, or of a Unit reconstructed in substantial accordance with the original plan, shall be inclusively presumed to be its boundaries, rather than the description expressed in the deed or Condominium Plan or in the deed and those of the building and regardless of settling or lateral movement of the building. Whenever reference to a Unit is made in this Declaration, in the Condominium Plan, in any deed, or elsewhere, it shall be assumed that such reference is made to the Unit as a whole, including each of its component elements. The following are not part of any Unit: bearing walls, columns, floors (i.e., subfloors, not floor coverings), roofs, foundations, central heating, central refrigeration and central air conditioning equipment, reservoir tanks, pumps and other central services, pipes, ducts, flues, chutes, conduits, wires and other utility installations, wherever located, except the outlets thereof when located in the Unit.

ARTICLE II

MEMBERSHIP AND VOTING RIGHTS IN ASSOCIATION

Section 1. Membership. All Unit Owners, by virtue of their ownership of a Unit, shall be a Member of the Association and shall be entitled to vote on all matters upon which Members of the Association are entitled to vote pursuant to the Declaration and in accordance with the Articles and Bylaws which are incorporated herein. Membership shall be appurtenant to and may not be separated from ownership of any Condominium. Each Member is obligated to promptly, fully and faithfully comply with and conform to the Articles, Declaration, Bylaws, Rules and Regulations pertaining to the Association.

ARTICLE III
PROPERTY RIGHTS AND OBLIGATIONS OF OWNERS

Section 1. Elements of Condominium Ownership. Ownership of each Unit within the Project shall include a Unit, an undivided fractional interest in the Common Area as a tenant in common, which fraction shall have a numerator of one (1) and a denominator equal to the total number of Units within the applicable Condominium Plan as specified in the deed from Declarant to each Owner, and which undivided interest cannot be altered or changed as long as the prohibition against severability of component interest in the Unit remains in effect as provided in Article XI of this Declaration, and any exclusive or non-exclusive easement or casements appurtenant to said Unit over the Common Area or Recreational Area as described in the Declaration, the Condominium Plan and the deed to the Unit.

Section 2. Owners' Nonexclusive Easements of Use. Every Owner shall have a non-exclusive right and easement of use in and to the Common Areas within the properties, including ingress and egress to and from his or her Unit, which shall be appurtenant to and shall pass with the tide to every Unit, subject to the following rights and restrictions:

(A) The right of the Association to limit the number of guests of Members;

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

(C) The right of the Association to temporarily suspend the voting rights and right to use the Common Facilities and cable television service by an Owner for any period during which any Assessments remain unpaid. In addition, the Association may suspend a Member's right to use the Recreational Facilities for any infraction of this Declaration, the Bylaws and/or the published Rules and Regulations by that Member, his or her lessees, or guests. Any action to suspend a Member's right shall only be valid after notice and a hearing by the Board, in accordance with the provisions of the Bylaws and Civil Code Section 4820 or any successor statute.

(D) The right of the Association to grant licenses or casements on, over and under the Common Area to public utilities or governmental entities or agencies; provided that such easement shall not unreasonably interfere with the right of any Owner to the use and enjoyment of his or her Unit and the Common Area.

(E) The right of the Association to grant licenses or easements to individual Owners with a value of less than five percent (5%) of the Association's gross fiscal budget.

(F) The right of the Association to borrow money for the purposes of improving the Common Area and Common Facilities, subject to certain limitations as set forth in this Declaration or the Bylaws.

(G) The right of the Association to charge reasonable deposits and administrative fees for the use of any portion of the Common Area.

Section 3. Persons Subject to Governing Documents. All present and future Owners, tenants and occupants of Residences within the Properties shall be subject to, and shall comply with, each and every provision of the Governing Documents, as the same or any of them shall be amended from time to time, unless a particular provision is specifically restricted in its application to one or more of such classes of persons (i.e., Owners, tenants, invitees, etc.). The acceptance of a deed to any Unit, the entering into a lease, sublease or contract of sale with respect to any Unit, or the occupancy of any Residence shall constitute the consent and agreement of such Owner, tenant or occupant that each and all of the provisions of this Declaration, as the same or any of them may be amended from time to time, shall be binding upon said person and that said person will observe and comply with the Governing Documents.

Section 4. Waiver of Use. No Member may exempt himself from personal liability for assessments duly levied by the Association, nor release the Unit owned by him or her from the liens, charges and other provisions of this Declaration, the Articles, Bylaws and Rules and Regulations, by waiver of the use and enjoyment of the Common Area or the abandonment of his or her Unit.

Section 5. Obligations of Owners. Owners of Units within the Properties shall be subject to the following:

(A) **Owner's Duty to Notify Association of Tenants and Contract Purchaser's.** Each Owner shall notify the Secretary of the Association or the Association's property manager, if any, of the names of any contract purchaser or tenant of the Owner's Unit. Each Owner, contract purchaser or tenant shall also notify the Secretary of the Association of the names of all persons to whom such Owner, contract purchaser or tenant has delegated any

rights to use and enjoy the Properties and the relationship that each such person bears to the Owner, or contract purchaser or tenant.

(B) Payment of Assessments and Compliance With Rules. Each Owner shall pay when due each Regular, Special and Reimbursement Assessments levied against the Owner and his or her Unit and shall observe, comply with and abide by any and all Rules and Regulations set forth in. or promulgated by the Association pursuant to any Governing Document for the purpose of protecting the interests of all Owners or protecting the Common Area and Common Facilities.

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

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

(E) Termination of Obligations. Upon the conveyance, sale, assignment or other transfer of a Unit to a new Owner, the obligation of the transfer-Owner shall be determined by the Davis-Sterling Act.

Section 6. Interest in Common Area. No Owner may sell, assign, lease or convey his interest in the Common Area, separate and apart from his Unit.

Section 7. Exclusive Use: Common Area. Each Exclusive Use Common Area shall be (i) appurtenant to the Condominium, the Unit of this bears the same number as the Exclusive Use Common Area as set forth on the Condominium Plan, and (ii) used only for the purposes set forth in this Declaration. The right to use an Exclusive Use Common Area shall be exercisable only by the Owner(s) of the Condominium appurtenant thereto and/or said Owner's tenants and licensee(s). Conveyance of a Condominium shall effect conveyance of Exclusive Use Common Areas appurtenant thereto and transfer all rights thereto to the vested Owner of the Condominium. Any license(s) thereto shall be terminated upon such conveyance. No Exclusive Use Common Area or any rights thereto (other than said revocable licenses) shall be transferred or conveyed apart from conveyance of the Condominium to which it is appurtenant. Each Exclusive Use Common Area shall be deemed to be Common Area for the purposes set forth in this Declaration which are not inconsistent with this Article.

Section 8. Encroachment Easements. The Owner of each Unit is hereby granted an easement over all adjoining Units and the Common Area for the purpose of accommodating any minor encroachments due to engineering errors, errors in original construction, settlement or shifting of any building, or any other cause. There shall be easements for the maintenance of said encroachments as long as they shall exist, and the rights and obligations of Owners shall not be altered in any way by said encroachments, settlement or shifting, provided, however, that in no event shall an easement for encroachment *be* created in favor of any Owner if said encroachment occurred due to the willful misconduct of an Owner. In the event any portion of a structure on the property is partially or totally destroyed and then repaired or rebuilt, each Owner agrees that minor encroachments over adjoining Exclusive Use Areas or Common Area shall be an easement for the maintenance of said encroachments so long as they shall exist.

Section 9. Coachella Valley Water District Easement. The Coachella Valley Water District shall have the right to enter upon the Project for purposes of maintenance and operation of the sewage disposal facilities of the Project, and easements and equitable servitudes shall exist for such purposes.

ARTICLE IV **POWER AND DUTIES OF THE ASSOCIATION**

Section 1. Management Control of the Board. The Association, through its Board, except as otherwise provided herein, shall have the obligation, sole authority, and duty to manage, make decisions, operate, control, repair, replace or restore all of the Common Area or any portion thereof, together with the Improvements and landscape thereon, and any property subsequently acquired by the Association, all as more fully set forth in this Declaration, the Articles and the Bylaws.

Section 2. Powers and Responsibilities of the Board.

(A) Rule-Making Power. The Board may from time to time and subject to the provisions of this Declaration, propose enact and amend reasonable Rules and Regulations governing the use of the property within the Project not inconsistent with this Declaration, including the activities in the Unit which affect other portions of the Project and relating to the use of the Common Area. and all other facilities situated thereon by Owners and by their tenants or guests, and the conduct of such persons with respect to, including but not limited to, automobile parking, outside storage of boats, trailers, bicycles and other objects, disposal of waste materials, drying of laundry, control of pets and other activities which, if not so regulated, might detract from the appearance of the Association or offend or cause inconvenience or danger to persons residing, or visiting therein. Such rules may provide that the Owner of a Condominium whose occupant leaves property on the Common Area or Recreation Area in violation of the rules may be assessed to cover the expense incurred by the Association in removing such property and storing or disposing thereof. The Rules and Regulations may be amended by the vote of a majority of the entire Board. A copy of such Rules and Regulations shall be:

- (i) Maintained in the office of the Association and be available for inspection at all reasonable times; and
- (ii) Given to each Owner within a reasonable time after the Association has notice of his or her occupancy of a Unit.

(B) Enforcement Power. The Board shall have the power to enforce the Declaration and Bylaw provisions, and Rules and Regulations, by the imposition of reasonable monetary fines, Reimbursement Assessments for costs incurred in compelling compliance with the Association's Governing Documents (Articles, Declaration, Bylaws and Rules and Regulations), and suspend the right to use Common Facilities, voting privileges, and cable television service. These powers, however, shall not be construed as limiting any other legal means of enforcing such provisions. Any fines and/or Reimbursement Assessments so imposed shall be considered an assessment against the Unit and may be collected in the manner provided for collection of other assessments, except that fines shall not be recoverable through the imposition of a lien against the Owner's Unit enforceable through foreclosure, but the same may be recovered by the Association through other legal processes.

