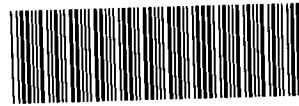


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SECOND RESTATED
DECLARATION OF RESTRICTIONS
OF

VALLE VISTA MOBILE HOME SUBDIVISION
UNIT 1 AND UNIT 2

known as

VALLE VISTA SENIOR SUBDIVISION

Adopted April 23, 2007

NOTICE: If this document contains any restriction based on race, color, religion, sex, familial status, marital status, disability, national origin, or ancestry, that restriction violates state and federal fair housing laws and is void, and may be removed pursuant to Section 12956.1 of the Government Code. Lawful restrictions under state and federal law on the age of occupants in senior housing or housing for older persons shall not be construed as restrictions based on familial status.

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**SECOND RESTATED
DECLARATION OF RESTRICTIONS OF
VALLE VISTA SENIOR SUBDIVISION**

THIS SECOND RESTATED DECLARATION is made on the date hereinafter set forth, with reference to the following facts:

A. Declarant was the owner of certain property located in the City of Santa Rosa in the County of Sonoma, State of California, more particularly described as:

Valle Vista Mobile Home Subdivision Unit 1 and Valle Vista Mobile Home Subdivision Unit 2 as shown respectively on the maps recorded in Book 139 of Maps, pages 37 through 42 inclusive, filed May 27, 1970 and as shown by the map in Book 162 of Maps, pages 7 through 12 inclusive, and filed September 10, 1971, both in Official records of Sonoma County, State of California, in the office of the County Recorder; and

B. The development shall be referred to as the "Project", and includes 269 residential lots and the Common Area. Each residential lot contains one manufactured or mobile dwelling unit.

Each Lot shall have appurtenant to it a membership in the VALLE VISTA MANAGEMENT ASSOCIATION, INC., a California nonprofit mutual benefit corporation, which shall own the Common Area.

C. This SECOND RESTATED DECLARATION OF RESTRICTIONS restates and replaces, in its entirety, the Amended and Restated Declaration of Restrictions of Valle Vista Senior Mobile Home Subdivision Now Known As Valle Vista Senior Subdivision recorded December 12, 2000 in the Office of the Recorder of Sonoma County as Document Number 2000130906, and all amendments thereto, and the Original Declaration of Restrictions recorded May 27, 1970 in the Office of the Recorder of Sonoma County as Document Number 1970064619.

D. Declarant intended by recording the original Declaration of Restrictions, and the Association and the Owners intended by recording the Amended and Restated Declaration of Restrictions, to impose upon the Project mutually beneficial restrictions under a general plan of improvement for the benefit of all Owners of Lots. It is the intent of the Owners of Lots, that this Second Restated Declaration of Restrictions impose, or continue to impose, upon the Project and all Owners therein, mutually beneficial restrictions under a general plan of improvement for the benefit of all Owners of Lots; and to create mutual equitable servitudes upon each of the Lots within the Project, including the Common Area, in favor of each and all of the other Owners in the Project and the Association, which servitudes shall operate as equitable servitudes and covenants running with the land for the benefit and burden of each and all other Lots, their respective Owners and the Association. Each covenant and condition created in this Declaration shall operate as a personal covenant, and no Owner may avoid the covenants and personal obligations herein by abandonment or transfer of his Lot.

NOW, THEREFORE, it is hereby declared that each Lot shall be held, sold, leased, mortgaged, encumbered, rented, used, occupied, improved and conveyed subject to the following declarations, limitations, easements, restrictions, covenants, and conditions, which are imposed

as equitable servitudes pursuant to a general plan for the development of the Project for the purpose of enhancing and protecting the value and desirability of the Project and every part thereof, and which shall run with the land within the Project and be binding on each Owner and his successors and assigns, and on all parties having or acquiring any right, title or interest in or to the described Project or any part thereof, and shall inure to the benefit of each Owner thereof.

ARTICLE 1 DEFINITIONS

1.1 "Articles" shall mean the Articles of Incorporation of the Association, as amended from time to time.

1.2 "Assessment" shall mean that portion of the cost of maintaining, improving, repairing, operating and managing the Project which is to be paid by each Owner as determined by the Association, and shall include Annual, Special and Reimbursement Assessments.

1.3 "Association" shall mean the **VALLE VISTA MANAGEMENT ASSOCIATION, INC.**, a California nonprofit mutual benefit corporation, the members of which shall be the Owners of Lots in the Project.

1.4 "Board" or "Board of Directors" shall mean the governing body of the Association.

1.5 "Bylaws" shall mean to the Bylaws of the Association, as amended from time to time.

1.6 "Civil Code" shall mean the California Civil Code as amended from time to time.

1.7 "Committee" means the Architectural and Beautification Committee appointed from time to time as set forth in Article VIII.

1.8 "Common Area" shall mean the portions of the Project and all improvements thereon owned by the Association for the common use and enjoyment of the Owners as described on each Map.

1.9 "Declarant" shall mean Roberts & Aquirre, a California partnership, and any successor or assign.

1.10 "Declaration" shall mean this Second Restated Declaration, as amended or supplemented from time to time.

1.11 "Exclusive Use Common Area" shall mean those portions of the Common Area, if any, set aside for exclusive use of an Owner or Owners and shall constitute "exclusive use common area" within the meaning of California Civil Code section 1351(i).

1.12 "Foreclosure" shall mean the legal process by which a borrower's interest in property encumbered by a mortgage, deed of trust or lien which is in default is sold pursuant to California Civil Code section 2924a et seq. or sale by the Court pursuant to California Code of Civil Procedure section 725a et seq. and any other applicable law.

1.13 "HUD" shall mean the federal Housing and Urban Development department.

1.14 "Improvements" shall mean buildings (manufactured, mobile or standard construction), sidewalks, driveways, parking areas, fences, retaining walls, stairs, decks, landscaping, swimming pool and any other structures or construction of any type or kind.

1.15 "Informal Dispute Resolution" shall mean the meet and confer process for resolving disputes between an Owner and the Association as set forth in the Association's Informal Dispute Resolution Policy and Civil Code Section 1363.810 et seq.

1.16 "Lot" shall mean each subdivided residential Lot shown on the Maps with the exception of the Common Area.

1.17 "Maps" shall mean Valle Vista Mobile Home Subdivision Unit 1 recorded in Book 139 of Maps, pages 37 through 42 inclusive, filed May 27, 1970 and Valle Vista Mobile Home Subdivision Unit 2 in Book 162 of Maps, pages 7 through 12 inclusive, and filed September 10, 1971.

1.18 "Member" shall mean a person entitled to membership in the Association as provided herein.

1.19 "Mortgage" shall include a deed of trust as well as a mortgage.

1.20 "Owner" or "Owners" shall mean the record Owner, whether one or more persons, trusts, corporations or other entities, of fee simple title to any Lot which is a part of the Project but excluding those persons or entities having an interest merely as security for the performance of an obligation. If a Lot is sold under a contract of sale and the contract is recorded, the purchaser, rather than the fee owner, shall be considered the "Owner" from and after the date the Association receives written notice of the recorded contract.

1.21 "Person" means a natural person, a corporation, a partnership, a trust, or other legal entity.

1.22 "Project" shall mean all of the real property described on the Maps and all improvements thereon.

1.23 "Project Documents" shall mean this Declaration, the Bylaws, the Articles, the Maps and the Rules and Regulations of the Association.

1.24 "Residence" shall mean the residential structure on a Lot, including mobile home and modular structures.

1.25 "Rules" shall mean the rules and regulations adopted from time to time by the Association pursuant to section 5.2C.

ARTICLE II DESCRIPTION OF PROJECT, DIVISION OF PROPERTY, AND CREATION OF PROPERTY RIGHTS

2.1 **Description of Project:** The Project is a Planned Development as defined in California Civil Code §1351(k), which shall consist of the Common Area, 269 residential Lots, and all improvements thereon.

2.2 **Age Restricted Project:** The Project is intended to provide housing for Senior Citizens and to qualify as a senior citizen housing development within the meaning of Civil Code Section 51.3(b)(4). The occupancy restrictions set forth in Article VI herein shall apply to all Lots within the Project, each Owner and their successors and assigns.

2.3 Easements; Dedication of Common Area: Each of the Lots shown on the Maps shall have appurtenant to it a nonexclusive easement over the Common Area now or hereafter owned by the Association for ingress and egress, and for use and enjoyment, and where applicable, for the construction, maintenance and operation of utilities. The foregoing easements are subject to the following:

A. The right of the Association to discipline Members and to suspend an Owner's voting rights and right to the use of the Common Area for any period during which any Assessment against his Lot remains unpaid, or for any violation of the Project Documents or Rules in accordance with the provisions of sections 4.10, 5.2F, and 10.1.

B. The right of the Association to dedicate, transfer, encumber, or mortgage all or any part of the Common Area to any public agency, authority, utility, or financial institution for such purposes and subject to such conditions as may be agreed to by the Members, provided, that in the case of the borrowing of money and encumbering of its property as security therefore, the rights of such lender shall be subordinate to the rights of the Members. No such dedication, transfer, encumbrance, or mortgage shall be effective unless an instrument approved by fifty-one percent (51%) of Members agreeing to the dedication, transfer, encumbrance, or mortgage has been recorded.

C. The right of the Association to grant easements under, in, upon, across, over, above or through any portion of the Common Area for purposes, including, without limitation, access, utilities, and parking, which are beneficial to the development of the Project in accordance with the general plan established by this Declaration.

D. The right of the Association to develop or improve the Common Area for the benefit and use of the Members.

The foregoing easements are granted and reserved subject to the condition that their use and enjoyment shall not unreasonably interfere with the use, occupancy or enjoyment of all or any part of the Lot servient to them or to which they are appurtenant.

