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LAW OFFICE OF CHRISTOPHER W. GUENTHER
Christopher W. Guenther
444 Higuera Street, Suite 100
San Luis Obispo, California 93401-3875

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Other	0.00
PAID	\$206.00

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

FOR

HIGH SIERRA MEADOWS SUBDIVISION

**AMENDED AND RESTATED DECLARATION OF
COVENANTS, CONDITIONS, AND RESTRICTIONS
FOR
HIGH SIERRA MEADOWS SUBDIVISION**

Those certain declarations of protective restrictions listed in Exhibit A (collectively, the Original Declarations), which were executed by Sierra Co., A Limited partnership (the Declarant) or High Sierra Property Owners Association, Inc (hereafter, the “Association”), and Recorded in the Official Records of Madera County, California, on the dates and at the book and page numbers of the Official Records identified in Exhibit A, are hereby consolidated into this single Declaration covering the Development, and are amended, consolidated, and restated in their entirety to read as follows:

RECITALS

A. Declarant was the Owner of that certain real property (hereafter, the “Development”) located in the County of Madera, State of California, which is more particularly described in the attached Exhibit B and incorporated herein by reference.

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

C. It was the further intention of the Declarant to develop the Development into an attractive resort area of high quality, character and appearance with as little damage or destruction to the natural beauty of the land and tree as possible and to sell and convey resort Lots to the Owners, subject to the protective covenants, conditions, restrictions, limitations, reservations, grants of easements, rights, rights-of-way, liens, charges, and equitable servitudes between Declarant and such Owners that are set forth in this Declaration and that are intended to be in furtherance of a general plan for the subdivision, development, sale, and use of the real property comprising the Development as a “planned development” as that term is defined in Civil Code §1351(k). Finally, it was the intention of Declarant that the “Common Areas” and

“Common Facilities,” as defined below, be owned and maintained by the Association, but reserved exclusively for the use and enjoyment of the Members, their permitted tenants, lessees, guests, and invitees, all subject to the covenants, restrictions, terms, and conditions of this Declaration and the other Governing Documents of the Association.

D. On June 12, 2009, the Owners of Lots representing fifty-one percent (51%) of Lots within the Development voted by written ballot to amend, consolidate, and restate the Original Declarations, all in accordance with the procedures for amendment set forth in the Original Declarations. It was the intention of the Owners to replace the Original Declarations, in their entirety, with the Recordation of this Declaration. The Owners’ action to amend and restate the Original Declaration as set forth herein and the fact that the requisite percentage of affirmative votes required in the Original Declaration[s] was achieved, is attested by the execution of this Amended and Restated Declaration by duly authorized officers of the Association, as required by Civil Code §1355(a). As so amended and restated, the easements, covenants, restrictions, and conditions set forth herein shall constitute equitable servitudes and covenants that run with the land comprising the Development and shall be binding on all parties having or acquiring any right, title, or interest in the Development or any portion thereof, and shall inure to the benefit of each Owner thereof.

ARTICLE I. DEFINITIONS

Section 1.01 Architectural Committee. “Architectural Committee” or “Committee” means the committee created in accordance with Article V, below.

Section 1.02 Articles. “Articles” means the Articles of Incorporation of the Association, which are filed in the Office of the California Secretary of State, as such Articles may be amended from time to time.

Section 1.03 Assessment. “Assessment” means any Regular, Special or Special Individual Assessment made or assessed by the Association against an Owner and his or her Lot in accordance with the provisions of IV below.

Section 1.04 Association. “Association” means High Sierra Property Owners Association, Inc., a California nonprofit mutual benefit corporation, its successors and assigns. The Association is an “association” as defined in Civil Code §1351(a).

Section 1.05 Association Rules. “Association Rules” means the rules, regulations, and policies adopted by the Board of Directors, under Section 3.07, as the same may be in effect from time to time. Without limiting the foregoing, the Association Rules shall also include any Property Improvement and Maintenance Guidelines adopted under Section 5.05, and any rules relating to Association disciplinary procedures adopted under Section 13.06(d)(v).

Section 1.06 Board of Directors or Board. “Board of Directors” or “Board” means the Board of Directors of the Association.

Section 1.07 Bylaws. “Bylaws” means the Bylaws of the Association, as such Bylaws may be amended from time to time.

Section 1.08 Cabin. “Cabin” means a private, single-family dwelling of rustic mountain cabin design constructed or to be constructed on a Lot.

Section 1.09 Common Area. “Common Area” means all real property owned by the Association for the common use and enjoyment of the Owners. The Common Area owned by the Association at the time of the Recordation of this Declaration is described in Exhibit C attached to this Declaration. Unless the context clearly indicates a contrary intent, any reference herein to the “Common Areas” shall also include any Common Facilities located thereon.

Section 1.10 Common Expense. “Common Expense” means any use of Association funds authorized by Article IV, below, and Article IX of the Bylaws and includes, without limitation:

- (a) All expenses or charges incurred by or on behalf of the Association for the management, maintenance, administration, insurance, operation, repairs, additions, alterations or reconstruction of the Common Area, Common Facilities;
- (b) All expenses or charges reasonably incurred to procure insurance for the protection of the Association and its Board of Directors to the extent required by Article X;
- (c) Any amounts reasonably necessary for reserves for maintenance, repair, and replacement of the Common Areas and Common and for nonpayment of any Assessments; and
- (d) The use of such funds to defray the costs and expenses incurred by the Association in the performance of its functions or in the proper discharge of the responsibilities of the Board as provided in the Governing Documents.

Section 1.11 Common Facilities. “Common Facilities” means the improvements, including roads, landscaping, pipelines and water system serving the Development and other facilities constructed or installed, or to be constructed or installed, or currently located within the Common Area and owned by the Association.

Section 1.12 County. “County” means the County of Madera, State of California, and its various departments, divisions, employees, and representatives.

Section 1.13 Easement D. “Easement D” means that certain recreation and open space area easement reserved on the Subdivision Map.

Section 1.14 Declarant. “Declarant” means the original developer of the Development, namely Sierra Co., a Limited Partnership.

Section 1.15 Declaration. “Declaration” means this instrument, as it may be amended from time to time. The “Original Declarations” means and refers to the documents referenced in Exhibit A, together with all amendments and annexations thereto adopted before adoption of this Declaration.

Section 1.16 Development. “Development” means all parcels of real property (Common Area and Lots) described in Exhibit B together with all buildings, structures, utilities, Common Facilities, and other Improvements now located or hereafter constructed or installed thereon, and all appurtenances thereto. At times herein the Development is referred to by its common name, which is High Sierra Meadows.

Section 1.17 Governing Documents. “Governing Documents” is a collective term that means and refers to this Declaration and to the Articles, the Bylaws, and the Association Rules, including the Property Improvement and Maintenance Guidelines.

Section 1.18 Improvement. “Improvement” means the construction, installation, alteration, or remodeling of any Cabins, shade covers, snow sheds, storage sheds and related improvements on the Lots and any changes in previously approved Cabins or Improvements on the Lots. In no event shall the term “Improvement” be interpreted to include improvement projects that are restricted entirely to the interior of any Cabin or other Improvement.

Section 1.19 Lot. “Lot” means any parcel of real property designated by a number on the Subdivision Map, excluding the Common Area. When appropriate within the context of this Declaration, the term “Lot” shall also include the Cabin and other Improvements constructed or to be constructed on a Lot.

Section 1.20 Majority of a Quorum. “Majority of a Quorum” means the vote of a majority of the votes cast at a meeting or by written ballot when the number of Members attending the meeting in person or by proxy or casting written ballots equals or exceeds the minimum quorum requirement for Member action, as specified in the Bylaws of the Association or by statute.

Section 1.21 Member. “Member” means every person or entity who holds a membership in the Association and whose rights as a Member are not suspended under Section 13.06.

Section 1.22 Mortgage. “Mortgage” means any security device encumbering all or any portion of the Development, including any deed of trust. “Mortgagee” shall refer to a beneficiary under a deed of trust as well as to a mortgagee in the conventional sense.

Section 1.23 Owner. “Owner” means any person, firm, corporation, or other entity that owns a fee simple interest in any Lot. Except where the context otherwise requires, the term “Owner” shall include the family, guests, tenants, and invitees of an Owner.

Section 1.24 Owner of Record. “Owner of Record” includes an Owner and means any person, firm, corporation or other entity in which title to a Lot is vested as shown by the Official Records of the Office of the County Recorder. If a Lot is transferred or conveyed to a trust, the Owner is the trustee or the co-trustees of such trust.

Section 1.25 Record. “Record” means, with respect to any document, the recordation or filing of such document in the Office of the Madera County Recorder.

Section 1.26 Regular Assessment. “Regular Assessment” means an Assessment levied against an Owner and his or her Lot in accordance with Section 4.02.

Section 1.27 Reserves. “Reserves” means those Common Expenses for which Association funds are set aside under Article IV of this Declaration and Civil Code §1365.5 for funding the periodic maintenance, repair, and replacement of the major components of the Common Areas that would not reasonably be expected to recur on an annual or less frequent basis. The amounts required to properly fund Reserves shall be determined annually by the Board in accordance with the standards prescribed by maintenance cost guidelines prepared in accordance with Civil Code §§1365(a) and 1365.5(e) and prudent property management practices generally applied in “common interest developments” (as that term is defined in Civil Code §1351(c)) in the geographic region in which the Development is located.

Section 1.28 Roads. “Roads” means all roads within the Development and set forth on the Subdivision Map as Outlot “C.”

Section 1.29 Season. “Season” means a calendar year (January 1 through December 31).

Section 1.30 Single Family Resort Use. “Single Family Resort Use” means occupancy and use of a Lot and/or Improvements for single family resort occupancy purposes in conformity with this Declaration and the requirements imposed by applicable zoning or other applicable laws or governmental regulations limiting the number of persons who may occupy single family residential dwellings.

Section 1.31 Special Assessment. “Special Assessment” means an Assessment levied against an Owner and his or her Lot in accordance with Section 4.03.

Section 1.32 Special Individual Assessment. “Special Individual Assessment” means an Assessment levied under Section 4.04 against an Owner and his or her Lot (to the extent that a Special Individual Assessment may become a lien under Section 4.10(b)(ix).

Section 1.33 Subdivision Map. “Subdivision Map” means the final subdivision map for High Sierra Meadows, the Development, recorded at Book 15, page 175 of Maps in the Office of the County Recorder for the County of Madera, California.

Section 1.34 Voting Power. “Voting Power” means those Members who are eligible to vote for the election of directors or with respect to any other matter, issue, or proposal properly presented to the Members for approval at any time a determination of voting rights is made. To be part of the Voting Power, a Member must be in good standing, as defined in the Bylaws or the Association Rules.

ARTICLE II.
PROPERTY RIGHTS AND OBLIGATIONS OF OWNERS

Section 2.01 Declaration Regarding Common Plan for the Development.

(a) Declarant's Intent in Subjecting the Property Comprising the Development to this Declaration. It was the intention of the Declarant that the real property and Improvements comprising the Development were to be held, conveyed, divided, encumbered, hypothecated, leased, rented, used, occupied, and improved only in compliance with and subject to the provisions of this Declaration, which is hereby declared to

(i) be in furtherance of a plan for the subdivision of the Development and the sale, use, and occupancy of the Improvements and Lots within the Development;

(ii) be for the benefit and protection of the Development and to enhance the desirability, value, and attractiveness of the real property and Improvements contained therein;

(iii) be for the benefit of the Owners and family, guests, tenants, and invitees of an Owner;

(iv) run with the land and be binding on all parties having or acquiring any right, title, or interest in any portion of the Development;

(v) inure to the benefit of every portion of the Development and any interest therein; and

(vi) inure to the benefit of and be binding on each Owner and the successors in interest to each Owner who acquires an interest in any portion of the Development.

(b) Binding Effect on Successors in Interest. Each conveyance, transfer, sale, assignment or lease made by Declarant of the Common Area and of any Lot shall be deemed to incorporate by reference all of the provisions of this Declaration. All present and future Owners, tenants, and occupants of Lots and Improvements in the Development shall be subject to, and shall comply with, each and every provision of the Governing Documents, as the same shall be amended from time to time, unless a particular provision of the Governing Documents is specifically restricted to one or more classes of persons (e.g., Owners, tenants, invitees). The acceptance of a deed to any Lot, the execution of a lease or contract of sale with respect to any Lot, or the entering into occupancy of any Cabin or Improvements shall make the provisions of this Declaration binding on such persons and they shall thereafter be obligated to observe and comply with all Governing Documents.

Section 2.02 Property Rights in Common Area.

(a) Easements. Declarant created and reserved various easements to the Common Area and Common Facilities of the Development on the Subdivision Map on behalf of the Association and the Lot Owners, subject to any easements, conditions, and reservations then of record, including those set forth in this Declaration.

(b) Rights of Owners in Common Area. The interest of each Lot Owner in and to the use and benefit of the Common Area and the Common Facilities shall be appurtenant to the Lot owned by the Owner and shall not be sold, conveyed, or otherwise transferred by the Owner separately from the ownership interest in the Lot. Any sale, transfer, or conveyance of such Lot, whether by deed, gift, devise, or operation of law, shall transfer the appurtenant right to use and enjoy the Common Area and Common Facilities. There shall be no judicial partition of the Common Area or any part thereof, and each Owner, for his or her own benefit and for the benefit of all other Owners, specifically waives and abandons all rights, interest, and causes of action for a judicial partition of any ownership interest in the Common Area, and further covenants that no action for judicial partition shall be instituted, prosecuted, or reduced to judgment. The rights of all Owners in the Common Area shall be further subject to the requirements and restrictions set forth in Section 2.03 (regarding Owners' nonexclusive easements of enjoyment).

Section 2.03 Owners' Nonexclusive Easements of Enjoyment. Every Owner shall have a nonexclusive right and easement of enjoyment in and to the Common Areas within the Development, including ingress and egress to and from his or her Lot, which shall be appurtenant to and shall pass with the title to every Lot, subject to the following provisions:

(a) The right of the Association to adopt Association Rules, as provided in Section 3.07, regulating the use and enjoyment of the real property and improvements comprising the Development for the benefit and well-being of the Owners in common, and, in the event of the breach of such rules or any provision of any Governing Document by any Owner or tenant, to initiate disciplinary action against the violating Owner or tenant in accordance with Section 13.06. Such action may include the levying of fines and/or the temporary suspension of the voting rights and/or the right to use the Common Facilities, other than the private roads within the Development.

(b) The Association's right, in accordance with its Articles and Bylaws, to borrow money for the purpose of improving the Common Area and Common Facilities and, as security for any such loan, to assign or pledge the Association's right to collect payments or assessments or to enforce or foreclose a lien for the nonpayment of assessments to a financial institution or lender chartered or licensed under federal or state law, when acting within the scope of the charter or license, as security; see also Section 4.09(e).

(c) The right of the Association to dedicate or transfer all or any part of the Common Area to any public agency, authority or utility for such purposes and subject to such conditions as may be agreed by the Owners; provided, however, that no such dedication or transfer shall be effective unless an instrument, approved by at least two-thirds (2/3) of

the Voting Power of the Members. The instrument approving the dedication may be executed in counterparts so long as each counterpart is in recordable form.

(d) All easements affecting the Common Area that are described in Article IX.

Section 2.04 Delegation of Use.

(a) Delegation of Use and Leasing of Lots. Any Owner may delegate his or her rights to use and enjoy the Common Area and Common Facilities to his or her family members, tenants, lessees, or contract purchasers, provided, however, that any rental or lease of an Owner's Lot shall comply with the requirements set forth below and shall only be to a single family for Single Family Resort Use and for a term not less than a full Season. The restrictions on multiple family occupancy imposed by this paragraph are intended to protect, enhance, and maintain the single family residential atmosphere that exists within the Development and to avoid an overburdening of Common Areas and Common Facilities.