(C) Granting Licenses and Easements. Subject to the limitations set forth in Article V. Section 3(C) of the Bylaws, the Board may grant permits, licenses, utility easements, and other easements, permits, or licenses necessary for the proper maintenance or operation of the Project under, through, or over the common elements, as may be reasonably necessary to or desirable for the ongoing development and operation of the Project.

(D) Maintenance of Common Area. The Board shall maintain in good repair all Common Area structures, Improvements and appurtenances.

(E) Payment of Common Area Taxes. The Board shall pay real or personal property taxes or other charges if separately assessed against the Common Area.

(F) Common Area Services. The Board shall provide water, sewer, gas, electric, refuse collection, janitorial and gardening service for the Common Area; provide water, sewer and refuse service to all Units; and may make electrical service, cable television service and such other utilities, as the Board may determine, available to all Units,

(G) Incurring Indebtedness. The Board may borrow money for the purposes of improvement or restoration of the Common Area and facilities thereon not to exceed ten percent (10%) of the Association's gross fiscal budget, except with the approval of a majority of the total voting power of the membership.

(H) Maintain Insurance. The Board shall secure and maintain policies of insurance, as more particularly provided in Article XIV herein.

Section 3. Right of Entry.

(A) For the purpose of maintaining the Common Area or for any other purpose reasonably related to the performance by the Board of its responsibilities under the Declaration, the Association's Officers, agents or employees shall have the right, after reasonable notice to Owner(s), to enter any Unit, any portion of the Unit, or Exclusive Use Common Area at reasonable hours.

(B) In addition to and not in limitation of all other rights, the Association may enter into Units for emergency, security, or safety purposes, which right may be exercised by the Association's Board of Directors, officers, agents, employees, managers, and all policemen, firemen, ambulance personnel, and similar emergency

personnel in the performance of their respective duties. In an emergency situation, if practicable, prior to entering the Residence, a reasonable attempt will be made to notify the occupant and the Owner of the Unit of the Association's need and intent to enter the Residence. If contact could not be made before such entry, the Owner shall be notified in writing of the entry within five (5) days of entry.

(C) Except during an emergency, there shall be no entry into a Unit without the Owner's consent, which consent shall not unreasonably be withheld. When there is an entry into any Unit, such entry shall be made with as little inconvenience to the occupant as possible.

Section 4. Limitation or Liability. In discharging their duties and responsibilities, the Board acts on behalf of and as representative of the Association, which acts on behalf of and as representative of the Owners, and no Member of the Board of Directors shall be individually or personally liable or obligated for performance or failure of performance of such duties or responsibilities unless he or she fails to act in good faith.

ARTICLE V

COVENANT FOR MAINTENANCE ASSESSMENTS TO ASSOCIATION

Section 1. Assessments Generally

(A) **Purpose of Assessment.** The assessments for common expenses provided for herein shall be used for the general purpose of the preservation and proper operation of the Project and for promoting the recreation, health, safety, welfare, common benefit, and enjoyment of the Owners and/or occupants of Units in the Project as may be more specifically authorized from time to time by the Board.

(B) **No Avoidance of Assessment Obligations.** No Owner may exempt himself or herself from personal liability for Assessments duly levied by the Association, nor release the Unit or other property owned by him or her from the liens and discharges hereof, by waiver of the use and enjoyment of the Common Area or any facilities thereon, by waiver of the use of his or her Unit or any other portion of the Properties or due to the Association's failure to perform services.

(C) **Disputes Concerning Assessments.** Any dispute concerning the levying of an Assessment may be the subject of alternative dispute resolution (e.g., mediation or arbitration), pursuant to the terms and conditions of Civil Code Section 4210, or any successor statute.

Section 2. Creation of Lien and Personal Obligation for Assessments. Each Owner of any Unit, by acceptance of a deed, whether or not it shall be so expressed in such deed or conveyance, is deemed to covenant and agree to pay the Association: (a) annual Regular Assessments or charges; (b) Special Assessments, to be established and collected as hereinafter provided; and (c) Reimbursement Assessments against any particular Unit which are established pursuant to the terms of the Association's Governing Documents.

(A) All such Assessments, together with late charges, interest, costs, and all attorney's fees reasonably incurred, as provided in this Declaration and in the maximum amount permitted by the laws of the State of California, whichever is greater, shall be a charge on the Unit and shall be a continuing lien upon the Unit against which each Assessment is made. Such amounts shall also be the personal obligation of the person who was the Owner of such Unit at the time when the Assessment fell due. Each Owner of a Unit shall be jointly and severally liable for the entire Assessment coming due while he or she is the Owner of a Unit. Unless otherwise stated in the Association's policy with respect to collection of Assessments, Assessments shall be considered delinquent if not received by the fifteenth (15th) day of the month in which they are due.

(B) Assessments shall be paid in such manner and on such dates as may be fixed by the Board; unless otherwise provided, the annual Regular Assessments shall be paid in monthly installments due on the first day of each calendar month.

(C) The personal obligation shall not pass to an Owner's bon-fide and for value successors in title unless expressly assumed by them.

(D) Any Assessment not paid within thirty (30) days after the date due shall bear interest from the date due at the rate provided for in the Association's Governing Documents or California law, whichever is greater.

(E) Both Regular Assessments and Special Assessments (not to include Reimbursement Assessments) shall be fixed at a uniform rate for all Condominiums.

Section 3. Regular Assessments.

(A) Establishment of Regular Assessment by Board or Membership Approval Requirements. The total annual expenses estimated in the Association's budget (less projected income from sources other than Assessments) shall be a guide to establishing the aggregate Regular Assessment for the next succeeding fiscal year, provided that, except as provided in Subparagraph (A) above, and Subparagraph (C) below, the Board of Directors may impose a Regular Assessment that is more than twenty percent (20%) greater or less than the Regular Assessment for the Association's immediately preceding fiscal year without the vote or written assent of Members constituting a quorum, casting a majority of the votes at a meeting or election of the Association. For purposes of this Section, "quorum" shall constitute a majority of the Owners of the Association.

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

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

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

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

(C) Mailing Notice of Assessment. The Board of Directors shall mail to each Owner at the street address of the Owner's Unit, or at such other address as the Owner may from time to time designate in writing to the Association, a statement of the amount of the Regular Assessment for the next succeeding fiscal year no less than forty-five (45) *days* nor more than sixty (60) *days* prior to the beginning of the next fiscal year.

(D) Failure to Make Estimate. If, for any reason, the Board of Directors fails to make an estimate of the Common Expenses for any fiscal *year*, then the Regular Assessment made for the preceding fiscal year, together with any Special Assessment made pursuant to Article V, Section 4 for that year, shall be assessed against each Owner and his or her Unit on account of the then current fiscal year and the Assessments shall be payable on the regular payment dates established by the Association.

(E) Ability to Change Assessments. The Board of Directors may change the rate of Assessments at any time upon not less than thirty (30) nor more than sixty (60) *days* prior written notice to the Membership.

Section 4. Special Assessments. In addition to the Regular Assessments, authorized above, the Board may levy Special Assessments for the purpose of defraying, in whole or in part, the cost of any capital improvement to the Common Area or such other purpose as may be determined by the Board; provided, however, that no Special Assessment shall exceed, in the aggregate during any fiscal year of the Association, an amount equal to five percent (5%) of the budgeted gross expenses of the Association for that fiscal year, without the vote or written assent of Members constituting a quorum, casting a majority of the votes at a meeting or election of the Association. For purposes of this Section, "quorum" shall constitute a majority of the Owners of the Association. All such Special Assessments shall be levied upon each Unit in the same proportion as Regular Assessments are levied.

Section 5. Reimbursement Assessments.

(A) Circumstances Giving Rise to Reimbursement Assessments. In addition to the Special Assessments levied against all Owners in accordance with Section 4, above, the Board of Directors may impose Reimbursement Assessments against an Owner in any of the circumstances described, without limitation, in Subparagraphs (1) through (3) below, provided that no Reimbursement Assessment may be imposed against an Owner pursuant to this Section until the Owner has been afforded written notice and hearing rights to which the Owner is entitled pursuant to Civil Code Section 4820, and, if appropriate, has been given a reasonable opportunity

to comply voluntarily with the Association's Governing Documents. Subject to the foregoing, the facts and circumstances giving rise to liability for Reimbursement Assessments include the following:

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

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

(iv) Required Maintenance on Units. As more particularly provided in Article VI, if any Unit is maintained so as to become a nuisance, fire or safety hazard for any reason, including without limitation, the accumulation of trash or hazardous material therein, the Association shall have the right to enter said Unit, correct the offensive or hazardous condition and recover the cost of such action through imposition of a Reimbursement Assessment against the offending Owner.

(B) Levy of Reimbursement Assessment and Payment. Once a Reimbursement Assessment has been levied against an Owner for any reason described herein and subject to the conditions imposed herein, notice thereof shall be mailed to the affected Owner and the Reimbursement Assessment shall thereafter be due and payable in full to the Association within thirty (30) days after the mailing of notice of the Assessment. The Reimbursement Assessment may be collected in the same manner as Regular and Special Assessments.

Section 6. Notice. Annual written notice of an Assessment shall be given to every Owner subject thereto. Assessments may be collected on a monthly basis or otherwise as determined by the Board. The Association shall, upon demand and for a reasonable charge, furnish a certificate signed by an Officer or other agent of the Association setting forth whether the Assessments of a specified Unit have been paid.

Section 7. Exemption of Certain Properties From Assessments. The following real property subject to this Declaration shall, unless devoted to use as a residential dwelling, be exempted from the Assessments and the lien thereof provided herein:

- A. Any portion of the Properties dedicated and accepted by a local public authority;
- B. The Common Area and Common Facilities; and
- C. Any Unit owned by the Association.

