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RESTATED DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS, AND RESERVATION OF EASEMENTS FOR LAING'S FIRST EDITION AT ONTARIO CENTER

**LAING'S FIRST EDITION - ONTARIO CENTER
HOMEOWNERS 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, 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.

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LAING'S FIRST EDITION ONTARIO HOMEOWNERS ASSOCIATION
a California nonprofit mutual-benefit corporation

THIS RESTATED Declaration of Covenants, Conditions and Restrictions, and Reservation of Easements for Laing's First Edition at Ontario Center ("CC&Rs") is made by all Persons who own Units in the condominium project known as Laing's First Edition at the Ontario Center in the City of Ontario, San Bernardino County, California. These CC&Rs will apply to and bind all these properties:

Lots 1 through 21, and A through I, of Tract 14441, as
shown on a Map recorded in Book 241, Pages 6 to 8,
inclusive, of Maps, records of San Bernardino County,
California.

By this instrument, the Members of the Association revoke all previous declarations of covenants, conditions and including Document No. 91-300229, recorded August 7, 1991, rerecorded on August 21, 1991, as Document No. 91-318572, Official Record of San Bernardino County, and substitute in their place these CC&Rs, which will:

1. *Benefit Members.* Benefit Members of the Association;
2. *Benefit the Development.* Be for the benefit, enhancement and protection of the desirability, value and attractiveness of the Development and each Unit;
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, and their respective heirs, personal representatives, grantees, Tenants, licensees, successors and assigns;
4. *Preserves City and Mortgagee Rights.* Retains the rights and protections of the City and Mortgagee provided in the original CC&Rs.
5. *Run With the Land.* Run with the land and be 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 Units in the Development, and any conveyance, transfer, sale, assignment, rental, lease or sublease of a Unit, will be deemed to incorporate these CC&Rs. Each successor in interest is subject to all covenants, conditions and restrictions in these CC&Rs.

ARTICLE 1: DEFINITIONS

1.1 “Architectural Committee” means the committee delegated with the authority concerning architectural matters as provided under Article 5.

1.2 “Architectural Standards” means those rules and guidelines which govern making physical changes, alterations, repairs or improvements to Units, Common Areas and Exclusive Use Common Areas.

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

1.4 “Assessment” means any Regular Assessment, Special Assessment, Reimbursement Special Assessment, or any other assessment levied, imposed, or assessed against a Member’s Unit per the Governing Documents or applicable law.

1.5 “Association” means the Laing’s First Edition Ontario Center Homeowners Association, a California nonprofit, mutual-benefit corporation. The Association will include, when the context requires, its Officers, Directors, employees and agents.

1.6 “Association Property” means all real and personal property and Improvements owned in fee by the Association or which the Association has an easement for the common use and enjoyment of the Members, including Lots A through I of Tract No. 14441, as shown in Book 241, Pages 6 to 8, inclusive, of Maps, records of San Bernardino County, California, and any other real and personal property interest acquired by the Association for such purposes.

1.7 “Board” and “Board of Directors” means the Board of Directors of the Association.

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

1.9 “Building” means any building or structure part of the Improvements of the Development.

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

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

1.12 “City” means the City of Ontario, San Bernardino County, California.

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, and includes the common elements of each phase of the Development as fractionally owned by the Owners of a particular phase of the Development per the Condominium Plan for such phase.

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 “Condominium” means a condominium, as defined in the Davis-Stirling Act.

1.17 “Condominium Plan” means the recorded (and unrecorded) condominium plan for each phase of the Development that provides the diagrammatic description and identifies the boundaries of the Units, Exclusive Use Common Areas and the Common Area, and wherein the fractional interest in the Common Areas for each phase is provided.

1.18 “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.

1.19 “Development” means that certain residential development known as Laing’s First Edition at Ontario Center in Ontario, California, San Bernardino County.

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

1.21 “Exclusive Use Common Areas” means those portions of the Common Area which exclusively serve a single Unit whether located inside or outside the boundaries of a Unit, including but not limited to Utility Lines, and the following areas identified in the Condominium Plans:

- a. “Terrace Area.” The area bound by and contained within the exterior finished surfaces of the terrace and adjoining residential element perimeter walls, the terrace railings, walls, and doors, identified on the Condominium Plan by the letter "T" followed by its respective Condominium Unit number, assigned to such Condominium Unit as shown on the Condominium Plan. Some Condominium Units may have more than one (1) terrace area, as shown on the Condominium Plan, and are further identified by a letter designation (i.e., “T_A” and “T_B”).
- b. “Patio Area.” The area bound by and contained within the exterior finished surfaces of the patio perimeter walls and/or fences and doors, identified on the Condominium Plan by the letter "P" followed by its respective Condominium

Unit number, is assigned to such Condominium Unit as shown on the Condominium Plan.

1.22 “Governing Documents” means these CC&Rs and any other documents which govern the operation of the Association and as amended including, the Articles of Incorporation, Bylaws, Architectural Standards, Condominium Plan, Rules and Regulations, and Election Rules.

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

1.24 “Lender” means the holder of a first mortgage or deed of trust given by a Member (or his 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.

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

1.26 “Master Association” means The Ontario Center Homeowners’ Association, a California nonprofit mutual benefit corporation, created for purposes as set forth in the Master Governing Documents.

1.27 “Master Assessments” means the assessments, including regular and special assessments, properly levied by the Master per the Master Governing Documents and applicable to the Association and Owners.

1.28 “Master Governing Documents” means the governing documents for the Master Association applicable to the Development.

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

1.30 “Membership Approval” and “Approval of the Membership” means approval by the affirmative vote of a majority of those Members present and voting at a duly held meeting at which a quorum is present as defined in the Bylaws, unless provided otherwise in the Bylaws or these CC&Rs.

1.31 “Mortgage” means a deed of trust.

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

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

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

1.35 “Owner” means the owner, whether one or more Persons, of the publicly-recorded fee title to any Unit but excluding any Person or Persons having such an interest in the Unit merely as security for performing an obligation.

1.36 “Patio Area” will refer to a patio attached to a Unit and accessible through the Unit of which it is a part. (See Exclusive Use Common Area).

1.37 “Percentage Interest” means that undivided percentage ownership of the Common Area assigned to a Unit within the Condominium Plan for a particular phase.

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

1.39 “Quorum” means the minimum number of Members present by ballots, proxy, or in person necessary to conduct a membership meeting, and the number of directors present necessary to conduct a board meeting, as applicable and as may be required by the Bylaws or applicable law.

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

1.41 “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, or pets; (ii) materials or services provided to Members, Tenants or their respective family, guests, invitees, or pets; or (iii) conditions originating in a Unit.

1.42 “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 of Improvements upon the Common Areas, and any other obligations of the Association authorized by either the Governing Documents or law.

1.43 “Residence” means a building used for residential purposes.

1.44 “Resident” means any Person in actual possession of all or any portion of a Unit.

1.45 “Rules and Regulations” or “Rules” means the rules and regulations adopted by the Board for the general health, welfare, comfort, and safety of Members and Tenants and their respective family, guests, or invitees and to interpret and implement the Governing Documents and for the orderly conduct of the business of the Association.

1.46 “Separate Interest” means an individual Unit.

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

1.48 “Tenants” and “Lessees” means those Persons with the temporary use and occupancy of Units owned by others, whether such use is paid for in money or other value.

1.49 “Terrace Area” will refer to a terrace attached to a Unit and accessible through the Unit of which it is a part. (See Exclusive Use Common Area).

1.50 “Unit” means those elements of a Condominium not owned in common with the Owners of other Condominiums in the Development.

- a. *Boundaries.* The boundaries of each Unit will be the unfinished interior surfaces of the perimeter walls, floors, ceilings, windows, and doors. In interpreting deeds and plans, the existing physical boundaries of a Unit, or of a Unit reconstructed in substantial accordance with the Condominium Plan, will be conclusively presumed to be its boundaries, rather than the metes and bounds, or other description, expressed in the deed or Condominium Plan, regardless of settling or lateral movement of a building and regardless of minor variance between boundaries on the Condominium Plan or in the deed and those of a building.
- b. *Inclusions.* The following are part of each individual Unit: (i) all improvements to the airspace encompassed by the unfinished interior surfaces of the perimeter walls, floors, ceilings, windows and doors (such as but not limited to paint, wall coverings, carpet and padding, hard-surfaced flooring, cabinets and counters, electrical fixtures, plumbing fixtures, and interior walls), and (ii) electrical switches and outlets that service the Unit.
- c. *Exclusions.* Any equipment, mechanical devices, security system components, and Utility Lines located within any Unit or that run through any portion of any Unit and that service more than one Unit are not part of that Unit and will be deemed part of the Common Area.

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

1.52 “Voting Power” means the total number of Units entitled to vote, excluding those Units for which voting rights have been properly suspended.

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

ARTICLE 2: MEMBERSHIP RIGHTS AND PRIVILEGES

2.1 Membership. Each Person will automatically become a Member of the Association upon obtaining a publicly-recorded fee title ownership interest in a Unit and will remain a Member until he or she ceases to have such recorded fee ownership interest in a Unit.

