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DESERT SHADOWS RV RESORT  
OWNERS ASSOCIATION, INC.

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SECOND AMENDED AND RESTATED DECLARATION  
OF COVENANTS, CONDITIONS AND RESTRICTIONS  
FOR  
DESERT SHADOWS RV RESORT OWNERS ASSOCIATION, INC.

**If this document contains any restriction based on age, race, color, religion, sex, gender, gender identity, gender expression, sexual orientation, familial status, marital status, disability, veteran or military status, genetic information, national origin, source of income as defined in subdivision (p) of Section 12955, or ancestry, that restriction violates state and federal fair housing laws and is void, and may be removed pursuant to Section 12956.2 of the Government Code by submitting a “Restrictive Covenant Modification” form, together with a copy of the attached document with the unlawful provision redacted to the county recorder’s office. The “Restrictive Covenant Modification” form can be obtained from the county recorder’s office and may be available on its internet website. The form may also be available from the party that provided you with this document. Lawful restrictions under state and federal law on the age of occupants in senior housing or housing for older persons shall not be construed as restrictions based on familial status.**

**TABLE OF CONTENTS**

	<b><u>Page</u></b>
PREAMBLE .....	1
RECITALS .....	1
ARTICLE I DEFINITIONS .....	2
1.1. "Architectural Control Committee" .....	2
1.2. "Architectural Control Committee Rules" .....	2
1.3. "Articles" .....	2
1.4. "Assessment" .....	2
1.5. "Association" .....	2
1.6. "Association Rules" .....	2
1.7. "Board of Directors" or "Board" .....	2
1.8. "Bylaws" .....	2
1.9. "California Room" .....	2
1.10. "City" .....	2
1.11. "Common Area" .....	2
1.12. "Common Expense" .....	3
1.13. "County" .....	3
1.14. "Declaration" .....	3
1.15. "Governing Documents" .....	3
1.16. "Improvement" .....	3
1.17. "Lot" .....	3
1.18. "Map" .....	3
1.19. "Member" .....	3
1.20. "Mortgage" .....	3
1.21. "Owner" .....	3

1.22.	"Peak Season" .....	3
1.23.	"Permanent Resident" .....	3
1.24.	"Phase One RV Lots" .....	4
1.25.	"Phase Two RV Lots" .....	4
1.26.	"Property" .....	4
1.27.	"Recreational Vehicle" or "RV" .....	4
1.28.	"Regular Assessment" .....	4
1.29.	"Reimbursement Assessment" .....	4
1.30.	"Resident" .....	4
1.31.	"Resort" .....	4
1.32.	"Seasonal Resident" .....	4
1.33.	"Special Assessment" .....	4
ARTICLE II	PROPERTY RIGHTS AND OBLIGATIONS OF OWNERS.....	4
2.1.	Owners' Nonexclusive Easements of Enjoyment .....	4
2.2.	Persons Subject to Governing Documents.....	5
2.3.	Delegation of Use; Rental or Leasing Restrictions .....	5
2.4.	Obligations of Owners.....	6
2.5.	Suspension of Membership Rights.....	7
ARTICLE III	HOMEOWNERS ASSOCIATION.....	7
3.1.	Association Membership .....	7
3.2.	One Class of Membership.....	7
3.3.	Voting Rights of Members.....	7
3.4.	Assessments .....	7
3.5.	Transfer of Memberships .....	8
3.6.	Powers and Authority of the Association .....	8
3.7.	Association Rules .....	9

3.8.	Breach of Provisions of Governing Documents .....	9
3.9.	Duties of the Association.....	9
3.10.	Limitation on Liability of Association's Directors and Officers .....	10
ARTICLE IV	ASSESSMENT .....	10
4.1.	Assessments Generally .....	10
4.2.	Regular Assessments .....	11
4.3.	Special Assessments.....	12
4.4.	Emergency Assessments.....	13
4.5.	Reimbursement Assessments.....	13
4.6.	Purpose and Reasonableness of Assessments .....	14
4.7.	Exemption of Certain of the Property from Assessments .....	14
4.8.	Assessment Fund Maintenance .....	15
4.9.	Collection of Assessments; Enforcement of Liens.....	15
4.10.	Transfer of Lot by Sale or Foreclosure .....	16
4.11.	Priorities.....	17
4.12.	Unallocated Taxes .....	17
4.13.	Assignment of Rents.....	17
4.14.	Waiver of Exemptions .....	17
ARTICLE V	ARCHITECTURAL CONTROL COMMITTEE .....	17
5.1.	Architectural Approval Required.....	17
5.2.	Establishment of Architectural Control Committee .....	18
5.3.	Meetings .....	18
5.4.	Action by Architectural Control Committee .....	18
5.5.	Architectural Rules.....	18
5.6.	Appeal of Disapproval.....	18
5.7.	Inspection of Work by Architectural Control Committee .....	19

5.8.	Enforcement .....	19
5.9.	Variances.....	20
5.10.	Waiver .....	20
5.11.	Limitation on Liability.....	20
5.12.	Compliance With Governmental Regulations .....	20
ARTICLE VI	USE OF PROPERTIES AND RESTRICTIONS.....	20
6.1.	Recreational Vehicle Use.....	20
6.2.	Limitation on Residence and Occupancy .....	21
6.3.	Rental and Leasing Restrictions.....	22
6.4.	Age Restricted Community .....	22
6.5.	Business Activities .....	25
6.6.	Prohibition of Noxious or Nuisance Activities .....	25
6.7.	Household Pets .....	25
6.8.	Mining Prohibited .....	26
6.9.	Diseases and Pests .....	26
6.10.	No Obstruction of Common Area .....	26
6.11.	Commercial Signs.....	26
6.12.	Parking and Vehicle Restrictions.....	26
6.13.	Clotheslines .....	27
6.14.	Trash Removal .....	27
6.15.	Antennas and Similar Devices .....	27
6.16.	Storage .....	27
6.17.	Washing Machines and Dryers .....	28
6.18.	Outside Toilets.....	28
6.19.	Sewer Collars .....	28
6.20.	Restricted Entry .....	28

6.21.	Dilapidated and Unsightly Vehicles Prohibited and Subject to Removal.....	28
6.22.	Timeshare Use Prohibited.....	28
6.23.	Drones.....	28
6.24.	Solar Energy Systems .....	29
6.25.	Unique Phase Two Use Restrictions.....	29
6.26.	Exceptions .....	29
ARTICLE VII	MAINTENANCE RESPONSIBILITIES .....	30
7.1.	Association Maintenance Responsibilities.....	30
7.2.	Owner Maintenance Responsibilities .....	30
7.3.	Recovery of Costs of Certain Repairs and Maintenance .....	30
ARTICLE VIII	EASEMENTS.....	31
8.1.	Encroachment Easements .....	31
8.2.	Street Easements .....	31
8.3.	Blanket Utility Easement.....	31
8.4.	Maintenance Easements.....	31
8.5.	Drainage Easements .....	31
ARTICLE IX	INSURANCE.....	32
9.1.	Types of Insurance Coverage .....	32
9.2.	Responsibility for Deductible Amounts.....	33
9.3.	Coverage Not Available .....	33
9.4.	Copies of Policies .....	33
9.5.	Trustee .....	33
9.6.	Adjustment of Losses.....	33
ARTICLE X	DAMAGE OR DESTRUCTION .....	33
10.1.	Destruction; Proceeds Exceed 90% of the Reconstruction Cost .....	33
10.2.	Destruction; Proceeds Less Than 90% of the Reconstruction Cost.....	34

10.3.	Rebuilding Procedures.....	34
10.4.	Rebuilding to Conform to Original Plan .....	34
10.5.	Damage to Lot .....	34
ARTICLE XI	CONDEMNATION .....	34
11.1.	Association as Trustee for Owners .....	34
ARTICLE XII	BREACH AND DEFAULT .....	34
12.1.	Remedy at Law Inadequate .....	34
12.2.	Nuisance.....	35
12.3.	Costs and Attorneys' Fees .....	35
12.4.	Cumulative Remedies.....	35
12.5.	Failure Not a Waiver .....	35
12.6.	Rights and Remedies of the Association.....	35
ARTICLE XIII	NOTICES.....	36
13.1.	Mailing Addresses.....	36
13.2.	Personal Service Upon Co-Owners and Others .....	36
13.3.	Time and Proof of Delivery.....	36
ARTICLE XIV	AMENDMENT OF DECLARATION.....	37
14.1.	Amendment in General .....	37
14.2.	Effective Date of Amendment .....	37
14.3.	Reliance on Amendments .....	37
ARTICLE XV	PROTECTION OF MORTGAGEES .....	37
15.1.	Scope of Article.....	37
15.2.	Encumbrance of Lots Permitted .....	37
15.3.	Rights of Mortgagees Upon Foreclosure.....	37
15.4.	Loans to Facilitate Resale of a Lot After Foreclosure or Deed in Lieu of Foreclosure.....	37
15.5.	Amendments to Article XV .....	37

15.6. Right to Attend Meetings.....	38
15.7. Information.....	38
15.8. Notices of Actions .....	38
15.9. Breach .....	38
15.10. Consent .....	38
ARTICLE XVI GENERAL PROVISIONS.....	38
16.1. Term .....	38
16.2. Violation of Law .....	38
16.3. Notification of Sale of Lot .....	38
16.4. Requirements to Transfer a Lot.....	39
16.5. Construction of Declaration.....	39
16.6. Enforcement by City.....	39
OFFICERS' CERTIFICATE.....	40



SECOND AMENDED AND RESTATED DECLARATION  
OF COVENANTS, CONDITIONS AND RESTRICTIONS  
FOR  
DESERT SHADOWS RV RESORT OWNERS ASSOCIATION, INC.

This Amended and Restated Declaration of Covenants, Conditions and Restrictions for Desert Shadows RV Resort Owners Association, Inc., is made on the day and year written below by Desert Shadows RV Resort Owners Association, Inc., a California nonprofit mutual benefit corporation ("Declarant"), with reference to the following Recitals:

RECITALS

A. Declarant is a homeowners association whose Members are the Owners of all the residential Lots within that certain real property in the City of Cathedral City, County of Riverside, State of California, more particularly described as:

All of the real property legally described as Tract No. 19340-1, as per Map recorded on March 29, 1984, in Book 138, Pages 82 through 86 of Maps, inclusive, in the Office of the County Recorder, Riverside County, California.

All of the real property legally described as Tract No. 22142, as per Map recorded on June 11, 1987, in Book 169, Pages 76 through 80, inclusive, of Maps, in the Office of the County Recorder, Riverside County, California.

B. The Property was originally developed as a planned development as defined in Civil Code section 4125, and consists of 460 residential Lots and Common Area. Ownership of the Property is currently, subject to the covenants, conditions, restrictions, rights, reservations, easements, equitable servitudes, liens and charges set forth in the Restated Declaration of Covenants, Conditions and Restrictions, recorded on February 17, 2006, as Instrument No. 2006-0119710, in the Official Records of Riverside County, California ("Restated Declaration"). Prior to the Restated Declaration, the Property was subject to the covenants, conditions, restrictions, rights, reservations, easements, equitable servitudes, liens and charges set forth in the Declaration of Establishment of Covenants, Conditions and Restrictions for Desert Shadows RV Owners Association, Inc., recorded on April 5, 1984, as Instrument No. 69843, as amended by a First Amendment, recorded on June 30, 1989, as Instrument No. 217188, all in the Official Records of Riverside County, California ("Original Declaration").

C. Declarant Association now desires to amend and restate the Restated Declaration and replace it in its entirety with this Declaration. Declarant further desires that, on recordation of this Declaration, the Property shall be subject to the covenants, conditions, restrictions, rights, reservations, easements, equitable servitudes, liens and charges, contained in this Declaration, and that this Declaration take the place of and relate back in time to the recording of the Restated Declaration.

D. Article X, Section 2, of the Restated Declaration provides that it may be amended by the vote or written assent of not less than sixty percent (60%) of all Owners. The undersigned President and Secretary of the Association certify that, to the best of their knowledge, the affirmative vote of at least the required number of Owners has been obtained.

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

## ARTICLE I DEFINITIONS

1.1. "Architectural Control Committee" means the committee created in accordance with Article V of this Declaration.

1.2. "Architectural Control Committee Rules" means the rules adopted by the Board and Architectural Control Committee pursuant to Sections 3.7 and 5.6 of this Declaration.

1.3. "Articles" means the Articles of Incorporation of Desert Shadows RV Resort Owners Association, Inc., which are filed in the Office of the California Secretary of State, as such Articles may be amended from time to time.

1.4. "Assessment" means any Regular, Special or Reimbursement Assessment made or assessed by the Association against an Owner and his or her Lot in accordance with the provisions of Article IV of this Declaration.

1.5. "Association" means Desert Shadows RV Resort Owners Association, Inc., a California nonprofit mutual benefit corporation, its successors and assigns. The Association is an "association" as defined in California Civil Code section 4080.

1.6. "Association Rules" means the rules, regulations and policies adopted by the Board of Directors of the Association, pursuant to Section 3.7 of this Declaration, as the same may be in effect from time to time.

1.7. "Board of Directors" or "Board" means the Board of Directors of the Association.

1.8. "Bylaws" means the Second Amended and Restated Bylaws of the Association.

1.9. "California Room" means an added room structurally connected to a park model RV, constructed with design standards established by the Architectural Control Committee and/or the Board, and in compliance with the requirements of the City and County building and safety codes. Where applicable, the term "RV" shall include the California Room.

1.10. "City" means the City of Cathedral City and its various departments, divisions, employees and representatives.

1.11. "Common Area" means the entire Property except all Lots.

