



Jun 25, 2019 11:34 AM
OFFICIAL RECORDS
Ernest J. Dronenburg, Jr.,
SAN DIEGO COUNTY RECORDER
FEES: \$314.00 (SB2 Atkins: \$75.00)

PAGES: 76

Recording Requested By:
TYLER KERNS, Esq.

When Recorded, Mail to:
KRIGER LAW FIRM, APC
8220 University Avenue, Suite 100
La Mesa, CA 91942
Phone: 619-589-8800

(Space Above for Recorder's Use)

2019 AMENDED AND RESTATED

DECLARATION OF COVENANTS,
CONDITIONS AND RESTRICTIONS

OF

CROWN HILLS
COMMUNITY ASSOCIATION

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

TABLE OF CONTENTS

	<u>Page</u>
RECITALS	1
ARTICLE 1 – DEFINITIONS	
1.1 “Annexed Open Space Easement Areas”.....	3
1.2 “Architectural Review Committee”.....	3
1.3 “Architectural and Landscaping Guidelines.	3
1.4 “Articles”.....	3
1.5 “Assessment”.....	3
1.6 “Association”.....	3
1.7 “Association Rules”.....	3
1.8 “Board”.	3
1.9 “Bylaws”.	4
1.10 “Common Expenses”	4
1.11 “Common Lots”.....	5
1.12 “County”.	5
1.13 “Declarant”.....	5
1.14 “Declaration”.....	5
1.15 “Dwelling”.....	6
1.16 “Eligible Insurer or Guarantor”.....	6
1.17 “Eligible Mortgages”.....	6
1.18 “Eligible Mortgage Holder”.....	6
1.19 “Factory Built Housing” or “Factory Built House”.....	6
1.20 “First Mortgage”.	6
1.21 “First Mortgagee”.	6
1.22 “Foreclosure”.....	6
1.23 “Governing Documents”.....	7
1.24 “Guest Parking Area”.....	7
1.25 “Improvement”.....	7
1.26 “Lot”.....	7
1.27 “Manufactured Home”.....	7
1.28 “Member”.	7
1.29 “Mortgage”.....	8
1.30 “Mortgagee”.....	8
1.31 “Open Space Easement Area”.....	8
1.32 “Owner”.....	8
1.33 “Project” or “Property”.	8
1.34 “RV Area”.	8
1.35 “Slope Irrigation Line”.....	8
1.36 “Storage Area”.....	8
1.37 “Subdivision Map”.....	9

TABLE OF CONTENTS

	<u>Page</u>
ARTICLE 2 – MEMBERSHIP AND VOTING RIGHTS	
2.1 Membership.....	9
2.2 Transfer.....	9
2.3 Voting Rights.....	9
2.4 Joint Owner Disputes.....	9
 ARTICLE 3 – ASSESSMENTS	
3.1 Creation of the Lien and Personal Obligation of Assessments.....	10
3.2 Purpose of Assessments.....	10
3.3 Annual Assessment.....	10
3.3.1 Annual Budget Report.....	11
3.3.2 Reserve Contributions and Accounts.....	11
3.4 Special Assessments.....	11
3.5 Limits for Increases of Annual and Special Assessments.....	11
3.6 Notice of Assessment Increases Required.....	12
3.7 Division of Assessments; Payment of Assessments.....	12
3.8 No Offsets.....	12
3.9 Effect of Nonpayment of Assessments.....	12
3.10 Transfer of Lot by Sale or Foreclosure.....	13
3.11 Collection Remedies.....	13
3.11.1 Lawsuit; Assessment Lien.....	13
3.11.2 Requirements Before Recording Liens.....	13
3.11.3 Delinquencies Less than \$1,800.00 or One Year.....	13
3.11.4 Delinquencies Greater than \$1,800.00 or One Year.....	14
3.11.5 Foreclosure of Lien.....	14
3.12 Individual Assessments.....	14
3.12.1 Damage to Common Lots.....	14
3.12.2 Expenses Incurred in Gaining Member Compliance.....	15
3.12.3 Levy of Individual Assessment and Payment.....	15
3.12.4 Foreclosable Lien for Damage to Common Lots.....	15
 ARTICLE 4 – ARCHITECTURAL CONTROL	
4.1 Improvements and Changes Require Prior Approval.....	15
4.2 Appointment of Architectural Review Committee.....	16
4.3 Submission of Plans; Action by Committee.....	16
4.4 Approval of Solar Energy Systems.....	16
4.5 Fee for Review.....	17
4.6 Approval/Disapproval of Plans.....	17
4.7 Reconsideration.....	17
4.8 Architectural and Landscaping Guidelines.....	17
4.9 Owner Responsibility for Modification.....	18

TABLE OF CONTENTS

	<u>Page</u>
4.10 Waiver.	18
4.11 Inspection of Work.. . . .	18
4.12 Nonliability of Association or Committee Members.. . . .	19
4.13 Variances.	19
4.14 Annual Architectural Procedures Disclosure.. . . .	20
4.15 Cease and Desist.	20
4.16 Manufactured Homes.. . . .	20

ARTICLE 5 – DUTIES AND POWERS OF THE ASSOCIATION

5.1 General Powers and Authority.. . . .	20
5.1.1 Assessments.. . . .	20
5.1.2 Adoption of Rules.	20
5.1.3 Enforcement of Governing Documents.	21
5.1.4 Right of Entry.. . . .	21
5.1.5 Easements.	21
5.1.6 Dedication.	21
5.1.7 Management and Delegation of Powers.	22
5.1.8 Service Personnel.. . . .	22
5.1.9 Contracts.	22
5.1.10 Towing.	22
5.1.11 Special Tax Assessment District.	22
5.2 Duties of the Association.. . . .	22
5.2.1 Maintenance and Operation of Common Lots and Other Property.	23
5.2.2 Financial Reports.	23
5.2.3 Insurance.	23
5.2.4 Discharge of Liens.	23
5.2.5 Assessments.	23
5.2.6 Payment of Expenses.	23
5.2.7 Conduct Reserve Studies.	24
5.3 Limitation on Board Authority.. . . .	24
5.3.1 Sale of Association Property.	24
5.3.2 Compensation to Board Members.	24
5.3.3 Contracts in Excess of One Year.	24
5.4 Adoption of Rules.	25
5.4.1 Review and Comment Period.	25
5.4.2 Special Membership Meeting to Reverse Rule Change..	25
5.4.3 Emergency Rules.	25
5.5 Pledge of Assessment Rights.	26
5.6 Emergency Powers.. . . .	26

TABLE OF CONTENTS

	<u>Page</u>
ARTICLE 6 – REPAIR AND MAINTENANCE	
6.1	Repair and Maintenance by Association. 27
6.2	Repair and Maintenance by Owner. 28
6.3	Right of Association to Maintain and Install. 28
6.4	Standards for Maintenance and Installation. 30
6.5	Right of Entry. 30
6.6	Maintenance of Public Utilities. 31
 ARTICLE 7 – INSURANCE	
7.1	Association Insurance Coverage. 31
7.1.1	Fire and Casualty. 31
7.1.2	Liability. 31
7.1.3	Worker’s Compensation. 31
7.1.4	Directors’ Liability. 31
7.1.5	Fidelity Bond. 31
7.1.6	Other Insurance. 32
7.2	Scope of Coverage. 32
7.3	Insurance Trustee. 32
7.4	Waiver of Subrogation. 32
7.5	Owner’s Insurance Obligations. 32
7.6	Annual Insurance Review. 33
7.7	Failure to Acquire Insurance. 33
 ARTICLE 8 – DAMAGE OR DESTRUCTION	
8.1	Duty of Association. 33
8.2	Automatic Reconstruction. 34
8.3	Vote of Members. 34
8.4	Excess Insurance Proceeds. 34
8.5	Use of Reconstruction Special Assessments. 35
 ARTICLE 9 – EMINENT DOMAIN	
9.1	Definition of Taking. 35
9.2	Representation by Board in Condemnation Proceedings. 35
9.3	Inverse Condemnation. 35
9.4	Award for Common Lots. 35
 ARTICLE 10 – USE RESTRICTIONS	
10.1	Responsibility to Comply with Governing Documents. 36
10.2	Commercial Use. 36
10.3	Nuisance. 36
10.4	Insurance, Compliance with Law and Owner Personal Property. 37

TABLE OF CONTENTS

	<u>Page</u>
10.5 Temporary Structures.....	37
10.6 Vehicle and Parking Restrictions.....	37
10.7 Animals.....	40
10.7.1 Owner Responsibility for Conduct of Pet.....	40
10.7.2 Association Not Responsible for Conduct of Pets.....	41
10.8 Oil and Mineral Rights.....	41
10.9 Unsightly Items.....	41
10.10 Drainage.....	41
10.11 Dwelling Installation.....	42
10.12 Window Covers.....	42
10.13 Dwelling Design & Limitations.....	42
10.13.1 Minimum Size.....	42
10.13.2 Height Limitations.....	42
10.13.3 Garages.....	42
10.13.4 Exteriors and Roofs.....	43
10.13.5 Local Ordinances.....	43
10.14 Single-Family Residential.....	43
10.15 Maintenance by Owner.....	43
10.16 Structural Alterations and Improvements.....	43
10.17 Fences and Walls.....	43
10.18 Exterior Lights and Motion Sensors.....	44
10.19 Residential Care Facilities.....	44
10.20 Abandoned Personal Property.....	44
10.21 Exceptions.....	45
10.22 Protected Uses.....	46
10.22.1 Solar Energy Systems.....	46
10.22.2 Modification to Accommodate a Disability.....	46
10.22.3 Restrictions on Signs, Posters, Flags, Banners.....	47
10.22.4 Installation or Use of Video or Television Antenna.....	47
10.22.5 Low Water-Using Plants.....	47
10.22.6 Prohibition of Rental or Leasing.....	48
10.22.7 Clotheslines.....	48
10.22.8 Personal Agriculture.....	48

ARTICLE 11 – RIGHTS OF ENJOYMENT

11.1 Members’ Right of Enjoyment.....	48
11.2 Delegation of Use.....	50
11.3 Waiver of Use.....	50
11.4 Use by Members and Delegates.....	50

TABLE OF CONTENTS

	<u>Page</u>
ARTICLE 12 – EASEMENTS	
12.1 Certain Easements for Owners.....	50
12.1.1 Rights and Duties: Utilities and Cable Television.....	50
12.1.2 Ingress, Egress, and Recreational Rights.....	51
12.2 Certain Easements for Association.....	51
12.2.1 Association Rights.....	51
12.2.2 Rights and Duties: Utilities and Cable Television.....	51
12.3 Support, Settlement and Encroachment.....	52
ARTICLE 13 – RIGHTS OF LENDERS	
13.1 Copies of Governing Documents.....	53
13.2 Financial Statements.....	53
13.3 Notice of Action.....	53
13.4 Consent to Action.....	54
13.4.1 Consent for Termination of Project.....	54
13.4.2 Amendments to Governing Documents.....	54
13.4.3 Deemed Approval.....	55
13.5 Actions Requiring Eligible Mortgage Holder Approval.....	55
13.6 Right of First Refusal.....	56
13.7 Reserves.....	56
13.8 Priority of Liens.....	56
13.9 Distribution of Insurance or Condemnation Proceeds.....	57
13.10 Right to Appear at Meetings.....	57
ARTICLE 14 – GENERAL PROVISIONS	
14.1 Enforcement.....	57
14.2 No Waiver.....	58
14.3 Cumulative Remedies.....	58
14.4 Severability.....	58
14.5 Covenants to Run with the Land; Term.....	58
14.6 Construction.....	58
14.7 Singular Includes Plural.....	59
14.8 Nuisance.....	59
14.9 Attorneys' Fees.....	59
14.10 Personal Covenant.....	59
14.11 Limitation on Liability of Officers and Directors.....	59
14.12 Leases.....	59
14.12.1 Delegation of Use.....	60
14.12.2 Obligation to Supply Tenant Information.....	60
14.12.3 Lease Must Require Conformance to Governing Documents.....	60
14.12.4 Discipline of Lessees.....	61

TABLE OF CONTENTS

	<u>Page</u>
14.12.5 Hotel or Transient Purposes; Minimum Lease Term.....	61
14.13 Amendments.....	61
14.14 References.....	61
14.15 Applicability to Tenant.....	61
14.16 County Housing Restriction.....	62
14.17 Resolution of Disputes and Enforcement.....	62
14.17.1 Informal Notice of Violation.....	62
14.17.2 Disciplinary Proceedings.....	62
14.17.3 Internal Dispute Resolution Procedure.....	63
14.17.3.1 Initiation of Resolution Procedure.....	63
14.17.3.2 Request Initiated by Association.....	63
14.17.3.3 Owner Initiation of Process.....	63
14.17.3.4 Process.....	63
14.17.3.5 Resolution by Committee.....	63
14.17.3.6 Resolution by Agreement.....	64
14.17.3.7 Mediation.....	64
14.17.3.8 Appeal.....	64
14.17.4 Alternative Dispute Resolution Procedure.....	64
14.17.5 Litigation.....	64
14.17.6 Immediate, Temporary Relief.....	65
14.18 Statutory Changes; Conflicts; No Liability for Following Law.....	65
14.18.1 Changed Law Supersedes this Declaration.....	65
14.18.2 Changed Law Allows Declaration to Prevail.....	65
14.18.3 Changed Law Deletes Provisions Repeated in this Declaration.....	65
14.18.4 No Liability for Following Changed Law.....	65

ACKNOWLEDGMENTS

**2019 AMENDED AND RESTATED DECLARATION OF
COVENANTS, CONDITIONS AND RESTRICTIONS OF
CROWN HILLS COMMUNITY ASSOCIATION**

This 2019 AMENDED AND RESTATED DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS OF CROWN HILLS COMMUNITY ASSOCIATION (“Declaration”) is made on the date indicated below by CROWN HILLS COMMUNITY ASSOCIATION (“Association”), a California nonprofit mutual benefit corporation, with reference to the facts set forth in the “Recitals” below.

RECITALS

A. **Property.** Declarant was the Owner of that certain real property (“**Property**”) located in the City of Alpine, County of San Diego, State of California, which is more particularly described as follows:

Lots 1 through 335, 337 through 349 of Tract 4456, in the County of San Diego, State of California, according to Map No. 11872, filed in the office of the County Recorder of San Diego County, July 31, 1987.

B. **Prior Declarations.** Prior to the recordation of this Declaration, the Property was subject to the Covenants, Conditions and Restrictions contained in the following: (1) Declaration of Covenants, Conditions and Restrictions recorded on August 5, 1992 as Document No. 1992-0491182 of the Official Records of San Diego County, California (“**Original Declaration**”); (2) First Restated Declaration of Covenants, Conditions and Restrictions recorded on April 29, 2005 as Document No. 2005-0360872 of the Official Records of San Diego County, California; and (3) Second Restated Declaration of Covenants, Conditions and Restrictions recorded on August 17, 2007 as Document No. 2007-0551223 of the Official Records of San Diego County, California (“**Prior Declaration**”). The Association intends, by recordation of this Declaration to amend, restate, and supersede the Prior Declaration and any subsequent amendments thereto in their entirety.

C. **Nature of Project.** Declarant conveyed the Property, subject to certain easements, protective covenants, conditions, restrictions, reservations, liens and charges as set forth in the Original Declaration, all of which are for the purpose of enhancing and protecting the value,

desirability and attractiveness of the Property and all of which shall run with the Property and be binding on all parties having or acquiring any right, title or interest in the Property, or any part thereof, their heirs, successors and assigns, and shall inure to the benefit of each Owner thereof.

D. Project Subject to Declaration. It was the further intention of the Declarant to sell and convey residential Lots improved by residences originally constructed by Declarant to the Owners, subject to the protective covenants, conditions, restrictions, limitations, reservations, grants of easements, rights, rights-of-way, liens, and charges set forth in this Declaration, which are enforceable equitable servitudes between Declarant and such Owners. These equitable servitudes shall run with the land, bind all present and future Owners and are set forth in this Declaration and which are intended to be in furtherance of a general plan for the subdivision, development, sale and use of the Property as a “planned development” as that term is defined in Civil Code Section 4175.¹

E. Common Interest Development. There currently exists upon the above-described real property a Common Interest Development subject to the provisions of the Davis-Stirling Common Interest Subdivision Act (Civil Code Section 4000, *et seq.*).