- a. *Membership Appurtenant to Units.* Membership in the Association is for the benefit of and appurtenant to the Unit to which it relates and will not be separated from the ownership of the Unit.
- b. *No Membership for Security Interests.* Membership does not include Persons who hold an interest in a Unit merely as security for performing an obligation.
- c. *No Membership for Tenants.* Tenants have the same rights to use the Common Areas as Members and will have the same duties to follow the Association’s Governing Documents, but will not be Members and do not have the 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 Unit to which it is appurtenant and then only to the transferee of such fee interest.
- e. *Trust.* If the record fee title to a Unit is held in the name of a trustee on behalf of a trust, the trustees of the trust will be authorized to exercise the rights and privileges of Association membership on behalf of the trust.
- f. *Corporation.* If the record fee title to a Unit is held by a corporation, the president of the corporation, as designated in the corporation’s minutes, will be authorized to exercise the rights and privileges of Association membership on behalf of the corporation.

- g. *Partnership.* If the record fee title to a Unit is held by a partnership, the managing partner, as designated in the partnership agreement, will be authorized to exercise the rights and privileges of Association membership on behalf of the partnership. If no managing partner has been designated in the partnership agreement, then the partnership will deliver to the Association a written designation of the name of the partner authorized to exercise the rights and privileges of Association membership on behalf of the partnership.
- h. *Other Entities.* If the record fee title to a Unit is held by a legal entity not described above, the majority owner of the entity will be the Owner of the Unit for purposes of membership in the Association and may exercise the rights and privileges of a Member. If there is no majority owner, an owner of the legal entity will deliver to the Association a written designation of the name of the owner authorized to exercise the rights and privileges of Association membership on behalf of the entity.

2.2 Proof of Ownership. Proof of membership will be in a recorded deed showing fee ownership of a Unit.

2.3 Voting Rights. In all matters submitted for a membership vote, Members will be entitled to one (1) vote per Unit (regardless of the number of Members having an interest in the Unit), except for those Members whose voting rights have been properly suspended under the Governing Documents and applicable law.

2.4 Inspection of Records. Members may inspect records of the Association as provided for in the Bylaws and applicable law.

2.5 Ingress, Egress and Support. Members will enjoy a nonexclusive easement appurtenant to and for the benefit of their Units for ingress, egress, and support over, across and through the Common Area and every portion of any Unit required for the structural support of the Unit.

2.6 Easement for Use and Enjoyment. Members will have a nonexclusive easement of use and enjoyment of the Common Areas, subject to the rights of the Association as described in the Governing Documents and the Association's right to reasonably limit the number of guests of Members.

2.7 Encroachment Easement. Members agree that minor encroachments of the Common Area on Units or of Units on the Common Area or on other Units will be permitted and that valid easements for the encroachments will exist. Such encroachments will not be considered encumbrances either on the Units 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 to ensure that their respective family, guests, and invitees abide by the Governing Documents.

3.2 Supervision of Minors. Members will be liable for the conduct, behavior, and proper supervision of minors residing at or visiting their Units and/or using the Association's Common Areas.

3.3 Security. Neither the Association nor any Officer, Director, Committee member, employee or agent of the Association will be considered insurers or guarantors of any level of security within the Development. Members are responsible for their own security and will take appropriate measures to ensure their own security and that of their family, guests, invitees, and Tenants. Members may not rely on any security measures provided by the Association. Neither the Association, nor any Officer, Director, Committee member, employee or agent of the Association will be liable for any loss or damage for not providing security or ineffectiveness of any security measures undertaken.

3.4 Purchase Subject to Violations. Buyers will take ownership of Units subject to any violations by prior Members, Tenants or their respective family, guests, invitees, or pets, of the CC&Rs, Architectural Standards, or Rules which may exist concerning the Unit, whether or not such violations were disclosed by the seller of the Unit and whether or not the Association knew of the violations at the time of sale. Such buyers will be liable for correcting such violations upon demand by the Association. Assessments, fines, and other charges not secured by a lien on the Unit prior to transfer of title are exempt from this provision.

3.5 Notice of Transfer of Ownership. No later than five (5) days after the assignment, sale, quitclaim or other transfer of their Units, Members will 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 will, at their sole expense, maintain and repair their Units, maintain, repair and replace Improvements to their Units, and maintain, repair and replace any Exclusive Use Common Areas servicing their Units. Members' obligations include, without limitation, the following:

- a. *Interior Walls and Partitions.* The walls and partitions contained inside Members' Units, excluding the perimeter walls and any internal load-bearing walls.
- b. *Wall, Ceiling and Floor Coverings.* All drywall in and around the Unit plus all interior surfaces of walls (including perimeter and load-bearing walls), ceilings, floors, windows and doors, including, but not limited to, plaster, paint,

wallpaper, paneling, fabrics, mirrors, carpets, rugs, linoleum, hardwoods, marble, granite, tile, window coverings, and any other materials used to decorate the interior surfaces of the Unit.

- c. *Windows and Glass.* The interior and exterior of the windows and glass of their Units. Members shall be responsible for repairing leaks and replacing damaged glass, screens, weather stripping, latches, and related hardware using the material, color, quality, size, and configuration specified by the Association.
- d. *Doors.* All doors, screen doors, thresholds, weather stripping, locks, and related hardware. However, the door frames and exterior painting of front entry doors will be the Association's responsibility.
- e. *Cabinets, Countertops and Appliances.* All cabinets, counter tops, and appliances, including refrigerators, stoves, ovens, dishwashers, garbage disposals, microwaves, washers and dryers.
- f. *Heating and Air Conditioning.* All mechanical equipment, heating and air conditioning equipment, heat exchangers, drip pans, valves, thermostats, compressors, control equipment, and any other mechanical equipment exclusively servicing the Unit. Members will be responsible for any damage to the Common Areas caused by their air conditioning units.
- g. *Plumbing and Gas.* All plumbing equipment, including plumbing fixtures, toilets, faucets, bathtubs, tub and shower valves, shower pans, drain lines, etc. which exclusively service the Unit, whether located within or outside the Unit.
- h. *Utility Lines.* The Utility Lines that exclusively service the Unit.
- i. *Balcony Areas and Patio Areas.* Balcony Areas or Patios Areas that are assigned to the Unit; such responsibility shall include maintenance, repair, and replacement of the interior surface finishes and waterproofing of the floors; doors, glass, windows, railings, casing, thresholds, flashing, weather stripping, waterproofing, caulking, guides, and any other related hardware and sealants associated with the doors, glass, and windows within the interior areas. The Association shall have the duty to repair and maintain the exterior surfaces and structural components— unless the Owner's negligent or negligence related to his/her maintenance and repair responsibilities caused damage to the exterior surfaces, railing, or structure.
- j. *Garage Doors.* The garage doors, thresholds, weather stripping, locks, and related hardware, except that the garage door frame, garage door's exterior surface repainting and structural repairs are the Association's responsibility.

- k. *Fireplaces.* The fireplace located inside Units, including flues, fireboxes, and fireplace mantles and any other portion of the fireplace, except that the chimney and related exterior improvements are the Association's responsibility.
- l. *Improvements.* All improvements or alterations to the Unit or appurtenant areas by any current or prior Owner of the Unit, or by any party other than the Association, as part of any remodeling of the Unit.
- m. *Skylights.* Skylights, including frame, interior plastic cover, bulbs and hardware, subject to the notice and requirements concerning entry upon the common are roofs, except that the exterior glass is the Association's responsibility.

3.7 Easement for Maintenance. Members are granted easements to enter the Common Areas and other Units as may be necessary to fulfill their maintenance obligations, provided that any damage to the Common Areas shall be repaired at such Member's sole expense and in a timely fashion. Members shall provide a written request to enter upon any Unit or Common Areas, including roofs, for purposes related to their maintenance and repair obligations and shall not undertake such maintenance or repair until receiving written approval from the Association. Except in emergencies, reasonable notice and consent, which may not be unreasonably withheld, to perform such work must be obtained from the affected Unit Owner and/or the Association for Common Area access. Immediately after the work is completed, Members will restore Units and/or the Common Areas to the same condition which the Units and Common Areas were in prior to the commencement of such work. Such restoration work on the Units and the Common Areas will be done at the sole expense of the Member performing the installation, repair, or maintenance work and will be completed in timely fashion.

3.8 Water Damage and Mold. Each Member, and not the Association, is responsible for water damage and mold in and to Units, Common Areas, and Exclusive Use Common Areas: (i) caused by the Member, Member's Tenant or their respective family, guests, or invitees, (ii) originating from the plumbing lines and plumbing-related fixtures which exclusively service the Member's Unit and which the Member maintains, (iii) caused by water entering directly into the Member's Unit, including but not limited to water entry from the Unit's windows or skylight, and/or (iv) caused by Member's failure to mitigate damage by promptly reporting signs of water entry and leaks, including but not limited to roof leaks. Each Member will regularly inspect their Unit for plumbing leaks, water accumulation, water intrusion through windows, doors, and roofs and signs of mold. Members must periodically service and/or replace supply and drain lines to appliances, HVAC equipment, sinks, toilets, and the like in their Units.

