

AMENDED AND RESTATED
DECLARATION OF COVENANTS, CONDITIONS
AND RESTRICTIONS FOR
WOOD RANCH LAKE PARK VILLAGE ASSOCIATION

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

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AMENDED AND RESTATED DECLARATION OF COVENANTS,
CONDITIONS AND RESTRICTIONS FOR

WOOD RANCH LAKE PARK VILLAGE ASSOCIATION

This Amended and Restated Declaration of Covenants, Conditions and Restrictions for Wood Ranch Lake Park Village Association (“Restated Declaration”), effective as of the date of recordation hereof, is made by the Wood Ranch Lake Park Village Association, a California nonprofit mutual benefit corporation (“Association”), with respect to the following recitals.

RECITALS

A. The Association is comprised of all persons who own “Lots” (defined below) within that certain real property located in the City of Simi Valley, County of Ventura, State of California, more particularly described in Exhibit “A” attached hereto and made a part hereof (hereinafter “Property”), including all persons who own Lots in those certain common interest developments currently known as: (a) “Lake Park Village”, more particularly described in Exhibit “A-1” attached hereto and made a part hereof; (b) “The Greens”, more particularly described in Exhibit “A-2” attached hereto and made a part hereof; (c) “Glen Eagles”, more particularly described in Exhibit “A-3” attached hereto and made a part hereof; and (d) “The Club at Wood Ranch”, more particularly described in Exhibit “A-4” attached hereto and made a part hereof.

B. The Property was developed in residential subdivision phases by various builders who acquired title by, through, or under the “Declarant” of the “Original Declaration” described below, including phases containing single family residences and related common area and phases containing condominiums and related common area. The Property consists of common interest developments as defined in the California Civil Code, comprised of four hundred ninety (490) Lots (defined below) and related common area.

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

1. The Declaration of Covenants, Conditions and Restrictions for Wood Ranch Lake Park Village, County of Ventura, State of California, recorded on June 14, 1985 as Instrument No. 062197,

2. The First Amendment to Declaration of Covenants, Conditions and Restrictions for Wood Ranch Lake Park Village, County of Ventura, State of California, recorded on January 16, 1986 as Instrument No. 86-005679, and

3. The Supplemental Declaration of Annexation recorded on August 2, 1988 as Instrument No. 88-108916,

all in the Official Records of the County Recorder of Ventura County (hereinafter referred to together as "Original Declaration").

D. Ownership interests in certain portions of the Property are also subject to separate covenants, conditions and restrictions of record, which involve membership in certain "Sub-associations", more particularly described herein.

E. The Original Declaration, at Article XV, Section 15.01, provides that it may be amended by the affirmative vote or written consent of not less than seventy-five percent (75%) of the total voting power of the Association. The California Civil Code requires that such consent be obtained by Secret Ballot vote. The undersigned President and Secretary of the Association certify that, to the best of their knowledge, the approval by Secret Ballot vote of at least the required percentage of Association Members has been obtained.

F. Section 15.01 of the Original Declaration further provides that any amendment to the Original Declaration affecting the maintenance obligations of the Association or the property exempt from "Assessments" (defined below) shall require the prior written approval of the Planning Director of the City of Simi Valley and the City Attorney of the City of Simi Valley. Inasmuch as this Restated Declaration does not amend those provisions, no such written approval was sought or obtained.

G. The Original Declaration, at Article XIV, Section 14.06, provides that at least seventy-five percent (75%) of First Mortgagees must approve of an amendment to any material provision of the Original Declaration. The undersigned President and Secretary of the Association certify that, to the best of their knowledge, the written consent of at least the required percentage of First Mortgagees has been obtained.

H. This Restated Declaration is intended to amend, restate, and replace, in its entirety, the Original Declaration, and has been approved in accordance with the requirements of the Original Declaration and the California Civil Code, as described on the Certificate of President and Secretary attached hereto and incorporated herein by reference.

I. The Association hereby declares that all of the Property 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, equitable servitudes 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 Property. All provisions of this Restated Declaration shall constitute covenants running with the land and enforceable equitable servitudes upon the Property, and shall be binding on and for the

benefit of all of the Property and all parties having or acquiring any right, title, or interest in all or any part of the Property, including the heirs, executors, administrators, and assigns of these parties and all subsequent "Owners" and lessees of all or any part of a "Lot" (as such terms are defined herein).

J. Wherever reference is made herein to a California State Statute or other government statute, including, without limitation, the California Civil Code or California Corporations Code, such reference shall continue to apply to such statute as may be amended or renumbered from time to time and/or any successor statute.

ARTICLE 1 DEFINITIONS

1.1 "Articles" means the Articles of Incorporation of the Association filed with the Secretary of State on June 25, 1985, and any duly adopted and filed amendments thereto.

1.2 "Architectural Review Committee" means the committee provided for in Article 6 hereof.

1.3 "Assessments" means charges levied against an Owner that are payable to the Association pursuant to this Restated Declaration. Assessments include the following:

"Regular Assessments" means Assessments levied against the Owners and their Lots representing the Owners' share of: (i) Common Expenses and any other actual and estimated costs of and reserves for maintaining, managing and operating the Common Area; (ii) the costs and fees attributable to managing and administering the Association; and (iii) all other costs and expenses incurred by the Association for the common benefit of the Owners, as may be required or allowed under the Master Governing Documents.

"Reimbursement Assessments" means Assessments levied against a particular Owner and his or her Lot, directly attributable to the Owner, to reimburse the Association: (a) for costs incurred in bringing the Owner and his or her Lot into compliance with the provisions of this Restated Declaration and the other Master Governing Documents; (b) a reasonable fine or penalty levied by the Association against an Owner pursuant to and in accordance with the Master Governing Documents; and/or (c) any other costs incurred by the Association due to the negligence, willful acts or omissions of an Owner or any of the Owner's family or Guests, including, without limitation, an increase in the insurance premiums for any insurance policy purchased or obtained by the Association for the benefit of the Development and the Owners; together with attorneys' fees and other charges payable by such Owner, pursuant to the provisions of this Restated Declaration or one of the other Master Governing Documents, plus interest thereon as provided for in this Restated Declaration or one of the other Master Governing Documents.

“Special Assessments” means Assessments levied against the Owners and their Lots to supplement budgeted Regular Assessments in any given year because the amount to be collected from such Regular Assessments for that year will, for any reason, be inadequate to defray the Association’s Common Expenses. Special Assessments shall be levied against the Owners and their Lots in the same proportionate share as Regular Assessments.

1.4 “Association” means the Wood Ranch Lake Park Village Association, a California nonprofit mutual benefit corporation, created for the purposes set forth in the Articles, the Bylaws and this Restated Declaration.

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

1.6 “Bylaws” means the Bylaws of the Association and any duly adopted amendments thereto or restatement of same.

1.7 “City” means the City of Simi Valley, California, in which the Development is located.

1.8 “Common Area” means all real property and the improvements thereon, including without limitation any private storm drains, private streets, private utilities, the lake, private parks, landscape areas, open space, trails and slopes owned (in fee simple or by easement), leased or maintained from time to time by the Association for the common use and enjoyment of the Members. The Common Area includes, without limitation, the lake and the private streets within the Property, as well as the greenbelts (including but not limited to the areas along Lake Park Drive and within the gates of the lake), trails and other walkways within the Development to the extent such areas exist and/or are designated on the Specific Plan, as defined below.

1.9 “Common Expenses” means all costs, expenses and charges incurred by the Association to perform its duties and rights as set forth in this Restated Declaration, including the actual and estimated costs of: (a) maintenance, management, operation, repair and replacement of the Common Area, and all other areas on the Property which are owned or maintained by the Association; (b) unpaid Assessments; (c) maintenance by the Association of areas within the public right-of-way of public streets or any other areas in the vicinity of the Property as provided in this Restated Declaration or pursuant to agreements with the City; (d) costs of management and administration of the Association, including, but not limited to, compensation paid by the Association to managers, accountants, attorneys and employees; (e) the costs of utilities, trash pickup and disposal, gardening, access control and other services benefiting the Owners, their Lots and/or the Common Area to the extent such services are paid for by the Association; (f) the costs of fire, casualty, liability, worker’s compensation and other insurance covering the Common Area; (g) the costs of any other insurance obtained by the Association; (h) reasonable reserves as deemed appropriate by the Board; (i) the costs of bonding of the members of the

Board, any professional managing agent or any other person handling the funds of the Association; (j) taxes paid by the Association; (k) amounts paid by the Association for discharge of any lien or encumbrance levied against the Common Area or portions thereof; (l) costs incurred by the Architectural Review Committee and any other committees of the Association; and (m) the costs of any other item or items designated by, or in accordance with other expenses incurred by the Association for any reason whatsoever in connection with the Common Area, this Restated Declaration, the Articles or the Bylaws or in furtherance of the purposes of the Association or in the discharge of any obligations imposed on the Association by this Restated Declaration.

1.10 “Condominium” and “Condominium Owner” shall mean, respectively, the estate and the Owner thereof of any condominium within any condominium project established pursuant to the California Civil Code of the State of California or any similar statute hereinafter enacted, that is located within the Development, which estate shall include such Owner’s Unit, such Owner’s undivided interest, if any, in any Sub-association Common Area, such Owner’s Exclusive Use Common Area and any other interests which may attach by law.

1.11 “Condominium Plan” means the applicable Condominium Plan for The Club at Wood Ranch, and for The Greens (Tract No. 4269-2), as recorded in the official records of the County Recorder of Ventura County, including any amendments to same.

1.12 “County” means the county of Ventura in the State of California, in which the Development is located.

1.13 “Development” means the four (4) common interest developments located within the Property, the legal descriptions of which are provided in Exhibits “A-1” through “A-4”, inclusive, and the Common Area.

1.14 “Director” means a member of the Association’s Board of Directors.

1.15 “Dwelling” means, in the case of a planned development, the residential dwelling unit together with garages and other structures on the same Lot; and in the case of a Condominium, all elements of a “Unit” conveyed to the Owner, as “Unit” is defined on the applicable Condominium Plan recorded for said Condominium pursuant to the California Civil Code, in either case, intended for use and occupancy by a single family.

1.16 “Exclusive Use Common Area” means those portions of the Common Area designated for the exclusive use of one (1) or more, but fewer than all, of the Condominium Owners and which is appurtenant to a Unit or Units as shown on the applicable Condominium Plan or deed of conveyance or as defined in the applicable Sub-association Governing Documents.

1.17 “Exhibit” means and refers to those documents so designated herein and attached hereto, and each of such Exhibits is by this reference incorporated in this Restated Declaration as if fully set forth herein.

1.18 “Guest” means any person who enters the Property at any time at the request or for the benefit of a Resident but who does not reside in the Development. A “Guest” shall include collectively a Resident’s invitees, social guests, contractors, employees, and service providers such as gardeners, pool cleaners, and the like.

1.19 “Improvements” means all buildings, structures, landscaping, slopes and other physical components now or hereafter constructed in the Development but shall not include the interior of a Dwelling or the fixtures, walls, or contents therein.

1.20 “Landscaped Areas” means that portion of the Development on which grass, shrubs, flowers, ground cover, and trees currently exist or are planted in the future.

1.21 “Lot” means as follows: (a) with respect to those portions of the Property constituting condominium projects, “Lot” shall mean and refer to any Condominium shown on the applicable recorded Condominium Plan; and (b) with respect to those portions of the Property constituting planned developments, “Lot” shall mean and refer to a lot shown on any recorded final tract map or a parcel shown on any recorded parcel map to the extent such lots or parcels are part of the Development.

1.22 “Manager” or “Management Company” shall mean any Person(s) appointed or employed by the Association to oversee the operation, maintenance and management of the Property.

1.23 “Master Governing Documents” means this Restated Declaration and any other documents such as the Articles, Bylaws, and Rules that govern the operation of the Association, as same shall be amended from time to time.

1.24 “Member” means an Owner who, by reason of his or her record title ownership of a Lot within the Property, is a Member of the Association.

1.25 “Mortgage” means any duly recorded mortgage or deed of trust encumbering a Lot. A “First Mortgage” means a mortgage which has priority over all other Mortgages encumbering a specific Lot.

1.26 “Mortgagee” means the mortgagee or beneficiary under any Mortgage. A “First Mortgagee” means a Mortgagee whose Mortgage has priority over any other Mortgage encumbering a specific Lot.

1.27 “Owner” means the person, firm, corporation or other legal entity in which title to a Lot is vested as shown by the Official Records of the Office of the Ventura County

Recorder, including the 266 owners of Lots in Lake Park Village, the 120 owners of Condominiums in The Greens, the 96 Owners of Condominiums in The Club at Simi Valley, and the 8 owners of Lots in Glen Eagles.

1.28 “Person” means a natural individual, a corporation, or any other entity with the legal right to hold title to real property.

1.29 “Property” means the real property described in Exhibit “A” attached hereto, which includes the Developments described in Exhibits “A-1” through “A-4”, inclusive, attached hereto.

1.30 “Reserves” or “Reserve Accounts” means those monies set aside in a separate account for the purpose of repairing, replacing, restoring, or maintaining the major components of the Development in accordance with the provisions of this Restated Declaration.

1.31 “Resident” means any person residing in a Dwelling other than the record title Owner of the Lot including tenants, occupants, and family members living in the Dwelling.

1.32 “Restated Declaration” means this Restated Declaration of Covenants, Conditions and Restrictions, as it may be amended or restated from time to time.

1.33 “Rules” means the rules and regulations, including without limitation architectural and landscaping guidelines, adopted by the Association and amended from time to time in accordance with the applicable provisions of the California Civil Code.

1.34 “Secret Ballot” means a ballot used in an Association election which is subject to the California Civil Code regarding same.

1.35 “Specific Plan” means the Wood Ranch Specific Plan approved by the City on August 11, 1980 by Resolution No. 80-125, amended on April 27, 1981 by Resolution No. 81-52, as the same may be amended from time to time.

1.36 “Structure” means anything erected, constructed, placed or installed upon (i) the portion of a Lot between the front or side of a Dwelling and the contiguous street, or (ii) upon the portion of a Lot behind a Dwelling and to a height of three (3) feet or more above the established ground level.

1.37 “Sub-association” shall mean any California non-profit corporation or unincorporated association, or its successor (including, without limitation, Glen Eagles Homeowners’ Association, The Club at Wood Ranch Condominium Owners’ Association, and The Greens Condominium Association, Inc.), which is formed with respect to a particular common interest development located within the Property (a) to facilitate the maintenance and operation of any Sub-association Common Area; and/or (b) to enforce or administer any

declaration of covenants, conditions and restrictions (other than this Restated Declaration) recorded with respect to such common interest development.

1.38 “Sub-association Governing Documents” means, with respect to The Greens, the following: that certain Declaration Establishing a Plan of Condominium Ownership for The Greens, A Condominium Project, Tract 4269-2 City of Simi Valley, County of Ventura, State of California, recorded on November 3, 1981 as Instrument No. 87-178200 in the official records of Ventura County, California (“The Greens Declaration”), and any other documents such as the articles of incorporation, bylaws, condominium plan and rules and regulations that govern the operation of The Greens Condominium Association, Inc., a California nonprofit mutual benefit corporation, as such documents may be amended from time to time. “Sub-association Governing Documents” means, with respect to The Club at Wood Ranch, the following: that certain Declaration of Covenants, Conditions and Restrictions for The Club at Wood Ranch recorded on May 27, 1988 as Instrument No. 88-073799 in the official records of Ventura County, California (“The Club at Wood Ranch Declaration”), Notice of Addition (Phase II) dated June 24, 1988, and any other documents such as the articles of incorporation, bylaws, condominium plan and rules and regulations that govern the operation of The Club at Wood Ranch Condominium Owners’ Association, a California nonprofit mutual benefit corporation, as such documents may be amended from time to time. “Sub-association Governing Documents” means, with respect to Glen Eagles, that certain Declaration of Covenants, Conditions and Restrictions recorded on June 22, 1987 as Instrument No. 87-098255 in the official records of Ventura County, California (“Glen Eagles Declaration”), and any other documents such as the articles of incorporation, bylaws, condominium plan and rules and regulations that govern the operation of Glen Eagles Homeowners’ Association, a California nonprofit mutual benefit corporation, as such documents may be amended from time to time.

1.39 “Sub-association Common Area” means that portion of the real property and improvements thereon located within the Development consisting of, by way of example, Common Area and/or common amenities such as tennis courts, swimming pools, spas and the like, which are part of a residential development within the Property for use by Owners of Lots within such residential development and which are owned, leased or maintained by a Sub-association for the benefit of Owners who are members of such Sub-association pursuant to the Sub-association Governing Documents.

1.40 “Unit” means that portion of a Condominium that consists of a separate interest. Each Unit shall be a separate freehold estate, as separately shown, numbered and designated on the applicable Condominium Plan.