F. Member Approval of Declaration. Prior to the date shown hereunder, at least fifty-one percent (51%) of the Owners of Lots within the Property voted by written ballot to amend and restate the Prior Declaration, all in accordance with the procedures for amendment set forth in the Prior Declaration. The Owners intend to replace the Prior Declaration, in its entirety, when this Declaration is recorded in accordance with Civil Code Section 4270(a). The Owners’ action to amend and restate the Prior Declaration as set forth herein and the fact that the requisite percentage of affirmative votes required in the Prior Declaration was achieved, is attested by the execution of this Declaration by duly authorized officers of the Association, as required by Civil Code Section 4270(a). As so amended, restated and superceded in its entirety, the easements, covenants, restrictions and conditions set forth herein shall run with the Property and shall be binding upon all parties having or acquiring any right, title or interest in the Property or any portion thereof, and shall inure to the benefit of each Owner thereof.

¹Unless otherwise indicated, all Civil Code Section references are to sections of the California Civil Code.

ARTICLE 1
DEFINITIONS

Unless the context clearly indicates otherwise, the following terms used in this Declaration are defined as follows:

Section 1.1 - “Annexed Open Space Easement Areas” shall mean those Open Space Easement Areas that have been conveyed to the Association by Declarant or for which the Association is obligated to maintain by operation of law or pursuant to the provisions contained in the Map.

Section 1.2 - “Architectural Review Committee” shall mean and refer to the committee which may be appointed by the Board pursuant to **Article 4** of this Declaration.

Section 1.3 - “Architectural and Landscaping Guidelines” shall mean and refer to the design criteria adopted by the Board pursuant to **Article 4** of this Declaration

Section 1.4 - “Articles” shall mean and refer to the Articles of Incorporation of the Association as they may be duly amended from time to time, which are filed in the Office of the California Secretary of State.

Section 1.5 - “Assessment” shall mean any “Annual Assessment,” “Special Assessment,” or “Individual Assessment” made or assessed by the Association against an Owner and his or her Lot in accordance with the provisions of **Article 3** of this Declaration.

Section 1.6 - “Association” shall mean and refer to Crown Hills Community Association, a nonprofit mutual benefit corporation, incorporated under the laws of the State of California, its successors and assigns.

Section 1.7 - “Association Rules” shall mean the rules, regulations, policies and Architectural and Landscaping Guidelines adopted by the Board of the Association, as the same may be in effect from time to time.

Section 1.8 - “Board” shall mean the Board of Directors of the Association.

Section 1.9 - "Bylaws" shall mean and refer to the Bylaws of the Association as they may be duly amended from time to time.

Section 1.10 - "Common Expenses" shall mean and refer to the actual and estimated costs of:

(a) maintenance, management, operation, repair and replacement of the Common Lots, and all other areas which are maintained by the Association;

(b) unpaid Assessments;

(c) maintenance by the Association of areas within the public right-of-way of public streets in the vicinity of the Property as provided in this Declaration or pursuant to agreements with the local governmental entities;

(d) costs of management and administration of the Association, including, but not limited to, compensation paid by the Association to managers, accountants, attorneys and employees;

(e) the costs of utilities, gardening and other services which generally benefit and enhance the value and desirability of the Common Lots or any off-site easements which may be owned by the Association, as well as the cost of trash pickup and disposal services for the entire Property including all Common Lots and all individual Lots;

(f) the costs of fire, casualty, liability, workmen's compensation and other insurance covering the Common Lots and other areas which are maintained by the Association;

(g) the costs of any other insurance obtained by the Association;

(h) reasonable reserves as deemed appropriate by the Board;

(i) the cost of bonding of the Members of the Board, any professional managing agent or any other person handling the funds of the Association;

(j) taxes paid by the Association;

(k) amounts paid by the Association for discharge of any lien or encumbrance levied against the Common Lots or portions thereof;

(l) costs incurred by the Architectural Review Committee or other committee established by the Board; and

(m) other expenses incurred by the Association for any reason whatsoever in connection with the Common Lots or any off-site easements which are owned by the Association, or the costs of any other item or items designated by this Declaration, the Articles, Bylaws or Association Rules, or in furtherance of the purposes of the Association or in the discharge of any duties or powers of the Association.

Section 1.11 - "Common Lots" shall mean Lots 334 through 349, inclusive, of Tract 4456, upon their respective conveyance to the Association by Declarant in accordance with this Declaration, and any improvements thereon, including without limitation, the clubhouse and recreational facilities, pools, spa, tennis courts, walking tracks, walls, lighting, maintenance/equipment storage building, storage unit buildings, well, storm drains, catch basins, drainage channel, slopes, landscaping, Guest Parking Area, Slope Irrigation Line, and any real property which the Association may from time to time procure or over which the Association shall from time to time obtain an easement for the common use and enjoyment of the Members.

Section 1.12 - "County" shall mean and refer to the County of San Diego, State of California.

Section 1.13 - "Declarant" shall mean and refer to the original developer of the Property, namely Glenfed Development Corp., a California corporation and its successor-in-interest, RJT Investments, Inc., an Arizona corporation. This information is for historical purposes only. Control of the Association has been transferred to the Members.

Section 1.14 - "Declaration" shall mean and refer to this 2019 Amended and Restated Declaration of Covenants, Conditions and Restrictions of Crown Hills Community Association as may be duly amended from time to time.

Section 1.15 - “Dwelling” shall mean a residential structure or structures, including, balconies, patio areas, walkways, driveways and garages located on a Lot. Dwelling shall include a Manufactured Home and/or Factory-Built Housing.

Section 1.16 - “Eligible Insurer or Guarantor” shall mean and refer to an insurer or governmental guarantor of an Eligible Mortgage Holder who has requested notice of certain matters from the Association in accordance with **Section 13.3**.

Section 1.17 - “Eligible Mortgages” shall mean and refer to Mortgages held by Eligible Mortgage Holders.

Section 1.18 - “Eligible Mortgage Holder” shall mean and refer to the beneficiary of a First Mortgage who has requested the Association to notify it of any proposed action that requires the consent of a specified percentage of Eligible Mortgage Holders.

Section 1.19 - “Factory Built Housing” or “Factory Built House” shall mean and refer to any single family residential structure, as defined in Section 19971 of the California Health and Safety Code which has the approval of the Department of Housing and Community Development of the State of California.

Section 1.20 - “First Mortgage” shall mean and refer to any recorded Mortgage made in good faith and for value on a Lot with first priority over other Mortgages encumbering the Lot.

Section 1.21 - “First Mortgagee” shall mean and refer to any beneficiary of a First Mortgage.

Section 1.22 - “Foreclosure” shall mean and refer to the legal process by which a Lot owned by an Owner who is in default under a Mortgage is sold pursuant to Civil Code Section 2924, *et seq.*, or sale by the court pursuant to California Code of Civil Procedure Section 725a, *et seq.*, and any amendments thereto.

Section 1.23 - “Governing Documents” is a collective term that shall mean and refer to the Declaration, the Articles, the Bylaws, and the Association Rules, and amendments, modifications or supplements thereto.

Section 1.24 - “Guest Parking Area” shall mean and refer to those areas throughout the Project designated by the Board for guest parking. The Clubhouse parking area is considered a “Guest Parking Area.”

Section 1.25 - “Improvement” shall mean and refer to, without limitation, the construction, installation, alteration, or remodeling of any buildings, walls, decks, fences, swimming pools, landscaping, landscape structures, skylights, solar heating equipment, spas, antennas (except as specified in **Section 10.22.4** herein), utility lines, or any structure of any kind upon a Lot. In no event shall the term “Improvement” be interpreted to include projects which are restricted to the interior of the residence and which do not modify the exterior appearance of any of the above-referenced elements.

Section 1.26 - “Lot” shall mean and refer to any parcel of real property designated by a number on the final Subdivision Map of the Property, excluding the Common Lots. When appropriate within the context of this Declaration, the term “Lot” shall also include the Improvements constructed on a Lot.

Section 1.27 - “Manufactured Home” shall mean and refer to those single family “Manufactured Homes,” as defined in Section 18007 of the California Health and Safety Codes, which are located only on the following Lots:

1, 4, 41, 52, 73, 85,
86, 100, 166, 168, 179,
181, 188, 203

Any reference to “Mobilehome or Lot” in this Declaration, or in any other Project Document, shall include and refer to “Manufactured Home” to the extent such reference by its context shall mean and refer to a residential structure or structures, including, balconies, patio areas and garages, and not in reference to the specific components, framework, parts and dimensions that comprise and define either a Mobilehome under California Civil Code Section 798.3 or a Manufactured Home.

Section 1.28 - “Member” shall mean and refer to every person or entity who is an Owner of record.

Section 1.29 - "Mortgage" shall mean and refer to any duly recorded mortgage or deed of trust encumbering a Lot.

Section 1.30 - "Mortgagee" shall mean and refer to the beneficiary under any Mortgage.

Section 1.31 - "Open Space Easement Area" shall mean and refer to the slopes and greenbelt areas designated on the final Subdivision Map for Tract 4456, which areas include the following Lots: 335, 337, 338, 339, 340, 242, 343, 344, 345, and 349.

Section 1.32 - "Owner" shall mean and refer to the record Owner or Owners, whether one (1) or more persons or entities, whether a natural person, firm, corporation, partnership, trust, or other entity which owns a fee simple interest in any Lot, including any contract sellers under recorded contracts of sale. "Owner" shall not include any person or entities who hold an interest in a Lot merely as security for performance of an obligation. For purposes of exercising membership rights and incurring membership obligation when an owner is a corporation, any director, officer, employee, or agent designated by corporate resolution may exercise the membership rights attributable to the corporation. When the owner is a trust, the trustee may exercise the membership rights attributable to the trust unless otherwise designated in writing by the trustee.

Section 1.33 - "Project" or "Property" shall mean and refer to all of the property located in the County of San Diego, State of California, designated on the final Subdivision Map for Tract 4456 and, when appropriate within the context of this Declaration, shall also include all improvements situated thereon.

Section 1.34 - "RV Area" shall mean and refer to the area located on Common Lot 336 for the parking of recreational vehicles. The use (including the continued use or discontinuance thereof) of the RV Area shall be controlled by the Board, which may from time to time establish such Association Rules for use thereof as more fully described in this Declaration.

Section 1.35 - "Slope Irrigation Line" shall mean and refer to that certain irrigation line running throughout the Project used to water the landscaping on Common Lots.

Section 1.36 - "Storage Area" shall mean and refer to the area located on Common Lot 336 for use as storage unit facilities. The use (including the continued use or discontinuance thereof)

of the Storage Area shall be controlled by the Board, which may from time to time establish such Association Rules for use thereof as more fully described in this Declaration.

Section 1.37 - "Subdivision Map" shall mean and refer to that certain Amended Map of County of San Diego Tract No. 4456, as Map Number 13012, filed in Office of the County Recorder of San Diego County, State of California, January 29, 1993.

ARTICLE 2

MEMBERSHIP AND VOTING RIGHTS

Section 2.1 - Membership.

The Owner of a Lot shall automatically, upon becoming the Owner of same, be a Member of the Association, and shall remain a Member thereof until such time as the ownership ceases for any reason, at which time the membership in the Association shall automatically cease. Membership shall be held in accordance with this Declaration, the Articles, and Bylaws of the Association.

Section 2.2 - Transfer.

The Association membership of an Owner shall not be transferred, pledged or alienated in any way except upon the conveyance of the ownership interest and then only to the transferee. Any attempt to make a prohibited transfer is void and shall not be reflected upon the books and records of the Association. In the event an Owner fails or refuses to transfer the membership registered in his or her name to the transferee of such Lot, the Association shall have the right to record the transfer upon the books of the Association.

Section 2.3 - Voting Rights.

The Association shall have one (1) class of membership. Voting rights shall be as specified in Article 4 of the Bylaws.

Section 2.4 - Joint Owner Disputes.

The vote for each such Lot may be cast only as a Lot, and fractional votes shall not be allowed. In the event that joint Owners are unable to agree among themselves as to how their vote or votes shall be cast, they shall lose their right to vote on the matter in question. If any Owner or Owners cast a vote representing a certain Lot, it will thereafter be conclusively presumed for all purposes that he or they were acting with the authority and consent of all other Owners of the same

Lot. In the event more than one vote is cast for a particular Lot, none of said votes shall be counted and all of said votes shall be deemed void.

ARTICLE 3 **ASSESSMENTS**

Section 3.1 - Creation of the Lien and Personal Obligation of Assessments.

Each Owner of a Lot by acceptance of a deed, whether or not it shall be so expressed in such deed, is deemed to covenant and agree to pay to the Association: (a) Annual Assessments or charges, (b) Special Assessments for purposes permitted herein, and (c) Individual Assessments; such Assessments are to be established and collected as hereinafter provided. The Annual Assessments and Special Assessments, together with interest, costs and reasonable attorney's fees, shall be a charge on the Lot and shall be a continuing lien upon the Lot against which each such Assessment is made, the lien to become effective upon recordation of a notice of delinquent assessment. Each such Assessment, together with interest, costs, and reasonable attorney's fees, shall also be the personal obligation of the person who was the Owner of such Lot at the time when the Assessment became due and shall bind his or her devisees, personal representatives, heirs, successors and assigns. No Member may exempt himself or herself from liability for this contribution towards the Common Expenses by waiver of the use or enjoyment of any of the Common Lots or by the abandonment of his or her Lot.

Section 3.2 - Purpose of Assessments.

The Assessments levied by the Association shall be used exclusively to perform the obligations and duties of the Association, including, without limitation, to promote the economic interest, recreation, health, safety and welfare of all of the residents of the Project and the improvement and maintenance of the Common Lots and those other portions of the Project for which the Association is responsible, for any other onsite or offsite maintenance responsibilities of the Association, to reimburse the Association for any costs incurred in bringing an Owner into compliance with the Governing Documents, and for the common good of the Project.

Section 3.3 - Annual Assessment.

The Board shall determine and fix the amount of the Annual Assessment against each Lot in accordance with the procedures described in this Article.

3.3.1 Annual Budget Report.

The Association shall distribute an Annual Budget Report thirty (30) to ninety (90) days before the end of its fiscal year in accordance with Civil Code Section 5300. As part of the Annual Budget Report, the Board will prepare a pro forma operating budget for the next fiscal year upon which the Annual Assessment will be based. The Board shall have the power to increase the Annual Assessment without a vote of the membership as specified in **Section 3.5**, so long as the Annual Budget Report is distributed timely. Otherwise, any increase of the Annual Assessment will require the approval of a majority of a quorum of the Members. For the purposes of this section "Quorum" means more than fifty percent (50%) of the members.

3.3.2 Reserve Contributions and Accounts.

As part of the preparation of the pro forma budget as provided in **Section 3.3.1**, the Board shall annually fix the amount to be contributed to reserve funds for the purpose of defraying, in whole or in part, the cost or estimated cost of any reconstruction, repair or replacement of improvements, including fixtures and personal property related thereto. Separate records shall be maintained for all reserve funds deposited in the reserve account.

Section 3.4 - Special Assessments.

In any fiscal year, the Board may levy a Special Assessment applicable to that year only, for the purpose of defraying in whole or in part the cost of extraordinary expenses incurred or to be incurred by the Association, including but not limited to, unanticipated delinquencies and/or repair and replacement of improvements for the Common Lots subject to the limitations contained in **Section 3.5** below.

Section 3.5 - Limits for Increases of Annual and Special Assessments.