3.9 Obligation to Carry Insurance. Members are responsible for insuring their Separate Interests, at their sole expense, as more fully described in the Article in these CC&Rs entitled "Insurance." The Association may confirm compliance with this section but is not required to and is specifically relieved of any responsibility or liability for not confirming compliance with this section.

3.10 Liability for Damage. Members are liable for damage to the Units, Common Areas, including Exclusive Use Common Areas, and any personal property when the cause of such damage originates from that Member's Unit or Exclusive Use Common Area, or which was caused by the acts or omissions of such Member, Member's Tenant, or their respective family, guests, invitees, or pets. The Association will repair, restore or replace damaged Common Areas as it deems appropriate and may impose a Reimbursement Special Assessment against the liable Member and that Member's Unit for all costs, expenses and attorney fees incurred by the Association for 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 Unit under Civil Code sections 2924, 2924(b), and 2924(c).

3.11 Reimbursement to Association. If the Association undertakes to provide materials or services that benefit a particular Member, such Member will reimburse the Association for the costs incurred by the Association, which will become a Reimbursement Special Assessment against the Member.

3.12 Liability for Mitigation. Members will be liable for expenses incurred by the Association in mitigating or repairing damage to Units, Common Areas, and Improvements due to damage: (i) originating from Member's Unit, 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, or pets. Such expenses will become Special Assessments against such Members.

3.13 Guests. Members are responsible for the conduct and behavior of Persons residing with or visiting the Member or Member's Tenant in the Development.

ARTICLE 4: DUTIES OF THE ASSOCIATION

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

- a. *Membership Meetings.* The Association will have at least one (1) meeting of its Members each year, as provided for in the Bylaws. Annual and Special Meetings of the membership will be held at the dates, times, and locations provided for in the Bylaws.
- b. *Director Qualifications and Meetings.* The qualifications of who may be elected to the Board will be as provided for in the Bylaws. Meetings of the Board will be held as provided for in the Bylaws.

4.2 Powers of a Nonprofit Corporation. The Association will have all powers of a nonprofit corporation organized under the laws of the State of California, operating for the benefit of its Members.

4.3 Association Maintenance. Except for those areas that are the responsibility of the Master Association, the Association will maintain, repair, and replace the Common Areas, Association-owned assets, and landscape easement maintenance areas as required of it within these CC&Rs or other instrument, including:

- a. *Private Streets*. All private streets, street improvements, lights, sidewalks, and entry monuments.
- b. *Common Area Landscaping*. Common area landscaping and any irrigation improvements and facilities.
- c. *Drainage Improvements*. Drainage facilities and improvements on the Common Areas, including brow ditches, culverts, swales, and catch basins to ensure proper discharge of storm water and to reduce discharge of pollutants, and per the standards required by law, City ordinances, state and federal agencies, any maintenance manuals prepared by the builder(s), and best management plans and practices.
- d. *Common Area Fences/Walls*. Common Area fences, including perimeter fencing.
- e. *Buildings and Equipment*. All portions of the building's exterior and structures, including the stucco and roofs.
- f. *Recreational Facilities*. Pool, spa, buildings, and related facilities and improvements.

4.4 Termites and Pests. The Board will have 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) temporarily relocate or remove Residents, at Residents' expense, to ensure prompt treatment and repairs). Each Owner must repair, at Owner's expense, the portions of Owner's Unit infested or damaged by insects, rodents and wood destroying pests or organisms (including microorganisms).

4.5 Incur and Pay Expenses. The Association will have the power to incur and pay the operational expenses of the Association, which will include but not be limited to, legal and accounting services; utilities; insurance; management services; vendor services, such as security, landscaping, garbage collection, pest control, street sweeping, swimming pool maintenance cleaning, painting, and other such services; maintenance, repair, reconstruction, and replacement of 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 are reasonable, proper, or desirable.

4.6 Rules and Regulations. The Board may adopt, amend, and repeal Rules and Regulations regarding any matter in the Governing Documents, including, but not limited to: (i) the use, occupancy, and maintenance of the Development; (ii) the general health, welfare, comfort, and safety 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 Unit for non-payment of Assessments, to take title to the Unit, to assume or otherwise pay off encumbrances, and to acquire, hold title to, lease and convey, with or without consideration, real and personal property and interests.

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

4.9 Utility and Cable Easements. The Association is granted easements to enter onto Units as is necessary or prudent to: (i) install, repair, and maintain Common Area utility lines; and (ii) install, operate, and maintain 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 Unit will be repaired at the Association's expense and in a timely fashion to original building construction standards.

4.10 Granting Utility Easements. The Board may grant easements and rights of way in, under, or through the Common Areas to construct, erecting, operating, or maintaining utilities and similar services.

4.11 Limitation on Granting Easements. Limitation on Granting Easements. Granting any Member an easement for exclusive use of any portion of the Common Areas requires Approval of the Membership, as provided for in the Davis-Stirling Act.

4.12 Borrow Money. The Association may borrow and repay monies in connection with the discharge of its duties, and pledge or assign Special Assessment rights, as security for the repayment of such borrowed money.

4.13 No Power to Encumber Real Property. The real property assets of the Association may not be encumbered as a security for debt.

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

4.15 Receive Property. The Board may receive property on behalf of the Association.

4.16 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 will act at the direction and supervision of the Board.

4.17 Transfer to Public Agency. The Association may, upon Membership Approval, dedicate or transfer all or any part of the Common Area to any public agency, authority, or utility for such purposes and subject to such conditions as agreed to by the Association.

4.18 Real Property Exchange. Upon Membership Approval, the Association may transfer any part of the Common Area to other Persons or entities in exchange for real property of equal or greater value.

4.19 Personal Property of Association. The Association may acquire and hold tangible and intangible personal property and may dispose of the same by sale or otherwise.

4.20 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.

4.21 Discharge of Liens. The Association will have the power to discharge by payment any lien against the Common Area and assess the cost thereof to the Member or Members responsible for the lien. Prior to any Board decision to discharge a lien, the Member or Members responsible for the lien will be given written notice and an opportunity for a hearing before the Board to present any defenses which may exist.

ARTICLE 5: ARCHITECTURAL CONTROL

5.1 No Improvements or Alterations Without Approval. No improvement, change or alteration may be made in or to any Unit, Common Area, or Exclusive Use Common Area until plans have been submitted to and approved in writing by the Architectural Committee. If improvements, additions, alterations, or modifications differ from those approved by the Architectural Committee, such improvements, additions, alterations, or modifications will be deemed disapproved and the Member will promptly correct the nonconforming items to comply with the Architectural Standards, the Architectural Committee's approvals, and City Requirements.

5.2 Applicants in Good Standing. Only Members in Good Standing may submit requests for approval of improvements, additions, alterations or modifications to their Units, Exclusive Use Common Areas, or Common areas appurtenant to their Units. "Good Standing" is defined to mean Members who are not delinquent by over sixty (60) days in the payment of any

Assessment, fee, or fine, and not found to have violated the Association's Governing Documents (following proper notice, hearing, and a finding by the Board).

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

5.4 Architectural Standards. The Board may adopt, amend, and repeal Architectural Standards. These Architectural Standards will interpret and implement these CC&Rs by setting forth the standards and procedures for the review and approval of proposed modifications, guidelines for architectural design, placement of any modification, color schemes, exterior finishes and materials, and similar features recommended for use within the Development, provided that the Architectural Standards will meet the minimum standards required by these CC&Rs. If any conflict arises between the Architectural Standards and these CC&Rs, the CC&Rs will prevail.

5.5 Architectural Committee. The Board may appoint an Architectural Committee. If the Board does not appoint one, the Board will be deemed the Architectural Committee. The Architectural Committee will have 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.

- a. *Architect.* The Board may retain the services of an architect and one or more consultants to assist the Architectural Committee in its duties. Compensation for consultants' services may be fixed by the Board. The cost of such consultants and any related expenses may be charged to those Members submitting plans for alterations and/or improvements to their Units. Any significant costs must be submitted to the Member for approval before incurred by the Association.
- b. *Conflicts of Interest.* No Director or Architectural Committee member may participate in the decision-making process of any architectural submittal made by that Director or Architectural Committee member or members of their family. Further, no Director or Architectural Committee member may participate in the decision-making process of any other architectural submittal if it results in a monetary benefit to the Director or Architectural Committee member or any company in which they or members of their family have a financial interest.
- a. *Waiver.* The Architectural Committee's approval of any proposal, plans, or specifications of any work done or proposed will not constitute a waiver of any right to withhold approval or consent of similar proposals, plans, or specifications submitted for approval.

5.6 Rescinding Approval. The Architectural Committee and/or the Board may rescind approval of plans previously approved by the Association if they believe there is good reason to rescind such approval. Good reason will include, but not be limited to, facts not disclosed when the application was approved, or a change in the law, City or County regulations, ordinances, or building codes.

