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THIRD RESTATED COVENANTS, CONDITIONS, AND RESTRICTIONS (CC&Rs)

OF

LAKE RIVERSIDE ESTATES COMMUNITY ASSOCIATION

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**LAKE RIVERSIDE ESTATES COMMUNITY ASSOCIATION
THIRD RESTATED COVENANTS, CONDITIONS AND
RESTRICTIONS (CC&Rs)**

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**LAKE RIVERSIDE ESTATES COMMUNITY ASSOCIATION
THIRD RESTATED DECLARATION OF COVENANTS,
CONDITIONS AND RESTRICTIONS (CC&Rs)**

The original *Declaration of Covenants, Conditions and Restrictions* of LAKE RIVERSIDE ESTATES COMMUNITY ASSOCIATION was recorded on April 10, 1970, as Instrument No. 70-33659 of the Official Records of Riverside County, California, and all amendments thereto (which are contained in Appendix One of the *First Restated Declaration*).

The *First Amended and Restated Declaration of Covenants, Conditions and Restrictions* ("*First Restated Declaration*") of LAKE RIVERSIDE ESTATES COMMUNITY ASSOCIATION, which was recorded on August 28, 2001, as Instrument No. 2001-413918, of the Official Records of Riverside County, California, superseded and replaced the original *Declaration* and affected all of the Development described and commonly known as Lake Riverside Estates. The 2001 *Declaration* was amended, superseded and restated in its entirety by the *Second Restated Declaration* recorded on June 22, 2005, as Instrument No. 2005-0493617.

The *Second Amended and Restated Declaration of Covenants, Conditions and Restrictions*, which affected all of the Development described and commonly known as Lake Riverside Estates, is hereby amended, superseded and restated in its entirety to read as follows:

RECITALS

A. The *First Restated Declaration* established LAKE RIVERSIDE ESTATES COMMUNITY ASSOCIATION ("Association") by and through the Board of Directors to oversee, manage, maintain and operate the real property ("Development") subject to the *Second Restated Declaration*, plus all annexations to the Development. The Development subject to these CC&Rs is legally described as follows:

That certain real property in the County of Riverside, State of California, described as Lots 1 through 1074 and Lots A, B, and C, inclusive, of Tract No. 3925, as shown on the Map recorded on March 25, 1970, as Document Number 27915 in Book 65, Pages 15 to 43 of Maps and as amended by Certificate of Correction recorded February 16, 1973, as instrument No. 20685, in the official records of Riverside County, State of California.

B. The Development was originally conveyed, subject to certain easements, protective covenants, conditions, restrictions, reservations, liens and charges as set forth in the *First Restated Declaration* referred to above, all of which are for the purpose of enhancing and protecting the value, desirability and attractiveness of the Development and all of which shall run with the Development and be binding on all parties having or acquiring any right, title or interest in the Development, or any part thereof, their heirs, successors and assigns, and shall inure to the benefit of each Owner thereof.

C. The name of the corporation is LAKE RIVERSIDE ESTATES COMMUNITY ASSOCIATION. The Association is organized under the California Nonprofit Mutual Benefit Corporation Law and is a planned development within the meaning of §4175 of the *Davis-Stirling Common Interest Development Act* ("Act").

D. The Development contains the following features:



Common Area is owned by the Association; Owners possess appurtenant rights to the beneficial use and enjoyment of the Common Area; and the Association maintains the Common Area with the power to levy Assessments that may become a lien upon the Lots in accordance with this *Third Restated and Amended Declaration of Covenants, Conditions, and Restrictions* ("CC&Rs") and §5650 through §5740 of the Act.

E. The Lots sold and conveyed to the Owners within the Development are subject to the protective covenants, conditions, restrictions, limitations, reservations, grants of easements, rights, rights-of-way, liens, charges and equitable servitudes as set forth in these CC&Rs, the *Bylaws*, the *Rules and Regulations* and any other Association Governing Document.

F. The Association now proposes to amend and restate the *Second Restated Declaration* and replace it in its entirety with these CC&Rs. Upon recordation of same, the Development shall be subject to the covenants, conditions, restrictions, rights, reservations, easements, equitable servitudes, liens and charges contained herein. The CC&Rs means this instrument as the same may be amended from time to time.

ARTICLE 1. DEFINITIONS

The terms used in these CC&Rs, unless the context clearly indicates a contrary intention, shall have the same meaning as those set forth in Article 2 of the *Third Restated Bylaws* ("*Bylaws*") which is incorporated by reference as part of these CC&Rs.

"**Accessory Structure**" means a stand-alone, unattached building or structure including, but not limited to, garages, workshops, barns, loafing sheds, stalls, or storage buildings.

"**Annual Budget Report**" pursuant to §5300 of the Act shall be distributed to the Owners and includes, but is not limited to, a pro forma operating budget, a summary of the Association's reserves, a summary of the reserve funding plan, and a summary of the Association's insurance policies.

"**Annual Policy Statement**" pursuant to §5310 of the Act shall be distributed to the Owners and shall include, but is not limited to, a statement of Assessment collection policies, a statement describing the Association's policies and practices in enforcing lien rights or other legal remedies for default in the payment of Assessments, a statement describing the Association's discipline policies, and a summary of dispute resolution procedures.

"**Architectural Review Committee**" means the committee created in accordance with Article 13 of these CC&Rs.

"**Architectural Rules, Standards and Guidelines**" means the rules, regulations, restrictions, standards and/or guidelines which are a part of the *Rules and Regulations* and which have been adopted by the Board and amended from time to time.

"**Articles**" means the *Articles of Incorporation* of LAKE RIVERSIDE ESTATES COMMUNITY ASSOCIATION, which were filed in the Office of the California Secretary of State on October 16, 1970. The *Articles* may be amended from time to time.

"**Assessment**" means any Regular, Special, Reimbursement or Emergency Assessment made or assessed by the Association against the Owners and their Lots in accordance with the provisions of Article 10 of these CC&Rs.



"Association" means the LAKE RIVERSIDE ESTATES COMMUNITY ASSOCIATION, a California nonprofit corporation (formed pursuant to the Nonprofit Mutual Benefit Corporation Law of the State of California), its successors and assigns. The Association is an "association" as defined in §4080 of the *Act* and was created for the purpose of managing a common interest development.

"Association Rules" or **"Rules and Regulations"** means the rules, regulations and policies adopted by the Board of the Association pursuant to these *CC&Rs* and the *Bylaws* as the same may be in effect from time to time.

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

"Board of Directors" or **"Board"** means the Board of Directors of the Lake Riverside Estates Community Association.

"Bylaws" means the *Third Amended Bylaws* of the Association which may be amended or restated from time to time by a vote of the membership.

"CC&Rs" means this instrument and the same may be amended or restated from time to time by a vote of the membership. The *"First Restated Declaration"* and *"Second Restated Declaration"* mean and refer to the documents referenced in the Preamble to these *CC&Rs*, together with all amendments and annexations thereto, adopted prior to recordation of these *CC&Rs*.

"Common Area" means all the real property owned by the Association for the common use and enjoyment of the Owners as delineated in Article 3 of these *CC&Rs*. As more specifically set forth in Article 3, Section 3.1 of these *CC&Rs*, the Common Area includes certain lots located within Tract No. 3925 that are owned by the Association. Unless the context clearly indicates a contrary intention, any reference herein to the "Common Area" shall also include the Easements set forth in these *CC&Rs*. The Common Area lots or Easements include any Common Facilities located thereon.

"Common Expense" means any use of common funds authorized by the Governing Documents and the *Act* and includes, without limitation:

- (1) All expenses or charges incurred by or on behalf of the Association for the management, maintenance, administration, insurance, operation, repairs, additions, alterations or reconstruction of the Common Area, Common Facilities, Easements or any portion of any Lot that the Association is obligated to maintain or repair;
- (2) All expenses or charges reasonably incurred to procure insurance for the protection of the Association, the Board of Directors and other persons designated by the Board;
- (3) Any amounts reasonably necessary for reserves for maintenance, repair, and replacement of the Common Area, Common Facilities, and Easements or any portion of any Lot that the Association is obligated to maintain, repair, replace, or add to and for nonpayment of any Assessments; and



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

"Common Facilities," without limitation, mean such items as

(1) Landscaping including trees, hedges, plantings, lawns, and shrubs, water, fences, utilities, pipe lines, electrical lines, lighting fixtures, playground equipment, cabanas, arena, entry gates, vehicles, equipment, tools, and

(2) Buildings and structures, whether temporary or permanent, such as the Community Center, Equestrian Center, lake, ballpark, Airport, tie down area, Shore Park, swimming pool, restrooms, walls, fences, and other facilities constructed or installed, to be constructed or installed in the future, or are currently located within the Common Area, Easements, or other Lots owned by the Association.

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

"Deed of Trust" or "Trust Deed" means a first Mortgage or a first Deed of Trust, as the case may be.

"Development" means all of the real property described and identified in Recital A hereof (Tract Map No. 3925 of Riverside County) together with all Lots, Common Area, Common Facilities, Easements, buildings, structures, utilities, and all other Improvements now located or hereafter constructed or installed thereon, and all appurtenances thereto.

"Director" means a natural person who serves on the Board.

"Easement" means the Easements set forth in Article 4 of these CC&Rs. The Easements shall be appurtenant to, and shall pass with title to each Lot and consist of the following: Airstrip Clearance Easement, Alley Easements, Channel Access Easement, Creek Easement, Drainage Easements, Firebreak Easements, Grave Site Easements, Road Easements, Slope Easements, Utility Easements and Water Well and Conduit Easements. Where the context requires, each of the foregoing Easements shall be considered Common Area. The Association has the right to limit or regulate use of the Easements or perform its obligations or exercise its rights under these CC&Rs or other Governing Documents.

"Emergency Assessment" means an extraordinary expense for an emergency situation as set forth in Article 10 of these CC&Rs.

"General Notice" or "General Delivery" means that the document shall be provided by one or more of the following methods:

- (1) Any method provided for delivery of an Individual Notice;
- (2) Inclusion in a billing statement, newsletter, or other document; or
- (3) Posting the printed document in prominent locations that are accessible to all Owners, if the locations have been designated for the posting of General Notices by the Association in the Annual Policy Statement described in §5310 of the Act.



"Good Standing" means an Owner/Member who is current in the payment of all Assessments levied against the Owner/Member's Lot, has no unpaid fines or fees, and is not subject to any suspension of privileges (i.e., voting or use of recreational facilities) as a result of any disciplinary proceeding conducted in accordance with the Governing Documents.

"Governing Documents" is a collective term that means and refers to these *CC&Rs*, the *Articles, Bylaws, Rules and Regulations* including the *Architectural Rules, Standards and Guidelines*, and any other policies or procedures which govern the operation of the Association and which may be adopted from time to time by the Board.

"Improvement" includes, but is not limited to, the construction, installation, alteration, or remodeling of any Residence, Accessory Structures, buildings, outbuildings, storage sheds, garages, walls, patios, gates, garage doors, hangar doors, lighting and lighting fixtures, fences, swimming pools, spas/hot tubs, recreation facilities, roads, driveways, parking areas, screening walls, retaining walls, exterior stairs, decks, landscaping, landscape structures, poles, hangars, stables, animal shelters, ornamental lighting, drainage facilities, utility lines, air conditioners or air conditioning systems or any structure of any kind. In no event shall the term "Improvement" be interpreted to include projects that are restricted to the interior of any Residence.

"Individual Notice" or "Individual Delivery" means that the document shall be sent by one of the following methods:

(1) First-class or priority mail, postage prepaid, registered or certified mail, express mail, or overnight delivery by an express service carrier. The document shall be addressed to the recipient at the address last shown on the records of the Association.

(2) E-mail, facsimile, or other electronic means, if the recipient has consented, in writing, to that method of delivery.

"Lot" means Lots 1-1074 and Lots A, B, and C on Tract Map No. 3925 which lots may be owned by a natural person, firm, corporation, government, or governmental subdivision or agency, business trust, estate, trust, partnership, limited liability company, the Association, or other entity and is real property as described in a deed recorded with the County. When appropriate within the context of these *CC&Rs*, the term "Lot" shall also include the Residence and other Improvements constructed or to be constructed on a Lot.

"Member" means every Owner in which title to a Lot is vested as shown by the official records of the Office of the County Recorder.

"Mortgage" means any security device encumbering all or any portion of the Development including any Deed of Trust. "First Mortgage" shall refer to the beneficiary of, or the holder of, a note secured by a first Deed of Trust (Trust Deed) or, as the case may be, the mortgagee under a first Mortgage and/or the assignee of such beneficiary, holder or mortgagee.

"Officer" means the President, Vice President, Secretary, Treasurer and any other subordinate Officers as may be chosen or appointed by the Board.

"Owner" means any natural person, firm, corporation, government, or governmental subdivision or agency, business trust, estate, trust, partnership, limited liability



company, the Association or other entity which owns a fee simple interest in a Lot. The term "Owner" shall include for the purpose of compliance with the Governing Documents, except where the context otherwise requires, the family members, guests, tenants, invitees, vendors and employees of an Owner. The term "Owner" shall not include persons or entities that hold an interest in a Lot merely as security for the performance of an obligation or as a contract purchaser.

"Regular Assessment" means the Assessments assessed upon an Owner and his or her Lot in accordance with Article 10 hereof.

"Reimbursement Assessment" means an Assessment levied against an Owner and his or her Lot in accordance with Article 10 hereof.

"Residence" means a private, single family dwelling constructed on a Lot. The construction, installation, modification and/or alteration of any Residence is subject to the approval of the Architectural Review Committee and/or the Board. Only one (1) Residence is permitted per Lot.

"Single Family Residential Use" means occupancy and use of a Residence for single family dwelling purposes in conformity with these *CC&Rs*, other Governing Documents and the requirements imposed by applicable zoning or other applicable laws or governmental regulations.

"Special Assessment" means an Assessment levied upon an Owner and his or her Lot in accordance with Article 10 hereof.

"Voting Power" means the total number of Lot Owners eligible to vote at any election or vote of the Owners. Owner(s)' voting privileges that have been suspended shall not be included into the Voting Power during the effective period of any such suspension.

ARTICLE 2. GOVERNING DOCUMENTS

Section 2.1 History of Governing Documents

Lake Riverside Estates Community Association was formed as a non-profit corporation in 1970 for the purpose of the operation, improvement and maintenance of the 3500 acre subdivision Tract No. 3925 as recorded with the County.

Subsequently, Governing Documents were written for the management of the Association and the benefit of Association Owners. Anyone purchasing property in Lake Riverside Estates agrees to abide by the Association's Governing Documents. Each of the Governing Documents addresses a different aspect of preserving a quality of life for Lot Owners in Lake Riverside Estates. Governing Documents include the *CC&Rs*, *Bylaws*, and *Rules and Regulations* including *Architectural Rules, Standards, and Guidelines* and other policies or procedures as may be adopted from time to time by the Board.

The Governing Documents shall be in conformance with state and federal laws and County ordinances including, without limitation, the *Act*.

Section 2.2 Articles of Incorporation

The *Articles of Incorporation* ("*Articles*") of Lake Riverside Estates Community Association were filed in the Office of the California Secretary of State on October 16, 1970. The *Articles* may be amended from time to time.

Section 2.3 Declaration of Covenants, Conditions, and Restrictions (CC&Rs)



The *CC&Rs* are concerned primarily with the covenants, conditions and restrictions concerning the real property within the Development. Amendments to the *CC&Rs* must be voted upon and approved by the Owners and recorded with the County.

Section 2.4 *Bylaws*

The *Bylaws* delineate the corporation's actions including, without limitation, calling and holding meetings. Amendments to the *Bylaws* must also be approved by the Owners.

Section 2.5 *Rules and Regulations*

The purpose of the *Rules and Regulations* is to provide guidance and direction for Owners regarding, but not limited to, Lot/Residence/Accessory Structure maintenance, domestic animals, traffic control, use of Common Area, Common Facilities, and Easements (such as the Community Center, Airport, Pool, Equestrian Center and Lake/Shore Park), architectural specifications and other restrictions concerning the Lots. Most revisions to the *Rules and Regulations* are voted upon and adopted by the Board after a 30-day review period by Owners.

Section 2.6 Owners' Compliance with Governing Documents

2.6.1 All present and future Owners, tenants, occupants and guests/invitees of Residences within the Development shall be subject to, and shall comply with, each and every provision of the Governing Documents, as the same or any of them shall be amended from time to time, unless a particular provision is specifically restricted in its application to one or more of such classes of persons; i.e., Owners, tenants, occupants and/or guests/invitees.

2.6.2 The acceptance of a deed to any Lot, the entering into a lease, or contract of sale with respect to any Lot, or the occupancy of any Residence shall constitute the consent and agreement of such Owner, tenant or occupant that each and all of the provisions of these *CC&Rs*, as the same or any of them may be amended from time to time, shall be binding upon said person and that said person will observe and comply with the Governing Documents.

2.6.3 Each Owner and his or her family members, lessee, licensees, residents, occupants or guests of a Residence shall comply with the provisions of the Governing Documents of the Association, all of which may be amended from time to time.

2.6.4 Failure to comply with any such provisions, decisions, or resolutions, shall be grounds for an action to recover sums due, for damages, or for injunctive relief, or for any other remedy permitted by law or permitted by the terms of the Governing Documents.

2.6.5 In the event of joint ownership of any Lot, the obligations and liabilities of the multiple Owners under the Governing Documents shall be joint and several. Without limiting the foregoing; this subparagraph shall apply to all obligations, duties and responsibilities of Owners as set forth in the Governing Documents, including, without limitation, the payment of all Assessments.

2.6.6 No Owner, by non-use of the Common Area, Common Facilities, or Easements, abandonment of the Owner's Lot or otherwise, may avoid the burdens and obligations imposed on such Owner under the Governing



Documents, including, without limitation, the payment of Assessments levied against the Owner and his or her Lot pursuant to these CC&Rs.

ARTICLE 3. LOTS

Section 3.1 Common Area Lots

The following lots in Tract No. 3925 are designated as Common Area:

3.1.1 Lot #250 - Water Well

This Common Area is for the purpose of supplying and maintaining water service to the lake located on lot A of Tract No. 3925 and other purposes consistent therewith including the provision of water to Common Facilities, Easements, and other Common Area.

3.1.2 Lot #272 - Maintenance Yard

The Maintenance Yard houses equipment and materials required for the maintenance, repair, and/or Improvement of the Development.

3.1.3 Lot #278 - Airport Extension

This lot was donated by Robert Reiss to the Association for the purpose of extending the airport no-object fly zone. Robert Reiss was an avid pilot who resided in Lake Riverside Estates and was made famous by his numerous flights circumnavigating the world.

3.1.4 Lot #315 - Aircraft Tiedown Area

Transit parking of aircraft on this Lot is for guests of Owners and Owners who do not have hangars.

3.1.5 Lot #334 - Equestrian Center

The Equestrian Center has an unlighted 140' X 200' arena and is limited to use by Owners and their guests subject to *Rules and Regulations* adopted by the Board.