2.4 Easements to Accompany Conveyance of Lot: Easements that benefit or burden any Lot shall be appurtenant to that Lot and shall automatically accompany the conveyance of any Lot, even though the description in the deed may refer only to the fee title to the Lot.

2.5 Delegation of Use: Any Owner may delegate his right of enjoyment to the Common Area and facilities to the members of his family, guests, tenants, or contract purchasers, who reside in the Project. Nonresident Members, their families, guests and relatives, are not permitted to use the recreational facilities during periods when their Lot is leased to and/or occupied by others (non-family members).

2.6 Owners' Rights and Easements for Utilities: The rights and duties of the Owners of Lots within the Project with respect to sewer, drainage, water, electric, gas, video cable, telephone equipment, cables and lines, (hereinafter referred to, collectively, as "utilities facilities") shall be as follows:

A. Within the easements existing at the time the Project was developed, or thereafter created by the Association, for installation and maintenance of utilities facilities,

including drainage facilities, no structure, planting, or other material shall be placed or permitted to remain which may damage or interfere with the installation and maintenance of utilities, or which may damage, interfere, or change utility service, or damage, interfere or change the direction or flow of drainage, in the easement.

B. Utilities facilities in the Common Area or upon Lots shall at all times be open and accessible to public and quasi-public utility corporations, and other persons, including, but not limited to the Association, for erecting, constructing, improving, or servicing such utilities facilities, all of whom shall have the right of ingress and egress thereto, and the right to take reasonable and necessary actions in, under and upon the easements for carrying out of any of the purposes for which the easements are reserved or granted.

2.7 Maintenance Easement: An easement over each Lot is reserved in favor of the Association, for the purpose of allowing the Association's agents to enter the Lot, in accordance with the right of entry set forth in section 2.9 herein.

2.8 Other Easements: The Common Area and each Lot are subject to all easements, dedications, and rights of way granted or reserved in, on, over and under the Project as shown on the Maps.

2.9 Rights of Entry and Use: The Lots and Common Area (including Exclusive Use Common Area) shall be subject to the following rights of entry and use.

A. The right of the Association's agents to enter any Lot to cure any violation of this Declaration or the Bylaws, as provided in section 7.15 of this Declaration;

B. The access rights of the Association to maintain, repair or replace improvements or property located in the Common Area;

C. The easements described in this Article II;

D. The right of the Association's agents to enter any lot to perform maintenance as described in sections 3.6, 5.1 and 7.15; and

2.10 Partition of Common Area: There shall be no subdivision or partition of the Common Area, nor shall any Owner seek any partition or subdivision thereof.

Notwithstanding any provisions to the contrary contained in this Declaration and in order to provide for a means of terminating the Project if this should become necessary or desirable, on the occurrence of any of the conditions allowing an Owner of a Lot to maintain an action for partition (as such conditions are set forth in California Civil Code §1359 as amended from time to time), seventy-five percent (75%) of the Owners of Lots shall have the right to petition the Superior Court to alter or vacate the Maps under California Government Code section 66499.21, et seq., or any comparable provisions of law, and to vest title to the Project to the Owners as tenants in common and order an equitable partition of the Project in accordance with the laws of the State of California. Nothing herein shall be construed to prohibit partition of a joint tenancy or co-tenancy in any Lot.

2.11 All Easements Part of Common Plan: Whenever any easements are reserved or created herein, such easements shall constitute equitable servitudes for the mutual benefit of all property in the Project, even if only certain Lots are specifically mentioned as subject to or benefiting from a particular easement, and when easements referred to herein are subsequently

created by grant deeds, such easements are part of the common plan created by this Declaration for the benefit of all property Owners within the Project.

ARTICLE III ASSOCIATION, ADMINISTRATION, MEMBERSHIP AND VOTING RIGHTS

3.1 Association Powers and Duties: The Association shall have such powers and duties as set forth in the Articles of Incorporation, Bylaws and this Declaration, in addition to the powers and duties granted to it under the Davis-Stirling Common Interest Development Act and the California Nonprofit Mutual Benefit Corporation Law, as both may be amended from time to time.

3.2 Association to Own and Manage Common Areas: The Association shall own and manage the Common Area in accordance with the provisions of the Project Documents.

3.3 Membership: The Owner of a Lot shall automatically, upon taking title to a Lot, be a Member of the Association, and shall remain a Member thereof until such time as his ownership ceases for any reason. Membership shall be appurtenant to and may not be separated from ownership of a Lot. Membership shall be held in accordance with the Articles and Bylaws.

3.4 Transferred Membership: Membership in the Association shall not be transferred, encumbered, pledged, or alienated in any way, except upon the transfer of the Lot to which it is appurtenant, and then only to the transferee of such Lot. On any transfer of title to an Owner's Lot membership passes automatically with title to the transferee. A lender does not have membership rights until it obtains title to the Lot through Foreclosure or deed in lieu thereof. Any attempt to make a prohibited transfer is void. No Member may resign his membership. On notice of a transfer, the Association shall record the transfer on its books.

3.5 Membership and Voting Rights: Membership and voting rights shall be as set forth in the Bylaws.

3.6 Right of Entry: The Board, or its duly authorized agents or employees, shall have the right at reasonable times and after 72 hours notice (except in an emergency when the Association shall provide such notice as is reasonable under the circumstances), without liability to the Owner, to enter upon any Lot if necessary for the purposes of construction, maintenance, emergency repair, or remedying a violation of the Project Documents for the benefit of the Common Area or the Owners in common. If construction, maintenance, repair or remedying of a violation is necessary on any Lot, the Association shall notify the Owner of such Lot of the work needed and, if such work has not been performed by the Owner within a reasonable time as specified in a written notice from the Board or its agent, the Association may enter such Lot and make the necessary repairs, construction, maintenance or remedy. Any expense incurred by the Association in taking such action shall be recovered from the Owner of such Lot by means of a Reimbursement Assessment against such Lot and its owner, provided, however, that such assessment shall be subject to notice and hearing as provided in the Bylaws.

ARTICLE IV MAINTENANCE AND ASSESSMENTS

4.1 Creation of the Lien and Personal Obligation of Assessments: Each Owner of a Lot by acceptance of a deed for such Lot, whether or not stated in the deed, covenants and agrees:

- (1) To pay to the Association Annual Assessments, Special Assessments and Reimbursement Assessments due and payable after the date of acceptance of a deed; and
- (2) To allow the Association to enforce any assessment lien established hereunder by non-judicial proceedings under a power of sale or by any other means authorized by law.

The Annual, Special, and Reimbursement Assessments, together with interest, late charges, collection costs, and reasonable attorneys' fees, shall be a charge on the land and a continuing lien upon the property against which each Assessment is made, the lien becomes effective upon recordation of a notice of delinquent Assessment. Each such Assessment, together with interest, late charges, collection costs, and reasonable attorneys' fees, shall also be the personal obligation (joint and several) of each person who was the Owner of such property at the time when the Assessment fell due. No Owner of a Lot may exempt himself from liability for payment of assessments by waiver of the use or enjoyment of any of the Common Areas or by the abandonment of his Lot.

The interest of an Owner in the amounts paid pursuant to any Assessment upon the transfer of ownership shall pass to the new Owner. Upon the termination of these covenants for any reason, any amounts remaining from the collection of such Assessments after paying all amounts properly charged against such Assessments shall be distributed to the then Owners on the same pro rata basis on which the Assessments were collected.

4.2 Purpose of Assessments: The Assessments levied by the Association shall be used exclusively to promote the economic interests, recreation, health, safety, and welfare of all the residents in the Project and to enable the Association to perform its obligations hereunder.

4.3 Assessments:

A. Annual Assessments: The Board shall establish and levy Annual Assessments in an amount that the Board estimates will be sufficient to raise the funds needed to perform the duties of the Association during each fiscal year. The Annual Assessment shall include a portion for reserves in such amounts as the Board in its discretion considers appropriate to meet the costs of the future repair, replacement or additions to the major improvements and fixtures that the Association is obligated to maintain and repair. Reserve funds shall be deposited and managed in accordance with the Bylaws.

B. Special Assessments: The Board, at any time, may, subject to the limitations of section 4.4, levy a Special Assessment in order to raise funds for unexpected operating or other costs, insufficient operating or reserve funds, or such other purposes as the Board, in its discretion, considers appropriate.

C. Reimbursement Assessments: The Board may also levy a Special Assessment in the form of a Reimbursement Assessment against a single Lot and the Owners thereof to reimburse the Association for costs incurred in bringing the Lot and Owners into compliance with the provision of the Project Documents or repairing damage to the

Common Area caused by or due to the Owner or the Owner's family, guests, tenants, invitees, agents, or pets.

4.4 Restrictions on Increases in Annual or Special Assessments: Increases in annual assessments and special assessments are controlled by Civil Code §1366. As set forth in Civil Code §1366, the Board may not impose an Annual Assessment on any Lot which is more than twenty percent (20%) greater than the Annual Assessment for the immediately preceding fiscal year without the vote of Members casting a majority of the votes at a meeting of the Association at which a quorum is present. The Association may not levy a Special Assessment (except a Reimbursement Assessment) which in the aggregate exceeds five percent (5%) of the budgeted gross expenses of the Association for that fiscal year, without the vote of a majority of Members casting votes by written ballot when a quorum is present. The Board may increase Annual Assessments by up to twenty percent (20%) over the Annual Assessment for the immediate preceding fiscal year only if the Board has complied with the provisions of Civil Code §1365(a) and the Bylaws *or* has obtained the approval of such increase by the Members in the manner set forth in this section 4.4.