5.7 Submission of Plans. Plans and specifications describing the proposed modification, will be submitted to the Architectural Committee by personal delivery or certified mail. Unless a delay in approval by the Architectural Committee results from (i) the applicant's failure to properly apply in accordance with the Association's guidelines, or (ii) a reasonable request by the Architectural Committee for additional information, the application will be deemed approved within 60 days of being submitted to the Committee unless the application has been disapproved by the Committee. Provided, however, that all applications that violate the Association's Governing Documents or Building and Safety Codes are automatically disapproved without action by the Committee unless variances are specifically approved in writing by the Committee. Approvals by the Architectural Committee may contain conditions or requests for modification of particular aspects of the Member's architectural submission.

5.8 Review Fees and Remodeling Agreement. The Board may establish a schedule of fees which may be charged against the submitting party to defray any costs incurred by the Association, including architectural and/or engineering consultant fees, legal fees, and expenses for reviewing plans. In addition, the Board may require Members to sign a remodeling agreement.

5.9 Appeal. A Member may submit an appeal of an architectural plan (or any portion thereof) within 30 days of a written decision denying the plan. Within sixty (60) days following receipt of the request for appeal, the Board will consider the appeal at an open meeting and render its written decision.

5.10 Variances. The Architectural Committee may grant reasonable architectural variances, subject to Board approval, if the Architectural Committee determines that the variance will not: (i) constitute a material deviation from the overall plan and scheme of the Development; (ii) result in a material detriment; or (iii) create a nuisance regarding the Common Area or any other Member. Granting a variance by the Board will in no event be deemed a variance or waiver on any other Unit, nor will any variance affect the applicability or enforceability of the Governing Documents against any other Unit.

5.11 Engineering and Code Requirements. Plans and specifications approved by the Architectural Committee are not approved for engineering design or building code specifications. Members will ensure compliance with applicable fire and building codes, City and County ordinances, requirements, and specifications.

5.12 Inspection. The Association will have the right, but not the obligation, to periodically inspect any improvements of which plans were approved by the Architectural

Committee. Members will allow inspection and any improvements may be halted and the Member fined if inspection is not allowed. Such inspections do not relieve a Member from his/her duty to comply with the Association's Architectural Standards and all applicable building and fire codes.

5.13 Building Department and Association Approvals. Any construction, repair, modification, or alteration of any Improvement requiring the issuance of a building permit will be submitted by the Member to the appropriate governmental entity for review and approval. If a conflict in the conditions of approval occurs imposed by the governmental entity and the Architectural Committee, the more restrictive conditions will control. Nothing will limit the Architectural Committee from imposing conditions of approval which are more restrictive than conditions imposed by governmental agencies.

5.14 Mechanics' Liens. Members will ensure that no lien is placed against any other Unit or against the Common Areas for labor or material furnished to their Units. If a lien is placed against the Common Areas and other Member's Units, 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 to have the lien removed and levy a Reimbursement Special Assessment against the responsible Member.

5.15 Hold Harmless and Indemnify. Approval of plans by the Association signifies only a general conformance with its Architectural Standards and not with Building and Safety Code compliance, lot lines, easements, or construction best practices. The Association and its Architectural Committee, Members, Officers, Directors, employees, and agents will not be liable and will be held harmless and indemnified for mistakes in judgment or negligence relating to the Association's approval or disapproval of plans.

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. Charcoal barbecues are prohibited. Residents will take reasonable precautions to minimize smoke from entering other Units when using other types of barbecues.

6.3 Drones. No person may operate, or cause, allow or authorize the operation of, any drone or other unmanned aircraft guided by remote control or onboard computer in the airspace above any portion of the Development or in such a way as to invade the privacy of Association guests, residents or vendors, whether equipped with a camera or otherwise, unless authorized by the Rules and Regulations of the Association or under advanced written approval of the Board of Directors on such terms and conditions as the Board may deem appropriate under the circumstances.

6.4 Flammable Materials. Under no circumstances may explosives, fireworks, or highly flammable or highly corrosive materials be stored or used by Members, Tenants, or their respective family, guests, or invitees in parking areas, Common Areas, Exclusive Use Common Areas, or Units.

6.5 Health/Safety Hazards. Members will not permit conditions which constitute a health, safety, or fire hazard to exist in their Units, or Exclusive Use Common Areas.

6.6 Spas and Hot Tubs. No spa or hot tub may be installed in any Unit without the written approval of the Board. Such installations will meet the requirements specified in the Architectural Standards. Spas, hot tubs, and saunas are prohibited on Exclusive Use Common Areas.

6.7 Laundry. No clothesline will be erected or maintained within sight of any Common Area or other Unit. No item may be draped over patio or terrace walls or railings.

6.8 Nudity. Public displays of nudity are prohibited.

6.9 Nuisance. No Member may cause or permit to be caused anything which constitutes a nuisance.

- a. *Unreasonableness*. To constitute a nuisance, the activity must be such that it causes an unreasonable disturbance or annoyance, be unreasonably injurious to health, be indecent, or be unreasonably detrimental to Persons or property.
- b. *Secondhand Smoke*. Any “exfiltration” (air flow outward through a wall, building envelope, window, etc.) of any noxious odor or smoke, including tobacco smoke, from a Unit, whether through windows, doors, vents, or other means, is prohibited. It is the responsibility of the Member causing such exfiltration of smoke to prevent such exfiltration.
- c. *Allergies*. Residents with allergies or sensitivities must, at their own expense, take precautions to protect themselves against commonplace levels of noise, odors, dust, smoke, gases, pollen, or other environmental pollutants.
- d. *Board Action*. 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 nuisance causes mere inconvenience or only involves adjourning neighbors or does not affect the Association’s affairs or Common Areas.

6.10 Obstruction of Common Areas. Common Area will only be used for its intended purpose.

6.11 Quiet Enjoyment. No one may engage in any abusive or harassing behavior or any form of intimidation or aggression, whether verbal or physical, against other Members, Residents, guests, invitees, members of the Board, or the Association's management, employees, agents, or vendors. Because the breach of quiet enjoyment is largely subjective, the Board may act only against egregious breaches. If the Association chooses not to act on a complaint of breach of quiet enjoyment, or the complaining party believes the Association's action is not sufficient, such party may take legal action to enforce this provision against other Residents, but specifically waives his/her right to take action against the Association and its Officers, Directors, employees, and agents in their handling of the party's complaint.

6.12 Residential Use. No Member will use or permit his/her Lot or any portion of it to be occupied or used for any purpose other than a private residential dwelling. Home based offices and businesses are permitted provided Member allows for inspection upon request by the Association, the business is licensed and does not disturb the quiet enjoyment of other residents, increase traffic, or otherwise cause a nuisance.

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

6.14 Sale of Unit. Open houses, brokers' caravans and other matters relating to the sale of a Unit will be provided for in the Rules.

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

6.16 Signs. Signs, posters, flags, banners, notices, nameplates, cards, and advertisements of any kind may only be displayed to the public view on or from any Unit 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 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. Noncommercial signs, posters, flags, or banners may be displayed on or from a Lot. Such displays will not cause a hazard or nuisance. Signs and posters may not be over nine (9) square feet and flags and banners may not be over fifteen (15) feet in size. A noncommercial sign, poster, flag, or banner may be made of paper, cardboard, cloth, plastic, or fabric, but may not be made of lights, roofing, siding, paving materials, flora, or balloons, or any other similar building, landscaping, or decorative component, or include the painting of architectural surfaces.

6.17 Use of Independent Contractors. Members may use independent contractors to perform work in their Unit subject to the Association's Construction Guidelines. Such contractors will be licensed and insured as required by law. The Association may, but is not required to, and is specifically relieved of any responsibility or liability for policing this provision. Members will be liable for any injury to persons or damage to the Common Areas,

Exclusive Use Common Areas, Units and any personal property caused by the acts or omissions of such Member's contractor. The Association may repair, restore or replace such damaged property and may impose a Reimbursement Special Assessment against the liable Member and that Member's Unit for all costs, expenses and attorney fees incurred by the Association for 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 Unit under Civil Code sections 2924, 2924(b), and 2924(c).

6.18 Window Coverings. The color of window coverings, if any, will 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.

6.19 Increased Insurance Rates. No Member will permit anything be done or kept in or on any Unit or any Common Area which will increase the rate of insurance in or on any other Unit or the Common Area, or which would cause uninsurability or in the cancellation, suspension, modification or reduction of insurance in, on or covering any other Lot, Common Area or item of personal property within the Development. If, by the occupancy or use of any portion of the Development by any Member, the rate of insurance on any policy held by the Association will be increased, such Member will become personally liable to the Association for any increase in insurance premiums caused and the cost of the increase will be assessed to such Member and his/her Lot as a Special Assessment.

6.20 Machinery and Equipment. No machinery or equipment of any kind will be placed, operated or maintained upon or adjacent to any Unit except such machinery or equipment as is usual and customary for the use, maintenance or construction of a private Residence and allowed under City Ordinances.

