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Association

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**2020 AMENDED AND RESTATED
DECLARATION OF RESTRICTIONS
FOR**

Hampton Manor Community Association

A Residential Condominium Community

**NOTICE
(Gov. Code § 12956.1)**

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TABLE OF CONTENTS

	<u>Page</u>
RECITALS	1
ARTICLE 1 - DEFINITIONS	3
1.1 IN GENERAL	3
1.2 "ANNUAL BUDGET REPORT"	3
1.3 "ANNUAL POLICY STATEMENT"	3
1.4 "APPLICABLE LAW"	3
1.5 "ARCHITECTURAL COMMITTEE"	3
1.6 "ARCHITECTURAL RULES"	4
1.7 "ARTICLES"	4
1.8 "ASSESSMENT" OR "ASSESSMENTS"	4
1.9 "ASSOCIATION"	4
1.10 "ASSOCIATION PROPERTY"	4
1.11 "BOARD"	4
1.12 "BUDGETED GROSS EXPENSES"	4
1.13 "BYLAWS" OR "RESTATED BYLAWS"	4
1.14 "CAPITAL EXPENDITURE" OR "CAPITAL IMPROVEMENT"	4
1.15 "COMMON AREA"	4
1.16 "COMMON EXPENSES"	5
1.17 "COMMUNITY"	5
1.18 "CONDOMINIUM"	5
1.19 "CONDOMINIUM PLAN"	5
1.20 "DIRECTOR" OR "DIRECTORS"	6
1.21 "ELECTRONIC TRANSMISSION"	6
1.22 "ELIGIBLE LENDER"	6
1.23 "EXCLUSIVE USE COMMON AREA"	6
1.24 "GOVERNING DOCUMENTS"	6
1.25 "IMPROVEMENT"	6
1.26 "LENDER"	6
1.27 "MEMBER"	7
1.28 "MORTGAGE"	7
1.29 "NOTICE AND HEARING"	7
1.30 "OFFICERS"	7
1.31 "OWNER"	7
1.32 "PHASE LOT"	8
1.33 "RESTATED DECLARATION"	8
1.34 "RULES"	8
1.35 "UNIT"	8
1.36 "VOTING POWER"	9
ARTICLE 2 - THE COMMUNITY	9
2.1 COMMUNITY SUBJECT TO RESTATED DECLARATION	9

2.2	DESCRIPTION OF LAND AND IMPROVEMENTS; OWNERSHIP OF COMMON AREA	9
2.3	THE ASSOCIATION EASEMENT IN COMMON AREA	9
2.4	OWNERS' NONEXCLUSIVE RIGHTS OVER COMMON AREA	9
2.5	EQUITABLE SERVITUDES	9
2.6	PROHIBITION AGAINST PARTITION.....	9
2.7	PRESUMPTION REGARDING BOUNDARIES OF UNITS	9
2.8	PROHIBITION AGAINST SEVERANCE OF ELEMENTS	10
2.9	SECURITY	10
ARTICLE 3 - THE ASSOCIATION.....		11
3.1	ORGANIZATION OF THE ASSOCIATION.....	11
3.2	BOARD OF DIRECTORS	11
3.3	MEMBERSHIP	11
3.4	MEMBERSHIP CLASS; VOTING RIGHTS	11
3.5	GENERAL POWERS AND AUTHORITY	11
3.6	DUTIES OF THE ASSOCIATION.....	13
3.7	VOLUNTEER PROTECTION.	14
3.8	NOTICE OF CLAIM AS PREREQUISITE FOR PURSUING CLAIMS FOR DAMAGES AND/OR OTHER RELIEF.	14
3.9	DUTY TO MITIGATE DAMAGES	15
ARTICLE 4 - ASSESSMENTS AND COLLECTION PROCEDURES		15
4.1	COVENANT TO PAY	15
4.2	PURPOSE OF ASSESSMENTS	15
4.3	REGULAR ASSESSMENTS	16
4.4	SPECIAL ASSESSMENTS.....	16
4.5	LIMITATIONS ON REGULAR AND SPECIAL ASSESSMENTS	17
4.6	ALLOCATION OF REGULAR AND SPECIAL ASSESSMENTS	17
4.7	OWNER NOTICE OF REGULAR AND SPECIAL ASSESSMENTS	17
4.8	INDIVIDUAL ASSESSMENTS	17
4.9	UTILITY ASSESSMENTS	18
4.10	MONETARY PENALTY ASSESSMENTS	18
4.11	COSTS, LATE CHARGES AND INTEREST	19
4.12	PRIORITY OF PAYMENTS	19
4.13	NO OFFSETS	19
4.14	ENFORCEMENT OF ASSESSMENTS AND LATE CHARGES.....	19
4.15	SUSPENDING TELECOMMUNICATIONS SERVICES	20
4.16	ASSIGNMENT OF RENT.....	21
4.17	PRIORITY OF ASSESSMENT LIEN	22
4.18	STATEMENT OF DELINQUENT ASSESSMENT	22
ARTICLE 5 - USE RESTRICTIONS AND COVENANTS		23
5.1	GENERAL.....	23
5.2	ALTER COMMON AREA.....	23
5.3	ALTERING A CONDOMINIUM	23
5.4	ANTENNAS.....	23

5.5	ASSIGNMENT OF RIGHT TO USE COMMON AREA	23
5.6	COMMON AREA USE	23
5.7	COMPLYING WITH RESTRICTIONS ON USE.....	25
5.8	DAMAGE LIABILITY	25
5.9	ELECTRIC VEHICLE CHARGING STATIONS	25
5.10	EMISSIONS	26
5.11	FLAMMABLE SUBSTANCES.....	26
5.12	GARAGE CONVERSION.....	26
5.13	GARAGE DOORS	26
5.14	HARASSMENT	26
5.15	HAZARDOUS MATERIALS	27
5.16	INCREASE RATE OF INSURANCE.....	27
5.17	LEASING UNITS	27
5.18	MECHANIC'S LIENS	31
5.19	OBSTRUCT COMMON AREA	31
5.20	OFFENSIVE ACTIVITY	31
5.21	OUTSIDE DRYING AND LAUNDERING.....	31
5.22	OWNER RESPONSIBILITY.....	32
5.23	PATIOS AND BALCONIES.....	32
5.24	PETS.....	32
5.25	POWER EQUIPMENT	33
5.26	PROTECTION SYSTEMS.....	33
5.27	RESIDENTIAL USE OF UNIT	33
5.28	SIGNS	33
5.29	SOLAR INSTALLATION	33
5.30	SUBDIVIDING OR COMBINING UNITS	33
5.31	TRASH AND RECYCLING	33
5.32	VACATING UNIT; COSTS.....	33
5.33	VEHICLE MAINTENANCE	34
5.34	VEHICLE USE AND PARKING	34
5.35	WATER DISCHARGE.....	35
5.36	WINDOW COVERS	35
5.37	WIRING ACCESS.....	35
ARTICLE 6 - REPAIR AND MAINTENANCE.....		36
6.1	GENERAL; STANDARDS OF MAINTENANCE	36
6.2	DIVISION OF RESPONSIBILITY	36
6.3	OWNER IMPROVEMENTS	37
6.4	ACCESS OVER COMMON AREA	37
6.5	FAILURE TO MAINTAIN.....	37
6.6	DAMAGE DURING REPAIRS.....	37
6.7	TERMITE CONTROL.....	37
6.8	DAMAGE CAUSED BY OWNER	38
6.9	LIMITATION OF LIABILITY	39
6.10	DAMAGES TO UNIT; WATER INTRUSION DAMAGE.....	39
6.11	OWNER NOTIFICATION TO THE ASSOCIATION	41

ARTICLE 7 - ARCHITECTURAL AND DESIGN CONTROL	41
7.1 GENERAL.....	41
7.2 GENERAL CHANGES REQUIRING PRIOR APPROVAL	41
7.3 SPECIFIC CHANGES.....	41
7.4 PROCEDURE FOR OBTAINING APPROVAL OF ARCHITECTURAL CHANGES	42
7.5 ARCHITECTURAL RULES.....	43
7.6 STANDARD OF ARCHITECTURAL REVIEW	43
7.7 ARCHITECTURAL COMMITTEE	43
7.8 FEE FOR REVIEW	44
7.9 COMPENSATION	44
7.10 LIABILITY	44
7.11 EFFECT OF OWNER-INSTALLED IMPROVEMENTS.....	44
7.12 ENFORCEMENT	46
7.13 NONCOMPLIANCE WITH APPLICABLE LAWS	47
7.14 GOVERNMENTAL PERMITS AND APPROVALS	47
7.15 CONFLICTS BETWEEN APPLICABLE LAW AND THE ASSOCIATION.....	48
ARTICLE 8 - INSURANCE	48
8.1 FIRE AND CASUALTY INSURANCE	48
8.2 GENERAL LIABILITY INSURANCE.....	48
8.3 DIRECTORS AND OFFICERS LIABILITY INSURANCE	48
8.4 FIDELITY COVERAGE	49
8.5 OTHER ASSOCIATION INSURANCE.....	49
8.6 REVIEW OF INSURANCE; NOTICE OF CANCELLATION OR MODIFICATION.....	49
8.7 SEPARATION OF INSURED.....	49
8.8 WAIVER OF SUBROGATION	49
8.9 QUALIFICATIONS OF INSURANCE CARRIERS	49
8.10 FAILURE TO ACQUIRE INSURANCE.....	49
8.11 TRUSTEE FOR POLICIES	50
8.12 INSURANCE PREMIUMS	50
8.13 INSURANCE POLICY DEDUCTIBLES	50
8.14 INSURANCE DISCLOSURES	51
8.15 INDIVIDUAL PROPERTY INSURANCE	51
8.16 INDIVIDUAL LIABILITY INSURANCE.....	51
ARTICLE 9 - DAMAGE OR DESTRUCTION	51
9.1 DUTY TO RESTORE.....	51
9.2 COST OF REPAIR.....	51
9.3 REPAIR PLANS	52
9.4 REPLACEMENT OF LESS THAN ENTIRE COMMUNITY.	52
9.5 INSURANCE PROCEEDS.....	52
9.6 DISBURSEMENTS TO OWNERS AND LENDERS.....	52
9.7 CERTIFICATES BY BOARD	53
9.8 CERTIFICATES BY ATTORNEYS OR TITLE INSURANCE COMPANIES.....	53
9.9 CASUALTY DESTRUCTION OF UNIT.....	53
ARTICLE 10 - EMINENT DOMAIN.....	53

10.1	REPRESENTATION BY THE ASSOCIATION.....	53
10.2	COMMON AREA TAKING	53
10.3	CONDOMINIUM UNIT TAKING.....	54
10.4	SUBSTANTIAL TAKING	54
ARTICLE 11 - RIGHTS OF LENDERS		54
11.1	GENERAL.....	54
11.2	NO RIGHT OF FIRST REFUSAL	54
11.3	UNPAID DUES OR CHARGES	54
11.4	ACTION REQUIRING LENDER APPROVAL	55
11.5	PAYMENT OF TAXES AND INSURANCE	55
11.6	PRIORITY OF DISTRIBUTION OF PROCEEDS OR AWARDS	55
11.7	NOTIFICATION OF LENDER.....	56
11.8	TERMINATION OF PROFESSIONAL MANAGEMENT	56
11.9	INSPECTION OF DOCUMENTS, BOOKS AND RECORDS	56
11.10	NON-CURABLE BREACH.....	56
11.11	LOAN TO FACILITATE.....	56
11.12	LENDERS FURNISHING INFORMATION	56
11.13	FINANCIAL STATEMENT	56
11.14	TERMINATION WITHOUT SUBSTANTIAL DESTRUCTION.....	57
ARTICLE 12 - ENFORCEMENT		57
12.1	RIGHT TO ENFORCE; REMEDIES	57
12.2	BOARD DISCRETION WHETHER TO ENFORCE.....	57
12.3	NUISANCE.....	57
12.4	FAILURE TO ENFORCE	57
12.5	NONWAIVER OF REMEDIES	57
12.6	VIOLATION OF APPLICABLE LAW	57
12.7	COMPLIANCE WITH APPLICABLE LAW.....	57
12.8	ATTORNEYS' FEES.....	58
ARTICLE 13 - AMENDMENTS		58
13.1	OWNER APPROVAL OF AMENDMENTS.....	58
13.2	ELIGIBLE LENDER APPROVAL OF AMENDMENTS	59
13.3	ELIGIBLE LENDER APPROVAL RESPONSE	59
13.4	AMENDMENT OF RESTATED DECLARATION OR BYLAWS BY BOARD VOTE	60
13.5	RESTATEMENT OF DECLARATION.....	61
13.6	STATUTE OF LIMITATIONS TO CHALLENGE AMENDMENTS	61
ARTICLE 14 - GENERAL PROVISIONS.....		61
14.1	TERM	61
14.2	SEVERABILITY; INVALIDITY.....	61
14.3	BINDING	62
14.4	INTERPRETATION.....	62
14.5	LIMITATION OF LIABILITY.....	62
14.6	FAIR HOUSING	62
14.7	NUMBER AND HEADINGS	62

14.8	VARIANCES	62
14.9	GOVERNING DOCUMENT PRIORITIES	63
14.10	CONFLICT WITH STATUTES	63
14.11	REFERENCES TO CODE SECTIONS	63
EXHIBIT "A" - COMMUNITY LEGAL DESCRIPTION		67
EXHIBIT "B" - MAINTENANCE LIST		69

**2020 AMENDED AND RESTATED
DECLARATION OF RESTRICTIONS**

FOR

Hampton Manor Community Association

A Residential Condominium Community

THIS 2020 AMENDED AND RESTATED DECLARATION OF RESTRICTIONS is made on the day and year hereinafter written, by Hampton Manor Community Association, a California nonprofit mutual benefit corporation ("Association") with reference to the following Recitals.

RECITALS

A. The Association is a corporation whose Members are the Owners of all the Condominiums within that certain real property in the City of Chino Hills, County of San Bernardino, State of California, more particularly described in Exhibit "A" attached hereto and made a part hereof ("Community").

B. The Community was developed as a Condominium Project, as defined in section 4125 of the California Civil Code, and consists of ninety (90) Condominiums and related Common Areas. The development and sale of the Condominium Units occurred in Six (6) phases, as follows: Phase 1 consists of Fifteen (15) Condominium Units, Phase 2 consists of Fifteen (15) Condominium Units, Phase 3 consists of Thirteen (13) Condominium Units, Phase 4 consists of Fourteen (14) Condominium Units, Phase 5 consists of Fifteen (15) Condominium Units, and Phase 6 consists of Eighteen (18) Condominium Units.

C. The Community is currently subject to the covenants, conditions, restrictions, rights, reservations, easements, equitable servitudes, liens and charges set forth in the following documents:

1. The Amended and Restated Declaration of Covenants, Conditions and Restrictions and Reservation of Easements for Hampton Manor which was Recorded on August 28, 1992 as Instrument No. 92-358803;
2. The Notice of Addition of Territory and Supplemental Declaration of Covenants, Conditions and Restrictions for Phase 2 of Hampton Manor recorded on July 27, 1993 as Instrument No. 93-320557;
3. The Notice of Addition of Territory and Supplemental Declaration of Covenants, Conditions and Restrictions for Phase 3 of Hampton Manor recorded on July 27, 1993 as Instrument No. 93-320559;

4. The Notice of Addition of Territory and Supplemental Declaration of Covenants, Conditions and Restrictions for Phase 4 of Hampton Manor recorded on January 11, 1994 as Instrument No. 94-011484;
5. The Notice of Addition of Territory and Supplemental Declaration of Covenants, Conditions and Restrictions for Phase 5 of Hampton Manor recorded on January 11, 1994 as Instrument No. 94-011486;
6. The Notice of Addition of Territory and Supplemental Declaration of Covenants, Conditions and Restrictions for Phase 6 of Hampton Manor recorded on January 11, 1994 as Instrument No. 94-011488;
7. First Amendment to Notice of Addition of Territory and Supplemental Declaration of Covenants, Conditions and Restrictions for Phase 2 of Hampton Manor recorded on January 25, 1994 as Instrument No. 94-030551;

all in the Official Records of the County Recorder of San Bernardino County, and are hereinafter referred to together as "Original Declaration," unless the context clearly indicates otherwise.

D. The Association now desires to amend and restate the Original Declaration in its entirety by recording this Restated Declaration. The Association further desires that, upon recordation of this Restated Declaration, the Community shall be subject to the covenants, conditions, restrictions, rights, reservations, easements, equitable servitudes, liens and charges contained herein, and that this Restated Declaration take the place of and relate back in time to the recording of the Original Declaration. The Original Declaration, in Section 13.2(a), provides that it may be amended by the affirmative vote or written consent of sixty-seven percent (67%) of the Voting Power of the Association. The undersigned President and Secretary of the Association certify that, to the best of their knowledge, the affirmative vote or written consent of at least the required percentage of the Voting Power has been obtained.

E. The Original Declaration, in Section 13.2(b), provides that in addition to approval of the Voting Power, material amendments, as defined, require the approval of sixty-seven percent (67%) of the Voting Power of the Association and fifty-one percent (51%) of first Mortgagees who have requested the Association to notify them of proposed action requiring the consent of a specified percentage of first Mortgagees. The undersigned President and Secretary of the Association certify that, to the best of their knowledge, there are no Eligible Holders.

F. Under California Civil Code section 4270, an amendment is effective after (1) approval of the percentage of Owners required by the Governing Documents has been given, (2) that fact has been certified in a writing executed and acknowledged by the Association President if no Officer has been designated in the Original Declaration for such purpose, and (3) the writing has been recorded in the County in which the Community is located.

NOW, THEREFORE, Association hereby declares that all of the Community is and shall continue to be held, conveyed, hypothecated, encumbered, leased, rented, used, occupied, and improved subject to the declarations, limitations, covenants, conditions, restrictions, reservations, rights, and easements set forth in this Restated Declaration, and as may be amended from time to time, all of which are declared and agreed to be in furtherance of a plan established for the purpose of enhancing and perfecting the value, desirability, and attractiveness of the Community. All provisions of this Restated Declaration shall constitute covenants running with the land and enforceable equitable servitudes upon the Community, and shall be binding on and for the benefit of all of the Community and all parties having or acquiring any right, title, or interest in all or any part of the Community, including the heirs, executors, administrators, and assigns of these parties and all subsequent owners and lessees of all or any part of a Condominium.

DECLARATION

ARTICLE 1 - DEFINITIONS

1.1 ***In General*** Unless otherwise defined herein, capitalized terms or words used in this Restated Declaration shall have the definitions in this Article, or in the Davis-Stirling Common Interest Development Act (California Civil Code section 4000 et seq., hereafter "Act") or in the California Nonprofit Corporation Law (California Corporations Code section 5002 et seq.). Words not defined in this Restated Declaration, the Act or in the Corporations Code shall be understood in their ordinary and popular sense, as determined by the context in which they are used, unless the context indicates that the term or word is a defined term which was inadvertently not capitalized.

1.2 ***"Annual Budget Report"*** [Civ. Code § 5300] means the report to be distributed annually which contains the operating budget and other financial information as more fully described in Applicable Law.

1.3 ***"Annual Policy Statement"*** [Civ. Code § 5310] means the information about Association policies to be distributed annually as more fully described in Applicable Law.

1.4 ***"Applicable Law"*** means statutes, public laws, ordinances, regulations and rulings of administrative agencies, court rulings having value as precedent and any other requirements having the force of law that are in effect at the time a provision of the Governing Documents is applied, and pertaining to the subject matter of the Governing Documents provision in question. Statutes and ordinances specifically referenced in the Governing Documents are "Applicable Law" on the date of the Governing Document, and are not intended to apply to the Community if they cease to be applicable by operation of law, or if they are replaced or superseded by one or more statutes or ordinances.

1.5 ***"Architectural Committee"*** means the committee, if any, appointed by the Board to assist the Board in reviewing architectural submittals from the Owners.

1.6 **"Architectural Rules"** means the Rules regulating modifications and alterations to the Units and Common Area adopted by the Board.

1.7 **"Articles"** [Corp. Code § 5035] mean the Articles of Incorporation of Hampton Manor Community Association, filed in the Office of the Secretary of State of the State of California on _____, as File No. _____, and any amendments thereto now existing or hereafter adopted.

1.8 **"Assessment" or "Assessments"** means one or all of the Regular, Special, Individual, and Monetary Penalty Assessments described herein.

1.9 **"Association"** [Civ. Code § 4080] means Hampton Manor Community Association, a California nonprofit mutual benefit corporation created for the purpose of managing a common interest development.

1.10 **"Association Property"** means all real property and easements owned by the Association from time to time for the common use and enjoyment of the Owners. The Association Property includes the Recreational Lots.

1.11 **"Board"** [Civ. Code § 4085] means the Board of Directors of the Association. One or more members of the Board of Directors may be referred to as a "Director" or "Directors."

1.12 **"Budgeted Gross Expenses"** means all expenses identified on the annual operating budget for the fiscal year, including all operating expenses and amounts to be deposited into the reserve accounts, but excluding any amounts budgeted to be expended from the reserve accounts for that fiscal year.

1.13 **"Bylaws" or "Restated Bylaws"** [Corp. Code § 5037] means the Bylaws of the Association and any amendments thereto.

1.14 **"Capital Expenditure" or "Capital Improvement"** mean the use of Association funds to construct or build an addition to the Community, where such use of funds is optional under the Governing Documents, rather than mandatory, and is not otherwise required by Applicable Law. For purposes of the Governing Documents, the maintenance, repair or replacement of Improvements within the Community which the Association is obligated to maintain, using materials of similar kind, or using materials which are needed due to changes in building or fire codes or due to discontinued fabrication or unavailability, or using materials that have substantially similar cost over the useful life of the material shall not be considered a Capital Expenditure or Capital Improvement, notwithstanding that such expenditure or Improvement may be considered a Capital Expenditure or Capital Improvement for tax purposes.

1.15 **"Common Area"** [Civ. Code § 4095] means the entire Community except all Units as defined in this Restated Declaration and as shown on the Condominium Plan. The Common Area includes all gas, water and waste pipes, all sewers, all ducts, chutes, conduits, wires and other utility installations of the project improvements wherever located

(except the outlets thereof when located within the Units), the land upon which the project improvements are located and the airspace above the project improvements, all bearing walls, columns, unfinished floors, the roofs, foundation slabs, party walls, utility walls, foundations, private streets or driveways, walkways, common stairways, parking areas and landscaping on those areas of the project which are not defined as a part of the Units.

1.16 **"Common Expenses"** means and includes the actual and estimated expenses of operating the Community, and any reasonable reserve for such purposes as found and determined by the Board and all sums designated Common Expenses by or pursuant to the Governing Documents.

1.17 **"Community"** means the entire common interest development described in RECITAL/EXHIBIT "A" herein, including all Improvements thereon.

1.18 **"Condominium"** [Civ. Code § 4125] means an estate in real property consisting of a separate interest in a Unit, the boundaries of which are shown and described on the Condominium Plan, a fractional undivided interest as a tenant-in-common in the Common Area of the Phase Lot where the Unit is located, a nonexclusive easement over the Common Area of other Phase Lots, a membership in the Association, and the exclusive right to use any Exclusive Use Common Area appurtenant to the Unit as shown on the Condominium Plan, deed of conveyance or as described herein.

1.19 **"Condominium Plan"** [Civ. Code § 4120] means those certain condominium plans as follows:

- 1.19.1 The Condominium Plan of Phase 1 recorded on August 20, 1992, as Instrument No. 92-346399;
- 1.19.2 The Condominium Plan of Phase 2 recorded on July 27, 1993 as Instrument No. 93-320556;
- 1.19.3 The Condominium Plan of Phase 3 recorded on July 27, 1993 as Instrument No. 93-320558;
- 1.19.4 The Condominium Plan of Phase 4 recorded on January 11, 1994 as Instrument No. 94-011485;
- 1.19.5 The Condominium Plan of Phase 5 recorded on January 11, 1994 as Instrument No. 94-011487;
- 1.19.6 The Condominium Plan of Phase 6 recorded on January 11, 1994 as Instrument No. 94-011489;
- 1.19.7 The First Amendment to Condominium Plan of Phase 2 recorded on January 26, 1994 as Instrument No. 94-33958; and
- 1.19.8 The First Amendment to Condominium Plan of Phase 3 recorded on January 26, 1994 as Instrument No. 94-33959.

All of the above documents are of Official Records of the County Recorder of San Bernardino County. Condominium Plan shall include any amendments to the above documents.

1.20 ***"Director" or "Directors"*** [Civ. Code § 4140] means one or more members of the Board of Directors.

1.21 ***"Electronic Transmission"*** [Corp. Code §§ 20 & 21] means a communication delivered by facsimile, electronic mail or other means of electronic communication as more fully described in California Corporations Code sections 20 and 21.

1.22 ***"Eligible Lender"*** means a holder, insurer or guarantor of a First Mortgage that provides a written request to the Association stating the name and address of such holder, insurer or guarantor and the Unit number, and requesting notice to which such Eligible Lender is due under the Governing Documents.

1.23 ***"Exclusive Use Common Area"*** [Civ. Code § 4145] means those portions of the Common Area designated herein for the exclusive use of the Owners of one Unit and which is appurtenant to a Unit as shown on the Condominium Plan or deed of conveyance and pursuant to the provisions herein. "Exclusive Use Common Areas" and "Restricted Common Areas" shall consist of the following which are designed to serve a Unit but located outside the boundaries of the Unit:

- 1.23.1 Patios and yards as shown on Exhibit "C",
- 1.23.2 Exterior doors, door frames, screens, and door hardware,
- 1.23.3 Windows, screens, and window hardware,
- 1.23.4 Other fixtures that exclusively serve a single Unit, and
- 1.23.5 Internal and external telephone and cable wiring.

1.24 ***"Governing Documents"*** [Civ. Code § 4150] means this Restated Declaration and any other documents such as the Articles, Bylaws, Condominium Plan, Rules, or Architectural Rules which govern the operation of the Association.

