MEMBER DRAFT 1/24/2017

RECORDING REQUESTED BY AND WHEN RECORDED MAIL TO:

TAHOE DONNER ASSOCIATION c/o

(SPACE ABOVE THIS LINE FOR RECORDER'S USE)

AMENDED AND RESTATED DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS OF TAHOE DONNER ASSOCIATION

NOTICE

If this document contains any restriction based on race, color, religion, sex, gender, gender identity, gender expression, sexual orientation, familial status, marital status, disability, genetic information, national origin, source of income as defined in subdivision (p) of Section 12955, or ancestry, that restriction violates state and federal fair housing laws and is void, and may be removed pursuant to Section 12956.2 of the California *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.

TAHOE DONNER ASSOCIATION

TABLE OF CONTENTS TO AMENDED AND RESTATED DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS OF TAHOE DONNER ASSOCIATION

Page Number

RECITALS (OF BACKGROUND FACTS, DECLARATIONS	. 1
ARTICLE 1	DEFINITIONS	. 2
1.1 1.2 1.3 1.4 1.5 1.6 1.7 1.8 1.9 1.10	Additional Charges Architectural Standards Committee Articles Assessments Association Board of Directors Bylaws Civil Code Commercial Lot Common Area	. 2 . 2 . 3 . 3 . 3
	1.10.1 General Common Area	. 3
1.11	Common Expenses	
1.12	Condominium	
1.13	Condominium Common Area	
1.14	Condominium Lot	
1.15 1.16	Condominium Maps	
1.10	Condominium Project Contract Purchaser / Contract Seller	. 4 5
1.17	Corporations Code	
1.10	County	
1.13	Declaration	
1.21	Development	
1.22	Development Fund	
1.23	Development Fund Special Assessment	
1.24	Dwelling	
1.25	Enforcement Assessment	
1.26	Excavation	
1.27	Fill	
1 28	Front Yard	

TAHOE DONNER ASSOCIATION

ii MEMBER DRAFT 1/24/2017

1.29	First Mortgage / First Mortgagee	6
1.30	General Delivery / General Notice	6
1.31	Governing Documents	6
1.32	Improvement	6
1.33	Individual Delivery / Individual Notice	7
1.34	Lot	7
1.35	Maintenance	7
1.36	Majority of a Quorum	7
	Member	
1.38	Member in Good Standing	7
	Mortgage / Mortgagee	
1.40	Other Association Property	8
	Owner	
1.42	Prohibited Vehicle	8
1.43	Rear Yard	8
1.44	Regular Assessment	8
1.45	Reimbursement Assessment	8
1.46	Repair	8
1.47	Replacement	9
	Resident	
	Residential Lot	
1.50	Restricted Vehicle	9
	Road	
	Rules	
	Separate Interest	
	Side Yard	
	Single-Family Residential Use	
	Special Assessment	
	Subdivision Maps	
	Supplemental Declaration	
	Total Voting Power	
	Town	
1.61	Unit	10
TICLE 2	HOMEOWNERS ASSOCIATION	10
2.1	Management and Operation; Bylaws	10
2.2	Legal Standing	11
2.3	Membership	11
2.4	Voting	11
2.5	Association Rules	11
	Other Association's Real Property	
2.2 2.3 2.4 2.5	Legal Standing Membership Voting Association Rules	

ARTICLE 3	PF	ROPERTY SUBJECT TO THIS DECLARATION	12		
3.1 3.2 3.3	Classifica	Legal Description Classification of Property Residential Lot Ownership Interest; No Separate			
	Conveya	nce	12		
3.4		nium Unit Ownership Interest			
3.5	Limitation on Partition of General Common Area				
3.6		Airport in Vicinity [Civil Code section 4255(a)]			
3.7	Annexation	on	14		
	3.7.1	Declaration of Annexation	14		
	3.7.2	Effect of Filing a Declaration of Annexation			
	3.7.3	Deannexation by the Board; Effect of			
		Deannexation	14		
3.8	Lise of D	evelopment Fund for Capital Improvements	15		
3.8 3.9		or Sale of Association's Property			
3.10		oital Improvements			
3.11		Association's Property			
3.12	Action to	Terminate Operation of any Common Facility	15		
ARTICLE 4	Mi	ECHANIC'S LIENS; EASEMENTS	16		
4.1	Mechanio	c's Lien Against Common Area	16		
4.2		nts in General			
4.3		Interest Owner's Non-exclusive Easements of			
		nt	16		
4.4		sements			
4.5		ince of Easement Areas			
4.6		ontrol and Drainage Areas			
4.7		onal Easements			
4.8		sements	_		
4.9		f Easements			
4.10	Board Au	uthority to Grant Easements and Licenses	19		
ARTICLE 5		SE RESTRICTIONS FOR THE DEVELOPMENT ND COMMON AREA	19		
5.1	Use Rest	trictions that Apply to the Development	19		
	5.1.1	Unlawful Conduct, Nuisances, Noise	19		
	5.1.2	Compliance with Laws			
	5.1.3	Conditions Affecting Insurance			
	5.1.4	Requirement of Architectural Approval			
	5.1.5	Restriction on Further Subdivision and Severability			
		•			

iv **Member Draft 1/24/2017**

	5.1.6	Additional Restrictions	20
5.2	Use of 0	Common Area Generally	20
	5.2.1	No Public Rights	20
	5.2.2	No Alteration of Common Area	21
	5.2.3	No Obstruction of Common Area	21
	5.2.4	No Storage in the Common Area	
	5.2.5	No Smoking in Common Facilities	21
	5.2.6	No Overnight Parking in Common Area	
	5.2.7	Delegation of Use of Common Area	22
ARTICLE 6	ι	JSE RESTRICTION FOR RESIDENTIAL LOTS AND	
	C	CONDOMINIUM LOTS	22
6.1	Use of F	Residential Lots and Condominium Lots	22
6.2	Develop	oment of Residential Lots and Condominium Lots	22
6.3		ntial Use	
6.4	Occupa	ncy Limit	23
6.5	No Tem	nporary Structures; No Camping	23
6.6	Outbuild	dings	23
6.7		ntial Lots and Condominiums Adjacent to the Golf	00
0.0			
6.8			
6.9 6.10		emovals	
6.10	Animais	,	23
	6.10.1	No Commercial Purposes	
	6.10.2	Number of Pets	
	6.10.3	Control of Pets	
	6.10.4	No Outside Feeding of Animals	
	6.10.5	Responsibility for Pets	
	6.10.6	Indemnification Regarding Pets	
	6.10.7	Removal of Nuisance Pets	
	6.10.8	Pet Rules	
	6.10.9	Horses	25
6.11		ion on Businesses Conducted Within a Separate	
	Interest		25
	6.11.1	Types of Businesses Allowed	25
	6.11.2	Indemnification Regarding Business Activity	25
6.12		Banners, Flags	
6.13	Vehicles	s and Parking	26

MEMBER DRAFT 1/24/2017

	6.13.1	Restricted Vehicles	26
	6.13.2	Prohibited Vehicles	
	6.13.3	Definition of Commercial Vehicle	
	6.13.4	Parking	27
	6.13.5	Guest Parking	
	6.13.6	Vehicle Repairs	
	6.13.7	Parking Enforcement and Towing	28
6.14	Garages	S	28
6.15	Require	ments for Renting	28
	6.15.1	Written Lease	28
	6.15.2	Owner's Contact Information	28
	6.15.3	Indemnification Regarding Tenants' Actions	28
6.16	No Time	e Share Arrangements	29
6.17	Trash D	isposal	29
6.18		res	
6.19			
6.20		ery and Equipment	
6.21		and Pests	
6.22	Mining a	and Drilling	30
ARTICLE 7	USE RESTRICTION FOR COMMERCIAL LOTS		
7.1	Comme	rcial Lots	30
	7.1.1	Prohibited Uses	31
	7.1.2	Additional Prohibited Uses; Operations, and	
		Nuisances	31
7.2	Vehicle	Parking	33
7.3		Sales or Storage	
7.4		evel	
7.5	Signs		33
ARTICLE 8	N	INIMUM CONSTRUCTION STANDARDS	34
8.1	Minimur	m Construction Standards Applicable to All Lots	34
8.2		m Construction Standards Residential Lots	
8.3		m Construction Standards – Condominium Lots	
8.4	Minimur	m Construction Standards - Commercial Lots	40
ARTICLE 9	А	RCHITECTURAL APPROVAL	44
9.1	Prior Ar	chitectural Approval Required	1/
ا . ت	i iioi Aii	onitootarai Approvai Nequileu	44

vi **MEMBER DRAFT 1/24/2017**

9.2	Some C	Common Architectural Concerns	44
	9.2.1	Exterior Painting	44
	9.2.2	Decorative Features	44
	9.2.3	Mailboxes; Newspaper Tubes	
	9.2.4	Outside Drying and Laundering	
	9.2.5	Drainage Patterns	
	9.2.6	No Installations on Roof	
	9.2.7	Satellite Dishes and Antennas	
	9.2.8	Masts, Poles, Towers, Other Projections	
	9.2.9	Storage Units; Temporary Structures	
9.3	Archited	ctural Rules	46
	9.3.1	In General	46
	9.3.2	Roofs	
	9.3.3	Kitchens	46
	9.3.4	Tree Removal	
9.4	Establis	shment and Composition of ASC	46
9.5		and Authority of ASC	
9.6	Meeting	gs; Minutes; Reimbursement	47
9.7	Prelimin	nary Consultation with ASC Prior to Submitting	
		tion	
9.8		Request for ASC Approval	
9.9		rofessional Consultants	
9.10		Meetings, Minutes	
9.11		or Decisions; Good Faith	48
9.12		ns in Writing; Timely Decision; Reasonable	
		ons	
9.13	Varianc	es	49
	9.13.1	Written Determination	
	9.13.2	1 1	
		Construction Standard Variance	49
9.14		oval by ASC; Reconsideration by Board	
9.15		of ASC or Board to Make Timely Decision	
9.16		to Obtain Required Approval	
9.17		encement of Approved Work	
9.18		tion; Extension of Deadline	
9.19		of Completion; Inspection of Completed Work	
9.20		of Non-conformity	
9.21		to Remedy Non-conformity	
9.22	Non-wa	iver	5′

	9.23		Certificate	
	9.24	Disclaime	er of Liability	52
	9.25	Complian	nce with Governmental Requirements	52
ARTIO	CLE 10	AS	SSESSMENTS AND LIENS	53
	10.1	Covenan	t of Owner	53
	10.1	Covenan	t of Owner	55
		10.1.1	Association's Power to Collect	
		10.1.2	Assessments Are a Personal Obligation	53
		10.1.3	Obligation Runs with the Land	
		10.1.4	Owner's Liability After Transfer	54
	10.2	Creation	of Lien	54
		10.2.1	Lian la Cantinuina	EΛ
			Lien Is Continuing	
		10.2.2	Priority of Association's Assessment Liens	54
	10.3	Purpose	of Assessments	54
	10.4	Funds to	Be Held in Association Name	55
	10.5	Funds He	eld in Trust for Owners	55
	10.6	Authority	of the Board to Levy Assessments	55
	10.7	-	Assessment	
		10.7.1	Calculation of Estimated Requirement	55
		10.7.2	Allocation of Regular Assessment	
		10.7.3	Payment of Regular Assessment	
		10.7.4	Notice of Regular Assessment	
		10.7.5	Permitted Increase in Regular Assessment	
		10.7.6	Revised Regular Assessment	
		10.7.7	Failure to Fix Regular Assessment	
	10.8	Special A	Assessments	57
		40.0.4	D (O	
		10.8.1	Purpose of Special Assessments	
		10.8.2	Permitted Amount of Special Assessments	
		10.8.3	Allocation of Special Assessments	57
		10.8.4	Notice of Special Assessment	57
	10.9	Developr	nent Fund Special Assessments	58
		10.9.1	Purpose of Development Fund Special	
			Assessments	58
		10.9.2	Member Approval Required for a Development	
			Fund Special Assessment	58

viii
MEMBER DRAFT 1/24/2017

		10.9.3	Allocation of Development Fund Special	
			Assessments	. 58
		10.9.4	Notice of Development Fund Special Assessment	. 58
		10.9.5	Payment of Development Fund Special	
			Assessments; Cost of Payment Plans	. 58
	10 10	Raimhurs	ement Assessments	50
			ent Assessments	
			S	
			cks	
			nt Assessments; Acceleration in the Event of	. 00
			ncy	. 60
	10.15	Enforcem	ent by Action at Law or Foreclosure	. 60
			·	
		10.15.1	Pre-lien Notice	
		10.15.2	Prior to Recording a Lien	
		10.15.3	Owner's Right to Discuss Payment Plan	
		10.15.4	Notice of Delinquent Assessment	
		10.15.5	Delinquent Assessments of Less Than \$1,800	
		10.15.6	Initiating Foreclosure	
		10.15.7	Amount Due and Payable	
		10.15.8	Notice of Initiating Foreclosure	. 62
	10 16	Power of	Sale	62
			Redemption	
		_	s Are Cumulative	
			lyments	
			e of Satisfaction and Release of Lien	
	10.21	Subordina	ation to Lien of First Mortgage	. 63
			Exemptions	
			Exempt from Assessments	
ARTIC	LE 11	MA	AINTENANCE OF PROPERTY	. 64
	11.1	Association	on's Responsibility for Common Area Generally	. 64
		, 10000 iaii	one receptions may recommend the decreasing manners manners	
		11.1.1	Landscaping; Janitorial; Painting	. 64
		11.1.2	Snow Removal	. 64
		11.1.3	Common Area Utilities and Services; Utility	
			Laterals	
		11.1.4	Drainage Systems	
		11.1.5	Employees or Independent Contractors	. 65
	11.2	Owner's	Posponsibility for Maintonanco of Units	65
	11.2		Responsibility for Maintenance of UnitsResponsibility for Maintenance of Lots	
	11.5	OMITEI 9 I	responsibility for ivialification of Lots	. 00