6.21 Sanitary Conditions. Members will maintain their Units, Exclusive Use Common Area and all Improvements in a clean and sanitary condition and not allow rubbish or debris of any kind to accumulate to render any portion of the Development unsanitary, unsightly, or offensive.

6.22 Storage. No Unit or Common Area will be used for open air storage of building materials, vehicles, implements, tools, furniture, landscaping materials or equipment, irrigation pipes or apparatus, junk, trash or any other things; provided, however, that building and landscaping materials, tools or equipment may be placed and maintained on building sites as provided for in the Architectural Guidelines.

6.23 Trash Containers. Trash will be disposed of in appropriate receptacle for trash, rubbish or garbage as posted on each trash enclosure.

6.24 Rental Rules and Procedures. The requirements and procedures for renting of a Unit are provided in the Rules.

6.25 Occupancy Restriction. The maximum number of Persons who may reside in any Unit is two (2) Persons per bedroom plus one additional Person for the Unit. For this restriction, “reside” means the use, residency, or occupancy of any Unit by any Person for over thirty (30) consecutive days or over sixty (60) aggregate days, whether or not consecutive, in any one calendar year.

6.26 Grandfathered Occupancy. In Units where the number of Persons residing in the Unit on the date of recordation of these CC&Rs violates these CC&Rs, those Persons residing over the maximum number of Persons permitted may continue to reside in the Unit; provided, however, once the current Residents over the maximum number permitted cease to reside in the Unit, these Persons cannot be replaced. Along with other remedies provided for in these CC&Rs, the Board may impose a water usage surcharge per Person residing in a Unit in violation of the occupancy restriction.

ARTICLE 7: PETS

7.1 Pet Limitation. Usual domesticated dogs, cats, fish, and birds may be kept as household pets. Only two (2) dogs or two (2) cats or one of each may be kept as household pets. No animal will 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 may set additional restrictions, rules, and regulations regarding the quantity, kinds and sizes of pets, and tanks which may be kept and other pet issues.

7.2 Service Animals. An animal otherwise prohibited by these CC&Rs, which is kept by a Resident to service the Resident’s disability, may be kept by such Resident provided: (i) the Resident submits documentation to the Board verifying the existence of a legally-defined disability; (ii) the service animal is properly cared for by the Resident (i.e., kept healthy, clean, and properly groomed and waste material is properly disposed of); and (iii) the animal is not unruly or disruptive (e.g., barking, growling, running loose, displaying aggressive behavior, etc.). All other applicable pet rules will apply to service animals.

7.3 Nuisance. Members will be liable to the Association and other Members for any damage to Person or property or nuisance noise caused by the pets of such Member, Member’s Tenant, or their respective family, guests, or invitees. The Board may prohibit any pet which, in its opinion, constitutes a nuisance is a danger to other Members under evidence provided at a noticed hearing.

7.4 Liability. Every Member will be liable for any injury to Persons or property caused by any pet brought or kept within the Development by the Member, Member’s Tenant or their respective family, guests, or invitees.

7.5 Control. No pets will be allowed in the Common Area, except as permitted by the Rules. No dog will enter the Common Area, except while on a leash held by a Person capable of

controlling it. The Association may cause any unleashed dog found within the Common Areas to be removed to a pound or animal shelter under the jurisdiction of the City or county.

ARTICLE 8: VEHICLES AND PARKING

8.1 Management of Parking. The Association will manage and control the use of all Common Area parking and streets.

8.2 Restricted Parking. Only these types of vehicles may be parked or stored in parking spaces: automobiles, trucks, motorcycles, and mopeds. Vehicles will be parked completely within the parking space. No RV, camper, boat, recreational water craft, trailer, or any other similar vehicle is permitted in any portion of the Common Areas or in any parking space. Only permitted vehicles may be stored in parking spaces.

8.3 Commercial Vehicles. Commercial vehicles, including pickup trucks 3/4 ton or larger panel trucks, tow trucks, stake bed trucks, tank trucks, dump trucks, step vans, concrete trucks, taxis, buses, vans designed for 10 people or more, vehicles with commercial signage, and the like, are prohibited, except as provided in the Rules and Regulations.

8.4 Guest Parking. Guest parking is limited and no vehicle will be permitted to park in guest parking, except as provided for in the Rules and Regulations. Members' guest parking may be suspended for delinquencies and rules violations.

8.5 Legal Operating Condition. All vehicles will be maintained in legal operating condition, so as not to be a hazard or nuisance by noise, exhaust emissions, or appearance. All vehicles will carry current registration tags and will be insured.

8.6 Noise Limitation. All vehicles must be configured to provide for their quiet operation.

8.7 Repair of Vehicles. No Member will construct, repair, or service any vehicle within any portion of the Common Areas, except for emergency repairs for the movement of the vehicle to a proper repair facility.

8.8 Fluid Leaks. Members must keep the Common Area streets and parking areas free of fluids such as oil, radiator coolant, brake fluid, power steering fluid, etc. Members who fail to do so may be fined or may be subject to a Reimbursement Assessment for the cost of cleaning the affected areas.

8.9 Theft or Damage. The Association will not be liable for any loss or damage suffered by any Member, Tenant, or guest by theft of or damage to any Vehicle or Vehicle contents, unless caused by the Association's intentional misconduct or gross negligence.

8.10 Impeding Access. No vehicle will be parked in such a manner as to impede or prevent ready access to any door, gate, entrance, or exit.

8.11 Garages. Garages may not be converted to any use other than the storage of vehicles. Garages will not be sublet (take out if keep renting provision above). It is each Owner's sole responsibility to confirm that the garage is accessible for the Owner's vehicle.

ARTICLE 9: ENFORCEMENT OF GOVERNING DOCUMENTS

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

- a. *Monetary Penalties*. The Board may assess reasonable monetary penalties for violations of the Association's Governing Documents by a Member, Member's Tenants or their respective family, Unit Residents, invitees or guests. Such Member will be liable for all costs of collection, including reasonable attorneys' fees, court costs, and related expenses.
- b. *Suspend Common Area Privileges*. Subject to the notice and hearing provisions in the Bylaws, the Board may temporarily suspend the 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 will 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. *Suspend Voting Rights*. Subject to the notice and hearing provisions in the Bylaws, the voting rights of a Member may be suspended for continuing violations of the Governing Documents. Once suspended, a Member's voting rights will remain suspended until such continuing violation is cured.
- d. *Judicial Enforcement*. A lawsuit for damages and/or injunctive relief may be filed, whether or not the relief sought is for negative or affirmative action.

9.2 Cumulative Remedies. The respective rights and remedies, provided by these CC&Rs, by law, or available in equity, will be cumulative and exercising any one or more of such rights or remedies will 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 these CC&Rs.

9.3 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, will in no event

be deemed a waiver of the right to do so. Waiver or attempted waiver of any provision of these CC&Rs regarding a Unit will not be deemed a waiver on any other Unit.

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

9.5 Right of Action Against Buyer. Failure by a Member to correct Unit violations prior to the transfer of title to the Unit will give the Association the right to enforce compliance against the buyer.

9.6 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 substantially-prevailing party will be awarded reasonable attorneys' fees and costs, including reasonable experts' fees.

9.7 Rights of City. The Development was built with the guidelines and criteria established and adopted by the City. The City has a continuing right and interest in the maintenance, preservation and repair of the Common Areas in a neat, clean, safe and sanitary condition. Furthermore, the City has an interest in the maintenance, preservation and repair of the exterior of any Improvements, or related structures, located in the Development. As a consequence, in the event that the Association or any Owner fails or refuses to satisfy those architectural standards as established by the Association, by and through its Board or the Architectural Committee, for the maintenance, preservation and repair of the Development, including the exterior maintenance of any Improvements, or related structures, located in the Development, the City shall have the right, but not the obligation, to cause the necessary maintenance and repair to be performed in accordance with such architectural standards. The City shall have the right to assess the costs the case may thereof against the Association or an owner(s), as the case may be, in accordance with the City's ordinances regarding repair of substandard dwellings, as such ordinances may be amended or adopted, from time to time. Nothing herein shall in any way diminish or abridge the rights of the Association or any owner under such ordinances or as provided by law to Notice and Hearing, to the opportunity to be heard and to present evidence on its behalf, and to appeal. The failure or refusal of the City to exercise any of the rights or powers conferred by this Article will not result in any liability to the City.

ARTICLE 10: RIGHT OF ENTRY

10.1 Limited Right of Entry. During reasonable hours and subject to the notice requirements in this Article, the Association's representatives, employees, and vendors may enter Units, Common Areas, and Exclusive Use Common Areas: (i) to inspect and perform maintenance or repairs to the Common Areas or Exclusive Use Common Area; or (ii) to mitigate or repair damages; or (iii) to inspect the Unit to ensure compliance with the Governing Documents. Such Persons, acting in good faith, will not be liable for trespass.

