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**2019 AMENDED AND RESTATED DECLARATION OF COVENANTS, CONDITIONS
AND RESTRICTIONS**

FOR ROCKY POINT COMMUNITY ASSOCIATION

Tract Nos. 8418, 8647, 9792, and 9132

NOTICE

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2019 AMENDED AND RESTATED DECLARATION OF COVENANTS, CONDITIONS & RESTRICTIONS FOR THE ROCKY POINT COMMUNITY ASSOCIATION

THIS 2019 AMENDED AND RESTATED DECLARATION OF COVENANTS, CONDITIONS & RESTRICTIONS is made on the day and year hereinafter written, by Rocky Point Community Association-Nohl Ranch, a California nonprofit mutual benefit corporation (“the Association”), with reference to the following Recitals.

RECITALS

A. The Association is a corporation whose Members are the Owners of all the Lots within that certain real property in the City of Anaheim, County of Orange, State of California, more particularly described in Exhibit “A” attached hereto and made a part hereof (“Community”).

B. The Community was developed as a Planned Lot Development, as defined in section 4175 of the California Civil Code, and consists of one hundred eighty-six (186) Lots.

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

1. The Declaration of Covenants, Conditions and Restrictions for Rocky Point Community Association – Nohl Ranch, recorded Nov. 1, 1974, as per map in Book 343, Pages 40-43 inclusive, and on November 1, 1974, at Book 11279, Page 319 through 337, inclusive, in the official records of the County Recorder of Orange County (hereinafter “the 1974 Declaration”);
2. The Supplementary Declaration of Covenants, Conditions and Restrictions for Rocky Point Community Association – Nohl Ranch, recorded May 25, 1977 as per map in Book 370, pages 10 to 13, inclusive, in the official records of the County Recorder of Orange County (hereinafter “the 1977 Supplementary Declaration”);
3. The Amendment to Declaration of Covenants, Conditions and Restrictions of Rocky Point Community Association – Nohl Ranch of Orange County, California recorded May 29, 1980, as Book 13619, Page 1027, et seq. in the official records of the County Recorder of Orange County (hereinafter “the 1980 Declaration”);
4. The Amendment to Declaration of Covenants, Conditions and Restrictions of Rocky Point Community Association – Nohl Ranch recorded July 20, 2016, as Book 13619, Page 1027, et seq. in the official records of the County Recorder of Orange County; is hereinafter referred to as “Original Declaration,” unless the context clearly indicates otherwise.

D. The Association now desires to amend and restate the Original and all Supplementary Declarations and replace them in their entirety with this Restated Declaration, except for certain exhibits to the Original Declaration which are incorporated herein by reference. The Association further desires that, upon recordation of this Restated Declaration, the Community shall be subject to the covenants, conditions, restrictions, rights, reservations, easements, equitable

servitudes, liens and charges contained herein, and that this Restated Declaration take the place of the recording of the Original Declarations.

E. The Original Declaration, in Article XI, Section 5, provides that it may be amended by an instrument signed by not less than 75% of the lot owners.

F. The undersigned President and Secretary of the Association certify that to the best of their knowledge, the affirmative vote or written consent of at least the required percentage of the Voting Power has been obtained.

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

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

DECLARATION

ARTICLE 1 – DEFINITIONS

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

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

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

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

1.5 “**Architectural Committee**” or “**ARC Committee**” means the committee provided for in the Article entitled Architectural and Design Control.

1.6 “**Architectural Rules**” means the Rules regulating modifications and alterations to the Lots and Community Serviced Area adopted by the Board.

1.7 “**Articles**” [Corp. Code § 5035] means the Articles of Incorporation of Rocky Point Community Association - Nohl Ranch, filed in the Office of the Secretary of State of the State of California on November 27, 1972, and any amendments thereto now existing or hereafter adopted, and attached hereto as Exhibit “C.”

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

1.9 “**Association**” [Civ. Code § 4080] means Rocky Point Community Association - Nohl Ranch, a California nonprofit mutual benefit corporation created for the purpose of managing a common interest development.

1.10 “**Board**” [Corp. Code § 5038] means the Board of Directors of the Association. One or more members of the Board of Directors may be referred to as a “**Director**” or “**Directors**.”

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

1.12 “**Bylaws**” or “**Restated Bylaws**” [Corp. Code § 5037] means the Bylaws of the Association and any duly adopted amendments thereto, which are incorporated herein by reference.

1.13 “**Capital Expenditure**” or “**Capital Improvement**” means the use of Association funds to construct or build an addition to the Community, where such use of funds is optional under the Governing Documents rather than mandatory, and is not otherwise required by Applicable Law. For purposes of the Governing Documents, the maintenance, repair or replacement of improvements within the Community which the Association is obligated to maintain, using

materials of similar kind, or using materials which are needed due to changes in building or fire codes or due to discontinued fabrication or unavailability, or using materials that have substantially similar cost over the useful life of the material shall not be considered a Capital Expenditure or Capital Improvement, notwithstanding that such expenditure or Improvement may be considered a Capital Expenditure or Capital Improvement for tax purposes.

1.14 “**Community Serviced Area**” [Civ. Code § 4095] means that portion of each Lot maintained by the Association as defined in this Restated Declaration and noted on Exhibit “B” attached hereto.

1.15 “**Common Expenses**” means and includes the actual and estimated expenses of operating the Community and any reasonable reserve for such purposes as found and determined by the Board and all sums designated Common Expenses by or pursuant to the Governing Documents, including but not limited to:

1.15.1 Maintenance, management, operation, repair and replacement of all real property and the Improvements thereon which the Association is obligated to maintain pursuant to the provisions of the Governing Documents.

1.15.2 Unpaid Assessments, other than Monetary Penalty Assessments.

1.15.3 Management and administration of the Association, including, but not limited to, compensation paid to managers, accountants, attorneys and employees.

1.15.4 To the extent not separately metered, sub-metered or billed to Owners utilities trash pickup and disposal, gardening and other services which generally benefit and enhance the value and desirability of the Community.

1.15.5 Premiums on all insurance maintained by the Association.

1.15.6 Taxes paid by the Association.

1.15.7 Discharge of any lien or encumbrance levied against the Community Serviced Area.

1.15.8 Other expenses incurred by the Association for any reason whatsoever in connection with maintaining the Community Serviced Area pursuant to the provisions of this Declaration of the costs of any other item or items designated by the Governing Documents, or in furtherance of the purposes of the Association or in the discharge of any duties or powers of the Association.

1.15.9 The use of such funds to defray the costs and expenses incurred by the Association in the performance of its functions or in the proper discharge of the responsibilities of the Board of Directors as provided in this Declaration, the Bylaws, and the other Governing Documents of the Association.

1.16 “**Community**” means the common interest development which is a planned Lot development project as described herein including all Improvements thereon.

1.17 “**Director**” or “**Directors**” [Corp. Code § 5047] means one or more members of the Board of Directors.

1.18 “**Easement Access**” refers to an Owner’s interest in property giving the owner the right of way over the land of another (or, in some instances, to prevent a certain use of the land by the other owner).

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

1.20 “**Emergency Assessment**” means an Assessment that the Board is authorized and empowered to impose under the limited circumstances defined in Civil Code § 5610 and Section 4.5.

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

1.22 “**Improvement**” means any structure or appurtenances thereto of every type and kind, including but not limited to, buildings, walkways, sprinkler and sewer pipes; garages, gazebos, swimming pools, spas, roads, driveways, parking areas, fences, screening walls, block walls, retaining walls, awnings, stairs, decks, patio and balcony covers, landscaping, hedges, windbreaks, planted trees and shrubs, poles, and signs solar or wind-powered energy systems or equipment, and water softener or heater or air conditioning and heating fixtures and equipment.

1.23 “**Lender**” means a person to whom a Mortgage is made and includes the beneficiary of a deed of trust and any guarantor or insurer of a mortgage. “**Institutional Lender**” means a mortgagee that is a financial intermediary or depository, such as a bank, savings and loan, or mortgage company, that is chartered under federal or state law and that lends money on the security of real property or invests in such loans, or any insurance company or governmental agency or instrumentality, including the Federal National Mortgage Association (FNMA), the Federal Home Loan Mortgage Corporation (FHLMC), and the Government National Mortgage Association (GNMA) that guarantee mortgage loans. “**First Lender**” means a mortgagee that has priority over all other mortgages or holders of mortgages encumbering the same Lot or other portions of the Community. The term “**Beneficiary**” shall be synonymous with the term “**Lender**.”

1.24 “**Lot**” means any parcel of real property designated by a number on the Subdivision Map, including the Community Serviced Area. When appropriate within the context of this Declaration, the term “**Lot**” shall also include the Residence and other Improvements constructed or to be constructed on a Lot, but shall not include dedicated streets or alleys accepted by any governmental agency having jurisdiction in this matter.

1.25 “**Majority of a Quorum**” means the vote of a majority of the votes cast at a meeting or by written ballot when the number of Members attending the meeting [in person or by proxy] or casting written ballots equals or exceeds the minimum quorum requirement for Member action, as specified in the Bylaws of the Association or by statute.

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

1.27 “**Mortgage**” means a mortgage or deed of trust encumbering a Lot or any other portion of the Community. “**First Mortgage**” means a mortgage that has priority over all other mortgages encumbering the same Lot or other portions of the Community.

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

1.29 “**Officers**” means the Officers of the Association appointed by the Board of Directors pursuant to the Bylaws.