3.1.6 Lot #382 - Community Center/ Pool

The two story Community Center provides space for administrative services, meetings, events, and other Association related activities. The Community Center was constructed by Owners who volunteered their labor and expertise in years past. The 30' by 50' swimming pool ranges in depth from 3 ½ feet to 8 ½ feet. Maintenance vehicles and lake equipment are also housed on the Lot.

3.1.7 Lot #439 - Jeromy West Ballpark

The baseball/softball field in the ballpark will be constructed through donations and volunteer labor by the parents, friends, and troop members of Boy Scout Troop 371. The field is named after Jeromy West, who was killed while serving in the Marines and whose family resides in Lake Riverside Estates. The ballpark is dedicated to all Lake Riverside Estates' military veterans.

3.1.8 Lot A - Lake/Shore Park

The fifty-five (55) acre lake contains catfish, largemouth bass, and bluegill. Boating, fishing and other recreational activities are allowed by Owners and their



guests subject to rules and regulations adopted by the Board. A boat ramp and loading dock are available for Owners and their guests. The lake is home to many bird species including Canada geese, egrets, heron and migratory ducks and brown pelicans.

The Shore Park includes a children's playground and several cabanas with BBQs.

Section 3.2 Sale of Common Area

Each lot designated as Common Area shall remain undivided, and there shall be no judicial partition thereof. No Common Area lot shall be sold without an affirmative vote of a majority of the Owners during a vote in which a quorum of ninety percent (90%) of the Voting Power of the Association was obtained. For purposes of this section, the ninety-percent (90%) quorum requirement shall not be reduced.

Section 3.3 Lots Owned by the Association

The Association may acquire Lots through foreclosure, deed in lieu of foreclosure, donation, purchase, or any other legal means of obtaining title to the Lot. Any such Lots are not considered Common Area. The Association may sell these Lots without a vote of the Owners.

Section 3.4 Lots Dedicated to the County of Riverside

The following lots in Tract No. 3925 were dedicated to public use for street purposes and accepted by the County Board of Supervisors on March 23, 1970. They are not considered Common Area:

3.4.1 Lot B - State Highway 371 Right-of-Way.

As a condition of the dedication of lot B, the Owner of any Lot abutting the aforesaid lot B (Highway 371) shall have no rights of access whatever.

3.4.2 Lot C - A portion of Bradford Road, County of Riverside.

Section 3.5 Common Facilities

Common Facilities may be sold by the Board without a vote of the membership provided, however, that any single sale in any fiscal year shall not exceed five percent (5%) of the budgeted gross expenses of the Association for that fiscal year.

ARTICLE 4. EASEMENTS

Section 4.1 Lot Easements

An easement is a legal agreement in which the Association and Lot Owners have the right to limited use of another Owner's Lot for the purposes set forth in the Governing Documents and subject to the provisions of the Governing Documents. Every Lot includes one (1) or more of the Easements as indicated on County Tract Map No. 3925, Document No. 27915. These Easements shall be appurtenant to, and shall pass with title to each Lot and shall be subordinate to any exclusive Easements granted elsewhere in these CC&Rs. Permitted uses, rules, regulations, and restrictions of these Easements may be found in the Governing Documents.

4.1.1 Airstrip Clearance Easement



The 3500' Airstrip Clearance Easement otherwise known as the "Airport" is located on sections of Lots 301, 302, 303, 304, 305, 306, 307, 308, 309, 310, 311, 312, 313, 314, 316, 317, 318, 319, 320, 321, and 322. The Airport is a Federal Aviation Administration (FAA) restricted private use Airport solely for use by the Association, Owners and the Owners' guests.

4.1.2 Alley Easements

Alley Easements are dedicated as riding/hiking trails and are for the use and enjoyment of walkers, hikers, runners, and equestrians. Alley Easements are found on designated Lots bounded by Sky Harbor Way on the north, Lakeshore Blvd. on the west, Lake Riverside Drive on the east, and Meadowview Way on the southeast.

4.1.3 Channel Access Easement

The fifteen foot (15') wide Channel Access Easement extends from Lake Riverside Drive to Lakeshore Blvd. on the south bank of and parallel to the creek easement.

4.1.4 Creek Easement

The Creek Easement includes the water and banks of Cahuilla Creek.

4.1.5 Drainage Easements

Established drainage is defined as the drainage which existed before any grading or Improvements were constructed on a Lot as indicated on Tract Map No. 3925.

4.1.6 Firebreak Easements

Firebreak Easements provide access for fire suppression.

4.1.7 Grave Site Easements

Grave sites of the Parks family, early residents of the Lake Riverside Estates area, are located on portions of Lots #198, #272 and on the island on Lot A.

4.1.8 Road Easements

Each Owner and the Association has a non-exclusive easement for roadway and vehicular traffic purposes over and along those portions of the Common Area and Lots designated upon Tract Map No. 3925 as Road Easements subject to the rights and restrictions set forth in the Governing Documents including the right of the Association to adopt rules and regulations concerning the use thereof.

4.1.9 Slope Easements

Slope Easements adjoin the Road Easements and are either a cut into a bank or fill.

4.1.10 Utility Easements

Utility Easements are for the use and benefit of public utility companies which are authorized to serve in the Development and include an easement six (6) feet in width on each side of common Lot lines, except those along public road right-of-ways and Road Easements, and an easement twelve (12) feet in width along Lot lines on the perimeter of the Development.



4.1.11 Water Well and Conduit Easements

This easement right applies to a strip five (5) feet wide along the front, back and each side of every Lot, including, but not limited to those portions of Lots 213, 228, 251, 252, 253, 254, 265, 273, 274, 282, 292, 298, 309, 310, 311, 312, 313, 314, 315, 320, 323, 346, 366, 368, 369, 370, and 382.

ARTICLE 5. ASSOCIATION MEMBERSHIP

For purposes of this Article 5, the term "person" or "entity" means and includes a natural person, firm, corporation, government or governmental subdivision or agency, business trust, estate, trust, partnership, limited liability company, the Association or other entity recognized by the laws of the State of California.

Section 5.1 Automatic Membership

5.1.1 Only the Owner or Owners of Lots whose name(s) are listed on a deed as shown by the official records of the Office of the County Recorder are eligible to be Association Members.

5.1.2 Every person or entity who is an Owner of a Lot subject to imposition of Assessments shall be a Member of the Association as provided in the *Bylaws* and these *CC&Rs*.

5.1.3 Membership shall be appurtenant to and may not be separated from ownership of any Lot.

5.1.4 Membership is not intended to include persons or entities that hold an interest in a Lot merely as security such as for performance of an obligation; nor is an Owner intended to include contract purchasers.

5.1.5 Any conveyance, judicial sale, or other voluntary or involuntary transfer of the Owner's entire estate shall also include the Owner's membership interest in the Association.

Section 5.2 Proof of Membership

No person shall exercise the rights of membership in the Association until satisfactory proof thereof has been furnished to the Secretary of the Board.

5.2.1 Such proof may consist of either a copy of a duly executed, acknowledged and recorded deed showing him/her or an entity to be the Owner of an interest in a Lot in Tract 3925 entitling him/her/it to membership. Such deed shall be deemed conclusive in the absence of a conflicting claim based on a later recorded deed.

5.2.2 If a corporation, partnership, association or other entity designates an agent to serve as the representative of the entity, minutes of the corporation, partnership, association or other entity shall include the name of the person who is designated to serve as agent, and such minutes shall be delivered to the Board Secretary.

Section 5.3 Term of Membership

5.3.1 Each Owner who is a Member shall remain a Member until he or she no longer qualifies as such under the provisions of these *CC&Rs*.



5.3.2 Upon the sale, conveyance or other transfer of an Owner's interest in a Lot, the Owner's membership interest appurtenant to the Lot shall automatically transfer to the Lot's new Owner.

ARTICLE 6. OWNERSHIP RESTRICTIONS

Reasonable restrictions regarding the use of Lots and the Common Area, Common Facilities and Easements may be adopted by the Board in accordance with the terms of the Governing Documents. By purchasing Lots in Lake Riverside Estates, Owners agree to abide by the Governing Documents of the Association.

Section 6.1 Designation of Lots as R1

6.1.1 All Lots within the Development known as Lake Riverside are designated as R1 properties (1 to 2 ½ acres) and as such are subject to the restrictions of R1 Lots as are currently stated or may be stated in current or future County ordinances.

6.1.2 The Association may enact reasonable *Rules and Regulations* that are more restrictive than the County ordinances allow, but no rule or restriction shall be less restrictive than any particular or specific County ordinance.

Section 6.2 Single Family Residential Use

6.2.1 This residential planned development is for Single Family Residential Use only which means that occupancy and use of a Residence is limited to single family dwelling purposes in conformity with these CC&Rs and the requirements imposed by applicable zoning or other applicable laws or governmental regulations, including County ordinances.

Section 6.3 Air, Light, and View

6.3.1 The Owner of a Lot has no natural right to air, light or an unobstructed view.

6.3.2 The Association has no legal obligation to provide any Owner of a Lot rights to air, light, or an unobstructed view.

6.3.3 The Association shall not grant easements or adopt conditions, covenants or restrictions giving the Owner of a Lot any rights to air, light, or an unobstructed view.

Section 6.4 Combining of Lots

6.4.1 Prior or subsequent combining of Lots permitted by the County shall not reduce the number of Lots that are obligated to pay Assessments as indicated in Tract Map No. 3925.

6.4.2 Any plans for new construction or modifications of an existing Residence including Accessory Structures on combined Lots shall be submitted and approved by the Architectural Review Committee prior to any grading or construction taking place.

Section 6.5 Subdivision of Lots

Lots shall not be subdivided into smaller Lots.



Section 6.6 Timeshares

6.6.1 Use of any Lot in a manner which is consistent with timeshare projects, timeshare estates, timeshare programs and timeshare uses as defined in this section and/or pursuant to California *Business and Professions Code* §11212 is prohibited.

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

6.6.3 For the purpose of this section, the term "timeshare" usually means any contractual right of exclusive occupancy, whether fixed for a specific time period or not, which does not fall within the definition of a "timeshare estate," including, without limitation, a vacation license, prepaid hotel reservations, club membership, limited partnership, trust agreement, or vacation bond.

Section 6.7 Multiple Ownership

Ownership of a Lot as tenants in common, joint tenants or any other form of multiple ownership by more than four (4) persons or entities is prohibited.

ARTICLE 7. USE OF AN OWNER'S LOT

Subject to federal and state laws and County ordinances, the Board may regulate the use of an Owner's Lot, including, but not limited to the following:

Section 7.1 Displaying the Flag of the United States

The Association shall not prohibit the display of the flag of the United States by an Owner on or in the Owner's Lot. For purposes of this section, "display of the flag of the United States"

7.1.1 Means a flag of the United States made of fabric, cloth, or paper displayed from a staff or pole or in a window, and

7.1.2 Does not mean a depiction or emblem of the flag of the United States made of lights, paint, roofing, siding, paving materials, flora, or balloons, or any other similar building, landscaping, or decorative component.

7.1.3 Flags shall be flown in a manner that is in keeping with federal guidelines.

Section 7.2 Noncommercial Signs

The Association shall not prohibit the posting or displaying of noncommercial signs, posters, flags, or banners on or in an Owner's Lot, except as required for the protection of public health or safety or if the posting or display would violate a local, state, or federal law.



7.2.1 For purposes of this section, a noncommercial sign, poster, flag, or banner may be made of paper, cardboard, cloth, plastic, or fabric and may be posted or displayed from the yard, window, door, balcony, or outside walls of a Residence but may not be made of lights, roofing, siding, paving materials, flora or balloons, or any other similar building, landscaping or decorative component including the painting of architectural surfaces.

7.2.2 No signs shall be placed at the entrances to the Development and no advertising shall be made that invites the public into the Development without the express permission of the Board.

7.2.3 No signs shall be erected or displayed on Common Area, Common Facilities or Easements except signs placed by authority of the Board.

Section 7.3 Domestic Animals

7.3.1 Unless expressly authorized by the Governing Documents, no more than a reasonable number of domestic pets, pursuant to the County ordinances and as further determined by the Board, may be kept by their respective Owners on their respective Lots, provided that they are not kept, bred, or maintained for any commercial purpose and do not endanger the health or unreasonably disturb the Owner of any Lot or any resident thereof or create a nuisance.

7.3.2 No pet, regardless of size or type, shall be permitted to be kept within any portion of the Development property if it makes excessive noise or otherwise constitutes an unreasonable annoyance or danger to other Owners or residents.

7.3.3 Pet enclosures or shelters, whether temporary or permanent, shall be submitted to the Architectural Review Committee for approval prior to installation or modification.

7.3.4 Shelters shall be used for the purpose for which they were approved by the Architectural Review Committee as long as the animal(s) for which the shelters were intended reside on the Lot.

7.3.5 Any other noncommercial animal keeping including Future Farmers of America (FFA) and 4H projects shall not be permitted without prior written approval of the Board.

Section 7.4 Dogs

7.4.1 No more than four (4) dogs shall be permitted per Lot.

7.4.2 A puppy shall be considered a "dog" at four (4) months.

7.4.3 Dogs must not be kept for commercial purposes.

7.4.4 Dogs must be licensed and vaccinated, provided with suitable shelter, and must not be tethered.

7.4.5 Any dog that is off the premises of its Owner is considered at large. When a dog is at large, the dog must be physically restrained by a suitable leash and under the control of a person capable of handling the dog. Voice control, eye control or signal control of the dog does not constitute required restraint when the dog is at large.



7.4.6 No Owner may keep or allow to be kept, or suffer or permit any dog to remain upon the premises when such dog habitually barks, whines or makes loud or unusual noises in such a manner as to disturb the peace and quiet of the neighbors surrounding or in the vicinity of such premises, or whose barking or howling or other sound or cry interferes with any person of ordinary sensibility in the reasonable and comfortable enjoyment of life and property.

Section 7.5 Horses

7.5.1 The noncommercial keeping of no more than four (4) horses, donkeys, mules or any combination thereof is permitted per Lot.

7.5.2 A young horse or foal will be counted as a "horse" as soon as it reaches one (1) year of age.

7.5.3 Suitable enclosures and shelters are required for the protection of these animals.

7.5.4 All enclosures and shelters, whether temporary or permanent, must be approved by the Architectural Review Committee prior to being installed or modified on a Lot.

7.5.5 Sanitary conditions must be maintained by cleaning animal shelters and enclosures regularly for the animal's good health to prevent odors from becoming offensive and/or to prevent conditions that tend to breed flies and other insects and/or to furnish food and breeding places for rats or mice.

7.5.6 In order to protect the natural creeks and waterways, waste material shall not be allowed to accumulate near or in these areas.

Section 7.6 Other Domestic Animals

7.6.1 The non-commercial keeping of bees, cats, poultry, rabbits, chinchillas, guinea pigs, parakeets and other small fowl, sheep, goats, alpacas, llamas, and miniature pigs on any Lot shall be subject to the *Rules and Regulations* and any other Governing Documents, policies or procedures as may be established by the Board.

7.6.2 Cows or cattle of any kind are not permitted to be kept on any Lot.

Section 7.7 Renting or Leasing an Owner's Lot

"Leasing," or renting for purposes of these *CC&Rs*, is defined as regular, exclusive occupancy of a Residence by any person or persons other than the Owner for which the Owner receives any consideration or benefit, including, but not limited to, a fee, service or gratuity. All leasing or renting within the Development shall be in writing and shall be governed by the following provisions:

7.7.1 The leasing of a vacant Lot is prohibited.

7.7.2 Each Owner shall have the right to lease his or her Residence provided that such lease is in writing and provided that the tenant shall be bound by and obligated to the provisions of the Governing Documents of the Association.

7.7.3 Within fourteen (14) days after entering into the lease of a Residence, the Owner shall provide the Board with the name, telephone number and address of



the lessee, the name, address and phone number of the Owner, and such other information as the Board may reasonably require

7.7.4 The Owner shall transfer and assign to the tenant, for the term of the lease, any and all rights and privileges that the Owner has to use the Common Area, Common Facilities and Easements, including, but not limited to, the use of any and all recreational facilities and other amenities.

7.7.5 The Association may not deny an Owner or occupant physical access to the Owner's or occupant's Lot or Common Area, either by restricting access through the Common Area to the Lot or by restricting access solely to the Lot.

7.7.6 Owners may not use the Common Area, Common Facilities or Easements when the Residence is being leased or rented.

7.7.7 Any leasing of a Residence shall contain the following language, and if such language is not expressly contained therein, then such language is deemed to be and shall be incorporated into a lease by existence of this covenant on the Lot. Any tenant, by occupancy of a Residence agrees to the applicability of this covenant and incorporation of the following language and terms into the lease:

7.7.7.1 Lots shall be leased only in their entirety; no fraction or portion thereof may be leased unless approved by the Board.

7.7.7.2 There shall be no subleasing of Lots or assignment of leases unless approved in writing by the Board.

7.7.7.3 All leases must be for a term of no fewer than thirty (30) consecutive days in any one twelve (12) month period. The thirty (30) day minimum lease requirement is declaratory of the Association's *Second Restated Declaration* that was in effect prior to January 1, 2012.

7.7.7.4 No such lease shall be for transient or hotel purposes. Any such lease pursuant to which the lessor provides any services normally associated with a hotel shall be deemed to be for transient or hotel purposes.

7.7.7.5 The Owner must make available to the tenant/lessee copies of the Governing Documents and ensure that the tenant/lessee has read and understood the contents of the Governing Documents.

7.7.7.6 The Owner must provide the tenant/lessee with a gate card or cards as may be required and a pool key.

7.7.7.7 The Owner must ensure that any vehicle owned by the tenant/lessee displays an Association sticker as required by the *Rules and Regulations*.

7.7.8 Lessee and lessee's guests, residents, and occupants shall abide by and comply with all provisions of the Governing Documents as they may be amended from time to time. The violation of same shall constitute a default under their lease. If a tenant or an occupant violates a provision of the Governing Documents for which a fine is imposed, such fine shall be the responsibility of the Owner and the payment of the fine may be pursued by the Association against the Owner of the Lot.



7.7.9 The Owner hereby delegates and assigns to the Association, acting through the Board, the power and authority of enforcement against the tenant for breaches resulting from the violation of the Governing Documents, including the power and authority to evict the tenant on behalf of and for the benefit of the Owner, in accordance with the terms hereof.

7.7.10 In the event the Association proceeds to evict the tenant any costs, including attorney fees and court costs associated with the eviction, shall be imposed as a Reimbursement Assessment against the Lot and the Owners thereof, such being deemed hereby as an expense which benefits the leased Lot and the Owner thereof.

7.7.11 Leases existing on the effective date of these *CC&Rs* shall be permitted to continue in accordance with the terms of the *CC&Rs* as they existed prior to the effective date of these *CC&Rs*.

7.7.12 However, any assignment, extension, renewal, or modification of any lease agreement, including, but not limited to, changes in the terms or duration of occupancy, shall be considered a termination of the old lease and commencement of a new lease which must comply with the Governing Documents.