Section 8. Remedies of the Association for Non-Payment of Assessments. The Association shall have the power to impose Assessments as provided in these Governing Documents. Such Assessments are the personal obligation of the Owner against whom they are assessed and are a lien against that Unit. The Association shall have the authority to create and enforce a lien with the power of sale on each separate Unit to secure payment of the amount of any Assessments, to the full extent permitted by applicable law. The obligation and the lien for Assessments may also include a late or delinquency charge in the amount of ten dollars (\$10.00 or ten percent (10%) of the amount of each Assessment or installment not paid when due, whichever is greater, or such higher amount as may be authorized by the laws of the State of California; interest on each Assessment or installment not paid when due and on any delinquency fee or late charge pertaining thereto commencing thirty (30) days after the date the charge was first due and payable at the rate of twelve percent (12%) per annum, or such higher rate as may be authorized by the laws of the State of California; the cost of collection, including court costs, the expense of sale, any expense required for the protection and preservation of the Unit, and reasonable attorney's

fees actually incurred; and a fair rental value of the Unit from the time of institution of suit until the sale at foreclosure or other satisfaction of any judgment

Section 9. Effect of Non-Payment of Assessments.

(A) At any time after any Assessments levied by the Association affecting any Unit have become delinquent, the Association may file for recording in the Office of the Riverside County Recorder a lien upon the Unit described therein, which lien shall also secure all other payments and/or Assessments which shall become due and payable with respect to said Unit following such recording and all costs (including attorney's fees), penalties and interest accruing thereon. Prior to recording any lien, the Association shall notify the Owner, in writing by certified mail, of the fee and penalty procedures of the Association; provide an itemized statement of the charges owed by the owner, including principal, late charges and attorney's fees; and the collection practices of the Association, including the right of the Association to the reasonable costs of collection. A copy of the lien shall be mailed to the Owner within ten (10) days after the lien has been recorded. Said lien shall continue until all amounts secured thereby are fully paid or otherwise satisfied.

(B) In the event the delinquent Assessments and all other Assessments which have become due and payable with respect to the same Unit, together with all costs (including attorney's fees) and interest which have accrued on such amounts, are fully paid or otherwise satisfied prior to the completion of any sale held to foreclose the lien provided for in this Article, the Board shall record a further notice, similarly signed, stating the satisfaction and releasing of such lien.

Section 10. Assignment of Rents. Each Owner does hereby presently assign to the Association, absolutely and regardless of possession of the property, all rents and other monies now due or hereafter to become due under any lease or agreement or otherwise for the use or occupation of any or all parts of any Unit owned by the Owner, now existing or hereafter made for the purpose of collecting all Assessments due the Association pursuant to this Declaration which are in default. The Association hereby confers on each Owner the authority to collect and retain the rents and other monies derived from any such lease or agreement as they become due and payable, provided that the Association at its sole discretion, may revoke such authority at any time, upon written notice to the Owner of a default in the payment of any Assessment due hereunder. Upon revocation of such authority the Association may, pursuant to court order or by court-appointed receiver, collect and retain such rental monies, whether past due and unpaid or current. The Association's rights under this Section 10 shall be subordinate to the rights of any First Mortgagee.

Section 11. Foreclosure of Assessment Lien. Each Assessment lien may be foreclosed upon as and in the same manner as the foreclosure of a mortgage upon real property under the laws of the State of California, or may be enforced by sale pursuant to California Civil Code Section 2924 and following, and California Civil Code Section 5740, and to that end a power of sale is hereby conferred upon the Association. Suit to recover a money judgment for unpaid Assessments, late fees, interest, attorney's fees and rent shall *be* maintainable without foreclosing or waiving the lien securing the same.

Section 12. Subordination of Lien. The lien of the Assessments provided for herein shall be subordinate to the lien of any First Mortgage of record made in good faith and for value upon any Unit, provided that such subordination shall apply only to the Assessments which have become due and payable prior to the transfer of such property pursuant to the exercise of a power of sale or a judicial foreclosure involving a default under such First Mortgage. The foreclosure of any lien established by this Declaration shall not operate to affect or impair the lien or charge of any such mortgage as described above. The foreclosure of any such mortgage as described above shall not operate to affect or impair the lien established by this Declaration; provided, however, that any purchaser at any foreclosure sale or Trustee's Sale shall take title free of such lien for all assessments that have accrued prior to the foreclosure sale or Trustee's sale. The benefits of this Section 12 may, upon execution of a subordination agreement executed by a majority of the board, be extended to mortgages not otherwise entitled thereto. Otherwise, sale or transfer of any Unit shall not affect the Assessment lien.

ARTICLE VI

USE RESTRICTIONS

Section 1 **Occupancy.** Use restrictions regarding the use of Units and the Common Areas may be adopted by the Board in accordance with the terms hereof and as specified in the Bylaws of the Association, and are as follows:

(A) Single Family Occupancy. The Units within the Project are restricted exclusively to residential use, and no Unit shall be occupied by more than a single-family, in accordance with applicable City Code and ordinances. "Occupancy," for purposes of this Declaration, shall be defined as staying over-night in a Unit for a total of more than sixty (60) days, either consecutive or non-consecutive days, in any one year.

(B) Residential Use. Each Unit shall be used for residential purposes. No trade or business may be conducted in or from a residence or any part of the Unit, including business uses secondary to a primary residential use, which have a material impact on the Common Area. The Board shall have the right to adopt reasonable Rules regarding "business use" of a Unit and to determine what constitutes a "material impact on the Common Area." The terms "business" and "trade", as used in this provision, shall be construed to have their ordinary or generally accepted meanings, and shall include, without limitation, any occupation, work, or activity undertaken on an on-going basis which involves the provision of goods or services to persons other than the provider's family and for which the provider receives a fee, compensation, or other form of consideration, regardless of whether: (i) such activity is engaged in full or part-time; (ii) such activity is intended to or does generate a profit.; or (iii) a license is required therefor.

(C) Lessee/Tenant Bound by Governing Documents. Each Owner shall have the right to lease his or her Unit and interest in the Common Area together, provided that such lease is in writing and provides that the tenant shall be bound by and obligated to the provisions of this Declaration, the Bylaws and the Rules and Regulations of the Board; provided, however, that no such lease shall be for transient or hotel purposes. Any such lease which is either for a period of less than thirty (30) days or pursuant to which the Lessor provides any services normally associated with a hotel shall be deemed to be for transient or hotel purposes.

(D) No camping, whether temporary or permanent, and no temporary structures of any kind shall be permitted on any part of the Project, except as authorized in writing by the Board.

(E) Except as authorized, in writing, by the Board, no drilling, refining, quarrying or mining operations of any kind shall be permitted upon the Project.

Section 2. **Pets.**

(A) No more than a reasonable number of pets, as determined by the Board (exclusive of tropical fish, and caged birds) may be kept in any Unit. No animals, livestock, or poultry of any kind shall be raised, bred, or kept on any part of the Project. Pets may be kept provided that they do not endanger or unreasonably threaten the physical or emotional wellbeing of the Owner of any Unit or any resident thereof. No pet, regardless of size or type, shall be permitted to be kept within any portion of the Project property if it makes excessive noise, creates a nuisance, or otherwise constitutes an annoyance to residents or damages property. Furthermore, each pet owner must immediately clean up after their pet in the common area. All dogs must be on a leash held by a person capable of controlling the pet while in the Common Area.

(B) No pet enclosures shall be erected, placed, or permitted to remain on any property subject to this Declaration, except as approved by the Board. The keeping of pets and their ingress, egress, and travel upon the Common Areas shall be subject to such Rules and Regulations as may be issued by the Board. If an Owner or occupant fails to abide by the Rules and Regulations and/or covenants applicable to pets, the Board may restrict or bar the pet(s) of the Owner or occupant from the Project and/or from use of or travel upon the Common Areas.

(C) Any pet which is allowed to unreasonably threaten the physical or emotional wellbeing of any Owner or resident of a Unit or which is allowed to create a nuisance or disturbance or cause damage to property as may be determined at the sole discretion of the Board, must be permanently removed from the Project property upon seven (7) days' written notice by the Board.

Section 3. Signs. Except as may be required by legal proceedings, no signs, billboards, real estate or other commercial flags or advertising of any kind shall *be* maintained or permitted on any portion of the property without the prior written approval of the Board, except for one (1) "For Sale," "For Rent" or "For Lease" sign per Unit, of reasonable dimension placed as permitted by the Board. The Board, on behalf of the Association, shall have the right to erect reasonable and appropriate signs on the Common Areas. All signs must conform with applicable government ordinances. No signs shall be erected or displayed on the Common Area, except signs placed by authority of the Board. The Board shall have the power to adopt additional Rules governing signs.

Section 4. Antennas and Similar Devices. Installation of any objects, such as masts, towers, poles, wiring, installation, air-conditioning or other machinery, equipment, television and radio antennas, or television satellite reception dishes on or about the exterior of any Condominium Building within the Project shall be subject to the Rules and Regulations established by the Board as such Rules and Regulations are amended from time to time. Furthermore, no activity shall be conducted on any Unit which causes an unreasonable broadcast interference with television or radio reception on any neighboring Unit.

Section 5. Vehicles and Parking. Automobiles must be parked properly within the Project to ensure the following objectives: (a) access by emergency vehicles; (b) adequate parking for visitors; (c) pedestrian and vehicle safety; and (d) preserving the aesthetic quality of Project. The Board of Directors may establish rules and regulations and administrative procedures in order to serve those while providing service or upon written approval of the Board. The Board may adopt rules for special use of parking spaces not in the carports and may place reasonable restrictions on the type, condition, length of time and appearance of vehicles that may park in the Common Area. The Board may adopt special rules for parking in certain parts of the Common Area (such as the R.V. parking lot).