1.30 “**Owner**” means:

1.30.1 Any natural person, firm, corporation, partnership, trust or other entity which owns a fee simple interest in any Lot, as evidenced by a deed recorded in the Orange County Recorder's Office, including the Association, and any contract sellers under recorded contracts of sale.

1.30.2 “**Owner**” shall not include any persons or entities that hold an interest in a Lot merely as security for performance of an obligation.

1.30.3 For purposes of exercising membership rights, including the right to serve as a Director, and incurring membership obligations when an Owner is a corporation, firm, Limited Liability Company or other legal entity, any Director, Officer, employee or agent designated in writing by the Owner may exercise the membership rights attributable to the Owner. For Lots held in trust, the trustee may exercise the membership rights attributable to the trust.

1.30.4 A person or entity is not an Owner due to: (1) Community property or other marital rights where the person asserting such rights is not shown on the recorded title as an Owner; (2) rights of adverse possession not adjudicated and shown on the recorded title as an Owner; or (3) other equitable rights where the person asserting such rights is not shown on the recorded title as an Owner.

1.31 “**Reserves**” means those Common Expenses for which Association funds are set aside for funding the periodic painting, maintenance, repair, and eventual replacement of the major components of the Development that the Association is obligated to maintain, repair, and replace

under this Declaration that would not reasonably be expected to recur on an annual or less frequent basis. The amounts required to properly fund Reserves shall be determined annually by the Board in accordance with the standards prescribed by maintenance cost guidelines prepared in accordance with Civil Code §§ 5300 and 5550 and prudent property management practices generally applied in “common interest developments” (as that term is defined in Civil Code § 4100) in the geographic region in which the Development is located.

1.32 “**Residence**” means a Lot or dwelling found within a lot.

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

1.34 “**Rules**” [Civ. Code § 4340] means any Rules, including the Architectural Rules, for the Association regulating the use of the Residences, Lots, the Community and any facilities located thereon adopted by the Board pursuant to Subsection 3.5.2 and Section 7.2 herein.

1.35 “**Voting Power**” [Corp. Code § 5078] means the total number of votes eligible to be cast in the Association based on one vote per Lot, less the votes of any Lot where voting rights have been suspended, per Article III, Section 4 of the operative By-Laws.

ARTICLE 2 – THE COMMUNITY

2.1 **Community Subject to Restated Declaration.** The entire Community shall be subject to this 2018 Amended and Restated Declaration of Restrictions.

2.2 **Description of Land and Improvements; Ownership of Community Serviced Area.** The Community shall consist of the real property described in Exhibit “A.” Each of the Lots is owned by the individual Owners as separate property. The Community Serviced Area is owned by Owners of Lots but maintained by Association.

2.3 **The Association Easement in Community Serviced Area.** The Association shall have an easement in, to, and throughout the Community Serviced Areas and the Improvements thereon to perform its maintenance duties and exercise its powers, including emergency access to said areas.

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

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

2.6 Presumption Regarding Boundaries of Lots. [Civ. Code § 4220] In interpreting deeds, deeds of trust, and this 2018 Amended and Restated Declaration of Covenants, Conditions and Restrictions, the existing physical boundaries of a Lot, including any Residence reconstructed in substantial accordance with the governing documents and the original construction plans for the Community, shall be conclusively presumed to be its boundaries, rather than the description expressed in the deed, deed of trust, or this 2018 Amended and Restated Declaration of Restrictions. This presumption applies regardless of settling or lateral movement of the building and regardless of minor variances between boundaries described in the deed, deed or trust, and those of the building as constructed or reconstructed. In the event a structure is partially or totally destroyed and then repaired or rebuilt, the Owners agree that minor encroachments over adjoining Lots or Community Serviced Area which are similar to any encroachments which existed prior to the partial or total destruction shall be permitted and that there shall be appropriate rights for the maintenance of said encroachments so long as they shall exist.

2.7 Prohibition Against Severance of Elements. [Civ. Code § 4650] Any conveyance, judicial sale, or other voluntary or involuntary transfer of a Lot shall include all interests and appurtenances as shown in the original deed of conveyance. Any conveyance, judicial sale, or other voluntary or involuntary transfer of the Owner's entire estate shall also include the Owner's membership Interest in the Association. Any transfer that attempts to sever those component interests shall be void.

ARTICLE 3 – THE ASSOCIATION

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

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

3.3 Membership.

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

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

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

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

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

3.5.1 The power to establish, fix, levy, collect, and enforce the payment of Assessments against the Owners in accordance with the procedures set forth herein.

3.5.2 [Civ. Code § 4360] The power to adopt reasonable Rules governing the use of the Lot, the Association-owned property, and the conduct at Board and Member meetings in accordance with the following:

(a) The Rules may include, but are not limited to:

- (i) Reasonable restrictions on use of the Lots by the Owners and their families, guests, employees, tenants and invitees.
- (ii) Reasonable restrictions on the conduct of Owners and their families, guests, employees, tenants and invitees as to activities in the Lots;
- (iii) The establishment of Notice and Hearing procedures and a schedule of monetary penalties and other disciplinary measures which may be imposed for violations of any provisions of the Governing Documents.
- (iv) Campaign, election and voting information.

(b) [Civ. Code § 4340 et seq.] The Board must comply with any Applicable Law when adopting any Rules.

(c) A copy of any modifications of the Rules shall be given to each Owner within fifteen days of adoption by the Board.

(d) If any provision of the Rules conflicts with any provision of this Restated Declaration, the Articles, or the Bylaws, the Restated Declaration, Articles, or Bylaws shall control to the extent of the inconsistency.

(e) The Rules shall have the same force and effect as if they were set forth in and were part of this Restated Declaration and shall be binding on the Owners and their successors in interest whether or not actually received by them.

3.5.3 [Civ. Code § 5980] The right to institute, defend, settle, or intervene in litigation, arbitration, mediation, or administrative proceedings in its own name as the real party in interest and without joining with it the Owners, as provided in any Applicable Law.

3.5.4 [Civ. Code §§ 5850 & 5855; Corp. Code § 7341] Subject to Notice and Hearing requirements, the right to discipline a Member for violation of any of the provisions of the Governing Documents by (1) suspending the Member's membership rights, including the Member's voting rights and the right to run as a candidate for election to the Board of Directors (2) imposing monetary fines, and (3) recording a notice of noncompliance in the Office of the County Recorder of Orange County encumbering the Lot of the Owner, if allowed by Applicable Law.

3.5.5 The right for its agents and employees to enter any Lot when necessary in connection with any maintenance, landscaping, or construction work for which the Association is or may be responsible or to reduce the likelihood of or prevent damage to the Community Serviced Areas or another Lot. This entry shall be made only upon reasonable notice to the Owner (except in the case of an emergency) and with as little inconvenience to the Owner as is practicable. Any entry by the Association to investigate a reported or suspected water intrusion or land subsidence shall be deemed an emergency. Such persons shall not be deemed guilty of trespass by reason of such entry.

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

3.6.1 The Association, acting through the Board, shall operate, maintain, repair, and replace those Improvements owned by or assigned to the Association or contract for the performance of that work, subject to the provisions of the Governing Documents;

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

3.6.3 **View.** Association shall retain the authority to:

a) disapprove a request for installation of new plantings if it is the opinion of the majority of the Board that the plantings would impede a view; and

b) compel an owner to trim or remove a tree which, based on the majority opinion of the Board, impedes a view.

c) impose a reasonable scenic view and tree maintenance policy as determined by the Board. Said policy shall be set forth in a Homeowners Handbook to be distributed to all record owners, inhabitants of all Lots, and/or if applicable, tenants.

ARTICLE 4 – FINANCIAL OBLIGATIONS

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

4.1.1 Each Owner by acceptance of the deed to the Owner's Lot is deemed to covenant and agree to pay to the Association all Assessments described in this Article, and all other charges duly levied by the Association pursuant to the provisions of this Restated Declaration.

4.1.2 An Assessment and any late charges, reasonable costs of collection, and interest, as assessed in accordance with the provisions of this Article, shall also be a personal debt of each Owner of the Lot at the time the Assessment or other sums are levied.

4.1.3 Co-owners of a Lot shall be jointly and severally liable for all charges levied by the Association on that Lot. No Owner may waive or otherwise escape liability for these Assessments by non-use of the Community Serviced Area or abandonment of the Owner's Lot.

4.1.4 No Owner may exempt himself or herself from personal liability for Assessments duly levied by the Association, nor release the Lot from the liens and charges hereof, by waiver of the use and enjoyment of the Community Serviced Areas or any facilities thereon or by abandonment or nonuse of his or her Lot or any other portion of the Development.

4.2 Purpose of Assessments. [Civ. Code § 5600] Except as provided herein, the Association shall levy Assessments sufficient to perform its obligations. The Assessments levied by the Association shall be used exclusively to promote the general welfare of the Owners, for the operation, replacement, improvement, and maintenance of the Community, and to discharge any other obligations of the Association under this Restated Declaration. All Assessment payments shall be put into general operating and reserve funds to be used for the foregoing purposes.

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

4.3.1 Concurrently with preparation of the Annual Budget Report for each fiscal year, the Board shall estimate the net charges to be paid during that next fiscal year, including a reasonable provision for contingencies, replacements and reserves, with adjustments made for any expected income and surplus from the prior year's fund. The resulting amount shall constitute the Regular Assessments for the budgeted year.

4.3.2 In the event the Board shall determine that the estimate of total charges for the current year is, or will become, inadequate to meet all Common Expenses for any reason, it shall then immediately determine the approximate amount of such inadequacy and issue a supplemental estimate of the Common Expenses and determine the revised amount of Regular Assessments against each Member and the date or dates when due.