1.41 Definition of Other Terms. Unless the context clearly requires otherwise, all other terms not defined herein and used in the Master Governing Documents are intended to be defined as set forth in the Civil Code.

ARTICLE 2 OWNERSHIP RIGHTS AND LIMITATIONS

Each Owner, by virtue of his or her membership in the Association, shall be entitled to certain rights and benefits described below in this Article 2. The rights and benefits are subject to limitations set forth in this Restated Declaration and elsewhere in the Master Governing Documents.

2.1 Right to Membership in Association.

Every Owner, upon becoming an Owner, shall automatically become a Member of the Association. Ownership of a Lot is the sole qualification for membership. Each Member shall have the rights, duties, privileges, and obligations set forth in the Master Governing Documents. Membership in the Association shall automatically cease when the Owner no longer holds an ownership interest in a Lot. 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 such Owner's Lot shall automatically transfer the appurtenant membership to the transferee.

2.2 Owners' Easements and Right of Enjoyment of Common Area.

Every Owner shall have a nonexclusive easement for ingress, egress and access across and over the portion of the Common Area constituting private streets to access his or her Lot as well as a non-exclusive easement for use and enjoyment of the recreational components of the Common Area, including, without limitation, the lake. Such rights shall be appurtenant to and shall pass with the interest required to be an Owner to every Lot, subject to the following provisions:

- a. The right of the Association to limit the number of Guests and to limit the use of the Common Area by persons not in possession of a Lot but owning a portion of the interest in a Lot required for membership.
- b. The right of the Association, subject to the approval rights of Mortgagees pursuant to Article 13 hereof, to dedicate or transfer all or any part of the Common Area to any public agency, authority or utility, or other entity, for such purposes and subject to such conditions as may be agreed to by the Members. No such dedication or transfer, including without limitation the conveyance, lease or other transfer of any portion of the Common Area to a special tax assessment district or to the City, shall be effective unless an instrument signed by Members entitled to cast two thirds (2/3) of the votes of the membership has been recorded, agreeing to such dedication or transfer, and unless written notice of the proposed action is sent to every Member not less than thirty (30) days nor more than sixty (60) days in advance of such request for approval unless the Civil Code requires different or additional timeframes.

- c. The right of the Association to levy a charge for the use of the recreational facilities located on the Common Area.
- d. The right of the Association to establish in cooperation with the City, a special tax assessment district for the performance of all or a portion of the maintenance and other functions now within the responsibility of the Association, together with the right of the Association to convey, lease or otherwise transfer, subject to the provisions of subsection b above, all or any portion of the Common Area to said district.
- e. Any Member may assign, subject to any applicable provision of the Bylaws, his or her right of enjoyment to the Common Area to the members of the Member's family or the Member's tenants who reside on the Member's Lot, or to Guests, subject to rules and regulations adopted by the Board.

2.3 Right of Access.

Each Owner has a nonexclusive easement to use the Common Area to access his or her Lot. Except as otherwise provided in law, an order of the court, or an order pursuant to a final and binding arbitration decision, the Association may not deny a Member or Resident physical access to the Member's or Resident's Lot, either by restricting access through the Common Area to the Lot, or by restricting access solely to the Lot.

2.4 Right to Structural Support.

Each Owner shall have a nonexclusive easement for ingress, egress, and support over, across and through the Common Area for the structural support of his or her Lot and Dwelling.

2.5 Right to Vote.

Each Owner shall have the right to vote in all Association elections as provided in this Restated Declaration and the Bylaws subject to Section 2.11.b below.

2.6 Right to Inspect Records.

Members shall have the right to inspect records of the Association as provided in the California Civil Code and the Bylaws.

2.7 Right to Exclusive Use of Lot.

Except as expressly provided elsewhere in the Master Governing Documents and Sub-association Governing Documents, each Owner is entitled to the exclusive use of his or her Lot.

2.8 Utility Rights.

Each Owner shall be deemed to own that portion of all surface drains, underground drain lines, pipes, wires, conduits, and public utility lines for sewer, storm drains, water, electricity, gas, telephone, television cables, and air conditioning, which run through or below his or her Lot and service his or her Dwelling and Lot only. To the extent such elements are not maintained or repaired by a governmental agency, utility company, or cable company, or by a

Sub-association pursuant to its applicable governing documents, it shall be the duty of the Owner to maintain, repair and replace such components wherever located and Owner shall have a nonexclusive easement over all areas of the Development for the purpose of meeting this duty. If a segment of pipe, wire, or line serves more than one Lot, then the Owners whose Lots are serviced thereby shall jointly be responsible for the maintenance, repair or replacement of the element, and in no event shall the Association be responsible for same.

2.9 Owners' Rights and Duties; Utilities.

The rights and duties of the Owners with respect to lines for sewer, storm drains, water, electricity, gas, telephone, television cables, and air conditioning, shall be governed by the following:

- a. Whenever sewer house connections and lines, facilities and/or water house connections and lines, or electricity, gas, telephone lines, air conditioning lines, or television cables are installed within the Property, which connections, or any portion of such connections, lie in or upon portions of the Property owned by Persons other than the Owner of a Dwelling served by said connections (the "Utility Connections"), the Owner of any Dwelling served by the Utility Connection and the Association shall have the right, and are hereby granted an easement which may be exercised for such Owner by the Association, to enter upon such portions of the Property or to have the utility companies enter thereupon to repair, replace and generally maintain said Utility Connection as and when this may be necessary as set forth below.
- b. The Owner of each Unit served by a Utility Connection shall be entitled to the full use and enjoyment of such portion of the Utility Connection that services such Owner's Dwelling.
- c. In the event any portion of the Utility Connection is damaged or destroyed through the negligent act or acts, failure to act, or willful misconduct of one Owner or any of the Owner's employees, servants, agents, invitees, tenants, guests or members of the Owner's family, so as to deprive other Owners of the full use and enjoyment of the Utility Connection, then the Utility Connection shall be repaired and restored by the Association, but the expense shall be assessed against the Unit Owner who commits, or whose employees, servants, agents, invitees, tenants, guests, or family members commit, such act or acts, as a Reimbursement Assessment in accordance with Section 5.6 hereof.
- d. In the event any portion of the Utility Connection is damaged or destroyed by some cause other than the negligence or willful misconduct of one of the Owners or an Owner's employees, servants, agents, guests, tenants, invitees or members of an Owner's family (including ordinary wear and tear and deterioration from lapse of time), then the Utility Connection shall be repaired and restored by the

Association, with the cost of such repair and restoration to be part of the Association's common expenses.

- e. The exercise of any right or easement provided in this Section shall be subject to the conditions precedent that such exercise shall be reasonable and in good faith, and all damage to a Dwelling or to the Common Area resulting therefrom shall be repaired at the sole cost and expense of the Person exercising such easement.

2.10 Encroachment Easement.

As of the date this Restated Declaration is adopted, if any part of a Dwelling encroaches in a trivial manner upon the Common Area, by inadvertence and without intent of the Owner or his or her predecessors, a valid easement exists for the encroachment and for the maintenance of same so long as there is no serious threat of injury or damage to other Owners or the Association. Likewise, if any part of the Common Area encroaches or hereafter encroaches upon a Lot, a valid easement exists in the Association's favor for the maintenance of same. In addition, each Condominium is hereby declared to have an easement not exceeding one foot (1') in width over all adjoining Condominiums for the purpose of accommodating any encroachment due to engineering errors, errors in original construction, settlement or shifting of the building, or any other cause. There shall be valid easements for the maintenance of said encroachments as long as they shall exist, and the rights and obligations of Owners shall not be altered in any way by said encroachment, settlement or shifting; provided, however, that in no event shall a valid easement for encroachment be created in favor of an Owner or Owners if said encroachment occurred due to the willful misconduct of said Owner or Owners. In the event a structure is partially or totally destroyed, and then repaired or rebuilt, the Owners of each Condominium agree that minor encroachments over adjoining Condominiums shall be permitted and there shall be valid easements for the maintenance of said encroachments as long as they shall exist. As for any encroachment which first occurs after the date this Restated Declaration is adopted, Owners and the Association are responsible for such encroachments and can be made to remove them, except to the extent set forth above.

2.11 Limitations.

The rights described above in this Article 2 and elsewhere in the Master Governing Documents are subject to the following limitations:

- a. ***Presumption Regarding Boundaries of Units.*** In interpreting deeds, declarations and plans, the existing physical boundaries of a Unit, including any Unit reconstructed in substantial accordance with the Condominium Plan and the original construction plans for the Development, shall be conclusively presumed to be its boundaries, rather than the description in the deed, Condominium Plan, or this Restated Declaration. This presumption applies regardless of settling or lateral movement of the building and regardless of minor variances between boundaries shown on the Condominium Plan or described in the deed and those of the building as constructed or reconstructed;

- b. ***Suspension of Rights.*** An Owner's right to vote, utilize the Common Area (other than for ingress and egress to such Owner's Lot), and the right to receive all nonessential services from the Association, may be suspended under the circumstances and according to the procedures described elsewhere in the Master Governing Documents;
- c. ***No Separation of Interests.*** An Owner's interest in a Lot or Unit, and easements in the Common Area, as well as his or her membership in the Association, shall not be separated or separately conveyed. Any such attempt to do so shall be void. Any conveyance of a Lot or Unit, judicial sale or other transfer of a Lot shall be deemed to automatically include fee title to the Lot or Unit, membership in the Association, and the easements specified in this Restated Declaration. Any transfer that attempts to sever those component interests shall be void;
- d. ***Prohibition Against Partition.*** There shall be no judicial partition of the Development or any part thereof. Neither the Association nor any Person acquiring an interest in the Development may seek any judicial partition except as allowed, if at all, in the California Civil Code;
- e. ***Health and Safety.*** The right of the Association to impose reasonable conditions on the use of the Common Area, including the recreational components thereof, to protect the public health and safety of the Members and other Persons using them and to protect the Common Area from damage or premature deterioration; and
- f. ***Rules.*** The right of the Association to adopt, and to modify from time to time, Rules pursuant to the California Civil Code, as further described in this Restated Declaration.

ARTICLE 3 ASSOCIATION RIGHTS AND DUTIES

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 Development and is charged with the duties and granted the powers prescribed by law and set forth in the Master Governing Documents.

3.1 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 Master Governing Documents. Each Member shall be entitled to cast one (1) vote for each Lot owned, subject to the provisions of the Bylaws and this Restated Declaration.

3.2 Membership Meetings.

Meetings of the Members shall be held according to the provisions of the Bylaws and prevailing state statute.

3.3 Specific Powers.

The Association's powers shall include but not be limited to the following:

- a. **Assessments.** The Association shall have the power to establish, fix, levy, collect and enforce the payment of Assessments against the Owners in accordance with the procedures set forth in Article 5 below;
- b. **Adopt Rules.** The Board shall have the power to adopt, amend, delete and add Rules in accordance with the procedures described in the California Civil Code. Upon adoption, the provisions of the Rules will have the same force and effect as though set forth in this Restated Declaration. The Rules may include, but are not limited to: reasonable restrictions on use of the Common Area and Lots by the Owners and their families and Guests; rules of conduct for persons using and traversing the Common Area; the setting of reasonable administrative fees, deposits, and use fees for any recreational facilities; and the setting of reasonable hearing procedures and monetary penalties and fines in the event of a violation of any provisions of the Master Governing Documents. A copy of the current Rules, if any, shall be given to each Owner. 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;
- c. **Owner Discipline.** The Association shall have the right and power to discipline Owners for violations of any of the provisions of the Master Governing Documents after a noticed hearing before the Board by, without limitation,: (i) suspending the Member's membership rights, including the Member's voting rights and the rights and privileges to use the Common Area, except that no Member shall be denied access to his or her Lot, and (ii) imposing sanctions, including monetary fines;
- d. **Make or Settle Claims.** The Association shall have 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 described in the California Civil Code, including, without limitation, claims pertaining to the following:
 - (1) Enforcement of the Master Governing Documents;
 - (2) Damage to the Common Area;

- (3) Enforcement of payment of Assessments in accordance with the provisions of Article 5 below;
 - (4) The development of real property which, in the reasonable business judgment of the Board, could impair the purposes and intentions of the provisions of the Master Governing Documents, including interference with the plan established by this Restated Declaration to enhance and preserve the value, desirability, and attractiveness of the Development. Notwithstanding the foregoing, however, absent an emergency or extraordinary event, before fees and expenses exceeding five percent (5%) of the budgeted gross expenses of the Association for the fiscal year in which a claim under this subsection will be pursued are actually incurred, the Board shall obtain the requisite approval of the Members to pursue such claim in the same manner that the approval of the Members is obtained under Section 5.10 herein, regarding "Limitations on Assessments"; and
 - (5) Any other matter(s) in which the Association is a party, including, but not limited to, contract disputes;
- f. **Loans.** The power but not the duty to borrow money as may be needed in connection with the discharge by the Association of its powers and duties, and the power but not the duty to cause to be executed and delivered, in the Association's name, promissory notes, bonds, debentures, deeds of trust, mortgages, pledges, hypothecations or other evidences of debt and securities, as applicable, except that any loan in an amount exceeding five percent (5%) of the budgeted gross expenses of the Association in any one fiscal year must be approved beforehand by the vote or written consent of Owners representing a majority of the voting power of the Association unless there is an emergency situation threatening the safety of persons or property; in the event of an emergency, the Association need not obtain such Owner approval.;
- g. **Right of Entry.** The Association shall have the right and power, but not the duty, to enter each Lot and Exclusive Use Common Area to: (1) inspect the Dwelling or Lot; (2) perform any maintenance, repairs, landscaping, or construction work for which the Association is responsible; (3) abate any nuisance, or any dangerous, unauthorized, prohibited or unlawful activity, being conducted or maintained in such Dwelling, Lot or Exclusive Use Common Area; (4) effect necessary maintenance or repairs which the Owner has failed to perform; (5) protect the property rights and welfare of the other Owners; or (6) for any other purpose reasonably related to the performance by the Association of its responsibilities under this Restated Declaration. Such entry shall be made after three (3) or more days' advance written notice to the Owner, except for

emergency situations, for which advance notice is not required, and with as little inconvenience to the Owner as is practical. Any verifiable damage to the Dwelling, Lot or Exclusive Use Common Area caused by entry under this subsection shall be repaired by the Association at its sole expense. No person entering a Dwelling, Lot or Exclusive Use Common Area on behalf of or at the direction of the Association pursuant to this subsection shall be guilty of trespass.

- h. **Admission and Other Fees.** The Board shall have the power to charge reasonable admission, security deposit, and other fees for the use of the recreational components of the Common Area.
- i. **Enforce Master Governing Documents.** The Association shall have the power to enforce the Master Governing Documents by any means provided in those documents or under California law;
- j. **Contract for Goods and Services.** The Association shall have the power to contract for goods and services as reasonably required to protect, manage, and operate the Association and the Development including without limitation contracts for utility services for the Common Area, insurance, management services, accounting services, legal services, security services, maintenance and repairs, gardening and landscape services, supplies, and all other expenses reasonably required for the Association to perform its powers and duties under the Master Governing Documents. The length of any such contract shall not exceed one (1) year unless the Board adopts a formal resolution stating that the best interests of the Association are served by entering into a contract for a longer period not to exceed a maximum length of five (5) years;
- k. **Grant of Exclusive Use Common Area.** The Association shall have the right and power to grant Exclusive Use Common Area, subject to the requirements of the California Civil Code.
- l. **Vehicle and Parking Enforcement.** The Association shall have the right and power to remove any vehicle within the Development parked in violation of this Restated Declaration or the Rules, in accordance with the provisions of Section 22658 of the Vehicle Code.
- m. **Pay Taxes.** The Association shall have the power to file tax returns and pay taxes levied against it by virtue of its corporate existence and its operations;
- n. **Corporate Standing.** The Association shall have the power to prepare and file documentation and pay such expenses as are required to maintain its corporate status in good standing; and

- o. **Miscellaneous.** The Association shall have the power to incur expenses, subject to the limitations in this Restated Declaration, to promote the economic health, management, operations, and enhancement of the Development.

3.4 Improvements to the Common Area.

Except as otherwise provided in this Restated Declaration, the Association may construct new Improvements or additions to the Common Area or demolish existing Improvements, provided that: (1) in the case of any Improvement, addition or demolition involving a total expenditure in excess of five percent (5%) of the budgeted gross expenses of the Association for that fiscal year, the written consent or vote of a majority of the Owners in the Development as to the maximum total cost for same shall first be obtained, and (2) no Lot shall be altered or damaged by such demolition or construction without the prior written consent of the Owner of such Lot and the Owner's respective Mortgagee. The Board shall have the right to levy a Special Assessment on all Owners in the Development for the cost of such work.