1.25 ***"Improvement"*** means any structure or appurtenances thereto of every type and kind, including but not limited to, buildings, walkways, sprinkler pipes, swimming pools, roads, driveways, parking areas, fences, screening walls, block walls, retaining walls, awnings, stairs, decks, landscaping, hedges, windbreaks, planted trees and shrubs, poles, and signs.

1.26 ***"Lender"*** means a person to whom a Mortgage is made and includes the beneficiary of a deed of trust and any guarantor or insurer of a mortgage. "Institutional Lender" means a mortgagee that is a financial intermediary or depository, such as a bank,

savings and loan, or mortgage company, that is chartered under federal or state law and that lends money on the security of real property or invests in such loans, or any insurance company or governmental agency or instrumentality, including the Federal National Mortgage Association (FNMA), the Federal Home Loan Mortgage Corporation (FHLMC), and the Government National Mortgage Association (GNMA) that guarantee mortgage loans. "First Lender" means a mortgagee that has priority over all other mortgages or holders of mortgages encumbering the same Condominium or other portions of the Community. The term "Beneficiary" shall be synonymous with the term "Lender."

1.27 **"Member"** [Corp. Code § 5056] means every person or entity entitled to membership in the Association as provided in this Restated Declaration and the Bylaws.

1.28 **"Mortgage"** means a mortgage or deed of trust encumbering a Condominium or any other portion of the Community. "First Mortgage" means a mortgage that has priority over all other mortgages encumbering the same Condominium or other portions of the Community.

1.29 **"Notice and Hearing"** [Civ. Code § 5855; Corp. Code § 7341] means notice to an Owner and an opportunity for the Owner to be heard, prior to the imposition of any fine, penalty or other disciplinary measure, in the manner set forth in the Bylaws or other Governing Documents and in compliance with any Applicable Law.

1.30 **"Officers"** means the Officers of the Association appointed by the Board of Directors pursuant to the Bylaws.

1.31 **"Owner"** means:

- 1.31.1 Any natural person, firm, corporation, partnership, trust or other entity which owns a fee simple interest in any Condominium, as evidenced by a deed recorded in the San Bernardino County Recorder's Office, including the Association, and any contract sellers under recorded contracts of sale.
- 1.31.2 "Owner" shall not include any persons or entities that hold an interest in a Condominium merely as security for performance of an obligation.
- 1.31.3 For purposes of exercising membership rights, including the right to serve as a Director, and incurring membership obligations when an Owner is a corporation, firm, limited liability company or other legal entity, any natural person designated in writing by the Owner may exercise the membership rights attributable to the Owner.
- 1.31.4 A person or entity is not an Owner due to: (1) community property or other marital rights where the person asserting such rights is not shown on the recorded title as an Owner; (2) rights of adverse possession not adjudicated and shown on the recorded title as

an Owner; or (3) other equitable rights where the person asserting such rights is not shown on the recorded title as an Owner.

1.32 **"Phase Lot"** means the Phase 1 Lot (Lots 5, 6 and 8 and Lots A and F); Phase 2 Lot (Lots 7, 11 and 12); Phase 3 Lot (Lots 9, 10 and 20, and Lot B); Phase 4 Lot (Lots 13 to 16, and Lot C); Phase 5 Lot (Lots 17 to 19, and Lot D); and Phase 6 Lot (Lots 1 to 4, and Lot E) as shown and described in Exhibit "A" attached hereto and incorporated herein by reference. Phase 1 consists of Fifteen (15) Condominium Units, Phase 2 consists of Fifteen (15) Condominium Units, Phase 3 consists of Thirteen (13) Condominium Units, Phase 4 consists of Fourteen (14) Condominium Units, Phase 5 consists of Fifteen (15) Condominium Units, and Phase 6 consists of Eighteen (18) Condominium Units.

1.33 **"Restated Declaration"** [Civ. Code § 4135] means this Amended and Restated Declaration of Restrictions and any amendments thereto.

1.34 **"Rules"** [Civ. Code §§ 4340 & 5105] means any Rules, including the Architectural Rules, for the Association regulating the use of the Units, Exclusive Use Common Areas, Common Areas, the Community and any facilities located thereon and election rules adopted by the Board.

1.35 **"Unit"** [Civ. Code § 4185] means that portion of a Condominium that consists of a separate interest. "Unit" does not include the other elements of the Community. Each Unit shall be a separate freehold estate, as separately shown, numbered, and designated on the Condominium Plan. Each Unit consists of a residential element and a garage element. The lower elevation of each first floor residential element is the finished floor elevation set forth in the Condominium Plan. The upper elevation of each first floor residential element is the elevation of the interior surface of the finished ceiling which is a variable distance described in the Condominium Plan. The lower elevation of each second floor residential element is the elevation of the finished floor of the second floor residential element, which is 10.07 feet above the finished floor surface of the corresponding first floor residential element. The upper elevation of each second floor residential element is the interior surface of the finished ceiling of the second floor residential element, which is a variable distance, said distance being a minimum of 7.96 feet above the finished floor surface of the second floor residential element. The upper and lower limits of the residential elements described above are planes extending to the horizontal limits of the Units. These planes are measured perpendicular and extend above and below the residential elements at elevations described in the Condominium Plan. The upper elevation of the garage element of each unit is the elevation of the interior surface of the finished ceiling which is a variable distance above the surface of the finished floor of the garage element, said distance being a minimum of 9.32 feet above the finished floor surface of the corresponding first floor residential element. The upper and lower limits of such garage elements are planes, extending to the horizontal limits of the garage element. These planes are measured perpendicular and extend above and below the garage elements at the elevations described in the Condominium Plan.

1.36 **"Voting Power"** [Corp. Code § 5078] means the total number of votes eligible to be cast in the Association based on one (1) vote per Condominium.

ARTICLE 2 - THE COMMUNITY

2.1 **Community Subject to Restated Declaration.** The entire Community shall be subject to this Restated Declaration.

2.2 **Description of Land and Improvements; Ownership of Common Area.** The Community shall consist of the Phase 1 Lot, the Phase 2 Lot, the Phase 3 Lot, the Phase 4 Lot, the Phase 5 Lot and the Phase 6 Lot. The Phase 1 Lot Common Area is owned by Owners of Units in the Phase 1 Lot in equal undivided one-fifteenth interests. The Phase 2 Lot Common Area is owned by Owners of Units in the Phase 2 Lot in equal undivided one-fifteenth interests. The Phase 3 Lot Common Area is owned by Owners of Units in the Phase 3 Lot in equal undivided one-thirteenth interests. The Phase 4 Lot Common Area is owned by Owners of Units in the Phase 4 Lot in equal undivided one-fourteenth interests. The Phase 5 Lot Common Area is owned by Owners of Units in the Phase 5 Lot in equal undivided one-fifteenth interests. The Phase 6 Lot Common Area is owned by Owners of Units in the Phase 6 Lot in equal undivided one-eighteenth interests. The Owners of Units in any Phase Lot shall have a nonexclusive easement over the Common Area of such Phase Lot, and over the Common Area of all other Phase Lots. Such nonexclusive easements shall be subordinate to any separate ownership interests and any exclusive easements in such other Phase Lot.

2.3 **The Association Easement in Common Area.** The Association shall have an easement in, to, and throughout the Common Area and the Improvements thereon to perform its duties and exercise its powers.

2.4 **Owners' Nonexclusive Rights Over Common Area.** Subject to the provisions of this Restated Declaration, each Owner has nonexclusive rights of ingress, egress, and support through the Common Area. These rights shall be appurtenant to any deed of conveyance. However, these rights shall not interfere with, and shall be subordinate to, any exclusive right to use a portion of the Common Area.

2.5 **Equitable Servitudes.** [Civ. Code § 5975] The covenants and restrictions set forth in this Restated Declaration shall be enforceable equitable servitudes and shall inure to the benefit of and bind all Owners. These servitudes may be enforced by any Owner or by the Association or by both.

2.6 **Prohibition Against Partition.** [Civ. Code § 4610] There shall be no judicial partition of the Community or any part of it, nor shall the Association or any person acquiring an interest in the Community or any part of it seek any judicial partition, except upon showing that such partition is consistent with the requirements of any Applicable Law.

2.7 **Presumption Regarding Boundaries of Units.** [Civ. Code § 4220] In interpreting deeds, this Restated Declaration and the Condominium Plan, the existing physical boundaries of a Unit, including any Unit reconstructed in substantial accordance

with the Condominium Plan and the original construction plans for the Community, shall be conclusively presumed to be its boundaries, rather than the description expressed in the deed, Condominium Plan, or this Restated Declaration. This presumption applies regardless of settling or lateral movement of the building and regardless of minor variances between boundaries shown on the Condominium Plan or described in the deed and those of the building as constructed or reconstructed. In the event a structure is partially or totally destroyed and then repaired or rebuilt, the Owners agree that minor encroachments over adjoining Condominiums or Common Area which are similar to any encroachments which existed prior to the partial or total destruction shall be permitted and that there shall be appropriate rights for the maintenance of said encroachments so long as they shall exist.

2.8 Prohibition Against Severance of Elements. [Civ. Code § 4650] Any conveyance, judicial sale, or other voluntary or involuntary transfer of a Unit shall include all interests and appurtenances as shown in the original deed of conveyance. 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. Any transfer that attempts to sever those component interests shall be void.

2.9 Security. Owners and occupants of a Condominium, and their respective guests and invitees, are responsible for their own personal safety and the security of their property within the Community.

2.9.1 Neither the Association nor its Board, Officers, agents or representatives shall in any way be considered an insurer or guarantor of safety or security within the Community, nor shall such parties be held liable for any injury, loss or damage by reason of failure to provide any type or form of security or, if applicable, then the ineffectiveness of any security measures undertaken.

2.9.2 No representation or warranty is made that any systems or measures, including any camera or surveillance system, mechanism, gate (including attendants), or other system or measures for limiting access to the Community, will not be compromised or circumvented, nor that any such systems or measures undertaken will in all cases prevent injury, loss or damage, or otherwise provide the detection or protection for which such system or measure is designed or intended.

2.9.3 Each Owner acknowledges, understands, and shall be responsible for informing its tenants and all occupants and guests of its Condominium that the Association, its Board, Officers, agents or representatives, are not insurers or guarantors of safety or security and that each person within the Community assumes all risks of personal injury and loss of or damage to property,

wherever located, including Condominiums, storage areas, and the contents of Units, resulting from the acts of third parties.

ARTICLE 3 - THE ASSOCIATION

3.1 **Organization of the Association.** The Association is incorporated as a nonprofit corporation organized under the California Nonprofit Mutual Benefit Corporation Law. The Association is created for the purpose of managing the Community and is charged with the duties and granted the powers prescribed by Applicable Law and set forth in the Governing Documents.

3.2 **Board of Directors.** The affairs of the Association shall be managed and its duties and obligations performed by an elected Board of Directors, as provided in the Bylaws.

3.3 **Membership.**

3.3.1 Every Owner, upon becoming an Owner, shall automatically become a Member of the Association. Ownership of a Condominium is the sole qualification for membership. All memberships shall be appurtenant to the Condominium conveyed and cannot be transferred, assigned, conveyed, hypothecated, pledged, or alienated except as part of a transfer of the Owner's entire ownership interest, and then only to the transferee. Any transfer of the Owner's title to his or her Condominium shall automatically transfer the appurtenant membership to the transferee.

3.3.2 Each Member shall have the rights, duties, privileges, and obligations as set forth in the Governing Documents.

3.3.3 Membership shall automatically cease when the Owner no longer holds an ownership interest in a Condominium.

3.4 **Membership Class; Voting Rights.** The Association shall have one (1) class of membership and the rights, duties, obligations and privileges of the Members shall be as set forth in the Governing Documents. On matters presented to the membership for a vote, each Condominium shall be assigned one (1) vote, subject to the provisions of the Bylaws.

3.5 **General Powers and Authority.** [Civ. Code § 4800] The Association shall have all the powers of a nonprofit corporation organized under the California Nonprofit Mutual Benefit Corporation Law, subject to any limitations set forth in the Governing Documents. It may perform all acts that may be necessary for or incidental to the performance of the obligations and duties imposed upon it. Its powers shall include, but are not limited to:

- 3.5.1 The power to establish, fix, levy, collect, and enforce the payment of Assessments against the Owners in accordance with the procedures set forth herein.
- 3.5.2 [Civ. Code § 4360] The power to adopt reasonable Rules governing the use of the Units, the Common Area, any common facilities and the Association-owned property, and the conduct at Board and Members' meetings, in accordance with the following:
- (a) The Rules may include, but are not limited to:
 - (i) Reasonable restrictions on use of the Common Area, Units and Exclusive Use Common Areas by the Owners and their families, guests, employees, tenants and invitees.
 - (ii) Reasonable restrictions on the conduct of Owners and their families, guests, employees, tenants and invitees as to activities on the Common Area, Units and Exclusive Use Common Areas.
 - (iii) The establishment of Notice and Hearing procedures and a schedule of monetary penalties and other disciplinary measures which may be imposed for violations of any provisions of the Governing Documents.
 - (iv) Campaign, election and voting information.
 - (b) [Civ. Code § 4340 et seq.] The Board must comply with any Applicable Law when adopting any Rules.
 - (c) A copy of any modifications of the Rules shall be given to each Owner within fifteen (15) days of adoption by the Board.
 - (d) If any provision of the Rules conflicts with any provision of this Restated Declaration, the Articles, or the Bylaws, the Restated Declaration, Articles, or Bylaws shall control to the extent of the inconsistency.
 - (e) The Rules shall have the same force and effect as if they were set forth in and were part of this Restated Declaration and shall be binding on the Owners and their successors in interest whether or not actually received by them.
- 3.5.3 [Civ. Code § 5980] The right to institute, defend, settle, or intervene in litigation, arbitration, mediation, or administrative

proceedings in its own name as the real party in interest and without joining with it the Owners, as provided in any Applicable Law.

- 3.5.4 [Civ. Code §§ 5850 & 5855; Corp. Code § 7341] Subject to Notice and Hearing requirements, the right to discipline a Member for violation of any of the provisions of the Governing Documents by (1) suspending the Member's membership rights, (excluding any suspension of the member's voting rights), the right to run as a candidate for election to the Board of Directors as allowed by Applicable Law, and the rights and privileges to use the Common Area recreational facilities, (2) imposing monetary fines, and (3) recording a notice of noncompliance in the Office of the County Recorder of San Bernardino County encumbering the Condominium of the Owner, if allowed by Applicable Law.
- 3.5.5 The right for its agents and employees to enter any Unit when necessary in connection with any maintenance, landscaping, or construction work for which the Association is or may be responsible or to reduce the likelihood of or prevent damage to the Common Areas or another Condominium. This entry shall be made only upon reasonable notice to the Owner (except in the case of an emergency) and with as little inconvenience to the Owner as is practicable. Any entry by the Association to investigate a reported or suspected water intrusion shall be deemed an emergency. Such persons shall not be deemed guilty of trespass by reason of such entry.
- 3.5.6 The right for its agents and employees to enter any Unit when necessary in connection with any inspection, maintenance, or repair of the fire alarm and any fire sprinkler system. This entry shall be made only upon reasonable notice to the Owner (except in the case of an emergency) and with as little inconvenience to the Owner as is practicable.
- 3.5.7 The power to separately meter and charge Owners for use of utilities by such means as may be determined in the sole discretion of the Board.

3.6 ***Duties of The Association.*** In addition to the duties of the Association, its agents and employees set forth elsewhere in the Governing Documents, the Association shall be responsible for the following:

- 3.6.1 The Association, acting through the Board, shall operate, maintain, repair, and replace those Improvements assigned to the Association by Section 6.2 and Exhibit "B," or contract for the

performance of that work, subject to the provisions of the Governing Documents.

- 3.6.2 The Association shall use the operating fund described in ARTICLE 4 - herein to, among other things, acquire and pay for goods and services for the Community.

3.7 Volunteer Protection. No cause of action against a person serving without compensation as a Director or Officer of the Association, on account of any negligent act or omission by that person within the scope of that person's duties as a Director acting in the capacity of a Board member, or as an Officer acting in the capacity of, and within the scope of the duties of, an Officer, shall be included in a complaint or other pleading unless the court enters an order allowing the pleading that includes that claim to be filed after the court determines that the party seeking to file the pleading has established evidence that substantiates the claim. The court may allow the filing of a pleading that includes that claim following the filing of a verified petition therefor accompanied by the proposed pleading and supporting affidavits stating the facts upon which the liability is based. The court shall order service of the petition upon the party against whom the action is proposed to be filed and permit that party to submit opposing affidavits prior to making its determination. The filing of the petition, proposed pleading and accompanying affidavits shall toll the running of any applicable statute of limitations until the final determination of the matter, which ruling, if favorable to the petitioning party, shall permit the proposed pleading to be filed. Any party may request a hearing before the court prior to the court making a final determination on the petition.

3.8 Notice of Claim as Prerequisite for Pursuing Claims for Damages and/or Other Relief.

- 3.8.1 At least sixty (60) days prior to instituting any lawsuit against the Association and/or its Directors, Officers, agents or volunteers, for alleged breaches of duty and/or failure to adhere to the Governing Documents of the Association, or for any alleged wrongdoing, including claims for damages as well as equitable relief, arising from the operations of the Association, Owner shall provide prior written notice of his or her complaints, with sufficient specificity to allow Association and its agents to investigate and evaluate potential liability. Such notice shall be served by Owner on Association's agent for service of process, and the meeting herein shall be deemed to satisfy the Board's duty to meet and confer with Owners pursuant to Civil Code section 5905 as to the complaints outlined in the notice of claim.

- 3.8.2 The Board shall have a period of forty-five (45) days to review the Owner's complaint(s), and to convene a meeting with the complaining Owner to attempt to resolve Owner's complaint(s). Unless otherwise agreed by the parties, the Board shall establish a date, time and place for such meeting with the

complaining Owner(s), which meeting shall be within the forty-five (45) days of service of the notice on Association. The notice to Owner of the meeting set by the Board shall include the date, time and place of such meeting, and the notice shall be delivered to Owner no less than ten (10) calendar days before the date of such meeting. No later than fifteen (15) days following the hearing, the Board shall notify the Owner of its proposed resolution, if any, which may provide for a reasonable time period for the Board to cure the issue. Owner's failure to provide the written notice of complaints described above shall be a basis for the immediate dismissal, without prejudice, of any lawsuit, instituted by Owner against Association and/or its Directors, Officers, committee members, or other agents.

3.9 Duty to Mitigate Damages . It is the duty of all Owners, their families, and invitees, to mitigate any damages claimed to arise from negligence or other wrongdoing by Association and/or its Directors, Officers, agents or volunteers, by all reasonable means. If Owners, their families, and invitees fail to mitigate their damages, such failure to mitigate, including complying with Section 3.8 shall be the basis for a court to offset any damage award, including attorneys' fees.

ARTICLE 4 - ASSESSMENTS AND COLLECTION PROCEDURES

4.1 Covenant to Pay. [Civ. Code § 5650]

- 4.1.1 Each Owner by acceptance of the deed to the Owner's Condominium is deemed to covenant and agrees to pay to the Association all Assessments described in this Article, and all other charges duly levied by the Association pursuant to the provisions of this Restated Declaration.
- 4.1.2 An Assessment and any late charges, reasonable costs of collection, and interest, as assessed in accordance with the provisions of this Article, shall also be a personal debt of each Owner of the Condominium at the time the Assessment or other sums are levied.
- 4.1.3 Co-owners of a Condominium shall be jointly and severally liable for all charges levied by the Association on that Condominium.
- 4.1.4 No Owner may waive or otherwise escape liability for these Assessments by non-use of the Common Area or abandonment of the Owner's Condominium.

4.2 Purpose of Assessments. [Civ. Code § 5600] Except as provided herein, the Association shall levy Assessments sufficient to perform its obligations. The Assessments levied by the Association shall be used exclusively to promote the recreation and welfare of the Owners, for the operation, replacement, improvement, and

maintenance of the Community, and to discharge any other obligations of the Association under this Restated Declaration. All Assessment payments shall be put into general operating and reserve funds to be used for the foregoing purposes.

4.3 Regular Assessments. [Civ. Code §§ 5300 & 5600 et seq.]

- 4.3.1 Concurrently with preparation of the financial documents and budget for each fiscal year, the Board shall estimate the net charges to be paid during that next fiscal year, including a reasonable provision for contingencies, replacements and reserves, with adjustments made for any expected income and surplus from the prior year's fund. The resulting amount shall constitute the Regular Assessments for the budgeted year.
- 4.3.2 In the event the Board shall determine that the estimate of total charges for the current year is, or will become, inadequate to meet all Common Expenses for any reason, it shall then immediately determine the approximate amount of such inadequacy and issue a supplemental estimate of the Common Expenses and determine the revised amount of Regular Assessments against each Member, and the date or dates when due.
- 4.3.3 Failure of the Board to estimate the net charges within the time period stated herein shall not void any Assessment imposed by the Board.
- 4.3.4 Regular Assessments for fractions of any month shall be prorated.
- 4.3.5 Each Owner is obligated to pay Assessments to the Association in equal monthly installments on or before the first day of each month unless the Board adopts an alternative method for payment.

4.4 Special Assessments.

- 4.4.1 If the Board determines that the amount to be collected from Regular Assessments will be inadequate to defray the Common Expenses for the year due to the cost of any construction, unexpected repairs or replacements of Capital Improvements upon the Common Area, or any other reason, it shall make a Special Assessment for the additional amount needed, subject to any limitations imposed by Applicable Law or the Governing Documents.
- 4.4.2 Special Assessments shall be levied and collected in the same manner as Regular Assessments.

- 4.4.3 The Board may levy a Special Assessment in one lump sum or in installments over a period of time the Board determines appropriate.

4.5 *Limitations on Regular and Special Assessments.* [Civ. Code § 5605]

- 4.5.1 Except in emergency situations, the Board may not, without the approval of Members constituting a majority of the votes cast when a quorum of the Owners is established, impose a Regular Assessment per Condominium that is more than twenty percent (20%) greater than the Regular Assessment for the preceding fiscal year, or levy Special Assessments that in the aggregate exceed five percent (5%) of the Budgeted Gross Expenses of the Association for that fiscal year.
- 4.5.2 For purposes of this Section only, a "quorum" means more than fifty percent (50%) of the Owners of the Association.
- 4.5.3 These limitations shall not apply to Assessment increases that are necessary for emergency situations. An emergency situation is an extraordinary expense defined by Applicable Law.

4.6 *Allocation of Regular and Special Assessments.* Regular and Special Assessments shall be divided equally among the Condominiums.

4.7 *Owner Notice of Regular and Special Assessments.* [Civ. Code § 5615]
The Association shall provide notice by first-class mail to the Owners of any increase in the Regular Assessments or the imposition of a Special Assessment not less than thirty (30) nor more than sixty (60) days prior to the increase in the Regular Assessment or Special Assessment becoming due.

4.8 *Individual Assessments.* [Civ. Code § 5275]

- 4.8.1 Subject to the limitations of the Governing Documents and in addition to Regular and Special Assessments, the Board may levy Individual Assessments against Owners and Condominiums whenever the Association (1) performs any service or accomplishes any item of repair or maintenance which is the duty of any Owner to accomplish, but which has not been accomplished by such Owner, or (2) incurs any costs to remedy the effects of the Owner's noncompliance with the Governing Documents, or (3) incurs any costs which by Applicable Law or as required by the Governing Documents must be reimbursed by an Owner.
- 4.8.2 Such Individual Assessment shall include the cost thereof, together with any financing costs and administrative costs incurred by the Association.

- 4.8.3 Prior to levying an Individual Assessment, the Board shall provide the Owner with a Notice and Hearing. The Notice and Hearing regarding the levy of an Individual Assessment may be combined with the Notice and Hearing regarding any underlying violation.
- 4.8.4 Duly levied Individual Assessments shall be subject to the provisions in the Governing Documents regarding costs, late charges and interest for delinquent payment, and may become a lien on the Condominium, in the same manner as Regular and Special Assessments.

4.9 Utility Assessments. In addition to any other Assessment levied against a Condominium, the Association may impose a Utility Assessment for any utilities that are not separately metered and charged to the Condominiums by the utility company. If any such Utility Assessment is imposed by the Association, each Owner shall be obligated to pay to the Association, or its agent, a Utility Assessment comprising the costs for those utilities used by each Condominium as determined by the Board in its discretion. The amount of the Utility Assessment levied by the Association against a Condominium shall be based upon each Condominium Owner's and/or tenant's actual use of the utility and may vary from month to month based upon such actual usage. The rate charged to each Condominium shall be based upon the utility company's highest invoiced rate for multifamily, residential dwellings or an equivalent designation established by the utility company. The Utility Assessment may include a nominal fee charged by a person or firm to read any submeter and administer the Utility Assessment.

Anything in this Restated Declaration to the contrary notwithstanding, the Utility Assessment shall be separate from, and not considered a part of either Regular or Special Assessments with respect to the limitations on the increases or decreases thereof contained in this Restated Declaration or in section 5615 of the California Civil Code or any successor statute or law. Duly levied Utility Assessments shall be subject to costs, late charges and interest for delinquent payment, and may become a lien on the Condominium, in the same manner as Regular and Special Assessments.

4.10 Monetary Penalty Assessments. [Civ. Code §§ 5650 & 5725]

- 4.10.1 The Board of Directors may levy, subject to the limitations of the Governing Documents, Monetary Penalty Assessments (fines) against an Owner and his or her Condominium.
- 4.10.2 In the event the Board of Directors imposes a Monetary Penalty Assessment, that Monetary Penalty Assessment shall be subject to costs, late charges and interest as described in this Article for delinquent payment, and may become a lien on the Condominium, collectible by the Association through judicial foreclosure as allowed in this Article. In no event may the Association collect a Monetary Penalty Assessment through nonjudicial foreclosure.

