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RESTATED CC&R'S - THE OAKS

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LAURIE TRIANO

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I certify under penalty of perjury that the notary seal on the document to which this statement is attached reads as follows:

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Date Commission Expires: 7/14/2023

County of Commission: CALAVERAS

Notary Commission Number: 2293579

Manufacturer Identification Number: NR01

Place of execution of this Declaration: STATE OF CALIFORNIA,

COUNTY
OF
CALAVERAS

Date: 4/21/2022

LAURIE TRIANO
(Firm Name if Any)

Laurie Triano
(Signature)

ADAMS | STIRLING
Professional Law Corporation
2566 Overland Avenue, Suite 730
Los Angeles, California 90064
(310) 945-0280

RESTATED DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS

THE OAKS COMMUNITY ASSOCIATION
a California nonprofit mutual-benefit corporation

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

A. TABLE OF CONTENTS

A. Table of Contents	i
----------------------------	---

Article 1: Definitions	2
------------------------------	---

1.1 “Addendum A Owner” means the owner of the Addendum A Property, including contract sellers, but excluding contract purchasers under an installment land contract and excluding those having such interest merely as security for the performance of an obligation.	2
--	---

1.2 “Addendum A Property” means the real property more particularly described on Addendum Exhibit A, attached.....	2
--	---

1.3 “Annual Meeting”	2
----------------------------	---

1.4 “Architectural Standards”	2
-------------------------------------	---

1.5 “Articles”	2
----------------------	---

1.6 “Assessment”	2
------------------------	---

1.7 “Association”	2
-------------------------	---

1.8 “Board” or “Board of Directors”	2
---	---

1.9 “Budget”	2
--------------------	---

1.10 “Building”	2
-----------------------	---

1.11 “Bylaws”	2
---------------------	---

1.12 “CC&Rs”	2
--------------------	---

1.13 “Committee”	2
------------------------	---

1.14 “Common Area”	3
--------------------------	---

1.15 “Common Expenses”	3
------------------------------	---

1.16 “County” means the County of Amador, State of California.	3
---	---

1.17 “Davis-Stirling Act”	3
---------------------------------	---

1.18 “Development”	3
--------------------------	---

1.19 “Director”	3
-----------------------	---

1.20 “Governing Documents”	3
----------------------------------	---

1.21 “Improvements”	3
---------------------------	---

1.22 “Lender”	3
---------------------	---

1.23 “Lot”	3
------------------	---

1.24 “Manager”	3
----------------------	---

1.26 “Member”	4
---------------------	---

1.27 “Membership Approval” or “Approval of the Membership”	4
--	---

1.28 “Member in Good Standing”	4
--------------------------------------	---

1.29 “Mortgage”	4
-----------------------	---

1.30 “Mortgagee”	4
------------------------	---

1.32 “Officer”	4
----------------------	---

1.33 “Operating Accounts”	4
---------------------------------	---

1.34	“Owner”	4
1.35	“Parking Areas”	5
1.36	“Person”	5
1.37	“Quorum”	5
1.38	“Regular Assessments”	5
1.39	“Reimbursement Special Assessments” or “Reimbursement Assessments”	5
1.40	“Renovation”	5
1.41	“Reserves” or “Reserve Accounts”	5
1.42	“Residence”	5
1.43	“Resident”	5
1.44	“Rules and Regulations” or “Rules”	5
1.45	“Separate Interest”	5
1.47	“Sewer Treatment Plant”	6
1.48	“Slopes”	6
1.49	“Special Assessments”	6
1.50	“Subdivision Map”	6
1.51	“Tenant” or “Lessee”	6
1.52	“Utility Lines”	6
1.53	“Voting Power”	6
1.54	Definitions of Other Terms	6
Article 2: Membership Rights and Privileges		6
2.1	Membership.....	6
a.	Membership Appurtenant to Lots	7
b.	No Membership for Security Interests.....	7
c.	No Membership for Tenants.....	7
d.	No Separate Transfer of Membership	7
e.	Trusts	7
f.	Impersonal Entities.....	7
2.2	Proof of Ownership	7
2.3	Voting Rights.....	7
2.4	Inspection of Records.....	8
2.5	Ingress, Egress and Support.....	8
2.6	Easement for Use and Enjoyment	8
2.7	Encroachment Easement.....	8
Article 3: Membership Obligations.....		8
3.1	Obligation to Follow Governing Documents	8
3.2	Security.....	8
3.3	Purchase Subject to Violations	8

3.4	<i>Obligation to Provide Telephone Number</i>	8
3.5	<i>Notice of Transfer of Ownership</i>	9
3.6	<i>Duty to Maintain, Repair and Replace</i>	9
a.	Lots	9
b.	Slopes	9
c.	Improvements	9
d.	Utility Lines	9
e.	Weeds and Rubbish	9
f.	Trash	9
g.	Paint	9
h.	Sidewalk and Street Encroachments	10
i.	Fences	10
j.	Insects and Plant Diseases	10
k.	Tree Removal, Pruning and Topping	10
l.	Termites and Pests	10
m.	Garage Doors	10
n.	Drainage Structures	11
3.7	<i>Easement for Maintenance</i>	11
3.8	<i>Obligation to Carry Insurance</i>	11
3.10	<i>Correction of Violations</i>	12
3.11	<i>Reimbursement to Association</i>	12
3.12	<i>Liability for Mitigation</i>	12
3.13	<i>Guests</i>	12
Article 4: Duties of the Association		12
4.1	<i>Board of Directors</i>	12
a.	Membership Meetings	12
b.	Director Qualifications and Meetings	13
4.2	<i>Powers of a Nonprofit Corporation</i>	13
a.	<i>Park Operator Fees</i>	13
b.	<i>Utility Connection Fees</i>	13
4.3	<i>Maintain Common Areas</i>	13
a.	Common Area Slopes	13
b.	Common Area Fences	13
c.	Vacant or Unimproved Lots	14
d.	Buildings and Equipment	14
4.4	<i>Termites and Pests</i>	14
4.5	<i>Incur and Pay Expenses</i>	14
4.6	<i>Rules and Regulations</i>	14
4.7	<i>Foreclose, Hold Title and Make Conveyances</i>	14
4.8	<i>Fee Limitation</i>	15
4.9	<i>Commercial Concessions</i>	15
4.10	<i>Utility and Cable Easements</i>	15
4.11	<i>Granting Utility Easements</i>	15

4.12	<i>Limitation on Granting Easements</i>	15
4.13	<i>Borrow Money</i>	15
4.14	<i>No Power to Encumber Real Property</i>	15
4.15	<i>Represent Association in Litigation</i>	15
4.16	<i>Receive and Dispose of Property</i>	15
4.17	<i>Limitations on Disposition of Personal Property</i>	15
4.18	<i>Limitations on Transfer of Real Property</i>	16
4.19	<i>Capital Improvements</i>	16
a.	Authority.	16
b.	Defined.....	16
c.	5% Limitation.....	16
d.	Obsolescence	17
4.20	<i>Vendor Contract Limitations</i>	17
a.	Public Utility Contract.....	17
b.	Fire and Burglary.....	17
c.	Bulk Cable Service	17
d.	Laundry Machines.....	17
e.	Insurance	17
f.	Reserve Studies	17
4.21	<i>Delegation to Manager</i>	17
4.22	<i>Nonprofit Character of Association</i>	17
4.23	<i>Discharge of Liens</i>	17
Article 5: Architectural Control		18
5.1	<i>No Improvements or Alterations Without Approval</i>	18
5.2	<i>Applicants in Good Standing</i>	18
5.3	<i>Right to Decorate Residence</i>	18
5.4	<i>No Exterior Installations</i>	18
5.5	<i>Architectural Standards</i>	18
a.	<i>Type and Character of Design</i>	18
b.	<i>Residences Shall be Manufactured Homes</i>	19
c.	<i>New Manufactured Home</i>	19
d.	<i>Outbuildings</i>	19
e.	<i>Restrictions</i>	19
f.	<i>Required Installations</i>	19
5.6	<i>Architectural Committee</i>	19
a.	Architect	20
b.	Conflicts of Interest	20
5.7	<i>Submission of Plans</i>	20
5.8	<i>Rescinding Approval</i>	21
5.9	<i>Failure to Comply with Approval Requirements</i>	21
5.10	<i>Review Fees and Remodeling Agreement</i>	22

5.11	<i>Variances</i>	22
5.12	<i>Engineering and Code Requirements</i>	22
5.13	<i>Inspection</i>	22
5.14	<i>Building Department and Association Approvals</i>	22
5.15	<i>Mechanics' Liens</i>	23
5.16	<i>Hold Harmless and Indemnify</i>	23
5.17	<i>Combining Lots</i>	23
5.18	<i>No Right to Divide Lots</i>	23
5.19	<i>Square Footage and Setbacks</i>	23
5.20	<i>Drainage</i>	23
5.21	<i>Occupancy of Unfinished, Temporary or Mobile Structures Prohibited</i>	23
5.22	<i>Removal of Temporary Buildings</i>	23
5.23	<i>Diligent Construction</i>	23
5.24	<i>Landscaping Following Construction</i>	24
5.25	<i>Waiver of Liability</i>	24
Article 6: General Restrictions		24
6.1	<i>Antennas</i>	24
6.2	<i>Barbecues</i>	24
6.3	<i>Criminal Activity Prohibited</i>	24
6.4	<i>Drains</i>	24
6.5	<i>Drilling and Exploration</i>	24
6.6	<i>Drones</i>	25
6.7	<i>Flammable Materials</i>	25
6.8	<i>Health/Safety Hazards</i>	25
6.9	<i>Laundry</i>	25
6.10	<i>Machinery and Equipment</i>	25
6.11	<i>Mailboxes and Exterior Newspaper Tubes</i>	25
6.12	<i>Manufactured Homes</i>	25
6.13	<i>Marijuana and Controlled Substances</i>	26
6.14	<i>Nudity</i>	26
6.15	<i>Nuisance</i>	26
a.	Unreasonableness	26
b.	Allergies	26
c.	Board Determination	26
6.16	<i>Obstruction of Common Areas</i>	26
6.17	<i>Oak Trees</i>	26
6.18	<i>Quiet Enjoyment</i>	26
6.19	<i>Residential Use</i>	27

6.20	<i>Roof Restricted Access</i>	27
6.21	<i>Sale of Lot</i>	27
6.22	<i>Sanitary Conditions</i>	27
6.23	<i>Satellite Dishes</i>	27
6.24	<i>Signs, Posters and Flags</i>	27
6.25	<i>Smoking and Vaping</i>	27
6.26	<i>Solar Energy Systems</i>	28
6.27	<i>Sports Apparatus.</i>	28
6.28	<i>Storage</i>	28
6.29	<i>Tanks and Receptacles</i>	28
6.30	<i>Time Sharing Prohibited</i>	28
6.31	<i>Trash Containers</i>	28
6.32	<i>Use of Independent Contractors</i>	28
6.33	<i>Utility Service</i>	29
6.34	<i>Vibrations</i>	29
6.35	<i>Window Coverings</i>	29
Article 7: Leasing and Ownership Limitations		29
7.1	<i>No Hotel Purposes</i>	29
7.2	<i>No Short-Term and Transient Rentals</i>	29
a.	Prohibited Short Term Rental Period	29
b.	Advertising Limitation	29
7.3	<i>Lease of Less than Entire Lot</i>	29
7.4	<i>Lease and Rental Requirements</i>	30
a.	Minimum Lease Term	30
b.	Re-Leasing Before Expiration of Original Term	30
c.	No Assignment or Subleasing	30
7.5	<i>Rental Cap</i>	30
a.	<i>Rental Cap Exception</i>	30
b.	<i>Waiting List</i>	30
c.	<i>Lots with Member in Residence Not Subject to Rental Cap.</i>	30
7.6	<i>Lease and Rental Agreements and Addendums</i>	30
a.	Leases and Rental Agreements in Writing.	30
b.	Required Lease and Rental Agreement Provisions.....	30
c.	Lease Addendum	31
7.7	<i>Governing Documents</i>	31
7.8	<i>Transfer of Common Area Privileges</i>	31
7.9	<i>Transfer of Occupancy</i>	31
7.10	<i>Repairing Damage</i>	31
7.11	<i>Unlawful Detainer</i>	31

7.12	<i>Assignment of Rents</i>	32
Article 8: Pets		32
8.1	<i>Pet Limitation</i>	32
8.3	<i>Assistance Animals</i>	32
8.4	<i>Nuisance</i>	32
8.5	<i>Dangerous Animals</i>	32
8.6	<i>Liability</i>	33
8.7	<i>Control</i>	33
Article 9: Vehicles and Parking		33
9.1	<i>Management of Parking</i>	33
9.2	<i>Restricted Parking</i>	33
9.3	<i>Commercial Vehicles</i>	33
9.4	<i>Guest Parking</i>	33
9.5	<i>Proper Operating Condition</i>	33
9.6	<i>Electric Vehicle Charging Stations</i>	34
9.7	<i>Noise Limitation</i>	34
9.8	<i>Repair of Vehicles</i>	34
9.9	<i>Washing of Vehicles</i>	34
9.10	<i>Fluid Leaks</i>	34
9.11	<i>Theft or Damage</i>	34
9.12	<i>Impeding Access</i>	34
9.13	<i>Garages</i>	34
Article 10: Enforcement of Governing Documents		34
10.1	<i>Association Enforcement Rights</i>	34
a.	<i>Monetary Penalties (Fines)</i>	35
b.	<i>Suspend Common Area Privileges</i>	35
c.	<i>Dispute Resolution</i>	35
d.	<i>Judicial Enforcement</i>	35
10.2	<i>Cumulative Remedies</i>	35
10.3	<i>Failure to Enforce Not a Waiver</i>	35
10.4	<i>Remedy at Law Inadequate</i>	36
10.5	<i>Right of Action Against Buyer</i>	36
10.6	<i>Right to Request Identification</i>	36
10.7	<i>Attorneys' Fees</i>	36
Article 11: Right of Entry		36
11.1	<i>Limited Right of Entry</i>	36
11.2	<i>Notice of Entry</i>	36

11.3	<i>Avoid Unreasonable Interference</i>	36
11.4	<i>Emergency Entry</i>	36
11.6	<i>Damage Repaired by Association</i>	37
11.7	<i>Power to Vacate Lot</i>	38
Article 12: Assessments		38
12.1	<i>Purpose of Assessments</i>	38
12.2	<i>Regular Assessment</i>	38
a.	20% Limitation.....	39
b.	Uniform Rate of Assessment.....	39
c.	Payable Monthly.....	39
d.	Written Notice	39
e.	Modification of Assessment	39
12.3	<i>Special Assessment</i>	39
a.	5% Limitation.....	39
b.	Uniform Rate of Assessment.....	39
c.	Reimbursement Assessments	40
d.	Payment Schedule	40
e.	Written Notice	40
12.4	<i>Emergency Assessment</i>	40
12.6	<i>Deposit of Assessments</i>	41
a.	Commingling.....	41
b.	Interest	41
12.7	<i>Reserves</i>	41
a.	Be Segregated.....	41
b.	Be Invested	41
c.	Require Two Signatures	41
d.	Not Be Reimbursed	41
Article 13: Enforcement of Assessments		42
13.1	<i>Liability for Assessments</i>	42
13.2	<i>Enforcement Rights</i>	42
a.	Late Fees and Interest.....	42
b.	File Suit	42
c.	Lien and Foreclose	42
d.	Continuing Lien.....	43
e.	Suspend Privileges	43
f.	Additional Remedies	43
13.3	<i>No Offsets</i>	43
13.4	<i>No Exemption by Waiver of Use</i>	43
13.5	<i>Attorneys' Fees</i>	43
13.6	<i>Non -Waiver of Assessments</i>	43
Article 14: Insurance		44
14.1	<i>Association Insurance</i>	44
a.	Automobile Liability Insurance.....	44
b.	Boiler and Machinery Insurance.....	44

c.	Commercial General Liability (“CGL”).....	44
d.	Direct Physical Loss	44
e.	Directors and Officers	45
f.	Earthquake Insurance	45
g.	Employment Practices Liability	45
h.	Fidelity Bond.....	45
i.	Flood Insurance.	45
j.	Umbrella Policy.....	45
k.	Workers’ Compensation.....	46
14.2	<i>Member Obligation to Carry Insurance</i>	46
a.	Waiver of Claims.....	46
b.	Assignment of Proceeds	46
14.3	<i>Tenant Insurance</i>	46
14.4	<i>Responsibility for Deductible and Uncovered Losses</i>	46
a.	Intentional or Negligent Acts	46
b.	Non-Negligent, Unintentional Acts.....	47
c.	Uncovered Losses.....	47
14.5	<i>Liability for Increased Insurance Rates</i>	47
14.6	<i>Choice of Contractor</i>	47
14.7	<i>Insurance Company Rating</i>	47
Article 15: Protection of Lenders		47
15.1	<i>Furnishing of Information</i>	47
15.2	<i>No Priority Over Rights of First Mortgagees</i>	47
15.3	<i>Relationship with Assessment Liens</i>	48
15.4	<i>Foreclosure</i>	48
15.5	<i>Priority of Mortgage Lien</i>	48
15.6	<i>Payment of Taxes and Charges</i>	48
Article 16: Limitations of Liability		48
16.1	<i>Standard for Liability</i>	48
16.2	<i>Limited Personal Liability</i>	48
16.3	<i>Association Not a Security Provider</i>	48
16.4	<i>Duty to Defend</i>	49
16.5	<i>Duty to Protect</i>	49
16.6	<i>Personal Injury or Property Damage Sustained Within a Lot</i>	49
16.7	<i>Actions Against Directors</i>	49
Article 17: Damage/Destruction to Improvements		50
17.1	<i>Generally</i>	50
a.	Cost of Reconstruction	50
b.	Automatic Reconstruction.....	50
c.	Membership Approval.....	50
d.	Distribution of Insurance Proceeds.....	50
17.2	<i>Association’s Duties</i>	51