3.5 Duties of the Association.

- a. **Maintenance.** The Association, acting through the Board, shall operate, maintain, repair, and replace the Common Area or contract for the performance of that work, subject to the provisions of the Master Governing Documents.
- b. **Goods and Services.** The Association shall use the operating fund described in Section 5.3 herein to, among other things, acquire and pay for goods and services for the Development, including the following:

- (1) Water, sewer, refuse, electrical, telephone, gas, and other necessary utility service for the Common Area;

- (2) The insurance policies described in this Restated Declaration or as otherwise purchased for the Association by the Board;

- (3) Employment of a Manager or Management Company and such other employees or independent contractors as it deems necessary, prescribe their duties, and enter into contracts and agreements all for the purpose of providing for the performance of the business powers, duties and/or obligations of the Board or any portion of same. Such Manager, if any, and all employees shall have the right of ingress and egress over and across such portions of the Development as may be necessary in order for them to perform their obligations. Under any management contract entered into by the Board, the Association shall endeavor to negotiate the following provisions: (1) the contract shall not exceed a one (1) year term; (2) the Association shall have the right to terminate the contract without cause upon ninety (90) days advance notice, without being required to pay any cancellation penalty; and (3) the Association shall have the right to terminate the contract for cause upon thirty

(30) days written notice or less, without being required to pay any cancellation penalty; and

(4) Legal and accounting services necessary or proper in the operation of the Common Area and the Association or the enforcement of the Master Governing Documents.

3.6 Adoption of Operating Rules.

The Board may adopt reasonable Rules subject to the California Civil Code and any successor or other applicable statutes including, without limitation, the right of the Members of the Association owning five percent (5%) or more of the Lots to call a special meeting of the Members to reverse a Rule change, in accordance with the provisions of the Davis-Stirling Act. A Rule change may be reversed by the affirmative vote of a majority of all Members.

3.7. 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.

3.8. Committees.

The Board may form committees as it deems prudent from time to time to assist in performing discrete functions as are defined by the Board. Each committee shall consist of at least one Board member unless such committee is an executive committee of the Board, in which case only Directors may be members of such committee. In addition, the President may participate as *ex officio* member of each committee. Other than the Architectural Review Committee, described elsewhere in this Restated Declaration, all other committees may be formed at the discretion of the Board and when formed act in an advisory capacity only.

3.9. Inspection of Accounting Books and Records.

The rights of Owners and Directors to obtain and inspect the accounting books and records of the Association shall be in accordance with the Bylaws, applicable Civil Code Sections and the California Corporations Code.

3.10. Limitation of Liability.

The Association, its Board of Directors, individual Directors, officers of the Association, and agents of the Association shall not be liable for (a) any failure to provide any service or perform any duty, function or responsibility designated or provided in this Restated Declaration or in any other Master Governing Document to be performed by the same; (b) any act or omission whatsoever; or (c) for injury or damage to Persons or property from any cause, including without limitation fire, explosion, electricity, water, rain, dust or sand that may leak or flow from outside any Dwelling, Lot or Exclusive Use Common Area, the elements or by another Owner or Person in the Development, unless caused by the gross negligence or intentional act in bad faith of the Association or its Board, officers or agents, as may be applicable.

3.11. Indemnification.

The Association shall and does hereby indemnify the Board of Directors, each individual Director, the officers of the Association and each of them, and the Association's agents and employees against all expenses and liabilities, including attorney's fees, reasonably incurred by such person or persons in connection with any proceeding to which that person may be a party, by reason of that person being or having been a Director, officer or agent or employee of the Association, except in such cases where such person is determined under Corporations Code Section 7237 to have acted in bad faith in the performance of such person's duties and, in the case of a criminal proceeding, to have had reasonable cause to believe such person's conduct was unlawful.

**ARTICLE 4
REPAIR AND MAINTENANCE OBLIGATIONS**

The respective rights and duties of the Association, the Sub-associations and the Owners with regard to maintenance of the Development are described in this Article 4.

4.1 Repair and Maintenance by Association.

Without limiting the generality of the statement of duties and powers contained in this Restated Declaration, the Association shall have the duty to accomplish the following upon the Lots, Common Area or other land in such manner and at such times as the Board shall prescribe:

- a. Maintain all private walkways, bicycle paths, trails or other pedestrian paths located on the Common Area;
- b. Maintain all private streets and adjacent streetscapes within the Development in conformance with the standard of maintenance established by the Director of Public Works of the City for public streets and streetscapes within the City and any other applicable laws and regulations, provided that if such maintenance of such private streets and streetscapes is the responsibility of a Sub-association, the Association shall cause such Sub-association to conform to such standards, and if such Sub-association action fails to so conform, the Association may (but shall not be obligated to) perform such maintenance itself and levy on the members of such Sub-association a Reimbursement Assessment for same;
- c. Maintain, repair, restore, replace and make necessary improvements to the Common Area;
- d. Maintain all drainage facilities and easements located on the Common Area in accordance with the requirements of the Ventura County Flood Control District and/or the City; provided that if such maintenance of such drainage facilities and easements is the responsibility of a Sub-association, the Association shall cause such Sub-association to conform to such standards, and if such Sub-

association fails to so conform, the Association may (but shall not be obligated to) perform such maintenance itself and levy on the members of such Sub-association a Reimbursement Assessment for the cost of same;

- e. Cause the appropriate public utility to maintain any utility easements located on the Common Area;
- f. Maintain all open space, public rights-of-way and other facilities as required of the Association pursuant to and in accordance with written agreements for same between the Association and the City or any agency or department thereof;
- g. Maintain the exterior (defined to mean the side fronting on any public right-of-way or Common Area) of those Lot perimeter walls or fences as required by the Specific Plan or by the City to be maintained; and
- h. Maintain all other areas, facilities, equipment services or aesthetic components of whatsoever nature as may from time to time be requested by the vote or written consent of two thirds (2/3) of the Members.

4.2 Relationship With Sub-associations.

For the purposes of this Restated Declaration, a Sub-association shall be deemed responsible for the maintenance of the Sub-association Common Area in first-class condition, appearance and repair. The members of a Sub-association shall not terminate or modify the maintenance responsibilities of such Sub-association without the prior written approval of the Board. In the event that a Sub-association does not execute its maintenance responsibilities in compliance with the Architectural Standards and/or Section 4.6 herein, the Association may, but shall not be obligated to, perform such maintenance itself and levy on the members of such Sub-association a Reimbursement Assessment for same.

4.3 Repair and Maintenance by Owner.

Except as the Association shall be obligated to repair and maintain as may be provided in this Restated Declaration, and except as a Sub-association is responsible for the maintenance of Lots and Dwellings pursuant to the applicable Sub-association Governing Documents, every Owner shall:

- a. Maintain, repair, replace and restore all portions of his or her Lot and Dwelling in good and sanitary condition and repair and in accordance with applicable Rules and the provisions of Article 6 hereof;
- b. Install and thereafter maintain in attractive and viable condition front yard landscaping in accordance with the provisions of this Article and Article 6;
- c. Maintain, repair and replace such Owner's Exclusive Use Common Area, if any, in a clean manner, consistent with the surrounding properties, and ensure

that such areas do not pose a threat to the health, safety or welfare of other Owners;

- d. In the event the Board shall determine that any Lot perimeter walls or fences have been damaged from within a Lot, notwithstanding that such damage may be to the Lot perimeter walls and fences which are to be maintained by the Association pursuant to the terms of this Article, the Owner of the Lot shall be responsible for repairing such damage in a timely manner and in accordance with such architectural standards as the Architectural Review Committee shall from time to time adopt. In the event such repair is not so accomplished by the Owner, the Association or its delegates shall have the right at reasonable times to enter the Lot to effect such repair, and the cost thereof shall be charged to the Owner of the Lot and, if not paid in a timely manner, shall be deemed a levied Reimbursement Assessment.

4.4 Wood Destroying Pests and Organisms.

Without limiting any of the maintenance and repair obligations specified in Sections 4.1, 4.2 and 4.3 above:

- a. The Association shall treat, repair, replace, and restore any part of the Common Area, which is damaged or infested by wood destroying pests and organisms, rodents, insects or other pests ("Pests") in accordance with the applicable provisions of the California Civil Code. Neither the Association, the Board, officers, agents nor employees shall have any liability, absent willful or wanton negligence, to any Owner, Resident or Guest for any damage caused by the treatment.
- b. The Sub-associations shall treat, repair, replace and restore any part of the Sub-association Common Area, which are damaged or infested Pests, in accordance with the California Civil Code.
- c. Each Owner shall treat, repair, replace and restore any part of his or her Lot, including without limitation his or her Exclusive Use Common Area, if any, damaged as a result of Pests. It shall be the Owner's duty to eradicate the Pests and repair or replace any areas damaged by such Pests and infestations.
- d. Notwithstanding anything else herein, in the event that an Owner wishes to obtain a Pest clearance certificate for any purpose, the Owner shall be solely responsible for any and all costs associated with obtaining the certificate, including, without limitation, the costs of maintenance and repair of the Dwelling, Exclusive Use Common Area, or Common Area which may be necessary to obtain the Pest clearance certificate.

- e. The Association may cause the temporary, summary removal of any Owner, Resident, or invitee from a Dwelling or Lot for such periods and at such times as may be necessary for prompt, effective treatment of Pests. The Association shall give notice of the need to temporarily vacate a Dwelling or Lot to the Residents and Owners of such Dwellings not less than fifteen (15) days nor more than thirty (30) days prior to the date of the temporary relocation. The notice shall state the reason for the temporary relocation, the date and time of the beginning of treatment, the anticipated date and time of termination of treatment, and that the Residents will be responsible for their own accommodations during the temporary relocation. Notice by the Association shall be deemed complete upon either: (1) personal delivery of a copy of the notice to the Residents of the Dwelling, and if the Owner of the Lot is not one of the Residents, individual delivery (as defined in the Civil Code) of a copy of the notice to the Owner; or (2) individual delivery to the Residents of the Unit at the address of the Dwelling, and if the Owner is not one of the Residents of the Dwelling, individual delivery of a copy of the notice to the Owner.

4.5 Drainage.

- a. Each Owner shall be responsible for keeping in open, undamaged, and unobstructed condition all sewer, water, and drainage pipes and lines serving his or her Lot wherever located, except to the extent such component is maintained by the City of Simi Valley, a utility company or a Sub-association pursuant to the applicable Sub-association Governing Documents.
- b. In connection with all drains and portions of pipe which are located in or under an Owner's Lot, the Owner shall check regularly to ensure they are unbroken and in good operating condition and shall repair such components immediately when they are found to be in need of repair.
- c. No Owner shall interfere with or alter any established drainage pattern within the Development without the prior written approval of the Architectural Review Committee, which approval may be given or withheld in the Committee's absolute discretion.
- d. Each Owner shall be liable for any damage to the Common Area, including the hillsides and slopes, caused by his or her failure to maintain, repair and replace the drains and drainage pipes in or under his or her Lot.

4.6 Standards for Maintenance and Installation.

Maintenance of the exterior of Dwellings, walls, fences and roofs shall be accomplished in accordance with the architectural standards and, if required by this Restated Declaration or the architectural standards, only after prior written approval of the Architectural Review Committee.

4.7 Right of Association to Maintain and Install.

In the event any Owner fails to maintain the areas and/or property such Owner is obligated to maintain hereunder, and any applicable Sub-association does not perform such Owner's maintenance obligations to the extent it has the right to do so under the applicable Sub-association Governing Documents, then the Board may notify the Owner of the specific work required and request that it be done within a reasonable time, based on the exigency of the circumstances. If the Owner fails to carry out such maintenance within that time period, the Board may, after notice and a hearing, cause such work to be done and shall levy the charge to the Owner and its Lot as a Reimbursement Assessment, subject to the rights provided pursuant to state statute, with the full authority to lien on such amount in the event of non-payment.

4.8 Relationship Between Owners and Sub-Associations of Which They are a Member.

Nothing contained herein is deemed to alter or affect the relationship or obligations that exist between an Owner and the Sub-association of which it is a member with respect to maintenance obligations contained in Sub-association documents.

4.9 Owner Liability for Damage to Common Area.

Each Owner is liable to the Association for any damage to the Common Area caused by (i) his or her acts or omissions, (ii) the acts or omissions of his or her Residents and Guests, and (iii) any condition originating in his or her Lot. The Association shall be responsible for performing the repair of any damage to the Common Area or items over which the Association has control at the responsible Owner's expense. The Association may charge the cost of such repair to the responsible Owner as a Reimbursement Assessment, with the full authority to lien, subject to state statute, on such amount in the event of non-payment, after a properly noticed hearing before the Board. If the damage is such as may be covered by 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 bear the cost of any deductible applicable to the covered claim. If the submitted claim is not covered by the Association's insurance, the Owner shall be responsible for the total cost of repair.

4.10 Owner Liability for Damage to Other Owners.

Each Owner is liable to all other Owners for any damage to his or her Lot caused by (i) his or her acts or omissions, (ii) the acts or omissions of his or her Residents and Guests, and (iii) any condition originating in his or her Lot.

4.11 Limitation on Association's Liability.

In the absence of gross negligence or willful misconduct, neither the Association nor any officer, director, committee member, employee, managing agent, or agent of the Association shall be liable to any Person (including, without limitation, any Owner) for (i) theft of or injury to any article, vehicle or thing which may be kept by such Owner or other Person in any part of the Development, (b) water leakage or mold from any source which results in damage to the

Person's Lot, and/or (c) the Association's need to access Common Area in order to perform maintenance or repairs for which the Association is responsible.

4.12 Mechanic's Liens.

No labor performed or materials furnished for use in connection with any Lot shall create any right to file a statement of mechanic's lien against the Lot or any other Lot not expressly consenting to or requesting such labor or materials or against any interest in the Common Area for whom such labor shall have been performed and such materials shall have been furnished. Each Owner shall indemnify and hold harmless each of the other Owners from and against liability or loss arising from the claim of any lien against the Lot of the Owner, or any part of same, for labor performed or for materials furnished in work on such Owner's Lot.

**ARTICLE 5
ASSESSMENTS AND COLLECTION PROCEDURES**

5.1 Covenant to Pay.

Each Owner, by acceptance of the deed to the Owner's Lot, covenants and agrees to pay to the Association Regular Assessments, Special Assessments, Reimbursement Assessments, and all other Assessments and charges levied by the Association pursuant to this Restated Declaration and applicable state statute(s). An Assessment and any late charges, reasonable costs of collection, and interest assessed in accordance with the provisions of this Article shall also be a personal debt of the Owner of the Lot at the time the Assessment or other sums are levied. The Owner may not waive or otherwise escape liability for these Assessments by nonuse of the Common Area or abandonment of the Owner's Lot. An Owner may, but is not obligated to, pay under protest, if such right is authorized by state statute, any disputed charge or sum levied by the Association, including, but not limited to, an Assessment, fine, penalty, late fee, collection cost, or monetary penalty imposed as a disciplinary measure, and by so doing, specifically reserve the right to contest the disputed charge or sum in court or otherwise.

5.2 Purpose of Assessments.

Except as provided herein, the Association shall levy Assessments sufficient to perform its obligations. The Assessments levied by the Association shall be used exclusively to promote the recreation and welfare of the Owners; for the operation, replacement, improvement, and maintenance of the Common Area; to enhance the quality of life in and the value of the Development; to preserve and protect the integrity and current lifestyle of the Association; and to discharge any other obligation of the Association under this Restated Declaration. All Assessments collected from the Owners shall be put into general operating and reserve funds to be used for the foregoing purposes.

5.3 Maintenance Funds of Association.

The Board of Directors shall establish no fewer than two (2) separate accounts (the "Maintenance Funds"), into which shall be deposited all monies paid to the Association, and from which disbursements shall be made, as provided herein, in the performance of functions by

the Association under the Master Governing Documents. The Maintenance Funds may be established as trust accounts at a banking or savings institution. The Maintenance Funds shall include: (1) an operating fund for current common expenses of the Association; (2) an adequate reserve fund for capital improvements, replacements, painting and repairs of the Common Area (which cannot normally be expected to occur on an annual or more frequent basis), and for payment of deductible amounts for policies of insurance which the Association obtains, as provided in Article 9 hereof; and (3) any other funds which the Board of Directors may establish to the extent necessary under the provisions of this Restated Declaration. Nothing contained herein shall limit, preclude or impair the establishment of additional Maintenance Funds by the Association, so long as the amounts assessed to, deposited into, and disbursed from any such fund are earmarked for specified purposes authorized by this Restated Declaration or the other Master Governing Documents of the Association.

