

ARTICLE III: RESTRICTIONS & USE OF PROJECT.

In addition to the restrictions established by law or set forth in the Association Rules promulgated by the Board of Directors, consistent with this Declaration, the following restrictions are hereby imposed upon the use of the Project.

Section 3.1. Residential Use. No Lot may be occupied, used, or improved for other than residential and associated noncommercial purposes. No Unit may be occupied by more than two (2) persons per bedroom plus one (1) additional person without the prior written approval of the Board. No Lot may be rented or leased for transient or hotel purposes.

Section 3.2. Rental of Lots. The lease or rental of Lots is subject to the Governing Documents and a breach of the Governing Documents is a default of the lease or rental agreement. No Lot may be leased or rented for a period of less than Ninety (90) consecutive days. The occupancy of a Lot by other than the Owner or such Owner's immediate family must be reported to the Association in writing prior to such occupancy and a copy of the written rental agreement or lease must be concurrently furnished to the Association. Any monetary obligation incurred by any non-Owner occupant to the Association will also be the personal obligation of the Owner of the Lot so occupied, and may be levied against such Lot as an Assessment.

Each Owner leasing a Lot pursuant to this section will be strictly responsible and liable to the Association and its Members for the actions of such Owner's tenant(s) in the Project and for each lessee's or tenant's compliance with the provisions of the Governing Documents.

Section 3.3. Restriction on Businesses. The conducting of any trade or business is prohibited, except those trades or businesses that are permitted by and comply with zoning and other laws or ordinances, and which do not: (i) change the overall residential use of the Unit; (ii) have persons other than the occupant employed or reporting to work at the Unit; (iii) display or publish the address of the business, except on business cards and letterhead; (v) display signs or other exterior indications of a trade or business; (vi) have items sold or offered for sale on the premises; (vii) involve in-person calls by customers, employees, or delivery persons except on an infrequent basis; (viii) require the storage of large amounts of bulky goods or inventory or any hazardous or toxic materials; or (ix) require the parking of vehicles on the streets within the Project. The Association may have maintenance facilities within the Project.

Section 3.4. Use and Parking of Vehicles. Vehicles may not be parked within the Project, including the streets, except within an enclosed garage or on areas of the Project that the Rules specifically designate as for parking. Parking that the Rules designate as guest parking is to be used by guests only. The following is prohibited at the Project:

(a) Vehicles that lack any of the following qualities: street legal (other than vehicles specifically designed as off-road vehicles), completely operational, quiet, smoke-free, all lights work, and all body parts are intact;

(b) The parking or maintenance of mobile homes, motor homes, trucks, commercial vehicles, campers, boats, trailers, or similar vehicles, except: (i) within enclosed garages provided that there is remaining space available in the garage for the occupants' other vehicles; (ii) where required temporarily for the construction, repair, refinishing, or maintenance of any part of the Project; (iii) for moving

furnishings, equipment, or supplies into or out of the Project; or (iv) for washing vehicles in a Lot's driveway or (v) light pick-up trucks and vans used for personal use and for commercial purposes, provided that any signs or markings of a commercial nature on such vehicles is unobtrusive and inoffensive;

(c) The placement or maintenance of motorcycles, trail bikes, off-road vehicles, or bicycles, except within enclosed garages. Off-road unlicensed motor vehicles may not be operated within the Project;

(d) Using a garage for storage or otherwise so that it cannot be used to store at least two (2) of the occupant's motor vehicles. No garage may be converted to living quarters or otherwise disabled from being used for vehicle parking. Occupants must utilize the garage to park occupant's motor vehicles to the capacity of the garage. Occupants must keep the exterior garage door closed except when the garage is in actual use by an occupant. Occupants' vehicles must be parked in garages at night.

Section 3.5. Use of Streets. The streets may not be used for recreational purposes, including but not limited to, skateboarding, joyriding and racing, except for walking and jogging and Board approved events.

