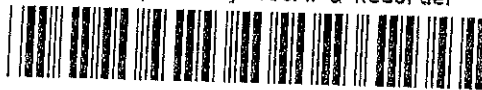


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*SECOND RESTATED DECLARATION OF COVENANTS CONDITIONS,  
AND RESTRICTIONS FOR SEVEN LAKES HOME OWNERS ASSOCIATION, INC.,  
A Residential Community Development*

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**SECOND RESTATED DECLARATION OF COVENANTS, CONDITIONS, AND  
RESTRICTIONS FOR  
SEVEN LAKES HOME OWNERS ASSOCIATION, INC.  
*A Residential Community Development***

This Second Restated Declaration of Covenants, Conditions and Restrictions for Seven Lakes Home Owners Association, Inc. (CC&Rs) is made on the day and year hereinafter written, by Seven Lakes Home Owners Association, Inc., a California Nonprofit Mutual Benefit Corporation (HOA), with reference to the following Recitals.

**RECITALS**

**A.** HOA is a homeowners association whose Members are the lessees/record owners of all the Homes within that certain real property in the City of Palm Springs, County of Riverside, State of California, more particularly described on Exhibit "A", attached hereto and incorporated by reference. This real property consists of those Homes identified as Condominium Property (Condo Property) and Planned Unit Development Property (PUD Property) and are as specified as such in that Exhibit "A".

**B.** The PUD Property was previously owned by MODERN LAND DESIGN CORPORATION, a Nevada corporation, (Modern) lessee under Business Lease No. PSL-80, Contract No. 14-20--0550-1153, recorded 7/24/64 as Doc #90683, amended by Supplemental Agreements Nos. 1 to 6 recorded on 7/24/64 as Doc #90684, on 11/9/66 as Doc #109440, on 2/14/67 as Doc #11979, on 4/3/68 as Doc #30544, on 9/11/70 as Doc #895139, and on 4/21/71 as Doc #41233 with the Riverside County Recorder, which leases cover land, including eight subdivisions and common area, developed and improved as planned unit residential developments, consisting of an aggregate of 277 Residential Units, each of which subdivisions was governed by a recorded Declaration of Covenants, Conditions and Restrictions. Those original Declarations are described in Exhibit "B" attached hereto and incorporated herein by reference.

**C.** The Condo Property was previously owned by Modern and TOWNHOUSE BUILDERS, INC., a Nevada Corporation, Lessee under Business Lease No. PSL-104A, Contract No. 14-20-0550-1449, recorded on 9/8/67 as Doc #81452, and amended by Supplemental Agreement No. 1 dated 4/9/71 and Supplemental Agreement No. 2, dated 4/3/76, as recorded with the Riverside County Recorder. Business Lease No. PSL-104 and Business Lease No. PSL-80 cover land as described in Exhibit "A" and incorporated herein, which land was developed and improved as a residential condominium project of 64 condominiums and common area, as shown in a Condominium Plan recorded 4/21/71 as Doc #41234 with the Riverside County Recorder and for which a Declaration of Covenants, Conditions and Restrictions was recorded 4/21/71 as Doc #41235 with the Riverside County Recorder.

**D.** The PUD Property and the Condo Property shall collectively be referred to as the Community. The Owners of each Residential Unit and Condominium Unit (collectively Home(s)) shall have an undivided fractional subleasehold interest or fee simple interest in and to the Common Area of the phase in which such Owner's Home is located, a separate interest in a Home, the right to the



exclusive use of any Exclusive Use Common Area appurtenant to such Owner's Home, an appurtenant membership in the HOA and a Resident Social Membership in the Country Club, and a nonexclusive easement over the Common Areas of the rest of the Community, subject to any exclusive easements and other separate Ownership interests therein, and these CC&Rs.

Modern assigned all of its interest, as lessee, under the PUD Property Lease to the HOA in an Assignment of Business Lease recorded 10/24/2002 as Doc #2002-599664 and its interest, as lessee, under the Condo Property Lease to the HOA in an Assignment of Business Lease recorded 10/24/2002 as Doc #2002-599665.

E. The Original Nine Declarations referred to above, were replaced and substituted by the recording of a new Declaration recorded 4/10/73 as Doc #45450, and 12/26/73 with the Riverside County Recorder, Book 1973, Pages 165 et seq. (Consolidated Declaration). The Consolidated Declaration was amended on eight different occasions, all of which amendments were recorded with the Riverside County Recorder, and collectively known as the Original Declaration, and are listed in Exhibit "C", which is incorporated herein by reference. The Original Declaration was amended and restated in 2006 and recorded with the Riverside County Recorder on 5/2/2006 as Doc #2006-0318894.

F. On 8/12/2009 the HOA recorded the documents evidencing the purchase of the PSL80 land from the Tribal Members, as fee simple land, which included the land encompassing the Clubhouse, Golf Course and all Common Area and Common Area Facilities located thereon, and all equipment, licenses, fixtures and components thereof as well as 327 Homes. This purchase resulted in the property formerly referred to as the Country Club Property being encompassed, and a part of, the Common Area owned by the HOA and voids out the Management Agreement referenced in previous documents. True and correct copies of those deeds, known as Deed to Restricted Indian Land dated 5/6/2009 and recorded 8/12/2009 as Doc #2009-0419618 and dated 5/7/2009 and recorded 8/12/2009 as Doc #2009-0419619 are attached hereto collectively as Exhibit "D" and incorporated herein by reference. Thus, all Homes within that land are subject to the HOA's ownership of the PSL80 lease and land ownership position and terms until purchased by an individual HOA Member/Owner. Once an HOA Member/Owner pays that land ownership position fee to the HOA, the HOA Member/Owner owns the Home in fee simple ownership, as well as a non-exclusive easement over the entire Common Area of the Community. This purchase did not include the "wash", described in PSL104A, located north of the gated/fenced property known as Seven Lakes Country Club.

G. The HOA has not yet consummated purchase of the PSL104A land from the Tribal Member, but actively pursues same. If that purchase does not occur, the HOA Member/Owner within that land will continue to be subject to the lease position of the Tribal Member and will continue to own the Home as a subleasehold estate. The lease is currently subject to possible buyout or lease extension but at present, the PSL104A land lease expires in 2032.

H. HOA now desires to amend and restate the Restated Declaration and replace it in its entirety with this Second Restated Declaration (CC&Rs). HOA further desires that, upon recordation of these CC&Rs, the Community shall be subject to the covenants, conditions, restrictions, rights,





reservations, easements, equitable servitudes, liens and charges contained herein, and that these CC&Rs take the place of and relate back in time to the recording of the Original Declaration.

**I.** Article 16.1 of the Restated Declaration provides that it may be amended by the vote or written consent of an affirmative vote of at least 50% plus one vote of all Owners. That same Article requires the approval of 51% of Eligible Mortgagees for specific material provisions, none of which are affected by these CC&Rs. The undersigned President and Secretary of the HOA certify that, to the best of their knowledge, the affirmative vote or written consent of at least the required percentage of Owners has been obtained.

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

**K.** Once all Owners own fee simple positions under PSL80 and/or PSL104A and all land is fee simple, any reference herein to leases or subleases is moot.

## **ARTICLE 1 - DEFINITIONS**

**1. Annual Golf Member** – a Member who has paid an annual fee for the privilege to play unlimited golf rather than pay “by the round” and who may participate in the annual golf champion events. Members who have not purchased annual golf membership may play golf by the round at the posted “outside” golf rates but may not participate in the annual golf champion events.

**2. Architectural Review Committee/ARC** - the committee described herein.

**3. Architectural Rules/ARs** – any Architectural Rules for the HOA regulating the remodeling or reconstruction of Homes within the Community, and including landscaping, irrigation, etc.

**4. Assessments** - all assessments, fees and charges that are described herein.

**5. Association/HOA** - Seven Lakes Home Owners Association, Inc, a California Nonprofit Mutual Benefit Corporation, consisting of all Owners of Homes within the Community, created for the purpose of managing a common interest development.

**6. Board of Governors/Board** – the Board of Governors of Seven Lakes Home Owners Association, Inc.



**7.Bylaws** - the Second Restated Bylaws of the HOA, as well as any duly adopted amendments thereto, which are incorporated herein by reference.

**8.Club/Country Club/Seven Lakes Golf & Country Club** – the Clubhouse, golf course, lakes, parking lot and related facilities therein or appurtenant thereto and includes any personal property, improvements, fixtures, trade fixtures, real property, and any other property owned, leased or used by the Club and managed by the HOA through its Board.

**9.Clubhouse** – the physical building which includes the dining room, bar, library, and all Common Facilities located within that building, and including the patios appurtenant thereto.

**10.Common Area** - the entire Property excepting all of the Homes therein, as described on Exhibit "A" which is incorporated herein by reference. Exhibit "A" includes and incorporates the previous Definition 1.9 which had the Lot and Tract numbers for the Common Area.

**11.Community** - the Residential Property, consisting of the PUD Property and Condo Property described above, as developed and improved as a residential community with various recreational and other Common Areas and Common Facilities.

**12.Condominium/Condo/Condominium Unit/Condo Unit/Home** - an estate in real property consisting of a subleasehold or fee simple interest in a Condominium Unit, the boundaries of which are shown and described on the Condominium Plan (Plan), a fractional undivided interest as a tenant-in-common in the Common Area of the respective phase of the Condo Property, a nonexclusive easement over the Common Area of the other phases of the Condo Property and PUD Property, and any Exclusive Use Common Area appurtenant to each Condo, as shown on the Plan, deed of conveyance, or as referred to herein. Each Condo shall be a separate subleasehold or fee simple estate, as separately shown, numbered, and designated on the Plan.

Each Condo Unit consists of a living area space or spaces bounded by and contained within the interior finished surfaces of the perimeter walls, floors, ceilings, windows, and doors, including the wall coverings and floor coverings, the boundaries of which are described on the Plan. Although the legal description is as stated herein, the maintenance, repair and replacement responsibilities for the Community, including all Homes, are as indicated in the Maintenance Matrix (Matrix) attached hereto as Exhibit "E" and incorporated herein by reference, and which Matrix controls for those purposes.

**13.Condo Property** - Tract 3927, as divided into Condos under the Plan for each phase of development within Tract 3927, as well as all Common Areas located within Tract 3927.

**14.Condominium Building/Condo Building** - one of the 8 buildings containing Condo Units within the Condo Property.

**15.Condominium Plan(s)/Condo Plan(s)/Plan** - those certain condominium plans which apply to



particular phases within the Condo Property. Condominium Plan shall include any amendments to the above documents.

**16. Condominium Roof Cost Center/Condo Roof Cost Center** - each Condo Building containing Condos within the Condo Property. There are 8 Condo Buildings within the Condo Property, each with a roof system. The roof system (which shall consist of the roof from the plywood up for these purposes) shall be maintained, repaired and replaced by the HOA at the sole cost and expense of the Owners of the Condos within each respective Condo Building. Each Condo Building shall consist of a separate Condo Roof Cost Center, with the cost of maintaining, repairing or replacing the roof system (including a reserve component as determined by the Board) on each Condo Building allocated to the Condo Owners within each Condo Building. Owners of Condos in one Condo Building shall not be assessed for the cost of maintenance, repair and/or reserves related to the roof system for another Condo Building but, rather, the Condo Roof Cost Center shall only be allocated to the Owners of the Condos for their respective Condo Building.

**17. Dwelling Unit/Home** - either a Residential Lot (including the Residential Unit located therein) or a Condominium Unit.

**18. Eligible Mortgagee** - a holder, insurer or guarantor of a First Mortgage that provides a written request to the HOA stating the name and address of such holder, insurer or guarantor and the Home address or identifying Lot or Unit number, and requesting notice to which such Eligible Mortgagee is due under the Governing Documents.

**19. Exclusive Use Common Area/Restricted Common Area** - those portions of the Common Area designated herein for the exclusive use of one or more, but fewer than all, of the Owners of the separate interests and which are appurtenant to a Home as shown on the Plan, deed of conveyance, and/or pursuant to the provisions herein. These Common Areas consist of all patios, courtyards, patio wall enclosures, slabs, including garage slabs, all lighting and light fixtures in front entry and courtyard areas and any shutters, awnings, window boxes, doorsteps, stoops, porches, exterior doors, door frames, and hardware incident thereto, screens and windows and other fixtures, and all utility lines, pipes, conduits and wiring designed to serve 10 units or less but located outside the boundaries of the Home. Although the legal description is as stated herein, the maintenance, repair and/or replacement responsibilities for the Community are as indicated on the Matrix attached hereto as Exhibit "E" and incorporated herein and which Matrix controls for those purposes.

**20. Food & Beverage Minimum** - the assessment determined annually by the Board, and which is incurred by Members of the HOA and invoiced to the Members once yearly as to any unused amounts for that year. Members are allowed to have guests utilize the Clubhouse restaurant and dining room (upon notification to the General Manager in advance) and those amounts can be allocated against the Member's Food & Beverage Minimum. Members may also have food and beverages (other than alcoholic beverages) delivered to their Home and those amounts allocated against their Food & Beverage Minimum. Members may also have food and beverages (other than alcoholic beverages) served at events sponsored by that Member at their Home (upon notification to the General Manager) and those amounts may be allocated against their Food & Beverage



Minimum (this may include alcoholic beverages if the event is held in the Clubhouse and upon notification in advance to the General Manager). The Food & Beverage Minimum is allocated to each Home, and not to individual persons, but is subject to change as determined by the Board and noticed to the Members.

**21. Golf Committee** – the Committee appointed by the Board to develop and coordinate comprehensive programs of golf activities and as further discussed herein and in the Golf Rules.

**22. Governing Documents** – these CC&Rs and any other documents including but not limited to, the Articles, Bylaws, Architectural Rules, Rules and Regulations, Collection Policy, and/or Election Rules which govern the operation of the HOA and the Golf Club.

**23. HOA Office** – Lot 34 of Tract No. 3017.

**24. Home** – the dwelling of an Owner, referred to herein variously as condominium, home, residential dwelling, residential unit, dwelling or otherwise and which includes all structures located on the Residential Lots in the PUD Property.

**25. Honorary Membership** – an honorary membership for annual golf playing privileges as discussed above under Annual Golf Member and as chosen by the Board and in the sole discretion of the Board. Those Persons who are not a Member of the HOA do not have voting privileges in the HOA.

**26. Land Owners** – the HOA under PSL-80 and the Lessors under Lease No. PSL-104A, and their respective successors in ownership of the Community.

**27. Landscape Review Committee** – the committee described herein.

**28. Landscape Rules/LRs** – any Landscaping Rules for the HOA regulating the planting, types, irrigation systems, etc. for Homes within the Community.

**29. Life Annual Golf Member** – a life golf membership pursuant to the definition above under Annual Golf Member. Those Persons who are not a Member of the HOA do not have voting privileges in the HOA.

**30. Life Social Member** – a life social membership allowing use of the Clubhouse without payment of the Food & Beverage Minimum or monthly fee but who must make payment for services within the Clubhouse at the time that service is performed. Those Persons who are not a Member of the HOA do not have voting privileges in the HOA.

**31. Master Tenant** - the lessee to Land Owners under that certain Business Lease No. PSL-104A as referenced and discussed herein and under PSL80 as to the HOA. At the time of recordation of these CC&Rs, the Master Tenant is the Tribal Member and the HOA is the lessee. The Owners are sublessees unless they have purchased the fee simple position from the HOA. The Master Tenant



is more thoroughly described in Exhibit "D" attached hereto and incorporated herein by reference.

**32.Member** - every person or entity entitled to membership in the HOA as provided herein and who is a record Owner of a fee simple or sublease position in the HOA.

**33.Mortgage** - a mortgage or deed of trust encumbering a Home. "First Mortgage" means a mortgage that has priority over all other mortgages encumbering the same Home.

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

**35.Mortgagor** - a Person who mortgages his property to another (i.e., the maker of a mortgage), and shall include the trustor of a deed of trust. The term "Trustor" shall be synonymous with the term "Mortgagor."

**36.Non-Resident Golf Member** – a Person who is not a Member of the HOA but who has paid the annual Golf Member fee plus an annual, discounted social membership fee which limits use of the Common Facilities to the Clubhouse restaurant and bar only as incidental to golf activity participation, such as lunch after or before a round of golf or golf dining event. This Person may participate in annual golf champion events. These Persons must be sponsored by an HOA Member.

**37.Non-Resident Social Member** – a Person who has purchased a Social Membership in the Clubhouse, but who is not a Member of the HOA. This membership entitles them to unlimited use of the Clubhouse and the amenities within the Clubhouse and the ability to sponsor guests for use of those Common Facilities. These Persons must pay "by round" for golf play and cannot sponsor guests for golf play. These Persons must pay the monthly fees for that Social Membership as determined by the Board, as well as the annual Food & Beverage minimum and as services are rendered for any other services and once that annual Food & Beverage minimum is met. Those Persons who are not a Member of the HOA do not have voting privileges in the HOA. These Persons must be sponsored by an HOA Member.

**38.Owner** - the record sublessee(s) or fee simple holder of a Home but shall not include any persons or entities who hold an interest in a Home merely as security for performance of an obligation.



**39. Person** - an individual, a corporation, or any other entity with the legal right to hold title to real property.

**40. PUD Property** - each of the numbered tracts and lots contained therein and described herein and as contained in Exhibit "A" which is incorporated herein by reference.

**41. Regular Assessment** - the annual or supplemental charge against each Member and his Home, representing apportion of the expenses for maintaining, improving, repairing, replacing, managing and operating the Community, which charge shall be levied among all Members and their respective Homes as provided herein (previously known as Common Assessment). Regular Assessments shall include all late payment charges, interest charges, attorneys' fees or other costs incurred by the HOA in its efforts to collect all assessments authorized pursuant to these CC&Rs. Notwithstanding the above, Regular Assessments shall not include any costs and expenses related to the Condominium Roof Cost Center.

**42. Resident Social Member** - a Member who has unlimited use of the Clubhouse and its amenities and other Common Facilities and which is provided to every Owner of a Home, as more particularly described herein. These Members do not have use of the Golf Course unless they either purchase an Annual Golf Membership or pay to play golf "by the round at the posted "outside" golf rates but may not participate in annual golf champion events.