17.3	<i>Member's Duties</i>	51
17.4	<i>Duties of Board During Reconstruction</i>	51
17.5	<i>Interior Residence Damage</i>	51
17.6	<i>Special Assessment for Reconstruction</i>	52
17.7	<i>Encroachment</i>	52
Article 18: Condemnation		52
18.1	<i>Notice</i>	52
18.2	<i>Payment for Common Area</i>	52
18.3	<i>Payment for Lot</i>	52
18.4	<i>Revision of Documents</i>	52
18.5	<i>Status of Membership</i>	53
Article 19: Utility Services		53
19.1	<i>Replacement Fund</i>	53
19.2	<i>Water</i>	53
Article 20 Miscellaneous		
20.1	<i>Amendment</i>	54
20.2	<i>Lender Approval</i>	54
20.3	<i>Amendment to Conform to Statute</i>	54
20.4	<i>Term of CC&Rs</i>	54
20.5	<i>Attorneys' Fees</i>	55
20.6	<i>Notices</i>	55
a.	<i>To the Association</i>	55
b.	<i>To the Members</i>	55
c.	<i>When Notice Deemed Delivered</i>	56
20.7	<i>Headings</i>	56
20.8	<i>Liberal Construction</i>	56
20.9	<i>Number and Gender</i>	56
20.10	<i>Severability</i>	56
20.11	<i>No Public Rights</i>	56
20.12	<i>Successor Association</i>	56
20.13	<i>Conflicting Provisions</i>	56
CERTIFICATION		57

THE OAKS COMMUNITY ASSOCIATION
a California nonprofit mutual-benefit corporation

THIS RESTATED Declaration of Covenants, Conditions and Restrictions (“CC&Rs”) is made by all persons who own Lots in that certain real property planned residential development known as THE OAKS located in Amador County, California. These CC&Rs apply to and bind all properties previously covered by covenants, conditions and restrictions. Without reducing the number of properties covered by these CC&Rs, these CC&Rs apply to the following properties:

Lots 1 through 14, inclusive, Lots 16 through 210, inclusive,
and Lot C, as shown on the Final Map of Subdivision No.
53, “The Oaks Mobile Home Community” recorded in Book
6 of Subdivision Maps at Page 98 et seq. in the Office of the
County Recorder of Amador County, and the Addendum A
Property.

By this instrument, (1) except for any recorded covenants affecting only a single Lot in the properties covered by these CC&Rs and/or (2) unless expressly otherwise provided herein, the Members of the Association hereby fully amend and restate, in their entirety, all previous declarations of covenants, conditions and restrictions recorded on November 9, 2017, as Recorder’s Document No. 2017-0008822-00, as well as all amendments to such CC&Rs and substitute in their place these CC&Rs, which:

1. *Benefit Members.* Are for the benefit of Members of the Association;
2. *Benefit the Development.* Are for the benefit, enhancement and protection of the desirability, value and attractiveness of the Development and each Lot therein;
3. *Bind Successors in Interest.* Inure to the benefit of and be binding upon each successor in interest of the Association, each Member, Tenant, Resident, and occupant of any portion of the Development, as well as their respective heirs, personal representatives, grantees, Tenants, licensees, successors and assigns; and
4. *Run with the Land.* Run with the land and are binding upon all parties having or acquiring any right, title or interest in the Development or any portion of the Development, whether as sole owners, joint owners, Tenants, Residents, occupants or otherwise.

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

ARTICLE 1: DEFINITIONS

1.1 “Addendum A Owner” means the owner of the Addendum A Property, including contract sellers, but excluding contract purchasers under an installment land contract and excluding those having such interest merely as security for the performance of an obligation.

1.2 “Addendum A Property” means the real property more particularly described on Addendum Exhibit A, attached.

1.3 “Annual Meeting” means the annual meeting of the Members of the Association.

1.4 “Architectural Standards” means those rules and guidelines which govern the making of physical changes, alterations, repairs or Improvements to Lots, Common Areas and Exclusive Use Common Areas.

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

1.6 “Assessment” means any Regular Assessment, Special Assessment, Reimbursement Special Assessment, or any other assessment levied, imposed, or assessed against a Member’s Lot in accordance with the provisions of the Governing Documents or applicable law.

1.7 “Association” means The Oaks Community Association, a California nonprofit mutual-benefit corporation. The Association includes, when the context requires, its Officers, Directors, employees and agents.

1.8 “Board” or “Board of Directors” means the Board of Directors of the Association.

1.9 “Budget” means a pro forma operating budget, showing the Association’s estimated revenue and expenses on an accrual basis, for a twelve (12) month period.

1.10 “Building” means any building or structure which is part of the Improvements of the Development.

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

1.12 “CC&Rs” means this Restated Declaration of Covenants, Conditions and Restrictions and any amendments to these CC&Rs.

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

1.14 “Common Area” means the entire Development, except the Separate Interests owned by Members. The Common Area includes without limitation, Lot C as shown on the Subdivision Map, the Sewer Treatment Plant, and the Mutual Water Facilities.

1.15 “Common Expenses” means the costs, expenses and charges in connection with maintaining, managing, insuring, operating, repairing, improving or replacing the Common Areas or managing the affairs of the Association. Common Expenses include, but are not limited to, those amounts reasonably necessary for Reserves.

1.16 “County” means the County of Amador, State of California.

1.17 “Davis-Stirling Act” means and refers to the Davis-Stirling Common Interest Development Act which is the portion of the California Civil Code beginning with Section 4000 that governs common interest developments.

1.18 “Development” means all the real property described in these CC&Rs comprising The Oaks residential planned development.

1.19 “Director” means any member of the Association’s Board of Directors.

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

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

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

1.23 “Lot” means any real property which is a Separate Interest such as lots, sublots, or parcels in the Development subject to these CC&Rs. Real property includes the improvements affixed to the Separate Interest.

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

1.25 “Manufactured Home” means a structure transportable in one or more sections when on site is eight hundred (800) or more square feet, and which is built on a permanent chassis and designated to be used as a dwelling with a permanent foundation when connected to the required utilities, and includes the plumbing, heating, air conditioning, if any, and electrical systems contained therein. The term “Manufactured Home” shall exclude recreational vehicles,

motor homes, campers, camping trailers, and any other like or self-propelled, towed shelter not designed to be used as a permanent dwelling.

1.26 “Member” means the Owner, whether one or more Persons, of a Lot within the Development as evidenced by a publicly-recorded deed to the Lot, but excluding any Person or Persons having such an interest in the Lot merely as security for the performance of an obligation. Membership is appurtenant to and may not be separated from the record fee ownership of a Lot and may not be transferred, encumbered, pledged, alienated, or otherwise separated in any way, except in connection with the of-record sale of a fee interest of the Lot to which it is appurtenant. Where the CC&Rs impose restrictions on Member, the restriction also applies to Member’s Tenants, and Member’s and Tenant’s family, guests and invitees.

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

1.28 “Member in Good Standing” means a member who is current in the payment of all dues, Assessments, fines, penalties, and other charges imposed in accordance with any of the Governing Documents, and found by the Board, at a properly noticed hearing, (1) to be delinquent in the payment of any Assessment, fee, or fine, by more than sixty (60) days, and/or (2) to be otherwise in violation of the Association’s Governing Documents.

1.29 “Mortgage” means a deed of trust.

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

1.31 “Mutual Water Facilities” means all portions of the common water distribution system including the lines and meters located within the Development for which the Association is responsible to maintain. The Mutual Water Facilities do not include any lines or facilities beyond the boundary of the Development and do not include individual lateral lines running from the meters to a Lot which serve an individual Lot.

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

1.33 “Operating Accounts” means any account into which the Association’s Assessments are deposited and out of which the Association’s operational expenses are paid.

1.34 “Owner” means the owner, whether one or more Persons, of the publicly-recorded fee title to any residential Lot within the Development, but excluding any Person or Persons having

such an interest in the Lot merely as security for the performance of an obligation. In the case of a lender who holds title to a Lot as security for repayment of a loan, the Owner shall mean the mortgagor or borrower who holds the right to occupancy of the Lot.

1.35 “Parking Areas” includes those portions of the Development used for the parking of vehicles.

1.36 “Person” means a natural person, corporation, partnership, trust, association, or other entity, as recognized by law.

1.37 “Quorum” is defined in the Association’s Bylaws.

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

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

1.40 “Renovation” means any improvements, additions, alterations, or modifications made by a Member in or to any Lot, Residence, or Common Area.

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

1.42 “Residence” means a person’s home; the place where someone lives.

1.43 “Resident” means any Person in actual possession of all or any portion of a Lot.

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

1.45 “Separate Interest” means a lot, parcel, area, or space separately owned by a Member.

1.46 “Sewer Issues” means all matters coming before the Association which materially affect the rights or obligations of Members relating to the provision of sewer service or to the

funding or expenditure of the repair or replacement fund for the Sewer System on which the Members are required by law to approve

1.47 “Sewer Treatment Plant” means the real property described in attached Exhibit B, and the improvements thereon.

1.48 “Slopes” means engineered slopes, terraces, drainage contours, drainage devices, retaining walls, and landscaping that may impact and/or support these “Slopes.”

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

1.50 “Subdivision Map” means the final map of Subdivision No. 53 for “The Oaks Mobile Home Community”, filed for record in the Office of the Amador County Recorder on January 22, 1993, in Book 6 of Subdivision Maps, at Page 98 et seq.

1.51 “Tenant” or “Lessee” means a Person who has been given the right to temporary use and occupancy of a Lot owned by a Member, whether such right to occupy and use is paid for in money or other value.

1.52 “Utility Lines” means sewer lines, storm drains, water pipes, electricity lines, gas lines, telephone lines or cables, television cables, satellite dish cables, fiber optic cables, data lines, community security systems, and other similar lines, pipes, cables, and conduit pipes.

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

1.54 Definitions of Other Terms. Unless the context clearly requires otherwise, all other terms are defined in the Davis-Stirling Act.

ARTICLE 2: MEMBERSHIP RIGHTS AND PRIVILEGES

2.1 Membership. Each Person is automatically a Class 1 Member of the Association upon obtaining a publicly-recorded fee title ownership interest in a Lot and remains a Member until he or she ceases to have such recorded fee ownership interest in a Lot. Each Person is automatically a Class 2 Member of the Association upon obtaining a publicly-recorded fee title ownership interest in the Addendum A Property and remains a Class 2 Member until he or she ceases to have such recorded fee ownership interest in a Lot. Class 2 Members are subject only to provisions of these CC&Rs when Class 2 Members are specifically referenced in such provisions, including, but not necessarily limited to voting on Sewer Issues, lien rights of the Association and

obligations to pay Assessments related to the provision of sewer service and the maintenance repair replacement or upgrade of such sewer facilities.

- a. *Membership Appurtenant to Lots.* Membership in the Association is for the benefit of and appurtenant to the Lot to which it relates and may not be separated from the ownership of the Lot.
- b. *No Membership for Security Interests.* Membership does not include Persons who hold an interest in a Lot merely as security for the performance of an obligation.
- c. *No Membership for Tenants.* Tenants have the same rights to use the Common Areas as Members and have the same duties to follow the Association's Governing Documents, but are not Members and have no right to vote.
- d. *No Separate Transfer of Membership.* No Member may transfer, pledge, or alienate in any way his/her membership in the Association, except upon the recorded transfer of the fee interest in the Lot to which it is appurtenant and then only to the transferee of such fee interest.
- e. *Trusts.* If title to a Separate Interest is held in the name of one or more trustees, subject to a trust, a sole trustee or one of several trustees is authorized to exercise the rights and privileges of Association membership. The designation of one of several trustees must be in writing with documentation confirming both the designation and the authority of the designator to do so.
- f. *Impersonal Entities.* If title to a Separate Interest is held by a legal entity that is not a natural person, the governing authority of that legal entity shall have the power to appoint a natural person who is authorized to exercise the rights and privileges of Association membership. The designation by the impersonal legal entity must be in writing with documentation confirming both the designation and its authority to do so.

2.2 Proof of Ownership. Proof of membership must be in the form of a recorded deed showing fee ownership of a Lot.

2.3 Voting Rights. In all matters submitted for a membership vote, Class 1 Members are entitled to one (1) vote per Lot (regardless of the number of Members having an interest in the Lot). In all matters concerning Sewer Issues, both Class 1 Members and Class 2 Members are entitled to one (1) vote per Lot (regardless of the number of Members having an interest in the Lot).

2.4 Inspection of Records. Members have the right to inspect records of the Association as provided for in the Bylaws and by law.

2.5 Ingress, Egress and Support. Members have a nonexclusive easement appurtenant to and for the benefit of their Lots for ingress, egress, and support over, across and through the Common Area.

2.6 Easement for Use and Enjoyment. Members have a nonexclusive easement of use and enjoyment of the Common Areas, subject to the rights of the Association to establish reasonable Rules regulating the use of the Common Areas and any other rights described in the Governing Documents.

2.7 Encroachment Easement. Members agree that minor encroachments of the Common Area on Lots or of Lots on the Common Area or on other Lots are permitted and that valid easements for the encroachments exist. Such minor encroachments are not encumbrances either on the Lots or the Common Area.

ARTICLE 3: MEMBERSHIP OBLIGATIONS

3.1 Obligation to Follow Governing Documents. Members, Tenants and Residents must follow the Association's Governing Documents and ensure that their respective family, guests, and invitees abide by the Governing Documents.

3.2 Security. Neither the Association nor any Officer, Director, Committee member, employee or agent of the Association are insurers or guarantors of any level of security within the Development. Members are responsible for their own security and must take appropriate measures to ensure their own security and that of their family, guests, invitees and Tenants. Members agree not to rely on any security measures provided by the Association. The Association, its Officers, Directors, Committee members, employees and agents are not liable for any loss or damage from failure to provide adequate or effective security measures.

3.3 Purchase Subject to Violations. Buyers take ownership of Lots subject to any violations by prior Members, Tenants or their respective family, guests, invitees, or pets, of the Governing Documents concerning the Lot, whether such violations were disclosed by the seller of the Lot and whether the Association knew of the violations at the time of sale. Such buyers are liable for correcting such violations upon demand by the Association. Assessments, fines, and other charges not secured by a lien on the Lot prior to transfer of title are exempt from this provision.