1.12. "Common Expense" means any use of Association funds authorized by Article IV of this Declaration and includes, without limitation: (a) all expenses or charges incurred by or on behalf of the Association in carrying out its management, maintenance and administration responsibilities; (b) all expenses or charges reasonably incurred to procure insurance or bonds for the protection of the Association and its Board of Directors; (c) any amounts reasonably necessary to fund reserves for maintenance, repair and replacement of the Common Areas and for nonpayment of any Assessments; and (d) any other funds necessary to defray the costs and expenses incurred by the Association in the performance of its functions or in the proper discharge of the responsibilities of the Board for the common benefit of the Owners as provided in the Governing Documents.

1.13. "County" means the County of Riverside, State of California, and its various departments, divisions, employees and representatives.

1.14. "Declaration" means this instrument, as it may be amended from time to time. The "Original Declaration" means and refers to the document referenced in the Recitals of this Declaration, together with all amendments and annexations thereto. The "Restated Declaration" means and refers to the document referenced in the Recitals of this Declaration, together with all amendments and annexations thereto.

1.15. "Governing Documents" is a collective term that means and refers to this Declaration, the Articles, the Bylaws, and the Association Rules.

1.16. "Improvement" means any exterior modification or alteration to the basic Lot, including the RV. In no event shall the term "Improvement" be interpreted to include projects that are restricted to the interior of any RV.

1.17. "Lot" means any of the four hundred and sixty (460) residential Lots within the Property. When appropriate within the context of this Declaration, the term "Lot" shall also include the Recreational Vehicle and other improvements constructed or to be constructed on a Lot.

1.18. "Map" means the subdivision maps referenced in Recital A of this Declaration.

1.19. "Member" means every person or entity who holds a membership in the Association.

1.20. "Mortgage" means any mortgage or deed of trust or other conveyance of a Lot to secure the performance of an obligation, which conveyance will be reconveyed upon the completion of such performance. The term "Deed of Trust" or "Trust Deed" when used shall be synonymous with the term "Mortgage." "Mortgagee" shall refer to a beneficiary under a Deed of Trust or Trust Deed, as well as to a mortgagee in the conventional sense.

1.21. "Owner" means any person, firm, corporation or other entity in which title to a Lot is vested as shown by the official records of the Office of the County Recorder. This term shall not be construed to include those persons holding title as security for the performance of an obligation other than sellers under executory contracts of sale.

1.22. "Peak Season" means the period of time from October 1 through April 30.

1.23. "Permanent Resident" means any person who stays overnight in the Resort for one or more nights in more than nine (9) months in any calendar year.

1.24. "Phase One RV Lots" means Lots 1 through 249, as set forth on the Map for Tract No. 19340-1, as described in more detail in Recital A of this Declaration, which are commonly known as Lots 1 through 249 of the Resort.

1.25. "Phase Two RV Lots" means Lots 1 through 211, as set forth on the Map for Tract No. 22142, as described in more detail in Recital A of this Declaration, which are commonly known as Lots 250 through 460 of the Resort. Phase Two Lots are further broken down into Lots where park models may be kept ("Phase Two Park Model RV Lots") and those where park models are not permitted ("Phase Two Non-Park Model RV Lots"). The Phase Two Park Model RV Lots are commonly known as Lots 301 through 371 and Lot 400. The Phase Two Non-Park Model RV Lots are commonly known as Lots 250 through 300, Lots 372 through 399, and Lots 401 through 460.

1.26. "Property" means all parcels of real property described in Recital "A" of this Declaration, together with all buildings, structures, utilities, recreational facilities, and other improvements located thereon, and all appurtenances thereto.

1.27. "Recreational Vehicle" or "RV" means a towable travel trailer, a park model, a park trailer, a fifth wheel trailer, a motorized recreational vehicle or such other types of recreational vehicles, excluding truck/camper and tent trailers, as may be designated by the Board.

1.28. "Regular Assessment" means an Assessment levied on an Owner and his or her Lot, in accordance with Section 4.2 of this Declaration.

1.29. "Reimbursement Assessment" means an Assessment levied on an Owner and his or her Lot, in accordance with Section 4.5 of this Declaration.

1.30. "Resident" means any person who stays overnight in the Resort for more than thirty (30) days in any calendar year, which period of time need not be consecutive for it to count towards the total of thirty (30) days in any calendar year.

1.31. "Resort" means the RV park commonly known as Desert Shadows RV Resort, located in Cathedral City, California.

1.32. "Seasonal Resident" means any Resident who stays overnight in the Resort only during Peak Season.

1.33. "Special Assessment" means an Assessment levied on an Owner and his or her Lot, in accordance with Section 4.3 of this Declaration.

## ARTICLE II

### PROPERTY RIGHTS AND OBLIGATIONS OF OWNERS

2.1. Owners' Nonexclusive Easements of Enjoyment. Every Owner shall have the rights and easements of enjoyment in and to the Common Areas, including ingress and egress to and from his or her Lot, which shall be appurtenant to and shall pass with the title to every Lot, subject to the following rights and restrictions:

(a) The right of the Association to assign, rent, license, lease, charge reasonable admission and other fees for, and to otherwise designate and control the use of any unassigned parking spaces within the Common Area and to charge reasonable admission and other fees or to limit the number of persons who may use any Common Area facilities.

(b) The right of the Association to adopt Association Rules, as provided in Section 3.7 of this Declaration, regulating the use and enjoyment of the Property for the benefit and well-being of the Owners in common. In the event of the breach of such rules or any provision of any Governing Document by any Owner or any Owner's tenant, guest or invitee, to temporarily suspend the right to use the Common Area facilities, by any Owner and/or the Owner's tenants, guests, and invitees, subject to compliance with the due process requirements of Section 12.6.

(c) The right of the Association to suspend the right to use and enjoy the Common Area facilities, and to suspend any and all services obtained through or provided by an Association bulk agreement with a third party provider (e.g., cable television, internet, and VOIP telephone service), during any period that an Owner is delinquent in the payment of Assessments to the Association.

(d) The right of the Association to borrow money for the purposes of improving, repairing, maintaining and replacing the facilities and areas within the Association's responsibility, and in aid thereof to mortgage the real or personal property of the Association.

(e) The right of the Association to dedicate, transfer, or grant easements, licenses or rights-of-way over any part of the Common Area for purposes not inconsistent with the use of the Property as an RV resort development. No dedication shall be permitted that impairs the ingress and egress to any Lot.

(f) The right of the Association to permit minor encroachments into the Common Area, so long as any such encroachment does not interfere with the reasonable enjoyment by any Owner of his or her property, and to permit any existing encroachments into the Common Area to remain.

**2.2.** Persons Subject to Governing Documents. All present and future Owners, tenants and occupants of Lots within the Property shall be subject to, and shall comply with, each and every provision of the Governing Documents, as the same or any of them shall be amended from time to time, unless a particular provision is specifically restricted in its application to one or more of such classes of persons (i.e., Owners, tenants, invitees, etc.). The acceptance of a deed to any Lot, the entering into a rental agreement, sublease or contract of sale with respect to any Lot, or the occupancy of any Lot shall constitute the consent and agreement of such Owner, tenant or occupant that each and all of the provisions of this Declaration, as the same or any of them may be amended from time to time, shall be binding upon said person and that said person and all persons acting by or through such person, including guests of those persons, will observe and comply with the Governing Documents.

**2.3.** Delegation of Use; Rental or Leasing Restrictions.

(a) Any Owner may delegate the Owner's rights to use and enjoy the Common Area to members of the Owner's family or to the Owner's tenants, lessees or contract purchasers who reside in the Owner's Lot; provided, that any rental or lease may only be for Recreational Vehicle Use, shall not be for hotel or transient occupancy, shall be for a minimum term of at least thirty (30) days, unless there is a specific exception approved by the Board, and shall be in compliance with the restrictions set forth in Section 6.3 of this Declaration. Further subletting by an Owner's lessee shall be prohibited.

(b) During any period when a Lot has been rented or leased, the Owner-lessor, his or her family, guests and invitees shall not be entitled to use and enjoy the Common Areas

(other than streets), except to the extent reasonably necessary to perform the Owner's responsibilities as a lessor of the Lot, provided that this restriction shall not apply to an Owner-lessor who is contemporaneously residing elsewhere within the Property.

(c) Any rental or lease of a Lot shall be pursuant to a written lease, a copy of which shall be filed with the Association. Each written lease shall expressly provide that it is subject to the provisions of the Governing Documents, all of which shall be deemed incorporated by reference in the lease or rental agreement. Each Owner-lessor shall provide any tenant or lessee with a current copy of all Governing Documents and shall be responsible for compliance by the Owner's tenant or lessee with all of the provisions of the Governing Documents during the tenant's/lessee's occupancy and use of the Lot.

(d) Discipline of Lessees. Subject to paragraph (d) below, in the event that any tenant or lessee fails to honor the provisions of any Governing Document, the Association shall be entitled to take such corrective action as it deems necessary or appropriate under the circumstances, which may include suspension of the tenant's privileges to use any Common Area facilities or the imposition of fines and penalties against the Owner. Any Owner who leases his or her Lot shall be responsible for assuring compliance by the lessee with the Governing Documents.

(e) Due Process Requirements for Disciplinary Action. Except for circumstances in which immediate corrective action is necessary to prevent damage or destruction to the Property or to preserve the rights of quiet enjoyment of other Owners, the Association shall have no right to initiate disciplinary action against an Owner-lessor (or the Owner's lessee or tenant) on account of the misconduct of the Owner's lessee or tenant, unless and until the following conditions have been satisfied: (i) the Association or the Association's manager has sent written notice to the Owner, detailing the nature of the lessee's or tenant's alleged infraction or misconduct and advising the Owner of his or her right to a hearing on the matter in the event the Owner believes that remedial or disciplinary action is unwarranted or unnecessary; (ii) the Owner has been given a reasonable opportunity to take corrective action on a voluntary basis or to appear at a hearing, if one is requested by the Owner; and (iii) the Owner has failed to prevent or correct the tenant's objectionable actions or misconduct. Any hearing requested hereunder shall be conducted in accordance with Section 12.6.

(f) Recoverable Costs and Expenses. In the event of (i) damage to, or destruction of, Common Areas by a tenant or lessee of the Owner of a leased Lot; or (ii) the Association incurring any costs or expenses to bring a tenant or lessee of the Owner and/or his or her Lot into compliance with any provision of the Governing Documents, the amount incurred by the Association shall be assessed and charged against such Owner as a Reimbursement Assessment.

2.4. Obligations of Owners. Owners of Lots within the Property shall be subject to the following:

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

(b) Assessment Payments; Rule Compliance. Each Owner shall pay when due each Regular, Special and Reimbursement Assessment levied against the Owner and his or her Lot and shall observe, comply with and abide by any and all rules and regulations set forth in, or adopted by the Association pursuant to, the Governing Documents for the purpose of protecting the interests of all Owners or protecting the Common Areas.

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

2.5. Suspension of Membership Rights. After notice and hearing, as provided in Section 12.6, the Board of Directors may suspend the rights of any Member and anyone deriving such rights and easements from any Member, for use and enjoyment of any Common Area facilities, as follows: (a) for any period during which the Member remains delinquent for the payment of any Assessments which he or she is obligated to pay; (b) for any period during which a continuing violation continues; and (c) for up to thirty (30) days for any single incident violation, with the timing of such suspension to be at the discretion of the Board. Suspension of any such rights shall not constitute a waiver or discharge of the Member's obligation to pay Assessments, as provided in this Declaration.

### ARTICLE III HOMEOWNERS ASSOCIATION

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

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

3.3. Voting Rights of Members. Each Member of the Association shall be entitled to one vote for each Lot owned by said Member. When more than one person holds an interest in any Lot, all such persons shall be Members, although in no event shall more than one vote be cast with respect to any Lot. Fractional votes shall not be allowed, and the vote for each Lot shall be exercised, if at all, as a unit. If owners of a single Lot disagree on how their vote shall be cast, the majority interest in such Lot shall decide how to vote.

3.4. Assessments. The Association shall have the power to establish, fix and levy Assessments against the Owners of Lots within the Property and to enforce payment of such Assessments in accordance with Article IV. Any Assessments levied by the Association on its Members shall be levied in accordance with and pursuant to the provisions of this Declaration.

3.5. Transfer of Memberships. Membership in the Association shall 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. In the case of an encumbrance of such Lot, a Mortgagee does not have membership rights until he or she becomes an Owner by foreclosure or deed in lieu thereof. Tenants who are delegated rights of use, pursuant to Section 2.3, do not thereby become Members, although the tenant and members of the tenant's family shall, at all times, be subject to the provisions of all Governing Documents. Any attempt to make a prohibited transfer is void. In the event the Owner of any Lot should fail or refuse to transfer the membership registered in the Owner's name to the purchaser of his or her Lot, the Association shall have the right to record the transfer upon its books and thereupon any other membership outstanding in the name of the seller shall be null and void.

3.6. Powers and Authority of the Association.

(a) Powers Generally. The Association shall have the responsibility of managing and maintaining the Common Area and discharging the other duties and responsibilities imposed on the Association by the Governing Documents. In the discharge of such responsibilities and duties, the Association shall have all of the powers of a nonprofit mutual benefit corporation organized under the laws of the State of California in the ownership and management of its Property and the discharge of its responsibilities hereunder for the benefit of its Members, subject only to such limitations upon the exercise of such powers as are expressly set forth in the Governing Documents. The Association and its Board of Directors shall have the power to do any and all lawful things which may be authorized, required or permitted to be done under and by virtue of the Governing Documents, and to do and perform any and all acts which may be necessary or proper for, or incidental to, the exercise of any of the express powers of the Association for the peace, health, comfort, safety or general welfare of the Owners, including contracting with a professional manager to carry out regular repairs, maintenance duties, assessment collections, governing document enforcement activities, and any other such duties as specified by the Board of Directors. The specific powers of the Association and the limitations thereon shall be as set forth in the Bylaws.