During any period when a Lot has been rented or leased, the Owner-lessor, his or her family, guests, and invitees shall not be entitled to use and enjoy the recreational Common Facilities of the Development, except to the extent reasonably necessary to perform the Owner's responsibilities as a lessor of the Lot; provided, however, that this restriction shall not apply to any Owner-lessor who is contemporaneously residing in another Lot within the Development.

Any rental or lease of a Lot shall be subject to the provisions of the Governing Documents all of which shall be deemed incorporated by reference in the lease or rental agreement. Each Owner-lessor shall provide any tenant or lessee with a current copy of all Governing Documents and shall be responsible for compliance by the tenant or lessee with all of the provisions of the Governing Documents during the tenant's/lessee's occupancy and use of the Lot.

(b) Requirements That Must Be Observed in All Lot Leases. The following specific limitations shall apply to all leases or tenancies of a Lot:

- (i) No Lot may be leased or rented for a period of less than a full Season;
- (ii) The rental shall apply to not less than an entire Lot, including its appurtenant rights (except voting rights in the Association that may not be transferred to a tenant or lessee); and
- (iii) Any rental shall be evidenced by a written lease or rental agreement that shall provide that the tenancy is subject to the terms of the Governing Documents and that any failure of the tenant to comply with the terms of any Governing Document relating to Lot leases, property use restrictions, or the use and enjoyment of any portion of the Common Area and Common Facilities shall constitute a default under the lease or rental agreement and shall entitle the Owner to terminate the tenancy on thirty (30) days written notice. The Owner-lessor's right to terminate a lease or rental agreement on account of the tenant's violation

of the Governing Documents shall in no way restrict the right of the Association, the Declarant, or any Owner to enforce the Governing Documents in accordance with Article XIII when the Owner's tenant is violating the Governing Documents.

(c) Discipline of Lessees. Subject to subparagraph (d), below, if any tenant or lessee fails to honor the provisions of any Governing Document, the Association shall be entitled to take such corrective action as it deems necessary or appropriate under the circumstances to preserve the quiet enjoyment of other Owners and residents of the Development. Without limitation, the Association's actions in response to a tenant's violation of the Governing Documents may include the imposition of fines and penalties against the Owner-lessor of the Lot.

(d) Due Process Requirements for Disciplinary Action. Except for circumstances in which immediate corrective action is necessary to prevent damage or destruction to any portion of the Development or to preserve the rights of quiet enjoyment of other Owners, the Association shall have no right to initiate disciplinary action against an Owner-lessor (or the Owner's lessee or tenant) on account of the misconduct of the Owner's lessee or tenant unless and until the following conditions have been satisfied:

(i) The Owner has received written notice from the Board or an authorized agent or committee of the Board detailing the nature of the lessee's/tenant's alleged infraction or misconduct and advising the Owner of the Owner's right to a hearing on the matter if the Owner believes that remedial or disciplinary action is unwarranted or unnecessary;

(ii) The Owner has been given a reasonable opportunity to take corrective action on a voluntary basis or to appear at a hearing, if one is requested by the Owner; and

(iii) The Owner has failed to prevent or correct the tenant's objectionable actions or misconduct.

Any hearing requested under this subparagraph shall be conducted in accordance with Section 13.06.

Section 2.05 Obligations of Owners. Owners of Lots within the Development shall be subject to the following:

(a) Owner's Duty to Notify Association of Tenants and Contract Purchasers. Each Owner shall notify the secretary of the Association or the Association's property manager, if any, of the names of any contract purchaser or tenant occupying the Owner's Lot. Each Owner, contract purchaser, or tenant shall also notify the secretary of the Association of the names of all persons to whom such Owner, contract purchaser, or tenant has delegated any rights to use and enjoy the streets and Common Area of the Development and the relationship that each such person bears to the Owner, contract purchaser, or tenant.

(b) Contract Purchasers. A contract seller of a Lot must delegate the seller's voting rights as a Member of the Association and the seller's right to use and enjoy the Common Area and Common Facilities to any contract purchaser in possession of the Lot. Notwithstanding the foregoing, the contract seller shall remain liable for any default in the payment of Assessments by the contract purchaser until title to the Lot sold has been transferred to the purchaser.

(c) Notification to Prospective Purchasers.

(i) As more particularly provided in California Civil Code §1368, as soon as practicable before transfer of title or the execution of a real property sales contract with respect to any Lot, the Owner thereof must give the prospective purchaser:

(A) A copy of the Governing Documents;

(B) A copy of the most recent documents distributed by the Association under California Civil Code §1365 (see Article XII of the Bylaws);

(C) A true statement in writing from an authorized representative of the Association (delinquency statement) as to

(1) the amount of the Association's current regular and special assessments and fees; and

(2) the amount of any assessments levied on the Owner's Lot that remain unpaid as of the date of the delinquency statement and any monetary fines or penalties levied on the Owner's Lot and unpaid as of the date of the delinquency statement.

The delinquency statement shall also include true information on late charges, interest, and costs of collection that, as of the date of the delinquency statement, are or may become a lien against the Owner's Lot under Civil Code §§1367 and 1367.1;

(D) A copy or a summary of any notice previously sent to the Owner under Civil Code §1363(h) that sets forth any alleged violations of the Governing Documents that remain unresolved at the time of the request; and

(E) A statement disclosing any change in the Association's current Regular and Special Assessments and fees that have been approved by the Board but have not become due and payable as of the date the information is provided.

(ii) Within ten (10) days of the mailing or delivery of a request for the information described in subparagraph (c)(i), above, the Association shall provide the Owner with copies of the requested items. The Association shall be entitled to

impose a fee for providing the requested items equal to (but not more than) the reasonable cost of preparing and reproducing the requested items.

(iii) The provisions of this section, except for those relating to the furnishing of a delinquency statement, shall not apply to any Owner who is subject to the requirements of California Business and Professions Code §11018.1 (which requires certain sellers to provide prospective purchasers with a California Department of Real Estate Public Report in connection with the sale of a Lot).

(d) Payment of Assessments and Compliance With Rules. Each Owner shall pay, when due, each Regular, Special and Special Individual Assessment levied against the Owner and his or her Lot and shall observe, comply with, and abide by any and all rules and regulations set forth in, or promulgated by the Association under, any Governing Document for the purpose of protecting the interests of all Owners or protecting the Common Area and Common Facilities.

(e) Discharge of Assessment Liens. Each Owner shall promptly discharge any Assessment lien that may hereafter become a charge against his or her Lot.

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

ARTICLE III. HOMEOWNERS ASSOCIATION

Section 3.01 Association Membership. Every Owner of a Lot shall be a Member of the Association. Each Owner shall hold one membership in the Association for each Lot owned and the membership shall be appurtenant to such Lot. Sole or joint ownership of a Lot shall be the sole qualification for membership in the Association. Each Owner shall remain a Member until his or her ownership in all Lots in the Development ceases, at which time his or her membership in the Association shall automatically cease. Persons or entities who hold an interest in a Lot merely as security for performance of an obligation are not Members until such time as the security holder comes into title to the Lot through foreclosure or receipt of a deed in lieu thereof.

When Lots are owned by more than one person, the Board shall have the right, under Section 3.07(a)(vii), to adopt a rule designating the minimum percentage ownership of a Lot to qualify the Owner as a Member for purposes of using any Common Facility or for determining eligibility to serve as a director.

Section 3.02 One Class of Membership. The Association shall have one class of membership and the rights, duties, obligations, and privileges of the Members shall be as set forth in the Governing Documents.

Section 3.03 Voting Rights of Members. Each Member shall be entitled to one vote for each Lot owned by that Member. When more than one person holds an interest in any Lot, all

such persons shall be Members, although in no event shall more than one vote be cast with respect to any Lot. Voting rights may be temporarily suspended under those circumstances described in Section 13.06.

Section 3.04 Assessments. The Association shall have the power to establish, fix, and levy Assessments against the Owners of Lots within the Development and to enforce payment of such Assessments in accordance with Article IV. Any Assessment levied by the Association against its Members shall be levied in accordance with and under the provisions of this Declaration (see particularly Section 4.10).

Section 3.05 Transfer of Memberships. Membership in the Association shall not be transferred, encumbered, pledged or alienated in any way, except on the sale of the Lot to which it is appurtenant and then, only to the purchaser. In the case of a sale, the membership appurtenant to the transferred Lot shall pass automatically to the purchaser on Recording of a deed evidencing the transfer of title. In the case of an encumbrance of such Lot, a Mortgagee does not have membership rights until he or she becomes an Owner by foreclosure or deed in lieu thereof. Permitted tenants who are delegated rights of use under Section 2.04, do not thereby become Members, although the tenant and his or her family and guests shall, at all times, be subject to the provisions of all Governing Documents.

Section 3.06 Powers and Authority of the Association.

(a) **Powers, Generally.** The Association shall have the responsibility of owning, managing, and maintaining the Common Areas and Common Facilities and discharging the other duties and responsibilities imposed on the Association by the Governing Documents. In the discharge of such responsibilities and duties, the Association shall have all of the powers of a nonprofit mutual benefit corporation organized under the laws of the State of California in the ownership and management of its Development and the discharge of its responsibilities hereunder for the benefit of its Members, subject only to such limitations on the exercise of such powers as are expressly set forth in the Governing Documents. The Association and its Board of Directors shall have the power to do any and all lawful things that may be authorized, required, or permitted to be done under and by virtue of the Governing Documents, and to do and perform any and all acts which may be necessary or proper for, or incidental to, the exercise of any of the express powers of the Association for the peace, health, comfort, safety, or general welfare of the Owners. The specific powers of the Association and the limitations thereon shall be as set forth in Article IX of the Bylaws.

(b) **Association's Limited Right of Entry.**

(i) **Right of Entry, Generally.** Without limiting the foregoing description of powers, but in addition thereto, the Association and its agents shall have the right and power to enter any Lot to perform the Association's obligations under this Declaration, including:

(A) Obligations to enforce the architectural and land use restrictions of Articles V and VI;

(B) Any obligations with respect to construction, maintenance and repair of adjacent Common Facilities; or

(C) To make necessary repairs that an Owner has failed to perform that, if left undone, will pose a threat to, or cause an unreasonable interference with, any portion of the Development or the Owners in common.

(ii) Limitations on Exercise of Right. The Association's right of entry under this subparagraph (b) shall be subject to the following limitations:

(A) The right of entry may be exercised immediately and without prior notice to the Owner or resident in case of an emergency originating in or threatening the Lot when entry is required onto any adjoining Lots or Common Area. The Association's work may be performed under such circumstances whether or not the Owner or resident is present.

(B) In all nonemergency situations involving routine repair and/or maintenance activities, the Association, or its agents, shall furnish the Owner or resident with at least 24 hours prior written notice of its intent to enter the Lot, specifying the purpose and scheduled time of such entry, and shall make every reasonable effort to perform its work and schedule its entry in a manner that respects the privacy of the persons residing on the Lot.

(C) In all nonemergency situations involving access by the Association for purposes of enforcing the Governing Documents against an Owner in default, the Association's entry shall be subject to observance of the notice and hearing requirements imposed by Section 13.06.

(D) In no event shall the Association's right of entry hereunder be construed to permit the Association or its agents to enter any Improvement without the Owner's or the resident's express permission.

Section 3.07 Association Rules.

(a) Rule Making Power. The Board may, from time to time and subject to the provisions of this Declaration, propose, enact, and amend rules and regulations of general application to the Owners (Association Rules). The Association Rules may concern, but need not be limited to

(i) matters pertaining to the maintenance, repair, management, and use of the Common Area and Common Facilities by Owners, their permitted tenants, guests, and invitees, or any other person(s) who have rights of use and enjoyment of such Common Area and Common Facilities;

- (ii) architectural control and the rules of the Architectural Committee under Section 5.05;
- (iii) the conduct of disciplinary proceedings in accordance with Section 13.06;
- (iv) regulation of matters subject to regulation and restriction under Article VIII;
- (v) collection and disposal of refuse; or
- (vi) minimum standards for the maintenance of Improvements on any Lot in accordance with Article VII;
- (vii) designating the minimum percentage ownership of a Lot necessary to qualify an Owner as a Member, as more particularly described in Section 3.01;
- (viii) collection of delinquent Assessments; and
- (ix) any other subject or matter within the jurisdiction of the Association as provided in the Governing Documents.

Notwithstanding the foregoing grant of authority, the Association Rules shall not be inconsistent with or materially alter any provision of the other Governing Documents or the rights, preferences, and privileges of Members thereunder. In the event of any material conflict between any Association Rule and any provision of another Governing Document, the conflicting provisions contained in the other Governing Document shall prevail. All Association Rules shall be adopted, amended, and repealed (as the case may be) in good faith and in substantial compliance with this Declaration and California Civil Code §§1357.100-1357.150.

(b) Distribution of Rules. A copy of the Association Rules, as they may from time to time be adopted, amended, or repealed, shall be mailed or otherwise delivered to each Owner.

(c) Adoption and Amendment of Rules.

(i) Requirement of Prior Notice to Members of Certain Operating Rules or Rule Changes. For purposes of this subparagraph (c), an “Operating Rule” is an Association Rule or regulation that applies generally to the management and operation of the Development or to the conduct of the business and affairs of the Association, and a “Rule Change” is any adoption, amendment, or repeal of an Operating Rule by the Board. (See California Civil Code §1357.100.) The Board must provide to the Members written notice of a proposed Rule Change at least thirty (30) days before taking action to implement the Rule Change. The notice must include the text of the proposed Rule Change and a description of the purpose and effect of the proposed change. This requirement of prior notice to the Members applies only to Operating Rules that relate to one or more of the following subjects:

- (A) Use of the Association Common Areas of the Development;
- (B) Use of any Lot in the Development (including the adoption of Property Improvement and Maintenance Guidelines);
- (C) Member discipline, including any schedule of monetary penalties for violation of the Governing Documents and any procedure for the imposition of penalties;
- (D) Any standards for delinquent assessment payment plans;
- (E) Any procedures adopted by the Association for resolution of assessment disputes; and
- (F) Any procedures for reviewing and approving or disapproving a proposed physical change to a Member's Lot or to the Common Area under Article V.

Prior notice to Members is not required for the following actions of the Board, regardless of whether those actions may be construed as being Association Rules or Operating Rules, as defined in the Civil Code: (i) any Rule Change that the Board adopts to address an imminent threat to public health or safety or imminent risk of substantial economic loss to the Association (such "emergency rules" may be adopted and remain in effect for up to one hundred twenty (120) days)); (ii) decisions regarding maintenance of the Common Areas or Common Facilities; (iii) a decision on a specific matter that is not intended to apply to all Members, generally; (iv) establishing the amount of an assessment; (v) adoption of a Rule Change that is required by law (if the Board has no discretion regarding the substantive effect of the Rule Change); and (vi) issuance of a document that merely repeats existing law or the Governing Documents.

(ii) Members' Right to Challenge Proposed Rule Changes. With respect solely to Operating Rules and Rule Changes listed in subparagraphs (A) through (F) of paragraph (c)(i), Members owning five (5) percent or more of the Lots in the Development have the right to demand that a special meeting of the Members be called to reverse a proposed Rule Change, so long as the request for the special meeting is delivered to the Association within thirty (30) days after the Members are given notice of the Rule Change. (See California Civil Code §1357.140.) If a proper and timely demand for a special meeting to vote to rescind an Operating Rule or Rule Change is tendered to the Association, the Board shall establish the date, time, and location of the meeting and provide notice thereof to the Members in accordance with Corporations Code §7511(c).