7.7.13 Each Owner does hereby presently assign to the Association, absolutely and regardless of possession of the property, all rents and other monies now due or hereafter to become due under any lease or agreement or otherwise for the use or occupation of any or all parts of any Lot owned by the Owner, now existing or hereafter made for the purpose of collecting all Assessments (including late fees, interest and costs of collection) due the Association pursuant to these *CC&Rs* which Assessments are in default.

7.7.14 The Association hereby confers on each Owner the authority to collect and retain the rents and other monies derived from any such lease or agreement as they become due and payable, provided that the Association at its sole discretion, may revoke such authority at any time, upon written notice to the Owner of a default in the payment of any Assessment due hereunder.

7.7.15 Upon revocation of such authority the Association may collect and retain such monies whether past due and unpaid or current.

7.7.16 The Association's rights under this subsection shall be subordinate to the rights of any First Mortgage holder.

Section 7.8 Residential Trade or Business

Trade or business may be conducted in or from a Residence or any part of the Lot so long as there is no material impact on the Common Area, Common Facilities, Easements or Owners of Lots due to the operation of such trade or business.

7.8.1 For purposes of this section, the term "material impact" shall include, but not be limited to, any significant increase in traffic or noise affecting the Common Area, Common Facilities, Easements and/or neighboring Lots.

7.8.2 The term "business" and "trade" as used in this provision, shall be construed to have their ordinary or generally accepted meanings, and shall include, without limitation, any occupation, work, or activity undertaken on an



on-going basis which involves the provision of goods or services to persons other than the provider's family and for which the provider receives a fee, compensation or other form of consideration, regardless of whether such activity is engaged in full or part-time, such activity is intended to or does generate a profit, or a license is required therefor.

Section 7.9 Garage/Yard Sales

Garage/yard sales mean a sale of personal property held on a Lot with a Residence.

7.9.1 Sales may not be held on vacant Lots.

7.9.2 Sales are subject to the *Rules and Regulations* adopted by the Board and other policies and procedures as may be adopted from time to time by the Board.

Section 7.10 Use of OHVs on Owner's Lot

Any use of off highway vehicles on an owner's Lot shall not constitute a nuisance.

7.10.1 No off highway vehicle may be operated on an Owner's Lot unless it is for light maintenance.

7.10.2 Under no circumstances may an off highway vehicle track be established and used anywhere in the Development or on any Lot by any person for recreational or other similar purpose.

ARTICLE 8. USE OF COMMON AREA, COMMON FACILITIES AND EASEMENTS

The Board has the right to establish reasonable *Rules and Regulations* governing the use of the Common Area, Common Facilities and Easements.

Section 8.1 Owner's Right to Use Common Area, Common Facilities and Easements

8.1.1 Every Owner shall have a nonexclusive right for use and enjoyment in and to the Common Area, Common Facilities and Easements within the Development. Such right shall be appurtenant to and shall pass with the ownership of a Lot, subject to all of the covenants, conditions, rules, regulations, restrictions and any other provisions contained in these *CC&Rs* and other Governing Documents.

8.1.2 No part of the Common Area, Common Facilities, or Easements shall be obstructed so as to interfere with the use for the purposes herein above permitted.

8.1.3 No Owner shall make any alteration or improvement to the Common Area, Common Facilities or Easements, or remove or place any trees, structures, furnishings or other object therefrom or thereto, except as provided in the Governing Documents.

8.1.4 The building, constructing, or placing by any Owner or by any other person or persons, of any structure, tree, hedge, fence, shrubbery or any obstruction of any kind or character in such position as to encroach on any Common Area, Easements, or Lots as presently shown on Tract Map No. 3925, is prohibited.

8.1.5 Each Owner shall be liable to the Association for any and all damage to the Common Area, Common Facilities, and Easements or to any Improvements thereon or thereto, including, but not limited to, buildings, recreational facilities and landscaping, caused by such Owner, his or her family members, tenants,



guests, or any occupant of such Owner's Lot including but not limited to licensees, employees, vendors, and service providers.

8.1.6 Each Owner shall be legally liable to the Association for all damages to the personal property owned by the Association and the Common Area, Common Facilities, and Easements or any area for which the Association has the maintenance obligation, including but not limited to the buildings, recreational facilities and landscaping caused by such Owner, his or her family members, tenants, guests, or any occupant of such Owner's Lot including but not limited to licensees, employees, vendors, and service providers.

8.1.7 In the event, after written request by the Board, the Owner fails to pay the Association for the damage caused by the Owner, his or her family members, tenants, guests, or any occupant of such Owner's Lot including but not limited to licensees, employees, vendors, and service providers, as such liability may be determined under California law, the Board, by majority vote, may impose a Reimbursement Assessment upon the Owner in the same manner and with the same remedies as described in these *CC&Rs*.

8.1.8 No Owner may unreasonably interfere with the use and enjoyment by any other Owner or the Association of the Common Area, Common Facilities and/or Easements.

8.1.9 The Board has the authority to limit the number of an Owner's family members, tenants and their guests using the Common Area, Common Facilities or Easements.

8.1.10 No part of the Common Area, Common Facilities, or Easements shall be used for storage purposes without the express permission of the Board.

Section 8.2 Delegation of Use

8.2.1 Any Owner may delegate his or her rights of enjoyment in the Development, including the Common Area, Common Facilities, and Easements to the members of his or her family, guests, and invitees and to such other persons subject to the terms and conditions set forth in the Association's Governing Documents.

8.2.2 Neither an Owner of a Lot who has sold same to a contract purchaser thereof or has leased or rented same, nor members of his/her family, guests and invitees shall be entitled to use and enjoy the Common Area, Common Facilities and Easements while such Owner's Lot is occupied by such contract purchaser, lessee or renter.

8.2.3 Each Owner shall notify the Association of the names of any contract purchaser or tenant/lessee of the Owner's Lot.

8.2.4 Each Owner or contract purchaser or tenant/lessee shall also notify the Association of the names of all persons to whom such Owner or contract purchaser or tenant has delegated any rights to use and enjoy the Common Area, Common Facilities and Easements and the relationship that each such person bears to the Owner or contract purchaser or tenant/lessee.



8.2.5 Any rights of enjoyment delegated pursuant hereto are subject to suspension to the same extent that rights of the Owners are subject thereto.

Section 8.3 Use of Alley Easements

- 8.3.1 Alley Easements may be used by walkers, hikers, and equestrians.
- 8.3.2 Bicyclists are not permitted on Easements designated as riding/hiking trails.
- 8.3.3 No vehicular traffic is permitted on any Alley Easement without the express approval of the Board. This restriction includes motorcycles, golf carts, off highway vehicles, and any other motorized conveyance.
- 8.3.4 Notwithstanding the restrictions of subsection 8.3.3 above, vehicular traffic, including bicycles, is permitted on the Alley Easement shown on Lot A, the Lake/Shore Park, to provide access to the lake and to provide access to the Community Center/Pool Lot and on the Alley Easement between Lakefront Drive and the Lake/Shore Park Alley Easement.
- 8.3.5 The speed limit on any Alley Easement is ten (10) mph.
- 8.3.6 Vehicular ingress from any Lot onto any Alley Easement or egress from any Alley Easement onto any Lot is prohibited without the express approval of the Board.
- 8.3.7 Alley Easements may not be used for access to Lots in lieu of utilizing flag Lot access or driveway entrances.
- 8.3.8 No fencing shall be installed by Owners on any Alley Easement.
- 8.3.9 Overnight parking of motorhomes, RVs, vehicles, horse trailers, utility trailers or other similar conveyances is not permitted on any Alley Easement.
- 8.3.10 Trash containers shall not be placed on any Alley Easement.
- 8.3.11 Trees, shrubs, or other landscaping shall not be planted on any Alley Easement without the express permission of the Board.

Section 8.4 Use of Road Easements

- 8.4.1 Relevant provisions of the California *Vehicle Code* are made a part of these CC&Rs and will be enforced in the same manner as the CC&Rs.
- 8.4.2 Compliance with posted speed limits, stop signs, and other posted signs as well as vehicular rules, regulations and restrictions is required by Owners and their family members, invitees, renters, service personnel, employees, vendors and any other person entering the Development at the invitation of the Owner.
- 8.4.3 The speed limit on Road Easements for automobiles is twenty-five (25) mph.
- 8.4.4 The speed limit for trucks with six (6) wheels, for vehicles pulling trailers, for off highway vehicles (OHVs) and for golf carts is twenty (20) mph.
- 8.4.5 The speed limit for heavy equipment such as ten (10) wheelers, water trucks, dirt haulers, eighteen (18) wheelers, sets of doubles, or other similar vehicles is fifteen (15) mph.



- 8.4.6** The speed limit for passing equestrians or pedestrians is five (5) mph.
- 8.4.7** Owners are responsible for any speeding violations of family members, tenants, occupants, guests, vendors, employees, service providers or any other person entering the Development at the invitation of the Owner.
- 8.4.8** Only persons with valid driver's licenses are allowed to drive motor vehicles within the Development.
- 8.4.9** A person may not drive a motor vehicle within the Development that is not of a type for which the person is licensed by a state department of motor vehicles (DMV).
- 8.4.10** Overnight parking of motorhomes, vehicles or trailers is prohibited on any road easement.
- 8.4.11** OHVs and golf carts may be operated on Road Easements subject to the *Rules and Regulations* and any other policies or procedures that may from time to time be adopted by the Board.
- 8.4.12** Dirt bikes, mini-bikes, trail bikes or similar motorized two-wheel conveyances not licensed for the highway are not permitted to be ridden on any Common Area or Easement including Alley and Road Easements or on any Owner's Lot.
- 8.4.13** The driver of any vehicle approaching any equestrian shall exercise proper control of his or her vehicle and shall reduce speed or stop as may appear necessary or as may be signaled or otherwise requested by the equestrian.
- 8.4.14** No storage containers of any kind, including dumpsters, shall be permitted on Road Easements.

ARTICLE 9. OWNERS' OBLIGATIONS TO ASSOCIATION AND OTHER OWNERS

Section 9.1 Nuisances

- 9.1.1** No Owner, family member, tenant, occupant or guest shall do any act or allow any condition to exist that will unreasonably affect other Lots or their Owners, family members, tenants, occupants or guests, including, without limitation, noise and lighting.
- 9.1.2** No Owner, family member, tenant, occupant or guest of a Residence may use or allow the use of the Residence or any portion of the Lot in any way or for any purpose which may endanger the health or unreasonably annoy or disturb other Owners, family members, tenants, occupants or guests of a portion of the Lot or in such a way as to constitute, in the sole opinion of the Board, a nuisance.
- 9.1.3** Noxious, illegal, or materially offensive activities shall not be carried out or conducted upon any Lot, Common Area, Common Facilities, Easements or in any part of the Development, nor shall anything be done within the Development which shall unreasonably interfere with any other person's right to quiet enjoyment.
- 9.1.4** Nothing herein, however, shall be construed to affect the rights of an aggrieved Owner, tenant or occupant to proceed individually for relief from interference with his or her property or personal rights.



Section 9.2 Dangerous Use of Lots

9.2.1 No Owner, family member, tenant, or occupant shall allow any condition to exist which will unreasonably affect the other Lots or their Owners, their family members, tenants or occupants.

9.2.2 Nothing shall be done or kept on any Lot or within the Common Area, Common Facilities or Easements which will increase the rate of insurance relating thereto on any policy maintained by the Association without the prior written consent of the Board.

9.2.3 No Owner shall permit anything to be done or kept on his or her Lot or within the Common Area, Common Facilities or Easements which would cause any Improvements to be uninsurable against loss by fire or casualty or result in the cancellation of insurance on any Residence or any part of the Common Area, Common Facilities or Easements.

9.2.4 Each Lot and all Improvements located on the Lot shall be maintained by the Owner in good condition and repair and in such manner as not to create a fire hazard.

9.2.5 Each Owner does further, by acceptance of a deed to a Lot, agree for himself, herself and for the members of his or her family, contract purchasers, tenants, occupants, guests or invitees, to indemnify each and every other Owner and the Association, and to hold him or her harmless from, and to defend him or her against, any claim of any person or persons for personal injury or property damage occurring within the Lot of the indemnifying Owner.

Section 9.3 Impairment of Lots, Common Area, Common Facilities and Easements

9.3.1 Owners, tenants or occupants shall neither perform nor commence any work that will impair the structural soundness or integrity of another Lot, Common Area, or Common Facilities or impair any Easement, nor do any act nor allow any condition to exist which will unreasonably affect the other Lots or their Owners or occupants.

9.3.2 In the event the Board shall determine that any portion of the Development required to be maintained by the Association has been damaged or destroyed by any negligent or malicious act or omission of any Owner, his or her family members, guests, tenants, occupants, service personnel, agents or licensees, such Owner shall be responsible for the cost of repairing the damage.

9.3.3 In the event that the Owner fails to pay the cost for the repairs, then the Association shall make such repairs or replacements and the cost thereof shall be levied against such Owner as a Reimbursement Assessment.

Section 9.4 Fire Prevention

9.4.1 No open fires are permitted at any time or on any property within the Development without a California Campfire Permit issued by Fire Department Station #77 which is located in Lake Riverside Estates.

9.4.2 Vegetation on vacant Lots that creates a fire hazard shall be properly controlled by disking, dragging, or mowing the entire property to the perimeters of the Lot.



9.4.3 Vegetation creating a fire hazard on Lots with Residences shall be properly controlled around the Residence and Accessory Structures and on the entire property to the perimeters of the Lot.

9.4.4 The Association is authorized to perform fire hazard control on a Lot for a fee payable by the Owner if the Owner refuses or fails to perform the required work after reasonable notice. Such fee may be imposed as a Reimbursement Assessment upon the Owner and Lot

9.4.5 Owners are liable for the cost of suppression and damages caused by any wildfire that starts through their negligence.

Section 9.5 Insurance

9.5.1 Each individual Lot Owner, at his or her own expense, is responsible for obtaining insurance coverage on his or her own Lot and Residence for liability and property damage including but not limited to vehicles, trailers, animals, personal property, Accessory Structures, outbuildings, and equipment.

9.5.2 The Association shall not be responsible and shall not be held liable for loss, theft, or damage of Owners' vehicles and other personal property while on Common Area or Easements or in Common Facilities.

Section 9.6 Abusive or Threatening Behavior

9.6.1 No Owner or Owner's family members, guests, tenants, occupants, visitors, contractors, or vendors may display abusive or threatening behavior toward another Owner when that Owner is carrying out duties and responsibilities as a Director, Officer or committee member, toward any employee, toward management or toward any agent of the Board.

9.6.2 Such behavior is illegal, and the Association will pursue all available legal remedies against responsible Owners for such behavior.

Section 9.7 Owners' Maintenance Obligations

9.7.1 Except for Easements, the Owner of each Lot is responsible for maintaining his or her Lot.

9.7.2 To the extent necessary or desirable to accomplish the Association's maintenance obligations hereunder, individual Owners shall cooperate with the Association and its agents and maintenance personnel in the implementation of its work.

9.7.3 Each Owner shall be responsible for the maintenance and repair of his or her Residence and Lot and shall maintain the same in a neat and orderly condition.

9.7.4 This obligation shall include, without limitation, the maintenance and repair of the foundation, roof, exterior building surfaces, doors, windows, and all plumbing, electrical, heating, air conditioning and other utility systems serving the Lot and located anywhere upon the Lot.

Section 9.8 Owners' Obligation for Taxes



Each Owner shall be obligated to pay any taxes or assessments assessed by the County Assessor of said County against his or her Lot and against his or her personal property.

ARTICLE 10. OWNER'S OBLIGATION TO PAY ASSESSMENTS

Section 10.1 Each Lot Owner under Obligation to Pay Assessments

10.1.1 Upon recording of a deed, the Owners of Lots 1 through 1,074 are deemed to covenant and agree to pay the Association Assessments as set forth in these *CC&Rs*, unless specifically excluded by action of the Board or other government entity or by the Governing Documents.

10.1.2 All such Assessments, together with late charges, interest, costs, and all attorney fees reasonably incurred, as provided in these *CC&Rs* and in the maximum amount permitted by the laws of the State of California, whichever is greater, shall be a charge on the Lot and shall be a continuing lien upon the Lot against which each Assessment is made. Such amounts shall also be the personal obligation of the person who was the Owner of such Lot at the time when the Assessment fell due.

10.1.3 Prior or subsequent combining of Lots permitted by the County shall not relieve any Lot Owner from the obligation to pay Assessments for each such Lots. The number of Lots shown on Tract Map No. 3925 recorded on March 25, 1970, shall not be reduced for purposes of relieving any Owner from the obligation to pay Assessments when Lots are combined without express prior permission of the Board.

10.1.4 In the event more than one (1) person or entity is the Owner of a Lot, the personal obligation to pay such Assessment or installment thereof shall be joint and several.

10.1.5 The personal obligation for delinquent Assessments or delinquent installments thereof and such other sums shall not pass to an Owner's *bona fide* and for value successors in title unless expressly assumed by them.

10.1.6 Except as otherwise specifically provided herein, Regular and Special Assessments, other than Reimbursement Assessments, must be fixed at a uniform rate for all Lots.

10.1.7 Written notice of an Assessment shall be given to every Owner subject thereto.

10.1.8 Assessments may be collected on a monthly, quarterly or annual basis or otherwise as determined by the Board.

10.1.9 The Association shall, upon demand of an Owner, and for a reasonable charge, furnish a receipt signed by a Director or other agent of the Association setting forth whether the Assessments of the Owner's Lot have been paid.

10.1.10 Each Owner shall promptly discharge any Assessment lien that may thereafter become a charge against his or her Lot.

Section 10.2 Purposes for Levying Assessments by the Board of Directors

10.2.1 The Board shall levy Regular and Special Assessments sufficient to perform its obligations under the Governing Documents and the *Act*.



10.2.2 An Assessment shall not exceed the amount necessary to defray the costs for which it is levied.

10.2.3 The Assessments for Common Expenses provided for herein shall be used for the general purpose of the preservation and operation of the Development and for promoting the recreation, health, safety, welfare, common benefit, and enjoyment of the Owners and/or occupants of Lots in the Development as may be more specifically authorized from time to time by the Board.

10.2.4 The Board shall provide Owners, by Individual Notice, of any increase in the Regular or Special Assessments of the Association, not fewer than thirty (30) nor more than sixty (60) days prior to the increased Assessment becoming due.

Section 10.3 Payments

10.3.1 All Regular Assessments shall be due and payable, in advance, in equal monthly installments on the first (1st) day of each month.

10.3.2 Special and/or Reimbursement Assessments shall be due and payable on the due date specified by the Board in the notice imposing the Assessment or in the ballot presenting the Special Assessment to the Owners for approval.

10.3.3 In no event shall a Special or Reimbursement Assessment be due and payable earlier than thirty (30) days after it is imposed.

10.3.4 Owners can request a receipt from the Association which shall indicate the date of payment and the person who received it.

10.3.5 Any request for a receipt of payment must be submitted directly to the Association's business address (separately from any actual payment).

10.3.6 Overnight payment of Assessments may be sent/delivered to the address set forth in the Association's Annual Policy Statement.