5.4 Regular Assessments.

When preparing its financial documents and annual budget, 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 and for bad debt resulting from unpaid delinquent assessments. The resulting amount shall constitute the annual Regular Assessment for the budgeted year. If an annual Regular Assessment is not made as required for a new fiscal year, the annual Regular Assessment for the prior fiscal year shall apply and govern each Owner's payments until changed by a new Regular Assessment. Regular Assessments shall be assessed equally and uniformly against all Owners and their Lots and may be collected at intervals selected by the Board. To the extent permitted by law, failure of the Board to estimate the net charges within the time period stated herein shall not void any annual Regular Assessment imposed by the Board. Each Owner is obligated to pay the annual Regular Assessment for his or her Lot(s) to the Association in equal monthly installments on or before the first day of each month, regardless of whether any monthly invoice, statement or notice thereof is provided to the Owner, unless the Board adopts an alternative method for payment. Annual Regular Assessments for fractions of any month shall be prorated on the basis of a thirty (30) day month.

5.5 Special Assessments.

If the Board determines that the amount to be collected from Regular Assessments will be inadequate to defray the Common Expenses for the year for any reason, the Board shall levy a Special Assessment for the additional amount needed, subject to any limitations imposed by the California Civil Code or the Master Governing Documents. Each Lot shall bear an equal and uniform share of the total Special Assessment.

5.6 Reimbursement Assessment.

Whenever the Association (i) performs any service or completes any item of repair or maintenance which is the duty of any Owner or of a Sub-association to complete, but which has not been completed by such Owner or such Sub-association, as the case may be, (ii) preempts the performance of a specific Owner of a given act of maintenance or repair for which that Owner is responsible, or (iii) incurs any costs which by law or as required by the Master Governing

Documents must be reimbursed by an Owner (including, without limitation, repair of damage to the Common Area caused by an Owner, or an increase in the insurance premiums for any insurance policy purchased or obtained by the Association for the benefit of the Development and the Owners caused by an act or omission of an Owner), the Association shall specifically charge such cost, together with any financing, accounting, legal, administrative and other costs incurred by the Association, to the Owner for whom such work was done, and such additional cost shall be levied against the applicable Owner or Owners within a Sub-association, as the case may be, as a Reimbursement Assessment. Such Reimbursement Assessments are due and payable thirty (30) days from the date written notice of the Reimbursement Assessment is given by the Board.

5.7 Exempt Property.

The following portions of the Property shall be exempt from the Assessments created herein: (a) all properties dedicated to and accepted by, or otherwise acquired by, a public authority; and (b) Lots that consist of Common Area and/or Sub-association Common Area. However, no Lot that includes improvements devoted to residential use shall be exempt from said Assessments.

5.8 Monetary Penalties.

In the event the Board of Directors imposes a monetary penalty (fine) against an Owner, that monetary penalty shall be subject to costs of collection, including without limitation attorneys' fees, late charges and interest as described in Section 5.12 for delinquent payment, to the extent allowed by law. Prior to imposing a penalty on an Owner, the Board shall invite the Owner to a hearing before the Board consistent with procedures set forth in the Bylaws and the Civil Code.

5.9 Certain Lots Not Subject to Assessment.

Assessments which would normally become due on Lots, but which Lots are owned by the Association, shall be deemed to be common expenses collectible from all of the remaining Lots in the same proportion that each Lot bears to the others less the number of Lots owned by the Association.

5.10 Limitations on Assessments; Emergency Assessments.

- a. Annual increases in Regular Assessments for any fiscal year shall not be imposed unless the Board has distributed a copy of the Association's operating budget for that fiscal year in compliance with the applicable California Civil Code Sections regarding same, or has obtained the approval of Owners, constituting a quorum, casting a majority of the votes at a lawfully conducted meeting or election of the Association. For the purposes of this Section, "quorum" means more than fifty percent (50%) of the Owners of the Association.

- b. Except in emergency situations, and unless otherwise superseded by applicable law, the Board may not, without the approval of Owners constituting a quorum of the Owners and casting a majority of the votes at a lawfully conducted meeting or election of the Association, impose a Regular Assessment that is more than twenty percent (20%) greater than the Regular Assessment for the preceding fiscal year, or levy Special Assessments that in the aggregate exceed five percent (5%) of the budgeted gross expenses of the Association for that fiscal year. For purposes of this Section, a "quorum" means more than fifty percent (50%) of the Owners of the Association. These limitations shall not apply to Assessment increases that are necessary for emergency situations. An emergency situation is an extraordinary expense that is:
- (1) Required by a court order;
 - (2) Necessary to repair or maintain the Property or any part of it for which the Association is responsible where a threat to personal safety in the Development is discovered; or
 - (3) Necessary to repair or maintain the Property or any part of it for which the Association is responsible that could not have been reasonably foreseen by the Board in preparing and distributing the pro forma operating budget. Before the Board may impose or collect an Assessment in this emergency situation, it shall pass a resolution containing written findings as to the necessity of the extraordinary expense and why the expense was not or could not have been reasonably foreseen in the budgeting process, and shall distribute the resolution to the Owners with the notice of Assessment.

5.11 Notice of Assessments.

The Association shall provide notice by first-class mail, or by electronic transmission if allowed by statute, to the Owners of any increase in the Regular Assessments or the imposition of a Special Assessment or Reimbursement Assessment at least thirty (30) but not more than sixty (60) days prior to the Assessment becoming due.

5.12 Costs, Late Charges and Interest.

An Assessment, including any installment payment, is delinquent fifteen (15) days after its due date. Late charges may be levied by the Association against an Owner for the delinquent payment of Assessments, and monetary penalties. If any of these charges is delinquent, the Association may recover all of the following from the Owner:

- a. Reasonable costs incurred in collecting the delinquent charge, including actual attorneys' fees.
- b. A late charge not exceeding ten percent (10%) of the delinquent Assessment or ten dollars (\$10.00), whichever is greater, or the maximum amount allowed by

applicable law. Late charges may be imposed on each delinquent payment, but no late charge may be imposed more than once for the delinquency of the same payment.

- c. Interest on the foregoing sums, at an annual percentage rate of twelve percent (12%) or the maximum amount allowed by applicable law, commencing thirty (30) days after the charge becomes due.

5.13 Enforcement of Assessments and Late Charges.

A delinquent Assessment (to the extent permitted by law), and any related late charges, reasonable costs of collection (including actual attorneys' fees), and interest shall become a lien upon the Lot to which such delinquent Assessment(s) and other charges are attributable when a Notice of Delinquent Assessment ("Notice" or "Assessment Lien") along with an itemized statement of charges is recorded with the County Recorder. The Notice shall describe the amount of the delinquent Assessment(s), the related charges authorized by this Restated Declaration, a description of the Lot, the name of the purported Owner, and the name and address of the trustee authorized by the Association to enforce the Assessment Lien by sale. The Notice shall be signed by any officer of the Association, or any employee or agent of the Association authorized to do so by the Board. The Notice may be enforced in any manner permitted by law, including, without limitation, judicial foreclosure or nonjudicial foreclosure.

Unless prevailing law or state statute requires less stringent action, the Notice may not be recorded until (i) the Board has made the decision to record the Notice by a majority vote of the Board in an open meeting and the Board records such vote in the Minutes of that meeting, and (ii) the Association has first complied with the applicable California Civil Code Section(s) concerning delivery of a written demand for payment to the delinquent Owner. If the delinquent Assessment or installment and related charges are paid or otherwise satisfied in accordance with the demand for payment, the Association shall not record the Notice.

The Notice is not required to be amended to reflect any partial payments after its recordation, and any such partial payments shall not be construed to invalidate the Notice. If all sums specified in the Notice and/or accrued thereafter by the terms of the Notice or state statute are paid before the completion of any judicial or nonjudicial foreclosure or lawsuit, the Association shall, within twenty-one (21) days of payment of all sums, (i) record a notice of satisfaction and release of lien and provide the Owner with a copy of the lien release or notice that the delinquent Assessment has been satisfied, and (ii) also record a notice of rescission of any recorded notice of default and demand for sale, or otherwise comply with superseding, applicable law in effect.

Prior to foreclosure of an Assessment Lien, the Association shall comply with all requirements under the law, including, but not limited to, the following, unless prevailing law or state statute requires less stringent action: (1) the decision to initiate foreclosure of an Assessment Lien for delinquent Assessments that has been validly recorded shall be made only by the Board, and may not be delegated to an agent of the Association; (2) the Board shall

approve the decision by a majority vote of the Directors in an executive session; (3) the Board shall record the vote in the minutes of the next meeting of the Board open to all Members; (4) the Board shall maintain the confidentiality of the Owner or Owners of the separate interest by identifying the matter in the minutes by the parcel number of the Lot, or other means of identification as allowed by statute, rather than the name of the Owner or Owners; and (5) a Board vote to approve foreclosure of an Assessment Lien shall take place at least thirty (30) days prior to any public sale.

5.14 Priority of Assessment Lien.

Unless applicable law otherwise provides, the Association's Assessment Lien shall be superior or prior to all other liens recorded subsequent to the Notice of Delinquent Assessment, except all taxes, bonds and governmental assessments that, by law, would be superior to such Assessment Lien.

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

5.15 No Offsets.

All Assessments shall be payable in the amount specified and no offset against such amount shall be permitted for any reason, including, without limitation, a claim that the Association is not properly exercising its duties and powers as provided in this Restated Declaration or a claim that the Association owes money, for any reason, to the Owner.

5.16 Statement of Delinquent Assessment.

Upon receipt of a written request from an Owner, the Association shall provide that Owner with the amounts of any delinquent Assessments and related late charges, interest, and collection costs, which, as of the date of the statement, are or may be made a lien against the Owner's Lot.

5.17 Waiver of Homestead.

Each Owner waives to the fullest extent permitted by law, with respect only to liens created pursuant to this Article, the benefit of any homestead or exemption of redemption laws of the State of California in effect at the time any payment of any Assessment becomes delinquent, and such Owner shall be deemed to be estopped to raise homestead or other exemptions or redemptions in any action or proceeding to enforce or foreclose such liens.

5.18 Acceleration of Assessments.

In the event of a delinquency by an Owner in the payment of any installment of the annual Regular Assessment or Special Assessment payments, the Board, at its option, may

declare the entire remaining balance of such Owner's annual Regular Assessment or Special Assessment, including any outstanding interest, late fees and penalties (collectively, the "Accelerated Assessments") for the current fiscal year immediately due and payable by delivering written notice at least thirty (30) days prior to the due date to the Owner. Such Accelerated Assessments may be collected in any manner provided for by this Restated Declaration or by law. The Board may, in its sole discretion, unilaterally reverse its prior action to accelerate Assessments as to an Owner under this Section and return to the original installment payment schedule, upon which the Owner's annual Regular Assessment or Special Assessment shall no longer be accelerated, but must be paid in accordance with the terms of a payment plan approved by the Board.

5.19 Assignment of Rents When Assessments Become Delinquent.

- a. **Assignment.** Subject to the requirements of the California Civil Code, currently Civil Code Section 2938, including without limitation requirements for notice in the form set forth therein, upon an Owner's failure to pay any Assessment within thirty (30) days after the due date, and under no other circumstances, each Owner who is renting a Lot to a tenant or tenants hereby assigns to the Association, if the Association accepts such assignment, the following:
 - (1) all the right, title and interest of such Owner in and to any lease(s) or rental agreement(s) (the "Lease"); and
 - (2) all of the rents and any other income now due or which may become due from the lease or rental of the Lot, including monies for supplying services, materials or installations (the "Rents"), together with any and all rights and remedies which the Owner may have against any tenant under the Lease or others in possession of the Lot for the collection or recovery of monies so assigned.
- b. **Process to Effectuate Assignment.** All of the steps required to record a Notice of Delinquent Assessment against the Owner, as described in Section 5.13 above and as otherwise required under the California Civil Code, shall be met by the Association. Then, the Demand to Pay Rent to Party Other than Landlord, in the form required by the applicable California Civil Code, signed under penalty of perjury by a Director or the Board's designee, shall be sent by first class mail to both the Owner and the tenant in the Owner's Lot.
- c. **Association Not a Landlord.** The enforcement and/or exercise of the Association's rights under this Section shall in no way constitute the Association as a "landlord" under any lease or sublease with a tenant in an Owner's Lot. Each Owner hereby acknowledges that the Association shall have no such responsibility and each Owner hereby agrees to indemnify, defend and

hold the Association, its officers, Directors, agents, representatives, employees and attorneys harmless from any and all claims by an Owner's tenant or any third party that the Association acted as the landlord and that tenant or any third party has a claim against the Association for failing to fulfill such duties in any manner.

- d. **Payment of Rents to Association.** Each Owner irrevocably consents that the tenant under the Lease, upon receiving from the Association notice of the Owner's default and demand for payment, shall pay the Rents to the Association without incurring any liability for the failure to determine the actual existence of any default claimed by the Association. Each Owner further agrees that the tenant under the Lease shall not be liable to the Owner for nonpayment of Rents to the Owner for Rents paid to the Association by such tenant pursuant to this Section. The full amount of the Rents received by the Association shall be applied to the Owner's account. Application of the Rents to particular charges within the Owner's account shall be at the Association's discretion to the extent not dictated by California law.
- e. **Termination of Payment of Rents to Association.** The Association may continue receiving the Rents directly from the tenant until any foreclosure action against the subject Lot is completed or until the amount of money owed to the Association by the Owner, including Assessments, late charges, interest, and collection costs, including reasonable attorney's fees, is paid in full, whichever occurs first.
- f. **Management of Lot.** Until the foreclosure action is completed or an Owner's debt to the Association is paid in full, the Association is assigned the right to (i) evict the tenants and to re-lease the Lot to qualified tenants; (ii) cancel or modify the Lease; (iii) make repairs as the Association deems appropriate; and (iv) perform such other acts in connection with the management and operation of the Lot, at the delinquent Owner's sole cost and expense, as the Association, in its sole discretion, may deem proper.
- g. **Association Powers.** The Association may, at any time, upon ten (10) days' written notice to the Owner, either in person, by agent or by a receiver appointed by a court of competent jurisdiction, and regardless of the adequacy of any security for the Owner's indebtedness, enter upon and take possession of all or any part of such Owner's Lot, and/or in its own name sue for or otherwise collect the Rents, including those past due and unpaid. The Association shall apply the same, less costs and expenses of operation and collection, including reasonable attorney's fees, in payment of any indebtedness to the Association or in performance of any agreement hereunder.

- h. **Mortgage Holder Rights.** The assignment of rents and powers described in this Section shall not affect, and shall in all respects be subordinate to, the execution of the rights and powers of the holder of any first or senior mortgage on any Lot to do the same or similar acts.

ARTICLE 6 ARCHITECTURAL CONTROL

It is the Association's duty to exercise architectural and landscaping control over Improvements constructed or installed in the Development as described in this Article 6. In order to meet this duty the Association shall act in accordance with the following regulations as well as those contained in the Rules.

6.1 Architectural Review Committee.

The Board of Directors has the discretion to appoint an Architectural Review Committee (sometimes referred to herein as "Committee") composed of neither less than three (3) nor more than five (5) members (each a "Committee Member"). In the event the Board creates an Architectural Review Committee, the Committee shall consider and act upon any and all plans and specifications submitted for its approval under this Restated Declaration and perform such other duties as from time to time shall be assigned to it by the Board, including the inspection of construction in progress to assure its conformance with plans approved by the Committee. The vote of a majority of the members of the Committee or the written consent of a majority of the Committee taken without a meeting shall constitute the act of the Committee. In the event no Architectural Review Committee is appointed, the Board shall perform the functions set forth herein. Committee Members shall be Members of the Association in good standing. Committee Members shall be appointed by the Board and shall hold office at the pleasure of the Board.

In the event of a Committee Member's death, resignation, removal or other event causing an inability to serve, the Board shall appoint a successor. Committee Members shall not receive any salary or compensation for their services as Committee Members; provided, however, that any Committee Member may (1) serve the Association in some other capacity and receive compensation for same, and (2) be reimbursed for actual expenses incurred in the performance of the Committee Member's duties.

6.2 General Provisions.

- a. The Committee may establish reasonable procedural Rules and may establish and assess a fee for submission of plans in connection with review of plans and specifications. However, the Committee may delegate its plan review responsibilities to one or more members of the Committee. Upon such delegation, the approval or disapproval of plans and specifications by such person shall be equivalent to approval or disapproval by the entire Committee.

Unless any such rules regarding submission of plans are complied with, such plans and specifications shall be deemed not submitted.

- b. The address of the Committee shall be the principal office of the Association as designated by the Board pursuant to the Bylaws. Such address shall be the place for the submittal of plans and specifications and the place where the current architectural standards, if any, shall be kept.
- c. The establishment of the Committee and the systems herein for architectural approval shall not be construed as changing any rights or restrictions upon Owners to maintain, repair, alter or modify, or otherwise have control over the Dwellings or Lots as may otherwise be specified in the Master Governing Documents.