4.3.3 Failure of the Board to estimate the net charges within the time period stated herein shall not void any Assessment imposed by the Board. Regular Assessments for fractions of any month shall be prorated.

4.3.4 Each Owner is obligated to pay Assessments to the Association in equal monthly installments on or before the first day of each month unless the Board adopts an alternative method for payment.

4.4 Special Assessments.

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

4.4.2 Special Assessments shall be levied and collected in the same manner as Regular Assessments.

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

4.5 Limitations on Regular and Special Assessments.

4.5.1 [Civ. Code § 5605] Except in emergency situations, the Board may not, without the approval of Members constituting a majority of the votes when a quorum of the Owners is established, generate a Regular Assessment per Lot that is more than twenty percent greater than the Regular Assessment for the preceding fiscal year, or levy Special Assessments that in the aggregate exceed five percent of the Budgeted Gross Expenses of the Association for that fiscal year.

4.5.2 For purposes of this Section only, a “quorum” means more than fifty percent of the Owners of the Association.

4.5.3 These limitations shall not apply to Assessment increases that are necessary for emergency situations. An emergency situation is an extraordinary expense defined by Applicable Law.

4.6. Uniform Rate of Assessment. Both regular and special assessments shall be fixed at a uniform rate for all lots and may be collected on a monthly basis.

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

4.8 Individual Assessments. [Civ. Code § 5275]

4.8.1 Subject to the limitations of the Governing Documents and in addition to Regular and Special Assessments, the Board may levy Individual Assessments against Owners and Lots whenever the Association (1) performs any service or accomplishes any item of repair or maintenance which is the duty of any Owner to accomplish, but which has not been accomplished by such Owner, or (2) incurs any costs to remedy the effects of the Owner’s

noncompliance with the Governing Documents, or (3) incurs any costs which by Applicable Law or as required by the Governing Documents must be reimbursed by an Owner.

4.8.2 Such Individual Assessment shall include the cost thereof, together with any financing costs and administrative costs incurred by the Association.

4.8.3 Prior to levying an Individual Assessment, the Board shall provide the Owner with a Notice and Hearing. The Notice and Hearing regarding the levy of an Individual Assessment may be combined with the Notice and Hearing regarding any underlying violation.

4.8.4 Duly levied Individual Assessments shall be subject to the provisions in the Governing Documents regarding costs, late charges and interest for delinquent payment, and may become a lien on the Lot, in the same manner as Regular and Special Assessments.

4.9 Monetary Penalty Assessments/Non-Payment. [Civ. Code §§ 5650 & 5725]

4.9.1 The Board of Directors may levy, subject to the limitations of the Governing Documents, Monetary Penalty Assessments (fines) against an owner and his or her Lot.

4.9.2 In the event the Board of Directors imposes a Monetary Penalty Assessment, that Monetary Penalty Assessment shall be subject to costs, late charges and interest as described in this Article for delinquent payment, and may become a lien on the Lot, collectible by the Association through judicial foreclosure as allowed in this Article. In no event may the Association collect a Monetary Penalty Assessment through nonjudicial foreclosure.

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

4.10.1 Reasonable costs incurred in collecting the delinquent Assessment, including actual attorneys' fees.

4.10.2 A late charge not exceeding ten percent of the delinquent Assessment or ten dollars, whichever is greater, or the maximum amount allowed by Applicable Law.

4.10.3 Interest on the foregoing sums, at an annual percentage rate of twelve percent commencing thirty days after the Assessment becomes due. No late charge may be imposed more than once for the delinquency of the same payment. However, the imposition of a late charge on any delinquent payment shall not eliminate or supersede charges imposed on prior delinquent payments. The amounts delinquent, including the entire unpaid balance and any related costs described herein, may be collected by the Association as provided in this Article.

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

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

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

4.13.1 Unless otherwise provided by statute, the Notice of Assessment Lien shall describe the amount of the delinquent Assessment or installment, the related charges authorized by this Restated Declaration, the legal description of the Lot, the name of the purported Owner, and, if the lien is to be enforced by power of sale under nonjudicial foreclosure proceedings, the name and address of the trustee authorized by the Association to enforce the lien by sale. The Notice may be signed by any Officer or Director of the Association, or any employee or agent of the Association authorized to do so by the Board. The Notice shall be mailed by certified mail to every person whose name is shown as an Owner of the Lot in the Association's records, and the notice shall be mailed no later than ten (10) calendar days after recordation.

4.13.2 Unless otherwise allowed by Applicable Law, the Notice of Assessment lien may not be recorded until after the Association has mailed, via certified mail, a written demand for payment to the delinquent Owner. The written demand shall comply with the requirements of any Applicable Law.

4.13.3 If not paid in full within thirty days after recordation of the Notice of Assessment Lien, any lien described herein may be enforced in any manner permitted by Applicable Law, including judicial foreclosure or nonjudicial foreclosure. Any nonjudicial foreclosure shall be conducted by the trustee named in the Notice or by a trustee substituted pursuant to Applicable Law.

4.13.4 If all sums specified in the Notice of Assessment Lien are paid before the completion of any judicial or nonjudicial foreclosure, the Association shall (1) record a notice of satisfaction and release of lien, and (2) upon receipt of a written request by the Owner, shall also record a notice of rescission of any recorded notice of default and demand for sale.

4.13.5 The Notice of Assessment Lien is not required to be amended by the Association or Trustee to reflect any partial payments made on the account of the delinquent Owner after its recordation, and any such partial payments received shall not be construed to invalidate the Notice of Assessment Lien. The Notice of Assessment Lien may be foreclosed upon as set forth herein even though the delinquent Owner has made one or more partial payments.

4.13.6 Notwithstanding any other provision herein, a Monetary Penalty Assessment may not become a lien on a Lot enforceable by the sale of the Lot through nonjudicial foreclosure. Any Notice of Assessment Lien recorded to enforce a Monetary Penalty Assessment must specifically state that such lien may not be enforceable by sale of the Lot through nonjudicial foreclosure.

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

4.14.1 Only the judicial or nonjudicial foreclosure of the First Mortgage shall operate to transfer title free of the Assessment lien or obligation for any Assessment lien, and then only as to payments which became due prior to the date of sale, and excluding those Assessment liens recorded prior to the recording of the First Mortgage.

4.14.2 Neither the transfer of a Lot pursuant to a foreclosure of any Mortgage, nor an election by the Association to proceed against any new Owner for payment, shall serve to cancel the personal obligation of the prior Owner for payment of the delinquent Assessments and charges which accrued during such Owner's period of ownership.

4.14.3 No sale or transfer of any Lot shall relieve such Lot or its new Owner from liability for any future Assessments which accrue during such Owner's period of ownership.

4.14.4 The personal obligation of any Owner for payment of delinquent assessments and charges may be satisfied, and therefore discharged, only by payment of the entire amount of the delinquent assessments and charges, whether or not such Owner remains in possession of his or her Lot.

4.14.5 To the extent permitted by Applicable Law, each Owner hereby waives the benefit of any homestead or exemption laws of the State of California now in effect, or in effect from time to time hereafter, to the extent of any liens created pursuant to the Governing Documents, whether such liens are now in existence or are created at any time in the future.

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

ARTICLE 5 – USE RESTRICTIONS AND COVENANTS

5.1 General. [Civ. Code § 5975] The use and enjoyment of the Community by Owners and their tenants, guests, invitees or any other person deriving rights from such Owner, shall be subject to the covenants and restrictions contained in the Governing Documents. Each such person shall

comply with the provisions in the Governing Documents and be subject to any enforcement actions in the event of violations. As more fully set forth in this Restated Declaration, both the Association, through the Board of Directors, and each Owner shall be entitled to enforce the Governing Documents.

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

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

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

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

5.6 Emergency Access.

5.6.1 Pursuant to Sections 3.5.5 and 3.5.6 herein, the Association has the power to enter the Lots in the event of an emergency. To facilitate this emergency access, Owners shall provide the Association with emergency contact information for the Owner or a representative who can act on behalf of the Owner.

5.6.2 This contact information shall be provided to the Association within thirty (30) days of the initial date of ownership and shall be kept up to date.

5.6.3 Damage to the Lot resulting from an emergency entry by the Association that requires immediate access when the Lot Owner is not present and/or negligent shall be the responsibility of the Owner.

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

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

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

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

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

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

5.14 Outside Drying and Laundering. No exterior clothesline or drying rack shall be erected or maintained and there shall be no exterior drying or laundering of clothes except in backyard areas specified in the Rules.

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

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

5.16.1 Owners or residents of the Community may keep usual and ordinary domestic pets in the Lots subject to the provisions of the Rules; provided, however, that no Owner or other occupant of a Lot may keep any pet which interferes with, or has a reasonable likelihood of interfering with, the rights of any Owner or other occupant of a Lot to the peaceful and quiet enjoyment of the Lot. In the event the Board determines that any pet or other animal creates an unreasonable annoyance or nuisance to any Owner or other occupant of a Lot, the keeping thereof shall be discontinued within a reasonable time after such determination.

5.16.2 Pets or other animals shall be permitted in the Community Serviced Area except as specifically excluded by the Rules and then only when on a leash held by a person capable of controlling the animal. Pet owners shall be responsible for picking up all pet waste produced by Owners' pets.

5.16.3 No Owners may keep animals for commercial purposes.

5.16.4 The Association, its Board, Officers, employees and agents shall have no liability to any Owner, their family members, guests, invitees, tenants and contract purchasers, or any other person in the Community, for any damage or injury to persons or property caused by any pet, absent any gross negligence on the part of the Association, or its Board, Officers, employees and agents.