As provided in Civil Code §1366(b), notwithstanding the foregoing, the Board, without membership approval, may increase Annual Assessments or levy Special Assessments necessary for an emergency situation. For purposes of this section, an emergency situation is one of the following:

- (1) An extraordinary expense required by an order of a court,
- (2) An extraordinary expense necessary to repair or maintain the Project or any part of it for which the Association is responsible, where a threat to personal safety on the Project is discovered, or
- (3) An extraordinary expense necessary to repair or maintain the Project or any part of it for which the Association is responsible, that could not have been reasonably foreseen by the Board in preparing and distributing the pro forma operating budget, provided, however that prior to the imposition or collection of the Assessment, 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 and the resolution shall be distributed to the Members with the notice of the Assessment.

The Association shall provide notice by first-class mail to the Owners, of any increase in the Annual or any Special Assessments of the Association, not less than thirty (30) nor more than sixty (60) days prior to the increased Assessment becoming due.

This section 4.4 incorporates the statutory limits and requirements of Civil Code §1366. If this section of the Civil Code is amended in any manner, this section 4.4 shall automatically be amended in the same manner without the necessity of amending this Declaration.

4.5 Notice and Quorum for Any Action Authorized Under Section 4.4: Any action authorized under section 4.4, which requires a vote of the membership, shall be taken by secret written ballot as provided for in the Bylaws and the Association's election policy and procedure.

4.6 Division of Assessments: Annual and Special Assessments shall be levied equally among the Lots except Reimbursement Assessments as provided in section 4.3. Annual

Assessments shall be collected on a monthly basis unless the Board directs otherwise. Special Assessments may be collected in one (1) payment or periodically, as the Board shall direct.

4.7 Date of Commencement of Annual Assessment; Due Dates: The Board of Directors shall use its best efforts to fix the amount of the Annual Assessment against each Lot and send written notice thereof to every Owner at least thirty (30) days in advance of each Annual Assessment period, provided that failure to comply with the foregoing shall not affect the validity of any Assessment levied by the Board. Each Assessment is levied, assessed, commences and becomes an obligation of each Owner on the date each installment or payment becomes due. The Board of Directors shall establish the due dates. The Association shall, upon demand, and for a reasonable charge, furnish a certificate signed by an officer of the Association or its authorized agent, setting forth whether the Assessments on a specified Lot have been paid. Such a certificate shall be conclusive evidence of such payment.

4.8 Effect of Nonpayment of Assessments: Any Assessment not paid within fifteen (15) days after the due date shall be delinquent, shall incur a late payment charge in an amount to be set by the Board from time to time, not to exceed the maximum permitted by applicable law, and may bear interest at the rate of twelve percent (12%) per annum from thirty (30) days after the due date until paid. Interest, if any, and late charge shall be computed on the outstanding balance, which shall include any late charges previously assessed and unpaid.

The Board shall enforce collection of Assessments by any or all legal means available, including, but not limited to, legal action against the delinquent Member and judicial or non-judicial foreclosure proceedings. In any action instituted by the Association to enforce payment by a member of any delinquent Assessment, late charge, or interest, the prevailing party shall be entitled to recover from the non-prevailing party all costs and expenses incurred in collection of such Assessments and fees, including, without limitation, reasonable attorney's fees. A Member who is delinquent in payment of any Assessment shall not be in good standing, and such Member's privileges of membership, including, without limitation, use of the Common Area (except for ingress and egress to the Member's Lot), use of recreational facilities, right to vote, and the right to hold a seat on the board of directors, shall be suspended unless and until all Assessments that are due and owing are paid in full or restoration of rights is required by law.

4.9 Transfer of Lot by Sale or Foreclosure: Sale or transfer of any Lot shall not affect the assessment lien. However, the sale of any Lot pursuant to Foreclosure of a first mortgage shall extinguish the lien of such Assessments (including attorney's fees, late charges, or interest levied) as to payments which become due prior to the date of such sale or transfer (except for assessment liens recorded prior to the mortgage). No sale or transfer shall relieve such Lot from liability for any Assessments becoming due after the date of such sale or transfer or from the lien thereof. Where the mortgagee or other purchaser of a Lot obtains title to the Lot as a result of Foreclosure, such purchaser or mortgagee, and his successor and assigns, shall not be liable for the Assessments chargeable to such Lot which became due prior to the purchaser or mortgagee taking title to such Lot (except for assessment liens recorded prior to the mortgage), but shall be liable for all Assessments which become due after the date title is acquired.

If a Lot is transferred the grantor shall remain liable to the Association for all unpaid Assessments against the Lot through and including the date of the transfer. The grantee shall be entitled to a statement from the Association, dated as of the date of transfer, setting forth the amount of the unpaid Assessments against the Lot to be transferred and the Lot shall not be

subject to a lien for unpaid Assessments of the grantor in excess of the amount set forth in the statement, provided, however, the grantee shall be liable for any Assessments that become due after the date of the transfer.

4.10 Priorities; Enforcement; Remedies: If an Assessment is delinquent, the Association may, in accordance with Civil Code §1367.1, as amended from time to time, record a notice of delinquent Assessment and establish a lien against the Lot of the delinquent Owner prior and superior to all other liens except (1) all taxes, bonds, assessments and other levies which, by law, would be superior thereto, and (2) the lien or charge of any first mortgage of record (meaning any recorded mortgage or deeds of trust with first priority over other mortgages or deed of trust) made in good faith and for value. The notice of delinquent Assessment shall contain all of the information required by Civil Code section 1367.1. Any director or officer of the Association, or agent retained by the Association, may sign the notice. Prior to recording the Lien, the Association shall provide the Owner an opportunity to meet with the Board in executive session to discuss payment plans or to participate in Informal Dispute Resolution.

An Owner may dispute an Assessment or alleged delinquent Assessment by providing the Association with a written request for Informal Dispute Resolution and participating in such Informal Dispute Resolution in good faith.

An Assessment lien may be enforced in any manner permitted by law, including sale by the court, sale by the trustee designated in the notice of delinquent Assessment, or sale by a trustee substituted pursuant to Civil Code §2934a. Prior to seeking foreclosure of any lien, the Association shall provide the delinquent Owner the opportunity to participate in Informal Dispute Resolution or Alternative Dispute Resolution in a form of the Owner's choosing, provided, however, the Association may decline to participate in binding arbitration if the Association intends to seek judicial foreclosure of the lien. Any sale by the trustee shall be conducted in accordance with the provisions of California Civil Code §2924 et seq. as amended or succeeded from time to time, applicable to the exercise of powers of sale in mortgages and deeds of trust, or in any other manner permitted by law. Nothing herein shall preclude the Association from bringing an action in any court of competent jurisdiction directly against an Owner for breach of the personal obligation to pay Assessments or from utilizing the services of a collection agency to collect delinquent assessments.

Fines and penalties for violation of restrictions are not "Assessments," and are not enforceable by lien, but are enforceable by court proceedings. Reimbursement Assessments against a single Lot and the Owners thereof are an "Assessment" and are enforceable by lien or by court proceedings.

Suit to recover a money judgment for unpaid assessments and attorneys' fees shall be maintainable without foreclosing or waiving the lien securing the same. The Board may temporarily suspend the voting rights and right to use recreational facilities of a Member who is in default in payment of any Assessment, after notice and hearing, as provided in the Bylaws.

This section 4.10 incorporates the statutory limits and requirements of California Civil Code §1367.1. If this section of the California Civil Code is amended in any manner, this section 4.10 shall automatically be amended in the same manner without the necessity of amending this Declaration.

4.11 Unallocated Taxes: In the event that any taxes are assessed against the Common Area or the personal property of the Association, rather than against the Lots, said taxes shall be included in the Assessments made under the provisions of section 4.1 and, if necessary, a Special Assessment may be levied against the Lots in an amount equal to said taxes, to be paid in two (2) installments, thirty (30) days prior to the due date of each tax installment.

ARTICLE V DUTIES AND POWERS OF THE ASSOCIATION

5.1 Duties: In addition to the duties enumerated in the Articles and Bylaws, or elsewhere provided for in this Declaration, and without limiting the generality thereof, the Association shall perform the following duties:

A. Maintenance: The Association shall maintain and repair the Common Area, all improvements and landscaping on the Common Area, and all property owned by the Association. The Association shall maintain and operate the Common Area of the Project in accordance with all applicable municipal, state, and federal laws, statutes and ordinances, as the case may be. Each Owner shall maintain his or her Lot and all Improvements on such Lot as provided in section 7.15 herein. The Association shall maintain, repair and replace utility facilities in the Common Area, including sewer, electrical, gas, water, telephone, and cable lines.

The responsibility of the Association for maintenance and repair shall not extend to repairs or replacements arising out of or caused by the willful or negligent act or omission of any Owner, or his family, guest, tenant, invitee or pet. Any such repairs or replacements not covered by insurance carried by the Association shall be made by the Association and the costs and expenses thereof shall be a Reimbursement Assessment against the responsible Owner as provided in section 4.3C of this Declaration. If the Owner disputes the charge, the Owner shall be entitled to Notice and a hearing and Informal Dispute Resolution as provided in the Bylaws before the charge may be collected.

B. Insurance: The Association shall obtain and maintain such policy or policies of insurance as are required by section 9.1 of this Declaration:

C. Discharge of Liens: The Association shall discharge by payment, if necessary, any lien against the Common Area and charge the cost thereof to the Member or Members responsible for the existence of the lien after notice and hearing as provided in the Bylaws.