Section 3.6. Disposal of Refuse. Occupants must place refuse in covered sanitary receptacles that are suitable for the collection of refuse. Such receptacles must be enclosed and screened from view from the Common Area and protected from disturbance. No refuse may be placed in streets or Common Area view more than twenty-four (24) hours prior to the scheduled pick-up time. No oil, petroleum product, or other chemicals may be placed in the storm drainage system, street drains, or gutters.

Any extraordinary accumulation of refuse (such as debris generated upon vacating of premises or during the construction of Improvements) must be removed from the Project to a public dump or trash collection area by the Owner or tenant at their expense. The Association may impose reasonable fines and penalties for the collection of refuse disposed in a manner inconsistent with this subsection.

Section 3.7. Offensive Conduct, Nuisance, Obstructions, Hazards or Drilling. The following activities are prohibited and may not be performed on, upon or within the Project:

(a) **Noxious Activities.** Activities which are noxious, harmful or offensive;

(b) **Nuisances.** Activities which are nuisances, harassment, annoy or cause unreasonable embarrassment or disturbance to any occupants of the Project, Owners, Board Members, Association agents or employees, or which may, in any way, interfere with occupants' use and enjoyment of the Project;

(c) **Relating to Insurance Rates.** Activities that will increase the rate of insurance or result in the cancellation of insurance under any insurance policy obtained by the Association;

(d) **Violations of Government Regulations.** Activities which are in violation of any governmental statute, ordinance, rule, and/or regulation;

(e) **Drilling.** Drilling, refining, quarrying, or mining operations of any kind;

(f) **Use of Machinery.** Use of machinery or equipment of any kind, except such machinery or equipment as is usual or customary in connection with the use, maintenance or repair of a Unit or appurtenant structures within the Project;

(g) Obstruction of Driveways. Activities which will obstruct entranceways, pedestrian walkways, or vehicular driveways located in or upon the Project or interfere with the free use thereof, except such obstruction as may reasonably be required in connection with repairs;

(h) Interference with Drainage. Activities that impede, alter or otherwise interfere with the drainage patterns or facilities in, over, under, across and through the Project;

(i) Infectious Diseases. Activities or conditions which would induce, breed, or harbor infectious plant diseases, noxious insects, rodents and/or vermin;

(j) Excavation. Any excavation, improvement or work which in any way alters any Common Area or Common Facility, without the prior written consent of the Board;

(k) Basketball Standards and Sport Apparatus. The placement of fixed or moveable basketball standards or sports apparatus;

(l) Storage of Hazardous Materials. The storage of the following materials: flammable, explosive, radioactive, or hazardous materials or items that endanger the safety of occupants or of Improvements or that may cause an increase in insurance rates to the Association or to another Owner;

(m) Accumulation of Garbage. The accumulation, dumping, or outdoor burning of garbage, clippings from trees, weeds, shrubs, or lawns, trash, debris, ashes, manure, composting or decaying vegetation material, or other refuse on any Lot. Refuse containers, woodpiles, storage areas, or machinery and equipment related to yard care and maintenance, are permitted provided such materials are screened from the view of streets, Lots, and Common Areas;

(n) Operation of Electronic Devices. The operation of any shortwave or any other kind of electronic device within the Project that in any way interferes with radio, television, or other electronic signal reception within the Project;

(o) Maintenance of Improvements. The maintenance, replacement, removal or decoration of any Improvements or landscaping within the Common Area without the prior written approval of the Association;

(p) Excessive Noise. Any activity upon any Lot, which activity causes any sound, whether intermittent, recurrent, or continuous, in excess of forty-five (45) decibels measured at any point on the boundary line of the Lot. Decibel measurements will be the average of at least three (3) and at most five (5) decibel readings by a qualified technician. The foregoing provisions of this subsection will not apply to the installation or use of alarm devices designed and used solely for security or fire warning purposes or apply to the construction work of any Improvement;

(q) Placement of Equipment. The placement of unattended equipment in front yards and areas visible from adjoining Lots, Common Areas, or streets;

(r) Garages and Garage Sales. Each Owner must keep their garage and driveway in a neat and orderly condition. Garage doors must be closed when not in use. The use of front yards and garages for garage sales or other activities which clutter areas visible from the adjacent streets for more than two (2) days within any twelve (12) month period is prohibited. Garage sales require prior written approval from the Board. The use of exterior signs advertising garage or yard sales is prohibited;