(b) Association's Limited Right of Entry. The Association and/or its agents shall have the right, when necessary, to enter any Lot to perform the Association's obligations under this Declaration, including (i) obligations to enforce the architectural and land use restrictions contained in this Declaration; (ii) any obligations with respect to construction, maintenance and repair of adjacent Common Area; or (iii) to make necessary repairs that an Owner has failed to perform which, if left undone, will pose a threat to, or cause an unreasonable interference with, Association property or the Owners in common, or which have resulted in the Lot not having been maintained in a neat and attractive condition, to the reasonable satisfaction of the Architectural Control Committee.

The Association's rights of entry under this subparagraph (b) shall be immediate in case of an emergency originating in or threatening the Lot or Recreational Vehicle where entry is required, or any adjoining Lots, Recreational Vehicles or Common Area, and the Association's work may be performed under such circumstances whether or not the Owner or his or her tenant is present. In all nonemergency situations, the Association or its agents shall furnish the Owner or his or her tenant with at least forty-eight (48) hours' written notice of its intent to enter the Lot, specifying the purpose and scheduled time of such entry and shall make every reasonable effort to perform its work and schedule its entry in a manner that respects the privacy of the persons occupying the Recreational Vehicle located on the Lot.



(c) Association as Attorney in Fact for Owners. Without limiting the generality of the foregoing, the Association is hereby irrevocably appointed as the attorney in fact for the Owners of each and every Lot to (i) manage, control and deal with the interest of such Owners in the Common Area so as to permit the Association to fulfill all of its duties and obligations hereunder and to exercise all of its rights hereunder; (ii) deal with the Property upon its destruction or obsolescence as hereinafter provided; and (iii) deal with and handle insurance and insurance proceeds, as provided in Article IX, and condemnation and condemnation awards, as provided in Article XI. The acceptance by any person or entity of any interest in any Lot shall constitute an appointment of the Association as the Owner's attorney in fact, as provided above.

(d) Association's Right to Grant Easements. The Association, acting through the Board, may consent to or join in the grant or conveyance of easements, licenses or rights-of-way in, on or over the Common Area to any public agency, authority or utility for purposes not inconsistent with the intended use of the Property as a residential planned development project and RV resort park, and in accordance with such terms and conditions as the Board may require in order to protect the Association and the Owners. Provided, however, that the Association may grant a right of exclusive use of any part of the Common Area to an individual Owner only with the approval of at least a majority of the Members of the Association, and after complying with Civil Code Section 4600, or any superseding statute.

3.7. Association Rules. The Board may, from time to time and subject to the provisions of this Declaration and Civil Code section 4360 and any superseding statutes, propose, enact and amend Rules and Regulations of general application to Property and the conduct of the Owners of Lots within the Property. Such rules may concern, but need not be limited to (i) matters pertaining to the maintenance, repair, management and use of the Common Area by Owners, their tenants, guests and invitees, or any other person(s) who have rights of use and enjoyment of such Common Area; (ii) architectural control and the rules of the Architectural Control Committee under Section 5.5; (iii) the conduct of disciplinary proceedings in accordance with Section 12.6; (iv) regulation of parking, pet ownership and other matters subject to regulation and restriction under Article VI; (v) collection and disposal of refuse; (vi) minimum standards for the maintenance of landscaping or other improvements located within areas of Owner maintenance responsibility; and (vii) any other subject or matter within the jurisdiction of the Association as provided in the Governing Documents.

Notwithstanding the foregoing grant of authority, the Association Rules shall not be inconsistent with or materially alter any provision of the other Governing Documents or the rights, preferences and privileges of Members under the other Governing Documents. In the event of any material conflict between the Association Rules and any provision of the other Governing Documents, the conflicting provisions contained in the other Governing Documents shall be deemed to prevail.

3.8. Breach of Provisions of Governing Documents. Any breach of the Rules and Regulations or of any other Governing Document provision shall give rise to the rights and remedies set forth in Article XII of this Declaration.

3.9. Duties of the Association. In addition to the duties delegated to it by its Articles, and without limiting the generality thereof, the Association shall have the obligation to perform each of the following duties:

(a) Rubbish Collection. To provide trash pick-up and garbage disposal from the Common Area.

(b) Water and Other Utilities. To acquire, provide and/or pay for water, gas, sewer, electricity, telephone and other utility services for the Common Area. Additionally, the Association shall have the responsibility to maintain and repair the electrical system, up to and including the pedestal, and the sanitary sewer and domestic water systems located on each Lot, up to and including the permanently installed connections. The Association has the authority, but not the obligation, to pay for water, gas, sewer, electricity and other utility services for the Lots. In the event the Association pays for such utility services for the Lots, the Association has the authority, but not the obligation, to determine each Lot's actual use of such services and charge each Lot for such actual use, as a Reimbursement Assessment, rather than aggregating the total cost of such utility services and allocating the cost for same equally amongst all Lots, as part of the Regular Assessment.

### 3.10. Limitation on Liability of Association's Directors and Officers.

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

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

(b) Other Claims Involving Tortious Acts and Property Damage. No Released Party shall be responsible to any Owner, or to any member of his or her family, or any of his or her tenants, guests, servants, employees, licensees, invitees, or any other person, for any loss or damage suffered by reason of theft or otherwise of any article, vehicle or other item of personal property which may be stored by such Owner or other person in any Lot or within any Recreational Vehicle or for any injury to or death of any person or loss or damage to the property of any person caused by fire, explosion, the elements or any other Owner or person within the Property, or by any other cause, unless the same is attributable to his or her own willful or wanton act or gross negligence. It is the intent of this subparagraph to provide volunteer directors and officers with protection from liability to the full extent permitted by California Civil Code section 5800, or comparable superseding statute, and to the extent this provision is inconsistent with said Section, the Civil Code shall prevail.

## ARTICLE IV ASSESSMENT

### 4.1. Assessments Generally.

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

as "Assessment" or "Assessments"). Each such Assessment shall be established and collected as hereinafter provided.

(b) Purpose of Assessments. The Assessments shall be used exclusively to promote the recreation, health, safety and welfare of the occupants of the Lots and for the operation, replacement, improvement and maintenance of the Property.

(c) Extent of Owner's Personal Obligation for Assessments. All Assessments, together with late charges, interest, and reasonable costs (including reasonable attorneys' fees) for the collection thereof, shall be a debt and a personal obligation of the Person who was the Owner of the Lot at the time the Assessment was levied. Each Owner who acquires title to a Lot (whether at judicial sale, trustee's sale or otherwise) shall be personally liable only for Assessments attributable to the Lot so purchased which become due and payable after the date of such sale, and shall not be personally liable for delinquent Assessments of prior Owners unless the new Owner expressly assumes the personal liability. Any unpaid Assessment of a previous Owner shall remain the debt of such previous Owner against whom assessed.

(d) Creation of Assessment Lien. All Assessments, together with late charges, interest, and reasonable costs (including reasonable attorneys' fees) for the collection thereof, shall be a charge on the Lot and shall be a continuing lien upon the Lot against which such Assessment is made. Any demand or claim of lien or lien on account of prior delinquencies shall be deemed to include subsequent delinquencies and amounts due on account thereof. Any lien for unpaid Assessments created pursuant to the provisions of this article may be subject to foreclosure as provided in Section 4.9(b).

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

#### 4.2. Regular Assessments.

(a) Preparation of Annual Budget. Not less than thirty (30) nor more than ninety (90) days prior to the beginning of the Association's fiscal year, the Board shall estimate the total amount required to fund the Association's anticipated Common Expenses for the next succeeding fiscal year (including additions to any reserve fund established to defray the costs of future repairs, or replacement of the Common Area) by preparing and distributing to all Association Members a budget satisfying the requirements of Civil Code section 5300.

(b) Establishment of Regular Assessment. The total annual expenses estimated in the Association's budget (less projected income from sources other than assessments) shall become the aggregate Regular Assessment for the next succeeding fiscal year, provided that the Board of Directors may not impose a Regular Assessment that is more than twenty percent (20%) greater than the Regular Assessment for the Association's immediately preceding fiscal year without the vote or written assent of Members, constituting a quorum, casting a majority of the votes at a meeting or election of the Association, except in "emergency situations," as set forth in Section 4.4 of this Declaration. For purposes of this provision, "quorum" means more than fifty percent (50%) of the Owners.

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

(d) Notice of Assessment. The Board of Directors shall provide notice to each Owner, by individual notice, pursuant to Civil Code section 4040, of a statement of the amount of the Regular Assessment for the next succeeding fiscal year, no less than thirty (30) days nor more than ninety (90) days prior to the beginning of the next fiscal year.

(e) Failure to Make Estimate. If, for any reason, the Board of Directors fails to make an estimate of the Common Expenses for any fiscal year, then the Regular Assessment made for the preceding fiscal year, together with any Special Assessment made pursuant to Section 4.3 for that year, shall be assessed against each Owner and his or her Lot on account of the then current fiscal year, and installment payments (as hereinafter provided) based upon such automatic Assessment shall be payable on the regular payment dates established by the Association.

(f) Installment Payment of Assessments. The Regular Assessment levied against each Owner and his or her Lot shall be due and payable in advance to the Association in equal monthly installments on the first day of each month or on such other date or dates as may be established from time to time by the Association's Board of Directors. Installments of Regular Assessments shall be delinquent, if payment is not received by the Association by the fifteenth (15<sup>th</sup>) day of the month in which the Assessment is due.

#### 4.3. Special Assessments.

(a) Permitted Purposes. Subject to the membership approval requirements set forth in subparagraph (b) below, the Board of Directors shall have the authority to levy Special Assessments against the Owners and their Lots for, without limitation, the following purposes:

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

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

(b) Special Assessments Requiring Membership Approval. No Special Assessments described in Section 4.3(a), which in the aggregate exceed five percent (5%) of the budgeted gross expenses of the Association for the fiscal year in which the Special Assessment is levied shall be made without the vote or written assent of Members, constituting a quorum,

casting a majority of the votes at a meeting or election of the Association, provided that this membership approval requirement shall not apply to any Special Assessment levied to address "emergency situations" as defined in Section 4.4 of this Declaration. For purposes of this provision, "quorum" means more than fifty percent (50%) of the Owners.

(c) Use, Allocation and Payment of Special Assessments. When levied by the Board or approved by the Members as provided above, the Special Assessment may only be used for the purpose for which the Special Assessment has been levied and shall be divided among, assessed against and charged to each Owner and his or her Lot in the same manner prescribed for the allocation of Regular Assessments pursuant to Section 4.2(c) above. Notice of a Special Assessment so levied shall be provided to each Owner via Individual Delivery pursuant to Civil Code section 4040, or any successor statute.

4.4. Emergency Assessments. The requirement of a membership vote to approve Regular Assessment increases in excess of twenty percent (20%) of the previous year's Regular Assessment or Special Assessments that in the aggregate exceed five percent (5%) of the budgeted gross expenses of the Association for the fiscal year in which the Special Assessment is levied shall not apply to assessment increases necessary to address emergency situations. For purposes of this Section 4.4, an "emergency situation" is any of the following:

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

(b) An extraordinary expense necessary to repair or maintain the Common Area or any portion of the Lots that the Association is obligated to maintain where a threat to personal safety is discovered.

(c) An extraordinary expense necessary to repair or maintain the Common Area or any portion of the Lots that the Association is obligated to maintain, which could not have been reasonably foreseen by the Board in preparing and distributing the budget pursuant to Section 4.2(a) above, provided that, prior to the imposition or collection of an assessment under this subparagraph (c), the Board shall pass a resolution containing written findings as to the necessity of the extraordinary expense involved and why the expense was not or could not have been reasonably foreseen in the budgeting process. The Board's resolution shall be distributed to the Members together with the notice of assessment.

4.5. Reimbursement Assessments.

(a) Circumstances Giving Rise to Reimbursement Assessments. In addition to the Assessments levied against all Owners in accordance with Sections 4.3 and 4.4, above, the Board of Directors may impose Reimbursement Assessments against an Owner in any of the circumstances described in subparagraphs (i) through (iii) below, provided that no Reimbursement Assessment may be imposed against an Owner pursuant to this Section 4.5, until the Owner has been afforded the notice and hearing rights to which the Owner is entitled pursuant to Section 12.6, and, if appropriate, has been given a reasonable opportunity to comply voluntarily with the Association's Governing Documents. Subject to the foregoing, the acts and circumstances giving rise to liability for Reimbursement Assessments include the following:

(i) Damage to Common Area. In the event that any damage to, or destruction of, any portion of the Common Area, including any portion of the Lot which the Association is obligated to repair and maintain, is caused by the willful misconduct or negligent act or omission of any Owner, any member of his or her family, or any of his or her tenants, guests,

servants, employees, licensees or invitees, the Board shall cause the same to be repaired or replaced, and all costs and expenses incurred in connection therewith (to the extent not compensated by insurance proceeds) shall be assessed and charged solely to and against such Owner as a Reimbursement Assessment.

(ii) Expenses Incurred in Gaining Member Compliance. In the event that the Association incurs any costs or expenses to accomplish (A) any repair, maintenance or replacement to any portion of the Property that the Owner is responsible to maintain under the Governing Documents but has failed to undertake or complete in a timely fashion, or (B) to otherwise bring the Owner and/or his or her Lot into compliance with any provision of the Governing Documents, the amount incurred by the Association (including title company fees, accounting fees, court costs and reasonable attorneys' fees) shall be assessed and charged solely to and against such Owner as a Reimbursement Assessment.