4.11 Costs, Late Charges and Interest. [Civ. Code § 5650] Late charges may be levied by the Association against an Owner for the delinquent payment of Assessments, including Monetary Penalty Assessments. An Assessment, including any installment payment, is delinquent fifteen (15) days after its due date. If an Assessment is delinquent, the Association may recover all of the following from the Owner:

- 4.11.1 Reasonable costs incurred in collecting the delinquent Assessment, including actual attorneys' fees.
- 4.11.2 A late charge not exceeding ten percent (10%) of the delinquent Assessment or ten dollars (\$10.00), whichever is greater, or the maximum amount allowed by Applicable Law.
- 4.11.3 Interest on the foregoing sums, at an annual percentage rate of twelve percent (12%) commencing thirty (30) days after the Assessment becomes due.

No late charge may be imposed more than once for the delinquency of the same payment. However, the imposition of a late charge on any delinquent payment shall not eliminate or supersede charges imposed on prior delinquent payments. The amounts delinquent, including the entire unpaid balance and any related costs described herein, may be collected by the Association as provided in this Article.

4.12 Priority of Payments. [Civ. Code § 5655] The Board, in its sole discretion, may enact policies, not in violation of Applicable Law, regarding how payments received from Owners will be applied to any outstanding balances due the Association from that Owner.

4.13 No Offsets. All Assessments shall be payable in the amounts specified by the Association, and no offsets against such amount shall be permitted for any reasons, including, without limitation, a claim that the Association is not properly exercising its duties of maintenance, operation or enforcement.

4.14 Enforcement of Assessments and Late Charges. [Civ. Code §§ 5650 et seq., 5700 & 2924b] A delinquent Assessment, and any related late charges, reasonable costs of collection (including actual attorneys' fees), and interest assessed in accordance with this Article, shall become a lien upon the Condominium when a Notice of Assessment Lien is duly recorded as provided in Applicable Law.

- 4.14.1 Unless otherwise provided by statute, the Notice of Assessment Lien shall describe the amount of the delinquent Assessment or installment, the related charges authorized by this Restated Declaration, the legal description of the Condominium, the name of the purported Owner, and, if the lien is to be enforced by power of sale under nonjudicial foreclosure proceedings, the name and address of the trustee authorized by the Association to enforce the lien by sale. The Notice may be signed by any Officer or Director of the Association, or any employee or agent of the

Association authorized to do so by the Board. The Notice shall be mailed by certified mail to every person whose name is shown as an Owner of the Unit in the Association's records, and the notice shall be mailed no later than ten (10) calendar days after recordation.

- 4.14.2 Unless otherwise allowed by Applicable Law, the Notice of Assessment Lien may not be recorded until after the Association has mailed, via certified mail, a written demand for payment to the delinquent Owner. The written demand shall comply with the requirements of any Applicable Law.
- 4.14.3 If not paid in full within thirty (30) days after recordation of the Notice of Assessment Lien, any lien described herein may be enforced in any manner permitted by Applicable Law, including judicial foreclosure or nonjudicial foreclosure. Any nonjudicial foreclosure shall be conducted by the trustee named in the Notice or by a trustee substituted pursuant to Applicable Law.
- 4.14.4 If all sums specified in the Notice of Assessment Lien are paid before the completion of any judicial or nonjudicial foreclosure, the Association shall (1) record a notice of satisfaction and release of lien, and (2) upon receipt of a written request by the Owner, shall also record a notice of rescission of any recorded notice of default and demand for sale.
- 4.14.5 The Notice of Assessment Lien is not required to be amended by the Association or Trustee to reflect any partial payments made on the account of the delinquent Owner after its recordation. The Notice of Assessment Lien may be foreclosed upon as set forth herein and in compliance with state and federal law even though the delinquent Owner has made one or more partial payments.
- 4.14.6 Notwithstanding any other provision herein, a Monetary Penalty Assessment may not become a lien on a Condominium enforceable by the sale of the Unit through nonjudicial foreclosure. Any Notice of Assessment Lien recorded to enforce a Monetary Penalty Assessment must specifically state that such lien may not be enforceable by sale of the Condominium through nonjudicial foreclosure.

4.15 *Suspending Telecommunications Services.*

- 4.15.1 In addition to any other remedies herein, if the Association provides any telecommunication services, such as cable television, through a bulk cable agreement, the Association may suspend those services to a Unit as provided herein.

- 4.15.2 When the Owner is more than thirty (30) days delinquent in the payment of any Assessment due to the Association, the Association may, after Notice and Hearing, suspend telecommunications services to the Owner's Unit. The Association shall allow reconnection of the services at such time as the Owner becomes current in the payment of Assessments. The Owner shall be solely responsible for the payment of any fee to connect, disconnect or reconnect the telecommunications services.

4.16 Assignment of Rent. [Civ. Code § 2938]

- 4.16.1 This assignment is for the purpose of collecting all Assessments, late charges, interest, fines, monetary penalties, and costs of collection, including attorneys' fees due to the Association pursuant to this Restated Declaration which are in default. This assignment applies to any lease or rental agreement now existing or hereinafter made.
- 4.16.2 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 rental agreement or otherwise for the use or occupation of any or all parts of any Condominium owned by the Owner. The Association hereby confers on each Owner the authority to collect and retain the rents and other monies derived from any such lease or rental 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 Assessments due. Upon revocation of such authority, the Association may collect and retain such rental monies, whether past due and unpaid or current.
- 4.16.3 The Association's rights under this Section are in addition to and not in place of, the rights described above to file a lien and foreclose upon a lien. The Association's rights shall be subordinate to the rights of any First Lender.
- 4.16.4 The Association shall only exercise its rights to collect rental monies in compliance with California Civil Code section 2938, as amended from time to time, or any successor statute. Further, the Association shall only exercise this right after filing the lien described above and after providing the Owner with Notice and a Hearing pursuant to any Applicable Laws and the Bylaws.

- 4.16.5 By recordation of this Restated Declaration, each Owner expressly consents to and is bound by this assignment of rents to the Association.

4.17 *Priority of Assessment Lien.* [Civ. Code § 5680] As set forth hereinbelow, the Assessment lien referred to in this Article shall be superior to all other subsequent liens, except (1) all taxes, bonds and governmental assessments which, by Applicable Law, would be superior thereto, and (2) the lien or charge of any First Mortgage of record. Notwithstanding any other provision to the contrary, the following provisions shall govern the priority and obligation for payment of the Assessment lien:

- 4.17.1 Only the judicial or nonjudicial foreclosure of the First Mortgage shall operate to transfer title free of the Assessment lien or obligation for any Assessment lien, and then only as to payments which became due prior to the date of sale, and excluding those Assessment liens recorded prior to the recording of the First Mortgage.
- 4.17.2 Neither the transfer of a Condominium pursuant to a foreclosure of any Mortgage, nor an election by the Association to proceed against any new Owner for payment, shall serve to cancel the personal obligation of the prior Owner for payment of the delinquent Assessments and charges which accrued during such Owner's period of ownership.
- 4.17.3 No sale or transfer of any Condominium shall relieve such Condominium or its new Owner from liability for any future Assessments which accrue during such Owner's period of ownership.
- 4.17.4 The personal obligation of any Owner for payment of delinquent Assessments and charges may be satisfied, and therefore discharged, only by payment of the entire amount of the delinquent Assessments and charges, whether or not such Owner remains in possession of his or her Condominium.
- 4.17.5 To the extent permitted by Applicable Law, each Owner hereby waives the benefit of any homestead or exemption laws of the State of California now in effect, or in effect from time to time hereafter, to the extent of any liens created pursuant to the Governing Documents, whether such liens are now in existence or are created at any time in the future.

4.18 *Statement of Delinquent Assessment.* [Civ. Code § 4525] The Association shall provide any Owner, upon written request, with a statement specifying the amounts of any delinquent Assessments and related late charges, interest, and costs levied against the Owner's Condominium.

ARTICLE 5 - USE RESTRICTIONS AND COVENANTS

5.1 **General.** [Civ. Code § 5975] The use and enjoyment of the Community by Owners and their tenants, guests, invitees or any other person deriving rights from such Owner, shall be subject to the covenants and restrictions contained in the Governing Documents. Each such person shall comply with the provisions in the Governing Documents and be subject to any enforcement actions in the event of violations. As more fully set forth in this Restated Declaration, both the Association, through the Board of Directors, and each Owner shall be entitled to enforce the Governing Documents.

5.2 **Alter Common Area.** No one may alter, attach, construct, or remove anything on or from the Common Area, except upon the written consent of the Board.

5.3 **Altering a Condominium.** [Civ. Code § 4760] No Condominium may be modified, altered or otherwise changed except as provided in the Governing Documents.

5.4 **Antennas.** [Federal Telecommunications Act] Exterior antennas and satellite dishes, not exceeding one (1) meter (39.37") in diameter, are permitted, but only in strict compliance with Applicable Laws and not on any portion of the Common Area. Except as permitted by Applicable Law, there shall be no outside television or radio antennae, satellite dishes, masts, poles or flag poles constructed, installed or maintained in the Community for any purpose whatsoever without the prior written consent of the Board. The Board may adopt Rules restricting the construction, installation, maintenance or replacement of any such equipment as long as such restrictions do not conflict with Applicable Law.

5.5 **Assignment of Right to Use Common Area.** Notwithstanding the easement rights or other rights contained herein, an Owner who has sold his or her Condominium to a contract purchaser or who has leased or rented the Condominium shall be deemed to have assigned his or her rights to use and enjoy the Common Area to the contract purchaser or tenant who resides in the Owner's Condominium, subject to any Rules. If the Owner is deemed to have assigned such rights, the Owner and the Owner's family, guests, employees, and invitees shall not be entitled to use and enjoy the Common Area for so long as the assignment remains effective.

5.6 **Common Area Use.** The Owners' rights of use and enjoyment of the Common Area shall be subject to the restrictions set forth in the Governing Documents, and the right of the Association, subject to the limitations of any Applicable Laws or the Governing Documents, to:

- 5.6.1 Adopt and enforce reasonable Rules for the use of the Common Area. Such Rules may include reasonable restrictions on any use subject to Civil Code section 4515.
- 5.6.2 Reasonably limit the number of persons using all or any portion of the Common Area.

- 5.6.3 Charge a fee or deposit for any private parties, special or extraordinary use of any Common Area recreational facilities and Improvements, unless Civil Code section 4515 or 5105 applies to the use.
- 5.6.4 Set fees and deposits for supplying and replacing access devices to Common Areas, including charges calculated to limit distribution and deter loss of access devices.
- 5.6.5 Establish speed limits and other traffic regulations within the Community.
- 5.6.6 Establish fire lanes within the Common Area.
- 5.6.7 Assign, rent, lease or otherwise control the use of any unassigned parking spaces within the Common Area.
- 5.6.8 Require the use of parking passes or decals.
- 5.6.9 Remove any vehicle within the Community parked in violation of this Restated Declaration or the Rules of the Board in accordance with the provisions of Applicable Law.
- 5.6.10 Suspend the right of any Owner, and the persons deriving rights from any Owner, to use and enjoy the Common Area recreational facilities for any period during which the Owner is delinquent in the payment of any Assessment, fees, charges or monetary penalties due the Association, is in violation of the Governing Documents, or as otherwise provided in the Governing Documents.
- 5.6.11 Cause the construction of additional Improvements in the Common Area, or cause the alteration or removal of existing Improvements on the Common Area, subject to any applicable limitations on the Board's powers.
- 5.6.12 Dedicate, grant, or join in the grant or conveyance of permits, easements, licenses or rights-of-way in, on and over the Common Area as may be determined by the Board to be in the best interests of the Association; provided that no such permit, easement, license or right-of-way may be granted if it would unreasonably interfere with any exclusive easement, or with any Owner's use, occupancy, or enjoyment of the Owner's Unit without the approval of the affected Owner.
- 5.6.13 Reasonably restrict access to roofs, maintenance facilities or areas, landscaped areas, and similar areas of the Community.

- 5.6.14 Approve any proposed alteration of or modification to the Common Area, subject to any applicable limitations of the Board's powers.
- 5.6.15 [Civ. Code § 4600] Notwithstanding any nonexclusive easement rights to the Common Area granted herein or by any deed or other conveyance, the right to allow one or more Owners to exclusively use portions of the Common Area, provided that such portions of the Common Area are nominal in area and adjacent to the Owner's Unit, and, provided further, that such use does not unreasonably interfere with any other Owner's use or enjoyment of the Community unless that Owner consents to the use.

5.7 Complying with Restrictions on Use. In exercising the right to occupy or use a Condominium or the Common Area and its Improvements, the Owner and the Owner's family, guests, employees, tenants, and invitees must comply with the Governing Documents.

5.8 Damage Liability. Each Owner shall be liable to the Association for any damage to the Common Area or to Association-owned property if the damage is sustained because of the negligence, misconduct, or unauthorized or improper installation, repair or maintenance of any Improvement by the Owner or the Owner's family, guests, tenants, contract purchasers, or invitees. The Association may repair the damage and assess the cost of the work to the Owner as an Individual Assessment. In the case of joint ownership of a Condominium, the liability of the co-owners shall be joint and several, unless the co-owners and the Association have agreed in writing to an alternative allocation of liability.

5.9 Electric Vehicle Charging Stations. [Civ. Code § 4745]

- 5.9.1 No electric vehicle charging station shall be installed by any person in any part of the Community without the prior written approval of the Board.
- 5.9.2 All electric vehicle charging stations shall be installed, maintained, repaired, replaced and removed in strict accordance with all Association Rules and Applicable Law.
- 5.9.3 Owners who install an electric vehicle charging station shall be solely responsible for all costs associated with the installation, existence, use, maintenance, repair, replacement and removal of the station, as well as any damage caused to any other property as a result of the installation, use, existence, maintenance, repair, replacement or removal of that station.
- 5.9.4 The applicable Owners shall maintain an umbrella liability coverage policy covering the obligations of the Owner for the station unless the station is an existing National Electrical

Manufacturers Association standard alternating current power plug. The Association shall be named as an additional insured under this policy with a right to notice of cancellation.

5.9.5 Owner shall be responsible for disclosing to prospective buyers of the Owner's Unit of the existence of any Electric Vehicle Charging Station and the related responsibilities of the prospective purchaser of the Owner's Unit under Civil Code section 4745, and the obtaining of written acknowledgment of the acceptance of responsibility for compliance with these requirements from the subsequent purchasers of the selling Owner's Unit.

5.9.6 If a new Owner fails to accept responsibility for the Electric Vehicle Charging Station prior to the close of escrow on the sale of a Unit, the Board may obtain a bid or bids for the cost to remove the Electric Vehicle Charging Station and restore the Common Area or Exclusive Use Common Area and shall require that the cost be paid out of escrow.

5.10 **Emissions.** No one may discharge or cause the emission of any dust, sweepings, dirt, cinders, odors, gases, mold spores, or other substances into the atmosphere other than those caused by normal residential use.

5.11 **Flammable Substances.** No one may store gasoline, kerosene, cleaning solvents, or other flammable liquids or substances, or any toxic or hazardous materials on the Common Area or in any Unit, provided, however, that amounts of these liquids, substances or materials which are reasonable for household use may be placed in appropriate containers and properly stored.

5.12 **Garage Conversion.** No one may convert or use any garage for purposes other than parking of the number of vehicles such garage was designed to contain and storage of reasonable amounts of household goods that do not interfere with the ability to park the number of vehicles such garage was designed to accommodate or create a fire or safety hazard.

5.13 **Garage Doors.** No garage door shall be permitted to remain open except for a temporary purpose nor shall animals be kept stored, housed or allowed to remain in any garage. The Board may adopt Rules governing the opening of garage doors.

5.14 **Harassment.** No one may engage in any type of harassment, illegal, noxious or offensive activity toward any Owners, residents, Association representatives, management representatives, Board members and/or vendors working in the Community. No person shall attempt to engage Association or management representatives or vendors on any private business of such person, or to otherwise direct, supervise or in any manner attempt to assert control over such Association or

management representative or vendor during the hours that such Association or management representative or vendor is working on behalf of the Association.

5.15 *Hazardous Materials.* No one may store any of the following within a Unit or the Common Area: any substance, material or waste which is or becomes: (1) regulated by any local or regional governmental authority of the State of California or the United States Government as a hazardous waste; (2) is defined as a "solid waste," "sludge," "hazardous waste," "extremely hazardous waste," "restricted hazardous waste," "non-RCRA hazardous waste," "RCRA hazardous waste," or "recyclable material," under any federal, state or local statute, regulation, or ordinance, including, without limitation, sections 25115, 25117, 25117.9, 25120.2, 25120.5 or 25122.7, 25140, and 25141 of the California Health and Safety Code; (3) defined as a "Hazardous Substance" under section 25316 of the California Health and Safety Code; (4) defined as a "Hazardous Material," "Hazardous Substance" or "Hazardous Waste" under section 25501 of the California Health and Safety Code; (5) defined as a "Hazardous Substance" under section 25281 of the California Health and Safety Code; (6) asbestos; (7) petroleum products, including, without limitation, petroleum, gasoline, used oil, crude oil, waste oil, and any fraction thereof, natural gas, natural gas liquefied, methane gas, or synthetic fuels; (8) materials defined as hazardous or extremely hazardous pursuant to the California Code of Regulations; (9) pesticides, herbicides and fungicides; (10) polychlorinated biphenyls; (11) defined as a "Hazardous Substance" pursuant to Section 311 of the Federal Water Pollution Control Act (33 U.S.C. Section 1251 et seq.); (12) defined as a "Hazardous Waste" pursuant to Section 1004 of the Federal Resource Conservation and Recovery Act, 42 U.S.C. Section 6901 et seq.; (13) defined as a "Hazardous Substance" or "Mixed Waste" pursuant to Section 101 of the Comprehensive Environmental Response Compensation and Liability Act, 42 U.S.C. Section 9601 et seq., and regulations promulgated thereunder; (14) defined as a "Hazardous Substance" pursuant to Section 401.15 of the Clean Water Act, 40 C.F.R. 116; (15) defined as an "Extremely Hazardous Substance" pursuant to Section 302 of the Superfund Amendments and Reauthorizations Act of 1986, 42 U.S.C. Section 11002 et seq.; or (16) defined as "medical waste" pursuant to section 25023.2 of the California Health and Safety Code, Chapter 6.1 (Medical Waste Management Act).

5.16 *Increase Rate of Insurance.* No one may perform any act or keep anything on or in any Unit or in the Common Area that will increase the rate of insurance on the Common Area without the Board's prior written consent. Further, no Owner shall permit anything to be done or kept in his or her Unit or in the Common Area that would result in the cancellation of insurance on any Unit or on any part of the Common Area or that would violate any Applicable Law.

5.17 *Leasing Units.* Owners may not lease or rent a Condominium in violation of the following:

- 5.17.1 Rental or Lease of Units Generally Restricted. The Association hereby implements a program to restrict leasing of Units to tenants. The Association and its Members have determined that a high percentage of Owner-occupied Units and, conversely, a

low percentage of non-Owner-occupied Units helps (1) to preserve and protect property values, (2) to enhance the desirability of the Project, and (3) improves the ability of Owners to sell or refinance their Condominiums under more desirable lending terms. Therefore, except as otherwise provided in this Section, each Owner shall use his or her Unit as a private residence solely for the Owner and the Owner's immediate family or other individuals who reside with the Owner on a non-transient basis, and for no other purpose. The leasing or rental of Units to others as a regular practice for business, speculation, investment or other similar purposes is only permitted in limited circumstances as provided in this Section. This program is subject to an exception for hardships, a "grandfathering" of existing Owners and a requirement for registering leased Units with the Association as more fully described below. In furtherance of this program to restrict leasing, the following restrictions on leasing are adopted:

- (a) General Prohibition against Leasing. The leasing or rental of Units to others as a regular practice for business, speculation, investment or other similar purposes is not permitted and will not be permitted until the total percentage of Owner-occupied Units reaches at least seventy percent (70%), i.e., until the total percentage of non-Owner-occupied Units drops to thirty percent (30%) or less. Once the total percentage of non-Owner-occupied Units drops to thirty percent (30%) or less, Owners may lease their Units to tenants in accordance with Rules established by the Board.
- (b) Hardship Exception. To meet special situations and to avoid undue hardship or practical difficulties, the Board may waive the restrictions of Section a) herein and grant permission to an Owner to lease the Owner's Unit. Such special situations and undue hardships shall include, but are not necessarily limited to, an inability to sell the Unit after a relocation out of the area, an extended period in which the Owner is hospitalized or similarly confined thus causing the Unit to be vacant, or a period during which court actions are involved as in probate, bankruptcy, or mortgage foreclosure proceedings. Lease agreements under hardship exemption or special circumstances must include a clause stating lessee must vacate Unit no later than thirty (30) days prior to close of escrow or upon conclusion of such hardship or practical difficulties. Furthermore, the Board may charge a reasonable fee for processing and monitoring such permissions to rent or lease the Unit. No

Owner, during the period of his or her ownership of the Unit, shall be granted a hardship exception more than twice, unless such is necessary to avoid extreme undue hardship. The determination of hardship by the Board is final and binding, and one favorable determination of hardship shall not prejudice the right of the Board to deny the same Owner's subsequent hardship application.

(c) Grandfathering of Current Owners. This Section 5.17.1 shall not apply to any Owner who acquired title before the recording of this Restatement. For the purposes of this section, an Owner's right to rent or lease a Unit shall not be deemed to have terminated if the transfer by the Owner of all or part of the Condominium meets at least one of the following conditions:

- (i) Pursuant to Section 62 or 480.3 of the Revenue and Taxation Code, the transfer is exempt, for purposes of reassessment by the county tax assessor.
- (ii) Pursuant to subdivision (b) of, solely with respect to probate transfers, or subdivision (e), (f), or (g) of, Section 1102.2, the transfer is exempt from the requirements to prepare and deliver a Real Estate Transfer Disclosure Statement, as set forth in Section 1102.6.

(d) Registration Requirement. Prior to renting or leasing his or her Unit, an Owner shall provide the Association verification of the date the Owner acquired title to the Unit and the name and contact information of the prospective tenant or lessee or the prospective tenant's or lessee's representative.

5.17.2 All leases and rental agreements must be in writing.

5.17.3 All leases and rental agreements must be for the entire Condominium and not merely parts thereof, unless the Owner remains in occupancy. A carport, garage or parking space may not be leased or rented separate and apart from the Unit to which it is appurtenant.

5.17.4 No lease or rental shall be for a period of less than thirty (30) days or for hotel, transient, fractionalized ownership interest or time-share purposes.

5.17.5 Owners who lease or rent their Condominium shall promptly notify the Association in writing of the names of all tenants and

members of a tenant's family occupying such Condominium, provide the make, model and license number of all residents' vehicles, a telephone number for the tenant, the number and type of pets kept by the tenants, keep all information current, and provide the Association with a complete copy of the lease or rental agreement and any other information reasonably needed and requested by the Association.

- 5.17.6 All Owners leasing or renting their Condominium shall promptly notify the Association of the address and telephone number where such Owner can be reached.
- 5.17.7 Each Owner-lessor shall provide any tenant or lessee with a current copy of all Governing Documents and shall be responsible for compliance by the tenant or lessee with all of the provisions of the Governing Documents during the tenant's/lessee's occupancy and use of the Condominium.
- 5.17.8 All leases and rental agreements shall be subject in all respects to the Governing Documents, and shall provide that failure to comply with the requirements of the Governing Documents shall constitute a default under the lease which may be cured by eviction of the tenant either by the Owner or the Association.
- 5.17.9 All leases and rental agreements shall provide that any failure of a lessee or tenant to comply with the terms of any Governing Document relating to residential leases, property use restrictions, or the use and enjoyment of any portion of the Common Area shall constitute a default under the lease or rental agreement and shall entitle the Owner to terminate the tenancy on thirty (30) days' written notice or the Association to terminate the tenancy per its powers under this Section 5.18.
- 5.17.10 If any tenant or lessee fails to honor the provisions of any Governing Document, the Association shall be entitled to take such corrective action as it deems necessary or appropriate under the circumstances to preserve the quiet enjoyment of other Owners and residents of the Community. Without limitation, the Association's actions in response to a tenant's violation of the Governing Documents may include the imposition of fines and penalties against the Owner-lessor of the Unit.
- 5.17.11 In the event a tenant or lessee of a Unit fails to comply with the provisions of the Governing Documents then, in addition to all other remedies which it may have, the Association may notify the Owner of such violation(s) and demand that it be remedied through the Owner's efforts within thirty (30) days of such notice.

If such violation(s) is not remedied within that thirty (30) day period, then the Owner shall immediately, at his or her own cost and expense, institute and diligently prosecute an eviction action (unlawful detainer) against his tenant or lessee on account of such violation(s). Such eviction action shall not be compromised or settled without the prior written consent of the Association. In the event the Owner fails to commence the foregoing obligation within fifteen (15) days of being required to do so, or commences the action but fails to diligently prosecute the action, then the Board shall have the right, but not the duty, to notify the Owner that the Association will prosecute such action as attorney-in-fact for the Owner and at the Owner's sole cost and expense, including all legal fees incurred. Upon notification to Owner of the Association's intent to prosecute the action, the right to possession of Owner's Condominium shall pass to the Association until such time as the tenant or lessee has vacated the Condominium. The Owner shall cooperate with the Association in the prosecution of the eviction action. All costs and attorneys' fees not collected from the tenant or lessee shall be paid by the Owner and failure to pay may be the basis for imposing an Individual Assessment for the fees and costs.

5.18 *Mechanic's Liens.* [Civ. Code § 4615] No labor performed or services or materials furnished with the consent of, or at the request of, an Owner, the Owner's agents or contractors shall be the basis for the filing of a lien against any other Condominium or Common Area or any other Owner in the Community unless that other Owner has expressly consented to or requested the performance of the labor or furnishings of the materials or services. However, express consent shall be deemed to have been given by the Owner of any Condominium in the case of emergency repairs thereto. Labor performed or services or materials furnished for the Common Areas, if duly authorized by the Association, shall be deemed to be performed or furnished with the express consent of each Owner. The Owner of any Condominium may remove his or her Condominium from a lien against two (2) or more Condominiums or any part thereof by payment to the holder of the lien of the fraction of the total sum secured by the lien which is attributable to the Owner's Condominium.