**43. Residential Property** - the Condo Property and the PUD Property,

**44. Residential Unit/Home/Lot** - all structures located on the Residential Lot in the PUD Property. The Residential Unit/Home/Lot includes those Lots contained in Exhibit "A" attached hereto and incorporated herein by reference.

**45. Rules And Regulations/Rules** - any Rules and Regulations, including Architectural Rules, for the HOA regulating the use of the Homes, Exclusive Use Common Areas, Common Areas, the Community and any facility located thereon, including the Clubhouse and Golf Course and all facilities related thereto, as well as the Members and their tenants, guests and invitees as duly adopted by the Board pursuant to these CC&Rs and the Civil Code.

**46. Second Restated Declaration/CC&Rs** - this Second Restated Declaration of Covenants, Conditions and Restrictions for Seven Lakes Home Owners Association, Inc. and any amendments thereto.

**47. Social Dues** - the assessment paid by both Members of the HOA and Non Resident Social Members, and which is limited to 3% per year increase and which is invoiced monthly as "social dues".

**48. Trail Fees** - fees to provide for the repair, maintenance and/or replacement of the cart paths servicing the Golf Course and to be levied annually to each Member who owns a golf cart or golf car, whether a golfer or not, and if not a Golf member, this amount may be allocated differently for



those persons. A base annual fee will be charged for use of all such carts/cars. An additional fee will be added for those with annual golf privileges who use their carts/cars for any golf play. Should a Member cart, which is registered as a "base fee" only cart, be used for one or more rounds of golf, the posted golf cart rental fee per round of golf will be charged to its owner.

## **ARTICLE 2 – THE COMMUNITY**

**1.Community Subject To Restated Declaration.** The entire Community shall be subject to these CC&Rs.

**2.Description Of Land And Improvements: Ownership Of Common Area.** The Community consists of the PUD Property, Condo Property and all Common Area and Common Facilities, including the Clubhouse and Golf Course and all facilities related thereto. The Common Area is either owned by the HOA or by the Owners of the Homes adjacent to the Common Area in equal, undivided fractional interests. Members shall have a non-exclusive easement over the Common Areas, subject to such Rules identified in the Rules and in these CC&Rs. Such nonexclusive easements shall be subordinate to any separate Ownership interests and any exclusive easements and/or Exclusive Use Common Area appurtenant to an Owner's Home.

**3.Equitable Servitudes.** The covenants and restrictions set forth herein shall be enforceable equitable servitudes and shall inure to the benefit of and bind all Members. These servitudes may be enforced by any Member or by the HOA or by both.

**4.Prohibition Against Partition.** There shall be no judicial partition of the Common Area or any part of it, nor shall HOA or any person acquiring an interest in the Community or any part of it seek any judicial partition of the Common Area or any part of it, except upon showing that such partition is consistent with the requirements of the Civil Code.

**5.Presumption Regarding Boundaries Of Units.** In interpreting deeds, declarations and plans, the existing physical boundaries of a Home, including any Home reconstructed in substantial accordance with the Plan and/or the original construction plans for the Home, shall be conclusively presumed to be its boundaries, rather than the description expressed in the deed, Plan, or these CC&Rs. This presumption applies regardless of settling or lateral movement of the building and regardless of minor variances between boundaries shown on the Plan or described in the deed and those of the building as constructed or reconstructed. In the event a structure is partially or totally destroyed and then repaired or rebuilt, the Owners agree that minor encroachments over adjoining Homes and/or Common Area shall be permitted and that there shall be appropriate rights for the maintenance, repair and/or replacement of said encroachments so long as they shall exist.

**6.Prohibition Against Severance Of Elements.** Any conveyance, judicial sale, or other voluntary or involuntary transfer of a Home shall include all interests and appurtenances as shown in the original deed of conveyance. Any conveyance, judicial sale, or other voluntary or involuntary transfer of the Owner's entire estate shall also include the Owner's membership interest in the HOA (as provided herein) and the Resident Social Membership in the Club (as provided herein). Any



transfer that attempts to sever those component interests shall be void.

**7.Prohibition Against Multiple Home Ownerships.** No Member may be a record owner, in whole or in part, of more than 4 Homes within the Community at any one time.

**8.Notice Of Airport In Vicinity.** This property is presently located in the vicinity of an airport, within what is known as an airport influence area. For that reason, the property may be subject to some of the annoyances or inconveniences associated with proximity to airport operations (for example: noise, vibration or odors). Individual sensitivities to those annoyances vary from person to person. You may wish to consider what airport annoyances, if any, are associated with the property before you complete your purchase and determine whether they are acceptable to you.

### ARTICLE 3 - ASSOCIATION

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

**2.Membership.** Every Owner, upon becoming an Owner, shall automatically become a Member of the HOA and a Resident Social Member. Record ownership of a Home is the sole qualification for membership. Each Member shall have the rights, duties, privileges, and obligations as set forth in the Governing Documents. Membership shall automatically cease when the Member no longer holds an interest in a Home. All memberships shall be appurtenant to the Home conveyed, and cannot be transferred, assigned, conveyed, hypothecated, pledged, or alienated except as part of a transfer of the Member's entire interest, and then only to the transferee. Any transfer of the Member's title to his Home shall automatically transfer the appurtenant membership to the transferee.

**3.Membership Class Voting Rights.** The HOA shall have one voting class of membership and the rights, duties, obligations and privileges of the Members shall be as set forth in the Governing Documents. Each Home shall be entitled to cast one vote, subject to the provisions set forth in the Bylaws, the Civil Code, the Election Rules and any other Governing Document.

**4.Membership Meetings.** Meetings of Members shall be held in accordance with the Bylaws, the Civil Code, the Election Rules and any other Governing Document.

**5.General Powers And Authority.** The HOA shall have all the powers of a nonprofit mutual benefit corporation organized under the Nonprofit Mutual Benefit Corporation Law, subject to any limitations set forth in the Governing Documents. In the event of any inconsistency between the provisions of these CC&Rs, the Bylaws and/or the Articles, the provisions of Civil Code Section 4205 shall prevail. The HOA may perform all acts that may be necessary for or incidental to the performance of the obligations and duties imposed upon it. Its powers and authority shall include, but are not limited to:





5.1. Establishing, fixing, levying, collecting and enforcing the payment of Assessments against the Members and their respective Homes in accordance with the procedures set forth herein and in any other Governing Document, such as the Collection Policy, the Civil Code and the Rules adopted by the HOA pursuant to the Civil Code and Code of Civil Procedure and any further law cited within those Sections. The lien process may result in the Member losing the Home to the HOA through judicial or nonjudicial foreclosure, due to failure to pay assessments as required herein and under California law.

5.2. Adopting reasonable Rules and Architectural Rules (Rules) governing the use of the Homes, the Common Area, the Common Facilities and HOA owned property, and the conduct of Members, their guests and tenants and invitees and at Board and Members' meetings, in accordance with the following:

a) The Rules may include, but are not limited, to reasonable restrictions on use by the Members and their families, guests, employees, tenants and invitees; rules of conduct; the setting of reasonable administrative rules, fees, deposits; and the setting of reasonable hearing procedures and monetary penalties and fines in the event of a violation of any provisions of the Governing Documents, subject to the Bylaws and the Civil Code.

b) Prior to the adoption of a Rule Change, as that term is defined herein, the Board shall provide Members with written notice and an opportunity to comment on any such Rule Change. The written notice to the Members shall include all the following information:

- i) The text of the proposed rule change;
- ii) A description of the purpose and effect of the proposed Rule change;
- iii) The deadline for submission of a comment on the proposed Rule change;

c) For a period of not less than 30 days following delivery of the written notice of the proposed Rule Change, the Board shall accept written comments from Members;

d) The Board shall consider any comments received from the Members and shall make a decision on the proposed Rule Change at a Board meeting open to the membership. A decision by the Board on whether or not to adopt the Rule Change shall not be made until after the comment submission deadline. The Board shall deliver notice of any Rule Change to every Member. The Notice shall set out the text of the Rule Change and state the date the Rule Change takes effect, which shall not be less than 15 days after Notice of the Rule Change is delivered. For purposes of this paragraph, the term Rule Change shall mean an adoption, amendment or repeal of the Rules and/or Architectural Guidelines.

e) Any Rule Change based on an emergency can be approved by the Board at any Board meeting without compliance with the above. For purposes of this section, the term emergency shall mean an imminent threat to public health or safety or an imminent risk of substantial economic loss to the HOA. An emergency Rule Change is effective for 120 days, unless the Rule Change provides

for a shorter effective period.

f) A copy of the current Rules, including the Architectural Rules, if any, and all modifications, revisions and updates shall be distributed to each Member in a manner consistent with the Civil Code.

g) If any provision of the Rules conflicts with any provision of these CC&Rs, the Articles, or the Bylaws, the provisions of Civil Code Section 4205 shall control to the extent of the inconsistency. However, the Rules, including the Architectural Rules, may be expanded upon or broadened by the Board, and in compliance with Chapter 3, Article 5 of the Davis-Stirling Common Interest Development Act.

5.3. Instituting, defending, settling or intervening in litigation, arbitration, mediation, or administrative proceedings in its own name as the real party in interest and without joining with it the Members, in matters pertaining to:

a) Enforcement of the Governing Documents.

b) Damage to the Common Area.

c) Damage to any portion of the Homes that the HOA is obligated to, or has agreed to, maintain, replace or repair.

d) Damage to the Homes that arises out of, or is integrally related to, damage to the Common Area or portions of the Homes that the HOA is obligated to, or has agreed to, maintain, replace or repair.

e) Enforcement of payment of Assessments in accordance with the provisions of these CC&Rs and the Civil Code.

f) Any other matter(s) in which the HOA is a party, including, but not limited to contract disputes.

5.4. Disciplining Members for violation of any of the provisions of the Governing Documents by i) suspending the Member's privileges, including voting privileges and the privileges to use the Common Area and/or Common Facilities, and (ii) by imposing monetary fines, subject to the limitations set forth in the Bylaws or any other Governing Document, and in compliance with the Civil Code.

5.5. Establishing policies, fixing, levying, collecting and enforcing the payment of Resident and Non Resident Social Member Dues, Annual Golf Member and Non Resident Golf Member Dues, fees for "per round" golf playing privileges, fees for use of the Clubhouse, annual trail fees, Clubhouse charges, annual food and beverage minimum charges, assessments, and all other monies due to the HOA from any Non Resident member and any member of the HOA and against the HOA Member's respective Home from time to time by resolution as determined by the Board and in accordance with these CC&Rs or any other Governing Document (such as Golf Rules).



This power shall extend to the authority of the Board to approve golf privileges, including the authority to grant employees the right to play golf and to provide for and determine employee wages, benefits and compensation.

5.6. Disciplining a Resident or Non Resident Social or Annual or Non Resident Golf Member for violation of any of the provisions of the Governing Documents as more particularly described herein, subject to the limitations set forth in the Bylaws or any other Governing Document (such as Golf Rules).

5.7. Entering, by way of right and easement for its agents and employees, any Home when necessary in connection with any emergency, maintenance, repair, replacement, landscaping, inspection for compliance with the Governing Documents, and/or construction work for which the HOA is responsible or has agreed to be responsible. An emergency shall be as determined by the Board or General Manager.

5.8. Entering, by way of right and easement, if, for any reason, a Member fails to maintain, replace or repair an area required to be maintained, repaired or replaced by him, pursuant to the Matrix, the Civil Code or any other Governing Document, the Home for the purpose of maintaining, replacing or repairing said area upon at least 24 hours' prior written notice to the Member or such greater notice as may be required by any provision hereof; provided, however, that such entrance shall be permitted without any prior notice whatsoever, in the event of an emergency. An emergency shall be as determined by the Board or General Manager.

5.9. Granting, pursuant to Civil Code Section 4600 and upon the affirmative vote of at least 67% of the Members, exclusive use of any portion of the Common Area to any Member.

5.10. Removing any vehicle within the Community parked in violation of any Governing Document in accordance with the provisions of the Vehicle Code and any other powers granted to an association under law.

5.11. Assigning parking spaces and/or carports to Members, as well as renting or leasing to non-Members, carports for parking usage only (no storage allowed) and to determine the amount of the fees therefore and allowing modifications to those carports per the Architectural Rules and City requirements.

5.12. Paying taxes and assessments which are or could become a lien on the Common Area or any Common Facility and/or the HOA property, or any portion thereof.

5.13. Delegating its powers to such committees, officers and/or employees of the HOA as it deems fit from time to time.

5.14. Taking such action, whether or not expressly authorized herein, as may reasonably be necessary to enforce the Governing Documents.

5.15. Entering contracts with, and granting to, any third party easements and rights of way, in, on, over, or under the Common Area or any Common Facility for the purpose of constructing, erecting, operating or maintaining therein, thereon, or thereunder underground lines, cables, wires, conduits or other devices for the transmission of electricity for lighting, heating, power, cable television, telephony, technological or communications needs (such as DSL or fiber optics) and other similar purposes, public sewers, storm water drains or pipes, water systems, wells and components thereof, irrigation systems, water, heating, gas lines or pipes, solar systems, security services and other similar new improvements or facilities.

5.16. Engaging the services of a person or firm to manage the Club to the extent deemed advisable by the Board, as well as such other personnel as the Board shall determine to be necessary or proper for the operation and maintenance of the Club, as with any other Common Area or Common Area Facilities, and contracting for goods and services for the Club, as with any other Common Area or Common Area Facilities.

5.17. Providing gate control service for the benefit of the Community.

5.18. With or without the approval of the Members and further pursuant to the vote taken in 2011 approving of same by those Owners in PSL104A, negotiating with the Master Lessor of PSL104A, Lease Holders, Sublease Holders, or others (including but not limited to the BIA, and/or the allottee of the PSL104A lease or any interested party) and borrowing or providing funds for such negotiations, including any costs associated therewith, including but not limited to, appraisal fees, attorneys fees and costs, bank or other institutionally required fees and costs, etc. Such negotiations may relate to the purchase of the land, or extension or amendment of any Lease or Sublease or any portion thereof as to PSL104A.

This shall include negotiating and entering into a debt obligation for any amendment, extension or purchase, subject to the requirement that the HOA shall only have the authority to negotiate and enter into debt for an amendment, extension or purchase, that has been pre-approved by a majority of a quorum of the Owners in PSL104A with regard to either short or long term debt obligation for such purposes. If any lender requires that the collateral for such debt obligation be the cash flow (assessments) of the HOA as an entirety, then regardless of the PSL104A Owners affected (and to which the assessment would only apply), the approval by a majority of a quorum of all HOA Members, and not just the approval of the PSL104A Owners, shall be required, and in accordance with the Civil Code requirements for that assessment.

This shall include purchasing individual Homes/Lots and the holding of those leases as part of a land purchase plan if the HOA determines that course of action is needed. In the event that the HOA becomes the Owner of one or more Homes/Lots in PSL104A, the HOA has the authority to levy lease and sublease assessments to the Owner if payment is not made in accordance with that assessment notice and requirements, including any promissory notes entered into by that Owner. Finally, this includes selling, at fair market value, Homes/Lots it may acquire to the existing Owner, who shall have the right of first refusal, or to others.



Any amounts that become delinquent as to any Owner for those land assessments, including any promissory note, shall be due and payable upon any transfer of title, and shall be the obligation of any lender in the case of foreclosure by that lender. Bankruptcy by an Owner shall not act to avoid that obligation but only as to that bankrupt Owner. Death shall not act to avoid that obligation but only as to that deceased Owner. No transfer of title from the HOA to any purchaser or any foreclosing lender or other governmental entity of any kind shall occur until and unless payment of those amounts is made in full, regardless of any foreclosure by a lender or bankruptcy, death, or other act adverse to the interests of the HOA as the Owner of the land by the Owner. Although deemed an assessment, this amount shall be a charge upon the land, and continue upon the land, until all amounts are paid in full, and no transfer of the Home/Lot as held by the HOA shall occur until all amounts for that charge, including interest, legal or related professional fees, are paid. Any Owner entering, or who has entered into, a promissory note agrees that the amount and terms of the promissory note, including late charges and interest charges, are just and reasonable and agrees to be subject to the terms of that promissory note if payment is not made on the date indicated in the promissory note or as noticed to the Owner by the HOA.

5.19 Setting the pool and spa heating schedules, as well as hours of operation for the Common Area Facilities.

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

6.1. Providing for the maintenance, repair, replacement and preservation of the Common Area and Common Facilities and improvements thereon in good order and repair.

6.2. Paying all real property taxes or other taxes and assessments levied upon any portion of the Common Area or any Common Facility not assessed to or paid by the Members.

6.3. Managing the finances of the HOA and Community as provided in the Governing Documents.

6.4. Operating, maintaining, repairing and replacing those components described in these CC&Rs or the Maintenance Matrix, or contracting for the performance of that work, subject to the provisions of the Governing Documents.

6.5. Using the Assessments described herein to, among other things, acquire and pay for goods and services for the Community, including, but not limited to:

a) Water, sewer, refuse, electrical, telephone, gas, and other necessary utility service for the Common Area and Common Facilities and, to the extent not separately metered and charged, for the Homes; provided, however, that the HOA shall have the right to enter into agreements with public utilities and/or cable service and other providers to provide bulk services to the Homes.

b) The insurance policies described herein.

c)The services of any personnel (or to contract for such services) that the Board determines are necessary or proper for the operation, maintenance, management and improvement of the Community including, but not limited to, the Common Areas and Common Facilities and to determine wages, compensation and benefits for those persons, including but not limited to the right of employees to play golf, and as approved by a membership vote in July 2012.

d)Legal and accounting services necessary or proper in the operation of the Common Area and Common Facilities and HOA or the enforcement of the Governing Documents.

6.6.Maintaining, repairing or replacing such areas adjacent to the Community as the Board shall determine from time to time to be desirable in order to enhance the appearance of the Community or as may be required from time to time by the City of Palm Springs or other applicable governmental agency.

Notwithstanding anything contained within these CC&Rs to the contrary, the HOA's standard of care related to the maintenance, replacement and repair of those components which it is obligated to maintain, replace or repair or has agreed to maintain, replace or repair is not required to be of a higher level than that which is required within the standards of the industry and under law.

**7.Inspection Of Accounting Books And Records** The rights of Members and Governors to obtain and inspect the accounting books and records of the HOA shall be in accordance with the Bylaws and the Civil Code and any Governing Document, concerning the duty of the HOA to maintain certain accounting books and records and the rights of Members and Governors to obtain and inspect those accounting books and records.