The Board may not impose an Annual Assessment that is more than twenty percent (20%) greater than the Annual Assessment for the Association's preceding fiscal year or impose Special Assessments which in the aggregate exceed five percent (5%) of the budgeted gross expenses of the Association for that fiscal year without the approval of a majority of a quorum of the Members, pursuant to Civil Code Section 5605(c). For the purposes of this section "Quorum" means more than fifty percent (50%) of the members.

This Section does not limit Assessment increases necessary for emergency situations. For purposes of this Section, an emergency situation is any one of the following: (a) an extraordinary

expense required by an order of a court; (b) an extraordinary expense necessary to repair or maintain the Common Lots for which the Association is responsible where a threat to personal safety is discovered; and (c) an extraordinary expense necessary to repair or maintain the Common Lots that could have not been reasonably foreseen by the Board in preparing and distributing the current year's operating budget.

Section 3.6 - Notice of Assessment Increases Required.

Whenever there is an increase in Annual Assessments or Special Assessments, all Members shall be notified by first class mail, or e-mail if authorized by Owner, not less than thirty (30) nor more than sixty (60) days prior to the Assessment due date.

Section 3.7 - Division of Assessments; Payment of Assessments.

Annual and Special Assessments shall be charged to and equally divided among the Lots. Annual Assessments levied against each Owner and his or her Lot shall be due and payable in advance to the Association in equal monthly installments on the first day of each month or on such other date or dates as may be established from time to time by the Board. Special Assessments shall be due and payable in advance of such date or dates as established by the Board.

Section 3.8 - No Offsets.

All Assessments shall be payable in the amount specified in the Assessment levied by the Association, and no offsets against such amount shall be permitted for any reason, including, without limitation, a claim that the Association which levied such Assessment is not properly exercising its duties of maintenance or enforcement.

Section 3.9 - Effect of Nonpayment of Assessments.

Assessments shall be due on the first day of each month unless some other due date is established by the Board. Assessments become delinquent fifteen (15) days after they become due. A late charge not exceeding ten percent (10%) of the delinquent Assessment or Ten Dollars (\$10.00), whichever is greater, shall be imposed upon any delinquent payment. Interest on delinquent Assessments and late charges shall be imposed at an annual percentage rate of twelve percent (12%) commencing thirty (30) days after the Assessments become due. Late charges and interest on past due amounts may be modified by the Board in accordance with any changes permitted by applicable law.

Section 3.10 - Transfer of Lot by Sale or Foreclosure.

Sale or transfer of any Lot shall not affect the Assessment lien. However, the sale of any Lot pursuant to foreclosure of a First Mortgage shall extinguish the lien of such Assessments as to payments which became due prior to such sale or transfer (except for Assessment liens recorded prior to the Mortgage). No sale or transfer shall relieve such Lot from liability for any Assessments thereafter becoming due or from the lien thereof.

Section 3.11 - Collection Remedies.

3.11.1 Lawsuit; Assessment Lien.

If any Annual Assessment or Special Assessment is delinquent, the Association may pursue collection action by any method permitted by law, including, but not limited to, by filing a lawsuit against the Owner and/or by recording an Assessment lien against the Lot pursuant to Civil Code Sections 5650 through 5690.

3.11.2 Requirements Before Recording Liens.

Liens shall be recorded in accordance with Civil Code Sections 5650 through 5690. At least thirty (30) days prior to recording a lien against the Lot of any Owner, the Association shall notify the Owner in writing of the delinquency including an itemized statement of the charges owed by the Owner and that if the charges are not paid within the time specified in the writing that a lien may be recorded against his or her Lot. The decision to record a lien for delinquent assessments shall be made only by the Board and may not be delegated to an agent for the Association. The Board shall approve the decision by a majority vote of the directors at an open meeting. The Board shall record the vote in the minutes of that meeting.

3.11.3 Delinquencies Less than \$1,800.00 or One Year.

If the Association seeks to collect delinquent Annual Assessments or Special Assessments of an amount less than One Thousand Eight Hundred Dollars (\$1,800.00), not including any accelerated assessments, late charges, fees and costs of collection, attorney's fees, or interest, it may not collect that debt through judicial or non-judicial foreclosure, but may attempt to collect or secure that debt through a civil action, recordation of a lien or other manner permitted by law.

3.11.4 Delinquencies Greater than \$1,800.00 or One Year.

If the Association seeks to collect delinquent Annual Assessments or Special Assessments of an amount of One Thousand Eight Hundred Dollars (\$1,800.00) or more, not including any accelerated assessments, late charges, fees and costs of collection, attorney's fees, or interest, or any Assessments that are more than twelve (12) months delinquent, it may pursue judicial foreclosure, non-judicial foreclosure, or a personal judgment, all in accordance with Civil Code Sections 5700 through 5740.

3.11.5 Foreclosure of Lien.

The lien may be enforced in any manner permitted by law, including sale by the court, sale by the trustee designated in the notice of delinquent Assessment, or sale by a trustee substituted pursuant to Civil Code Section 2934(a). Any sale shall be conducted in accordance with the provisions of Civil Code Sections 2924, 2924(b), 2924(c), 2924(f), 2924(g) and 2924(h), or any successor statutes thereto, applicable to the exercise of powers of sale in mortgages and deeds of trust, or in any other manner permitted by law. The Association, acting on behalf of the Owners, shall have the power to bid on the Lot at the foreclosure sale, and to acquire and hold, lease, mortgage, and convey the Lot and vote as an Owner of the Lot. If the Association obtains title at the foreclosure sale, all assessment fees for the Lot are suspended so long as the Association retains title.

Section 3.12 - Individual Assessments.

The Board may impose Individual Assessments against an Owner as provided in this Section, provided that no Individual Assessments may be imposed against an Owner until the Owner has been afforded notice and the opportunity for a hearing as provided in Section 8.5 of the Bylaws, and, if appropriate, has been given a reasonable opportunity to comply voluntarily with the Governing Documents. Subject to the foregoing, the acts and circumstances giving rise to liability for Individual Assessments are set forth below.

3.12.1 Damage to Common Lots.

In the event that any damage to, or destruction of, any portion of the Common Lots, including any portion of a Lot which the Association is obligated to repair and maintain, is caused by the willful misconduct or negligent act or omission of any Owner, tenants, guests, or invitees, the Board shall cause the same to be repaired or replaced, and all costs and expenses incurred in connection therewith, to the extent not compensated by insurance proceeds, shall be assessed and charged solely to and against such Owner as an Individual Assessment.

3.12.2 Expenses Incurred in Gaining Member Compliance.

In the event that the Association incurs any costs or expenses to bring the Owner and/or his or her Lot into compliance with any provision of the Governing Documents, the amount incurred by the Association, including reasonable fines and penalties duly imposed hereunder, title company fees, accounting fees, and reasonable attorney's fees, shall be assessed and charged solely to and against such Owner as an Individual Assessment. Reasonable attorney's fees and costs shall include such fees and costs incurred in bankruptcy proceedings (including efforts to modify or vacate any automatic stay or injunction), appeals, and any anticipated post-judgment collection services.

3.12.3 Levy of Individual Assessment and Payment.

Once an Individual Assessment has been imposed against an Owner and subject to the conditions imposed in this **Section 3.12**, such Individual Assessment shall be (a) added to the Owner's account, (b) notice thereof shall be mailed to the affected Owner and (c) the Individual Assessment shall thereafter be due as a separate debt of the Owner payable in full to the Association within thirty (30) days after the mailing of notice of the Assessment.

3.12.4 Foreclosable Lien for Damage to Common Lots.

Once an Individual Assessment has been imposed by the Association's Board pursuant to **Section 3.12.1** with regard to damage to Common Lots, such charge may be collected as provided in **Section 3.11**.

ARTICLE 4

ARCHITECTURAL CONTROL

Section 4.1 - Improvements and Changes Require Prior Approval.

No Improvement of any kind shall be commenced, erected or maintained within the Property by an Owner, nor shall any exterior addition to or change or alteration be made in or to any Lot by an Owner until the plans and specifications showing the nature, color, kind, shape, height (including front, side and rear elevations), materials, and location of the same shall have been submitted to and approved in writing by the Association's Architectural Review Committee as to quality of workmanship and materials, harmony of external design and location in relation to surrounding structures, setback lines, topography and finish grade elevation. Except for any maintenance obligation voluntarily accepted in writing by the Board of Directors, Owners shall be responsible for maintenance and upkeep of any Improvement or modification constructed.

Section 4.2 - Appointment of Architectural Review Committee.

The Board may appoint an Architectural Review Committee composed of not less than three (3) nor more than seven (7) members. Committee members appointed shall be from the membership of the Association. A majority of the Committee may designate a representative to act on its behalf. Members of the Committee shall serve for a term of one (1) year. In the event of the death or resignation of any member of the Committee, a successor shall be appointed by the Board. Neither the members of the committee nor its designated representatives shall be entitled to any compensation for services performed pursuant hereto. In the event the Board has not appointed a Committee, it shall fulfill the duties of that Committee until such time as members are appointed to it in accordance with this Section.

Section 4.3 - Submission of Plans; Action by Committee.

Plans and specifications for the proposed Improvement shall be submitted to the Committee, secretary of the Association or professional management company, if any, by personal delivery or certified mail, return receipt requested. In the event the Committee fails to approve or disapprove the plans within forty-five (45) days after said plans and specifications have been submitted to it, the Owner requesting said approval may submit a written notice to the Board advising them of the Committee's failure to so approve or disapprove. If the Committee still fails to approve or disapprove said plans, within thirty (30) days after the receipt of said notice from the Owner, said plans and specifications shall be deemed approved.

Section 4.4 - Approval of Solar Energy Systems.

Any Owner proposing to install or use a solar energy system shall be subject to the same review and approval process as required in Section 4.1 for any Improvements. However, only reasonable restrictions on the installation and use of a solar energy system shall be permitted. Reasonable restrictions on a solar energy system are those restrictions which do not significantly increase the cost of the system or significantly decrease its efficiency or specific performance, as more specifically described in Civil Code Section 714. If an application for a solar energy system is not denied in writing within forty-five (45) days from the date of receipt of the application, the application shall be deemed approved, unless that delay is the result of a reasonable request for additional information.

Section 4.5 - Fee for Review.

The Committee shall have the right to establish a fee for the review and approval of plans and specifications that must be submitted to the Committee pursuant to the provisions of this Article. The Committee shall have the right to hire any architect, engineer, designer or other consultant, the opinion of which the Committee deems necessary in connection with its review of any plans submitted by an Owner, and such Owner shall be liable for payment of such fee.

Section 4.6 - Approval/Disapproval of Plans.

Any approval or disapproval of plans and specifications submitted to the Committee shall be in writing. An approval of plans by the Committee may be qualified. All qualifications imposed by the Committee must be in writing. If the plans and specifications are disapproved, in whole or in part, the written decision from the Committee shall include both an explanation of why the proposed change was disapproved and a description of the procedure for reconsideration of the decision by the Board.

Section 4.7 - Reconsideration.

If plans are disapproved, in whole or in part, the Owner is entitled to reconsideration by the Board if a written request is made within thirty (30) days of the Owner's receipt of the disapproval. The Board shall schedule a meeting for reconsideration of said Owner's plans and specifications to take place within thirty (30) days after receipt of such request. The Owner is entitled to be present at the meeting for reconsideration and to address the Board. The Owner shall also be entitled to bring one or more representatives to assist in explaining technical or design issues with regard to the plans and specifications. Said meeting for reconsideration does not need to be noticed to the membership of the Association. The Board shall have fifteen (15) days from the date of the meeting for reconsideration in which to render its decision in writing to the Owner. This Section 4.7 does not require reconsideration of a decision that is made by the Board where the Board is acting as the Committee pursuant to Section 4.2 herein.

Section 4.8 - Architectural and Landscaping Guidelines.

The Committee may, subject to review by the Board, from time to time adopt, amend and repeal architectural rules and regulations to be known as "Architectural and Landscaping Guidelines." The Architectural and Landscaping Guidelines rules shall interpret and implement the provisions of this Declaration and Civil Code Section 4765 by setting forth the standards and procedures for the review and approval of proposed Improvements and guidelines for architectural

design, placement of any work of Improvement or color schemes, exterior finishes and materials and similar features which are recommended for use within the Property, provided that the Architectural and Landscaping Guidelines shall not be in derogation of the minimum standards required by this Declaration. In the event of any conflict between the Architectural and Landscaping Guidelines and this Declaration, the Declaration shall control. The Architectural and Landscaping Guidelines shall be consistent with the procedures set forth in **Section 5.4** of this Declaration.

Section 4.9 - Owner Responsibility for Modification.

As a condition of approval for a requested architectural change, modification, addition or alteration, an Owner, on behalf of himself or herself and his or her successors-in-interest, shall assume all responsibilities for maintenance, repair, replacement and insurance for such change, modification, addition, or alteration. At the discretion of the Board or the Committee, an Owner may be required to verify such assumption of responsibility by written instrument acknowledged by such Owner on behalf of himself or herself and all successors-in-interest.

Section 4.10 - Waiver.

The architectural standards and the enforcement thereof may vary from one term of the Committee or Board to another term of the Committee or Board. These variances shall not constitute a waiver by the Committee or the Board of the right to adopt and enforce architectural standards under this Section. No decision by the Committee or Board shall bind subsequent decisions of the Committee or Board when reviewing subsequent plans and specifications for Owners. Nothing in this **Section 4.10** shall permit the Committee or the Board to retroactively enforce the Architectural and Landscaping Guidelines against any Owner whose architectural change was previously approved by a former Committee or Board pursuant to the then-existing Architectural and Landscaping Guidelines.

Section 4.11 - Inspection of Work.

With consent of the Owner, which consent shall not be unreasonably withheld, any member or authorized representative of the Committee may, at any reasonable hour and upon reasonable notice, enter and inspect any Lot which has been the subject matter of an approval of a submission for an Improvement. A request for inspection must be made within six (6) months after substantial completion of the Improvements. Such entry shall be made with as little inconvenience to the Owner as reasonably possible, and any damage caused thereby shall be repaired by the Association. If the Committee finds that such work was not performed in substantial compliance with the approved

plans and specifications, it shall notify the Owner in writing of such noncompliance, specifying the particulars of noncompliance and shall require the Owner to remedy the same within thirty (30) days from the date of notification of such noncompliance. If the noncompliance is not corrected within thirty (30) days, the Board may utilize the procedures set forth in **Section 14.17** of this Declaration.

Section 4.12 - Nonliability of Association or Committee Members.

Neither the Association, the Board or the Committee or designated representatives thereof, shall be liable for damages to any Owner submitting plans or specifications to them for approval, or to any Owner in the Project affected by this Declaration by reason of mistake in judgment, negligence or nonfeasance, unless due to willful misconduct or bad faith of that person. The Committee's approval or disapproval of a submission shall be based solely on the considerations set forth in this Article and the Architectural and Landscaping Guidelines, and the Committee shall not be responsible for reviewing, nor shall its approval of any plan or design be deemed approval of, any plans or design for purposes of structural safety and conformance with building or other codes.

Section 4.13 - Variances.

The Board shall be entitled to allow reasonable variances with respect to any restrictions in the Governing Documents in order to overcome practical difficulties, avoid unnecessary expense or prevent unnecessary hardships, provided that the following conditions are met: (a) If the requested variance will necessitate deviation from, or modification of, a property use restriction that would otherwise apply under these Governing Documents, the Board shall conduct a hearing on the proposed variance after giving at least ten (10) days prior written notice to the Committee and to all Lots within one hundred (100) feet of the property to which the variance applies. The Committee shall provide the Board with a recommendation regarding the variance request prior to the hearing. The Owners receiving notice of the proposed variance shall have thirty (30) days in which to submit written comments or objections to the Board regarding the variance. No decision shall be made with respect to the proposed variance until the thirty (30) day comment period has expired. (b) The Board shall make a good faith determination that (i) the requested variance does not constitute a material deviation from the overall plan and scheme of development within the Property or from any restriction contained herein or that the proposal allows the objectives of the violated requirement(s) to be substantially achieved despite noncompliance; or (ii) the variance relates to a requirement hereunder that it is unnecessary or burdensome under the circumstances; or (iii) the variance, if granted, will not result in a material detriment, or create an unreasonable nuisance, with respect to any other Lot, Common Area or Owner within the Property.