5.17 Power Equipment. No one may set up a hobby shop for commercial purposes, except upon the written consent of the Board. Use of power equipment are subject to the rules, codes and/or statutes enforced by the City of Anaheim as to the time and duration of use and the level of noise.

5.18 Residential Use of Lot.

5.18.1. All lots in the Association, and in such property as shall be annexed thereto, shall be known and described as residential lots and shall be used for no purpose other than residential purposes. No building shall be erected, altered, placed or permitted to remain on any such residential lot other than a building used as a single family dwelling.

5.18.2. No dwelling unit shall be erected or maintained upon any lot if such dwelling unit has a floor area (exclusive of accessory buildings, basements, garages, porches and/or patios) less than 1,600 square feet measured from the outside of the exterior wall. All front setbacks, side street setbacks, side yard and rear yard setbacks shall be the greater of(a) those provided by the governing zoning ordinances and (b) those which may be provided from time to time by the ARC Committee, provided that no building shall be located closer than six feet from the front property line.

5.18.3. Dwelling units in the community may not be used, directly or indirectly, for any business activity or non-residential purpose, other than home-based businesses drawing no commercial traffic into or out of the development. No part of a homeowner's property shall ever be used or caused to be used or allowed or authorized in any way, directly or indirectly, for any business, commercial, manufacturing, mercantile, vending or other such non-residential purposes.

5.18.4. No signs may be displayed on any property, except for one (1) sign advertising the property for sale or rent (measuring no more than 18 by 30 inches [18"x30"]), or one (1) sign advocating for each political candidate or measure during an election as desired. Any political sign designed to advocate for a political candidate or measure during an election season shall be removed within three (3) days of the conclusion of the election. Failure to remove the signage within this timeframe may result in a monetary fine (see fine schedule).

5.18.5 No statues, statuettes, sculptures, lawn ornaments, "pink flamingos," or other ornamental type paraphernalia shall be permitted in plain view on any property absent prior Board approval.

5.18.5. No noxious or offensive trade or activity shall be carried on upon any lot or any part of the property, nor shall anything be done thereon which may be, or may become, an annoyance or nuisance to the neighborhood, or which shall in any way interfere with the quiet enjoyment of each of the owners of his/her respective dwelling unit, or which shall in any way increase the rate of insurance.

5.18.6. (a) A temporary structure, trailer or garage may not be used as a residence. (b) No trailer, camper, boat, commercial vehicle, motorcycle or similar equipment shall be kept outside on any lot; however, these items may be stored within an enclosed garage. Disabled vehicles, defined as lacking "an engine, transmission, wheels, tires, doors, windshield, or any other major part or equipment necessary to operate safely on the highways" as set forth in California Vehicle Code Section 22658(3) shall be removed from sight within 24 hours of any notice from the Association or its agents, including property management; (c) No maintenance, repair, rebuilding, dismantling, repainting or servicing of any kind may be performed outdoors on the items listed in 4(b), with the exception of washing, waxing or polishing necessary to such equipment.

5.18.7. No animals, livestock, poultry, bees or other insects of any kind shall be raised, bred, or kept on any lot; however, no more than four dogs, cats or other household pets may be kept on the lots, provided that they are not kept, bred or maintained for any commercial purpose. Notwithstanding the foregoing, no animals or fowl maybe kept on the property which result in an annoyance or are obnoxious to residents in the vicinity.

5.18.8. (a) Any exterior alteration or construction must receive the proper permits from the City of Anaheim after receiving approval from the Association's ARC Committee. (b) All approved and permitted work must be completed within ninety (90) days, unless extended by the Board, not to exceed twelve (12) months in duration.

5.18.9. If any structure shall be altered, erected, placed or maintained upon any lot without a building permit required by the City of Anaheim and not in accordance with the plans and specifications approved by the ARC Committee, such alteration, erection and maintenance shall be deemed to have been undertaken in violation of the CC&R's and without the approval required therein.

5.18.10. (a) All lots shall be landscaped and maintained in good condition. (b) In order to maintain the beauty of the area, no weeds, rubbish, or debris shall be permitted upon any portion of the property which renders such portion of the property unsanitary or unsightly.

5.18.11. No oil drilling, oil development operations, oil refining, quarrying, or mining operations of any kind shall be permitted upon or in any lot, nor shall oil wells, tanks, tunnels, or mineral excavations or shafts be permitted upon the surface of any lot or within 500 feet below the surface of the property. No derrick or other structure designated for use in boring for water or natural gas shall be erected, maintained or permitted upon any lot.

5.18.12. Except as set forth in the governing documents, no towers, antennas, aerials or other facilities for the reception or transmission of radio or television broadcasts or other means of communication shall be erected or maintained or permitted to be erected or maintained on any lot except by installations inside of the dwelling unit on each said lot, or by underground conduits. However, satellite dishes for the reception of television broadcasts may be erected and maintained or permitted to be erected and maintained on any dwelling unit, on any lot, subject to approval the ARC Committee to height, size, location and appearance.

NOTE: Subject to FCC Guidelines, satellite dishes thirty-six inches (36") or less are permissible with the installation coordinated by the ARC Committee.

5.18.13. The repainting or coloring of any and all solid walls of buildings located within five feet of any of the lots within the Association shall be subject to the written approval of the ARC Committee and Board, and no such coloring or repainting shall be performed without said prior written approval.

5.18.14. No hedge, fence or other similar structure, exceeding three feet in height shall be placed or maintained upon any lot unless and until a plan thereof shall have been submitted in writing to, and approved by, the ARC Committee, nor shall any owner commence the planting or placement of any tree, bush, shrub or plant, unless such owner shall comply with the terms and provisions of the CC&R's.

5.18.15. All clotheslines, refuse containers, woodpiles, storage areas, machinery and equipment must be obscured from view of adjoining lots and streets by a fence or appropriate screen.

5.18.16. All trees and plants growing on any lot shall be so maintained so as to insure that insect pests and tree diseases shall not be a menace to other trees or plants in the vicinity, nor detrimental to or a nuisance to the surrounding lots.

5.18.17. All open lattice work and trellises situated on any of the buildings located within Association are hereby declared to be an architectural feature and shall not be covered, removed or enclosed at any time without the prior written approval of the ARC Committee.

5.18.18. All solid walls of buildings located within five feet of the property line shall not have their integrity changed or broken at any time, but shall be maintained in the original state.

5.18.19. All drainage of water from any lot and the improvements thereon shall drain or flow water as set forth below:

(a) All drainage of water from any lot and the improvements thereon shall drain or flow into adjacent streets and not upon adjoining lots, unless an easement for such purpose is granted and all slopes or terraces on any lot shall be maintained as to prevent any erosion thereof upon such streets or adjoining property.

(b) Any modifications to the original grades shall be done in such a manner as to prevent any additional water run off to adjacent property.

5.18.20. No cesspool, septic tank, or other sewage disposal system or device shall be installed, maintained, or used upon any lot.

5.18.21. No water pipe, gas pipe, sewer pipe, or drainage pipe shall be installed or maintained on any lot above the surface of the ground or less than six inches beneath the ground surface, except as installed or maintained by the Association, or as approved by the ARC Committee, except those used for irrigation purposes and in compliance with city, state or municipal law where applicable.

5.19. Subdividing or Combining Lots. No Lot may be subdivided or combined with another Lot without obtaining the prior written approval of the Association.

5.20. Trash. Rubbish, trash, and garbage may not be allowed to accumulate within the purview of Lots, including the Community Serviced Areas

5.21. Complaints regarding View Impairment. Any complaints regarding view impairment shall be processed as follows:

5.21.1. **Receipt of Complaint.** Complaints must be submitted, in writing, to the Association's management company. The complaint should specify which tree(s) are at issue (a diagram or photograph would be helpful). It is important to state whether the tree(s) in question is located on the complaining homeowner's property, on a neighbor's property, or on a slope which is maintained by the Association.

5.21.2. **Inspection.** Members of the Board will schedule a date to visit the site and examine the view and the trees in question. This date will be coordinated with all homeowners who may be affected by the decision.

5.21.3. **Criteria for Determination of View Impairment.** The Board will determine if an "unreasonable" view impairment exists, based upon the following factors:

1. The view still enjoyed by the owner, if any.
2. The number and density of the trees and/or shrubs.
3. The effect pruning or trimming will have on the view.
4. Any and all other factors which pertain to the topography and location of the plantings.

Note: The view that is impaired by plantings maintained by the complaining homeowner will also be considered.

5.21.4. **Documentation of Findings and Notice to Homeowner(s).** Once a decision has been made by the Board of Directors, the decision and the basis for that finding will be documented in a written response to the homeowner(s) involved.

5.21.5. If an unreasonable view impairment has been identified that is caused by a tree located on Association-maintained property, the Board will direct the Association's community manager to take the proper corrective action.

5.21.6 If an unreasonable view impairment has been identified that is caused by a tree located on an individual homeowner's lot, a copy of the response will be sent to the owner of the tree in question, and corrective action will be requested within thirty (30) days.

5.22. **Water Discharge.**

5.22.1 No one may discharge anything other than water and residue allowed by applicable water quality ordinances into the streets, gutters and drains of the Association or into the Community Serviced Area.

5.22.2 No draining of pools, Jacuzzis, ponds, or other water features onto backslopes of the Community Serviced Area shall be permitted. All Lot drainage shall be directed to the front of the Lot.