So long as a Quorum of the Members is present at any such meeting, the Rule Change can be reversed on the affirmative vote of a Majority of a Quorum of the Members, with each Member having one vote on the matter for each Lot owned. If the Members vote to reverse an Operating rule or a Rule Change, the Board may not take action to readopt the Operating Rule or Rule Change for a period of

one (1) year after the date of the special meeting when reversal of the Operating Rule or Rule Change was approved, provided, however, that this provision is not intended to preclude the Board from adopting a different Operating Rule or Rule Change on the same subject as the Rule Change that was successfully reversed. As soon as possible following the close of voting on any proposal to reverse an Operating Rule or Rule Change, but not more than fifteen (15) days after the close of voting, the Board shall provide notice to each Member of the results of the Member vote by personal delivery or first-class mail.

(iii) Adoption of Other Association Rules. Except as provided in subparagraph (c)(i), above, with respect to certain Rule Changes that are subject to the prior notice and challenge provisions of Civil Code §§1357.100-1357.150, any other Association Rules may be adopted or amended from time to time by majority vote of the Board; provided, however, that the Board shall not adopt any Association Rule or amendment thereto until at least thirty (30) days after the proposed rule amendment has been distributed in writing to each Member, along with a description of the purpose and effect of the proposed Association Rule or amendment thereto. The notice describing the proposed rule or amendment shall also set forth the date, time, and location of the Board meeting at which action on the proposal is scheduled to be taken. Any duly adopted rule or amendment to the Association Rules shall become effective immediately following the date of adoption thereof by the Board, or at such later date as the Board may deem appropriate. Any duly adopted rule or rule amendment shall be distributed to the Owners by mail or personal delivery.

Section 3.08 Breach of Rules or Restrictions. Any breach of the Association Rules, the Property Improvement and Maintenance Guidelines, or of any other Governing Document provision shall give rise to the rights and remedies set forth in Article XIII.

Section 3.09 Limitation on Liability of the Association's Directors and Officers.

(a) Claims Regarding Breach of Duty. No director or officer of the Association (collectively and individually referred to as the Released Party) shall be personally liable to any of the Members or to any other person, for any error or omission in the discharge of his or her duties and responsibilities or for his or her failure to provide any service required under the Governing Documents; provided that such Released Party has, on the basis of such information as he or she possessed, acted in good faith, in a manner that such person believes to be in the best interests of the Association and with such care, including reasonable inquiry, as an ordinarily prudent person in a like position would use under similar circumstances.

Without limiting the generality of the foregoing, this standard of care and limitation of liability shall extend to such matters as the establishment of the Association's annual financial budget, the funding of Association capital replacement and reserve accounts, repair and maintenance of Common Areas and Common Facilities and enforcement of the Governing Documents.

(b) Other Claims Involving Tortious Acts and Property Damage. No person who suffers bodily injury (including, without limitation, emotional distress or wrongful death) as a result of the tortious act or omission of a volunteer Member of the Board or volunteer officer of the Association shall recover damages from such Board Member or officer if all of the following conditions are satisfied:

- (i) The act or omission was performed within the scope of the volunteer Board Member's or officer's Association duties;
- (ii) The act or omission was performed in good faith;
- (iii) The act or omission was not willful, wanton, or grossly negligent;
- (iv) The Association maintained, and had in effect at the time the act or omission occurred and at the time a claim is made, general liability insurance and directors' and officers' liability insurance for negligent acts in their capacities as such, with coverage of at least one million dollars (\$1,000,000), or such other minimum amount as required by Code.

The payment of actual expenses incurred by a Board Member or officer in the execution of such person's Association duties shall not affect such person's status as a volunteer Board member or officer for the purposes of this section. The provisions of this subparagraph (b) are intended to reflect the protections accorded to volunteer directors and officers of community associations under Civil Code §1365.7. If that Civil Code section is amended or superseded by another, similar provision of the California statutes, this subparagraph (b) shall be deemed amended, without the necessity of further Member approval, to correspond to the amended or successor Civil Code provision.

ARTICLE IV. ASSESSMENTS

Section 4.01 Assessments Generally.

(a) Covenant to Pay Assessments. Each Owner of one or more Lots, by acceptance of a deed or other conveyance therefor (whether or not it shall be so expressed in such deed or conveyance), covenants and agrees to pay to the Association

- (i) Regular Assessments;
- (ii) Special Assessments;
- (iii) Special Individual Assessments; and
- (iv) Emergency Assessments, as defined and levied under this Article IV.

(b) Extent of Owner's Personal Obligation for Assessments. All Assessments, together with late charges, interest, and reasonable costs (including reasonable attorney fees) for the collection thereof, shall be a debt and a personal obligation of the person

who is the Owner of the Lot at the time the Assessment is levied. Each Owner who acquires title to a Lot (whether by conventional conveyance, at judicial sale, trustee's sale or otherwise) shall be personally liable only for Assessments attributable to the Lot which become due and payable after the date that the person acquires title. Accordingly, when a person acquires title to a Lot, he or she shall not be personally liable for delinquent Assessments of prior Owners unless the new Owner expressly assumes the personal liability. However, if the acquired Lot is conveyed subject to a valid lien for delinquent Assessments (and related costs of collection), the Association may continue to exercise its foreclosure remedies against the Lot, regardless of the change of ownership, and/or the Association may pursue its collection remedies against the prior Owner, individually.

(c) Creation of Assessment Lien. All Assessments, together with late charges, interest, and reasonable costs (including reasonable attorney fees) for the collection thereof, shall be a charge on the Lot and shall be a continuing lien on the Lot against which such Assessment is made from and after the time that the Association records a Notice of Delinquent Assessment in accordance with Section 4.10(b)(v). Any lien for unpaid Assessments created under the provisions of this Article may be subject to foreclosure as provided in Section 4.10(b)(vii).

(d) No Avoidance of Assessment Obligations. No Owner may exempt himself or herself from personal liability for Assessments duly levied by the Association, nor release the Lot or other property owned by him/her from the liens and charges hereof, by waiver of the use and enjoyment of the Common Area or any facilities thereon or by abandonment or nonuse of his/her Lot or any other portion of the Development.

(e) Limitation on Amount of Assessments. The Association shall not impose or collect an Assessment or fee that exceeds the amount necessary to defray the costs for which the Assessment or fee is levied.

Section 4.02 Regular Assessments.

(a) Preparation of Annual Budget; Establishment of Regular Assessments. Not less than thirty (30) days nor more than ninety (90) days before the beginning of the Association's fiscal year, the Board shall estimate the total amount required to fund the Association's anticipated Common Expenses for the next succeeding fiscal year (including additions to any reserve fund established to defray the costs of future repairs, replacement, or additions to the Common Facilities or portions of the Lots that the Association is obligated to maintain) by preparing and distributing to all Members a budget satisfying the requirements of Section 12.05 of the Bylaws. If the Board fails to distribute the budget for any fiscal year within the time period specified in the first sentence of this section, the Board shall not be permitted to increase Regular Assessments for that fiscal year unless the Board first obtains the Members' approval in accordance with Section 4.08.

(b) Establishment of Regular Assessment by Board; Membership Approval Requirements. The total annual expenses estimated in the Association's budget (less projected income from sources other than Assessments) shall become the aggregate

Regular Assessment for the next succeeding fiscal year, provided, however, that, except as provided in Section 4.05 (relating to Emergency Assessments), the Board of Directors may not impose a Regular Assessment that is more than twenty percent (20%) greater than the Regular Assessment for the Association's immediately preceding fiscal year without the Members' prior approval in accordance with Section 4.08.

(c) Allocation of Regular Assessment. The total estimated Common Expenses, determined in accordance with subparagraph (a), shall be allocated among, assessed against, and charged to each Owner according to the ratio of the number of Lots within the Development owned by the assessed Owner to the total number of Lots subject to Assessments so that each Lot bears an equal share of the total Regular Assessment.

(d) Assessment Roll. That portion of the estimated Common Expenses assessed against and charged to each Owner shall be set forth and recorded in an Assessment roll which shall be maintained and available with the records of the Association and shall be open for inspection at all reasonable times by each Owner or his or her authorized representative for any purpose reasonably related to the Owner's interest as a property Owner or as a Member. The Assessment roll (which may be maintained in electronic form) shall show, for each Lot, the name and address of the Owner of Record, all Regular, Special and Special Individual Assessments levied against each Owner and his or her Lot, and the amount of such Assessments which have been paid or remain unpaid. The delinquency statement required by Section 2.05(c)(i)(C) shall be conclusive on the Association and the Owner of such Lot as to the amount of such indebtedness appearing on the Association's Assessment roll as of the date of such statement, in favor of all persons who rely thereon in good faith.

(e) Mailing Notice of Assessment. Within the time requirements specified in subparagraph (a), above, the Board of Directors shall mail to each Owner, at the street address of the Owner's known permanent residence, or at such other address as the Owner may from time to time designate in writing to the Association, a statement of the amount of the Regular Assessment for the next succeeding fiscal year.

(f) Failure to Make Estimate. If, for any reason, the Board of Directors fails to make an estimate of the Common Expenses for any fiscal year, then the Regular Assessment made for the preceding fiscal year, together with any Special Assessment made under 4.03(a)(i), for that year, shall be assessed against each Owner and his or her Lot on account of the then current fiscal year, and installment payments (as hereinafter provided) based on such automatic Assessment shall be payable on the regular payment dates established by the Board.

(g) Payment of Assessment. The total Regular Assessment levied against each Owner and his or her Lot shall be all due and payable to the Association on or before January 2 of each year.

Section 4.03 Special Assessments.

(a) Purposes for Which Special Assessments May Be Levied. Subject to the membership approval requirements set forth in subparagraph (b), below, the Board of Directors shall have the authority to levy Special Assessments against the Owners and their Lots for the following purposes:

(i) Regular Assessment Insufficient in Amount. If, at any time, the Regular Assessment for any fiscal year is insufficient in amount due to extraordinary expenses not contemplated in the budget prepared for that fiscal year, then, except as prohibited by Section 4.02(a), the Board of Directors shall levy and collect a Special Assessment, applicable to the remainder of such year only, for the purpose of defraying, in whole or in part, any deficit which the Association may incur in the performance of its duties and the discharge of its obligations hereunder.

(ii) Capital Improvements. The Board may also levy Special Assessments for additional capital Improvements within the Common Area (i.e., Improvements not in existence on the date of this Declaration that are unrelated to repairs for damage to, or destruction of, the existing Common Facilities). The Special Assessment power conferred hereunder is not intended to diminish the Board's obligation to plan and budget for normal maintenance, and replacement repair of the Common Area or existing Common Facilities through Regular Assessments (including the funding of reasonable reserves) and to maintain adequate insurance on the Common Area and existing Common Facilities in accordance with Article X.

(b) Special Assessments Requiring Membership Approval. The following Special Assessments require prior membership approval in accordance with Section 4.08:

(i) Any Special Assessments which, in the aggregate, exceed five (5) percent of the Association's budgeted gross expenses for the fiscal year in which the Special Assessment(s) is/are levied, and

(ii) Any Special Assessments imposed under subparagraph (a)(i) of this section when the Board has failed to distribute a budget to the Members within the time specified in 4.02(a). The foregoing Member approval requirements shall not apply, however, to any Special Assessment imposed to address any "emergency situation" as defined in Section 4.05.

(c) Allocation and Payment of Special Assessments. When levied by the Board or approved by the Members as provided above, the Special Assessment shall be divided among, assessed against and charged to each Owner and his or her Lot in the same manner prescribed for the allocation of Regular Assessments under Section 4.02(c). The Special Assessment so levied shall be recorded on the Association's Assessment roll and notice thereof shall be mailed to each Owner. Special Assessments for purposes described in subparagraph (a)(i) shall be due as a separate debt of the Owner and a lien

against his or her Lot, and shall be payable in full to the Association within thirty (30) days after the mailing of such notice or within such extended period as the Board shall determine to be appropriate under the circumstances giving rise to the Special Assessment.

Section 4.04 Special Individual Assessments.

(a) Circumstances Giving Rise to Special Individual Assessments. In addition to the Special Assessments levied against all Owners in accordance with Section 4.03, the Board of Directors may impose Special Individual Assessments against an Owner in any of the circumstances described in subparagraphs (i) through (iii), below; provided, however, that no Special Individual Assessments may be imposed against an Owner under this section until the Owner has been afforded the notice and hearing rights to which the Owner is entitled under Section 13.06, and, if appropriate, has been given a reasonable opportunity to comply voluntarily with the Governing Documents. Subject to the foregoing, the acts and circumstances giving rise to liability for Special Individual Assessments include the following:

(i) Damage to Common Area or Common Facilities. In the event that any damage to, or destruction of, any portion of the Common Area or the Common Facilities is caused by the willful misconduct or negligent act or omission of any Owner, any member of his or her family, or any of his or her tenants, guests, servants, employees, licensees or invitees, the Board shall cause the same to be repaired or replaced, and all costs and expenses incurred in connection therewith shall be assessed and charged solely to and against such Owner as a Special Individual Assessment.

(ii) Expenses Incurred in Gaining Member Compliance. In the event that the Association incurs any costs or expenses to

(A) accomplish the payment of delinquent Assessments;

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

(C) otherwise bring the Owner and/or his or her Lot into compliance with any provision of the Governing Documents, the amount incurred by the Association (including reasonable fines and penalties duly imposed hereunder, title company fees, accounting fees, court costs and reasonable attorney fees) shall be assessed and charged solely to and against such Owner as a Special Individual Assessment.

(iii) Required Maintenance of Lots and Improvements. If any Lot or Improvement is maintained so as to become a nuisance, fire, or safety hazard for any reason, including without limitation, e.g., the accumulation of trash, junk automobiles, or improper weed or vegetation control, the Association shall have

the right to enter the Lot, correct the offensive or hazardous condition and recover the cost of such action through imposition of a Special Individual Assessment against the offending Owner. Any entry on the property of any Owner by the Association shall be affected in accordance with Section 3.06(b).

(b) Levy of Special Individual Assessment and Payment. Once a Special Individual Assessment has been levied against an Owner for any reason described, and subject to the conditions imposed in subparagraph (a) of this section, such Special Individual Assessment shall be recorded on the Association's Assessment roll and notice thereof shall be mailed to the affected Owner. The Special Individual Assessment shall thereafter be due as a separate debt of the Owner payable in full to the Association within thirty (30) days after the mailing of notice of the Assessment.

(c) Limitation on Right to Lien Lots for Special Individual Assessments. The right of the Association to collect delinquent Special Individual Assessments through the use of lien and foreclosure remedies is subject to the limitations set forth in Section 4.10(b)(ix), below. However, Special Individual Assessments may be collected by the Association through the use of other legal processes, including, without limitation, an action in small claims court.

Section 4.05 Assessments to Address Emergency Situations.

(a) Authority of Board to Impose Emergency Assessments. The requirement of a membership vote to approve

(i) Regular Assessment increases in excess of twenty (20) percent of the previous year's Regular Assessment, or

(ii) Special Assessments which, in the aggregate, exceed five (5) percent of the Association's budgeted gross expenses for the fiscal year in which the Special Assessment(s) [is/are] levied, shall not apply to Assessments necessary to address emergency situations (Emergency Assessments). For purposes of this section, an emergency situation includes, and is limited to, any of the following:

(A) An extraordinary expense required by an order of a court.

(B) An extraordinary expense necessary to repair or maintain the Common Areas or Common Facilities when a threat to personal safety is discovered.