3.4 Obligation to Provide Telephone Number. Members and Tenants must provide the Association with the current telephone numbers at which they can be reached in an emergency.

3.5 Notice of Transfer of Ownership. No later than five (5) days after the assignment, sale, quitclaim or other transfer of their Lots, Members must notify the Association of the name, address, phone number, and email address of the transferee and the nature of the transfer.

3.6 Duty to Maintain, Repair and Replace. Except for those duties specifically assigned to the Association by these CC&Rs, Members must, at their sole expense, maintain and repair their Lots, and maintain, repair and replace Improvements to their Lots. Members' obligations include, without limitation, the following:

- a. *Lots.*
- b. *Slopes.* Their Slopes (as defined above), terraces, drainage contours, drainage devices, and landscaping.
- c. *Improvements.* All Improvements or alterations to the Lot or appurtenant areas by any current or prior Owner of the Lot, or by any party other than the Association, as part of any Improvement or alteration to the Lot.
- d. *Utility Lines.* All Utility Lines that exclusively service the Lot from the point after the meter or pedestal (the Association maintains utility lines and improvements and to the pedestal or meter) into the Lot. For sewer, the Association maintains utility lines up to and including the main line, Members are responsible for maintenance after the main line into the Lot. For gas, electric, and water, the Association maintains utility lines and improvements up to and including the meter, but not including any panels that the meter is connected to. In the case of lots with pedestals, the Association maintains to and including the pedestal..
- e. *Weeds and Rubbish.* Members must keep their Lots free and clear of all weeds, debris and rubbish (including rubbish dumped by others), and must keep all shrubs, trees, grass and plantings of every kind neatly trimmed, watered, cultivated and free of weeds and other unsightly material.
- f. *Trash.* Members must not keep trash on or in any portion of the Lot or the Development except as provided for in the Rules and Regulations. Members must use only permitted trash receptacles and ensure that such receptacles are visible from the Common Areas only on scheduled trash pick-up days in accordance with the requirements of Amador County or other local agency having jurisdiction and as provided for in the Rules and Regulations.
- g. *Paint.* Members must prevent their Lots from becoming unsightly by reason of deterioration of paint or other materials and, in general, must do all other things

necessary or desirable to keep his/her property neat, clean, attractive and in good order.

- h. *Sidewalk and Street Encroachments.* Members must ensure that no tree, shrub or planting of any kind be allowed to protrude from their Lot onto a sidewalk or street. Trees which overhang a pedestrian walkway or street must be kept free of limbs from the walkway or street to a height of ten (10) feet above the walkway or street.
- i. *Fences and Walls.* Unless otherwise agreed to by the affected Members, Members who have fences or walls separating their Lots, which the Association is not required to maintain, repair or replace, are (1) equally entitled to use and enjoy the fences or walls and (2) equally liable to maintain, repair and replace the fences and walls. Notwithstanding the foregoing, if fences or walls are damaged due to the negligence or willful misconduct of a Member, Member's Tenant, or their respective family, guests, invitees or pets, the responsible Member must bear the full expense of any necessary repair or replacement. No fences, awnings, ornamental screens, screen doors, sunshades or walls of any nature which are visible from the Common Area shall be erected or maintained within the Development, except those existing as part of the original improvements to the Lots and their duplicate replacements, unless they have been approved by the Board.
- j. *Insects and Plant Diseases.* No thing or condition is permitted to exist upon any Lot which induces, breeds or harbors infectious plant diseases or noxious insects.
- k. *Tree Removal, Pruning and Topping.* Members must keep the trees on their Lots properly pruned and topped to prevent them from becoming overgrown or diseased. No living tree having a height of ten (10) feet or more is permitted to be destroyed or removed from any Lot without the express written consent of the Architectural Committee. Individual Members and not the Association are responsible for any damage caused by the trees and shrubs on their Lots.
- l. *Termites and Pests.* Members must bear the costs of any damage to his/her Lot caused by the presence of wood-destroying pests or organisms (including microorganisms) and must treat and/or repair, at Owner's expense, the areas of Member's Lot infested or damaged by such insects, rodents and wood destroying pests or organisms (including microorganisms).
- m. *Garage Doors.* Garage doors, door frames, thresholds, weather stripping, locks, and related hardware.

- n. *Drainage Structures.* Members must keep all drainage courses, ditches and swales on their Lots free and clear of all obstructions, and must maintain all such drainage ditches, swales and culverts in good order.

- i. *No Alteration or Obstruction.* Members must not alter or obstruct a natural drainage course, or materially add to the natural water volume of a drainage course without making adequate provisions with respect to neighboring Lots and Common Areas. Any such alterations, obstructions or additions to water volume must have the prior written approval of the Architectural Committee.

- ii. *Association.* All drainage structures, culverts and canals improved by the Association for the major collection of storm runoff and any natural drainage courses within Common Areas must be maintained, repaired and replaced by the Association.

3.7 Easement for Maintenance. Each Member has easements across Lots and Common Areas as may be necessary for installing, maintaining, repairing, or replacing Utility Lines which cannot reasonably be serviced from their Lots. Access to Lots and Common Areas is limited to a reasonable work area and for a reasonable time. Except in emergencies, reasonable notice and consent to perform such work, which may not be unreasonably withheld, must be obtained from the affected Lot Owner and/or the Association, as applicable. Immediately after the work is completed, Members must restore affected Lots and/or the Common Areas to the same or better condition than they were in prior to the commencement of such work. Such restoration work on affected Lots and Common Areas must be done promptly at the sole expense of the Member performing the installation, repair, or maintenance work.

3.8 Obligation to Carry Insurance. Members must purchase insurance for their Separate Interests, at their sole expense, as more fully described in the Article in these CC&Rs entitled "Insurance." Insurance should be an industry standard policy from a California Approved Carrier that includes Dwelling, Other structures and Personal Liability Coverages. The Association may confirm compliance with this section but is not required to and is specifically relieved of any responsibility or liability for not confirming compliance with this section.

3.9 Liability for Damage.

- a. Members are liable for any and all damage to the Lots, Common Areas, and any personal property negligently caused by the Member, Member's Tenant, Occupants, or their respective family, guests, invitees, vendors, or pets.
- b. The Association and all Members must repair, restore, remediate or replace any damaged portion of the Development as required by these CC&Rs. However, the Association may impose a Reimbursement Special Assessment against any liable

Member for all costs, incurred by the Association in connection with any such repairs, restoration or replacement. The Reimbursement Special Assessment may become a lien against the liable Member's Separate Interest enforceable by the sale of the Member's Lot under Civil Code sections 2924, 2924(b), and 2924(c).

3.10 Correction of Violations. Following notice and a hearing and a finding by the Association of a violation of the Governing Documents, the Association will have the right, but not the duty, to correct or cause to be corrected the violation, including entering a Lot with the permission of a Member owning the Lot, which permission will not be unreasonably withheld. All expenses incurred by the Association to correct the violation will be recovered from the Members owning the Lot as a Reimbursement Assessment following notice and a hearing. If permission for entry into the Lot is not granted, the Association may enforce the violation by any other means allowed by the Governing Documents or the law.

3.11 Reimbursement to Association. If the Association provides materials or services that benefit a particular Member, such Member must reimburse the Association for the costs the Association incurred. If not, the Association may impose a Reimbursement Special Assessment against the Member in the amount of such costs.

3.12 Liability for Mitigation. Members are liable for expenses incurred by the Association in mitigating or repairing damage to Lots, Common Areas, and Improvements due to damage: (i) originating from Member's Lot, including, but not limited to, flood, fire, mold, insect, or rodent infestation; or (ii) from the negligence or willful misconduct of such Member, Member's Tenant, or their respective family, guests, invitees, vendors, or pets. If not repaid, the Association may impose Reimbursement Special Assessments against liable Members.

3.13 Guests. Each Member is liable to all other Members and the Association for the conduct, behavior, and violations of Persons visiting the Member or Member's Tenant in the Development.

ARTICLE 4: DUTIES OF THE ASSOCIATION

4.1 Board of Directors. The management, maintenance and care of the Common Areas, management of the Association, enforcement of the Governing Documents, and all other acts of the Association are performed by its Board of Directors, unless provided otherwise in the Governing Documents.

- a. *Membership Meetings*. The Association must have at least one (1) meeting of its Members each year, as provided for in the Bylaws. Annual and Special Meetings of the membership must be held at the dates, times, and locations provided for in the Bylaws.

- b. *Director Qualifications and Meetings.* The qualifications of Directors and candidates to be elected to the Board are provided for in the Bylaws. Meetings of the Board must be held as provided for in the Bylaws and as required by law.

4.2 Powers of a Nonprofit Corporation. The Association has all of the powers of a nonprofit mutual-benefit corporation organized under the laws of the State of California, operating for the benefit of its Members. In addition, the Association shall have the following specific powers:

- a. *Park Operator Fees.* The Development is a “mobile home park” as defined in California Health and Safety Code section 18214(a). However, the Mobile Home Parks Act (California Health and Safety Code section 18200 et seq.) does not designate the Association as the “operator” of the mobile home park. Notwithstanding the preceding, the Association shall have the power to pay any fees imposed by the State of California on mobile home park operators on behalf of the Owners collectively and shall be entitled to collect such amounts as a part of the Assessments levied against the Owners. The Association’s power to pay such fees shall in no way be deemed an admission or concession that the Association is in fact a park operator and the Board may in its discretion contest any such characterization.
- b. *Utility Connection Fees.* In order to offset the costs associated with the connection to the utilities and the installation of meters in the Lots, the Association shall have the right to collect a connection fee from any Owner upon the connection of such Owner’s Lot to the utilities. Such connection fee shall be in an amount as determined the Board, but shall not exceed the cost of the meter(s) plus a reasonable fee to cover the labor cost.

4.3 Maintain Common Areas. Unless otherwise provided in these CC&Rs, the Association must maintain, repair, and replace the Common Areas.

- a. *Common Area Slopes.* The Association must stabilize, maintain, repair, and replace all Common Area slopes and drainage contours (if any) throughout the Development.
- b. *Common Area Fences and Walls.* The Association must maintain, repair, and replace all Common Area fences and walls (if any). Members must keep those portions of their Lots under and around fences or walls in a clean and neat condition, including the removal of all weeds. Members must remove other vegetation and materials from around the fences and walls when so requested by the Association.

- c. *Vacant or Unimproved Lots.* The Association has the right at all times to enter upon any vacant or unimproved Lot in the Development to plant or replant, trim, cut back, remove, replace or maintain hedges, trees, shrubs, or flowers on the front half of such Lots or on the area within fifteen (15) feet of any rear line, or within ten (10) feet of any side lines. In doing so, neither the Association nor those acting at its direction is guilty of any manner of trespass.
- d. *Buildings and Equipment.* All portions of buildings and equipment owned by the Association must be maintained and repaired by the Association. The Association may discontinue the use of or dispose of equipment or Association buildings as it deems appropriate.

4.4 Termites and Pests. In addition to any authority provided for in the Davis-Stirling Act, the Board has the authority and the duty to: (i) treat and/or repair Common Areas infested or damaged by insects, rodents, and wood destroying pests or organisms (including microorganisms); (ii) impose a Special Assessment against the membership for the cost of the treatment and/or repairs; and (iii) summarily remove Residents, at Residents' expense, to ensure prompt treatment and repairs as provided for in the Davis-Stirling Act. Each Member owning a Lot must bear the costs of any damage to his/her Lot caused by the presence of wood-destroying pests or organisms (including microorganisms). Each Member has the duty to treat and/or repair, at Member's expense, the portions of the Member's Lot infested or damaged by insects, rodents and wood destroying pests or organisms (including microorganisms).

4.5 Incur and Pay Expenses. The Association is empowered to incur and pay the operational expenses of the Association, which include, but are not limited to, legal and accounting services; utilities; insurance; management services; vendor services, such as security, landscaping, garbage collection, pest control, street sweeping, swimming pool maintenance, cleaning, painting, and other such services; maintenance, repair, reconstruction, and replacement of all or any portion of the Common Areas or the personal property acquired by the Association; supplies and materials; and such other services for the use, enjoyment and protection of the Development and its Residents as the Board may determine from time to time are reasonable, proper, or desirable.

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

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

4.8 Fee Limitation. The Association may not impose fees that exceed the amount necessary to defray the costs for which the fee is levied.

4.9 Commercial Concessions. The Board may negotiate contracts and grant commercial concessions over portions of the Common Area, subject to Membership Approval.

4.10 Utility and Cable Easements. The Association is hereby granted easements to enter into Lots as is necessary or prudent to: (i) install, maintain, repair, and replace Common Area Utility Lines; and (ii) install, operate, maintain, repair, and replace transmission lines and other facilities for a community television system, high-speed internet lines, community security systems, or other similar systems; provided that any damage to a Member's Lot caused by such work must be repaired to original construction building standards at the Association's expense and in a timely fashion.

4.11 Granting Utility Easements. The Board is authorized to grant easements and rights of way in, under, or through the Common Areas for constructing, erecting, operating, maintaining, repairing, and replacing utilities and similar services.

4.12 Limitation on Granting Easements. Granting any Member an easement for exclusive use of any portion of the Common Areas requires Approval of the Membership except if the easement is for any of the reasons stated in the Davis-Stirling Act.

4.13 Borrow Money. The Association may borrow and repay monies, as needed to discharge its duties, and pledge or assign Special Assessment rights, as security for repayment of such borrowed money. Except for emergencies, the aggregate total of all loans made by the Association in a given fiscal year may not exceed five percent (5%) of the budgeted gross expenses for the same fiscal year, without Membership Approval.

4.14 No Power to Encumber Real Property. The Common Area of the Association may not be encumbered as a security for debt.

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

4.16 Receive and Dispose of Property. Subject to the Section of these CC&Rs entitled "Limitation on Transfer of Real Property", the Association may acquire, hold, lease, encumber, convey, or otherwise dispose of real and personal property and to take real and personal property by will, gift, bequest or any other legal transfer. Any funds or property so received must be used consistently with the purposes for which the Association was formed.

4.17 Limitations on Disposition of Personal Property. The Board may not, without Membership Approval, dispose of during any fiscal year personal property owned by the

Association having an aggregate market value in excess of five percent (5%) of the Association's budgeted gross expenses for that year.

4.18 Limitations on Transfer of Real Property. The Board may exchange, sell, dedicate, or otherwise transfer real property, including Common Area, owned by the Association only on the following conditions:

- a. Approval by a majority of the Voting Power of the Association must first be obtained, except for the sale or other transfer of property acquired by the Association in foreclosure proceedings.
- b. No exchange, sale, dedication or other transfer may include real property to which a Member has an exclusive right to occupy or use.
- c. For any exchange of real property, the property received by the Association must be of equal or greater value than the property given.
- d. Any dedication of property must only be to a public agency, authority, or utility for such purposes and subject to such conditions as may be agreed to by the Association.
- e. If the exchange, sale, dedication or other transfer of real property requires an amendment to the governing documents, any approval of such exchange, sale, dedication or other transfer by the Board must be conditioned upon approval of such amendment.

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

- a. *Authority.* The Board may alter, remove or replace Common Area improvements as-needed to carry out their duties.
- b. *Defined.* "Capital Improvement" means any substantial discretionary addition to the Common Areas or significant alterations to the appearance of the Development. A Capital Improvement is not defined to mean additions or upgrades to Common Area materials which are necessary or prudent to comply with building or safety codes, or to prevent property damage or personal injury, or to reduce operating or maintenance costs for the Common Areas or to comply with Reserve component repairs or replacements.
- c. *5% Limitation.* Capital Improvements may not be made to the Common Areas in any fiscal year in excess of five percent (5%) of the Association's budgeted gross expenses for that year, without Membership Approval.

- d. *Obsolescence.* If the Board determines that any Common Area Improvement is obsolete, and/or no longer brings sufficient value to the Association to justify its upkeep, and the cost to remove the amenity is more than 5% of the budgeted gross expenses for that fiscal year, the Board must obtain Membership Approval to remove the amenity.