5.19 *Obstruct Common Area.* No one may permit anything to obstruct the Common Area or store anything on the Common Area without the prior written consent of the Board, except as otherwise provided in the Governing Documents.

5.20 *Offensive Activity.* [Civ. Code § 3479] No one may engage in any illegal, noxious or offensive activity in any part of the Community, or do any act which unreasonably threatens the health, safety and welfare of other residents of the Community.

5.21 *Outside Drying and Laundering.* No exterior clotheslines shall be erected or maintained and there shall be no exterior drying or laundering of clothes.

5.22 **Owner Responsibility.** Owners shall be responsible for their family members, guests, tenants, contract purchasers, and invitees while in the Community and may be held responsible for any violations of the Governing Documents committed by such persons.

5.23 **Patios and Balconies.** No fixture, personal property or other object may be kept upon any patio or balcony which interferes with the enjoyment of adjacent Units, patios or balconies or which may be in violation of the Rules. Only usual and customary patio furniture, potted plants with saucers, and decorations may be kept on the patios and balconies. No clothing or linens of any kind may be hung from patios or balconies.

5.24 **Pets.** [Civ. Code § 4715] Pets or other animals may not be kept in violation of the following:

- 5.24.1 Owners or residents of the Community may keep up to two usual and ordinary domestic pets in the Units subject to the provisions of the Rules; provided, however, that no Owner or other occupant of a Condominium may keep any pet which interferes with, or has a reasonable likelihood of interfering with, the rights of any Owner or other occupant of a Condominium to the peaceful and quiet enjoyment of the Condominium. In the event the Board determines that any pet or other animal creates an unreasonable annoyance or nuisance to any Owner or other occupant of a Condominium, the keeping thereof shall be discontinued within a reasonable time after such determination.
- 5.24.2 No pets or other animals shall be permitted in the Common Area except as specifically permitted by the Rules, and then only when on a leash held by a person capable of controlling the animal.
- 5.24.3 No Owners may keep animals for commercial purposes.
- 5.24.4 No Akita, Bull Mastiff, Bull Terrier, Chow (Chow Chow), Doberman Pinscher, Pit Bull (American Pit Bull Terrier), Rottweiler, Staffordshire Terrier (Staffordshire Bull Terrier, American Staffordshire Terrier), Wolf or Wolf breed, or dog being predominantly one or more of these breeds shall be allowed in the Community.
- 5.24.5 The Association, its Board, Officers, employees and agents shall have no liability to any Owner, their family members, guests, invitees, tenants and contract purchasers, or any other person in the Community, for any damage or injury to persons or property caused by any pet, absent any gross negligence on the part of the Association, or its Board, Officers, employees and agents. Owners of pets shall be liable for any bodily injury caused by said pets.

5.25 Power Equipment. No one may set up a hobby shop for commercial purposes, except upon the written consent of the Board. Use of power equipment may be subject to reasonable Rules as to the time and duration of use and the level of noise.

5.26 Protection Systems. No one may disconnect, damage, tamper with or otherwise modify any protection system, including, but not limited to fire sprinklers, fire alarms and fuse boxes.

5.27 Residential Use of Unit. Condominiums shall be used for residential purposes only. No Condominium may be used for time share purposes, or any other similar transitory use through fractionalized ownership or any other similar arrangement. Condominiums are intended to be used as a primary residence. A Condominium may be used for in-home professional or administrative occupations or similar home office use so long as only minimal external evidence is observable, and if: (1) such occupations are merely incidental to the use of the Unit as a residence, (2) employees or business invitees do not regularly visit or conduct business in the Community, and (3) the occupation is conducted in conformity with any Applicable Law and the Rules.

5.28 Signs. [Civ. Code §§ 712, 713 & 4710] No signs may be erected or displayed on or from any Condominium except as allowed by Applicable Law and the Rules. No signs may be erected or displayed on the Common Area except with the prior written approval of the Board.

5.29 Solar Installation. Owners may install solar energy systems on the roof of the building in which their Unit is located after receiving written approval from the Board, provided they do so in strict compliance with any reasonable Rules adopted by the Board, including reasonable Rules governing solar energy system installations, and Applicable Law. An Owner may only install a solar energy system on the section of the roof apportioned to the Owner once the usable solar roof area has been equitably allocated among all Owners whose Units share the same roof.

5.30 Subdividing or Combining Units. No Condominium may be subdivided or combined with another Condominium without obtaining the prior written approval of the Association.

5.31 Trash and Recycling. Rubbish, trash, recycling and garbage may not be allowed to accumulate within the Unit or Common Area. Trash and recyclables must be placed in the appropriate receptacles.

5.32 Vacating Unit; Costs. [Civ. Code § 4785] The Association shall have the power to temporarily remove any Condominium resident for such periods and at such times as may be necessary in connection with any maintenance or repair work performed by the Association. The Owner shall provide the Association access as needed for maintenance or repair work by the Association. The costs of any temporary relocation, including loss of rental income, during such maintenance or repair work shall be paid by the Condominium Owner affected unless another Owner is responsible for the damages pursuant to the Governing Documents. If another Owner is responsible for the damages,

the responsible Owner shall pay the relocation costs. Except in case of emergency, the Association shall give notice of the need to temporarily vacate a Condominium to the Owners and occupants not less than fifteen (15) days or more than thirty (30) days prior to the date of the temporary relocation. The notice shall state the reason for the relocation, the date and time of the beginning of work, the anticipated date and time of termination of work and that the occupants will be responsible for all necessary accommodations during the relocation.

5.33 Vehicle Maintenance. Except for minor maintenance and repair, no one may perform any vehicle overhaul, repair, or non-emergency maintenance within the Community.

5.34 Vehicle Use and Parking. Parking in the Community is limited and all Owners and residents are encouraged to park vehicles within their garage and parking in the Community is subject to the following:

- 5.34.1 The following vehicles are Authorized Vehicles: standard passenger vehicles, including automobiles, passenger vans designed to accommodate ten (10) or fewer people, motorcycles and pick-up trucks having a manufacturer's rating or payload capacity of one (1) ton or less. The Association has the power to identify additional vehicles as Authorized Vehicles in the Rules to adapt this restriction to all types of vehicles produced by manufacturers.
- 5.34.2 Authorized Vehicles may be parked in any portion of the Community intended for parking of motorized vehicles, subject to the Rules.
- 5.34.3 No Owner may park any vehicle in a manner so that the Association determines that the vehicle unreasonably extends beyond the boundaries of a parking space or into streets or sidewalks within the Community.
- 5.34.4 The following vehicles are Restricted Vehicles:
 - (a) Recreational vehicles (e.g., motorhomes, travel trailers, camper vans, jet skis and boats),
 - (b) Commercial-type vehicles (e.g., stake bed trucks, tank trucks, dump trucks, step vans, concrete trucks and limousines). Commercial vehicles shall not include sedans or standard size pickup trucks which are used both for business and personal use, provided that any signs or markings of a commercial nature on such vehicles shall be unobtrusive and inoffensive as determined by the Board of Directors,

- (c) Buses or vans designed to accommodate more than ten (10) people,
- (d) Vehicles having more than two (2) axles,
- (e) Trailers,
- (f) Inoperable vehicles or parts of vehicles,
- (g) Unregistered vehicles,
- (h) Aircraft,
- (i) Noisy or smoky vehicles, or
- (j) Any vehicle or vehicular equipment deemed a nuisance by the Board.

5.34.5 Restricted Vehicles may not be parked, stored or kept on any private street within the Community unless they are parked for brief periods defined in the Rules or they are parked within an Owner's fully enclosed garage with the door closed.

5.34.6 If a vehicle qualifies as both an Authorized Vehicle and a Restricted Vehicle, then the vehicle is presumed to be a Restricted Vehicle, unless the vehicle is expressly classified as an Authorized Vehicle in writing by the Board. The Association has the power to identify additional vehicles as Restricted Vehicles in the Rules to adapt this restriction to all types of vehicles produced by manufacturers.

5.34.7 The Board, in its discretion, may adopt reasonable Rules in compliance with this Section governing the operation, maintenance, storage and parking of any vehicle, including trucks, campers, trailers, boats or commercial vehicles in the Community, including the streets, garages, driveways, and Common Area.

5.35 **Water Discharge.** No one may discharge anything other than water and residue allowed by applicable water quality ordinances into the streets, gutters and drains of the Association or into the Common Area.

5.36 **Window Covers.** Only curtains, drapes, shutters or blinds may be installed as interior window covers. No window in any Unit shall be covered with aluminum foil, papers, sheets, paint or similar material.

5.37 **Wiring Access.** [Civ. Code §§ 4145 & 4790] All internal and external telephone, cable television and internet access wiring designed to serve a single

Condominium, but located outside the boundaries of the Condominium, is allocated exclusively to that Condominium. The Owner of the Condominium shall be entitled to reasonable access to the Common Area for the purpose of maintaining this wiring, subject to the consent of the Association and to any other conditions reasonably imposed by the Association. The Association's consent shall not be unreasonably withheld.

ARTICLE 6 - REPAIR AND MAINTENANCE

6.1 General; Standards of Maintenance. [Civ. Code § 4775] The Association and all Owners are required to fulfill the maintenance requirements imposed by the Governing Documents. For purposes of this Article "maintenance" shall include, without limitation, painting, weatherproofing and cleaning to keep Improvements in a clean, safe, properly ventilated, watertight, dry and sanitary condition necessary to preserve the attractive appearance of each Condominium and the Community and protect the values thereof. The Board shall have the power to determine the standards of such maintenance. The replacement of exterior items by Owners shall be subject to the architectural review requirements of the Governing Documents.

6.2 Division of Responsibility. Attached hereto as Exhibit "B," and incorporated herein by reference, is a listing of the allocation of responsibility for various components in the Community.

- 6.2.1 Generally, each Owner shall be responsible for the maintenance, repair and replacement of his or her Condominium, Exclusive Use Common Areas appurtenant to the Condominium, and those items located anywhere within the Community which are used exclusively by that Owner, and the Association shall be responsible for the maintenance, repair and replacement of any other area of the Common Area.
- 6.2.2 In the event of any inconsistency between the above general provisions and the specific provisions of Exhibit "B," the provisions of Exhibit "B" shall prevail. In the event of any inconsistency among the provisions of Exhibit "B," the most specific provision shall prevail. Provided any item is not listed in Exhibit "B," the responsibility for its maintenance shall be determined in accordance with the above general provisions or as otherwise provided by statute or Applicable Law.
- 6.2.3 Except as otherwise provided in the Governing Documents, the costs of maintenance, repair and replacement shall be borne by the party responsible for the maintenance, repair and replacement.
- 6.2.4 No Owner shall have a claim against the Association if the Owner performs or pays for any work ordinarily the responsibility of the Association unless the Board agrees in advance that the Owner

may perform the work and receive reimbursement from the Association.

6.3 Owner Improvements. Each Owner shall be responsible for the maintenance, repair, and replacement of any Improvements installed or planted by the Owner, any resident in the Owner's Condominium, or the Owner's predecessor in interest, within the Condominium, the Exclusive Use Common Areas, or upon the Common Area. The Owner is also responsible for damages to the Common Area caused by such installation, maintenance, use, or repair. Installation of any Improvement within the Common Area is subject to the architectural review provisions. Any unauthorized Improvement in the Common Area shall be considered a trespass on the Common Area and shall give the Board the right to remove the unauthorized Improvement summarily and without compensation to the party who installed it. See also Section 7.11 herein.

6.4 Access over Common Area. The Owner of the Condominium shall be entitled to reasonable access over and through the Common Area, subject to the consent of the Association and to any other conditions reasonably imposed by the Association, for the purposes of performing any maintenance, repairs or replacement as required by the Governing Documents. The Association's consent shall not be unreasonably withheld.

6.5 Failure to Maintain. If an Owner fails to maintain the areas described herein pursuant to the standards set by the Board, the Board may notify the Owner of the work required and request that the same be done within a reasonable time from the giving of such notice. If the Owner fails to complete maintenance within said time period, the Board may, following a Notice and Hearing, cause such work to be done and the cost thereof shall immediately be paid by such Owner to the Association and until paid shall bear interest at the rate of twelve percent (12%) per annum (but no greater than the maximum rate authorized by Applicable Law). The Association shall have an easement over the Units and Exclusive Use Common Area for the purpose of performing the work described herein.

6.6 Damage During Repairs In the course of carrying out the maintenance and repair responsibilities of the Association, it may be necessary for agents or representatives of the Association to remove floor or wall coverings, appliances, fixtures or other similar items within a Unit. In this event, the Association's agents or representatives shall use care to cause as little damage as possible. The Association shall restore the structural floor, ceiling or wall. The Owner of the Unit shall be responsible, at his or her sole expense, to paint and to repair or replace any such floor or wall coverings, appliances, fixtures or other similar items which might be damaged during such repair or replacement by the Association's representatives or agents unless the damage is caused by the gross negligence of the Association, its Board, Officers, agents or employees.

6.7 Termite Control. [Civ. Code § 4780] The responsibility for control of wood destroying pests or organisms shall be as follows:

- 6.7.1 The party responsible for the maintenance and repair of a component shall control the presence of or repair damage caused by wood-destroying pests or organisms in that component.
- 6.7.2 The Board shall determine the method and timing of any treatment for which it is responsible in its sole discretion.
- 6.7.3 The Association shall have the power to temporarily remove any Unit resident for such periods and at such times as may be necessary for prompt, effective treatment of such pests or organisms. The costs of any temporary relocation, including loss of rental income, during such maintenance or repair shall be paid by the Condominium Owner affected. The Association shall give notice of the need to temporarily vacate a Condominium to the Owners and occupants not less than fifteen (15) days or more than thirty (30) days prior to the date of the temporary relocation. The notice shall state the reason for the relocation, the date and time of the beginning of treatment, the anticipated date and time of termination of treatment and that the occupants will be responsible for all necessary accommodations during the relocation.
- 6.7.4 Neither the Association, the Board, Officers, agents nor employees shall have any liability, absent gross negligence, to any Owner, family member, guest, invitee or tenant for any damage caused by the treatment.
- 6.7.5 Notwithstanding anything else herein, in the event that an Owner wishes to obtain a termite clearance certificate for any purpose, the Owner shall be solely responsible for any and all costs associated with obtaining the certificate, including, without limitation, the costs of maintenance and repair of the Unit, Exclusive Use Common Area, or Common Area which may be necessary to obtain the termite clearance certificate. An Owner or group of Owners may agree, in a signed writing delivered to the Association, with such reasonable assurances as the Board may request, to share the above costs.

6.8 ***Damage Caused by Owner.*** [Civ. Code § 5725]

- 6.8.1 Should any damage to the Common Area or any Condominium result from the willful or negligent act or neglect of any Owner, or such Owner's tenants, guests, invitees, pets or other person or entity deriving any interest through such Owner, the cost of all repairs shall be borne solely by the responsible Owner. This Section applies if the Owner causes damage to any Common

Area in the performance of the Owner's maintenance, repairs or replacement responsibilities.

- 6.8.2 The Association shall be responsible for performing the repair of any damage to the Common Area or Improvements over which the Association has control at the responsible Owner's expense. The responsible Owner shall perform the repair of any damage to his or her Condominium for which such Owner has control. The Owner of any other Condominium which sustained damage shall perform the repair of any such damage, and may charge the cost of repairs and any relocation costs to the responsible Owner.
- 6.8.3 If the responsible Owner disputes or refuses to pay any repair costs incurred by the Association or the Owner of any other Condominium which sustained damage, the Association, after Notice and Hearing, may charge the cost of those repairs to such Owner as an Individual Assessment, with the full authority to lien on such amount in the event of non-payment. If the damage is such as may be covered by any insurance carried by the Association, the Board may, in its sole discretion, elect to submit the claim for the cost of repairs to its insurance carrier. Provided the submitted claim is covered by the Association's insurance, the responsible Owner shall pay the cost of any deductible applicable to the covered claim. If the submitted claim is not covered by the Association's insurance, or the Board elects not to submit the claim, the responsible Owner shall be responsible for the total cost of repair.
- 6.8.4 All repairs performed to correct any damage shall be sufficient to return the damaged property only to its condition prior to the damage, with upgrades as may be required to conform to any applicable building codes in effect at the time the damage is repaired.

6.9 ***Limitation of Liability.*** The Association shall not be liable to any Owner or his or her tenants, guests or others, for damage to or loss of any property, or the cost of repair or replacement of any damaged property or portions of such Owners' Unit or Exclusive Use Common Area, unless such damage is caused by the gross negligence of the Association, its Board, Officers, agents or employees.

6.10 ***Damages to Unit; Water Intrusion Damage.***

- 6.10.1 Each Owner shall be solely responsible for the repair of any damage to any and all interior items of his or her Condominium, and the cost thereof, including, but not limited to, any personal property, decorations, interior surfaces, floor and wall coverings, appliances, fixtures or other items therein, or any exterior items

such as landscaping, caused by any Common Area component or Improvement or any other component or Improvement maintained by the Association, including water intrusion from any Common Area source. An Owner may obtain and maintain such insurance, at his or her sole expense, to protect against any damage or loss of property, or the cost of repair or replacement of damaged Improvements for which such Owner is responsible.

- 6.10.2 The Association shall not be liable for damage to property in the Community resulting from water which may leak or flow from outside of any Condominium or from any part of the building, or from any pipes, drains, conduits, appliances or equipment or from any other place or cause, unless caused by the gross negligence of the Association, its Board, Officers, agents or employees.
- 6.10.3 Owners shall cause notice to be given to the Association of any water within, or water intrusion into, their Condominium immediately upon discovery of such leak or water intrusion. Within twenty-four (24) hours or sooner of the discovery of a leak or water intrusion, Owner shall cause all water to be extracted, and the Condominium cleaned. If Owner has not had water extraction and cleaning performed within forty-eight (48) hours of discovery of the leak or water intrusion, the Association may cause such work to be done and assess the cost of the work to the Owner as an Individual Assessment.
- 6.10.4 The Association is authorized to enter the Condominium to perform water extraction and related repairs on an emergency basis.
- 6.10.5 If repairs are required to a Condominium following a leak or water intrusion, Owner shall cause all work to be performed by a licensed contractor experienced in water extraction and mold remediation. Containment procedures designed to prevent contamination of the affected Condominiums, other Condominiums and the Common Areas shall be utilized. If the Owner or occupants are required to vacate the Condominium during the water extraction or repairs, Section 5.32 shall apply.
- 6.10.6 Owner and his or her tenants, guests, invitees, agents and employees shall hold the Association harmless for any claim for property damage or personal injury alleged to arise from the presence of mold or fungi in his or her Condominium unless the damages or injuries were caused by the gross negligence of the Association, its Board, Officers, agents or employees.

6.11 **Owner Notification to the Association.** If, at any time, an Owner discovers or otherwise becomes aware of any condition within the Common Area or in any Condominium, including, but not limited to, water entry, water damage or mold, that may constitute a risk to the health, safety or welfare of the Owners, their family members, tenants, and any other persons entering the Community, the Owner shall notify the Association representatives of the condition as soon as possible.

ARTICLE 7 - ARCHITECTURAL AND DESIGN CONTROL

7.1 **General.** [Civ. Code § 4760] Any change or Improvement to the exterior of a Unit, or to the interior which affects the exterior of Unit, any wall, or any mechanical or utility systems (HVAC systems, gas, water or electrical pipes or wires, etc.), or the structural integrity of any building, shall be governed by this Article. Changes or Improvements to the Common Area by the Association do not need to comply with the requirements of this Article. The powers and duties set forth in this Article shall be vested in, and exercised by, the Board. The Board may establish an Architectural Committee as provided herein to assist the Board in reviewing architectural submittals, and to provide recommendations to the Board with regard to approval or disapproval of any submittal. The foregoing notwithstanding, the Board shall be solely responsible for approving or rejecting any architectural submittal.

7.2 **General Changes Requiring Prior Approval.** Nothing may be erected, placed, planted, altered, demolished, or modified on the exterior of any Unit, or on the Common Area without the prior written approval of the Board. Modifications to the interior of Units which involve alterations to the floor plan, or removal of a wall or have the potential to affect the Common Area, including the walls, roofs and mechanical or utility systems shall require prior approval.

7.3 **Specific Changes.** Subject to other applicable restrictions contained in the Governing Documents, Owners may modify their Condominiums subject to the following:

- 7.3.1 Modifications or alterations of the exterior of any Unit or any other portion of the Common Area to facilitate handicapped access as provided by Applicable Law must have the prior written consent of the Board. Any approval of such handicapped access modification may be conditioned on such modification's removal, by the Owner at his or her sole expense, once the handicapped access is no longer necessary for the Unit.
- 7.3.2 Alterations to the floor plan of a Unit, removal of walls, or any portion thereof, may not be made within a Unit without the prior written approval of the Board of Directors and only if the proposed changes will not harm the structure.
- 7.3.3 No Owner may enclose any patio or deck.
- 7.3.4 No Owner may paint any portion of their Unit without first ensuring that proper procedures are utilized so as to not disturb any

asbestos located in the walls or ceilings. Nothing contained herein shall be construed to limit the right of an Owner to paint the interior of his or her Unit any color desired.

- 7.3.5 In deciding upon floor coverings, Owners shall take all reasonable measures to choose floor coverings that mitigate sound transfer between Units. The Board shall have the power to order an Owner who has not complied with this Section to remove and replace any floor covering which does not adequately mitigate sound transfer.
- 7.3.6 No Owner may install any shutter, screen, blind, curtain, drape or other appurtenance in or on any window or door except those items which are in conformance with standards established by the Board.
- 7.3.7 Except as provided by the Governing Documents, Owners shall not have the right to paint, decorate, remodel or alter any Exclusive Use Common Area or the Common Area without the prior written consent of the Board.
- 7.3.8 The Board may condition its approval on obtaining and recording a signed license and indemnity, hold harmless, or other similar agreement from the Owner if the Improvements affect the Common Area.

7.4 Procedure for Obtaining Approval of Architectural Changes. The procedure for obtaining approval of any architectural change shall be as follows:

- 7.4.1 Complete plans and specifications showing the nature, kind, shape, color, size, height, materials to be used and location of any proposed Improvements, alterations or landscaping, as well as the proposed licensed contractor and any other information as required by the Board, shall be prepared by the requesting Owner and submitted to the Association, along with any fee or deposit established in the Architectural Rules. The Board may establish a construction deposit and require that it be paid with the plans and specifications.
- 7.4.2 The Architectural Committee, if any, shall review the submission and provide a written recommendation as to approval or disapproval of any such submission, including the reasons for any decision, to the Board and the requesting Owner.
- 7.4.3 The Board shall review such recommendation within thirty (30) days after receipt of the Architectural Committee's written recommendation, if any, or within sixty (60) days after receipt of the submission, whichever is earlier, and provide a written

response to the requesting Owner, including an explanation of the reasons for any disapproval.

7.4.4 In the event the Board fails to provide a written response to the requesting Owner within sixty (60) days after receipt of the request from the Owner, the Owner may notify the Board in writing that a response has not been received. If the Board fails to respond within thirty (30) days of the receipt of the notice, approval will not be required and the related covenants shall be deemed to have been fully satisfied, so long as the proposed Improvement does not violate any requirements of the Governing Documents or Applicable Law.

7.4.5 Once an Owner has obtained approval for an architectural submittal, work on such approved submittal shall promptly commence and shall be completed within a reasonable time.

7.5 **Architectural Rules.** [Civ. Code § 4360] The Board may, in its sole discretion, adopt, amend and repeal, as it deems necessary, Architectural Rules. The Architectural Rules shall interpret and implement the provisions of this Article by setting forth the standards for review by the Board and Architectural Committee and guidelines for architectural design, placement of buildings, landscaping, color schemes, exterior finishes and materials and similar features which are recommended for use in the Community, provided, however, that said Architectural Rules shall not be in violation of the standards required by this Restated Declaration. The Architectural Rules may also address the information which is required to be presented in connection with an architectural submittal. Unless any such Architectural Rules are complied with, an Owner's plans and specifications shall be deemed incomplete and not submitted.

7.6 **Standard of Architectural Review.** An architectural submittal made by an Owner shall be reviewed for conformity with the Architectural Rules. Additional factors to be considered include, but are not limited to, the quality of proposed workmanship, the design and harmony of the Improvement with existing structures, the location of the Improvement in relation to surrounding structures, topography, and finish grade elevation, Owner and contractor insurance coverage, compliance with governmental permit requirements and contractor license status.

7.7 **Architectural Committee.** The Architectural Committee, if any, shall consist of at least three (3) members, formed as follows:

7.7.1 The Board shall have the right to appoint all of the members of the Committee.

7.7.2 Members appointed to the Committee by the Board need not be Members of the Association.

- 7.7.3 Members shall be appointed for terms as prescribed by the Board. All members of the Committee may be removed by the Board at any time with or without cause.
- 7.7.4 The Committee shall meet as often as it deems necessary to properly carry out the obligations imposed upon it, unless otherwise directed by the Board.
- 7.7.5 The vote or written consent of the majority of the Committee shall be required for any recommendation.

7.8 **Fee for Review.** The Board shall have the right to establish a fee for the review and approval of plans and specifications which must be submitted to it pursuant to the provisions of this Article, which shall be reasonably related to the duties performed. Owners shall be responsible for the Association's costs incurred for review of their plans.

7.9 **Compensation.** The members of the Board and Architectural Committee shall receive no compensation for services rendered, other than reimbursement by the Association for expenses incurred by them in the performance of their duties hereunder. However, the Board may hire an architect or other professional to consult with the Committee and Board, and the Association may compensate the architect or professional for services rendered to the Association.

7.10 **Liability.** Neither the Board, the Architectural Committee nor any member thereof shall be liable to the Association or to any Owner for any damage, loss or prejudice suffered or claimed on account of: (1) the approval or disapproval of any plans, drawings and specifications, whether or not defective, (2) the construction or performance of any work, whether or not pursuant to approved plans, drawings, and specifications, or (3) the development of any property within the neighborhood; provided, however, that such member has acted in good faith on the basis of such information as may be possessed by him or her.