Section 6. Structural Modifications. An Owner or occupant shall not perform nor commence any work that will impair the structural soundness or integrity of another Unit, Common Area or impair any easement, nor do any act nor allow any condition to exist which will adversely affect the other Units or their Owners or occupants unless prior approval is obtained as set forth in Article VII of this Declaration. No structural alterations to the interior of any Unit shall be made and no plumbing or electrical work within any bearing or common walls shall be made by any Owner without complying with the provisions of Article VII of this Declaration.

Section 7. Rubbish, Trash, and Garbage. All rubbish, trash and garbage shall be regularly removed from the Unit, and shall not be allowed to accumulate outside of any Unit. Trash, garbage, or other waste shall be kept only in sanitary containers. No Owners of a Unit shall permit or cause any trash or refuse to be kept on any portion of the Project other than in the receptacles customarily used therefor. All equipment, garbage cans, wood piles or storage piles shall be kept screened and concealed from view of neighboring Units, streets and Common Area.

Section 8. Nuisance.

(A) No noxious, illegal, or materially offensive activities shall be carried out or conducted within any Unit or Common Area or in any part of the Project, nor shall anything be done within the Project which shall unreasonably interfere with any other Residents' right to quiet enjoyment. No Owner or occupant of a Unit may use or allow the use of the Unit or any portion of the Unit in any way or for any purpose which may endanger the health or unreasonably annoy or disturb other Owners or occupants of a portion of the Unit: or act in such a way as to constitute, in the sole opinion of the Board, a nuisance. Nothing herein, however, shall be construed to affect the rights of an aggrieved Owner to proceed individually against another Owner and/or resident for relief from interference with his or her property or personal rights.

(B) Nothing shall be done within any Unit or in, on, or to the Common Area which may impair the structural integrity or any building, or which would structurally change any building located therein without the written consent of the Architecture Committee. Except as otherwise provided herein, nothing shall be altered or constructed in or removed from the Common Area except upon the written consent of the Board or an Architecture Committee appointed by the Board.

Section 9. Unsightly or Unkempt Conditions. The pursuit of hobbies or other activities, including without limitations, the assembly and/or disassembly of motor vehicles and other mechanical devices, which might tend to cause disorderly, unsightly, or unkempt conditions, shall not be pursued or undertaken on any part of the Unit, carport, balcony or patio balcony nor on or within any part of the Project which unreasonably interferes with the Common Area.

Section 10. Dangerous Use of Units. No Unit, or Improvement situated therein shall be occupied or used for any purpose or in any manner which shall cause such Improvement to be uninsurable against loss by fire or the perils of the extended coverage endorsement to the California Standard Fire Policy form, or cause any such policy or policies representing such insurance to be canceled or suspended, or the company issuing the same to refuse renewal thereof.

Section 11. Responsibility for Damages to the Project. Each Owner shall be legally liable to the Association for all damages to the Common Area or any area in which the Association has the maintenance obligation, including but not limited to the buildings, Recreational Facilities and landscaping caused by such Owner, his or her licensee(s) or any occupant of such Owner's Unit. In the event, after written request by the Board, the Owner fails to pay the Association for the damage caused by the Owner, his or her licensee(s) or any occupant of such Owner's Unit as such liability may be determined under California law, the Board, by majority vote, may impose a Reimbursement Assessment against that Owner in the same manner and with the same remedies as otherwise described in these Governing Documents.

Section 12. Planting and Gardening and Use of Common Elements. No planting or gardening shall be done, and no fences, hedges, walls or structures of any type shall be erected or maintained on the Common Areas, except as those which are expressly approved in the Association's Rules and Regulations or in writing by the Board. The disposition of any item placed on the Common Area without the express approval of the Board shall be subject to the discretion of the Board.

Section 13. Use of Common Area. Except as otherwise provided herein, the Common Area shall *be* improved and used only for the following purposes:

- (A) affording vehicular passage and pedestrian movement within the Project property, including access to the Units;
- (B) recreational use by the Owners and occupants of residences in the Project and their guests, subject to rules established by the Board;
- (C) beautification of the Common Area and providing privacy to the residents of the Project through landscaping and such other means as the Board shall deem appropriate;
- (D) parking of automotive passenger vehicles in areas provided therefor as may be designated and approved by the Board, upon such terms and conditions and for such fees as may from time to time be determined by the Board;
- (E) as Exclusive Use Common Areas to be used in the manner hereinafter described. Nothing herein shall be deemed to allow persons other than the Owner of a Unit to which an Exclusive Use Common Area is appurtenant (or his tenants and licensees) to enjoy the use thereof;
- (F) no part of the Common Area shall be obstructed so as to interfere with the use for the purposes hereinabove permitted, nor shall any part of the Common Area be used for storage purposes (except as incidental to one of such permitted uses or for storage of maintenance equipment used exclusively to maintain the Common Area); and
- (G) no Owner shall make any alteration or improvement to the Common Area, or remove any plants, structure, furnishings or other object therefrom, except with the prior written consent of the Board. Each Owner shall be liable to the Association for all damage to the Common Area or to any Improvements thereon or thereto, including, but not limited to, buildings, Recreational Facilities and landscaping, caused by such Owner or any guest or occupant of such Owner's Unit;
- (H) no Owner shall use the Common Area in any manner of which shall increase the rate of insurance against loss by fire, or the perils of the extended endorsement to the California Standard Fire Policy form, or bodily injury, or property damage liability insurance covering the Common Area and Improvements situated thereon may be obtained, or cause such premises to be uninsurable against such risks or any policy or policies representing such insurance to be canceled or suspended or the company issuing the same to refuse renewal thereof;
- (I) except as otherwise specifically provided herein, nothing herein contained shall give the Owner the right to paint, decorate, remodel, landscape or adorn any part or parcel of the Common Area without the written consent of the Board;

Section 14. Window Covers. Curtains, drapes, shutters or blinds of neutral color may be installed as window covers. No window shall be covered with aluminum foil or similar material. The Board shall have the power to make reasonable rules regarding window coverings which are visible from the exterior of the residence.

Section 15. Rules of Association. Each Owner and his or her lessee, licensees, residents, occupants or guests of a Unit shall comply with the provisions of this Declaration, the Bylaws, and the Rules and Regulations of the Association, which may be amended from time to time. Failure to comply with any such provisions, decisions, or resolutions, shall be grounds for an action to recover sums due, for damages, or for injunctive relief, or for any other remedy permitted by law or permitted by the terms of this Declaration.

Section 16. NO Exterior Clotheslines. No exterior clotheslines shall be erected or maintained and there shall be no outside drying or laundering of clothes on any Unit, balcony or patio balcony in a manner which is visible from any neighboring Unit or the Common Area.

Section 17. Diseases and Pests. No Owner shall permit anything or condition to exist within his or her Unit or in the Common Area which shall induce, breed, or harbor infectious plant diseases, rodents or noxious insects.

ARTICLE VII

ARCHITECTURAL CONTROL

Section 1. Architecture Committee. The Board may appoint an Architecture Committee (the "Committee") which consists of at least three (3) Members, none of whom shall be required to meet be from the Membership of the Association. The Board may act as the Committee.

Section 2. Duties of the Committee. It shall be the duty of the Committee to consider and make recommendations to the Board upon any and all proposals or plans submitted to it pursuant to the terms hereof, to insure that any improvements constructed on the property conform to plans approved by the Board, to propose for the Board's consideration, Architectural Rules, and to perform other duties imposed upon it by the Board and this Declaration, including the authority to approve proposed architectural applications submitted by Owners, subject to conditions and limitations imposed by the Board.

Section 3. Approval of Improvements.

(A) Notwithstanding anything contained in this Declaration expressly or impliedly to the contrary, no building, fence, wall or other structure or Improvement shall be constructed or maintained upon the Project, nor shall any exterior or interior addition, change or alteration be made in, on or to the Project, or any part thereof, including, but not limited to awnings, sunshades, screen doors, ornamental screens, fences, walls, patio covers, or landscape plantings, until the plans and specifications showing the nature, shape, dimensions, materials and location of the same shall be submitted to the Committee and approved in writing as to the harmony of design and location in relation to surrounding improvements and topography by the Board. The Committee shall recommend to the Board whether or not the prevention or removal of any unauthorized and unapproved constructions of improvements should be undertaken. The Board, on behalf of the Association, may then exercise all available legal and equitable remedies to prevent or remove any unauthorized and/or unapproved construction of improvements on the Project property or any portion thereof.

(B) The Board shall approve or disapprove plans submitted to it within forty-five (45) days. In the event the Board fails to respond to the submitted plans within forty-five (45) days, the applicant may send written notice, via certified mail, to the Board advising the Board that the plans will be deemed approved if not disapproved twenty-five (25) days from the receipt of said certified letter.

(C) Once a work of improvement has been duly approved by the Board, no material modifications shall be made in the approved plans and specifications thereof and no subsequent alteration, relocation, addition or modification shall be made to the work of improvement, as approved, without a separate submittal to the Committee, and review and approval by, the Board. If the proposed modification will have, or is likely to have, a material affect on other aspects or components of the work, the Board, at its discretion, may order the Owner, his or her contractors and agents to cease working not only on the modified component of the improvement, but also on any other all component.

Section 4. Meetings. The Committee shall meet from time to time as necessary to perform its duties hereunder. The vote or written consent of a majority of the Committee Members, at a meeting or otherwise, shall constitute the act of the Committee unless the unanimous decision of the Committee is required by any other provision of this Declaration. The Committee shall keep and maintain a written record of all actions taken by it at such meetings or otherwise. The Committee shall not receive any compensation for services rendered.

Section 5. Architectural Rules. The Committee may, from time to time, make recommendations to the Board for the adoption, amendment or repeal of rules and regulations, to be known as "Architectural Rules." The Board's approval, amendment or repeal of Architectural Rules shall be made by a decision of a majority of the entire Board. The Architectural Rules shall interpret and implement this Declaration by setting forth the standards and procedures for Board and Committee review and the guidelines for design and placement of improvements and/or alterations. The Architectural Rules may include provisions for paying application fees and reasonable deposits, based upon the extent of the proposed improvement(s).