(C) An extraordinary expense necessary to repair or maintain the Common Areas or Common Facilities that could not have been reasonably foreseen by the Board in preparing and distributing the budget under Section 4.02(a) and Section 12.05 of the Bylaws; provided, however, that before the imposition or collection of an Assessment under this subparagraph (C), the Board shall pass a resolution containing written findings as to the necessity of the extraordinary expense involved and why the expense was not or could not have been reasonably foreseen

in the budgeting process. The Board's resolution shall be distributed to the Members together with the notice of Assessment.

(b) Payment of Emergency Assessments. When levied by the Board, the Emergency Assessment shall be divided among, assessed against, and charged to each Owner and his or her Lot in the same manner prescribed for the allocation of Regular Assessments under Section 4.02(c). The Emergency Assessment so levied shall be recorded on the Association's Assessment roll and notice thereof shall be mailed to each Owner. An Emergency Assessment shall be due as a separate debt of the Owner and shall be payable in full to the Association within thirty (30) days after the mailing of the notice of the Emergency Assessment or within such extended period as the Board shall determine to be appropriate under the circumstances giving rise to the Emergency Assessment. If an Emergency Assessment is not paid on or before the due date, the Assessment may be enforced in the manner provided in Section 4.10.

Section 4.06 Purpose and Reasonableness of Assessments. Each Assessment made in accordance with the provisions of this Declaration is hereby declared and agreed to be for use exclusively

- (a) to promote the recreation, health, safety, and welfare of the Owners and their families, tenants, invitees, licensees, guests, and employees within the Development;
- (b) to promote the enjoyment and use of the Development by the Owners and their families, tenants, invitees, licensees, guests, and employees; and
- (c) to provide for the repair, maintenance, replacement, and protection of the Common Area and Common Facilities. Each and every Assessment levied hereunder is further declared and agreed to be a reasonable Assessment, and to constitute a separate, distinct and personal obligation (with respect to which a separate lien may be created hereby) of the Owner of the Lot against which the Assessment is imposed that shall be binding on the Owner's heirs, successors, and assigns; provided, however, that the personal obligation of each Owner for delinquent Assessments shall not pass to the Owner's successors in title unless expressly assumed by them.

Section 4.07 Exemption of Portions of the Development From Assessments. The following real property subject to this Declaration shall be exempt from the Assessments and the lien thereof provided herein:

- (a) Any portion of the Development dedicated and accepted by a local public authority;
- (b) The Common Area and Common Facilities; and
- (c) Any Lot owned by the Association.

Section 4.08 Notice and Procedure for Member Approval Under Articles II and III. If Member approval is required in connection with any increase or imposition of Assessments under Sections 4.02 and 4.03, the affirmative vote required to approve the increase shall be a

Majority of a Quorum of the Members. The quorum required for such membership action shall be a majority of the Members.

Section 4.09 Maintenance of Assessment Funds.

(a) Bank Accounts. All sums received or collected by the Association from Assessments, together with any interest or late charges thereon, shall be promptly deposited in one or more federally insured checking, savings or money market accounts in a bank or other financial institution selected by the Board of Directors. In addition, the Board shall be entitled to make prudent investment of reserve funds in insured certificates of deposit, money market funds or similar investments consistent with the investment standards normally observed by trustees. The Board and such officers or agents of the Association as the Board shall designate shall have exclusive control of said account(s) and investments and shall be responsible to the Owners for the maintenance at all times of accurate records thereof. The withdrawal of funds from Association accounts shall be subject to the minimum signature requirements imposed by Civil Code §1365.5 and Section 12.02 of the Bylaws. Any interest received on deposits shall be credited proportionately to the balances of the various Assessment fund accounts maintained on the books of the Association as provided in subparagraph (b), below.

(b) Expenditure of Assessment Funds. Except as provided below, the proceeds of each Assessment shall be used only for the purpose for which such Assessment was made, and such funds shall be received and held in trust by the Association for such purpose. Notwithstanding the foregoing, the Board, in its discretion, may make appropriate adjustments among the various line items in the Board's approved general operating budget if the Board determines that it is prudent and in the best interest of the Association and its Members to make such adjustments. If the proceeds of any Special Assessment exceed the requirement of which such Assessment was levied, such surplus may, in the Board's discretion, be:

- (i) Returned proportionately to the contributors thereof;
- (ii) Reallocated among the Association's reserve accounts if any such account is, in the Board's opinion, underfunded; or
- (iii) Credited proportionately on account of the Owners' future Regular Assessment obligations.

(c) Separate Accounts; Commingling of Funds. To preclude a multiplicity of bank accounts, the proceeds of all Assessments may be commingled in one or more accounts and need not be deposited in separate accounts so long as the separate accounting records described herein are maintained. For purposes of accounting, but without requiring any physical segregation of assets, the Association shall keep a separate accounting of all funds received by it in payment of each Assessment and of all disbursements made therefrom; provided, however, that receipts and disbursements of Special Assessments made under Section 4.03(a)(i), shall be accounted for together with the receipts and disbursements of Regular Assessments, and a separate accounting shall be maintained for

each capital improvement for which reserve funds for replacement are required to be maintained by the Association.

Unless the Association is exempt from federal or state taxes, all sums allocated to capital replacement funds shall be accounted for as contributions to the capital of the Association and as trust funds segregated from the regular income of the Association or in any other manner authorized by law or regulations of the Internal Revenue Service and the California Franchise Tax Board that will prevent such funds from being taxed as income of the Association.

(d) Reserve Funds. The Board shall not expend funds designated as reserve funds for any purpose other than the repair, restoration, replacement, or maintenance of, or litigation involving the repair, restoration, replacement, or maintenance of, major components of the Development that the Association is obligated to repair, restore, replace, or maintain and for which the reserve fund was established. However, the Board may authorize the temporary transfer of money from a reserve fund to the Association's general operating fund to meet short-term cash-flow requirements or other expenses, provided the Board has made a written finding, recorded in the Board's minutes, explaining the reasons that the transfer is needed, and describing when and how the money will be repaid to the reserve fund.

The transferred funds shall be restored to the reserve fund within one (1) year of the date of the initial transfer, except that the Board may, on making a finding supported by documentation that a temporary delay would be in the best interests of the Development, temporarily delay the restoration. The Board shall exercise prudent fiscal management in delaying restoration of these funds and in restoring the expended funds to the reserve account, and shall, if necessary, levy a Special Assessment to recover the full amount of the expended funds within the time limits required by this subparagraph. This Special Assessment is subject to the Member approval requirements of Civil Code §1366 and Section 4.03(b), if the aggregate amount of the Special Assessment exceeds five (5) percent of the budgeted gross expenses of the Association for the year in which the Special Assessment is imposed. The Board may, at its discretion, extend the date the payment on the Special Assessment is due. Any extension shall not prevent the Board from pursuing any legal remedy to enforce the collection of an unpaid Special Assessment.

When the decision is made to use reserve funds or to temporarily transfer money from the reserve fund to pay for litigation, the Association shall notify the Members of that decision in the next available mailing to all Members under Corporations Code §5016, and of the availability of an accounting of those expenses. The Association shall make an accounting of expenses related to the litigation on at least a quarterly basis. The accounting shall be made available for inspection by Members at the Association's principal office.

(e) Limitations on Association's Authority to Assign or Pledge Assessment Obligations. The Association may not voluntarily assign or pledge its right to collect payments or Assessments, or to enforce or foreclose a lien to a third party, except when

the assignment or pledge is made to a financial institution or lender chartered or licensed under federal or state law, when acting within the scope of that charter or license, as security for a loan obtained by the Association. However, the restrictions imposed by this subparagraph (e) shall not restrict the right or ability of the Association to assign to a third party for purposes of collection any unpaid obligations to a former Member.

Section 4.10 Collection of Assessments; Enforcement of Liens. Installments of Regular Assessments shall be delinquent if not paid within fifteen (15) days of the due date as established by the Board. Special Assessments, Special Individual Assessments, and Emergency Assessments shall be delinquent if not paid within the times prescribed in Sections 4.03(c), 4.04(b) and 4.05(b), respectively. When an Assessment becomes delinquent, the amount thereof may, at the Board's election, bear interest at the maximum rate allowed by law commencing thirty (30) days after the due date until the same is paid. In addition to the accrual of interest, the Board of Directors is authorized and empowered to promulgate a schedule of reasonable late charges for any delinquent Assessments, subject to the limitations imposed by California Civil Code §§1366(c) and 1366.1, or comparable successor statutes. Once an assessment becomes delinquent, the Association may elect one or both of the following remedies:

(a) Enforcement of an Owner's Personal Obligation to Pay Assessments. The Association may bring a legal action directly against the Owner for breach of the Owner's personal obligation to pay the Assessment and in such action shall be entitled to recover the delinquent Assessment or Assessments, accompanying late charges, interest, costs, and reasonable attorney fees. Commencement of a legal action shall not constitute a waiver of any lien rights as described in subparagraph (b), below.

(b) Imposition and Enforcement of Assessment Lien; Limitations. Except as otherwise provided in subparagraph (b)(ix), below, with respect to the limitation on the imposition of liens for Special Individual Assessments, the Association may impose a lien against the Owner's Lot for the amount of the delinquent Assessment or Assessments, plus any reasonable costs of collection (including reasonable attorney fees), late charges, and interest by taking the following steps:

(i) Issuance of Delinquency Notice; Contents. At least thirty (30) days before recording a lien on the Owner's Lot to collect a delinquent Assessment, the Association shall notify the Owner in writing by certified mail of the following (the Delinquency Notice):

(A) A general description of the Association's collection and lien enforcement procedures and the method of calculating the amount; a statement that the Owner of the Lot has the right to inspect the Association records under Corporations Code §8333; and the following statement in 14-point boldface type (if printed) or in capital letters (if typed): "IMPORTANT NOTICE: IF YOUR LOT IS PLACED IN FORECLOSURE BECAUSE YOU ARE BEHIND IN YOUR ASSESSMENTS, IT MAY BE SOLD WITHOUT COURT ACTION."

(B) An itemized statement of the charges owed by the Owner, including items on the statement that indicate the amount of any delinquent Assessments, the fees and reasonable costs of collection, reasonable attorney fees, any late charges, and interest, if any.

(C) A statement that the Owner shall not be liable to pay the charges, interest, and costs of collection previously levied by the Association if it is subsequently shown that the Assessment was paid on time.

(D) The right of the notified Owner to request a meeting with the Board as provided in subparagraph (iv), below.

(ii) Application of Payments. Any payments made by the Lot Owner toward the delinquent Assessment shall first be applied to the Assessments that are owed at the time the payment is made; and only after the Assessments owed are paid in full shall the payments be applied to the fees and the costs of collection, attorney fees, late charges, or interest. When an Owner makes a payment, the Owner may request a receipt and the Association shall provide it. The receipt shall indicate the date of payment and the person who received the payment on behalf of the Association. The Association shall provide its Members with a mailing address for overnight payment of Assessments.

(iii) Rights of Owners to Dispute Claimed Delinquencies. An Owner may dispute the amounts claimed as due and owing in the Delinquency Notice by submitting to the Board a written explanation of the reasons for the dispute. If the Owner wishes to submit an explanation, it must be mailed to the Association within fifteen (15) days of the postmark of the Delinquency Notice. The Board shall respond in writing to the Owner within fifteen (15) days of the date of the postmark of the Owner's explanation.

(iv) Rights of Owners to Propose Payment Plans. An Owner may also submit a written request to meet with the Board to discuss a payment plan for the delinquent assessment. This request must also be made within fifteen (15) days of the postmark of the Delinquency Notice. The Association shall provide the Owners with the standards for payment plans, if such standards have been adopted. So long as a timely request for a meeting has been tendered, the Board shall meet with the Owner in executive session within forty-five (45) days of the postmark of the request for a meeting; unless there is no regularly scheduled Board meeting within that period, in which event the Board may designate a committee of one or more Members to meet with the Owner.

(v) Association Assessment Lien Rights. Except as provided in subparagraph (ix), below (relating to Special Individual Assessments), the amount of the Assessment, plus any costs of collection, late charges, and interest assessed in accordance with Civil Code §1366 shall be a lien on the Owner's Lot from and after the time the Association causes to be recorded in the Office of the County Recorder a Notice of Delinquent Assessment, which shall state the amount of the

Assessment and other sums imposed in accordance with §1366, a legal description of the Owner's Lot against which the Assessment and other sums are levied, and the name of the record owner of the Lot against which the lien is imposed. For the lien to be imposed by nonjudicial foreclosure as provided in subparagraph (viii), below, the Notice of Delinquent Assessment shall state the name and address of the trustee authorized by the Association to enforce the lien by sale. The Notice of Delinquent Assessment shall be signed by any officer of the Association or by the person designated by the Association for that purpose and mailed in the manner set forth in Civil Code §2924b to all record owners of the Owner's Lot no later than ten (10) calendar days after Recordation.

(vi) Priority of Assessment Liens. A lien created under subparagraphs (v) or (ix) of this Section 4.10(b) shall be before all other liens recorded against the Owner's Lot after the Notice of Delinquent Assessment, except as described in Section 4.12.

(vii) Enforcement of Assessment Liens. Subject to the limitations of this Section 4.10(b), after the expiration of thirty (30) days following the recording of a Notice of Delinquent Assessment, the lien may be enforced in any manner permitted by law, including sale by the court, sale by the trustee designated in the Notice of Delinquent Assessment, or sale by a trustee substituted under Civil Code §2934a. Any sale by the trustee shall be conducted in accordance with Civil Code §§2924, 2924b, and 2924c (applicable to the exercise of powers of sale in mortgages and deeds of trusts). The fees of a trustee may not exceed the amounts prescribed in Civil Code §§2924c and 2924d.

(viii) Obligation to Record Lien Releases. If it is determined that a lien previously recorded against a Lot was recorded in error, the party who recorded the lien, within twenty-one (21) calendar days, shall record or cause to be recorded in the Office of the County Recorder a lien release or notice of rescission and provide the Lot Owner with a declaration that the lien filing or recording was in error and a copy of the lien release or notice of rescission. In addition, within twenty-one (21) days of the payment of the sums specified in the Notice of Delinquent Assessment, the Association shall record or cause to be recorded in the Office of the County Recorder a lien release or notice of rescission and provide the Lot Owner a copy of the lien release or notice that the delinquent assessment has been satisfied.

(ix) Limitation on Authority to Use Lien and Foreclosure Remedies to Collect Special Individual Assessments. Only the following categories of Special Individual Assessments shall be subject to collection by the Association through the lien and foreclosure remedies described in subparagraphs (b)(v) through (b)(viii), above:

(A) Special Individual Assessments or other monetary charges imposed by the Association as a means of reimbursing the Association for costs incurred in the repair of damage to Common Areas and

Common Facilities for which the Member or the Member's guests or tenants were responsible, and

(B) Special Individual Assessments imposed to recover late charges, reasonable costs of collection, and interest assessed in accordance with Civil Code §1366(e).

(x) Effect of Failure to Adhere to Lien Restrictions. If the Association fails to comply with the procedures set forth in this Section 4.10(b) before recording a lien, the Association shall recommence the required notice process. Any costs associated with recommencing the notice process shall be borne by the Association and not by the Lot Owner.

The provisions of this Section 4.10(b) are intended to comply with the requirements of Civil Code §1367.1, in effect as of January 1, 2003. If these Civil Code sections are amended or modified in the future in a way that is binding on the Association and causes this Section 4.10(b) to be in conflict with applicable law, the provisions of this Section 4.10(b) automatically shall be amended or modified in the same manner by action of the Board of Directors without necessity of approval of the amendment by the Members.

Section 4.11 Transfer of Lot by Sale or Foreclosure. The following rules shall govern the right of the Association to enforce its Assessment collection remedies following the sale or foreclosure of a Lot:

(a) Except as provided in subparagraph (b), the sale or transfer of any Lot shall not affect any Assessment lien that has been duly Recorded against the Lot before the sale or transfer, and the Association can continue to foreclose its lien in spite of the change in ownership.