7.11 **Effect of Owner-Installed Improvements.** This Section shall apply to all Improvements installed on any Unit or elsewhere in the Community, either by a current or former Owner or by that Owner's family members, agents, tenants, or anyone exercising the Owner's powers, and without regard to whether the Owner first complied with the requirements of this Article, including without limitation, the requirement for seeking and obtaining prior written approval before installing any such Improvements.

- 7.11.1 Owner shall pay all costs and expenses incurred in the construction and installation of any such Improvements, and shall be fully responsible for the maintenance, repair and replacement of such Improvements. Each Owner shall be responsible for any damages to persons, property or otherwise which result from the construction, maintenance, use or continued existence of such Improvements and shall hold the Association free and harmless from any and all costs and expenses attributable to the

construction, installation, maintenance, repair, or replacement of such Improvements or to their continued existence or use. The Association shall have no responsibility either for securing or maintaining insurance for any such Improvements.

- 7.11.2 Each Owner covenants and agrees that any such Improvements shall be constructed in strict compliance with the plans and specifications and in the exact location approved by the Association, if so approved, and shall be maintained in good condition and repair in accordance with generally accepted construction, maintenance and repair practices, and shall comply with all Applicable Laws. Owner shall be obligated to obtain any necessary building permits and inspections and to verify compliance with all requirements imposed by Applicable Law. The Association's approval of any such Improvements, if given, is limited to an approval based solely on the criteria contained in the Governing Documents and does not include a review for compliance with Applicable Laws.
- 7.11.3 All such Improvements shall be subject to the jurisdiction of the Association, acting through the Board, and to the Governing Documents; and shall be subject to an easement in favor of the Association to perform its duties under the Governing Documents. As such, each Owner shall pay all costs and expenses incurred in removing and replacing the Improvements, if such removal is required by the Association, in its sole discretion, to perform its maintenance and repair responsibilities under the Governing Documents. The Association shall exercise such discretion reasonably and not arbitrarily.
- 7.11.4 Owner shall defend, indemnify and hold harmless the Association, its Members, Board, Officers, agents and employees from and against any and all injuries, damages, causes of action or claims which may exist or be instituted against any or all of said parties because of, or in any manner arising from or connected with, the granting of written confirmation of approval for any Improvements, the power to grant and confirm such approval in writing, or the construction, maintenance, repair, replacement, existence or use of any such Improvements.
- 7.11.5 Each Owner releases the Association, its Members, Board, Officers, agents and employees from any duty or obligation to pay, or otherwise be responsible, for the cost of construction, maintenance, repair or replacement of any such Improvements, and releases said parties from any and all claims, injuries, damages and causes of action which may arise as a result of the construction, maintenance, repair or replacement of the

Improvements or the continued existence or use of the Improvements.

7.11.6 If any Owner fails to construct, maintain or use such Improvements in accordance with any architectural approval granted by the Association and according to the terms of this Article, the Association shall have the power, at Owner's expense, either to maintain, repair or replace the Improvements or to remove the Improvements, in the Association's sole discretion.

7.11.7 The Association shall have the power, but not the obligation, unilaterally to record a document against the title to Owner's Unit identifying the nature, description and location of any Improvements installed by Owner, whether installed with or without the Association's approval, to put subsequent Owners on notice of their duties and obligations with respect to such Improvements under this Article.

7.12 Enforcement. In addition to other enforcement remedies set forth in this Restated Declaration, the Board shall have enforcement rights with respect to any matters required to be submitted to and approved by it, and may enforce such architectural control by any proceeding at law or in equity in accordance with this Section.

7.12.1 No work for which approval is required shall be deemed to be approved simply because it has been completed without a complaint, notice of violation or commencement of a suit to enjoin such work.

7.12.2 The Board shall have the authority to order an abatement of any construction, alteration or other matter for which approval is required, to the extent that it has not been approved by the Board, or if it does not conform to the plans and specifications submitted to the Board.

7.12.3 The Board or committee may periodically enter any Condominium to ensure that the construction is proceeding according to any approved plans.

7.12.4 If the Owner fails to remedy any noticed noncompliance within the time specified by the Board, the Board shall provide Notice and Hearing regarding the alleged noncompliance.

7.12.5 At the hearing, the Owner, any representative(s) of the Architectural Committee and, in the Board's discretion, any other interested person may present information relevant to the question of the alleged noncompliance. After considering all such

information, the Board shall determine whether there is a noncompliance.

- 7.12.6 If a noncompliance is determined to exist, the Board shall require the Owner to remedy or remove the same within such period or within any extension of such period as the Board, at its discretion, may grant.
- 7.12.7 If the Owner fails to take corrective action after having a reasonable opportunity to do so, the Board at its option, may pursue all legal and equitable remedies available to remedy or remove the non-complying Improvement, and the Owner shall reimburse the Association for all expenses incurred in connection therewith upon demand. If such expenses are not properly repaid by the Owner to the Association, the Board may recover such expenses through the levy of an Individual Assessment against such Owner.
- 7.12.8 The approval by the Board of any plans, drawings or specifications for any work or Improvement done or proposed, or for any other matter requiring the approval of the Board under this Restated Declaration, or any waiver thereof, 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 by the same or some other Owner. Different location for Improvements, the size of the Improvement, proximity to other Condominiums or the Common Area and other factors may be taken into consideration by the Board and Architectural Committee in reviewing a particular submittal.
- 7.12.9 Notwithstanding any other provisions herein, the Board of Directors shall have the authority to obtain a restraining order or injunction at any time after discovery that work is proceeding without approval of the Board or in a manner that is different than that approved by the Board if the Board deems such action necessary to protect the Association's interests.

7.13 *Noncompliance with Applicable Laws.* Neither the Association, the Board, nor the Architectural Committee shall be responsible for any noncompliance with any Applicable Law of any Improvement erected, constructed, installed, placed, altered or maintained in accordance with or pursuant to any plans and specifications approved by the Board or any defect in any conditions or requirements they may have imposed with respect thereto.

7.14 *Governmental Permits and Approvals.* Prior to commencing any alteration or Improvements approved by the Board, the Owner shall comply with all Applicable Laws. The Association shall not be obligated to enforce the provisions of this

Section. Approval by the Board shall not be considered to satisfy any Applicable Law, nor shall the approval of any governmental entity be considered to completely satisfy the requirement of Board approval. An Owner's failure to comply with any Applicable Law may subject such Owner to certain penalties imposed by the governmental entity, notwithstanding the approval of the Board, which penalties shall be the responsibility of such Owner. Each Owner, by accepting a deed to his or her Condominium, agrees to reimburse the Association for any loss resulting from the violation of any Applicable Laws.

7.15 Conflicts Between Applicable Law and The Association. In the event of any conflict between any Applicable Law and the Association's Governing Documents or other requirements, the more restrictive of such conditions shall be controlling. Further, nothing herein shall limit the Association from imposing conditions of approval of any proposed Improvements which are more restrictive than any Applicable Law.

ARTICLE 8 - INSURANCE

8.1 Fire and Casualty Insurance. At a minimum, the Association shall obtain and maintain a policy or policies of fire and casualty insurance for the full insurable replacement cost of the Improvements located in the Common Area, including the Exclusive Use Common Area, and for which the Association is responsible pursuant to the Governing Documents. The Association may obtain, but is not required to obtain, insurance that will insure components that this Section does not require. The Association shall have no obligation to insure Improvements or fixtures such as cabinets, built-in appliances or floor or wall coverings, within the Unit or Exclusive Use Common Area. The amount of any deductible shall be determined by the Board. This insurance shall be maintained for the benefit of the Association, the Owners, and their Lenders, as their interests may appear as named insured, subject, however, to any loss payment requirements set forth in this Restated Declaration. If required by any First Lender who notifies the Association of its requirement, and if economically feasible and available, such policies shall contain an inflation guard endorsement and an ordinance and law endorsement.

8.2 General Liability Insurance. [Civ. Code § 5805] The Association shall obtain and maintain a policy or policies insuring the Association, its Officers, Directors, agents and employees, and the Owners against any liability for bodily injury, death, and property damage arising from the activities of the Association and its Members, with respect to the Common Area and any Condominiums owned by the Association. Limits of liability under the insurance shall not be less than \$2 Million covering all claims for wrongful death, bodily injury, and property damage arising out of a single occurrence. If the minimum amount necessary to comply with Civil Code section 5805 or any successor statute is a larger amount, the statute shall control.

8.3 Directors and Officers Liability Insurance. [Civ. Code § 5800] The Association shall obtain and maintain one or more policies of insurance which include coverage for individual liability of Officers and Directors of the Association for negligent acts or omissions of those persons acting in their capacity as Officers and Directors or at the direction of Officers and Directors. Limits of liability under this insurance shall be

determined by the Board at its sole discretion. If the minimum amount necessary to comply with Civil Code section 5800 or any successor statute is a larger amount, the statute shall control.

8.4 Fidelity Coverage. The Association shall purchase and maintain fidelity coverage for any person or entity handling funds of the Association, whether or not such persons or entities are compensated for their services. If an agent handles Association funds, such agent shall be covered by the Association's coverage. The Association's coverage may be in the form of a separate bond, a separate policy (e.g., crime policy), or may be added by endorsement to the general policies carried by the Association. The amount of coverage shall be equal to or more than the combined amount of the reserves plus total assessments for three (3) months. The coverage must include computer fraud and funds transfer fraud. The fidelity coverage must contain a provision that it may not be cancelled or substantially modified without at least ten (10) days' prior written notice to the Association.

8.5 Other Association Insurance. The Association shall purchase and maintain workers' compensation insurance to the extent necessary to comply with any Applicable Laws. The Association also may purchase and maintain a blanket policy of flood insurance, and demolition insurance in an amount that is sufficient to cover any demolition that occurs following the total or partial destruction of the Community and a decision not to rebuild. The Association may purchase such other insurance the Board considers necessary or advisable, including earthquake insurance coverage.

8.6 Review of Insurance; Notice of Cancellation or Modification. The limits and coverage of insurance carried by the Association shall be reviewed at least annually by the Board and increased or decreased in its discretion. Such policies shall include a provision for at least ten (10) days' prior written notice to the Association, and, if available, to each First Lender which is listed as a scheduled holder of a First Mortgage in the insurance policy, of any cancellation or substantial modification by any party.

8.7 Separation of Insureds. Any liability policy obtained by the Association shall provide for a separation of insureds such that the insurance will apply as if each insured were the only insured.

8.8 Waiver of Subrogation. The Association and the Owners covenant and agree that all casualty insurance carried by the Association or the Owners shall contain provisions whereby the insurer waives rights of subrogation as to the Association, Directors, Officers and Owners and their respective family members.

8.9 Qualifications of Insurance Carriers. The Association shall use generally acceptable insurance carriers from which to purchase and maintain the coverage required herein, preferably from carriers that are admitted to sell insurance in the State of California to the extent such insurance is available at a reasonable premium cost.

8.10 Failure to Acquire Insurance. The Association, and its Directors and Officers, shall have no liability to any Owner or Lender if, after a good faith effort, it is unable to obtain any insurance required hereunder, because the insurance is no longer

available or, if available, can be obtained only at a cost that the Board in its sole discretion determines is unreasonable under the circumstances, or the Members fail to approve any Assessment increase needed to fund the insurance premiums. In such event, the Board immediately shall notify each Member and any Lender entitled to notice that the specific insurance will not be obtained or renewed.

The Association, and its Directors and Officers, shall also have no liability to any Owner or Lender if it does not obtain any of the insurance referenced hereunder which is not required but may be obtained at the discretion of the Association. The Board may, in good faith in its sole discretion, determine that obtaining any of the discretionary insurance is unreasonable or unnecessary under the circumstances. In making a determination as to whether to acquire any such discretionary insurance, the Board may base its decision upon, among other things, a vote of the Owners.

8.11 *Trustee for Policies.* The Association, acting through its Board, is appointed and shall be deemed trustee of the interests of all named insureds under all insurance policies purchased and maintained by the Association. All insurance proceeds under any of those policies shall be paid to the Board as trustee. The Board shall use the proceeds for the repair or replacement of the property for which the insurance was carried. The Board also is authorized to negotiate loss settlements with the appropriate insurance carriers, to compromise and settle any claim or enforce any claim by any lawful action, and to execute loss claim forms and release forms in connection with such settlements.

8.12 *Insurance Premiums.* Insurance premiums for any insurance coverage obtained by the Association shall be a Common Expense.

8.13 *Insurance Policy Deductibles.* [Civ. Code § 5300] The Board of Directors shall have the power, in its sole discretion, to determine the amount of any deductible applicable to any insurance policy carried by the Association. In the event of a covered claim under the Association's property policy, the responsibility for payment of any deductible shall be as follows:

- 8.13.1 Owners shall be responsible for the deductible, if the covered loss occurs only to the Owner's real or personal property, or other property the Owner is responsible for repairing or replacing ("Owner Property").
- 8.13.2 The Association shall be responsible for the deductible if the covered loss occurs only to any real or personal property owned by the Association, or other property the Association is responsible for repairing or replacing ("Association Property").
- 8.13.3 If the covered loss occurs to any Owner Property and any Association Property, or to more than one Owner's Property, the responsibility for the payment of any deductible shall be apportioned among the affected parties on the basis of the ratio

of each party's insured loss to the total insured loss under that policy.

- 8.13.4 The foregoing notwithstanding, if the Board determines the damage or loss is caused by the negligence or misconduct of any Owner, or resident, guest, tenant or invitee of an Owner or is the Owner's responsibility pursuant to Section 6.8 herein, such Owner shall be liable for the full amount of the deductible.

8.14 **Insurance Disclosures.** [Civ. Code §§ 5300 & 5810] The Association shall disclose such information regarding insurance coverage as and when required by any Applicable Law. Failure to disclose such information shall not impose any liability upon the Association or Board other than that provided for in such Applicable Law.

8.15 **Individual Property Insurance.** All Owners shall obtain and maintain insurance, at their sole expense, to protect against any damage to, or loss of the Owner's real or personal property, and the cost of repair or replacement of damaged items, including, but not limited to, any Improvements made by an Owner, any personal property, decorations, floor and wall coverings, appliances, cabinets, fixtures or other items therein, or any exterior items for which the Owner is responsible for maintenance, repair and replacement by the terms of this Restated Declaration, such as landscaping. Owner and his or her tenants, guests, invitees, agents and employees shall hold the Association, its Officers, Directors, agents and employees harmless for any claim for property damage or personal injury alleged to arise from the failure of the Association, its Officers, Directors, agents or employees to verify and ensure that every Owner has complied with this requirement to obtain and maintain insurance.

8.16 **Individual Liability Insurance.** An Owner may carry any personal liability and property damage liability insurance with respect to his or her ownership of a Condominium that he or she desires.

ARTICLE 9 - DAMAGE OR DESTRUCTION

9.1 **Duty to Restore.** [Civ. Code § 4775] Any portion of the Common Area that is damaged or destroyed must be repaired or replaced promptly by the Association unless:

- 9.1.1 The Community is terminated.
- 9.1.2 Repair or replacement would be illegal under an Applicable Law.
- 9.1.3 Eighty percent (80%) of Owners, including each Owner of a Unit or Exclusive Use Common Area that will not be rebuilt, vote not to rebuild.

9.2 **Cost of Repair.** Any cost of repair or replacement of the Common Area in excess of any insurance proceeds and reserves shall be a Common Expense, levied against Condominiums in the same proportion as Regular Assessments are levied,

provided that an Assessment against Owners to raise funds for the rebuilding or major repair of the structural Common Area shall be levied upon the basis of the ratio of the square footage of the floor area of the Unit to be assessed to the total square footage of floor area of all Units to be assessed.

9.3 **Repair Plans.** The Common Area must be repaired and restored in accordance with either (1) the original plans and specifications, updated as required to reflect applicable building codes, or (2) other plans and specifications which have been approved in writing by the Board, a majority of Owners, and at least fifty-one percent (51%) of Eligible Lenders holding Mortgages on Condominiums subject to the repair.

9.4 **Replacement of Less Than Entire Community.**

9.4.1 Any insurance proceeds attributable to the damaged Common Area shall be used to restore the damaged area to a condition compatible with the remainder of the Community.

9.4.2 Except to the extent that other persons or entities will be distributees:

- (a) Any insurance proceeds attributable to a Unit and Exclusive Use Common Area that are not rebuilt must be distributed to the Owner of that Unit and the Owner of the Unit to which the Exclusive Use Common Area is appurtenant, or to Lenders, as their interests may appear.
- (b) The remainder of any proceeds must be distributed equally to the Owners of each Unit which will remain or to Lenders, as their interests may appear.

9.4.3 If the Owners vote not to rebuild a Unit, the common interest portions of the Unit shall be reallocated among all other Condominiums, and the Association shall prepare, execute and record an amendment to this Restated Declaration reflecting the reallocations.

9.5 **Insurance Proceeds.** An insurance trustee appointed by the Board or insurance company, or if there is no trustee, then the Board, acting by the President, shall hold any insurance proceeds in trust for the Association, Owners and Lenders. Subject to the provisions of this Restated Declaration, the proceeds shall be disbursed first for the repair or restoration of the damaged Common Area. The Association, Owners and Lenders are not entitled to receive payment of any portion of the excess proceeds unless there is a surplus after the Common Area has been completely repaired or restored, or unless the Community is terminated.

9.6 **Disbursements to Owners and Lenders.** If the Community is terminated, any insurance proceeds distributed to Owners and Lenders of Condominiums shall be distributed in proportion to the amount of the insured loss on each Owner's Condominium

as determined by an independent insurance adjuster. That determination shall be performed by an independent insurance adjuster who shall be selected by the Board and who shall either be a member of, and apply the standards of, a nationally recognized insurance adjusting organization or shall have at least fifteen (15) years of experience in adjusting residential insurance claims.

9.7 ***Certificates By Board.*** The trustee, if any, may rely on the following certifications in writing made by the Board:

9.7.1 Whether or not damaged or destroyed property is to be repaired or restored.

9.7.2 The amount or amounts to be paid for repairs or restoration and the names and addresses of the parties to whom such amounts are to be paid.

9.8 ***Certificates by Attorneys or Title Insurance Companies.*** If payments are to be made to Owners or Lenders, then the Board and the trustee, if any, shall obtain and may rely on a title insurance company's or attorney's title certificate or a title insurance policy based on a search of the Official Records of the County Recorder, stating the names of the Owners and the Lenders.

9.9 ***Casualty Destruction of Unit.*** In the event of damage or destruction to any Unit, and unless the Owners vote not to rebuild the Common Area surrounding the Unit, the Owner thereof shall reconstruct the Unit as soon as reasonably practicable and substantially in accord with the original plans and specifications therefor; provided, however, that any such Owner may, with the written consent of the Board pursuant to the architectural review requirements of the Governing Documents, reconstruct or repair the same pursuant to new or changed plans and specifications.

ARTICLE 10 - EMINENT DOMAIN

10.1 ***Representation by the Association.*** The Association shall represent the Owners in the event of any threatened condemnation, condemnation proceedings or in negotiations, settlements and agreements with the condemning authority for acquisition of the Common Area, or any part thereof. In furtherance of this purpose, each Owner, by acceptance of a deed to his or her Condominium, irrevocably appoints the Association as their attorney-in-fact to represent the Owners in any condemnation proceeding.

10.2 ***Common Area Taking.*** In the event of a taking or acquisition of part or all of the Common Area by a condemning authority, the award or proceeds of settlement, less any fees or costs incurred in collection thereof, shall be payable to the Association, or any trustee appointed by the Association, for the use and benefit of the Owners and their Lenders according to the relative values of the Condominiums affected by the condemnation as determined by an independent appraiser where Condominiums are not valued separately by the condemning authority or by the court.

10.3 **Condominium Unit Taking.** In the event of an award for the taking of any Condominium in the Community by eminent domain, the respective Owner(s) and Lender(s) of such Condominium shall be entitled to receive the award for such taking, less any fees and costs incurred in collecting such amount and only up to the fair market value of the Condominium, and after acceptance thereof the Owner and the Lender shall be divested of all interest in the Community if such Owner shall vacate his Condominium as a result of such taking. The remaining Owners shall decide by majority vote whether to rebuild or repair the Community, or take other action. The remaining portion of the Community shall be resurveyed, if necessary, and this Restated Declaration shall be amended to reflect such taking and to readjust proportionately the percentages of undivided interest of the remaining Owners in the Community based on the number of Condominiums remaining in the Community.

10.4 **Substantial Taking.** [Civ. Code § 4610] If there is a substantial taking of the Community (more than fifty percent (50%)), the Owners may terminate the legal status of the Community and, if necessary, bring a partition action under any Applicable Law, on the election to terminate by fifty-one percent (51%) of the Voting Power. The proceeds from the partition sale, less any costs or fees incurred in collection thereof, shall be distributed to the Owners and their respective Lenders in proportion to the fair market values of the Condominiums.

ARTICLE 11 - RIGHTS OF LENDERS

11.1 **General.** No breach of any of the covenants, conditions and restrictions herein contained, nor the enforcement of any lien provisions herein, shall render invalid the lien of any First Mortgage on any Condominium made in good faith and for value, but all of said covenants, conditions and restrictions shall be binding upon and effective against any Owner whose title is derived through foreclosure or trustee's sale, or otherwise.

11.2 **No Right of First Refusal.** This Restated Declaration neither contains nor shall be amended to contain any provision creating a "right of first refusal" to the Association before a Condominium can be sold. Should any such rights nevertheless be created in the future, such rights shall not impair the rights of any First Lender to: (1) foreclose or take title to a Condominium pursuant to the remedies provided in the mortgage, (2) accept a deed (or assignment) in lieu of foreclosure in the event of a default by a mortgage, or (3) sell or lease a Condominium acquired by the Lender.

11.3 **Unpaid Dues or Charges.** Where the Lender of a First Mortgage of record or other purchaser of a Condominium obtains title to the same pursuant to the remedies in the Mortgage or as a result of foreclosure, such acquirer of title, his successors and assigns, shall not be liable for the share of the Common Expenses or Assessments made by the Association chargeable to such Condominium which became due prior to the acquisition of title to such Condominium by such acquirer. Such unpaid share of Common Expenses or Assessments shall be deemed to be Common Expenses collectible from all of the Condominiums including such acquirer, his successors and assigns.

11.4 Action Requiring Lender Approval. Except as provided by statute in case of condemnation or substantial loss to the Condominiums and Common Area, approval by at least fifty-one percent (51%) of the Eligible Lenders (based upon one vote for each Mortgage owned), is needed to:

- 11.4.1 Abandon or terminate the Community as a Condominium community (except for abandonment or termination provided by Applicable Law in the case of substantial destruction by fire or other casualty or in the case of a taking by condemnation or eminent domain).
- 11.4.2 Change the pro rata interest or obligations of any individual Condominium for the purpose of (1) levying Assessments or charges or allocating distributions of hazard insurance proceeds or condemnation awards, or (2) determining the pro rata share of ownership of each Condominium in the Common Area, provided that no Owner's undivided interest in the Common Area may be changed without the consent of that Owner.
- 11.4.3 Partition or subdivide any Condominium.
- 11.4.4 Abandon, partition, subdivide, encumber, sell or transfer the Common Area, or any property owned, directly or indirectly, by the Association. (The granting of easements for public utilities or other public purposes consistent with the intended use of the Common Area by the Association is not a transfer in the meaning of this clause.)
- 11.4.5 Use hazard insurance proceeds for losses to any of the Community (whether to Condominiums or to Common Area) for other than the repair, replacement or reconstruction of such property.

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

11.6 Priority of Distribution of Proceeds or Awards. Any other provision herein contained to the contrary notwithstanding, no provision of the Governing Documents shall give an Owner, or any other party, priority over any rights of the First Lender pursuant to its Mortgage in the case of a distribution to such Owner of insurance proceeds or condemnation awards for losses to or a taking of the Common Area.

11.7 Notification of Lender. Upon written request to the Association, identifying the name and address of the holder, insurer or guarantor and the Condominium number or address, any Eligible Lender will be entitled to timely written notice of:

- 11.7.1 Any condemnation loss or any casualty loss which affects a material portion of the Community or the Condominium insured or guaranteed by such Eligible Lender;
- 11.7.2 Any default in the performance by an Owner of any obligation under the Governing Documents not cured within sixty (60) days;
- 11.7.3 Any lapse, cancellation or material modification of any insurance policy or fidelity bond maintained by the Association; and
- 11.7.4 Any proposed action which would require the consent of a specified percentage of Eligible Lenders as required by the Governing Documents.

11.8 Termination of Professional Management. Provided professional management has previously been required by any Eligible Lender, any decision to establish self-management by the Association shall require the consent of at least sixty-seven percent (67%) of the Voting Power and at least fifty-one percent (51%) of Eligible Lenders; provided that so long as any Mortgage which is a lien on a Condominium is insured or guaranteed by the Federal Housing Administration, any termination and failure to replace professional management shall require the prior written approval of the Federal Housing Administration.

11.9 Inspection of Documents, Books and Records. The Association shall make available to Eligible Lenders, current copies of the Governing Documents and the accounting books, records and financial statements of the Association. "Available" means available for inspection, upon request, during normal business hours or under other reasonable circumstances.

11.10 Non-Curable Breach. Any Lender who acquires title to a Condominium by foreclosure or by deed in lieu of foreclosure or assignment in lieu of foreclosure shall not be obligated to cure any breach of this Restated Declaration that is non-curable or of a type that is not practical or feasible to cure.

11.11 Loan to Facilitate. Any First Mortgage given to secure a loan to facilitate the resale of a Condominium after acquisition by foreclosure or by a deed in lieu of foreclosure or by an assignment in lieu of foreclosure shall be deemed to be a loan made in good faith and for value and entitled to all of the rights and protections of this Article.

11.12 Lenders Furnishing Information. Any Lender shall be entitled and authorized to furnish information to the Board concerning the status of any Mortgage.

11.13 Financial Statement. Any First Lender shall be entitled, on written request therefor, to have the Association provide a review of the financial statement for the

immediately preceding fiscal year, which statement shall be furnished within a reasonable time following such request.