Section 6. 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 shall not be deemed to constitute a waiver of any right to withhold approval of any similar plans, drawings, specifications or matters subsequently submitted for approval.

Section 7. Liability. Neither the Board, Committee nor any Member thereof shall be liable to the Association, any Owner, or to any other party, for any damage, loss or prejudice suffered or claimed on account of (a) the approval or disapproval of any plans, drawings, or specifications, or (b) the construction or performance of any work, whether or not pursuant to approved plans, drawings and specifications; provided that with respect to the liability of a Member, such Member has acted in good faith on the basis of actual knowledge possessed by him or her.

Section 8. Other Entities' Requirements. Approval of an Improvement by the Association, Board or Committee is independent of other requirement(s) that may be imposed by any other entity, such as the City. Owners are solely responsible to acquire any permits, licenses, etc. that may be required by any other entity. Owners shall furnish copies of all permits, licenses, etc. obtained through any other entity to the Association upon request.

ARTICLE VIII

LEASING OF UNITS

Section 1. Definition. "Leasing," for purposes of this Declaration, is defined as regular exclusive occupancy of a Unit by any person or persons other than the Owner for which the Owner receives any consideration or benefit, including, but not limited to, a fee, service, gratuity, or emolument.

Section 2. Leasing Requirements. All leasing at DEEP CANYON TENNIS CLUB shall be in writing and shall be governed by the following provisions:

(A) **Notice.** No Owner shall lease his or her Unit for transient or hotel purposes. No owner shall lease his or her interest in the Common Area separate and apart from his or her Unit, nor his or her Unit separate and apart from his or her carport, nor his or her Exclusive Use Common Area separate and apart from his or her interest in the Common Area, and Unit. All leases shall be subject in all respects to the provisions of the Declaration, the Bylaws and the Rules and Regulations and any failure by the Lessee to comply with the terms of such documents shall be a default under the lease.

(B) **Liability for Assessments and Compliance With Declaration, Bylaws, and Rules and Regulations.** Any leasing of a Unit shall contain the following language, and if such language *is* not expressly contained therein, then such language is deemed to be and shall be incorporated into a lease by existence of this covenant on the Unit. Any tenant, by occupancy in a Unit, agrees to the applicability of this covenant and incorporation of the following language and terms into the lease:

(i) **General.** There shall be no subleasing of Units or assignment of leases unless approved in writing by the Board. No transient tenants may be accommodated in a Unit. All leases shall be in writing and in a form approved

by the Board. All rentals must be for a term of no less than thirty (30) consecutive days in any one (1) calendar year. The Owner must make available to the tenant copies of the Declaration, Bylaws, and the Rules and Regulations.

(ii) Liability for Assessments. Upon written request by the Board, the tenant shall pay to the Association all unpaid annual and Special Assessments, but not to exceed the rental payments unpaid at the time of the Association's request. All such payments thus made shall reduce the tenant's obligation to Lessor by like amount. Payment of Assessments shall be deemed necessary for maintenance of the habitability of the Residence.

(iii) Compliance with Declaration, Bylaws, Rules and Regulations. Lessee and Lessee's guests, residents, and occupants shall abide by and comply with all provisions of the Declaration, Bylaws, and Rules and Regulations adopted, pursuant thereto, as they may be amended from time to time, and the violation of same shall constitute a default under their lease. The residency limitations governing all other leases shall be set forth by the policy of the Board. If a tenant or an occupant violates the Declaration, Bylaws, or a Rule or Regulation for which a Reimbursement Assessment is imposed such Reimbursement Assessment shall be the joint responsibility of the Owner and/or tenant. Unpaid Reimbursement Assessments may constitute a lien against the Unit.

(iv) Enforcement Against Tenant by Association. The Owners hereby delegate and assign to the Association, acting through the Board, the power and authority of enforcement against the tenant for breaches resulting from the violation of the Declaration, Bylaws and the Rules and Regulations adopted pursuant thereto, including the power and authority to evict the tenant on behalf of and for the benefit of the Owner, in accordance with the terms hereof. Prior to the Association taking legal action against a tenant pursuant to this subsection, the Owner of the Unit shall be provided written notice of the tenant's alleged violation(s) and the Association's intent to attorneys' fees and court costs, associated with the eviction shall be specially assessed against Unit and the Owner(s) thereof.

ARTICLE IX

PROHIBITION OF TIMESHARES

Section 1. Timeshare Prohibitions. Timeshare projects, timeshare estates, timeshare programs and timeshare uses as defined pursuant to Section 11003.5 of the California Business and Professions Codes are prohibited and Timeshares and Timeshare Programs as defined in this Section are prohibited.

(A) For the purpose of this Section, the term "Timeshare Program" shall include and not be limited to any arrangement, plan, scheme, or similar device, whether by membership, agreement, tenancy in common, sale, lease, deed, rental agreement, license, right-to-use agreement, or by any other means, whereby a Timeshare Interval is created and whereby the use, occupancy or possession of an accommodation, Unit, Improvement, single-family dwelling, within such use, occupancy or possession circulates among purchasers of the Timeshare Interval according to a fixed or floating time schedule on a periodic basis occurring annually over any period of time in excess of one (1) year in duration,

(B) For the purpose of this Section, the term "Timeshare Use" means any contractual right of exclusive occupancy, whether fixed for a specific time period or not, which does not fall within the definition of a "Timeshare Estate," including, without limitation, a vacation license, prepaid hotel reservations, club membership, limited partnership, trust agreement, or vacation bond.

Section 2. Multiple Ownership Restrictions. Ownership of a Unit as tenants in common, joint tenants or any other form of multiple ownership by more than four (4) persons or entities is prohibited unless otherwise approved by the Board.

ARTICLE X

MAINTENANCE RESPONSIBILITIES

Section 1. Maintenance Matrix. A summary of the allocation of the Association and Owners' maintenance responsibilities ("Maintenance Matrix") is attached as Exhibit "B" to this Declaration. In case of a direct conflict between the Maintenance Matrix and the provisions of this Article, the Maintenance Matrix shall prevail.

Section 2. Common Area and Recreational Area Except for Exclusive Use Common Area, the Association shall be solely responsible for all maintenance, repair, upkeep and replacement of facilities and Improvements within the Common Area. No person other than the Association or its duly authorized agents shall construct, reconstruct, refinish, alter or maintain any Improvement upon, or shall create any excavation or fill or change the natural or existing drainage of any portion of the Common Area. Any item placed on the Common Area without the permission of the Board will be subject to disposition as the Board, at its sole discretion, deems necessary. Any costs incurred in removing any unauthorized object from the Common Area will be imposed as a Reimbursement Assessment on the responsible Owner pursuant to the provisions of Article V of this Declaration.

Section 3. Association Maintenance Responsibility With Respect to Unit Improvements.

(A) The Association's maintenance shall not include: repair and replacement of glass surfaces and screens on Units or Exclusive Use Common, landscaping within the Exclusive Use Common Area, or any alterations or additions to the Exclusive Use Common Area or Common Area made by the Owner of the Unit, nor repair or replacements arising out of, or caused by, the willful or negligent act of the Owner, his/her family, guests, invitees, tenants, subtenants, or other occupants of said Owner's Unit. Such excluded items shall be the responsibility of each Unit Owner, provided, however, that if an Owner shall fail to maintain or make the repairs or replacements which are the responsibility of such Owner (or his tenant, subtenant, etc.) as provided above, then, upon a vote of a majority of the Board of Directors, and after not less than thirty (30) days' notice to an Owner, the Association shall have the right (but not the obligation) to enter the Unit or Exclusive Use Common Area and provide such maintenance or make such repairs or replacements, and the cost thereof shall be added to the Assessments chargeable to such Unit and shall be payable to the Association by the Owner of such Unit.

(B) The Association shall not be responsible for the cleaning and ordinary maintenance, including the inspection and treatment of pests and organisms including wood destroying pests and organisms within the individual Units but shall provide for the repair and maintenance of any portion of the Common Area (including Exclusive Use Common Area) damaged by the presence and/or actions of wood-destroying pests or organisms.

(C) The Association may cause the temporary removal of any occupant for such periods and at such times as are necessary for prompt, effective treatment of wood-destroying pests or organisms. The cost of the temporary relocation is to be borne by the Owner of the separate interest affected. Not less than fifteen (15) days nor more than thirty (30) days' notice of the need to temporarily vacate shall be given occupants and to the Owners. The notice shall state: 1) the reason for the temporary relocation; 2) the date and time of the beginning of the treatment; 3) the anticipated date and time of termination of treatment; and 4) that the occupants will be responsible for their own accommodations during the temporary relocation. Notice is deemed complete if a copy is personally delivered or mailed first-class to the occupants and a copy is sent to the non-occupying Owners via first class mail. The costs of temporary relocation during the repair and maintenance of the areas within the responsibility of the Association shall be borne by the Owner of the Unit.

Section 4. Owner Maintenance Responsibilities.

(A) Except as specifically provided in Section 1, above, or in Exhibit B, each Owner shall be responsible for the maintenance and repair of the interior surfaces of his or her Unit, including without limitation, the equipment and fixtures in the Unit, ceilings, windows, doors, showers, baths, sinks, toilets, electrical sockets, switches, wiring, air conditioners, heating units, outlets, fans, windows and sliding glass doors (exterior and interior), window and door screens (interior and exterior) deck coverings, carpeting, interior floor surfaces, electrical appliances and telephone equipment of the owned Unit in a clean, sanitary, workable and attractive condition.

(B) Each Owner shall also be responsible for the maintenance and repair of the Exclusive Use Common Area, including all interior surfaces, any windows and window screens (interior and exterior).

(C) Owners shall pay for their own gas, electricity and telephone service where individually metered.

(D) Each Owner shall be responsible for interior damage to his or her personal property in the Project resulting from water which may leak or flow from outside of any Unit or from any part of the building, or from any pipes, drains, conduits, appliances or equipment or from any other place or cause, unless caused by the negligence of the Association, its Board, officers, or designated agents.