6.3 Approval and Conformity of Plans.

The Board shall, from time to time, adopt and promulgate detailed architectural standards to be administered through the Committee; provided, however, that the architectural standards of the Association shall be consistent with and incorporate the Architectural Design Guidelines as set forth in Section XIV of the Specific Plan, as the same may be amended from time to time, and the Wood Ranch Design Guidelines dated January 1982, revised July 1982, as the same may be amended from time to time. The architectural standards shall include, among other things, those restrictions and limitations upon the Owners set forth below:

- a. If covered by the architectural standards, no building, fence, wall or other structure shall be commenced, erected, altered or maintained upon the Covered Property, nor shall there be any addition to or change in the exterior of any Dwelling, structure or other improvement, unless plans and specifications for same have been submitted to and approved by the Committee;
- b. Time limitations for the completion of any architectural improvements for which approval is required pursuant to the architectural standards;
- c. The conformity of completed architectural improvements to plans and specifications approved by the Committee and to the architectural standards; and
- d. In the event that an architectural improvement made by or for an Owner shall be determined to be non-conforming with the architectural standards after the Committee commences its enforcement proceedings, then the Owner shall remove the non-conforming improvement and restore the Dwelling to its original conforming condition unless such Improvement can be altered or completed to bring it into compliance with the architectural standards.

The architectural standards may include such other limitations and restrictions as the Board in its reasonable discretion shall adopt, including, without limitation, the regulation of the following: construction, reconstruction, exterior addition, change or alteration to or maintenance of any building, structure, wall or fence, including, without limitation, the nature, kind, shape, height, materials, exterior color and surface and location of such dwelling or structure.

6.4 Nonliability and Time for Approval.

Plans and specifications are not approved for engineering design, and by approving such plans and specifications neither the Committee, the members thereof, the Association, the Members nor the Board assumes liability or responsibility for same, or for any defect in any structure constructed from such plans and specifications. In the event the Committee fails to approve or disapprove such plans and specification within sixty (60) days after the same have been duly submitted in accordance with any rules regarding such submission adopted by such Committee, such plans and specifications will be deemed disapproved. Neither the Association, the Board, the Committee, if applicable, nor the members or designated representatives of same shall be liable for any damages to any Person submitting plans or specifications to them for approval, or to any Owner, by reason of mistake in judgment, negligence, or nonfeasance arising out of or in connection with the approval or disapproval, or failure to approve or disapprove, any such plans or specifications, or for any defect in any structure constructed from such plans and specifications. Neither the Association, the Board, the Committee, if applicable, nor the members or designated representatives of same shall have any responsibility or liability for approval or disapproval of plans or specifications with respect to engineering or structural design, integrity or accuracy.

6.5 Standards for Approval and Decisions.

Any decision made by the Committee or the Board of Directors, as applicable, shall be made in a fair and reasonable manner, may not be arbitrary or capricious and shall be:

- a. Consistent with any governing provision of law, including, but not limited to the California Civil Code Sections regarding the use of low-water using plants, and the Fair Employment and Housing Act, commencing with Section 12900, of Division 3 of Title 2 of the California Government Code.
- b. In writing, and if such decision is a denial, the written decision must include both an explanation of why the proposed change is disapproved and description of the procedure for reconsideration of the decision by the Board.
- c. At the election of the applicant, and if denial was rendered by the Committee, the decision is subject to appeal to the Board of Directors pursuant to the procedural Rules for appeal to the Board established by the Committee. Such appeal however, is not subject to the alternative dispute resolution procedures contained in Article 8 below. Board decisions are final and not subject to appeal.

6.6 Compliance with Legal Requirements.

No approval by the Board or Committee, if applicable, shall be deemed to excuse an Owner from compliance with any and all applicable laws, ordinances, rules, codes, or regulations of all governmental agencies having jurisdiction. Approval by the Board or Committee, if applicable, shall not constitute a representation by the Board or Committee that the proposed Improvements comply with any laws, ordinances, rules, codes or regulations, and it shall be the responsibility of each Owner to determine such compliance and take all steps and acquire all permits at the Owner's sole expense as may be required to properly and legally complete such Improvements.

**ARTICLE 7
USE RESTRICTIONS**

Owners shall comply with the following restrictions in connection with the use and occupancy of their Lots and their use of the Common Area. These restrictions are intended to preserve and enhance the proper maintenance of the Development and the Lots, and the quiet enjoyment of the Residents.

7.1 Single-Family Residential Use.

All Lots shall be known and described as residential Lots and shall be used for no purpose other than residential purposes. No Dwelling shall be erected, altered, placed or permitted to remain on any Lot other than a Dwelling used as a single-family Dwelling.

7.2 Commercial Use.

No part of a Lot or Dwelling shall be used or caused to be used or allowed or authorized in any way, directly or indirectly, for any business, commercial manufacturing, mercantile, storing, vending, or other such nonresidential purposes; provided, however, that the Association shall have the right to provide or authorize such services on the Common Area as it deems appropriate for the enjoyment of the Common Area or for the benefit of the Members of the Association. Notwithstanding the foregoing, a Dwelling may be used for home office use, so long as such home office use is incidental to the residential use of the Dwelling. The use of any portion of a Lot or Dwelling as a home office shall comply with the following provisions:

- a. The home office use is not apparent or detectable by sight, sound, or smell from outside of the Dwelling.
- b. The home office use complies with applicable laws and zoning ordinances.
- c. No employees, clients, customers, patrons, messengers, or delivery personnel regularly visit the Dwelling, Lot or any portion of the Development in relation to the home office use.

- d. The home office use does not increase the liability or casualty insurance obligations or premiums of the Association.
- e. The home office use is consistent with the residential character of the Development and conforms with the provisions of this Restated Declaration and any Rules.
- f. No Dwelling or other portion of a Lot shall be used or allowed to be used for any business, commercial, manufacturing, mercantile, storing, vending, or other non-residential purposes, except for home office use as permitted under this Section 7.2.
- g. If there is any disagreement about whether certain conduct or a particular activity exceeds the scope of the limited home office use permitted by this section, the decision of the Board shall be final and binding.

7.3 Signs.

a. An Owner may post or display noncommercial signs, posters, flags, or banners on or in the Owner's Lot, unless prohibited by the Association for the protection of public health or safety or if the posting or display would violate a local, state, or federal law. For purposes of this provision, a noncommercial sign, poster, flag, or banner may be made of paper, cardboard, cloth, plastic, or fabric, and may be posted or displayed from the yard, window, door, balcony, or outside wall of the Residence, as may be applicable, but may not be made of lights, roofing, siding, paving materials, flora, or balloons, or any other similar building, landscaping, or decorative component, or include the painting of architectural surfaces. The Association may adopt Rules not inconsistent with the California Civil Code regulating the posting or display of noncommercial signs, posters, flags, or banners on or in Owners' Lots. Noncommercial signs and posters that are more than nine (9) square feet in size and noncommercial flags or banners that are more than fifteen (15) square feet in size are prohibited within the Development. No Owner shall post noncommercial signs, posters, flags or banners within the Common Area, except as permitted under this subsection (a) or by law.

b. No commercial signs, posters, flags, or banners may posted or displayed on or in any Lot or any portion of the Common Area. Notwithstanding the foregoing, an Owner or his or her agent may display or have displayed on or in the Owner's Lot "for sale" signs, so long as such signs are reasonably located, in plain view of the public, of reasonable dimensions and design, and do not adversely affect public safety (including traffic safety), advertising the following: (A) that the Lot is for sale, lease, or exchange by the Owner or his or her agent; (B) directions to the Lot; (C) the Owner's or agent's name; and/or (D) the Owner's or agent's physical address, email address, and telephone number. "For sale" signs may not be posted on or in the Common Area.

7.4 Nuisance.

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 or kept 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 or her respective Dwelling, or which shall in any way increase the rate of insurance or cause the cancellation of any insurance policy. If, by reason of any act or omission by an Owner, the cost of insurance on any policy normally purchased by the Association is increased, that Owner shall be personally liable to reimburse the Association for the cost of any such increase, which cost shall become a Reimbursement Assessment against his or her Lot. Each Owner shall reimburse the Association, upon demand, for any damages, losses, costs, judgments, liabilities, claims, or assertions (including, but not limited to, reasonable attorneys' fees, costs and expenses, and experts' fees and costs), and all increased insurance costs to the Association resulting from Owner's failure to comply with this provision. Each Owner shall comply with all applicable ordinances and statutes and with all requirements of local and/or state boards of health with respect to the occupancy and use of such Owner's Lot. Due to the subjective nature of many claimed nuisances, the Board may decline to become involved in disputes between Owners over their conduct towards one another. In such event the dispute will be resolved by the Owners only and shall not involve the Association in any resulting litigation, arbitration, or mediation. The Board may adopt provisions in the Rules to proscribe specific activities and conduct that may constitute a nuisance. Every act or omission by which any provision, condition, restriction, covenants, easements, or reservation contained in the Master Governing Documents is violated in whole or in part, is declared to be and constitute a nuisance. Every remedy allowed by law or equity against a nuisance, either public or private, shall be applicable against every such act or omission and may be exercised by any Owner and the Association. Each remedy provided herein shall be cumulative and not exclusive. Further, no noxious, offensive or illegal activities are permitted in the Development. Nothing shall be done or placed in the Development which is a nuisance or causes unreasonable embarrassment, disturbance or annoyance to the Association or any other Owner in the use and enjoyment of his or her Lot or of the Common Area and/or the Sub-association Common Area, including disturbing or annoying actions and behaviors of pets.

7.5 Temporary Structures.

No structures of a temporary character, trailer, basement, tent, shack, garage, barn or other out-building shall hereafter be used or installed on any Lot at any time, either temporarily or permanently.

7.6 Vehicles.

No trailer, motorhome, recreational vehicle, camper, boat or similar equipment shall hereafter be permitted to remain upon any Lot, unless placed or maintained within an enclosed garage, or unless obscured from view of adjoining Lots, streets, or alleys by a fence or appropriate screen, nor shall any such recreational type of vehicle described in in this sentence be permitted to be parked other than temporarily, on any street, alley or Common Area within the Property. For purposes of this provision, "temporarily" shall mean (1) the parking of vehicles belonging to or being used by Owners for loading and unloading purposes and (2) the parking of

recreational vehicles, as described in this provision, for a period not to exceed twenty-four (24) hours at any time. Relocating or moving a vehicle or recreational type of vehicle to another area within the Development shall not constitute a termination and renewal of the temporary parking time period set forth in this provision. The Board may adopt Rules for the regulation of the admission and parking of vehicles within the Property, including, but not limited to, the assessment of charges to Owners who violate or whose Guests violate such Rules. Without limiting the foregoing, the Board may in its sole discretion adopt Rules limiting or prohibiting commercial or business related signage and/or advertisements on any vehicle entering or parking in the Development. Any fence or screen required under this Section shall comply with any standards promulgated by the Board as to size, color or other qualification for permitted fences or screens.

7.7 Animals.

No animals, livestock or poultry of any kind shall be raised, bred or kept on any Lot, except that dogs, cats or other household pets may be kept on the Lots, provided they are not kept, bred or maintained for any commercial purpose, or in numbers deemed unreasonable by the Board. Notwithstanding the foregoing, no animals or fowl may be kept on the Lots, which, in the good faith judgment of the Board or a committee selected by the Board for this purpose, result in an annoyance or are obnoxious to residents in the vicinity. All animals permitted to be kept by this Section shall be kept on a leash when on any portion of the Property except within a Lot.

7.8 Oil and Mineral Rights.

No oil drilling, oil development, operations, oil refining quarrying or mining operations of any kind shall be permitted upon or in any Lot nor shall oil wells, tanks, tunnels or mineral excavations or shafts be installed upon the surface of any Lot or within five hundred (500) feet below the surface of such properties. No derrick or other structure designed for use in boring for water, oil or natural gas shall be erected, maintained or permitted upon any Lot.

7.9 Unsightly Items.

All weeds, rubbish, debris or unsightly materials or objects of any kind shall be regularly removed from the Lots and shall not be allowed to accumulate thereon. All refuse containers, woodpiles, storage areas, machinery and equipment shall be prohibited upon any Lot unless obscured from view of adjoining streets, lots, alleys or Common Area nearest such portion of the Property from a height of six (6) feet or less. Any fence or screen required by this Section shall comply with any standards promulgated by the Board as to size, color or other qualification for permitted fences or screens.

7.10 Antennae.

a. The installation and use of a video or television antenna (an “*Antenna*”), including a satellite dish, that has a diameter or diagonal measurement of thirty-six (36) inches or less, and the attachment of that Antenna to a structure within the Development where the Antenna is in the least obtrusive location, shall be permitted, subject to the provisions of this Section 7.10 and applicable state and federal law; provided, however, that if an Antenna is not

located in the least obtrusive location, the Association shall have the right to require same from the Owner installing such Antenna. The installation and use of an Antenna that has a diameter or diagonal measurement in excess of thirty-six (36) inches shall be prohibited within the Development. No Owner shall have the right to install an Antenna in the Common Area, except with the prior written approval of the Association.

b. The installation of a permitted Antenna shall require advance written approval of the Association. The application for approval of such installation or use shall be processed by the Association in the same manner as an application for approval of an architectural modification to the Property (in accordance with Article 6 of this Restated Declaration), and the issuance of a decision on the application shall not be willfully delayed.

c. The Association may impose reasonable restrictions on the installation or use of an Antenna that has a diameter or diagonal measurement of thirty-six (36) inches or less. For purposes of this provision, "reasonable restrictions" means those restrictions that do not significantly increase the cost of the Antenna system, including all related equipment, or significantly decrease its efficiency or performance, and include, without limitation, the following: (A) a provision for the maintenance, repair, or replacement of roofs or other building components; and (B) requirements for installers of a video or television antenna to indemnify or reimburse the Association or its Members for loss or damage caused by the installation, maintenance, or use of the video or television antenna.

7.11 Drainage.

All drainage of water from any Lot and the Improvements thereon shall drain or flow as set forth below:

- a. Any such water may drain or flow into adjacent streets or alleys and shall not be allowed to drain or flow upon, across or under adjoining Lots or Common Area unless an easement for such purpose is granted.
- b. All slopes or terraces on any Lot shall be maintained so as to prevent any erosion thereof upon adjacent streets or adjoining property.
- c. No Owner may alter or interfere with the established drainage patterns over his or her Lot from other parts of the Development without the prior written approval of the Architectural Review Committee.

7.12 Garages.

No garage doors shall be permitted to remain open except for a temporary purpose, and the Board may adopt Rules for the regulation of the opening of garage doors, including the assessment of charges to Owners who violate or whose Guests violate such Rules. Any charges so assessed shall be Reimbursement Assessments. Each Owner and Resident shall keep his or her garage in a neat and clean condition, free of oil, grease, and other debris. Storing of personal

property in a garage shall be permitted. Garages shall not be converted for living or recreational purposes.

7.13 Sub-Association Use Restrictions.

Nothing herein shall prevent a Sub-association from adopting use restrictions for its Sub-association Common Area which are more restrictive than those set forth herein.

7.14 Alteration of Common Area.

No Owner shall alter, construct or remove anything on or from the Common Area.

7.15 Alteration of Separate Interests.

Prior to commencing any construction, alterations or improvements on a Lot or any part thereof which require approval by the Architectural Review Committee under Article 6 hereof, Owners shall comply with all requirements of the Master Governing Documents.

7.16 Barbecues; Exterior Fires.

No fires are permitted, except in barbecue grills, fireplaces and fire pits designed and used in such a manner that they do not create a fire hazard. Outdoor barbecue grills, fireplaces and fire pits must be used in accordance with all applicable state and local fire codes.

7.17 Electrical Equipment.

No Owner may install, attach or hang any equipment or wiring for electrical installation, machines, air conditioning units, or other like equipment, in any portion of the Common Area except as approved in writing in advance by the Architectural Review Committee or the Board.

7.18 Filming Activities.

No Owner shall allow his or her Lot, Unit, or the Common Area to be used for commercial filming or photography purposes except with the prior written approval of the Board or as otherwise allowed in the Rules.

7.19 Storage.

Under no circumstances may explosives, fireworks, toxic or hazardous materials, or highly flammable materials such as gasoline, kerosene, oil, oil-based paints or solvents be stored by Owners anywhere in the Development; provided, however, that reasonable amounts of these liquids, substances or materials placed in appropriate containers and packaged for normal household use, such as for cleaning purposes, may be properly stored.

7.20 Garage Sales.

Garage sales and estate sales shall be permitted in the Development except to the extent limited or disallowed in the Rules. Signage for the garage or estate sale must be removed by the end of the day on which the sale occurs.