(b) The Association's Assessment lien shall be extinguished as to all delinquent sums, late charges, interest, and costs of collection incurred before the sale or transfer of a Lot under a foreclosure or exercise of a power of sale by the holder of a prior encumbrance (but not under a deed-in-lieu of foreclosure). A "prior encumbrance" means any first Mortgage or other Mortgage or lien Recorded against the Lot at any time before Recordation of the Association's Assessment lien (see Section 4.12).

(c) No sale or transfer of a Lot as the result of foreclosure, exercise of a power of sale, or otherwise, shall relieve the new Owner of such Lot (whether it be the former beneficiary of the first Mortgage or other prior encumbrance or a third party acquiring an interest in the Lot) from liability for any Assessments which thereafter become due with respect to the Lot or from the lien thereof.

(d) Any Assessments, late charges, interest, and associated costs of collection that are lost as a result of a sale or transfer of a Lot covered by subparagraph (b), above, shall be deemed to be a Common Expense collectible from the Owners of all of the Lots, including the person who acquires the Lot and his or her successors and assigns.

(e) No sale or transfer of a Lot as the result of foreclosure, exercise of a power of sale, or otherwise, shall affect the Association's right to maintain an action against the foreclosed previous Owner personally to collect the delinquent Assessments, late charges, interest, and associated costs of collection incurred before and/or in connection with the sale or transfer.

Section 4.12 Priorities. When a Notice of Delinquent Assessment has been Recorded, such notice shall constitute a lien on the Lot prior and superior to all other liens or encumbrances Recorded subsequent thereto, except

(a) all taxes, bonds, assessments, and other levies that, by law, would be superior thereto, and

(b) the lien or charge of any first Mortgage of Record (meaning any Recorded Mortgage with first priority over other Mortgages) made in good faith and for value; provided, however, that such subordination shall apply only to the Assessments that have become due and payable before the transfer of such property under the exercise of a power of sale or a judicial foreclosure involving a default under such first Mortgage or other prior encumbrance.

Section 4.13 Unallocated Taxes. If any taxes are assessed against the Common Area, or the personal property of the Association, rather than being assessed to the Lots, such taxes shall be included in the Regular Assessments imposed under Section 4.02; and, if necessary, a Special Assessment may be levied against the Lots in accordance with Section 4.03(a) in an amount equal to such taxes to be paid in two installments, thirty (30) days before the due date of each tax installment.

Section 4.14 Waiver of Exemptions. Each Owner, to the extent permitted by law, waives, to the extent of any liens created under this Article, the benefit of any homestead or exemption law of California in effect at the time any Assessment or installment thereof becomes delinquent or any lien is imposed.

ARTICLE V. ARCHITECTURAL CONTROL

Section 5.01 Approval of Improvements by Board or Architectural Committee.

(a) Approval Generally. Before commencing construction or installation of any Improvement within the Development (as defined in Section 1.16, the Owner planning such Improvement must submit a written request for approval to the Board of Directors or its duly appointed Architectural Committee, if such a committee is established under Section 5.02, and Article X of the Bylaws. The Owner's request shall include structural plans and specifications satisfying the minimum requirements specified in the Property Improvement and Maintenance Guidelines (Section 5.05). Unless the Board's approval of the proposal is first obtained, no work on the Improvement shall be undertaken. The Board shall base its decision to approve, disapprove, or conditionally approve the proposed Improvement on the criteria described in Section 5.06. If the Board establishes an architectural committee, all references in this Article to the "Board" or the "Board of

Directors” shall be deemed to be references to the Architectural Committee, unless the context shows a contrary intent.

(b) Modifications to Approved Plans Must Also Be Approved. Once a proposed work of Improvement has been duly approved by the Board, no material modifications shall be made in the approved plans and specifications therefor and no subsequent alteration, relocation, addition, or modification shall be made to the work of Improvement, as approved, without a separate submittal to, and review and approval by, the Board. If the proposed modification will have, or is likely to have, a material affect on other aspects or components of the work, the Board, in its discretion, may order the Owner and his or her contractors and agents to cease working not only on the modified component of the Improvement, but also on any other affected component.

If it comes to the knowledge and attention of the Association, the Architectural Committee, or the agents or employees of either, that a work of Improvement, or any modification thereof, is proceeding without proper approval, the Association shall be entitled to exercise the enforcement remedies specified in Article XIII, including, without limitation, ordering an immediate cessation and abatement of all aspects of the work of Improvement until such time as proper architectural review and approval is obtained.

Section 5.02 Composition of the Architectural Committee. If the Board elects to establish an Architectural Committee under Article X of the Bylaws, the Committee shall be composed of five (5) Members of the Association appointed by the Board. In selecting Members for the Committee, the Board shall endeavor to select individuals whose occupations or education will provide technical knowledge and expertise relevant to matters within the Committee’s jurisdiction. Committee members shall serve subject to the Board’s power to remove any Committee member and to appoint his or her successor. Neither the members of the Committee nor its designated representatives shall be entitled to any compensation for services performed pursuant hereto. If the Board establishes a Committee, it shall have those powers which are specifically designated by the Board in the resolution establishing the Committee.

Section 5.03 Duties. The Board shall have the duty to consider and act on the proposals and plans for Improvements submitted to it under this Declaration, to adopt Property Improvement and Maintenance Guidelines under Section 5.05, and to carry out all other architectural review duties imposed on it by this Declaration.

Section 5.04 Meetings. The Board shall meet from time to time as necessary to properly perform the architectural review functions described herein. The vote or written consent of a majority of the Board shall constitute the action of the Association. The Board shall keep and maintain a written record of all actions taken, and actions on architectural matters may be undertaken by the Board at its regular Board meetings. Any decision on a proposed Improvement project shall be made in a fair, reasonable, and expeditious manner, shall be made in good faith, and shall not be unreasonable, arbitrary, or capricious. Decisions shall be consistent with any governing provision of law, including, without limitation, the Fair Employment and Housing Act (Part 2.8 (commencing with Section 12900) of Division 3 of Title 2 of the California Government Code)).

The applicant shall be entitled to appear at any meeting of the Board at which his or her proposal has been scheduled for review and consideration. The applicant shall be entitled to be heard on the matter and may be accompanied by his or her architect, engineer and/or contractor, if any. Other Owners, whose Lots may be affected by the proposed Improvement (in terms of the view or solar access of their Lot, noise, or other considerations), shall also be entitled to attend the meeting at the discretion of the Board.

Reasonable notice of the time, place, and proposed agenda for the review of architectural matters shall be communicated before the date of the meeting to any applicant whose application is scheduled to be heard. Notice may also be given to neighboring Owners if the Board, in the reasonable exercise of its discretion, considers such notice appropriate.

Section 5.05 Property Improvement and Maintenance Guidelines. The Board of Directors may, from time to time, adopt, amend, and repeal rules and regulations to be known as “Property Improvement and Maintenance Guidelines.” The Property Improvement and Maintenance Guidelines shall interpret and implement the provisions hereof by setting forth

- (a) the standards and procedures for architectural review, including the required content of Improvement plans and specifications;
- (b) guidelines for architectural design, placement of any work of Improvement or color schemes, exterior finishes, and materials and similar features that are recommended or required for use in connection with particular Improvement projects within the Development; and
- (c) the criteria and procedures for requesting variances from any property use restrictions that would otherwise apply to the proposed Improvement under the Governing Documents (see Section 5.12]). Notwithstanding the foregoing, no Architectural Rule shall be in derogation of the minimum standards required by this Declaration. In the event of any conflict between the Property Improvement and Maintenance Guidelines and this Declaration, the provisions of the Declaration shall prevail. If the right to adopt Property Improvement and Maintenance Guidelines is delegated to the Committee, any such rule shall not become effective until it has been approved by the Board.

Among other things, the Property Improvement and Maintenance Guidelines shall provide a fair, reasonable, and expeditious procedure for making decisions on submitted Improvement plans and projects. The procedures shall include prompt deadlines for various actions and a maximum time for response to an application, consistent with Section 5.07.

Section 5.06 Basis for Approval of Improvements. When a proposed Improvement is submitted to the Board for review, the Board shall grant the requested approval only if the Board, in its sole discretion, makes the following findings regarding the proposed project:

- (a) The Owner’s plans and specifications conform to this Declaration and to the Property Improvement and Maintenance Guidelines in effect at the time such plans are submitted to the Committee;

- (b) The Improvement will be in harmony with the external design of other structures and/or landscaping within the Development;
- (c) The Improvement, as a result of its appearance, location, or anticipated use, will not interfere with the reasonable enjoyment of any other Owner of his or her property; and
- (d) The proposed Improvement(s), if approved, will otherwise be consistent with the architectural and aesthetic standards prevailing within the Development and with the overall plan and scheme of development within the Development.

The Board shall be entitled to determine that a proposed Improvement or component thereof is unacceptable when proposed on a particular Lot, even if the same or a similar Improvement/component has previously been approved for use at another location within the Development if factors such as drainage, topography, or visibility from roads, Common Areas, or other Lots or prior adverse experience with the product or components used in construction of the Improvement, design of the Improvement, or its use at other locations within the Development militate against erection of the Improvement or use of a particular component thereof on the Lot involved in the Owner's submittal.

In approving a request for construction of an Improvement, the Board may condition approval on the adoption of modifications in the plans and specifications or observance of restrictions as to location, noise abatement or similar mitigating conditions.

Section 5.07 Time Limits for Approval or Rejection. Within thirty (30) days after submission of plans and specifications satisfying the requirements of the Property Improvement and Maintenance Guidelines, the Board shall return one set of such plans to the applicant, with either written notice of approval or disapproval or with written suggestions of changes required for approval accompanying the returned set of plans. If the Board recommends that the plans and specifications be modified, the applicant may implement such changes to the plans and within thirty (30) days resubmit plans incorporating such changes for approval to the Board, which shall not unreasonably withhold its approval so long as the applicant has complied in all material respects with the requested changes. If no written notice of approval or disapproval is received by the applicant within thirty (30) days after the Owner's plans and specifications (or revisions thereto) are submitted to the Board, the plans shall be deemed to have been approved as submitted.

If the Board establishes an Architectural Committee, the Committee's decisions shall be deemed final at the expiration of ten (10) days from the date notice of the decision is given to the applicant, unless at least two (2) Board members call for a Board meeting to reconsider such decision, which meeting shall be held within thirty (30) days of the date notice of the meeting is given to the applicant. If a meeting is called to reconsider a decision on the application, the Board shall have the right to confirm, modify or deny the Architectural Committee's previous decision and the Board's decision shall be final.

Section 5.08 Proceeding With Work. On receipt of approval of an Improvement project from the Board of Directors, the Owner shall, as soon as practicable, satisfy all conditions

thereof, including providing the Board of Directors with a copy of any permit(s) required by Madera County, and diligently proceed with the commencement of construction of the Improvement pursuant to the approval. In all cases, work on an Improvement project shall commence within six (6) months from the date of such approval. If the Owner fails to comply with this section, any approval given under this Article shall be deemed revoked unless the Board, on written request of the Owner, tendered before the expiration of the two (2) Seasons, extends the time for commencement or completion. No such extension shall be granted except on a finding by the Board that there has been no change in the circumstances on which the original approval was granted and that the Owner has a bona fide intention and ability to complete the Improvement project within the time specified in the extension request.

Section 5.09 Failure to Complete Work. Unless the Board grants the Owner an extension of time to complete the project, construction, reconstruction, refinishing or alteration of any such Improvement must be completed within six (6) months after construction has commenced, except and for so long as such completion is rendered impossible or would result in great hardship to the Owner because of strikes, fires, national emergencies, natural calamities or other supervening forces beyond the control of the Owner or his or her agents.

If the Owner fails to comply with this section, the Board shall proceed in accordance with the provisions of Sections 5.10(c) and (d), as though the failure to complete the Improvement was a noncompliance with approved plans.

Section 5.10 Inspection of Work by the Board. Inspection of the work relating to any approved Improvement and correction of defects therein shall proceed as follows:

- (a) During the course of construction, representatives of the Board shall have the right to inspect the job site to confirm that the work of Improvement is proceeding in accordance with the approved plans and specifications.
- (b) On the completion of any work of Improvement for which architectural approval is required under this Article, the Owner shall give the Board of Directors a written notice of completion.
- (c) Within thirty (30) days thereafter, the Board may inspect the Improvement to determine whether it was constructed, reconstructed, altered, or refinished in substantial compliance with the approved plans. If the Board finds that the Improvement was not erected, constructed, or installed in substantial compliance with the Owner's approved plans, then within the thirty(30)-day inspection period the Board shall give the Owner a written notice of noncompliance detailing those aspects of the project that must be modified, completed, or corrected. If the violation or nonconforming work is not corrected, the Board shall have the enforcement rights and remedies set forth in Article XIII.
- (d) If for any reason the Board fails to notify the Owner of any noncompliance within thirty (30) days after receipt of the Owner's notice of completion, the Improvement shall be deemed to have been constructed in accordance with the approved plans for the

project, unless it can be demonstrated that the Owner knew of the noncompliance and intentionally misled the Board with respect thereto.

Section 5.11 Variances. The Board of Directors, in its sole discretion, shall be entitled to allow reasonable variances in any procedures specified in this Article V, or in any of the minimum improvement standards imposed by Article VI, to overcome practical difficulties, avoid unnecessary expense, or prevent unnecessary hardship to any Owner-applicant, provided all of the following conditions are met:

- (a) If the requested variance will necessitate deviation from, or modification of, a property use restriction that would otherwise be applicable under this Declaration, the Board must conduct a hearing on the proposed variance after giving prior written notice to the Board and to all Owners owning Lots having a common boundary with the Lot where the Improvement is proposed to be erected. The notice shall be mailed to the interested Owners at least fifteen (15) days before the date when the Board is scheduled to act on the requested variance. No decision shall be made with respect to the proposed variance until the fifteen (15)-day comment period has elapsed.
- (b) If the requested variance pertains to any material Improvement or project, the Board must make a good faith written determination that the variance is consistent with one or more of the following criteria:
 - (i) The requested variance will not constitute a material deviation from any restriction contained herein or that the variance proposal allows the objectives of the violated requirement(s) to be substantially achieved despite noncompliance; or
 - (ii) That the variance relates to a use restriction or minimum construction standard otherwise applicable hereunder that is unnecessary or burdensome under the circumstances; or
 - (iii) That the variance, if granted, will not result in a material detriment, or create an unreasonable nuisance with respect to any other Lot or Common Area within the Development.

Section 5.12 Limitation on Liability. Neither the Association nor the Board or the Architectural Committee (if any) or any member thereof, shall be liable to any Owner for any damage, loss or prejudice suffered or claimed on account of any mistakes in judgment, negligence or nonfeasance arising out of

- (a) the approval or disapproval of any plans, drawings, and specifications, whether or not defective;
- (b) the construction or performance of any Improvement project, whether or not under approved plans, drawings, or specifications; or
- (c) the granting of a variance under Section 5.11.

Section 5.13 Compliance With Governmental Regulations. Review and approval by the Board of any proposals, plans or other submittals pertaining to Improvements shall in no way be deemed to constitute satisfaction of, or compliance with, any building permit process or any other governmental requirements, the responsibility for which shall lie solely with the Owner who desires to construct, install or modify the Improvement.

**ARTICLE VI.
MINIMUM IMPROVEMENT STANDARDS**

Unless a variance is requested from, and granted by, the Architectural Committee in accordance with Section 5.11, Improvements constructed on any Lot in the Development shall conform to the following minimum improvement standards:

Section 6.01 Building Plans. All building and Improvement plans must be submitted to, and approved by, the Architectural Committee before being submitted to any governmental agency to obtain a building permit.