#### ARTICLE 4 – ASSESSMENTS AND COLLECTION PROCEDURES

**1.Covenant To Pay.** Each Member by acceptance of the deed or assignment to the Member's Home is deemed to covenant and agree to pay to the HOA regular, special, reimbursement and enforcement assessments, and all other charges duly levied by the HOA pursuant to the provisions of these CC&Rs, the Collection Policy, and the Civil Code, including but not limited to, any food and beverage minimum charges, as well as any Annual or Non Resident Golf member fees or dues and Resident and Non Resident Social Member fees or dues and Trail fees. A regular, special, reimbursement or enforcement assessment and Resident Social Member dues and Annual Golf Member fees and Trail fees (assessments) and any late charges, reasonable costs of collection, and interest, as assessed in accordance with the provisions of this Article, shall also be a personal debt of the Member at the time the assessment or other sums are levied. The Member may not waive or otherwise escape liability for these assessments by nonuse of the Common Area or abandonment of the Member's Home.

**2.Purpose Of Assessments.** Except as provided herein, the HOA shall levy regular, special, reimbursement and enforcement assessments sufficient to perform its obligations, and including but not limited to, any food and beverage minimum charge, as well as any Annual or Non Resident



Golf Member fees or dues and Resident and Non Resident Social Member fees or dues and Trail fees (assessments). The assessments levied by the HOA shall be used exclusively to promote the recreation and welfare of the Members, and for the operation, replacement, improvement, repair and maintenance of the Community, and to discharge any other obligations of the HOA under these CC&Rs.

**3.Regular Assessments.** Concurrently with preparation of the financial documents and budget as required in the Bylaws, the Board shall estimate the net charges to be paid during that next fiscal year, including a reasonable provision for contingencies, replacements and reserves, with adjustments made for any expected income and surplus or deficit from the prior year's fund. The resulting amount shall constitute the Regular Assessments for the budgeted year. Regular Assessments shall be allocated among, assessed against and charged to the Members on an equal basis and shall be borne by the Members in equal shares. Failure of the Board to estimate the net charges within the time period stated herein shall not void any assessment imposed by the Board. Regular Assessments for fractions of any month shall be prorated. Each Member is obligated to pay Regular Assessments to the HOA in equal monthly installments on or before the first day of each month unless the Board adopts an alternative method for payment in compliance with the Civil Code and as stated in the Collection Policy. Regular Assessments shall constitute the yearly assessment for all Homes within the PUD Property. In addition to the Regular Assessments, the Owner of a Condo shall also be responsible for his pro-rata share of the costs and expenses related to the Condominium Roof Cost Center.

**4.Special Assessments.** If the Board determines that the amount to be collected from Regular Assessments will be inadequate to defray the common expenses for the year (not including costs and expenses related to a Condominium Roof Cost Center) due to the cost of any construction, maintenance, unexpected repairs or replacements upon the Common Area or any Common Facility, any expenses of the HOA and/or for any other reason, it shall make a Special Assessment for the additional amount needed, subject to any limitations imposed by law or the Governing Documents. Except for costs and expenses related to a Condominium Roof Cost Center, Special Assessments shall be allocated among, assessed against, and charged to the Members on an equal basis and shall be borne by the Members in equal shares. If the Board determines that the amount to be collected from a Condominium Roof Cost Center would be inadequate to defray the costs and expenses for the roof of that Condo Building, it shall make a Special Assessment for the additional amount needed, subject to any limitations imposed by law or the Governing Documents, allocated among, assessed against and charged to the Condo Owners of the respective Condo Building on an equal basis and shall be borne by the Owners of the Condos within said Condo Building in equal shares.

**5.Reimbursement Assessments.** Subject to the limitations of the Governing Documents and in addition to Regular and Special Assessments, the Board may levy Reimbursement Assessments against Members in accordance with the following:

5.1.The Board may levy a Reimbursement Assessment whenever the HOA (i) performs any service or accomplishes any item of repair, replacement or maintenance which is the duty of any Member to



accomplish, but which has not been accomplished by such Member, or (ii) incurs any costs which by law or as required by the Governing Documents must be reimbursed by a Member. Such Reimbursement Assessment shall include the cost thereof, together with any financing costs and administrative costs incurred by the HOA. Prior to levying such a Reimbursement Assessment, the Board shall provide the Member with notice and a hearing in accordance with the Bylaws, the Rules, the Collection Policy, or any other Governing Document. The notice and hearing regarding the levy of a Reimbursement Assessment may be combined with the notice and hearing regarding the underlying violation.

5.2. Duly levied Reimbursement Assessments shall be subject to the provisions in the Governing Documents regarding costs, late charges and interest for delinquent payment, and may become a lien on the Home. Except as specifically prohibited by law, Reimbursement Assessments (including without limitation those imposed to recover late payment penalties or to reimburse the HOA for the cost of repairing damage to the Common Areas, Common Facilities or HOA property for which the assessed Member is responsible), if not paid prior to delinquency, may be collected either in an action at law or by resort to the lien and foreclosure remedies set forth below. Any legal action shall be controlled by the provisions of the Civil Code.

**6. Enforcement Assessments.** The Board may levy, subject to the limitations of the Governing Documents, Enforcement Assessments against a Member for failure to comply with the Governing Documents, including but not limited to, any Resident or Non Resident social member agreement or any Annual Golf or Non Resident Golf member agreement, as well as any Trail fee agreement or charge. In the event the Board imposes an Enforcement Assessment, it shall be subject to costs, late charges and interest as described below for delinquent payment. Enforcement Assessments imposed to recover monetary penalties for failure of a Member to comply with the Governing Documents may become a lien against the Member's Home that is subject to foreclosure pursuant to this Article unless such lien and foreclosure remedies are prohibited by law.

**7. Resident Social Membership Assessments/Basic Dues.** Each Home shall have a Resident Social Membership as further discussed herein. Each Resident and Non Resident Social Member shall pay Social Membership amounts as determined by the Board, and which amount shall not increase by more than 3% per year without the approval of the Members.

**8. Food And Beverage Minimum.** The Board may levy an annual spendable minimum assessment for food and beverage services as to each Home and in an amount as determined by the Board in its discretion. Any unused portion of the Food and Beverage Minimum, as of the end of the June 30 fiscal year, shall be due and payable on or before July 31 of that year and delinquent if not paid within twenty (20) days thereafter. The unpaid Food and Beverage Minimum shall be subject to the lien process as discussed herein, and as an assessment against each Member. As with other duly imposed assessments, dues and fees, this amount cannot be deemed waived if the Person is disciplined by the Board, or if the Person has abandoned use of the Common Facility or membership.

**9. Trail Fees.** The Board may levy an amount as to any Person and as discussed above to provide



for the repair, maintenance and/or replacement of the cart paths servicing the Golf Course and as discussed in Article 1 above.

**10.Limitations On Assessments.** Except in emergency situations, the Board may not, without the approval of Members constituting a quorum of the Members and casting a majority of the votes through a ballot measure or meeting of the HOA conducted in accordance with Corporations Code Sections 7510-7527 and 7613 and Civil Code Section 5605 and in compliance with any Election Rule, impose a Regular Assessment per Home that is more than 20% greater than the Regular Assessment for the preceding fiscal year, or levy Special Assessments that in the aggregate exceed 5% of the budgeted gross expenses of the HOA for that fiscal year. For purposes of this Section, a "quorum" means more than 50% of the Members. These limitations shall not apply to assessment increases that are necessary for emergency situations. An emergency situation is an extraordinary expense that is;

9.1.Required by a court order.

9.2.Necessary to repair, replace or maintain the Community or any part of it for which the HOA is responsible or has agreed to be responsible when a threat to personal safety is discovered.

9.3.Necessary to repair, replace or maintain the Community or any part of it for which the HOA is responsible or has agreed to be responsible that could not have been reasonably foreseen by the Board in preparing and distributing the pro forma operating budget. Before the Board may impose or collect an assessment in this emergency situation, it shall pass a resolution containing written findings as to the necessity of the extraordinary expense and why the expense was not or could not have been reasonably foreseen in the budgeting process, and shall distribute the resolution to the Members with the notice of assessment.

**11.Owner Notice Of Assessments.** The HOA shall provide individual notice pursuant to Civil Code Section 4040 to the Members of any increase in the Regular Assessments or the imposition of a Special Assessment not less than 30 nor more than 60 days prior to the increase or special assessment becoming due.

**12.Limitation On Assessment Increases.** Any annual increases in Regular Assessments for any fiscal year, as authorized above, shall not be imposed until the Board has sent out the pro forma operating budget documents in accordance with Civil Code Sections 5605 and 5300 with respect to that fiscal year, or has obtained the approval of a majority of a quorum of Members (as defined in Civil Code Section 5070), at a meeting or election of the HOA conducted in accordance with Civil Code Section 5100 et seq and any Rule adopted by the HOA in compliance with Civil Code Section 4340 et seq and, where applicable, Chapter 5 (commencing with Section 7510) of Part 3 of Division 2 of Title 1 of the Corporations Code and Corporations Code Section 7613. For the purposes of this Section, "quorum" means more than 50% of the Members.

**13.Costs, Late Charges And Interest.** Late charges shall be levied by the HOA against a Member for the delinquent payment of Regular, Special, Reimbursement and Enforcement Assessments, as



well as the Food and Beverage Minimum Charge and any and all other fees or dues as discussed herein. An assessment, including any installment payment and the Food and Beverage Minimum Charge, and any and all other fees or dues as discussed herein, is delinquent 15 days after its due date. If an assessment or the Food and Beverage Minimum Charge or any and all other fees or dues as discussed herein is delinquent the HOA shall recover all of the following from the Member:

13.1. Reasonable costs incurred in collecting the delinquent amount, including actual attorneys' fees; and

13.2. A late charge not exceeding 10% of the delinquent amount or \$10.00, whichever is greater, or the maximum amount allowed by law; and

13.3. Interest on the foregoing sums, at an annual percentage rate of 12% commencing 30 days after the amount becomes due.

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

**14. PSL104A Land Purchase/Lease Extension Charges.** The HOA has the authority to enter into negotiations for the purchase or extension of PSL104A from the Tribal Members, pursuant to 5.18 above. Any amounts incurred by the HOA as a result of those negotiations and/or purchase or extension, shall be paid by the affected PSL104A Owners, and shall consist of a special assessment therefor, which shall include any amounts due as a result of entering into promissory notes, etc. by any of those Owners. Any amounts that become delinquent as to any Owner for those land assessments, including any promissory note, shall be due and payable upon any transfer of title, and shall be the obligation of any lender in the case of foreclosure by that lender. Bankruptcy by an Owner shall not act to avoid that obligation but only as to that bankrupt Owner. Death shall not act to avoid that obligation but only as to that deceased Owner. No transfer of title from the HOA to any purchaser or any foreclosing lender or other governmental entity of any kind shall occur until and unless payment of those amounts is made in full, regardless of any foreclosure by a lender or bankruptcy, death, or other act adverse to the interests of the HOA as the owner of the land/lease by the Owner. Although deemed an assessment, this amount shall be a charge upon the land, and continue upon the land, until all amounts are paid in full, and no transfer of the Home/Lot as held by the HOA shall occur until all amounts for that charge, including interest, legal or related professional fees, are paid in full.

**15. Modern Land Lease/PSL80 Payments.** Based upon the original PSL80 lease and purchase thereof by the HOA and subject to increases therein, as well as the original purchase of the Modern Land lease by the HOA and subject to increases therein, those Members who have not paid the PSL80 lease amounts shall also be subject to those payments, and any late charges, interest and other fees and costs associated therewith. Nonpayment of those amounts shall be subject to the



lien and foreclosure processes applicable to any other assessment. As of the date of these CC&Rs, there are only three Members to whom this provision remains applicable.

**16.PSL104A Payments.** Based upon the PSL104A lease and subject to increases therein, those Member subject to the PSL104A lease shall also be subject to payment of the lease amounts and any late charges, interest and other fees and costs associated therewith. Nonpayment of these amounts shall be subject to the rights of the Tribal Members and the HOA for enforcement thereof as well as the lien and foreclosure processes applicable to any other assessment, and to the terms of the lease itself regarding enforcement of delinquencies.

**17.Enforcement Of Assessments, Food And Beverage Minimums, Lease Amounts, Other Fees, Dues, Charges, Late Charges And Interest.** Except as provided herein with respect to the limitation on the imposition of liens for fines or penalties if precluded by California law, the HOA may impose a lien against the Member's Home for nonpayment of these amounts. Imposition of the lien, as well as enforcement thereof through litigation, judicial or nonjudicial foreclosure or other remedies, shall be controlled by the provisions of Chapter 8 of the Civil Code as well as Code of Civil Procedure Section 729.035 and any further law cited within those laws. The provisions of these Sections shall be contained within the HOA's Collection Policy or through other legally required disclosure documents, within the Bylaws, and shall be distributed at least annually to the Members. The lien process may result in the Member losing the Home to the HOA or to a third party, through judicial or nonjudicial foreclosure, due to failure to pay those amounts as required under these CC&Rs and California law. Further pursuant to Civil Code Section 5715, the sale is subject to the right of redemption by the delinquent Member within 90 days after the sale.

**18.Priority Of HOA Lien.** As set forth below, the HOA lien referred to above shall be superior to all other liens, except (i) all taxes, bonds and governmental assessments which, by law, would be superior thereto, and (ii) the lien or charge of any First Mortgage of record. Notwithstanding any other provision to the contrary, the following provisions shall govern the priority and obligation for payment of the assessment lien:

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

18.2.Should any person or entity other than a First Mortgagee foreclose on a Home, the new Owner shall be personally liable for all unpaid amounts, as applicable, whether or not a lien has been recorded if such new Owner expressly assumed such personal liability. In the event the new Owner assumes such liability, the HOA may elect to collect such unpaid amounts, including late charges, interest and other costs, from the new Owner, either personally or against the Home, upon the transfer of title.

18.3.Neither the transfer of a Home pursuant to a foreclosure of any Mortgage, nor an election by



the HOA to proceed against any new Owner for payment, shall serve to cancel the personal obligation of the prior Owner for payment of the amounts which accrued during such Owner's period of ownership. The personal obligation of any Owner for payment of those amounts may only be satisfied, and therefore discharged, by payment of the entire amount, whether or not such Owner remains in possession of his Home.

18.4.No sale or transfer of any Home shall relieve such Home or its new Owner from liability for any future amounts which accrue during such Owner's period of ownership. This transfer shall include, but not be limited to, any transfers such as transfers to a trust of whatever type, interspousal transfers, etc. All unpaid amounts from a previous Owner must be satisfied before closing of the sale.

**19.Statement Of Delinquent Amounts.** The HOA shall provide any Member, upon written request, with a statement specifying any amounts due, as well as related late charges, interest, and costs levied against the Member's Home. The HOA shall have the right to charge a reasonable fee for such statement.

## **ARTICLE 5 - USE RESTRICTIONS AND COVENANTS**

**1.General.** The use and enjoyment of the Community by Members and their tenants, guests, invitees or any other person deriving rights from such Member, shall be subject to the covenants and restrictions contained in the Governing Documents. Each such person shall comply with the provisions hereof and be subject to any enforcement actions in the event of violations. Unless otherwise stated in the Governing Documents, the HOA shall be responsible for the enforcement of these provisions. Until such time as the HOA has revised its Rules or Architectural Guidelines, the rules and guidelines contained in the Restated Declaration of Covenants, Conditions and Restrictions and existing Rules and Architectural Rules shall remain in effect.

**2.Common Area, Common Facilities And Community.** The following provisions govern the use and enjoyment of the Common Area, Common Facilities and, where noted, the Community:

2.1.The HOA shall have an easement in, to, and throughout the Community and the improvements thereon to perform its duties and exercise its powers.

2.2.Except as provided herein, there shall be no judicial partition of the Common Area, nor shall HOA or any person acquiring an interest in all or any part of the Community seek any judicial partition, except in compliance with Civil Code Section 4610.

2.3.Subject to the provisions of the Governing Documents, each Member has non-exclusive rights of ingress, egress, and support through the Common Area. These rights shall be appurtenant to any deed of conveyance. However, these rights shall not interfere with, and shall be subordinate to, any exclusive right to use an area and/or any Exclusive Use Common Area appurtenant to a Home.



2.4. The Member's privileges of use and enjoyment of the Community shall be subject to the restrictions set forth in the Governing Documents, and the right of the HOA, subject to the limitations of any laws or the Governing Documents, to:

a) Adopt and enforce reasonable rules and regulations, including Architectural Rules, for the use of the Common Area, Common Facilities and the Community.

b) Reasonably limit the number of persons using the Common Area and Common Facilities.

c) Assign, rent or lease or otherwise control the use of any unassigned parking spaces within the Community, as well as guest parking spots and carports, and to suspend those parking privileges for nonpayment of any amounts charged for that privilege.

d) Remove any vehicle within the Community parked in violation of these CC&Rs or the Rules in accordance with Vehicle Code Sections 22658 and 22853 or any other law.

e) Suspend the privileges of a Member, including but not limited to, the voting privileges of any Member, suspend HOA website access, suspend ingress/egress equipment such as transponders or other devices as long as there is a gate attendant at the entry gate on a 24/7 basis, suspend the right to use the "charge account/in house charges privilege" for either the Member or Member's guest for charges for dining room, bar or pro shop purchases and instead require the delinquent Member to pay by cash or credit card, suspend the privilege of the Member to sponsor guests for any HOA amenity or Common Facility, and/or suspend the privilege of any Member, and the Persons deriving privileges from any Member, to use and enjoy the Common Area and/or Common Facilities for any period during which the Member is delinquent in the payment of any Assessment, fine or monetary penalty or other amount, or as otherwise provided in the Governing Documents. This authority extends to Non Resident Social Members, Non Resident Golf Members and Annual Golf Members, as applicable.

f) Cause the construction of additional improvements in the Community, or to cause the alteration or removal of existing improvements within the Community.

g) Reasonably restrict access to roofs and other maintenance areas of a Home that the HOA is obligated to, or has agreed to, maintain, repair or replace.

h) Approve any proposed alteration of or modification to the Common Area, Common Facilities or the exterior of any Home.

i) Pursuant to the Civil Code, grant exclusive use of any portion of the Common Area to any Member, and determine the monetary consideration to be paid the HOA for such grant and responsibility for insurance coverage required to be provided by that Member for such exclusive use of the Common Area.