(s) Clothes Lines. The maintenance of outside clothes lines, except within fenced yards so as not to be visible from streets or the ground level of adjoining Lots;

(t) Freestanding Structures. Any structure erected or maintained in a backyard, which allows a person to stand on a surface more than twenty-four (24) inches above ground level or is over eight (8) feet in height without prior written approval of the Architectural Committee;

(u) Exterior Lighting. The installation of any exterior lighting whose source is visible from neighboring Lots, except for ordinary nondirectional bulbs that: (i) do not exceed 150 watts; and (ii) are white or yellow in color. This provision does not prohibit holiday lighting decorations temporarily installed for the Winter holiday season;

(v) Utility Lines. Except for temporary lines used during construction and for preexisting electrical lines installed prior to construction of the Project, all utility lines, including, but not limited to, electrical, gas, telephone, cable televisions and other communications must be underground, except for wires located on and colored the same as the Unit, access ports and above ground transformers;

(w) Pets. The keeping, raising, or breeding of animals, reptiles, or birds of any kind, on any Unit, is prohibited, except the following:

- (i) not more than two (2) dogs;
- (ii) two (2) cats;
- (iii) one (1) dog and one (1) cat;
- (iv) fish and other marine life kept in an aquarium; or
- (v) domestic birds such as parakeets kept in a cage in the Unit.

No animal which weighs more than 35 pounds is allowed within the Project. The keeping of animals for commercial purposes is prohibited. Unleashed dogs are prohibited within the Common Area. Animals may not be left chained or tethered in front of a Lot.

Occupants must prevent dogs and other pets from continuously barking, or making other loud noises, or defecating in the Common Area or on other Lots. Owners must immediately clean up any pet defecation on Common Areas or on other Owner's Lots. Animals which: (i) are kept in violation of this subsection; (ii) violate this subsection; or (iii) the Association finds to be vicious by nature or by temperament, must be removed by their owner from the Project upon order of the Association, and if not removed by the owner, may be removed by the Association and delivered to an animal shelter, pound, or animal control officer, without liability to the Association;

(x) Signs. The erection or maintenance of any signs on Common Area or Lots, whether commercial, political, or otherwise, which are visible from other Lots or Common Areas is prohibited, except for the following, when in accordance with Association Rules regulating location:

- i. Such signs and notices as may be required by legal proceedings;
- ii. During the time of actual construction of an Improvement, job identification signs having a maximum face area of twenty-four (24) square feet per sign and of the type usually employed by lenders, contractors, subcontractors, and tradesmen, provided that such signs are located on or immediately adjacent to the Improvement under construction;

iii. Appropriate safety, directional, and identification signs installed by the Association, or required by law, including appropriate Project identification signs;

iv. Entrance signs and monuments;

v. Not more than one (1) "for sale" or "for rent" sign in front of a Unit and one (1) such sign outside the project entrance gate. The Association may set standards for the location, dimensions, and design of such signs by Association Rule in conformance with Sections 712 and 713 of the California Civil Code and any applicable ordinances. If no applicable statute or ordinance regulates the size of the sign, the size permitted will be no more than three (3) square feet;

vi. Signs which designate political ballot issues, nominees, and/or political parties, provided the combined total area of such signs does not exceed three (3) square feet and provided such signs are removed within twenty-four (24) hours after the appropriate election. The Association may set standards for the location and design of such signs by Association Rule. In no event will such political signs be permitted in any Common Areas;

vii. Reasonable residential identification signs, including addresses and the name of the Owner or Occupant;

(y) Window Coverings. The hanging from, affixing to, or maintaining in any window, any signs not permitted under this section, or any aluminum or metal foil or other reflective materials. The characteristics and color of curtains, drapes, shades, blinds, or other coverings for any Lot, as seen from the front yard of such Lot, must conform to the Association Rules;

(z) Removal of Trees. No living tree may be destroyed or removed from the front of any Lot without the prior written consent by the Architectural Committee;

(aa) Storage. Nothing may be stored in the Common Area without the prior written consent of the Board;

Without limiting any of the foregoing, no Owner or Occupant may permit noise, sound(s) or sight(s) which would unreasonably disturb another's enjoyment of their Lot and/or the Common Area.