		11.3.1	Utility Laterals and Lines	65
		11.3.2	Landscaping	
		11.3.3	Drainage	
		11.3.4	Slope Control	
		11.3.5	Compliance with Architectural Provisions	66
	11.4		Cooperation	
	11.5		stroying Organisms	
	11.6		for Entry of Lot	
	11.7		ce of Condition of Lot	
	11.8		Discretion to Require Maintenance	
	11.9		of Association's Liability	
	11.10	Owner's I	iability to Association for Negligent Damage	67
ARTIC	LE 12	INS	SURANCE	67
	12.1	Insurance	e Coverage to Be Maintained by Association	67
	12.2		Area Hazard Insurance to Be Maintained by	
		Association	on	68
		12.2.1	Policy Endorsements	68
		12.2.2	General Policy Provisions	
	12.3	Earthqual	ke Insurance	69
	12.4		nsurance to Be Maintained by Association	
		12.4.1	Scope of Coverage	70
		12.4.2	Other Provisions	
	12.5	Other Ins	urance to Be Maintained by Association	71
		12.5.1	Directors' and Officers' Insurance	71
		12.5.2	Automobile Insurance	
		12.5.3	Workers' Compensation Insurance	71
		12.5.4	Fidelity Insurance	
		12.5.5	Other Insurance	
	12.6	Insurance	e to Be Maintained by Owner	72
	12.7	Insurance	Proceeds	72
	12.8		bility for Payment of Deductible	
	12.9		iability for Conditions Affecting Insurance	
	12.10	Insurance	e Carriers	73
			eview of Policies	
		_	Not Available; Disclaimer	
		•	Policies	
	12.14	Adjustme	nt of Losses	74

X MEMBER DRAFT 1/24/2017

	12.15	Premiur	ns	74
ARTIO	CLE 13	[DAMAGE OR DESTRUCTION; CONDEMNATION	74
	13.1 13.2		ency Repairse to Common Area	
		13.2.1	Amount of Insurance Proceeds	
		13.2.2	Bids	
		13.2.3	Sufficient Proceeds	
		13.2.4 13.2.5	Excess Insurance Proceeds	
		13.2.5	Insufficient Proceeds; Decision Not to RepairAlternative Repair Plan	
	13.3	Rebuild	ing or Repair of Improvements on a Lot	76
		13.3.1	Owner to Repair	76
		13.3.2	Commencement and Completion of Repair	
		13.3.3	Insufficient Insurance Proceeds	
		13.3.4	Destruction; Failure to Timely Repair	
	13.4	Conden	nnation of Lots	76
		13.4.1	Total Condemnation of Lot	
		13.4.2 13.4.3	Partial Condemnation of Lot	
	13.5	Revisio	n of Documents	77
ΔΡΤΙ	CLE 14		ENFORCEMENT; NOTICE; HEARINGS	
AIXII				
	14.1 14.2		ns As Nuisancen of Law Is a Violation of the Declaration	
	14.2		Responsibility for Conduct and Damages	
	14.4		idance	
	14.5		ment Rights Are Cumulative	
	14.6		ons	
	14.7		on on Association's Disciplinary Rights	
	14.8		g Sanctions	
		14.8.1	Loss of Good Standing	
		14.8.2	Suspension of Other Rights	
		14.8.3	Monetary Penalties (Fines)	
		14.8.4	Monthly Sanctions for Continuing Violations	
		14.8.5	Reimbursement Assessment Not a Sanction	80

xi MEMBER DRAFT 1/24/2017

	14.10	Written N	lotice of Violation	80
		14.11.1 14.11.2 14.11.3 14.11.4	Content of Notice of Violation Delivery of Notice Owner's Address for Notice Notice to Co-Owners or Occupants	81 81
	14.13 14.14	Owner's Notice of	; Executive Session; Open Meeting Request for Hearing Hearing Decisions nent by Association in Emergency Situations	82 82
		14.15.1 14.15.2	Definition of Emergency Situation Immediate Corrective Action	83 83
	14.16	Internal D	Dispute Resolution	83
		14.16.1 14.16.2 14.16.3	Fair, Reasonable, and Expeditious Procedure Statutory Default Procedures Alternative Dispute Resolution ("ADR") May Also	84
		14.16.4	ApplyAnnual Description of Internal Dispute Resolution Process	
	14.17	Alternativ	ve Dispute Resolution Before Initiating Lawsuit	84
		14.17.1 14.17.2 14.17.3	Annual Disclosure of ADR Process When ADR Applies Statutory ADR Process	85
			ver of Enforcementd Attorney Fees	
ARTIC	LE 15	AN	MENDMENT	86
	15.2	Amendm	Approvalent Must Be Recordedtion of Validity	86
ARTIC	LE 16	GE	ENERAL PROVISIONS	86
	16.2	Severabil	lityonstruction	86

xii
MEMBER DRAFT 1/24/2017

16.4	Amendment to Referenced Statutes; Time for Performance	87
16.5	Number; Gender	87
16.6	Exhibits	87
16.7	Power of Attorney	
16.8	Term	
EXHIBIT A	Legal Description of the Property Comprising the Development Subject to This Declaration	89
EXHIBIT B	List of Common Area Lots	94
EXHIBIT C	List of Condominium Projects Subject to This Declaration	97
EXHIBIT D	Other Association Property Subject to This Declaration	98
EXHIBIT E	List of Subdivision Maps	99

11

18

19

24

25

29

30

35

36

37

38

39

40

AMENDED AND RESTATED DECLARATION OF COVENANTS. CONDITIONS AND RESTRICTIONS OF TAHOE DONNER ASSOCIATION

This Amended and Restated Declaration of Covenants, Conditions and Restrictions is made on the date set forth at the end of this document by TAHOE DONNER ASSOCIATION, a California nonprofit mutual benefit corporation (referred to in this document as the "Association").

RECITALS OF BACKGROUND FACTS: DECLARATIONS

- Α. This Amended and Restated Declaration is made with reference to that certain DECLARATION RESTATED OF THE COVENANTS RESTRICTIONS OF TAHOE DONNER, dated December 31, 1991 and recorded on the 17th day of January 1991 in the Official Records of the County or Nevada, State of California (the "1991 Declaration").
- B. Two amendments to the 1991 Declaration were recorded on March 24, 2004, as Document No. 2004-0010863-00 and on August 09, 2010, as Document No. 20100018300, in the Official Records of the County or Nevada, State of The 1991 Declaration together with the two amendments is collectively referred to herein as the "1991 Declaration."
- The 1991 Declaration establishes certain limitations, easements, covenants, C. restrictions, conditions, liens, and charges which run with, and are binding upon all parties having or acquiring any right, title, or interest in, that certain real property located in the Town of Truckee and the County of Nevada, State of California, and more particularly described in Exhibit A, attached hereto and incorporated herein by this reference.
- D. THE MEMBERS, constituting at least a majority of the Members of the Association, desire to amend, modify, and otherwise change the 1991 Declaration, as amended, pursuant to ARTICLE XVI, SECTION 1 thereof, and DO HEREBY DECLARE that the 1991 Declaration as amended shall be, and it is hereby, AMENDED AND RESTATED IN ITS ENTIRETY as set forth in the within Amended and Restated Declaration of Covenants, Conditions and Restrictions of Tahoe Donner.

- E. IT IS FURTHER HEREBY DECLARED that all of the real property described in Exhibit A constitutes a planned development within the meaning of Section 4175 of the *California Civil Code* and a Condominium project within the meaning of Section 4125 of the California *Civil Code*.
 - F. IT IS FURTHER HEREBY DECLARED that all of the real property described in Exhibit A is and shall be held, owned, operated, managed, conveyed, hypothecated, encumbered, leased, used, occupied, and improved subject to the following covenants, conditions, and restrictions set forth herein, all of which are declared and agreed to be in furtherance of a plan and purpose of protecting, preserving, and enhancing the value, desirability, and attractiveness of the said real property and every part thereof, and of fostering the development, management, improvement, enjoyment, and sale of the said real property and any part thereof.
 - G. IT IS FURTHER HEREBY DECLARED that all of the covenants, conditions, and restrictions set forth herein shall constitute enforceable equitable servitudes as provided in *Civil Code* section 5975, shall constitute covenants that shall run with the said real property, and shall be binding upon and inure to the benefit of each Owner of any portion of the said real property or the owner or holder of any interest or estate therein and their heirs, successors, and assigns.

ARTICLE 1 DEFINITIONS

- 1.1 <u>Additional Charges</u>. "Additional Charges" shall mean all costs, fees, fines, charges, and expenditures including, but not limited to, interest, late charges, attorney fees, recording and filing fees, and all other costs actually incurred by the Association in collecting and/or enforcing payment of Assessments.
- 1.2 <u>Architectural Standards Committee</u>. "Architectural Standards Committee" or "ASC" shall mean the Committee, if any, appointed pursuant to <u>Article 9</u> ("Architectural Approval").
- 1.3 <u>Articles</u>. "Articles" shall mean the Amended and Restated Articles of Incorporation of Tahoe Donner Association, as they may be amended from time to time, and as filed with the Office of the Secretary of State of California.
- 1.4 <u>Assessments</u>. "Assessments" shall mean any or all of the following: Regular Assessments, Special Assessments, Reimbursement Assessments, and Enforcement Assessments.
- 1.5 <u>Association</u>. "Association" shall mean Tahoe Donner Association, a California nonprofit mutual benefit corporation, its successors and assigns.

- 1.6 <u>Board of Directors</u>. "Board of Directors" or "Board" shall mean the governing body of the Association.
- 1.7 <u>Bylaws</u>. "Bylaws" shall mean the Amended and Restated Bylaws of the Association as they shall be duly adopted by the Board of Directors and the Members and any duly-adopted amendments thereof.
- 1.8 <u>Civil Code</u>. "Civil Code" shall mean the California Civil Code as amended from time to time
- 1.9 <u>Commercial Lot</u>. "Commercial Lot" shall mean one of the fourteen (14) Lots within the Development zoned for commercial purposes. When any provision of this Declaration is intended to apply only to a Commercial Lot, that term is used.
- 1.10 <u>Common Area</u>. "Common Area" shall mean the Common Facilties, the Condominium Common Area, and the General Common Area, each as more particularly defined as follow:
 - 1.10.1 General Common Area. "General Common Area: shall mean all the real property and the improvements and facilities thereon (including the Common Facilities) owned by the Association for the common use and enjoyment of the Owners and Residents of the Development, but excluding the Lots. The Common Area includes, but is not limited to the land, paving, private streets, parking lots, driveways, trails, walkways, outdoor lighting, landscaping, irrigation, signage, fences, gates, walls and retaining walls, buildings and structures. The Common Area owned by the Association at the time this Declaration is recorded is described in Exhibit B, attached hereto and incorporated herein by this reference.
 - 1.10.2 Common Facilities. "Common Facilities" shall mean (i) all recreational facilities located within the Common Area, including the 18-hole golf course and driving range, the ski complex (including the downhill and cross-country ski areas), cross-country warming huts, Donner Lake beach area and Beach Club Marina, Trout Creek recreational area and equestrian center, the Bike Works recreational facility, open spaces and trails, swimming pools, tennis courts, campgrounds, the Alder Creek picnic area, the Maintenance Facility, the mailboxes, the utilities, the boat storage area, the bike storage area, and the trailer and RV storage area; and (ii) the main clubhouse and recreational building, the maintenance building, and other facilities constructed or installed or to be constructed or installed, or currently located within the Common Area or upon Other Association Property and any other real property leased by the Association.

- 1.11 Common Expenses. "Common Expenses" shall mean any use of Assessments authorized by Article 10 ("Assessments and Liens") and includes, without limitation (a) all expenses or charges incurred by or on behalf of the Association for the management, maintenance, administration, insurance, operation, repairs, additions, alterations or reconstruction of the Common Area, Common Facilities, or Other Association's Real Property, (b) all expenses or charges reasonably incurred to procure insurance for the protection of the Association, (c) all amounts reasonably necessary to fund reserves for the maintenance, repair, expansion and replacement of the Common Area, Common Facilities, or Other Association's Real Property, and for nonpayment of any Assessments, and (d) the use of such funds to defray the costs and expenses incurred by the Association in the performance of its functions or in the proper discharge of the responsibilities of the Board as provided in the Governing Documents.
- 1.12 <u>Condominium</u>. "Condominium" shall mean an estate in real property as defined in *Civil Code* sections 783 and 4125, consisting of an undivided interest in all or any portion of the Common Area together with a separate fee interest in a Unit and any easements or other interests in the Project or any portion thereof appurtenant to the Unit, as are described in the Declaration, in the Condominium Plan, or in the deed conveying a Condominium.
- 1.13 Condominium Common Area. "Condominium Common Area" shall mean all of the real property comprising a Condominium Project that is owned by all of the Owners in common but excluding the Units and all/any real property owned or held by the Association from time to time for the common use and enjoyment of the Owners and Residents of a Condominium Project. Generally, the Condominium Common Area of a Condominium Project includes the land and the structures and improvements described in a Supplemental Declaration or in a Condominium Map or Plan.
- 1.14 <u>Condominium Lot</u>. "Condominium Lot" or "Multi-Family Lot" shall mean any one of the one hundred twenty-seven (127) Lots intended to be used for multi-family residential purposes, including those Lots developed as a Condominium Project. When any provision of this Declaration is intended to apply only to Condominium Lots that term is used.
- 1.15 Condominium Maps. "Condominium Maps" or "Plans" shall mean a recorded plat map or condominium plan which identifies the Condominium Project and Condominium Common Area and each Separate Interest in the Condominium Project. The Condominium Maps are listed in Exhibit C, attached hereto and incorporated herein by this reference.
- 1.16 <u>Condominium Project</u>. "Condominium Project" shall mean any one (1) of the Condominium Projects or apartment projects located within the Development.

d by Members pursuant to as provided for in Section
velopment Fund Special on 10.9
for human residential use at Lot or Unit. The term d any related garages and
t" shall have the meaning

The Condominium

- 1.27 <u>Fill</u>. "Fill" shall mean any addition of rock or earth materials to the surface of the land which increases the natural elevation of such surface by more than twenty-four inches (24").
- 1.28 <u>Front Yard</u>. "Front Yard" shall mean a yard extending across the front of the Residential Lot between the side lot lines and extending from the front lot line to a line parallel to the front Residential Lot line at the nearest point on the front elevation of the Dwelling.
- 1.29 <u>First Mortgage / First Mortgagee</u>. "First Mortgage" shall mean a Mortgage that has first priority over all other Mortgages. "First Mortgagee" shall mean the beneficiary under a First Mortgage.
- 1.30 <u>General Delivery / General Notice</u>. "General Delivery" or "General Notice" shall mean delivery to a Member or Members by one (1) or more of the following methods, as provided in *Civil Code* section 4045:
 - (a) By any method provided for delivery of an Individual Notice pursuant to Civil Code section 4040 which includes but is not limited to first-class mail or Express Mail or by overnight delivery by an express service carrier;
 - (b) By inclusion in a billing statement, newsletter, or other document that is delivered by General Delivery;
 - (c) By posting a printed document in a prominent location that is accessible to all Members, if the location has been designated for the posting of General Notices by the Association in the annual policy statement, prepared pursuant to *Civil Code* section 5310;
 - (d) If the Association broadcasts television programming for the purpose of distributing information on Association business to its Members, by inclusion in the Association broadcast television programing.