2.5. The HOA may grant to third parties easements in, on and over the Community for the purpose of constructing, installing, or maintaining necessary utilities and services, or other purposes reasonably related to the operation of the Community, and each Member, in accepting his deed or assignment to the Home, expressly consents to these easements. However, no such easement may be granted if it would unreasonably interfere with any exclusive easement, or with any Member's use, occupancy, or enjoyment of his Home.

2.6. Notwithstanding the easement rights or other rights contained herein, a Member who has sold his Home to a contract purchaser or who has leased or rented the Home shall be deemed to have delegated his rights to use and enjoy the Common Area and Common Facilities to the contract purchaser or tenant who resides in the Member's Home.

2.7. All utilities designed to serve 10 Homes or less, but located outside the boundaries of the Homes, are allocated exclusively to those particular Homes. The Owners of said Homes shall be entitled to reasonable access to the Common Area for the purpose of maintaining, repairing or replacing these utilities, subject to the Maintenance Matrix and further subject to the consent of the HOA and to any other conditions reasonably imposed by the HOA. The HOA's consent shall not be unreasonably withheld.

2.8. Pursuant to Civil Code Section 4600, the Board shall have the right to grant exclusive use of any portion of the Common Area to any Member, and determine the monetary consideration to be paid the HOA for such grant and responsibility for insurance coverage required to be provided by that Member for such exclusive use of the Common Area. The Civil Code requires, among other things, the approval of 67% of the Members for that grant. Maintenance, repair and replacement of such area is the sole responsibility of the permitted Member unless agreed to in writing by the HOA.

**3. General Restrictions On Use.** In exercising the right to occupy or use a Home or any part of the Community and the improvements thereon, the Member and the Member's family, guests, employees, tenants, and invitees shall not do any of the following:

3.1. Attempt to further subdivide a Home without obtaining the prior approval of the HOA.

3.2. Except as permitted in regard to Home Occupation discussed in the Rules, occupy or use a Home, or permit all or any part of a Home to be occupied or used, without Board approval, for any purpose other than as a private residence.

3.3. Permit anything to obstruct the Common Area or Common Facilities or store anything on the Common Area or Common Facilities without the prior written consent of the Board, except as otherwise provided in the Governing Documents.

3.4. Perform any act or keep anything on or in any Home or in the Common Area or Common Facilities that will increase the rate of insurance for the Community without the prior written consent of the Board. Further, no Member shall permit anything to be done or kept in his Home or



in the Common Area or Common Facilities that would result in the cancellation of insurance on any Home or on any part of the Common Area or Common Facilities or that would violate any law.

3.5. Disconnect, damage, tamper with or otherwise modify any protection system, including, but not limited to fire sprinklers, fire alarms and fuse boxes.

3.6. Store gasoline, kerosene, cleaning solvents, or other flammable liquids or substances, or any toxic or hazardous materials on the Common Area or Common Facilities or in any Home; provided, however, that reasonable amounts of these liquids, substances or materials may be placed in appropriate containers and properly stored. All rubbish, trash, and garbage shall be regularly removed from the Home consistent with the HOA's Rules, and shall not be allowed to accumulate anywhere within the Community.

3.7. Signage shall be restricted or required as contained within the Rules or Architectural Rules and as controlled by California or Federal law.

3.8. Satellite dishes and antennae and similar communications equipment shall be restricted or required as contained within the Rules or Architectural Rules and as controlled by California or Federal law.

3.9. Household pets shall be restricted or required as contained within the Rules and as controlled by California or Federal law. The numbers and types of pets shall be as contained in those Rules. No pet shall be allowed on the Common Area or in Common Facilities unless they are leashed or otherwise under the supervision and restraint of their Owner. Each Person bringing or keeping a pet in the Community shall be solely responsible for the conduct of that pet. The HOA, its Board, officers, employees and agents shall have no liability to any Members, their family members, renters, lessees, guests, tenants or invitees for any damage or injury to persons or property caused by any pet within the Community.

3.10. Engage in any illegal, noxious or offensive activity in any part of the Community, or do any act which unreasonably threatens the health, safety and welfare of other residents of the Community.

3.11. Alter, attach, construct, or remove anything on or from the Common Area and/or Common Facilities, except upon the written consent of the Board.

3.12. Keep or maintain any fixture, personal property or other object upon any courtyard or patio or balcony which interferes with the quiet enjoyment of adjacent Homes, courtyards or patios or balcony, and/or which may be in violation of any Rules or Architectural Rules duly adopted by the Board and pursuant to Chapter 3, Article 5 of the Davis Stirling Common Interest Development Act.

3.13. Conduct, maintain, or permit on any part of the Community any industry, business, trade, occupation or profession of any kind, whether commercial, religious, educational, or otherwise,

except for home occupation use in compliance with the Rules and the operations of the HOA, Common Areas and Common Facilities.

3.14. Windows and window coverings shall be restricted or required as contained within the Rules or Architectural Rules.

3.15. Allow his Home to be leased, subleased, occupied, rented, let, sublet, or used for or in connection with any time-sharing agreement, plan, program, or arrangement, including, without limitation, any so-called "vacation license," "travel club," "extended vacation," or other membership or time-interval ownership arrangement or for use as a "bed and breakfast" or for short term rental. The term "time-sharing" as used herein shall be deemed to include, but shall not be limited to any time-share project, time-share estate, and/or time-share use (as those terms are defined in the Business and Professions Code); any qualified resort vacation club (as those terms are used in the Business and Professions Code); or any agreement, plan, program or arrangement under which the right to, use, occupy, or possess the Home rotates among various persons, either corporate, partnership, individual, or otherwise, on a periodically recurring basis for value exchanged, whether monetary or like-kind use privileges, according to a fixed or floating interval or period of time; provided, this section shall not be construed to limit the personal use of any Home by any Member or his social or familial guests or his tenants under leases created in accordance with these CC&Rs or the Rules.

**4.Home Occupations.** Shall be as restricted or required within the Rules or Architectural Rules.

**5.Leases Or Rentals.** All leases or rental agreements must be in writing, and must be for a minimum of 30 days. All Members must provide the HOA with a copy of the lease or rental agreement within 7 days of its execution or the date of occupancy by that renter or tenant, whichever is sooner. All Members must provide a copy of the Rules to each renter or lessee. Failure to provide a copy of the lease or rental agreement to the HOA shall constitute a violation of these CC&Rs. This restriction shall not apply to Homes owned by the Federal National Mortgage Association or other Federal lender if mandated by that entity in order to allow FHA insured loans on Homes within the Community or to allow the HOA to obtain certification for loans by those entities.

5.2. All leases or rentals must be for the entire Home and not merely parts thereof, unless the Member remains in occupancy.

5.3. All leases or rentals shall be subject in all respects to the Governing Documents, and shall provide that failure to comply with the requirements of the Governing Documents shall constitute a default under the lease which may be cured by eviction of the tenant either by the Member or the HOA.

5.4. A Member who leases or rents his Home shall promptly notify the HOA in writing of the names of all tenants and members of a tenant's family occupying such Home and furnish the HOA with a copy of any lease or rental agreement. The Member must provide the tenant or





lessee with a copy of the Rules and Architectural Rules. Failure to provide a copy of the lease or rental agreement to the HOA within 7 days of the date of that agreement or the occupancy by that renter or tenant, whichever is sooner, or failure to provide the tenant or lessee with a copy of the Rules and Architectural Rules, shall constitute a violation of these CC&Rs.

5.5. All Members leasing or renting their Home shall promptly notify the HOA of the address and telephone number where such Member can be reached. Failure to provide that information to the HOA within 7 days of the date of that agreement or the occupancy by that renter or tenant, whichever is sooner, shall constitute a violation of these CC&Rs.

**6. Dwelling Unit Modification.** Subject to other applicable restrictions contained in the Governing Documents, and including the Architectural Rules, Members may modify their Homes subject to the following:

6.1. Modifications or alterations of the exterior of any Home and any alterations to interior walls that may impact the structural integrity of the outer walls and roofs must have the prior written consent of the Board or duly appointed Architectural Review Committee (ARC), including any modifications to facilitate handicapped access as provided by Civil Code Section 4760. Any approval of such handicapped access modification may be conditioned on such modification's removal, by the Member and at his sole expense, once the handicapped access is no longer necessary for the Home.

6.2. No Member may install any shutter, screen, blind, curtain, drape or other appurtenance in or on any window or door except those items which are in conformance with the Rules or Architectural Rules.

6.3. No Member may enclose and/or alter his Home's patio, courtyard, and/or atrium without the prior written consent of the Board or ARC.

6.4. Except as provided by the Governing Documents, Members shall not have the right to paint, decorate, remodel or alter any Exclusive Use Common Area or the Common Area without the prior written consent of the ARC and, as it relates to the Common Area, the written consent of the Board.

**7. Damage Liability.** Each Member shall be liable to the HOA for any damage to the Common Area, Common Facilities and/or HOA owned property if the damage is sustained because of the negligence, willful misconduct, or unauthorized or improper installment or maintenance, repair or replacement of any Improvement by the Member or the Member's family, guests, tenants, contract purchasers, or invitees. In the case of joint Ownership of a Home, the liability of the co-Owners shall be joint and several, unless the co-Owners and the HOA have agreed in writing to an alternative allocation of liability.

**8. Parking And Vehicle Restrictions.** The Board shall have the right to promulgate Rules related to vehicles and parking, including but not limited to the regulation of the admission of vehicles



(including but not limited to motorcycles, mopeds, motor scooters and other motorized vehicles with less than 4 wheels) and the regulation of golf carts or golf cars in compliance with the requirements of the Civil Code. Parking and Vehicles shall be subject to restrictions or requirements within the Rules. Notwithstanding any provision contained within the Governing Documents to the contrary, the HOA may park, or allow to be parked, commercial vehicles and equipment within the maintenance yard and may, when necessary and appropriate, park, or allow to be parked, commercial vehicles and equipment within any portion of the Community to facility maintenance, repairs, replacement and general operation of the Community.

**9. Resale/HOA Office.** Notwithstanding anything contained within these CC&Rs to the contrary, a resale office shall be allowed to be maintained on Lot 34 of Tract 3017 for the purpose of sale and rental of Homes within or outside of the Community. This property also consists of the HOA Office. Any prohibition of business and commercial uses within these CC&Rs shall not apply to the operation and intended usage of the Resale or HOA offices.

## **ARTICLE 6 – REPAIR, REPLACEMENT AND MAINTENANCE**

**1. General.** The HOA and all Owners have a shared responsibility to fulfill the maintenance, repair and replacement requirements imposed by the Governing Documents. Maintenance shall include without limitation, painting, weatherproofing and cleaning to keep a clean, safe and sanitary condition necessary to preserve the attractive appearance of each Home and the Community and protect the values thereof. The Board shall have the power to determine the standards of such maintenance, repair and replacement. Attached hereto as Exhibit “E”, and incorporated herein by reference, is a listing of the allocation of responsibility for maintenance, repair and replacement of the various components in the Community (Maintenance Matrix). In the event of any inconsistency between the general provisions of this Article and the specific provisions of the Maintenance Matrix, the Maintenance Matrix shall prevail. Provided any item is not listed in the Maintenance Matrix, the responsibility for its maintenance, repair and replacement shall be determined in accordance with the provisions of this Article and, if no such allocation is made by this Article, then as otherwise provided by statute or law. Except as otherwise provided in the Governing Documents, the costs of maintenance, repair and replacement shall be borne by the party responsible for the maintenance, repair and replacement as specified in the Maintenance Matrix, the CC&Rs or the law in that order.

**2. Failure To Maintain, Repair Or Replace.** In the event a Member fails to maintain or repair or replace the components described in the Maintenance Matrix pursuant to the standards set by the Board, the Board may notify the Member of the work required and request that the same be done within a reasonable time from the giving of such Notice. In the event the Member fails to carry out such maintenance within said time period, the Board may, following notice and a hearing, cause such work to be done and the cost thereof shall immediately be paid by such Member to the HOA and until paid shall bear interest at the rate of 12% per annum (but no greater than the maximum rate authorized by law).

**3. Maintenance, Repair Or Replacement By Member.** Except as specifically allocated as a



maintenance, repair or replacement responsibility of the HOA pursuant to the Maintenance Matrix, each Member shall be responsible for the maintenance, repair and replacement of those items allocated to the Members pursuant to the Maintenance Matrix or, if there is no such allocation in the Maintenance Matrix, all portions of the Home as well as the Exclusive Use Common Areas (as those terms and responsibilities are defined herein or by Civil Code Sections 4145 and 4775) in a clean manner, consistent with the surrounding Community, and to ensure that such area does not pose a threat to the health, safety or welfare of other Members. The replacement of exterior items shall be subject to the requirements of Article 7 herein.

**4.Maintenance, Repair Or Replacement By Association.** Except as specifically allocated as a maintenance, repair or replacement responsibility of the Member pursuant to the Maintenance Matrix, the HOA shall be responsible for the maintenance, repair and replacement of those items allocated to the HOA pursuant to the Maintenance Matrix or, if there is no such allocation in the Maintenance Matrix, all Common Area and Common Facility(ies) items which do not constitute Exclusive Use Common Area under these CC&Rs or under Civil Code Sections 4145 and 4775, including the following:

4.1.All Common Area pools, spas and related facilities.

4.2.All gates, private streets, buildings located within the Common Area which do not contain Homes, as well as all furnishings, equipment and property which is owned by or may be acquired by the HOA.

4.3.Except for landscaping located within the Exclusive Use Common Areas, all Common Area landscaping, including trees, shrubs, lawns, drainage facilities, fountains and other items, if any.

4.4.All common utility lines and services not otherwise maintained by a utility company; provided, however, that all utilities designed to serve 10 Homes or less but located outside the boundaries of said Homes are allocated exclusively to those particular Homes and are to be maintained by those Members.

4.5.The maintenance and repair of all Common Area pavement, whether concrete, asphalt or otherwise, and all unassigned parking areas.

4.6.The Clubhouse and all Improvements associated therewith, including the Clubhouse, golf course, tennis courts, etc. and except as specified in any agreement or document regarding those Improvements, including the Rules and Golf Rules.

4.7.The roof systems, down to the plywood deck, and including the plywood, if required pursuant to the input of the roofing contractor who shall be licensed and insured and who shall be determined by the Board, for the Condo Buildings located within the Condominium Roof Cost Centers.

4.8.All areas of the balcony which need maintenance, repairs or replacement to prevent water intrusion into a Condo Building; the costs of such maintenance, repairs or replacement shall be



considered part of the Condominium Roof Cost Center allocated to the Owners within each respective Condo Building, except for damage caused by a Culpable Owner as discussed below.

**5. Termite Control.** The responsibility for control of wood destroying pests or organisms shall be as follows:

5.1. Notwithstanding the means by which termites have entered a Member's Home (i.e., regardless whether they are subterranean or otherwise), each Member shall be responsible for the maintenance, repair and replacement of his Home, as well as improvements and betterments within the Home (eg., floor tile, wall treatments, carpet, mirrors), as required to control the presence of or damage caused by wood-destroying pests or organisms or maintenance, repairs or replacement for same.

5.2. The HOA shall be responsible for the cost of termite treatment by the pest control company as to the Common Area and Common Facilities, and as more thoroughly set out in the Maintenance Matrix. The responsibility for the cost to repair or replace any item which has been damaged by the presence of wood-destroying pests or organisms and/or which requires repair or replacement because of the access needed to facilitate termite treatment (hereinafter "termite damage and repair costs") shall be allocated as set forth herein. HOA shall be responsible for the payment of termite damage and repair or replacement costs related only to those items allocated as HOA's maintenance responsibility in the Maintenance Matrix. Similarly, the Owner shall be responsible for the payment of termite damage and repair or replacement costs related only to those items allocated as Member's maintenance responsibility in the Maintenance Matrix. The Board shall have the power to levy a Reimbursement Assessment against any Member and his Home upon failure to pay the HOA any costs of said Member's allocable share of costs and expenses attendant for the termite control.

5.3. The HOA shall have the power to temporarily remove any Occupant for such periods and at such times as may be necessary for prompt, effective treatment of such pests or organisms, and including any maintenance, repair or replacement. The costs of any temporary relocation during such maintenance, repair or replacement shall be paid by the Member affected. HOA shall give notice of the need to temporarily vacate a Home to the record Owners and Occupants not less than 15 days nor more than 30 days prior to the date of the temporary relocation. The notice shall state the reason for the relocation, the date and time of the beginning of treatment, maintenance, repair or replacement and the anticipated date and time of termination of treatment, maintenance, repair or replacement and that the Occupants will be responsible for all necessary accommodations during the relocation.

5.4. Neither the HOA, Board, officers, agents nor employees shall have any liability, absent willful or wanton negligence, to any Member, family member, guest, invitee or tenant for any damage caused by the treatment, maintenance, repair or replacement.

5.5. The costs and expenses of all termite inspections requested by the HOA shall be paid by the HOA. (This shall relate only to the cost of inspection and not to the cost/expenses of any maintenance, repair, replacement or treatment recommended by any such inspection, which costs shall be allocated in accordance with the above). If any Member requests a termite inspection for his



Home, the cost of said inspection shall be paid by the Member and the costs for any maintenance, repair, replacement or treatment shall be allocated in accordance with the above. Notwithstanding anything else herein, in the event that a Member wishes to obtain a termite clearance certificate for any purpose, the Member shall be solely responsible for the cost of the inspection and certificate.

**6. Damage Caused By Member Or Item Under Control Of Member.** Should any damage to the Community result from the conduct of any Member, or such Member's tenants, guests, invitees, pets or other person or entity deriving any interest through such Member, or from any item the maintenance, repair or replacement of which a Member is responsible, the cost of all maintenance, repairs or replacement shall be borne solely by the Culpable Member.

The HOA shall be responsible for performing the maintenance, repair or replacement of any damage to the Common Area or items over which the HOA has control at the culpable Member's expense. The Culpable Member shall be responsible for performing the maintenance, repair or replacement of any damage to his Home and/or Exclusive Use Common Area for which such Member has maintenance, repair or replacement responsibility. The Owner of any other Home which sustained damage due to that maintenance, repair or replacement shall be responsible for performing the repair of any such damage due to that maintenance, repair or replacement, and may charge the cost thereof to the Culpable Member.