Section 3.8. Exterior Improvements. No Owner may at their expense or otherwise make any alterations or modifications to the exterior of their Unit and/or fences on the Owner's Lot without the prior written consent of the Board or the Architectural Committee, if any.

Section 3.9. Termination of Mechanics' Lien Rights and Indemnification. No labor performed or materials furnished to and incorporated in a Lot with the consent or at the request of the Owner thereof, Owner's family, contract purchasers, lessees, tenants, servants, employees, guests, invitees, and licensees or any of their agents, contractors, or subcontractors, may be the basis for filing a lien against the Lot of any other Owner if said Owner has not expressly consented to or requested the same, or against the Common Area.

An Owner must indemnify and hold harmless each of the other Owners and the Association from and against all liability arising from the claim of any lien against the Lot of the other Owner or against the Common Area for construction performed, or for labor, materials, services, equipment, or other products incorporated into the Owner's Lot, at such Owner's request or with their consent.

The provisions of this section will not apply to any labor performed or materials furnished at the request of the management agent or the Board. At the written request of any Owner, the Association will enforce such indemnity by collecting from the Owner of the Lot on which the labor was performed or to which materials were furnished, through Special Individual Assessments against said Lot, the amount necessary to discharge any such lien, including all costs incident thereto.

Section 3.10. No Waiver. The Association's approval of any work done or proposed, or in connection with any other matter requiring its approval pursuant to this article, will not be deemed to constitute a waiver of any right to withhold approval as to any similar work or matter, whenever subsequently or additionally submitted for approval.

Section 3.11. Variances. Upon application by any Owner, the Board will be authorized and empowered to grant reasonable variances from the restrictions set forth in this article, if specific application of the restriction will, in the sole discretion of the Board, either cause an undue hardship to the affected Owner or fail to further or preserve the common plan and scheme of development contemplated by this Declaration.

Section 3.12. Enforcement of Property Use Restrictions. An objective of this Declaration is to promote and seek voluntary compliance by Owners and other occupants with the environmental standards and property use restrictions contained herein. Accordingly, in the event that the Association becomes aware of an architectural or property use infraction that does not necessitate immediate corrective action under Section 13.6 hereof, the Owner responsible for the violation must receive written notice thereof and must be given a reasonable opportunity to comply voluntarily with the pertinent Governing Document provision(s). Such notice must describe the noncomplying condition, request that the Owner correct the condition within a reasonable time specified in the notice, and advise the Owner of their appeal rights.

ARTICLE IV: HOMEOWNERS ASSOCIATION.

Section 4.1. Management and Operation. The Association must manage and operate the Project in accordance with applicable provisions of the Governing Documents and California Law, including law applicable to non-profit mutual benefit corporations and common interest developments.

Section 4.2. Association Membership. Every record Owner of a Lot is a Member of the Association. The Owner(s) of a Lot hold jointly one Membership in the Association for each Lot owned. The Membership is appurtenant to each Lot and may not be separated from ownership of the Lot to which it relates. Persons or entities who hold an interest in a Lot merely as security for performance of an obligation are not Members until such time as the security holder comes into title to the Lot through foreclosure or deed. Tenants who are delegated rights of use pursuant to Section 2.3 hereof do not thereby become Members, although the tenant and members of the tenant's family will, at all times, be subject to the provisions of all Governing Documents.

Each Owner will remain a Member of the Association until their ownership in every Lot in the Project ceases, at which time their Membership in the Association will automatically cease. Membership in the Association will not be transferred, encumbered, pledged or alienated in any way, except upon the sale or encumbrance of the Lot to which it is appurtenant and then only to the purchaser. In the case of a sale, Membership passes automatically to the purchaser upon recording of a deed evidencing transfer of title to the Lot.