Section 4.14 - Annual Architectural Procedures Disclosure.

The Association shall annually provide its Members with notice of any requirements set forth in the Architectural and Landscaping Guidelines. The notice shall describe the types of changes that require Association approval and shall include a copy of the procedure used to review and approve or disapprove a proposed change.

Section 4.15 - Cease and Desist.

In the event unapproved architectural Improvements are commenced by or on behalf of an Owner or his or her tenant, the Association shall have the right to take immediate action to halt such activity, including issuing a cease and desist order and obtaining immediate judicial relief necessary to preserve the status quo.

Section 4.16 - Manufactured Homes.

With the exception of the Lots listed in **Section 1.27**, herein, which already contain a Manufactured Home, no other Lots in the Project may be improved with a Manufactured Home.

ARTICLE 5
DUTIES AND POWERS OF THE ASSOCIATION

Section 5.1 - General Powers and Authority.

The Association shall have all the powers of a nonprofit corporation under California law, subject only to the limitations in the Governing Documents. It may perform all acts which may be necessary for or incidental to the performance of the obligations and duties imposed upon it by the other Governing Documents. Its powers shall include those granted in its Bylaws and as set forth below.

5.1.1 Assessments.

The Association shall have the power to establish, fix, levy and enforce payment of Assessments against the Members in accordance with the provisions of the Governing Documents.

5.1.2 Adoption of Rules.

The Association shall have the power to adopt reasonable operating rules as set forth in **Section 5.4** of this Declaration.

5.1.3 Enforcement of Governing Documents.

The Association shall have the authority to enforce the Governing Documents as provided in **Section 14.17** of this Declaration.

5.1.4 Right of Entry.

The Association's agents or employees shall have the right to enter upon any Lot when necessary in connection with any maintenance, landscaping, or construction for which the Association is responsible or for any other purpose reasonably related to the performance by the Board of its responsibilities under this Declaration. Other than for emergency repairs in connection with any maintenance, landscaping, or construction for which the Association is responsible, the Association's agents or employees shall only have the right to enter any Lot to effect repairs, improvements, replacements, or maintenance which the Association reasonably deems necessary, or for any other purpose reasonably related to the performance by the Board of its responsibilities under this Declaration, after approval by two-thirds ($\frac{2}{3}$) vote of the Board. Such entry shall be made with as little inconvenience to the Owner as possible, and any damage caused thereby shall be repaired by the Association. Further, such entry for other than emergency repairs shall be made only after not less than three (3) days' notice has been given to the Owner.

5.1.5 Easements.

The Association shall have the authority, by document signed or approved by two-thirds ($\frac{2}{3}$) of the Board, to grant easements in addition to those shown on the tract map of the Project, where necessary for utilities, telecommunication services, and sewer facilities over the Common Lots to serve the Common Lots and the Lots. All other easements, such as those to accommodate adjoining property owners, require approval of a majority of a quorum of the Members.

5.1.6 Dedication.

The Association shall have the power to dedicate all or any part of the Common Lots to any public agency, authority or utility for such purposes and subject to such conditions as may be agreed to by the Members. No such dedication shall be effective unless approved by a majority of a quorum of the Members.

5.1.7 Management and Delegation of Powers.

The Association can delegate its powers, duties and responsibilities to committees or employees, including a professional manager, subject to the requirements of this Declaration.

5.1.8 Service Personnel.

The Association shall have the power to engage persons necessary for the effective operation and maintenance of the Association, including legal, management and accounting services.

5.1.9 Contracts.

The Association shall have the power to contract for goods and services for the benefit of the Project that are necessary for the Association to perform its duties and obligations hereunder, subject to the limitations set forth in **Section 5.3.3**.

5.1.10 Towing.

Any vehicle parked within the Project in violation of this Declaration or the Association Rules may be removed as provided for in accordance with the provisions of California Vehicle Code Section 22658 and any amendments thereto, or in accordance with City ordinances. The foregoing notwithstanding, the Association may cause the removal, without notice, of any vehicle parked in a marked fire lane, within fifteen (15) feet of a fire hydrant, or in a manner which interferes with any entrance to or exit from the Project or any Lot, garage or driveway located therein.

5.1.11 Special Tax Assessment District.

The Association shall have the power to establish in cooperation with the County of San Diego a special tax assessment district for the performance of all or a portion of the maintenance or other functions now within the responsibility of the Association.

Section 5.2 - Duties of the Association.

In addition to the duties delegated to the Association or its agents and employees elsewhere in these Governing Documents, the Association shall be responsible for the following:

5.2.1 Maintenance and Operation of Common Lots and Other Property.

The Association, acting through the Board, shall operate, maintain, repair or replace the facilities and improvements located in the Common Lots, which duty shall include maintenance of the Common Lots as provided in **Article 6**. The Association shall further maintain and manage all easements and all facilities, improvements, and landscaping thereon in which the Association holds an interest, and all personal property in which the Association holds an interest, subject to the terms of any instruments transferring such interests to the Association. The Association shall obtain, for the benefit of the Common Lots or the off-site easements owned by the Association, water, gas and electric, and other services as may be necessary. The Association shall also obtain through contract, for the benefit of the members and the entire development, services for refuse collection for the entire Property, including all Common Lots and all individual Lots.

5.2.2 Financial Reports.

The Association shall have the duty to prepare annual budgets, reports, balance sheets and operating statements for the Association as required under the Governing Documents.

5.2.3 Insurance.

The Association shall obtain and maintain such policy or policies of insurance as are required by this Declaration.

5.2.4 Discharge of Liens.

The Association shall discharge by payment, if necessary, any lien against the Common Area, and charge the cost thereof to the Member or Members responsible for the existence of the lien, after notice and a hearing, as provided in the Bylaws.

5.2.5 Assessments.

The Association shall fix, levy, collect, and enforce Assessments.

5.2.6 Payment of Expenses.

The Association shall pay all expenses and obligations incurred by the Association in the conduct of its business, including, without limitation, all licenses, taxes, or governmental charges levied or imposed against the property of the Association.

5.2.7 Conduct Reserve Studies.

At least once every three (3) years the Board shall cause a study of the reserve account requirements of the Project to be conducted if the current replacement value of the major components which the Association is obligated to repair, replace, restore, or maintain is equal to or greater than one-half (½) of the gross budget of the Association for any fiscal year, excluding the Association reserve account. The reserve study shall consist, in part, of a reasonably competent diligent inspection of the accessible area of the major components maintained by the Association.

Section 5.3 - Limitation on Board Authority.

Except with the vote or written assent of Owners casting a majority of the votes at a meeting or through a mail ballot where a quorum is represented, the Board shall not take any of the actions set forth below.

5.3.1 Sale of Association Property.

The Board shall not sell during any fiscal year property of the Association having an aggregate fair market value greater than five percent (5%) of the budgeted gross expenses of the Association for that fiscal year.

5.3.2 Compensation to Board Members.

The Board shall not pay compensation to members of the Board or to officers of the Association for services performed in the conduct of the Association's business, provided that the Board may reimburse a Board member for expenses incurred in carrying on the business of the Association.

5.3.3 Contracts in Excess of One Year.

The Board shall not enter into a contract with a third party to furnish goods or services for the Common Area or the Association for a term longer than one (1) year, subject to the following exceptions: (a) a contract with a public utility company if the rates charged for the materials or services are regulated by the Public Utilities Commission, provided the term does not exceed the shortest term for which the supplier will contract at the regulated rate; (b) prepaid casualty or liability insurance policies not to exceed three (3) years duration provided the policy permits short rate cancellation by the insured; (c) agreements for sale or lease of burglar alarm and fire alarm equipment, installation and services of not to exceed five (5) years duration; (d) agreements for

provision of bulk rate cable, telecommunication services, and/or internet, not to exceed five (5) years in duration; (e) loan agreements not exceeding ten (10) years.

Section 5.4 - Adoption of Rules.

The Board shall have the power to adopt reasonable operating rules governing the Project, use of the Common Lots and any facilities located thereon, and of any other Association property, all in accordance with Civil Code Sections 4340 through 4365. Such rules may include, but are not limited to, reasonable restrictions on use by the Members and their guests, rules of conduct, and the setting of reasonable fees for the use of recreational facilities. Rules must be in writing and must be consistent with applicable law and the Governing Documents. A copy of the current Association Rules shall be provided to each Member.

5.4.1 Review and Comment Period.

Prior to enacting rules, the Association shall provide Owners with a thirty (30) day advance notice of a rule adoption or change, which shall include a copy of the proposed rule and a description of the purpose and effect of the proposed rule, and allow Owners to provide comments to the Board regarding the proposed rule. After the thirty (30) day comment period has expired, the Board shall meet to discuss any comments received, and decide whether to proceed with adoption of the proposed rule. If the rule is adopted, the Board shall provide notice to the Owners of the rule adoption within fifteen (15) days of adopting the rule.

5.4.2 Special Membership Meeting to Reverse Rule Change.

Members of the Association representing five percent (5%) or more of the Lots may request a special vote of the Members to reverse a rule change, all in accordance with Civil Code Section 4365.

5.4.3 Emergency Rules.

The Board may enact a temporary emergency rule dealing with any class or type of rule if the Board determines that an immediate rule change is necessary to address an imminent threat to public health or safety or imminent risk of substantial economic loss to the Association. The Board shall provide notice to the Owners of adoption of the emergency rule within fifteen (15) days of its adoption, which shall include the text of the rule change, a description of the purpose and effect of the rule change and the date that the rule change expires. Such an emergency rule may be

effective for up to 120 days, and may not be re-adopted as an emergency rule under this Section but may be re-adopted pursuant to **Section 5.4.1** above.

Section 5.5 - Pledge of Assessment Rights.

The Association shall have the power to pledge the right to exercise its Assessment powers in connection with obtaining funds to repay a debt of the Association; provided, however, (i) any such pledge shall require the prior affirmative vote or written assent of a majority fifty-one percent (51%) of the voting power present in person at a duly and validly held meeting of the Members or by written consent as set forth in the Bylaws and (ii) no such pledge shall include any portion of Annual Assessments relating to reserves. Said power shall include, but not be limited to, the ability to make an assignment of Assessments which are then payable to or which will become payable to the Association, which assignment may be then presently effective but shall allow said Assessments to continue to be paid to and used by the Association as set forth in this Declaration, unless and until the Association shall default on the repayment of the debt which is secured by said assignment. The Association may levy Special Assessments against the Members to obtain such funds. Upon the failure of any Member to pay said Special Assessment when due, the Association may exercise all its rights, including, without limitation, the right to foreclose its lien, pursuant to **Article 3.11** hereof entitled "Collection Remedies." Without limiting the generality of the foregoing, any pledge of Assessment rights in excess of an amount equal to twenty-five percent (25%) of the total Annual Assessments collected by the Association in the then preceding accounting year, shall require the prior written approval of seventy-five percent (75%) of the Eligible Mortgagees based on one (1) vote for each First Mortgage held, provided those Eligible Mortgagees have met the notification requirements of **Section 13.3**.

Section 5.6 - Emergency Powers.

The Association, through the Board or any person authorized by the Board may enter any Lot in the event of any emergency arising from a condition upon a Lot which poses imminent danger to any other Lot, an Owner, or to the Common Lots. Such entry shall be made with as little inconvenience to the Owners as practicable, and any damage caused thereby shall be repaired by the Association unless covered by insurance carried by the Owner.

ARTICLE 6
REPAIR AND MAINTENANCE

Section 6.1 - Repair and Maintenance by Association.

Except to the extent that an Owner may be obligated to maintain and repair as hereinafter provided, and without limiting the generality of the statement of duties and powers contained in this Declaration and any other Project Document, the Association shall have the duty to accomplish the following upon the Property in such manner and at such times as the Board shall prescribe. The costs of any such maintenance and repair pursuant to this Section shall be paid out of the general funds of the Association, except as otherwise herein specified as payable by the particular Owners.

(a) maintain, repair, restore, replace and make necessary improvements to the Common Lots and any off-site easements owned by the Association, including without limitation, the following:

- (i) roads (including gutters), walkways, slopes and sidewalks;
- (ii) drainage facilities and easements in accordance with the requirements of the local authorities;
- (iii) tennis courts, pools, spa, recreational facility, well, Slope Irrigation Line, and Guest Parking Area.
- (iv) the RV Area and Storage Area on Common Lot 336, including the maintenance/equipment storage building and storage unit buildings thereon.

(b) maintain, repair, restore, replace and make necessary improvements to:

- (i) Annexed Open Space Easement Areas and improvements, in any, located thereon; and
- (ii) the sewer line running from the Project across certain adjacent properties and ultimately running under Interstate 8 to an existing Alpine Sanitation District sewer trunk line;

(c) maintain all other areas, facilities, equipment, services or aesthetic components of whatsoever nature as may from time to time be requested by the vote or written consent of at least a majority of the Members of the Association.

Section 6.2 - Repair and Maintenance by Owner.

Except to the extent that the Association shall be obligated to maintain, install and repair as may be provided in this Declaration, every Owner shall be responsible for the following maintenance, installation and repair:

(a) Every Owner shall maintain all Improvements located on their Lots in good condition and repair and shall procure and maintain a policy of fire and casualty insurance with extended coverage for full replacement value of said Improvements.

(b) All yards shall be maintained in an attractive condition as described in Section 7.4(b) hereafter and in the Architectural and Landscaping Guidelines. Each Owner shall endeavor to install drought resistant landscaping, primarily of living plants, trees and shrubs, and water conserving irrigation systems. It shall be understood that the maintenance of landscaping in an attractive and neat manner shall be subject to any water restrictions that may from time to time be imposed by a local water district or other governmental jurisdiction.

(c) Every Owner shall maintain smoke detectors and "Pull Station" alarms in good working order.

(d) In the event the Board shall determine that any walls and fences have been damaged, the Owner of the Lot shall be responsible for repairing such damage in a timely manner and in accordance with such rules as the Board or Architectural Review Committee shall from time to time adopt. In the event such repair is not so accomplished by the Owner, the Association or its delegates shall have the right at reasonable times to enter the Owner's Lot to effect such repair. The cost thereof shall be charged to the Owner and, if not paid in a timely manner, shall be an Individual Assessment and enforceable in accordance with the provisions of this Declaration applicable thereto.

Section 6.3 - Right of Association to Maintain and Install.

In the event that an Owner fails to accomplish any maintenance, repair or installation required by this Article or pay his share of expenses incurred in the accomplishment of the same, the

Association or its delegates may, but shall not be obligated to, cause such maintenance, repair and installation to be accomplished or such payment to be made to the appropriate parties (said maintenance, repair, installation or lack of payment shall be referred to in this Article as a “deficiency”) as hereinafter set forth.

(a) Upon finding by the Board of a deficiency, the Board shall give notice of the deficiency to the violating Owner which shall briefly describe the deficiency and set a date for the cure thereof. If the violating Owner submits a written request to the Board for a hearing within fifteen (15) days after the mailing of such deficiency notice, the Board shall set a date for such hearing before the Board or a committee selected by the Board for such purpose. The Board may delegate its powers under this subsection to a duly appointed committee of the Association.

(b) such hearing shall be held not less than ten (10) nor more than thirty (30) days from the date of said request for hearing.

(c) such hearing shall be conducted according to such reasonable rules and procedures as the Board shall adopt which shall provide the Owner with the right to present oral and written evidence and to confront and cross-examine any person offering at such hearing evidence adverse to such Owner. If the Board or any such committee renders a decision against the Owner, it may set another date by which the deficiency is to be corrected by the Owner. A decision of such committee may be appealed to the Board, but a decision of the Board shall be final.

(d) If the deficiency continues to exist after the time limitation set forth in the deficiency notice or, in the event a hearing is held, the date imposed by a final decision of the Board or any such committee, the Board or such committee may cause such maintenance, repair or installation to be accomplished or such payment to be made.