If the Culpable Member disputes or refuses to pay the costs of maintenance, repair or replacement, the HOA, after reasonable notice and hearing procedures as provided for the imposition of Enforcement Assessments or suspension of privileges, may charge the cost of such maintenance, repair or replacement to such Member as a Reimbursement or Special Assessment, with the full authority to lien on such amount in the event of non-payment. If the damage or costs of such maintenance, repair or replacement is such as may be covered by any insurance carried by the HOA, the Board may, in its sole discretion, elect to submit the claim for the cost of same to the HOA's insurance carrier. Provided the submitted claim is covered by the HOA's insurance, the Culpable Member shall be responsible for the cost of any deductible applicable to the covered claim. If the submitted claim is not covered by the HOA's insurance, the Culpable Member shall be responsible for the total cost.

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

## **7. Water Intrusion Damage/Mold And Mildew.**

7.1. Notwithstanding any other provision in the Governing Documents, each Member shall be solely responsible for causing the maintenance, repair or replacement of any damage (including but not limited to mold remediation and rehabilitation) to any and all interior items of his Home, and the cost thereof, including, but not limited to, any personal property, decorations, interior surfaces, floor and wall coverings, appliances, fixtures or other items therein, caused by water intrusion from whatever source. HOA shall only be responsible for repair or replacement of the roof system down

to the plywood deck and including the plywood if required pursuant to the input from the roofing contractor retained by the HOA of the two story Condo Buildings and the carport structure as specified in the Maintenance Matrix, as well as for repair of any leaks to said roof systems promptly upon receiving notice from a Member, and which cost shall be billed to the Owner pursuant to the Condo Cost Center assessment discussed herein. HOA shall not be liable for damage to personal property, wall coverings, floor treatment or any other fixtures or furnishings within the interior of the Home or an enclosed carport or garage resulting from water which may leak or flow from outside of any Home or from any part of a building, or from any pipes, drains, conduits, appliances or equipment or from any other place or cause, unless caused by the gross negligence of the HOA, Board, officers, agents or employees. Similarly, each Member shall be responsible for the repair and/or replacement of any damage caused to the Home adjacent to said Member's Home by water intrusion emanating from the Member's Home.

7.2. It is hereby acknowledged that the irrigation system for the Common Areas and/or Common Facilities maintained, repaired or replaced by the HOA has overspray which may overflow to those areas which could impact windows, sliding doors, front entry doors as well as all components of the windows and those doors, and other glass surfaces of a Home (glass components). Nevertheless, any maintenance, repair or replacement of such glass components which is caused by such overspray shall be the responsibility of the Owner.

7.3. The responsibility for the cost to maintain, repair or replace any item which has been damaged or requires maintenance, repair or replacement because of the access needed to facilitate maintenance, repairs or replacement to water pipes or irrigation systems underneath the slab, including the slab itself, shall be the responsibility of the Owner of the Home in which said maintenance, repairs or replacement are necessitated and the HOA shall have no responsibility for said maintenance, repair or replacement cost. If a leak occurs and the Member must perform any maintenance, repair or replacement which will require access to another Member's slab, the Member with the leak occurrence is responsible for that maintenance, repair or replacement of the other Member's slab.

**8. Golf Course Proximity.** Due to the proximity of the Homes to the golf course, every Member and their family, tenants, guests, invitees, servants, agents and employees shall be responsible for any risk of damage, injury and disturbance from events and activities inherent in the maintenance, repair, replacement and use of the golf course, including, but not limited to, the flight and impact of golf balls, as well as overspray of herbicides, fungicides, pesticides, fertilizers and water (Sprays) over portions of the golf course, provided that the use of such Sprays conform to their recommended specifications and do not violate any applicable environmental laws. HOA, Board, employees, agents or representatives shall not be liable to any Member or their family, tenants, guests, invitees, servants, agents or employees for any personal injury or property damage resulting from any such events or activities emanating from the golf course or through use by those persons of the golf paths or cart trails. Persons using the golf paths or cart trails to do at their own risk and neither the HOA, Board, employees, agents or representatives shall be liable to any Person for any personal injury or property damage resulting from such usage.



Each Member, by accepting a deed or assignment to a Home, expressly acknowledges that the proximity of the Member's Home to the golf course creates a risk of personal injury and property damage as a result of contact with one or more golf balls originating from the golf course. Each Member assumes the risk of such personal injury or property damage and waives and agrees not to make any claim or sue the HOA, Board, employees, agents or representatives, or the other Members, based on or arising from any personal injury or property damage caused by contact with one or more golf balls originating from the golf course, or from any use of the golf paths or cart trails by the Owner or his family, tenants, guests, invitees, servants, agents or employees, including but not limited to, any theory of recovery based on design defects, concealment of the risk, or negligence. Each Member shall warn any tenant, family member, guest, invitee or licensee entering the Member's Home or using the Common Area or Common Facilities (including but not limited to the golf course, golf paths or cart trails) of the dangers and risks of personal injury or property damage as a result of the Community's proximity to the golf course and shall indemnify and hold harmless the HOA, Board, employees, agents or representatives, or the other Members from and against any claim or action brought by the Member's tenant, family member, guest, invitee, or licensee who is injured or whose property is damaged by contact with one or more golf balls originating from the golf course or from any use of the golf paths or cart trails by those persons. These provisions shall extend to any persons taking part in any golf events or tournaments.

## **ARTICLE 7 - ARCHITECTURAL AND DESIGN & LANDSCAPE CONTROL**

**1.General.** Any change or improvement to the exterior of a Home, any exclusive use common area, or to the interior which affects the exterior of a Home or any alteration to internal walls that may impact the structural integrity of the outer walls or roofs, or any mechanical or service systems (HVAC systems, gas, water or electrical pipes or wires, etc.), or the structural integrity of any building, as well as any changes, additions, deletions or maintenance, repair or replacement of landscaping, including irrigation systems, shall be governed by this Article. Changes or improvements to the Common Area by the HOA do not need to comply with the requirements of this Article. The powers and duties set forth in this Article shall be vested in, and exercised by, the Board or, if so designated, the Architectural Review Committee (ARC) or Landscape Review Committee (LRC), as appropriate. The Board may establish an ARC and LRC to assist the Board in reviewing architectural and landscaping submittals, and to provide recommendations to the Board with regard to approval or disapproval of any submittal, as well as to assist the Board in formulating Architectural Rules and Landscape Rules. The foregoing notwithstanding, if the Board has delegated architectural or landscaping review to the ARC or LRC, the ARC or LRC, as appropriate, shall be responsible for approving or rejecting any architectural or landscaping submittal in conformance with the Architectural Rules (ARs) or Landscaping Rules (LRs), as appropriate. Any architectural or landscaping submission which does not conform to and is a variance of the ARs or LRs, as appropriate, shall require approval by the Board. The Board retains the right to review any approval or denial by the ARC and LRC and to alter or reverse that approval or denial.

**2.Architectural Or Landscaping Changes Not Requiring Prior Approval.** Nothing contained herein shall be construed to limit the right of a Member to (1) paint the interior of his Home any color desired and make minor repairs to the exterior of the Home; (2) improve or alter any



improvements within the interior of the Home, provided such improvement or alteration is in accordance with the ARs, and does not impair or alter the Common Area or Common Facilities, any utilities, or other systems servicing the Common Area or Common Facilities or other Homes; or (3) landscape within the enclosed courtyards required to be maintained, repaired and replaced by the Member provided it is consistent with landscape rules contained within the LRs adopted by the Board in compliance with the requirements of Civil Code Section 4360 and provided such landscaping does not impair or alter the Common Area, Common Facilities, any utilities, or other systems servicing the Common Area or Common Facilities or other Homes. Because of the historical significance of the Community within the City of Palm Springs, Members are reminded of the importance of retaining the "7 Lakes tan" color throughout the exterior of the Home, including stucco, fascia, vents, etc.

**3. Architectural Or Landscaping Changes Requiring Prior Approval.** Nothing may be erected, placed or planted on the exterior of any Home, or on the Common Area, including Exclusive Use Common Area, by any Member, including any building, fence, wall, pool, spa, obstruction, outside or exterior wiring, balcony, screen, patio, patio cover, tent, awning, atrium cover, courtyard cover, trellis, tree, grass, shrub or other landscaping, any improvement or structure of any kind without the prior written approval of the Board or the ARC or LRC, as appropriate, if such authority is so delegated. Modifications to the interior of Homes which have the potential to affect any Common Area walls, roofs or other areas, including Condo Roofs, also shall require HOA approval. Additionally, prior written ARC or LRC and/or, if appropriate, Board approval shall be required for any alteration, modification, painting or other change or addition to any existing exterior improvement. Any alteration, modification, or other change or addition to existing landscaping may require the approval of the LRC and Members should contact the General Manager regarding landscaping requirements.

**4. Procedure For Obtaining Approval Of Architectural Or Landscaping Changes.** The procedure for obtaining approval of any architectural or Landscaping change shall be as contained in the ARs or LRs, as appropriate.

**5. Architectural Rules/ARs and Landscaping Rules/LRs.** The Board may, in compliance with Civil Code Section 4360, adopt, amend and repeal, as it deems necessary and by majority vote, rules and regulations to be known as Architectural Rules (ARs) and Landscaping Rules (LRs). Said ARs and LRs shall interpret and implement the provisions of this Article by setting forth the standards for review by the Board and ARC and LRC and for architectural and landscaping design, placement of buildings, landscaping, color schemes, exterior finishes and materials and similar features which are recommended for use in the Community; provided, however, that said ARs and LRs shall not be in derogation of the standards required by these CC&Rs. The ARs and LRs may also address the information which is required to be presented in connection with an application. Until such time as the Board has adopted new Landscaping Rules, and such rules contained within the Architectural Rules or the previous CC&Rs shall control.

**6. Variances From Architectural Or Landscaping Rules.** Upon application by a Member, the Board may grant variances from the requirements of the ARs or LRs provided that such variance is





reasonably necessary in order to carry out the general purpose and intent of the ARs or LRs, or is necessary to avoid extensive hardship, expense or impossibility of conformance. Any variance shall be in writing and shall not constitute a waiver of any of the ARs or LRs or hinder the enforcement thereof.

**7. Architectural Review Committee/ARC and Landscape Review Committee/LRC .** If so designated by the Board, the Architectural Review Committee (ARC) and Landscape Review Committee (LRC) shall each consist of 3 to 7 members (as long as the committee is composed of an unequal number of persons) and consisting of at least 2 Board members but the Board members may not constitute a majority of the Board or ARC or LRC unless the Board acts as the ARC or LRC, and formed as follows:

7.1. The Board shall have the right and the duty to appoint all of the members of the ARC and LRC.

7.2. ARC and LRC members appointed by the Board must be Members of the HOA and must not have their Home listed for sale or be in escrow for such sale at the time of appointment. Once appointed, if the ARC or LRC member's Home is listed for sale or goes into escrow, that ARC or LRC member must immediately resign from the ARC or LRC.

7.3. ARC and LRC members shall be appointed for terms as prescribed by the Board; provided that no term may be less than one year. Notwithstanding the foregoing, any or all ARC and LRC members may be removed by the Board at any time with or without cause and including, but not limited to, that ARC or LRC member's Home becoming listed for sale or going into escrow.

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

7.5. The ARC's or LRC's approval or disapproval of matters required by these CC&Rs and the ARs and LRs must be decided by a majority vote of the ARC or LRC members. If the ARC or LRC determines to take action through written consent, at least a majority of the entire ARC or LRC shall be required to execute the written consent before the ARC's or LRC's decision shall be effective.

**8. Compensation.** The members of the Board and ARC and LRC shall receive no compensation for services rendered, other than reimbursement by the HOA for expenses incurred by them in the performance of their duties hereunder, and upon presentation of invoices documenting same.

**9. Liability.** Neither the Board, the ARC, the LRC, nor any member thereof shall be liable to the HOA or to any Member for any damage, loss or prejudice suffered or claimed on account of: (a) the approval or disapproval of any plans, drawings and specifications, whether or not defective, (b) the construction or performance of any work, whether or not pursuant to approved plans, drawings, and specifications, and (c) the development of any property within the Community.

**10. Enforcement.** In addition to other enforcement remedies set forth herein or in the ARs or LRs or other Rules or other Governing Documents and in compliance with the Civil Code, the Board or



ARC or LRC shall have enforcement rights with respect to any matters required to be submitted to and approved by it, and may enforce such architectural or landscaping control by any proceeding at law or in equity in accordance.

**11.Non-Compliance with Laws.** Neither the HOA, the Board nor the ARC nor the LRC or any members thereof shall be responsible for any non-compliance with any governmental law, rule or regulation of any landscaping or building or other structure erected, constructed, installed, placed, altered or maintained in accordance with or pursuant to any application, plans or specifications approved by the ARC or LRC and/or Board or any defect in any conditions or requirements they may have imposed with respect thereto.

**12.Approval By City.** Prior to commencing any alteration or improvements approved by the HOA, the Member shall comply with all appropriate governmental laws, regulations and requirements, such as permits, etc. The HOA shall not be obligated to enforce the provisions of this Section. Approval by the HOA shall not be considered to satisfy the appropriate approvals that may be required by any governmental entity with appropriate jurisdiction, nor shall the approval of any governmental entity be considered to completely satisfy the requirement of HOA approval. A Member's failure to obtain such governmental approval may subject such Member to certain penalties imposed by the governmental entity, notwithstanding the approval of the HOA, which penalties shall be the responsibility of such Member.

## ARTICLE 8 - PARTY WALLS

Wherever a common wall (which includes any common slab, ceiling or floor) divides 2 Homes, the Owners of both Homes shall equally have the right to the use of such common component (Party Wall), and the same shall be considered to adjoin and abut against the surface from the bottom of the foundation over the full length and height of each such building. Each Owner shall exercise his right of use so as not to interfere with the use and enjoyment of the Party Wall (including any common slab, ceiling or floor) by the other Owners.

A Party Wall (including any common slab, ceiling or floor) is erected for the benefit of the Homes on either side of the center line of such wall (or common slab, ceiling or floor), and each Member shall have the use of and shall maintain, repair and replace that portion of such Party Wall (including any common slab, ceiling or floor) within the boundaries of his Home in good order and repair at all times. No Party Wall (including any common slab, ceiling or floor), its footing or any portion thereof shall be removed, damaged, injured or destroyed nor shall the same be altered, added to, enlarged or extended, except only for the purpose of maintaining, repairing or replacing the same unless the Owner of both Homes served by said wall (or common slab, ceiling or floor) shall agree in writing to such alteration, addition, enlargement, or extension, and the same shall be approved by the ARC or Board.

Water pipes, electrical conduits, gas lines, telephone wires and cable television leads serving adjoining Homes may be located within the Party Wall (or common slab, ceiling or floor) separating such structures. The Owner of such Home shall have an easement for the use of such facilities



within the Party Wall (including any common slab, ceiling or floor).

Except as provided in the Maintenance Matrix, should any party wall or the utility service facilities within such wall (including any common slab, ceiling or floor) be damaged, destroyed, or fall into disrepair, the Owners of the Homes on either side thereof shall immediately re-erect or repair or replace the same at their joint expense, except that if such damage or destruction is caused by the negligent or intentional act of either Owner, he shall bear the expense of such re-erection or repair or replacement. All Party Wall (including any common slab, ceiling or floor) maintenance, repairs or replacement shall be done in a workman like manner using good, new materials of a like kind and quality to that of the wall (or common slab, ceiling or floor) being maintained, re-erected or repaired or replaced, and in all ways complying with applicable building codes and the standards of the industry. Party walls (including common slabs, ceiling or floors) shall be open to inspection upon the request of both Owners and at the request of either Owner and each Owner must agree to such inspection upon timely notice.

## ARTICLE 9 – INSURANCE

**1. Property Insurance.** The HOA shall obtain and maintain a master or blanket property insurance policy that shall provide coverage against losses caused by fire and all other hazards normally covered by a "special form" policy or its equivalent for the full insurable replacement value of all of the buildings containing the Homes, as well as all other improvements within the Common Area and Common Facilities (Master Property Insurance). The Master Property Insurance shall be, at a minimum, a "bare walls policy," provided, however, that the HOA has the right, but not the obligation, to include within the Master Property Insurance additional items, such as floor and wall treatments, cabinets, built-in appliances and other fixtures. The amount of any deductible shall be determined by the Board. This insurance shall be maintained for the benefit of the HOA, the Owners, and their Mortgagees, as their interests may appear as named insured, subject, however, to any loss payment requirements set forth herein. If required by any First Mortgagee who notifies the HOA in writing of its requirement, and if economically feasible and available, such policies shall contain an agreed amount endorsement, an inflation guard endorsement, and a construction code endorsement.

**2. General Liability Insurance.** The HOA shall obtain and maintain a policy or policies insuring the HOA, its officers, directors, agents and employees, the Members, and the Member's invitees, guests, employees, and their agents against any liability for bodily injury, death, and property damage arising from the activities of the HOA and its Members, with respect to the Common Area, Common Facilities and any property owned by the HOA, including but not limited to General Liability insurance. Limits of liability under the insurance shall not be less than \$3,000,000.00 or the minimum required in Civil Code Section 5805 covering all claims for death, personal injury, and property damage arising out of a single occurrence. The limits and coverage shall be reviewed at least annually by the Board and increased or decreased in its discretion. Such policies shall include a provision for at least 10 days' prior written notice to the HOA, and to each First Mortgagee which is listed as a scheduled holder of a First Mortgage in the insurance policy, of any cancellation or substantial modification.



**3.Directors And Officers Liability Insurance.** The HOA shall obtain and maintain one or more policies of insurance which include coverage for individual liability of officers, directors and committee members of the HOA for negligent acts or omissions of those persons acting in their capacity as officers, directors or committee members. Such coverage may, at the discretion of the Board, include spouses or partners of those officers, directors and committee members. Limits of liability under this insurance shall be determined by the Board at its sole discretion, provided, however, that said limits shall not be less than \$2,000,000.00.