4.20 Vendor Contract Limitations. Except for the contracts listed below, the Association is prohibited from entering into any contract for services which binds the Association for a period for more than two (2) years, without Membership Approval.

- a. *Public Utility Contract.* A contract with a public utility company, if the rates charged for the materials or services are regulated by the Public Utilities Commission. However, the term of the contract must be for the shortest term for which the supplier will contract at the regulated rate.
- b. *Fire and Burglary.* Contracts for terms up to three (3) years to lease or service burglar and/or fire alarm equipment or provide protective services.
- c. *Bulk Cable Service.* Contracts for terms up to five (5) years to provide cable, internet, or satellite communications service.
- d. *Laundry Machines.* Contracts for laundry machines for terms up to three (3) years.
- e. *Insurance.* Contracts for insurance, if the policies do not exceed three (3) years duration.
- f. *Reserve Studies.* Contracts for up to three (3) years for reserve studies.

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

4.22 Nonprofit Character of Association. Notwithstanding anything contained in these CC&Rs to the contrary, the Association may not engage in any activity which may jeopardize the nonprofit character of the Association.

4.23 Discharge of Liens. When necessary, the Association is empowered to discharge, by payment, any lien against the Common Area and assess the cost thereof to the Member or Members responsible for the existence of the lien. Prior to any Board decision to discharge a lien,

the Member or Members responsible for the existence of the lien must be given written notice and an opportunity to be heard by the Board and present any defenses which may exist.

ARTICLE 5: ARCHITECTURAL CONTROL

5.1 No Improvements or Alterations Without Approval. No Renovations by or on behalf of a Member which alter the exterior appearance of any Lot or its Improvements, Common Area are permitted until plans and specifications have been submitted to and approved in writing by the Architectural Committee or Board. Any Renovations which are unapproved, different from those approved by the Committee, or done without required governmental permits, are automatically deemed disapproved and the Member must promptly remove or correct the disapproved Renovations to comply with the Architectural Standards, the Architectural Committee's or Board's approvals, and governmental requirements.

5.2 Applicants in Good Standing. Only Members in Good Standing may submit requests for architectural approval of Renovations to their Lots, Exclusive Use Common Areas, or Common Areas appurtenant to their Lots. The exclusion from submitting plans to the Architectural Review Committee if a Member is not in Good Standing will be waived if the plans being submitting are to correct a violation, or for a condition for which such Member has been cited and/or requested to correct by the Committee, Board or Office/Management.

5.3 Right to Decorate Residence. Members are permitted to decorate the interior surfaces of the walls, partitions, ceilings, floors, windows and doors within their Residence, subject to any restrictions or procedures found in these CC&Rs and any Rules established by the Association.

5.4 No Exterior Installations. Installations of any kind, including but not limited to, trellises, awnings, outbuildings, storage sheds, electric lines, telephone lines, television antennas, satellite dishes, machines, or air conditioning units, on the exterior of the buildings of the Development are prohibited except as authorized by the Architectural Guidelines.

5.5 Architectural Standards. The Board is authorized to adopt, amend, and repeal Architectural Standards. These Architectural Standards interpret and implement the provisions of these CC&Rs by setting forth the standards and procedures for the review and approval of proposed Renovations, guidelines or requirements for architectural design, placement of any Renovation, color schemes, exterior finishes and materials, and similar features which are recommended or required for use within the Development, provided that the Architectural Standards meet any minimum standards required by these CC&Rs. If any conflict exists between the Architectural Standards and these CC&Rs, the CC&Rs prevail.

- a. Type and Character of Design. Exterior design of all the improvements on any Lot shall be compatible with the overall atmosphere of the Development.

Approval of such exterior design shall be in the sole discretion of the Architectural Committee or the Board.

- b. Residences Shall be Manufactured Homes. In accordance with these CC&Rs, no Residence may be installed, erected, or maintained upon any Lot except for a single-family Manufactured Home.
- c. New Manufactured Home. Except as specifically permitted in writing by the Board, no used Manufactured Home may be installed, erected, or maintained upon any Lot. The Board may, in its sole and complete discretion, approve the installation of a used Manufactured Home based on the Board's determination that the Manufactured Home in question is in keeping with the overall atmosphere of and will not adversely affect the appearance, property value, and aesthetic quality of the Development and that such Manufactured Home otherwise complies with the provisions of these CC&Rs. No such approval in one instance shall be deemed a waiver of the Board's right to refuse to approve the installation of a used Manufactured Home at any other time.
- d. Outbuildings. The paint and roof coverings of all storage sheds or storage buildings on a Lot must be identical in style color and composition with those of the Residence on the same Lot.
- e. Restrictions. All improvements must comply with the provisions of these CC&Rs.
- f. Required Installations.
 - i. Within a reasonable time following the installation or erection of a Residence on a Lot, the Owner of such Lot shall install a garage or carport designed to accommodate a total of at least two (2) of any combination of automobiles or standard sized pick-up trucks or vans.
 - ii. The initial landscaping of a Lot, which shall be to the reasonable satisfaction of the Board, shall be completed within sixty (60) days of the installation or erection of a Manufactured Home on such Lot.

5.6 Architectural Committee. The Board is authorized to appoint an Architectural Committee. If the Board does not appoint one, the Board is automatically deemed to be the Architectural Committee. The Architectural Committee has the authority to approve, reject, modify, give conditional approvals, and give limited approvals of improvements and alterations as provided for in the Association's Architectural Standards. The Board is authorized to determine by resolution the duties and authority of the Architectural Committee.

- a. *Architect.* The Board is authorized to retain the services of an architect and one or more consultants to assist the Architectural Committee in its duties. Compensation for consultants' services must be determined by the Board. The cost of such consultants and any related expenses may be charged to those Members submitting plans for Renovations as a Reimbursement Special Assessment. Any significant costs for which the Member will be responsible must be submitted to the Member for approval before being incurred by the Association.
- b. *Conflicts of Interest.* A Director or Architectural Committee member is not permitted to participate in the decision-making process of any architectural submittal made by that Director or Architectural Committee member or members of his or her family. Further, a Director or Architectural Committee member is not permitted to participate in the decision-making process of any other architectural submittal if the approval would result in a monetary benefit to the Director or Architectural Committee member or any company in which the Director or Architectural Committee member, or members of his or her family have a financial interest nor may a Director vote or make decisions regarding any immediate neighboring property to their own property(ies), whether they reside on the property or not.

5.7 Submission of Plans.

- a. Plans and specifications in accordance with the Association's Governing Documents, describing the proposed Renovations, must be submitted to the Architectural Committee by personal delivery or certified mail.
- b. Applications are deemed approved within forty-five (45) days from the date of submission of a complete application unless (i) disapproved by the Committee, (ii) additional information necessary to properly consider the application is requested by the Committee within the forty-five (45) day period, or (iii) any proposed Renovations would violate the Association's Governing Documents, any Building, Safety and Fire Codes, or any other laws.
- c. Applications shall not be approved by any individual Architectural Committee member or Director. In the event an individual Architectural Committee member or Director approves architectural plans and specifications, such approval should not be relied upon and shall not be deemed approval.
- d. The Architectural Committee is authorized to impose any reasonable conditions of approving an architectural application, in writing, including, but not limited to, (1) requiring modifications of particular aspects of the Member's architectural submission and/or (2) requiring the preparation, execution and

recording, at the Member's expense, of a covenant establishing maintenance, repair and replacement, indemnity, and other obligations binding current and future Members owning the Lot.

- e. Applications that are disapproved must be in writing and must explain why the proposed Renovation is disapproved. The Member is permitted to seek reconsideration of a disapproved application, in writing, by the Board, unless (1) the original disapproval was made by the Board or a body that has the same membership as the Board at a meeting that satisfied the requirements of the Open Meeting Act or (2) as to any Renovations that were disallowed because they would violate the Association's Governing Documents, any Building, Safety and Fire Codes, or any other laws. A permissible written request for reconsideration must be received by the Board not more than forty-five (45) days after the denial. Within forty-five (45) days after receipt of the request for reconsideration, the Board must hold an open meeting to consider the reconsideration and decide. Failure of the Board to decide within the forty-five (45) day period is deemed a decision in favor of the Member.
- f. Once an application has been approved, material modifications to the approved plans and specifications thereof are not permitted and any subsequent alterations, relocations, additions or modifications require a separate application, review and approval. If a proposed material modification is likely to materially affect other aspects or components of the work, the Board, in its discretion, may order the Member and his or her contractors and agents to cease working on both the modified component of the Improvement and any other affected component.
- g. Unless a shorter period is specified in the approval, Renovations approved by the Architectural Committee must be completed within one (1) year of the Member receiving approval. Renovations not completed within one (1) year must be resubmitted for approval. The Architectural Committee, in its discretion, may grant short extensions for Renovations to be completed.

5.8 Rescinding Approval. The Architectural Committee and/or the Board is authorized to rescind previously approved plans but only for good cause.

5.9 Failure to Comply with Approval Requirements. Any Renovations, whether in progress or completed, which (1) were not approved in by the Architectural Committee or Board when such approval is required by the Governing Documents, (2) violate the Architectural Committee's or Board's conditions of approval, the Association's Governing Documents, or any Building, Safety and Fire Codes, or other laws, or (3) were performed by an unlicensed contractor (where a licensed contractor was required by law, the Governing Documents, or the Architectural

Committee's conditions of approval), are automatically deemed disapproved and in violation of the Governing Documents.

5.10 Review Fees and Remodeling Agreement. The Board is authorized to establish a schedule of fees to be charged to an applicant to reimburse the Association for any out-of-pocket expenses it may incur in connection with the approval of an application, including architectural and/or engineering consultant fees, attorneys' fees for the preparation of recordable covenants or easements, or other documents uniquely necessary for compliance with reasonable conditions of approval, and expert expenses for reviewing plans. In addition, the Board is authorized to adopt and require Members to sign a remodeling agreement.

5.11 Variances. The Architectural Committee is permitted to recommend reasonable architectural variances, subject to advanced written Board approval. The Board may grant the variance if it determines the variance will not (i) constitute a material deviation from the overall plan and scheme of the Development, (ii) result in a material detriment to the Association or any Member, or (iii) create a nuisance in the Common Area or affecting any other Member. The granting of a variance by the Board is not a variance or waiver as to any other Lot, nor does any variance affect the applicability or enforceability of any provision of this Article in respect to any other Lot.

5.12 Engineering and Code Requirements. Plans and specifications approved by the Architectural Committee or Board are not approved for engineering design, Building, Safety or Fire codes, or other safety specifications. Approval by the Architectural Committee or Board does not absolve Members of the responsibility of obtaining any necessary governmental approvals or permits. Members must ensure compliance with applicable Building, Safety and Fire codes, ordinances, and specifications.

5.13 Inspection. The Association has the right, but not the obligation, to periodically inspect any work approved by the Architectural Committee or Board. Members must allow inspection. Any work in progress may be halted and the Member will be subject to a fine if (1) an inspection is not allowed, or (2) the Renovations are in violation of the Governing Documents as provided in the Section above entitled "Failure to Comply with Approval Requirements" or elsewhere. Such inspections do not absolve Members from compliance with the Association's Architectural Standards and all applicable Building, Safety and Fire codes.

5.14 Building Department and Association Approvals. Any construction, repair, modification, or alteration of any Improvement requiring the issuance of a building permit must be submitted by the Member to the appropriate governmental entity for review and approval. The Architectural Committee may impose conditions of approval which are more restrictive than conditions imposed by governmental agencies. If the conditions of approval imposed by the governmental entity and the Architectural Committee conflict, the more restrictive conditions control.

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

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

5.17 Combining Lots. No two or more lots may be combined into a single parcel of land, for any reason.

5.18 No Right to Divide Lots. No Member is permitted to divide any Lot; provided, however, that once two or more Lots have been combined, the Members owning such combined Lots are permitted to restore them to their original dimensions and footprint only after receiving prior written Board approval.

5.19 Square Footage and Setbacks. The minimum and maximum square footage of structures and their setback requirements from lot lines must comply with the Association's Architectural Standards and any governmental requirements.

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

5.21 Occupancy of Unfinished, Temporary or Mobile Structures Prohibited. Other than a finished and ready for occupancy Manufactured Home, no trailer, RV, bus, tent, shack, garage, temporary building or structure of any kind is permitted to be occupied or lived in at any time. Permanent residential dwellings must not be occupied or lived in until they have been completed and the exterior is made to comply with the Association's Architectural Standards and any required governmental occupancy permit has been issued.

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

5.23 Diligent Construction. The construction of any building or structure must be prosecuted diligently and continuously from the time of commencement until fully completed, and

all structures, once the foundations are erected, must be completed in twelve (12) months or such longer period as may be approved by the Board.

5.24 Landscaping Following Construction. Within sixty (60) days of the completion of any construction work during which the Association's landscaping requirements were waived, or within any shorter time frame required by the Architectural Committee, Members must landscape their Lots as required by the Association's Architectural Standards and/or any conditional approvals of the Architectural Committee.

5.25 Waiver of Liability. Neither the Architectural Committee or its members nor the Association or its Officers, Directors, employees or agents are liable for any damage, loss or prejudice suffered or claimed on account of the Architectural Committee's review, approval, or disapproval of any plans, drawings or specifications, or the conformance of the construction with the approved plans and any such claims are expressly waived.

ARTICLE 6: GENERAL RESTRICTIONS

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

6.2 Barbecues. Hours of operation, other permissible equipment, and other rules regarding barbecue operation may be stated in the Rules and Regulations. Occupants must take reasonable precautions to minimize smoke from entering other Lots.

6.3 Criminal Activity Prohibited. No Person is permitted to engage in criminal activities anywhere within the Development, including, without limitation, within the Common Areas, any Lot and/or Residence. For purposes of this section "criminal activities" includes, without limitation, drug-related activities (including the illegal manufacture, sale, distribution, use or possession of a controlled substance), gang-related activities, the unlawful use or discharge of firearms, prostitution, or any misdemeanors or felonies enumerated in the California Penal Code, or any federal criminal statute, local ordinance, regulation or other law. In addition, Members owning a Lot must prohibit, in their lease, rental agreement or otherwise, Persons who engage in criminal activities from occupying their Residence or Lot.

6.4 Drains. Members are not permitted to interference with established drainage patterns in the Development unless an alternative provision is made and approved in advance in writing by the Architectural Committee.

6.5 Drilling and Exploration. No Lot is permitted to be used in any manner to explore for, remove, refine, or store any quantities of water, gasoline, oil, hydrocarbons, minerals, gravel, earth, or earth substances of any kind in excess of usual and customary amounts necessary for residential use.

6.6 Drones. A “drone” is defined as a powered aerial vehicle that flies autonomously or is remotely piloted. The operation of drones in the Development, if allowed by the Association, must comply with the Association’s Rules and Regulations, federal and state law. No person is permitted to operate, cause, allow or authorize the operation of a drone in the airspace above any portion of the Development in such a way as to invade the privacy of Association Members, guests, Residents or vendors, whether equipped with a camera or otherwise. Prior written approval of the Board of Directors must be given for drone operations that are contrary to this Section or the Association’s Rules and must comply with such terms and conditions as the Board may deem appropriate under the circumstances.

6.7 Flammable Materials. Except for reasonable amounts of legal ammunition for use with legal firearms, the storage or use of explosives, fireworks, or highly flammable or highly corrosive materials by Members, Tenants, Residents, or their respective family, guests, or invitees anywhere in the Development is prohibited.

6.8 Health/Safety Hazards. Members must not permit conditions which constitute a health, safety, or fire hazard to exist on their Lots, Balconies, Patios, storage areas, Parking Areas, or Exclusive Use Common Areas.

6.9 Laundry. No clothesline or drying rack may be erected, maintained or used in the exterior of the Development, except in an exclusive use backyard of a Member. The Association may adopt reasonable rules and restrictions regarding the use of clotheslines and drying racks as allowed by law. No item may be draped over fences, trees or Balcony or Patio walls or railings.