10.3.7 In the event that the Association incurs any costs or expenses to accomplish the following items, the amount incurred by the Association (including reasonable attorney fees, title company fees, accounting fees, and court costs) shall be assessed and charged solely to and against such Owner as a Reimbursement Assessment:

10.3.7.1 Any repair, maintenance or replacement to any portion of the Development that the Owner is responsible to maintain under the Governing Documents but has failed to undertake or complete in a timely fashion, or

10.3.7.2 To otherwise bring the Owner and/or his or her Lot into compliance with any provision of the Governing Documents.

Section 10.4 No Exemption for Lot Owners

No Owner may exempt himself or herself from personal liability for Assessments duly levied by the Association nor release the Lot or other property owned by him or her from the liens and charges hereof by waiver of the use and enjoyment of the Common Area, Common Facilities or Easements, by abandonment or non-use of his or her Lot or any other portion of the Development, or by any alleged failure by the Association to perform services or for any other reasons.



Section 10.5 Regular Assessments

10.5.1 Annual increases in Regular Assessments for any fiscal year shall not be imposed unless the Board has complied with §5300 (b) of the Act providing for the distribution of an Annual Budget Report, or summary thereof, thirty (30) to ninety (90) days before the end of its fiscal year.

10.5.2 If, for any reason, the Board fails to comply with §5300 (b) (1) through (8) of the Act with respect to that fiscal year, the Regular Assessment made for the preceding fiscal year shall be assessed against each Owner and his or her Lot.

10.5.3 Prior to raising Regular Assessments at any time during the fiscal year, the membership shall be given thirty (30) days' notice of such increase in Regular Assessments.

10.5.4 The Board may not impose a Regular Assessment that is more than twenty percent (20%) greater than the Regular Assessment for the Association's preceding fiscal year without the approval of a majority of a quorum of Owners at a membership meeting or election. For the purposes of this section, quorum means more than fifty percent (50%) of the Owners eligible to vote and shall not be reduced.

10.5.5 Regular Assessments levied pursuant to the Governing Documents are delinquent fifteen (15) days after they become due.

Section 10.6 Special Assessments

10.6.1 In addition to the Regular Assessments authorized above, the Board may levy Special Assessments for the purpose of defraying, in whole or in part, the cost of any capital improvement to the Common Area, Common Facilities or such other purpose as may be determined by the Board.

10.6.2 The Board may not impose Special Assessments which in the aggregate exceed five percent (5%) of the budgeted gross expenses of the Association for that fiscal year without the approval of a majority of a quorum of Owners at a membership meeting or election. For the purposes of this section, "quorum" means more than fifty percent (50%) of the Owners eligible to vote and shall not be reduced.

10.6.3 All such Special Assessments shall be levied upon each Lot in the same proportion as Regular Assessments are levied.

Section 10.7 Reimbursement Assessments

10.7.1 At the discretion of the Board, costs incurred under this section 10.7 may be imposed as a Reimbursement Assessment against the Owner's Lot.

10.7.2 Owners shall be responsible to the Association for repairs necessitated by the act(s) and/or negligence of the Owners, their licensees, residents, tenants or guests. The Owner shall be liable for any damage or additional maintenance costs incurred as a result of Owner's unauthorized use, construction or repair of the Common Area, Common Facilities, Easements or other areas for which the Association has the responsibility of maintenance.



10.7.3 Notwithstanding the foregoing, Owners shall be responsible for reimbursement of the Association's deductible on the Association's master fire/casualty insurance policy in the event damage to the Common Area, Common Facilities, and/or Easements was caused by the negligence of the Owner, his or her guests, invitees or licensees. Additionally, Owners shall be responsible to reimburse the Association for its deductible where damage to the Common Area, Common Facilities, or Easements occurred due to the failure of an element or item that was within the Owner's maintenance responsibility, regardless of the Owner's negligence in maintaining that element or item.

10.7.4 No Reimbursement Assessments may be imposed against an Owner pursuant to this section until the Owner has been afforded the notice and hearing rights to which the Owner is entitled, pursuant to the *Act* and these *CC&Rs* and the *Bylaws* and, if appropriate, has been given a reasonable opportunity to comply voluntarily with the Association's Governing Documents.

10.7.5 Subject to the foregoing, the facts and circumstances giving rise to liability for Reimbursement Assessments include the following:

10.7.5.1 In the event that any damage to, or destruction of, any portion of the Common Area, Common Facilities or Easements, including any portion of any Lot which the Association is obligated to repair and maintain, is caused by the willful misconduct or negligent act or omission of any Owner, any member of his or her family, or any of his or her tenants, guests, servants, employees, licensees or invitees, the Board shall cause the same to be repaired or replaced, and all costs and expenses incurred in connection therewith shall be assessed and charged solely to and against such Owner as a Reimbursement Assessment.

10.7.5.2 Once a Reimbursement Assessment has been levied against an Owner for any reason described, and subject to the conditions imposed herein, notice thereof shall be mailed to the affected Owner and the Reimbursement Assessment shall thereafter be due and payable in full to the Association within thirty (30) days after the mailing of the notice of the Assessment.

10.7.6 If any Lot is maintained so as to become a nuisance, fire or safety hazard for any reason, including, but not limited to, the accumulation of trash and derelict vehicles/equipment/aircraft, or improper weed or vegetation control, the Association shall have the right to enter said Lot, correct the offensive or hazardous condition and recover the reasonable cost of such action through imposition of a Reimbursement Assessment against the offending Owner.

10.7.7 A monetary charge imposed by the Association as a means of reimbursing the Association for costs incurred by the Association in the repair of damage to Common Area, Common Facilities, or Easements caused by an Owner or his or her family members, tenants, occupants or invitees may become a lien against the Owner's Lot enforceable by the sale of the Lot as set forth in the *Act* and these *CC&Rs*.

Section 10. Assessments to Address Emergency Situations



The requirement of a membership vote to approve Regular Assessment increases in excess of twenty percent (20%) of the previous year's Regular Assessment or Special Assessments in excess of five percent (5%) of the budgeted gross expenses of the Association for that fiscal year shall not apply to Assessment increases necessary to address emergency situations. For purposes of this section, an emergency situation is any of the following:

10.8.1 An extraordinary expense required by an order of a court,

10.8.2 An extraordinary expense necessary to repair or maintain the Common Area, Common Facilities and/or Easements or any portion of the Lots which the Association is obligated to maintain where a threat to personal safety is discovered, or

10.8.3 An extraordinary expense necessary to repair or maintain any part of the Development for which the Association is responsible where a threat to personal safety on the property is discovered.

10.8.4 Prior to the imposition or collection of an Emergency Assessment under this section, the Board shall pass a resolution containing written findings as to the necessity of the extraordinary expense involved and why the expense was not or could not have been reasonably foreseen in the budgeting process. The Board's resolution shall be distributed to the Owners together with the notice of Assessment.

Section 10.9 Exemption of Certain Properties from Assessments

The following real property subject to these CC&Rs shall be exempted from the Assessments and the lien thereof provided herein:

10.9.1 Any portion of the Development dedicated and accepted by a public authority,

10.9.2 The Common Area and Common Facilities, and

10.9.3 Any Lots owned by the Association.

Section 10.10 Fees

10.10.1 A fee shall not exceed the amount necessary to defray the costs for which it is levied.

10.10.2 The fee schedule is included in the Annual Policy Statement sent to all Owners.

Section 10.11 Fines

10.11.1 A monetary penalty imposed by the Association as a disciplinary measure for failure of an Owner to comply with the Governing Documents, except for the late payments, may not be characterized nor treated in the Governing Documents as an Assessment that may become a lien against the Owner's Lot enforceable by the sale of the Lot. Notwithstanding the foregoing, Reimbursement Assessments imposed to reimburse the Association for damage to the Common Area caused by an Owner or his or her family members, tenants, occupants or guests may become a lien on the Owner's Lot pursuant these CC&Rs.



10.11.2 The fine schedule shall be included in the Annual Policy Statement sent to all Owners.

Section 10.12 Owners' Right to Dispute Association Charges

If a dispute exists between the Owner of a Lot and the Association regarding any disputed charge or sum levied by the Association, including but not limited to, an Assessment, fee, fine, late charge, collection cost, or monetary penalty imposed as a disciplinary measure, and the amount in dispute does not exceed the jurisdictional limits of the small claims court, the Owner of the Lot may, in addition to pursuing Alternative Dispute Resolution pursuant to the *Act*, pay under protest the disputed amount and all other amounts levied, including any fees and reasonable costs of collection, reasonable attorney fees, late charges, and interest, if any, and commence an action in small claims court.

ARTICLE 11. DELINQUENT ACCOUNTS

Section 11.1 Collection Policy

11.1.1 All Assessments shall be delinquent if not paid within fifteen (15) days after they become due.

11.1.2 Payments received on delinquent Assessments shall be applied to the Owner's account as follows:

11.1.2.1 Payment shall be applied to the principal owed first.

11.1.2.2 Payments on principal shall be applied to the Owner's account by the "balance forward payment method"; i.e., in reverse order so that the oldest arrearages of the principal are retired first.

11.1.3 Only after the principal owed is paid in full shall such payments be applied to interest, late charges, collection expenses, administrative fees, attorney fees, or any other amount due to the Association which result in continued delinquencies.

Section 11.2 Late Charges

11.2.1 Delinquent Assessments not paid within fifteen (15) days after they become due will result in the imposition of a late charge of ten percent (10%) of the delinquent Assessment or ten dollars (\$10.00), whichever is greater.

11.2.2 The Association shall be entitled to recover any reasonable collection costs, including attorney fees, that the Association then incurs in its efforts to collect the delinquent sums.

Section 11.3 Interest

If an Assessment payment is not paid within thirty (30) days of its original due date, interest may be imposed on all sums due including the delinquent Assessment, collection costs, and late charges at an annual percentage rate of twelve percent (12%) or a greater amount allowed by California law.

Section 11.4 Secondary Address

11.4.1 Upon receipt of a written request by an Owner identifying a secondary address for the purposes of Assessment collection notices, the Association shall send additional copies of any collection notices to the secondary address provided.



11.4.2 The Association shall only send notices to the indicated secondary address at the point in time the Association receives the written request.

Section 11.5 Association's Options for Collecting Outstanding Debts

If an Assessment payment from the Owner is not paid within thirty (30) days after its original due date (for example, if an Owner fails to pay an Assessment which was due on June 1, and the failure to pay continues through July 1, then the June Assessment would not have been paid within thirty (30) days after its original due date), the Association may attempt to collect or secure that debt in any of the following ways:

11.5.1 By a civil action in small claims court. The amount that may be recovered in small claims court to collect upon a debt for delinquent Assessments may not exceed the jurisdictional limits of the small claims court.

11.5.2 By recording a lien on the Owner's Lot upon which the Association may not foreclose until the amount of the delinquent Assessments secured by the lien, exclusive of any accelerated Assessments, late charges, fee and costs of collection, attorney fees, or interest, equals or exceeds one thousand eight hundred dollars (\$1,800) or the Assessments secured by the lien are more than twelve (12) months delinquent, whichever occurs first. An Association that chooses to record a lien under this provision, prior to recording the lien, shall comply with the pay or lien requirements set forth in Section 11.6 of this Article and, if requested by the Owner, shall offer and participate in dispute resolution as set forth in the *Act*.

11.5.3 By filing a civil lawsuit in the County Superior Court.

11.5.4 Any other manner provided by law.

Section 11.6 Pay or Lien Letter

If the Association chooses to record a lien under the provisions of the *Act*, a notice of delinquency (pay or lien letter) shall be sent to the Owner by certified mail, return receipt requested, notifying the Owner of record of the following:

11.6.1 A general description of the collection and lien enforcement procedures of the Association and the method of calculation of the amount.

11.6.2 A statement that the Owner of the Lot has the right to inspect the Association records.

11.6.3 The following statement in fourteen- (14) point boldface type, if printed, or in capital letters, if typed: "Important notice: If your separate interest (Lot) is placed in foreclosure because you are behind in your assessments, it may be sold without court action."

11.6.4 An itemized statement of the charges owed by the Owner, including items on the statement which indicate

11.6.4.1 The amount of any delinquent Assessments,

11.6.4.2 The fees and reasonable costs of collection,

11.6.4.3 Reasonable attorney fees,

11.6.4.4 Any late charges, and



11.6.4.5 Interest, if any.

11.6.5 A statement that the Owner shall not be liable to pay the charges, interest, and costs of collection, if it is determined the Assessment was paid on time to the Association.

11.6.6 The right to request a meeting with the Board in executive session to discuss a payment plan.

11.6.7 The right to dispute the Assessment debt by submitting a written request for dispute resolution to the Association pursuant to the Association's "Meet and Confer" provision as set forth in section 11.7 of these CC&Rs.

11.6.8 The right to request alternative dispute resolution with a neutral third party before the Association may initiate foreclosure against the Owner's Lot, except that binding arbitration shall not be available if the Association intends to initiate a judicial foreclosure.

Section 11.7 Internal Dispute Resolution (IDR)

11.7.1 The Association shall offer to meet and confer with a delinquent Owner to resolve any dispute related to the total amount due from the delinquent Owner to the Association and/or the Association's Collection Policy ("Meet and Confer Offer").

11.7.2 The Association's Meet and Confer Offer shall either be placed within the Association's pay or lien letter or in a separate written communication to the delinquent Owner and shall be sent by certified mail, return receipt requested.

11.7.3 An Owner who wishes to accept the Meet and Confer Offer must do so by submitting his/her written request to facilitate the Meet and Confer with the Association which written request must be received by the Association within twenty (20) days of the date of the Meet and Confer Offer.

11.7.4 The Association shall designate a prompt date and time for the Meet and Confer at a location that shall either be the Association's principal office or another convenient location as designated by the Association.

11.7.5 Two (2) Directors, along with the Association manager, if any, shall participate in the Meet and Confer with the delinquent Owner.

11.7.6 Prior to recording a lien for delinquent Assessments, the Association shall participate in any Meet and Confer so accepted by the delinquent Owner, provided, however, that the Owner's acceptance of the Association's Meet and Confer Offer is made within twenty (20) days of the date of the Meet and Confer Offer.

Section 11.8 Request for Payment Plan

11.8.1 An Owner may submit a written request to the Association for a payment plan.

11.8.2 An Owner may also submit a written request to meet with the Board in executive session regarding a payment plan.

11.8.3 The Board is required to meet with the Owner in executive session within forty-five (45) days of the postmark of the request for the meeting, if the request is mailed within fifteen (15) days of the date of the postmark of the Pay or Lien Notice,



unless there is no regularly scheduled meeting of the Board within that period, in which case the Board may designate a two (2) Directors to meet with the Owner in executive session.

Section 11.9 Show Cause Hearing

11.9.1 Additionally, a delinquent Owner shall be given a written notice (either in the pay or lien letter or in a separate written document as determined by the Board) of a hearing before the Board, wherein the Owner shall be invited to show good cause why

11.9.1.1 The Owner's voting privileges and/or

11.9.1.2 The Owner's privileges for use of the Common Area/Recreational Facilities (hereinafter collectively "Membership Privileges") should not be suspended for non-payment of the delinquent Assessment(s).

11.9.2 The notice and hearing procedures shall be in accordance with the following:

11.9.2.1 Written notice shall be mailed to the Owner not fewer than ten (10) days prior to the date of such a hearing by first class and certified mail at Owner's last known address as shown on the Association's records. The notice shall set forth the amount of delinquency owed by the Owner and time, date and place on which the hearing shall be held;

11.9.2.2 The Board shall provide an opportunity for the Owner to be heard, orally or in writing, at the Show Cause Hearing prior to making any determination on the suspension of any Membership Privileges;

11.9.2.3 In the event good cause is not shown and the Owner's account has not been brought current then the Board may suspend any of the Owner's Membership Privileges. The Board shall hold the hearing in executive session provided, however, if the Board is requested by an Owner to have his/her matter be heard in an open session meeting, then the matter must be heard in an open session meeting of the Board and not in executive session.

11.9.2.4 After the Show Cause Hearing, the Board shall provide within fifteen (15) days written notice to the Owner of the suspension of any Membership Privileges.

11.9.2.5 Any suspension of Membership Privileges imposed for non-payment of delinquent Assessments shall continue for any period during which the delinquent Assessments remain unpaid.

Section 11.10 Recordation of Lien

11.10.1 If the delinquent Owner does not bring his/her account current within the deadline set forth in the pay or lien letter, the Board may approve the recordation of an Assessment lien against the delinquent Owner's Lot.

11.10.2 The decision of the Board to record the Assessment lien shall be by a majority vote of the Board at an open session meeting.



11.10.3 The Board's action should refer to the Association's internal account number of the delinquent Owner rather than the name or Lot number of the Owner.

11.10.4 The Assessment lien shall be recorded in the County Recorder's Office itemizing all sums that are then delinquent, including the delinquent Assessment(s), the then current monthly Assessment amount which will also accrue and be a part of the lien, interest, late charges, collection costs and reasonable attorney fees.

11.10.5 Recording this notice creates a lien, which is subject to judicial or non-judicial foreclosure, against the delinquent Owner's property.

Section 11.11 Pre-foreclosure Offer

11.11.1 No earlier than thirty (30) days after the notice of Assessment lien has been recorded, the Association shall make a written pre-foreclosure offer to meet and confer with the delinquent Owner, consistent with the process identified in these CC&Rs. An Owner shall have thirty (30) days from the date of the offer to decide whether or not the Owner wishes to pursue dispute resolution or a particular type of alternative dispute resolution (except that binding arbitration is not available to any delinquent Owner if the Association intends to initiate a judicial foreclosure).

11.11.2 Prior to initiating foreclosure, the Board must, in executive session, approve the decision to proceed with foreclosure by a majority vote of the Board. The Board shall record the Board's executive session decision in the minutes of the next open session meeting of the Board by referencing the Association's internal account number of the Owner who is delinquent.

Section 11.12 Subordination of Lien

11.12.1 The lien of the Assessments provided for herein shall be subordinate to the lien of any first Mortgage holder of record made in good faith and for value upon any Lot, provided that such subordination shall apply only to the Assessments which have become due and payable prior to the transfer of such property pursuant to the exercise of a power of sale or a judicial foreclosure involving a default under such first Mortgage. Otherwise, sale or transfer of any Lot shall not affect the Assessment lien.

11.12.2 The holder of a first Mortgage is required to record the transfer deed within thirty (30) days of the sale. Additionally, if the Association has recorded, in the County Recorder's Office, a request to be notified of the recording of a trustee's deed pursuant to California Civil Code §2924b(f), the first Mortgage holder must mail a copy of the trustee's deed to the Association within fifteen (15) days of the sale.

Section 11.13 Waiver of Homestead or Exemption Laws

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

ARTICLE 12. TRANSFER OF LOT



Upon the conveyance, sale, assignment or other transfer of a Lot to a new Owner, the transferor-Owner shall not be liable for any Assessments due after the date of recording of the deed evidencing said transfer, and, upon such recording, all Association membership rights possessed by the transferor by virtue of the ownership of said Lot shall cease.

Section 12.1 Transfer of Membership

12.1.1 Membership in the Association shall not be transferred, pledged or alienated in any way, except upon the sale of the Lot to which it is appurtenant and then only to the purchaser.