11.14 Termination Without Substantial Destruction. Except as provided by statute or by other provision of the Governing Documents in case of substantial destruction or condemnation of the Community, the consent of at least sixty-seven percent (67%) of the Voting Power of the Association and the approval of fifty-one percent (51%) of Eligible Lenders shall be required to terminate the Community; provided that if termination is for reasons other than substantial destruction or condemnation, the agreement of sixty-seven percent (67%) of Eligible Lenders is required.

ARTICLE 12 - ENFORCEMENT

12.1 Right to Enforce; Remedies. [Civ. Code §§ 5850 et seq., 5900 et seq., 5925 et seq. & 5975; Corp. Code § 7231] The Association or any Owner shall have the right to enforce, by any proceeding at law or in equity, all restrictions, conditions, covenants, reservations, liens and charges now or hereafter imposed by the Governing Documents. Each remedy provided in this Article, this Restated Declaration and under Applicable Law shall be considered cumulative and not exclusive.

12.2 Board Discretion Whether to Enforce. [Corp. Code § 7231] In deciding whether to take any action to enforce the restrictions, conditions, covenants, reservations, liens and changes in the Governing Documents, the Board may exercise its discretion using the business judgment rule of Corporations Code section 7231.

12.3 Nuisance. [Civ. Code § 3479] The result of every act or omission, whereby any provision, condition, restriction, covenant, easement, or reservation contained in the Governing Documents is violated in whole or in part, is declared to be and constitute a nuisance, and every remedy allowed by Applicable Law or equity against a nuisance, either public or private, shall be applicable against every act or omission or incident resulting in a nuisance and may be exercised by any Owner and the Association.

12.4 Failure to Enforce. Failure by the Association or any Owner to enforce any provisions of the Governing Documents shall in no event be deemed a waiver of the right to do so thereafter.

12.5 Nonwaiver of Remedies. Each remedy provided for in this Restated Declaration is separate, distinct, and nonexclusive. Failure to exercise a particular remedy shall not be construed as a waiver of the remedy.

12.6 Violation of Applicable Law. Any violation of any Applicable Law pertaining to the ownership, occupancy or use of any Condominium within the Community is declared to be a violation of the Governing Documents and subject to any or all of the enforcement procedures herein set forth.

12.7 Compliance with Applicable Law. [Civ. Code §§ 5850 et seq., 5900 et seq., 5925 et seq. & 5975; Corp. Code § 7231] All activities to enforce the provisions of

the Governing Documents shall be conducted in accordance with all Applicable Laws. This Section shall apply to both the Association and to all Owners.

12.8 Attorneys' Fees. [Civ. Code § 5975] In the event an attorney is engaged by the Board to enforce the Governing Documents, the Association shall be entitled to recover from the adverse party to the controversy its actual attorneys' fees and costs so incurred, whether or not such controversy proceeds to litigation. In the event litigation is commenced to enforce the Governing Documents, the prevailing party shall be entitled to its attorneys' fees and costs. Said costs and attorneys' fees shall constitute a lien on the Condominium which is enforceable as an Assessment pursuant to the Governing Documents. This Section shall also apply to actual attorneys' fees incurred to collect any post-judgment costs.

ARTICLE 13 - AMENDMENTS

13.1 Owner Approval of Amendments. [Civ. Code §§ 4260, 4270, 4275 & 5100 et seq.]

- 13.1.1 Subject to this Article, this Restated Declaration may be amended by the following procedure or as otherwise specified in Section 13.4 herein.
- 13.1.2 First, the vote will be conducted by a secret ballot in accordance with the requirements of Applicable Law. Second, the total number of ballots returned must come from at least a quorum of the Voting Power. For purposes of this Article, a quorum shall be more than fifty percent (50%) of the Voting Power. Third, the vote must remain open for at least thirty (30) days after the date the ballots are mailed, but the initial deadline may be extended periodically after that date, if a quorum of ballots has not been received by the initial deadline, and may be extended automatically for additional periods of time until a quorum of ballots has been returned. Fourth, the amendment must be approved by the affirmative vote of at least seventy-five percent (75%) of the ballots cast. A blank ballot or other action indicating an intention to abstain will be deemed to have a neutral effect, so it will be counted toward the quorum only, but it will not be counted as a ballot cast for purposes of computing the seventy-five percent (75%) approval.
- 13.1.3 An amendment becomes effective after (1) the approval of the required percentage of Owners has been given, (2) that fact has been certified in the form of a written document executed and acknowledged by an Officer designated by the Association for that purpose or, if no such designation is made, by the President of the Association and (3) the document has been recorded in San Bernardino County.

- 13.1.4 An amendment may change this Restated Declaration in any manner, including adding or deleting restrictions or increasing or decreasing the burdens on the Condominiums as long as the amendment is approved as specified in this Article or pursuant to the Civil Code.

13.2 Eligible Lender Approval of Amendments. In addition to the approval required by Section 13.1 above, the approval of fifty-one percent (51%) of Eligible Lenders shall be required to add or amend (1) any provision which is for the express benefit of holders or insurers of First Mortgages, or (2) any material provisions of this Restated Declaration which establish, provide for, govern or regulate:

- 13.2.1 Voting rights.
- 13.2.2 Increases in Assessments greater than twenty-five percent (25%), Assessment liens or the priority of Assessment liens.
- 13.2.3 Reductions in reserves for maintenance, repair and replacement of the Common Area.
- 13.2.4 Insurance or fidelity bonds.
- 13.2.5 Right to use the Common Area.
- 13.2.6 Responsibility for maintenance and repair.
- 13.2.7 Expansion or contraction of the Community, or the addition to, annexation to, or withdrawal of property from the Community.
- 13.2.8 Restoration or repair of the Community after damage or partial condemnation, in a manner other than that specified in the Governing Documents.
- 13.2.9 Redefinition of any Unit boundaries.
- 13.2.10 Convertibility of Units into Common Area or vice versa.
- 13.2.11 Restrictions on the leasing of Units.
- 13.2.12 Imposition of any restrictions on an Owner's right to sell or transfer his or her Condominium.
- 13.2.13 Any provisions that expressly benefit mortgage holders, insurers or guarantors.

13.3 Eligible Lender Approval Response.

- 13.3.1 An Eligible Lender who receives a written request to approve additions or amendments by certified or registered mail, return

receipt requested, addressed to the address provided by such Eligible Lender, who does not deliver or post to the requesting party a negative response within sixty (60) days after the notice of the proposed addition or amendment, shall be deemed to have approved such request.

- 13.3.2 No Lender may charge a fee in connection with reviewing a request for a response. Any response from a Lender which only requests a fee for review shall not be deemed a "negative response" for the purposes of determining Lender consent within the meaning of this Section.

13.4 *Amendment of Restated Declaration or Bylaws by Board Vote.*

- 13.4.1 The Board of Directors shall have the power to amend this Restated Declaration or the Bylaws, as the case may be, but only as this Section permits. By a majority vote of the full Board, the Board shall have the power to prepare and adopt, or in the case of the Restated Declaration, to record an amendment for the following purposes:

- (a) To correct any printing or grammatical error or omission in this Restated Declaration or the Bylaws.
- (b) To make any change in the Restated Declaration or Bylaws required by a change in any Applicable Law, including court decisions, which obligate the Association, the Board or the Owners to conform their conduct to the terms of the Applicable Law.
- (c) To make any change in the Restated Declaration or Bylaws needed to comply with any requirements of an Institutional Lender.

- 13.4.2 If the Board approves an amendment using the procedure in this Section, the amendment shall not be recorded or filed until the following procedure is implemented. The Board shall first send notice of such action to the Owners, which notice shall include the text of the proposed amendment and an opinion from legal counsel that the proposed change in the Governing Documents falls within one of the purposes listed above.

- 13.4.3 An amendment shall be considered ratified, unless within thirty (30) days after the date such notice is sent to the Owners, the Owners entitled to cast twenty percent (20%) of the votes in the Association sign a written petition to reconsider the Board's action and file it with the Board. If such a petition is filed, the Board shall call a special meeting of the Members to reconsider

the Board's action. At the meeting, unless a majority of the Voting Power of the Association rejects the proposed amendment, the amendment shall be considered ratified, whether or not a quorum is present at the special meeting.

13.4.4 This Section shall not restrict the powers of the Owners to amend this Restated Declaration or the Bylaws by any other method, but is intended to authorize a simple process for amendment where the property rights of Owners are not materially or adversely affected.

13.4.5 All Lenders who record Mortgages after the recordation of this Declaration shall automatically be deemed, with each such recording, to have subordinated their respective interests to any subsequently recorded amendment or restatement to this Declaration provided that any approvals required by this Article 13 or Civil Code section 4275 has been obtained in accordance with the provisions set forth herein or the court.

13.5 **Restatement of Declaration.** Upon obtaining any approvals required by this Article 13 or Civil Code section 4275, the Board has the right, by resolution without the necessity of consent by the Owners, to restate this Declaration rather than recording only an amendment. Such restatement shall be effective upon execution of the restatement by any two (2) officers of the Association and its recordation. The restatement shall replace the prior Declaration and its amendments in their entirety, without affecting the priority of the Declaration in the chain of title to all properties that are subject to the Declaration as established by the Declaration on its initial date of recordation.

13.6 **Statute of Limitations to Challenge Amendments.** No action to challenge the terms or validity of any amendment to this Restated Declaration or to the Bylaws may be made more than one (1) year after the recording date in the case of an amendment to the Restated Declaration, or more than one (1) year after the official tally of the vote in the case of an amendment to the Bylaws.

ARTICLE 14 - GENERAL PROVISIONS

14.1 **Term.** The provisions of this Restated Declaration shall continue in effect for a term of fifty (50) years from the date of recordation. Thereafter, it shall be automatically extended for successive periods of ten (10) years, until the membership of the Association decides to terminate it. This Section shall not preclude amending this Restated Declaration during the term of its existence.

14.2 **Severability; Invalidity.** The provisions of this Restated Declaration shall be deemed independent and severable, and the invalidity or partial invalidity or unenforceability of any one provision shall not affect the validity or enforceability of any other provision. If for any reason this Restated Declaration is declared completely invalid

in its entirety, the Original Declaration shall be deemed to have survived and thereafter become effective without any further action.

14.3 **Binding.** This Restated Declaration, as well as any amendment thereto and any valid action or directive made pursuant to it, shall be binding on the Owners and their heirs, grantees, tenants, successors, and assigns.

14.4 **Interpretation.** [Civ. Code § 4215] The provisions of this Restated Declaration shall be liberally construed and interpreted to effectuate its purpose of creating a uniform plan for the development and operation of a Condominium Community. All questions of interpretation of construction of any of the terms or conditions herein shall be resolved by the Board, and its decision shall be final, binding and conclusive on all of the parties affected.

14.5 **Limitation of Liability.** The liability of any Owner for performance of any of the provisions of this Restated Declaration shall terminate upon sale, transfer, assignment, or other divestment of the Owner's entire interest in his or her Condominium but only with respect to obligations arising from and after the date of the divestment.

14.6 **Fair Housing.** [Gov. Code § 12956.1] Neither the Association nor any Owner shall, either directly or indirectly, forbid the conveyance, encumbrance, renting, leasing, or occupancy of the Owner's Unit to any person on the basis of race, color, religion, sex, gender, gender identity, gender expression, sexual orientation, familial status, marital status, disability, veteran or military status, genetic information, national origin, source of income as defined in subdivision (p) of section 12955, or ancestry or any other classification prohibited by Applicable Law.

14.7 **Number and Headings.** As used in this Restated Declaration, the singular shall include the plural, unless the context requires the contrary. The headings are not a part of this Restated Declaration, and shall not affect the interpretation of any provision.

14.8 **Variances.** The Board may authorize variances from compliance with any of the architectural or use provisions of this Restated Declaration as follows:

- 14.8.1 Variances may be granted, without limitation, to restrictions upon use, restrictions on repair and maintenance, and architectural restrictions, when circumstances such as topography, location, engineering, economy, hardship, aesthetic or environmental considerations warrant.
- 14.8.2 Variances shall be in writing and shall become effective upon final approval by the Board.
- 14.8.3 When a variance is granted, no violation of the Restated Declaration shall be deemed to have occurred with respect to the matter for which the variance was granted. The granting of a variance shall not operate to waive any of the terms and provisions of this Restated Declaration for any purpose except as

to the particular Unit and particular provision covered by the variance, nor shall it affect in any way the Owner's obligation to comply with all Applicable Laws affecting the use of the premises, including, but not limited to, zoning ordinances and lot setback lines or requirements imposed by the County of San Bernardino or any other governmental authority.

14.8.4 The Association may charge a reasonable fee to cover any costs associated with the variance approval process, or for issuance of a variance.

14.8.5 The Board may enact additional Rules regarding the variance approval process, the circumstances under which a variance may be granted, and the execution of indemnity or other agreements by the Owner as a condition to issuance of a variance.

14.9 Governing Document Priorities. [Civ. Code § 4205] In the event of a conflict among the Governing Documents, or any provision thereof, the following documents shall take precedence in the order given: (1) the Condominium Plan, (2) this Restated Declaration, (3) the Articles, (4) the Bylaws, and (5) the Rules.

14.10 Conflict with Statutes. Provided any federal, state or local statute, law or ordinance is inconsistent with any provision or provisions of the Governing Documents, and compliance with that statute, law or ordinance is mandatory, neither the Association, the Board nor any member thereof shall have any liability for complying with the federal, state or local statute, law or ordinance and not with the inconsistent provision or provisions of the Governing Documents.

14.11 References to Code Sections. Statutes or administrative regulations that are shown in brackets at the beginning of a section or paragraph in this Restated Declaration are intended to show that the respective section or paragraph is based on the particular statute or administrative regulation referred to in the brackets. Unless otherwise noted, all references are to statutes and administrative regulations of the State of California. Any issues not addressed expressly by the Governing Documents shall be controlled by relevant provisions of the Davis-Stirling Common Interest Development Act (Civil Code section 4000 et seq.) and the California Corporations Code and by judicial interpretations of these statutes, whether the Association is incorporated or not. In the event any of the statutes or laws referenced herein are amended, modified, or otherwise changed, the references herein shall be deemed to refer to the statutes or laws as amended, modified or otherwise changed. If a statute or law is deleted, any reference herein shall be deemed to refer to any successor statute or law.

IN WITNESS WHEREOF, the undersigned has executed this Amended and Restated Declaration of Restrictions this _____ day of _____, 20__.

ASSOCIATION:

HAMPTON MANOR COMMUNITY ASSOCIATION
a California nonprofit mutual benefit corporation

By: _____
President

(Print Name)

By: _____
Secretary

(Print Name)

CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

CIV. CODE § 1189

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

State of California					
County of		On this		Day of	20
On		Before me,			
	Date		Here Insert Name and Title of Officer		
Personally appeared					
		Name(s) of Signer(s)			
Who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies) on the instrument the person(s) or the entity upon behalf of which the person(s) acted, executed the instrument.					
		I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct. WITNESS my hand and official seal.			
		Signature			
			Signature of Notary Public		
Place Notary Seal Above					

OPTIONAL

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

Description of Attached Document

Title or Type of Document:		Document Date:	
Number of Pages:		Signer(s) Other Than Named Above:	

Capacity(ies) Claimed by Signer(s)

Signer's Name:			Signer's Name:		
<input type="checkbox"/> Corporate Officer-Title(s):	<input type="checkbox"/> Partner	<input type="checkbox"/> Limited	<input type="checkbox"/> General	<input type="checkbox"/> Corporate Officer-Title(s):	<input type="checkbox"/> Partner
<input type="checkbox"/> Individual	<input type="checkbox"/> Attorney in Fact			<input type="checkbox"/> Individual	<input type="checkbox"/> Attorney in Fact

<input type="checkbox"/> Trustee	<input type="checkbox"/> Guardian or Conservator	<input type="checkbox"/> Trustee	<input type="checkbox"/> Guardian or Conservator
<input type="checkbox"/> Other: _____		<input type="checkbox"/> Other: _____	
Signer is Representing: _____		Signer is Representing: _____	

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EXHIBIT "A" - COMMUNITY LEGAL DESCRIPTION

A condominium project located in the City of Chino, County of San Bernardino, State of California, described as follows:

Phase 1: 1992-358803 [Amended CC&Rs]

Lots 5, 6 and 8, inclusive, and Lots A and F, inclusive, of Tract No. 14756, as shown on a Subdivision Map filed on November 8, 1991, in Book 245, at Pages 78 to 83, inclusive, of Maps, in the Office of the San Bernardino County Recorder, and more particularly described as Units 19 through 28, and Units 34 through 38, inclusive, on the Condominium Plan recorded on August 20, 1992, as Instrument No. 92-346399.

Phase 2: 1993-320557 [Notice of Addition of Territory]

Lots 7, 11 and 12, inclusive, of Tract No. 14756, as shown on a Subdivision Map filed on November 8, 1991, in Book 245, at Pages 78 to 83, inclusive, of Maps, in the Office of the San Bernardino County Recorder; and Lots 11 and 12 of said Tract No. 14756, as modified by San Bernardino County Lot Line Adjustments No. 93-LLA010A, 93-LLA010B, and 93-LLA010C, recorded on January 25, 1994, as Instrument Nos. 94-030547, 94-030548, and 94-030549 of Official Records of San Bernardino County, California, which is depicted on Exhibit "B" to the Notice of Addition of Territory for Phase 2, and more particularly described as Units 29 through 33, and Units 49 through 58, inclusive, on the Condominium Plan recorded on July 27, 1993 as Instrument No. 93-320556, and modified by a First Amendment to Condominium Plan for Phase 2 of Hampton Manor recorded on January 26, 1994 as Instrument No. 94-033958.

Phase 3: 1993-320559 [Notice of Addition of Territory]

Lots 9, 10 and 20, and Lot B, inclusive, of Tract No. 14756, as shown on a Subdivision Map filed on November 8, 1991, in Book 245, at Pages 78 to 83, inclusive, of Maps, in the Office of the San Bernardino County Recorder, and more particularly described as Units 39 through 48, and Units 88, 89, 90, inclusive, on the Condominium Plan recorded on July 27, 1993 as Instrument No. 93-320558, and modified by a First Amendment to Condominium Plan for Phase 3 of Hampton Manor recorded on January 26, 1994 as Instrument No. 94-033959.

Phase 4: 1994-011484 [Notice of Addition of Territory]

Lots 13 through 16, and Lot C, inclusive, of Tract No. 14756, as shown on a Subdivision Map filed on November 8, 1991, in Book 245, at Pages 78 to 83, inclusive, of Maps, in the Office of the San Bernardino County Recorder, and more particularly described as Units 59 through 72, inclusive, on the Condominium Plan recorded on January 11, 1994 as Instrument No. 94-011485.

Phase 5: 1994-011486 [Notice of Addition of Territory]

Lots 17 through 19, and Lot D, inclusive, of Tract No. 14756, as shown on a Subdivision Map filed on November 8, 1991, in Book 245, at Pages 78 to 83, inclusive, of Maps, in the Office of the San Bernardino County Recorder, and more particularly described as Units 73 through 87, inclusive, on the Condominium Plan recorded on January 11, 1994 as Instrument No. 94-011487.

Phase 6: 1994-011488 [Notice of Addition of Territory]

Lots 1 through 4, and Lot E, inclusive, of Tract No. 14756, as shown on a Subdivision Map filed on November 8, 1991, in Book 245, at Pages 78 to 83, inclusive, of Maps, in the Office of the San Bernardino County, and more particularly described as Units 1 through 18, inclusive, on the Condominium Plan recorded on January 11, 1994 as Instrument No. 94-011489.

Assessor's Parcel Numbers:

1033-302-01-0-000 through 1033-302-35-0-000; 1033-302-37-0-000 through
1033-302-52-0-000; 1033-302-64-0-000; 1033-302-66-0-000 through 1033-302-94-0-000;
1033-303-01-0-000 through 1033-303-36-0-000

EXHIBIT "B" - MAINTENANCE LIST

The following is a listing of the items within the Community, the maintenance, repair and replacement duty for which Owners and the Association are responsible in accordance with Section 6.2 of the Restated Declaration. This does not eliminate the Owner's responsibility to request and receive architectural approval pursuant to the Governing Documents or supersede the Owner's obligations under Section 6.8 of the Restated Declaration or any other similar provision in the Governing Documents.

COMPONENT(S)	OWNER	ASSOC.
Air Conditioning System - Each Unit	X	
Appliances - Built-in	X	
Appliances - Free Standing	X	
Balcony – See "Patio"		X
Bathtub Waste and Overflow	X	
Cabinets - in Units	X	
Carpeting - in Units	X	
Carport/Driveway/Parking Space - Concrete and Asphalt Surfaces		X
Caulking – Exterior		X
Caulking – Interior	X	
Ceilings-Drywall		X
Ceilings-Painting	X	
Common Area Improvements		X
Crawl Spaces in Attic (including personal contents)	X	
Doorbell - Exterior Components/Button Switch	X	
Doorbell - Interior Components; Wiring	X	
Doors - Entry - Frame & Door	X	
Doors - Entry - Locks and Hardware	X	
Doors - Entry - Painting - Exterior Surface		X
Doors - Entry - Painting - Interior Surface	X	
Doors - Entry - Weather Stripping/Waterproofing	X	
Doors – Interior	X	

Doors, Screen/Storm/Security	X	
Doors, Sliding Glass	X	
Doors, Sliding Glass - Frame and Tracks	X	
Doors, Sliding Glass – Screen	X	
Drainage Systems (e.g., ditches, catch basins)		X
Drains - Bathtubs, Showers, Sinks	X	
Drains – Curb		X
Drains – Yards		X
Dryer Vents – Cleaning	X	
Dryer Vents – Repair	X	
Drywall - Damage Repairs (e.g., cracks, inside minor localized water damage, dents, holes, etc.)	X	
Drywall - Interior – Replace		X
Electrical Panel/Circuit Breakers/Interior	X	
Electrical Switches, Sockets, Wall Plates - Interior	X	
Electrical Wiring – Interior	X	
Exhaust Fans	X	
Exterior Building Surfaces		X
Exterior Faucets, Handles, Washers		X
Exterior Lighting Fixtures (Common Area)		X
Fences - Common Area		X
Fireplace - Chimney - Exterior and Spark Arrestor	X	
Fireplace - Chimney Flue	X	
Fireplace - Chimney - Interior – Cleaning	X	
Fireplace - Fire Brick (fire box) ^{1/}	X	
Fireplace - Mantelpiece, Trim and Facing	X	
Floor – Slab		X
Floor – Second Story	X	

^{1/} Ceramic brick walls of fireplace.

Floor Coverings - Carpet, Vinyl, Tile and Wood	X	
Furnace - Unit Systems	X	
Garage Door Openers	X	
Garage Doors – Replacement	X	
Garbage Disposal	X	
Gas Lines - Below Ground		X
Glass - Recreation Area		X
Glass - Unit Windows/Doors	X	
Gutters & Downspouts		X
Hose Bibs		X
Insulation	X	
Landscaping		X
Landscaping - Common Area; Greenbelt		X
Landscaping - Patios	X	
Lighting Fixtures - Common Areas		X
Lighting Fixtures - Inside Units	X	
Lighting Fixtures - Outside – Front		X
Lighting Fixtures - Outside – Patio		X
Linoleum & Vinyl Flooring - Inside Units	X	
Mailboxes		X
Painting – Interior	X	
Patio Railings - Painting (Inside/Outside Surfaces)		X
Patio Railings - Replacement		X
Patio Painting		X
Plumbing Fixtures - Interior (Toilets/Tubs/Sinks/Faucets, etc.)	X	
Plumbing Lines – Serving Multiple Units, Up to the Shut-Off Valve		X
Plumbing Lines – Serving One Unit, Including the Shut-Off Valve	X	
Pool, Pool Building, Jacuzzi, Equipment		X

Pressure Regulators – Installation and Maintenance	X	
Roof Flashing & Other Roofing Components		X
Roof Shingles/Tiles		X
Roof Underlayment		X
Roof Vents		X
Sewer Lines and Back- Ups - Common Use Portion of Line		X
Sewer Lines and Back-Ups - Single Use	X	
Sidewalks - Common Areas		X
Slab		X
Sliding Patio Door Flashing/Waterproofing	X	
Sliding Patio Door Frames & Tracks	X	
Sliding Patio Door Hardware	X	
Sliding Patio Doors	X	
Smoke Alarm	X	
Spraying for Household Pests (Ants, Fleas, etc.)	X	
Spraying for Landscaping Pests		X
Streets		X
Stucco Painting/Coloring		X
Stucco Repair & Replacement		X
Termite Treatment - Common Area		X
Termite Inspection		X
Toilet - Wax Ring	X	
Trim - Wood - Exterior - Maintenance & Replacement		X
Trim - Wood - Exterior - Painting		X
Walls - Bearing, Studs, Frames, Tiedowns, Other Structural Items		X
Walls - Non-bearing	X	
Wallpaper/Paneling	X	
Water Heater - Common Area		X
Water Heater - Individual	X	

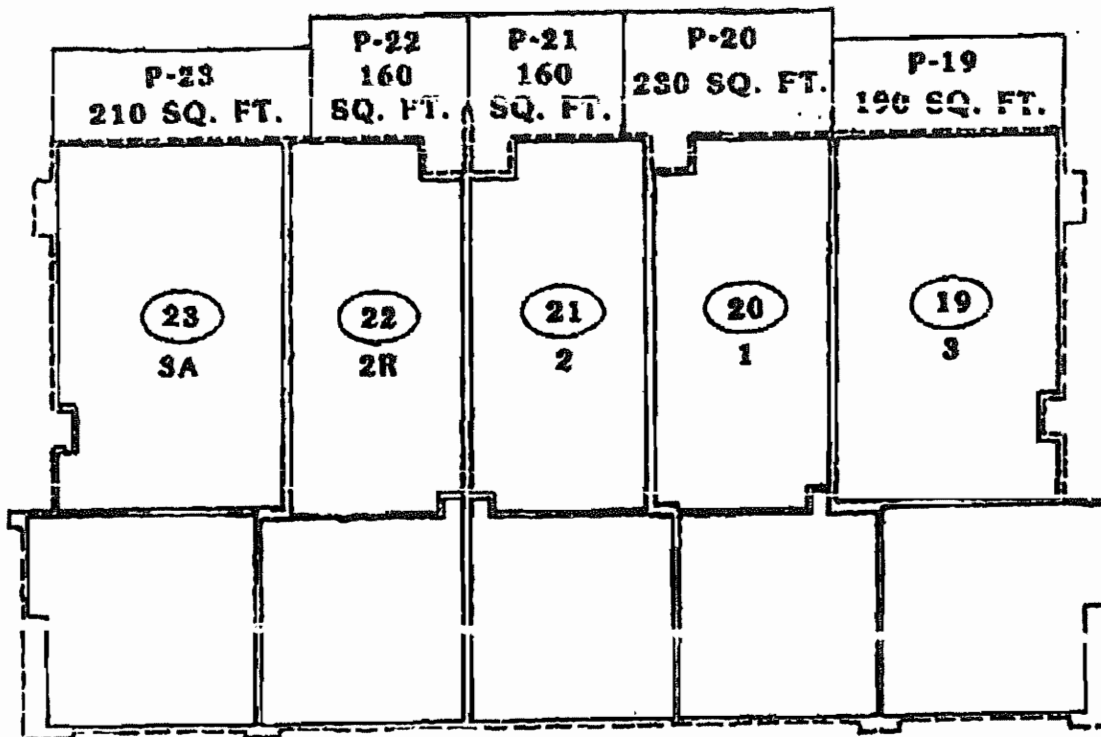
Water Softeners	X	
Window and Slider Screens	X	
Window Flashing/Waterproofing	X	
Window Frames	X	
Window Hardware	X	
Wiring - Cable TV	X	
Wiring - Electrical - From Breaker to Interior	X	
Wiring - Electrical - From Outside to Breaker in Unit		X
Wiring - Telephone	X	

Exhibit "C"

DRAWINGS DEPICTING AND ASSIGNING
EXCLUSIVE USE COMMON AREA PATIO IN PHASE 1

The Exclusive Use Common Areas for patio purposes, as depicted and assigned on this Exhibit "C" to this Restated Declaration, shall each contain at least the number of square feet in the patio areas as are shown on the drawings attached hereto. The Exclusive Use Common Areas for patio purposes are bounded by a plane eight (8) feet below the surface of the ground to a height of sixteen (16) feet, laterally to the foundations and structures of the residential buildings and to the interior surfaces of the residential buildings and to the interior surfaces of the fences surrounding the patio areas, as such foundations, structures and fences are initially constructed by Declarant. These drawings showing the patio areas contained only approximate dimensions and are not necessarily drawn to scale.