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

6.11 Mailboxes and Exterior Newspaper Tubes. No mailboxes shall be permitted except for cluster-style mailboxes containing mail receptacles grouped together for multiple Lots in conformance with U.S Postal requirements and as approved by the Board. There shall be no exterior newspaper tubes or receptacles.

6.12 Manufactured Homes. Except as otherwise approved in accordance with Article 5, no Residence (excluding garages) may be erected or maintained upon any Lot except for a single-family Manufactured Home. Upon the change in ownership of any Lot, when no existing Manufactured Home is to remain on such Lot as part of the change in ownership transaction, the new Owner shall install a Manufactured Home within a reasonable time. The installation, erection and maintenance of a Manufactured Home upon the Lots shall be in accordance the provisions of these CC&Rs.

6.13 Marijuana and Controlled Substances. Growing or distributing marijuana or medical marijuana, whether for personal use, as well as manufacturing, synthesizing, producing or distributing any illicit or controlled substances as defined by applicable state and/or federal laws is strictly prohibited in the Development, whether in Lots, Exclusive Use Common Areas, or Common Areas.

6.14 Nudity. Public displays of nudity are prohibited.

6.15 Nuisance. Members are prohibited from causing or permitting any act or condition which constitutes a nuisance.

- a. *Unreasonableness*. To constitute a nuisance, the act or condition must be an unreasonable disturbance or annoyance, unreasonably injurious to health, indecent, or unreasonably detrimental to Persons or property.
- b. *Allergies*. Residents with allergies or sensitivities must, at their own expense, take precautions to protect themselves against commonplace levels of noise, odors, dust, smoke, gases, pollen, or other environmental pollutants.
- c. *Board Determination*. Because a nuisance is largely subjective, the Association is not obligated to become involved in disputes where, in the opinion of the Board, the alleged disturbance does not constitute a nuisance. Despite the Board's determination, the parties retain the right to take appropriate legal action against each other without involving the Association.

6.16 Obstruction of Common Areas. Obstruction or misuse of the Common Area, for other than its intended purpose, is prohibited, unless expressly permitted in writing by the Board for good cause.

6.17 Oak Trees. Oak Trees existing throughout the Development whether on a Lot or in the Common Area shall at all times be protected and each Owner, by acceptance of a deed to a Lot, covenants to do so. Oak Trees may not be trimmed except upon prior approval or direction of the Board; and then only to the extent necessary to meet safety concerns and to preserve the aesthetic appearance of the Development. Each Owner shall be liable to the Association for the demise or destruction of an oak tree directly or indirectly caused by such Owner or his or her guests, tenants, or invitees. Such liability shall be determined by the Board and may be charged to such Owner in the form of a Reimbursement Assessment.

6.18 Quiet Enjoyment. No one may engage in any behavior, whether verbal or physical, including, but not limited to, the posting or distributing of documents, openly or anonymously, anywhere in the Development, where such behavior is abusive, harassing, threatening, intimidating, defaming, slanderous, unlawfully aggressive, and/or otherwise legally actionable against other Members, Residents, guests, invitees, Directors, or the Association's management,

employees, agents, or vendors. Because such breaches of quiet enjoyment are largely subjective, the Board may choose to act only against egregious breaches. When the Association chooses not to act on a complaint of breach of quiet enjoyment, or the complaining party believes the Association's action is not sufficient, such party may take legal action to enforce this provision against other Members and/or Residents, but is not permitted and expressly waives his/her right to take any action, legal or otherwise, including commencing or maintaining a lawsuit against the Association and/or its Officers, Directors, employees, and/or agents for their failure to act on the party's complaint and/or for the manner in which they handled it.

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

6.20 Roof Restricted Access. Members and their families, Lot Residents, guests, employees, vendors and agents are prohibited from entering onto the Association's Common Area roofs without the prior written consent of the Board.

6.21 Sale of Lot. The Association may impose restrictions or limitations on open houses, brokers' caravans and other matters relating to the sale of a Lot in the Rules and Regulations.

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

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

6.24 Signs, Posters and Flags. Signs, posters, flags, banners, notices, nameplates, cards, and advertisements of any kind may only be displayed to the public view on or from any Lot or in or on any Common Area, including any Exclusive Use Common Area, as allowed by law. Owners may display one sign in a designated area which is of reasonable dimensions and design, advertising that the property is for sale or lease, as allowed by law and subject to any restrictions in the Rules and Regulations. Commercial signs may not be displayed.

6.25 Smoking and Vaping. Smoking, vaping, and use of e-cigarettes may be prohibited in the Common Areas by the Board by way of adoption of a Rule. Additional Common Area

restrictions concerning Smoking, Vaping and E-cigarette use, consistent with these CC&Rs, may be adopted by the Board.

6.26 Solar Energy Systems. Solar Energy Systems may only be installed after obtaining written approval of the Architectural Committee and as provided for in the Rules and Regulations, Architectural Standards, and applicable law.

6.27 Sports Apparatus. Except as specifically provided below, no sports apparatus, whether portable or fixed, including without limitation basketball standards, shall be permitted on any Lot or on the Common Area, including the private streets. The Board shall have the power but not the obligation to permit the use of portable sports apparatus on any Lot or Common Area, subject to the Rules as the Board may adopt in its discretion.

6.28 Storage. No Lot is permitted to be used at any time for open air storage of building materials, vehicles, implements, tools, furniture, landscaping materials or equipment, irrigation pipes or apparatus, junk, trash or any other things whatsoever; provided, however, that building and landscaping materials, tools or equipment may be placed and maintained on construction sites as provided for in the Architectural Standards.

6.29 Tanks and Receptacles. Fuel tanks and receptacles are prohibited except as specifically approved by the Architectural Committee or the Board. Installation of any tank for the storage of fuel outside any structure on a Lot is subject to advanced written approval of the Architectural Committee.

6.30 Time Sharing Prohibited. No Lot or Residence may be divided, used or conveyed on a time increment basis (commonly referred to as “time sharing”). The term “time sharing” is defined to include any agreement, plan, program or arrangement under which the right to use, occupy or possess a Lot or Residence or any portion of a Lot or Residence rotates among various persons, either corporate, partnership, individual or otherwise, on a periodically recurring basis.

6.31 Trash Containers. Every outdoor receptacle for trash, rubbish or garbage must be placed, screened, and kept as provided for in the Association’s Rules and Regulations.

6.32 Use of Independent Contractors. Members may use independent contractors to perform work in their Lots subject to the Association’s Rules and its Construction Guidelines, if any. Such contractors must be licensed and insured as required by law. The Association is permitted to, but not required to, police or enforce this provision, and has no responsibility or liability for failing to do so. Members are liable for any injury to persons or damage to the Common Areas, Exclusive Use Common Areas, Lots and any personal property caused by the acts or omissions of such Member’s contractor. The Association is authorized, in its sole discretion, to repair, restore or replace property damaged by a Member’s contractor and is permitted to impose a Reimbursement Special Assessment against the responsible Member for all costs and expenses incurred by the Association from repairing the damage. The Reimbursement Special Assessment

may become a lien against the liable Member's Separate Interest enforceable by the sale of the Member's Lot under Civil Code sections 2924, 2924(b), and 2924(c).

6.33 Utility Service. No lines, wires or other devices for the communication or transmission of electric current or power, including telephone, television and radio signals, are permitted to be constructed, placed or maintained anywhere in or upon any Lot without advanced written approval of the Architectural Committee. Such lines, wires or other devices must be constructed, placed and maintained underground or concealed in, under, or on buildings or other structures as specified in the Architectural Committee approval. Nothing herein forbids the erection and use of temporary power or telephone services incident to previously approved construction of buildings on the Lot.

6.34 Vibrations. No Member may operate any fixtures or equipment which cause unreasonable vibrations or noise which cause an annoyance to residents of other Lots.

6.35 Window Coverings. Appropriate window coverings must be installed on windows and properly maintained at all times. The color of such window coverings must be in harmony with the exterior of the structure. No window may be covered by paint, aluminum foil, newspapers, bed sheets, cardboard, blankets, or other similar items.

ARTICLE 7: LEASING AND OWNERSHIP LIMITATIONS

In addition to the restrictions found in Article 6, that Members may not use their Lots for business, commercial, manufacturing, mercantile, storing, or vending purposes, the following residential restrictions apply:

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

7.2 No Short-Term and Transient Rentals.

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

7.3 Lease of Less than Entire Lot. No Member is permitted to lease or rent less than the entire Lot unless a Member also resides on the Lot. If a Member does not reside on the Lot,

the entire Lot may only be leased or rented under a single lease or rental agreement signed by all adult Tenants occupying the Lot, subject to state or local law that may pre-empt this provision.

7.4 Lease and Rental Requirements.

- a. *Minimum Lease Term.* The initial term of a lease of Lots and Lot Improvements, including Residences, must be for a period of at least 30 days.
- b. *Re-Leasing Before Expiration of Original Term.* If a Tenant terminates their lease or rental agreement or otherwise vacates the Lot or Residence before the expiration of any rental or lease term then in effect, the Member may not re-lease or re-rent the Lot or Residence until the expiration of such rental or lease term, unless the Member applies for and receives a hardship exception from the Board.
- c. *No Assignment or Subleasing.* No lease of or rental agreement concerning a Lot or Residence may be assigned. No Lot or Residence may be sublet or subleased.

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

- a. *Rental Cap Exception.* All record Owners of a Lot on the date these CC&Rs are recorded may rent or lease their Lot to Tenants regardless of the percentage of rented or leased Lots. Members must adhere to all other rental or lease prohibitions, restrictions, rules and requirements.
- b. *Waiting List.* Any Member wishing to lease a Lot must submit a written request to the Board to ensure the leasing capacity has not been met. When at least twenty-five (25%) of the all Lots are leased or rented to Tenants, the Board must maintain a waiting list.
- c. *Lots with Member in Residence Not Subject to Rental Cap.* Lots are not deemed to be counted toward the rental cap while a Member resides on the Lot.

7.6 Lease and Rental Agreements and Addendums.

- a. *Leases and Rental Agreements in Writing.* All leases and rental agreements between a Member and Tenant must be in writing and written notice of the lease and a copy thereof must be provided by the Member to the Association.
- b. *Required Lease and Rental Agreement Provisions.* All provisions of any leases and rental agreements between a Member and Tenant must be consistent with and not violate any provisions the Association's Governing Documents. All

leases must include, at a minimum, provisions that require Tenants (1) to comply with all provisions of the Association's Governing Documents and (2) to be bound by and subject to the same disciplinary procedures and fines as Members.

- c. *Lease Addendum.* Member, Tenant, and the Association may also execute a "Lease Addendum" supplied by the Association, in which the parties allow the Association to directly enforce the terms of the lease or rental agreement between Member and Tenant and/or such other terms to which the parties may agree.

7.7 Governing Documents. Members must provide their Tenants with the Association's CC&Rs and Rules and Regulations and ensure compliance with them.

7.8 Transfer of Common Area Privileges. Any Members residing offsite, and whose Lot and/or Residence is occupied by others, automatically transfers the Members' rights to use the Association's Common Area facilities to the Residents until the Member retakes possession of the Lot.

7.9 Transfer of Occupancy. Members living offsite must promptly provide the Association with the current name, address, phone number, and email address of all Lot Residents and any changes in such information.

7.10 Repairing Damage. Members are liable for all damage to the Lots, Common Areas, and any personal property which was caused by the negligent acts or omissions of such Member, Member's Tenant, or their respective family, guests, invitees, vendors, or pets. The Association is authorized, in its discretion to repair, restore or replace such damaged property and is permitted to impose a Reimbursement Special Assessment against the liable Member for all costs and expenses incurred by the Association from repairing, restoring or replacing the damaged property. The Reimbursement Special Assessment may become a lien against the liable Member's Separate Interest enforceable by the sale of the Member's Lot under Civil Code sections 2924, 2924(b), and 2924(c).

7.11 Unlawful Detainer. Members who lease their Lots and/or Residences must ensure compliance with the Association's Governing Documents by their Tenants. If a Member fails to take legal action against his/her Tenant, who is in violation of the Governing Documents, within ten (10) days after receipt of the Association's written demand to do so, the Association is permitted to institute unlawful detainer proceedings on behalf of such Member and against the Tenant and the Association is hereby granted right of possession to the Lot and/or Residence for such purpose. The Association may be awarded costs of suit and/or attorneys' fees by the court as provided by law.

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

ARTICLE 8: PETS

8.1 Pet Limitation. Usual domesticated dogs, cats, and birds may be kept in Lots as pets. No more than two (2) dogs or two (2) cats or one of each may be kept as pets. Aquariums of 100 gallons or less are permitted to be maintained in Lots with only non-poisonous, legal, aquatic creatures. Non-poisonous snakes are allowed. No animal is permitted to be kept, bred, or maintained: (i) for any commercial purpose; (ii) in unreasonable numbers; or (iii) for any purpose that would involve any odor, noise, or other nuisance which would unreasonably disturb the use and enjoyment of any portion of the Development by other Members. The Board is permitted to adopt additional Rules and Regulations regarding the quantity, kinds and sizes of pets, and tanks which may be kept and other pet issues not conflicting with these CC&Rs.

8.2 Livestock Prohibited. No horses, cows, cattle, goats, hogs, pigs or sheep or other livestock are permitted to be kept on any property or Lots. No dogs, cats, birds, poultry, bees, horses, rabbits or other pets are permitted to be raised or traded as business, either directly or indirectly, on any Lot. Poultry are also prohibited except that no more than three (3) chickens kept in a coop; no "free-range" wandering chickens and no roosters are allowed. The Board is authorized to establish rules, consistent with these CC&Rs, regarding the kinds, numbers, and sizes of pets which may be kept as well as safety, nuisance and other issues.

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

8.4 Nuisance. The Board is authorized to prohibit any animal which, in its opinion, constitutes a nuisance to other Members pursuant to evidence provided at a noticed hearing.

8.5 Dangerous Animals. No wild or undomesticated animal, or animal which the Board has determined to be aggressive or dangerous pursuant to evidence provided at a noticed hearing, is permitted to be kept in the Development. The Board is authorized to require dogs found to exhibit aggressive or dangerous behavior to wear a muzzle while in the Common Area until a

further determination is made by the Board as to whether the pet will be allowed to remain in the Development.

8.6 Liability. Members are liable for any injury to Persons or property caused by any animal brought or permitted onto or kept within the Development by the Member, Member's Tenant or their respective family, guests, or invitees.

8.7 Control. Pets are permitted in the Common Area, only as permitted by the Rules or this Section. All dogs in the Common Area must be on a leash held by a Person capable of controlling the dog. The Association is permitted to remove any unleashed dog found within the Common Areas to a pound or animal shelter under the jurisdiction of the city or county in which the Development is located.

ARTICLE 9: VEHICLES AND PARKING

9.1 Management of Parking. The Association manages and controls the use of all Common Area parking and private streets (if any). All vehicles operated within the Development by Residents must be registered with the Association by submitting to the Association a written notice of the year, make, model and license plate number of the vehicle. All operation of vehicles within the Development shall be conducted in a safe manner in compliance with posted speed limits and in accordance with all applicable Rules. Vehicles driven in the Community/Development must be legal to operate on public roadways, licensed, have minimum insurance required by law or better, and operated by a licensed driver. The Board may adopt rules allowing use of motorized wheelchairs, golf carts and other similar devices, including those used by The Oaks staff, that may not meet the "public roadway" requirement.

9.2 Restricted Parking. Vehicles, watercraft and recreational equipment may be parked on Lots and streets only as provided for in the Association's Rules and Regulations.

9.3 Commercial Vehicles. Commercial vehicles, including pickup trucks one ton or larger panel trucks, tow trucks, stake bed trucks, tank trucks, dump trucks, step vans, concrete trucks, taxis, buses, vans designed for ten (10) people or more, vehicles with commercial signage, and the like, are prohibited, except as provided in the Rules and Regulations.

9.4 Guest Parking. Guest parking is limited by and subject to the Association's Rules and Regulations. Unless prohibited by law, the Association is permitted to suspend guest parking rights at a disciplinary hearing due to delinquent assessments, unpaid fines or other charges, and repeated rules violations.