12.1.2 The transfer of title to a Lot or the sale of a Lot and transfer of possession thereof to the purchaser shall automatically transfer the membership appurtenant to such Lot to the transferee.

12.1.3 A contract seller of a Lot must delegate his or her voting rights as a Member of the Association and seller's right to use and enjoy the Common Area, Common Facilities, and Easements to any contract purchaser in possession of the property subject to the contract of sale. Notwithstanding the foregoing, the contract seller shall remain liable for any default in the payment of Assessments by the contract purchaser until title to the property sold has been transferred to the purchaser.

Section 12.2 Transfer Documents

Each Owner of a Lot shall provide the following documents to a prospective purchaser of the Lot, as soon as is practicable, before the transfer of title or the execution of a real property sales contract. Upon written request, the Association shall, within ten (10) days of the mailing or delivery of the request, provide the Owner of a Lot, or any other recipient authorized by the Owner, with a copy of the requested documents.

12.2.1 A copy of all Governing Documents of the Association;

12.2.2 A copy of the most recent documents distributed to Owners pursuant to §5300 of the Act:

12.2.2.1 A pro forma operating budget, showing the estimated revenue and expenses on an accrual basis;

12.2.2.2 A summary of the Association's reserves;

12.2.2.3 A summary of the reserve funding plan adopted by the Board and notice to Owners that the full reserve study plan is available upon request;

12.2.2.4 A statement as to whether the Board has determined to defer or not undertake repairs or replacement of any major component with a remaining life of thirty (30) years or fewer, including a justification for the deferral or decision not to undertake the repairs or replacement;

12.2.2.5 A statement as to whether the Board, consistent with the reserve funding plan, has determined or anticipated that the levy of one (1) or more Special Assessments will be required to repair, replace,



or restore any major component or to provide adequate reserves therefor together with the estimated amount, commencement date, and duration of the Assessment;

12.2.2.6 A statement as to the mechanism or mechanisms by which the Board will fund reserves to repair or replace major components, including Assessments, borrowing, use of other assets, deferral of selected replacements or repairs, or alternative mechanisms;

12.2.2.7 A general statement addressing the procedures used for the calculation and establishment of those reserves to defray the future repair, replacement, or addition to those major components that the Association is obligated to maintain;

12.2.2.8 A statement as to whether the Association has any outstanding loans with an original term of more than one (1) year; and

12.2.2.9 A summary of the Association's property, general liability, earthquake, flood, and fidelity insurance policies including for each policy the name of the insurer, the type of insurance, the policy limit, and the amount of the deductible, if any.

12.2.3 A true statement in writing from an authorized representative of the Association as to

12.2.3.1 The amount of the Association's current Regular and Special Assessments and fees,

12.2.3.2 Any Assessments levied upon the Owner's Lot that are unpaid on the date of the statement,

12.2.3.3 Any monetary fines or penalties levied upon the Owner's Lot that are unpaid on the date of the statement, and

12.2.3.4 True information on late charges, interest, and costs of collection which, as of the date of the statement, are or may be made a lien upon the Owner's Lot.

12.2.4 A copy or a summary of any notice previously sent to the Owner that sets forth any alleged violation of the Governing Documents that remains unresolved at the time of the request.

12.2.4.1 The notice shall not be deemed a waiver of the Association's right to enforce the Governing Documents against the Owner or the prospective purchaser of the Lot with respect to any violation, and

12.2.4.2 This subsection 12.2.4 shall not be construed to require the Association to inspect an Owner's Lot.

12.2.5 Any change in the Association's current Regular and Special Assessments and fees which have been approved by the Board but have not become due and payable as of the date disclosure is provided.

12.2.6 If requested by the prospective purchaser, a copy of the minutes of Board meetings, excluding meetings held in executive session, conducted over the previous twelve (12) months that were approved by the Board.



12.2.7 The documents required to be made available pursuant to this section may be maintained in electronic form. Requesting parties shall have the option of receiving the documents by electronic transmission if the Association maintains the documents in electronic form.

12.2.8 Delivery of the documents required by this section shall not be withheld for any reason or be subject to any condition except the payment of the fee authorized pursuant to the *Act*.

12.2.9 The form for billing disclosures pursuant to the *Act* shall, upon receipt of a written request, be provided by the Association which form is to include a written or electronic estimate of the fees that will be assessed for providing the requested documents.

Section 12.3 Transfer Fees

The Association may not impose or collect any Assessment, penalty, or fee in connection with a transfer of title or any other interest except for the following:

12.3.1 Upon receipt of a written request, an Association shall provide on the form described in §4528 of the *Act* a written or electronic estimate of the fees that will be assessed for providing the requested documents. The Association shall also provide a recipient authorized by the Owner of a Lot with a copy of the completed form specified in §4528 of the *Act* at the time the required documents are delivered.

12.3.2 The Association may collect a reasonable fee based upon the Association's actual cost for the procurement, preparation, reproduction, and delivery of the documents requested pursuant to the *Act*. Additional fees shall not be charged by the Association for the electronic delivery of the documents requested.

12.3.3 A cancellation fee for documents specified in this Article shall not be collected if either of the following applied:

12.3.3.1 If the request was canceled in writing by the same party that placed the order and work had not yet been performed on the order, the Association shall refund all fees collected.

12.3.3.2 If the request was canceled in writing and any work that had been performed on the order was compensated, the Association shall refund the share of fees collected that represents the portion of the work not performed on the order.

12.3.4 The Association may contract with any person or entity to facilitate compliance with the requirements of the section on behalf of the Association.

Section 12.4 Restrictions on Transfer

12.4.1 Any attempt to make a prohibited transfer is void, and will not be reflected upon the books and records of the Association.

12.4.2 In the event an Owner should fail or refuse to transfer the membership registered in his or her name to the purchaser of such Lot, the Association shall have the right to record the transfer upon the books of the Association.



12.4.3 Common Area and Lots shall remain undivided.

ARTICLE 13 ARCHITECTURAL REVIEW

Section 13.1 Architectural Review Committee

The Board shall appoint an Architectural Review Committee which consists of at least three (3) Owners but not more than five (5) Owners who shall be in Good Standing.

13.1.1 It shall be the duty and responsibility of the Architectural Review Committee

13.1.1.1 To consider and act upon any and all proposals or plans submitted to it pursuant to the terms hereof,

13.1.1.2 To ensure that any new construction or Improvements to existing Residences or Accessory Structures located on Lots conform to plans approved by the committee, and

13.1.1.3 To perform other duties imposed upon it by these *CC&Rs* and other Association Governing Documents.

13.1.2 The Architectural Review Committee may recommend that the Board adopt, amend and repeal rules, standards, and guidelines to be known as "*Architectural Rules, Standards, and Guidelines*" which documents shall be included in the Association's *Rules and Regulations*.

13.1.3 The *Architectural Rules, Standards and Guidelines* shall interpret and implement these *CC&Rs* by setting forth the standards and procedures for committee review and the rules for design and placement of improvements including new construction, modifications and alterations to Residences and Accessory Structures, and major landscaping.

13.1.4 All written correspondence shall be directed to the Lot Owner, and only the Lot Owner shall correspond with the Architectural Review Committee or the Board.

Section 13.2 Right of Entry

Any member of the Architectural Review Committee, Board or their agents may, from time to time, at any reasonable hour or hours and upon reasonable notice, enter and inspect any Lot for the purpose of carrying out his or her duties herein.

Section 13.3 Compensation of Committee Members

Members of the committee shall not receive any compensation for services rendered.

Section 13.4 Liability

Neither the Association, Board, Architectural Review Committee nor any member thereof shall be liable to the Association, any Owner, or to any other party, for any damage, loss or prejudice suffered or claimed on account of

13.4.1 The approval or disapproval of any plans, drawings, or specifications, or

13.4.2 The construction or performance of any work, whether or not pursuant to approved plans, drawings and specifications provided that, with respect to the



liability of a member, such member has acted in good faith on the basis of actual knowledge possessed by him or her.

Section 13.5 Notice of Requirements for Association Approval

The Board shall annually provide its Owners with notice of any requirements for Association approval of physical changes to Lots including Improvements to existing Residences and Accessory Structures and new construction. The notice shall:

13.5.1 Describe the types of changes that require Architectural Committee approval and

13.5.2 Include a copy of the procedures used to review and approve or disapprove a proposed change.

Section 13.6 Owner of Record Requirements

13.6.1 The application for new construction or Improvements to existing Lots with Residences must be submitted by the Owner on the deed recorded with the County.

13.6.2 The Owner of record shall not have a lien recorded against the Lot at the time of submission of the application to the Architectural Review Committee.

13.6.3 The Owner of record shall not have any architectural violations on the Lot whether or not notice regarding the violation was given previously to the Owner.

13.6.4 When a Lot is sold, architectural approval for new construction or Improvements to existing Lots shall not run with the land. Any new Owner of record must submit a new application to the Architectural Review Committee for approval.

13.6.5 The Architectural Review Committee will not review plans submitted by prospective buyers. The *CC&Rs*, *Bylaws*, and *Rules and Regulations* including the *Architectural Standards, Rules, and Guidelines* are available to prospective buyers in the Association office or on the Association website.

Section 13.7 Submission Requirements

13.7.1 An applicant shall complete the architectural application as set forth in the *Architectural Rules, Standards and Guidelines* included in the *Rules and Regulations*.

13.7.2 Applications shall be submitted in writing.

13.7.3 Plans submitted to the Architectural Review Committee shall contain the grading and design specifications required by these *CC&Rs* and the *Architectural Rules, Standards, and Guidelines* for, including but not limited to, new construction, Improvement projects such as major landscaping, Accessory Structures, and proposed changes to existing Residences.

13.7.4 The Architectural Review Committee shall neither approve nor disapprove incomplete applications. Such applications shall be returned to the Owner.



13.7.5 The Architectural Review Committee shall render in writing to the Owner a list of those items that make the application incomplete pursuant to these *CC&Rs* and *Architectural Rules, Standards and Guidelines* included in the *Rules and Regulations*.

13.7.6 The Architectural Review Committee shall not give "conditional approval" to plans submitted in an application; i.e., approve particular parts of an application and disapprove others. Such applications shall be considered incomplete and shall be returned to the Owner.

13.7.7 The Architectural Review Committee shall neither review nor approve or disapprove applications "in concept only." Such requests shall be returned to the Owner advising him or her of the architectural application submission requirements.

13.7.8 A refundable deposit may be required.

13.7.9 Approval by the Architectural Review Committee is required before an Owner may commence new construction, make any physical change to the Owner's Residence or install or construct Accessory Structures located on a Lot.

13.7.10 No excavation or scraping of Lots shall occur without prior approval of the Architectural Review Committee.

13.7.11 No grading shall commence without the prior approval of the Architectural Review Committee and the posting of the appropriate job card.

13.7.11 No work of any kind shall commence without the posting of the appropriate job card.

Section 13.8 Approval Criteria

13.8.1 Approval shall be based, among other criteria, on

13.8.1.1 Conformity with the *CC&Rs* and *Architectural Rules, Standards, and Guidelines* included in the *Rules and Regulations*.

13.8.1.2 Consideration of the characteristics of the individual Lot, since what may be an acceptable design in one instance may not be acceptable in another.

13.8.2 Approval criteria apply, but are not limited to, new construction, Improvement projects such as major landscaping or grading, Accessory Structures, and proposed changes to existing Residences.

13.8.3 A decision on new construction or a proposed change to an existing Residence or other structures shall not violate any governing provision of law, a building code or other applicable law governing land use or public safety.

13.8.4 Nothing in this section authorizes a physical change to the Lot in a manner that is inconsistent with the Association's Governing Documents, unless the change is required by law or a variance is granted by the Board.

Section 13.9 Approval/Disapproval of Owner's Application



13.9.1 In reviewing and approving or disapproving new construction or a proposed change to an existing Residence, the Architectural Review Committee shall satisfy the following requirements:

13.9.1.1 The Architectural Review Committee shall provide a fair, reasonable, and expeditious procedure for making its decision.

13.9.1.2 The Architectural Review Committee shall view a building site prior to making a final decision.

13.9.2 Any decision by the Architectural Review Committee regarding approval or disapproval of an Owner's application that is not directly related to provisions of the *CC&Rs* or *Rules and Regulations* shall be forwarded to the Board in writing for review by the Board within ten (10) days of the committee's decision regarding the application. Review by the Board will be included within the forty-five (45) day period for response to the Owner by the Architectural Review Committee regarding its decision on the application.

13.9.3 The Architectural Review Committee shall approve or disapprove plans (including major landscaping plans) submitted to it within forty-five (45) days.

13.9.4 In the event the Architectural Review Committee fails to approve the submitted plans within forty-five (45) days, the applicant may send written notice to the Board advising the Board that the plans will be deemed approved if not disapproved by the Board forty-five (45) days from the receipt of said written notice if said Improvements conform to the provisions of the Governing Documents. The written notice to the Board required by this subsection must be made by personal delivery or certified mail, return receipt requested.

13.9.5 A decision regarding approval or disapproval of new construction or a proposed change to an existing Residence or other structures shall be sent to the applicant in writing.

13.9.6 If the new construction or proposed change to Residence or other structures is disapproved, the written decision shall include

13.9.6.1 An explanation as to why the proposed new construction or proposed change to a Residence or other structure was disapproved with relevant citations from the *CC&Rs* and/or the *Architectural Rules, Standards, and Guidelines* contained in the *Rules and Regulations*, and

13.9.6.2 A description of the procedure for reconsideration of the decision by the Board.

13.9.7 All Architectural Review Committee decisions, notices, and correspondence shall be sent in writing to the Owner via United States Postal Service to the Owner's address of record by personal service or by electronic means, if the Owner has consented to that method of delivery, to be considered legally effective.

Section 13.10 Timelines

13.10.1 Unless expressly extended in writing by the Board or the Architectural Review Committee, all Improvements shall be completed within one (1) year from the commencement of construction of any approved new construction or



approved changes to Residences or other approved structures upon a Lot or as long as a valid County Building Department permit exists.

13.10.2 If the one (1) year expiration is approaching, and work has not been completed on the project, the Owner/applicant may submit a request for an extension by the Architectural Review Committee.

13.10.3 A prospective buyer who purchases a property that has a violation of the *CC&Rs* and/or *Architectural Rules, Standards and Guidelines* shall make application to the Architectural Review Committee to correct the violation(s) within one (1) year of obtaining title to the Lot.

Section 13.11 Appeal Process

13.11.1 If a proposed change is disapproved, the Owner/applicant is entitled to reconsideration by the Board at a scheduled open session meeting. Upon request the Owner/applicant may meet with the Board in executive session.

13.11.2 The request for reconsideration must be in writing and must be received by the Board not more than forty-five (45) days following receipt of the formal decision of the Architectural Review Committee.

13.11.3 Within forty-five (45) days following receipt of the request for appeal, the Board shall render its written decision in an open session meeting of the Board or report out in general terms the decision reached in executive session.

13.11.4 Failure of the Board to render a decision within the forty-five (45) day period shall be deemed a decision in favor of the applicant.

13.11.5 Reconsideration by the Board does not constitute dispute resolution within the meaning of §5905 of the *Act*.

Section 13.12 Surveying Requirements

13.12.1 Owners applying for approval of new construction or Improvements to existing Residences, including grading, wells, septic systems, and fences shall be required to show evidence that the property has been surveyed by a person licensed by the California Board of Professional Engineers and Land Surveyors and that the Lot boundaries have been marked prior to an application being submitted to the Architectural Review Committee.

13.12.2 The Architectural Review Committee may require that a Lot be surveyed as a result of the Architectural Review Committee's site visit if the Architectural Review Committee believes that such a survey is necessary in order to render its decision regarding approval or disapproval of the plans.

13.12.3 The Owner is responsible for the accuracy of boundary lines and the location and placement of all buildings, structures, fences and other Improvements as they are represented in the drawings, plans and specifications and as they are staked out on the property and subsequently constructed. The Association, Board, Architectural Review Committee or any member or agent thereof shall not be liable for any such inaccuracies, if they exist.

Section 13.13 Riverside County Permits



13.13.1 Prior to an Owner submitting plans, specifications, plat map, plot plan and/or color scheme for new construction or changes to an existing Residence or other structures to the Architectural Review Committee pursuant to this article, such Owner shall consult the County to identify and determine all regulations, standards, guidelines and other criteria that will be applicable to such Owner and the approval which such Owner intends to request of the Architectural Review Committee.

13.13.2 An Owner shall obtain the approval of the Architectural Review Committee with respect to such Owner's plans, specifications, plat map (Tract Map No. 3925), plot plan and color schemes pursuant to this paragraph before submitting the same to the County for a building permit or other approval of any kind that may be required from the County.

13.13.3 No work requiring permits shall commence until the required County permits have been received and stamped approved by the Architectural Review Committee.

13.13.4 If an Owner obtains County permits without having received approval of the plans from the Architectural Review Committee, and the plans are not approved by the Architectural Review Committee, the Owner may be required to obtain subsequent County permits which will require additional County fees paid by the Owner for the new permits.

13.13.5 Completions must be filed with the Association office. Projects requiring several permits such as well, septic system, grading, building structure and/or manufactured home must have all permits on file with the Association office prior to receiving a refundable deposit.

13.13.6 If the County requires a release for occupancy, this release must be turned in to the Association office prior to receiving a refundable deposit.

13.13.7 Under no circumstances may the Owner of a Lot determine that a County permit is not required without the express review and approval of the Architectural Review Committee.

Section 13.14 Subsequent Plan Changes

13.14.1 Once a work of Improvement has been duly approved by the Architectural Review Committee, no material modifications shall be made in the approved plans and specifications thereof and no subsequent alteration(s), relocation(s), addition(s) or modification(s) shall be made to the work or Improvement as approved, without a separate submittal to, and review and approval by, the Architectural Review Committee.

13.14.2 If the proposed modification(s) will have, or is likely to have, a material effect on other aspects or components of the work, the Architectural Review Committee or Board, in their discretion, may order the Owner, his or her contractors and agents to cease working not only on the modified component of the Improvement but also on any other affected component.

Section 13.15 Unauthorized Construction or Improvements



13.15.1 Notwithstanding any provision contained in these *CC&Rs* or the *Architectural Rules, Standards and Guidelines* expressly stated or implied to the contrary, no new construction, building, fence, wall or other structure or Improvements to existing Residences or other structures shall be constructed or maintained upon any Lot, nor shall any exterior addition, change or alteration be made in, on or to any Lot including without limitation painting, repainting and major landscaping and all Improvements referred to in these *CC&Rs* and the *Architectural Rules, Standards and Guidelines* until the plans and specifications, plat map (Tract Map No. 3925), plot plan, and color scheme showing the nature, shape, dimensions, materials and location of the same shall have been submitted to and approved in writing by the Architectural Review Committee.

13.15.2 The Architectural Review Committee shall recommend to the Board whether or not the prevention or removal of any unauthorized and unapproved construction of Improvements should be undertaken.