D. Assessments: The Association shall fix, levy, collect and enforce Assessments as set forth in Article IV hereof.

E. Payment of Expenses and Taxes: The Association shall pay all expenses and obligations incurred by the Association in the conduct of its business including, without limitation, all licenses, taxes or governmental charges levied or imposed against the property of the Association.

F. Enforcement: The Association shall be responsible for the enforcement of this Declaration, the Bylaws and the Rules of the Association. The Association shall, when it

becomes aware of any violation of the Project Documents or Rules, expeditiously correct such violations.

5.2 Powers: In addition to the powers enumerated in the Articles and Bylaws, or elsewhere provided for herein, and without limiting the generality thereof, the Association shall have the following powers:

A. Easements: The Association shall have authority (by majority vote of the Board of Directors) to grant easements where necessary for utilities, cable television and sewer facilities over the Common Area to serve the Common Areas and Lots, or where necessary to satisfy or achieve an appropriate governmental purpose or request.

B. Manager: The Association may employ a manager or other persons and contract with independent contractors or managing agents to perform all or any part of the duties and responsibilities of the Association, as limited by section 5.2K herein. Any contract with a manager or managing agent shall not exceed one (1) year term, and shall provide for the right of the Association to terminate the contract without cause or payment of a termination fee on not more than ninety (90) days' written notice, or for cause on not more than thirty (30) days' written notice.

C. Adoption of Rules: The Board may adopt reasonable Rules not inconsistent with this Declaration for the operation of the Association including, but not limited to, Rules relating to enforcement of Project Documents and Rules; resolution of disputes between the Association and Owners; conduct of meetings; alteration or use of Lots; collection of assessments and resolutions of disputes regarding assessments; use of the Common Area and all facilities thereon; and the conduct of Owners and their families, tenants and guests with respect to the Property and other Owners. Rules shall be adopted by the Board in accordance with the procedures set forth in section 12.3 of the Bylaws. Written copies of such Rules and any schedule of fines and penalties adopted by the Board shall be furnished to Owners.

D. Access: For the purpose of performing construction, maintenance or emergency repair for the benefit of the Common Area or the Owners in common, and/or to perform maintenance work which a Lot Owner has failed to perform as provided in section 7.15, the Association's agents or employees shall have the right, after reasonable notice, to enter any Lot as set forth in section 3.6.

E. Assessments, Liens, Penalties, and Fines: The Board shall have the power to levy and collect Assessments in accordance with the provisions of Article IV hereof. The Association may impose or take disciplinary action against any Owner for failure to pay Assessments or for violation of any provision of the Project Documents or the Rules adopted by the Board. Disciplinary action may include, but is not limited to, fines, temporary suspension of voting rights or rights to use the recreational facilities, legal action, or other appropriate discipline, provided the Member is given notice and a hearing as provided in the Bylaws before the imposition of any fine or disciplinary action. The Board shall have the power to adopt a schedule of reasonable fines and penalties for violations of this Declaration and any Rules adopted pursuant to section 5.2C. The penalties prescribed may include suspension of all rights and privileges of membership; provided, however, that suspension for failure to pay Assessments shall be for a maximum period of thirty (30) days or successive thirty (30) day periods until paid; and

provided further that suspension for infraction of Rules or violation of this Declaration, other than for failure to pay Assessments, shall be limited to a maximum period of thirty (30) days per infraction or violation, and shall be imposed only after a hearing before the Board. The Board may extend said period for an additional period or periods in the case of a continuing infraction or violation, and no hearing need be held for such extension. The Board shall assess penalties in enforcement of assessments in the manner provided in section 4.10.

F. Enforcement: The Board shall have the power to enforce this Declaration by any and all means provided by law or in equity, including, but not limited to, alternative dispute resolution (mediation, binding or nonbinding arbitration, or judicial reference), or litigation.

G. Acquisition and Disposition of Property: The Board shall have the power to acquire (by gift, purchase or otherwise), own, hold, improve, build upon, operate, maintain, convey, sell, lease, transfer, or otherwise dispose of real or personal property in connection with the affairs of the Association. Any transfer of real property or transfer of personal property of an aggregate value exceeding 15% of the total value of personal property owned by the Association, shall be approved by the vote of fifty one percent (51%) of the total voting power of the Association.

H. Loans: The Board shall have the power to borrow money. Upon the vote of fifty one percent (51%) of the total voting power of the Association, the Board may mortgage, pledge, deed in trust, or hypothecate any or all of its real or personal property as security for money borrowed or debts incurred.

I. Dedication: The Association shall have the power to dedicate, sell, or transfer all or any part of the Common Area to any public agency, authority, or utility for such purposes and subject to such conditions as may be agreed to by the Members. No such dedication shall be effective unless an instrument has been approved by fifty one percent (51%) of the total voting power of the Association, agreeing to such dedication, sale or transfer.

J. Contracts: The Board shall have the power to contract for goods and/or services for the Common Areas, facilities or for the Association, subject to limitations set forth in the Bylaws, or elsewhere herein.

K. Delegation: The Association, the Board, and the officers of the Association shall have the power to delegate their authority and powers to committees, officers or employees of the Association, or to a manager employed by the Association, provided that the Board shall not delegate its responsibility:

- (1) to make expenditures for capital additions or improvements chargeable against the reserve funds;
- (2) to conduct hearings concerning compliance by an Owner or his family, tenant, lessee, guest or invitee with the Declaration, Bylaws or Rules promulgated by the Board or to meet with an Owner to discuss a plan for payment of delinquent Assessments;
- (3) to make a decision to levy monetary fines, impose Special Assessments against individual Lots, temporarily suspend an Owner's rights as a Member of the

Association or otherwise impose discipline;

(4) to make a decision to levy Annual, Special or Reimbursement Assessments; or

(5) to make a decision to bring suit, record a claim or lien or institute Foreclosure proceedings for default in payment of Assessments, however, implementation of the decision of the Board may be delegated.

L. Use of Common Area: The Board shall have the power to limit the number of an Owner's family, tenants or guests who may use the Common Area, provided that all limitations apply equally to all Owners, unless imposed for disciplinary reasons after notice and hearing as provided in the Bylaws.

M. Appointment of Trustee: The Association, or the Board acting on behalf of the Association, has the power to appoint or designate a trustee to enforce assessment liens by sale as provided in section 4.10 and California Civil Code section 1367.1.

N. Litigation/Arbitration: The Association, subject to section 10.9 of this Declaration, shall have the power to institute, defend, settle or intervene in litigation, arbitration, mediation or administrative proceedings on behalf of the Association pursuant to Code of Civil Procedure and Civil Code section 1369.510 et seq. The Board of Directors has authority to file a suit, file a demand for alternative dispute resolution, incur litigation costs, or enter into a contingent fee contract with an attorney, whether pursuant to Code of Civil Procedure, Civil Code section 1369.510 et seq., or on behalf of Members upon a majority vote of the Board of Directors.

O. Other Powers: In addition to the powers contained herein, the Board may exercise the powers granted to a nonprofit mutual benefit corporation under California Corporations Code § 7140.

P. Common Area Improvements: The Association shall have the authority and power to construct, improve, repair, demolish, remove and reconstruct any and all improvements on or over or under the Common Area not inconsistent with this Declaration, and appropriate for the use and benefit of the Members of the Association, and to charge for the use thereof, provided that the Association shall not include in any Assessment, Annual or Special, the cost of any new capital improvement which exceeds five percent (5%) of the budgeted expenditures for that year, unless fifty-one percent (51%) or more of the members approve said expenditure by written ballot.

ARTICLE VI SENIOR HOUSING

6.1 Applicable Law and Amendment Requirements. The provisions in this Article VI are intended to comply with the housing for senior citizen requirements in Civil Code Section 51.3, the housing for older persons exemption under the Act of 1988 and 1995 (42 U.S. Code 3607), and the HUD regulations (24 CFR 100.300 et seq.) in effect as of the date this Declaration was recorded in the County records. To the extent of any conflict between the provisions of this Article VI and any applicable law regulating age restrictions in senior housing developments, the applicable law shall control. If any applicable law is subsequently modified or amended in any manner, the provisions of this Article VI automatically shall be considered

modified and amended in a like manner without a vote of the Members in order to remain in compliance with applicable laws.

6.2 Senior Housing Definitions: For purposes of this Article VI the following terms shall have the definitions set forth in Civil Code §51.3, including the following:

- (a) "Cohabitants": Persons living together as spouses or domestic partners within the meaning of Family Code section 297.
- (b) "Permitted Healthcare Resident": A person hired to provide live-in, long-term or terminal healthcare to a Senior Citizen or a family member of the Senior Citizen providing that care. The care must be substantial in nature and must provide either assistance with necessary daily activities or medical treatment or both.
- (c) "Qualified Disabled Resident": A disabled person or person with a disabling illness or injury who is a child or grandchild of the Senior Citizen or a Qualified Permanent Resident who needs to live with the Senior Citizen or Qualified Permanent Resident because of the disabling condition, illness or injury. A "disabled" person means a person with 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 as defined in Government Code Section 12926.
- (d) "Qualified Permanent Resident": A person who satisfies both of the following requirements: (a) the person was residing with the Senior Citizen prior to the Senior Citizen's death, hospitalization, or other prolonged absence or prior to the dissolution of marriage with the Senior Citizen; and (b) the person is 45 years of age or older and was the spouse or domestic partner of the Senior Citizen, was a Cohabitant with the Senior Citizen, or was providing the primary physical or economic support to the Senior Citizen.
- (e) "Senior Citizen" A person 55 years of age or older.