Section 6.02 Compliance With Approved Plans and Applicable Improvement Requirements. Once approved by the Architectural Committee, the Improvement project must be constructed and completed in accordance with the approved plans and specifications and any applicable minimum construction standards imposed by this Article VI or the Property Improvement and Maintenance Guidelines (unless the Committee has approved a specific variance from those standards).

Section 6.03 Licensed Contractor. All significant structural Improvements on Lots within the Development, as reasonably determined by the Committee, shall be constructed by a contractor licensed under the laws of the State of California or any Owner Builder, and, if considered necessary or appropriate by the Committee, shall be designed by a licensed architect.

Section 6.04 Site and Drainage Review. General site considerations, including site layout, open space and topography, orientation and locations of buildings, vehicular access, circulation and parking, setbacks, height, walls, fences, and similar elements shall be designed to provide a desirable environment and to avoid alteration of established drainage courses.

**ARTICLE VII.
ASSOCIATION AND OWNER MAINTENANCE RESPONSIBILITIES**

Section 7.01 Common Area Maintenance. The Association shall be solely responsible for all maintenance, repair, upkeep, and replacement of all portions of the Common Area. No person other than the Association or its duly authorized agents shall construct, reconstruct, refinish, alter or maintain any Improvement on, or shall create any excavation or fill or change the natural or existing drainage of any portion of the Common Area. In addition, no person shall remove any tree, shrub or other vegetation from, or plant any tree, shrub, or other vegetation on the Common Area without express approval of the Association.

Section 7.02 Owner Maintenance Responsibilities. Each Owner shall be responsible for the maintenance and repair of all Improvements on his or her Lot.

Section 7.03 Association Recovery of Costs of Certain Repairs and Maintenance.

(a) Association Maintenance Necessitated by Owner Negligence. If the need for maintenance or repair, which would otherwise be the Association's responsibility hereunder, is caused through the willful or negligent acts of an Owner, his or her family, guests, tenants, or invitees, and is not covered or paid for by insurance policies maintained by the Association or the responsible Owner, the cost of such maintenance or repairs shall be subject to recovery by the Association through the imposition of a Special Individual Assessment against the offending Owner in accordance with Section 4.04.

(b) Owner Defaults in Maintenance Responsibilities. If an Owner fails to perform maintenance or repair functions on the Owner's Lot for which he or she is responsible, the Association may give written notice to the offending Owner with a request to correct the failure within fifteen (15) days after receipt thereof. If the Owner refuses or fails to perform any necessary repair or maintenance, the Association may exercise its rights under Section 3.06(b), to enter the Owner's Lot and perform the repair or maintenance so long as the Owner has been given notice and the opportunity for a hearing in accordance with Section 13.06.

Section 7.04 Cooperative Maintenance Obligations. To the extent necessary or desirable to accomplish the Association's maintenance and repair obligations hereunder, individual Owners shall cooperate with the Association and its agents and maintenance personnel in the prosecution of its work.

ARTICLE VIII.
USE OF DEVELOPMENT AND RESTRICTIONS

In addition to the restrictions established by law or Association Rules promulgated by the Board of Directors (consistent with this Declaration), the following restrictions are hereby imposed on the use of Lots, Common Areas, and other parcels within the Development.

Section 8.01 Single Family Resort Use. The use of the individual Lots in the Development is hereby restricted to Single Family Resort Use. In no event shall an Improvement be occupied by more individuals than permitted by applicable zoning laws or governmental regulations.

Section 8.02 Lots. Each Lot shall be conveyed as a separately designated and legally described fee simple estate subject to this Declaration.

Section 8.03 Recreational and Open Space Common Areas. The Recreational and Open Space Common Areas shall be preserved as open space and used for recreational purposes and other purposes incidental and ancillary to the use of Lots. Such use shall be limited to the private use for aesthetic and recreational purposes by the Members, their tenants, families, and guests, subject to the provisions of the Governing Documents. No Improvement, excavation, or work that in any way alters any Common Area or Common Facility from its natural or existing state shall be made or done except by the Association and then only in strict compliance with the provisions of this Declaration.

Section 8.04 Prohibition of Noxious Activities. No illegal, noxious, or offensive activities shall be carried out or conducted on any Lot or Improvement, nor shall anything be done within the Development that is or could become an unreasonable annoyance or nuisance to neighboring property Owners. Without limiting the foregoing, no Owner shall permit noise, to emanate from an Owner's Lot or from activities within the Common Area, which would unreasonably disturb any other Owner's or tenant's enjoyment of his or her Lot or the Common Area.

Section 8.05 Animals and Household Pets. The following restrictions regarding the care and maintenance of animals and pets within the Development shall be observed by each Owner:

- (a) Horses and common household pets may be kept on each Lot as long as the same are not kept, bred, or maintained for commercial purposes. No other animals, livestock, or poultry of any kind shall be kept, bred, or raised on any Lot
- (b) Dogs shall only be allowed on the Common Area when they are leashed or otherwise under the supervision and restraint of their Owners.
- (c) Each person bringing or keeping a pet on the Development shall be solely responsible for the conduct of his or her pet(s). The Association, its Board, officers, employees, and agents shall have no liability (whether by virtue of this Declaration or otherwise) to any Owners, their family members, guests, invitees, tenants, and contract purchasers for any damage or injury to persons or property caused by any pet.

Section 8.06 Business Activities. No business or commercial activities of any kind whatsoever shall be conducted in any Improvement or on any portion of any Lot without the prior written approval of the Board, provided, however, the foregoing restriction shall not apply to the activities of the Association in the discharge of its responsibilities under the Governing Documents. Furthermore, no restrictions contained in this section shall be construed in such a manner so as to prohibit any Owner from leasing or renting his or her Lot in strict accordance with Section 2.04.

Section 8.07 Trash Disposal. No rubbish, trash, or garbage shall be allowed to accumulate outside of the exterior of any Cabin or other Improvement on any Lot. The yards and grounds of improved Lots shall at all times be kept in a neat and sightly condition.

Section 8.08 Fire Hazard. Each Lot owner shall be responsible for removing dead limbs and debris from trees and/or shrubbery on their Lot to a height of eight feet from grade or to height equivalent to half the existing tree and/or shrubbery height from grade, whichever is less.

Section 8.09 Use of Common Area Roads. Common Area Roads within the Development shall not be used for recreational purposes, including "joy riding" or racing.

- (a) Motorcycles, mopeds, and cars shall be allowed only on such common area roads.

(b) All operators of motor vehicles, including motorcycles, within the Development subdivision must possess a valid California driver's license.

(c) All provisions of the California Vehicle Code must be honored at all times when operating any motor vehicle within the Development.

(d) No motorized vehicles of any sort shall be operated or allowed on Outlot "A" (Pond) and Outlot "B" (Meadow) as shown on the Subdivision Map, except for the purpose of maintenance and repair by the Association.

Section 8.10 External Designs. As far as practical, the external designs of all Cabins are to be of rustic, mountain-cabin type and in harmony with the existing mountain and forest atmosphere.

Section 8.11 Setbacks. No part of any Cabin or other Improvement shall be constructed less than:

- (a) Twenty-five feet from any Common Area Road;
- (b) Fifteen feet from the side boundary of the Lot; or
- (c) Twenty feet from the rear boundary of the Lot; or
- (d) Thirty feet from the boundary of the Sierra National Forest.

Section 8.12 Signs. No signs of any kind, other than a nameplate with the Owners' name and/or Lot description, shall be displayed to the public on any Lot, except one sign of not more than six square feet, advertising the Lot for sale.

Section 8.13 Trees. No living well developed trees larger than sixteen (16) inches circumference as measured five (5) feet from grade shall be removed from a Lot or the Common area without the prior approval of the Board/Architectural Committee in accordance with Article V. Owners shall not plant or cultivate any tree, plant or other vegetation that is not native to the local area. Owners shall not irrigate trees, plants or other vegetation using Association provided water except during the Season planted without the prior approval of the Board/Architectural Committee in accordance with Article V.

Section 8.14 No Firearms. No firearms, including, but not limited to rifles, pistols, air rifles, and air pistols shall be discharged in violation of State or Federal Law or within the Development.

Section 8.15 Activities Affecting Insurance. Nothing shall be done or kept on any Lot or within any Improvement or within the Common Area that will increase the rate of insurance relating thereto on any policy maintained by the Association (see Article X) without the prior written consent of the Association and no Owner shall permit anything to be done or kept on an Owner's Lot or in any Improvement or within the Common Area that would cause any Improvements to be uninsurable against loss by fire or casualty or result in the cancellation of insurance on any Cabin or other Improvement or any part of the Common Area.

Section 8.16 Restriction on Further Subdivision and Severability. No Lot shall be further subdivided nor shall less than all of any such Lot be conveyed by an Owner thereof and no Owner of a Lot within the Development shall be entitled to sever that Lot from the Common Area portion of the Development.

Section 8.17 Variances. On application by any Owner, the Board/Architectural Committee shall be authorized and empowered to grant reasonable variances from the property use restrictions set forth in this Article, if specific application of the restriction will, in the sole discretion of the Board/Architectural Committee, either cause an undue hardship to the affected Owner or fail to further or preserve the common plan and scheme of development contemplated by this Declaration. In considering and acting on any request for a variance, the Board/Architectural Committee shall follow the procedures set forth in Section 5.12 for the granting of architectural variances.

Section 8.18 Enforcement of Property Use Restrictions. The objective of this Declaration shall be to promote and seek voluntary compliance by Owners and permitted tenants with the environmental standards and property use restrictions contained herein in order to maintain the Development as an attractive Single Family Resort area of high quality, character and appearance, with as little damage and destruction to the natural beauty of the land and trees of the Development. Accordingly, in the event that the Association becomes aware of an architectural or property use infraction that does not necessitate immediate corrective action under Section 13.06, the Owner or tenant responsible for the violation shall receive written notice thereof and shall be given a reasonable opportunity to comply voluntarily with the pertinent Governing Document provision(s). Such notice shall describe the noncomplying condition, request that the Owner or tenant correct the condition within a reasonable time specified in the notice, and advise the Owner or tenant of his or her right to be heard on the matter.

ARTICLE IX. EASEMENTS

Section 9.01 Road Easements. Each Owner and the Association shall have and is hereby granted a nonexclusive perpetual easement for street, roadway, and vehicular traffic purposes over and along the roads set forth on the Subdivision Map of the Development and referred to herein as Roads C. The nonexclusive easement granted hereby to each Owner and to the Association is subject to the offer of dedication of such streets made on the Subdivision Map, and, on complete or partial acceptance of such offer by the County, the easement shall terminate and be of no further force or effect as to those streets or portions thereof accepted by the County.

Section 9.02 Recreation and Open Space Easements. Each Owner and the Association shall have and is hereby granted a perpetual nonexclusive for use as a recreational and open space easement over and across Easement D as set forth on the Subdivision Map of the Development.

Section 9.03 Blanket Utility Easement. There is hereby created a blanket easement on, across, over, and under all of the Development for ingress, egress, installation, replacing, repairing, and maintaining all utilities, including but not limited to water, sewers, gas,

telephones, drainage, and electricity, and the master television antenna or cable television system. By virtue of this easement, it shall be expressly permissible for the providing utility company to erect and maintain the necessary equipment and underground facilities on the Common Area. Notwithstanding the foregoing, no sewer, electrical lines, water lines, or other utilities may be installed or relocated on the Development except as initially designed and approved by the Declarant or thereafter approved by the Board of Directors. The easements provided for in this section shall in no way affect any other Recorded easement on the Development.

Section 9.04 Maintenance Easements. An easement is hereby granted to the Association, its officers, agents, employees, and to any contractor selected by the Association to enter in or to cross over the Common Area and any Lot to perform the Association's duties of maintenance and repair of the Lots, Common Area, or Common Facilities provided, however, that any entry by the Association or its agents onto any Lot shall only be undertaken in strict compliance with Section 3.06(b).

Section 9.05 Other Easements. Each Lot and its Owner, and the Association as to the Common Area, are hereby declared to be subject to all the easements, dedications, and rights-of-way granted or reserved in, on, over, and under the Development and each Lot and Common Area as shown on the Subdivision Map.

Section 9.06 Priority of Easements. Whenever easements granted to the County are, in whole or in part, coterminous with any other easements, the easements of the County shall have and are hereby granted priority over the other easements in all respects.

ARTICLE X. INSURANCE

Section 10.01 Types of Insurance Coverage. The Association shall purchase, obtain, and maintain, with the premiums therefor being paid out of Common Funds, the following types of insurance, if and to the extent such insurance, with the coverages described below, is available at a reasonable premium cost:

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

- (i) Loss or damage by fire or other risks covered by the standard extended coverage endorsement.
- (ii) Loss or damage from theft, vandalism, or malicious mischief.
- (iii) Such other risks, perils, or coverage as the Board of Directors may determine.

Such policy or the endorsement made a part thereof shall, to the extent available, provide that the insurer issuing the policy agrees to abide by the decision of the Association made in accordance with the provisions of Article XI, as to whether or not to repair, reconstruct, or restore all or any damaged or destroyed portion of the Common Facilities.

(b) Public Liability and Property Damage Insurance. To the extent such insurance is reasonably obtainable, a policy of comprehensive public liability and property damage insurance naming as parties insured the Association, each member of the Board, any manager, the Owners and occupants of Lots, and such other persons as the Board may determine. The policy will insure each named party against any liability incident to the ownership and use of the Common Area and including, if obtainable, a cross-liability or severability of interest endorsement insuring each insured against liability to each other insured. The limits of such insurance shall not be less than one million dollars (\$1,000,000) covering all claims for death, personal injury, and property damage arising out of a single occurrence. Such insurance shall include coverage against water damage liability, liability for non-owned and hired automobiles, liability for property of others, and any other liability or risk customarily covered with respect to projects similar in construction, location, and use.

(c) Additional Insurance and Bonds. To the extent such insurance is reasonably obtainable, the Association may also purchase with Common Funds such additional insurance and bonds as it may, from time to time, determine to be necessary or desirable, including, without limiting the generality of this section and workers' compensation insurance. The Board may also purchase and maintain fidelity bonds or insurance in an amount not less than one hundred percent (100%) of each year's estimated annual operating expenses and shall contain an endorsement of any person who may serve without compensation. The Board shall purchase and maintain such insurance on personal property owned by the Association and any other insurance, including directors' and officers' liability insurance, as required by law or that it deems necessary or desirable.

Section 10.02 Coverage Not Available. In the event any insurance policy, or any endorsement thereof, required by Section 10.01, is for any reason not available, then the Association shall obtain such other or substitute policy or endorsement as may be available that provides, as nearly as possible, the coverage hereinabove described. The Board shall notify the Owners of any material adverse changes in the Association's insurance coverage.

Section 10.03 Copies of Policies. Copies of all insurance policies (or certificates thereof showing the premiums thereon have been paid) shall be retained by the Association and shall be available for inspection by Owners at any reasonable time.

Section 10.04 Trustee. All casualty insurance proceeds payable under Section 10.01(a), may, in the discretion of the Board of Directors, be paid to a trustee to be held and expended for the benefit of the Owners, Mortgagees, and others, as their respective interests shall appear. The trustee shall be a commercial bank in the County that agrees in writing to accept such trust.

Section 10.05 Adjustment of Losses. The Board is appointed attorney-in-fact by each Owner to negotiate and agree on the value and extent of any loss under any policy carried under Section 10.01. The Board is granted full right and authority to compromise and settle any claims or enforce any claim by legal action or otherwise and to execute releases in favor of any insured.