13.15.3 The Board, on behalf of the Association, may exercise all available legal and equitable remedies to prevent or remove any unauthorized and unapproved construction of Improvements on any Lot or any portion thereof including but not limited to levying fines and legal action.

13.15.3 Once a work of Improvement has been approved by the Architectural Review Committee, no material modifications shall be made in the approved plans and specifications thereof and no subsequent alteration(s), relocation(s), addition(s) or modification(s) shall be made to the work of Improvement, as approved, without a separate submittal to, and review and approval by, the Architectural Review Committee.

13.15.4 The approval by the Architectural Review Committee of any plans, drawings, or specifications for any work done or proposed, or for any other matter requiring the approval of the committee shall not be deemed to constitute a waiver of any right to withhold approval of any similar plan, drawing, specification or matter subsequently submitted for approval.

ARTICLE 14. ARCHITECTURAL STANDARDS AND GUIDELINES

Section 14.1 Setbacks

14.1.1 Structures (other than horse and other animal shelters) including but not limited to Residences and Accessory Structures (outbuildings) shall be set back at least fifty (50) feet from the property line on frontage roads measured from the edge of the road easement and at least twenty (20) feet from the side and back of adjoining properties measured from the property line or easement (other than Utility Easements), whichever is greater.

14.1.2 On flag Lots, structures shall be placed at least twenty (20) feet from each property line or easement (other than Utility Easements), whichever is greater.

Section 14.2 Landscaping

14.2.1 The Association may not prohibit or include conditions that have the effect of prohibiting the use of low water-using plants as a group.



14.2.2 Owners are encouraged to preserve existing native trees and shrubs wherever possible in the landscape design.

14.2.3 Each Owner shall plant, keep, maintain, water and replant all slope banks located on his or her Lot so as to create an attractive appearance and prevent erosion.

14.2.4 No structure, planting or other material shall be placed or permitted to remain, and no activities shall be undertaken which may

14.2.4.1 Damage or interfere with established slope banks,

14.2.4.2 Create erosion or sliding problems,

14.2.4.3 Change the direction or flow of drainage channels, or

14.2.4.4 Obstruct or retard the flow of water through drainage channels.

14.2.5 The natural course of surface water flowing to adjacent properties shall not be altered. The natural water course means the condition of the Lot as it existed prior to any excavation of the Lot or as shown on Tract Map No. 3925.

14.2.6 Owners may plant trees, shrubs, ground cover, lawns and other types of vegetation on Road Easements between the roadway and the edge of the Easement subject to the *Rules and Regulations* and any other policies and procedures as may from time to time be adopted by the Board.

14.2.6.1 Any such plantings shall not impede the passage of equestrians or pedestrians on such Road Easement.

14.2.6.2 The Lot Owner is responsible for the maintenance of such plantings on the Road Easement.

14.2.6.3 The responsibility for maintenance of the plantings runs with the land, and subsequent Owners are responsible for such plantings on the Road Easement.

Section 14.3 Fencing

14.3.1 Perimeter fences shall be ranch or country style wood, vinyl rail, picket, block, stone, wrought iron or other similar material.

14.3.1.1 Perimeter fence or wall heights shall not exceed six (6) feet above the adjacent grade.

14.3.1.2 Chain link shall not be placed on the perimeter of a Lot facing a frontage road including cul-de-sacs.

14.3.2 Interior fencing for recreational purposes or animal keeping may exceed the six (6) foot limit with Architectural Review Committee approval.

14.3.3 Interior fencing shall not be installed prior to the installation of an approved perimeter fence facing a frontage road.

14.3.4 The minimum corral area or turnout shall be 576 square feet; i.e., 24' X 24' for each horse, donkey, or mule.



14.3.5 Each wall (including retaining walls and trees) or fence which is placed on the dividing line between the Lots shall constitute a "party wall."

14.3.5.1 To the extent not inconsistent with the provisions of this article, the general rules of law regarding party walls and liability for property damage due to negligence or willful acts or omissions shall apply thereto.

14.3.5.2 The cost of reasonable repair and maintenance of a party wall shall be shared by the Owners who make use of the wall in proportion to such use.

Section 14.4 Airport "Object Free Zone"

Nothing shall be constructed or placed in the "Object Free Zone" in accordance with policies set forth by the Federal Aviation Administration (FAA).

ARTICLE 15. NEW CONSTRUCTION

No new construction shall be occupied or used until the same has been substantially completed in accordance with the plans and specifications approved in writing by the Architectural Review Committee and approved for occupancy by the County Building Department. When appropriate, these standards and guidelines also apply to modifications of existing structures and/or Accessory Structures.

Section 15.1 Living Space

15.1.1 Plans for new construction of residential buildings shall contain a minimum of eighteen (1800) square feet of living space excluding garages, porches, patios and decks, or additional buildings.

15.1.2 There shall be only one (1) Residence permitted per Lot.

Section 15.2 Building Height

No building shall be over thirty-five feet (35') in height.

Section 15.3 Garage

Every Residence must have a garage of at least five hundred (500) square feet.

15.3.1 For new construction, the garage must be built concurrently.

15.3.2 The garage may be attached to the Residence.

15.3.3 No living accommodations are permitted in any garage.

Section 15.4 Driveway Entrances

Vehicular driveway entrances shall be located at Road Easements on the Owner's property.

15.4.1 No vehicular driveway entrance is to be located on Common Area or Alley Easements, Water Well and Conduit Easements, Grave Site Easements, Airstrip Easement, Channel Access Easement, Creek Easement and Drainage Easements without approval of the Board.



15.4.2 On corners, driveways are to be located fifty (50) feet from the tangent of the intersection radius.

Section 15.5 Foundation

The exterior foundation for Residences, including modular and manufactured homes, must be of poured concrete or concrete block and low profile.

Section 15.6 Exterior Finish

15.6.1 Exterior finish may include stucco, wood, wood composite, and cement siding.

15.6.2 Metal siding that is formed, textured, or finished to resemble plank board, shingle, or shake siding will be considered.

15.6.3 Any exterior being refinished that deviates substantially from the original approval by the Architectural Review Committee shall be submitted for approval by the Architectural Review Committee.

Section 15.7 Roofing

The Association may not require an Owner to install or repair a roof in a manner that is in violation of the California *Health and Safety Code*.

15.7.1 Roof covering material shall be fire retardant and meet the requirements of the California *Health and Safety Code*.

15.7.2 Roofing material for homes shall provide for a 30# snow load and seventy (70) mile per hour wind rating and shall be engineered for seismic zone four (4).

15.7.3 Standard design; i.e., gable, hip, and gambrel are generally accepted.

15.7.4 Corrugated metal roofing that is formed and finished to resemble shingles, shake, tile, or standing seam roofing will be considered.

15.7.5 All roof over-hangs for homes are required to be a minimum of sixteen inches (16") measured horizontally from the exterior wall surface to the outside edge of the roof structure (fascia) on all sides.

15.7.6 Homes with a flat roof design will be considered on an individual basis.

15.7.7 Applicants planning new construction are encouraged to consider a plan for a Residence that has at least nine (9) angles.

Section 15.8 Water Wells

15.8.1 There is no central water system or supply of water in Lake Riverside Estates. Water must be obtained by drilling a well.

15.8.2 An Owner shall have the right to drill a well for obtaining water on his or her Lot after gaining approval of the Architectural Review Committee and acquiring all necessary County permits.

Section 15.9 Water Well and Conduit Easements

15.9.1 The Association has the right to make use of such water standing, percolating or flowing upon, under or across the Development, or any part



thereof, as is now or may hereafter be developed for the purpose of supplying and maintaining the lake and other purposes consistent therewith, together with the right to remove the same, and to construct, operate and maintain wells, conduits, pumping stations and other facilities.

15.9.2 Any new water wells, conduits or other related items (except those which replace existing facilities) will only be constructed and/or maintained within a strip five (5) feet wide, along each side of every Lot unless the Owner thereof otherwise consents.

15.9.3 The Association shall have the authority, as specified in these *CC&Rs* and other Governing Documents, to limit or regulate use thereof, perform its obligations or exercise its rights.

Section 15.10 Septic System

15.10.1 The septic system to serve a residential Lot shall be approved by the Architectural Review Committee and appropriate County departments.

15.10.2 All plumbing fixtures, dishwashers, toilets, or sewage disposal system shall be connected to a septic system.

15.10.3 Some Lots may require an aboveground septic system due to high groundwater levels.

Section 15.11 Water Tanks

15.11.1 Water tanks are to be low profile and of earth color, green, tan, or matching Residence color. Landscaped screening must be provided.

15.11.2 Water tanks, if required, must be installed, filled, and operable prior to the beginning of construction when combustible materials are used.

Section 15.12 Propane Tanks

Propane tanks are to be placed as unobtrusively as possible and the color shall not be incompatible with the colors of the Residence.

Section 15.13 Utilities

On site electrical and telephone utilities are to be underground including those on Easements and Common Area within the Development.

Section 15.14 Utility Easements

15.14.1 By virtue of this Easement, it shall be expressly permissible for the Association to grant the right to any providing utility company to erect and maintain the necessary equipment and facilities within such Easement boundaries.

15.14.2 Each Owner whose Lot is subject to a Utility Easement shall ensure that there is no obstruction or interference with the free use of such Utility Easement except such temporary obstructions as may be reasonably required in connection with work or repairs thereto.

15.14.3 Owners may fence the utility easement portions of their Lot provided that such fences include gates for access by authorized personnel.



15.14.4 The utility easement may be excluded from any setback requirements.

Section 15.15 Lighting

All lighting must comply with County Ordinances 655 and 915.

15.15.1 The intent of Ordinance 655 is to restrict the permitted use of certain light fixtures emitting into the night sky undesirable light rays which have a detrimental effect on astronomical observation and research.

15.15.2 Ordinance 915 requires shielding of outdoor lighting such that light rays are limited to the parcel of origin and the light source is not visible from another property.

Section 15.16 Solar Energy Systems

The Architectural Review Committee or Board may not prohibit or unreasonably restrict the installation or use of a solar energy system on Owners' Lots.

Section 15.17 Installing or Using a Video or Television Antenna

The Association may impose reasonable restrictions on the installation or use of a video or television antenna, including a satellite dish, that has a diameter or diagonal measurement of one (1) meter or less so long as such restrictions are in accordance with federal and state laws.

Section 15.18 Chemical Toilet

A portable chemical toilet shall be provided at the construction site prior to the beginning of any construction the location of which shall be approved by the Architectural Review Committee prior to its placement on the Lot.

Section 15.19 Construction Shack

For purposes of this section a "construction shack" is defined as a structure not more than two hundred fifty-six (256) square feet for the purpose of storing plans, construction materials, tools, and other uses directly related to the coordination and supervision of construction activities. Alternative structures may be considered by the Architectural Review Committee. The location of a "construction shack" shall be approved by the Architectural Review Committee.

ARTICLE 16. ACCESSORY STRUCTURES

For purposes of this Article, an Accessory Structure is designed as a stand-alone, unattached building or structure.

Section 16.1 Compatibility with Residence

All Accessory Structures including, but not limited to, garages, workshops, barns, loafing sheds, stalls, well pump houses, or storage buildings are to be compatible with the Residence structure in color scheme, and eaves, if any, must be approved by the Architectural Review Committee.

16.1.1 If the Accessory Structures are not being constructed as an addition to an existing Residence, the new Residence must be built concurrently with the Accessory Structure.



16.1.2 No living accommodations are permitted in any Accessory Structure.

16.1.3 Any Accessory Structure must be located at least ten (10) feet from any other Accessory Structure.

16.1.4 Accessory Structures, except for garages, shall not be attached to the Residence.

16.1.5 If an Accessory Structure is to be constructed, placed or maintained on a Lot prior to the commencement of construction of the Residence, express written permission from the Architectural Review Committee is required.

Section 16.2 Accessory Structures of a Temporary Character

Lot Owners shall not erect or use any Accessory Structure(s) of a temporary character including but not limited to trailer, tent, shack, carport, garage, barn, or other type of out-building on any portion of a Lot at any time, either temporarily or permanently, except as approved by the Architectural Review Committee or the Board.

Section 16.3 Pet Enclosures

16.3.1 Pet enclosures shall not be erected, placed, or permitted to remain on any property subject to these CC&Rs, except as approved by the Architectural Review Committee.

16.3.2 Horses and other agricultural animals shall be housed not fewer than

16.3.2.1 One hundred (100) feet from the edge of the any road easement,

16.3.2.2 Twenty (20) feet from all other property lines or Easements (other than Utility Easements) and

16.3.2.3 Fifty (50) feet from any Residence.

ARTICLE 17. EXISTING RESIDENCES OR ACCESSORY STRUCTURES

Section 17.1 Structures Moved onto a Lot from Another Place

No building or structure of any kind shall be moved from any other place onto any of said Lots or from one (1) Lot onto another without the prior written consent of the Board.

Section 17.2 Partially or Totally Destroyed Improvements

Improvements, partially or totally destroyed, will be allowed to remain on Lots for no more than six (6) months from the date of destruction.

17.2.1 Owners are obligated to take immediate steps to render damaged or destroyed Improvements safe pending their removal.

17.2.2 Damaged or destroyed Improvements which constitute a threat to health, life or property which are not rendered safe by the Owner shall be considered a nuisance by the Association and enforcement action may be taken prior to the expiration of the six (6) month grace period.

ARTICLE 18. STRUCTURES THAT ARE CONSTRUCTED OFFSITE AND MOVED TO THE LOT IN SECTIONS OR MODULES.

Section 18.1 Structures Moved in Sections or Modules



The CC&Rs or other Governing Documents shall not prohibit the sale, lease, rent, or use of real property on the basis that the structure intended for occupancy on the real property is constructed in an offsite facility or factory, and subsequently moved or transported in sections or modules to the real property.

18.1.1 Nothing herein shall preclude the Governing Documents from being uniformly applied to all construction projects.

18.1.2 Manufactured homes must have been manufactured within twelve (12) months prior to the time of installation.

Section 18.2 Permission to Enter the Development

Manufactured homes that do not meet these requirements and/or are not according to the plans approved by the Architectural Review Committee may not be allowed to enter the Development.

ARTICLE 19. VACANT LOTS

Section 19.1 Water Well

A water well may be drilled on a vacant Lot with approval of the Architectural Review Committee and required permits from the County.

Section 19.2 Electricity

A pedestal for connecting electricity to the main source of electricity may be installed with the approval of the Architectural Review Committee and required permits from the County.

Section 19.3 Fencing

Permanent fencing approved by the Architectural Review Committee may be installed on the perimeter boundary. Cross fencing without plans for a Residence that have been approved by the Architectural Review Committee shall not be permitted on vacant Lots.

Section 19.4 Accessory Structures

No Accessory Structures of any kind, temporary or permanent, may be placed on any vacant Lot.

Section 19.5 Animals

Animals are not permitted to be housed overnight on any vacant Lot.

Section 19.6 Overnight Parking or Camping

Overnight parking or camping is not allowed on any vacant Lot.

ARTICLE 20. VACANT LOT ADJACENT TO OWNER'S RESIDENCE

Section 20.1 Permitted Uses

In addition to the permissions and restrictions listed above, an Owner of a vacant Lot that is situated adjacent to the Owner's Residence may

20.1.1 Plant trees, vineyards, orchards or other vegetation, and

20.1.2 Use the vacant Lot as a turnout for animals or as an arena for riding.



ARTICLE 21. CONSTRUCTION OPERATIONS**Section 21.1 Job Card**

Once the Architectural Review Committee has verified the permit or approved plans, the appropriate job card will be issued.

Section 21.2 Jobsite Responsibilities of Lot Owners

21.2.1 The Lot Owner is responsible to ensure that all jobsite contractors, workers, installers, and delivery personnel comply with the association Governing Documents including vehicular rules and regulations.

21.2.2 Owners are responsible for any speeding violations by jobsite contractors, workers, installers, and delivery personnel.

21.2.3 If violations or verbal discourtesy arise during a project, the Owner may receive a warning letter and/or be subject to being fined.

21.2.4 The safety of construction workers and other individuals on or near the construction site is the sole responsibility of the Lot Owner.

Section 21.3 Stop Work Order (Red Tag)

The Board may post a Stop Work Order ("Red Tag") on the Lot if any of the following situations occur:

21.3.1 If the Board determines that an Owner is constructing Improvements or performing acts related to or in preparation for construction Improvements on his or her Lot without obtaining approval from the Architectural Review Committee, or

21.3.2 If an Owner has failed to fulfill any conditions of approval that must be fulfilled prior to commencing construction, or

21.3.3 If an Owner has modified his or her approved construction plans and specifications or is altering, relocating, adding or modifying any approved Improvements without obtaining separate approval of the modification by the Architectural Review Committee, or

21.3.4 If an Owner has violated any related provisions of these *CC&Rs* and/or the *Architectural Rules, Standards and Guidelines* contained in the *Rules and Regulations*.

Section 21.4 Hours of Construction

There shall be no construction between the hours of 6:00 p.m. to 6:00 a.m. from June through September, and there shall be no construction between the hours of 6:00 p.m. and 7:00 a.m. from October through May.

Section 21.5 Well Water Service

21.5.1 Owners must check in with the Association office for current procedure status regarding use of the Association's well water service for construction purposes.

21.5.2 The use of this service is a privilege and may be revoked at any time for noncompliance with rules and procedures.



21.5.3 A fee may be charged for the use of Association's well water.

Section 21.6 Maintenance Services

21.6.1 Requests for road maintenance or other related maintenance requests shall be submitted in writing to the Association office.

21.6.2 A fee may be charged for maintenance staff services.

ARTICLE 22. VARIANCES

The Architectural Review Committee or an Owner whose plans have been disapproved shall be entitled to recommend that the Board allow reasonable variances with respect to a property use restriction in order to overcome practical difficulties or to avoid unnecessary hardships provided that the following conditions are met:

Section 22.1 Deviation from or Modification of a Property Use Restriction

22.1.1 If the requested variance will necessitate deviation from, or modification of, a property use restriction that would otherwise apply under these *CC&Rs*, the Board shall notify all Owners of Residences within one hundred (100) feet of the property for which the variance applies.

22.1.1.1 The Owners receiving notice of the proposed variance shall have thirty (30) days in which to submit to the Board written comments with respect to the variance.

22.1.1.2 No decision shall be made by the Board with respect to the proposed variance until the thirty (30) day comment period has expired.

22.1.2 The Architectural Review Committee, the Owner whose plans had been disapproved, and the Owners of Residences within one hundred (100) feet of the property for which the variance is requested and who responded to the request for comments, shall be notified by the Board within fifteen (15) days of the Board's decision which shall be made in an open session meeting of the Board.

22.1.3 Notwithstanding §22.1.2, upon request of the Owner, the Board's decision may be made in executive session with the decision being reported out in general terms at the next open session Board meeting.

Section 22.2 Good Faith Determination by the Board of Directors

The Board must make a good faith determination that

22.2.1 The requested variance does not constitute a material deviation from the overall plan and scheme of development within the Development or from any restriction contained herein; or

22.2.2 The proposal allows the objectives of the violated requirements to be substantially achieved despite noncompliance; or

22.2.3 The variance relates to a requirement hereunder that is unnecessary or burdensome under the circumstances; or

22.2.4 The variance, if granted, will not result in a material detriment, or create an unreasonable nuisance, with respect to any other Residence, Common Area, Common Facility, Easement or Owner's Lot within the Development.