(iii) Required Maintenance on Lots. As more particularly provided in Section 3.6(b) (and without limiting the generality of that subparagraph), if any Lot is maintained so as to become a nuisance, fire or safety hazard, dilapidated or an eyesore, for any reason, the Association shall have the right to enter the Lot to correct the offensive or hazardous condition and recover the cost of such action through imposition of a Reimbursement Assessment against the offending Owner.

(b) Levy of Reimbursement Assessment and Payment. Once a Reimbursement Assessment has been levied against an Owner for any reason described, and subject to the conditions imposed in this Section 4.5, notice of such Reimbursement Assessment shall be provided to the affected Owner via individual delivery, pursuant to Civil Code section 4040, or any successor statute, and the Reimbursement Assessment shall thereafter be due as a separate debt of the Owner payable in full to the Association within thirty (30) days after the date notice of the Assessment was provided.

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

4.7. Exemption of Certain of the Property from Assessments. The following real property subject to this Declaration shall, unless devoted to use as a residential dwelling, be exempt from the Assessments and the lien thereof provided herein:

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

4.8. Assessment Fund Maintenance. All sums received or collected by the Association from Assessments, together with any interest or late charges thereon, shall be promptly deposited in one or more insured checking, savings or money market accounts in a bank or savings and loan association selected by the Board of Directors. In addition, the Board shall be entitled to make prudent investment of reserve funds in insured certificates of deposit, money market funds or similar investments consistent with the investment standards normally observed by trustees. The Board, and such officers or agents of the Association as the Board shall designate, shall have exclusive control of said account(s) and investments and shall be responsible to the Owners for the maintenance at all times of accurate records thereof. The withdrawal of funds from Association accounts shall be subject to the minimum signature requirements imposed by Civil Code section 5510 and Section 12.2 of the Bylaws.

To preclude a multiplicity of bank accounts, the proceeds of all Assessments may be commingled in one or more accounts and need not be deposited in separate accounts so long as the separate accounting records described herein are maintained.

4.9. Collection of Assessments; Enforcement of Liens.

(a) Delinquent Assessments. If any Regular Assessment, Special Assessment, or Reimbursement Assessment assessed to any Owner is not paid within fifteen (15) days after the same becomes due, such payment shall be delinquent. If an Assessment is delinquent, the Association may recover all of the following: (i) reasonable costs incurred in collecting the delinquent Assessment, including reasonable attorneys' fees; (ii) a late charge in the sum of ten dollars (\$10.00) or ten percent (10%) of the delinquent Assessment, whichever is greater; (iii) interest on all sums imposed in accordance with this paragraph, including the delinquent Assessment, reasonable costs of collection, and late charges, at the maximum annual percentage rate permitted by law, commencing thirty (30) days after the Assessment becomes due.

(b) Effect of Nonpayment of Assessments; Creation and Imposition of a Lien for Delinquent Assessments. As more particularly provided in Civil Code section 5650 or comparable superseding statute, the amount of any delinquent Regular, Special, or Reimbursement Assessment, together with any late charges, interest and costs (including reasonable attorneys' fees) attributable thereto or incurred in the collection thereof, shall become a lien upon the Lot of the Owner so assessed only when the Association causes to be recorded in the Office of the County Recorder of the County, a Notice of Delinquent Assessment executed by an authorized representative of the Association, setting forth (i) the amount of the delinquent Assessment(s) and other sums duly imposed pursuant to this Article IV and Civil Code section 5650(b), (ii) the legal description of the Owner's Lot against which the Assessments and other sums are levied, (iii) the name of the Owner of Record of such Lot, (iv) the name and address of the Association, and (v) the name and address of the trustee authorized by the Association to enforce the lien by sale. Any demand or claim of lien or lien on account of prior delinquencies shall be deemed to include subsequent delinquent assessments, late charges, interest and other amounts due on account thereof. Upon payment in full of the sums secured by the lien, expressly including subsequent delinquent assessments, late charges, interest and other amounts due on account thereof, the Association shall cause to be recorded a further notice stating the satisfaction and release of the lien thereof.

(c) Association's Available Remedies. The Association may initiate a legal action against the Owner personally obligated to pay the delinquent Assessment, foreclose its lien against the Owner's Lot, or accept a deed in lieu of foreclosure. Foreclosure by the

Association of its lien may be by judicial foreclosure or by nonjudicial foreclosure by the trustee designated in the Notice of Delinquent Assessment or by a trustee substituted pursuant to Civil Code section 2934a. Any sale of a Lot by a trustee acting pursuant to this Section 4.9 shall be conducted in accordance with Civil Code sections 2924, 2924b and 2924c applicable to the exercise of powers of sale in mortgages or deeds of trust.

(i) Nonjudicial Foreclosure. Nonjudicial foreclosure shall be commenced by the Association by recording in the Office of the County Recorder a Notice of Default, which notice shall state all amounts which have become delinquent with respect to the Owner's Lot and the costs (including attorneys' fees), penalties and interest that have accrued thereon, the amount of any Assessment which is due and payable although not delinquent, a legal description of the property with respect to which the delinquent Assessment is owed, and the name of the Owner of Record or reputed Owner thereof. The Notice of Default shall state the election of the Association to sell the Lot or other property to which the amounts relate and shall otherwise conform with the requirements for a notice of default under Civil Code section 5710, or comparable superseding statute.

The Association shall have the rights conferred by Civil Code section 2934a to assign its rights and obligations as trustee in any nonjudicial foreclosure proceedings to the same extent as a trustee designated under a deed of trust and for purposes of said Section 2934a, the Association shall be deemed to be the sole beneficiary of the delinquent Assessment obligation. Furthermore, in lieu of an assignment of trusteeship, the Association shall be entitled to employ the services of a title insurance company or other responsible company authorized to serve as a trustee in nonjudicial foreclosure proceedings to act as an agent on behalf of the Association in commencing and prosecuting any nonjudicial foreclosure hereunder.

(ii) Judicial Foreclosure. The Association may bring an action for judicial foreclosure to seek an order for foreclosure of its Assessment lien, which shall secure all accrued and unpaid Assessments, late charges, interest, costs and attorneys' fees. The Assessment lien shall remain enforceable and intact even after entry of any judgment for foreclosure, until such time as the property is sold by the sheriff or marshal pursuant to a writ of sale, or such time as the lien is extinguished by virtue of a foreclosure of a senior lien, and shall not be merged into any judgment obtained. Nothing in this section shall preclude the Association from seeking a money judgment in addition to an order for foreclosure of the Association's Assessment lien.

(iii) Actions for Money Judgment. In the event of a default in payment of any Assessment, the Association, in its name but acting for and on behalf of all other Owners, may initiate legal action, in addition to any other remedy provided herein or by law, to recover a money judgment or judgments for unpaid Assessments, late charges, costs, interest and attorneys' fees without foreclosure or waiver of the lien securing same.

4.10. Transfer of Lot by Sale or Foreclosure. Except as otherwise provided herein, the sale or transfer of any Lot shall not affect any Assessment lien duly recorded with respect to such Lot prior to the sale or transfer. However, the sale or transfer of any Lot pursuant to the foreclosure of any first mortgage or other mortgage or lien recorded prior to the Association's Assessment lien (collectively "prior encumbrance") shall extinguish the lien of such Assessments as to payments which become due prior to such sale or transfer. No sale or transfer of a Lot as the result of foreclosure, exercise of a power of sale or otherwise shall relieve the new Owner of such Lot, whether it be the former beneficiary of the first Mortgage or other prior encumbrance or a third party, from liability for any Assessments thereafter becoming due or from the lien thereof.



Where the first Mortgagee or other purchaser of a Lot obtains title to the same as a result of foreclosure of any such first Mortgage or other prior encumbrance or exercise of a power of sale contained therein, the person acquiring title, his or her successors and assigns, shall not be solely liable for the Assessments chargeable to such Lot which became due prior to the acquisition of title. Instead, such unpaid Assessments shall be deemed to be Common Expenses collectible from the Owners of all of the Lots, including such acquirer, his or her successors and assigns. Furthermore, foreclosure shall not affect the Association's right to maintain an action for the collection of delinquent Assessments against the foreclosed party personally.

4.11. **Priorities.** When a Notice of Delinquent Assessment has been recorded, such notice shall constitute a lien on the Lot prior and superior to all other liens or encumbrances recorded subsequent thereto, except (a) all taxes, bonds, Assessments and other levies which, by law, would be superior thereto, and (b) the lien or charge of any first Mortgage of record (meaning any recorded Mortgage or deed of trust with first priority over other Mortgages or deeds of trust) made in good faith and for value, provided that such subordination shall apply only to the Assessments which have become due and payable prior to the transfer of such property pursuant to the exercise of a power of sale or a judicial foreclosure involving a default under such first Mortgage or deed of trust, or other prior encumbrance.

4.12. **Unallocated Taxes.** In the event that any taxes are assessed against the Common Area, or the personal property of the Association, rather than being assessed to the Lots, such taxes shall be included in the Regular Assessments imposed pursuant to Section 4.2 and, if necessary, a Special Assessment may be levied against the Lots in an amount equal to such taxes to be paid in two installments, thirty (30) days prior to the due date of each tax installment.

4.13. **Assignment of Rents.** Each Owner hereby assigns to the Association, absolutely and regardless of possession of the Lot, all rents and other monies now due or that become due under any lease or rental agreement for the use or occupation of any Lot owned by the Owner, either now existing or made in the future, for the purpose of collecting all delinquent assessments, including all late charges, costs, attorneys' fees and interest. The Association hereby authorizes each Owner to collect and retain the rents and other monies derived from any such lease or agreement. Provided, however, the Association may revoke such authority at any time, on written notice to the Owner of a default in the payment of any assessment due under this Declaration. On revocation of such authority, the Association may, and if necessary by court order, or court-appointed receiver, collect and retain the rents and other monies, whether past due and unpaid or current. The Association's rights under this Section 4.13 shall be subordinate to the rights of any First Mortgagee.

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

## ARTICLE V ARCHITECTURAL CONTROL COMMITTEE

5.1. **Architectural Approval Required.** Unless otherwise provided herein, the construction, alteration, addition, modification, decoration, redecoration, or reconstruction of any Improvement within the Resort, other than such changes that are strictly to the interior of an RV, shall not be commenced or maintained until prior consent has been obtained from the Architectural Control Committee ("ACC").

5.2. Establishment of Architectural Control Committee. The ACC shall consist of at least three (3) members, all of whom shall be Members of the Association. The Board may act as the ACC, in the event one is not established. All of the rights, powers and duties of the ACC, as set forth in this Article V, are hereby delegated to the ACC. Each ACC member shall be appointed by the Board and shall serve on the ACC for a term of three (3) years, or until such time as that member shall die, resign, is no longer a Member of the Association, or has been removed by the vote of a majority of the Board, whichever is shorter. Any member of the ACC may resign at any time by giving written notice thereof to the Board. Members who have resigned or been removed may be reappointed by the Board. There shall be no limit to the number of consecutive terms to which someone may be appointed to serve on the ACC.

5.3. Meetings. The ACC shall meet as necessary to properly perform its duties hereunder. The vote or written consent of a majority of the ACC members, at a duly held meeting, shall constitute the action of the ACC, and the ACC shall keep and maintain a written record of all actions taken, including reasons to support its decisions.

5.4. Action by Architectural Control Committee. The ACC may condition approval on modification of particular aspects of the Owner's plans and specifications, or may approve plans and specifications in whole or in part. Decisions of the ACC and the reason for the decision shall be sent to the applicant within ninety (90) days after receipt by the ACC of all required materials. A disapproval, in whole or in part, of an Owner's plans shall be in writing and shall contain the reasons for the disapproval and a description of how the Owner may appeal the disapproval to the Board of Directors as provided in Section 5.6 below. Any application submitted pursuant to this Article V shall be deemed approved, unless written disapproval or a request for additional information or materials by the ACC shall have been sent to the applicant within ninety (90) days after receipt by the ACC of all required materials, with the exception that no such failure to act on the part of the ACC will permit any encroachment upon Common Area or other violation of express provisions of the Governing Documents to be deemed approved. The applicant shall meet any review or permit requirement of the City before making any alterations or Improvements approved by the ACC.

5.5. Architectural Rules. The ACC, subject to review by the Board, and the Board may, in accordance with Civil Code section 4360, or comparable superseding statute, from time to time adopt, amend and repeal rules and regulations to be known as "Architectural Rules." The Architectural Rules shall interpret and implement the provisions of this Declaration by setting forth the standards and procedures for the review and approval of proposed improvements, provided that such rules shall not be in derogation of the minimum standards required by this Declaration. In the event of any conflict between the Architectural Rules and this Declaration, the Declaration shall prevail.

5.6. Appeal of Disapproval. If an architectural application is disapproved, in whole or in part, by the ACC, the applicant is entitled to reconsideration by the Board of Directors at an open meeting. The applicant shall not have a right to appeal if the initial determination to disapprove the application was made by an ACC with the same composition as the Board of Directors, at a meeting open to the Members. An appeal of a decision of the ACC shall be submitted, in writing, to the Board within forty-five (45) days after the ACC's decision. Within forty-five (45) days of receipt of the appeal by the Board, the Board shall review the written findings and decision of the ACC, in an open meeting, and render a decision whether to affirm the ACC's decision, grant the appeal, or affirm the ACC's decision with modifications.

5.7. Inspection of Work by Architectural Control Committee. Inspection of the work relating to any approved Improvement and correction of defects therein shall proceed as follows:

(a) During the course of construction, representatives of the ACC shall have the right to inspect the work to confirm that the improvement project is proceeding in accordance with the approved plans and specifications.