Notwithstanding the foregoing, if a Member has requested to receive General Notices by Individual Delivery, then all "General Notices" to that Member shall be delivered by "Individual Delivery."

- 1.31 <u>Governing Documents</u>. "Governing Documents" shall mean the Articles, Bylaws, Declaration, and Rules.
- 1.32 <u>Improvement</u>. "Improvement" shall include, without limitation, any building or addition, construction, installation, alteration, or remodeling of any Dwelling, structure, building, garage, outbuilding, awning, shed, wall, retaining wall, hedge or similar barrier, obstruction, stairway, parking area, deck, balcony, screen, patio

- cover, dog run, swimming pool, road, driveway, paving or paving area, walkway, landscaping, decorative feature, play-structure, carport cover, skylights, solar equipment, spa, antenna, pole, sign, utility line, or any other structure of any kind.
- 1.33 <u>Individual Delivery / Individual Notice</u>. "Individual Delivery" or "Individual Notice" shall mean delivery to a Member or Members by one (1) of the following methods, as provided in *Civil Code* section 4040:
 - (a) By first-class mail with postage prepaid, registered or certified mail, express mail, or overnight delivery by an express service carrier, addressed to the recipient at such recipient's address last shown on the books of the Association, or
 - (b) By email, facsimile, or other electronic means if the recipient has consented in writing to that method of delivery. The consent may be revoked, in writing, by the recipient. Delivery by electronic transmission must also comply with *Corporations Code* sections 20 and 21. Among other things, Section 20 of the *Corporations Code* requires the Association to obtain consent from the person to whom the document is transmitted to receive it by means of electronic transmission as well as other technical requirements.
- 1.34 Lot. "Lot" shall mean any plot of land shown upon any of the Subdivision Maps with the exception of the Common Area. There are Commercial Lots, Residential Lots, and Condominium Lots (containing apartment or condominium Units). There are five thousand, nine hundred thirty (5,930) Lots in the Development. There are fourteen (14) Commercial Lots; five thousand, seven hundred eightynine (5,789) Residential Lots; and one hundred twenty-seven (127) Condominium Lots.
- 1.35 <u>Maintenance</u>. "Maintenance" or to "maintain" (whether the term is capitalized or not) shall mean the act of caring for property and preserving it from failure or deterioration, including, but not limited to, painting, caulking, cleaning, and minor, non-structural upkeep.
- 1.36 <u>Majority of a Quorum</u>. "Majority of a Quorum" shall mean a majority of the votes cast in any lawful vote or election by the Members in which the number of ballots cast equals or exceeds the number required to establish a quorum.
- 1.37 <u>Member</u>. "Member" shall mean an Owner of a Residential Lot or of a Condominium Lot. The term Member shall include members of the Member's family. Owners of Commercial Lots are not Members of the Association.
- 1.38 <u>Member in Good Standing</u>. "Member in Good Standing" shall mean a Member of the Association who is current in the payment of all Assessments and Additional

Charges imposed in accordance with the Governing Documents, and who is in compliance with all of the provisions of the Governing Documents. A Member shall be deemed to be in Good Standing unless, after notice and an opportunity for hearing, pursuant to Article 14 ("Enforcement; Notice; Hearings"), the Board has found the Member to be not in Good Standing and has so notified the Member in accordance with Civil Code section 5855.

1.39 Mortgage / Mortgagee. "Mortgage" shall mean a duly-recorded deed of trust or mortgage in the conventional sense encumbering a Condominium. "Mortgagee" shall mean a beneficiary under a Mortgage.

- Other Association Property. "Other Association Property" shall mean those 1.40 parcels of real property now owned or hereafter acquired by the Association which are not dedicated as Common Area. The real property comprising Other Association Property as of the date of recording of this Declaration are listed on Exhibit E, attached hereto and incorporated herein by this reference.
- Owner. "Owner" shall mean the record owner, whether one (1) or more persons or entities, of the fee simple title to any Residential Lot (but not a Commercial Lot) or Unit, including Contract Sellers but excluding Contract Purchasers, and excluding those persons having such interest merely as security for the performance of an obligation. For the purpose of Section 10.1.2 ("Assessments Are a Personal Obligation"), "Owner" shall include any principal, partner, managing member, member, or officer of any corporation, limited liability company, partnership or other entity that is a record owner of fee simple title to any Unit. Upon taking title to a Unit, Owners shall notify the Association of the identity of each such owner, principal, partner, managing member or officer, if any, and shall provide the Association contact information for such persons, as the Association deems appropriate.

30

- 1.42 Prohibited Vehicle. See Section 6.13.2 ("Prohibited Vehicles").
- "Rear Yard" shall mean a yard extending across the rear of the 1.43 Rear Yard. Residential Lot between the side lot lines and measured between the rear lot line and parallel thereto within the Residential Lot.

Regular Assessment. "Regular Assessment" shall have the meaning set forth in 1.44 Section 10.7.

Reimbursement Assessment. "Reimbursement Assessment" shall have the meaning set forth in Section 10.10.

41 42 43

44

45

1.46 Repair. "Repair" (whether the term is capitalized or not) shall mean the minor restoration of property that is torn, broken, or otherwise damaged, or has sustained wear, tear, or deterioration such that minor restoration is necessary.

17

18

19 20 21

22 23

24

25 26 27

36 37

43 44

- 28 29 34 35
- 38 39 40 41 42

- 1.47 Replacement. "Replacement" or to "replace" (whether the term is capitalized or not) shall mean substantial reconstruction, restoration, or substitution of the whole or a substantial part of property that has deteriorated or has been damaged or destroyed through usage or through hazard or catastrophe such that it is no longer useable or serviceable in its current condition. In the case of landscaping, "replacement" or to "replace" shall mean the removal and replanting of trees, shrubs, lawns, and other plants that are dead or dying or otherwise not serviceable or the substitution of plants for hardscape or substitution of hardscape for plants.
- Resident. "Resident" shall mean any person who resides on a Residential Lot or 1.48 Unit within the Development whether or not such person is an Owner.
- Residential Lot. "Residential Lot" shall mean any of the five thousand, seven hundred eighty-nine (5,789) Lots located within the Development improved or intended to be improved with a single-family, detached residential structure. When any provision of the Declaration is intended to apply only to a Residential Lot, that term is used.
- 1.50 Restricted Vehicle. See Section 6.13.1 ("Restricted Vehicles").
- 1.51 Road. "Road" shall mean any vehicular way shown on the Subdivision Maps as a road, street or court.
- 1.52 "Rules" shall mean the policies, rules, and regulations governing the administration, management, operation, use, and occupancy of the Development, including the use of the Common Area and facilities, the personal conduct of Owners and Residents, members of their household, pets, tenants, invitees, and guests within the Development, enforcement of the Governing Documents, and any other matter that is within the jurisdiction of the Association, as adopted, published, or amended by the Board from time to time and subject to applicable law including Civil Code section 4340 and following.
- Separate Interest. Separate Interest shall mean a separately owned Residential Lot, or a separately owned undeveloped Condominium Lot, or a separately owned Condominium Unit on a Condominium Lot, but not a Commercial Lot.
- 1.54 Side Yard. "Side Yard" shall mean a yard, the width of which is the minimum required horizontal distance between any side lot line and a line parallel thereto on the Residential Lot, not including any portion of the required front yard or required rear yard.
- Single-Family Residential Use. "Single-Family Residential Use" shall mean occupancy and use of a Residential Lot or Unit for single-family dwelling

- purposes in conformity with this Declaration and the requirements of applicable zoning laws or other state or local rules or regulations, including those limiting the number of occupants of a residential Dwelling.
- 1.56 <u>Special Assessment</u>. "Special Assessment" shall have the meaning set forth in <u>Section 10.8</u>.
- 1.57 <u>Subdivision Maps</u>. "Subdivision Maps" shall mean any of those certain maps listed in Exhibit F.
- 1.58 <u>Supplemental Declaration</u>. "Supplemental Declaration" shall mean a declaration of covenants, conditions and restrictions recorded in the Official Records of the County that is applicable to a Condominium Project located within the Development. Any such Supplemental Declaration, to the extent it contains additional equitable servitudes shall not detract from the covenants and restrictions contained in this Declaration.
- 1.59 <u>Total Voting Power</u>. "Total Voting Power" shall mean the total number of votes of all Members entitled to vote at a particular time, calculated on the basis of one (1) vote for each Residential Lot or Unit owned, excluding any Residential Lots or Units as to which an Owner is not then a Member in Good Standing.
- 1.60 <u>Town</u>. "Town" shall mean the Town of Truckee.
- 1.61 <u>Unit</u>. "Unit" shall mean the elements of a Condominium that are not owned in common with the Owners of other Condominiums within the Condominium Project, which Units are shown as separately designated and numbered areas on the respective Condominium Maps or Plans. The boundaries of each Unit and any appurtenances thereto, along with what is included within each Unit, are described on the respective Condominium Plans or Maps for the Condominium Projects. At the time that this Declaration is recorded, there are six hundred sixty-eight (668) Units in the Project.

ARTICLE 2 HOMEOWNERS ASSOCIATION

2.1 <u>Management and Operation; Bylaws</u>. The Association is an "association" as defined in *Civil Code* section 4080 and as such shall have the power and the authority to manage and operate the Development in accordance with the Governing Documents and the provisions of applicable law. The Association shall have all of the powers set forth in the Governing Documents together with general power to do any and all things that a nonprofit mutual benefit corporation may lawfully do under the laws of the State of California, subject only to the limitations upon the exercise of such powers as are expressly set forth in the

- Governing Documents. Provisions concerning the operation of the Association as a nonprofit mutual benefit corporation are set forth in the Bylaws.
- 2.2 <u>Legal Standing</u>. To the fullest extent permitted by law, including *Civil Code* section 5980, the Association shall have standing to institute, defend, settle, or intervene in litigation, arbitration, mediation, or administrative proceedings in its own name as a real party in interest, and without joining with it the Owners, in matters pertaining to the following:
 - (a) Enforcement of the Governing Documents,
 - (b) Damage to the Common Area,
 - (c) Damage to the Separate Interests that the Association is obligated to maintain, repair, or replace,
 - (d) Damage to a Separate Interest that arises out of, or is integrally related to, damage to the Common Area or Separate Interests that the Association is obligated to maintain, repair, or replace.
- 2.3 Membership. Every Owner of Separate Interest shall be a Member of the Association and shall remain a Member thereof until such time as his or her ownership of such Separate Interest ceases for any reason. Fee ownership of a Separate Interest shall be the sole qualification for membership in the Association. Membership shall be appurtenant to and may not be separated from ownership of a Separate Interest and shall not be transferred, encumbered, pledged, alienated, or otherwise hypothecated in any way, except in connection with the sale or encumbrance of the Separate Interest to which it is appurtenant. Owners of Commercial Lots are not Members.
- 2.4 <u>Voting</u>. Only Members in Good Standing shall be entitled to vote and, only one (1) vote shall be cast for each Separate Interest, as more particularly set forth in the Bylaws.
- 2.5 Association Rules. Subject to applicable law including *Civil Code* section 4340 and following, regarding notice and procedures, the Board shall have the power and the authority to establish, promulgate, amend, repeal, and enforce Rules. The Association Rules may concern, but need not be limited to: (i) matters pertaining to use of the Common Area and Common Facilities and Other Association's Real Property by Owners, their tenants, guests and invitees, or any other person(s) who have a right to use and enjoyment of such Common Area. Common Facilities, and Other Association's Real Property; (ii) architectural control and rules of the ASC under Article 9 ("Architectural Approval") of this Declaration; (iii) the conduct of disciplinary proceeding in accordance with Article 13 of this Declaration; (iv) regulation of parking, pet ownership and other matters

- subject to regulation and restrictions under Article 5 ("Use Restrictions for the Development and Common Area"); (v) minimum standards for the maintenance of improvements on a Commercial Lot, Condominium Lot and Residential Lot; and (vii) any other subject or matter within the jurisdiction of the Association's as provided in the Governing Documents.
- 2.6 Other Association's Real Property. As noted herein, the Association holds title to certain parcels of real property, more particularly described in Exhibit E, which is not encumbered as Common Area ("Other Association's Real Property"). The use, enjoyment and development of the Other Association's Real Property shall be in the sole discretion of the Board of Directors except that:
 - (a) Such use, enjoyment and development shall always be to the advantage and in the best interests of the Association and its Members; and
 - (b) On the vote of a Majority of a Quorum of the Members, all or any portion of the Other Association's Real Property can be designated as Common Area. The minimum quorum for any vote of the Members hereunder shall be fifty percent (50%) of the Total Voting Power and, in the event that the Members approve the re-designation of any Other Association's Real Property as Common Area, evidence of such action shall be made a matter of record by recordation of an appropriate written instrument, signed and acknowledged by the president and secretary of the Association.