7.21 Sports Apparatus.

No basketball apparatus or fixed sport apparatus shall be attached to the exterior surface of any Dwelling, building or structure in the Development, and no portable basketball hoop or other sports apparatus shall be permitted within the Common Area. Notwithstanding the foregoing, a portable basketball hoop or similar apparatus may be used in the front yard of a Lot; provided, however, that when such basketball hoop or other apparatus is not in use, it must be stored in the garage, side yard (behind the gate), or backyard of an Owner's Lot at all times and not be within the view of the Common Area, other Lots or the public.

7.22 Insurance.

Each Owner, and not the Association, shall have the continuing duty to insure his or her separate interests and purchase at his or her sole expense (i) Liability insurance with limits of not less than \$250,000.00 per occurrence, (ii) Property insurance covering his or her Lot and any personal property, furniture, furnishings, and decorations, and (iii) Any other policy of insurance which the Owner determines is reasonably necessary to protect his or her separate interests. Each Owner is responsible for integrating the Owner's personal insurance with the Association's insurance to confirm that such Owner's property will be protected in the event of a loss. Such Owner's policies shall not adversely affect or diminish any liability under any insurance obtained by or on behalf of the Association, and duplicate copies of such other policies shall be deposited with the Board upon request. If any loss intended to be covered by insurance carried by or on behalf of the Association shall occur and the proceeds payable thereunder shall be reduced by reason of insurance carried by any Owner, such Owner shall assign the proceeds of such insurance carried by Owner to the Association, to the extent of such reduction, for application by the Board to the same purposes as the reduced proceeds are to be applied. Notwithstanding anything to the contrary contained herein, although the Owner is obligated to purchase insurance as required herein, the Association shall not have the obligation to confirm that the Owners purchase the required insurance and/or to confirm the terms of any insurance purchased. The Association shall not be responsible to an Owner if the Owner sustains damage to the Owner's Lot and/or collateral damage to other Lots and/or the Common Area for which the Owner could be responsible for the cost to remediate or repair same and the Owner does not have or does not maintain the insurances required herein.

7.23 Laundry.

Except as required by law and Section 7.36 herein, no exterior clothesline shall be permitted in the Development, which can be seen from the Common Area, the Sub-association Common Areas or another Owner's Lot.

7.24 Leasing Restrictions.

No Owner may lease his or her Lot at any time for an initial term of less than six (6) months. All leases shall be in writing and shall contain a provision that any violation by the tenant or occupant of the Master Governing Documents shall constitute a material breach of the lease. In addition:

- a. Owner shall deliver a copy of the lease to the Manager prior to the Resident taking possession.
- b. If Owner chooses to lease his or her Lot, it must include the entire Lot, as no rentals of individual rooms in a Dwelling shall be permitted.
- c. Owner shall provide Residents with a copy of the Master Governing Documents before any lease is signed.
- d. Owners are liable for all acts and omissions of their Residents which cause injury or damage to the Association, the Common Area, or to other Owners or Residents and/or their property.
- e. If a Resident violates the Master Governing Documents, the Association may bring an action in its own name to have the Resident evicted and/or to recover damages. Should this occur, the Owner shall be deemed to have assigned his or her rights as landlord to the Association for this limited purpose. Should the Association file an unlawful detainer action, the prevailing party in any such unlawful detainer action shall recover his, her or its reasonable attorneys' fees and costs.
- f. Owner shall provide the Resident with a key to the lake. When a Lot is non-Owner occupied, all rights to use the recreational components of the Common Area are transferred to the Resident and the Owner relinquishes such rights until he or she reclaims possession of the Lot.

7.25 Occupancy Restriction.

The maximum number of Persons who may reside on any Lot at any time shall not exceed two (2) Persons per bedroom, plus one. For purposes of this Section 7.25 only, a person is deemed to reside in the Lot if he or she spends more than 60 consecutive days, or 120 days (non-consecutive) in any calendar year, using, residing in or occupying the Lot. The Association may require Owners to disclose in writing the names of the Persons residing in the Lot at any time.

7.26 Obstruction of Common Area.

No Owner may obstruct or interfere in the Association's management of, or the right of other Owners to access and travel through, the Common Area.

7.27 Parking.

The following regulations will apply to vehicles which park in the Development.

- a. No Owner may park any motor vehicle within the Common Area except in authorized locations designated for public parking, if any.

- b. Owners may park their motor vehicles in the street but only in strict compliance with all local laws and ordinances.
- c. Notwithstanding the foregoing, no truck (other than a passenger truck such as a sport utility vehicle or a pickup truck with a manufacturer's rated payload capacity of one ton or less), trailer, camper, boat, aircraft, recreational vehicle, or other similar vehicle shall be permitted to park anywhere in the Development, as further described in Section 7.6 herein.
- d. A commercial vehicle regularly used by an Owner for both personal and business purposes is permitted so long as it is operated and parked in compliance with all state and local ordinances, subject to the requirements of Section 7.6 herein.

7.28 Power Tools.

No Owner shall use or maintain power tools other than ordinary household tools. Power tools, welding equipment, or carpentry shops may only be used at such times as is permitted under the laws of the City; provided, however, that the Board shall have the sole discretion and right to adopt more restrictive Rules, not in violation of the laws of the City, which set forth times and dates during which such items/tools may be used.

7.29 Sale/Lease of Lot.

Whenever a Lot is for sale or lease, the Owner and all agents and brokers shall comply with the provisions of the Rules. The Owner shall indemnify, defend, and hold harmless the Association and its officers, directors, employees, Manager and Management Company, agents, and other Members from any loss, damage, injury, claim, liability, judgment, attorneys' fees or costs arising from all acts or omissions in connection with the effort to sell or lease the Lot.

7.30 Sanitary Conditions.

Each Owner shall maintain in clean and sanitary condition and in good repair the interior and exterior of his or her Dwelling as well as all other portions of his or her Lot.

7.31 Signs.

Except as expressly permitted in Section 7.3 herein or as otherwise permitted by law, including Sections 712, 713 and other applicable Sections of the California Civil Code, no signs, banners, flags, decorations, notices, paintings or advertisements of any kind shall be displayed from any Lot.

7.32 Trash; Refuse.

All Owners shall comply with federal, state and local laws with respect to the disposal of trash, refuse, and other rubbish. Owners shall place their trash in their own bins only and shall comply with the Rules as it relates to the placement of the bins and trash pickup. No debris or refuse of any kind may be dumped or deposited in swales, streets, onto the slopes or in any other part of the Common Area.

7.33 Unsightly Items.

All weeds, rubbish, debris or unsightly materials or objects of any kind shall be regularly removed by the Owners from Lots and shall not at any time be visible from the Common Area or another Owner's Lot.

7.34 Use of Independent Contractors.

Owners may use vendors and contractors of their choice to perform work at their request and expense, subject to any limitations contained in the Master Governing Documents. The Association is not responsible for the acts and omissions of such vendors or contractors requested to do work or provide services by the Owner. Any vendor or contractor who repeatedly violates the Master Governing Documents or creates a danger in the Board's opinion may be barred from the Development by the Board.

7.35 Sub-association Use Restrictions.

Nothing contained herein shall prevent a Sub-association from adopting use restrictions and/or rules and regulations for its Sub-association Common Area which are more restrictive than those set forth herein and/or promulgated by the Board.

7.36 Water Conservation in Landscaping and Pressure Washing.

a. The Association shall not prohibit, or establish conditions that have the effect of prohibiting, subject to the Association's architectural guidelines, standards and/or Rules: (i) the use of low water-using plants as a group or as a replacement of existing turf; or (ii) the use of artificial turf or any other synthetic surface that resembles grass; nor may the Association effectively prohibit or unreasonably restrict an Owner's ability to use a clothesline or drying rack in the Owner's backyard. Further, the Association shall not prohibit or restrict compliance with either of the following: a water-efficient landscape ordinance adopted or in effect pursuant to subdivision (c) of Section 65595 of the Government Code; or any regulation or restriction on the use of water adopted pursuant to Section 353 or 375 of the Water Code. The foregoing provisions shall not prohibit the Association from applying landscaping Rules, to the extent the Rules fully conform with the foregoing provisions.

b. The Association may not impose a monetary penalty, fine, or Assessment against an Owner for reducing or eliminating the watering of vegetation or lawns on his or her Lot during any period for which either (A) the governor of California has declared a state of emergency due to drought or (B) a the City of Simi Valley or County or a local governmental agency has declared a local emergency due to drought; provided, however, an Owner who reduces or eliminates such watering shall be required to continue to maintain the vegetation and lawns on his or her Lot in a clean, sanitary and attractive condition.

c. The Association may not require pressure washing of the exterior of a Dwelling or other Improvements upon a Lot during a state or local government declared drought emergency. For purposes of the foregoing provision, "pressure washing" shall mean the use of a

high-pressure sprayer or hose and potable water to remove loose paint, mold, grime, dust, mud and dirt from surfaces and objects.

7.37 Personal Agriculture.

a. The private backyard area of a Lot may be used to cultivate edible plant crops for personal use or donation. For purposes of this Section 7.37, a “*plant crop*” means any crop in its raw or natural state, which comes from a plant that will bear edible fruits or vegetables; a plant crop shall not include marijuana or any unlawful crops or substances.

b. If an Owner or Resident engages in personal agriculture in the private backyard area of his or her Lot, the following conditions shall apply:

(A) Any dead plant material and weeds, with the exception of straw, mulch, compost and any other organic materials intended to encourage vegetation and retention of moisture in soil, shall be regularly cleared from the backyard.

(B) The plant crop shall not interfere with the maintenance or use of any Shared Improvement, any other Lot, or the Common Area.

(C) No health or safety hazard may be created by the personal agriculture activity.

(D) No synthetic chemical herbicides, pesticides, fungicides, rodenticides, insecticides, or any other synthetic chemical product commonly used for the growing of plant crops shall be used, unless otherwise permitted by a Rule.

(E) An Owner shall be responsible for reimbursing the Association for any excess water and waste collection costs incurred by the Association that arise from the personal agriculture activities conducted on the Owner’s Lot; such costs shall be levied against the Owner as a Reimbursement Assessment.

(3) The Board may adopt reasonable Rules that do not significantly increase the cost of engaging in personal agriculture or significantly decrease its efficiency.

7.38 Grandfathering Preexisting Conditions.

The following conditions within any Lot or other portion of the Development, as applicable, which existed prior to the recording of this Restated Declaration, which would violate the provisions of this Restated Declaration, are grandfathered and excepted from compliance herewith to the extent set forth below.

a. *Permanently Grandfathered Conditions.* The Owners (by a vote of 51% of the voting power of the Owners) and the Board have approved the permanent

grandfathering of the condition(s), which approval may be subject to the compliance by the Owner with certain conditions; or

- b. **Temporary Grandfathered Conditions.** The Owner: (i) complies with the procedure the Board determines relating to preexisting conditions which violate this Restated Declaration, including but not limited to, indemnifying the Association and its representatives from any liability arising from the preexisting condition; (ii) agrees that on the sale of the Owner's Lot, the condition shall either be abated, corrected or removed at the Owner's cost, unless the Board agrees to accept from the new Owner documentation the Board determines, in its discretion, is necessary, including, but not limited to, an indemnification document to be executed by the Owner evidencing same; and (iii) agrees that if there is a written complaint from another Owner about the condition, and the Board determines in its subjective opinion that the condition unduly interferes with the safety or quiet enjoyment of another Owner, the condition will be promptly removed, corrected or abated at the offending Owner's expense.
- c. Nothing contained in this Section shall be deemed or construed to be approval or acceptance by the Association of any condition (preexisting or otherwise), which constitutes a violation of the Original Declaration or any governmental law, rule, or regulation. In any dispute over whether the condition, which violates this Restated Declaration, predated this Restated Declaration, the burden of proof will be on the Owner who is violating this Restated Declaration.

7.39 Damage Liability.

Each Owner shall be liable to the Association for any damage to the Common Area and/or to Association-owned property caused by the negligence, willful misconduct, or unauthorized or improper installment or maintenance of any Improvement by the Owner, his or her Resident, if any, and/or the Owner's Guests. In the case of joint ownership of a Lot, the liability of the co-Owners shall be joint and several.

ARTICLE 8 ENFORCEMENT OF MASTER GOVERNING DOCUMENTS

The Association and all Owners are legally required to adhere to the provisions of the Master Governing Documents, which may be amended from time to time. In the event of noncompliance the following rights and procedures shall apply.

8.1 Standing to Enforce.

Enforcement of the Master Governing Documents may be accomplished by the means described below in this Article 8 or by any proceeding at law or in equity against the Person who has committed or is attempting to commit a violation. The only Persons who shall have standing in any judicial proceeding to enforce the Master Governing Documents are:

- a. **The Association.** The Board of Directors or any Person duly authorized by the Board of Directors, or
- b. **The Owners.** Any Owner or group of Owners.

8.2 Discretion to Take Action.

The Association is not obligated to impose sanctions or file a lawsuit for every infraction of the Master Governing Documents. What sanctions, if any, to impose and whether to bring litigation are decisions left to the discretion of the Board. If, for example, the Board believes a dispute is isolated to two Owners, does not materially impact other Owners/Residents or the Common Area, the Board may decline to impose sanctions or take any other action and may leave resolution of the dispute to the Owners directly involved.

8.3 Suspension of Privileges and Rights.

The Board of Directors is authorized to suspend membership rights and privileges against any Owner who violates the Master Governing Documents, or if there is a violation by his or her Residents or Guests. Following are the rights which may be suspended: (i) Suspension of non-essential services provided by the Association, (ii) suspension of right to use the recreational components of the Common Area (which shall in no event include suspension of ingress and egress to the Owner's Lot), and (iii) suspension of voting rights. After a properly noticed hearing in accordance with this Restated Declaration and applicable law, privileges and rights will remain suspended for the period directed by the Board or until such time as the violation is cured and any fine imposed has been paid.

8.4 Fines.

The Board of Directors is authorized to assess fines against any Owner who violates the Master Governing Documents, or if there is a violation by his or her Residents or Guests. In the case of ongoing violations, the fine may be imposed on a daily basis until cured without the requirement of additional hearings before the Board. The Board shall adopt a fine schedule as described in the California Civil Code and may impose other conditions on the imposition of fines in the Rules.

8.5 Hearing Procedures.

Except as described below, before any disciplinary action (including but not limited to a fine or suspension) is imposed by the Board, the Board shall conduct a hearing and notify the Owner of his or her right to attend the hearing. The hearing will be conducted as follows:

- a. **Executive Session.** The Board shall convene a hearing in executive session to consider the issue of possible discipline against the Owner.
- b. **Notice.** Notice of the hearing must be given to the Owner in writing by personal delivery, email, facsimile, or posting by U.S. Mail, not later than 10 calendar days prior to the date of the hearing unless otherwise required at law. The

notification shall contain, at a minimum, the date, time and place of the meeting, the nature of the alleged violation for which the Member may be disciplined or the nature of the damage to the Common Area for which a Reimbursement Assessment may be imposed, and a statement that the Member has a right to attend and may address the Board at the meeting. The Board shall meet in executive session, unless the Member requests that the Board meet in open session.

- c. ***Right to Be Heard.*** At the hearing, the Owner has a right to be heard orally and/or in writing. He or she may be accompanied by an attorney or other representative but there is no duty to meet with such person unless the Owner is also present. If the Owner fails for any reason to attend the hearing the Board may convene the hearing anyway and decide the matter based on the information and documentation available to it.
- d. ***Decision of Board.*** After the hearing the Owner will be excused and the Board will deliberate to determine whether a violation has occurred and if so what sanctions to impose.
- e. ***Notice of Decision.*** Within fifteen (15) days after conclusion of the hearing, unless statute requires a shorter period of time, the Board shall notify the Owner in writing of its decision and the grounds for the decision.
- f. ***Exception for Delinquencies.*** The requirement that a hearing be held does not apply in the following instances: (i) when the breach is in the form of a failure to pay Assessments, or (ii) when the breach is in the form of a failure to reimburse the Association, as required in this Restated Declaration, for out-of-pocket costs it incurred performing acts which should have been performed by the Owner at his or her expense. In either event the suspension of all rights and privileges described in Section 8.3 is automatic, does not require any notice, and will remain in effect until such time as the delinquency is cured or the reimbursement is paid in full.

8.6 Cumulative Remedies.

The exercise by the Association of the rights and remedies specified in this Restated Declaration shall be non-exclusive and shall not limit the right to resort to any other remedy available under California law.

8.7 Failure Not A Waiver.

Failure by the Board or any Owner to enforce the Master Governing Documents shall not be deemed a waiver of the right of such party to do so in the future for the same or a different violation.

8.8 Remedy at Law Inadequate.

Any violation of the Master Governing Documents, except nonpayment of Assessments or a fine, shall be deemed to be a nuisance. In such instance the Association and the Owners expressly declare and stipulate that an action at law to recover damages is inadequate and thus the violation shall be enjoined by a temporary restraining order, preliminary injunction, and permanent injunction.