(b) Upon the completion of any work of improvement for which ACC approval is required under this Article V, the Owner shall give the ACC a written notice of completion. Until such time as the Owner has provided such notice, the ACC's inspection period, as set forth in subdivision (c), below, shall not begin to run.

(c) Within sixty (60) days after the Owner has given the ACC written notice of completion, the ACC, or its duly authorized representative, may inspect the improvement to determine whether it was constructed, reconstructed, altered, refinished, or installed in substantial compliance with the approved plans. If the ACC finds that the improvement was not constructed, reconstructed, altered, refinished, or installed in substantial compliance with the Owner's approved plans, then within the sixty (60) day inspection period the ACC shall give the Owner a written notice of noncompliance, detailing those aspects of the Improvement project that must be modified, completed or corrected. If the violation or nonconforming work is not corrected, the Association and its ACC shall have the enforcement rights and remedies set forth in Section 5.8, below. If the ACC fails to notify the Owner of any noncompliance within the sixty (60) day inspection period, the improvement shall be deemed to be in compliance with the approved plans.

#### 5.8. Enforcement.

(a) In addition to other enforcement remedies set forth in this Declaration, the Board of Directors shall have enforcement rights with respect to any matters required to be submitted to and approved by the ACC, and may enforce such architectural control by any proceeding at law or in equity. The ACC shall have the authority to order an abatement of any construction, alteration or other matter for which approval is required, to the extent that it has not been approved by the ACC, or if it does not conform to the plans and specifications submitted to the ACC. No work for which approval is required shall be deemed to be approved simply because it has been completed without a complaint, notice of violation, or commencement of a suit to enjoin such work. If any legal proceeding is initiated to enforce any of the provisions of this Article V, the prevailing party shall be entitled to recover reasonable attorneys' fees in addition to the costs of such proceeding.

(b) In conjunction with, or as an alternative to, the legal enforcement described above, the Board, in its discretion, may set a hearing on the issue(s) of noncompliance. At the hearing, the Owner, a representative of the ACC, and, in the Board's discretion, any other interested person, may present information relevant to the question of the alleged noncompliance. After considering all such information, the Board shall determine whether there is a noncompliance and, if so, the nature thereof and the estimated cost of correcting or removing the same. If a noncompliance is determined to exist, the Board shall require the Owner to remedy or remove the same within such period or within any extension of such period as the Board, in its discretion, may grant. If the Owner fails to take corrective action after having a reasonable opportunity to do so, the Board, at its option, may remove the noncomplying improvement or remedy the noncompliance and the Owner shall reimburse the Association for all expenses incurred in connection therewith, upon demand. If such expenses are not properly repaid by the

Owner to the Association, the Board shall recover such expenses through the levy of a Reimbursement Assessment against such Owner.

5.9. Variances. The ACC shall be entitled to allow reasonable variances with respect to this Article V and any Architectural Rules, in order to overcome practical difficulties, avoid unnecessary expense or prevent unnecessary hardships.

5.10. Waiver. The approval or disapproval by the ACC of any plans, specifications, drawings, grading plans, heights, or any other matters submitted for approval shall not be deemed to be a waiver by the ACC of its right to approve or disapprove any of the features or elements embodied therein, when the same features or elements are embodied in other plans, specifications, drawings, or other matters submitted to the ACC.

5.11. Limitation on Liability. Neither the Association, the ACC, nor any member thereof shall be liable to any Owner for any damage, loss or prejudice suffered or claimed on account of any mistakes in judgment, negligence or nonfeasance arising out of (a) the approval or disapproval of any plans, drawings and specifications, whether or not defective; or (b) the construction or performance of any work of improvement, whether or not pursuant to approved plans, drawings or specifications.

5.12. Compliance With Governmental Regulations. Review and approval by the ACC of any proposals, plans or other submittals pertaining to improvements shall in no way be deemed to constitute satisfaction of, or compliance with, any building permit process or any other governmental requirements, the responsibility for which shall lie solely with the Owner who desires to construct, install or modify the improvement. The Association is not responsible for and does not review applications for or make any decision regarding the application's compliance with building codes or other laws. ACC approval does not relieve the owner of any duties to obtain City permit(s) nor does ACC approval reflect compliance with any other public agency requirements. If an applicant contends that any provision of law mandates or requires the installation of all or any part of any proposed improvement, the applicant must specify, in writing, to the ACC what provision of law applies and what components of the proposed improvement are required by law.

## ARTICLE VI USE OF PROPERTIES AND RESTRICTIONS

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

6.1. Recreational Vehicle Use. All Lots shall be used for the parking site of only one (1) Recreational Vehicle, which is to be used for living quarters, pursuant to the rules and restrictions of the Governing Documents. Lot mergers shall not be permitted. The setbacks for each Lot shall be: (a) Front – 5 feet minimum; (b) Side – 3 feet minimum; (c) Street Side – 5 feet minimum; and (d) Rear – 3 feet minimum.

No RV shall encroach into any setback area. The Board may enact rules addressing awning and expandable portions of RVs into the setback areas. The maximum length of the Recreational Vehicle can be no more than the distance within the required front and rear setbacks of the Lot.

6.2. Limitation on Residence and Occupancy.

(a) Permanent Residential Use Restricted. No Recreational Vehicle shall be used on any Lot at any time as a primary residence, other than as permitted by this Section 6.2.

(b) Manner of Tracking Occupancy for Purposes of this Section. The Association shall track occupation in monthly increments, such that once an Owner, his or her tenants, renters, lessees, licensees, and/or guests have entered the Property on a single day, that Owner will be charged with residency for that calendar month, regardless of how many calendar days the Owner, his or her tenants, renters, lessees, licensees, and/or guests actually remain within the Property for that month. In order to assist the Association with tracking residency, the Board may adopt rules requiring Owners, their tenants, renters, lessees, licensees, and/or guests to check in with management upon first arriving in any calendar month. The Association may also implement technological means for tracking the entry of vehicles that are associated with a particular Lot, and such tracking information also may be used to confirm residency within the Property.

(c) Phase One Lots Occupancy Restriction. No more than twenty-five percent (25%) of the Phase One Lots may be occupied by an Owner, his or her tenants, renters, lessees, licensees, and/or guests for more than nine (9) months in any calendar year.

(d) Phase Two Park Model RV Lots Occupancy Restriction. No more than twenty-five percent (25%) of the Phase Two Park Model RV Lots may be occupied by an Owner, his or her tenants, renters, lessees, licensees, and/or guests for more than nine (9) months in any calendar year.

(e) Phase Two Non-Park Model RV Lots Occupancy Restriction. No more than twenty-five percent (25%) of the Phase Two Non-Park Model RV Lots may be occupied by an Owner, his or her tenants, renters, lessees, licensees, and/or guests for more than nine (9) months in any calendar year.

(f) Occupancy of Individual Persons Restricted. Other than as set forth in subdivisions (c) through (e), above, no person may occupy any Lot, or any combination of Lots, for more than a total of nine (9) months within any calendar year. This means that an Owner, tenant, renter, lessee, licensee, and/or guest may not circumvent the residency and occupancy limitations contained in this Section 6.2 by moving from one Lot to another, whether the Lots are owned by the same Owner or by different Owners. The purpose of this Section 6.2 is to ensure that the people who occupy the Property are not full time residents (beyond the permitted twenty-five percent (25%) caps, set forth above), in order to maintain the seasonal character of the community. This subdivision (f) is adopted to remove a potential loophole that could be exploited by those desiring to remain in residence for more than the permitted maximum of nine (9) months per calendar year.

(g) Grandfathering Provision.

(i) The limitations set forth in this Section 6.2 shall not apply to any Owner who held record title to his or her Lot as of the effective date of this Declaration.

(ii) Any Owner who is a Permanent Resident as of the effective date of this Declaration shall continue to retain Permanent Resident status on any Lot he or she occupies. If such an Owner moves from one Lot to another Lot, this grandfathering provision shall cease to apply to the Lot that has been vacated.

(iii) Any Owner as of the effective date of this Declaration, who is not a Permanent Resident as of the effective date of this Declaration, shall have the option, at any future time, to become a Permanent Resident as to any Lot he or she occupies. If such an Owner moves from one Lot to another Lot, this grandfathering provision shall cease to apply to the Lot that has been vacated.

(iv) If a Lot is transferred to an Owner who was not an Owner of any Lot as of the effective date of this Declaration, this grandfathering provision shall cease to apply to the transferred Lot, unless the transfer is as a result of one of the following types of sales or transfers: (1) any transfers that are exempt for purposes of reassessment by the county tax assessor, pursuant to Section 62 or 480.3 of the Revenue and Taxation Code (e.g., transfers to or from a trust, where the ownership interests are merely changing form); or (2) a transfer to a spouse.

(v) This grandfathering provision only applies to Owners. Tenants are expressly excepted from this grandfathering provision, other than as set forth in Section 6.3 below.

(vi) Any Owner who wishes to become a Permanent Resident must register as such with the Association, pursuant to rules that may be established by the Board.

### 6.3. Rental and Leasing Restrictions.

(a) Permanent Resident Occupancy Restrictions Include Leased Lots. The occupancy restrictions set forth in Section 6.2 above shall apply to any Lots that are rented or leased, with such Lots being included in the total number of Lots that may be occupied by Permanent Residents in any particular Phase.

(b) Grandfathered Leases. Notwithstanding anything to the contrary in Section 6.2 or subdivision (a) of this Section 6.3, any tenant who is a Permanent Resident pursuant to a registered lease or rental agreement ("Permitted Permanent Resident Tenant"), as of the effective date of this Declaration, may continue to reside within the Resort for more than nine (9) months of each calendar year for so long as he or she may continue to renew the registered lease or rental agreement (or, if it is month to month, for so long as such registered lease or rental agreement shall continue). However, if the Owner of the Lot on which such a Permitted Permanent Resident Tenant resides should be sold or transferred, such that the Lot shall have lost its grandfathered status, such Permitted Permanent Resident Tenant will no longer have any grandfathered rights and will be subject to the twenty-five percent (25%) cap on Permanent Residents.

(c) Only the entire Lot, together with the Improvements thereon, may be rented or leased, except as required to be permitted by law.

(d) Subleasing. Subleasing of Lots is strictly prohibited.

(e) Short Term Rentals. All leases must be a minimum of thirty (30) consecutive days, unless there is a specific exception approved by the Board. Owners may not advertise their property for rent or lease for terms under thirty (30) days.

6.4. Age Restricted Community. The Property was developed as a senior citizen housing development. The occupancy of Lots is restricted by this Declaration to Qualifying Residents and Qualified Permanent Residents, as these terms are defined by law. By restricting occupancy, the Property qualifies as a senior citizen housing development under California Civil

Code section 51.11, and by adhering to the occupancy age restrictions, the Property also constitutes housing for older persons under the terms and conditions of the Fair Housing Amendments Act of 1988 (the "Act") and applicable regulations thereunder.

(a) Specific Age Restriction Definitions:

(i) "Qualifying Resident" means a person fifty-five (55) years old or older.

(ii) "Qualified Permanent Resident" means, as defined in Civil Code Sections 51.11(b)(2) and (b)(3), as such sections may be amended from time to time:

(A) A person who meets both of the following requirements:

(1) the person was residing with the Qualifying Resident prior to the death, hospitalization, or other prolonged absence of, or the dissolution of marriage with, the Qualifying Resident; and

(2) the person was forty-five (45) years of age or older, or was a spouse, cohabitant (defined as two persons who live together as spouses or persons who are domestic partners within the meaning of Section 297 of the California Family Code), or person providing primary physical or economic support to the Qualifying Resident; or

(B) A disabled person or person with a disabling illness or injury who is a child or grandchild of the Qualifying Resident, or Qualified Permanent Resident (as defined in subsection(ii), above), who needs to live with the Qualifying Resident or Qualified Permanent Resident because of the disabling condition, illness or injury. For purposes of this section, "disabled" means a person who has a disability as defined in Civil Code Section 54(b). A "disabling injury or illness" means an illness or injury which results in a condition meeting the definition of disability set forth in Civil Code Section 54(b). For any person who would otherwise qualify as a Qualified Permanent Resident under this subparagraph (B), the Board of Directors may take action to prohibit or terminate that person's occupancy within the Property in accordance with the procedures set forth in Section 6.4(b)(iv), below.

(iii) "Permanent Health Care Resident" means a person hired for compensation to provide live-in, long-term, or terminal health care to a Qualifying Resident, or a family member of the Qualifying Resident providing that care. In accordance with Civil Code section 51.11(b)(7), the care provided must be substantial in nature and must provide either assistance with necessary daily activities or medical treatment, or both.

(b) Age Restrictions. The minimum qualifications for occupancy of a Lot within the Property are as follows:

(i) Occupancy of Lots. Each Lot, if occupied, must be occupied by at least one (1) Qualifying Resident, as defined in Section 6.4(a)(i), above. All other persons occupying a Lot shall be either a Qualified Permanent Resident, as defined in Section 6.4(a)(ii), above, or a Permitted Health Care Resident, as defined in Section 6.4(a)(iii), above.

(ii) Guests. A person of less than fifty-five (55) years of age, other than a Qualified Permanent Resident or Permitted Health Care Resident, may reside within the Property, as the guest of a Qualifying Resident or Qualified Permanent Resident, for a period of time not more than thirty (30) days in any year.

(iii) Residency Requirements for Qualified Permanent Residents Upon Absence of Qualifying Resident. Upon the death, dissolution of marriage, hospitalization, or other prolonged absence of the Qualifying Resident, any Qualified Permanent Resident, as defined in Section 6.4(a)(ii)(A), above, shall be permitted to continue his or her occupancy of the Lot.