5.22.3 Excessive watering shall be subject to discipline by the Board of Directors as part of the Community fine policy. "Excessive watering" means overwatering of landscape foliage, trees, bushes, sod, or any other component requiring moisture, such that the excess run-off from said watering creates a nuisance.

5.23 **Wiring Access.** [Civ. Code §§ 4145 & 4790] All internal and external telephone, cable television and internet access wiring designed to serve a single Lot, but located outside the boundaries of the Lot, is allocated exclusively to that Lot. The Owner of the Lot shall be entitled to reasonable access to the Community Serviced Area for the purpose of maintaining this wiring, subject to the consent of the Association and to any other conditions reasonably imposed by the Association. The Association's consent shall not be unreasonably withheld.

ARTICLE 6 – REPAIR AND MAINTENANCE

6.1 General; Standards of Maintenance. [Civ. Code § 4775] The Association and all Owners are required to fulfill the maintenance requirements imposed by the Governing Documents; For purposes of this Article “maintenance” shall include, without limitation, painting, weather proofing and cleaning to keep, improvements in a clean, safe, properly ventilated, watertight, dry and sanitary condition necessary to preserve the attractive appearance of each Lot and the Community and protect the values thereof, and to ensure that there is no threat to the health, safety or welfare of any resident. The Board shall have the power to determine the standards of such maintenance. The replacement of exterior items by Owners shall be subject to the architectural review requirements of the Governing Documents.

6.2 Association Repair and Maintenance Responsibility. The Association, subject to and all as more particularly provided in these Governing Documents, shall manage, operate, control, maintain, repair, restore, replace and make necessary improvements to the Community Serviced Areas and Storm Drain Areas within the Community. Requests for Maintenance Proposals [“RFPs” for maintenance expenditures of over \$2,000 shall require no less than three (3) bids or estimates from licensed, bonded vendors].

6.3 Owner Improvements. Each Owner shall be responsible for the maintenance, repair, and replacement of any improvements installed or planted by the Owner, any resident in the Owner’s Lot, or the Owner’s predecessor in interest, within the Lot. The Owner is also responsible for damages to the Community Serviced Area caused by such installation, maintenance, use, or repair. Installation of any Improvement within the Community Serviced Area is subject to the architectural review provisions. Any unauthorized improvement in the Community Serviced Area shall be considered a trespass on the Community Serviced Area and shall give the Board the right to remove the unauthorized Improvement summarily and without compensation to the party who installed it. See also Section 7.12 herein.

6.4 Access over Community Serviced Area. The Owner of the Lot shall be entitled to reasonable access over and through the Community Serviced Area, subject to the consent of the Association and to any other conditions reasonably imposed by the Association. The Association’s consent shall not be unreasonably withheld.

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

6.6 Damage Caused by Owner. [Civ. Code § 5725]

6.6.1 Should any damage to the Community Serviced Area result from the willful or negligent act or neglect of any Owner, or such Owner's tenants, guests, invitees, pets or other person or entity deriving any interest through such Owner, the cost of all repairs shall be borne solely by the responsible Owner.

6.6.2 The Association shall be responsible for performing the repair of any damage to the Community Serviced Area or improvements over which the Association has control at the responsible Owner's expense. The responsible Owner shall perform the repair of any damage to his or her Lot for which such Owner has control. The Owner of any other Lot which sustained damage shall perform the repair of any such damage, and may charge the cost of repairs and any relocation costs to the responsible Owner.

6.6.3 If the responsible Owner disputes or refuses to pay any repair costs incurred by the Association or the Owner of any other Lot which sustained damage, the Association, after Notice and Hearing, may charge the cost of those repairs to such Owner as an Individual Assessment, with the full authority to lien on such amount in the event of non-payment. If the damage is such as may be covered by any insurance carried by the Association, the Board may, in its sole discretion, elect to submit the claim for the cost of repairs to its insurance carrier. Provided the submitted claim is covered by the Association's Insurance, the responsible Owner shall pay the cost of any deductible applicable to the covered claim. If the submitted claim is not covered by the Association's insurance, or the Board elects not to submit the claim, the responsible Owner shall be responsible for the total cost of repair.

6.6.4 All repairs performed to correct any damage shall be sufficient to return the damaged property only to its condition prior to the damage, with upgrades as may be required to conform, to any applicable building codes in effect at the time the damage is repaired.

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

ARTICLE 7 – ARCHITECTURAL AND DESIGN CONTROL

7.1 General. [Civ. Code § 4760] Any change or Improvement to the exterior of a Lot, or to the interior which affects the exterior of Lot, any wall, or the structural integrity of any building, shall be governed by this Article. The powers and duties set forth in this Article shall be vested in, and exercised by, the Board. The Board may establish an Architectural Committee ("ARC Committee") as provided herein to assist the Board in reviewing architectural submittals, and to provide recommendations to the Board. The ARC Committee shall approve or disapprove of any such submittal. A member of the ARC Committee will regularly report updates ongoing to the Board of Directors at monthly meetings. Any disputes with reference to approvals or rejections shall be ultimately decided by the Board of Directors.

7.2 General Changes Requiring Prior Approval. All architectural or landscaping projects that change, modify or alter the exterior appearance of your home or yard must receive prior written approval from the Association's ARC Committee. This includes, but is not limited to roofs, garage doors, painting, walls, fences, driveways, windows, walkways, front and backyard landscaping, and drainage systems.

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

7.3.1 Modifications or alterations of the exterior of any Lot or any other portion of the Community Serviced Area to facilitate handicapped access as provided by Applicable Law must have the prior written consent of the Board. The modifications shall be consistent with applicable building code requirements and shall be consistent with the intent of otherwise applicable provisions of the Governing Documents pertaining to safety or aesthetics. The modifications external to the Lot shall not prevent reasonable passage by other residents,

7.3.2 No Improvements shall be commenced within a Subterranean Lot Element unless plans and specifications therefor have been approved by the Board of Directors. Without limiting the generality of the foregoing, the Board of Directors shall not approve plans or specifications for any such Subterranean improvements which interfere with the drainage to or through a Subterranean Lot Element unless adequate provisions have been made to relocate the drainage flow to the satisfaction of the Board of Directors.

7.3.3 Alterations to the floor plan of a Lot, removal of walls, or any portion thereof, may not be made within a Lot without the prior written approval of the Architectural Committee.

7.3.4 No Owner may enclose any patio, balcony or deck without the prior written consent of the Architectural Committee.

7.3.5 No Owner may install any shutter, screen, blind, curtain, drape or other appurtenance in or on any window or door except those items which are in conformance with standards established by the Board of Directors. Only curtains, drapes, shutters or blinds may be installed as permanent window treatments. No aluminum foil, newspaper, or similar covering shall be applied to the exterior windows of any dwelling. Window coverings visible from the exterior of the unit must coordinate with outside color scheme.

7.3.6 Owners shall not have the right to paint, decorate, remodel or alter any portion of the Community Serviced Area without the prior written consent of the Architectural Committee.

7.3.7 The Board of Directors may condition its approval on obtaining and recording a signed license and indemnity, hold harmless, or other similar agreement from the Owner if the Improvements affect the Community Serviced Area.

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

7.4.1 Complete plans and specifications showing the nature, kind, shape, color, size, height, materials to be used and location of any proposed Improvements, alterations or landscaping, as well as the proposed licensed contractor and any other information as required by the Board of Directors, shall be prepared by the requesting Owner and submitted to the ARC Committee, along with a completed ARC application supplied by the Association.. The Board of Directors may establish a construction deposit and require that it be paid with the plans and specifications.

7.4.2 The Association may require the applicant to submit information, drawings, documents and reports from experts reasonably necessary to verify that the proposed change does not adversely affect the structural integrity of any Lot or adversely affect the exterior appearance or esthetics of the Lot and is in the best interests of the Association.

7.4.3 The ARC Committee shall review the submission and provide a written recommendation as to approval or disapproval of any such submission, including the reasons for any decision, to the Board of Directors and the requesting Owner.

7.4.4 The Board of Directors shall review any recommendation disapproved by the ARC Committee within thirty (30) days after receipt of the ARC Committee's written recommendation, if any, or within sixty (60) days after receipt of the submission, whichever is earlier, and provide a written response to the requesting Owner, including an explanation of the reasons for any disapproval.

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

7.4.6 The Association may require a recorded license and indemnity agreement for any changes that affect the Community Serviced Area.

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

7.5 Architectural Rules. [Civ. Code § 4360]

7.5.1 The ARC Committee ("Committee") exists pursuant to authority granted in the Declaration of Covenants, Conditions and Restrictions and has promulgated these guidelines and procedures to implement the provisions on Architectural Control contained therein. No exterior architectural house feature (including, but not limited to, walls, windows, doors, roof fascia, soffit, and/or chimney) may be replaced or altered in material, color, or design without the prior

written approval of the ARC Committee. Particular attention will be given to durability, aesthetic compatibility with neighboring properties, and color harmony.

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

7.6 Standard of Architectural Review.

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

7.6.2 **Fence and Wall Approval.** In order to insure full compliance with neighborhood standards concerning, among other things, color, type, method of construction and view preservation, no existing fences or walls exceeding 3' in height may be altered, painted or constructed without the prior written approval of the ARC Committee.

7.6.3 **Architectural Approval:** No building, fence, wall or other structure shall be commenced, erected or maintained upon the properties, nor shall any exterior addition to or change or alteration therein, including patio covers, be made until the plans and specifications showing the nature, kind, shape, height, materials, harmony and location of external design in relation to surrounding structures and topography have been submitted to and approved in writing to the Committee. In the event the Committee, or its designated representatives, fail to approve or disapprove such design and location within 30 days after said plans and specifications have been submitted to it, approval will not be required, and this Article will be deemed to have been fully complied with - provided, however, that any and all building permits required by the City of Anaheim have been obtained prior to commencing the construction, alteration, etc.