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

10.3 Avoid Unreasonable Interference. The right of entry will be exercised in such a manner as to avoid any unreasonable or unnecessary interference with the possession, use, and enjoyment of the Member or Resident of such Unit.

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

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

10.6 Damage Repaired by Association. Any damage caused by the Association to the Common Areas or Unit improvements will be promptly repaired by the Association to original building construction standards. If the damage was caused by others, the Association may seek reimbursement from the responsible parties.

10.7 Power to Vacate Unit. The Board has the authority to vacate a Unit to make repairs to the Association's Common Areas or to treat termites, other pest infestations, and microorganisms. All costs of food, lodging and other associated expenses will be borne by the Member and not by the Association. Any lost rent or income resulting from vacating a Unit will be borne by the Member and not by the Association. However, the Association will have the duty to diligently make repairs to return occupancy as quickly possible.

- a. *Notice*. The Board will give notice of the need to temporarily vacate a Unit to Residents and Members not less than fifteen (15) days prior to the relocation by first class mail, certified mail return receipt requested, or email. Email notification may be used only if recipient previously agreed to receive notices and communications from the Association by email. The notice will 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 will be by personal delivery or first class mail to the address on the books of the Association.

- b. *Duty to Vacate.* Members will ensure that Residents vacate their Units. If any Member fails to cause the Residents to vacate, the Association may levy a Reimbursement Special Assessments against the Member for all expenses and attorneys' fees incurred by the Association in removing such Residents from the Unit and any additional costs caused by the delay.

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

ARTICLE 11: ASSESSMENTS

11.1 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 and maintain the 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.

11.2 Regular Assessment. The Board will 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.* Per the Davis-Stirling Act, the Board will not, without the approval of Members casting a majority of the votes with quorum present, impose a Regular Assessment which is more than twenty percent (20%) greater than the Regular Assessment for the immediately preceding fiscal year. Quorum for the purposes of this provision means more than fifty percent (50%) of the Members of the Association.
- b. *Assessment Allocation.* Regular Assessments will be fixed at a uniform rate for all Units.

- c. *Payable Monthly.* Regular Assessments will be 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 will determine. Assessments for new Members will 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 will be sent by first-class mail to each Member not less than thirty (30) days nor over sixty (60) days prior to the increased Assessment becoming due.
- e. *Modification of Assessment.* The Board may modify the Regular Assessments during 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.

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

- a. *5% Limitation.* Per the Davis-Stirling Act, the Board will not, without the approval of Members casting a majority of the votes with quorum present, impose a Special Assessment which is more than five percent (5%) of the budgeted gross expenses of the Association for such fiscal year. Quorum for purposes of this provision means more than fifty percent (50%) of the Members of the Association.
- b. *Rate of Assessment.* Special Assessments will be fixed at a uniform rate for all Units.
- c. *Reimbursement Assessments.* Special Assessments may also be levied against individual Units 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 provided elsewhere in these CC&Rs, such expenses will include, but not be limited to: (i) enforcing compliance with the Association's Governing Documents; (ii) mitigating or repairing damage to Units, Association property, and/or Common Areas; (iii) collecting delinquent Assessments; (iv) attorneys' fees and costs; and (v) materials and services provided by the Association to individual Members, Tenants or their respective family, guests, or invitees.

- d. *Payment Schedule.* Special Assessments will be 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 will be sent by first-class mail to each Member not less than thirty (30) days nor over sixty (60) days prior to the Assessment becoming due.

11.4 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.

11.5 Deposit of Assessments. All sums received by the Association will be promptly deposited into accounts in the Association's name.

- a. *Commingling.* The Association will maintain separate accounts for its operating funds and its Reserves, respectively, and no funds from those separate accounts will be commingled.
- b. *Interest.* No Member may receive interest on any such funds deposited.

11.6 Other Assessments/Taxes.

- a. *Master Assessment.* The Master Association may levy a Master Assessment per its authority under the Master Governing Documents which are applicable to the Members, which assessments are in addition to the Association's Association.
- b. *Community Facilities District No. 4.* The Development is located within the zone of benefit of a community facilities district. Community Facilities District No. 4 ("C.F.D. No. 4") was formed to fund the annual expenses for operation, maintenance and personnel for fire station facilities to serve the property located within the boundaries of C.F.D. No. 4, as shown on the final boundary map thereof recorded in Book 41, Pages 75 and 76, Document No. 87-082712, of Maps and Community Facilities Districts in the Office of the County Recorder for San Bernardino county, California. The District is empowered and authorized to levy and collect special taxes which will be included on each owner's real property tax bill issued by the County Tax Collector.

11.7 Reserves. All sums assessed and collected by the Association budgeted to fund Reserves for anticipated long-term maintenance, repair, and replacement of Improvements upon the Common Area, the cost of which would not ordinarily be incurred annually, will:

- 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 will be deposited in financial institutions authorized to do business in California and where the Association's deposits are insured against loss. Alternatively, the Association may deposit funds with brokerage houses or institutions which are members of the Financial Industry Regulatory Authority and where the Association's deposits are insured against loss.
- c. *Require Two Signatures.* Be withdrawn from the Reserve account only upon approval by the Board and the signature of two (2) members of the Board.
- d. *Not Be Reimbursed.* All contributions to the Reserves, and interest earned, benefit the Association and not to the benefit of any individual Member. Contributions and interest are not refundable to Members when they cease to be Members of the Association.

ARTICLE 12: ENFORCEMENT OF ASSESSMENTS

12.1 Liability for Assessments. Assessments, with charges, interest, costs, and attorneys' fees (regardless of whether legal proceedings are instituted), will be a charge on the land and will be a continuing lien upon the property against which each such Assessment is made. In addition, Members will be personally liable for all Assessments provided for by these CC&Rs, with any accompanying late charges, interest, costs, attorneys' fees (regardless of whether legal proceedings are instituted), and penalties as authorized under these CC&Rs. Co-owners will be jointly and severally liable for all Assessments, late charges, interest, costs, and penalties. All Members owning a partial interest in a Unit will be personally liable, jointly and severally, for the entire amount of all Assessments against such Unit.

12.2 Enforcement Rights. Any Assessment will be the separate debt of each Member against whom the same is assessed. Besides any other rights provided for by law or described in these CC&Rs, the Board may collect delinquent Assessments as follows:

- a. *Late Fees and Interest.* Unpaid Assessments will be deemed delinquent fifteen (15) days after they are due and will be 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 twelve percent (12%) per annum, which may commence thirty (30) days after the Assessment becomes due.
- b. *File Suit.* The Association may commence and maintain a lawsuit directly on the debt without waiving its right to establish a lien and initiate foreclosure

against the Member's Unit for the delinquent Assessment. In any action to collect delinquent Assessments, late charges or interest, the prevailing party will be entitled to costs and reasonable attorneys' fees. If such costs and fees are awarded to the Association, they will become a Reimbursement Special Assessment against the Member and will be fully enforceable provided for in these CC&Rs including lien and foreclosure.

- c. *Lien and Foreclose.* Under the Davis-Stirling Act, a delinquent Assessment or installment, with any late charges, interest, costs, attorneys' fees, and penalties, will become a lien on the Unit upon the recordation of a "Notice of Delinquent Assessment" in the Office of the County Recorder. The Board may enforce any Assessment lien against a Unit by suing for judicial foreclosure or by nonjudicial foreclosure. The Association, through its Board, may bid on the Unit at the sale and may hold, lease, mortgage, and convey the acquired Unit.
- d. *Suspend Privileges.* Subject to the notice and hearing provisions in the Bylaws, privileges may be suspended until delinquent Assessments, fees and fines, including any accumulated penalties, interest, and costs of collection have been paid in full.
- e. *Suspend Voting Rights.* Subject to the notice and hearing provisions in the Bylaws, voting rights of a Member may be suspended if the Member is over sixty (60) days delinquent in paying any Assessment, fee, or fine. Once suspended, a Member's voting privileges will remain suspended until the delinquency, including any accumulated late charges, interest, and costs of collection, have been paid in full.
- f. *Additional Remedies.* The remedies provided in this Section will be in addition to, not in substitution for, any other rights and remedies which the Association may have.

12.3 No Offsets. All Assessments will be payable in the amount specified by the Assessment and no offsets against such amount will be permitted 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 construction or maintenance for which the Association is responsible that has not been performed; or (iv) any construction or maintenance for which the Association is responsible that has not been performed to a Member's satisfaction.

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

12.5 Attorneys' Fees. Any reasonable attorneys' fees and costs incurred by the Association in the enforcement of its Assessment rights against a Member 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.

12.6 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 will continue until a new Budget is approved and new Assessments are fixed.

ARTICLE 13: INSURANCE

13.1 Association Insurance. The Association may obtain and maintain policies of insurance as described below and/or required by law. To keep premiums at a reasonable level and to ensure the insurability of the Association, the Board will establish deductibles and make business decisions which losses will be submitted to the Association's insurance carrier.