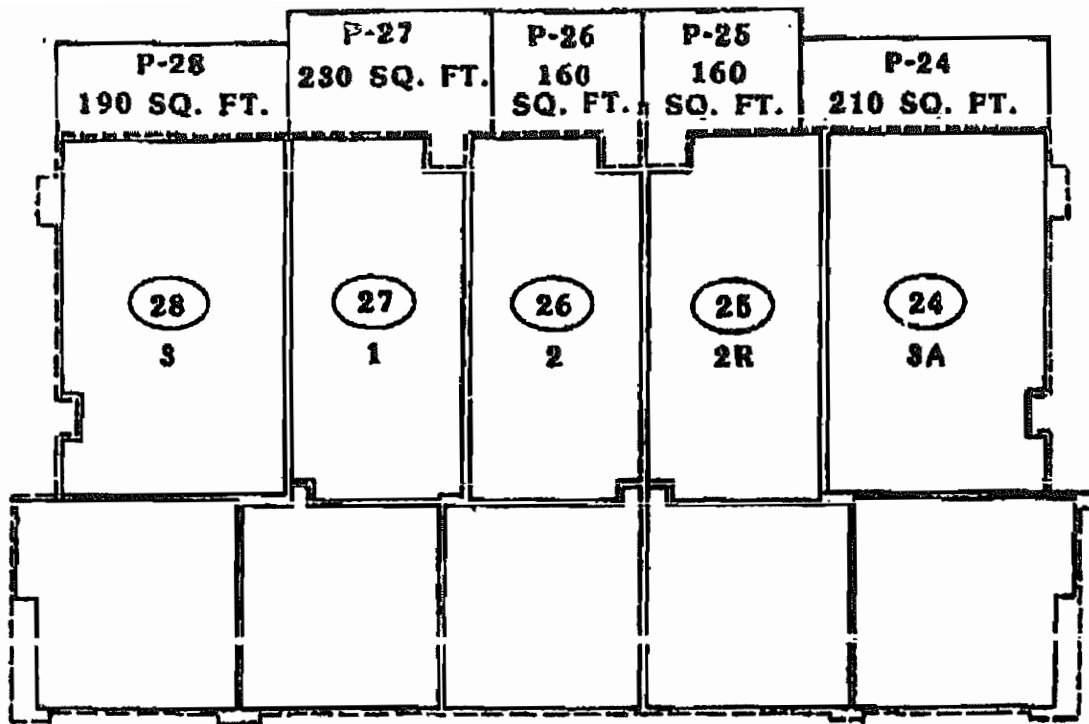
There is also reserved and conveyed by Declarant to the Owner of the Condominium, to which the Exclusive Use Common Area patio is appurtenant, an encroachment easement as to actual location onto the Common Area for any such patio that may exceed the dimensions shown on the attached drawing. Each Exclusive Use Common Area for patio purposes is hereby assigned to the –Unit to which it is adjacent.



BUILDING NO. 5

LEGEND

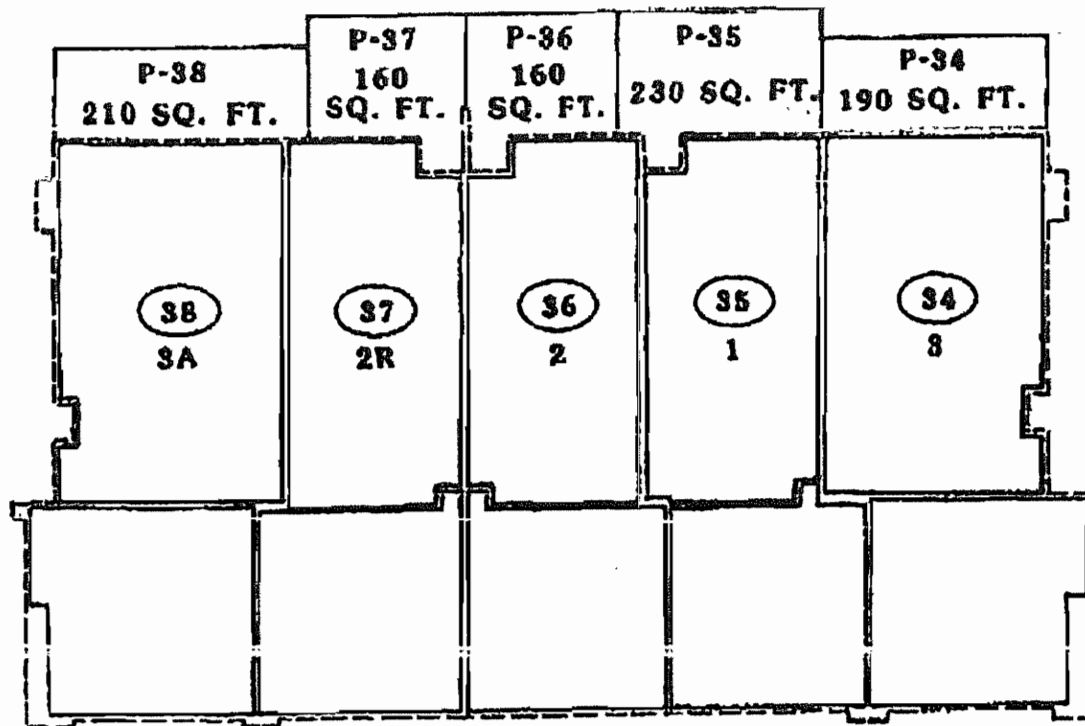
P-19: PATIO & UNIT NO.



BUILDING NO. 6

LEGEND

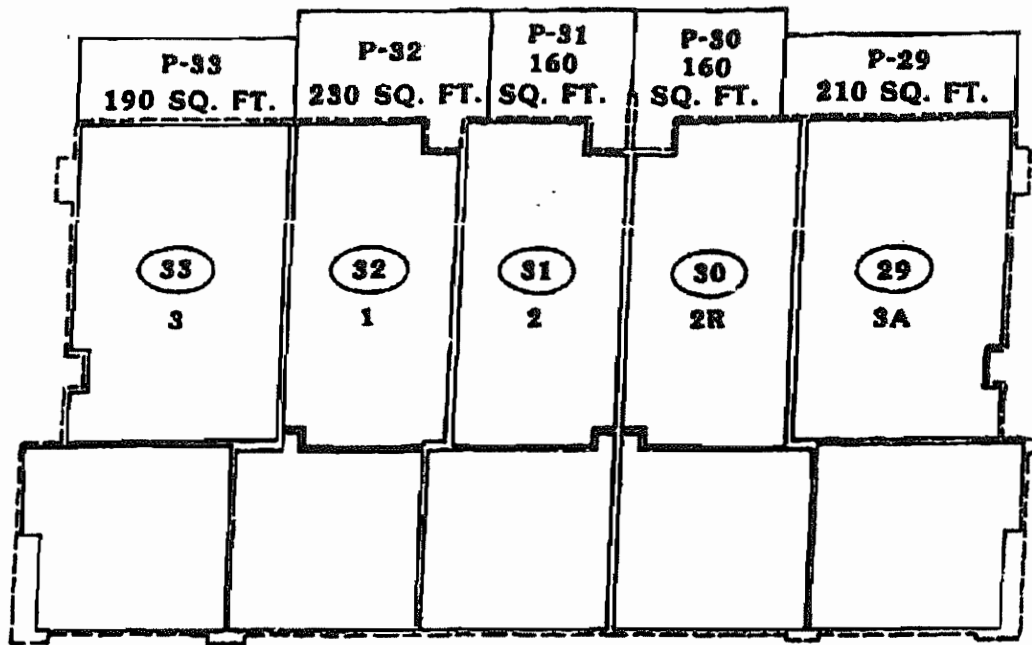
P-19: PATIO & UNIT NO.



BUILDING NO. 8

LEGEND

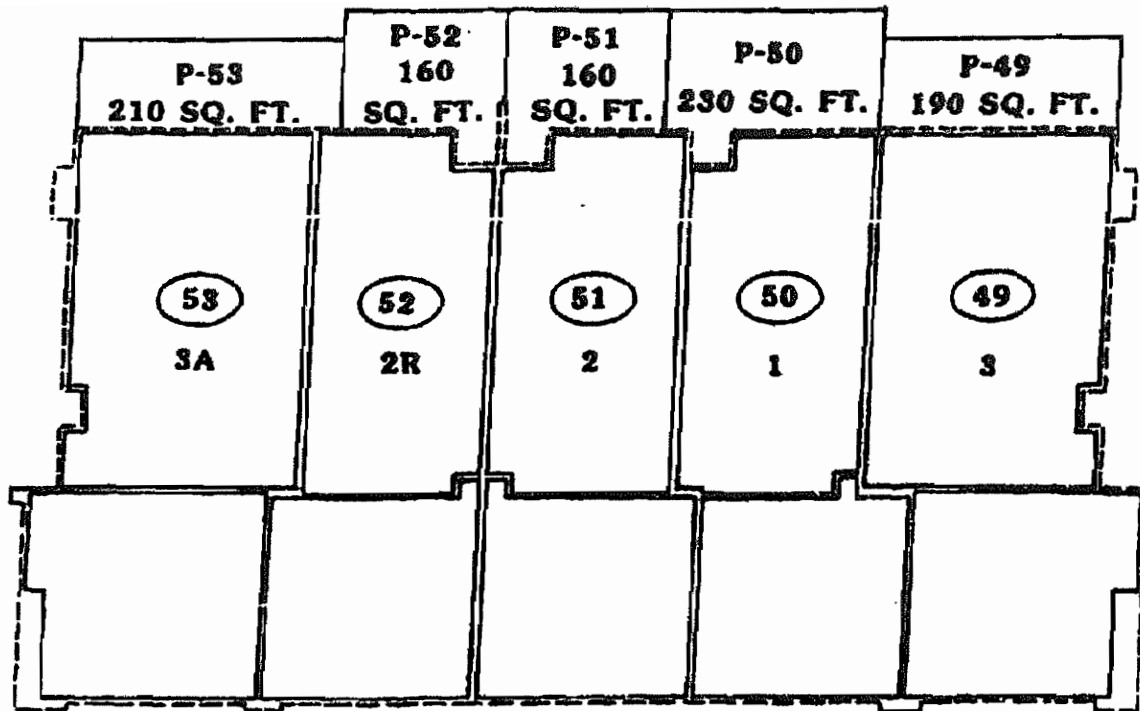
P-19: PATIO & UNIT NO.



BUILDING NO. 7

LEGEND

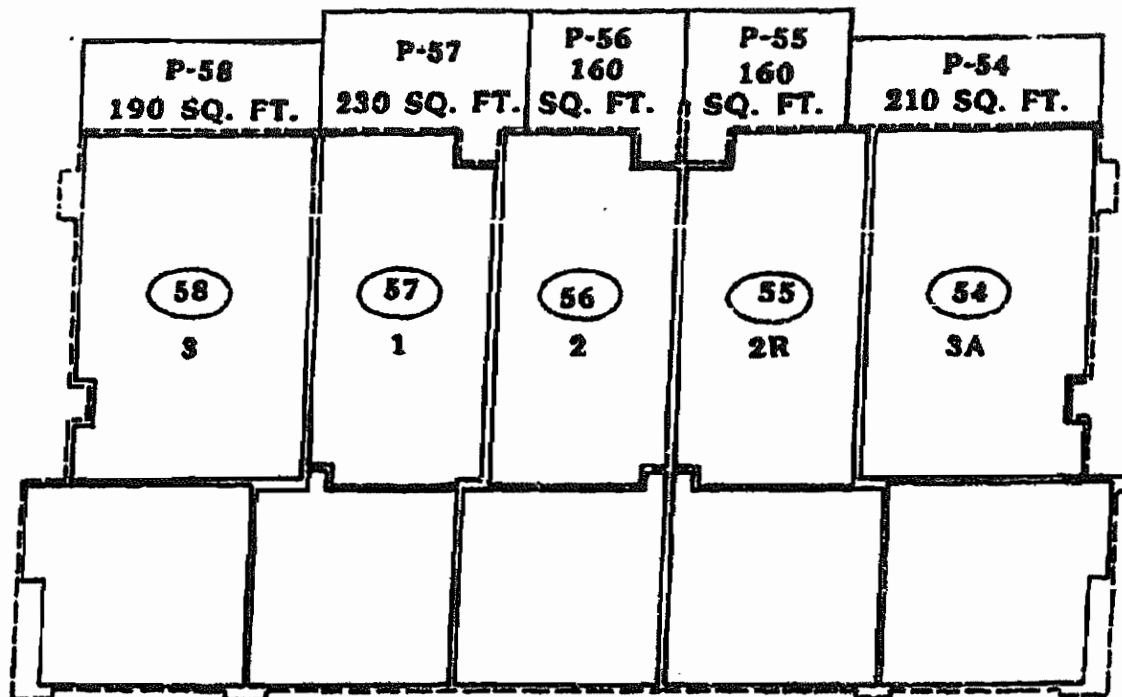
P-19: PATIO & UNIT NO.



BUILDING NO. 11

LEGEND

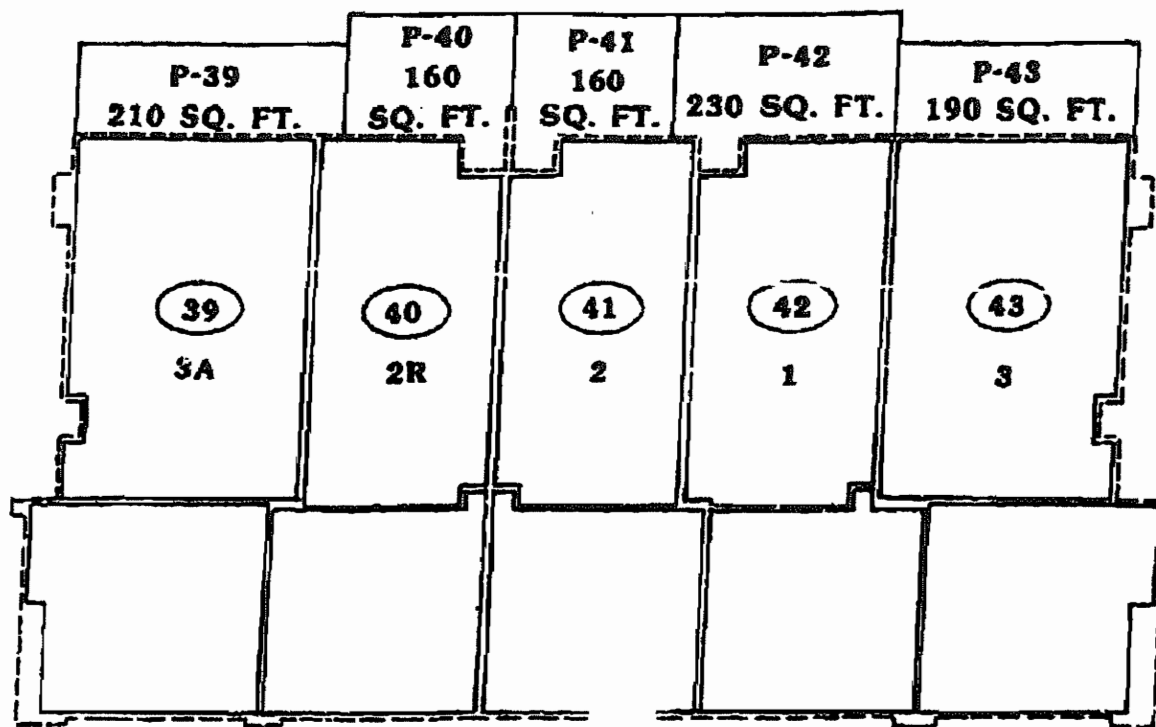
P-19: PATIO & UNIT NO.



BUILDING NO. 12

LEGEND

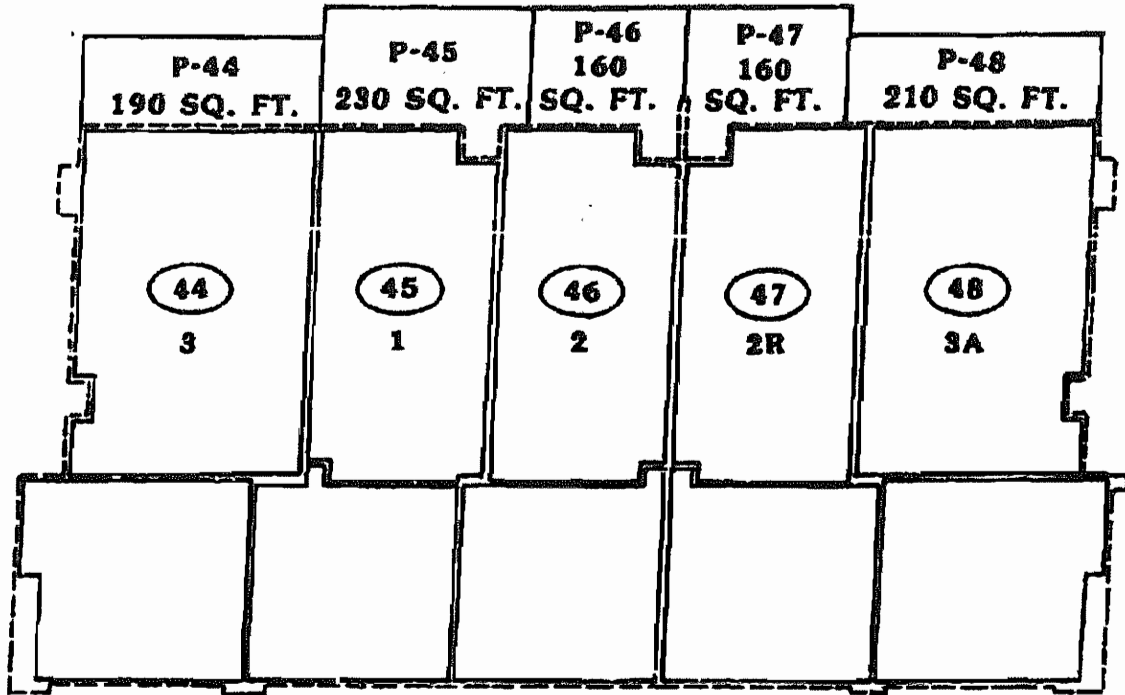
P-19: PATIO & UNIT NO.



BUILDING NO. 9

LEGEND

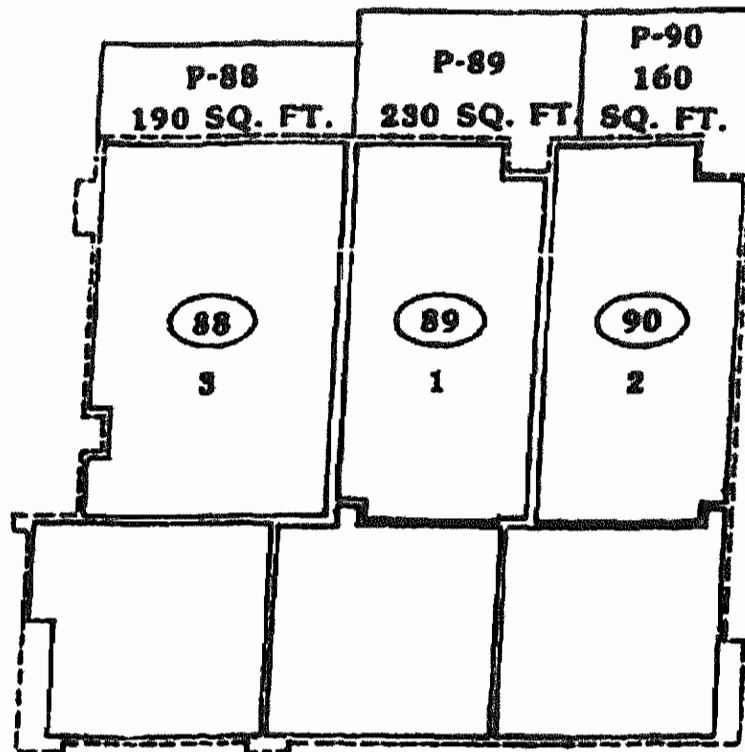
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BUILDING NO. 10

LEGEND

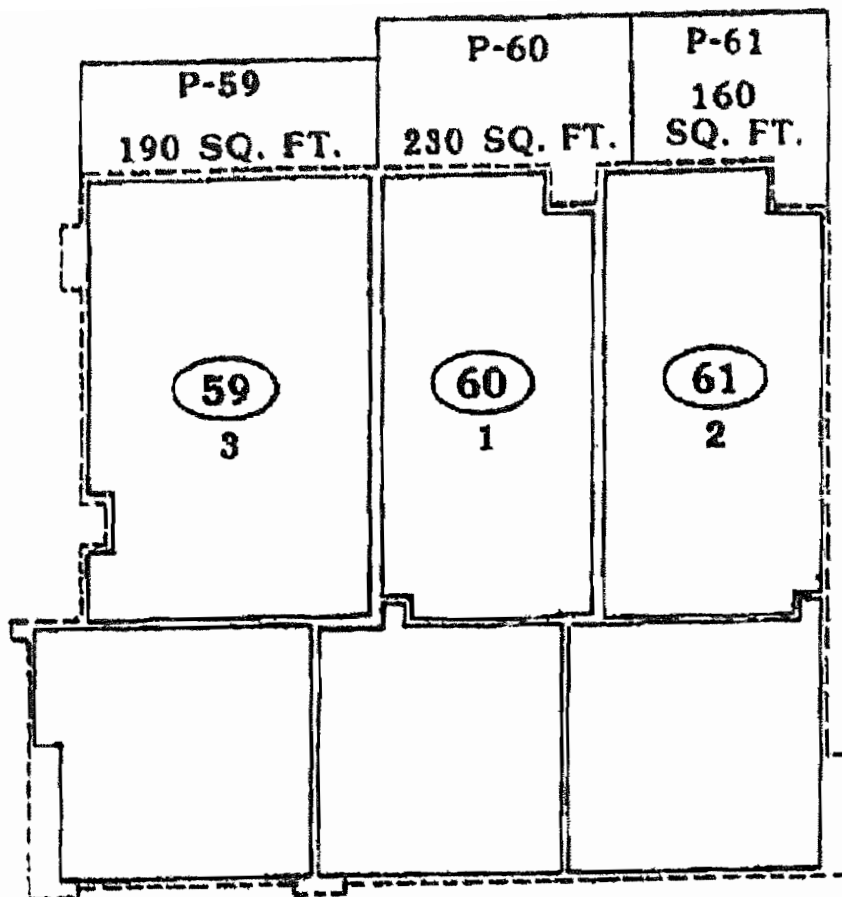
P-19: PATIO & UNIT NO.