(E) Each Owner shall have the right, at his sole cost and expense, to maintain, repair, paint, paper, panel, plaster, tile and finish the interior surfaces of the ceilings, floors, windows frames, door frames, trim and perimeter walls of the Unit and the surfaces of the bearing walls and partitions located within the Unit. Said Owners shall have the right to substitute new finished surfaces in place of those existing on said ceilings, floors, walls and doors of said Unit.

Section 5. Failure of Owner to Carry Out Maintenance Responsibilities. In the event that the Owner of a Unit fails to perform his or her maintenance responsibilities, the Board shall have the right, but not the obligation, through itself or its agents, to perform appropriate maintenance and/or repairs at the expense of the Owner. In such event, in addition to other penalties and disciplinary measures imposed by the Board, the Board may levy a Reimbursement Assessment against such Owner in the amount equal to all direct and indirect costs and expenses incurred by the Board in its performance of such maintenance and/or repairs. Any claim against the Board shall not constitute a defense or offset in any action of the Board for nonpayment of any amounts which may have been assessed hereunder.

Section 6. Liability for Damage. Owners shall be responsible to the Association for repairs necessitated by the act(s) and/or negligence of the Owners, their licensees, residents, tenants or guests. The Owner shall be liable for any damage or additional maintenance costs incurred as a result of Owner's unauthorized construction, erection or repair of the Common Area or areas of which the Association has the maintenance responsibility. At the discretion of the Board, damages incurred under this Section may be a Reimbursement Assessment against the Owner's Unit.

Section 7. Cooperative Maintenance Obligations. To the extent necessary or desirable to accomplish the Association's maintenance obligations hereunder, individual Owners shall cooperate with the Association and its agents and maintenance personnel in the prosecution of its work.

ARTICLE XI

PARTITION

Section 1. Partition Prohibited. Each of the Owners of a Unit is prohibited from participating or in any other way severing or separating such Ownership from any of the other Ownerships in the Common Area, except upon a showing that:

(A) more than three (3) years before the filing of the action, the Project was damaged or destroyed so that a material part was rendered unfit for its prior use, and the Project has not been rebuilt or repaired substantially to its state prior to its damage or destruction, or

(B) that three-fourths (3/4) or more of the Project has been destroyed or substantially damaged, and that Owners holding in aggregate more than fifty percent (50%) interest in the Common Area are opposed to repair or restoration of the Project, or

(C) that the Project has been in existence in the excess of fifty (50) years, that it is obsolete and uneconomic, and that Owners holding in aggregate more than a fifty percent (50%) interest in the Common Area are opposed to repair or restoration of the Project; provided, however, that if any Unit shall be owned by two (2) or more co-tenants as tenants in common or as joint tenants, nothing herein shall *be* deemed to prevent a judicial partition by sale as between such cotenants.

Section 2. Power of Attorney. The Association is hereby granted an irrevocable power of attorney to sell the Project for the benefit of all the Owners thereof when partition of the Owners' interest in said Project may be had pursuant to this Article. The power of attorney herein granted may be exercised upon the vote or written consent of Owners holding in the aggregate at least two-thirds (2/3) of the interest in the Common Area by any three (3) Members of the Board who are hereby authorized to record a certificate of exercise in the Office of the Riverside County Recorder, which certificate shall be conclusive evidence thereof in favor of any person relying thereon in good faith.

ARTICLE XII

AMENDMENTS

Section 1. General. Subject to the provisions of Article XVI, Section 5(D), this Declaration may be amended at any time and from time to time by the vote or written consent of a majority of the total voting power of the Association. Any amendments shall be effective upon the recording thereof with the Office of the County Recorder of Riverside County, California.

ARTICLE XIII

DESTRUCTION OF IMPROVEMENTS

Section 1. Insurance Proceeds Sufficient. In the event of damage to or the partial destruction of the Project, and if the available proceeds of the insurance are sufficient to cover not less than eighty-five percent (85%) of the cost of repair or reconstruction thereof, the damaged or destroyed Improvements shall be promptly repaired and rebuilt unless, within ninety (90) days from the date of such damage or destruction, at a duly constituted meeting of the Association, Owners representing seventy-five percent (75%) of the total voting power of the Association determine that such repair and reconstruction shall not take place.

Section 2. Insurance Proceeds Insufficient.

(A) If the available proceeds of such insurance are less than eighty-five percent (85%) of the cost of repair or reconstruction, such repair or reconstruction may nevertheless take place if, within ninety (90) days from the date of such damage or destruction, Owners representing a majority of the total voting power of the Association so elect at a duly constituted meeting of the Association. If the Board is unable to obtain sufficient participation at such meeting, the Board shall have the right to petition the Superior Court of Riverside County to allow it to rebuild without a majority approval of the Membership.

(B) Anything in the immediately preceding paragraph to the contrary notwithstanding, the Board shall contract for such repair or rebuilding of Common Area which consists of building(s) containing Units (or portions thereof and/or improvements thereto) if fifty (50%) or more of the Owners owning Units in said buildings agree to the repair or restoration of said buildings.

Section 3. Assessments. If the Owners determine to rebuild, each Owner shall be obligated to contribute such funds as may be necessary to pay his or her proportionate share of the cost of construction, over and above the insurance proceeds, and the proportionate share of each Owner shall be the same as his or her proportionate share of Regular and Special Assessments. In the event of the failure or refusal of any Owner to make his or her proportionate contribution, the Board may levy a Special Assessment against such Owner, and enforce such Assessment as provided in Article V.

Section 4. Failure to Rebuild. If a majority' of the Owners do not agree to the repair or rebuilding of the Common Area, then each Owner (and his or her Mortgagee(s) as their respective interests shall then appear) shall be entitled to receive that portion of insurance proceeds equal to the proportion of the decrease in fair market value of his or her Unit as compared to the aggregate decrease in fair market values of all the Units caused by such damage or destruction. For purposes hereof, fair market value shall be determined by a qualified real estate appraiser selected by the Board and hired by and at the expense of the Association. Should a dispute arise as to the distribution of insurance proceeds, the dispute shall be decided by arbitration.

Section 5. Interior Repairs. Any reconstruction undertaken pursuant to the foregoing provisions shall cover only the exterior and structural components of the damaged or destroyed Units, and such other damage to such Units as may be covered by insurance and maintained by the Association. If a destroyed Unit is so rebuilt, the Owner of such Unit shall be obligated to repair and rebuild the damaged portions of the interior of his or her Unit in a good and workmanlike manner at such Owner's expense substantially in accord with the original plans and specifications therefor; provided, however, that any such Owner may, with the written consent of the Board, reconstruct or repair the same pursuant to new or changed plans and specifications. In the event the Board fails to approve or disapprove such changed plans and specifications within sixty (60) days of receipt thereof, they shall be deemed to have been approved.

Section 6. Arbitration. In the event of a dispute among the Owners with respect to the provisions of this Article, any Owner may cause such dispute to be referred to arbitration. In the event of arbitration, written notice thereof shall be given to the Board and all other Owners within ten (10) days after reference to arbitration, and all Owners shall have an opportunity to appear in such arbitration proceedings. The decision of such arbitrator shall be final and conclusive upon all Owners. The arbitrator may include in his or her decision an award for costs and/or attorneys' fees against any one or more parties to the arbitration.

ARTICLE XIV

INSURANCE

Section 1. Types of Insurance Coverage. The Association shall obtain and continue in effect the following:

(A) **Property Damage Insurance.** A policy of fire and casualty insurance naming as parties insured the Association and any mortgagee of the Common Area, and containing the standard extended coverage and replacement cost endorsements and for such other or special endorsement as will afford protection and insure, for the full insurable current replacement cost (excluding foundations and excavation, but without deduction for depreciation) as determined annually by the insurance carrier, the Project including the replacement of a unit to the condition it was in at the time of the loss excluding paint and wall coverings, and personal property of the Association for or against the following:

(i) Loss or damage by fire or other risks covered by the standard coverage endorsement, to include tenant betterments and improvements.

(ii) Loss or damage from theft, vandalism or malicious mischief; and

(iii) Such other risks, perils or coverage as the Board of Directors may determine.

Such policy or the endorsement made a part thereof, shall, to the extent available, provide that the insurer issuing the policy agrees to abide by decisions of the Association made in accordance with the provisions of Article XIII of this Decimation as to whether or not to repair, reconstruct or restore all or any damaged or destroyed portion of the Common Facilities.

(B) **General liability for full extended coverage,** including but not limited to, vandalism, malicious mischief, public liability with a cross-liability endorsement. The limits of such insurance shall not be less than \$3,000,000.00 for death or injury to any one person and \$3,000,000.00 for death or injury to more than one person in any one occurrence, and \$1,000,000.00 for property damage in any one occurrence or any amount greater as determined by the Board from time to time.

(C) **Directors and Officers Insurance.** The Association shall obtain directors and officers insurance covering errors and omissions for officers and directors, and if desirable, committee members of the Association in an amount of at least \$500,000 per occurrence.

(D) **Fidelity Bond/Insurance.** The Board shall obtain a fidelity bond or insurance insuring the Association against dishonest acts on the part of directors, managers, officers and employees, and employees of any manager or managing agent naming the Association as obligee and written in an amount not less than three times the monthly maintenance fees plus all reserves and shall contain an endorsement of any person who may

serve without compensation. Such bond/insurance shall include a provision that calls for ten (10) days written notice to the Association or insurance trustee before the same can be canceled or substantially modified for any reason. The Board shall purchase and maintain such insurance on personal property owned by the Association and any other insurance, including officers and director's liability insurance, that it deems necessary or desirable.

(E) Workers Compensation. The Association shall obtain workers compensation coverage in and for amounts satisfactory to the Board, to the extent required by law, for all employees of the Association.

(F) Other Insurance. The Board shall have the discretion to obtain any other insurance, such as earthquake and flood, as it deems appropriate.