ARTICLE 23. POWERS AND AUTHORITY OF THE BOARD OF DIRECTORS

The Board of Directors shall have all powers and authority set forth in the Governing Documents or permitted pursuant to the provisions of the California Corporations Code for nonprofit mutual benefit corporations. All such duties and powers shall be subject to any specific limitations set forth in the Governing Documents. All such duties and powers shall be exercised by the Board of Directors unless specifically reserved to the Owners.

In addition to the specific powers and authorities enumerated in the following sections, the Board of Directors has powers and authority found in other sections of the Governing Documents such as these *CC&Rs*, the *Bylaws* and the *Rules and Regulations* including but not limited to managing the affairs and business of the Association, appointing agents and hiring employees, being self-managed, adopting rules and regulations pursuant to the provisions of these *CC&Rs* and the *Bylaws*, donating to a 501(c)(3) organization, and serving as contractor.

Each and all legal or equitable remedies provided for herein shall be deemed to be cumulative.

The Board of Directors has the following specific powers and authority:

Section 23.1 To Enforce the Governing Documents

23.1.1 As more specifically set forth in these *CC&Rs*, the Board shall have the power and authority to enforce the provisions of the Governing Documents by the imposition of reasonable monetary fines, Reimbursement Assessments, and suspension of use of Common Area, Common Facilities and Easements and voting privileges.

23.1.2 These powers, however, shall not be construed as limiting any other legal means of enforcing the Governing Documents of the Association.

23.1.3 The Board shall have the power and authority to enforce the Governing Documents by all legal means available, to bring an action in law or in equity, and to utilize any lawful enforcement remedy.

23.1.4 The Board shall have all other remedies provided by law or otherwise to remedy violations and to enforce the *CC&Rs* and other Governing Documents.

Section 23.2 To Levy Regular and Special Assessments

The Board shall have the power and authority to levy Regular Assessments and/or Special Assessments within the provisions of the *CC&Rs* and the *Act*.

Section 23.3 To Levy Reimbursement Assessments

23.3.1 As set forth in Article 10 of these *CC&Rs*, the Board shall have the power and authority to levy Reimbursement Assessments.

23.3.2 Such levying of Reimbursement Assessments may occur only after the Owner has been given at least ten (10) days' notice by personal delivery or Individual Notice and an opportunity to be heard before the Board prior to the effective date of the action.



23.3.3 Within fifteen (15) days after the hearing, the Board shall give the Owner written notice of the action taken against the Owner.

Section 23.4 To Suspend Owners' Voting Rights

The Board shall have the power to suspend the voting rights of an Owner who is:

23.4.1 Not in Good Standing as of the record date established by the Board for any membership election, or

23.4.2 For any period during which any Assessments, late charges, interest, fees, or fines remain unpaid.

23.4.3 Such suspension of Owners' voting rights may occur only after the Owner has been given at least ten (10) days' notice by personal delivery or Individual Notice and an opportunity to be heard before the Board prior to the effective date of the action.

23.4.4 Within fifteen (15) days after the hearing, the Board shall give the Owner written notice by personal delivery or Individual Delivery of the action taken against the Owner.

Section 23.5 To Suspend the Right to Use Recreational Facilities

23.5.1 The Board shall have the power to suspend temporarily the right to use the recreational facilities by an Owner or his or her family members, tenants, occupants or guests.

23.5.1.1 For any period during which any Assessments, late charges, interest, fines or fees remain unpaid, and/or

23.5.1.2 For any infraction or violation of the Governing Documents by that Owner or his or her family members, tenants, occupants or guests.

23.5.2 Any suspension of use privileges may not exceed a period of thirty (30) days due to a violation of the Governing Documents by any Owner, or his or her family members, tenants, occupants or guests, other than nonpayment of Assessments, late charges, interest, fees, or fines.

23.5.3 Such suspension of use privileges may occur only after the Owner has been given at least ten (10) days' notice by personal delivery or Individual Notice and an opportunity to be heard before the Board prior to the effective date of the action.

23.5.4 Within fifteen (15) days after the hearing, the Board shall give the Owner written notice by personal delivery or Individual Notice of the action taken against the Owner.

Section 23.6 To Impose Fines and/or Monetary Penalties

The Board shall have the power to impose fines and/or monetary penalties against an Owner for violations of the Governing Documents by his or her family members, tenants, occupants or guests.

23.6.1 Fines or monetary penalties shall be imposed only after the procedures for due process have been followed.



23.6.2 Prior to imposing any such penalties, the Board shall adopt and distribute to each Owner, by personal delivery or Individual Notice, a schedule of the penalties.

Section 23.7 To Impose Administrative Fees

The Board shall have the authority to impose administrative fees

23.7.1 For the use or operation of the Common Area, Common Facilities and/or Easements;

23.7.2 For Association services including but not limited to gate card and pool keys, water well service and maintenance staff services;

23.7.3 For architectural review; and

23.7.4 For any other service provided by the Association.

23.7.5 Fees may be refundable or nonrefundable.

Section 23.8 To Protect the Common Area against Foreclosure.

The Board shall have the authority to take such steps as are reasonably necessary to protect the Common Area against foreclosure.

Section 23.9 To Record a Lien and to Foreclose upon an Owner's Lot

The Board shall have the authority to record a lien and the right to foreclose upon an Owner's Lot as set forth in these *CC&Rs* to enforce the obligation of the Owner to pay Assessments and related charges.

Section 23.10 To Grant Licenses or Permits for Use of Common Area

23.10.1 The Board shall have the right to assign, rent, license, grant permits or otherwise designate and control the use of the Common Area, Common Facilities, Easements and/or the Improvements thereon as may be reasonably necessary to or desirable for the ongoing development and operation of the Development subject to the limitations of these *CC&Rs* and the *Bylaws*.

23.10.2 The Board may grant licenses or easements to Owners provided that any license or easement with a value of more than five percent (5%) of the budgeted gross expenses of the Association for that fiscal-year shall not be made without approval of majority of a quorum of the Voting Power of the Association. For purposes of this section quorum is one-third (1/3) of the Voting Power and shall not be reduced.

Section 23.11 To Borrow Money

23.11.1 The Board shall have the power and authority to borrow money for the purpose of improving the Development or any other purpose reasonably related to fulfill the Association's obligations under the Governing Documents subject to the limitations set forth in the Association's Governing Documents.

23.11.2 The Board may borrow money and incur indebtedness on behalf of the Association and cause to be executed and delivered for the Association's purposes, in the Association name, promissory notes, bonds, debentures, deeds of trust, Mortgages, pledges, hypothecations, and other evidences of debt and



securities, except the Board shall not borrow money during any fiscal year that is in excess of the aggregate sum of five percent (5%) of the budgeted gross expenses of the Association for that fiscal year without the approval of a majority of a quorum of the Voting Power of the Association. For purposes of this section quorum is one-third (1/3) of the Voting Power and shall not be reduced.

Section 23.12 To Delegate Duties of the Board of Directors

The Board shall have the authority to delegate its duties and responsibilities to committees or employees, including a professional management agent (sometimes hereinafter referred to as "manager") or management company and to appoint such agents and employ such employees, including, but not limited to, professional property management, attorneys and accountants as it sees fit to assist in the operation of the Association and to fix their duties and to establish their compensation.

Section 23.13 To Enter into Contracts

23.13.1 The Board may enter into contracts or arrangements for services or materials for the benefit of or improvement of the Common Area, Common Facilities and Easements provided, however, that the term of any such service contract shall not exceed one (1) year.

23.13.2 Such contract or instrument shall be signed by any two (2) Directors.

23.13.3 Such authority may be general or confined to specific instances as may be determined by the Board.

23.13.4 Unless so authorized by the Board, no Officer, agent or employee shall have any power or authority to bind the Association by any contract or engagement or to pledge its credit or to render it liable for any purpose or to any amount.

23.13.5 Notwithstanding the foregoing, the above-described limitation on the term of any contract shall not apply to:

23.13.5.1 A contract with a public utility company if the rate charged for the materials or services is regulated by the Public Utilities commission as long as the term thereof does not exceed the shortest term for which the supplier will contract at the regulated rate, or

23.13.5.2 A prepaid casualty and/or liability policy of not to exceed three (3) years' duration provided such policy permits short rate cancellation by the insured.

Section 23.14 To Sell Common Area and/or Common Facilities

23.14.1 The Board may sell Common Area; however, no portion of the Common Area shall be sold without an affirmative vote of a majority of a quorum of the Voting Power of the Association. For purposes of this section, quorum shall be ninety percent (90%) of the Voting Power of the Association and shall not be reduced.

23.14.2 Common Facilities may be sold by the Board provided, however, that any single sale in any fiscal year shall not exceed five percent (5%) of the budgeted gross expenses of the Association for that fiscal year without obtaining



approval of a majority of a quorum of the Voting Power of the Association. For purposes of this section quorum is one-third (1/3) of the Voting Power and shall not be reduced.

Section 23.15 To Sell Association Owned Lots That Are Not Common Area

23.15.1 The Board of Directors may sell any Lot owned by the Association that has been acquired through foreclosure, deed in lieu of foreclosure, donation, purchase, or any other legal means of obtaining title to the Lot that is not Common Area.

23.15.2 The Board shall not be limited in the amount of proceeds that may result from such sale nor is the Board bound by any restrictions to sell the Lot at a profit if circumstances require that it is in the best interests of the Association to dispose of the Lot.

Section 23.16 To Make Capital Improvements

23.16.1 The Association may make capital improvements to the Common Area, Common Facilities and Easements provided, however, that any single expenditure for capital improvements to the Common Area, Common Facilities and/or Easements in any fiscal year shall not exceed five percent (5%) of the budgeted gross expenses of the Association for that fiscal year without obtaining approval of a majority of a quorum of the Voting Power of the Association. For purposes of this section quorum is one-third (1/3) of the Voting Power and shall not be reduced.

23.16.2 For purposes of the Governing Documents, the term "capital improvement" means those items or elements which are new to the Development and does not include expenditures for items which are included in the reserves.

Section 23.17 To Enter Owners' Lots

23.17.1 The Association's Directors, agents or employees shall have the right to enter any Lot, or any portion of the Lot, but not into the Residences, at reasonable hours and after reasonable notice to the Owner of the Lot

23.17.1.1 For the purpose of protecting, preserving or maintaining the Common Area, Common Facilities or Easements, or

23.17.1.2 For any other purpose reasonably related to the performance by the Board of its responsibilities under the Governing Documents.

23.17.2 In addition to, and not in limitation of all other rights, the Association's Directors, agents, employees, or managers may enter onto the Lots but not into Residences for emergency, security, or safety purposes, in the performance of their respective duties, notwithstanding the rights of police officers, fire fighters, ambulance personnel, and similar emergency personnel.

23.17.3 In an emergency situation, if practicable, prior to entering the Lot, a reasonable attempt will be made to notify the occupant and the Owner of the Lot of the need and intent to enter the Lot.



23.17.4 The Board shall have the right of entry onto a Lot, after reasonable notice, to remedy violations of the Governing Documents.

Section 23.18 To Commence and Maintain Actions for Damages

The Board may commence and maintain actions for damages and/or to restrain and enjoin any actual or threatened breach of any provision(s) of the Governing Documents or any decisions or resolutions of the Board by an Owner and to enforce by injunction or otherwise all of these provisions. However, before a decision to take such action is reached by the Board, the aggrieved Owner shall be provided with notice and an opportunity to be heard by the Board.

Section 23.19 To Enforce Violations of Law

Any violation of any federal, state, or County ordinance or regulation pertaining to the ownership, occupation or use of the Development or any part thereof is hereby declared to be a violation of these CC&Rs and subject to any or all of the enforcement procedures set forth herein.

Section 23.20 To Carry on Activities that Generate a Profit

The Board shall have the right to carry on activities that generate a profit and apply any profit that results from these activities to any activity in which it may lawfully engage.

Section 23.21 To Make Donations to a 501(c)(3) Organization

The Board may make donations for the public welfare or for community funds, hospital, charitable, educational, scientific, civic, religious or similar purposes which qualify as a 501(c)(3) organization under the Internal Revenue Code.

Section 23.22 To Participate in Partnerships and Joint Ventures

The Board may participate with others in any partnership, joint venture or other association, transaction or arrangement of any kind whether or not such participation involves sharing or delegation of control with or to others.

Section 23.23 To Serve as a General Contractor for Improvement Projects

The Board may serve as a general contractor for improvement projects to the Common Area, Common Facilities or Easements.

Section 23.24 To Be Self-managed

23.24.1 Directors may assume direct responsibility for the financial, legal, and operational aspects of the Association similar to the duties and responsibilities that could be handled by a management company or general manager.

23.24.2 The Board may select, hire, and direct independent contractors who provide services such as audits, Assessment collections, escrows, banking, Board elections, insurance, computer system maintenance, financials, legal affairs, lockbox, payroll, guards, surveillance cameras, website and/or other services.

23.24.3 Directors may supervise the office, maintenance, or other staff.

Section 23.25 To Adopt Rules and Regulations



Subject to the procedures set forth in the Governing Documents and under California law, the Board may adopt, amend and repeal as it deems reasonable, the Association's *Rules and Regulations* for the use of the Common Area, Common Facilities, Easements, and Lots by all Owners, their family members, guests, tenants and/or employees.

Section 23.26 To Do Any Lawful Thing

The Board shall have the power to do any lawful thing that may be authorized, required, or permitted to be done by the Association under the Governing Documents and to do and perform any act that may be necessary or proper for or incidental to the exercise of any of the express powers of the Association.

Section 23.27 No Waiver of Right to Enforce CC&Rs, Bylaws, or Rules and Regulations

The failure of the Board or any Owner to enforce any of the provisions contained in the Governing Documents shall not constitute a waiver of the right to enforce the same thereafter nor shall such failure result in or impose any liability on the Association or the Board.

Section 23.28 Attorney Fees and Costs

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

ARTICLE 24. DUTIES AND RESPONSIBILITIES OF THE BOARD OF DIRECTORS

In discharging its duties and responsibilities, the Board acts on behalf of and as representative of the Owners of Lots. No Director shall be individually or personally liable or obligated for performance or failure of performance of such duties or responsibilities unless he or she fails to act in good faith.

In addition to the duties and responsibilities enumerated in the following sections, the Board has duties and responsibilities found in other sections of the Governing Documents including, but not limited to, preparation of the budget and financial statements, maintaining bank accounts, determining any increase in Regular or Special Assessments subject to the restrictions of these *CC&Rs* and the *Bylaws*, providing required disclosures such as "Annual Budget Report" and "Annual Policy Statement," planning and executing meetings of the Board and Owners, determining the eligibility of Owners to vote in elections, and ensuring that the balloting process is fair to all candidates or ballot issues.

The Board shall have the following duties and responsibilities

Section 24.1 To Provide for Reserve Accounts

24.1.1 "Reserve accounts" means both of the following:

24.1.1.1 Moneys that the Board has identified for use to defray the repair or replacement of or additions to those major components that the Association is obligated to maintain, and

24.1.1.2 The funds received, and not yet expended or disposed of, from a compensatory damage award or settlement to the Association from any



person for injuries to property, real or personal, arising from any construction design defects.

24.1.1.3 These funds shall be separately itemized from funds described in subparagraph 24.1.1.1.

24.1.2 "Reserve account requirements" mean the estimated funds that the Board has determined are required to be available at a specified point in time to repair, replace, restore or add to those major components that the Association is obligated to maintain.

Section 24.2 To Manage the Use of Reserve Funds

24.2.1 The signatures of at least two (2) Directors shall be required for the withdrawal of moneys from the Association's reserve accounts.

24.2.2 The Board shall not expend funds designated as reserve funds for any purpose other than the repair, restoration, replacement, maintenance or addition to or litigation involving the repair, restoration, replacement, addition to or maintenance of major components that the Association is obligated to repair, restore, replace, or maintain and for which the reserve fund was established.

24.2.3 The Board may authorize the temporary transfer of moneys from a reserve fund to the Association's general operating fund to meet short-term cash-flow requirements or other expenses, if the Board has provided notice of the intent to consider the transfer in the agenda of an open session meeting of the Board.

24.2.3.1 The notice shall include the reasons the transfer is needed, the options for repayment, and whether a Special Assessment may be considered.

24.2.3.2 If the Board authorizes the transfer, the Board shall issue a written finding, recorded in the minutes of the meeting of the Board, explaining the reasons that the transfer is needed and describing when and how the money will be repaid to the reserve fund.

24.2.3.3 The transferred funds shall be restored to the reserve fund within one (1) year of the date of the initial transfer, except that the Board may, after giving the same notice required for considering a transfer, and, upon making a finding supported by documentation that a temporary delay would be in the best interests of the Association, temporarily delay the restoration.

24.2.3.4 The Board shall exercise prudent fiscal management in maintaining the integrity of the reserve account and shall, if necessary, levy a Special Assessment to recover the full amount of the expended funds within the time limits required by this section.

Section 24.3 To Conduct a Reserve Study

24.3.1 At least once every three (3) years, the Board shall cause to be conducted a reasonably competent and diligent visual inspection of the accessible areas of the major components that the Association is obligated to repair, replace, restore,



or maintain as part of a study of the reserve account requirements of the Association.

24.3.2 The Board shall review this study, or cause it to be reviewed, annually and shall consider and implement necessary adjustments to the Board's analysis of the reserve account requirements as a result of that review.

24.3.3 The summary of the Association's reserves shall be based on the most recent review or study conducted pursuant to the Act, shall be based only on assets held in cash or cash equivalents, shall be printed in boldface type, and shall include all of the following:

24.3.3.1 The current estimated replacement cost, estimated remaining life, and estimated useful life of each major component as of the end of the fiscal year for which the study is prepared;

24.3.3.2 The current estimate of the amount of cash reserves necessary to repair, replace, restore or maintain the major components;

24.3.3.3 The current amount of accumulated cash reserves actually set aside to repair, replace, restore, or maintain major components;

24.3.3.4 The percentage of the amount of accumulated cash reserves actually set aside to repair, replace, restore, or maintain major components compared to the current estimate of the amount of cash reserves necessary to repair, replace, restore, or maintain the major components; and

24.3.3.5 The current deficiency in reserve funding expressed on a per unit basis.

24.3.4 The disclosures required by this article with regard to an Association or a property shall be summarized on the following form: "Assessment and Reserve Funding Disclosure Summary for the Fiscal Year Ending _____"

24.3.5 For the purposes of this article "estimated remaining useful life" means the time reasonably calculated to remain before a major component will require replacement.

24.3.6 Components with an estimated remaining useful life of more than thirty (30) years may be included in a study as a capital asset or disregarded from the reserve calculation so long as the decision is revealed in the reserve study report and reported in the "Assessment and Reserve Funding Disclosure Summary."

24.3.7 For the purpose of the report and summary, the amount of reserves needed to be accumulated for a component at a given time shall be computed at the current cost of replacement or repair multiplied by the number of years the component has been in service divided by the useful life of the component.