(iv) Prohibition or Termination of Occupancy by Qualified Permanent Resident With a Disabling Illness or Injury. For any person who is a Qualified Permanent Resident due to a disabling illness or injury, as described in Section 6.4(a)(ii)(B), above, the Board may take action to prohibit or terminate occupancy in the Property by that disabled person as follows:

(A) If the resident no longer has a disabling condition, the Board may require the formerly disabled resident to cease residing in the Resort upon receipt of six (6) months' written notice; provided, however, that the Board may allow the person to remain a resident for up to one (1) year after the disabling condition ends.

(B) The Board may take action to prohibit or terminate occupancy by such person, if the Board finds, based on credible and objective evidence, that the person is likely to pose a significant threat to the health or safety of others that cannot be ameliorated by means of a reasonable accommodation; provided, however, that the action to prohibit or terminate occupancy may be taken only if the Board does all of the following in accordance with Civil Code sections 51.11(b) and 4820:

(1) Provides at least ten (10) days prior notice to the disabled person whose occupancy is being challenged and the co-resident parent or grandparent of that person that a hearing is being held and the date, time and location of such hearing;

(2) Gives due consideration to the relevant, credible and objective information provided in the hearing. In order to preserve the privacy of the affected persons, the evidence shall be taken in a confidential manner in a closed executive session of the Board. The affected persons shall be entitled to have the presence of their attorney or any other person authorized by them to speak on their behalf present at the hearing; and

(3) In the event that the Board elects to prohibit or terminate occupancy by the disabled person, the Board provides written notice of such decision to the disabled person whose occupancy is being challenged and the co-resident parent or grandparent of that person within fifteen (15) days from the date of the hearing.

(v) Occupancy By Permitted Health Care Resident In Absence of Qualifying Resident. A Permitted Health Care Resident, as defined in Section 6.4(a)(iii), above, shall be entitled to continue his or her residency within the Property in the absence of the Qualifying Resident to whom he or she is providing care, provided that both of the following circumstances are present:

(A) The Qualifying Resident became absent from the Lot due to hospitalization or other necessary medical treatment and expects to return to the Lot within ninety (90) days; and

(B) The Qualifying Resident, or his or her legal designee, submits a written request to the Board of Directors authorizing the Permitted Health Care Resident to continue to reside on the Lot in his or her absence. If the Qualifying Resident does not actually return within the ninety (90) days, he or she may authorize the Permitted Health Care Resident to



reside on the Lot for an additional ninety (90) day period upon written notice to the Board authorizing such extension, if it appears that the Owner will return within the additional ninety (90) day period.

(vi) Continued Compliance With State and Federal Laws. This Section is intended to comply with the Act and with Section 51.11 of the Civil Code as the Act or the Civil Code may be amended from time to time.

6.5. Business Activities. No business, commercial, manufacturing, mercantile, storing, vending or other similar activities that are unrelated to a recreational vehicle planned development shall be maintained or conducted on any Lot, provided that the foregoing restriction shall not apply to the activities of the Association in the discharge of its responsibilities under the Governing Documents. The foregoing shall not be construed to prohibit professional or administrative occupations carried on completely within the RVs, which do not create foot or vehicular traffic or any other external evidence thereof, and which comply with all of the applicable governmental requirements.

6.6. Prohibition of Noxious or Nuisance Activities. No illegal, noxious or offensive activities shall be carried out or conducted upon any Lot or anywhere within the Property, nor shall anything be done within the Property which is or could become an unreasonable annoyance or nuisance to neighboring Owners. No Owner shall permit or cause anything to be done or kept upon the Property which will increase the rate of insurance thereon or result in the cancellation of such insurance. Each Owner shall be accountable to the Association and other Owners for the conduct and behavior of any tenants, family members, or other individuals visiting or occupying his or her Lot. No Owner shall permit noise, including but not limited to barking dogs, the operation of excessively noisy air conditioners, stereo amplifier systems, television systems, motor vehicles, motor vehicle sound systems, or power tools, to emanate from an Owner's Lot or from activities within the Property, which would unreasonably disturb any other Owner's or tenant's enjoyment of his or her Lot or the Property. The Board of Directors of the Association shall have the right to determine if any noise or activity producing such noise constitutes a nuisance.

6.7. Household Pets.

(a) No animals, livestock, reptiles, insects, poultry or other animals of any kind shall be kept in any Lot except that no more than one (1) usual and ordinary pet, defined as dogs, cats, aquatic animals in an aquarium, or domesticated birds, may be kept within any Lot, provided that they are not kept, bred or raised therein for commercial purposes.

(b) The Board shall have the right to establish and enforce additional rules and regulations imposing standards for the reasonable control and keeping of household pets and other animals in, upon and around the Property (including but not limited to limiting the size of pets and prohibiting the maintenance of any animal which constitutes, in the opinion of the Board, a nuisance to or threat to the safety of any other Owner), in order to ensure that household pets and other animals do not interfere with the quiet and peaceful enjoyment of the Property by the other Owners and residents.

(c) Pets belonging to Owners, or Owners' occupants, licensees, tenants or invitees within the Property must be kept on the Owner's Lot and under supervision. Pets will not be permitted elsewhere within the Property. If the pet is not inside the RV, it must be on a leash at all times on the Owner's Lot and under the supervision and control of someone capable of controlling the pet. If the pet is removed from the Lot, it must be carried or transported and not permitted to set paws upon the Common Area. Furthermore, any Owner shall be absolutely liable to each and all remaining Owners, their families, guests and invitees, for any unreasonable noise

or damage to person or property caused by any animals brought or kept upon the Property by an Owner or by an Owner's family, tenants, licensees, invitees, or guests.

(d) The Association, its Board, officers, employees and agents shall have no liability (whether by virtue of this Declaration or otherwise) to any Owners, their family members, guests, invitees, tenants, and contract purchasers for any damage or injury to persons or property caused by any pet or other animal.

(e) It shall be the absolute duty and responsibility of each Owner to clean up after their animals. An Owner also shall be responsible for the failure of their occupants, licensees, tenants, invitees, family members, and guests to clean up after their animals.

(f) Notwithstanding anything to the contrary hereinabove, no pet that contains any of the following breeds (whether purebred or mixed breed) shall be permitted within the Park: Pit Bull Terriers, Staffordshire Terriers, Rottweilers, German Shepherds, Presa Canarios, Chow Chows, Doberman Pinschers, Akitas, Wolf-hybrids, Mastiffs, Cane Corsos, Great Danes, Alaskan Malamutes, and Siberian Huskies.

**6.8. Mining Prohibited.** No Lot shall be used in any manner to explore for or to remove any water, oil, or other hydrocarbons, minerals of any kind, gravel, earth, or any earth substances of any kind.

**6.9. Diseases and Pests.** No Owner shall permit any thing or condition to exist on his or her Lot, which shall induce, breed, or harbor infectious plant diseases, rodents or noxious insects.

**6.10. No Obstruction of Common Area.** There shall be no obstruction of the Common Area. Nothing shall be stored in the Common Area without the prior consent of the Board, except as may be hereinafter expressly provided, or in designated storage areas.

**6.11. Commercial Signs.** No commercial signs shall be displayed on any Lot or posted within or upon any of the Property except that an Owner may post on his or her Lot a single "For Rent" or "For Sale" sign of reasonable dimensions and appearance as stated in the Association Rules and applicable City ordinances.

**6.12. Parking and Vehicle Restrictions.** The following parking and vehicle restrictions shall apply within the Property:

(a) Except as may be set forth in the Association Rules, no Owner shall park a boat, trailer, travel trailer, camper, bus, truck or other commercial or recreational vehicle larger than one (1) ton capacity classification, for longer than forty-eight (48) hours on any portion of the Common Area or on any Lot.

(b) No RV may be parked on Common Area, unless a special permit has been issued by the Association.

(c) No motor vehicle, or any part thereof, shall be constructed, reconstructed, restored or repaired within the Property and no dilapidated or inoperable vehicle, or parts thereof, including vehicles without wheels or engines, or vehicles with expired license plate tags, shall be stored in the Property; provided, however that the provisions of this Section shall not apply to emergency vehicle repairs.

(d) No Owner shall do anything which will prevent the streets and parking areas in the Common Area from at all times being free and clear of all obstructions and in a safe condition for vehicular use.

(e) The Board shall have the authority to tow, at the owner's expense, any vehicle parked or stored in violation of this Section 6.12. The Owner, or responsible party in charge of the vehicle shall pay for the cost of towing. The Board shall post such notices or signs as may be required by law to effectuate this towing provision and shall abide by the requirements of the California Vehicle Code in these matters.

(f) The Board shall have the authority to promulgate further reasonable rules and restrictions of uniform application regarding parking and vehicles within the Property as may be deemed prudent and appropriate. Such rules may include the designation of Common Area, which for reasons of safety, may not be used for parking of vehicles.

**6.13. Clotheslines.** No exterior clothesline shall be erected or maintained, and there shall be no drying or laundering of clothes, rugs, swimwear, beach towels, or other such articles on any trees or shrubbery or anywhere within the Common Area. Subject to the provisions of Civil Code section 4753, the Board may adopt rules placing reasonable restrictions upon an Owner's ability to use a clotheslines or drying rack on an Owner's Lot.

**6.14. Trash Removal.** Garbage, trash, or recyclable materials shall be removed from the Lot by each Owner to the appropriate bins located on the Common Area. No garbage or trash shall be temporarily stored on any Lot or on the Common Area, except in covered containers of a type, size and style that are approved in writing by the Board or authorized by the Association Rules. In no event shall such containers on a Lot be maintained so as to be visible from neighboring Lots. The Board shall have the right, in its sole discretion, to require that all Owners subscribe to a trash service, unless subscribed to by the Association for trash pickup from the trash bin areas. No incinerators shall be kept or maintained on any Lot.

**6.15. Antennas and Similar Devices.** Subject to any applicable federal, state or local statute, rule or ordinance, no Owner, resident or lessee shall, at his or her expense or otherwise, place or maintain any objects, such as masts, towers, poles, wiring, television and radio antennas or television satellite dishes on or about the exterior of any building within the Property without the prior written approval of the Board or Architectural Control Committee. The Board may adopt reasonable guidelines for the installation of direct broadcast satellite dishes, wireless cable and television aerial antennas. For purposes of such guidelines, the term "reasonable" means that the guidelines will not impose unreasonable expense or delay or preclude reception of an acceptable quality signal. No radio station or shortwave operators of any kind shall operate from any Lot or any other portion of the Property unless approved by the Architectural Control Committee. Any antennas or similar devices no longer in use shall be removed within thirty (30) days. Notwithstanding the foregoing, standard television or radio antennas attached to and forming part of the traveling equipment of a Recreational Vehicle are permitted.

**6.16. Storage.** One (1) storage shed will be permitted on each Lot. The material, design, and color of the storage shed, as well as the location of the shed, must meet the standards set by the Architectural Control Committee or the Board, and must be placed at the rear portion of the Lot. Personal property stored outside of the RV on any Lot that is deemed unsightly or becomes a nuisance to other Lot Owners must be removed upon notice by the ACC or the Board.

6.17. Washing Machines and Dryers. Washing machines and dryers, other than those located within the RVs, are prohibited on any Lot. Washing machines and dryers located within the RVs shall have appropriate plumbing and venting.

6.18. Outside Toilets. No outside toilets shall be installed or allowed on any Lot.

6.19. Sewer Collars. All RVs must be vented for sewage purposes and sewer collars must be used on all connections to the main sewer system.

6.20. Restricted Entry. Owners, members of their families, guests, tenants, agents, licensees, and employees shall enter the Resort only through appropriately designated entry gate(s). No one shall use or in any way tamper with any security gates located within the Resort. The Board shall have the authority to adopt further rules and regulations relating to use of the Resort's gate(s).

6.21. Dilapidated and Unsightly Vehicles Prohibited and Subject to Removal. No Recreational Vehicle or other vehicle, which in the opinion of the Architectural Control Committee is or has become dilapidated or otherwise unsightly, shall be allowed into or permitted to remain in or upon the Property or any Lot.

(a) If any vehicle has been determined by the Architectural Control Committee to be in breach of this Section 6.21, the Architectural Control Committee shall notify the Owner of the Lot on which the vehicle is located, pursuant to Article XII of this Declaration, which notice shall specify the corrective action required to be taken, up to and including removal of the vehicle, as the Architectural Control Committee may determine to be appropriate ("Notice of Corrective Action").

(b) If the action required by the Notice of Corrective Action is not taken, to the satisfaction of the Architectural Control Committee, within fourteen (14) days after delivery of such notice to the Owner, the Architectural Control Committee shall submit a full report to the Board. The Board, after giving the Owner of the Lot an opportunity to be heard, and if the Board agrees with the determination of the Architectural Control Committee, may cause the offending vehicle to be removed and stored outside of the Property, all at the expense of the Owner.

(c) All expenses incurred by the Association in connection with the removal and/or storage of a vehicle, pursuant to this Section 6.21, shall be repaid in the form of a Reimbursement Assessment levied against the Owner with respect to such Lot.

(d) The remedy provided by this Section is not exclusive. Other remedies provided by this Declaration and the law may be exercised concurrently, alternatively, or in addition thereto.

6.22. Timeshare Use Prohibited. No Lot shall be used for or dedicated to any timeshare use of any type, including, without limitation, any timesharing project, involving either fee ownership or contractual rights of use, interval ownerships, fractional ownership, vacation clubs or any such timesharing scheme or contractual arrangement.