(e) In the event the Board or such committee elects to cause such maintenance, repair or installation to be accomplished, it shall give written notice of such election to the violating Owner and the following shall apply:

(i) The Owner shall have no more than ten (10) days following the receipt thereby at said written notice of election in which to select a day or days upon which such maintenance, repair or installation work shall be accomplished;

(ii) The date which said Owner selects shall be not more than thirty (30) days following the last day of the ten (10) day period specified in such notice of election;

(iii) If said Owner does not select such day or days within the ten (10) day period specified in such notice of election, the Board or such committee may select a day or days upon which such work may be accomplished which shall be not more than fifty-five (55) days from the last day of the ten (10) day period specified in such notice or election; and

(iv) Unless the Owner and the Board otherwise agree, such maintenance or installation shall take place only during daylight hours on any day, Monday through Friday, excluding holidays, provided that the Board has first given reasonable notice to the Owner.

(f) If the Association pays for all or any portion of correcting such deficiency or if an Owner has not paid his share of the maintenance and repair expenses as set forth in this Article regardless of whether the Association has reimbursed the appropriate parties or Owners pursuant to this Section, such amount shall be an Individual Assessment to the violating Owner and his Lot.

Section 6.4 - Standards for Maintenance and Installation.

(a) Maintenance of the exterior of the dwelling and Lots shall be accomplished in accordance with the Architectural and Landscaping Guidelines and, if required by the Architectural and Landscaping Guidelines, only after approval of the Architectural Review Committee.

(b) In addition to any rules promulgated by the Board therefor, maintenance of all landscaping and other areas of a Lot shall include without limitation, the regular irrigation, fertilization and cleaning thereof to prevent rubbish or debris of any kind from being either placed or permitted to remain or accumulate thereupon, or adjacent to the Lot, so as to render such Lot or portion thereof unsanitary, unsightly, offensive or detrimental to other residents within the Project.

Section 6.5 - Right of Entry.

The Association shall have the right to enter upon any Lot in connection with any exterior maintenance, repair or construction in the exercise of the powers and duties of the Association.

Section 6.6 - Maintenance of Public Utilities.

Nothing contained herein shall require or obligate the Association to maintain, replace or restore the facilities of public utilities which are located within easements in the Common Lots owned by such public utilities. However, the Association shall take such steps as are necessary or convenient to ensure that such facilities are properly maintained, replaced or restored by such public utilities.

ARTICLE 7
INSURANCE

Section 7.1 - Association Insurance Coverage.

The Association shall purchase, obtain and maintain the following types of insurance, if and to the extent they are available:

7.1.1 Fire and Casualty.

The Association shall obtain and maintain a master or blanket policy of fire and casualty insurance, replacement cost basis, on all Common Lots within the Property, except as provided in Sections 7.2 and 7.7 below. The insurance shall be kept in full force and effect at all times.

7.1.2 Liability.

A commercial public liability insurance policy insuring the Association, its agents, and the Owners against any liability incident to the ownership, maintenance and repair of the Common Lots or any other Association owned or maintained real or personal property.

7.1.3 Worker's Compensation.

Worker's compensation insurance to the extent required by law.

7.1.4 Directors' Liability.

Directors and officers liability insurance.

7.1.5 Fidelity Bond.

Fidelity bond coverage for the Association's directors, officers, and employees in an amount that is equal to or more than the combined amount of the reserves of the Association and

total assessments for three months. The Association's fidelity bond shall also include coverage for computer fraud and funds transfer fraud. If the Association uses a managing agent or management company, the Association's fidelity bond shall additionally include coverage for dishonest acts by that person or entity and its employees. (Civil Code Section 5806)

7.1.6 Other Insurance.

Such other insurance as the Board in its discretion considers necessary or advisable.

Section 7.2 - Scope of Coverage.

The Board shall have the sole authority to determine the amount, terms, and coverage of any policy required hereunder. The amount, terms, and coverage of policies other than casualty required hereunder (including the type of endorsements, the amount of the deductible, the named insureds, the loss payees, standard Mortgagee clauses, and notices of changes or cancellations) shall be no less than that which is customary for similar policies on similar projects in the area, except that the Board will make every effort to obtain the minimum coverages set forth in Civil Code Section 5805(b) to protect Owners from being named as parties to a lawsuit in regard to actions arising out of personal injuries occurring on the Common Lots.

Section 7.3 - Insurance Trustee.

Each Owner appoints the Association or any insurance trustee designated by the Association to act on behalf of the Owners in connection with all insurance matters arising from any insurance policy maintained by the Association, including, without limitation, representing the Owners in any proceeding, negotiation, settlement, or agreements.

Section 7.4 - Waiver of Subrogation.

Any insurance maintained by the Association shall contain a waiver of subrogation as to the Association's officers, directors, and Members, the Owners and occupants of the Lots and Mortgagees, and, if obtainable, a cross-liability or severability of interest endorsement insuring each insured against liability to each other insured.

Section 7.5 - Owner's Insurance Obligations.

Each Owner shall obtain insurance on his Lot and all Improvements and personal property thereon. Nothing herein shall preclude any Owner from carrying any public liability insurance as he may deem desirable to cover his individual liability for damage to person or property occurring on

his Lot or elsewhere upon the Project. If obtainable, such liability insurance coverage carried by an Owner shall contain a waiver of subrogation of claims against the Association, the Board, their agents and employees and all other Owners. If any loss intended to be covered by insurance carried by the Association shall occur and the proceeds payable thereunder shall be reduced by reason of insurance carried by any Owner, such Owner shall assign the proceeds of such insurance carried by him to the Association to the extent of such reduction, for the application by the Board to the same purposes as the reduced proceeds are to be applied.

Section 7.6 - Annual Insurance Review.

The Board shall review the insurance carried by or on behalf of the Association at least annually, for the purpose of determining if such insurance is adequate. Such responsibility may be performed and shall be deemed reasonably performed by the Board requesting the Association's insurance agent to verify that the insurance policies in existence meet the needs of the Association.

Section 7.7- Failure to Acquire Insurance.

The Association, and its directors and officers, shall have no liability to any Owner or Mortgagee 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 Owners fail to approve any Assessment increase needed to fund the insurance premiums. In such event, the Board promptly shall notify each Owner and any Mortgagee entitled to notice that the specific insurance will not be obtained or renewed. In making a determination as to whether to acquire any such insurance, the Board may base its decision upon, among other things, a vote of the Owners.

ARTICLE 8

DESTRUCTION OF IMPROVEMENTS

Section 8.1 - Duty of Association.

In the event of partial or total destruction of improvements upon the Common Lots or the off-site easements owned by the Association, it shall be the duty of the Association to restore and repair same as promptly as practical pursuant to this Article. The proceeds of any casualty insurance maintained pursuant to this Declaration shall be used for such purpose, subject to the prior rights of Mortgagees whose interest may be protected by said policies.

Section 8.2 - Automatic Reconstruction.

In the event that the amount available from the proceeds of such insurance policies for such restoration and repair shall be at least eighty-five percent (85%) of the estimated cost of restoration and repair, a Special Assessment, with each Lot being assessed a like sum, may be levied by the Association to provide the necessary funds for such reconstruction, over and above the amount of any insurance proceeds available for such purpose, and the Board shall cause the damaged or destroyed Common Lot to be restored as closely as practical to its condition prior to the destruction or damage.

Section 8.3 - Vote of Members.

In the event that the amount available from the proceeds of such insurance policies for such restoration and repair shall be less than eighty-five percent (85%) of the estimated cost of restoration and repair, the improvements shall be replaced or restored unless twenty-five percent (25%) or more of the voting power of the Association objects in writing to such replacement or restoration or votes against the same at a meeting duly called therefor. Such written objections or vote must include at least twenty-five percent (25%) or more of the Members. If the Members do not disapprove such replacement or restoration, the Board shall levy a Special Assessment, with each Lot being assessed a like sum, in order to provide the necessary funds for such reconstruction, over and above the amount of any insurance proceeds available for such purpose, and the Board shall cause the damaged or destroyed Common Lot to be restored as closely as practical to its former condition prior to the destruction or damage. In the event of a determination, as provided above, not to replace or restore the improvements on the Common Lots, the Common Lots shall be cleared as necessary to avoid danger to the Owners and the costs thereof shall be paid for with the insurance proceeds, and any deficiency may be raised by Special Assessments in an amount determined by the Board.

Section 8.4 - Excess Insurance Proceeds.

In the event any excess insurance proceeds remain, after any reconstruction or demolition and clearing by the Association pursuant to this Article, the Board, in its sole discretion, shall distribute such sums pro rata equally to the Owners subject to the prior rights of Mortgagees whose interest may be protected by insurance policies carried by the Association. In the absence of such prior rights, the rights at an Owner and the Mortgagee of his Lot as to such pro rata distribution shall be governed by the provisions of the Mortgage encumbering such Lot.

Section 8.5 - Use of Reconstruction Special Assessments.

All amounts collected as reconstruction Special Assessments shall only be used for the purpose set forth in this Article and shall be deposited by the Board in a separate bank or savings and loan association account to be held in trust for such purposes. Such funds shall not be commingled with any other funds of the Association and shall be deemed a contribution to the capital account of the Association by the Members. Any excess amounts which are so collected shall be treated in the same manner as set forth in **Section 8.4** above.

ARTICLE 9
EMINENT DOMAIN

Section 9.1 - Definition of Taking.

The term "Taking" as used in this Article shall mean condemnation by eminent domain or sale under threat of condemnation of all or any portion of the Common Lots or the off-site easements owned by the Association.

Section 9.2 - Representation by Board in Condemnation Proceedings.

In the event of a threatened Taking of all or any portion of the Common Lots or the off-site easements owned by the Association, the Members hereby appoint the Board and such persons as the Board may delegate to represent all of the Members in connection with the Taking. The Board shall act in its sole discretion with respect to any awards being made in connection with the Taking and shall be entitled to make a voluntary sale to the condemnor in lieu of engaging in a condemnation action.

Section 9.3 - Inverse Condemnation.

The Board is authorized to bring an action in inverse condemnation. In such event, the provisions of this Article shall apply with equal force.

Section 9.4 - Award for Common Lots.

Any awards received on account of the Taking of Common Lots and the off-site easements owned by the Association shall be paid to the Association. The Board may in its sole discretion retain any award in the general funds of the Association or distribute pro rata all or a portion thereof to the Members. The rights of an Owner and the Mortgagee of his Lot as to any pro rata distribution shall be governed by the provisions of the Mortgage encumbering such Lot.

ARTICLE 10
USE RESTRICTIONS

Section 10.1 - Responsibility to Comply with Governing Documents.

Each Owner of a Lot shall be responsible for ensuring that the Owner's family, guests, tenants and all occupants of the Owner's Lot comply with all provisions of the Governing Documents. In addition to any rights the Association may have against the Owner's family, guests, tenants or occupants, the Association may take action under this Declaration against the Owner as if the Owner committed the violation in conjunction with the Owner's family, guests, tenants or occupants.

Section 10.2 - Commercial Use.

No business or commercial activities of any kind whatsoever shall be conducted on any Lot without the prior written approval of the Board, provided that the foregoing restriction shall not apply to the signs or activities of the Association in the discharge of its responsibilities under the Governing Documents. Furthermore, no restrictions contained in this Section shall be construed in such a manner so as to prohibit any Owner from (a) maintaining his or her personal library in his or her residence, (b) keeping his or her personal business records or accounts therein, (c) handling his or her personal or professional telephone calls or correspondence therefrom, (d) leasing or renting his or her residence in accordance with **Section 14.13** hereof, or (e) conducting any other activities otherwise compatible with residential use and the provisions of this Declaration which are permitted under applicable zoning laws or regulations without the necessity of first obtaining a special use permit or specific governmental authorization. The uses described in this **Section 10.2** are incidental to the principal residential use of the Lot and shall not constitute a violation of this Section.

Section 10.3 - Nuisance.

No noxious or offensive activities shall be conducted within or upon any portion of the Property nor shall anything be done or permitted within any Lot which is or could become an unreasonable annoyance or nuisance to the neighborhood. Without limiting any of the foregoing, no Owner shall permit noise of any sort, including, but not limited to, barking dogs, the operation of air conditioners, stereo amplifier systems, television sets, motor vehicles and power tools, to emanate from an Owner's Lot or any portion of the Common Area which would unreasonably disturb other Owners' enjoyment of their Lots or the Common Area. Excessive noise levels may be

determined in the sole discretion of the Board which may, but shall not be obligated to, rely on the County Code or other applicable governmental regulation dealing with such matters.

Section 10.4 - Insurance, Compliance with Law and Owner Personal Property.

Nothing shall be done or kept in any Lot or in the Project that might increase the rate of, or cause the cancellation of, insurance on the Project, or any portion of the Project, without the prior written consent of the Board. No Owner shall permit anything to be done or kept in his or her Lot that violates any permit, law, ordinance, statute, rule or regulation of any local, county, state or federal body. No Owner shall allow furniture, furnishings, or other personal property belonging to such Owner to remain within any portion of the Project except in such Owner's Lot except as may otherwise be permitted by the Board.

Section 10.5 - Temporary Structures.

No structure of a temporary or permanent character, to include vehicle shelters, trailers, basements, shacks, barns or other outbuildings shall hereafter be used on any Lot at any time, either temporarily or permanently, without the prior written approval of the Architectural Review Committee. The erection of family camping type tents for the purpose of cleaning or preparation for camping trips is approved for a period not to exceed forty-eight (48) hours. Garden storage sheds are permitted as long as they are placed in a position to present a neat appearance from the street and adjoining Lots.

Section 10.6 - Vehicles and Parking Restrictions.

(a) As used in this section, "conventional vehicles" shall be defined as passenger sedans, station wagons, sport utility vehicles (SUV), vans, compact and subcompact cars, pick-up trucks and motorcycles. Pick-up trucks and vans with racks, shells, camper shells or similar additions, extending more than one (1) foot above the cab level are not considered "conventional vehicles" for purposes of this section.

(b) As used in this section, "commercial vehicles" are defined as trucks of greater than one (1) ton capacity, pick-up trucks or vans with additions extending more than one (1) foot above the cab level, any vehicle with commercial advertising on any part thereof or vehicles with materials or tools visible, or vehicles with a body type normally employed as a business vehicle, whether or not a sign is displayed on any part thereof. Vehicles with signs that only portray business

name, location and phone numbers, or vehicles with signs of a temporary nature (such as magnetic signs) shall be classified as “conventional vehicles” as long as they satisfy the additional criteria of Section 11.5(a). The type of motor vehicle license plate shall not be material to the foregoing definition.

(c) As used in this section, “motorhomes” or “recreational vehicles” (RV) shall be defined as motor vehicles built on a truck or bus chassis and primarily designed as self-contained living quarters for recreational travel and camping. Vans and pick-up trucks with shells or other structures which are primarily used as living quarters or camping spaces and which extend more than one (1) foot above the cab level shall be considered as “motorhomes.” Camping trailers and boats/trailers will be considered “recreational vehicles.” Except as noted in following subsections, all motorhome/recreational vehicles must be parked in the community RV Storage Area, subject to such conditions, fees, and rules/regulations governing the use of such area as may be imposed by the Board of Directors.

(d) Only “conventional vehicles” are permitted to park on Crown Hills Community Association property. Except as provided in the following subsections, no “commercial vehicles” or “motor homes/recreational vehicles” or equipment shall be permitted to remain upon the property, including, without limitation, streets, alleys and driveways. Parking of “conventional vehicles” is permitted in garages, driveways, and other designated areas only. Parking on or driving on other areas, including grass, is not permitted. Vehicles parked in violation of this section are subject to towing at the owners expense. Towing hours shall be posted and are at the discretion of the Board of Directors.

(e) Temporary on-street parking is permitted under the following guidelines:

(i) For “conventional vehicles” Association Members and permanent residents of that household may temporarily park on Association streets for the purpose of loading/unloading or for the temporary movement of vehicles in/out of garages between the hours of 5:00 a.m. and midnight only. Vehicles parked on Association streets between the hours of midnight and 5:00 a.m. will be subject to towing.