Section 10.06 Waiver of Subrogation. All casualty and liability insurance carried by the Association, or the Owners shall contain provisions whereby the insurer waives rights of subrogation as to the Association, directors, officers, Declarant, Owners, occupants of Lots, their family, guests, agents, and employees.

Section 10.07 Notice of Cancellation. All insurance carried by the Association shall require the insurer to notify any First Mortgagee requesting such notice at least fifteen (15) days in advance of the effective date of any reduction or cancellation of the policy.

Section 10.08 Annual Review of Policies. All insurance policies maintained by the Association shall be reviewed at least annually by the Board in order to ascertain whether the coverage contained in the policies is adequate.

Section 10.09 Payment of Premiums. Premiums on insurance maintained by the Association shall be a Common Expense funded by the Assessments levied by the Association.

Section 10.10 Insurance on Lots and Improvements. An Owner may carry whatever personal liability, property damage liability, fire, and casualty insurance with respect to his or her Lot, Improvements and personal property as the Owner desires. The Association shall have no responsibility for the adequacy or extent of such insurance coverage.

ARTICLE XI. DAMAGE OR DESTRUCTION

Section 11.01 Common Facilities. Bids and Determination of Available Insurance Proceeds. In the event any Common Facilities are damaged or destroyed, then, and in such event, as soon as practicable thereafter the Board of Directors shall

- (a) obtain bids from at least two reputable, licensed contractors, which bids shall set forth in detail the work required to repair, reconstruct, and restore the damaged or destroyed portions of the Common Facilities to substantially the same condition as they existed before the damage and the itemized price asked for such work, and
- (b) determine that amount of all insurance proceeds available to the Association for the purpose of effecting such repair, reconstruction, and restoration.

Section 11.02 Common Facilities; Sufficient Insurance Proceeds. Subject to the provisions of Section 11.01, if, in the event of damage to or destruction of any portion of any Common Facility, the insurance proceeds available to the Association are sufficient to cover the costs of repair, reconstruction and restoration, then the Association may cause such facilities to be repaired, reconstructed, and restored to substantially the same condition in which they existed before the loss.

Section 11.03 Common Facilities; Insurance Proceeds Insufficient in an Amount Exceeding \$5,000. In the event that any Common Facility is totally or substantially damaged or destroyed or, if, in the event of damage to or destruction of only a portion of the Common Facilities, the insurance proceeds available to the Association are insufficient in an amount exceeding five thousand dollars (\$5,000) to cover the estimated cost of repair, reconstruction, and restoration, then the Owners constituting a Majority of a Quorum shall determine whether

(a) to repair, reconstruct, and restore the damaged or destroyed Common Facilities and specially assess all Owners for such additional funds as may be needed for such purpose, or

(b) not to repair, reconstruct, or restore the damaged or destroyed Common Facilities, but rather to utilize the insurance proceeds available for such reconstruction, together with any other sums otherwise available to the Association for such purpose, to demolish and remove the damaged or destroyed Improvements from the Common Area and to level and landscape the sites thereof and apply any balance of such proceeds and/or funds as the Members holding such Voting Power and their first Mortgagees may determine.

ARTICLE XII. CONDEMNATION

If all or part of the Common Area shall be taken or condemned by any authority having the power of eminent domain, all compensation and damages for or on account of the taking of the Common Area, exclusive of compensation for consequential damages to certain affected Lots, shall be payable to the Association as trustee for all Owners and Mortgagees according to the loss or damages to their respective interest in the Common Area. The Association, acting through its Board of Directors, shall have the right to act on behalf of the Owners with respect to the negotiation, settlement, and litigation of the issues with respect to the taking and compensation affecting the Common Area. Each Owner hereby designates and appoints each Association as his or her attorney-in-fact for such purposes.

ARTICLE XIII. BREACH AND DEFAULT

Section 13.01 Remedy at Law Inadequate. Except for the nonpayment of any Assessment, it is hereby expressly declared and agreed that the remedy at law to recover damages for the breach, default, or violation of any of the covenants, conditions, restrictions, limitations, reservations, grants of easements, rights, rights-of-way, liens, charges, or equitable servitudes contained in this Declaration are inadequate and that the failure of any Owner, tenant, occupant, or user of any Lot, or any portion of the Common Area or Common Facilities, to comply with any provision of the Governing Documents may be enjoined by appropriate legal proceedings instituted by any Owner, the Association, its officers, or Board of Directors, or by their respective successors in interest.

Section 13.02 Nuisance. Without limiting the generality of the foregoing Section 13.01, the result of every act or omission whereby any covenant contained in this Declaration is

violated in whole or in part is hereby declared to be a nuisance, and every remedy against nuisance, either public or private, shall be applicable against every such act or omission.

Section 13.03 Attorney Fees. Reasonable attorneys' fees and costs shall be awarded to the prevailing party in any procedure to enforce the Governing Documents or a party's rights arising under the Governing Documents. Such enforcement procedure includes an action brought in any court having jurisdiction over any alternative dispute resolution procedure implemented under the Governing Documents or under Civil Code §§1354 and 1363.820-1363.840, as those sections may be renumbered and revised from time to time. In any enforcement procedure, such as mediation, conducted under Civil Code §1363.830, in which there is not an agreement between all of the parties that attorneys will represent them, recoverable costs are limited to attorney fees and costs incurred in providing the notices required under such statute.

Section 13.04 Cumulative Remedies. The respective rights and remedies provided by this Declaration or by law shall be cumulative, and the exercise of any one or more of such rights or remedies shall not preclude or affect the exercise, at the same or at different times, of any other such rights or remedies for the same or any different default or breach or for the same or any different failure of any Owner or others to perform or observe any provision of this Declaration.

Section 13.05 Failure Not a Waiver. The failure of any Owner, the Board of Directors, the Association or its officers or agents to enforce any of the covenants, conditions, restrictions, limitations, reservations, grants or easements, rights, rights-of-way, liens, charges or equitable servitudes contained in this Declaration shall not constitute a waiver of the right to enforce the same thereafter, nor shall such failure result in or impose any liability on the Association or the Board, or any of its officers or agents.

Section 13.06 Rights and Remedies of the Association.

(a) **Rights Generally.** In the event of a breach or violation of any Association Rule or of any of the restrictions contained in any Governing Document by an Owner, his or her family, or the Owner's guests, employees, invitees, licensees, or tenants, the Board, for and on behalf of all other Owners, may enforce the obligations of each Owner to obey the Association Rules, covenants, or restrictions through the use of such remedies as are deemed appropriate by the Board and available at law or in equity, including but not limited to hiring legal counsel, imposing fines and monetary penalties, pursuing legal action, suspending the Owner's right to use recreational Common Facilities, or suspending the Owner's voting rights as a Member of the Association, provided, however, that the Association's right to undertake disciplinary action against its Members shall be subject to the conditions set forth in this Section 13.06.

The decision on whether it is appropriate or necessary for the Association to take enforcement or disciplinary action in any particular instance shall be within the sole discretion of the Association's Board or its duly authorized enforcement committee. If the Association declines to take action in any instance, any Owner shall have the rights of enforcement under California Civil Code §§1354, 1363.830, and 1369.590, or otherwise by law.

(b) Schedule of Fines. The Board may implement a schedule of reasonable fines and penalties for particular offenses that are common or recurring in nature and for which a uniform fine schedule is appropriate (such as fines for late payment of Assessments or illegally parked vehicles). Once imposed, a fine or penalty may be collected as a Special Individual Assessment, subject to the limitation on the use of lien and foreclosure remedies stated in Section 4.10(b)(ii).

(c) What Constitutes a Violation. A violation of the Governing Documents shall be defined as a single act or omission occurring on a single day. If the detrimental effect of a violation continues for additional days, discipline imposed by the Board may include one component for the violation and, according to the Board's discretion, a per diem component for so long as the detrimental effect continues. Similar violations on different days shall justify cumulative imposition of disciplinary measures. The Association shall take reasonable and prompt action to repair or avoid the continuing damaging effects of a violation or nuisance occurring within the Common Area at the cost of the responsible Owner.

(d) Limitations of Disciplinary Rights.

(i) The Association shall have no power to cause a forfeiture or abridgment of an Owner's right to the full use and enjoyment of his or her Lot due to the failure by the Owner (or his or her family members, tenants, guests, or invitees) to comply with any provision of the Governing Documents or of any duly enacted Association Rule except when the loss or forfeiture is the result of the judgment of a court of competent jurisdiction, a decision arising out of arbitration, or a foreclosure or sale under a power of sale for the Owner's failure to pay Assessments levied by the Association, or when the loss or forfeiture is limited to a temporary suspension of an Owner's rights as a Member of the Association or the imposition of monetary penalties for failure to pay Assessments or otherwise comply with any Governing Documents, so long as the Association's actions satisfy the due process requirements of subparagraph (iii), below.

(ii) Monetary penalties imposed by the Association

(A) for failure of a Member to comply with the Governing Documents;

(B) as a means of reimbursing the Association for costs incurred by the Association in repairing damage to the Common Area or Common Facilities allegedly caused by a Member; or

(C) in bringing the Member and his or her Lot into compliance with the Governing Documents, may not be characterized nor treated as an Assessment that may become a lien against the Member's Lot enforceable by a sale of the Lot in nonjudicial foreclosure, provided, however, that this limitation on the Association's lien rights shall not apply to charges imposed against an Owner consisting of reasonable late payment penalties to reimburse the Association for the loss of interest and for costs

reasonably incurred (including attorney fees) in the Association's efforts to collect delinquent Assessments.

(iii) No disciplinary action, penalty, or temporary suspension of rights shall be imposed under this Article unless the Owner alleged to be in violation is given at least ten (10) days prior notice by personal delivery or first-class mail that the Board of Directors will be meeting to consider imposing such discipline. The notice shall include, at a minimum, the date, time, and place of the meeting, the nature of the alleged violations for which the Owner may be disciplined, and a statement that the Owner has a right to attend and address the Board at the hearing. The Board shall meet in executive session if requested by the Owner.

(iv) If disciplinary action is taken, the Board shall notify the accused Owner, in writing, either by personal delivery or first-class mail, of the Board's decision within fifteen (15) days following conclusion of the hearing.

(v) In accordance with Civil Code §1363(h), disciplinary action shall not be effective against an Owner unless the Board fulfills the requirements of this section. The Association shall also adopt hearing and disciplinary procedures that comply with the requirements set forth in Civil Code §1363.830.

Notwithstanding the foregoing, under circumstances involving conduct that constitutes

(A) an immediate and unreasonable infringement of, or threat to, the safety or quiet enjoyment of neighboring Owners;

(B) a traffic or fire hazard;

(C) a threat of material damage to, or destruction of, the Common Area or Common Facilities; or

(D) a violation of the Governing Documents that is of such a nature that there is no material question regarding the identity of the violator or whether a violation has occurred (such as late payment of Assessments or parking violations), the Board of Directors, or its duly authorized agents, may undertake immediate corrective or disciplinary action and, on the offending Owner's request (which must be received by the Association, in writing, within five (5) days following the Association's disciplinary action), or on its own initiative, conduct a hearing as soon thereafter as reasonably possible.

(e) Notice and Hearing Procedures. If the Association acts on its own initiative to schedule a hearing, notice of the date, time, and location of the hearing shall accompany the notice of disciplinary action. If the accused Owner desires a hearing, a written request therefor shall be delivered to the Association no later than five (5) days following the date when the fine is levied.

The hearing shall be held no more than fifteen (15) days following the date of the disciplinary action or fifteen (15) days following receipt of the accused Owner's request for a hearing, whichever is later. Under such circumstances, any fine or other disciplinary action shall be held in abeyance and shall only become effective if affirmed at the hearing.

At the hearing, the accused shall be given the opportunity to be heard, including the right to present evidence and to present or question witnesses. The Board shall notify the accused Owner, in writing, of the Board's decision within five (5) business days following conclusion of the hearing. In no event shall the effective date of any disciplinary action commence sooner than five (5) days following conclusion of the hearing unless

- (i) the hearing merely affirms summary disciplinary action initiated under the immediately preceding paragraph, or
- (ii) earlier commencement is necessary to preserve the quiet enjoyment of other residents or to prevent further damage to, or destruction of, the Lots or any portion thereof.

(f) Notices. Any notice required by this Article shall, at a minimum, set forth the date and time for the hearing, a brief description of the action or inaction constituting the alleged violation of the Governing Documents, and a reference to the specific Governing Document provision alleged to have been violated. The notice shall be in writing and may be given by any method reasonably calculated to give actual notice, provided, however, that if notice is given by mail it shall be sent by first-class or certified mail sent to the last address of the Member shown on the records of the Association.

(g) Rules Regarding Disciplinary Proceedings. The Board, or an appropriate committee appointed by the Board to conduct and administer disciplinary hearings and related proceedings, shall be entitled to adopt rules that further elaborate and refine the procedures for conducting disciplinary proceedings, so long as such rules meet the minimum requirements of Civil Code §§1363(h) and 1363.810-1363.850. Such rules, when approved and adopted by the Board, shall become a part of the Association Rules.

Section 13.07 Court Actions. Court actions to enforce the Governing Documents may be initiated on behalf of the Association only by resolution of the Board. Before filing any court action seeking declaratory or injunctive relief to interpret or enforce the Governing Documents (including either such action coupled with a claim for monetary damages not in excess of \$5000), the Association shall first comply with the provisions of California Civil Code §§1369.510-1369.580 relating to alternative dispute resolution. The Association's own notice and hearing procedures may be drafted to satisfy these statutory requirements.

Section 13.08 Assessment Collection Actions. The notice and hearing procedures set forth in Section 13.06 shall not apply to any actions by the Association or its duly authorized agents to collect delinquent assessments. Assessment collections shall be subject to the notice and procedural requirements imposed by Section 4.10, above, and any other notice, hearing,

and/or dispute resolution requirements or procedures as may be specifically applicable by law to community association assessment collection efforts.

ARTICLE XIV. PROTECTION OF MORTGAGEES

Section 14.01 Assessment Lien Subordinated. Any lien created or claimed under the provisions of Section 4.10, above, shall be subject and subordinate to the lien of any first Mortgage given in good faith and for value. No such Mortgagee who acquires title to any Lot by judicial foreclosure or by exercise of power of sale contained in the Mortgage shall be obligated to cure any breach of this Declaration by a former Owner of such Lot or shall be liable for any unpaid Assessments made against the Lot that accrued before the date the Mortgagee acquired such title. No lien created or claimed under the provisions of Section 4.10, shall in any way defeat, invalidate, or impair the rights of any Mortgagee under any such Recorded Mortgage.

Section 14.02 Amendment of This Declaration. No amendment of this Declaration shall affect any of the rights of the holder of any Mortgage described in Section 14.01, which is made in good faith and for value, if such Mortgage is Recorded and notice of the delivery and Recording thereof is given to the Association before the Recording of such amendment.

Section 14.03 Default by Owner; Mortgagee's Right to Vote. In the event of a default by any Owner under a Mortgage encumbering such Owner's Lot, the Mortgagee under such Mortgage shall, on

- (a) giving written notice to the defaulting Owner;
- (b) Recording a Notice of Default in accordance with Civil Code §2924; and
- (c) delivering a copy of such Recorded Notice of Default to the Association, have the right to exercise the vote of the Owner at any regular or special meeting of the Association held only during such period as such default continues.

Section 14.04 Breach; Obligation After Foreclosure. No breach of any provision of this Declaration by the Association or any Owner shall impair or invalidate the lien of any Recorded Mortgage made in good faith and for value and encumbering any Lot. The Association or its successors and assigns shall be obligated to abide by all of the covenants, conditions, restrictions, limitations, reservations, grants of easements, rights, rights-of-way, liens, charges, and equitable servitudes provided for in this Declaration as it may be amended from time to time with respect to any person who acquires title to or any beneficial interest in any Lot through foreclosure, trustee's sale, or otherwise.