6.23. Drones. The Board shall be authorized to adopt rules and regulations governing the use of drones in the Property, including rules prohibiting the use of drones in the Property, subject to any superseding federal, state or local laws or ordinances.

6.24. Solar Energy Systems. The Board is empowered to adopt guidelines for the installation of solar energy systems, subject to Civil Code Section 714.

6.25. Unique Phase Two Use Restrictions. The following restrictions have been required to be included and applied to the Phase Two Lots pursuant to the demands of the City (though some of these are applicable to all Lots within the Resort, pursuant to other provisions or laws). In the event there is any conflict or inconsistency between the following and other provisions in this Declaration, the following restrictions shall control as it pertains to the Phase Two Lots:

(a) No RV shall be permitted to utilize the Resort, unless it is a properly licensed vehicle, pursuant to State Vehicle Code. Notwithstanding any other provisions, no RV shall be equipped with more than one electrical power supply cord. No mobile homes, commercial coaches or other permanent structures utilized as a habitable dwelling shall be permitted in the Resort, except as otherwise may be permitted by the Cathedral City RV Park Ordinance, such as a "California Room."

(b) Park models (aka park trailers) shall be allowed only on Phase Two Lots 301-371 and 400, and shall not be allowed on Phase Two Lots 250-300, 372-399 and 401-460.

(c) Any amendment to this Section 6.25 shall require the prior written approval or consent from the City and shall also be approved by the vote or written consent of those holding seventy-five percent (75%) of the voting power of the Phase Two Lot Owners.

(d) The Common Area lot surrounded by Phase Two Lots 451-460, inclusive, is hereby declared to be an exclusive use area, only for the mutual and common benefit of the Owners and their lessees of Phase Two Lots 451-460, inclusive. Utility costs and maintenance of said Common Area lot shall be the equal obligation of the Owners of the Phase Two Lots 451-460, inclusive, and to the extent any equipment thereon requires repairs, replacement or refurbishing, the cost of same shall be borne equally by the Owners of the Phase Two Lots 451-460, inclusive, by means of a Special Assessment, the amount of which shall be determined by the Board.

6.26. Exceptions. The restrictions set forth in this Article shall not and do not apply to any of the following:

(a) Any part of the Resort owned by any public body;

(b) Any act done or proposed to be done upon the Resort, or any condition created thereon, by any governmental agency or entity, or the agents or employees of any governmental entity acting in the scope of their authority as such agents or employees;

(c) Any act done or proposed to be done upon the Resort, or any condition created thereon, by any utility company (including, but not limited to, companies furnishing electric, gas, water, telephone, cable television and/or sewer service to all or parts of the Property), or the agents or employees of any such company, which act could be done by such company were this Declaration not made;

(d) Any act done or proposed to be done upon the Resort, or any condition created thereon, by the Board or its successors, assigns, agents, employees or contractors: (i) in the course of planning for, preparing the Property for, and/or construction upon the Common Area, Lots and all original improvements thereon, and (ii) for the purpose of selling any Lot within the Property;

(e) Any act done or proposed to be done upon the Resort, or any condition created thereon, which act or condition has been approved in advance by the Board or ACC, acting within its authority, as set forth in Article V of this Declaration; or

(f) Any act done or proposed to be done upon the Resort, or any condition created thereon, by any person pursuant to court order, or the order of any public officer or public agency; provided, however, that the orders contemplated in this subparagraph are only those which are the result of action initiated by public officers or agencies and which embody mandatory requirements with penalties for non-performance, and are not those order which result from the application or private parties or are merely permissive.

## ARTICLE VII MAINTENANCE RESPONSIBILITIES

**7.1. Association Maintenance Responsibilities.** The Association shall be solely responsible for all maintenance, repair, upkeep and replacement within the Common Area, including the private streets, except as set forth in Section 7.3 below. The Association may enter, with notice, upon any Lot as necessary in connection with construction, maintenance, or emergency repair for the benefit of the Common Area or the Owners in common. No person other than the Association or its duly authorized agents shall construct, reconstruct, refinish, alter or maintain any Improvement upon, or shall create any excavation or fill or change the natural or existing drainage of any portion of the Common Area. In addition, no person shall remove any tree, shrub or other vegetation from, or plant any tree, shrub, or other vegetation upon the Common Area without express approval of the Association. The Association shall be responsible to maintain the landscaping, including by not limited to, grass, trees and shrubbery, as originally installed upon the individual Lots by the developer.

**7.2. Owner Maintenance Responsibilities.** Each Owner shall be responsible for the maintenance, repair and replacement of his or her Lot, Recreational Vehicle, all improvements located on the Lot, including grass, shrubs, flowers, trees, and any other landscaping thereon, which was not placed there by the original developer of the Resort, in a neat, clean, orderly, safe, sanitary, and attractive manner, consistent with the surrounding Lots, and to ensure that such area does not pose a threat to the health, safety or welfare of other Owners, or create an unsightly appearance. Any Improvement on the Lot must be maintained, even though the Owner is absent. Any vacant Lots held by an Owner must be maintained as to weed control and upkeep of any Improvements thereon. The alteration or replacement of exterior items shall be subject to the requirements of Article V of this Declaration.

**7.3. Recovery of Costs of Certain Repairs and Maintenance.**

(a) In the event that the need for maintenance or repair, which would otherwise be the Association's responsibility under this Declaration is caused through the willful or negligent acts of an Owner, his or her family, guests, tenants, or invitees, and is not covered or paid for by Association insurance policies or any liability insurance maintained by the responsible Owner, the cost of such maintenance or repairs shall be subject to recovery by the Association through the imposition of a Reimbursement Assessment against the offending Owner in accordance with Section 4.5 of this Declaration. The deductible on any such insurance policy will be the responsibility of such Owner, which amount shall be recoverable via a Reimbursement Assessment.

(b) In the event that an Owner fails to perform maintenance functions for which he or she is responsible, the Association may give written notice to the offending Owner with a

request to correct the failure within fifteen (15) days after the date of the notice. If the Owner refuses or fails to perform any necessary repair or maintenance, the Association may exercise its rights under Section 3.6(b) to enter the Owner's Lot and perform the repair or maintenance so long as the Owner has been given notice and the opportunity for a hearing in accordance with Section 12.6 of this Declaration.

## ARTICLE VIII EASEMENTS

**8.1. Encroachment Easements.** If any portion of the Common Area encroaches on any Lot or if any portion of a Lot encroaches on the Common Area, regardless of the cause, a valid easement exists for such encroachment and for the maintenance of it as long as it remains, and all Lots and the Common Area are made subject to such easements.

**8.2. Street Easements.** Each Owner and the Association shall have and is hereby granted a nonexclusive easement for street, roadway and vehicular traffic purposes over and along the private streets and alleys within the Property, subject to the rights and restrictions set forth in this Declaration.

**8.3. Blanket Utility Easement.** There is hereby created a blanket easement upon, across, over and under all of the Property for ingress, egress, installation, replacing, repairing and maintaining all utilities, including but not limited to water, sewer, gas, telephones, digital, fiber optic, and electronic communication lines and facilities of all kinds, drainage and electricity and the master television antenna or cable television system. By virtue of this easement, it shall be expressly permissible for the providing utility company to erect and maintain the necessary equipment and underground facilities on the Common Area. Notwithstanding the foregoing, no sewer, electrical lines, water lines, or other utilities may be installed or relocated on said Property except as initially designed and approved or thereafter approved by the Association's Board of Directors. The easements provided for in this Section 8.3 shall in no way effect any other recorded easement on the Property.

**8.4. Maintenance Easements.** An easement is hereby granted to the Association, its officers, agents, employees, and to any management company or contractor selected by the Association to enter in or to cross over the Common Area and any Lot to perform the duties of maintenance and repair of the Lots or Common Area, provided that any entry by the Association or its agents into any Lot shall only be undertaken in strict compliance with Section 3.6(b) of this Declaration.

**8.5. Drainage Easements.** There is hereby created a blanket easement for drainage of surface runoff on, over, and across the Property. No Owner shall obstruct, divert, alter, or interfere in any way with the drainage of surface runoff upon, across or over any portion of the Property. Each Owner shall, at his or her own expense, maintain the drainageways and channels on his or her Lot in proper condition, free from obstruction. The Association shall have the right, after thirty (30) days' notice to an Owner, to repair or otherwise maintain the drainageway or channel on said Owner's Lot, which the Association, acting through its Board, determines has not been maintained by the Owner in compliance with this provision. All costs and expenses incurred by the Association shall be borne by the Owner and shall be paid to the Association on demand. Any sum not paid by an Owner shall be treated as a Reimbursement Assessment and collected pursuant to Article IV.

## ARTICLE IX INSURANCE

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

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

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

(b) Public Liability and Property Damage Insurance. To the extent such insurance is reasonably obtainable, the Association shall obtain and maintain a policy of comprehensive public liability and property damage insurance naming as parties insured the Association, each member of the Association Board of Directors, the Owners and occupants of Lots, and such other persons as the Board may determine. The policy will insure each named party against any liability incident to the ownership and use of the Common Area and any other Association owned or maintained real or personal property, including, if obtainable, a cross liability or severability of interest endorsement insuring each insured against liability to each other insured. The limits of such insurance shall not be less than three million dollars (\$3,000,000) covering all claims for death, personal injury and property damage arising out of a single occurrence. Such insurance shall include coverage against water damage liability, liability for non-owned and hired automobiles, liability for property of others and any other liability or risk customarily covered with respect to projects similar in construction, location and use.

(c) Directors and Officers Liability Insurance. The Board shall purchase and maintain a policy of directors and officers liability insurance naming as parties insured the Association, each member of the Board of Directors, each officer of the Association, any manager and any other person as the Board may determine. The limits of such insurance shall not be less than one million dollars (\$1,000,000) per occurrence.

(d) Dishonesty Insurance and Fidelity Bond. The Board shall purchase and maintain some form of dishonesty insurance or a fidelity bond covering loss due to wrongful acts or misappropriation by officers, directors, managing agents, or employees, in the amount of Fifty Thousand Dollars (\$50,000.00) or an amount that is equal to or more than the combined amount of the reserves of the Association and total assessments for three (3) months, whichever is greater. Such dishonesty insurance or fidelity bond shall include computer fraud and funds transfer fraud. If the Association uses a managing agent or management company, the Association's dishonesty insurance or fidelity bond coverage shall additionally include dishonest acts by that person or entity and its employees.



(e) Additional Insurance and Bonds. To the extent such insurance is reasonably obtainable, the Association may also purchase as a Common Expense, such additional insurance and bonds as it may, from time to time, determine to be necessary or desirable, including, without limiting the generality of this subsection, demolition insurance, flood insurance, earthquake insurance and workers' compensation insurance. The Board may also purchase and maintain such insurance on personal property owned by the Association and any other insurance that it deems necessary or desirable.

9.2. Responsibility for Deductible Amounts. The full insurance deductible shall be paid by the party whose acts or omissions are responsible for any damage that results in a property damage claim filed under the Association's insurance policy. If the acts or omissions are those of an Owner or the Owner's tenant, guest or invitee, the Owner shall be responsible for paying the deductible. If it is impossible to determine whose acts or omissions were responsible for the loss, the deductible shall be paid by the party who owns or is responsible for the maintenance, repair or replacement of the component or property where the cause of the damage originated. If an Owner is determined to be responsible for the payment of any deductible, pursuant to this provision, such Owner shall be subject to imposition of a Reimbursement Assessment for the amount of such deductible.

9.3. Coverage Not Available. In the event any insurance policy, or any endorsement thereof, required by Section 9.1 is for any reason not available, then the Association shall obtain such other or substitute policy or endorsement as may be available which provides, as nearly as possible, the coverage described above. The Board shall notify the Owners of any material adverse changes in the Association's insurance coverage.

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

9.5. Trustee. All insurance proceeds payable under this Article IX may, in the discretion of the Board of Directors, be paid to a trustee to be held and expended for the benefit of the Owners, Mortgagees and others, as their respective interests shall appear. Said trustee shall be a commercial bank or other institution with trust powers within the County that agrees in writing to accept such trust.

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

## ARTICLE X DAMAGE OR DESTRUCTION

10.1. Destruction; Proceeds Exceed 90% of the Reconstruction Cost. If there is a total or partial destruction of any improvements on or within the Common Area, and if the available proceeds of the insurance maintained pursuant to Article IX are sufficient to cover not less than ninety percent (90%) of the costs of repair and reconstruction to code, the improvements shall be promptly rebuilt. A Special Assessment shall be levied against the Owners to cover the shortfall between the insurance proceeds and the costs of repair and reconstruction to code.

10.2. Destruction; Proceeds Less Than 90% of the Reconstruction Cost. If the proceeds of insurance are less than ninety percent (90%) of the cost of repair and reconstruction to code, repair and reconstruction of the damaged or destroyed improvements may nonetheless take place, if a majority of a quorum of the membership determine that such repair and reconstruction shall take place. In the event the Association fails to obtain authority to proceed with such repair and reconstruction, the insurance proceeds shall be added to the general funds of the Association. In the event the Association determines to proceed with repair and reconstruction, the necessary funds shall be raised by means of a Special Assessment to cover the shortfall between the insurance proceeds and the costs of repair and reconstruction to code.

10.3. Rebuilding Procedures. If the improvements on the Common Area are to be rebuilt in accordance with Sections 10.1 or 10.2, above, then the cost of such reconstruction or repair over and above the insurance proceeds shall be borne equally by all Owners. If any Owner fails or refuses to pay his or her proportionate share, payment of the Special Assessment may be enforced under the lien provisions contained in Article IV, or in any other manner provided in this Declaration.