9.5 Proper Operating Condition. All vehicles parked or stored in the Development must be maintained, and not be a hazard or nuisance by noise, exhaust emissions, or appearance. All vehicles parked or stored in the Development must carry current registration tags and must be insured, unless otherwise approved in writing by the Board.

9.6 Electric Vehicle Charging Stations. Members are permitted, with written approval of the Architectural Committee and/or Board, to install at their own expense an electric charging station compliant with Section 4745 of the Civil Code or any successor statute. Use of Association electricity to power a Member's electrical vehicle charging station is prohibited unless, following written approval of the Architectural Committee and/or the Board, the member has installed an electrical submeter to track electricity usage. The Member must pay the Association for all Association electricity used by the electrical vehicle charging station. The Association may impose reasonable requirements on the location and installation of the equipment. All electrical work must be done by a licensed electrician with appropriate permits from the Building Department.

9.7 Noise Limitation. All vehicles must be configured to operate quietly.

9.8 Repair of Vehicles. Construction, repair, or servicing of vehicles within any portion of the Development is prohibited. However, emergency repairs are permitted when necessary to move a vehicle to a proper repair facility.

9.9 Washing of Vehicles. The Rules and Regulations may address washing or detailing vehicles in the Development.

9.10 Fluid Leaks. Members must keep their driveways, Common Area, and streets in front of their Lots free of fluids such as oil, radiator coolant, brake fluid, power steering fluid, etc. Members who fail to do so are subject to fines or other discipline, and a Reimbursement Assessment for the cost of cleaning the affected areas.

9.11 Theft or Damage. The Association is not liable for any loss or damage suffered by any Member, Tenant, or guest due to theft of or damage to any vehicle or vehicle contents, unless resulting from the Association's intentional misconduct or gross negligence.

9.12 Impeding Access. Vehicles must not impede or prevent ready access to any door, gate, entrance, or exit.

9.13 Garages. Except as otherwise required by law, garages may not be converted to any use other than the storage of vehicles. Members are responsible for garage door hardware and for maintaining the doors in proper working order. Garages and carports must be maintained so as to allow the full number of vehicles to be parked in each garage and carport as its original capacity as constructed.

ARTICLE 10: ENFORCEMENT OF GOVERNING DOCUMENTS

10.1 Association Enforcement Rights. In addition to any other rights described in these CC&Rs and without waiving the Association's right to institute any other enforcement measures, and subject to the notice and hearing provisions in the Bylaws and as required by law, the Association is authorized to enforce the Governing Documents by any of the following means:

- a. *Monetary Penalties (Fines).* The Board is authorized to assess reasonable monetary penalties (fines) for violations of the Association's Governing Documents by a Member, Member's Tenants or their respective family, invitees or guests. A monetary penalty (fine) imposed by the Association as a disciplinary measure for failure of a Member to comply with the governing documents, is hereby treated and deemed to be an assessment that may become a lien against the Member's separate interest, but such lien may not be enforced by the sale of the interest under Sections 2924, 2924b, and 2924c (non-judicial foreclosure). As assessments, Members are liable for all costs of collection, including reasonable attorneys' fees, court costs, and related expenses for delinquent monetary penalties (fines).
- b. *Suspend Common Area Privileges.* The Board is authorized to temporarily suspend Common Area privileges of Members, Member's Tenants and their respective family, invitees, and guests for their failure to comply with the Association's Governing Documents. Any such suspension must be for a period of time not to exceed thirty (30) days for each noncontinuing violation. For continuing violations, the suspension may be imposed for as long as the violation continues.
- c. *Dispute Resolution.* As to any dispute between a Member and the Association, the Association is authorized to engage in Internal Dispute Resolution and/or Alternative Dispute Resolution as provided for in the Governing Documents and the law.
- d. *Judicial Enforcement.* A lawsuit for damages, declaratory relief, and/or injunctive relief may be filed, whether or not the relief sought is for negative or affirmative action.

10.2 Cumulative Remedies. The respective rights and remedies, provided by the Governing Documents, under the law, or available in equity, are cumulative and the exercise of any one or more of such rights or remedies does not preclude or affect the exercise, at the same or at different times, of any other such rights or for the same or different failures of the Members or others to perform or observe any provision of the Governing Documents.

10.3 Failure to Enforce Not a Waiver. Failure to enforce the Governing Documents, whether by the Board or any Member or other Person entitled to enforce them, is not deemed a waiver of the right to do so. Waiver or attempted waiver of any provision of the Governing Documents with respect to a given Lot is not deemed a waiver of such right as to any other Lot. Additionally, violation of any provision of the Governing Documents by the Members owning any Lot or Lots does not affect the applicability or enforceability of any provision of the Governing Documents against the Members owning any other Lot.

10.4 Remedy at Law Inadequate. If event remedies at law for violation of the Association's Governing Documents are inadequate, then equitable, declaratory, and/or injunctive relief may be sought and awarded.

10.5 Right of Action Against Buyer. If a Member fails to correct architectural, nuisance, or other continuous violations concerning the Member's Lot prior to the transfer of title to the Lot to a buyer, the Association retains the right to enforce compliance against the buyer for such violations.

10.6 Right to Request Identification. All Persons using the Association's Common Area facilities must show proper identification when requested by Directors of the Board or the Association's peace officers or security personnel and others so authorized by the Board.

10.7 Attorneys' Fees. If any party initiates any action or proceeding to enforce or interpret the Governing Documents or California law relating to the Development, the prevailing party is entitled to recover reasonable attorneys' fees and court costs, including reasonable expert fees, as permitted by law.

ARTICLE 11: RIGHT OF ENTRY

11.1 Limited Right of Entry. During reasonable hours and subject to the notice requirements contained in this Article, the Association's representatives, employees, and vendors are authorized to enter Lots and Common Areas: (i) to inspect and perform maintenance, repairs, or replacements to the Common Areas; or (ii) to mitigate or repair damage; or (iii) to inspect the Lots to ensure compliance with the Governing Documents.

11.2 Notice of Entry. The Association must give at least three (3) business days' written notice by personal delivery, or five (5) calendar days' written notice by first class mail or email, to the Resident and a Lot Owner, stating the purpose for and time of the entry. Email notification may be used only if the recipient previously consented to receive such notices and communications from the Association by email.

11.3 Avoid Unreasonable Interference. The right of entry must be exercised to avoid unreasonable or unnecessary interference with the possession, use, and enjoyment of the Member or Resident of such Lot.

11.4 Emergency Entry. In an emergency, the Board or its authorized representatives may enter the Lot without permission and is not subject to liability to the Member or Resident for such entry. If exercised in good faith, such entry is deemed to be consented to by all Members and does not constitute trespass or any other wrongful act. If the Association must damage or destroy property to gain access to the Lot, the Member will have no right of action against the Association or its representatives for such damage or destruction. However, the Association must repair any such damage or destruction if the emergency did not originate in the affected Lot. Prior to

emergency entry, if feasible, the Board must make a good faith effort to contact a Member owning the Lot.

11.5 Refusal to Allow Entry.

- a. *Entry by Court Order.* Following any refusal to expressly grant entry permitted in these CC&Rs, the Association may file suit and seek a court order to gain entry authorized in these CC&Rs. However, if the Member owning the Lot or a Resident of the Lot has expressly prohibited entry authorized in these CC&Rs, the Association's representatives are permitted to gain entry only after filing suit and obtaining a court order.
- b. *Entry without Court Order.* If the Member owning the Lot or a Resident of the Lot does not expressly prohibit entry authorized in these CC&Rs, but is unavailable or otherwise refuses to expressly grant access, the Association, through its representatives, are permitted to enter the Lot, without a court order, in the manner permitted elsewhere in this Article. Such Persons entering with no court order, when acting in good faith, are not liable for trespass or any other unintentional damages resulting from such entry.
- c. *Recovery of Attorneys' Fees and Costs in Lawsuit.* If the Association files a lawsuit to gain entry and prevails, it is entitled to recover by from the Member, by judgment, all expenses the Association incurred because of refusal to allow entry, including, without limitation, the cost of hiring a locksmith, the cost of repairing damage that was reasonably necessary to gain entry, and reasonable attorneys' fees and costs of suit for enforcement of this provision of the CC&Rs as the court may order.
- d. *Expenses Not Recovered as Part of a Lawsuit.* If the Association gains entry without a court order and/or chooses not to seek recovery it expenses in a lawsuit, it is permitted to recover all expenses it incurred because of refusal to allow entry, including, without limitation, the cost of hiring a locksmith and the cost of repairing damage that was reasonably necessary to gain entry, but excluding attorneys' fees, by a Reimbursement Special Assessment against the Member, enforceable by all means provided for in these CC&Rs and by law, including lien and foreclosure.

11.6 Damage Repaired by Association. Any damage caused by the Association to the Common Areas or Lot improvements must be promptly repaired by the Association to original building construction standards. The Association is authorized to recover the cost of any damage caused by others, but repaired by the Association, by a Reimbursement Special Assessment (if caused by a Member, a Member's Tenant, family member, invitee or guest), or any other legal means against the responsible parties.

11.7 Power to Vacate Lot. The Association is permitted to require Residents to vacate a Lot to allow maintenance, repair or replacement of the Association's Common Areas or other areas for which the Association is obligated. All costs of temporary relocation during the maintenance, repair or replacement of the areas within the responsibility of the Association must be borne by the Member owning the Separate Interest affected, and not the Association, as provided for the Davis-Stirling Act. Such temporary relocation costs include, without limitation, food, lodging, lost rent or other income, and any other associated expenses incurred by the Member. However, it is the Association's duty to diligently make such repairs reasonably quickly.

- a. *Notice.* The Board must give notice of the need to temporarily vacate a Residence or Lot to Residents and Members not less than fifteen (15) days prior to the date of the relocation. The notice must state the reason for the temporary relocation, the date and time of the repairs, and the anticipated date and time of completion of repairs. Notice must be either by personal delivery or first-class mail to the address shown on the books of the Association.
- b. *Duty to Vacate.* Members and Residents must cooperate with the Association and, if requested by the Association, vacate their Residences or Lots. If not, the Association may file a lawsuit to require cooperation and/or the Residence or Lot to be vacated.
- c. *Recovery of Attorneys' Fees and Costs in Lawsuit.* If the Association files a lawsuit to require cooperation and/or require the Residence or Lot to be vacated and prevails, it is entitled to recover by from the Member, by judgment, all expenses the Association incurred because of refusal to cooperate and/or vacate, including, without limitation, reasonable attorneys' fees and costs of suit for enforcement of this provision of the CC&Rs as the court may order.

ARTICLE 12: ASSESSMENTS

12.1 Purpose of Assessments. The general purpose of Assessments is to provide for the recreation, health, safety, and welfare of the Members, enforce and comply with the Governing Documents, manage the Development, enhance the quality of life in the Association, improve, maintain, repair, and replace Common Areas, provide for the acquisition and maintenance of property, services and facilities devoted to these purposes, and for any action or undertaking on behalf of the Association.

12.2 Regular Assessment. The Board must levy Regular Assessments in an amount sufficient to provide for the performance by the Board of each and every one of its powers and duties provided, however:

- a. *20% Limitation.* Pursuant to the Davis-Stirling Act, the Board is not permitted, without the approval of Members casting a majority of the votes with a Quorum present, to impose a Regular Assessment which is more than twenty percent (20%) greater than the Regular Assessment for the immediately preceding fiscal year. Quorum for the purposes of this provision means more than fifty percent (50%) of the Members of the Association.
- b. *Uniform Rate of Assessment.* Regular Assessments must be fixed at a uniform rate for all Lots.
- c. *Payable Monthly.* Regular Assessments are payable by each Member against whom assessed in twelve (12) equal monthly installments on the first day of each calendar month or at such other dates and in such other installments as the Board determines. Assessments for new Members must be prorated in the first month of membership according to the date on which the individual becomes a Member.
- d. *Written Notice.* Written notice of any increase in Regular Assessments must be sent by first-class mail to each Member not less than thirty (30) days nor more than sixty (60) days prior to the increased Assessment becoming due.
- e. *Modification of Assessment.* The Board may modify the Regular Assessments during the course of a fiscal year if necessary to conform to a revised estimate of costs and expenses. However, if the aggregate increase exceeds twenty percent (20%) of the Regular Assessment for the immediately preceding fiscal year, the Board must obtain the approval of Members as provided for in the Davis-Stirling Act. If an annual Regular Assessment is not published for a new fiscal year, the Regular Assessment for the prior fiscal year will apply and govern each Member's payments until changed by a new Regular Assessment.

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

- a. *5% Limitation.* Pursuant to the Davis-Stirling Act, the Board is not permitted, without the approval of Members casting a majority of the votes with Quorum present, to impose a Special Assessment which is more than five percent (5%) of the budgeted gross expenses of the Association for such fiscal year. Quorum for purposes of this provision means more than fifty percent (50%) of the Members of the Association.
- b. *Uniform Rate of Assessment.* Special Assessments are fixed at a uniform rate for all Lots. Notwithstanding the foregoing, the Class 2 Member(s) shall be

obligated only to pay such a Special Assessment to the extent it is related to a Sewer Issue

- c. *Reimbursement Assessments.* Special Assessments are also permitted to be levied against individual Lots and the Addendum A Property for reimbursement of expenses incurred by the Association arising out of actions or omissions of such Member, Member's Tenant, or their respective family, guests, invitees or pets, as expressly provided for elsewhere in these CC&Rs.
- d. *Payment Schedule.* Special Assessments are payable by each Member against whom assessed either monthly or at such dates and in such installments as the Board determines.
- e. *Written Notice.* Written notice of Special Assessments must be sent by first-class mail to each Member not less than thirty (30) days nor more than sixty (60) days prior to the Assessment becoming due.

12.4 Emergency Assessment. In emergency situations, the Board may increase Regular Assessments beyond twenty percent (20%) or impose Special Assessments above five percent (5%) only as provided for by law, including an Emergency Assessment applicable to the Addendum A Property.

12.5 Variable Utility Assessments. The Board shall assess variable assessments for utility service and the use, maintenance, repair, and replacement of infrastructure ("Variable Utility Assessments") among the Lots and Addendum A Property, as follows:

- a. *Water Service.* Lots shall be assessed amounts related to the Mutual Water Facilities in accordance with the following provisions:
 - i. Each Lot containing a water meter on the first day of any month shall be assessed a variable amount based upon water usage in accordance with the most recent water meter reading for such Lot and the applicable and then current rate schedule in effect from the water service utility (currently JVID).
- b. *Electrical Service.* Each Lot shall be assessed a variable amount based upon electricity usage in accordance with the most recent electric meter reading for such Lot and the applicable and then current tariff or rate schedule in effect as published by the electric utility provider.
- c. *Natural Gas Service.* Each Lot shall be assessed a variable amount based upon natural gas usage in accordance with the most recent gas meter reading for such

Lot and the applicable and then current tariff or rate schedule in effect as published by the natural gas utility provider.

- d. *Sewer Service.* Each Lot, including the Addendum A Property, shall be assessed a flat fee as established from time to time by the Board.
- e. *Total Amount Due.* The amounts assessed to the Lots and the Addendum A Property, pursuant to this Section 12.5 shall constitute the Variable Utility Assessment for each such Lot.

f. *Payment of Variable Utility Assessments.* Variable Utility Assessments shall be levied and due and payable on the first day of each month.

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

- a. *Commingling.* The Association must maintain separate accounts for its operating funds and its Reserves, respectively, and no funds from those separate accounts are permitted to be commingled at any time.
- b. *Interest.* No Member has the right to receive interest on any such funds deposited.

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

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

when they cease to be Members of the Association. The Addendum A Property shall be obligated to pay such amounts as determined by the Board for reserves related to replacement or the infrastructure related to Sewer Issues and provision of sewer service.

ARTICLE 13: ENFORCEMENT OF ASSESSMENTS

13.1 Liability for Assessments. Assessments, together with charges, interest, costs, and attorneys' fees (regardless of whether legal proceedings are instituted), are a debt of each owner (and the Addendum A Property Owner as applicable) of a separate interest at the time the assessment or other sums are levied. Co-owners and/or Members owning a full or partial interest in a Lot are jointly and severally liable for the entire amount of all Assessments, late charges, interest, reasonable costs of collection, reasonable attorneys' fees, and monetary penalties.