8.9 Dispute Resolution.

Notwithstanding any provision in this Restated Declaration to the contrary, in the event of a tie vote of the Owners, or if the Association or any Member has any claim, grievance, demand, cause of action, or dispute of any kind whatsoever (the "Dispute"), which relates to enforcement of the Master Governing Documents and which arises between said Member and the Association, any of its officers, Directors, or agents, prior to the initiation of any other Alternative Dispute Resolution ("ADR") as permitted herein or by law, the Dispute shall first be submitted for resolution pursuant to the Internal Dispute Resolution procedure set forth below. In the event the Dispute cannot be resolved or settled within a reasonable time by negotiation, pursuant to Section 8.9.a below, then the Dispute shall be subject to ADR, such as mediation, conciliation or arbitration. If a Dispute cannot be resolved by these forms of ADR, then it shall be decided by judicial reference, as provided for in Section 8.10 below.

a. Internal Dispute Resolution

- (1) Either party may request, in writing, that the other party meet and confer in an effort to resolve the Dispute.
- (2) Upon receipt of a written request, the party receiving such request shall respond in writing within thirty (30) days. If the party receiving the request fails to respond within thirty (30) days, the request to meet shall be deemed denied. Only a Member of the Association may refuse a request to meet and confer. The Association shall not be permitted to refuse such a request and shall meet with the Member requesting such meeting.
- (3) A written request shall be delivered to the other party.
- (4) A written request shall contain the following:
 - (A) a brief description of the Dispute between the parties;
 - (B) a request for Internal Dispute Resolution pursuant to this Section 8.9;
 - (C) a copy of this Section 8.9; and

- (D) a notice that the party receiving the written request is required to respond within thirty (30) days of receipt or the request will be deemed rejected.
- (5) Upon receipt of a written request by the Association, the Association's Board of Directors shall designate one Board member with whom the Member may meet.
- (6) The parties shall meet promptly at a mutually convenient time and place, explain their positions to each other, and confer in good faith in an effort to resolve the Dispute. Each party may be assisted by an attorney or another person at their own cost when conferring.
- (7) Any resolution of the Dispute agreed to by the parties shall be memorialized in writing and signed by the parties, including the Board designee on behalf of the Association.
- (8) Any written agreement signed by both parties reached under this Section 8.9 shall be binding upon the Member and the Association and is judicially enforceable if both of the following conditions are satisfied:
 - (A) The agreement is not in conflict with any applicable law or the Association's Master Governing Documents; and
 - (B) The agreement is either consistent with the authority granted by the Board of Directors to its designee or the agreement is ratified by the Board of Directors.
- (9) If the dispute is resolved other than by agreement of the Member, the Member shall have a right of appeal to the board.
- (10) The Association may not charge a fee to the Member to participate in the above described resolution process.

8.10 Judicial Reference.

- a. ***Disputes Subject to Judicial Reference.*** Notwithstanding any provision in this Restated Declaration to the contrary, if the Association or any Member has any claim, grievance, demand, cause of action, or dispute of any kind whatsoever, other than those described under Section 8.9 above and Section 8.10.h below, which relates to enforcement of the Master Governing Documents and applicable state statute, and which arises between said Member and the Association or any of its officers, Directors, or agents, which Dispute cannot be resolved or settled within a reasonable time by Internal Dispute Resolution,

Alternative Dispute Resolution or negotiation, the Dispute shall be subject to and decided by judicial reference, to try any or all of the issues in the action or proceeding, whether of fact or of law.

- b. ***Appointment of Referee.*** Within ten (10) days after either party demands that the Dispute be determined by judicial reference in the manner specified under the applicable California Civil Code, and if mediation is attempted and is unsuccessful, the parties shall attempt to agree to the appointment of a retired judge of the local Superior Court as referee. If the parties are unable to agree, either party may, upon ten (10) days' notice, apply to the presiding judge of the local Superior Court to appoint a referee.
- c. ***Discovery.*** Per California Code of Civil Procedure Section 1283.05, discovery shall be permitted in such proceedings, subject to restrictions imposed by the referee if requested by any party. Hearings shall be held in the County, at such time and place and for such periods as the referee shall designate.
- d. ***Trial.*** The trial of the Dispute shall be commenced within ninety (90) days of the appointment of the referee unless the referee declares an extension of such time. Hearings shall be continuously conducted and diligently completed and the parties shall require that the referee's statement of decision be reported to the parties within twenty (20) days of completion of the hearings. Prior to the rendering of the referee's decision, the total cost of said judicial reference, including referee and court reporter's fees and all costs of administration, shall be borne equally by both parties. The prevailing party shall be awarded recovery of reasonable attorney's fees, costs of suit, and all other incurred costs in addition to any other award made by the referee as part of any judgment decision.
- e. ***Entry of Judgment.*** Judgment upon the award of the Referee may be entered, in accordance with applicable law, in any court having jurisdiction over same, and shall be final and binding upon the parties.
- f. ***Survival of This Section.*** The provisions for judicial reference, which are contained in this Section shall survive any termination of ownership interest on behalf of a Member of the Association who is a party to a Dispute.
- g. ***Mediation.*** As part of the judicial reference process, and unless otherwise provided by California law, any party to the Dispute may request in writing that the issues in contention first be submitted for mediation to the Referee, who will attempt to mediate and settle the dispute. If the parties are not able to settle their dispute, the Referee will set a trial date for the judicial reference, and will rule on any requests for discovery by any of the parties, which discovery must be completed prior to trial.

h. ***Claims and Disputes Exempt from Judicial Reference.*** The following types of claims and/or disputes arising under the Master Governing Documents of the Association shall be exempt from the judicial reference provisions set forth in this Section:

(1) Claims and disputes arising solely between Members of the Association, not involving the Association and for which no claim or relief is sought against the Association, its officers, Directors, or agents;

(2) Any claim or dispute where the applicable time limitation for commencing an action would run within 120 days;

(3) Any claim or dispute solely for damages;

(4) Any claim or dispute involving declaratory or injunctive relief in conjunction with a claim for damages of more than \$5,000;

(5) Any claim or dispute wherein the Association or any Member must obtain preliminary or temporary injunctive relief from a court of competent jurisdiction. By way of illustration, and not by way of limitation, any application to enjoin the construction, alteration or modification of any Improvement within the Development, which is deemed to be in violation of this Restated Declaration shall be exempt from the judicial reference provisions of this Section. Subsequent to the court's ruling on any application for such remedies, and upon issuance of a court order compelling arbitration pursuant to California Code of Civil Procedure Section 1281.2, the Dispute shall be submitted for final and binding arbitration in accordance with the judicial reference procedures set forth in Section 8.10.a above; or

(6) Any action for collection of Assessments arising under Article 5 of this Restated Declaration, except that any claim arising over a disputed Assessment for which a request for Alternative Dispute Resolution is properly made under the applicable Sections of the California Civil Code shall be subject to this Section 8.10.

8.11 Compliance with Statute.

All activities to enforce the provisions of the Master Governing Documents shall be conducted in accordance with all applicable laws, statutes and ordinances. This Section shall apply to both the Association and to all Owners.

8.12 Attorneys' Fees.

In the event an attorney is engaged by the Association to enforce the Master Governing Documents against an Owner, such Owner covenants and agrees to reimburse the Association for

any costs or fees incurred, including attorneys' fees, regardless of whether legal proceedings are instituted. In the event litigation is commenced to enforce the Master Governing Documents, the prevailing party shall be entitled to his, her or its attorneys' fees and costs. This Section shall also apply to actual attorneys' fees and costs incurred to collect any post-judgment costs. All such costs and attorneys' fees described in this Section shall constitute a Reimbursement Assessment against the Lot, which is enforceable pursuant to Article 5 herein.

ARTICLE 9 ASSOCIATION INSURANCE

The Association shall purchase and maintain in force and effect, as part of the Common Expenses, the policies of insurance, which are described below in this Article 9.

9.1 Authority to Purchase.

All insurance specified in this Article, or otherwise deemed prudent by the Board, shall be purchased and maintained by the Association if available. The premiums shall be part of the Common Expenses.

9.2 Fire and Casualty Insurance.

The Association shall purchase and maintain a master or blanket policy on the Common Area within the Development naming as insureds the Association and its officers, directors, employees, committee members, managing agent, and management company (if any). The policy will include, at a minimum, coverage for fire, theft, vandalism, and any other loss or peril that the Board believes is necessary or appropriate to include. The amount of any deductible shall be determined by the Board. This insurance shall be maintained for the benefit of the Association, the Owners, and their Mortgagees, as their interests may appear as named insured, subject, however, to any loss payment requirements set forth in this Restated Declaration. The policy shall also specify that all insurance proceeds shall be payable to the Association as trustee to be held and expended as provided in this Restated Declaration for the benefit of the Owners and their respective mortgagees.

9.3 General Liability Insurance.

The Association shall obtain and maintain a policy or policies insuring the Association, its officers, directors, agents and employees, the Owners, and the Owner's relatives, Guests and their agents against any liability for bodily injury, death, and property damage arising from the activities of the Association and its Members, with respect to the Common Area and any Lots owned by the Association. Limits of liability under such insurance shall not be less than Three Million Dollars (\$3,000,000.00), or as otherwise mandated by current statute, covering all claims for death, personal injury, and property damage arising out of a single occurrence. The limits of coverage shall be reviewed at least annually by the Board and increased in its discretion.

9.4 Directors and Officers Insurance.

The Association shall purchase and maintain directors and officers errors and omission insurance providing coverage in an amount which is not less than Three Million Dollars (\$3,000,000.00) per occurrence.

9.5 Worker's Compensation.

The Association shall purchase and maintain worker's compensation and employer's liability insurance as required by law or otherwise prudent.

9.6 Fidelity Insurance.

The Association shall purchase and maintain fidelity coverage against dishonest acts on the part of officers, directors, employees, volunteers, and managing agents who handle or may handle the funds of the Association. The amount of the coverage shall be the greater of (i) all combined sum of all Assessments and Reserves expected to be collected by and/or in the Association's possession in a given year, or (ii) \$500,000.

9.7 Other Insurance.

The Association may purchase such other insurance as the Board, in its discretion, considers necessary or advisable.

9.8 Failure to Acquire Insurance.

Subject to the applicable Sections of the California Civil Code, the Association, and its Directors and officers, shall have no liability to any Owner or Mortgagee if, after a good faith effort, it is unable to obtain any insurance required hereunder, because the insurance is no longer available or, if available, can be obtained only at a cost that the Board in its sole discretion determines is unreasonable under the circumstances, or the Members fail to approve any Regular Assessment increase or Special Assessment needed to fund the insurance premiums. In such event, the Board immediately shall notify each Member and any Mortgagee entitled to notice that the specific insurance will not be obtained or renewed.

9.9 Choice of Insurance Companies.

All policies of insurance purchased by the Association shall be obtained from insurance companies qualified to do and doing business in the State of California and holding a rating of "A" or better in Best's Insurance Reports (or the equivalent rating by another reputable company or agency).

9.10 Waiver by Members.

All insurance obtained by the Association shall be maintained by the Association for the benefit of the Association and the Common Area. In the event of damage or injury which is covered by an Association policy, the Owners may in an appropriate situation pursue collection from such policy and in the event of coverage, the Owners hereby waive and release all claims against the Association and its officers, directors, employees, Management Company, and other Owners with respect to any loss covered by such insurance.

9.11 Trustee for Policies.

The Association, acting through its Board, is appointed and shall be deemed trustee of the interests of all named insureds under all insurance policies purchased and maintained by the Association. All insurance proceeds under any of those policies shall be paid to the Board as trustee. The Board shall use the proceeds for the repair or replacement of the property for which the insurance was carried or for the purposes described herein. 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.

9.12 Insurance Premiums.

Insurance premiums for any insurance coverage obtained by the Association shall be included in the Regular or Special Assessments. That portion of the Assessments necessary for the required insurance premiums shall be used solely for the payment of the premiums when due.

9.13 Insurance Policy Deductibles.

Subject to statutory insurance requirements, the Board of Directors shall have the power, in its sole discretion, to determine the amount of any deductible applicable to any insurance policy carried by the Association. In the event of a loss for which Association insurance coverage is used, the responsibility for payment of any deductible shall be as follows:

- a. Owners shall be responsible for the cost of any deductible if the damage or loss occurs to any item owned by the Owner, or for which the Owner is responsible, including, but not limited to, the Owner's Dwelling.
- b. The Association shall be responsible for the cost of any deductible if the damage or loss occurs to any item owned or controlled by the Association, or for which the Association is responsible, including, but not limited to Common Area.
- c. The foregoing notwithstanding, if the damage or loss is caused by the negligence, willful acts, omissions or other misconduct of any Owner, Resident or Guest of an Owner, the responsible Owner shall be liable for the cost of the deductible.

**ARTICLE 10
DESTRUCTION OF IMPROVEMENTS**

In the event of a casualty or other major event that results in destruction of the Development or serious damage to a significant portion thereof, the following regulations will apply.

10.1 Damage to Common Area.

In the event the Common Area is partially or totally destroyed by fire, earthquake or other casualty, the following will occur:

- a. ***Cost of Reconstruction.*** The Board shall determine the cost of repair and the amount of Reserves and insurance proceeds available for reconstruction. Estimates should be obtained from at least two (2) reputable licensed contractors.
- b. ***Automatic Reconstruction.*** If the estimated cost of repair or replacement is less than or equal to the amount of Reserves and insurance proceeds available, it shall be the duty of the Board, without a vote of the membership, to cause the Common Area to be repaired or rebuilt to substantially the same condition as existed prior to the damage (subject to any increased building standards then in effect). Further, unless prohibited by law, the Board shall have the authority, without a vote of the membership, to levy a Special Assessment against the Owners to provide any additional funds needed to complete the project.
- c. ***Membership Approval.*** If the estimated cost of repair or replacement is greater than the formula described in subparagraph (b) above, a membership vote will be taken. The Common Area shall be repaired or rebuilt utilizing Reserves, insurance proceeds and Special Assessments, unless 75% of the membership votes not to do so. A vote not to repair or rebuild shall be subject to the rights of first mortgagees as provided for in this Restated Declaration.
- d. ***Decision Not to Rebuild.*** In the event the membership votes not to rebuild the Common Area, it shall record a certificate (and any other required governmental notices) announcing the Association's intention not to repair or rebuild the Common Area. Upon recordation of the certificate, the right of any Owner to partition suspended by this Restated Declaration shall be revived. In such event, after all legitimate Association expenses are paid, the balance of any Reserves and insurance proceeds shall be distributed to each Member in equal amounts, subject to the rights of all lenders.

10.2 Right of Entry to Assess Damage And Make Repairs.

If repairs or replacements are made under this Article 10, representatives of the Association may enter any Lot to make repairs or assess damage upon reasonable notice to the Owner.

10.3 Negotiations with Insurer.

The Board shall have full authority to negotiate in good faith with representatives of the insurer of the totally or partially destroyed Common Area, and to settle with the insurer for less than full insurance coverage if the Board concludes a settlement is prudent. Any settlement made by the Board in good faith shall be binding upon all Owners.

10.4 Damage to Lots.

Whether or not covered by insurance, the restoration and repair of any damage caused by fire, water intrusion, earthquake or any other casualty, to any Lot or Dwelling, as well as damage to the personal property, furniture, furnishings and decorations, fixtures and improvements of any Owner, shall be made by and at the sole expense of the Owner of that Lot.

**ARTICLE 11
CONDEMNATION**

11.1 Common Area Taking Awards.

In the event an action in eminent domain is brought to condemn all or any portion of the Common Area, the Association shall represent the Owners in all proceedings, negotiations or settlements. Each Owner irrevocably appoints the Association as his or her attorney-in-fact to represent such Owner in any such condemnation proceeding(s). In the event of a taking or acquisition of all or part of the Common Area by a condemning authority, the award or proceeds of settlement, less any fees or costs incurred, shall be payable to the Association or any trustee appointed by the Association; and the Board may, in its sole discretion, retain any such award or proceeds in the general fund of the Association or, alternatively, distribute pro rata all or a portion thereof, to the Owners and their Mortgagees as their interests may appear.

11.2 Revision of Documents.

In the event of any condemnation of a part of the Development, the Board shall, as soon as practicable, cause to be prepared, filed and/or recorded a revised subdivision map, Condominium Plan and/or other documents, reports, schedules or exhibits necessary to show the changed or altered status of the Development to the extent not accomplished by any applicable Sub-association.

11.3 Lot Taking.

In the event a Lot is taken in condemnation, the Owner of such Lot shall be entitled to receive the award for such taking. Such Lot shall cease to be part of the Development, the Owner shall cease to be a Member of the Association, and the undivided interest in Common Area appurtenant to that Lot, if any, shall automatically become vested in the Owners of the remaining Lots in proportion to their respective undivided interests in the Common Area, if any.