7.6.4 **Landscape Approval.** No trees, bushes, shrubs or plants which at maturity, and without clipping or pruning thereof, and wherever located on said lot, would exceed six (6) feet in height or the height as provided for by ordinances of the City of Anaheim, whichever is less, shall be planted or placed in the designated area(s) until the plans and specifications for the placement of same have been submitted to and **approved in writing** by the Committee. In reviewing landscaping plans, the Committee shall consider preservation of the natural view and

aesthetic beauty which each lot is intended to enjoy. Said plans, as submitted, shall show **in detail** the proposed elevations and locations of said trees, bushes, shrubs or plants, including the location and elevation same in relation to all other lots subject to these restrictions. Approval of said plans by the Committee may be withheld if, in the opinion of the Committee, the view of any Lot would be impeded by the location of such tree, bush, shrub or plant. In any event, the Board of Directors shall have the right to require any member to remove, trim, top, thin out or prune any tree or shrub which, in the ARC Committee's opinion, impedes or detracts from the view of any Lot, or overhangs onto an adjoining Lot.

7.7 Architectural Committee. The ARC Committee, will consist of a minimum of three members and a maximum of five members of the community, formed as follows:

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

7.7.2 Members appointed to the ARC Committee by the Board of Directors must be Members of the Association.

7.7.3 Members shall be appointed for terms as prescribed by the Board. All members of the ARC Committee may be removed by the Board at any time with or without cause.

7.7.4 The ARC Committee shall meet as often as it deems necessary to properly carry out the obligations imposed upon it, unless otherwise directed by the Board.

7.7.5 The vote or written consent of the majority of the ARC Committee shall be required for any recommendation.

7.7.6 Approval of plans and specifications shall not be circumvented by submitting said plans and specifications to the Board of Directors prior to submission to the ARC Committee. ARC Committee members must consider any and all submissions first. In the event of a conflict between the decision of the ARC Committee and that of the Board of Directors, the Board's decision shall be final.

7.8.1 The ARC Committee's Operating Procedures.

7.8.1 All applications, plans and/or complaints will be submitted to the ARC Committee chairperson designated by the Board of Directors ("Board").

7.8.2 The ARC Committee chairperson will forward all applications and plans to the Property Manager for recording into a log book. Members of the ARC Committee will evaluate each submission and make a decision to accept or reject it.

7.8.3 Should the ARC Committee feel it necessary, it may hire a design professional (i.e., architect, contractor, engineer, landscaper, etc.) from outside the community to serve on the ARC Committee and/ or to review a particular set of proposed plans. Each Lot Owner shall be advised of any such design professional as well as the possibility that a professional fee may be incurred. In the event a design professional is hired to review and evaluate a specific set of proposed plans,

the member who submitted those plans shall be required to reimburse the Association for that professional's fee.

7.9 Submission of Plans.

7.9.1 The ARC Committee has the following alternatives with respect to all submitted plans:

- a. Approve the plans. (Note: on-site visit(s) may be required for some plans.)
- b. Approve the plans with certain exceptions noted thereon.
- c. Request additional information from the homeowner prior to approval or rejection.
- d. Disapprove the plans.
- e. The Association's Property Manager will compose a letter of approval or disapproval and forward it to the homeowner.

7.9.2 All ARC applications shall first be submitted to the ARC Committee Chairman.

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

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

7.12 Effect of Owner-Installed Improvements.

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

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

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

7.12.3 Each Owner covenants and agrees that all such Improvements shall be constructed in strict compliance with the plans and specifications and in the exact location approved by the Association, if so approved, and shall be maintained in good condition and repair in accordance with generally accepted construction, maintenance and repair practices, and shall comply with all Applicable Laws. Owner shall be obligated to obtain any necessary building permits and inspections and to verify compliance with all requirements imposed by Applicable Law. The Association's approval of any such Improvements, if given, is limited to an approval based solely on the criteria contained in the Governing Documents and does not include a review for compliance with Applicable Laws.

7.12.4 All such Improvements shall be subject to the jurisdiction of the Association, acting through the Board, and to the Governing Documents; and shall be subject to an easement in favor of the Association to perform its duties under the Governing Documents. As such, each Owner shall pay all costs and expenses incurred in removing and replacing the Improvements, if such removal is required by the Association, in its sole discretion, to perform its maintenance and repair responsibilities under the Governing Documents. The Association shall exercise such discretion reasonably and not arbitrarily.

7.12.5 Owner shall defend, indemnify and hold harmless the Association, its Members, Board, Officers, agents and employees from and against any and all injuries, damages, causes of action or claims which may exist or be instituted against any or all of said parties because of, or in any manner arising from or connected with, the granting of written confirmation of approval for any Improvements, the power to grant and confirm such approval in writing, or the construction, maintenance, repair, replacement, existence or use of any such Improvements.

7.12.6 Each Owner releases the Association, its Members, Board, Officers, agents and employees from any duty or obligation to pay, or otherwise be responsible, for the cost of construction, maintenance, repair or replacement of any such Improvements, and releases said parties from any and all claims, injuries, damages and causes of action which may arise as a result of the construction, maintenance, repair or replacement of the Improvements or the continued existence or use of the Improvements.

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

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

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

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

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

7.13.3 The Board of Directors or ARC Committee may periodically enter any Lot to ensure that the construction is proceeding according to any approved plans.

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

7.13.5 At the hearing, the Owner, any representative(s) of the ARC Committee and, in the Board's discretion, any other interested person may present information relevant to the question of the alleged noncompliance. After considering all such information, the Board shall determine whether there is a noncompliance.

7.13.6 If a noncompliance is determined to exist, the Board shall require the Owner to remedy or remove the same within such period or within any extension of such period as the Board, at its discretion, may grant.

7.13.7 If the Owner fails to take corrective action after having a reasonable opportunity to do so, the Board at its option, may pursue all legal and equitable remedies available to remedy or remove the non-complying Improvement, and the Owner shall reimburse the Association for all expenses incurred in connection therewith upon demand. If such expenses are not properly repaid by the Owner to the Association, the Board may recover such expenses through the levy of an Individual Assessment against such Owner.

7.13.8 The approval by the Board of Directors of any plans, drawings or specifications for any work or Improvement done or proposed, or for any other matter requiring the approval of the Board under this Restated Declaration, or any waiver thereof, shall not be deemed to constitute a waiver of any right to withhold approval of any similar plan, drawing, specification or matter subsequently submitted for approval by the same or some other Owner. Different location for Improvements, the size of the Improvement, proximity to other Lots and other factors may be taken into consideration by the Board and ARC Committee in reviewing a particular submittal.

7.13.9 Notwithstanding any other provisions herein, the Board of Directors shall have the authority to obtain a restraining order or injunction at any time after discovery that work is proceeding without approval of the Board or in a manner that is different than that approved by the Board if the Board deems such action necessary to protect the Association's interests.

7.13.10 Any changes requiring Association approval which are made without approval are subject to removal at the Lot Owner's expense. The Owner shall also be liable for all costs, expenses and damages that may be incurred to correct or remove the change and liable for all the Association's costs to address the unapproved change, including attorneys' fees and court costs, if any.

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

7.15 Governmental Permits and Approvals.

7.15.1 Prior to commencing any alteration or Improvements approved by the Board, the Owner shall comply with all Applicable Laws and obtain all required permits. The Association shall not be obligated to enforce the provisions of this requirement.

7.15.2 Approval by the Association shall not be considered to satisfy any Applicable Law, nor shall the approval of any governmental entity be considered to completely satisfy the requirement of Association approval.

7.15.3 An Owner's failure to comply with any Applicable Law may subject such Owner to certain penalties Imposed by the governmental entity, notwithstanding the approval of the Association, which penalties shall be the responsibility of such Owner.

7.15.4 Each Owner, by accepting a deed to his or her Lot, agrees to reimburse the Association for any loss resulting from the violation of any Applicable Laws.

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

7.17 Variances.

7.17.1 The Board, may authorize a variance from compliance with the architectural controls set forth in this Article when circumstances such as topography, natural obstructions, hardship, aesthetic, or environmental consideration may require.

7.17.2 Written evidence of such variance must be delivered to such Owner and a copy of the resolution of the Board authorizing such variance must be retained in the permanent records of the Association.

7.17.3 If such variances are granted, no violation of the covenants, conditions and restrictions contained in the Governing Documents shall be deemed to have occurred with respect to the matter for which the variance was granted. The granting of such a variance shall not operate to waive any of the terms and provisions of the Governing Documents for any purpose except as to the particular Residence and particular provision of this Article covered by the variance, nor shall it affect in any way the Owner's obligation to comply with all government laws and regulations affecting his use of his Residence including, but not limited to, zoning ordinances and lot setback lines or requirements imposed by any governmental or municipal authority.

ARTICLE 8 – INSURANCE

8.1 Fire and Casualty Insurance.

8.1.1 At a minimum, Owners shall obtain and maintain a policy or policies of fire and casualty insurance for the full insurable replacement cost of the Improvements located in the their Lots.

8.1.2 The Association may obtain, but is not required to obtain, insurance that will insure components that this Section does not require. The Association shall have no obligation to insure Improvements or fixtures within any Lot.