(ii) For “commercial vehicles” temporary parking is permitted only when such vehicles are involved in furnishing commercial services or delivery to the Association or its

homeowners. Upon completion of the services or delivery, the “commercial vehicle” shall be removed from Association property.

(iii) For “motorhomes/recreational vehicles”, temporary parking in front of the owners residence, for the sole purpose of loading or unloading the unit, is permitted between the hours of 5:00 a.m. and midnight only.

(iv) Guests should be encouraged to use guest-parking areas. However, guests may park in the host Member’s driveway or in the immediate vicinity of the Member’s home. Guest vehicles parked on the Association streets between the hours of midnight and 5:00 a.m. will be subject to towing.

(f) Temporary parking in guest parking areas is permitted under the following guidelines:

(i) Association Members and permanent residents of that household may utilize the guest-parking areas only if parking is unavailable in their garage or driveway. Use of guest-parking areas by Members will be for a temporary period only.

(2) Association Members and permanent residents of that household shall not utilize guest-parking areas for long-term parking. Member’s vehicles determined to be parked “long-term” (in excess of 96 hours) will be subject to towing. Temporary passes may be authorized by the management company or its representative.

(iii) Guests will be permitted to park in guest-parking areas for a period of up to 96 hours. Members must obtain a “Guest Parking Permit” for a guest’s vehicle that will be parked in excess of 96 hours. Permits must be obtained in advance and prominently displayed in the guest’s vehicle. Guest vehicles parked in guest-parking areas longer than 96 hours and not displaying a valid Permit, or having an expired Permit, will be subject to towing.

(g) Servicing motorized vehicles is permitted subject to the following guidelines:

(i) No “conventional vehicle,” “commercial vehicle,” “motorhome/recreational vehicle,” or any other motorized vehicle may be dismantled, rebuilt, repaired, repainted, or serviced while parked in front of residences.

(ii) Minor servicing, such as changing propane tanks, charging batteries, inflating tires, washing units, and dumping holding tanks at the Dump Station, for vehicles stored in the Association Storage Lot is permitted.

(iii) No servicing of internal vehicle fluids with potential to cause environmental harm is permitted on any Association Lot, including the Storage Lot. This includes, but is not limited to, engine oil, brake fluids, transmission fluids and radiator fluids.

(h) When utilized, covers for vehicles parked at residences will be custom-fitted and neutral in color. The use of brightly-colored or camouflage tarpaulins is prohibited.

(i) The Association Board of Directors may adopt additional rules for the regulation of parking on Association streets, in guest-parking areas, or elsewhere within the community. These rules may include the assessment of charges to Owners who violate such rules.

Section 10.7 - Animals.

No animals, livestock or poultry of any kind, specifically including, without limitation, horses, shall be raised, bred or kept upon the Association Property, except dogs, cats or other household pets may be kept on the Lots, provided they are not kept, bred or maintained for any commercial use, or in numbers deemed unreasonable by the Board. Notwithstanding the foregoing, no animals or fowl may be kept on the Lots which in the good faith judgment of the Board or a Committee selected by the Board for this purpose, result in an annoyance or are obnoxious to residents in the vicinity. All animals permitted to be kept by this Section shall be kept on a leash when on any portion of the Property except within a Lot.

10.7.1 Owner Responsibility for Conduct of Pet.

Each person bringing or keeping a pet on the Property shall be solely responsible for the conduct of such pets.

10.7.2 Association Not Responsible for Conduct of Pets.

The Association, its Board, officers, employees and agents shall have no liability (whether by virtue of this Declaration or otherwise) to any Owners, their family members, guests, invitees, tenants and contract purchasers for any damage or injury to persons or property caused by any pet.

Section 10.8 - Oil and Mineral Rights.

No oil drilling, oil development operations, oil refining, quarrying, or mining operations of any kind shall be permitted upon or in the Property nor, subsequent to the recording of this Declaration, shall oil wells, tanks, tunnels, or mineral excavations or shafts be installed upon the surface of the Property or within five hundred (500) feet below the surface of such properties. No derrick or other structure designed for use in boring for oil or natural gas shall be erected, maintained or permitted upon the Property. The Board may authorize drilling and all related activity and equipment for the purpose of construction and/or creation of a water well to be used for the benefit of the Common Lots and Association Members.

Section 10.9 - Unsightly Items.

All weeds, rubbish, debris, or unsightly material shall be regularly removed from the Lots and shall not be allowed to accumulate thereon. Refuse containers and trash cans shall not be stored on the front of the house facing the street but shall be kept behind the corner of the house nearest the street and shall be placed in a manner consistent with minimizing their visibility from the street. For purposes of this section, refuse containers shall be deemed in compliance if they are placed neatly against the exterior wall of the home.

Section 10.10 - Drainage.

All drainage of water from any Lot shall drain or flow into adjacent streets or concrete drainage ditches and shall not be allowed to drain or flow upon, across, or under any other portion of the Association Property unless an easement for such purpose is granted. An Owner shall not alter the drainage of water which exists pursuant to the drainage plan originally created at the time of the initial sale of his Lot by Declarant except through the use of a positive drainage device which does not materially affect the concentration or flow direction of drainage water under said drainage plan.

Section 10.11 - Dwelling Installation.

No Dwelling or other exterior improvement or structure of any kind on a Lot shall be installed, commenced, erected, placed, altered or painted until the same has been approved in writing by the Architectural Review Committee; provided, however, complete plans and specifications showing the nature, kind, shape, color, size, height and materials and location of such improvements, alterations, etc., shall have been submitted to the Architectural Review Committee for approval as to quality of workmanship and design and harmony of external design with existing structures, and as to location in relation to surrounding Project structures, lighting mitigation, topography, and finish grade elevation. No permission or approval shall be required to repaint or to rebuild in accordance with plans and specifications previously approved by the Architectural Review Committee.

Section 10.12 - Window Covers.

Curtains, drapes, shutters or blinds may be installed as window covers. No window shall be covered with aluminum foil, newspaper or other material not designed for use as a window cover.

Section 10.13 - Dwelling Design & Limitations.

10.13.1 Minimum Size.

No Dwelling shall be erected upon any Lot having a total floor area (exclusive of porches, patios, garages, other accessory buildings, exterior stairways or landings) of less than 1,100 square feet.

10.13.2 Height Limitations.

Dwellings shall be limited in height to one (1) story, exclusive of chimneys, flues and similar rooftop protrusions.

10.13.3 Garages.

No Dwelling shall be constructed or maintained on a Lot without a garage. Any garage constructed or placed upon any Lot (whether it be an accessory structure or part of the main Dwelling structure) shall be constructed large enough to contain at least two (2) standard sized automobiles.

10.13.4 Exteriors and Roofs.

The exteriors and roofs of all Dwellings shall be constructed with fire retardant materials and the materials and colors of such exteriors and roofs shall otherwise comply with the Architectural and Landscaping Guidelines.

10.13.5 Local Ordinances.

No Dwelling or any other structure or improvement shall be placed upon any Lot unless the same is in conformance with all applicable government ordinances and regulations.

Section 10.14 - Single-Family Residential.

All Lots shall only be used for the residential purposes of a single household.

Section 10.15 - Maintenance by Owner.

The Owner of each Lot shall maintain his Lot, including the Improvements which are a part thereof, in a clean and attractive condition. Without limiting the generality of the foregoing, the Owner of each Lot shall: (a) keep his Lot free from rubbish, litter and noxious weeds, (b) maintain, cultivate and keep in good condition and repair, shrubs, trees, grass, lawns, plantings and other landscaping located or from time to time placed upon his Lot, (c) trim and restrain all trees, shrubs or plantings of any kind so that they shall not be allowed to overhang or otherwise encroach upon, above or below any sidewalk or street, unless prior approval of the Architectural Review Committee is obtained, (d) maintain in good condition and repair and adequately painted or otherwise finished all Improvements which are from time to time a part of his Lot, and (e) maintain all paved surfaces and keep them clean, reasonably dry and free of oil and other extraneous matter.

Section 10.16 - Structural Alterations and Improvements.

No exterior structural alteration to any Lot shall be made, constructed or maintained within the Property, until the plans and specifications have been approved by the Architectural Review Committee in the manner set forth in Article 4 hereof and in the Architectural and Landscaping Guidelines.

Section 10.17 - Fences and Walls.

(a) Fences and walls shall be constructed of materials and in colors that comply with the Architectural and Landscaping Guidelines applicable to fences and walls. On the side of the

residence where the utility meters are located, side fences shall be located at least ten (10) feet back from the corner of the residence nearest the street. In any event, the fence shall not be installed between the meters and the street. On the opposite side of the residence, exclusive of an existing garage, the side wall shall not be installed beyond the corner of the residence nearest the street. Maximum height for a fence and gates shall be six (6) feet.

(b) Wrought iron fences shall be constructed of vertical members spaced at four (4) inches maximum. Wrought iron fences may be light or dark in color. The color should match fence colors in surrounding area.

(c) Under rare circumstances, minor deviations to these standards may be approved by the Architectural Review Committee. Fences that are built without Architectural Review Committee approval will be subject to removal at the owner's expense.

Section 10.18 - Exterior Lights and Motion Sensors.

All exterior lights and motion sensors must be installed so as to reflect light downward, away from the road or streets. The shining of lights towards or into adjoining lots should be avoided.

Section 10.19 - Residential Care Facilities.

Residential care facilities shall be permitted to the extent that they provide 24-hour non-medical care to six (6) or fewer persons and comply with all applicable laws and regulations concerning licensing, insuring, and operating such facilities. Except as otherwise specifically provided by law, the operation of any such residential care facilities shall at all times be subject to the provisions of the Governing Documents.

Section 10.20 - Abandoned Personal Property.

Personal property, other than vehicles which are not subject to this section, shall not be stored, kept, or allowed to remain for a period of more than twenty four (24) hours upon any portion of the Common Lots.

If the Board or its designate, in its sole discretion, determines that the property has been abandoned or is being kept, stored, or allowed to remain on the Common Lots in violation of this Section, the Board may place a notice on the personal property and/or on the front door of the Owner's Lot specifying the nature of the violation and stating that after two (2) days the property

may be removed and either discarded or stored by the Board in a location which the Board may determine, at the Owner's or user's sole cost and expense. The notice shall include the name and telephone number of the person or entity which will remove the property and the name and telephone number of a person to contact regarding the alleged violation.

If two (2) days after such notice is placed on the personal property and/or the front door of the Lot, the violation continues or thereafter occurs within six (6) months of such notice, the personal property maybe removed in accordance with the notice, without further notice to the Owner or user of personal property.

If the Board, in its discretion, determines that an emergency situation exists, the personal property abandoned or stored in violation of this Section may, without prior notice to the Owner or user of the personal property, be removed or either discarded or stored by the Board in a location which the Board may determine at the Owner's or user's sole cost and expense; provided, however, the Board shall give to the Owner notice of the removal of the property and the location of the personal property within three (3) days after the personal property is removed.

If personal property is removed in accordance with this Section, neither the Association nor any officer or agent of the Association shall be liable to any person for any claim of damage resulting from the removal activity. Notwithstanding anything to the contrary herein, the Board may elect to impose fines or use other available sanctions, rather than exercise its authority to remove abandoned or improperly stored personal property, as set forth herein

Section 10.21 - Exceptions.

The restrictions set forth in **Article 4** and in this **Article 10** shall not and do not apply to any of the following:

- (a) Any part of the Property which is owned by any public body;
- (b) Any acts done or proposed to be done upon the Property, or any condition created thereon, by any governmental agency or entity, or the agents or employees of any governmental entity acting in the scope of their authority as such agents or employees;

(c) Any act done or proposed to be done upon the Property, or any condition created thereon, by any utility company (including, but not limited to, companies furnishing electric, gas, water, telephone, cable television and/or sewer service to all or parts of the Property), or the agents or employees of any such company, which act could be done by such company were this Declaration not made;

(d) Any act done or proposed to be done upon the Property, or any condition created thereon, by any person pursuant to court order, or the order of any public officer or public agency; provided, however, that the orders contemplated in this subparagraph are only those which are the result of action initiated by public officers or agencies and which embody mandatory requirements with penalties for non-performance, and are not those orders which result from the application of private parties or are merely permissive.

Section 10.22 - Protected Uses.

California law grants Owners certain protected uses of the Property. This Section lists those protected uses and provides a brief description of them. The summaries provided are for informational purposes only and do not extend Owners' rights beyond those provided under California law.

10.22.1 Solar Energy Systems.

Owners may install or use a solar energy system subject to the imposition of reasonable restrictions by the Association requiring prior approval for installation of the solar energy system; maintenance, repair or replacement of roofs or other building components damaged as a result of use or installation of a solar energy system and a requirement that installers of the system indemnify or reimburse the Association for loss or damage caused by installation or maintenance. (Civil Code Sections 714 and 714.1)

10.22.2 Modification to Accommodate a Disability.

Disabled Owners are permitted to make reasonable modifications of the existing premises and adjacent Common Lots to afford them full enjoyment of the premises. Owners are required to obtain Association approval prior to making any modifications and are required to do so at their own expense and restore any Common Lots modified at such time as they are no longer residing in the Residence. (Government Code Section 12927 and Civil Code Section 4760(a)(2))

10.22.3 Restrictions on Signs, Posters, Flags, Banners.

No commercial advertising signs or billboards shall be displayed on any Lot or posted within or on any portion of the Common Lots, except that Owners may post on their Lots any signs required by legal proceedings and a single "For Rent," "For Lease," or "For Sale" sign that is reasonably located and of reasonable dimension and design as permitted under Civil Code Sections 712 and 713. Owners may place noncommercial signs or posters which do not exceed nine (9) square feet, or flags or banners which do not exceed fifteen (15) square feet, in their yard, in their window, on their door, or on an outside wall. These items may be made of paper, cardboard, cloth, plastic or fabric. They may not be made from lights, building or paving materials, plants, or balloons and may not be painted on architectural surfaces. Notwithstanding the foregoing, the Board may prohibit and order the immediate removal of any sign which poses a threat to health or safety, or which is in violation of applicable law. (Civil Code Section 4710)

10.22.4 Installation or Use of Video or Television Antenna.

An Owner may install satellite dishes not in excess of one (1) meter in diameter on his or her Lot. Owners may not install satellite dishes or antennas on any Common Lots. The Association may adopt rules permitting installation of satellite dishes or antennas in Common Lots, but adoption of said rules are solely within the discretion of the Board. The Board may adopt rules regulating the installation of antennas or satellite dishes on the Lots provided that the rules do not unreasonably delay or prevent installation, maintenance or use, unusually increase the cost of installation, maintenance or use, or preclude reception of an acceptable quality signal. Any rules implemented for legitimate safety restrictions are permitted, even if they impair installation, maintenance or use of the satellite dish or antenna. Other than as set forth above, no Owner shall place or maintain any outside television, radio or other antenna within the Project except upon written authorization by the Board or the Architectural Review Committee. (Civil Code Section 4725)

10.22.5 Low Water-Using Plants.

Owners shall not be restricted or have applications denied for installation on their Lots of water efficient landscaping. (Civil Code Section 4735)

10.22.6 Prohibition of Rental or Leasing.

No Owners shall be subject to a prohibition of rental or lease of their Lot unless the provision in the Governing Document restricting such usage was effective prior to the date the Owner acquired title. (Civil Code Section 4740)

10.22.7 Clotheslines.

No laundry shall be dried and no exterior clotheslines, clothespoles, or the like, shall be erected or maintained by any Owner except within the Owner's backyard area. (Civil Code Section 4753)

10.22.8 Personal Agriculture.

An Owner may utilize their backyard for personal agriculture subject to reasonable restrictions contained in the Association's Rules. Such Rules may require dead plant material and weeds to be regularly cleared from the backyard. (Civil Code Section 4750.)

ARTICLE 11
RIGHTS OF ENJOYMENT

Section 11.1 - Members' Right of Enjoyment.