10.4. Rebuilding to Conform to Original Plan. If the Association determines to rebuild, the Board shall reconstruct the damaged or destroyed portions of the Property substantially in accordance with the original plan, unless changes recommended by the Association shall have been approved by a majority of the Members of the Association.

10.5. Damage to Lot. Any restoration and repair of any damage to a Lot shall be made by and at the individual expense of the Owner of such Lot. If an Owner fails to make such restoration or repair of his or her Lot, the Board may take appropriate remedial action, in accordance with this Declaration.

## ARTICLE XI CONDEMNATION

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

## ARTICLE XII BREACH AND DEFAULT

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

12.2. Nuisance. Without limiting the generality of the foregoing Section 12.1, the result of every act or omission whereby any covenant contained in this Declaration is violated in whole or in part is hereby declared to be a nuisance, and every remedy against nuisance, either public or private, shall be applicable against every such act or omission.

12.3. Costs and Attorneys' Fees. In any action brought because of any alleged breach or default of any Owner or other party hereto under this Declaration, the court may award to any party in any such action such attorneys' fees and other costs as the court deems just and reasonable.

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

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

12.6. Rights and Remedies of the Association.

(a) Rights Generally. In the event of a breach or violation of any Association Rule or of any of the restrictions contained in any Governing Document by an Owner, his or her family, or the Owner's guests, employees, invitees, licensees, or tenants, the Board, for and on behalf of all other Owners, may enforce the obligations of each Owner to obey such Rules, covenants, or restrictions through the use of such remedies as are deemed appropriate by the Board and available in law or in equity, including but not limited to the hiring of legal counsel, the imposition of fines and monetary penalties, the pursuit of legal action, or the suspension of the Owner's right to use recreational Common Facilities; provided that the Association's right to undertake disciplinary action against its Members shall be subject to the conditions set forth in this Section 12.6.

The decision of whether it is appropriate or necessary for the Association to initiate enforcement or disciplinary action in any particular instance shall be within the sole discretion of the Association's Board or its duly authorized enforcement committee. If the Association declines to take action in any instance, any Owner shall have such rights of enforcement as may exist by virtue of the California Civil Code section 5975 or otherwise by law.

(b) Schedule of Fines. The Board may implement a schedule of reasonable fines and penalties for particular offenses that are common or recurring in nature and for which a uniform fine schedule is appropriate.

(c) "Violation" Defined. A violation of the Governing Documents shall be defined as a single act or omission occurring on a single day. If the detrimental effect of a violation continues for additional days, discipline imposed by the Board may include one component for the violation and, according to the Board's discretion, a per diem component for so long as the detrimental effect continues. Similar violations on different days shall justify cumulative imposition

of disciplinary measures. The Association shall take reasonable and prompt action to repair or avoid the continuing damaging effects of a violation or nuisance occurring within the Property at the cost of the responsible Owner.

(d) Hearings. No penalty or temporary suspension of rights shall be imposed pursuant to this Article unless the Owner alleged to be in violation is given at least ten (10) days' prior notice of the proposed penalty or temporary suspension and is given an opportunity to be heard before the Board of Directors or appropriate committee established by the Board with respect to the alleged violation(s) at a hearing conducted at least five (5) days before the effective date of the proposed disciplinary action.

(e) Notices. Any notice required by this article shall, at a minimum, set forth the date, time and place of the hearing, a brief description of the action or inaction constituting the alleged violation of the Governing Documents, a reference to the specific Governing Document provision(s) alleged to have been violated and a statement that the Owner has a right to attend and to address the Board at the hearing. The notice shall be in writing and may be given by personal delivery or by first class or certified mail sent to the last address of the Member shown on the records of the Association. If the Board imposes a disciplinary measure on the Owner, within fifteen (15) days following the action, the Board shall provide notice to the Owner of the disciplinary measure by personal delivery or by first class mail sent to the last address of the Member shown on the records of the Association.

(f) Rules Regarding Disciplinary Proceedings. The Board shall be entitled to adopt rules that further elaborate and refine the procedures for conducting disciplinary proceedings. Such rules, when approved and adopted by the Board, shall become a part of the Association Rules.

### ARTICLE XIII NOTICES

13.1. Mailing Addresses. Any communication or notice of any kind permitted or required by this Declaration or any applicable provision of law shall be in writing and delivered as follows:

(a) If a document is delivered to the Association, the document shall be delivered to the person designated in the Annual Policy Statement prepared pursuant to Civil Code section 5310 to receive documents on behalf of the Association. Delivery shall be by the method or methods set forth in the Annual Policy Statement.

(b) If a document is to be delivered to an Owner, the document shall be delivered by either Individual Delivery as defined in Civil Code section 4040, or General Delivery as defined in Civil Code section 4045.

13.2. Personal Service Upon Co-Owners and Others. Personal service of a notice or demand to one of the co-Owners of any Lot, to any general partner of a partnership that is the Owner of any Lot, to any officer or agent for service of process of a corporation that is the Owner of any Lot, or to any manager of a limited liability company that is Owner of any Lot, shall be deemed delivered to all such co-Owners, to such partnership, or to such corporation, as the case may be.

13.3. Time and Proof of Delivery. If a document is delivered by mail, delivery is deemed to be complete on deposit into the United States mail. If a document is delivered by electronic means, delivery is complete at the time of transmission.

**ARTICLE XIV**  
**AMENDMENT OF DECLARATION**

**14.1.** Amendment in General. This Declaration may be amended or revoked in any respect by the vote or assent by written ballot of not less than a majority of the Members of the Association. Notwithstanding the foregoing, the percentage of the voting power necessary to amend a specific clause or provision of this Declaration shall not be less than the percentage of affirmative votes prescribed for action to be taken under that clause. In addition, any amendment that would defeat the obligation of the Board, acting by and on behalf of the Association, or the Association, to provide management and maintenance of the Common Area, including any private driveways or private streets, thereof, in a first class condition and in a good state of repair, or which would defeat the assessment procedure established or contemplated in this Declaration to ensure said management and maintenance, must be approved in writing by a representative of the City. Such written approval may be in the form of a letter and need not be part of any recorded instrument.

**14.2.** Effective Date of Amendment. The amendment will be effective upon the recording in the Office of the Recorder of Riverside County a Certificate of Amendment, duly executed and certified by two officers of the Association setting forth in full the amendment so approved and that the approval requirements of Section 14.1 have been duly met. Notwithstanding anything to the contrary herein contained, no such amendment shall affect the rights of the holder of any first deed of trust or Mortgage recorded prior to the recording of such amendment.

**14.3.** Reliance on Amendments. Any amendments made in accordance with the terms of this Declaration shall be presumed valid by anyone relying on them in good faith.

**ARTICLE XV**  
**PROTECTION OF MORTGAGEES**

**15.1.** Scope of Article. The provisions in this Article XV are for the benefit of Mortgagees on Lots within the Property. The provisions of this Article XV shall apply notwithstanding any provision to the contrary set forth elsewhere in this Declaration or the Bylaws. Those Mortgagees who provide a written request to the Association, stating the name and address of such Mortgagee and the address or legal description of the particular Lot encumbered shall be known as "Eligible Holders."

**15.2.** Encumbrance of Lots Permitted. Any Owner may encumber such Owner's Lot by Mortgage.

**15.3.** Rights of Mortgagees Upon Foreclosure. A Mortgagee who acquires title by foreclosure or deed in lieu of foreclosure shall not be obligated to cure any then-existing breach of this Declaration which is incurable or of a type which is not feasible to cure or which is not practical to cure and does not materially affect the Association or any other Owners.

**15.4.** Loans to Facilitate Resale of a Lot After Foreclosure or Deed in Lieu of Foreclosure. It is intended that any loan to facilitate the resale of any Lot after foreclosure or deed in lieu of foreclosure is a loan made in good faith and for value and entitled to all of the rights and protections afforded to Mortgagees hereunder. The lender of any such loan shall be entitled to become an Eligible Holder, as provided in Section 15.1 of this Declaration.

**15.5.** Amendments to Article XV. No amendment to this Article XV shall affect the rights of the Eligible Holders under any Mortgage recorded prior to recordation of such amendment who

does not join in the execution thereof or otherwise consent thereto or be deemed to have consented thereto, as provided in Section 15.10 of this Declaration.

15.6. Right to Attend Meetings. Because of its financial interest in a Lot, an Eligible Holder may appear (but may not vote) at meetings of the Owners and the Board to draw attention to violations of this Declaration which have not been corrected or made the subject of remedial proceedings or Assessments.

15.7. Information. A Mortgagee is authorized to furnish information to the Board concerning the status of any loan encumbering a Lot.

15.8. Notices of Actions. The Board shall immediately give written notice to any Eligible Holder who has requested such notice in writing, when the Owner of the Lot encumbered in favor of such Eligible Holder has been in default under the terms hereof for a period of sixty (60) days.

15.9. Breach. No breach of the covenants, conditions or restrictions contained in this Declaration, nor the enforcement of any lien provisions herein, shall affect, impair, defeat or render invalid the lien of any Mortgage made in good faith and for value, but all of the covenants, conditions and restrictions shall be binding upon and effective against any Owner whose title to a Lot is derived through foreclosure, trustee's sale, or otherwise.

15.10. Consent. An Eligible Holder who receives a written request to consent to an amendment or to any other action to which the Eligible Holders' consent is required or permitted by this Declaration, and who does not respond negatively within thirty (30) days after having received proper notice of the proposed amendment and request, provided the notice was delivered by certified or registered mail with a return receipt requested, shall be deemed to have consented to the amendment or other action.

## ARTICLE XVI GENERAL PROVISIONS

16.1. Term. The covenants, conditions, restrictions, limitations, reservations, grants of easement, rights, rights of way, liens, charges and equitable servitudes contained in this Declaration shall run with, and shall benefit and burden the Lots and the entire Property as herein provided, and shall inure to the benefit of and be binding upon the Owners, the Association, its Board of Directors, and its officers and agents, and their respective successors in interest, for the term of fifty (50) years from the date of the recording of this Declaration, after which time the same shall be automatically extended for successive periods of ten (10) years each unless, within six (6) months prior to the expiration of the initial fifty (50) year term or any such ten (10) year extension period, a recordable written instrument, approved by Owners holding at least sixty percent (60%) of the voting power of the Association terminating the effectiveness of this Declaration shall be filed for recording in the Office of the County Recorder of Riverside County, California.

16.2. Violation of Law. Any violation of any state, municipal or local law, ordinance or regulations, pertaining to the ownership, occupancy or use of any of the Resort is hereby declared to be a violation of this Declaration and subject to any or all of the enforcement procedures set forth herein.

16.3. Notification of Sale of Lot. No later than ten (10) days prior to the consummation of the sale or transfer of any Lot under circumstances whereby the transferee will become the

Owner thereof, the transferor shall notify the Association in writing of such sale or transfer. Such notification shall set forth:

- (a) The name of the transferor and transferee;
- (b) The street address of the Lot to be transferred;
- (c) The transferee's mailing address; and
- (d) The date of sale or transfer.

Prior to receipt of any such notification, any and all communications required or permitted to be given by the Association, the Board or the ACC shall be deemed to be duly given and made to the transferee, if duly and timely made and given to said transferee's transferor. An RV that is sold concurrently with the Lot may not be automatically retained on the Lot, if the ACC or the Board has not approved its retention in the Resort.

**16.4.** Requirements to Transfer a Lot. The transferor shall pay to the Association an amount to be determined by the Board to compensate the Association for its activities undertaken to effect record changes, inspections and other actions in connection with the sale or transfer, together with any additional sums that may be required to satisfy unpaid monetary obligations of the transferor to the Association. Additionally, the transferor shall comply with each and every Association Rule applicable to transfers of Lots.

**16.5.** Construction of Declaration.

(a) Restrictions Construed Together. All of the covenants, conditions, and restrictions of this Declaration shall be liberally construed together to promote and effectuate the fundamental concepts of the development of the Property as set forth in the Recitals of this Declaration. Failure to enforce any provision hereof shall not constitute a waiver of the right to enforce that provision in a subsequent application or any other provision hereof.

(b) Restrictions Severable. Notwithstanding the provisions of subparagraph (a) above, the covenants, conditions and restrictions of this Declaration shall be deemed independent and severable, and the invalidity or partial invalidity of any provision or portion thereof shall not affect the validity or enforceability of any other provision.

(c) Singular Includes Plural. The singular shall include the plural and the plural the singular unless the context requires the contrary, and the masculine, feminine or neuter shall each include the masculine, feminine and neuter, as the context requires.

(d) Captions. All captions or titles used in this Declaration are intended solely for convenience of reference and shall not affect the interpretation or application of that which is set forth in any of the terms or provisions of the Declaration.

**16.6.** Enforcement by City. These covenants, conditions and restrictions shall run to the City, and the City may enforce said covenants, conditions and restrictions insofar as they apply to maintenance of the open space and enforcing any conditions imposed in approval of any zone change, tract map, specific plan, conditional use permit or variance for the property.

OFFICERS' CERTIFICATE

The undersigned officers of the Desert Shadows RV Resort Owners Association, Inc., hereby certify that the above Amended and Restated Declaration of Covenants, Conditions and Restrictions was approved by the vote of the requisite number of all Owners of Lots within the Property, evidence of which is on file in the office of the Association.

Dated: \_\_\_\_\_

DESERT SHADOWS RV RESORT OWNERS  
ASSOCIATION, INC.

By: \_\_\_\_\_  
\_\_\_\_\_, President

By: \_\_\_\_\_  
\_\_\_\_\_, Secretary



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 \_\_\_\_\_, 20\_\_\_\_, before me, \_\_\_\_\_, a Notary Public, personally appeared \_\_\_\_\_, 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 \_\_\_\_\_

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 )

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Signature \_\_\_\_\_