6.3 Age Restriction Occupancy Requirements. This Project is a development designed to provide housing for Senior Citizens and is intended to qualify as a senior citizen housing development within the meaning of Civil Code Section 51.3(b)(4). As required by Civil Code §51.3(c) and HUD regulations (24 CFR 100.305), at commencement of occupancy of the Lot, at least one resident must be a Senior Citizen who intends to reside on the Lot as his or her primary residence on a permanent basis. As set forth in Civil Code §51.3, all other residents must qualify under one of the following categories:

- (f) the resident is 45 years or older;
- (g) the resident is the spouse or domestic partner of the Senior Citizen;
- (h) the resident and the Senior Citizen are Cohabitants;
- (i) the resident is providing the primary physical or economic support to the Senior Citizen;
- (j) the resident is a Qualified Disabled Resident; or
- (k) the resident is a Permitted Health Care Resident

Upon the death or dissolution of marriage or upon hospitalization or other prolonged absence of the Senior Citizen, a Qualified Permanent Resident or Qualified Disabled Resident

may continue to reside in the Lot as long as at least eighty percent (80%) of the occupied Lots at the Project are occupied by a person age 55 or older and the continued occupancy by the Qualified Permanent Resident or Qualified Disabled Resident does not reduce the percentage to less than eighty percent (80%) so as to disqualify the Development as housing for older persons under federal Law. (Civil Code §51.3(c); 24 CFR 100.305)

6.4 Termination of Disability. For any person who is a Qualified Disabled Resident and the disabling condition ends and the Qualified Disabled Resident does not otherwise qualify to reside in the Lot under Section 6.2, the Board may require the formerly disabled resident to cease residing in the Project upon receipt of six months written notice provided that the Board may allow the person to remain a resident for up to one year after the disabling condition ends. (Civil Code §51.3(b)(3)).

6.5 Termination of Occupancy Rights of a Qualified Disabled Resident. The Board may take action to prohibit or terminate the occupancy by a person who is a Qualified Disabled Resident solely because of a disability if the Board, based on credible and objective evidence, finds 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 that the action to prohibit or terminate the occupancy may be taken only after satisfying each of the following conditions:

(i) The Board provides reasonable notice to and an opportunity to be heard for the disabled person whose occupancy is being challenged, and reasonable notice to the co-resident parent or grandparent of that person; and

(ii) The Board gives due consideration to the relevant, credible, and objective information provided at the hearing. The evidence shall be taken and held in a confidential manner in an executive session by the Board in order to preserve the privacy of the affected person. The affected persons shall be entitled to have present at the hearing an attorney or any other person authorized by them to speak on their behalf or to assist them in the matter. (Civil Code §51.3(b)(3)).

6.6 Occupancy By a Permitted Health Care Resident. A Permitted Health Care Resident may occupy a Lot during any period that the Permitted Health Care Resident is actually providing live-in, long-term or terminal health care to the Senior Citizen for compensation. Compensation shall include provision of lodging and food in exchange for care. A Permitted Health Care Resident shall be entitled to continue his or her residency if the Senior Citizen is absent from the Lot on satisfaction of each of the following conditions:

(i) The Senior Citizen became absent due to hospitalization or other necessary medical treatment and expects to return to the Lot within 90 days from the date the absence began; and

(ii) The absent Senior Citizen or an authorized person acting for the Senior Citizen submits a written request to the Board stating that the Senior Citizen desires that the Permitted Health Care Resident be allowed to remain in order to be present when the Senior Citizen returns to reside in the Lot. (Civil Code §51.3(b)(7))

6.7 Temporary Residency. Nothing in this Article VI shall prohibit the temporary residency of any person under the age of 55 as a guest of the Senior Citizen or Qualified Permanent Resident. For purposes herein, "temporary residence" shall mean occupancy of a

Lot for no more than 60 days in any consecutive 12 month period.

6.8 Federal Law Requirements. The Project also is intended to qualify as housing for older persons exempt from the age restriction prohibition contained in the Federal Fair Housing Amendments Act of 1988, as amended by the Housing for Old Persons Act of 1995 (the "Acts"). In order to satisfy the requirements of the Acts, at least 80 percent of the occupied Lots must be occupied by at least one person 55 years of age or older, and the Association shall:

(i) Publish and adhere to policies and procedures which demonstrate an intent by the Association to provide housing for persons 55 years of age or older and

(ii) Adopt and implement procedures for the periodic verification of compliance with the age restrictions, including procedures for routinely determining the occupancy of each Lot including the identification of whether at least one occupant is a Senior Citizen. The procedures shall provide for regular updates no less than once every two years.

ARTICLE VII USE RESTRICTIONS

In addition to all of the covenants contained herein, the use of the Project and each Lot therein is subject to the following:

7.1 Use of Lot: No Lot shall be occupied and used except for residential purposes by the Owners, their tenants, and social guests. No tent, shed, trailer, recreational vehicle, outbuilding or structure of a temporary character shall be used on any Lot at any time as a residence, either temporarily or permanently. No Lot shall be regularly occupied by more than two persons per bedroom in the dwelling unit on that Lot plus one person, or such other limit as prescribed by the California Housing Code, as amended from time to time.

7.2 Nuisances and Activities Causing Increase in Insurance Rates: No noxious, illegal, or offensive (to a reasonable person) activity or nuisance shall be carried on or permitted upon any Lot, the Common Area, or in any part of the Project, nor shall anything be done thereon which may be or may become a serious annoyance or a nuisance to, or which may in any way interfere with the quiet enjoyment of each of the Owners of his respective Lot. No activity which is in violation of any Federal, State or local statute, ordinance or regulation shall be conducted, suffered or permitted upon any Lot, the Common Area, or in any part of the Project. Nothing shall be done or kept in the Common Area, which will increase any applicable rate of insurance or which will result in the cancellation of insurance on any Lot or any part of the Common Area, or which would be in violation of any law.

7.3 Vehicle Restrictions: No trailer, camper, commercial vehicle, recreational vehicle, truck having carrying capacity of greater than 1 ton, or van having seating capacity in excess of nine (9) persons, boat, stored or inoperable vehicles, or similar equipment shall be permitted to be parked, stored, or remain for more than 72 consecutive hours upon any area within the Project which is visible to neighboring Lots or from the Common Area, except in the designated vehicle storage area.

Permitted vehicles which are used both for business and personal use are not prohibited, provided that any signs or markings of a commercial nature on such vehicles shall be unobtrusive and inoffensive as determined by the Board. No noisy or smoky vehicles shall be

operated in the Project. No unlicensed motor vehicles or off-road vehicles shall be operated within the Project. No vehicle shall be operated within the Project in any manner that constitutes a danger or nuisance to other residents, visitors and invitees.

7.4 Commercial Activity: No business, professional, or commercial activity of any kind shall be conducted on any Lot without the prior written consent of the Association and the City if a use permit is required for such use. The Association shall only consent to the conduct of business, professional, or commercial activity upon any Lot if such activity will not be readily visible to other residents and will not incur noticeable increases in vehicle traffic or usurpation of parking.

7.5 Storage: Nothing shall be stored in the Common Area without the prior written consent of the Board. No appliances, furniture, boxes or unsightly materials or items may be stored within the carport or porch of a Lot or otherwise on the Lot so as to be visible from the street or Common Area. There shall be no storage on any Lot or on the Common Area of any flammable or hazardous materials, except standard and customary household materials in reasonable quantities for household use and in proper government approved containers, such as propane for gas grills and standard household cleaners.

7.6 Signs: No commercial signs shall be displayed to the public view from any Lot without prior written approval of the Association. No non-commercial signs shall be displayed to the public view on any Lot which exceed the limitations of Civil Code section 1353.6. "For Sale" or "For Rent" or "For Exchange" signs shall be allowed, and the Owner may display one (1) sign within the Lot, provided the design, dimensions and locations are reasonable. Only one (1) such sign shall be permitted on any Lot. No Owner shall post or place signs on or in the Common Area.

7.7 Animals: No animals of any kind shall be raised, bred, or kept on any Lot except no more than two usual and ordinary household pets, provided they are not kept, bred, or maintained for any commercial purposes, and are kept under reasonable control at all times. Animals are not permitted in the Common Area. All pets shall be kept on the Owner's Lot at all times, except when being walked on a hand-held leash, and shall not be kenneled, caged, tied, or kept on a Lot outside of the Residence on a permanent basis. All dogs must be on a leash which is held by a person capable of controlling the dog when on the streets. Owners are responsible for complying with County of Sonoma and State of California leash and animal control laws. Any pet found within the Common Area may be removed to an animal shelter under the jurisdiction of the County of Sonoma. No animal shall be allowed in the Project which is a nuisance to other Owners or their family, tenants, guests or invitees, including, but not limited to, barking dogs, aggressive dogs, or free roaming cats. Owners shall prevent their pets from soiling the streets and/or Owner's yards and shall promptly clean up any mess left by their pets. Owners shall be fully responsible for any damage or odors caused by their pets or pets residing at or visiting their Lot. The Association may from time to time establish rules limiting the size or number of pets.

7.8 Garbage and Refuse Disposal: All rubbish, trash and garbage shall be regularly removed from the Lots, and shall not be allowed to accumulate thereon. No toxic or hazardous materials shall be disposed of within the Project by dumping in the garbage containers, down the drains, or otherwise. All trash receptacles shall be kept on each Owner's Lot in a manner that is as inconspicuous as possible from the street or Common Area, except on the designated day of trash removal and the day prior to the designated day for trash removal.

7.9 Radio and Television Antennas: No antennas, towers, poles, satellite dishes exceeding 36 inches in diameter, or any other structure to be used for the purpose of transmitting or receiving radio, television, internet or related signals, shall be installed on any Lot or in the Project so as to be visible to the public view or to another Owner. Owners must obtain the approval of the Committee or Board prior to installation of any device for television, radio, satellite, internet or similar signal reception or transmission.