8.1.3 The amount of any deductible on insured Lots shall be determined by the Owner.

8.2 General Liability Insurance. [Civ. Code § 5805] The Association shall obtain and maintain a policy or policies insuring the Association, its Officers, Directors, agents and employees, and the Owners against any liability for bodily injury, death, and property damage arising from the activities of the Association and its Members with respect to the Community Serviced Area maintained by the Association. Limits of liability under the Insurance shall not be less than \$3 Million Dollars covering all claims for wrongful death, bodily injury, and property damage arising out of a single occurrence. If the minimum amount necessary to comply with Civil Code section 5805 or any successor statute is a larger amount, the statute shall control.

8.3 Directors and Officers Liability Insurance. [Civ. Code § 5800] The Association shall obtain and maintain one or more policies of insurance which include coverage for individual liability of Officers and Directors of the Association for negligent acts or omissions of those persons acting in their capacity as Officers and Directors or at the direction of Officers and Directors. Limits of liability under this insurance shall be determined by the Board at its sole discretion. If the minimum amount necessary to comply with Civil Code section 5800 or any successor statute is a larger amount, the statute shall control.

8.4 Fidelity Coverage. The Association shall purchase and maintain fidelity coverage for any person or entity handling funds of the Association, whether or not such persons or entities are compensated for their services. If an agent handles Association funds, such agent shall be covered by the Association's coverage, unless such agent provides similar coverage. The Association's coverage may be in the form of a separate bond, a separate policy (e.g., crime policy), or may be added by endorsement to the general policies carried by the Association. The Board shall have the discretion to determine the amount of coverage. The fidelity coverage must contain a provision that it may not be cancelled or substantially modified without at least ten days' prior written notice to the Association.

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

8.6 Review of Insurance; Notice of Cancellation or Modification. The limits and coverage of insurance carried by the Association shall be reviewed at least annually by the Board and increased or decreased in its discretion. Such policies shall include a provision for at least ten days' prior written notice to the Association.

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

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

8.9 Failure to Acquire Insurance. The Association, and its Directors and Officers, shall have no liability to any Owner or Lender if, after a good faith effort, it is unable to obtain any insurance required hereunder, because the insurance is no longer available or, if available, can be obtained only at a cost that the Board in its sole discretion determines is unreasonable under the circumstances, or the Members fail to approve any Assessment increase needed to fund the insurance premiums. In such event, the Board immediately shall notify each Member and any Lender entitled to notice that the specific insurance will not be obtained or renewed. The Association, and its Directors and Officers, shall also have no liability to any Owner or Lender if it does not obtain any of the insurance referenced hereunder which is not required but may be obtained at the discretion of the Association. The Board may, in good faith in its sole discretion, determine that obtaining any of the discretionary insurance is unreasonable or unnecessary under the circumstances. In making a determination as to whether to acquire any such discretionary insurance, the Board may base its decision upon, among other things, a vote of the Owners.

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

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

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

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

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

ARTICLE 9 – DAMAGE OR DESTRUCTION

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

9.1.1 The Community is terminated.

9.1.2 Repair or replacement would be illegal under an Applicable Law.

9.1.3 Fifty percent plus one of the Owners, including each Owner of a Lot that will not be rebuilt, vote not to rebuild.

9.2 Cost of Repair. Any cost of repair or replacement of the Community Serviced Area in excess of an reserves shall be a Common Expense, levied against Lots in the same proportion as Regular Assessments are levied.

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

ARTICLE 10 – EMINENT DOMAIN

10.1 Lot Taking. In the event of an award for the taking of any Lot in the Community by eminent domain, the remaining Owners shall decide by majority vote whether to rebuild or repair the Community or take other action. The remaining portion of the Community shall be resurveyed, if necessary, and this Restated Declaration shall be amended to reflect such taking and to readjust proportionately the percentages of undivided interest of the remaining Owners in the Community based on the number of Lots remaining in the Community.

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

ARTICLE 11 – RIGHTS OF LENDERS

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

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

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

share of Common Expenses or Assessments shall be deemed to be Common Expenses collectible from all of the Lots including such acquirer, his successors and assigns.

ARTICLE 12 – ENFORCEMENT

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

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

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

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

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

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

12.7 Compliance with Applicable Law. [Civ. Code §§ 5850 et seq., 5900 et seq., 5925 et seq. & 5975; Corp. Code § 7231] All activities to enforce the provisions of the Governing Documents shall be conducted In accordance with all Applicable Laws. This Section shall apply to both the Association and to all Owners.

12.8 Attorneys' Fees. [Civ. Code § 5975] In the event an attorney is engaged by the Board to enforce the Governing Documents, the Association shall be entitled to recover from the adverse party to the controversy its actual attorneys' fees and costs so incurred, whether or not such controversy proceeds to litigation. In the event litigation is commenced to enforce the Governing Documents, the prevailing party shall be entitled to its attorneys' fees and costs. Said costs and

attorneys' fees shall constitute a lien on the Lot which is enforceable as an Assessment pursuant to the Governing Documents. This Section shall also apply to actual attorneys' fees incurred to collect any post-judgment costs.

ARTICLE 13 – AMENDMENTS

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

13.1.1 Subject to this Article, this Restated Declaration may be amended with the approval of one-third of the Voting Power or as otherwise specified in Section 13.4 herein.

13.1.2 An amendment becomes effective after (1) the approval of the required percentage of Owners has been given, (2) that fact has been certified in the form, of a written document executed and acknowledged by an Officer designated by the Association for that purpose or, if no such designation is made, by the President of the Association and (3) the document has been recorded in Orange County, California.

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

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

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

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

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

13.2.3 An amendment shall be considered ratified, unless within thirty days after the date such notice is sent to the Owners, the Owners entitled to cast **twenty percent** of the votes in the Association sign a written petition to reconsider the Board's action and file it with the Board. If such a petition is filed, the Board shall call a special meeting of the Members to reconsider the Board's action. At the meeting, unless a majority of the Voting Power of the Association rejects

the proposed amendment, the amendment shall be considered ratified, whether or not a quorum is present at the special meeting.

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

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

ARTICLE 14 – GENERAL PROVISIONS

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

14.2 Severability; Invalidity. The provisions of this Restated Declaration shall be deemed independent and severable, and the invalidity or partial invalidity or unenforceability of any one provision shall not affect the validity or enforceability of any other provision. If for any reason this Restated Declaration is declared completely invalid in its entirety, the Original Declaration shall be deemed to have survived and thereafter become effective without any further action.

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

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

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

14.6 Fair Housing. [Gov. Code § 12956.1] Neither the Association nor any Owner shall, either directly or indirectly, forbid the conveyance, encumbrance, renting, leasing, or occupancy of the Owner's Lot to any person on the basis of 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 or any other classification prohibited by Applicable Law.

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

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

14.8.1 Variances may be granted, without limitation, to restrictions upon use and restrictions on repair and maintenance, architectural restrictions, when circumstances such as topography, location, engineering, economy, hardship, aesthetic or environmental considerations warrant.

14.8.2 Variances shall be in writing and shall become effective upon final approval by the Board.

14.8.3 When a variance is granted, no violation of the Restated Declaration shall be deemed to have occurred with respect to the matter for which the variance was granted. The granting of a variance shall not operate to waive any of the terms and provisions of this Restated Declaration for any purpose except as to the particular Lot and particular provision covered by the variance, nor shall it affect: in any way the Owner's obligation to comply with all Applicable Laws affecting the use of the premises, including, but not limited to, zoning ordinances and lot setback lines or requirements Imposed by the County of Orange or any other governmental authority.

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

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

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

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

14.11 References to Code Sections. Statutes or administrative regulations that are shown in brackets at the beginning of a section or paragraph in this Restated Declaration are intended to show that the respective section or paragraph is based on the particular statute or administrative

regulation referred to in the brackets. Unless otherwise noted, all references are to statutes and administrative regulations of the State of California. Any issues not addressed expressly by the Governing Documents shall be controlled by relevant provisions of the Davis-Stirling Common Interest Development Act (Civil Code section 4000 et seq.) and the California Corporations Code and by judicial Interpretations of these statutes, whether the Association is incorporated or not. In the event any of the statutes or laws referenced herein are amended, modified, or otherwise changed, the references herein shall be deemed to refer to the statutes or laws as amended, modified or otherwise changed. If a statute or law is deleted, any reference herein shall be deemed to refer to any successor statute or law.

IN WITNESS WHEREOF, the undersigned has executed this Amended and Restated Declaration of Restrictions this ____ day of _____ 2019.

ASSOCIATION:
ROCKY POINT COMMUNITY ASSOCIATION a California nonprofit mutual benefit corporation

By: _____

President

By: _____

Secretary

EXHIBIT A
LEGAL DESCRIPTION OF THE DEVELOPMENT

Lots 1 through 29, inclusive, of Tract 9792 as shown on that certain Map filed for record on recorded on December 29, 1997 as Document No. 36953, in Book 423 of Maps, at pages 13 through 16, inclusive in the Office of the County Recorder of Orange County, California;

Lots 1 through 77, inclusive, of Tract 8647 as shown on that certain Map recorded in Book 370 at pages 5 through 9, inclusive, of Maps in the Office of the County Recorder of Orange County, California;

Lots 2 through 63, inclusive, and 65 through and 79, inclusive, of Tract 8418 as shown on that certain Map recorded on February 23, 1996 as Document No. 20936, in Book 370 of Maps, at pages 10 through 13, inclusive in the Office of the County Recorder of Orange County, California; and

Parcels 1 through 3, inclusive, as shown on that certain Parcel Map No. 9132, filed for record on March 28, 1980, in Book 144, Page 42 of Parcel Maps, in the Office of the County Recorder of Orange County, California.