Every Member shall have a nonexclusive easement for use and enjoyment in and to the Common Lots and such right shall be appurtenant to and shall pass with the interest required to be an Owner to every Lot, subject to all of the easements, covenants, conditions, restrictions and other provisions of record or contained in this Declaration, including, without limitation, the following provisions:

- (a) The right of the Association to limit the number of guests of Members and to limit the use of the Common Lots by non-resident owners.
- (b) The right of the Association to establish reasonable rules and regulations pertaining to the use of the Common Lots in conformance with the procedures of **Section 5.4** herein.
- (c) The right of the Association to borrow money for the purpose of improving, replacing, restoring or expanding the Common Lots or adding new Common Lots and in aid thereof, to mortgage said property, provided that the prior affirmative vote or written approval of a majority

of the Members has been obtained to mortgage said property, and provided further that the rights of the lender thereunder shall be subordinated to the rights of the Members. In the event of a default upon any such mortgage of the Common Lots, the lender's rights thereunder shall be limited to a right, after taking possession of such properties, to charge admission and other fees as a condition to continued enjoyment by the Members and, if necessary, to open the enjoyment of the Common Lots to a wider public until the mortgage debt is satisfied, whereupon the possession of such properties shall be returned to the Association and all rights of the Members hereunder shall be fully restored.

(d) In addition to any other enforcement rights described in the Governing Documents or authorized by law, the Association may take any of the following actions against any person or entity whose act or failure to act violates or threatens to violate any provision of this Declaration, the Bylaws, or Association Rules: (i) impose monetary penalties, including late charges and interest; (ii) suspend voting rights in the Association until the violation has been cured; and (iii) suspend use privileges for the Common Area until the violation has been cured. The determination of whether to impose any of the foregoing sanctions shall be within the sole discretion of the Board of Directors. The Association shall comply with the due process requirements of Civil Code Section 5855 and Section 8.5 of the Bylaws.

(e) The right of the Association subject to the approval rights of Eligible Mortgagees pursuant to the Article hereof entitled "Rights of Lenders," to dedicate or transfer all or any part of the Common Lots to any public agency, authority or utility or other entity. No such dedication or transfer, including, without limitation, the conveyance, lease or other transfer of any portion of the Common Lots to a special tax assessment district or to the County, shall be effective unless an instrument signed by a majority fifty-one percent (51%) of the Membership has been recorded, agreeing to such dedication or transfer. The certificate of the President and the Secretary of the Association attached to such instrument certifying that the Members signing such instrument represent fifty-one (51%) of the total voting power of the Association shall be deemed conclusive proof thereof.

(f) The right of the Association to establish, in cooperation with the County, a special tax assessment district for the performance of all or a portion of the maintenance and other functions now within the responsibility of the Association, together with the right of the Association

to convey, lease or otherwise transfer, subject to the provisions of this Section, all or any portion of the Common Lots to said district.

Section 11.2 - Delegation of Use.

Any Member may delegate his right of enjoyment to the Common Lots to the Members of his family or his tenants who reside on his Lot, or to his guests, subject to rules and regulations adopted by the Board. In the event and for so long as an Owner delegates said rights of enjoyment to his tenants, said Owner shall not be entitled to said rights. The Owner is ultimately responsible for the actions of his delegates.

Section 11.3 - Waiver of Use.

No Member may exempt himself from personal liability for Assessments duly levied by the Association, nor release the Lot owned by him from the liens, charges or other provisions of this Declaration, the Articles, Bylaws and Association Rules, by waiver of the use and enjoyment of the Common Lots, or the abandonment of his Lot.

Section 11.4 - Use by Members and Delegates.

The Common Lots and facilities located thereon are for the use and enjoyment of Members, their guests or other delegates only.

ARTICLE 12
EASEMENTS

Section 12.1 - Certain Easements for Owners.

12.1.1 Rights and Duties: Utilities and Cable Television.

Wherever sanitary sewer connections, water connections, electricity, gas, telephone and cable television lines or drainage facilities are installed within the Property, the Owners of any Lot served by said connections, lines or facilities shall have the right and there is hereby reserved to Declarant, together with the right to grant and transfer the same to Owners an easement to the full extent necessary for the full use and enjoyment of such portion of such connections which service his Lot, and to enter upon the Lots owned by others, or to have utility companies enter upon the Lots owned by others, in or upon which said connections, lines or facilities, or any portion thereof lie, to repair, replace and generally maintain said connections as and when the same may be necessary as

set forth below, provided that such Owner or utility company shall promptly repair any damage to a Lot caused by such entry as promptly as possible after completion of work thereon, and provided further that such Owner or utility company shall not have a right to excavate upon any Lot to a depth at greater than ten (10) feet in the exercise of the easement granted herein.

12.1.2 Ingress, Egress and Recreational Rights.

Declarant hereby reserves to itself, its successors and assigns, and agrees that it will grant to all Owners nonexclusive easements for ingress and egress over the Common Lots. Such easements when granted to Owners shall be subject to the rights of the Association as set forth in the Article hereof entitled "Rights of Enjoyment."

Section 12.2 - Certain Easements for Association.

12.2.1 Association Rights.

There is hereby reserved to Declarant easements over the Property, which easements are hereby granted to the Association, for the purpose of permitting the Association to discharge its obligations and powers as described in this Declaration, including without limitation the landscaping and maintenance obligations for the Common Lots.

12.2.2 Rights and Duties: Utilities and Cable Television.

Wherever sanitary sewer connections, water connections, electricity, gas, telephone and cable television lines or drainage facilities are installed within the Property, and said connections, lines or facilities serve the Common Lots and the off-site easements owned by the Association, the Association shall have the right and there is hereby reserved to Declarant, together with the right to grant and transfer the same to the Association, an easement to the full extent necessary for the full use and enjoyment of such portion of such connections which service the Common Lots and the off-site easements owned by the Association and to enter upon the Lots owned by others, or to have utility companies enter upon the Lots owned by others, in or upon which said connections, lines or facilities, or any portion thereof lie, to repair, replace and generally maintain said connections as and when the same may be necessary as set forth below, provided the Association or utility company shall promptly repair any damage to a Lot caused by such entry as promptly as possible after completion of work thereon.

Section 12.3 - Support, Settlement and Encroachment.

There is hereby reserved to Declarant the following reciprocal easements, which easements are hereby granted to the Owners, for the purposes set forth below:

(a) An easement appurtenant to each Lot which is contiguous to another Lot or Common Lots which Lot shall be the dominant tenement and the contiguous Lot or Common Lots shall be the servient tenement.

(b) An easement appurtenant to the Common Lots contiguous to a Lot, which Common Lots shall be the dominant tenement and which contiguous Lot shall be the servient tenement.

(c) It is provided, however, that in the event Common Lots are the dominant tenement in an easement described in this Section, Declarant shall transfer said easement to the Association and not to Owners.

(d) Said easements shall be for the purposes of:

(i) correcting engineering errors, errors in original construction and support and accommodation of the natural settlement or shifting of structures;

(ii) encroachment by reason of a roof or eave overhang from a Lot and for the maintenance of such roof or eave overhang by the Owner of the dominant tenement;

(iii) encroachment of fireplaces, doorsteps, foundation footings, garage doors, utilities and other appurtenances or fixtures and the maintenance thereof by the Owner of the dominant tenement, which, in the construction of the structures upon the dominant tenement or from any reconstruction or modifications of such structures, project beyond the external surface of the outer walls at such structures.

ARTICLE 13
RIGHTS OF LENDERS

No breach of any of the covenants, conditions and restrictions contained in this Declaration, nor the enforcement of any of its lien provisions, shall render invalid the lien of any First Mortgagee as defined in **Section 1.21** on any Lot made in good faith and for value, but all of those 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. Notwithstanding any provision in the Governing Documents to the contrary, First Mortgagees shall have the following rights.

Section 13.1 - Copies of Governing Documents.

The Association shall make available to Owners and First Mortgagees, and to holders, insurers or guarantors of any First Mortgage, current copies of the Governing Documents and the books, records and financial statements of the Association. "Available" means available for inspection and copying, upon request, during normal business hours or under other reasonable circumstances. The Board may impose a fee for providing the requested documents that may not exceed the reasonable cost to prepare and reproduce them.

Section 13.2 - Financial Statements.

Any holder of a First Mortgage shall be entitled, upon written request, to have an audited financial statement for the immediately preceding fiscal year prepared at its expense if one is not otherwise available.

Section 13.3 - Notice of Action.

Upon receipt of a written request by the Association, identifying the name and address of the Eligible Mortgage Holder or Eligible Insurer or Guarantor, and the Lot number or address, such Eligible Mortgage Holder or Eligible Insurer or Guarantor will be entitled to timely written notice of:

13.3.1 any condemnation loss or any casualty loss which affects a material portion of the Project or any Lot on which there is a First Mortgage held, insured, or guaranteed by such Eligible Mortgage Holder or Eligible Insurer or Guarantor, as applicable;

13.3.2 any default in performance of obligations under the Governing Documents or sixty (60) day or more delinquency in the payment of Assessments or charges owed by an Owner subject to a First Mortgage held, insured or guaranteed by such Eligible Mortgage Holder as defined in **Section 1.18** or Eligible Insurer or Guarantor as defined in **Section 1.16**, which remains uncured for a period of sixty (60) days;

13.3.3 any lapse, cancellation or material modification of any insurance policy or fidelity bond maintained by the Association;

13.3.4 any proposed action which would require the consent of a specified percentage of Eligible Mortgage Holders as specified in **Section 1.18**.

The Association shall discharge its obligation to notify Eligible Mortgage Holders or Eligible Insurers or Guarantors by sending written notices required by this Declaration to such parties, at the address given on the current request for notice provided by them.

Section 13.4 - Consent to Action.

Except as provided by statute or by other provision of the Governing Documents in case of substantial destruction or condemnation of the Project:

13.4.1 Consent for Termination of Project.

The consent of Owners of the Project to which at least sixty-seven percent (67%) of the votes in the Association are allocated and the approval of Eligible Mortgage Holders holding Mortgages on Lots which have at least fifty-one percent (51%) of the votes of Lots subject to Eligible Mortgages, shall be required to terminate the legal status of the Project as a planned development project; provided, however, that if termination is for reasons other than substantial destruction or condemnation, the agreement of Eligible Mortgage Holders representing at least sixty-seven percent (67%) of the votes of the mortgaged Lots is required;

13.4.2 Amendments to Governing Documents.

Amendments to the Governing Documents of a material nature to first lien holders are required to be agreed to by fifty-one percent (51%) of Eligible Mortgage Holders. Actions that require Eligible Mortgage Holder consent include the following:

- (a) Any partition or subdivision of any Lot;

- (b) Abandonment, partition, subdivision, encumbrance, sale or transfer of any Common Lots, other than the granting of easements for public utilities or other public purposes consistent with the intended use of the Common Lots;
- (c) Any change in voting rights;
- (d) Any change in the Owner's interest in or obligations to the Project in order to levy assessments or charges, to allocate distribution of homeowners insurance proceeds or condemnation awards, or to determine the Owner's interest in the Common Lots;
- (e) Changes in the priority of liens for Assessments;
- (f) Reductions in reserves for maintenance, repair and replacement of the Common Lots;
- (g) Responsibility for maintenance and repair of the Common Lots;
- (h) Reallocation of interests in Common Lots or rights to their use;
- (i) Redefinition of any Lot boundaries;
- (j) Conversion of any Lot into a Common Lot or any Common Lot into Lots;
- (k) Expansion or contraction of the Project, or the addition, annexation or withdrawal of property to or from the Project, except as allowed for additional phases or annexations in accordance with the initial Governing Documents;
- (l) Change in required insurance coverage;
- (m) Imposition of any restrictions on the leasing or rental of Lots; and/or
- (n) Imposition of any restrictions on an Owner's right to sell or transfer a Lot.

13.4.3 Deemed Approval.

An Eligible Mortgage Holder who receives a written request to approve additions or amendments without delivering or posting 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, provided the notice has been delivered to the Eligible Mortgage Holder by certified or first-class mail, postage prepaid.

Section 13.5 - Actions Requiring Eligible Mortgage Holder Approval.

Except as provided by statute in case of condemnation or substantial loss to the Lots and/or common elements of the Project, unless at sixty-seven percent (67%) of the Eligible Mortgage Holders (based upon one (1) vote for each First Mortgage owned), or Owners of the Lots have given their prior written approval, the Association and/or the Owners shall not be entitled to:

13.5.1 by act or omission, seek to abandon or terminate the Project as a planned development, except for abandonment or termination provided by law in the case of substantial destruction by fire or other casualty or in the case of a taking by condemnation or eminent domain;

13.5.2 change the pro rata interest or obligations of any individual Lot 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 Lot in the Common Lots; provided that no Owner's undivided interest in the Common Lots may be changed without the consent of that Owner;

13.5.3 partition or subdivide any Lot;

13.5.4 by act or omission, seek to abandon, partition, subdivide, encumber, sell or transfer the Common Lots. (The granting of easements for public utilities or for other public purposes consistent with the intended use of the Common Lots by the Project shall not be deemed a transfer within the meaning of this provision);

13.5.5 use hazard insurance proceeds for losses to any of the property or improvements owned by the Association for other than the repair, replacement or reconstruction of such property and improvements.

Section 13.6 - Right of First Refusal.

The right of an Owner to sell, transfer, or otherwise convey his or her Lot shall not be subject to any right of first refusal or similar restriction.

Section 13.7 - Reserves.

The Association shall establish and maintain a reserve fund for replacements in a reserve account separate from the operating account.

Section 13.8 - Priority of Liens.

Any Assessment lien created under the provisions of this Declaration is expressly made subject and subordinate to the lien and encumbrance of any First Mortgage that encumbers all or any portion of the Project, or any Lot. Each First Mortgagee who comes into possession of the Lot by virtue of Foreclosure (as defined in **Section 1.22**) of the Mortgage, or any purchaser at a Foreclosure,

will take the Lot free of any lien for unpaid Assessments and fees, late charges, fines or interest levied in connection with such claims, against the Lot which accrued up to the time of the Foreclosure sale, except for claims for a pro rata share of such Assessments or charges to all Lots including the mortgaged Lot, and except for Assessment liens as to which a notice of delinquent assessment has been recorded prior to the Mortgage.

Section 13.9 - Distribution of Insurance or Condemnation Proceeds.

No provision of the Governing Documents gives an Owner, or any other party, priority over any rights of First Mortgagees in the case of a distribution to Owners of insurance proceeds or condemnation awards for losses to or taking of Lots and/or Common Lots.

Section 13.10 - Right to Appear at Meetings.

Any Eligible Mortgage Holder may appear (but cannot vote) at meetings of Owners and the Board to draw attention to violations of this Declaration that have not been corrected or that have been made the subject of remedial proceedings or Assessments.

ARTICLE 14
GENERAL PROVISIONS

Section 14.1 - Enforcement.

The Association or any Owner shall have the right to enforce, by proceedings at law or in equity, all restrictions, conditions, covenants and reservations now or hereafter imposed by the provisions of this Declaration or any amendment thereto, including the right to prevent the violation of any such restrictions, conditions, covenants, or reservations and the right to recover damages or other dues for such violation. The Association or any Owner shall also have the right to enforce by proceedings at law or in equity the provisions of the Articles or Bylaws and any amendments thereto. The Association shall not have the power to enforce this Declaration, the Bylaws or the Association Rules by means which cause the forfeitures or abridgement of an Owner's right to use his Lot except by a judgment of a court or on account of a foreclosure or sale under a power of sale for failure of such Owner to pay Assessments duly levied by the Association. With respect to architectural control and Association Rules, the Association shall have the exclusive right to the enforcement thereof unless the Association refuses or is unable to effectuate such enforcement, in which case any Owner who otherwise has standing shall have the right to undertake such enforcement. With respect to Assessment liens, the Association shall have the exclusive right to the enforcement thereof.

Section 14.2 - No Waiver.