**ARTICLE 12
PARTITION AND SEVERANCE**

12.1 Right of Partition.

In accordance with the provisions of the applicable Sections of the California Civil Code, the right of partition of the Common Area is hereby suspended and no proceeding shall be

brought for the partition of said Common Area, except as provided by law or as expressly stated in this Restated Declaration.

12.2 Power of Attorney to Sell.

Each Owner does hereby grant to the Association an irrevocable power of attorney coupled with an interest, to sell the entire Development for the benefit of all of the Owners, which power of attorney shall be binding upon all such Owners, but shall be exercisable only after: (i) the happening of one of the conditions set forth in the applicable Section of the California Civil Code, currently Section 1359, (ii) approval of such exercise by a majority of the total voting power of the Association, and (iii) the recordation in the office of the County Recorder a certificate executed by the President and Secretary of the Association or stating that the power of attorney is properly exercisable hereunder.

12.3 Proceeds of Partition Sale.

Whenever an action is brought for the partition by sale of the Development, as provided in the Master Governing Documents, each Owner shall share in the proceeds of such sale in proportion to the relative value of his or her Lot as determined by an MAI appraisal obtained by the Board. Each Owner hereby expressly waives any requirement of law, which might be construed as requiring that such proceeds be shared in a different manner, including the applicable Section of the California Civil Code, currently Section 1359, or any similar statute then in effect.

12.4 Prohibition Against Severance.

No Owner shall have the right, for any purpose, to sever his or her Lot from his or her undivided interest in the Common Area.

**ARTICLE 13
PROTECTION OF LENDERS, SALES AND TRANSFERS**

13.1 Filing Notice; Notices and Approvals.

A First Mortgagee shall not be entitled to receive any notice which this Restated Declaration requires the Association to deliver to First Mortgagees unless and until such First Mortgagee, or its mortgage servicing contractor, has delivered to the Board a written notice stating that such First Mortgagee is the holder of a first Mortgage encumbering a Lot within the Property. Such notice need not state which Lot or Lots are encumbered by such First Mortgage but shall state that such Mortgagee is a First Mortgagee. Wherever the approval of all or a specified percentage of First Mortgagees is required pursuant to this Restated Declaration, it shall be deemed to mean the vote or approval of all or a specified percentage only of those first Mortgagees which have delivered such notice to the Board. Notwithstanding the foregoing, if any right of a First Mortgagee under this Restated Declaration is conditioned on a specific written request to the Association, in addition to having delivered the notice provided in this Section, such First Mortgagee must also make such request, either in a separate writing delivered to the Association or in the notice provided above in this Section, in order to be entitled to such

right. Except as provided in this Section, a First Mortgagee's rights pursuant to this Restated Declaration, including, without limitation, the priority of the lien of First Mortgages over the lien of Assessments levied by the Association hereunder shall not be affected by the failure to deliver a notice to the Board. Any notice or request delivered to the Board by a First Mortgagee shall remain effective without any further action by such First Mortgagee for so long as the facts set forth in such notice or request remain unchanged.

13.2 Priority of Mortgage Lien.

No breach of any of the covenants, conditions or restrictions herein contained, nor the enforcement of any lien provisions herein contained, nor the enforcement of any lien provisions herein, shall affect, impair, defeat or render invalid the lien or charge of any First Mortgage made in good faith and for value encumbering any Lot, 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, with respect to a Lot, except as otherwise provided in this Article.

13.3 Relationship With Assessment Liens.

- a. The lien provided for in Article 5 hereof for the payment of Assessments shall be, and is hereby expressly made, subordinate to the lien of any First Mortgage.
- b. If any Lot is encumbered by the lien of a First Mortgage, then: (i) the foreclosure of any lien created by anything set forth in this Restated Declaration shall not operate to affect or impair the lien of such First Mortgage; and (ii) the foreclosure of the lien of said First Mortgage or sale under a power of sale included in such First Mortgage (such events being hereinafter referred to as "Events of Foreclosure") shall not operate to affect or impair the lien hereof, except that any person who obtains an interest through any of the Events of Foreclosure, and such person's successors in interest, shall take title free of the lien hereof or any personal obligation for said charges as shall have accrued up to the time of any of the Events of Foreclosure, but subject to the lien hereof for all said charges that shall accrue subsequent to the Events of Foreclosure. The subsequently levied Assessments may include, however, such charges as shall have accrued up to the time of the Event of Foreclosure which remain unpaid, provided all Owners, including the person who obtains an interest through an Event of Foreclosure, are required to pay their proportionate share.
- c. Nothing in this Section shall be construed to release any Owner from his or her obligation to pay for any Assessment levied pursuant to this Restated Declaration. Furthermore, no transfer of a Lot as the result of the occurrence of an Event of Foreclosure shall relieve the new Owner, whether it be the former First Mortgagee or another person, from liability for Assessments thereafter becoming due or from the lien thereof.

13.4 Two-Thirds Vote of First Mortgagees.

Unless at least two-thirds (2/3) of Eligible Mortgage Holders, based on one (1) vote for each First Mortgage held by an Eligible Mortgage Holder, have given their prior written approval, neither the Association nor the Members shall be entitled to do any of the following:

- a. Dissolve the Association or abandon or terminate the maintenance of the Common Area by the Association;
- b. Record a material amendment to this Restated Declaration;
- c. Effectuate any decision to terminate professional management and assume self-management of the Property; or
- d. Abandon, partition, sell, alienate, subdivide, release, transfer, hypothecate or otherwise encumber the Common Area; provided, however, the granting of easements for public utilities or other public purposes consistent with the intended use of the Common Area shall not require such approval.

As used herein, "Eligible Mortgage Holder" means any First Mortgagee that has provided written notice to the Association that it holds a mortgage or deed of trust on a Lot. As used herein, "material amendment" is defined to mean amendments to provisions of this Restated Declaration governing the following subjects:

- a. The purpose for which the Development may be used;
- b. Voting rights;
- c. Assessments, collection of Assessments, creation and subordination of Assessment liens;
- d. Reserves for repair and replacement of Common Area or Improvements thereon or therein;
- e. Maintenance of Common Area and Improvements thereon;
- f. Casualty and liability insurance;
- g. Rebuilding or reconstruction of Common Area and Improvements thereon, in the event of damage or destruction;
- h. Rights of use to and in the Common Area; and
- i. Any provision, which by its terms, is specifically for the benefit of First Mortgagees, or specifically confers rights on First Mortgagees.

An Eligible Mortgage Holder who receives a written request to approve a material amendment to this Restated Declaration who does not deliver or post to the requesting party a negative response within thirty (30) days after the date of notice of the proposed material amendment shall be deemed to have approved the material amendment, provided that notice has been delivered to the Eligible Mortgage Holder by first class, certified or registered mail.

13.5 Conflicts.

In the event of any conflict between any of the provisions of this Article and any of the other provisions of this Restated Declaration, the provisions of this Article shall control.

**ARTICLE 14
AMENDMENTS**

14.1 Amendment.

Subject to the rights of Eligible Mortgage Holders pursuant to Article 13, this Restated Declaration may be amended by the Secret Ballot vote of Owners representing not less than a majority of the voting power of the Association. Notwithstanding any contrary provision in this Article 14, the percentage of the voting power necessary to amend a specific clause or provision of this Restated Declaration shall not be less than the percentage of affirmative votes required for action to be taken under that specific clause or provision.

14.2 Effective Date.

An amendment becomes effective after (a) the approval of the required percentage of Owners has been given, (b) 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 (c) the document has been recorded in the official records of the County.

14.3 Amendment by Board.

Notwithstanding the foregoing, the Board shall have the power to amend this Restated Declaration without Member approval if such amendment is: (i) permitted by the Civil and/or Corporations Codes to be adopted by the Board without Member approval; (ii) required under any state or federal law; and/or (iii) an update of specific statutory citations or references in this Restated Declaration for statutes cited or referenced herein that have been amended, renumbered or replaced with alternate statutes.

ARTICLE 15 GENERAL PROVISIONS

15.1 Term.

The provisions of this Restated Declaration shall continue in effect for a term of fifty (50) years from the date of execution. Thereafter, the Restated Declaration will be automatically extended for a successive periods of ten (10) years each until the Members terminate it by the vote or written consent of Owners constituting 66 2/3% of the total voting power. Such termination shall be effective only if the vote occurs within the 12-month period prior to expiration of the term or any extension thereof.

15.2 Interpretation.

The provisions of this Restated Declaration shall be liberally construed to effectuate its purpose of creating a uniform plan for the use, operation and maintenance of the Development.

15.3 Number and Gender.

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

15.4 Severability.

The provisions of this Restated Declaration are severable from one another. If any provision is found to be invalid, illegal or unenforceable it shall not affect the validity, legality and enforceability of the remaining provisions.

15.5 Conflicting Provisions.

In the case of any conflict between the Master Governing Documents, the order of priority shall be as follows: (i) Articles, (ii) Restated Declaration, (iii) Bylaws, (iv) Rules. Notwithstanding the foregoing order of priority, if state statute defers to a specific type of governing document, the corresponding Master Governing Document shall control.

15.6 No Public Rights in the Development.

Nothing contained in this Restated Declaration shall be deemed to be a gift or dedication of all or any portion of the Development to the general public or for any public use or purpose whatsoever.

15.7 Successors and Assigns.

This Restated Declaration shall inure to the benefit of and be binding upon the Owners, and their respective heirs, personal representatives, grantees, lessees, licensees, successors and assigns.

15.8 Fair Housing.

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, sex, sexual orientation or preference, religion, ancestry, national origin, physical handicap, or marital or familial status.

15.9 Number and Headings.

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

15.10 Non Waiver 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.

15.11 Personal Injury or Property Damage Sustained Within a Lot.

In the event any personal injury or property damage is sustained by any person while physically within or on a Lot, and such injury or damage results in a claim or suit against any other Owner or the Association, or any of the Association's officers, Directors, agents or employees, the Owner of such Lot or patio/balcony within which such injury or damage occurred (i) shall and does hereby agree to fully indemnify and hold harmless such other Owner and the Association and the Association's officers, Directors, agents and employees, against whom such claim or suit is brought and (ii) does hereby agree to defend at the Owner's own cost and expense any litigation resulting therefrom in which such other Owner and/or the Association and its officers, Directors, agents or employees have been made a party; provided that nothing contained herein shall be deemed to waive or abrogate the indemnifying party's rights or defenses based on the law of comparative fault. In the event of joint ownership of any Lot within the Development, the liability of such Owners shall be joint and several.

15.12 Association Not Responsible for Loss.

Neither the Association nor any Director, officer, agent or employee of the Association shall be responsible to any Owner nor to any member of such Owner's family, social guests, servants, employees or invitees for any loss or damage suffered by reason of theft or otherwise of any article, vehicle or thing which may be stored by such Owner or other Person in or on any portion of the Common Area.

15.13 Hierarchy of Governing Documents and Law.

To the extent of any conflict between this Restated Declaration and the law, the law shall prevail. To the extent of any conflict between this Restated Declaration and the Articles or Bylaws, this Restated Declaration shall prevail. To the extent of any conflict between this Restated Declaration and a Rule, this Restated Declaration shall prevail, unless the Rule was adopted in compliance with the law.

[END OF DOCUMENT]

EXHIBIT "A"

1. All of that certain real property situated in the City of Simi Valley, County of Ventura, State of California, more particularly described as Lots 16 through 19 inclusive and Lots 22 through 196 inclusive of Tract No. 3513-3 according to Map thereof filed May 17, 1985, in Book 102, Pages 16 through 27 of Miscellaneous Records in the Office of the County Recorder of Ventura County, California.
2. Lots 197 through 204, inclusive, and Lots 209 through 271, inclusive, of Tract 3513-4 in the City of Simi Valley, County of Ventura, State of California, as per map recorded in Book 104, Pages 10 through 15 of Miscellaneous Records in the Office of the County Recorder of Ventura County, California.
3. All that certain real property located in the City of Simi Valley, County of Ventura, State of California and annexed as Lots 1 through 15, inclusive, of Tract 4328, in the City of Simi Valley, County of Ventura, State of California as per map recorded in Book 113, Pages 15 through 17 of Miscellaneous Records in the Office of the County Recorder of Ventura County, California.
4. Lots 39 through 59 inclusive of Tract 4269-2, as per Map recorded in Book 110, Pages 98 through 100 of Maps in the Office of the Ventura County Recorder and Lots E, F, G and H of Tract 4269-1 as per Map recorded in Book 110, Pages 95 through 97 of Maps in the Office of the Ventura County Recorder.
5. Lots A, B, C and 1 through 8, inclusive of Tract 4060, as shown on the Map filed at Book 109, Pages 69 through 70, inclusive of Maps on May 8, 1987 in the Office of the County Recorder of the County of Ventura, State of California.
6. Lot 20 of Tract 3513-3 in the City of Simi Valley, County of Ventura, State of California, as per map recorded in Book 102, Pages 16-27 of Maps in the Office of the County Recorder of Ventura County and Condominium buildings 1 through 6, inclusive, as per the Condominium Plan recorded therefor.
7. Lots 37 through 42, inclusive, of Tract 3798-1 in the City of Simi Valley, County of Ventura, State of California, as per map recorded in Book 127, Page 97 of Miscellaneous Records in the Office of the County Recorder of Ventura County, California.

EXHIBIT "A-1"
LAKE PARK VILLAGE

1. Lots 1-15, inclusive of Tract 4328, City of Simi Valley, County of Ventura, State of California, as per map recorded in Book 113, Pages 15-17 of Miscellaneous Records in the Office of the County Recorder of Ventura County, California
2. Lots 16 through 19 inclusive and Lots 22 through 196 inclusive of Tract No. 3513-3 according to Map thereof filed May 17, 1985, in Book 102, Pages 16 through 27 of Miscellaneous Records in the Office of the County Recorder of Ventura County, California.
3. Lots 197 through 204, inclusive, and Lots 209 through 271, inclusive, of Tract 3513-4 in the City of Simi Valley, County of Ventura, State of California, as per map recorded in Book 104, Pages 10 through 15 of Miscellaneous Records in the Office of the County Recorder of Ventura County, California.
4. Lots 37 through 42, inclusive, of Tract 3798-1 in the City of Simi Valley, County of Ventura, State of California, as per map recorded in Book 127, Page 97 of Miscellaneous Records in the Office of the County Recorder of Ventura County, California.

EXHIBIT "A-2"
THE GREENS

Lots 39 through 59 inclusive of Tract 4269-2, as per Map recorded in Book 110, Pages 98 through 100 of Maps in the Office of the Ventura County Recorder and Lots E, F, G and H of Tract 4269-1 as per Map recorded in Book 110, Pages 95 through 97 of Maps in the Office of the Ventura County Recorder.

EXHIBIT "A-3"
GLEN EAGLES

Lots A, B, C and 1 through 8, inclusive of Tract 4060, as shown on the Map filed at Book 109, Pages 69 through 70, inclusive of Maps on May 8, 1987 in the Office of the County Recorder of the County of Ventura, State of California.

EXHIBIT "A-4"
THE CLUB AT WOOD RANCH

Lot 20 of Tract 3513-3 in the City of Simi Valley, County of Ventura, State of California, as per map recorded in Book 102, Pages 16-27 of Maps in the Office of the County Recorder of Ventura County and Condominium buildings 1 through 6, inclusive, as per the Condominium Plan recorded therefor.

**CERTIFICATE OF PRESIDENT AND SECRETARY
OF
WOOD RANCH LAKE PARK VILLAGE ASSOCIATION**

We, the undersigned, do hereby certify that:

1. We are the duly appointed and acting President and Secretary of Wood Ranch Lake Park Village Association, a California nonprofit mutual benefit corporation.

2. The foregoing *Amended and Restated Declaration of Covenants, Conditions and Restrictions for Wood Ranch Lake Park Village* (the "**Restated Declaration**") was (i) approved by the threshold of Owners required pursuant to Civil Code Section 4275(a) to petition the Superior Court of the State of California, County of Ventura to approve the Restated Declaration, and (ii) consented to by at least seventy-five percent (75%) of all first mortgagees in accordance with Article 13, Section 13.3 of the Original Declaration.

3. By the Judgment attached to the Restated Declaration, the Superior Court of the State of California, County of Ventura, approved the Restated Declaration as if it were adopted in compliance with every requirement imposed in the Original Declaration.

4. Capitalized terms not defined herein shall have the meanings given to them in the Restated Declaration.

IN WITNESS WHEREOF, we have executed this Certificate of President and Secretary.

Wood Ranch Lake Park Village Association

By: M. J. Duval

Name: M. J. DUVAL

Title: President

Date: 3/10/2021

By: Paul Fowler

Name: PAUL FOWLER

Title: Secretary

Date: 3/10/2021