Insurance premiums for the master policy shall be a common expense to be included in the monthly Assessments levied by the Association. Each Owner shall be responsible for payment of any deductible amount for any loss to his or her Unit.

Section 2. Owner's Insurance. It is strongly recommended that each Owner maintain insurance for the contents in their Unit and any other item which the Association has not purchased insurance provided by Article XIV, Section 1 (A). Each Owner may maintain whatever liability and property insurance that he or she desires with respect to the contents of his or her Unit except as provided in Article XIV, Section 3, herein, and any other item that the Association is not obligated to maintain or repair. However, policies obtained by an Owner or resident shall include a waiver of subrogation clause acceptable by the Board and to any institutional First Mortgagee.

Section 3 Trustee. All insurance proceeds payable under this Article and subject to the rights of the mortgagees under this Article may, in the discretion of the Board of Directors, be paid to a Trustee to be held and expended for the benefit of the Owners, mortgagees, and others, as their respective interests shall appear. Said Trustee shall be a commercial bank or other institution with trust powers within the County that agrees in writing to accept such trust. If repair reconstruction is authorized, the Association and any duly appointed Trustee shall have the duty to contract for such work as provided in this Declaration.

ARTICLE XV

CONDEMNATION

If any portion of the Project is taken by condemnation, eminent domain or proceeding in lieu thereof, then:

(A) In the event of any taking of a Unit, the Owner (and his (or her Mortgagees as their interest may appear) of the Unit shall be entitled to receive the award for such taking and after acceptance thereof such Owner and his or her Mortgagee shall be divested of all further interests in the Unit property if such Owner shall vacate his or her Unit as a result of such taking. In such event said Owner shall grant his or her interest in the Common Area, if any, to the other Owners owning a fractional interest in the same Common Area, such grant to be in proportion to the fractional interest in the Common Area then owned by each.

(B) In the event of any taking of the Common Area, the Owners of the Common Area, and their Mortgagees, shall be entitled to receive the award for such taking in proportion to the interest of each in the Common Area; provided, however, that should it be determined to repair or rebuild any portion of the Common Area, such proceeds shall be paid to the Association for that purpose in the same manner and subject to the same terms, conditions and limitations as are set forth above in Article XIII for repairing damaged or destroyed portions of the Common Area. A decision to repair or rebuild shall be made in the same manner and subject to the same conditions and limitations as provided above in Article XIII for determining whether to rebuild or repair following damage or destruction.

ARTICLE XVI

PROTECTION OF MORTGAGEES

Section 1. Notice to Association. An Owner who mortgages his Condominium shall notify the Association of the name and address of the Mortgagee, and the Association shall maintain such information in a book entitled "Mortgagees of Condominiums." Any such Owner shall likewise notify the Association as to the release or discharge of any such mortgage.

Section 2. Notice of Default/Unpaid Assessments; Effect of Breach. Each holder of a first Mortgage is entitled to written notification from the Association of any default by the Mortgagor of Documents which is not cured within thirty (30) days. Additionally, upon the request of a Mortgagee of a Unit, the Association shall report any unpaid assessments due from the Owner of said Unit.

No breach of any provision of the Declaration, nor the enforcement of any lien provided for in this Declaration shall defeat or render invalid the lien of any Mortgage or Deed of Trust made in good faith and for value, but all of said matters shall be binding upon any Owner whose title is derived through foreclosure SCLIC or trustee's sale.

Section 3. Right of First Refusal. Each holder of a first Mortgage which comes into possession of the Condominium pursuant to the remedies provided in the Mortgage, or by foreclosure of the Mortgage, or by deed (or assignment) in lieu of foreclosure, shall be exempt from any "right of first refusal."

Section 4. Prior Assessments. Each holder of a first Mortgage which comes into possession of the Condominium pursuant to the remedies provided in the Mortgage, or by foreclosure of the Mortgage, or by deed (or assignment) in lieu of foreclosure, shall take the property free of any claims for unpaid assessments or charges against the Condominium which accrue prior to the time such holder comes into possession of the Condominium (except for claims for a pro rata share of such assessments or charges resulting from a pro rata reallocation of such assessments or charges to all Condominiums).

Section 5. Prior Approval. Unless a majority of holders of first Mortgages have given their prior written approval, the Association shall not:

- (A) Change the proportionate share of an Owner of any Condominium in the profits and expenses of the Association;
- (B) Partition or subdivide any Condominium or the Common Area of the Project;
- (C) Seek, by act or omission, to abandon the Condominium Project or to terminate the Condominium Plan or this Declaration;
- (D) Amend the provisions of this Article of the Declaration.

Section 6. Cal-Vet Financing. The term "Mortgage" hereunder shall also mean a Cal-Vet installment land contract entered into under and pursuant to Article 3, of Chapter 6 of Division 4 of the Military and Veterans Code, or any subsequent statute, and the term "Mortgagee" hereunder shall also mean the Department of Veterans Affairs of the State of California as seller under such an installment land contract. In this latter regard, the Board is expressly authorized to adopt such resolutions as may be required in connection with "Cal-Vet" financing in order to reflect the fact that such installment land contracts are superior in right to the assessment liens created in this Declaration in the same manner and to the same extent as Mortgages and Deeds of Trust are superior thereto.

ARTICLE XVII

BREACH

Section 1. Right of Enforcement. A breach of any of the covenants, conditions and restrictions contained in this Declaration (other than a breach by failure to pay fees and assessments to the Association) which is not cured within fifteen (15) days from the date notice of such breach is given by the Board to the Owner on whose Unit such breach occurs, or whose act or omission constitutes such breach shall give to any Owner, the Board or its successors the remedies as hereinafter set forth. Each Owner, lessee, licensee, guest, resident and occupant of a Unit shall comply with the provisions of this Declaration, the Bylaws, the Rules and Regulations and decisions and resolutions of the Association or its duly authorized representative.

Section 2. Injunction. A breach as set forth in section 1 above and the continuation of any such Owner or by the Board. It is hereby agreed that damages at law for such breach are inadequate.

Section 3. Nuisance. The results of every act or omission which are a breach as set forth in Section 1 above are hereby declared to be and constitute a nuisance, and every remedy allowed by law or equity against a nuisance shall be applicable against every such result and may be exercised by any Owner, or the Board.

Section 4. Violation of Law. Any violation of any state, municipal or local law, ordinance or regulation, pertaining to the ownership, occupation or use of the Project or any part thereof is hereby declared to be a violation of this Declaration and subject to any or all of the enforcement procedures set forth herein.

Section 5. Cumulative Remedies. The remedies herein provided for breach of the covenants contained in this Declaration shall be deemed cumulative, and none of such remedies shall be deemed exclusive.

Section 6. No Waiver. The failure of the Board, or any Owner to enforce any of the provisions contained in this Declaration shall not constitute a waiver of the right to enforce the same thereafter, nor shall such failure result in or impose any liability on the Association or the Board.

Section 7. Litigation. In the event the Association, or any Owner, shall commence litigation to enforce any of the covenants, conditions or restrictions herein contained, the prevailing party in said action shall be entitled to actual attorneys' fees and costs reasonably incurred.

ARTICLE XVIII **GENERAL PROVISIONS**

Section I. General Duties and Powers. The Association shall have all those duties and powers set forth in the Articles and Bylaws of the Association or permitted pursuant to the provisions of the California Corporations Code for nonprofit mutual benefit corporations. All such duties and powers shall be subject to any specific limitations set forth in this Declaration, the Articles or Bylaws of the Association. All such duties and powers shall be exercised by the Board unless specifically reserved to the Members.

Section 2. Association Rules and Regulations. Pursuant to the authority of the Board described above, the Board shall have the power to adopt or repeal such Rules and Regulations as it deems reasonable. These Rules and Regulations may include the establishment of a system of fines and penalties. A copy of such Rules and Regulations shall be distributed to the Members in the same manner established in the Bylaws for notice to Members of annual or special meetings. Upon completion of the above notice requirement the Rules and Regulations shall have the same force and effect as if they were set out in this Declaration.

Section 3. Notices. Any notice to be given to an Owner or a Mortgagee under the provisions of this Declaration shall be in writing and may be delivered personally or by first class mail, postage prepaid to the latest recorded address in the business records of the Association.

Section 4. Extension of Declaration. Each and all of these Covenants, Conditions and Restrictions shall terminate on December 31, 2023. after which date they shall automatically be extended for successive periods of ten (10) years unless, in accordance with the provisions of this Declaration and as authorized by California law, the Membership has executed and recorded at any time within six (6) months prior to December 31, 2023, or within six (6) months prior to the end of any such ten (10) year period, in the manner required for a conveyance of real property, a writing in which it is agreed that said restrictions shall terminate on December 31, 2023, or at the end of such ten (10) year period.

Section 5. Limitation of Liability. In discharging its duties and responsibilities, the Board acts on behalf of and as representative of the Association which acts on behalf of and as representative of the Owners of Units. No member of the Board shall be individually or personally liable or obligated for performance or failure of performance of such duties or responsibilities unless he or she fails to act in good faith.

Section 6. Liberal Interpretation of Declaration. The provisions of this Declaration shall be liberally construed to effectuate its purpose of creating a uniform plan for the operation of the Project for the mutual benefit of all Members.

Section 7. Indemnification.

(A) Every Director and every Officer past or present of the Association shall be indemnified by the Association against expenses and liabilities, including reasonable attorney's fees and cost incurred or imposed upon him or her in connection with any proceeding in which such Director or Officer may be a party or in which such officer or Director may become involved, by reason of his or her being, or having been, a Director or an Officer of the Association, or any settlement thereof, except in such cases wherein the Director or Officer is adjudged guilty of gross negligence or malfeasance in the performance of his or her duties.

(B) Indemnification shall be in addition to and not exclusive of all other rights to which such Director or Officer may be entitled.