The failure of any Owner, the Board, the Association, or its officers or agents to enforce any of the covenants, conditions, restrictions, limitations, reservations, grants or easements, rights, rights-of-way, liens, charges, or equitable servitudes set forth in this Declaration shall not constitute a waiver of the right to enforce the same thereafter, nor shall such failure result in or impose any liability upon the Association or the Board, or any of its officers or agents.

Section 14.3 - Cumulative Remedies.

All rights, options and remedies of the Association, the Owners or Mortgagees under this Declaration are cumulative, and no one of them shall be exclusive of any other, and the Association, the Owners and the Mortgagees shall have the right to pursue any one or all of such rights, options and remedies or any other remedy or relief which may be provided by law, whether or not stated in this Declaration.

Section 14.4 - Severability.

Invalidation of any one or a portion of these covenants, conditions or restrictions by judgment or court order shall in no way affect any other provisions which shall remain in full force and effect.

Section 14.5 - Covenants to Run with the Land; Term.

The covenants, conditions and restrictions of this Declaration shall run with and bind the Property and shall inure to the benefit of and be enforceable by the Association or any Owner, their respective legal representatives, heirs, successors and assigns, for a term of sixty (60) years from the date this Declaration is recorded, after which time said covenants, conditions and restrictions shall be automatically extended for successive periods of ten (10) years, unless an instrument, signed by a majority of the then Owners and seventy-five percent (75%) of the Institutional Mortgagees complying with the notification requirements of **Section 13.3**, based on one (1) vote for each First Mortgage held, has been recorded at least one (1) year prior to the end of any such period, agreeing to terminate said covenants, conditions and restrictions in whole or in part.

Section 14.6 - Construction.

The provisions of this Declaration shall be liberally construed to effectuate its purpose of creating a plan for the development of a residential community or tract and for the maintenance of the Property. The Article and Section headings have been inserted for convenience only, and shall not be considered or referred to in resolving questions of interpretation or construction

Section 14.7 - Singular Includes Plural.

Whenever the context of this Declaration requires same, the singular shall include the plural and the masculine shall include the feminine and the neuter.

Section 14.8 - Nuisance.

The result of every act or omission, whereby any provision, condition, restriction, covenant, easement, or reservation contained in this Declaration is violated in whole or in part, is hereby declared to be and constitute a nuisance, and every remedy allowed by law or equity against a nuisance, either public or private, shall be applicable against every such result, and may be exercised by the Association or any Member. Such remedy shall be deemed cumulative and not exclusive.

Section 14.9 - Attorneys' Fees.

In the event action is instituted to enforce any of the provisions contained in this Declaration, the party prevailing in such action shall be entitled to recover from the other party thereto, as part of the judgment, reasonable attorneys' fees and costs of such suit.

Section 14.10 - Personal Covenant.

To the extent the acceptance of a conveyance of a Lot creates a personal covenant between the Owner of such Lot and the Association or other Owners, such personal covenant shall terminate and be of no further force or effect from and after the date when a person or entity ceases to be an Owner except to the extent this Declaration or the law may provide otherwise with respect to the payment of money to the Association.

Section 14.11 - Limitation on Liability of Officers and Directors.

No director, officer, committee member, employee, or other agent of the Association, shall be liable to any Owner or any other party, including the Association, for any damage, loss, or prejudice suffered or claimed on account of any act, omission, error, or negligence of any such person if such person has acted in good faith and in a manner such person reasonably believed to be in the best interests of the Association and within the scope of their duties.

Section 14.12 - Leases.

Owners are entitled to lease their Lots subject to the restrictions contained herein:

14.12.1 Delegation of Use.

Any Owner may delegate his or her rights of use and enjoyment of the Project, including any recreational facilities, to the members of his or her family, his or her guests and tenants, and to such other persons as may be permitted by the Governing Documents. However, if an Owner has sold his or her Lot to a contract purchaser or has leased or rented it, the Owner, members of the Owner's family, and guests shall not be entitled to use and enjoy any of such rights while the Owner's Lot is occupied by the contract purchaser or tenant. Instead, the contract purchaser, or tenant, while occupying such Lot, shall be entitled to use and enjoy such rights, including the recreational facilities, and can delegate the rights of use and enjoyment in the same manner. Any delegated rights of use and enjoyment are subject to suspension to the same extent as are the rights of Owners. No such delegation shall relieve an Owner from liability to the Association or to other Owners for payment of Assessments or performance of the covenants, conditions and restrictions set forth in this Declaration.

14.12.2 Obligation to Supply Tenant Information.

Each Owner shall provide the Association's secretary or management company with the names of any contract purchasers or tenants who reside in such Owner's Lot and such other information such as telephone number for contact and identification of resident vehicles, if required by the Association Rules.

14.12.3 Lease Must Require Conformance to Governing Documents.

Any lease, rental agreement or contract for sale entered into between an Owner and a tenant or contract purchaser of a Lot shall be in writing and require each tenant or contract purchaser to comply with all of the Governing Documents, which provision shall be for the express benefit of the Association and each Owner. The Association and each Owner shall have a right of action directly against any tenant or contract purchaser of an Owner, as well as against the Owner, for nonperformance or violation of any of the provisions of the Governing Documents to the same extent that such right of action exists against such Owner. All leases shall provide that any failure to comply with any provisions of the Governing Documents constitutes a default under the terms of the rental or lease agreement or contract for sale. The Owner shall provide a copy of the Association Rules to the tenant prior to or at the time the Lot is leased.

14.12.4 Discipline of Lessees.

In the event that any tenant or lessee fails to comply with the provisions of any Governing Document, the Association shall be entitled to take such corrective action as it deems appropriate under the circumstances in order to preserve the quiet enjoyment of other Owners and residents within the Project. Without limiting the foregoing, the Association's actions may include suspension of the tenant's privileges to use the Common Area or the imposition of fines and penalties against the Owner of such Lot.

14.12.5 Hotel or Transient Purposes; Minimum Lease Term.

There shall be no hotel or transient use of any Lot located within the Project. No Lot Owner may lease their Lot for the purposes of a "mini dorm," in which individual bedrooms of the Lot are rented separately and independently. No Lot shall be leased, rented or subleased for less than thirty (30) days. No Lot Owner may lease less than the entire Lot. No short-term, vacation rentals are allowed. Fines may be imposed against the Owner for advertising short-term, vacation rentals.

Section 14.13 - Amendments.

This Declaration may be amended only by the affirmative vote of Members representing a majority of the total voting power of the Association, and the amendment shall become effective upon the recording with the Office of the County Recorder of San Diego County, California; provided, however, that any change referenced in Section 13.4.2 is subject to written approval of at least fifty-one percent (51%) of Eligible Mortgage Holders as defined in Section 1.18 of this Declaration (based on one vote for each First Mortgage owned). The failure of any Eligible Mortgage Holder to respond negatively within sixty (60) days after mailing by first class mail, postage prepaid, a request to amend this Declaration shall be deemed approved.

Section 14.14 - References.

All references to California statutes set forth herein shall include successor provisions.

Section 14.15 - Applicability to Tenant.

This Declaration shall be binding upon any and all tenants and lessees and their successors and assigns.

Section 14.16 - County Housing Restriction.

Any Lot restricted for sale to a lower-income household is subject to that certain “Agreement Imposing Restrictions on Real Property” recorded in the Office of the San Diego County Recorder, State of California, on July 8, 1987 as File/Page No. 87-381053, pursuant to which, if certain conditions are met, resale of such Lot may also be restricted. The provisions of the Housing Agreement are hereby incorporated by reference.

Section 14.17 - Resolution of Disputes and Enforcement.

This Section sets forth the methods available to the Board and membership for resolving disputes within the Association along with the Association’s powers of enforcement of the Governing Documents. Sections 14.17.1 and 14.17.2 are not mandatory and may be utilized in accordance with the rules and policies of the Association. Section 14.17.3 providing for Internal Dispute Resolution is mandatory when initiated by a Member. Section 14.17.4 is mandatory in the event that an Owner or the Association anticipates proceeding to litigation.

14.17.1 Informal Notice of Violation.

The Board may authorize the issuance of an informal written notice of violation to be sent to any Owner or any resident therein who is violating a provision of the Governing Documents. The notice shall advise the Owner of the violation and request the Owner’s voluntary cooperation in correcting the violation.

14.17.2 Disciplinary Proceedings.

The Board may take the following actions against any person or entity whose act or failure to act violates or threatens to violate any provision of the Governing Documents: (1) impose monetary penalties, including late charges and interests; (2) suspend voting rights in the Association until the violation has been cured; and (3) suspend use privileges for Common Area recreational facilities until the violation has been cured. The determination of whether to impose any of the foregoing sanctions shall be within the sole discretion of the Board. The Board shall substantially comply with the due process requirements provided in Section 8.5 of the Bylaws before imposing any of the foregoing penalties.

14.17.3 Internal Dispute Resolution Procedure.

14.17.3.1 Initiation of Resolution Procedure.

In any dispute between a Member and the Association, either party may invoke this procedure by written request. If the procedure is invoked by an Owner, participation on the part of the Association is mandatory. If the procedure is invoked by the Association, the Member may elect not to participate.

14.17.3.2 Request Initiated by Association.

If the Association initiates this procedure, it shall send a written notice specifying the dispute to be resolved by this process. It will inform the Owner that the procedure is optional on their part and request a response, within ten (10) days, as to whether or not the Owner will participate. If the Owner communicates that they will not participate or fails to respond at all within ten (10) days, then the Association is relieved of any further obligation to participate in the process outlined in this Section. If the Owner elects to participate then the Association shall proceed as set forth below.

14.17.3.3 Owner Initiation of Process.

In the event an Owner notifies the Association in writing of their desire to participate in this process, the Association shall proceed in the manner set forth below.

14.17.3.4 Process.

The Board of Directors shall appoint a committee which may consist of one (1) individual but not exceeding three (3) individuals to meet and confer with the Owner regarding the dispute. The committee must consist of at least one (1) Board member but less than a quorum of the Board. The committee will meet with the Owner at a mutually convenient time within thirty (30) days of the notice of the initiation of the process. The parties may conduct the meeting in any manner they believe will be conducive in resolving the dispute.

14.17.3.5 Resolution by Committee.

At the conclusion of the meeting with the Owner, the committee shall propose, in writing, a resolution to the dispute. The Owner may or may not be in agreement with said resolution. Any offer of resolution made pursuant to this procedure that is not in conflict with the law or Governing Documents, binds the Association and is judicially enforceable.

14.17.3.6 Resolution by Agreement.

If the Owner and committee reach agreement on resolution of the dispute, it shall be memorialized by the parties, including a representative of the committee. This agreement is binding on all parties so long as it is not in conflict with law or Governing Documents of the Association and the agreement is either consistent with the authority granted by the Board of Directors to its committee or the agreement is later ratified by the Board of Directors.

14.17.3.7 Mediation.

The Board of Directors may employ the services of a neutral mediator, solely at the Association's expense, in this process. The Member of the Association may not be charged any fee to participate in the entire process.

14.17.3.8 Appeal.

In the event the dispute is not resolved by agreement of the parties under Section 16.21(f), the Owner has the right to appeal the offer of resolution proposed by the committee directly to the Association's Board of Directors. A request for appeal shall be made in writing within fifteen (15) days after the Owner acknowledges the offer of resolution from the committee. The appeal hearing shall be scheduled within thirty (30) days of said request.

14.17.4 Alternative Dispute Resolution Procedure.

Prior to the commencement of a civil action to enforce the Governing Documents, the party initiating the case shall comply with Civil Code Sections 5925 through 5945 by serving a Request for Resolution on the other party in accordance with the statute.

14.17.5 Litigation.

The Association or any Member shall have the right to enforce the Governing Documents by proceedings at law or in equity, including the right to prevent the violation of the Governing Documents, and/or the right to recover damages or other dues for such violation; provided, however, that the Association shall have the exclusive right to enforce Assessment liens. In any action to enforce the Governing Documents, the prevailing party shall be entitled to an award of reasonable attorney fees and court costs.

14.17.6 Immediate, Temporary Relief.

Nothing in this Section 14.17 shall be construed to prevent the Association or any Member from obtaining immediate, temporary judicial relief such as a temporary restraining order or other means necessary to preserve the status quo, pending compliance with the provisions of this Section 14.17 or applicable law.

Section 14.18 - Statutory Changes; Conflicts; No Liability for Following Law.

Many provisions of this Declaration are drafted to comply with current California law applicable to the operation of a common interest subdivision. Provisions of these laws can and likely will change. In the event a law changes, the following shall apply:

14.18.1 Changed Law Supersedes this Declaration.

In the event a law change supersedes provisions of this Declaration, such changed law shall control over provisions of this Declaration that conflict with the successor law. The Declaration may be amended to conform to the new legislation as set forth in Section 14.18(c) herein.

14.18.2 Changed Law Allows Declaration to Prevail.

If the changed law does not conflict with the provisions of this Declaration, this Declaration shall control.

14.18.3 Changed Law Deletes Provisions Repeated in this Declaration.

If the changed law deletes any statutory requirement repeated in this Declaration, the Board may, after not less than thirty (30) days notice to the Owners, record an amendment revising the provision of this Declaration affected by the new law to conform with the language of the new law. Such amendment to restate, verbatim, changed laws does not need to comply with the Owner approval requirements set forth in Section 14.13.

14.18.4 No Liability for Following Changed Law.

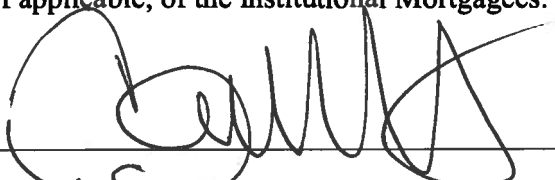
Provided any federal, state or local statute, law or ordinance is inconsistent with any provision of this Declaration, and compliance with that statute, law or ordinance is mandatory, neither the Association, the Board, nor any director thereof, shall have any liability for complying with the federal, state or local statute, law or ordinance rather than with the inconsistent provision(s) of this Declaration.

IN WITNESS WHEREOF, Cathy Santangelo and Ron Torres hereby declare under penalty of perjury under the laws of the State of California as required under Civil Code Section 4270(a) that:

(a) We are the President and Secretary, respectively, of the Crown Hills Community Association, a California nonprofit mutual benefit corporation; and

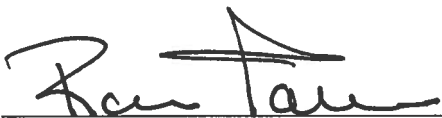
(b) The foregoing 2019 Amended and Restated Declaration of Covenants, Conditions and Restrictions of the Crown Hills Community Association was approved by the requisite percentage of the Members of the Association and, if applicable, of the Institutional Mortgagees.

Dated: 6-19-19



CATHY SANTANGELO, President
Crown Hills Community Association

Dated: 6-19-19



RON TORRES, Secretary
Crown Hills Community Association

ACKNOWLEDGMENT

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

State of California)

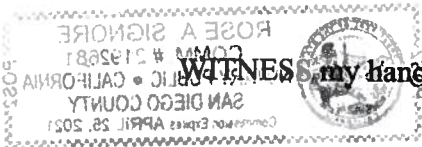
: s.s.

County of San Diego)

On 6/19/19, before me, Rose A. Signore, a Notary Public, personally appeared Ron Torres, who proved to me on the basis of satisfactory evidence to be the person whose name is subscribed to the within instrument and acknowledged to me that ~~he~~she executed the same in ~~his~~her authorized capacity, and that by ~~his~~her signature on the instrument the person, or the entity upon behalf of which the person 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.

WITNES my hand and official seal.



Rose A. Signore

[Seal]

ACKNOWLEDGMENT

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

State of California)
: s.s.

County of San Diego

On 6/19/19, before me, Rose A. Signore, a Notary Public, personally appeared Cathy Santangelo, who proved to me on the basis of satisfactory evidence to be the person whose name is subscribed to the within instrument and acknowledged to me that he she executed the same in his her authorized capacity, and that by his her signature on the instrument the person, or the entity upon behalf of which the person 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.

Rose A. Signore



[Seal]