13.2 Enforcement Rights. In addition to any other rights provided for by law or described in these CC&Rs, the Board has the right to collect delinquent Assessments as follows:

- a. *Late Fees and Interest*. Unpaid Assessments are deemed delinquent fifteen (15) days after they are due and are subject to a late charge of the greater of either ten percent (10%) or Ten Dollars (\$10.00), which may not be imposed more than once on any delinquent payment, and interest at the rate of twelve percent (12%) per annum, which may commence thirty (30) days after the Assessment becomes due.
- b. *File Suit*. The Association is authorized to commence and maintain a lawsuit directly on the debt without waiving its right to establish a lien and initiate foreclosure against the Member's Lot or the Addendum A Property for the delinquent Assessment. In any action to collect delinquent Assessments, late charges or interest, the prevailing party is entitled to costs and reasonable attorneys' fees. All amounts included in any judgment may become the subject of a judgment lien in any county in California in which an abstract of judgment is recorded.
- c. *Lien and Foreclose*. In accordance with the Davis-Stirling Act, a delinquent Assessment or installment, together with any late charges, interest, costs, attorneys' fees, and penalties, will become a lien on the Lot or Addendum A Property upon the recordation of a "Notice of Delinquent Assessment" in the Office of the County Recorder. The Board is permitted to enforce any Assessment lien against a Lot by filing an action for judicial foreclosure or by nonjudicial foreclosure in the manner provided for in the Davis-Stirling Act. The Association, through its Board, is authorized to bid on the Lot at the sale and may hold, lease, mortgage, and convey the acquired Lot as permitted by law.

- d. *Continuing Lien.* Any demand or claim of lien or lien on account of prior delinquencies is deemed to include subsequent delinquencies and amounts due on account thereof. It is the intent of these CC&Rs that any lien recorded against a Separate Interest by the Association to secure payment of delinquent assessments and/or other amounts be a continuing lien to include any and all subsequent assessments and other amounts as permitted in the Davis-Stirling Act, to the full extent allowed in *Bear Creek Master Ass'n v. Edwards*, (2005) 130 Cal. App. 4th 1470.
- e. *Suspend Privileges.* Subject to the notice and hearing provisions set forth in the Bylaws, the Association is authorized to suspend Membership privileges, except voting rights, until the delinquent Assessments, fees and fines, including any accumulated penalties, interest, and costs of collection have been paid in full.
- f. *Additional Remedies.* The remedies provided in this Section are in addition to, not in substitution for, any other rights and remedies which the Association may have.

13.3 No Offsets. All Assessments are payable in the amount specified by the Assessment and no offsets against such amount are permitted for any reason, including, without limitation: (i) a claim that the Association is not properly exercising its duties and powers, as provided in these CC&Rs; (ii) a Member has not made or elects not to make use of the Common Area; (iii) any maintenance, repairs or replacements for which the Association is responsible have not been performed or have not been performed to a Member's satisfaction.

13.4 No Exemption by Waiver of Use. Members are not permitted to exempt themselves from liability for Assessments nor release their Lots from liens and charges by waiver of their use and enjoyment of the Common Areas, by abandonment of their Lots, or through non-use of Common Areas or membership privileges.

13.5 Attorneys' Fees. Any reasonable attorneys' fees and costs incurred by the Association in the collection of assessments, late fees, and interest against a Member or the Addendum A Property Owner may become a Reimbursement Special Assessment against that Member, which may be collected in any manner provided for by these CC&Rs or by law.

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

ARTICLE 14: INSURANCE

14.1 Association Insurance. The Association must obtain and maintain policies of insurance as described below. To help keep premiums at a reasonable level, the Association is authorized to establish appropriate deductibles for its policies of insurance. Unless otherwise determined by the Board, coverage must be on an occurrence basis.

- a. *Automobile Liability Insurance*. If appropriate, the Association is permitted to purchase non-owned and hired automobile liability coverage and garage-keepers legal liability coverage.
- b. *Boiler and Machinery Insurance*. If appropriate, the Association is permitted to purchase insurance for the loss or damage to or as a result of equipment failures such as boilers, pressure vessels, pressure pipes, motors, mechanical breakdowns, electrical failures, and the like.
- c. *Commercial General Liability (“CGL”)*. The Association must maintain one or more CGL policies which provide appropriate liability limits for injury or death to one or more Persons in any one accident or occurrence. The Association must carry coverage in amounts that meet or exceed those called for in Civil Code §5805 and any successor statutes.
- d. *Direct Physical Loss*. The Association must maintain one or more policies for loss or damage by fire or other perils covered by the standard “Special Form” policy (or its equivalent) covering all Common Area Improvements in the Development, and such other Improvements in the Development as the Board may deem appropriate. The amount of such insurance must not be less than one hundred percent (100%) of the aggregate full insurable value, meaning replacement cost, not a depreciated amount or actual cash value (ACV), if available. The coverage must be written on a blanket basis with an agreed value endorsement and an inflation guard endorsement, if available. The Association’s insurance policy must be primary with respect to property damage in the event of overlapping coverage with a Member’s property damage policy. Because construction costs can be unpredictable and suddenly escalate whenever large losses occur, Directors are not liable if actual construction costs are greater than the 100% replacement cost provided by the insurance policy. In addition, if available, the Association must include the following:
 1. “Ordinance or Law Coverage” or its equivalent, including:
 - (a) Coverage for Loss to the Undamaged Portion of the building or structure.
 - (b) Demolition Cost Coverage.

(c) Increased Cost of Construction Coverage.

2. “Maintenance Fees Receivable” coverage, or its equivalent, to cover the loss from unpaid or uncollected Assessments resulting from a covered property loss.
 3. Such other endorsements which the Board may deem necessary or reasonable.
- e. *Directors and Officers.* The Association must purchase Directors and Officers errors and omission insurance insuring the Association, Directors, Officers, Committee members, trustees, Association employees, Association volunteers, any community manager in contract with the Association, any management company in contract with the Association and employees of such Association management company who perform services on behalf of the Association. The Association must carry coverage in amounts that meet or exceed those called for in Civil Code §5800 and any successor statutes.
 - f. *Earthquake Insurance.* The Association may purchase earthquake insurance, after considering the cost and availability.
 - g. *Employment Practices Liability.* The Association should consider purchasing employment practices liability coverage (whether or not it has employees), when available and affordable.
 - h. *Fidelity Bond.* The Association must maintain fidelity bond coverage for all Directors, Officers, Committee members, and employees of the Association in an amount no less than the greater of either (1) 150% of annual operating expenses plus Association reserves, or (2) the combined amounts of the total assessments of the Association for three months, plus Association reserves. Such fidelity bond must include coverage for computer fraud, funds transfer fraud and social engineering fraud. If the Association uses a managing agent or management company, the fidelity bond coverage must also include dishonest acts by that person or entity and its employees.
 - i. *Flood Insurance.* When required by any first mortgage holder, Fannie Mae, Freddie Mac, or the Fair Housing Administration (FHA), the Association must purchase flood insurance on any portion of the premises that Federal Emergency Management Agency (FEMA) determines to be in a Special Flood Hazard Area (SFHA). Otherwise, the Association may purchase flood insurance, after considering the cost and availability.
 - j. *Umbrella Policy.* The Association may purchase an excess or umbrella policy over its public liability and property damage, Directors and Officers liability, and

workers' compensation policies to provide higher liability limits as the Board determines.

- k. *Workers' Compensation.* The Association must carry workers' compensation insurance as required by law to cover employees of the association. If available, the Association is also permitted to purchase a Voluntary Labor Endorsement to protect its volunteers.

14.2 Member Obligation to Carry Insurance. At their sole expense, Members (and Tenants) must purchase and maintain insurance covering their real and personal property and provide proof of same to the Association no less frequently than annually or within ten (10) days following a change in coverage. Insurance should be an industry standard policy from a California Approved Carrier that includes Dwelling, Other structures and Personal Liability Coverages and such other coverage as the Member deems appropriate. In addition, if a Member operates a vehicle which is driven across or stored in the Association's Common Areas, the Member must carry appropriate automobile insurance. The Association has no obligation to police this provision and is specifically relieved of any responsibility or liability from doing so or failing to do so.

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

14.3 Tenant Insurance. Members must require Tenants to have renters or tenant insurance, including coverage for damage to or loss of personal property, personal liability, medical payment to others, and loss of use.

14.4 Responsibility for Deductible and Uncovered Losses.

- a. *Intentional or Negligent Acts.* If any Common Area property is damaged as a result of the intentional or negligent acts or omissions of any Member, Member's Tenant, or their respective family, guests, invitees, vendors, or pets and a claim

is tendered to the Association's insurance carrier, the Member will be solely responsible for paying any portion of the claim not paid due to the deductible.

- b. *Non-Negligent, Unintentional Acts.* If any property damage loss which results from a failure of any component, element or portion of the Development and did not result from a negligent or intentional act or omission is tendered to the Association's property damage policy, the Association will apportion the deductible of such policy or policies amongst all claimants according to the percentage each claim bears against the total of all claims for the loss when distributing the Association's insurance proceeds to the various claimants.
- c. *Uncovered Losses.* Apart from deductibles as set forth above, responsibility for any losses for which the Association's property damage policy does not provide coverage will be determined according to the maintenance, repair and/or replacement provisions set forth in these CC&Rs and/or the law.

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

14.6 Choice of Contractor. With respect to any repairs for which proceeds of insurance are paid or are payable to the Association, the Board must designate the contractor to perform the repairs to the Common Areas.

14.7 Insurance Company Rating. All policies of insurance required by this Article must be issued by either a California admitted insurance company or an approved carrier on the California List of Approved Surplus Line Insurers (LASLI). Each such carrier must hold an A.M. Best Insurance or Standard and Poor's rating of "A" or better.

ARTICLE 15: PROTECTION OF LENDERS

15.1 Furnishing of Information. Each Lender is, upon written request, entitled to inspect the books and records of the Association during normal business hours and receive written notice of Board and Membership meetings and designate a representative to attend such meetings.

15.2 No Priority Over Rights of First Mortgagees. Nothing in these CC&Rs gives a Member or any other party priority over any rights of first mortgagees of Lots, pursuant to their mortgages, in the case of a distribution to Members of insurance proceeds or condemnation awards for losses to or taking of Lots and/or the Common Area. Additionally, if any Lot or any portion of a Lot is made the subject matter of any condemnation or eminent domain proceeding, no provision herein entitles the Member, or any other party, to priority over a first mortgagee of a Lot, concerning any distribution of the proceeds of any award or settlement.

15.3 Relationship with Assessment Liens. Any lien that the Association may have on any Lot for the payment of Assessments subordinates to the lien or equivalent security interest of any Lender with a first trust deed or mortgage on the Lot, made in good faith and for value, and no such lien impairs the obligation or the priority of such trust deed or mortgage, unless the Lender expressly subordinates its interest, in writing, to such lien.

15.4 Foreclosure. Any holder of a first mortgage who takes title to a Lot, pursuant to the remedies provided in the mortgage, through foreclosure of the mortgage takes the property free of any claim for unpaid Assessments or charges against the mortgaged Lot which accrued prior to the time such Person takes title to the Lot.

15.5 Priority of Mortgage Lien. No breach of any provision of these CC&Rs nor the enforcement of any lien created herein affects, impairs, defeats, or invalidates the lien of any mortgage or deed of trust made in good faith and for value, but these CC&Rs are binding upon any Member whose title is derived through foreclosure, trustee sale, or otherwise.

15.6 Payment of Taxes and Charges. Lenders may, jointly or singly, pay taxes or other charges which are in default and which may or have become a charge against any portion of the Common Area and may pay overdue premiums on hazard insurance policies or secure new hazard insurance coverage on the lapse of a policy for such Common Area. Lenders making such payments shall be owed immediate reimbursement from the Association.

ARTICLE 16: LIMITATIONS OF LIABILITY

16.1 Standard for Liability. Officers, Directors, Committee members, employees, or agents are not responsible to the Association, or any Member, Member's Tenant, or their respective family, guests, or invitees for any loss or damage to the Association, or any Person or property suffered by reason of water, fire, smoke, explosion, electricity, dust, sand, insect or rodent infestation, or any other source, unless there is clear and convincing evidence the damage or loss was caused by the willful, intentional or bad faith misconduct of the Association's Officers, Directors, Committee members, employees, or agents, based upon the information such individual possessed at the time of the purported act or omission. The Association's Officers, Directors, Committee members, employees and agents cannot be held strictly liable for their acts or omissions.

16.2 Limited Personal Liability. No Officer, Director, Committee member, or employee of the Association is personally liable for any loss, injury, or damage to Persons or property for any act or omission, if the act or omission was performed in good faith, within the scope of the Person's duties for the Association, was not self-dealing, and did not constitute willful or intentional misconduct.

16.3 Association Not a Security Provider. The Association is authorized to provide security measures in the Development. However, the Association is not a provider of security and

has no duty to provide any security in the Development. The obligation to provide security lies with each Member individually. The Association cannot be held liable for any harm, loss or damage to Persons or property by reason of failure to provide adequate security or ineffectiveness of security measures undertaken. This includes, but is not limited to, any harm, loss or damage from theft of or damage to any article or thing placed or stored in or on any portion of the Common Area.

16.4 Duty to Defend. The Association must indemnify and defend and must advance reasonable attorneys' fees and costs to its Officers, Directors, Committee members, and employees for all expenses and liabilities reasonably incurred by such Person(s) regarding any proceeding (including, but not limited to, alternative dispute resolution proceedings) to which they are a party by reason of having been an Officer, Director, Committee member, or employee of the Association. However, the Association may recover its attorneys' fees and costs from, and is not liable for any judgments or other liabilities for the acts or omissions of, any Persons adjudged to have acted in bad faith or in gross negligence in the performance of their duties to the extent permitted by law.

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

16.6 Personal Injury or Property Damage Sustained Within a Lot. This Section applies if any Person sustains personal injury or property damage within a Lot or on its attached Balcony, Patio or Deck and the injury or damage results in a claim against the Association or any of its Officers, Directors, Committee members, Members, agents, or employees. The Owner of the Lot, Patio, or Balcony where the injury or damage occurred must: (i) fully indemnify and hold harmless the Association, Officer, Director, Committee member, Member, agent, or employee against whom such claim or suit is brought; and (ii) defend, at his/her own cost and expense, any resulting litigation against the Association, Officer, Director, Committee member, Member, agent, or employee. However, there is no obligation to hold harmless, defend or indemnify any party whose gross negligence or willful misconduct was the cause of the injury or damage.

16.7 Actions Against Directors. Members are not permitted to and waive all rights to file an action or state any cause of action in any pleading against a Director or Officer of the Association, acting within the scope of that person's duties as a Director or Officer unless the court first determines that the Member seeking to file the pleading has established evidence that substantiates the claim.

ARTICLE 17: DAMAGE/DESTRUCTION TO IMPROVEMENTS

17.1 Generally. All provisions of this Article 17 apply only when the Common Area has been partially or totally destroyed by fire, earthquake, groundwater flooding or other similar casualties.