BUILDING NO. 20

LEGEND

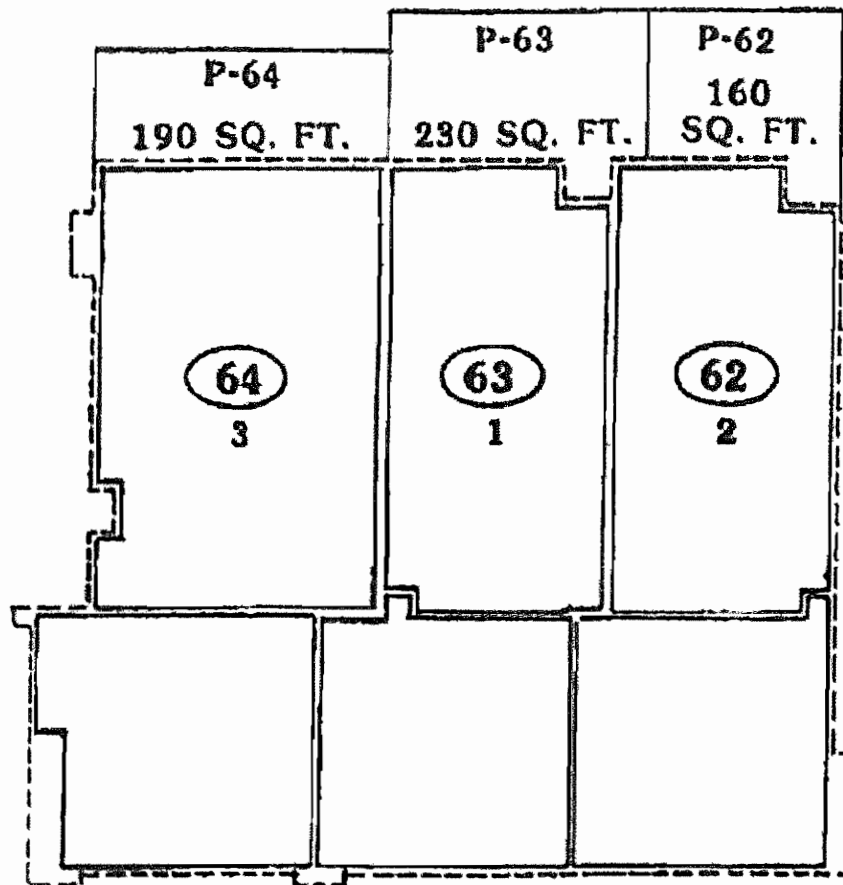
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BUILDING NO. 13

LEGEND:

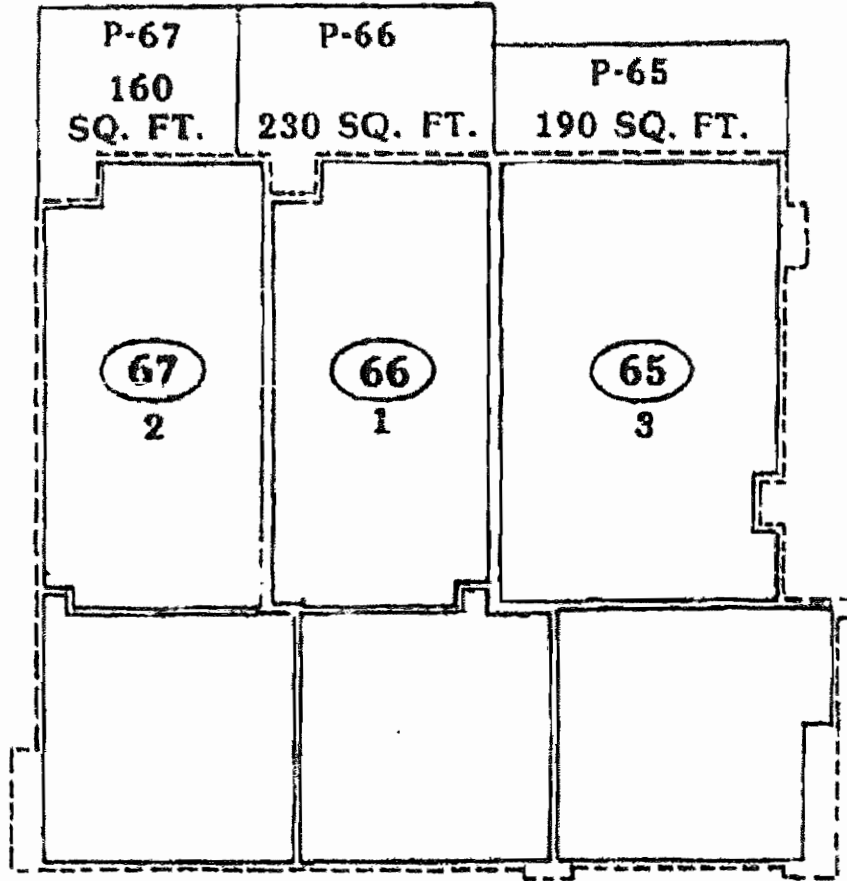
P-70: PATIO & UNIT NO.



BUILDING NO. 14

LEGEND:

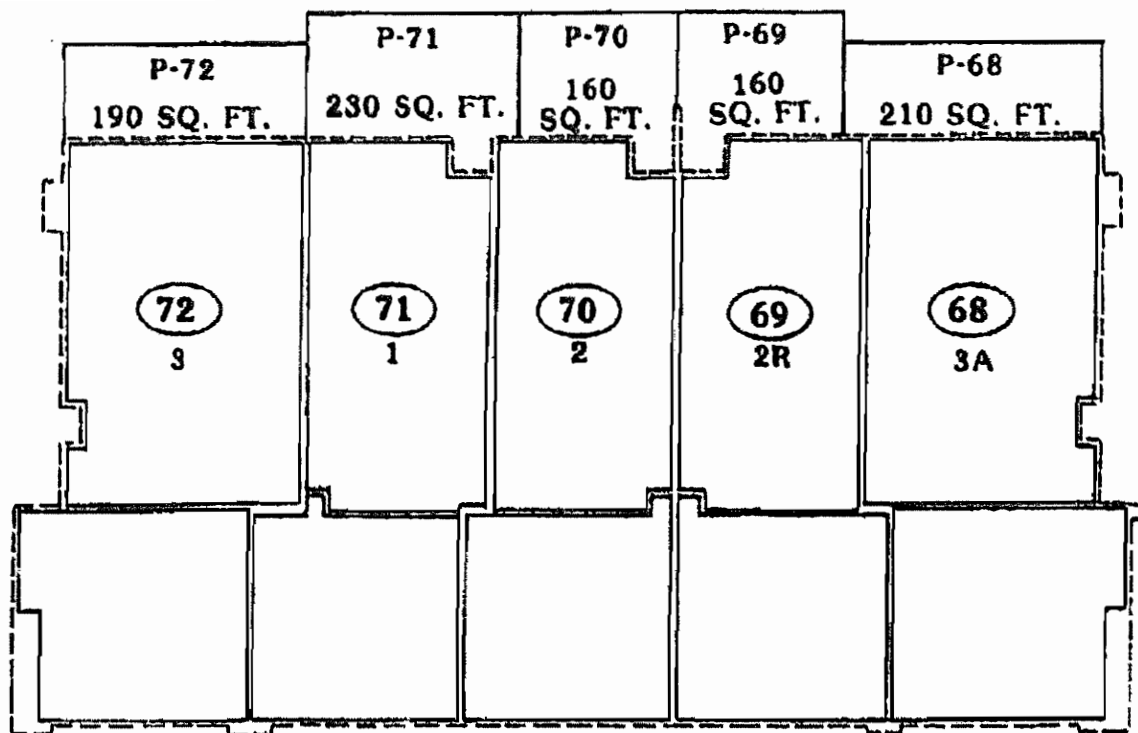
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BUILDING NO. 15

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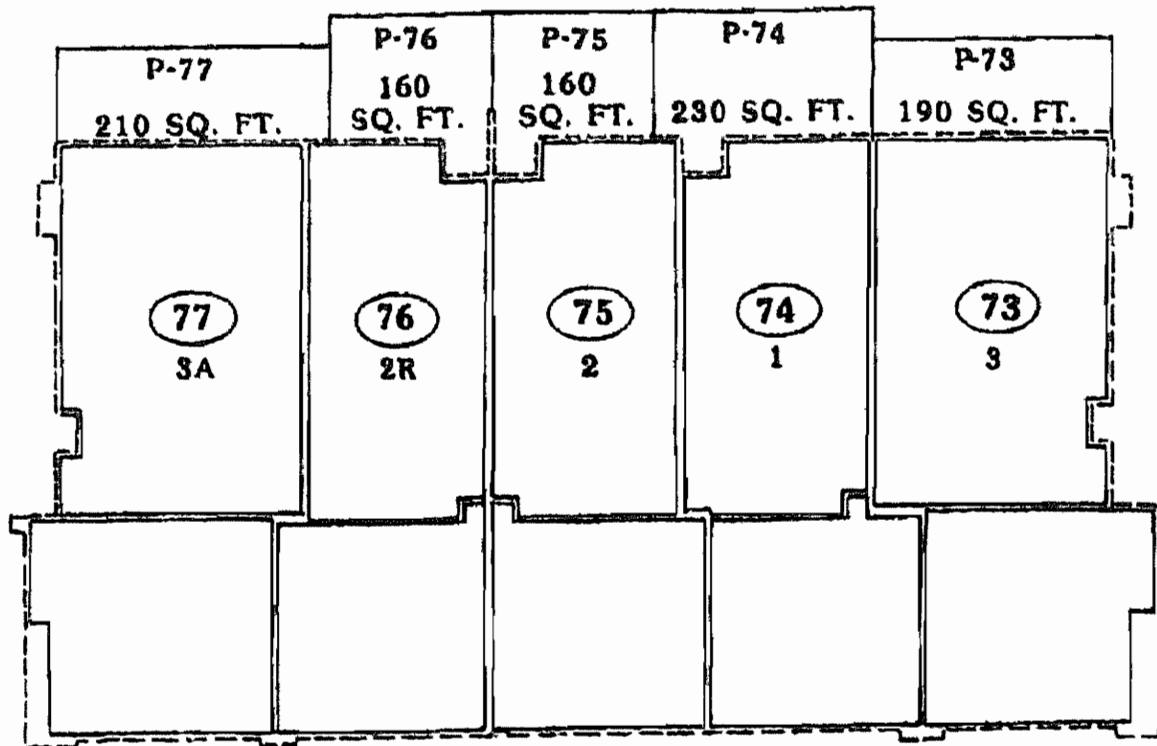
P-70: PATIO & UNIT NO.



BUILDING NO. 16

LEGEND:

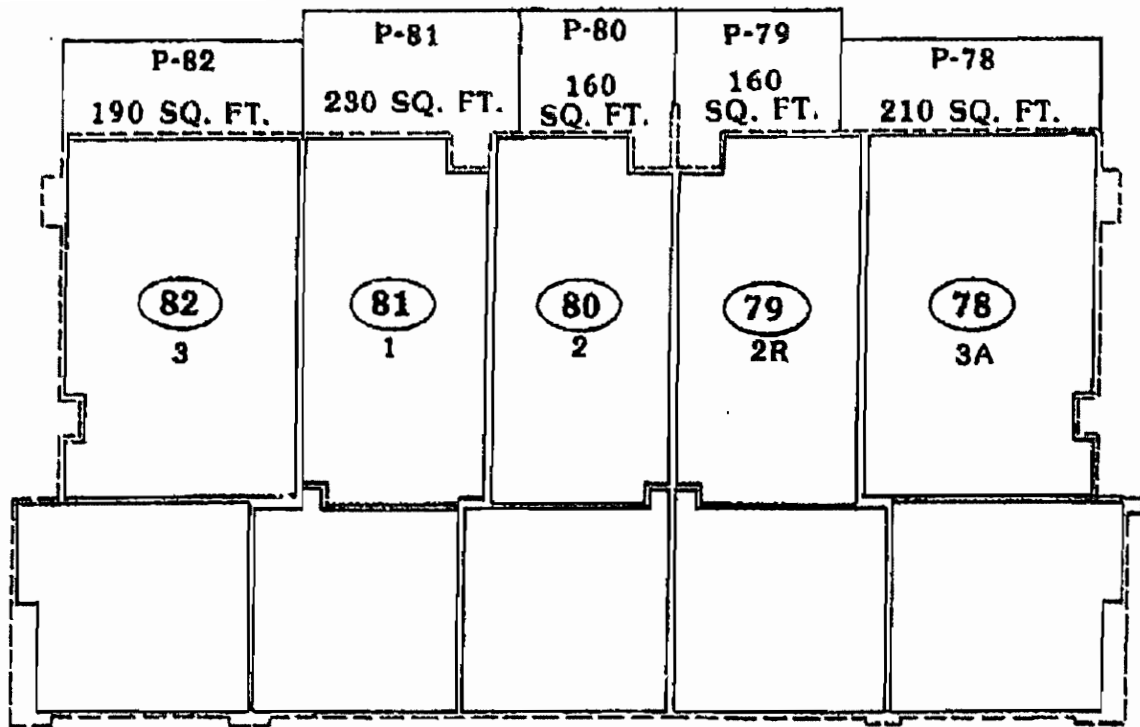
P-70: PATIO & UNIT NO.



BUILDING NO. 17

LEGEND:

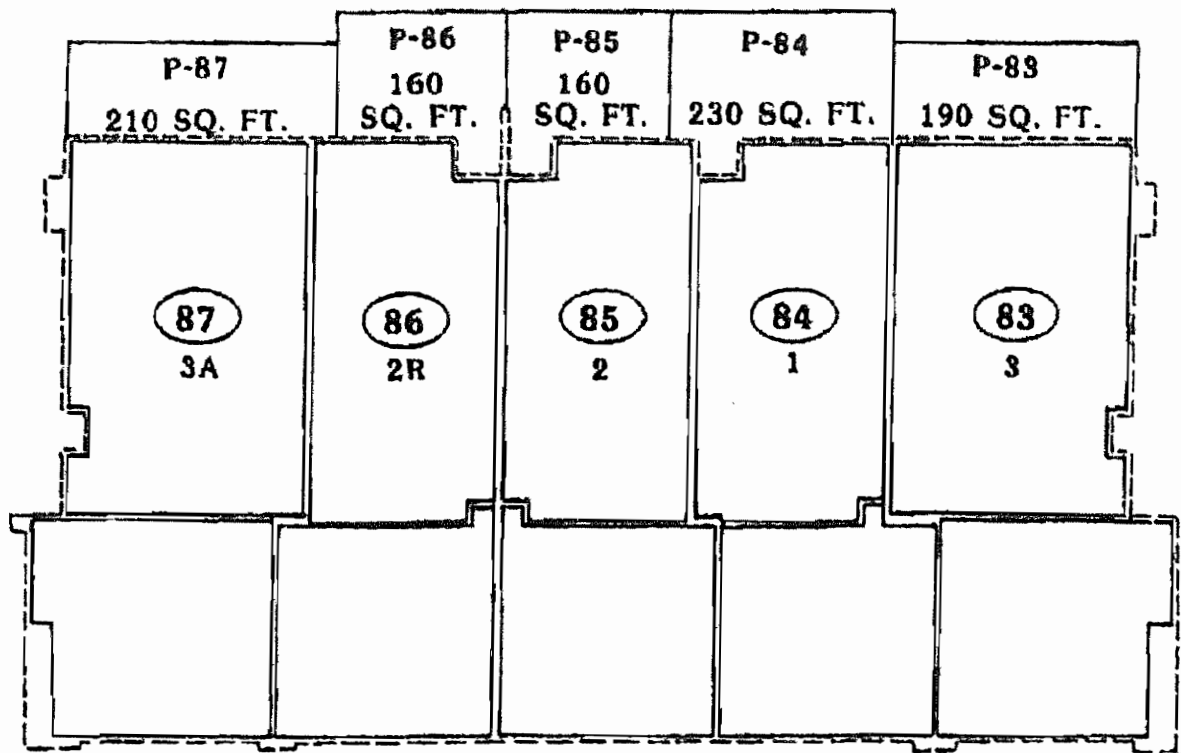
P-70: PATIO & UNIT NO.



BUILDING NO. 18

LEGEND:

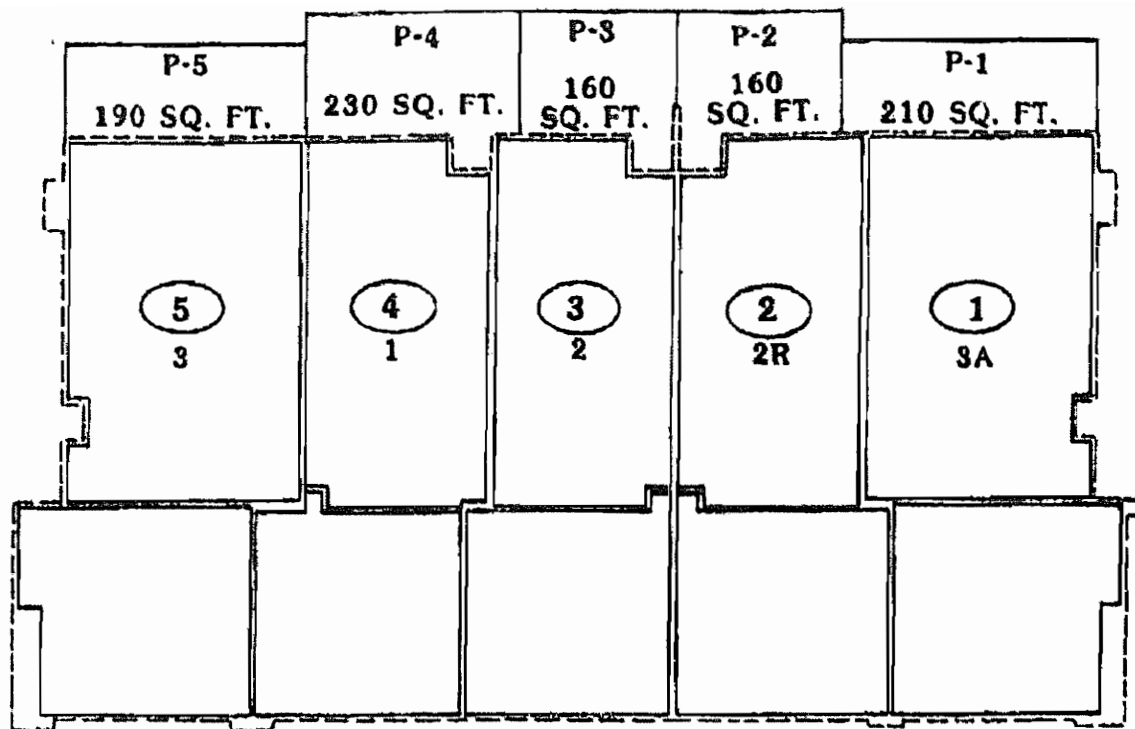
P-70; PATIO & UNIT NO.



BUILDING NO. 19

LEGEND:

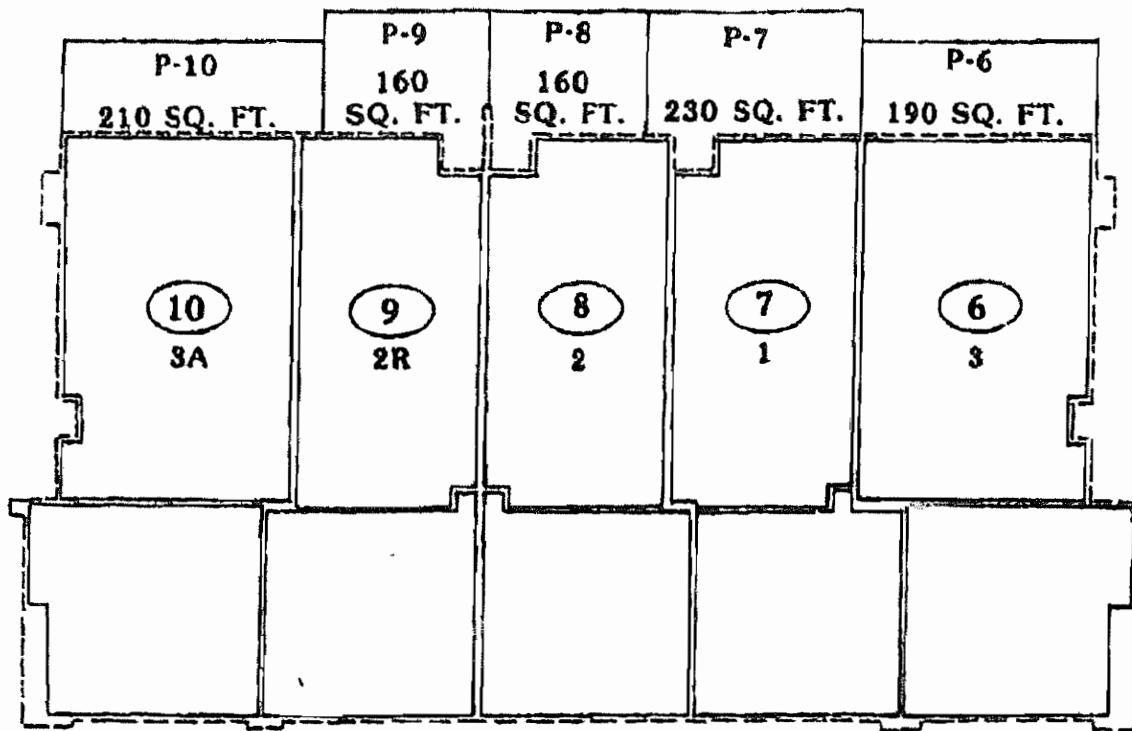
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BUILDING NO. 1

LEGEND:

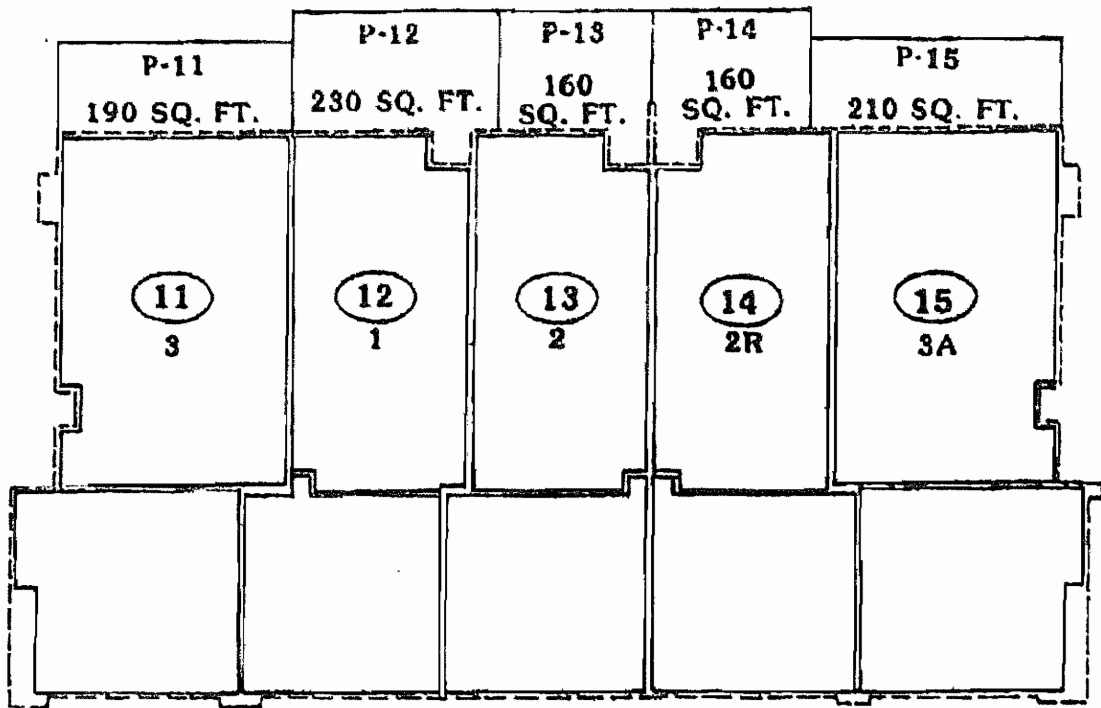
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BUILDING NO. 2

LEGEND:

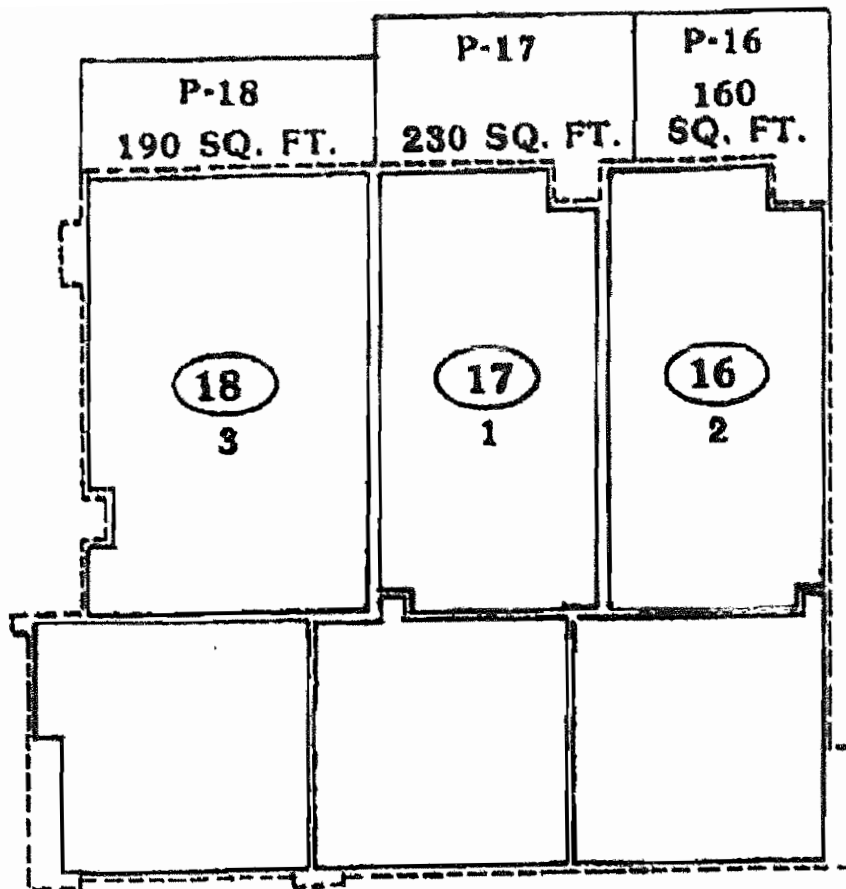
P-70: PATIO & UNIT NO.



BUILDING NO. 3

LEGEND:

P-70: PATIO & UNIT NO.



BUILDING NO. 4

LEGEND:

P-70: PATIO & UNIT NO.