7.10 Sports Equipment: No basketball standard or fixed sports apparatus shall be attached to the exterior surface of any residence or garage, nor shall any portable sports apparatus for basketball, soccer or other sports be permitted on the Common Area or any area that is visible from another Lot or any street.

7.11 Clothes Line: No exterior clothes lines shall be erected or maintained if visible from another Lot, the Common Area or any street. No draping of towels, carpets, or laundry over exterior railings or fences shall be allowed.

7.12 Power Equipment and Car Maintenance: Except for common household equipment and machinery or equipment that is usual and customary in connection with the use and maintenance of a residential dwelling or is necessary for completion of alterations or construction approved by the Board in accordance with Article VIII of this Declaration, no power equipment, hobby shops (other than any hobby shop provided by the Association), or vehicle maintenance shall be permitted on the Project except with prior written approval of the Board or emergency repairs necessary to move a vehicle out of the Project for repairs. The Association shall establish guidelines identifying common household equipment and equipment and machinery that is usual and customary in connection with the use and maintenance of a residential dwelling and shall update such guidelines from time to time. All hazardous waste shall be disposed of properly by each Owner.

7.13 Renting or Leasing of Lots and Tenants: In order to protect and preserve the Common Area and the value of the Lots within the Project, and to further proper and orderly operation of the Association in furtherance of the purpose stated in the Articles of Incorporation, the number of Lots which, by reason of rental or lease, are not occupied by the owners of said Lots is limited to no more than twenty percent (20%) of the total number of Lots at any given time. However, the Association may grant the right to lease or rent Lots in excess of the twenty percent limit to Owners who demonstrate hardship or emergency need to lease or rent their Lot. Hardship or emergency need shall include, but is not limited to, medical condition or family emergency requiring an Owner to be absent from the area or unable to reside in the Project for greater than 60 days, and management of a Lot by an Owner's estate or trust during the pendency of probate proceedings or settlement of a trust. Subleasing shall not be permitted. All Lots rented or leased at the time this Restated Declaration becomes effective shall be counted in the allowable number of non-owner occupied Lots, however, if the number of leased or rented units at the time this Restated Declaration becomes effective, exceeds 20%, Owners of all such rented or leased Lots shall retain the right to rent or lease their Lot until the Lot is conveyed or transferred or the Owner again occupies the Lot.

Any Owner shall be permitted to lease his Lot subject to the restrictions of this section 7.13 and upon consent of the Board. The Board shall consent to the leasing of a Lot if no more than 20% of the total Lots are leased or the Owner requesting consent has demonstrated hardship need, and the Owner requesting leasing otherwise meets the requirements of this section 7.13.

An Owner may lease his Lot only to occupants who meet the age restrictions of the Project as set forth in Article VI. No Owner shall be permitted to lease his Lot for any period less than sixty (60) days.

Any lease shall be in writing and shall state that all tenants must comply with this Declaration or Rules. An Owner leasing his Lot shall provide a copy of this Declaration and the Rules to the tenants. All lessees and tenants shall be subject in all respects to the provisions of the Project Documents, and any failure of the tenant to comply with the foregoing shall be a default under the lease regardless of whether the lease so provides. In the event of such a default, the Owner shall immediately take all action to cure the default including, if necessary, eviction of the tenant. All Owners leasing their Lots shall promptly notify the Association or its authorized agent in writing of the names of all tenants and members of tenant's family occupying such Lot and of the address and telephone number where such Owner can be reached. The Association may require any Owner leasing his Lot to provide his Tenants written acknowledgment of receipt of a copy of the Declaration and Rules and Tenant's obligations to comply therewith.

Each Owner is responsible for assuring all tenants, family members, guests, and invitees comply with this Declaration and the Rules of the Association. The Association may take any and all disciplinary or enforcement actions, permitted by the Project Documents or by law, against an Owner to remedy violations perpetrated by that Owner's tenants, family members, guests or invitees. The costs of any enforcement action (not including disciplinary fines) may be charged to that Owner as a Reimbursement Assessment pursuant to section 4.3C of this Declaration.

7.14 Common Area Use: Nothing shall be constructed, stored, planted, grown, removed, altered, or displayed in the Common Area, which is not approved in advance by the Board. The Common Area shall not be used in any manner that injures, erodes, or scars the property (including the vegetation, pavement, or other surface material thereon), or that increases the cost of maintenance thereof, or alters the Common Area or any improvement visible from the Common Area, without prior written approval of the Association. The Common Area shall be used only by Owners and their dependents currently residing in the Project, their tenants, and a reasonable number of invited guests. The Board may, from time to time, set reasonable rules for use of the Common Area, including, but not limited to, setting a reasonable limit on the number of guests permitted to use the Common Area. Each Owner shall be liable to the Association for any damage to the Common Area caused by such Owner, his family, tenants, agents, guests and invitees, and the costs and expense of repairing any such damage may be a Reimbursement Assessment against such Owner pursuant to section 4.3C of this Declaration.

7.15 Owner's Right and Obligation to Maintain and Repair: Each Owner shall, at his sole cost and expense, maintain and repair his Lot and all improvements thereon, keeping the same in good and sanitary condition. In the event an Owner of any Lot shall fail to maintain his Lot and the improvements thereon as required herein, the Association's agents may, pursuant to and in accordance with section 3.6 of this Declaration, enter the Lot and perform the necessary maintenance. The cost of such maintenance shall immediately be paid to the Association by the Owner of such Lot and may be a Reimbursement Assessment against the Lot and such Owner pursuant to section 4.3C of this Declaration. No Owner shall commit, suffer or permit any abusive or destructive use of any Lot or portion thereof, or of the Common Area.

7.16 Alterations to Lots: No alterations, construction, modification or other work shall be done upon any Lot that may affect the structural integrity of any Improvement or structure thereon, or which will alter, modify or change the exterior appearance of the Lot or any Improvement or structure thereon, without the prior written consent of the Association pursuant to Article VIII of this Declaration.

7.17 Subdivision and Severance: No part of the Common Area or any Lot may be subdivided in any manner, nor shall any Lot be severed or removed from the Project or the membership interest appurtenant thereto.

7.18 Fences: No fence, hedge or wall shall be erected or maintained on any Lot, unless first approved by the Architectural Committee or Board pursuant to Article VIII of this Declaration.

7.19 Garage Sales: No garage, yard or rummage sales shall be held or conducted on any Lot, except sales by an Owner who is moving out of the Project or estate sales when approval of the Board has been first obtained.

ARTICLE VIII ARCHITECTURAL CONTROL

8.1 Approval of Plans:

A. Approval Required. No alteration, addition, replacement, improvement or structure of any kind shall be commenced, installed, erected, removed, altered, remodeled, painted or maintained upon the Project, (except for landscape within a Lot's yard which is not visible from any street or Common Area), nor shall any alteration or improvement of any kind be made to the exterior of any residence (including alteration or addition of exterior lighting, carports, awnings, or patio covers), until the same has been approved in writing by the Association. No wells may be drilled or septic systems installed without prior written approval of the Association.

B. Plans and Specifications. Plans and specifications showing the nature, kind, shape, color, size, materials and location of such additions, alternations, replacements, improvements or structures, shall be submitted to the Architectural and Beautification Committee, in person or by certified mail or common carrier that provides proof of delivery, for approval as to quality of workmanship, design, and harmony of external design with existing structures, and as to location in relation to surrounding structures, topography, and finish grade elevation. Nothing contained herein shall be construed to limit the right of an Owner to remodel the interior of his residence.

C. Approval Prior To Purchase of New Residence. Prior to purchasing a new residence, an Owner must contact the Committee with the plans and specifications of the proposed new Residence and obtain preliminary approval. The Committee will review the proposed new Residence to assure it meets the minimum standards as applied to the Lot on which such new Residence will be installed.

D. Correction of Work. The Association shall have the right to require any Owner to remove, correct, alter, restore or otherwise do again any work undertaken or completed without approval pursuant to this article VIII, where the design, colors, materials or

workmanship are determined by the Committee, in its sole discretion, to be incompatible with the existing colors, materials, workmanship or aesthetics of the Project.

8.2 Minimum Standards:

A. One Residence: No more than one (1) Residence may be installed on each Lot.

B. Height: Residence shall not exceed one (1) story in height. No split level Residence shall be permitted.

C. Minimum Setback Area: No Residence shall be placed within the Minimum Setback Area. The Minimum Setback Area shall be fifteen (15) feet from the front property line, four (4) feet from either side property line, and five (5) feet from the rear property line; provided, however, for corner lots the Minimum Setback Area shall be (15) feet from the front property line, fifteen (15) feet from the street side property line, four (4) feet from non-street side property line, and five (5) from the rear property line. Front and side street setbacks are measured from the center of the immediately adjacent street.

D. Extension into Setback Area: No carport, stairs, deck, or other structure shall extend into any Minimum Setback Area.

E. Parking: Each Lot shall have at least one (1) covered parking space which shall be no smaller than 9.5 feet by 19.5 feet in size.

8.3 Architectural and Beautification Committee Appointment, Term and Compensation: The Architectural and Beautification Committee shall consist of three (3) members, at least two of which shall be a member of the Board. Each member of the Committee shall be appointed annually. The Board shall have the power to appoint all of the members of the Committee and to remove Committee members with or without cause. Any member of the Committee may resign at any time from the Committee upon written notice delivered to the Board. Persons appointed to the Committee shall be Members of the Association. Neither the members of the Committee nor its designated representative shall be entitled to any compensation for services performed pursuant hereto.