- a. *Direct Physical Loss.* One or more policies for loss or damage by fire or other risks covered by the standard "Special Form" policy (or its equivalent) on all Common Area Improvements. Such insurance will be not less than one hundred percent (100%) of the aggregate full insurable value, meaning actual replacement value. The coverage will be written on a blanket basis with an agreed value endorsement and an inflation guard endorsement. In addition, if available at reasonable costs, the Board may purchase.
 - i. "Building Ordinance" coverage, or its equivalent, to cover any increased costs of construction following a covered loss which may be imposed due to changes in building codes or ordinances.
 - ii. "Maintenance Fees Receivable" coverage, or its equivalent, to cover the loss from unpaid or uncollected assessments resulting from a covered property loss.
 - iii. "Demolition and Debris Removal" endorsement in the amounts adequate to cover demolition and debris removal costs.
 - iv. Such other endorsements which the Board may deem necessary or reasonable.
- b. *Comprehensive or Commercial General Liability ("CGL").* One or more CGL policies which will provide liability limits for injury or death to one or more Persons in any one accident or occurrence. The Association will carry coverage in amounts that meet or exceed those called for in Section 5805 of the Civil Code or any successor statutes.

- c. *Directors and Officers.* Directors and Officers errors and omission insurance, which will provide liability limits insuring Directors, Officers, Committee members, and management employees. The Association will carry coverage in amounts that meet or exceed those called for in Section 5800 of the Civil Code or any successor statutes.
- d. *Workers' Compensation.* The Association will carry workers' compensation and employers' liability insurance, as may be appropriate.
- e. *Fidelity Bond.* The Association will maintain blanket fidelity bond coverage for all Directors, Officers, Committee members, and employees of the Association handling funds of the Association or third party property. If the Association has delegated some or all of the responsibility for handling funds to a management agent, the management agent will also be required to maintain blanket fidelity bond coverage for those Persons handling or responsible for funds of the Association.
- f. *Employment Practices Liability.* If the Association has employees, it should, depending on cost and availability, purchase employment practices liability coverage.
- g. *Automobile Liability Insurance.* If appropriate, the Association will purchase non-owned and hired automobile coverage and garage-keepers legal liability coverage.
- h. *Boiler and Machinery Insurance.* If appropriate, the Association will purchase insurance for the loss or damage to or because of boilers, pressure vessels, and pressure pipes.
- i. *Umbrella Policy.* Besides appropriate levels of insurance for all of the above, the Association may carry an umbrella policy for its public liability and property damage, Directors and Officers liability, and workers' compensation policies.
- j. *Earthquake and Flood Insurance.* The Association may purchase earthquake or flood insurance, if such insurance is available and if approved by the Board or the membership. If the Board decides not to purchase earthquake insurance for the Association's Improvements, that decision must be made as part of the Board's annual insurance disclosure to the membership.

13.2 Member Obligation to Carry Insurance. At their sole expense, Members will purchase these insurance: (i) real property and personal property coverage that insures their Unit's improvements and contents against damage or loss; (ii) premises liability that includes protection for bodily injury and property damage; (iii) personal liability coverage, (iv) loss of use

that protects a Member for additional living expenses should his/her Unit become uninhabitable due to a covered loss; and (v) loss assessment coverage that protects against Special Assessments due to a loss which exceeds the Association's master policy limits or deductible. In addition, if a Member operates a vehicle driven across or stored in the Association's Common Areas, the Member must carry automobile insurance. The Association may police this provision but is not required to 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 such claims are covered under insurance which Members must carry under these CC&Rs, regardless of whether Members carry such insurance.
- b. *Assignment of Proceeds.* If any loss intended to be covered by the Association's insurance occurs and the proceeds payable are reduced because of a Member's insurance coverage, that Member will assign such insurance proceeds to the Association, for the reduction. The Board will apply those proceeds to the same purposes as the reduced proceeds received by the Association.

13.3 Payment of Deductible. If a loss occurs because of the act or omission of any Member, Member's Tenant, or their respective family, guests, invitees, or pets or because of a failure of a portion of the Unit, its Improvements, or the Unit's Exclusive Use Common Area, and the loss results in a payment by the Association's insurance, that Member will pay the Association's deductible, if any.

13.4 Management of Claims. The Board, not individual Members, will determine which claims will be submitted to the Association's insurance carrier. The Board may consider the Association's claim history, the deductible, the apparent merit of the claim, etc. and make a business decision regarding which claims are submitted and which ones are not. If a Member makes an unauthorized claim against the Association's insurance which results in an increase in the Association's insurance premiums, the increase will be assessed against the Member and his/her Unit as a Special Reimbursement Assessment.

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

13.6 Choice of Contractor. Any repairs for which proceeds of insurance are paid or are payable to the Association, the Board will designate the contractor to perform the repairs to the Common Areas. Individual Members will oversee repairs done to their respective Units.

13.7 Insurance Company Rating. All policies of insurance obtained by the Board will be from an insurance company qualified to do business in the State of California and holding a

Best's Insurance Reports rating of "A" or better, or such other comparable rating as given by Standard and Poor's.

ARTICLE 14: PROTECTION OF LENDERS

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

14.2 No Priority Over Rights of First Mortgagees. Nothing in these CC&Rs will give a Member or any other party priority over any rights of first mortgagees of Units, under their mortgages of a distribution to Members of insurance proceeds or condemnation awards for losses to or taking of Units and/or the Common Area. If any Unit or any portion of a Unit is made the subject of any condemnation or eminent domain proceeding, no provision will entitle the Member or any other party to priority over a first mortgagee of a Unit, regarding any distribution to such Unit of the proceeds of any award or settlement.

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

14.4 Foreclosure. Any holder of a first mortgage who takes title to a Unit, under the remedies provided in the mortgage, through foreclosure of the mortgage will take the property free of any claim for unpaid Assessments or charges against the mortgaged Unit which accrued before such Person takes title to the Unit.

14.5 Priority of Mortgage Lien. No breach of any provision of these CC&Rs nor the enforcement of any lien created will affect, impair, defeat, or invalidate the lien of any mortgage or deed of trust made in good faith and for value, but the CC&Rs will be binding upon any Member whose title is derived through foreclosure, trustee sale, or otherwise.

14.6 Curing of Breaches. A Lender who acquires title to any Unit, under the remedies provided in the mortgage, through foreclosure of the mortgage, by deed in lieu of foreclosure, or otherwise will not be obligated to cure any breach of these CC&Rs which is noncurable or of a type which is not practical or feasible to cure. For this section, if a Lender acquires title by a deed in lieu of foreclosure, then delinquent Assessments owed on that Unit by a previous Member will not be a noncurable breach or a breach which is not practical or feasible to cure and an Assessment lien on that Unit will not be rendered invalid or unenforceable by the Lender's receipt of title to that Unit.

14.7 Payment of Taxes and Charges. Lenders may, jointly or singly, pay taxes or other charges 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 will be owed immediate reimbursement from the Association.

ARTICLE 15: LIMITATIONS OF LIABILITY

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

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

15.3 Association Not a Security Provider. The Association may, occasionally, provide measures of security in the Development. However, the Association is not a provider of security and will have no duty to provide any security in the Development. The obligation to provide security lies with each Member individually. The Association will not be held liable for any harm to Persons or property by failure to provide adequate security or ineffectiveness of security measures undertaken. This will include, but not be limited to, any loss or damage suffered by theft of or damage to any article or thing placed or stored in or on any portion of the Common Area.

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

15.5 Personal Injury or Property Damage Sustained Within a Unit. The following will apply if any Person sustains personal injury or property damage within a Unit or Common Area 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 where the injury or damage occurred will: (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 own cost and expense, any resulting litigation against the parties. However, there will be no obligation to defend or indemnify any party whose gross negligence or willful misconduct caused the injury or damage.

15.6 Actions Against Volunteers. No cause of action against a Person serving without compensation as Director or Officer of the Association because of any negligent act or omission by that Person within that Person's duties as Director acting in the capacity of a Board member, or as an Officer acting in the capacity of, and within the duties of, an Officer. No Director or Officer will be named or included in a complaint or other pleading unless the court enters an order allowing the pleading that includes that claim to be filed after the court determines that the party seeking to file the pleading has established evidence that substantiates the claim.