**4.Fidelity Bond Coverage.** The HOA shall also purchase and maintain fidelity bond coverage which names the HOA as an obligee, for any person or entity handling funds of the HOA, whether or not such persons or entities are compensated for their services. If there is a management agent who handles HOA funds, such agent shall also be covered by a fidelity bond. As long as commercially available for a reasonable price, the HOA should require coverage equal to the amount of three times the assessments plus the amount in reserves. The bonds must contain a provision that they may not be canceled or substantially modified without at least ten 10 days prior written notice to the HOA.

**5.Other Association Insurance** The HOA shall purchase and maintain workers' compensation insurance to the extent necessary to comply with any applicable laws, or at the discretion of the Board. The HOA also may purchase and maintain a blanket policy of flood insurance, and demolition insurance in an amount that is sufficient to cover any demolition that occurs following the total or partial destruction of the Community and a decision not to rebuild. The HOA may purchase such other insurance the Board considers necessary or advisable, including earthquake insurance coverage. The HOA shall have the authority, but not the obligation, to obtain earthquake insurance coverage for the Homes. Any earthquake insurance coverage provided shall be in an amount recommended by one or more reputable insurance brokers or consultants. Additionally, the Board must have the prior approval of a majority of a quorum of the Members before choosing to cancel or not renew any existing earthquake insurance policy for the Homes. For these purposes, a majority is 50% of the Members plus 1.

**6.Qualifications Of Insurance Carriers.** All insurance provided under this Article must be written by an insurance carrier which meets the FNMA requirements for a "Best's Insurance Rating".

**7.Failure To Acquire Insurance.** The HOA, and its directors and officers, shall have no liability to any Member or Mortgagee if, after a good faith effort, it is unable to obtain any insurance required hereunder, because the insurance is no longer available or, if available, can be obtained only at a cost that the Board in its sole discretion determines is unreasonable under the circumstances, or the Members fail to approve any assessment increase needed to fund the insurance premiums. In such event, the Board immediately shall notify each Member entitled to notice that the specific insurance will not be obtained or renewed and in compliance with Civil Code Section 5810.



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

**9.Individual Insurance.** A Member must separately insure his real and personal property, and must obtain and maintain personal liability and property damage liability insurance for his Home and that insurance must contain a waiver of subrogation rights by the carrier as to the other Members, the HOA, and the institutional First Mortgagee of the Member's Home. Each Member is responsible for integrating his personal insurance with the HOA's insurance to confirm that such Member's property will be protected in the event of a loss.

**10. Insurance Premiums.** Insurance premiums for any insurance coverage obtained by the HOA shall be included in the Regular or Special assessments. That portion of the assessments necessary for the required insurance premiums shall be used solely for the payment of the premiums when due.

**11. Insurance Policy Deductibles.** As provided in this Article, the Board shall have the power, in its discretion, to determine the amount of any deductible applicable to any insurance policy carried by the HOA. In the event of a loss for which HOA insurance coverage is used, the responsibility for payment of any deductible shall be as follows:

11.1. Members shall be responsible for the cost of any deductible if the damage or loss occurs to an item of his personal property, or for any property damage which is based upon an occurrence located in an area for which the Member is responsible to maintain, repair or replace.

11.2. The HOA shall be responsible for the cost of any deductible if the damage or loss occurs to any item owned by the HOA, or for any property damage which is based upon an occurrence located in an area for which the HOA is responsible to maintain, repair or replace or has agreed to maintain, repair or replace.

11.3. The foregoing notwithstanding, if the damage or loss is caused by the negligence or misconduct of any Member, or resident, guest, tenant or invitee of a Member, the responsible Member shall be liable for the cost of the deductible.

**12.Owner Notification Of Insurance.** In accordance with Civil Code Section 5300, the HOA shall, upon issuance or renewal of insurance, but no less than annually, notify the Members as to the amount and type of insurance carried by the HOA. The notice shall include a statement regarding whether the HOA is or is not insured to the levels specified by Civil Code Section 5805, and that if not so insured, Members may be individually liable for the entire amount of a judgment, and if the



HOA is insured to the levels specified, then Members may be individually liable only for their proportional share of assessments levied to pay the amount of any judgment which exceeds the limits of the HOA's insurance. The HOA shall be required to comply with the provisions of this Section to the extent it is required by Civil Code Section 5300.

## ARTICLE 10 - THE CLUBHOUSE

In 2014, based upon the vote of the HOA and Country Club members, the nonprofit corporation known as "Seven Lakes Country Club", which previously was the controlling corporation for the Clubhouse, was dissolved. That Clubhouse and all components and fixtures, etc. thereof was controlled, managed and merged into the operation of the HOA and overseen by the HOA Board of Governors, subject to a Management Agreement. The Club previously was also subject to a set of Bylaws which are incorporated, restated and/or amended in part, in these CC&Rs or in the HOA's Restated Bylaws, or Rules, as the case may be and the Club will henceforth also be subject to Rules for that Club, which are contained in the HOA Rules and Regulations. In 2013, the HOA trademarked the emblem for the Club consisting of a blue shield with gold border and topped with a gold crown with a gold scroll below. The shield bears the gold numeral "7" and the scroll has the word "Lakes" in blue. The trademarked emblem may only be used with written permission of the HOA. In 2013, the HOA filed a DBA with the Riverside County Recorder, for the name Seven Lakes Golf & Country Club.

For purposes herein, the Clubhouse consists of the following amenities: the Clubhouse and the golf course. For purposes of this Article, Clubhouse privileges/usage means the limited use of the dining room, bar and library contained within the Clubhouse.

**1. Resident Social Membership.** Resident Social Membership is the social membership in the Country Club which is provided to the sublease or fee simple estate Owner of a Home within the Community and who is also a Member of the HOA, and as further defined in Article 1 herein.

1.1. Each and every sublease or fee simple estate for a Home within the Community shall have one Resident Social Membership. The Owner(s) who acquires recorded title, legal or equitable, to a Home within the Community shall, as a consequence of becoming a record Owner(s), automatically receive a Resident Social Membership in the Clubhouse; provided, however, that such Resident Social Membership is not intended to apply to those persons or entities who hold only an interest in a Home merely as security for the performance and obligation to pay money, *i.e.*, mortgages, deeds of trust, or real estate contract purchases. It is the intent of all Members within the Community that the Clubhouse, golf course and all components thereof, be maintained in a first class condition, similar to other country clubs, golf courses and all components thereof within the Coachella Valley. It is the further intent of all Members that they recognize that the value of their own Home is specifically dependent upon the continued maintenance, repair and upkeep, including replacement, of the Clubhouse, golf course and all components thereof. Accordingly, it is the intent of the Members that a portion of the cost to provide for the maintenance, repair, replacement and upkeep of the Clubhouse, golf course and all components thereof is allocated to the Social Membership for Resident and Non Resident Social Members, Annual or Non Resident Golf



membership as set forth herein and in Article 1 above and to resident and Non Resident Social Members and Annual or Non Resident Golf memberships as contained herein.

1.2.A Resident Social Membership shall have the benefits and enjoyment of all of the privileges of the Clubhouse except golf-playing privileges. Resident Social Members may play golf "by the round" and may sponsor guest so play golf at "by the round" pricing. In order to have golf-playing privileges, a Resident Social Member must also pay the applicable fees for Golf membership and golf-playing privileges, as well as comply with other limitations and requirements set forth in the Golf Rules. The benefits, enjoyment and privileges in the Clubhouse extended to Resident Social Members, Non Resident Social Members, Annual Golf Members or Non Resident Golf Members are subject to the Governing Documents.

## **2. Resident Social Membership Assessments.**

2.1. Resident Social Membership assessments shall be determined in accordance with the previous terms of the Management Agreement and were previously known as Basic Dues, subject to proportionate adjustment from time to time in accordance with changes in the Cost of Living Index. Basic Dues shall be payable monthly in advance. The Board, prior to the beginning of each fiscal year, shall estimate the adjustment to the Basic Dues to be made during the following year, based upon the Cost of Living Index, and Basic Dues payable during the following year shall be based upon such estimated adjustment. For the purposes of this paragraph, the term "Cost of Living Index" shall mean the United States Department of Labor, Bureau of Labor Statistics Consumer Price Index for Urban Wage Earners and Clerical Workers, All Items, Los Angeles - Long Beach - Anaheim area. If said index is not in existence at the time any computation is required to be made pursuant to this Article, the Board shall select such other index published by a governmental authority as shall be most similar thereto.

2.2. Each Member covenants for each Home owned, and each Member by acceptance of a sublease or fee simple estate to a Home, shall be deemed to covenant to pay the Basic Dues as provided herein. Any delinquent Basic Dues shall become a lien on the Home of a delinquent Owner(s) upon the recordation of a Notice of Assessment Lien as provided by Chapter 8 of the Davis-Stirling Common Interest Development Act, the Governing Documents (including the Collection Policy). Such lien for collection of delinquent Basic Dues may be enforced in the same manner and with the same rights and remedies provided to the HOA under Article 4 herein. Each Member shall be deemed to have assumed personal liability to the HOA for the payment of all Basic Dues.

2.3. In addition to all of the foregoing, each Member covenants for each Home to pay all fees and monetary obligations or charges that the Member has incurred with the Clubhouse (such as Food & Beverage Minimum) in connection with the Member's allowable use of the facilities and amenities, including but not limited to dining room charges, purchases at the Pro Shop, charges for golf-playing privileges, trail fees, etc. Any such monetary obligations owed by a Member, if not paid when due, shall be delinquent and can be enforced by a lien on the Home of the delinquent Member, which may be enforced by the HOA as provided in Article 4 herein. The amount of the Food &



Beverage minimum shall be as determined by the Board and as noticed to the Members and as discussed herein.

### **3. Protection Afforded To Resident Social Membership.**

3.1. The Board shall not have the right to increase Resident Social Membership assessments (invoiced as Social Dues) beyond the Cost of Living increase adjustments described above unless said Board obtains the approval of a majority of a quorum of Members to approve any such increase. For purposes of this section, a quorum is 50% of the Members plus 1.

**4. Non-Resident Social Membership.** The Board is permitted to issue up to fifty (50) Non-Resident Social Memberships each year. Non-Resident Social Members shall enjoy all the privileges of the Clubhouse, except sponsoring guests to play golf or use the Clubhouse. A Non-Resident Social Membership shall be permitted golf-playing privileges (but not the privilege to sponsor guests to play golf) only upon payment of the applicable fees for golf-playing privileges as determined from time to time by a majority vote of the Board or by paying the "by the round" golf fee. Non-Resident Social Memberships are not members of the HOA and do not have any voting privileges in the HOA. The dues and fees for Non-Resident Social Membership shall be determined from time to time by a majority vote of the Board. Non-Resident Social Memberships are not transferable.

**5. Life Social Members.** Life Social Members shall be exempt from all social dues (except golf playing privilege fees) and may enjoy all of the privileges of the Clubhouse activities. In order to play golf or sponsor guests to play golf, the Life Social Member must pay the applicable fees as paid by others with those privileges, and as determined by the Board. In the event the holder of such membership dies or becomes incapacitated, the membership may, upon application and determination of the Board, be transferred without fee to the surviving partner.

**6. Annual Golf Membership.** In order to have unlimited golf-playing privileges and ability to sponsor guests to play golf other than by paying "by the round" fees, a Resident Social Member must also pay the applicable fees for those privileges as an Annual Golf Member, as determined from time to time by a majority vote of the Board.

**7. Non Resident Golf Membership.** In order to have unlimited golf-playing privileges (but not the ability to sponsor guests to play golf), a Non-Resident Social Member must also pay the applicable fees for those golf privileges, as determined from time to time by a majority vote of the Board. These fees may be different than those of Resident or Non-Resident Social Members or Annual Golf members.

6.1 The Board is permitted to issue up to fifty (50) Non Resident Golf memberships per year. This Non Resident Golf membership, in addition to the above, will be charged the usual, annual golf privilege fees allocated to an Annual Golf member, plus an annual Clubhouse "user fee" to be determined by the Board, and which use may only be on the day when the Non Resident Golf member is an active participant in playing golf. This would apply to lunch and "happy hour" bar





servings but dining room privileges would only apply to scheduled, golf related dining events.

**8.Life Golf Memberships.** Life Golf Memberships shall enjoy all of the golfing privileges of the Clubhouse enjoyed by Annual Golf Members. In the event the holder of the Life Golf Membership dies or becomes incapacitated, the membership may, upon application to and determination by the Board, be transferred without fee to the surviving partner and the Life Golf Membership will then terminate upon the death of that partner. A Life Golf Member shall be exempt from the payment of golf playing dues only. A Life Golf Member shall be required to pay the Resident Social Membership assessment as provided herein.

**9.Honorary Memberships.** The Board may, by unanimous vote, confer an Honorary Membership upon any person or Member, who, in the opinion, of the Board, has performed outstanding service to the Clubhouse or HOA, or is otherwise worthy of such distinction. The terms, duration and conditions of each such membership shall be established by the Board and clearly stated in writing to the Honorary Member on the announcement of his selection as an Honorary Member. The Honorary Member shall pay no Resident Social Membership or Annual Golf Membership dues. Honorary Memberships are not transferable.

**10.Guest Privileges.** Subject to Guest Rules established by the Board, the Members listed above except as specifically excluded herein, may sponsor guests for the temporary use of all privileges of the Clubhouse. A sponsoring Member shall be liable as a guarantor for the account/any charges thereon and the conduct of any sponsored guests.

**11.Suspension Of Memberships Or Privileges.** The Board shall have the authority to suspend the membership of any Person, other than their HOA membership or Resident Social Memberships. The Board shall have the authority to suspend the privileges of any membership as cited herein, upon proper notice to any member whose membership is affected, for any violation of these CC&Rs and/or the Golf Rules or Rules or other Governing Documents, or for nonpayment of any financial amounts due to the HOA, including but not limited to Food and Beverage Minimum charges, assessments, dues, Clubhouse charges, pro shop charges, etc. Any member whose membership privileges shall be affected shall be given at least twenty (20) days' notice of the Board meeting at which the suspension is to be discussed, along with the specific reasons for that suspension of privileges. The member may have the right to be heard in his defense. The maximum period of suspension for a single infraction shall be thirty (30) days; however, the suspension may be continuous for a continuing financial infraction such as non-payment of assessments or charges. Regardless of any such suspension, the member shall be responsible for the amount of the Resident Social Membership assessments and the Food and Beverage Minimum Charge and the HOA may effectuate a lien against a Member's Home for that non-payment and take appropriate legal action against any non-Member for that non-payment.

**12.Membership Cards.** The HOA may issue cards or other identification devices to any class of memberships to assure proper control and identification of those memberships/persons. In any event, a roster of all classes of memberships shall be kept current by the HOA to effectuate proper identification and control of those memberships/persons.



**13. Golf Activities Committee.** The Golf Activities Committee shall consist, as a minimum, of at least one member of the Board, a Men's Club President and a Women's Club President, all of whom shall be appointed by the Board and who shall serve a one-year term. The principal responsibility of the Committee shall be to develop and coordinate comprehensive programs of golfing activities. The Committee shall have such other duties as may from time to time be assigned to it by the Board.

**14. Gifts And Donations.** All gifts and donations to the HOA shall require official acceptance by resolution of the Board. Other gifts or donations will not be recognized. All gifts and donations become the property of the HOA and shall be subject to usage, future usage, and/or removal at the Board's discretion.

**15. Tips And Gratuities.** The Board may prescribe rules governing the payment of gratuities to employees by any class of Member, and the Board shall determine the amount of service charges, if any, which those members shall pay in lieu of gratuities.

## **ARTICLE 11 - DAMAGE OR DESTRUCTION**

**1. Duty To Restore.** Except as indicated in Section 12.4, a portion of the Community for which insurance carried by the HOA is in effect, that is damaged or destroyed, must be repaired or replaced promptly by the HOA unless:

1.1. The Community is terminated.

1.2. Repair or replacement would be illegal under a state statute or municipal ordinance.

1.3. 75% of Members vote not to rebuild.

**2. Cost Of Repair/Replacement.** Except as indicated in Section 12.4, as well as any repair or replacement of any roof system as identified herein on a Condo Building subject to a Condominium Roof Cost Center, any cost of repair or replacement in excess of insurance proceeds from the HOA's Master Property Insurance shall be a common expense, levied as a special assessment against Homes in the same proportion as Regular Assessments are levied. Costs to repair or replace any roof system as identified herein on a Condo Building shall be levied as a Special Assessment and allocated to the Owners of the Homes within the Condo Building in the same manner as any costs and expenses incurred related to the Condominium Roof Cost Center for that particular Condo Building. Enforcement of those assessments shall be in accordance with Article 4 herein.

**3. Repair/Replacement/Restoration Plans.** The Community must be repaired, replaced and restored in accordance with either (a) the original plans and specifications, updated as required to reflect applicable building codes, or (b) other plans and specifications which have been approved in writing by the Board and a majority of Members, and at least 51% of Eligible Mortgagees holding Mortgages on Homes subject to the repair, replacement or restoration. For these purposes a



majority is 50% of the Members plus 1.

**4.Damage To Owner Maintained Areas.** Any damage to the interior of any individual Home, including, without limitation, all fixtures, cabinets and improvements therein, together with restoration and repair or replacement of all interior paint, wall coverings and floor coverings, shall be made by and at the individual expense of the Owner of the Home so damaged. To the extent that the HOA's Master Property Insurance provides coverage for such interior damage, the HOA shall remit a check to the Owner of the Home and/or lien-holder to facilitate said repairs upon receipt of such monies from the HOA's insurance carrier. Unless there is a determination not to rebuild the Community after the casualty losses as provided in Section 12.1, such interior repair and replacement or restoration shall be commenced within 3 months after the damage occurs and shall be completed within 9 months after damage occurs, unless prevented by causes beyond the Owner of the Home's reasonable control. Such restoration work shall be completed in a workmanlike manner and in accordance with plans approved by the ARC and/or Board.

**5.Replacement Of Less Than Entire Community.**

5.1.The insurance proceeds attributable to the damaged Common Area or Common Facilities shall be used to restore the damaged area to a condition compatible with the remainder of the Community.