Section 8. Partial Invalidity. Invalidation or reformation of any one of these covenants or restrictions by judgment or court order or otherwise shall in no way affect the application of such provision to other circumstance(s) or any other provision(s) which shall remain in full force and effect.

Section 9. Number; Gender. The singular shall include the plural and the plural the singular unless the context requires the contrary, and the masculine, feminine and neuter shall each include the masculine, feminine or neuter, as the context requires.

Section 10. Successors and Assigns. This Declaration shall be binding upon and shall inure to the benefit of all heirs, personal representatives, successors, assigns, personal representatives, grantees, lessees, licensees and renters of Owners.

Section 11. Joint and Several Liability. In the case of Joint Ownership of a Unit, the liability of each Owner and the Owners thereof in connection with the liabilities and obligations of the Owners, set forth in or imposed by this Declaration, shall be joint and several.

Section 12. Conflicts. If there are conflicts or inconsistencies between the provisions of California law, this Declaration, the Articles of Incorporation, the Bylaws and the Rules and Regulations, the provisions of California laws, the Declaration, the Articles of Incorporation, the Bylaws and the Rules and Regulations (in that order) shall prevail.

CERTIFICATE OF AMENDMENT

This instrument has been executed as of the date first set forth above. I, the undersigned, do hereby certify:

That I am duly elected and acting Secretary of the DEEP CANYON TENNIS CLUB OWNERS ASSOCIATION, a California Nonprofit Mutual Benefit Corporation;

1. That the foregoing SECOND RESTATED DECLARATION OF COVENANTS, CONDITIONS, AND RESTRICTIONS comprising 34 pages, constitutes the Declaration of Restrictions of the Association duly adopted by a vote of at least fifty-one percent (51%) of the voting power for the Association.
2. That mortgagees representing at least fifty-one percent (51%) of all first mortgages have approved the foregoing SECOND RESTATED DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS, comprising 34 pages.

IN WITNESS WHEREOF, I hereunto subscribe my name and affix the seal of said corporation this 15th day of April, 2015.

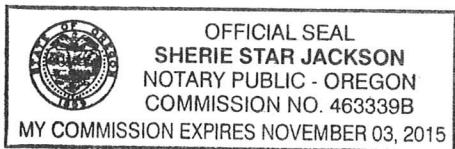
DEEP CANYON TENNIS CLUB OWNERS ASSOCIATION

By: *A. Bruce Olson*
A. Bruce Olson, Secretary

OREGON
State of ~~California~~)
CLATSOP) ss.
County of ~~Riverside~~)

On MAY 2, 2015, before me, *Sherie Star Jackson* a Notary Public, personally appeared A. Bruce Olson, proved to me on the basis of satisfactory evidence to be the person whose name is subscribed to the within instrument and acknowledged to me that he executed the same in authorized capacity, and that by his signature on the instrument the person or the entity upon behalf of which the person acted, executed the instrument.

WITNESS my hand and official seal.



CERTIFICATE OF AMENDMENT

This instrument has been executed as of the date first set forth above. I, the undersigned, do hereby certify:

That I am duly elected and acting President of the DEEP CANYON TENNIS CLUB OWNERS ASSOCIATION, a California Nonprofit Mutual Benefit Corporation;

1. That the foregoing SECOND RESTATED DECLARATION OF COVENANTS, CONDITIONS, AND RESTRICTIONS comprising 34 pages, constitutes the Declaration of Restrictions of the Association duly adopted by a vote of at least fifty-one percent (51%) of the voting power for the Association.

2. That mortgagees representing at least fifty-one percent (51%) of all first mortgages have approved the foregoing SECOND RESTATED DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS, comprising 34 pages.

IN WITNESS WHEREOF, I hereunto subscribe my name and affix the seal of said corporation this 15th day of April, 2015.

DEEP CANYON TENNIS CLUB OWNERS ASSOCIATION

By: Michael L. Rogers
Michael L. Rogers, President

State of California)
)ss.
County of Riverside)

On _____, before me, _____, a Notary Public, personally appeared Michael L. Rogers, proved to me on the basis of satisfactory evidence to be the person whose name is subscribed to the within instrument and acknowledged to me that he executed the same in authorized capacity, and that by his signature on the instrument the person or the entity upon behalf of which the person acted, executed the instrument.

See attachment

WITNESS my hand and official seal.

CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

CIVIL CODE § 1189

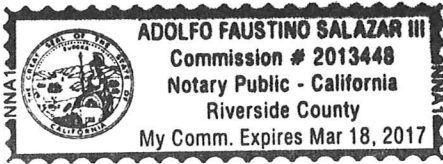
A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California)
County of Riverside)
On 4/29/2015 before me, Adolfo Faustino Salazar III, notary public
Date Here Insert Name and Title of the Officer
personally appeared Michael L. Rogers
Name(s) of Signer(s)

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 [Handwritten Signature]
Signature of Notary Public

Place Notary Seal Above

OPTIONAL

Though this section is optional, completing this information can deter alteration of the document or fraudulent reattachment of this form to an unintended document.

Description of Attached Document

Title or Type of Document: _____ Document Date: _____

Number of Pages: _____ Signer(s) Other Than Named Above: _____

Capacity(ies) Claimed by Signer(s)

Signer's Name: _____

Corporate Officer — Title(s): _____

Partner — Limited General

Individual Attorney in Fact

Trustee Guardian or Conservator

Other: _____

Signer Is Representing: _____

Signer's Name: _____

Corporate Officer — Title(s): _____

Partner — Limited General

Individual Attorney in Fact

Trustee Guardian or Conservator

Other: _____

Signer Is Representing: _____

EXHIBIT "A"

Legal Description

Lots 1, 2, 3, 4, 5, 6, 7, and 8, of Tract No. 4558, in the County of Riverside. State of California, as per map filed in Book 78. Pages 42 to 46, inclusive, of Maps, in the Office of the County Recorder of said County.

COMPONENTS OF PROJECT

O=Owner
T=Third Party
(Utility)
B=Board or
Architectural
Committee
Approval

A O U B

RESIDENTIAL UNITS				
Exterior periodic painting of front door	X			
Exterior periodic painting of front door frame	X			
Interior painting of front door		X		
Exterior and interior hardware, weather stripping and fixtures of all doors (including doorbell)		X		X
Replacement of front door and door frame	X			
Interior painting and coverings of unit		X		
Repair of window and sliding screens, windows, glass, sliding doors		X		
Replacement with other materials of window and sliding screens, windows, glass and sliding doors		X		X
Painting exterior of building	X			
Repair, replacement and maintenance of outside walls and trim	X			
Interior floor coverings		X		
Residential unit roof repairs and replacements (including drains)	X			
Upkeep, repair and replacement of all residential buildings footings, foundations/slabs (including carports)	X			
Lighting fixtures and bulbs - interior or exterior of unit including patio security lights		X		X
Front entryways, walkways to unit (other than routine cleaning)	X			
Any owner installed improvements on exterior		X		X
CARPORTS				
Painting of carports	X			
Carport roof system	X			
Lights on carports	X			
Maintenance clearing of oil and other debris from floor of carport		X		
EXCLUSIVE USE COMMON AREAS				
(PATIOS/BALCONY PATIOS AND STARWAYS OF "D" UNITS				
Repair and replacement of patio slab (A, B, C, E Units)		X		X
Maintenance and upkeep of shrubs and landscaping inside patios and balcony patios		X		
Patio/Balcony Patio awnings		X		X
Maintenance and upkeep of irrigation system within enclosed patio (whether connected to Common Area lines or connected to individual Unit)		X		
D unit deck structure including railing and stairway (except where modified)	X			
Patio/Balcony Patio light fixture and bulb		X		X
Balcony stairway light fixture and bulb	X			
Exterior and interior painting; repairs and replacements of patio gates and fences	X			
UTILITIES SERVICING UNITS				
Electrical service and repairs not including outlets within the interior of the unit	X			
Electrical outlets within the unit		X		

Wires and electrical installations (other than outlets within the interior of unit, telephone, cable, doorbell and other homeowner install wiring)	x			
Hose bibs on exclusive use common area		x		
Water service to project and shut off valve to each building	x			
Maintenance, repair and replacement of interior plumbing fixtures (i.e. toilet, sink) and connections to water and sewer system.		x	x	
Pipes (Sewer, water, etc.; except outlets within interior of Unit)		x		
Sewage and drain outlets (including stoppages) within the interior of the unit		x		
Sewage System line breaks up to but not including within unit, as well as any pipes under slab, footings, or foundations	x			
HVAC System (including any platform required by local ordinance) and water heaters. (*Board/Architecture Committee approval is required only if it is a re-location or material modification of these systems)		x		x
Telephone and telephone wires (either telephone company or owner)		x	x	
Cable TV (either Cable TV company or owner)		x	x	
APPLIANCE RELATED TO THE RESIDENTIAL UNITS ONLY				
Maintenance, repair and replacement of furnace		x		
Maintenance, repair and replacement of air conditioning and related equipment		x		
Maintenance, repair and replacement of dishwasher		x		
Maintenance, repair, and replacement of kitchen stove		x		
Maintenance, repair and replacement of kitchen and bath cabinets		x		
Maintenance, repair and replacement of bathtubs, shower stall, shower pans, bath and shower tile		x		
Maintenance, repair and replacement of other interior appliances		x		
COMMON AREA PROPERTY AND LANDSCAPING				
Landscaping within common area but excluding landscaping in any patio/balcony patio/D unit stairway	x			
Upkeep, repair and replacement of swimming pools, spas, and tennis courts	x			
Irrigation system - Common area only	x			
RV Storage yard, driveways, walkways, private road, front entry gate and guard house	x			
Any damage to common area components caused by owner, family members, guests, tenants or contractors		x		
Clubhouse and any other Common Area facilities	x			
TERMITES				
Termite inspections for sales		x		
Termite treatments for Common Area and Exclusive Use Common Area	x			
Termite treatment in the Unit interiors		x		