8.4 Architectural and Beautification Committee Action:

A. Duties: It shall be the duty of the Committee to consider such proposals or plans submitted to it pursuant to the terms hereof, and advise and make recommendations regarding such proposals or plans to the Board, to adopt Architectural Committee Rules, to perform duties delegated to it by the Association, and to carry out all other duties imposed upon it by this Declaration. The Committee may conduct its business by meeting, telephone, electronic mail, or such other means as it believes best facilitates the conduct of business. In the event the Committee is unable to perform its duties, the Board shall perform the duties of the Committee as herein set forth.

B. Committee Action. The vote or written consent of two (2) Committee members shall be required to constitute a valid action of the Committee. The Committee shall keep and maintain a record of all actions, whether taken by meeting or otherwise.

C. Approvals: Approvals of proposals and plans shall be given only by the Board after review of the recommendations of the Committee. All approvals given under this Article shall be in writing. In the event the Board fails to approve or disapprove plans and

specifications in writing within forty-five (45) days after the same have been received by the Association, approval will not be required and the related covenants shall be deemed to have been fully complied with.

D. Basis for Approval: The Committee shall grant the requested approval only if all of the following have occurred:

1. The Owner proposing to perform any work which requires the prior written approval of the Association pursuant to this Declaration, shall have applied to the Committee by notifying the Committee in writing, by personal delivery, certified mail or common carrier that provides proof of delivery, of the nature of the proposed work and included with such notification plans, elevations, specifications, samples of materials to be used and other information as the Committee may request.

2. The Committee has found that the plans and specifications conform to this Declaration and to the Committee Rules.

3. The members of the Committee, in their sole discretion, have determined that the proposed improvements meet the standards and guidelines set forth in this Declaration and the Rules, and would be compatible with the standards of the Project as to the quality of workmanship and materials, as to harmony of external design with the existing structures, and as to location with respect to setbacks, topography and finished grade elevations.

E. Appeal of Disapprovals of Plans. In the event plans are disapproved or denied by the Committee, the Member submitting the plans may appeal the decision to the Board. To appeal a decision, the Member submitting the plans must request in writing that the Board review the decision of the Committee. Such written request must be delivered to the Association within twenty (20) days after the date of the Committee's written disapproval or denial. Appeals will be heard at the next regularly scheduled open Board meeting, provided, however, any written request for review not received at least four days prior to a regularly scheduled Board meeting may be heard at the second regularly scheduled Board meeting following receipt of the written request for review.

E. Liability of Committee or Board. Approval of plans by the Committee or the Board, shall in no way make the Committee or its members or the Board or its members responsible or liable for the improvements built and the Owner whose plans are approved shall defend, indemnify and hold the Committee and the Board, and the members thereof, harmless from any and all liability arising out of such approval.

F. Architectural Committee Rules. The Board may, from time to time, by approval of two-thirds (2/3) of the Board, adopt, amend or repeal rules and regulations to be known as the "Architectural Committee Rules". Such rules shall interpret and implement the provisions of this Article VIII by setting standards and procedures for the Committee and guidelines for architectural design (including, but not limited to, placement of structures, standards for materials, color schemes, and landscaping standards); provided, however, that such rules shall not be in derogation of the minimum standards of this Declaration.

8.5 Commencement and Completion of Work.

A. Commencement of Work: Upon receipt of approval from the Committee pursuant to section 8.4 above, the Owner shall as soon as practicable, satisfy all conditions hereof and diligently proceed with the commencement and completion of the approved work. Commencement of approved work must be within ninety (90) days of the date of approval by the Board. Failure to commence work within ninety (90) days shall result in automatic revocation of the approval. The Board may grant an extension of any approval only if there has been no change in the circumstances upon which the original approval was granted. For replacement of a Residence, installation of the new Residence must be completed within ninety (90) days after removal of the old Residence.

B. Completion of Work: All work must be completed within ninety (90) days of the date of commencement and the Board may grant extensions of the 90 day period in increments not exceeding 90 days each, up to a period of one (1) year, upon demonstration by the Owner of good cause. Were completion within one year is impossible due to conditions outside the control of the Owner such as, but not limited to, natural disasters, fires, national emergencies, strikes and materials shortages (not including failure of the Owner's contractor to complete the job where another contractor could be hired to complete the work) the Board may grant further extensions until such time as the conditions preventing completion are resolved. Failure to timely complete the work is a failure to comply with the plans subject to the provisions of this Article.

C. Inspection of Work: Upon completion of the approved work, the Owner shall give notice of such completion to the Committee. Within thirty (30) days after receipt of such notice, the Committee or its duly authorized representative, may inspect the work to determine whether it was completed in substantial compliance with the approved plans and specifications. If the Committee finds that the work does not substantially comply with the approved plans and specifications, it shall notify the Owner in writing of such non-compliance within the sixty day period, specifying the particulars of non-compliance and shall require the Owner to remedy such non-compliance.

8.6 Non-Complying Work: If upon thirty (30) days from the date of the notice of non-compliance as provided in section 8.5C above, the Owner shall have failed to remedy such non-compliance, the Committee shall notify the Board in writing of such failure. The Board shall then set a date on which a hearing before the Board shall be conducted regarding the non-compliance and consideration of disciplinary measures as provided in this Declaration. If the Board at such hearing determines the work is non-complying, the Board shall notify the Owner within fifteen (15) days after the hearing of such determination. If an Owner fails to remedy any non-compliance within thirty (30) days of notice of the decision of the Board, in the sole discretion of the Board, the Board may institute disciplinary measures or the Association may remedy such non-compliance up to and including removal of the work, at the Owners sole cost and expense, and such cost and expense shall be a Reimbursement Assessment against the Owner as provided in section 4.3C above.

8.7 Landscaping: No substantial landscaping or other physical improvements or additions shall be made to any yards or portions of Lots which are visible from the street or from any Common Area by any Owner until plans and specifications showing the nature, kind, shape, and location of the materials shall have been submitted to the Committee and approved in

writing by the Board. The Association shall establish, and from time to time amend, guidelines outlining landscaping work and improvements that require approval and any minimum standards applicable thereto.

8.8 Solar Energy and Satellite Dishes: The Committee may impose such restrictions on the installation of solar panels and satellite dishes as are permitted by applicable state laws.

8.9 Governmental Approval: Before commencement of any alteration or improvements approved by the Committee or Board, the Owner shall comply with all appropriate governmental laws and regulations. Approval by the Committee does not satisfy the appropriate approvals that may be required by any governmental entity. Government approval or issuance of permits does not satisfy the requirement for Committee approval nor shall government approval bind or set precedent for Committee approval.

8.10 Waiver. The approval by the Committee or Board of any plans, drawings, or specifications under this Article shall not be deemed to constitute a waiver of any right of the Association, Board or the Committee to withhold approval of any similar plan, drawing, specification or matter subsequently submitted for approval.

8.11 Estoppel Certificate. Within thirty (30) days after written demand is delivered to the Committee by an Owner, and upon payment to the Association of a reasonable fee, as fixed from time to time by the Board, the Committee may record an estoppel certificate executed by any two (2) of its members certifying with respect to the Lot of said Owner, that as of the date thereof either all improvements and alterations made upon or within said Lot comply with this Declaration, or such improvements or alterations do not comply and identifying the non-compliance and basis thereof. Any purchaser of the Lot from the Owner, or any person obtaining an interest in said Lot through such Owner, shall be entitled to rely on said certificate with respect to the matters set forth therein and such matters shall be conclusive as between the Association, all Owners within the Association, and the person buying or obtaining an interest in such Lot. "Estoppel" shall mean that the Association is prevented by execution of the Estoppel Certificate from claiming any right regarding noncompliance of the subject Lot's improvements or alterations with the Project Documents to the detriment of the Lot Owner or the successor or assigns of the Lot Owner.

ARTICLE IX

INSURANCE; DAMAGE OR DESTRUCTION; CONDEMNATION

9.1 Insurance:

A. The Association shall obtain and maintain the following insurance covering the Association and the Common Area:

(1) **Hazard & Property Coverage:** A hazard policy insuring all improvements, equipment, and fixtures owned by the Association, unless the Board determines, in its sole discretion, that such insurance is not necessary.

(2) **General Liability:** A comprehensive general liability policy insuring the Association, its agents, the Owners and their respective family members, against liability incident to the ownership or use of the Common Area or any other

Association owned or maintained real or personal property; the amount of general liability insurance which the Association shall carry at all times shall not be less than the minimum amounts required by California Civil Code sections 1365.7 and 1365.9;

(3) Worker's Compensation. Workers' compensation insurance to the extent required by law (or such greater amount as the Board deems necessary); the Association shall obtain a Certificate of Insurance naming it as an additional insured in regard to workers' compensation claims from any independent contractor who performs any service for the Association, if the receipt of such a certificate is practicable;

(4) Fidelity Bonds. Fidelity bonds or insurance covering officers, directors, and employees that have access to any Association funds;

(5) Directors & Officers Coverage. An officers and directors liability insurance policy in the minimum amounts required by California Civil Code sections 1365.7 and 1365.9;

(6) Other Coverage. Other insurance as the Board in its discretion considers necessary or advisable.

B. Each Owner appoints the Association or any insurance trustee designated by the Association to act on behalf of the Owners in connection with all insurance matters arising from any insurance policy maintained by the Association, including without limitation, representing the Owners in any proceeding, negotiation, settlement or agreement.

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

9.2 Insurance Coverage of Lots: Each Owner shall obtain and maintain, at the Owner's sole expense, fire and casualty coverage covering his Lot as may be required by any mortgagee of the Lot.