- a. *Cost of Reconstruction*. As soon as practical, the Board must: (i) obtain bids from at least two (2) reputable contractors that are licensed in California and insured, which bids must set forth in detail the work required to reconstruct the damaged or destroyed portions of the Common Area to substantially the same condition as they existed prior to such damage and the itemized cost of such work (subject to any increased building standards then in effect); and (ii) determine the amount of all insurance proceeds and Reserves available to the Association for the purpose of effecting such reconstruction.
- b. *Automatic Reconstruction*. If the cost to reconstruct the Common Areas, excluding the deductible and the value of any insurance proceeds due the Association, is less than or equal to three times the amount of the total annual operating Budget of the Association for the current fiscal year, the Board, without a vote of the membership, must cause the Common Area to be reconstructed to substantially the same condition as existed prior to such damage (subject to any increased building standards then in effect). Such reconstruction must be completed as promptly as practical. Notwithstanding any other provision, the Board is authorized, without a vote of the membership, to levy an Emergency Special Assessment against the membership to provide the funds necessary for such reconstruction and/or for repayment of any monies borrowed by the Association for such reconstruction.
- c. *Membership Approval*. If the Board determines that the cost to reconstruct the Common Areas, excluding the deductible and the value of any insurance proceeds due the Association, is an amount greater than three times the total annual operating Budget of the Association for the current fiscal year, then the Common Areas must be reconstructed unless sixty-seven percent (67%) of the membership, by ballot or at a special meeting called for such purpose, vote not to reconstruct the damaged or destroyed Common Areas.
- d. *Distribution of Insurance Proceeds*.
 - i. *No Partition Action Promptly Filed*. If a partition action is not filed within six (6) months of the partial or total destruction, the Board must distribute the insurance proceeds available for reconstruction, together with any other sums otherwise available to the Association for such purpose, to the Owners, less costs for clearing the debris, collecting insurance proceeds,

and any other expenses necessarily incurred as a result of the damage or destruction, proportionately according to an appraised fair market value of the Lots (as of a date immediately prior to destruction or condemnation). Such payment is subject to rights of Mortgagees holding Mortgages encumbering Lots and all unpaid Assessments, together with any interest charges. Appraisers hired by the Board to appraise the Lots will be paid by the Association.

- ii. *Partition Action Promptly Filed.* If a partition action is filed within six (6) months of the partial or total destruction, the Association must interplead the insurance proceeds available for reconstruction, together with any other sums otherwise available to the Association for such purpose, to the Owners, less costs for clearing the debris, collecting insurance proceeds, and any other expenses necessarily incurred as a result of the damage or destruction into the partition action.

17.2 Association's Duties. If the Common Areas, any Improvements thereon, and/or any other portion of the Development which the Association is obligated to maintain, repair or replace, are partially or totally destroyed by fire, earthquake, flood or other casualty, the Association must maintain, repair, replace and/or restore same to its former condition (or better) as promptly as practical. The proceeds of any insurance received must be used for such maintenance, repair, replacement and/or restoration.

17.3 Member's Duties. If a Member's Lot, any Improvements thereon, and/or any portion of the Development which the Member is obligated to maintain, repair or replace, are partially or totally destroyed by fire, earthquake, flood or other casualty, the Member must either: (i) restore the same to its former condition (or better) as promptly as practical, or (ii) as promptly as possible remove the damaged Improvement and any debris and place the Lot in a clean and presentable condition to the satisfaction of the Architectural Committee, but in no case should such restoration take longer than twelve (12) months.

17.4 Duties of Board During Reconstruction. If reconstruction is undertaken, the Board must: (i) enter into a written contract with a contractor who is licensed and insured for such repair, reconstruction, and restoration; (ii) disburse insurance proceeds available for the work, along with funds collected by reason of Assessments, in appropriate progress payments; and (iii) take all steps necessary to ensure the commencement and completion of such repair, reconstruction, and restoration in a lawful, workmanlike manner at the earliest possible date.

17.5 Interior Residence Damage. Restoration and repair of any damage caused by fire, earthquake, or other casualty to: (i) the interior of any individual Residence; (ii) personal property, furniture, furnishings, and decorations contained within a Residence; or (iii) any Improvements which were added to the Residence by any present or prior Resident or Lot Owner must be made by and at the individual expense of the current Lot Owner. The repairs, restoration and

reconstruction must be completed as promptly as practical and in a lawful and workmanlike manner. If the work is of a nature that would normally require approval by the Association, the Member must seek such approval, as provided for in these CC&Rs.

17.6 Special Assessment for Reconstruction. If the proceeds of insurance obtained by the Association are paid to any Mortgagee of a Lot and, by reason of such payment, the insurance proceeds are not made available to the Association as trustee, or otherwise, to effect any repair, reconstruction, or restoration of any damage and/or destruction to all or any portion of the Development as provided in these CC&Rs, the amount of such proceeds not made available must be assessed and charged to and against the Member or Members and his/her Lot as an Emergency Special Assessment. The Emergency Special Assessment must be made by written notification from the Board to the Member or Members against whom made.

17.7 Encroachment. If a Building is partially or totally destroyed and then rebuilt, Members agree that minor encroachments of the Common Area on Lots or of Lots on the Common Area or on other Lots are permitted and that valid easements for the encroachments exist. Such encroachments are not considered to be encumbrances either on the Lots or the Common Area.

ARTICLE 18: CONDEMNATION

18.1 Notice. Promptly upon learning of any potential condemnation or sale by eminent domain, the Board must notify all Members and First Mortgagees who have filed a written request for notice.

18.2 Payment for Common Area. When an action in eminent domain is brought to condemn all or any portion of the Common Areas, the Association must represent the Members in all proceedings, negotiations, or settlements. Awards for the acquisition of Common Area must be paid to the Board, as trustee, for deposit into the Association's Reserves unless a majority of the total voting power of the Association elects to distribute the award among the Members in accordance with their Percentage Interest.

18.3 Payment for Lot. When an action in eminent domain is brought to condemn all or any portion of one or more Lots, the award made for such taking must be payable to the respective Owners of the Lots, subject to: (i) the rights of Mortgagees holding Mortgages covering such Lots; and (ii) all unpaid Assessments of each Member, taken together with interest and other pending charges. The Board of Directors has no responsibility for the restoration of a Member's personal or real property taken as a result of condemnation.

18.4 Revision of Documents. When any part of the Development is condemned, the Board must, as soon as practical, prepare, file, and/or record a revised subdivision map, or other documents, reports, schedules, or exhibits necessary to show the changed or altered status of the Development.

18.5 Status of Membership. If a Lot is taken in condemnation, the Lot ceases to be part of the Development, the Member ceases to be a Member of the Association, and the Percentage Interest in Common Area appurtenant to that Lot automatically become vested in the remaining Members, in proportion to their respective Percentage Interests in the Common Area.

ARTICLE 19: UTILITY SERVICES

19.1 Replacement Fund. As provided for in Article 12 of these CC&Rs, the Board shall establish a rate structure for the delivery of utility services which will result in the accumulation of a fund for the repair and replacement of the utility infrastructure system. The rate charged must bear a reasonable relationship to the cost of funding of the repair and replacement fund. Unimproved Lots shall bear a proportionate share of the repair and replacement fund and cost of delivery of utilities as determined by the Board.

19.2 Water. The Association shall, for the benefit of the Lots maintain, repair and replace, as necessary, the Mutual Water Facilities so as to allow provision of water service. The Mutual Water Facilities shall be maintained properly and in accordance with any standards established by any applicable regulatory agencies. In the event that a public utility offers water service, the Association may specially assess its Members for any costs associated with transition and commencement of service by such public utility.

19.3 Sewer. The Association shall, for the benefit of the Lots and the Addendum A Owner, maintain, repair, and replace as necessary, the Sewer Treatment Plant in accordance with any standards established by any applicable regulatory agencies. In the event that a public utility offers sewer service, the Association may specially assess its Members for any costs associated with transition and commencement of service by such public utility.

19.4 Electricity. The Association shall, for the benefit of the separate Lots, obtain and pay for electric service and maintain, repair and replace as necessary the sub meters and all electric lines, wires, conduits and other improvements from the master electric meter to and including the individual sub meters. The common electric system shall be maintained in accordance with any standards established by any applicable regulatory agencies. In the event that a public utility offers electricity service, the Association may specially assess its Members for any costs associated with transition and commencement of service by such public utility.

19.5 Natural Gas. The Association shall, for the benefit of the separate Lots, obtain and pay for natural gas service and maintain, repair and replace as necessary, the sub meters and all natural gas lines, conduits and other improvements from the master natural gas meter to and including the individual submeters. The common natural gas system shall be maintained in accordance with any standards established by any applicable regulatory agencies. In the event that a public utility offers natural gas service, the Association may specially assess its Members for any costs associated with transition and commencement of service by such public utility.

19.6 Other Utilities. The Association shall have the authority to and may in the sole discretion of the Board, acquire, maintain and pay for any other required services such as: refuse collection, telephone and other necessary utility services for the Common Area and the Lots, as well as maintenance and gardening services for the Common Areas and the Lots.

19.7 Refuse/Garbage Collection Service. The Association shall have the authority to designate one refuse collection service to service the entire Development. Each Owner shall be responsible: (i) to pay for the refuse collection service to his or her Lot, or (ii) to remove all trash, garbage, accumulated waste, plant material, and all other waste and refuse from the Development on a weekly basis, (iii) for proper storage of all refuse in plastic containers with proper fitting lids and designed for household refuse.

ARTICLE 20: MISCELLANEOUS

20.1 Amendment. Amendment or restatement of these CC&Rs is permitted by obtaining the affirmative vote of Members comprising more than fifty percent (50%) of the Voting Power of the Association or as provided for by law, provided that the percentage of the Voting Power necessary to amend a specific provision is not less than the percentage of affirmative votes prescribed for action to be taken under that provision. Any amendment enacted in compliance with this provision becomes effective when recorded with the Offices of all County Recorders where the Development is situated.

20.2 Lender Approval. If a First Mortgagee is entitled, by the terms of these CC&Rs, to consent to, approve, disapprove, or object to a proposed amendment to or restatement of the CC&Rs, but fails to return a ballot, or other form providing written disapproval or objection within 30 days of receipt, such First Mortgagee is deemed to have consented to and approved the proposed amendment or restatement, provided the ballot, or other form permitting written disapproval or objection, was delivered by certified or registered mail with return receipt requested and the delivery signed for by a representative of the First Mortgagee.

20.3 Amendment to Conform to Statute. If a provision in these CC&Rs contradicts current law, according to a written opinion of the Association's legal counsel, on the unanimous approval of the Board of Directors and without approval of the Members, the Board is authorized to amend that provision, but only to the extent necessary to render the provision compliant with applicable law. A resolution explaining the need for the change must be adopted by the Board in an open meeting of the Board and recorded in the minutes.

20.4 Term of CC&Rs. These CC&Rs continue in full force and effect for a term of sixty (60) years from the date of their recordation (the Renewal Date), after which time they are automatically extended for successive periods of twenty (20) years. The provisions of this Article are also subject to any prohibitions against partitioning the Common Area that might apply. These CC&Rs may be terminated if, within six (6) months prior to the Renewal Date of any twenty-year extension period, (i) at least seventy-five percent (75%) of the Members and seventy-five percent

(75%) of the First Mortgagees approve by secret ballot circulated by the Association via its Board of Directors to terminate these CC&Rs, and (ii) an appropriate governmental agency has agreed in writing to assume the Association's Common Area maintenance, repair, and replacement obligations, and (iii) certification of the Membership's and First Mortgagee's approval to terminate and the agency's agreement to assume maintenance duties are recorded with the Office of County Recorder in which the Development is situated, and (iv) the Association's contractual and other legal obligations are wound up, and (v) all required corporate filings, tax returns, and notices are filed with appropriate agencies to effectuate dissolution of the Association/corporation, and (vi) insurance tail coverage is purchased to cover any potential liability the Association may have until all applicable statutes of limitations have run their course.

20.5 Attorneys' Fees. In a lawsuit by the Association seeking the enforcement of the Governing Documents against a Member or to determine the rights or duties of the Member under the Governing Documents, the prevailing party may be awarded reasonable attorneys' fees and costs as permitted by law.

20.6 Notices. Any communication or notice of any kind permitted or required to be delivered pursuant to the Association's Governing Documents, or pursuant to the Davis-Stirling Act, must be in writing. Such delivery must be made as follows:

a. *To the Association:*

- i. *Manner of Delivery*. By electronic delivery (email, facsimile, or other electronic means), by personal delivery (for which a receipt will be provided), or by mail (first class, postage prepaid, registered or certified, express mail, or overnight delivery by an express service center).
- ii. *Recipient of Delivery*. The person designated in the Association's annual policy statement to receive documents on behalf of the Association. If no person has been designated to receive documents, the document must be delivered to the President or Secretary of the Association.

b. *To the Members:*

- i. *Manner of Delivery*. For communications and notices subject to the Davis-Stirling Act, in the manner required therein, including individual notice or delivery, general notice or delivery, electronic delivery (with consent), or otherwise. For other communications and notices not subject to the Davis-Stirling Act, by electronic delivery (email, facsimile, or other electronic means), by personal delivery, or by mail (first class, postage prepaid, registered or certified, express mail, or overnight delivery by an express service center).

- ii. *Address for Delivery by Mail.* To the Association's address of record for the Member as determined by Civil Code §4041.
- c. *When Notice Deemed Delivered.*
 - i. *By Mail.* If a document is delivered by mail, delivery is deemed to be complete on deposit into the United States mail.
 - ii. *By Electronic Means.* If a document is delivered by electronic means, delivery is complete at the time of transmission.

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

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

20.9 Number and Gender. Words used herein regardless of the number and gender specifically used, shall be deemed and construed to include any other number, singular or plural, and any other gender, masculine, feminine or neuter, as the context requires.

20.10 Severability. The provisions of these CC&Rs and any other Governing Document are deemed independent and severable and the invalidity, partial invalidity, or unenforceability of any one provision has no effect on the validity or enforceability of any other provision.

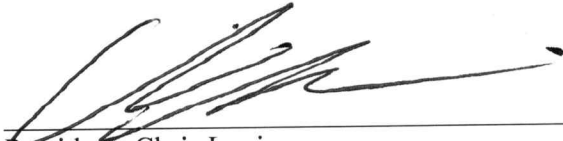
20.11 No Public Rights. Nothing contained in these CC&Rs is a gift or dedication of all or any portion of the Development to the general public or for any public use or purpose whatsoever.

20.12 Successor Association. If the Association, as a corporate entity, is dissolved, a nonprofit, unincorporated association, without further action, automatically succeeds to all the rights and duties of the corporation. The affairs of the unincorporated association will continue to be governed by these CC&Rs, the Bylaws, Architectural Standards, and the Rules and Regulations, as well as any applicable law.

20.13 Conflicting Provisions. When a conflict exists between these CC&Rs and the Articles or the Bylaws, these CC&Rs control. When a conflict exists between the Articles and the Bylaws, the Articles control.

CERTIFICATION

WE CERTIFY this 12th day of April, 2022 that this Restated Declaration of Covenants, Conditions and Restrictions has been duly approved and adopted by the affirmative vote of at least a majority of the total voting power of THE OAKS COMMUNITY ASSOCIATION.



President, Chris Levin



Secretary, Ann Hutson

SIGNATURES MUST BE NOTARIZED

CALIFORNIA NOTARY ACKNOWLEDGMENT

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

State of California

County of Calaveras

On 4-29-22 before me, Elizabeth K. Hunger, notary public personally appeared Chris Levin, Ann Hutson, 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 Elizabeth K. Hunger

(Seal)

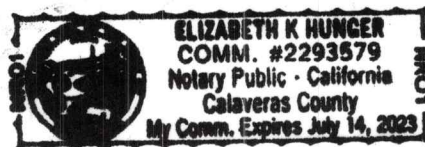


EXHIBIT A

(Description of Addendum A Property)

ALL THAT REAL PROPERTY SITUATED IN THE COUNTY OF AMADOR, STATE OF CALIFORNIA, DESCRIBED AS FOLLOWS:

That certain parcel shown as “0.67 Ac” on the Record of Survey for Anthony Meath, filed for record on July 30, 1976 in Book “26” of Maps and Plats, Page 100, Records of Amador County.

A.P.N. 12-070-046-00; Commonly known as 5864 Buena Vista Road, Ione, CA 95640-9694.

EXHIBIT B

(Description of Sewer Treatment Plant)

ALL THAT REAL PROPERTY SITUATED IN THE COUNTY OF AMADOR, STATE OF CALIFORNIA, DESCRIBED AS FOLLOWS:

Parcel D-1 as shown upon that certain map entitled "Parcel Map No. 1269 for Santos Aparicio", which map was filed for record in the Office of the Amador County Recorder on June 19, 1986, in Book 40 of Maps and Plats, Page 65.

A.P.N. 12-070-066-01