EXHIBIT “B”

SITE MAP

EXHIBIT "C"
ARTICLE OF INCORPORATION

SEAL OF THE STATE OF CALIFORNIA



FILED

DEC 31 1974

WILLIAM E. ST JOHN, County Clerk

By EdP Deputy

OFFICE OF THE
SECRETARY OF STATE

I 39258

I, **EDMUND G. BROWN JR.**, Secretary of State of the State of California, hereby certify:

That the annexed transcript has been compared with the RECORD on file in this office, of which it purports to be a copy, and that same is full, true and correct.

IN WITNESS WHEREOF, I execute
this certificate and affix the Great
Seal of the State of California this

JUL 8 1974



Edmund G. Brown Jr.
Secretary of State

30258 E---

ENDORSED
FILED
In the office of the Secretary of State
of the State of California

ARTICLES OF INCORPORATION
OF
ROCKY POINT COMMUNITY ASSOCIATION - NOHL RANCH

JUL 8 1974

EDMUND G. BROWN, Jr., Secretary of State
By BILL HOLDEN
Deputy

KNOW ALL MEN BY THESE PRESENTS:

That we, the undersigned, have this day voluntarily associated ourselves for the purpose of forming a non-profit corporation pursuant to Title 1, Division 2, Part 1 of the Corporation Code of the State of California, and we do hereby declare and certify as follows:

ARTICLE I

NAME

That the name of this corporation shall be: ROCKY POINT COMMUNITY ASSOCIATION - NOHL RANCH.

ARTICLE II

SPECIFIC PURPOSES

That the specific and primary purpose for which this corporation is formed is to promote the common good and general welfare of the community and to perform other services for the general benefit of the community, owners and/or occupants of the property described hereinbelow, which are not adequately provided for by a public authority or otherwise, which incidentally serves to preserve and protect the social welfare of the owners and/or occupants of the residential lots situated within the said property. All of the Corporation's activities shall be consistent with the General Non-profit Corporation Law of the State of California as that law is now or may hereafter be in effect.

Lots 1 to 45, inclusive, of Tract No. 8153, as per map recorded in Book 343, Pages 40 to 43, inclusive, of Miscellaneous Maps, Records of Orange County, California; and

Those portions of the lands allotted to Juan Pablo Peralta, Maria Jesus Peralta de Copas, Maria Peralta de Alvarez and the heirs of Leandro Serrano in decree of partition of the Rancho Santiago de Santa Ana, rendered in Case No. 1192 and entered September 12, 1868 in Book "B", Page 410 of Judgments of the 17th Judicial District Court of California; in the City of Anaheim, County of Orange, State of California, described as follows:

Beginning at the Westerly terminus of that certain course described in Parcel 1 of that certain easement deed to the City of Anaheim recorded April 15, 1965 in Book 7485, Page 209 of Official Records of Orange County as having a bearing of South $81^{\circ} 10' 14''$ East and a length of 430.51 feet; thence South $81^{\circ} 10' 14''$ East 359.46 feet along said course to the TRUE POINT OF BEGINNING, being a point in Nohl Ranch Road 60.00 feet in width; thence North $8^{\circ} 49' 46''$ East 34.00 feet to the Northerly line of said Nohl Ranch Road; thence North $10^{\circ} 30' 00''$ East 257.42 feet; thence North $12^{\circ} 36' 29''$ East 58.19 feet; thence North $6^{\circ} 20' 00''$ East 196.93 feet; thence North $77^{\circ} 30' 00''$ West 70 feet; thence North $84^{\circ} 00' 00''$ West 78.00 feet; thence South $87^{\circ} 00' 00''$ West 132.00 feet to the Southeast corner of Lot 4, Tract No. 58 as shown on map recorded in Book 10, Page 6 of Miscellaneous Maps in the Office of the County Recorder of said County; thence along the boundary of said Tract No. 58 as follows: North $7^{\circ} 10' 00''$ West 550.20 feet; North $11^{\circ} 00' 00''$ East 80.00 feet; North $61^{\circ} 13' 00''$ East 742.90 feet; North $86^{\circ} 46' 00''$ East 332.70 feet; South $89^{\circ} 43' 00''$ East 374.33 feet; South $55^{\circ} 54' 00''$ East 276.50 feet; South $4^{\circ} 14' 00''$ East 178.50 feet; South $1^{\circ} 19' 00''$ West 271.90 feet and South $81^{\circ} 16' 00''$ East 54.30 feet to the most Southwesterly corner of Lot 29, Tract No. 59 as shown on map recorded in Book 10, Page 18 of said Miscellaneous Maps; thence along the boundary of said Tract No. 59 as follows: South $81^{\circ} 16' 00''$ East 464.30 feet; North $18^{\circ} 39' 00''$ East 289.04 feet; South $72^{\circ} 37' 00''$ East 257.68 feet; North $43^{\circ} 46' 00''$ East 242.11 feet to an angle point in the Southerly line of Lot 31 of said Tract No. 59 and the most Westerly corner of land as conveyed to Amador Buzo and Mercedes L. Buzo described in deed recorded in Book 1098, Page 241 of Official Records of said County; thence South $42^{\circ} 15' 00''$ East 887.27 feet along the Southwest Boundary of said land so described and its Southeasterly prolongation to the intersection with the curved centerline of said Nohl Ranch Road, being a curve concave to the Northwest and having a radius of 600.00 feet, a central angle of $22^{\circ} 30' 00''$ and a length of 235.62 feet; thence Westerly along said centerline through all its courses and curves to the true point of beginning.

ARTICLE III

NONPROFIT LAWS

This corporation is organized pursuant to the General Non-profit Corporation Law of the State of California and no part of the net earnings of the corporation shall inure to the benefit of any member or individual. Nothing contained in the foregoing statement of purposes shall be construed to authorize this corporation to carry on any activity for the profit of its members, or to distribute any gains, profits, or dividends to any of its members as such, or to engage in any activities which are not in furtherance of the specific and primary purposes of this corporation.

ARTICLE IV

PRINCIPAL OFFICE

That the county in the State of California where the principal office for the transaction of the business of the corporation is located is the County of Orange.

ARTICLE V

DIRECTORS

The names and address of the persons who are appointed as first directors of this corporation are as follows:

William D. Lusk

1750 Gillette Avenue
Newport Beach, California 92663

Donovan D. Huennekens

17550 Gillette Avenue
Newport Beach, California 92663

Donald D. Steffensen

17550 Gillette Avenue
Newport Beach, California 92663

Lee M. Morehouse

17550 Gillette Avenue
Newport Beach, California 92663

Kathryn L. Lenz

17550 Gillette Avenue
Newport Beach, California 92663

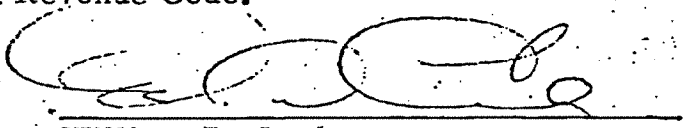
Said directors, or any directors selected prior to the first annual election of the members of this corporation, shall act as such only until said first annual elections, at which time the continuance of said directors, or any thereof, or the selection of any new director or directors, shall be determined by a majority vote of said members.

The authorized number of the directors of this corporation shall be not less than five (5) nor more than eight (8). The different classes of membership in the corporation, if any, together with the respective voting and other rights and privileges of each class of said membership, shall be as set forth in the provisions therefor made in the By-Laws of this corporation. The provisions for the elections and the term of office of the Board of Directors, and for the adoption, approval, and use by this corporation of membership certificates setting forth thereon the rights and privileges of said members, shall also be as set forth in the By-Laws of this corporation.

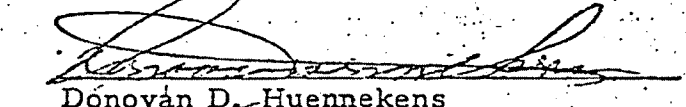
ARTICLE VI

DISSOLUTION

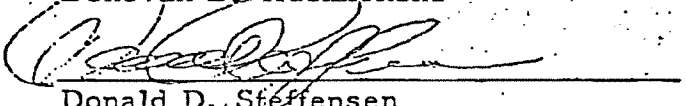
The property of this corporation is irrevocably dedicated to social welfare purposes and no part of the net income or assets of this organization shall ever inure to the benefit of any director, officer or member thereof, or to the benefit of any private persons. Upon the dissolution or winding up of the corporation, its assets remaining after payment, or provisions for payment, of all debts and liabilities of this corporation, shall be distributed to a nonprofit fund, foundation or corporation which is organized and operated exclusively for social welfare purposes and which has established its tax exempt status under Section 501(c) (4) of the Internal Revenue Code.



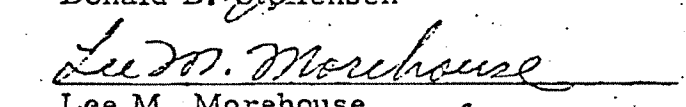
William D. Lusk



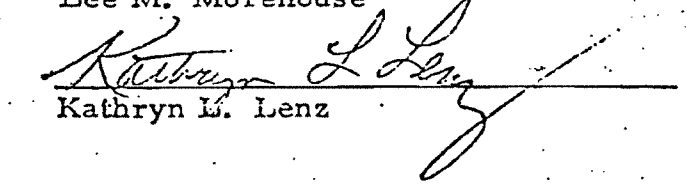
Donovan D. Huennekens



Donald D. Steffensen



Lee M. Morehouse



Kathryn L. Lenz