5.2.Except to the extent that other persons or entities will be distributees;

a)The insurance proceeds attributable to a Home and Exclusive Use Common Area that are not rebuilt must be distributed to the Owner of that Home and the Owner of the Home to which the Exclusive Use Common Area is appurtenant, or to lien holders.

b)The remainder of the proceeds must be distributed to each Member or lien holder, as their interests may appear, in proportion to the interests of all the Homes.

c)If the Members vote not to rebuild a Home, the common interest portions of the Home shall be reallocated among all other Homes, and the HOA shall prepare, execute and record an amendment to these CC&Rs reflecting the reallocations.

**6.Minor Repair/Reconstruction/Replacement.** The Board shall have the duty to repair and reconstruct or replace all Common Areas and Common Facilities without the consent of Members and regardless of the amount of available insurance proceeds, in all cases of partial destruction when the estimated cost of repair and reconstruction or replacement does not exceed \$100,000.00. In the case of damage to Common Areas or Common Facilities which does not exceed \$100,000.00, all Homes shall be assessed for an equal portion of any uninsured expense, if necessary. The Board may waive this absolute duty to repair or reconstruct or replace by a unanimous vote, which shall be duly noted in the minutes of the meeting at which the vote was taken, and shall be communicated to Members.



**7. Insurance Proceeds.** The insurance proceeds payable by reason of such casualty (excepting insurance proceeds payable in respect of damaged or destroyed personal property) shall be deposited in escrow with an institution approved by the Secretary of the Interior of the United States or his delegate, if required by Lease PSL104A as to Homes within that PSL104A. Subject to the provisions of these CC&Rs, the proceeds shall be disbursed first for the repair or restoration of the damaged property. The HOA, Members and lien holders are not entitled to receive payment of any portion of the proceeds unless there is a surplus after the Community has been completely repaired or restored, or unless the Community is terminated.

**8. Disbursements To Members And Mortgagees.** Any insurance proceeds distributed to Members and Mortgagees shall be distributed proportionately according to the fair market values of the Homes at the time of the destruction as determined by an independent appraisal. That appraisal shall be performed by an independent appraiser who shall be selected by the Board and who shall be a member of, and apply the standards of, a nationally recognized appraiser organization.

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

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

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

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

## ARTICLE 12 - EMINENT DOMAIN

**1. Representation By Association.** The HOA shall represent the Members in any eminent domain or condemnation proceedings or in negotiations, settlements and agreements with the applicable authority for acquisition of the Common Areas, Common Facilities, or any part thereof. In furtherance of this purpose, each Member, by acceptance of a deed or assignment to his Home, irrevocably appoints the HOA as his attorney-in-fact to represent the Member in any such condemnation or eminent domain proceeding(s). In the event of a taking or acquisition of part or all of the Common Areas or Common Facilities, or any part thereof by an applicable authority, the award or proceeds of settlement, less any fees or costs incurred in collection thereof, shall be payable to the HOA, or any trustee appointed by the HOA, for the use and benefit of the Members and their Mortgagees as their interests may appear.

**2. Common Area Taking Within A Condominium Building.** In the event of a taking by eminent domain or condemnation proceeding of any part of the Common Area related to any Condo Building, the HOA shall participate in the negotiations, and shall propose the method of division of



the proceeds of eminent domain or condemnation, where Homes are not valued separately by the applicable authority or by the court. Proceeds of eminent domain or condemnation, less any costs and fees incurred in collection thereof, shall be distributed among Owners of the Homes within the Condo Building and their respective Mortgagees according to the relative values of the Homes affected by the eminent domain or condemnation.

**3.Home Taking.** In the event of an award for the taking of any Home by eminent domain or condemnation, the Owner of such Home shall be entitled to receive the award for such taking, less any fees and costs incurred in collecting such amount and only up to the fair market value of his Home, and after acceptance thereof he and the Mortgagee shall be divested of all interest in the Community if such Owner shall vacate his Home as a result of such taking. The remaining Members shall decide by majority vote (which for these purposes shall be 50% of those Members plus 1) whether to rebuild or repair the Community, or take other action. The remaining portion of the Community shall be resurveyed, if necessary, and these CC&Rs shall be amended to reflect such taking and to readjust proportionately the percentages of undivided interest of the remaining Members based on the number of Homes remaining.

## ARTICLE 13 - RIGHTS OF MORTGAGEES

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

**2.No Right Of First Refusal.** These CC&Rs neither contain nor shall be amended to contain any provision creating a "right of first refusal" to the HOA before a Home can be sold. Should any such rights nevertheless be created in the future, such rights shall not impair the rights of any First Mortgagee to: (a) foreclose or take title to a Home pursuant to the remedies provided in the mortgage, (b) accept a deed (or assignment) in lieu of foreclosure in the event of a default by a mortgagor, or (c) sell or lease a Home acquired by the Mortgagee.

**3.Unpaid Dues Or Charges.** Except as otherwise provided by statute, where the Mortgagee of a first Mortgage of record or other purchaser of a Home obtains title to the same pursuant to the remedies in the Mortgage or as a result of foreclosure, such acquirer of title, his successors and assigns, shall not be liable for the share of the Assessments (or Condominium Roof Center Cost) made by the HOA chargeable to such Home which became due prior to the acquisition of title to such Home by such acquirer, except as specifically identified and explained herein.

**4.Action Requiring Mortgagee Approval.** Except as provided by statute in case of condemnation, eminent domain or substantial loss to the Home and Common Area and Common Facilities, unless at least 51% of the First Mortgagees (based upon one vote for each mortgage owned) have given their prior written approval (as defined in Section 16.3), the HOA and/or the Members shall not be entitled to:



4.1. By act or omission seek to abandon, or terminate the Community as a common interest development (except for abandonment or termination provided by law in the case of substantial destruction by fire or other casualty or in the case of a taking by condemnation or eminent domain).

4.2. Change the pro rate interest or obligations of any individual Home for the purpose of (i) levying assessments or charges or allocating distributions of hazard insurance proceeds or condemnation awards, or (ii) determining the pro rata share of Ownership of each Home in the Common Area, provided that no Member's undivided interest in the Common Area may be changed without the consent of that Member.

4.3. Partition or subdivide any Home.

4.4. By act or omission seek to abandon, partition, or subdivide the Common Area or Common Facilities, or any property owned, directly or indirectly, by the HOA (the granting of easements for public utilities or other public purposes consistent with the intended use of the Common Area by the HOA or the granting of exclusive use of common area to a Member under Civil Code Section 4600 is not a transfer in the meaning of this clause).

4.5. Use hazard insurance proceeds for losses to any of the Community whether to Homes or to Common Area or Common Facilities for other than the repair, replacement or reconstruction of such property.

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

**6. Priority Of Proceed Or Award Distribution.** Any other provision herein contained to the contrary notwithstanding, no provision of the Governing Documents shall give a Member, or any other party, priority over any rights of the First Mortgagee pursuant to its Mortgage in the case of a distribution to such Member of insurance proceeds or condemnation or eminent domain awards for losses to or a taking of the Common Area or Common Facilities.

**7. Notification Of Mortgagee.** Upon written request to the HOA, identifying the name and address of the holder, insurer or guarantor and the Home number or address, any Eligible Mortgagee will be entitled to timely written notice of:

7.1. Any condemnation loss or any casualty loss which affects a material portion of the Community or the Home insured or guaranteed by such Eligible Mortgagee;



7.2. Any default in the performance by a Member of any obligation under the Governing Documents not cured within 60 days;

7.3. Any lapse, cancellation or material modification of any insurance policy or fidelity bond maintained by the HOA; and

7.4. Any proposed action which would require the consent of a specified percentage of Eligible Mortgagees as required by the Governing Documents.

**8. Inspection Of Documents, Books And Records.** The HOA shall make available to Eligible Mortgage Holders, current copies of the Governing Documents and the accounting books, records and financial statements of the HOA. "Available" means available for inspection, upon request, during normal business hours or under other reasonable circumstances and upon payment of HOA's costs and expenses.

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

**10. Mortgagees Furnishing Information.** Any Mortgagee can furnish information to the Board concerning the status of any Mortgage.

**11. Financial Statement.** Any First Mortgagee shall be entitled, on written request therefore and payment thereof, to have the HOA provide an audited financial statement for the immediately preceding fiscal year, which statement shall be furnished within a reasonable time following such request and payment.

**12. Termination Without Substantial Destruction.** Except as provided by statute or by other provision of the Governing Documents in case of substantial destruction or condemnation of the Community, the consent of at least 75% of Members and the approval of 51% of Eligible Mortgagees shall be required to terminate the Community.

## ARTICLE 14 – ENFORCEMENT

**1. Definition Of A Violation Of The Governing Documents.** 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.

**2. Right To Enforce.** The HOA or any Member shall have the right to enforce, by any proceeding at law or in equity, all restrictions, conditions, covenants, reservations, liens and



charges now or hereafter imposed by the Governing Documents except the right as to payment of assessments and that enforcement shall only be by the HOA. Each Member shall have a right of action against the HOA or any Member for failure to comply with the provisions of the Governing Documents.

**3.Nuisance.** The result of every act or omission, whereby any provision, condition, restriction, covenant, easement, or reservation contained in the Governing Documents is violated in whole or in part, is declared to be and constitute a nuisance, and every remedy allowed by law or equity against a nuisance, either public or private, shall be applicable against every such result and may be exercised by any Member and the HOA. Each remedy provided herein shall be cumulative and not exclusive.

**4.Failure To Enforce.** Failure by the HOA or any Member to enforce any provisions of the Governing Documents shall in no event be deemed a waiver of the right to do so thereafter.

**5.Violation Of Law.** Any violation of any state, municipal or local law, ordinance or regulation pertaining to the Ownership, occupation or use of any Home is declared to be a violation of the Governing Documents and subject to any or all of the enforcement procedures set forth herein, including the determination of the Board, at its sole discretion, not to enforce that violation.

**6.Compliance With Statute.** All activities to enforce the provisions of the Governing Documents shall be conducted in accordance with all applicable laws, statutes and ordinances. This Section shall apply to both the HOA and to all Members.

**7.Member Notification Of Improvements.** All Member installed Improvements must be filed with the ARC so subsequent Members will have knowledge of any maintenance, repair or replacement duties that have been "shifted" from the HOA to the Member due to that Member installed Improvement.

## ARTICLE 15 – AMENDMENTS

**1.Member Approval Of Amendments.** These CC&Rs may be amended or restated by the vote or written consent of an affirmative vote of at least 50% plus one vote of all Members. Notwithstanding any contrary provision in this Section, the percentage of the voting power necessary to amend a specific clause or provision of these CC&Rs shall not be less than the percentage of affirmative votes prescribed for action to be taken under that specific clause or provision. Any election regarding amendment to these CC&Rs must be conducted in accordance with Article 4 of Chapter 6 of the Davis Stirling Common Interest Development Act or with any Rule adopted by the HOA pursuant to Article 5 of Chapter 3 of the Davis Stirling Common Interest Development Act.

An amendment or restatement becomes effective after (a) the approval of the required percentage of Members has been given, (b) that fact has been certified in the form of a written document





executed and acknowledged by an officer designated by the HOA for that purpose or, if no such designation is made, by the Board President and (c) the document has been recorded in Riverside County.

**2. Eligible Mortgagee Approval.** Except as provided by statute or by other provision of the Governing Documents in case of substantial destruction or condemnation of the Community, the approval of 51% of Eligible Mortgagees shall be required to add or amend or restate any material provisions of these CC&Rs which establish, provide for, govern or regulate:

- 2.1. Assessments, assessment liens or subordination of such liens.
- 2.2. Reserves for maintenance, repair and replacement of the Common Area.
- 2.3. Insurance or fidelity bonds.
- 2.4. Rights to use the Common Area.
- 2.5. A Member's interest in the Common Area, except as provided by Civil Code Section 4600.
- 2.6. Convertibility of Homes into Common Area, or Common Area into Homes.
- 2.7. Leasing of Homes.
- 2.8. Imposition of any rights of first refusal or similar restriction on the right of a Member to sell, transfer or otherwise convey his Home.

**3. Eligible Mortgagee Approval Response Time.** An Eligible Mortgagee who receives a written request to approve additions or amendments or restatement by certified or registered mail, return receipt requested, addressed to the address provided by such Eligible Mortgagee, who does not deliver or post to the requesting party a negative response within 30 days after the notice of the proposed addition or amendment or restatement, shall be deemed to have approved such request. Members shall be responsible for, upon request of the HOA, providing the HOA with information regarding the status of mortgages for purposes of this Article.

## ARTICLE 16 - GENERAL PROVISIONS

**1. Term.** The provisions of these CC&Rs shall continue in effect for a term of 50 years from the date of execution. Thereafter, it shall be automatically extended for successive periods of 10 years, until the membership of the HOA decides to terminate it.

**2. Non-waiver Of Remedies.** Each remedy provided for in these CC&Rs is separate, distinct, and nonexclusive. Failure to exercise a particular remedy shall not be construed as a waiver of the remedy.



**3. Severability.** The provisions of these CC&Rs shall be deemed independent and severable, and the invalidity or partial invalidity or unenforceability of any one provision shall not affect the validity or enforceability of any other provision.

**4. Binding.** These CC&Rs, as well as any amendment thereto and any valid action or directive made pursuant to it, shall be binding on the Members and their heirs, grantees, tenants, successors, and assigns.

**5. Interpretation.** The provisions of these CC&Rs shall be liberally construed and interpreted to effectuate its purpose of creating a uniform plan for the development and operation of a common interest development. Failure to enforce any provision of these CC&Rs shall not constitute a waiver of the right to enforce that provision or any other provision of these CC&Rs.

**6. Order Of Priority.** If there is any inconsistency between any of the following documents, then, in such an event, the order of priority and supersession of any such conflicting and inconsistent language shall be in the order of priority contained within Civil Code Section 4205.

**7. Limitation Of Liability.** The liability of any Member for performance of any of the provisions of these CC&Rs shall terminate upon sale, transfer, assignment, or other divestment of the Member's entire interest in his Home with respect to obligations arising from and after the date of the divestment.

**8. Fair Housing.** Neither HOA nor any Member shall, either directly or indirectly, forbid the conveyance, encumbrance, renting, leasing, or occupancy of the Member's Home to any person on the basis of race, color, sex, sexual orientation, religion, ancestry, national origin, age, marital status, disability, gender, gender identity, gender expression, familial status, genetic information, or source of income as defined in Subdivision (p) of Section 12955 of the Government Code.

**9. Number And Headings.** As used in these CC&Rs, the singular shall include the plural, unless the context requires the contrary. The headings are not a part of these CC&Rs, and shall not affect the interpretation of any provision.

**10. Attorneys Fees.** In the event an attorney is engaged by the Board to enforce the Governing Documents, the HOA shall be entitled to recover from the adverse party to the controversy its actual attorneys' fees and costs so incurred. In the event litigation and/or alternative dispute resolution of whatever type is commenced to enforce the Governing Documents, the prevailing party shall be entitled to its attorneys' fees and costs. Said costs and attorneys' fees shall constitute a lien on the Home which is enforceable pursuant to Article 4 herein. This Section shall also apply to actual attorneys' fees incurred to collect any post-judgment costs.

**11. Statutory References.** References in these CC&Rs to California statutes are intended to reflect the language and numbering of that statute as of the date of these CC&Rs. If these statutes are later amended, restated, eliminated or renumbered, these CC&Rs will be deemed to be amended, restated, eliminated or renumbered accordingly and without the need of approval of the Members.



**12.Superiority Of Leases Or Subleases.** These CC&Rs are subordinate and subject to all of the terms of the Master Lease with the Tribal Member as to PSL104A, if any, and the subleases deriving therefrom.

IN WITNESS WHEREOF, the undersigned has executed this Second Restated Declaration of Covenants, Conditions, and Restrictions this 30 day of APRIL, 2015.

SEVEN LAKES HOME OWNERS ASSOCIATION, INC.

By: Betty Flad President

By: [Signature] Secretary

#### CERTIFICATE OF SECRETARY

The undersigned, Secretary of the corporation known as Seven Lakes Home Owners Association, Inc., does hereby certify that the above and foregoing Second Restated Declaration of Covenants, Conditions, and Restrictions for Seven Lakes Home Owners Association, Inc., consisting of 61 pages, was duly adopted by written ballot of the Owners in said Association (Members) on the 28th day of April, 2015 and that they now constitute said Second Restated Declaration of Covenants, Conditions, and Restrictions.

By: [Signature]  
Secretary



## ACKNOWLEDGMENT

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

State of California }  
County of RIVERSIDE }

On APRIL 30, 2015 before me, ARLENE Y. DONOVAN, NOTARY PUBLIC,  
(here insert name and title of the officer)

personally appeared BETTY FLAD and  
LISA SCHWARTZ

who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

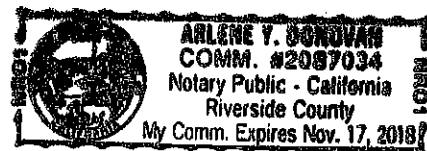
I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature

Arlene Y. Donovan

(Seal)



## California All-Purpose Acknowledgment

State of California

County of Riverside

On APRIL 30 2015 before me, **Arlene Y. Donovan**, Notary Public,  
personally appeared BETTY FLAD and LISA SCHWARTZ

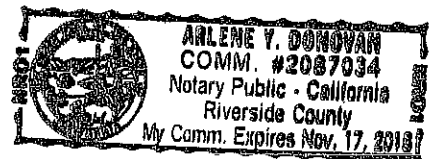
who proved to me on the basis of satisfactory evidence to be the person(s)  
whose name(s) is/are subscribed to the within instrument and acknowledged to  
me that he/she/they executed the same in his/her/their authorized capacity  
(ies), and that by his/her/their signature(s) on the instrument the person(s), or  
the entity upon behalf of which the person(s) acted, executed the instrument.

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

WITNESS my hand and official seal.