Section 14.05 Exchange of Information. The Association shall, at the written request of any Mortgagee, insurer, or guarantor, notify such party of:

- (a) Any condemnation or casualty loss that affects either a material portion of the Development or the Lot(s) securing the Mortgage;

- (b) Any delinquency of sixty (60) days or more in the payment of Assessments or charges owed by the Owner(s) of the Lot(s) securing the Mortgage;
- (c) A lapse, cancellation, or material modification of any insurance policy or fidelity bond maintained by the Association; and
- (d) Any proposed action of the Association that requires the consent of a specified percentage of Eligible Mortgagees (see Section 14.12(a), for definition of “Eligible Mortgagee”).

To be entitled to receive this information, the Mortgagee, insurer, or guarantor must send a written request to the Association, stating both its name and address and the number or address of the Lot(s) securing the Mortgage. Any Mortgagee of any Lot is hereby authorized to furnish to the Board of Directors, on written request by the Board therefor, the amount of any unpaid balance of any indebtedness secured by a lien of a Mortgage and the amount and due date of any delinquent payment or payments of such indebtedness.

Section 14.06 Certain Restrictions Affecting the Association. Notwithstanding any other provisions of this Declaration, without the prior written consent of at least sixty-seven percent (67%) of the Owners or sixty-seven percent (67%) of the first Mortgagees, such percentage to be based on the total of number of Lots so mortgaged, with each such Mortgagee entitled to one vote for each Lot, the Association shall not:

- (a) By act or omission, seek to abandon, partition, subdivide, encumber, sell, or transfer the Common Area or any Improvements thereon (except that the granting of any easement for public utilities, or for other public purposes consistent with the intended use of the Development, shall not be deemed a “transfer” as that term is used in this subparagraph (a));
- (b) Change the method specified in Article IV of this Declaration for determining the Assessments or other charges that may be assessed against an Owner or the method of allocating distributions of hazard insurance proceeds or condemnation awards;
- (c) By act or omission, change, waive, or abandon the scheme of maintenance and repair of the Development, or the enforcement thereof, as provided for in this Declaration;
- (d) Fail to maintain fire and extended coverage insurance on the Common Facilities in the amount and against the risks provided for in Section 10.01; and
- (e) Use any insurance proceeds received as a result of the loss or damage to the Common Facilities for any purpose other than the repair, replacement or reconstruction of such Common Facilities.

Section 14.07 Right of First Mortgagees to Make Certain Payments and Right of Reimbursement. The holders of first Mortgages on the Lots shall have the right (but not the obligation), jointly or singly:

- (a) To pay taxes or other Assessments or charges which are in default and which may or have become a lien or charge against the Common Facilities;
- (b) To pay overdue premiums on casualty insurance policies for the Common Facilities; and
- (c) To secure and pay for new casualty insurance coverage on the Common Facilities on the lapse of any such policy, in the amount and against the risks provided for in Section 10.01.

Any first Mortgagee making such payment shall be entitled to immediate reimbursement therefor from the Association. On the request of any first Mortgagee, the Association shall, by separate instrument, signed by the president or any vice president and the secretary, evidence its agreement to the provisions of this section as the same affects the Mortgage held by such Mortgagee.

Section 14.08 Right to Examine Books and Records of the Association. All Mortgagees, insurers, and guarantors of any Mortgages on any Lot shall have the right, on written request to the Association, to:

- (a) Examine current copies of the Governing Documents and the Association's books, records and financial statements, during normal business hours;
- (b) Require the Association to provide an audited statement for the preceding fiscal year
 - (i) at no expense to the requesting entity when the Development consists of fifty (50), or more, Lots, and
 - (ii) at the requesting entity's expense when the Development consists of fewer than fifty (50) Lots and no audited statement is available; and
- (c) Receive written notice of all membership meetings and designate a representative to attend all such meetings.

Section 14.09 Notices to First Mortgagees. The Association shall furnish to the holder of any first Mortgage on any Lot or on the Common Area, on written request by the first Mortgagee, thirty (30) days prior written notice of

- (a) abandonment or termination of the Association;
- (b) the effective date of any proposed material amendment to the Declaration;
- (c) the effectuation of any decision by the Association to terminate professional management, if any, and assume self-management of the Development;
- (d) any condemnation or eminent domain proceeding; and

- (e) any extensive damage to or destruction of any Improvements located in or on the Common Area.

Section 14.10 Superiority of Mortgage to Condemnation Proceeds. If any Lot, or portion thereof, or the Common Area, or any portion thereof, is made the subject of any condemnation or eminent domain proceeding, the lien of any first Mortgage shall be prior and superior to the claims of the Owners of the Lots or Common Area with respect to any distribution of the proceeds of any condemnation award or settlement.

Section 14.11 Superiority of Mortgage to Insurance Proceeds. In the event of any substantial damage to or destruction of the Improvements on any Lot, or on any part of the Common Area, the lien of any first Mortgage shall be prior and superior to the claims of the Owners of the Improvements with respect to any distribution of any insurance proceeds relating to such damage or destruction.

Section 14.12 Approval of Material Amendments or Termination.

(a) **Material Amendments.** In addition to the approvals required by Section 17.01 for any amendment to this Declaration, Eligible Mortgagees who represent at least fifty-one percent (51%) percent of the votes of Lots that are subject to Mortgages held by Eligible Mortgagees must approve any amendment to this Declaration of a material nature. An Eligible Mortgagee is the beneficiary of a first Mortgage who has requested the Association to notify it of any proposed action that requires the consent of a specified percentage of Eligible Mortgagees. A change to any of the following would be considered as material:

- (i) Voting rights;
- (ii) Assessments, Assessment liens, or the priority of Assessment liens;
- (iii) Reserves and responsibility for maintenance, repair, and replacement of the Common Area;
- (iv) Convertibility of Lots into Common Area and vice versa;
- (v) Annexation or de-annexation of property to or from the Development;
- (vi) Insurance or fidelity bonds;
- (vii) Leasing of Lots;
- (viii) Imposition of any restrictions on an Owner's right to sell or transfer his or her Lot;
- (ix) Restoration or repair of the Development (after a hazard damage or partial condemnation) in a manner other than that specified in the Governing Documents;

(x) Any action to terminate the legal status of the Development after substantial destruction or condemnation occurs; or

(xi) Any provisions that expressly benefit Mortgagees, insurers, or guarantors.

(b) Termination. In addition to the approvals required by Section 17.01, Eligible Mortgagees who represent at least sixty-seven percent (67%) percent of the votes of Lots that are subject to Mortgages held by Eligible Mortgagees must approve any proposed termination of the legal status of the project for reasons other than substantial destruction or condemnation of the Development.

(c) Implied Approval. Each Eligible Mortgagee that receives notice of a proposed amendment or termination of this Declaration by certified or registered mail, with a “return receipt” requested, shall be deemed to have approved the amendment or termination if the Eligible Mortgagee fails to submit a response to the notice within thirty (30) days of receiving the notice.

Section 14.13 Declaration to Conform With Mortgagee Requirements. It is the intent of this Article that this Declaration, the Articles of Incorporation, the Bylaws, and the Development in general, shall now and in the future meet all requirements of any institutional Mortgagee intending to secure its Mortgage by a Lot or necessary to purchase, guarantee, insure, or subsidize any Mortgage of a Lot by the Federal Home Loan Mortgage Corporation, the Federal National Mortgage Association or the Veterans’ Administration.

ARTICLE XV. NOTICES

Section 15.01 Mailing Addresses. Any communication or notice of any kind permitted or required herein shall be in writing and may be served, as an alternative to personal service, by mailing the same as follows:

If to any Owner: To the street address of the Owner’s known permanent residence or to such other address as the Owner may from time to time designate in writing to the Association.

If to the Association: High Sierra Property Owners Association, Inc. at the address as the Association may from time to time designate in writing to the Owners.

Section 15.02 Personal Service on Co-Owners and Others. Personal service of a notice or demand to one of the Co-Owners of any Lot, to any general partner of a partnership which is the Owner of Record of the Lot, or to any officer or agent for service of process of a corporation which is the Owner of Record of the Lot, shall be deemed delivered to all such co-owners, to such partnership, or to such corporation, as the case may be.

Section 15.03 Deposit in United States Mails. All notices and demands served by mail shall be by first-class or certified mail, with postage prepaid, and shall be deemed delivered four (4) days after deposit in the United States mail in the County.

**ARTICLE XVI.
NO PUBLIC RIGHTS IN THE DEVELOPMENT**

Except to the extent that the roads shown on the Subdivision Map and identified as Roads C herein have been dedicated for public use, but not accepted, nothing contained in this 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.

**ARTICLE XVII.
AMENDMENT OF DECLARATION**

Section 17.01 Amendment of the Declaration, Generally. This Declaration may be amended or revoked in any respect on compliance with the following provisions:

- (a) Member Approval Requirements. Any amendment shall be approved by the vote or assent by written ballot of the holders of not less than fifty-one percent (51%) of the Voting Power of the Members. Notwithstanding the foregoing, the percentage of the Voting Power necessary to amend a specific clause or provision of this Declaration shall not be less than the percentage of affirmative votes prescribed for action to be taken under that clause.
- (b) Mortgagee Approvals. Mortgagee approvals shall be required to amend any of the provisions described in Section 14.12.

Section 17.02 Restatements. This section describes the methods for restating the Declaration after an amendment.

- (a) General. The Board has the right, by resolution without the necessity of consent by the Owners, to restate this Declaration when it has been properly amended under its requirements for amendment. Such restatement shall be effective on execution of the restatement by any two officers of the Association and its Recordation. On Recordation of the restatement, the restatement shall supersede the prior declaration and its amendments in their entirety, without, however, affecting the priority of the Declaration in the chain of title to all properties that are subject to the Declaration as established by the Declaration's initial date of Recordation.
- (b) Form of Restatement. The restatement shall restate the entire text of the original document, with these exceptions:
 - (i) Changes incorporating all amendments approved by the Owners;
 - (ii) Changes made to rearrange or delete the text for consistency with the approved amendments;
 - (iii) Changes made to delete material no longer legally effective or legally required, such as the provisions that are for the exclusive benefit of the Declarant;

- (iv) The addition of a statement that the Board has authorized the restatement under this section;
- (v) Changes made to delete any provision declared illegal by constitutional or statutory enactment, by regulation, or by controlling judicial opinion; and
- (vi) Changes needed to distinguish the restatement from the original document, such as Article, Section, or subparagraph numbering changes.

ARTICLE XVIII. GENERAL PROVISIONS

Section 18.01 Term. The covenants, conditions, restrictions, limitations, reservations, grants of easement, rights, rights-of-way, liens, charges, and equitable servitudes contained in this Declaration shall run with, and shall benefit and burden the Lots and the Common Area as herein provided, and shall inure to the benefit of and be binding on the Owners, the Association, its Board of Directors, and its officers and agents, and their respective successors in interest, for the term of sixty (60) years from the date of the Recording of this Declaration. After the expiration of the initial term, the term of this Declaration shall be automatically extended for successive periods of ten (10) years each unless, within six (6) months before the expiration of the initial sixty (60)-year term or any such ten (10)-year extension period, a recordable written instrument, approved by Owners entitled to vote and holding at least a majority of the voting power of the Association terminating the effectiveness of this Declaration, is Recorded.

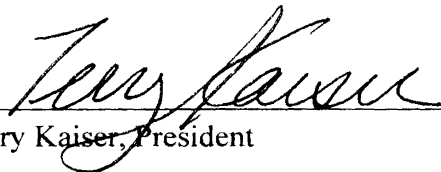
Section 18.02 Construction.

- (a) **Restrictions Construed Together.** All of the covenants, conditions, and restrictions of this Declaration shall be liberally construed together to promote and effectuate the fundamental concepts of the development of the Development as set forth in the Recitals of this Declaration. Failure to enforce any provision hereof shall not constitute a waiver of the right to enforce that provision in a subsequent application or any other provision hereof.
- (b) **Restrictions Severable.** Notwithstanding the provisions of subparagraph (a), above, the covenants, conditions, and restrictions of this Declaration shall be deemed independent and severable, and the invalidity or partial invalidity of any provision or portion thereof shall not affect the validity or enforceability of any other provision.
- (c) **Singular Includes Plural.** The singular shall include the plural and the plural the singular unless the context requires the contrary, and the masculine, feminine, or neuter shall each include the masculine, feminine and neuter, as the context requires.
- (d) **Captions.** All captions or titles used in this Declaration are intended solely for convenience of reference and shall not affect the interpretation or application of that which is set forth in any of the terms or provisions of the Declaration.
- (e) **Exhibits.** All exhibits to which reference is made herein are deemed to be incorporated herein by reference, whether or not actually attached.

(f) References to State Statutes. Any references in this Declaration to State Statutes shall be to the referenced statute as in effect on the date that this Declaration is Recorded in the Official Records of the County. In the event that any referenced statute is subsequently amended or superseded, all such references shall thereon mean and refer to the referenced statute as so amended, modified, or superseded, so long as the amended statute continues to regulate or pertain to the same subject matter.

**HIGH SIERRA PROPERTY OWNERS
ASSOCIATION, INC.**, a California nonprofit
mutual benefit corporation

Dated: 6-30-09

By: 
Terry Kaiser, President

Dated: _____

By: _____
Kim Workman, Secretary

ACKNOWLEDGMENT

State Of California

County of CALifornia / Los Angeles

On 6-30-09 before me, G. McQuitty, Notary Public
(Here insert name and title of the officer)

personally appeared TERRY KAISER

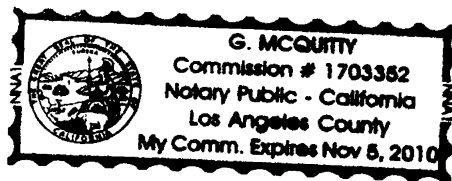
who proved to me on the basis of satisfactory evidence to be the person whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his authorized capacity, and that by his signature on the instrument the person, or the entity upon behalf of which the person acted, executed the instrument.

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

WITNESS my hand and official seal

G. McQuitty
Signature of Notary Public

(Notary Seal)



(f) References to State Statutes. Any references in this Declaration to State Statutes shall be to the referenced statute as in effect on the date that this Declaration is Recorded in the Official Records of the County. In the event that any referenced statute is subsequently amended or superseded, all such references shall thereon mean and refer to the referenced statute as so amended, modified, or superseded, so long as the amended statute continues to regulate or pertain to the same subject matter.

**HIGH SIERRA PROPERTY OWNERS
ASSOCIATION, INC.,** a California nonprofit
mutual benefit corporation

Dated: _____

By: _____
Terry Kaiser, President

Dated: June 22, 2009

By: Kim Workman, Secretary
Kim Workman, Secretary

ACKNOWLEDGMENT

State Of California
County of MADERA

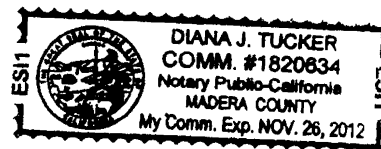
On JUNE 22, 2009 before me, Diana J. Tucker, Notary Public
(Here insert name and title of the officer)
personally appeared KIM WORKMAN

who proved to me on the basis of satisfactory evidence to be the person whose name is subscribed to the within instrument and acknowledged to me that ~~he~~^{she} executed the same in ~~his~~^{her} authorized capacity, and that by ~~his~~^{her} signature on the instrument the person, or the entity upon behalf of which the person acted, executed the instrument.

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

WITNESS my hand and official seal

Diana J. Tucker (Notary Seal)
Signature of Notary Public



cc-r's