ARTICLE 16: DAMAGE/DESTRUCTION TO IMPROVEMENTS

16.1 Common Area Damage. If the Common Area is partially or destroyed by fire, earthquake, or other casualty:

- a. *Cost of Reconstruction*. As soon as practical, the Board will: (i) obtain bids from at least two (2) contractors licensed in California and insured, which bids will set forth 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 all insurance proceeds and Reserves available to the Association to effect 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 total annual operating Budget of the Association for the current fiscal year, the Board, without a vote of the membership, will 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 will be completed as promptly as practical. Notwithstanding any other provision, the Board will have the authority, without a vote of the membership, to levy a Special Assessment against the membership to provide the funds 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 will 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. *Decision Not to Rebuild.* If the membership votes not to rebuild the Common Areas:
 - i. *Revised Subdivision Map.* The Board will, as soon as practical, cause to be prepared, filed, and/or recorded any revised subdivision map, Condominium Plan, or other documents, reports, schedules, or exhibits to show the changed or altered status of the Development, including, without limitation, eliminating all or part of one or more of the Units, because of such damage; and
 - ii. *Distribution of Insurance Proceeds.* The Board will distribute the insurance proceeds available for such reconstruction, 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 necessary because of the damage or destruction, proportionately according to an appraised fair market value of the Condominiums (by a date immediately prior to destruction or condemnation). Such payment will be subject to rights of Mortgagees holding Mortgages encumbering Units and all unpaid Assessments, with any interest charges. Appraisers hired by the Board to appraise the Condominiums will be paid by the Association.
- e. *Elimination of Units.* If the elimination occurs of a Unit, the Unit will cease to be part of the Development, the Owner of the Unit will cease to be a Member of the Association, and the Percentage Interest in the Common Area appurtenant to that Unit will automatically become vested in the Members of the remaining Units in proportion to their respective Percentage Interest in the Common Area. If the elimination of a part of a Unit occurs, the Percentage Interest in the Common Area appurtenant to that Unit will be reduced in direct proportion to the reduction in square footage of the Unit, and the Percentage Interests and Assessment obligations of all Members will automatically be adjusted accordingly.

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

16.3 Right of Entry to Assess Damage and Make Repairs. Representatives of the Association, contractors, engineers, workmen, or any other Persons designated by the Board will have the right and authority to enter any Unit, Common Area, or Exclusive Use Common Area after such casualty to determine the extent of damage and to make repairs, as provided for under the “Right of Entry” provisions in these CC&Rs.

16.4 Power to Vacate Unit. The Board has the authority to vacate a Unit to make repairs, as provided for under the “Right of Entry” provisions in these CC&Rs.

16.5 Labor and Materials. In determining whether the plans for a reconstructed Building are in substantial conformance with the Condominium Plan, the Board may consider the availability and expense of the labor and materials in the original construction of the Building. If such labor or material is not available or is prohibitively expensive at the time of reconstruction, the Board may permit the substitution of other labor or material, as it deems proper.

16.6 Interior Unit Damage. Restoration and repair of any damage caused by fire, earthquake, or other casualty to: (i) the interior of any individual Unit; (ii) personal property, furniture, furnishings, and decorations within a Unit; or (iii) any Improvements added to the Unit by any present or prior Unit Resident or Member will be made by and at the individual expense of the current Unit Owner. The repairs, restoration and reconstruction will 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 will seek approval, as provided for in these CC&Rs.

16.7 Damage to Drywall. If damage to the plaster occurs and drywall inside a Unit:

- a. *Replacement.* The Association will only be liable for the replacement of drywall on the interior of the perimeter walls and ceiling of the Unit which, in the estimation of the Board, suffered sufficient damage to require replacement. The Association will not be liable for repainting the walls or replacing wall coverings of any kind in the event the Association is responsible for replacement of the drywall. The restoration and repair of all other interior walls will be at the sole expense of the Member.
- b. *Re-Taping.* Damage to perimeter walls that does not require replacement of the drywall (e.g., buckled joint tape, hairline fractures of the drywall, etc.) will be the responsibility of the individual Member. The Member will handle the restoration and repair of all finished surfaces, including, but not limited to, re-taping, painting, plastering, and wallpapering.

16.8 Special Assessment for Reconstruction. If the proceeds of insurance obtained by the Association are paid to any Mortgagee of a Unit and, by such payment, the insurance proceeds are not provided 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, such proceeds not provided will be assessed and charged to and against the Member and his/her Unit as a Special Assessment. The Special Assessment will be made by written notification from the Board to the Member or Members against whom made.

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

ARTICLE 17: CONDEMNATION

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

17.2 Payment for Common Area. If an action in eminent domain is brought to condemn all or any portion of the Common Areas, the Association will represent the Members in all proceedings, negotiations, or settlements. Awards for acquiring Common Area will 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.

17.3 Payment for Unit. If an action in eminent domain is brought to condemn all or any portion of one or more Units, the award made for such taking will be payable to the respective Owners of the Units, subject to: (i) the rights of Mortgagees holding Mortgages covering such Units; and (ii) all unpaid Assessments of each Member, taken with interest charges. The Board of Directors will have no responsibility for the restoration of a Member's personal or real property taken because of condemnation.

17.4 Revision of Documents. If any condemnation of a part of the Development occurs, the Board will, as soon as practical, cause to be prepared, filed, and/or recorded a revised subdivision map, Condominium Plan, or other documents, reports, schedules, or exhibits to show the changed or altered status of the Development.

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

ARTICLE 18: MISCELLANEOUS

18.1 Amendment. These CC&Rs may be amended by the vote or written consent of Members comprising over fifty percent (50%) of the Voting Power of the Association or as provided for by law, provided that the percentage of the Voting Power to amend a specific provision will not be less than the percentage of affirmative votes prescribed for action to be taken under that provision. Any amendment enacted in compliance with this provision will become effective when recorded with the Office of the County Recorder.

18.2 Lender Approval. If a First Mortgagee is entitled by the terms of these CC&Rs to consent to or approve a proposed amendment or restatement to the CC&Rs, fails to return a ballot, such first Mortgagee will be deemed to have consented to and approved the proposed amendment or restatement, provided the ballot was delivered by certified or registered mail with return receipt requested and the delivery signed for by a representative of the First Mortgagee.

18.3 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, the Board of Directors will have the authority, on the unanimous approval of the Directors and without approval of the Members, to amend that provision, but only to the extent to render the provision compliant with applicable law.

18.4 Term of CC&Rs. These CC&Rs will continue in full force and effect for a term of sixty (60) years from their recordation, after which time they will be automatically extended for successive periods of twenty (20) years, unless within six (6) months prior to the expiration of the initial term or any twenty (20) year extension period a written agreement executed and acknowledged by at least seventy five percent (75%) of the Members is placed on record in the office of the County Recorder, terminating the effectiveness of these CC&Rs.

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

18.6 Notices. Any communication or notice of any kind permitted or required may be delivered as provided in these CC&Rs and will be in writing and may be served, as an alternative to personal service, by mailing same as follows:

To a Member: To the street address of the Unit or at such other address as Member may designate in writing to the Association.

To the Association: To the address of the Manager or the Board President.

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

18.7 Headings. The headings 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 constructing any term or provision of these CC&Rs.

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

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

18.10 Severability. These CC&Rs and any other Governing Document will be deemed independent and severable and the invalidity, partial invalidity, or unenforceability of any one provision will not affect the validity or enforceability of any other provision.

18.11 No Public Rights. Nothing in these CC&Rs will be deemed to be a gift or dedication of the Development to the general public or for any public use or purpose whatsoever.

18.12 Successor Association. If the Association, as a corporate entity, is dissolved, a nonprofit, unincorporated association will, without further action, automatically succeed 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, and any law.

18.13 Conflicting Provisions. If any conflict arises between these CC&Rs and the Articles or the Bylaws, these CC&Rs will control. If any conflict arises between the Articles and the Bylaws, the Articles will control.

CERTIFICATION

WE CERTIFY this 15th day of May, 201⁹ this Restated Declaration of Covenants, Conditions and Restrictions, and Reservation of Easements for Laing's First Edition at Ontario Center has been duly approved and adopted by the membership of Laing's First Edition – Ontario Center Homeowners Association.

LAING'S FIRST EDITION - ONTARIO CENTER HOMEOWNERS ASSOCIATION

Margaret Stumm
President

Coggy Burke
Secretary

CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

CIVIL CODE § 1189

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

State of California

County of San Bernardino

On May 15, 2019 before me, Jason G. Thomas, Notary Public
Date

personally appeared

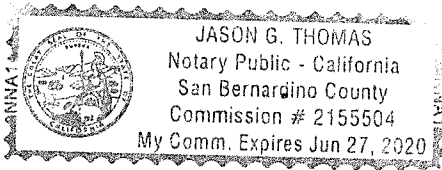
Margaret S. Stamm and
Here, Insert Name and Title of the Officer

Peggy Burke
Name(s) of Signer(s)

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

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

WITNESS my hand and official seal.



Signature

[Signature]
Signature of Notary Public

Place Notary Seal Above

OPTIONAL

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

Description of Attached Document

Title or Type of Document: Restated Declaration of Covenants
Number of Pages: 52 Signer(s) Other Than Named Above: 5-15-2019
Document Date:

Capacity(ies) Claimed by Signer(s)

Signer's Name:

- ☐ Corporate Officer — Title(s): _____
☐ Partner — ☐ Limited ☐ General
☐ Individual ☐ Attorney in Fact
☐ Trustee ☐ Guardian or Conservator
☐ Other: _____

Signer Is Representing: _____

Signer's Name:

- ☐ Corporate Officer — Title(s): _____
☐ Partner — ☐ Limited ☐ General
☐ Individual ☐ Attorney in Fact
☐ Trustee ☐ Guardian or Conservator
☐ Other: _____

Signer Is Representing: _____