ARTICLE 3 PROPERTY SUBJECT TO THIS DECLARATION

- 3.1 <u>Legal Description</u>. The property subject to this Declaration and to the jurisdiction of the Association is described in <u>Exhibit A</u>.
- 3.2 <u>Classification of Property</u>. The property subject to this Declaration is a planned development and condominium project. All of the property subject to the Declaration is divided into the following categories:
 - (a) General Common Area and Common Facilities,
 - (b) Condominium Units, and
 - (c) Commercial Lots, Condominium Lots, Multi-Family Lots, and Residential Lots.
- 3.3 <u>Residential Lot Ownership Interest; No Separate Conveyance</u>. The ownership interest of each Residential Lot Owner shall include: (i) a designated Residential

- Lot; (ii) a Membership in the Association; and (iii) easements as are applicable, all as described in this Declaration or, or on a Subdivision Map, or in the deed to the Residential Lot. Membership and any such easements shall be appurtenant to and may not be separated from ownership of a Residential Lot and shall not be transferred, encumbered, pledged, alienated, or otherwise hypothecated in any way, except in connection with the sale or encumbrance of the Residential Lot to which it is appurtenant.
- 3.4 Condominium Unit Ownership Interest. Ownership of each condominium Unit within the Project shall include: (i) a designated Unit; (ii) a Membership in the Association, and, as provided for in a Supplemental Declaration, the respective undivided interest as tenant in common in the Condominium Common Area as set forth in a deed to the Unit; and (iii) any exclusive easements or easements appurtenant to such Unit upon the Exclusive Use Condominium Common Area and such other easements as are applicable, all as described in the Declaration, in the deed to the Unit, or in the Condominium Map or Plan.
- <u>Limitation on Partition of General Common Area</u>. There shall be no subdivision 3.5 or partition of the General Common Area, nor shall any Owner seek any partition or subdivision of the General Common Area. Notwithstanding any provision to the contrary contained in this Declaration and in order to provide for a means of terminating the Development if this should become necessary or desirable upon the occurrence of any of the conditions presently set forth in Civil Code section 4610 or as such conditions in the future may be set forth in any amendment thereto or comparable provision of law, two-thirds (2/3) of the Owners of Separate Interests shall have the right to petition the Superior Court having jurisdiction to alter or vacate the Subdivision Maps under California Government Code section 66499.21 and following, or any comparable provisions of law, and to vest title to the General Common Area in the Owners as tenants in common and order an equitable partition of the General Common Area in accordance with the laws of the State of California. If any Separate Interest shall be owned by two (2) or more co-tenants as tenants in common or as joint tenants, nothing contained in this Declaration shall be deemed to prevent a judicial partition by sale as between such co-tenants.
- Notice of Airport in Vicinity [Civil Code section 4255(a)]. This property is presently located in the vicinity of an airport, within what is known as an airport influence area. For that reason, the property may be subject to some of the annoyances or inconveniences associated with proximity to airport operations (for example: noise, vibration, or odors). Individual sensitivities to those annoyances can vary from person to person. You may wish to consider what airport annoyances, if any, are associated with the property before you complete your purchase and determine whether they are acceptable to you. As provided by Civil Code section 4255(d), the preceding statement does not constitute a title defect, lien, or encumbrance.

- Annexation. Additional real property may be added to the Development upon the approval of a majority of the Total Voting Power of the Association as to the principal terms of such annexation. As used herein, the term Annexation shall not include any acquisition of real property by the Association as Common Area or Other Association's Real Property, which property may be annexed into the Development by approval of the Board.
 - 3.7.1 Declaration of Annexation. For purposes of this Section 3.7. "Declaration of Annexation" shall mean any instrument recorded in the County which extends the provisions of this Declaration to all or a portion of any additional real property. Any such Declaration of Annexation shall (i) be executed by the Owner of the Real Property and by the Association, (ii) extend the general plan and scheme of this Declaration to such real property, and (iii) may contain such additions to and modification of the covenants and restriction of this Declaration as may be necessary to reflect the different character, if any, of the added real property so long as the supplemental restrictions are consistent with the general plan and scheme of this Declaration and all applicable laws and governmental regulations. Any such Supplemental Declaration may set forth use restrictions and the design and building standards which shall apply to the annexed real property or may give blanket approval for development of that real property in accordance with specific architectural plans and drawings which are signed, dated, and incorporated by reference in the Supplemental Declaration.
 - 3.7.2 Effect of Filing a Declaration of Annexation. The filing of a Declaration of Annexation shall constitute and effectuate the annexation of the additional real property described therein, and thereupon said real property shall become and constitute a part of the Development and shall be subject to and encompassed within this Declaration. Separate Interests within the annexed real property shall thereupon become subject to Assessment by the Association and to the functions, powers and jurisdiction of the Association, and the Owners of such Separate Interests shall automatically become Members of the Association.
 - 3.7.3 <u>Deannexation by the Board; Effect of Deannexation</u>. Upon approval of the Board, the Association shall have the authority to deannex any Common Area sold by the Association. The filing of a declaration of deannexation shall constitute and effectuate the deannexation of the real property described therein, and thereupon said real property shall no longer constitute a part of the Development and shall no longer be subject to and encompassed within this Declaration.

- 3.8 Use of Development Fund for Capital Improvements. The Board of Directors shall have the power and authority to maintain a Development Fund for capital improvement projects for the Development. Such funds shall be raised pursuant to a Development Fund Special Assessment as set forth in Section 10.9. The Board of Directors shall have the power and authority to use the Development Funds to provide for the construction, installation, or acquisition of capital improvement projects without a vote of the Members, so long as the Development Funds are used for the purpose designated in an election for the Development Fund Special Assessment. Any proposal to use Development Funds for a capital improvement project or for a part of a capital improvement project shall be disclosed to the Members in the Annual Budget Report as set forth in the Section 7.5 of the Bylaws.
 - 3.9 Transfer or Sale of Association's Property. Upon the approval of two-thirds (2/3) of the Total Voting Power of Members, the Board of Directors shall have the power and authority to dedicate, transfer, convey or sell the property of the Association so long as such action does not impede ingress to or egress from a Lot. The approval requirements of this Section 3.9 shall not apply to grants of easements by the Association for utility purposes within the Common Area, so long as such easement grant does not impede the ingress to and egress from a Lot.
 - 3.10 New Capital Improvements. The Board of Directors shall have the power and authority to provide for the construction, installation, or acquisition of new capital improvements upon the Common Area (as distinguished from expenditures for the reconstruction or replacement of an existing capital improvement), provided that in any fiscal year expenditures for such new capital improvements shall not exceed five percent (5%) of the budgeted gross expenses of the Association for that fiscal year without the approval of a majority of the Total Voting Power of the Association. No new recreational Common Area Facility construction project shall be approved without the Board first adopting a detailed budget of the total projected project construction costs. Expenditures from the Association's capital replacement reserve fund or Development Fund shall not be subject to the approval requirements of this Section 3.10 so long as such expenditure is for the purpose for which the fund was established.
 - 3.11 Mortgage Association's Property. Upon the approval of a Majority of a Quorum of Members, the Board shall have the power and authority to pledge, lien, mortgage, deed of trust, or otherwise hypothecate the General Common Area and personal property owned by the Association.
 - 3.12 Action to Terminate Operation of any Common Facility. Upon the approval of a majority of the Total Voting Power of the Association, the Board shall have the power to terminate the operation of any Common Facilities identified in Section 1.10.2 ("Common Facilities"), or any other recreational facility not so identified

42

43

44

when the replacement cost of such unidentified facility is in excess of five percent (5%) of the budgeted gross expenses of the Association for that fiscal year in which the closure is scheduled. This <u>Section 3.12</u> shall not apply to any Board action to temporarily close a Common Facility for repairs, rehabilitation, a failure to obtain liability insurance at a reasonable rate, health and safety reasons, or the closure for the season(s) for which the facility was intended and such authority shall remain matters within the sole discretion of the Board.

ARTICLE 4 MECHANIC'S LIENS; EASEMENTS

- 4.1 Mechanic's Lien Against Common Area. In the event there shall be filed against the Common Area a notice of mechanic's lien for, or purporting to be for, labor or materials alleged to have been furnished or delivered for any Owner within the Development or his or her Lot, such Owner shall forthwith cause such lien to be discharged by payment, bond, or otherwise. If the Owner fails to cause the lien to be discharged, the Board may send written notice to the Owner specifying that unless the Owner causes the lien to be discharged within five (5) days from the date of such notice, the Board may cause the lien to be discharged. Within such five (5) day period, and notwithstanding any other provisions of the Governing Documents concerning notice or hearing, the Owner shall be permitted a hearing before the Board regarding the validity of such lien and any offsets or defenses thereto. At that time, the Board shall determine whether the lien adversely and improperly affects and encumbers the rights and interests of the Association or If the Board of Directors determines that the lien does the other Owners. adversely and improperly affect and encumber such rights and interests and that adequate protection of such rights and interests has not been provided, the Board may cause the lien to be discharged by payment, bond, or otherwise. The Board shall have the right to levy a Reimbursement Assessment against the Owner responsible for causing the lien to be discharged in an amount equal to all amounts paid by the Association together with interest thereon at the legal rate and all costs and expenses paid or incurred in connection therewith, including reasonable attorney fees.
- 4.2 <u>Easements in General</u>. In addition to all easements reserved and granted on the Subdivision Maps, there are hereby specifically reserved and granted for the benefit of the Lots and Lot Owners in common and for each Lot and Lot Owner severally, and for the Association, as their respective interests shall appear, the easements, reciprocal negative easements, secondary easements, and rights-of-way as particularly identified in this <u>Article 4</u>.
- 4.3 <u>Separate Interest Owner's Non-exclusive Easements of Enjoyment</u>. Every Owner of a Separate Interest shall have a non-exclusive easement of use of and enjoyment in, to, and throughout the Common Area of the Development. Each

such non-exclusive easement shall be appurtenant to and pass with the title to every Separate Interest, subject to the following rights and restrictions:

- (a) The right of the Board to establish and enforce Rules governing the use of the General Common Area and Common Facilities thereon;
- (b) The right of the Board to charge reasonable admission and other fees for the use of any Common Facilities;
- (c) The right of the Board to suspend an Owner's right to use the Common Facilities as provided in <u>Section 14.8</u> ("Imposing Sanctions");
- (d) The right of the Board to limit the number of Owners or guests who may use any Common Facilities;
- (e) The right of the Board to implement, as a part of the Association Rules, a recreational facility pass system to regulate the number of individuals that have a right to use the Common Facilities based upon Ownership of a Separate Interest and the terms and conditions of such usage, such system can make reasonable distinctions between the user privileges of Owners, tenants, guests and invitees, and subclasses of each, so long as all classes of users similarly situated are treated fairly and equally. The Board shall also have the authority to permit members of the public to use recreational Common Facilities if the Board reasonably determines that such usage will make the facility more cost effective and can be accommodated without overburdening the Common Facility;
- (f) The right of the Board, as set forth in <u>Section 3.9</u> ("Transfer or Sale of Association's Property"), to dedicate, transfer convey or sell the General Common Area and Common Facilities owned by the Association;
- (g) The right of the Board, as set forth in <u>Section 3.11</u> ("Mortgage Association's Property"), to pledge, lien, or mortgage property owned by the Association as security for a loan;
- (h) The right of the Association or its authorized agents, as provided in this Declaration, to perform its obligations under this Declaration, including obligations with respect to construction, maintenance, repair, or replacement for the benefit of the Common Area or the Owners in common.
- 4.4 <u>Utility Easements</u>. There are reserved and there exist easements for the installation and maintenance of utilities and drainage facilities as shown on the Subdivision Maps. There shall be no structures, plantings or other items materials shall be placed or permitted to remain which may change or interfere

- with the installation and maintenance of utilities, or which may damage, interfere, or change the direction of flow of drainage facilities within the easement.
- 4.5 <u>Maintenance of Easement Areas</u>. No dwelling unit and/or other structure of any kind shall be built, erected or maintained upon any such easement, reservations and rights-of-way, at all times, be open and accessible to public and quasi-public utility corporations, and other persons erecting, constructing, or servicing such utilities and quasi-utilities, all of whom shall have the right of ingress and egress, thereto and therefrom, and the right and privilege of doing whatever may be necessary in, under and upon said locations for the carrying out of any purpose for which said easements, reservations and rights-of-way were and hereby are reserved and may hereafter be reserved.
- 4.6 <u>Slope Control and Drainage Areas</u>. There are reserved slope control areas and drainage area as shown upon the Subdivision Maps. Within those slope control areas no structure, planting, or other material shall be placed or permitted to remain or other activities undertaken which may damage or interfere with established slope ratios, create erosion or sliding problems, and within the drainage areas no structure, planting, or other material shall be placed or permitted to remain or other activities undertaken which or which may change the directions of the flow of drainage channels without provisions for other Lots and the Common Area.
- 4.7 Recreational Easements. There are recreational easements as are shown on the Subdivision Maps. Within such easements, no structure of any kind shall be placed or maintained, and no tree or vegetation shall be felled, cut, trimmed, pruned or removed, except as may reasonably be required by the Association to construct and maintain trials, to maintain defensible space, and maintain park sites therein and/or for the construction and maintenance of public and private utility easements as shown on the Subdivision Maps. Such easement shall be open and accessible to Members and their guests and invitees and such other persons as may from time to time be designated by the Association, for right-of-way and general park purposes, subject to reasonable rules and regulations established by the Association.
- 4.8 Other Easements. Each Lot and its Owner(s), and the Association as to Common Area, are hereby declared to be subject to easements, dedications, and rights-of-way granted or reserved in, over and under the Development and each Lot and Common Area as shown on the Subdivision Maps.
- 4.9 <u>Priority of Easements</u>. Whenever easements granted to the County are, in whole or in part, coterminous with any other easements, the easements of the County shall have and are hereby granted priority over said other easements in all respects.

4.10 Board Authority to Grant Easements and Licenses. Notwithstanding any other provisions of the Governing Documents, the Board shall have the power in its discretion without approval vote of the Members to grant and convey licenses for use, rights-of-way, and nonexclusive easements in, over, or under the Common Area or any portion thereof to Owners, for such purposes as the Board deems to be appropriate and not inconsistent with the purposes and interests of the Association; provided, however, that approval of a majority of quorum of the Members shall be required to grant an exclusive easement over Common Area to any Member, other than any grant or conveyance to a Member described in Civil Code section 4600(b).