Signature

Arlene Y. Donovan



### Description of Attached Document

Title or Type of Document \_\_\_\_\_

Document Date \_\_\_\_\_

Number of Pages \_\_\_\_\_



SEVEN LAKES HOME OWNERS ASSOCIATION, INC.  
EXHIBIT "A"  
THE COMMUNITY

**A.PUD PROPERTY/277 Residential Lots and Common Areas**

All Lots within Tract No. 3017, as per map filed in the Office of the County Recorder of Riverside County on September 29, 1965, in Book 51, Pages 52 and 53, as Document No. 111411;

Tract No. 3018, as per map filed in the Office of the County Recorder of Riverside County on April 30, 1965, in Book 51, Pages 54 and 55, as Document No. 50314;

Tract No. 3504, as per map filed in the Office of the County Recorder of Riverside County on March 2, 1967, in Book 56, Pages 61 and 62, as Document No. 17588;

Tract No. 3649, as per map filed in the Office of the County Recorder of Riverside County on September 14, 1967, in Book 57, Pages 61 through 63, as Document No. 80635;

Tract No. 3743, as per map filed in the Office of the County Recorder of Riverside County on July 17, 1968, in Book 58, Pages 87 through 89, as Document No. 67975;

Tract No. 3744, as per map filed in the Office of the County Recorder of Riverside County on July 16, 1968, in Book 59, Pages 1 and 2, as Document No. 67520;

Tract No. 3745, as per map filed in the Office of the County Recorder of Riverside County on June 6, 1969, in Book 61, Pages 6 through 8, as Document No. 56208; and

Tract No. 3794, as per map filed in the Office of the County Recorder of Riverside County on June 6, 1969, in Book 61, Pages 9 and 10, as Document No. 56209.

**B.CONDO PROPERTY/64 Condominiums and Common Areas**

Lot 1, Tract No. 3927, as shown on a map recorded in Book 66 at Pages 50 and 51 of Maps, Riverside County Records, which land has been developed and improved as a residential condominium project of 64 condominiums, as shown in a condominium plan pursuant to California Civil Code Section 1351 recorded April 21, 1971 as Document No. 41234; Riverside County Records, for which a governing declaration of covenants, conditions and restrictions was recorded on April 21, 1971 as Document No. 41235.

**C.COMMON AREA**

Lot 35 of Tract No. 3017; Lot 33 of Tract No. 3018; Lot 35 of Tract No. 3504; Lot 37 of Tract No. 3642; Lot 41 of Tract No. 3743; Lot 41 of Tract No. 3744; Lot 41 of Tract No. 3745; Lot 23 of Tract No. 3794; and the entire Condo Property excepting all of the Condominium Units therein.



SEVEN LAKES HOME OWNERS ASSOCIATION, INC.  
EXHIBIT "B"  
ORIGINAL NINE DECLARATIONS/CONSOLIDATED DECLARATION

Declaration of Covenants, Conditions and Restrictions for Tract 3017, as per map 51, pages 52-53, recorded September 29, 1965 with the Riverside County Recorder as Document No. 111411;

Declaration of Covenants, Conditions and Restrictions for Tract 3018, as per map 51, pages 54-55, recorded April 30, 1965 with the Riverside County Recorder as Document No. 50314;

Declaration of Covenants, Conditions and Restrictions for Tract 3504, as per map 56, pages 61-62, recorded March 2, 1967 with the Riverside County Recorder as Document No. 17568;

Declaration of Covenants, Conditions and Restrictions for Tract 3649, as per map 57, pages 61-63, recorded September 14, 1967 with the Riverside County Recorder as Document No. 80635;

Declaration of Covenants, Conditions and Restrictions for Tract 3743, as per map 58, pages 87-89, recorded July 17, 1968 with the Riverside County Recorder as Document No. 67975;

Declaration of Covenants, Conditions and Restrictions for Tract 3744, as per map 59, pages 1-2, recorded July 16, 1968 with the Riverside County Recorder as Document No. 67520;

Declaration of Covenants, Conditions and Restrictions for Tract 3745, as per map 61, pages 6-8, recorded June 6, 1969 with the Riverside County Recorder as Document No. 56208; and

Declaration of Covenants, Conditions and Restrictions for Tract 3794, as per map 61, pages 9-10, recorded June 6, 1969 with the Riverside County Recorder as Document No. 56209.



SEVEN LAKES HOME OWNERS ASSOCIATION, INC.  
EXHIBIT "C"  
ORIGINAL DECLARATION

- 1.Consolidated Declaration;
  - 2.Amendment to the Consolidated Declaration, recorded on June 30, 1983, as Instrument No. 130689;
  - 3.Second Amendment to the Consolidated Declaration, recorded on January 16, 1986, as Instrument No. 11100;
  - 4.Third Amendment to the Consolidated Declaration, recorded on June 10, 1992, as Instrument No. 212593;
  - 5.Fourth Amendment to the Consolidated Declaration, recorded on June 28, 1995, as Instrument No. 207729;
  - 6.Fifth Amendment to the Consolidated Declaration, recorded on July 18, 1995, as Instrument No. 230571;
  - 7.Sixth Amendment to the Consolidated Declaration, recorded on April 26, 2001, as Instrument No. 2001-177056;
  - 8.Seventh Amendment to the Consolidated Declaration, recorded on December 18, 2001, as Instrument No. 2001-629314; and
  - 9.Eighth Amendment to the Consolidated Declaration, recorded on December 18, 2001, as Instrument No. 2001-629313,
- all in Official Records of Riverside County, California.





SEVEN LAKES HOME OWNERS ASSOCIATION, INC.  
EXHIBIT "D"  
DEEDS TO RESTRICTED INDIAN LAND

- A. Deed to Restricted Indian Land/PS-106B and PS-106E, dated May 6, 2009, recorded on August 12, 2009 as Instrument No. 2009-0419618; and
- B. Deed to Restricted Indian Land/584-000079E, dated May 7, 2009, recorded on August 12, 2009 as Instrument No. 2009-0419619.



SEVEN LAKES HOME OWNERS ASSOCIATION, INC. MAINTENANCE, REPAIR AND REPLACEMENT MATRIX EXHIBIT E ***** DESCRIPTION OF AREA	A=Association O=Owner I=HOA Ins.			NOTES
	A	O	I	
DWELLING UNIT				
1.Exterior Painting Of Front Door And Front Door Frame In Standard Color – Owner Must Purchase The Paint But HOA Performs Painting	A			
2. Exterior Painting Of Front Door And Front Door Frame In Custom Color		O		
3. Interior Painting Of Front Door		O		
4. Hardware, Weather Stripping And Fixtures of All Doors		O		
5. Front Door And Door Frame, Including Any Damage Caused By Irrigation Overspray		O		
6. Front Stoop, Including Surface Tile Treatments		O		
7. Interior Painting Of Dwelling Unit		O		
8. Window Screens		O		
9. Patio Door Screens		O		
10. Windows, Window Frames, Weather Stripping, Glass, Sliding Doors, And All Components Of Window System		O		
11. Patio Doors And Glass		O		
12. Outside Walls (Cinder Blocks And Stucco), Including Painting	A			
13. Outside Trim Of Dwelling Unit, Including Painting	A			
14. Carport Roofs, Including Gutters And Scuppers	A			
15. Interior Wall Paint And Coverings		O		
16. Interior Floor Coverings		O		
17.Residential Unit Roof, Including Gutters And Scuppers		O		
18. Condominium Building Roof System, Including Gutters And Scuppers Pursuant To Sections 1.16, 6.4.7 And 6.4.8 Of The CC&Rs Regarding Condominium Roof Cost Center And Carport Roofs	A			



19. Residential Building Footings, Foundations/Slabs		O		
20. Common Area Sidewalks	A			
21. Faucets – Exterior Of Dwelling Unit		O		
22. Faucets – Interior Of Dwelling Unit		O		
23. Pest Control		O		
24. Light Fixtures And Bulbs-Interior And Exterior Of Unit (Except Electrical Elements On Exterior Of Unit Connected To Association's Common Area Electrical Meter Installed By Original Developer)		O		
25. Light Fixtures And Bulbs, And Electrical Elements On Exterior Of Unit Connected To Association's Common Area Electrical Meter Installed By Original Developer	A			
26. Skylights And Solar Tubes (Including Transition And Connection To Roof System)		O		
27. Fireplaces, Spark Arrester, And Related Components/Utility Connections, Including Chimney		O		
28. Mailboxes	A			
29. HVAC System, Including All Interior/Exterior Ductwork Or Utility Penetrations		O		
30. Water Heater System		O		
<b>CONDOMINIUM UNITS ONLY</b>				
31. All Areas Of A Balcony Which Need Repairs To Prevent Water Intrusion Into The Condominium Building And Which Shall Be Considered Part Of The Condominium Roof Cost Center Allocated To The Owners Within Each Respective Condominium Building However, If A Balcony Is Altered From Its Original Developer Installed Condition (Enclosed, Flooring Installed Or Any Alteration Which Blocks The Roof Drain), That Entire Balcony And All Aspects Of It Become The Responsibility Of The Owner	A	O		
32. Exterior Stairways Between First And Second Story	A			
<b>VEHICLE GARAGES AND CARPORTS</b>				
33. Painting Of Unenclosed Carports	A			



34. Interior Painting Of Enclosed Carport		O		
35. Exterior Painting Of Enclosed Carport	A			
36. Hardware, Weatherstripping, And Fixtures Of Garage Door(s) To An Enclosed Carport		O		
37. Garage Door Opener		O		
38. Replacement Of Garage Door		O		
39. Exterior Painting Of Garage Entry Door	A			
40. Exterior Painting Of Garage Entry Door Frame	A			
41. Interior Painting Of Garage Entry Door		O		
42. Hardware And Fixtures Of Garage Entry Door		O		
43. Replacement Of Garage Entry Door		O		
44. Carport Roof System	A			
45. Enclosed Carport Slabs		O		
46. Unenclosed Carport Slabs	A			
47. Outside Walls And Trim of Unenclosed Garages and Carports. If An Owner Has Added Doors To A Garage Or Has Enclosed A Carport The Owner Then Becomes Responsible For All Aspects Of That Garage Or Carport Except As Noted Above.	A	O		
48. Stains On Carport Slabs		O		
49. Association Maintenance Workshops And Storage Areas, Both Interior And Exterior	A			
50. Exterior Of Storage Units	A			
51. Locking Mechanism Related To Hardware And Inside Of Storage Units		O		
<b>REAR COURTYARD AREAS – ALL ARE RESPONSIBILITY OF THE OWNERS</b>				
52. Patio Concrete Slab		O		
53. Door/Gate Surface Facing The Common Area		O		
54. Door/Gate Surface Facing Into Courtyard Interior		O		
55. Owner Installed Patio Walls		O		
56. Upgraded Hardscape/Patios Or Sidewalks		O		
57. Shrubs And Landscaping Within Or Surrounding Rear Patio		O		



58. Irrigation System Within Patio		O		
59. Any Owner-Installed Improvements Or Personal Property (e.g., Potted Plants, Statues, Built-In Barbeques And Appurtenant Gas Lines)		O		
60. Raised Planters And Related Components, Including Plant Material, Tile Treatment And Irrigation System And Waterproofing		O		
61. Spas, Pools, Water Features And All Appurtenant Pipes And Equipment		O		
62. Faucets In Rear Patio Area		O		
63. Damage Caused To Any Association Maintenance Areas By Failure To Properly Maintain Irrigation System (Including Overspray)		O		
64. Rear Patio Security Light Fixtures And Bulbs		O		
65. All Areas Below The Roofline Visible To The Common Area (Roof Overhang Area) Must Be Painted "7 Lakes Tan" And Are The Responsibility Of The Owner		O		
<b>FRONT PATIOS (Adjacent To Living Rooms)</b>				
66. Upgrade Of Hardscape Patios Or Sidewalks And Any Resulting Damage To Underlying Hardscape		O		
67. Painting Of Custom Wrought Iron (At Owners Additional Cost For Materials And Labor. If Owner Desires, HOA Will Perform This Work At Owner Expense For Material And Labor)		O		
68. Plants, Trees, Shrubs And Related Irrigation System		O		
69. Pagoda Landscape Lighting Connected To Association's Common Area Electrical Meter	A			
70. Faucets In Front Patio Area		O		
71. Spas, Pools, Water Features And All Appurtenant Pipes And Equipment		O		
72. Raised Planters And Related Components, Including Plant Material, Tile Treatment And Irrigation System And Waterproofing		O		
73. All Light Fixtures, Bulbs, And Landscaping Lighting Within Side Yards Except For Pagoda Landscape Lighting Connected To Association's Common Area Electrical Meter Installed By The Original Developer		O		



74. Damage Caused To Any Association Maintenance Areas By Owners Failure To Properly Maintain Irrigation System (Including Overspray)		O		
<b>TRASH ENCLOSURE AREAS</b>				
75. Concrete Slab	A			
76. Exterior Stucco And Cinder Block Elements	A			
77. In The Area Around Trash Enclosure. If Owner Causes Trash, Spills Or Other Damage, The Owner Is Responsible For Clean-Up And Repair		O		
<b>APPLIANCES RELATED TO THE DWELLING UNITS ONLY</b>				
78. Furnace		O		
79. Air Conditioner		O		
80. Air Duct System		O		
81. Kitchen And Bath Cabinets		O		
82. Plumbing Fixtures And Connections To Water And Sewer System		O		
83. Bathtubs, Shower Stall, Shower Pans, Bath And Shower Tile		O		
<b>COMMON AREA PROPERTY AND LANDSCAPING</b>				
84. Landscaping Within Common Area, Including Pagoda Landscape Lighting Connected To Association's Common Area Electrical Meter, But Excluding Landscaping Within Enclosed Courtyards	A			
85. Sidewalks Adjacent To Dwelling Units Located In Common Area But Not In Enclosed Courtyards	A			
86. Maintenance Buildings, Swimming Pools, Spas And Ramadas	A			
87. Irrigation System – Common Area Only (Not Including Irrigation Systems Within Enclosed Courtyards Or Private Patios)	A			
88. Perimeter Walls, Streets, Curbs, Parking Lots, And Trash Areas	A			
89. Gates And Guardhouse	A			
90. All Common Area Buildings, Improvements And Facilities, Such As The Clubhouse, HOA Office Building, Cabanas/Bathrooms/Ramadas At The Pools, Etc.	A			



UTILITIES				
91. Electrical Service Up To And Including The Electric Meter			U	
92. Electrical Distribution From The Meter To And Within The Dwelling Unit		O		
93. Gas Service Up To And Including The Gas Meter And Including Lighting Of Pilot Lights			U	
94. Gas Distribution From The Meter To And Within The Dwelling Unit		O		
95. Water Distribution Up To And Including The Water Meter			U	
96. Water Distribution From The Water Meter Up To The Connection With The Dwelling Unit Shut-Off Valve Or, If None, To The First Pipe Connection To The Dwelling Unit And Within The Dwelling Unit, As Well As Including Any Pipes Under The Slab, Footings, Or Foundations Of The Dwelling Unit		O		
97. Water Distribution System Breaks And/Or Stoppages Caused By Roots of Trees In Common Area And Excluding Any Water Lines On The Roofs	A			
98. Water Distribution System Breaks And/Or Stoppages (Unless Caused By Roots of Trees In Common Area) And Including Any Water Lines On The Roofs		O		
99. Telephone And Telephone Wires (Either Telephone Company Or Owner)		O	U	
100. Cable TV (Either Cable TV Company Or Owner)		O	U	
101. Sewer Line Breaks And/Or Stoppages (Unless Caused By Roots Of Trees In Common Area)		O		
102. Sewer Line Breaks And/Or Stoppages Caused By Roots Of Trees Located In Common Area	A			

UNLESS SPECIFIED OTHERWISE, ALL MAINTENANCE INCLUDES REPAIR AND REPLACEMENT AS WELL AS USUAL AND CUSTOMARY MAINTENANCE.

OWNERS ARE REMINDED THAT DUE TO THE HISTORIC ASPECT OF THE COMMUNITY, ALTERATIONS SHOULD BE IN KEEPING WITH MIDCENTURY STYLE AND THAT PAINTING OF EXTERIOR COMPONENTS SHOULD BE DONE UTILIZING "7 LAKES TAN", INCLUDING ALL VENTS, CONDUITS, ETC.

OWNERS ARE ALSO REMINDED THAT ALTERATIONS REQUIRE ARCHITECTURAL COMMITTEE APPROVAL PURSUANT TO THE CC&Rs AND THE ARCHITECTURAL GUIDELINES.

Notwithstanding any allocation of maintenance, repair or replacement responsibilities contained herein, the express provisions under the CC&Rs, or under California law, the following general principles shall apply in



determining the maintenance, repair and replacement responsibilities between the HOA and the Owner:

1. **Exterior Residential Building Maintenance.** Any maintenance responsibility by HOA for the buildings where the Dwelling Units are located shall be limited to the exterior surface of such buildings (excluding the roof system), unless otherwise indicated above, and shall not include the maintenance, repair or replacement of any interior walls, party walls, or any structural elements within the residential buildings. As such each and every Owner shall be responsible to maintain, repair and replace his interior walls, that portion of the party wall adjacent to his Dwelling Unit, as well as any structural elements within the residential building which relate to the Owner's Dwelling Unit. The HOA shall be responsible for the maintenance, repair and replacement of the roof systems for the Condominium Buildings, consistent with the Condominium Roof Cost Center as described in the CC&Rs. Maintenance, repair and replacement of the roof system for each Dwelling Unit located within the PUD Property shall be the responsibility of each respective Owner of his Dwelling Unit.
2. **Exterior Stucco and Exterior Paint of Dwelling Unit.** HOA shall be responsible for the repair and/or replacement of the exterior stucco and exterior painting of each residential building in accordance with a regular schedule as recommended by consultants and experts, and shall provide maintenance, repair and/or replacement for such areas on the basis of regular wear-and-tear unless immediate painting, repair or replacement is necessary to prevent water intrusion or other resulting damage. Any Owner of a Dwelling Unit within the PUD Property who wishes to facilitate painting and/or repair of the building stucco, cinder blocks and/or trim outside the HOA's regular schedule may do so, subject to the Architectural Guidelines, obtaining architectural approval, and at Owner's sole cost and expense.
3. **Owner Installed Improvements.** Any Owner-installed improvement, wherever located, shall become the maintenance, repair and replacement responsibility of the Owner, and not that of the HOA. If such Owner-installed improvement impacts or changes any portion of the HOA maintenance area, the HOA shall have the right to bring such HOA maintenance area into conformity with the other HOA maintenance areas and charge Owner for any related costs to do so as a reimbursement assessment. Any Owner-installed improvement which impacts the exterior of the Dwelling Unit, e.g. increasing the square footage of the Dwelling Unit, shall be the maintenance, repair and replacement responsibility of the Owner, unless otherwise agreed to in writing by the HOA.