9.3 Damage or Destruction: If any improvements or landscaping on any Lot, other than the Common Area, are damaged or destroyed by fire or other casualty, the Owner of such Lot shall repair or reconstruct the improvement as approved by the Committee.

If Common Area improvements are damaged or destroyed by fire or other casualty, the improvements shall be repaired or reconstructed substantially in accordance with the original as-built plans and specifications, modified as may be required by applicable building codes and regulations in force at the time of such repair or reconstruction and subject to such alterations or upgrades as may be approved by the Committee, unless either of the following occurs: (1) the cost of repair or reconstruction is more than fifty percent (50%) of the current replacement costs of all Common Area improvements, available insurance proceeds are not sufficient to pay for at least eighty-five percent (85%) of the cost of such repairs or reconstruction, and three-fourths (3/4) of the total voting power of the Association vote against such repair and reconstruction; or

(2) available insurance proceeds are not sufficient to substantially repair or reconstruct the improvements within a reasonable time as determined by the Board, a Special Assessment levied to supplement the insurance fails to receive the requisite approval (if such approval is required) as provided in section 4.4, and the Board, without the requirement of approval by the Owners, is unable to supplement the insurance by borrowing on behalf of the Association sufficient monies to enable the improvements to be substantially repaired or reconstructed within a reasonable time. If the Common Area improvement is not repaired or reconstructed in accordance with the foregoing, all available insurance proceeds shall be disbursed among all Owners and their respective mortgagees in the same proportion that the Owners are assessed after first applying the proceeds to the costs of mitigating hazardous conditions on the Project, making provision for the continuance of liability insurance to protect the interests of the Owners, and complying with all requirements of governmental agencies.

In the case of damage or destruction of an individual home, whether by fire, earthquake or other causes, the Owner of the Lot are responsible for the cost of reconstruction that is not covered by insurance.

9.4 Condemnation: If all or any part of a Lot (except the Common Area) is taken by eminent domain, the award shall be disbursed to the Owner of the Lot, subject to the rights of the Owner's mortgagees. If the taking renders the Lot uninhabitable, the Owner shall be divested of any further interest in the Project, including membership in the Association, and the interest of the remaining Owners shall be adjusted accordingly. If all or any part of the Common Area is taken by eminent domain, the proceeds of condemnation shall be used to restore or replace the portion of the Common Area affected by condemnation, if restoration or replacement is impossible, and any remaining funds, after payment of any and all fees and expenses incurred by the Association relating to such condemnation, shall be distributed among the Owners in the same proportion as such Owners are assessed, subject to the rights of mortgagees. If necessary, the remaining portion of the Project shall be resurveyed to reflect such taking. The Association shall participate in the negotiations, and shall propose the method of division of the proceeds of condemnation, where Lots are not valued separately by the condemning authority or by the court. The Association shall represent the Owners in any condemnation proceedings or in negotiations, settlements and agreements with the condemning authority for acquisition of the Common Area, or part thereof.

ARTICLE X GENERAL PROVISIONS

10.1 Enforcement:

A. The Association or any Owner, shall have the right to enforce, by any proceeding at law or in equity, all restrictions, conditions, covenants, reservations, liens, and charges now or hereafter imposed by the provisions of this Declaration, the Articles, the Bylaws and the Rules of the Association. In any action for enforcement or interpretation of the Project Documents, whether or not a form of alternative dispute resolution or litigation is initiated, the prevailing party shall be entitled to recover costs and expenses, including reasonable attorneys' fees, from the non-prevailing party.

B. Every act of omission that is in violation, in whole or in part, of the Articles of Incorporation, Bylaws, this Declaration or any duly promulgated Rule of the Association

is hereby deemed a nuisance and may be enjoined or abated by a court of competent jurisdiction, whether relief sought is a negative or affirmative injunction. Any violation of any federal, state, municipal or local law, ordinance or regulation pertaining to ownership, occupation, or use of any property within the Project is hereby declared to be a violation of this Declaration and subject to any or all of the enforcement procedures set forth herein.

C. The Board of Directors shall, in accordance with California Civil Code sections 1363.810 et seq., adopt procedures for informal resolution of disputes between the Association and an Owner regarding the rights, duties or obligations of the Association or the Owner. The Board may amend such procedures, from time to time as the Board deems advisable to meet changes in the law or needs of the Association or Members.

10.2 Owners' Compliance: Each Owner, tenant or occupant of a Lot shall comply with the provisions of this Declaration, and (to the extent they are not in conflict with the Declaration) the Articles, Bylaws, and the Rules, decisions and resolutions of the Association or the Board, as lawfully amended from time to time. Failure to comply with any such provisions, decisions, or resolutions shall be grounds for an action (1) to recover sums due, (2) for damages, (3) for injunctive relief, (4) for costs and attorneys fees, or (5) any combination of the foregoing.

All agreements and determinations lawfully made by the Association in accordance with the voting percentages established in this Declaration, or in the Articles or the Bylaws, shall be deemed to be binding on all Owners, their successors and assigns.

10.3 Invalidity of Any Provision: Should any provision or portion hereof be declared invalid or in conflict with any law of the jurisdiction where this Project is situated, the validity of all other provisions and portions hereof shall remain unaffected and in full force and effect.

10.4 Waiver and Failure to Enforce: The waiver of any breach of this Declaration shall not be deemed a continuing waiver of any subsequent breach, whether of the same or another provision of this Declaration. Failure to enforce a violation of this Declaration shall not be deemed a waiver of the right to enforce, abandonment of the Project Documents or any section thereof, or acquiescence to violations of the Project Documents, and shall not prevent enforcement of the same provision or any other provision of this Declaration violated at another time or by another Member.

10.5 Term: The covenants and restrictions of this Declaration shall run with and bind the Project, and shall inure to the benefit of and shall be enforceable by the Association or the Owner of any property subject to this Declaration, their respective legal representatives, heirs, successors and assigns, for a term of thirty (30) years from the date this Declaration is recorded, after which time this Declaration shall be automatically extended for successive periods of ten (10) years, unless an instrument in writing, signed by sixty-seven percent (67%) of the then Owners of the Lots, has been recorded within the year preceding the beginning of each successive period of ten (10) years, agreeing to change said covenants and restrictions in whole or in part, or to terminate the same.

10.6 Amendments: This Declaration may be amended only by the affirmative vote (in person or by proxy) or written consent of Members representing fifty-one percent (51%) of the total voting power of the Association. However, the percentage of voting power necessary to amend a specific clause shall not be less than the prescribed percentage of affirmative votes

required for action to be taken under that clause. Any amendment must be certified in a writing executed and acknowledged by the President or Vice President of the Association and recorded in the Recorder's Office of the County of Sonoma. No amendment shall adversely affect the rights of the holder of any mortgage of record prior to the recordation of such amendment.

10.7 Notice: Any notice permitted or required by the Declaration, Articles or Bylaws may be delivered either personally or by mail. If delivery is by mail, it shall be deemed to have been delivered seventy-two (72) hours after a copy of the same has been deposited in the United States mail, first class or certified, postage prepaid, addressed to the person to be notified at the current address given by such person to the Secretary of the Board or addressed to the Lot of such person if no address has been given to the Secretary.

10.8 Fair Housing: No Owner shall, either directly or indirectly, forbid or restrict the conveyance, encumbrance, leasing, mortgaging, or occupancy of his Lot to any person meeting the age requirements of Article VI of a specified race, sex, marital status, color, religion, ancestry, physical handicap, medical condition or national origin, or any person of any other classification that federal, state or local law or regulation, as amended from time to time, prohibits as a basis for discrimination in housing.

10.9 Alternative Dispute Resolution: The Board is authorized, but not required, to resolve any civil claim or action through alternative dispute resolution proceedings such as mediation, binding arbitration, or non-binding arbitration proceedings. Prior to initiating the prosecution of a civil action solely for declaratory relief or injunctive relief to enforce the Project Documents, or for declaratory relief or injunctive relief to enforce the Project Documents in conjunction with a claim for monetary damages not in excess of \$5,000, the Board shall endeavor to submit the matter to alternative dispute resolution in compliance with the provisions of section 1369.510 et seq. of the California Civil Code.

10.10 Construction. The descriptive headings of articles and sections of this Declaration are inserted for convenience and identification only and do not constitute a part of this Declaration for purposes of interpretation. The singular number includes the plural, the neuter gender the masculine or feminine and vice versa, and references to an Owner will include reference to each person who owns an interest in that Lot.

This Second Restated Declaration of Restriction was duly approved and adopted on 23 day of April, 2007.

Dated: April 23, 2007

Valle Vista Mobile Home Subdivision Unit 1 and Unit 2,
A California nonprofit corporation

By: Patricia J. Kennedy
***** President

By: Barbara Leonard
***** Secretary

Certification

On 4/21, 2007, a majority or more of the Owners of Lots within the Project voted by written assent to amend and restate the Original Declaration with this Declaration in accordance with the procedures for amendment set forth in the Original Declaration. Each of the undersigned declares under penalty of perjury under the laws of the State of California that he or she has read this certification and knows the contents thereof and that the same is true of his or her own knowledge.

Dated: 4-23, 2007 Ronald Washburn

Dated: 4-23, 2007 Gene McCann

State of California)

) ss

County of Sonoma)

On 4-23-2007, before me, Patrick F. Gibbard, Notary Public, personally appeared VALLE VISTA BOARD and OFFICERS, personally known to me (or proved to me on the basis of satisfactory evidence) to be the person whose name is subscribed to the within instrument and acknowledged to me that he/she executed the same in his/her authorized capacity, and that by his/her signature on the instrument the person, or the entity upon behalf of which the person acted, executed the instrument.

WITNESS my hand and official seal.

Signature Patrick Francis Gibbard (Seal)