ARTICLE 5 USE RESTRICTIONS FOR THE DEVELOPMENT AND COMMON AREA

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

- 5.1 <u>Use Restrictions that Apply to the Development</u>. The following restrictions apply to all the property within the Development:
 - 5.1.1 <u>Unlawful Conduct, Nuisances, Noise</u>. No illegal, noxious, or offensive activities shall be conducted upon or within any part of the Development, nor shall anything be done within the Development which may be or become a nuisance, or cause unreasonable annoyance to any Owner of Resident of the Development. Without limiting any of the foregoing, no Owner or Resident shall permit noise, including but not limited to the barking of dogs, the operation of excessively noisy air conditioners, stereo amplifier systems, television systems, motor vehicles (including snow mobiles), or power tools to emanate from a Lot that would unreasonably disturb another Owner or Resident's enjoyment of his or her Lot or a Member's enjoyment of the Common Area.
 - 5.1.2 <u>Compliance with Laws</u>. Each Owner and Resident shall comply with all requirements of all federal, state, and local governmental authorities and all laws, ordinances, rules and regulations applicable to his or her Lot and Dwelling and the Common Area.
 - 5.1.3 <u>Conditions Affecting Insurance</u>. Nothing shall be done, placed, or kept within the Development that will increase the rate of insurance or result in the cancellation of insurance under any insurance policy maintained by the Association, or which will be in violation of any governmental

statute, ordinance, rule, or regulation. If any Owner or Resident, or his or her tenant, invitee, or guest shall violate this <u>Section 5.1.3</u>, the Lot Owner shall be liable to the Association for any resulting increase in insurance premiums and any other damages, which may be assessed against the responsible Owner as a Reimbursement Assessment.

- 6.1.4 Requirement of Architectural Approval. As addressed Article 8 ("Minimum Construction Standards") and in Article 9 ("Architectural Approval") any construction, installation, modification, or alteration of buildings, outdoor structures, landscaping, and outdoor lighting on any Lot shall be done in conformance with the minimum construction standards and are subject to prior approval of the ASC unless a variance has been granted by the Board in accordance with Section 9.13.2 ("Non-approval of Variance") and Section 9.14 (Disapproval by ASC: Reconsideration by Board").
- 5.1.5 Restriction on Further Subdivision and Severability. Except for Condominium Lots, no Lot shall be further subdivided nor shall less than all of any such Lot be conveyed by an Owner thereof. No Owner of a Lot or Condominium within the Development shall be entitled to sever that Residential Lot or Condominium from the Common Area portion of the Development.
- 5.1.6 Additional Restrictions.
 - (i) there shall be no hunting or discharge of firearms anywhere within the Development, including upon a Lot.
 - (ii) there shall be no water well on any Lot, unless (a) a permit has been obtained from the ASC for the use of a water well thereon, and (b) the location of, and facilities used in connection with such well have been approved by the ASC.
 - (iii) there shall be no blasting or discharge of explosive upon any Lot, without the express prior approval of the ASC.
- 5.2 <u>Use of Common Area Generally</u>. All use of Common Area is subject to the Governing Documents. Subject to the provisions of the Governing Documents, the Common Area shall be held, maintained, and used to meet the common interests of the Owners and the Residents of each Separate Interest, their tenants, and guests. Without limiting the generality of the foregoing:
 - 5.2.1 <u>No Public Rights</u>. There shall be no entitlement to public use of, access to, or other public rights in, the Common Area. The Association reserves the rights to prohibit entry upon the Common Area by any

person whose presence is not authorized by the Governing Documents.

- No Alteration of Common Area. The Common Area shall be preserved as open space except where improved for recreational purposes or other ancillary purposes incidental to use of the Lots or administration of the Association. No improvement, excavation, or work which in any way alters any General Common Area or Common Facility from its natural or existing state shall be made or done except by the Association and then only in strict compliance with this Declaration. Without limiting the foregoing, it is anticipated that the existing Common Facilities will require future expansion in order to accommodate increased Member usage as Dwellings are constructed upon Separate Interests within the Development. The construction of new capital improvements and the cessation of an existing Common Facility are subject to the Member approval requirements of Section 3.10 ("New Capital Improvements").
- 5.2.3 No Obstruction of Common Area. The Common Area shall be kept free of rubbish, debris, and other unsightly or unsanitary materials. There shall be no obstruction of any part of the Common Area nor shall anything impair access to the Common Area. Each Owner shall avoid causing any damage to the Common Area.
- 5.2.4 No Storage in the Common Area. No Owner shall be permitted to install, maintain, keep, or store anything in the Common Area.
- No Smoking in Common Facilities. For the safety of the property and for the health, safety, and security of all Residents of the Development, no smoking of cigarettes, pipes, electronic cigarettes or "e-cigarettes," personal vaporizers (PV), electronic nicotine delivery systems (ENDS), cigars, or any other tobacco product, marijuana, or legal or illegal substance shall be permitted anywhere in the Common Facilities, whether indoors or outdoors. "Smoking" shall include the inhaling, exhaling, burning, or carrying of any lighted cigarette, pipe, cigar, or other tobacco product, electronic cigarettes or "e-cigarettes," personal vaporizers (PV), electronic nicotine delivery systems (ENDS), marijuana, or illegal substance.
- 5.2.6 No Overnight Parking in Common Area. Except pursuant to an overnight emergency parking permit issued by the Association, no Owner or Resident, nor his or her tenant, invitee, or guest shall be permitted to park overnight in any Common Area parking lot.

 Delegation of Use of Common Area. Any Owner of a Separate Interest may delegate his or her rights of use and enjoyment, including easements, in the Development to tenants, Contract Purchasers, and guests, subject to the terms of the Governing Documents. Upon the leasing or renting of a Separate Interest, or upon occupancy of a Separate Interest by a Contract Purchaser, the Owner shall be deemed to have delegated and assigned all such rights exclusively to the tenants or Contract Purchasers of such Separate Interest. Any rights of enjoyment that have been delegated by an Owner of a Separate Interest are subject to suspension to the same extent that rights of such Owners are subject to suspension as provided in the Governing Documents.

ARTICLE 6 USE RESTRICTION FOR RESIDENTIAL LOTS AND CONDOMINIUM LOTS

Unless specifically stated otherwise within a specific section, the provisions in this Article 6 shall not apply to the Commercial Lots.

- 6.1 <u>Use of Residential Lots and Condominium Lots</u>. Each Residential Lot shall be conveyed as a separately designated and legally described fee simple estate and each Condominium Lot shall be conveyed by reference to a recorded Condominium Map or Plan and a Supplemental Declaration. Except for those Lots owned by the Association, the additional use restrictions of this <u>Article 6</u> apply to all Residential Lots, Condominium Lots, and Condominiums.
- Development of Residential Lots and Condominium Lots. Each Residential Lot shall be improved with a single-family Dwelling and each Condominium Lot shall be improved with a Condominium Project or apartment project. As addressed Article 8 ("Minimum Construction Standards") and in Article 9 ("Architectural Approval") construction, installation, modification, or alteration of the structure(s), landscaping, and outdoor lighting on any Residential Lot or Condominium Lot shall be in conformance with the minimum construction standards and are subject to prior approval of the ASC, unless a variance has been granted in accordance with Section 9.13 ("Variances").
- 6.3 Residential Use. Except to the extent permitted in Section 6.11 ("Restriction on Businesses Conducted Within a Separate Interest"), Residential Lots and Condominiums shall be occupied and used only for single-family residential purposes in conformity with the requirements of applicable zoning laws or other state or local rules or regulations.

6.4	Occupancy Limit. In no event shall a Dwelling be occupied by more individuals than permitted by applicable law, zoning or other governmental regulations.		
6.5	No Temporary Structures; No Camping. Except as provided for in Section 8.1(i) ("No Temporary Structures") and Section 9.2.9 ("Storage Units; Temporary Structures"), no temporary structures of any kind and no camping whether temporary or permanent shall be permitted on a Residential Lot or Condominium Lot.		
6.6	<u>Outbuildings</u> . In no event shall any outbuilding, shed, garage or similar structure be used for human occupancy, either temporarily or permanently.		
6.7	Residential Lots and Condominiums Adjacent to the Golf Course. Each Owner of a Residential Lot and each Owner of a Condominium Lot adjacent to the go course shall permit entrance upon the Residential Lot or Condominium Lot b golfers for the purpose of retrieving golf balls.		
6.8	Access. Except for Lots owned by the Association, there shall be no access to a Residential Lot or a Condominium Lot anywhere along the perimeter of such Lot, except from a designated street or road.		
6.9	<u>Tree Removal</u> . This <u>Section 6.9</u> shall also apply to the Commercial Lots The removal of any tree located upon a Lot is subject to prior architectural approval as provided for in <u>Article 9</u> ("Architectural Approval") and <u>Section 9.3.4</u> ("Tree Removal"). No Owner may remove a tree located within the Common Area.		
6.10	Animals.	This Section 6.10 shall also apply to the Commercial Lots.	
	6.10.1	No Commercial Purposes. No animals shall be kept, bred, or maintained within the Development for any commercial purpose.	
	6.10.2	Number of Pets. A reasonable number of common domestic household pets, consistent with applicable laws, zoning, or ordinances, may be kept on each Residential Lot or within a Unit. No other animals including livestock, horses, or poultry or any kind, may be kept, bred, or raised upon a Residential Lot or within a Unit.	
	6.10.3	Control of Pets. While in Common Areas pets must be caged, carried, or restrained on a leash held by a responsible person capable of controlling the pet. Any Owner or Resident may cause any unleashed dog within the Common Area to be removed to a pound or animal shelter under the jurisdiction of the City of Truckee or the County of Nevada. No pet shall be left chained of otherwise tethered within any portion of the Common Area.	
	6.56.66.76.86.9	than pern 6.5 No Temp ("No Ter Structure temporar Lot. 6.6 Outbuildi be used f 6.7 Resident a Reside course si golfers fo 6.8 Access. Resident except fro 6.9 Tree Rer removal of provided Removal 6.10 Animals. 6.10.1 6.10.2	

- 6.10.4 No Outside Feeding of Animals. There shall be no feeding of ducks, geese, deer, or any other non-domesticated animals within the Development. In order to control feral cats, raccoons, vermin, and other stray animals within the Development, no animal food shall be kept or placed outside anywhere within the Development, except for approved bird feeders. Pet feeding stations may not be kept in a garage if the garage door is left open permitting animals to access the feeding station.
- 6.10.5 Responsibility for Pets. The owner of each pet shall be responsible for immediately removing and disposing of any waste introduced to any portion of the Development by such pet. Owners, their tenants, and guests shall prevent their pets from soiling any portion of the Common Area and shall immediately clean up any mess left by their pet.
- 6.10.6 Indemnification Regarding Pets. Each Owner, Resident, and any person bringing or keeping an animal within the Development shall be absolutely liable to the Association and all other persons for any injury or damage to persons or property caused by the animal brought upon or kept upon the Development by such person or by members of his or her household, tenants, invitees, or guests. To the fullest extent permitted by law, each Owner agrees to and shall indemnify and defend the Association, its officers, directors, employees, and agents and shall hold them harmless from and against any cost, loss, claim, or damages of any kind, arising out of or resulting from the presence or conduct of any animal brought upon or kept within the Development by the Owner, members of his or her household, tenants, invitees, or quests including but not limited to attorney fees, any claims for consequential damages, and any claims arising or alleged to arise out of the enforcement or nonenforcement by the Association of the Governing Documents, including but not limited to the restrictions on animals contained in this Section 6.10. Any amounts owed pursuant to this Section 6.10.6 may be assessed as a Reimbursement Assessment.
- 6.10.7 Removal of Nuisance Pets. The Association shall have the right to prohibit the keeping of any animal which, after the responsible Owner or Resident has an opportunity for a hearing called by the Board pursuant to Section 14.12 ("Hearing Called by the Board; Executive Session; Open Meeting"), is found by the Board to be a nuisance.
- 6.10.8 Pet Rules. The Board may adopt and enforce pet Rules in addition to the provisions of this Section 6.10, including Rules pertaining to the number and size of pets.

- 6.10.9 Horses. Horses shall only be permitted within those portions of the Common Area designated for equestrian use.
- Restriction on Businesses Conducted Within a Separate Interest.
 - 6.11.1 Types of Businesses Allowed. No business of any kind shall be established, maintained, operated, permitted, or conducted within a Separate Interest except: (i) professional, administrative, or clerical activity as may be permitted by applicable governmental ordinances without the requirement of a conditional use permit but only if such activity does not entail the presence of employees, patrons, clients, or vendors except on an infrequent basis; does not require storage of large amounts of bulky goods or inventory; there is no external evidence of such activity including but not limited to a significant increase in traffic within the Development; the activity complies with all applicable governmental ordinances; and the activity is merely incidental to the use of the Separate Interest for residential purposes and (ii) certain care facilities that, by law, cannot be prohibited within the Development.
 - 6.11.2 Indemnification Regarding Business Activity. To the fullest extent permitted by law, every Owner or Resident who conducts or engages in any business, commercial endeavor, or profession within the Development, or whose tenant does so, agrees to and shall indemnify and defend the Association, its officers, directors, employees, and agents and shall hold them harmless from and against any cost, loss, claim, or damages of any kind, arising out of the conduct or presence of such activity, including but not limited to attorney fees, any claims for consequential damages, and any claims arising or alleged to arise out of the enforcement or non-enforcement by the Association of the Governing Documents, including but not limited to the restriction on business contained in this Section 6.11. Any amounts owed pursuant to this Section 6.11.2 may be assessed as a Reimbursement Assessment.
- 6.12 Signs, Banners, Flags. Only the following types of signs, posters, banners, or flags shall be displayed to the public view from any portion of the Development:
 - (a) Signs required by legal proceedings;
 - (b) A noncommercial sign or poster no larger than nine (9) square feet in size or a noncommercial flag or banner no larger than fifteen (15) square feet in size, displayed upon a Lot or Dwelling, and limited to the fullest extent permitted by Civil Code section 4710;

- (c) A single sign of customary and reasonable dimension and design, complying with the provisions of any applicable ordinance, if any, and reasonably located on a Lot advertising a Lot for sale or rent;
- (d) Other signs which by law cannot be prohibited;
- (e) A flag of the United States, subject to any city or county restrictions as to size and as to time, place, and manner of display, as provided in *Civil Code* section 4705;
- (f) A single identification sign which has been approved by the ASC (if any) located on a Lot identifying the number or address of the Lot and/or the names of the occupants:
- (g) Signs on the Common Area as approved by the Board for a purpose reasonably related to the affairs of the Association, including signs located at or near any entrance to the Common Facilities.