24.3.8 This shall not be construed to require the Board to fund reserves in accordance with this calculation.

24.3.9 The reserve funding plan shall include a schedule of the date and amount of any change in Regular or Special Assessments that would be needed to sufficiently fund the reserve funding plan.



24.3.10 If the Board determines that an Assessment increase is necessary to fund the reserve funding plan, any increase shall be approved in a separate action of the Board at a scheduled open session meeting.

24.3.11 The plan shall be adopted by the Board at a scheduled open session meeting of the Board.

Section 24.4 To Manage and Maintain Common Area, Common Facilities, and Easements

24.4.1 The Board shall maintain and otherwise manage all of the Common Area, Common Facilities, and Easements including all recreational facilities, improvements and landscaping thereon, and all property subsequently acquired by the Association.

24.4.2 The Board, except as otherwise provided herein, shall have the obligation, sole authority, and duty to manage, make decisions, operate, control, repair, replace, restore or add to all of the Common Area, Common Facilities and Easements or any portion thereof, together with the Improvements and landscaping thereon, all as more fully set forth in the Governing Documents.

24.4.3 The Board shall acquire, provide and/or pay for water, sewer, garbage disposal, gas, electrical, refuse and rubbish collection, telephone, cable and gardening service and other necessary utility service for the Common Area, Common Facilities, and Easements.

Section 24.5 To Obtain Insurance Coverage

The Association shall obtain and continue in effect the following:

24.5.1 A policy of fire and casualty insurance naming as the party insured the Association and containing the standard extended coverage and replacement cost endorsements and such other or special endorsements as will afford protection and insure, for the full insurable, current replacement cost (excluding foundations and excavation but without deduction for depreciation) as determined annually by the insurance carrier, all Common Area, Common Facilities and Easements and the personal property of the Association for or against the following:

24.5.1.1 Loss or damage by fire or other risks covered by the standard coverage endorsement;

24.5.1.2 Loss or damage from theft, vandalism or malicious mischief;

24.5.1.3 Loss or damage caused by sprinkler leakage, windstorm, water damage and covering the cost of demolition and debris removal; and

24.5.1.4 Such other risks, perils or coverage as the Board may determine such policy or the endorsement made a part thereof shall, to the extent available, provide that the insurer issuing the policy agrees to abide by the decision of the Association made in accordance with the provisions of these CC&Rs as to whether or not to repair, reconstruct or restore all or any damaged or destroyed portion of the Common Area, Common Facilities, and/or Easements.



24.5.2 Unless at least two-thirds (2/3) of the first Mortgage holders (based upon one vote for each first Mortgage owned) or Owners have given their prior written approval, the Association shall not be entitled to fail to maintain the extended coverage fire and casualty insurance required by this Article on less than a one hundred percent (100%) current replacement cost basis.

24.5.3 A policy of general liability for full extended coverage, including, but not limited to, vandalism, malicious mischief, public liability with a cross-liability endorsement, such coverage to include protection against water damage, liability for non-owned and hired automobiles and liability for property of others, and such other risks as are customarily covered with respect to similar real estate developments in the Area of the Development and as shall customarily be required by private institutional Mortgage investors for projects similar in construction, location and use to the Development.

24.5.3.1 The policy shall contain a "severability of interest" endorsement or the equivalent which shall preclude the insurer from denying the claim of an Owner because of negligent acts or omissions of the Association or other Owners.

24.5.3.2 The limits of such insurance shall not be less than \$3,000,000 for death or injury to any one person and \$3,000,000 for death or injury to more than one person in any one occurrence and \$1,000,000 for property damage in any one occurrence or any amount greater as determined by the Act or the Board from time to time.

24.5.4 A fidelity bond covering against dishonest acts on the part of Directors, Officers, employees, volunteers, trustees, managers or any other persons who handle the funds of the Association.

24.5.4.1 Such fidelity bond shall name the Association as obligee and shall be written in an amount equal to at least one hundred fifty percent (150%) of the estimated annual operating expenses of the Development, including reserves, in the custody of the Association or a management agent at any given time during the term of the bond.

24.5.4.2 The bond shall contain waivers of any defense based on the exclusion of persons who serve without compensation from any definition of "employee" or similar expression.

24.5.5 The Board shall purchase and maintain Directors and Officers Insurance covering errors and omissions for Officers and Directors and, if desirable, committee members of the Association in an amount of at least \$1,000,000 per occurrence.

24.5.6 The Board may purchase and maintain in force demolition insurance in adequate amounts to cover demolition in the event of total or partial destruction and a decision not to rebuild.

24.5.7 The Board shall also purchase and maintain workers compensation insurance, to the extent that the same shall be required by law, for all employees of the Development.



24.5.8 The Board may also purchase and maintain insurance on personal property owned by the Association and such other insurance as it deems necessary.

24.5.9 The Board shall annually determine whether the amounts and types of insurance it has obtained provide adequate coverage for all Common Area, Common Facilities, and Easements in light of increased construction costs, inflation, and practice in the area in which the Development is located or any other factor which tends to indicate that either additional insurance policies or increased coverage under existing policies are necessary or desirable to protect the interests of the Association and the Owners.

24.5.10 If the Board determines that increased coverage or additional insurance is appropriate, it shall obtain the same.

24.5.11 All insurance obtained by the Board shall be in the name of the Association and shall be maintained at least for the benefit of the Association, the Owners and the first Mortgage holders as their interests may appear.

24.5.12 As to each of the policies provided for in this article, which will not be voided or impaired by the requirements of this section, the Owners hereby waive and release all claims against the Association, the Board and their agents and employees, with respect to any loss covered by such insurance, whether or not caused by negligence of or breach of any agreement by said persons, but only to the extent of insurance proceeds received in compensation for such loss.

24.5.13 Insurance premiums for any insurance coverage obtained by the Association pursuant to this Article shall be a Common Expense to be included in the Regular Assessments levied by the Association.

24.5.14 Insurance proceeds shall be used by the Association for the repair or replacement of the property for which the insurance was carried.

24.5.15 The Association is hereby granted the authority to negotiate loss settlements with the appropriate insurance carriers.

24.5.16 Any two (2) Directors may sign a loss claim form and release form in connection with the settlement of a loss claim, and such signatures shall be binding on the Association and the Owners.

Section 24.6 To Pay Real and Personal Property Taxes

24.6.1 The Board shall pay any real or personal property taxes or other charges assessed against the Common Area and Common Facilities and/or the Association.

24.6.2 Such taxes and assessments may be contested or compromised by the Association provided, however, that they are paid or a bond ensuring payment is posted to the sale or the disposition of any property to satisfy the payment of such taxes.

Section 24.7 To Prepare Budgets and Financial Statements

24.7.1 The Board shall prepare budgets and financial statements as provided in the *Bylaws* and any other Governing Document of the Association.



24.7.2 The Board shall maintain bank account(s) for funds coming under the control of the Association.

24.7.3 On no less than a quarterly basis, the Board shall do all of the following:

24.7.3.1 Review a current reconciliation of the Association's operating accounts,

24.7.3.2 Review a current reconciliation of the Association's reserve accounts,

24.7.3.3 Review the current year's actual reserve revenues and expenses compared to the current year's budget,

24.7.3.4 Review the Association's latest account statements prepared by the financial institution(s) with whom the operating and reserve accounts are lodged, and

24.7.3.5 Review the Association's income and expense statement for the operating and reserve accounts.

ARTICLE 25. LIABILITY FOR AND INDEMNIFICATION OF DIRECTORS

Section 25.1 Limitation of Liability for Directors

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

Section 25.2 Indemnification of Directors

25.2.1 Every Director and every Officer past or present of the Association shall be indemnified by the Association against expenses and liabilities, including reasonable attorney fees and costs incurred or imposed upon him or her in connection with any proceeding in which such Director or Officer may be a party, or in which such Officer or Director may become involved, by reason of his or her being or having been a Director or an Officer of the Association, or any settlement thereof, except in such cases wherein the Director or Officer has acted in a manner that demonstrated gross negligence or malfeasance in the performance of his or her duties.

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

ARTICLE 26. RESTRICTIONS ON PARTITION

Section 26.1 Prohibition on Severing Ownership from any other Ownership

26.1.1 Each of the Owners of a Lot is prohibited from severing or separating such ownership from any of the other ownerships in the Common Area or Common Facilities, except upon a showing that:

26.1.1.1 More than three (3) years before the filing of the action the Development was damaged or destroyed so that a material part was



rendered unfit for its prior use, and the Development has not been rebuilt or repaired substantially to its state prior to its damage or destruction, or

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

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

Section 26.2 Power of Attorney Granted to Association

26.2.1 The Association is hereby granted a power of attorney to sell the Development for the benefit of all the Owners thereof when partition of the Owners' interest in said Development may be had pursuant to this Article.

26.2.2 The power of attorney herein granted may be exercised upon the vote or written consent of Owners holding in the aggregate at least two-thirds (2/3) of the interests in the Common Area and Common Facilities or by any three (3) Directors who are hereby authorized to record a Certificate of Exercise in the Office of the County Recorder, which certificate shall be conclusive evidence thereof in favor of any person relying thereon in good faith.

ARTICLE 27. DESTRUCTION OF IMPROVEMENTS

Section 27.1 Insurance Proceeds Sufficient

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

Section 27.2 Insurance Proceeds Insufficient

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



Section 27.3 Assessments

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

Section 27.4 Failure to Rebuild

If a majority of the Owners do not agree to the repair or rebuilding of the Common Area, Common Facilities, and Easements, then each Owner (and his or her first Mortgage holder(s) as their respective interests shall then appear) shall be entitled to receive that portion of insurance proceeds equal to the proportion of the decrease in fair market value of his or her Lot as compared to the aggregate decrease in fair market values of all the Lots caused by such damage or destruction. For purposes hereof, fair market value shall be determined by a qualified real estate appraiser selected by the Board and hired by and at the expense of the Association. Should a dispute arise as to the distribution of insurance proceeds, the dispute shall be decided by arbitration by the American Arbitration Association pursuant to its Commercial Rules of Arbitrations.

Section 27.5 Contract for Rebuilding

If rebuilding of the Common Area, Common Facilities, and Easement Areas is to take place, the Board or its authorized representative shall obtain bids from at least two (2) reputable contractors and shall award the repair and reconstruction work to the most qualified bidder. The Board shall have the authority to enter into a written contract with said contractor for such repair and reconstruction, and the insurance proceeds held by the trustee or the Association shall be disbursed to said contractor according to the terms of the agreement. It shall be the obligation of the Board to take all steps necessary to assure the commencement and completion of such repair and reconstruction at the earliest possible date if the same is authorized.

Section 27.6 Destruction of Improvements on Lots

In the event of total or partial destruction of any of the Improvements constructed on any Lot(s), the Owner(s) thereof shall reconstruct the same as soon as reasonably possible and substantially in accordance with the original plans and specifications therefore provided, however, that said improvements shall be restored so that the exterior appearance thereof substantially resembles their appearance in form and color immediately prior to such destruction.

Section 27.7 Variation

Notwithstanding the foregoing, the Owner of such damaged Improvements may request permission from the Architectural Review Committee to reconstruct or repair such Improvements in accordance with any new or changed plans and specifications established by the Board.

ARTICLE 28. CONDEMNATION**Section 28.1 Taking of a Lot**

In the event of any taking of a Lot, by condemnation, eminent domain or any proceeding in lieu thereof, the Owner (and his or her first Mortgage holder(s) as their interests may appear) of the Lot shall be entitled to receive the award for such taking and after acceptance thereof such Owner and his or her first Mortgage holder(s) shall be divested of all further interests in the Lot property if such Owner shall vacate his or her Lot as a result of such taking.

Section 28.2 Taking of Common Area

If any portion of the Common Area or Common Facilities is taken by condemnation, eminent domain or any proceeding in lieu thereof, then the Owners of the Common Area and Common Facilities and their first Mortgage holder(s) shall be entitled to receive the award for such taking in proportion to the interest of each in the Common Area and Common Facilities provided, however, that should it be determined to repair or rebuild any portion of the Common Area or Common Facilities, such proceeds shall be paid to the Association for that purpose in the same manner and subject to the same terms, conditions and limitations as are set forth above for repairing damaged or destroyed portions of the Common Area and Common Facilities. A decision to repair or rebuild shall be made in the same manner and subject to the same conditions and limitations as provided above for determining whether to rebuild or repair following damage or destruction.

Section 28.3 Disbursement of Any Award

If the compensation for a taking affecting all or a portion of the Common Area and Common Facilities is not apportioned among the Owners by court judgment or by agreement between the taking entity and the Board, then as soon as practicable after the receipt by the Association of any compensation for a taking, the Board will disburse the same as follows:

28.3.1 First, to contractors, subcontractors, material providers and others for the costs of the repair or restoration of damage or destruction to the Common Area, Common Facilities, and Easements caused by such taking, or to the Association in reimbursement for such costs; the balance of the award is hereinafter referred to as "award balance."

28.3.2 Second, the award balance to the Association. In the event the entire Common Area and Common Facilities are so appropriated, the award balance shall be distributed to the Owners so that each Owner receives one equal share of such award balance for each Lot owned by such Owner. In the event that only a part of the Common Area and Common Facilities are so appropriated, the award balance shall be retained by the Association or disbursed to the Owners in whole or in part as determined by the Board.

Section 28.4 Priority of First Mortgage Holder Rights

In the event there shall be any express or implied conflict between any provision of this article and any provision of a note or Mortgage held by a first Mortgage holder, the provisions of said note or Mortgage shall govern and prevail.

ARTICLE 29. MISCELLANEOUS PROVISIONS

Section 29.1 Liberal Interpretation of CC&Rs



The provisions of these *CC&Rs* shall be liberally construed to effectuate its purpose of creating a uniform plan for the operation of the Development for the mutual benefit of all Owners.

Section 29.2 Severability

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

Section 29.3 Number, Gender

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

Section 29.4 Successors and Assigns

These *CC&Rs* shall be binding upon and shall inure to the benefit of all heirs, personal representatives, successors, assigns, grantees, lessees, licensees and renters of Owners.

Section 29.5 Joint and Several Liability

In the case of multiple Owners of a Lot, the liability of the Owners thereof in connection with the obligations of the Owners, set forth in or imposed by the Governing Documents shall be joint and several.

Section 29.6 Conflicts

29.6.1 To the extent of any inconsistency between the Governing Documents and the law, the law controls.

29.6.2 To the extent of any inconsistency between the *Articles* and the *CC&Rs*, the *CC&Rs* control.

29.6.3 To the extent of any inconsistency between the *Bylaws* and the *Articles* or *CC&Rs*, the *Articles* or *CC&Rs* control.

29.6.4 To the extent of any inconsistency between the *Rules and Regulations* and the *Bylaws*, *Articles*, or *CC&Rs*, the *Bylaws*, *Articles*, or *CC&Rs* control.

Section 29.7 Titles

Article or section headings do not in any manner affect the scope, meaning, or intent of these *CC&Rs*.

Section 29.8 References to Code Sections

In the event any of the statutes or laws referenced in the Governing Documents is amended, modified, re-numbered or otherwise changed, the references in such document shall be deemed to refer to the statutes or laws as amended, modified, re-numbered or otherwise changed. If a statute or law is repealed or deleted, any reference shall be deemed to refer to any successor statute or law.

ARTICLE 30. EXTENSIONS OF *CC&Rs*



Each and all of these *CC&Rs* shall terminate on December 31, 2064, after which date they shall automatically be extended for successive periods of ten (10) years unless amended or extinguished by a written instrument executed by at least a majority of a quorum of the Voting Power of the Association and such written instrument is recorded with the County Recorder. For purposes of this Section, "quorum" shall mean one third (1/3) of the Voting Power of the Association, and such quorum shall not be reduced.

ARTICLE 31. AMENDMENT(S) AND/OR RESTATEMENT(S) OF *CC&Rs*

Section 31.1 Election to Approve an Amendment or Restatement

These *CC&Rs* may be amended and/or restated at any time by the vote or written consent of a majority of a quorum of the Voting Power of the Association as of the date of record established by the Board.

31.1.1 For purposes of this section, a quorum is one-third (1/3) of the Voting Power of the Association which quorum requirement shall not be reduced.

31.1.2 In an election to approve an amendment or restatement of these *CC&Rs*, the text of the proposed amendment and/or restatement shall be delivered to the Owners with the ballot.

31.1.3 An election regarding amendments to or restatement of the *CC&Rs* shall be held by secret ballot in accordance with the procedures set forth in the *Act*, *Election Rules* and *Bylaws*. The initial deadline may be extended if an insufficient number of ballots, as determined by the inspector of elections, have been received. Thereafter, the deadline to return ballots may be extended for such periods of time as the inspector of elections may set.

31.1.4 Any amendments to or restatements of the *CC&Rs* shall only become effective upon:

31.1.4.1 The execution of a Certificate of Amendment/Restatement containing notarized signatures of the President and Secretary of the Association that certifies the amendment(s) and/or restatement was approved in accordance with the terms of the *CC&Rs*, and

31.1.4.2 Recordation with the Office of the County Recorder.

Section 31.2 Notice of Election Results to Membership

Notice of the election results shall be provided by General Notice to the Owners within fifteen (15) days of the election.



CERTIFICATE OF RESTATEMENT

I, the undersigned, do hereby declare:

1. That I am duly elected and acting Secretary of LAKE RIVERSIDE ESTATES COMMUNITY ASSOCIATION, a California Nonprofit Mutual Benefit Corporation and certify

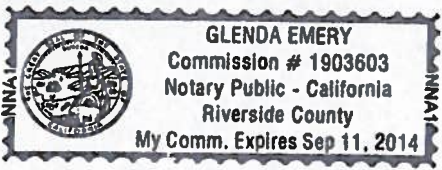
2. That the foregoing THIRD RESTATED COVENANTS, CONDITIONS AND RESTRICTIONS (CC&Rs) comprising 72 pages constitute the Declaration of the Restrictions of the Association duly adopted by a vote of at least a majority of a quorum of the voting power of the Association.

State of California County of Riverside By: MARY E. LEE Secretary

On February 25th, 2014, before me, Glenda Emery Notary Public, personally appeared Mary E. Lee, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

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

WITNESS my hand and official seal. Signature (Seal)



CERTIFICATE OF RESTATEMENT

I, the undersigned, do hereby declare:

1. That I am duly elected and acting President of LAKE RIVERSIDE ESTATES COMMUNITY ASSOCIATION, a California Nonprofit Mutual Benefit Corporation and certify

2. That the foregoing THIRD RESTATED COVENANTS, CONDITIONS AND RESTRICTIONS (CC&Rs) comprising 72 pages constitute the Declaration of Restrictions of the Association duly adopted by a vote of at least a majority of a quorum of the voting power of the Association.

State of California

County of

Riverside

Kelly A Walters
By: Kelly A Walters President

On February 25th, 2014, before me, Glenda Emery, Notary Public, personally appeared Kelly A. Walters, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

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

WITNESS my hand and official seal.

Signature

[Handwritten Signature] (Seal)