6.13 Vehicles and Parking.

- 6.13.1 Restricted Vehicles. Restricted Vehicles shall not be kept or parked anywhere within the Development except entirely inside a garage, or entirely within a driveway, or in a public street, or in a Common Area storage area. The following types of vehicles are Restricted Vehicles: (i) campers, mobile homes, motor homes, recreational vehicles, (ii) trailers, (iii) boats, (iv) snowmobiles, except those on a trailer, and (v) commercial vehicles. The term "commercial vehicle" shall not include any two-axle passenger vehicle or pickup truck no larger than one (1) ton capacity that is used by a Resident both for business and for daily personal transportation, provided that any signs or markings of a commercial nature on such vehicle shall be unobtrusive and inoffensive as determined by the Board (for example and not by way of limitation, commercial information on a license plate holder or a dealership decal or nameplate on a vehicle would be considered "unobtrusive") and such vehicles shall be considered passenger vehicles.
- 6.13.2 Prohibited Vehicles. Prohibited Vehicles may not be brought or kept within a Residential Lot or a Condominium Lot, except that they may be parked temporarily (eight (8) hours) for the purposes of loading or unloading. The following types of vehicles are Prohibited Vehicles: (i) double axel or dual rear wheel vehicles, (ii) flatbed or utility bed vehicles, (iii) box trailers, and (iv) vehicles with fixed advertising. The term "vehicles with fixed advertising" shall not include any two-axle passenger vehicle or pickup truck no larger than one (1) ton capacity that is used by a Resident both for business and for daily personal

transportation, provided that any signs or markings of a commercial nature on such vehicle shall be unobtrusive and inoffensive as determined by the Board (for example and not by way of limitation, commercial information on a license plate holder or a dealership decal or nameplate on a vehicle would be considered "unobtrusive") and such vehicles shall be considered passenger vehicles.

- 6.13.3 <u>Definition of Commercial Vehicle</u>. Commercial Vehicle shall mean (i) any vehicle that is classified as Class 3 and above by the United States Department of Transportation Vehicle Inventory and Use Survey, meaning any vehicle with a Gross Vehicle Weight Rating (GVWR) of more than ten thousand pounds (10,000 lb), (ii) any vehicle (including vehicles with a GVWR of ten thousand pounds or less) displaying signs or markings of a commercial nature, unless such signs or markings are small and unobtrusive as determined by the Board (for example and not by way of limitation, commercial information on a license plate holder or a dealership decal or nameplate on a vehicle would be considered "unobtrusive"), (iii) any vehicle that is equipped to carry more than ten (10) people, (iv) any vehicle equipped with a rack that is loaded with any construction materials, merchandise, supplies, or tools, (v) any pickup truck containing construction materials, merchandise, supplies, or tools that are visible.
- Parking. The primary parking facility for Residents of a Dwelling is the garage or driveway of a Dwelling or the designated parking space assigned to a Condominium. Each garage shall be used for parking the vehicles of the Residents of the Dwelling and shall not be used for any other purpose that interferes with the ability to park the number of vehicles the garage was designed to accommodate unless the number of vehicles of all Residents of the Dwelling is less than the number the garage was designed to accommodate. Vehicles shall not be parked anywhere within the Development except wholly within a garage or in a designated parking area. Parking is not allowed at any time in designated fire lanes. No vehicle shall be parked continuously in the Common Facilities parking lots for longer than twenty-four (24) hours unless previously approved by the Association.
- 6.13.5 <u>Guest Parking</u>. Common Area parking spaces may be used by Residents and their guests and invitees, subject to posted limitations and the Rules of the Association.
- 6.13.6 <u>Vehicle Repairs</u>. No motor vehicles or boats shall be constructed, reconstructed, repaired, or serviced within the Development (other than minor emergency repairs to the extent necessary to move the vehicle to a repair facility).

- 6.13.7 Parking Enforcement and Towing. The provisions of this Section 6.13 apply to all vehicles within the Development, including vehicles of guests and invitees. In addition to the provisions of this Section 6.13, the Board shall have the power and authority to adopt, promulgate, and enforce Parking Rules and shall have the power to impose fines and other sanctions for violations of provisions of the Governing Documents relating to vehicles and parking. Subject to the provisions of applicable law, including California Vehicle Code section 22658, the Board shall have the power and authority to cause the towing, at the vehicle owner's expense, of vehicles that are parked within the Development in violation of any of the provisions of the Governing Documents. Costs incurred by the Association relating to the towing and/or storage of any vehicle parked in violation of any provision of the Governing Documents shall be assessed as a Reimbursement Assessment against the Owner responsible or whose household member, Contract Purchaser, tenant, invitee, or quest is responsible for the presence of such vehicle.
- 6.14 Garages. Garages shall be maintained in a neat and orderly fashion and in such a manner as to permit the parking of the number of passenger vehicles the garage was designed to accommodate. No part of any garage shall be converted for other use without the substitution of another approved automobile garage space and prior architectural approval. Each garage door shall remain closed except during ingress or egress or when necessary to provide ventilation for individuals working in the garage area.

6.15 Requirements for Renting.

- 6.15.1 Written Lease. An Owner renting his or her Dwelling shall do so pursuant to a written lease or rental agreement. The lease or rental agreement shall expressly provide that its terms are subject to all of the provisions of the Governing Documents. Each Owner leasing or renting his or her Lot shall provide a copy of this Declaration and the Rules of the Association to his or her tenant(s).
- 6.15.2 Owner's Contact Information. An Owner renting his or her Lot shall provide the Association with contact information for the Owner or a representative of the Owner with authority to act on behalf of the Owner with respect to the Lot and the tenants, including telephone number, email address, mailing address, and such other contact information as the Association may require.
- 6.15.3 <u>Indemnification Regarding Tenants' Actions</u>. Each Owner leasing or renting a Lot shall be strictly responsible and liable to the Association

for the actions of such Owner's tenant(s) in or about all Dwellings, Lots, and Common Area and for each tenant's compliance with the provisions of the Governing Documents. No provision of any lease or rental agreement shall relieve the Lot Owner of his or her obligations pursuant to the Governing Documents. To the fullest extent permitted by law, every Owner of a Lot that is occupied by persons other than the Owner pursuant to a rental agreement or lease or otherwise, agrees to and shall indemnify and defend the Association, its officers, directors, employees, and agents and shall hold them harmless from and against any cost, loss, claim, or damages of any kind, arising out of the conduct or presence of the occupants of the Lot upon the Development, including but not limited to attorney fees (including attorney fees incurred to enforce the provisions of this Article 6 against the Owner of the Lot or any guest, tenant or other occupant of the Lot), any claims for consequential damages, and any claims arising or alleged to arise out of the enforcement or nonenforcement by the Association of the Governing Documents with respect to such occupants. Any amounts owed pursuant to this Section 6.15.3 may be assessed as a Reimbursement Assessment against the responsible Owner and his or her Lot.

- No Time Share Arrangements. No Lot shall be leased, subleased, occupied, rented, let, sublet, or used for or in connection with any time sharing agreement, plan, program or arrangement, including, without limitation, any so called "vacation license," "travel club," "extended vacation," any other membership or time interval ownership arrangement, or any time-share estate or time-share use as defined in Section 11212 of the California *Business and Professions Code*. The term "time sharing" as used herein shall be deemed to include, but shall not be limited to, any agreement, plan, program, or arrangement under which the right to use, occupy, or possess any Unit or Units rotates among various persons, either corporate, partnership, individual, or otherwise, on a periodically recurring basis for value exchanged, whether monetary or like kind use privileges, according to a fixed or floating interval or period of time. This Section 6.16 shall not be construed to limit the personal use of any Residential Lot of Unit or any portion thereof by its Owner and such Owner's social or familial guests.
- 6.17 <u>Trash Disposal</u>. No trash, rubbish, garbage, accumulated waste plant material, other waste and refuse, and recyclable waste shall be allowed to accumulate upon the exterior of any Residential Lot or Condominium Lot. Any trash accumulated by an Owner or Resident outside of the Dwelling shall be deposited only in covered containers and facilities which shall be screened from view from any street, Lot, Dwelling, or Common Area, except on the day when containers are placed near the street for scheduled trash collection. Any extraordinary accumulation of trash, rubbish, garbage, waste, furniture, appliances, water heaters, construction or remodeling debris, and other bulky items must be

- properly disposed of off-site by the Owner or Resident at his or her sole expense and shall not be placed anywhere on the exterior of any Residential Lot or Condominium Lot.
- 6.18 Open Fires. This Section 6.18 shall also apply to the Commercial Lots. There shall be no open fires anywhere within the Development, except for fires contained within approved devices (such as approved covered fire pits and barbecues) or except by permit for authorized or controlled burns.
- 6.19 Storage. Except for neatly stacked fire wood, cut into lengths designed to accommodate a fireplace, there shall be no storage of personal property (including without limitation trailers and construction materials) upon a Residential Lot or Condominium unless the same is kept entirely within an enclosed storage area. Nothing shall be placed on top of or outside of such storage area.
- 6.20 <u>Machinery and Equipment</u>. Except as approved by the Board, no machinery or equipment of any kind shall be placed, operated, or maintained upon or adjacent to any Lot, except as is customary and necessary in connection with the use, maintenance, or repair of a Dwelling or appurtenant structure, or with approved construction.
- 6.21 <u>Disease and Pests</u>. No Owner or Resident shall permit anything or condition to exist upon his or her Residential Lot or Condominium which shall induce, breed, or harbor infectious plant diseases, rodents or noxious insects.
- 6.22 <u>Mining and Drilling</u>. Except for Lots owned by the Association, there shall be no mining, quarrying, drilling, or refining operations permitted upon a Residential Lot or Condominium Lot.

ARTICLE 7 USE RESTRICTION FOR COMMERCIAL LOTS

These provisions of this Article 7 do not apply to the Residential Lots or to the Condominium Lots or the Common Area.

7.1 <u>Commercial Lots</u>. Commercial Lots shall be used solely for office and professional purposes, retail sales and service establishments, including without limitation, gift shops, barber and beauty shops, clothing sales, food and beverage sales, sporting goods sales, dry cleaners, laundromat, restaurants, locksmiths, automobile fuel stations (including incidental automotive repair services), real estate sales and rental, and mini-storage facilities. All improvements on Commercial Lots shall be subject to Architectural Control as set forth in Article 8 ("Minimum Construction Standards") and Article 9 ("Architectural Approval").

- 7.1.1 Prohibited Uses. Notwithstanding any provision of any applicable zoning ordinance of the Town of Truckee, California, or any use permitted thereby, no Commercial Lot nor any part thereof shall be used, and no building or other improvement shall be constructed, maintained, or used, for: (i) automobile sales (new and used), (ii) trailer or mobile home sales, (iii) automobile repair garages, (iv) radio transmitter stations or towers, (v) escort or dating bureaus, massage parlors, (vi) motels or hotels, (vii) automatic or self-service car washes, (viii) movie theaters, (ix) auditoriums, pool or billiard halls, skating rinks, (x) mortuary or funeral homes, (xi) plumbing, electrical, heating and air conditioning or similar businesses which customarily involve the exterior storage of materials or high volumes of traffic, and (x) similar service establishments.
- 7.1.2 <u>Additional Prohibited Uses; Operations, and Nuisances</u>. No use or operation shall be made, conducted, or permitted on or with respect to any Commercial Lot which is obnoxious to, or out of harmony with, the environment of Tahoe Donner, including but not limited to the following:
 - (i) any use that may result in or causes a public or private nuisance;
 - (ii) any use that may cause noise or sound that is objectionable due to intermittence, beat, frequency, shrillness or loudness;
 - (iii) any use that may cause obnoxious odor;
 - (iv) any use that may cause, create or disburse noxious, toxic, caustic or corrosive fuel or gas (except that the Association may approve the use of a Commercial Lot for a gas or filling Station);
 - (v) any use that may cause, create or disburse dust, dirt or fly ash in excessive quantities;
 - (vi) any use that may cause unusual fire, explosion or other damaging or dangerous hazard;
 - (vii) an airport or landing field;
 - (viii) a convent or monastery;
 - (ix) a fraternity or sorority house;
 - (x) a new single-family residence;

- (xi) a multiple family residence;
- (xii) a drug or alcohol care facility, including a methadone clinic, drug rehabilitation center, work release center, or social services center, or an institution or home for the treatment of the mentally infirm;
- (xiii) a jail farm, honor farm or detention facility used for the detention or rehabilitation of law breakers or prisoners;
- (xiv) a mobile home park;
- (xv) a warehouse (other than mini-storage); provided, however, that any area for the storage of goods intended to be sold at any retail establishment on a Commercial Lot shall not be deemed to be a warehouse:
- (xvi) a manufacturing, assembling, distilling, refining, smelting, agricultural, or mining operations;
- (xvii) the operation of a medical marijuana facility which dispenses, permits the use of on the premises, sells, licenses the use of or dispensing of, or dispenses marijuana or medical marijuana, and no Owner or tenant may write a prescription for medical marijuana;
- (xviii) the cultivation or growing of any crop or vegetation;
- (xix) a "secondhand" store, government "surplus" store or store commonly referred to as a "discount house;"
- (xx) a trailer court, junk yard, stock yard or animal raising facility (other than a pet shop);
- (xxi) for the installation or maintenance of a billboard or billboards;
- (xxii) the drilling for, or removal of, subsurface substances;
- (xxiii) the dumping, disposal, incineration or reduction of garbage or refuse;
- (xxiv) a fire or bankruptcy sale or auction house operation; or

(xxv) any use prohibited by or contrary to any applicable zoning ordinance of the Town of Truckee, California, or any local, state or federal law.

- 7.2 <u>Vehicle Parking.</u> No mobile home, travel trailer, truck, camper, boat, dune buggy, house trailer, automobile, or similar vehicle shall be placed or kept upon any Commercial Lot except within an enclosed building or structure which prevents view thereof from outside such building or structure; *provided, however,* that nothing contained herein shall prohibit the temporary parking of any commercial vehicle in or on any loading or delivery area, truck ramp, or vehicle parking area for the purpose of delivery of materials to any structure or business establishment within any Commercial Lot; *and provided further,* however, that nothing contained herein shall prohibit the temporary parking of any motor vehicle within motor vehicle parking areas by any Owner, occupant, tenant, concessionaire or permitted for purposes connected with or incidental to any permitted business or use being made of any portion of the Property.
- Outside Sales or Storage. All sales, display and storage shall be within an enclosed building, and no portion of the Development shall be used for outside sales, display or storage of any material or equipment of any nature whatsoever, including, without limiting the generality of the foregoing, any building materials, machines, tools, implements, furniture, landscaping materials, irrigation pipes or apparatus; provided, however, that nothing contained herein shall prohibit use of any portion of the Development for a nursery or garden shop. In the event any portion of the Development is used for a nursery or garden shop, an outside sales display and storage area will be permitted (provided the same is not prohibited by any applicable zoning ordinance of the Town of Truckee, California), which such area may be open for the sale, display and storage of plants, shrubs and trees, provided that any such area for the sale, display, or storage of other materials or equipment shall be enclosed by a fence of a height and material approved by the ASC.
- 7.4 <u>Noise Level</u>. No activity shall be undertaken or permitted upon any portion of any Commercial Lot which will cause any sound, whether intermittent, recurrent or continuous, in excess of fifty-five (55) decibels (dbs) measured at any point on any boundary line of said Lot.
- 7.5 <u>Signs</u>. The Association Rules may include uniform and non-discriminatory regulations concerning the design, size and placement of signs on Commercial Lots.

36

41

42

43

ARTICLE 8 MINIMUM CONSTRUCTION STANDARDS

Unless a variance is requested from, and granted by, the ASC in accordance with Section 8.2 ("Minimum Construction Standards – Residential Lots") or Section 8.3 ("Minimum Construction Standards - Condominium Lots") or Section 8.4 ("Minimum Construction Standards - Commercial Lots"), improvements constructed on any Lot shall conform to the following minimum construction standards:

8.1 Minimum Construction Standards Applicable to All Lots.

- (a) Setback Lines. All improvements shall be constructed in accordance with applicable building line and setback provisions of applicable zoning ordinances, in compliance with all laws, and in compliance with all setback requirements prescribed herein.
- Second Kitchen. As provided for in Section 9.3.3 ("Kitchens"), no Owner (b) shall be permitted to install a second kitchen in a Dwelling without prior architectural approval.
- Waste Disposal.. No outside toilet shall be constructed on any Lot, other (c) than temporary facilities used in connection with construction on the Lot. All plumbing fixtures, dishwashers, toilets or sewage disposal systems shall be connected to a sewage system.
- Model Homes. No Owner of any Lot or Condominium Lot or Multi Family (e) Lot shall build or permit the building thereon of any structure that is to be used as a model or exhibit.
- (f) New Materials. All structures constructed on any Lot shall be constructed with a substantial quantity of new materials and no used structure shall be relocated or placed on any Lot.
- (g) Approval by Architectural Standards Committee. No building, fence, wall or other permanent structure or improvement shall be erected, altered, or placed on any Lot until building plans, specifications and a plot plan showing the location of structures on the Lots have been submitted to the ASC for review and approval as described in Article 8 ("Minimum" Construction Standards").
- (h) Exterior Surfaces. No reflective finishes (other than glass) shall be used on exterior surfaces of any building structure erected on a Residential Lot. The Committee shall be authorized to recommend to the Board approved

44

45

- colors and stains for exterior finish of the Dwellings, such chart, once adopted by the Association shall become a part of the Architectural Rules.
- No Temporary Structures. No recreational vehicle, trailer, mobile home, (i) camper, tent, shack, used structures, structures of a temporary character or other outbuildings (including garages, whether attached or detached) shall be used on any Lot at any time as a residence. Notwithstanding the foregoing, an Owner may apply to the ASC for approval of the use of a trailer or mobile home as a temporary residence during a period of construction so long as the temporary residence is serviced by a waste disposal system and approved by the ASC.
- (j) Solar Systems. Subject to limitations imposed by California law, the ASC shall be entitled to recommend to the Board, reasonable regulations regarding the installation of exterior solar systems, which once adopted by the Association shall become a part of the Architectural Rules. These rules may include limitations on placement and design of such systems to the extent necessary to avoid an unsightly appearance from neighboring Lots or Common Area.
- As provided in Section 4.6 ("Slope Control and Drainage (k) Drainage. Areas"), there are slope control and drainage areas on the Lots as shown on the Subdivisions Map. No Owner shall do any work, construct any improvement, place any landscaping or suffer the existence of any condition whatsoever which shall alter or interfere with the drainage pattern for the Owner's Lot or any adjacent Lots or parcels or Common Area as established in connection with the approval of the final subdivision and parcel maps applicable to the Development by the Town of Truckee, except to the extent such alteration in drainage pattern is approved in writing by the ASC, the Town of Truckee, and all other public authorities having jurisdiction. Plans and specifications submitted by an Owner to the ASC in connection with the construction of a Dwelling or commercial structure, or other major structural improvement, shall include a drainage plan in sufficient detail to permit the ASC to assess the impacts, if any, of the improvement on natural drainage courses.
- Modular and Prefabricated Housing: Mobile Homes. The use of modular (I) housing units or prefabricated housing units assembled off the building site shall be subject to regulation by the ASC to the full extent permitted by Civil Code section 714.5 or comparable superseding statute.
- 8.2 Minimum Construction Standards -- Residential Lots.
 - Minimum Square Footage. Every Dwelling constructed on a Residential (a) Lot shall contain a minimum of twelve hundred (1200) square feet of fully

enclosed floor area to be devoted to living purposes (exclusive of roofed or unroofed porches, terraces, decks, garages, carports and other outbuildings). Not less than nine hundred (900) square feet shall be located on the first floor of the Dwelling. For purposes of the preceding sentence, the first floor of a Dwelling shall be the floor with the principal living space for any Dwelling with a basement or downstairs garage or bedroom area.

- (b) <u>Height Limitations</u>. No structure or improvement shall be constructed on any Residential Lot having a height of more than two (2) stories; provided, however, that the height of a structure or improvement may exceed two stories if permissible by law and if the ASC determines that the proposed height is compatible with the physical site involved and adjoining properties; provided that the total height of the structure shall in no event exceed thirty-five feet (35') measured from the building's mid-point on the downhill slope.
- (c) <u>Setback Lines</u>. No structure or improvement (other than a fence for which a permit has been granted by the ASC) shall be constructed, erected, placed or maintained upon any Residential Lot within the following prescribed setback areas:
 - (i) a front yard setback area, the minimum depth of which shall be at least twenty feet (20') measured from the front lot line of such Residential Lot.
 - (ii) a side yard setback area, the minimum width of which shall be ten feet (10') along any single inner side lot line of such Residential Lot. The ten foot side yard setback is required in order to avoid snow shedding from the Dwelling onto the adjacent Lot and to prevent a row house appearance of adjoining Dwellings. The Committee shall be entitled to permit exceptions to this side yard setback requirement to a minimum of five feet (5'), without compliance with the variance procedures specified in Section 8.3, below, when such is deemed necessary to accommodate special circumstances which would otherwise lead to burdensome costs to the Owner. Side yard setbacks shall be measured from the eaves of the Dwelling roof, rather than from the foundation.
 - (iii) a rear yard, the minimum depth of which, having an area equal to at least twenty percent (20%) of the gross area of such Lot. The resulting depth shall not in any case be less than twenty-five feet (25').

- (d) <u>Paved Parking</u>. Each Residential Lot which is improved after the effective date of this Declaration shall have paved off-the-road parking facilities for at least two (2) automobiles.
- (e) Exterior Lighting. There shall be no exterior lighting of any sort either installed or maintained on any Residential Lot, the light source of which is visible from neighboring property or streets, except as permitted by the Architectural Rules. In no event shall fluorescent, mercury vapor, sodium, amber vapor or similar outdoor security lights be permitted. The ASC shall establish Architectural Rules, as necessary or appropriate, to assure the serene, peaceful and rural nature of the Tahoe Donner common interest development, which Architectural Rules shall be adopted by the Association.
- (f) Roofing Materials. Natural wood or shingle roofing materials or composition roofing materials shall not be permitted on any Lot within the Development unless they are treated with fire retardant materials. The use of other roofing materials, such as metal, tile, gravel or artificial shingles or shakes that have the appearance of natural wood shingles shall be permitted, subject to prior ASC approval of the appearance and quality of the material.
- (g) <u>Siding Materials</u>. The exterior walls of any Dwelling, garage or other structure shall be finished with natural wood. Rock or stucco may be used in combination with wood. Metal, Masonite or other manufactured siding shall not be permitted. No siding composed in whole or part of artificial or "fake" stones, stucco stones or manufactured used brick shall be permitted unless an exception is granted by the ASC.
- (h) Antenna, External Fixtures, Etc. No television or radio poles, antenna, television satellite reception dishes, flag poles, clothesline, or other external fixtures, except those approved by the ASC, shall be constructed, erected or maintained on any Residential Lot. No wiring, insulation, air-conditioning or other machinery or equipment, other than those approved by the Committee, and their duplicate replacements shall be constructed, erected or maintained on or within the exterior of any structure within the Development.
- (i) <u>Variance Authority of Committee</u>. The Architectural Standards Committee shall have the power to grant variances from any of the provisions in this <u>Section 8.2</u>.
- 8.3 <u>Minimum Construction Standards Condominium Lots</u>. Those Condominium Lots located within Tahoe Donner Unit Nos. 2, 3 and 6, which are subject to this

	Declaration and a Supplemental Declaration (as identified in Exhibit F attached		
	hereto) shall be subject to the following minimum construction standards:		
	(a)	Limitation of Number of Building Structures. Except as otherwise provided	
	(α)	in the schedule set forth in this subparagraph (a), no more than two (2)	
		apartment buildings or Condominium buildings shall be constructed on any	
		multiple family Residential Lot zoned for six (6) or fewer Units.	
1.1.1			
///			
///			
///			
		heret (a)	

- (b) Minimum Square Footage Requirements. Each Unit within each multifamily building shall contain not less than six hundred fifty (650) square feet of fully enclosed floor area to be devoted to living purposes (exclusive of roof or unroofed porches, terraces, decks, garages, carports and other out buildings).
- (c) <u>Height Limitations</u>. The height of each multi-family building on each Condominium Lot shall not exceed the height prescribed by the ASC.
- (d) Parking. Each Condominium Lot shall have paved off-the-road parking facilities for at least one and one-half (1.5) automobiles for each Unit in any multi-family building(s) constructed on said Lot.
- (e) <u>Condominium Lot Combinations</u>. Nothing contained herein shall prevent or restrict a Lot Owner from combining contiguous Condominium Lots and any buildings thereon with a Condominium Lot improved with more than one (1) multi-family building, so long as the above provisions are complied with on a combined basis.
- (f) Compliance with Town and/or County Regulations. Any provisions of the laws of the Town of Truckee of the County of Nevada in effect from time to time, which are more restrictive than the provisions hereof, shall control.
- (g) Application of Use Restriction. Each and every restriction set forth in Sections 8.2(c) and (e), above, with respect to Residential Lots shall be equally applicable to Condominium Lots and are incorporated herein by this reference, except that the side yard setback on Condominium Lots shall be five feet (5'), rather than ten feet (10').
- (h) <u>Variance Authority of Committee</u>. The Architectural Standards Committee shall have the power to grant variances from any of the provisions in this <u>Section 8.3</u>.
- 8.4 Minimum Construction Standards Commercial Lots.
 - (a) Site Development.
 - (i) <u>Building Site</u>. The building site areas shall be as permitted by any applicable zoning ordinance of the Town of Truckee, California.
 - (ii) <u>Number of Buildings</u>. The number of buildings which may be constructed on any Commercial Lot shall be in accordance with the applicable zoning ordinance of the Town of Truckee, California.

- (iii) <u>Building Height</u>. Building height limit shall be compatible with the physical site involved with a maximum height of twenty-five feet (25') unless otherwise approved in writing by the ASC.
- (iv) Yards. Front yard, side yard and rear yard requirements for the location of any building upon any Commercial Lot shall be as set forth in the applicable zoning ordinance of the Town of Truckee, California.
- (v) <u>Setbacks</u>. Setbacks shall be as shown and delineated on the Subdivision Maps Recorded with respect to Tahoe Donner, or if not so shown, as set forth in the applicable zoning ordinance of the Town of Truckee. California.
- (vi) Off-street Parking. The number of off-street parking spaces which shall be provided shall be in accordance with the applicable zoning ordinance of the Town of Truckee, California.
- (vii) Minimum Square Footage. Location of Truck Ramps and Loading Docks, Fuel Storage Tanks and Refuse Containers, Signs and Exterior Characteristics. The minimum square footage of fully enclosed floor area which shall be contained in any building constructed, erected or placed upon any Commercial Lot, the location of truck ramps and loading docks and areas in relation to any main structure, the location of fuel storage tanks if located apart from a main structure, the location of containers for storage and disposal of refuse, the size, location, height, lighting and type of signs which may be erected and maintained, and the exterior architectural characteristics of each commercial building upon any Commercial Lot, including without limitation elevations, exterior surface materials, exterior colors and lighting, shall be as specified and approved by the ASC.
- (b) <u>Construction and Alteration of Improvements; Change in Topography</u>.
 - (i) <u>Subdivision Maps</u>. No tentative or final map of subdivision or resubdivision of any Commercial Lot, or any amendment thereto, shall be submitted for approval to any governmental agency of the Town of Truckee, or recorded without the prior written approval of the ASC; provided, however, that the signatures of the members of the ASC on any such maps shall not be required as a condition of recordation thereof.
 - (ii) <u>General Prohibitions</u>. No Owner or Occupant shall construct, reconstruct, refinish, alter, or maintain any Improvement upon, or

erect, place, or maintain any sign upon, or install any utility line, wire, or conduit in or upon, or make any excavation upon, or alter the topography of, or cut or remove any tree upon, or do any act which would affect the drainage of, any Commercial Lot without the prior written approval of the ASC. The Tahoe Donner Association shall have the right to remove any Improvement constructed, reconstructed, refinished, altered, or maintained in violation hereof, and the Owner shall reimburse said Association for all expenses incurred in connection therewith.

(iii) Lighting.

<u>Prohibition</u>. There shall be no exterior lights or lighting systems, including but not limited to lighted signs, erected, installed, constructed, or maintained on any Commercial Lot without the prior written approval of the ASC.

<u>Height Limitation</u>. No portion of any exterior light or lighting system shall be in excess of twenty feet (20') from the surface of the ground.

<u>Hooding Device</u>. All such lights shall be hooded so that all light therefrom is projected downward and inward toward the Lot or building on which such lights are constructed.

(iv) Signs.

<u>ASC Approval Required</u>. No sign shall be constructed, erected, placed, or maintained upon any Commercial Lot without the prior written approval of the ASC.

<u>Design</u>. The design of all signs shall be an integral part of the design of the building or structure involved and shall be compatible with the physical site involved and with the Development.

<u>Size</u>. Signs will be limited in size as may from time to time be prescribed by the ASC.

Rotation. Signs shall not rotate.

<u>Materials</u>. All signs shall be constructed of durable materials and shall be mounted with bolts, fasteners, or clips of hot dipped galvanized iron, stainless steel, aluminum, brass, or bronze.

Mounting. All letters or signs mounted on any exterior wall or any structure so as to be exposed to the weather will be mounted three-

fourths of an inch (3/4") from such wall to permit proper dirt and water drainage.

<u>Installation and Lighting</u>. All signs shall be installed in accordance with the drawings approved by the ASC. Any penetration of a building structure required for sign installation will be neatly sealed in a watertight condition. Occupant will be fully responsible for the operations of occupant's sign contractors.

<u>Height</u>. The height of any free-standing sign shall be compatible with the physical site involved with a maximum height of twenty feet (20') unless otherwise permitted by the ASC.

Roof Signs. Roof signs or any signs extending above the roof line are prohibited.

<u>Loading Docks and Service Areas</u>. All loading docks, truck ramps and service areas shall be screened so as not to be visible from other property in the vicinity, including lots, roads and Common Areas. Such screening shall have an opaque finish and be of a material and of a height acceptable to the ASC.

<u>Utilities</u>. The ASC may, if it finds it necessary or desirable for the environment of the Development, require that all utility lines, wires, pipes and conduits, including without limitation all electrical and telephone lines and cables, be constructed and installed underground; *provided, however,* that said requirement shall not apply to any outlet thereof, or means of access thereto, or any sewer pumping plant, or electrical generator or transformer, or to any utility line or facility which must, of necessity, be installed above ground.

Roofs. All roofing materials shall be approved by the ASC.

<u>Antennae</u>. No exterior antenna of any type, or other exterior, structure or device for sending or receiving electromagnetic waves, shall be erected, constructed, placed or maintained on any Commercial Lot without the prior written approval of the ASC.

Ground Areas. All ground areas not covered by any building or other structure shall be either paved or landscaped. All roadways, driveways, truck ramps, loading and delivery areas and vehicle parking areas shall be paved with a hard-surfaced impermeable material acceptable to the ASC. All paved areas shall be

maintained and kept clean, reasonably clear of snow and free of oil and other extraneous matter.

<u>Building Materials</u>. All structures on any Commercial Lot shall be constructed substantially of new materials, and no used structure shall be placed on any Commercial Lot without the prior written approval of the ASC.

<u>Occupancy</u>. No structure shall be used or occupied until the same has been substantially completed in accordance with its plans and specifications.

(c) Variance Authority of Committee. The Architectural Standards Committee shall have the power to grant variances from any of the provisions in this Section 8.4.

ARTICLE 9 ARCHITECTURAL APPROVAL

- 9.1 Prior Architectural Approval Required. No exterior Improvement, no outdoor lighting, no mast, pole, tower, antenna, receiver, or transmitter to the extent restricted by Section 9.2.7 ("Satellite Dishes and Antennas"), no outdoor painting, and no landscaping shall be commenced, erected, planted, placed, maintained or installed within the Development, nor shall any exterior addition or change or alteration of an Improvement be made, until the plans and specifications showing the nature, kind, shape, color, height, size, materials, and location of the same have been submitted to and approved in writing by the ASC. The requirement of architectural approval shall also apply to certain interior additions as provided for in this Declaration or pursuant to Architectural Rules adopted by the Association. The requirement of architectural approval shall not apply to improvements made or constructed by or on behalf of the Association.
- 9.2 <u>Some Common Architectural Concerns.</u> This <u>Section 9.2</u> enumerates some common areas of architectural concern. These are examples only and do not represent an exhaustive list of changes that require prior architectural approval. Nothing in this <u>Section 9.2</u> shall be deemed to limit the generality of <u>Section 9.1</u> ("Prior Architectural Approval Required").
 - 9.2.1 <u>Exterior Painting</u>. Prior architectural approval shall not be required for repainting or refinishing a structure in its existing color scheme, like for like, if such colors have been previously approved.
 - 9.2.2 <u>Decorative Features</u>. Planter boxes, hanging plants, trellises, fountains, sculptures, and similar feature are generally acceptable;

1 2 3 4		however, the Board may in its reasonable discretion limit the use of such decorative features if such features are found to be aesthetically offensive, overbearing, or incompatible with surrounding elements.
5 6 7 8	9.2.3	Mailboxes; Newspaper Tubes. Mailboxes shall comply with all applicable postal regulations and Architectural Rules, if any. There shall be no free-standing exterior mailboxes or newspaper tubes.
9 10 11 12	9.2.4	Outside Drying and Laundering. No outside clothesline shall be permitted, erected, or maintained on any Lot in a manner which is visible from a neighboring Lot or Common Area.
12 13 14 15 16 17 18	9.2.5	<u>Drainage Patterns</u> . No excavation and no alteration or addition of any kind is permitted which alters or may alter existing drainage patterns of existing channels upon, under, and/or across the Development property or any portion thereof through which water in time of storms or otherwise naturally flows or through which water has been caused to flow artificially, without obtaining prior architectural approval.
20 21 22 23	9.2.6	No Installations on Roof. Absolutely no installation of any kind, including but not limited to skylights, solar panels, antennas, or airconditioning equipment, shall be placed or installed upon any roof without obtaining prior architectural approval.
24 25 26 27 28 29 30 31 32 33	9.2.7	Satellite Dishes and Antennas. No outside radio or television aerial, antenna, dish, wire, or other receiving or transmitting device shall be erected, constructed, or maintained on any Lot, except (i) those expressly approved by the ASC or (ii) those that, by law, cannot be prohibited. It is the intention of this Section 9.2.7 to restrict outside radio or television aerials, antennas, dishes, wires, and other receiving or transmitting devices in the Development to the extent permitted by law and to authorize the Board to adopt and implement Rules regarding the same.
35 36 37 38 39	9.2.8	Masts, Poles, Towers, Other Projections. No outside mast, pole, tower, or projection of any type attached to any structure that extends above the roof of the structure (with the exception of chimneys and vent stacks) and no outside mast or pole shall be placed or permitted to remain without prior architectural approval.
40 41 42 43 44	9.2.9	Storage Units; Temporary Structures. No shed, temporary structure, cargo container, temporary storage container ("PODS") shall be erected, maintained, kept, or used anywhere within the Development without the prior architectural approval pursuant to this Article 9 . Any approved temporary building shall be used only for purposes incidental

to approved construction and shall be removed promptly upon completion of the work.

9.3 Architectural Rules.

- 9.3.1 In General. Subject to the requirements of *Civil Code* section 4340 and following, the Board may from time to time adopt, amend, and repeal rules and regulations to be known as "Architectural Rules." Architectural Rules shall set forth the standards for architectural review and guidelines for architectural design, placement of buildings and other structures, outdoor lighting, and landscaping, color schemes, exterior finishes and materials, and similar features which are recommended for use in the Development and may include restrictions on satellite dishes and solar energy systems consistent with applicable law; *provided, however*, that Architectural Rules shall not be in derogation of any minimum standards required by this Declaration.
- 9.3.2 Roofs. Any Architectural Rules concerning the installation or repair of a roof shall comply with applicable law including *Civil Code* section 4720, if it applies.
- 9.3.3 <u>Kitchens</u>. No more than one (1) kitchen facility shall be installed or maintained within a Dwelling without prior architectural approval.
- 9.3.4 <u>Tree Removal</u>. No tree with a diameter of four inches (4") or more at three (3) feet from the ground shall be destroyed, uprooted, cut down or removed from any Residential Lot or Condominium Lot without prior architectural approval and, where required, approval of the Tahoe Donner Foster.
- 9.4 Establishment and Composition of ASC. The Board shall appoint an ASC consisting of three (3) regular Members of the Association. The ASC members and any alternate shall serve at the pleasure of the Board. If at any time there shall not be a duly-constituted ASC, the Board shall exercise the functions of the ASC in accordance with the terms of this Article 9. The Board may also appoint alternate ASC members who shall attend ASC meetings and shall be authorized to act as a substitute on the ASC with the power to vote in the event of absence or disability of any committee member. The ASC members and any alternate(s) shall serve at the pleasure of the Board. If at any time there is no ASC, the Board shall exercise the functions of the ASC in accordance with this Article 9.
- 9.5 <u>Duties and Authority of ASC</u>. It shall be the duty of the ASC to consider and act upon proposals or plans submitted to it pursuant to the terms of this Declaration and to perform such other duties as may be delegated to it by the Board.

- 9.6 <u>Meetings; Minutes; Reimbursement</u>. The ASC shall meet as necessary to properly perform its duties hereunder. The ASC shall keep and maintain a record of all actions taken by it at such meetings or otherwise. The ASC and its members shall be entitled to reimbursement for reasonable out-of-pocket expenses incurred by them in the performance of any ASC function.
- 9.7 Preliminary Consultation with ASC Prior to Submitting Application. Any Owner considering performing any work requiring the prior approval of the ASC may apply to the ASC for preliminary consultation by submitting preliminary plans or drawings of the contemplated work in accordance with the Architectural Rules. The purpose of the preliminary consultation procedure is to allow an Owner considering making substantial improvements an opportunity to obtain guidance concerning design considerations before expending substantial sums for plans and other exhibits required to apply for actual approval. Within forty-five (45) days after receiving a request for a preliminary consultation, the ASC shall consider the preliminary information submitted and shall respond in writing to the Owner. The ASC's response shall give the requesting Owner such direction concerning the form and substance of an approval application for the contemplated work as the ASC deems proper or desirable for the guidance of the Owner. The issuance of a preliminary consultation response by the ASC shall not under any circumstances be deemed approval of any contemplated work; nor, once an Owner submits a request for approval, shall it preclude the ASC requesting additional information about the proposed work based on the actual application.
- 9.8 Written Request for ASC Approval. Any Owner proposing to perform any work that requires prior approval pursuant to this Article 9, shall submit to the ASC a written request setting forth the nature of the proposed work and furnishing such information and documentation as the ASC may require depending on the nature and size of the proposed work. Such information and documentation may include but is not limited to: (i) floor plans, (ii) color samples of exterior materials, (iii) specifications, (iv) building plans, (v) wall sections, (vi) exterior elevations, (vii) roof plans, (viii) landscaping plans, (ix) graphics and exterior furnishings, and (x) the Owner's proposed construction schedule.
- 9.9 <u>Fees; Professional Consultants</u>. The ASC may charge a reasonable fee or fees for review of architectural or landscaping applications, drawings, plans, and specifications which may include the cost of retaining outside consultants including but not limited to architects, engineers, soils experts, or contractors.
- 9.10 Notice, Meetings, Minutes. At least four (4) days' prior notice of all ASC meetings shall be posted on the Association's website. The ASC shall meet on a monthly basis and more frequently if required to consider and act upon an Owner's request for approval. All meetings of the ASC shall be open to Members. The Owner and, in the ASC's discretion, other interested persons,

- may present information relevant to the Owner's requested approval. The Committee shall keep minutes of all ASC meeting.
- 9.11 Basis for Decisions; Good Faith. The ASC's decisions shall be made in good faith and shall not be unreasonable, arbitrary, or capricious. It is recognized and intended that the ASC will employ subjective criteria and judgments in its review of and determination concerning plans and proposals submitted to it. The ASC shall make its decisions from the perspective of the interest of the Development as a whole in the fostering of the coherence, value, attractiveness and aesthetic compatibility of all architectural designs and features in the Development, after consideration of such factors the ASC reasonably determines to be relevant and after reasonable investigation consistent with the scope and circumstances of the proposal submitted to the ASC. The vote or written consent of a majority of the ASC members shall constitute an act by the ASC. The ASC shall grant the requested approval only if:
 - (a) The Owner has submitted a complete application;
 - (b) The ASC finds that the plans and specifications conform to this Declaration and to the Architectural Rules in effect at the time such plans were submitted to the ASC. Pursuant to Section 9.13 ("Variances"), the ASC may approve any application involving a request for or a need for a variance. A variance shall not include any minor deviations from the Architectural Rules or Minimum Construction Standards of Article 8 ("Minimum Construction Standards"), necessary to overcome practical difficulties, or avoid unnecessary expense, or prevent unnecessary hardship to the Owner(s);
 - (c) The ASC finds that the proposed work will, if approved, be consistent and compatible with the architectural and aesthetic standards prevailing within the Development and will be in harmony with the external design and appearance of other existing structures and improvements within the Development, and as to location with respect to topography and finished grade elevations; and
 - (d) The ASC determines that the proposed work would be consistent with the standards of the Development and the purposes of this Declaration as to quality of workmanship and materials.
- 9.12 <u>Decisions in Writing; Timely Decision; Reasonable Conditions</u>. All approvals and rejections of requests for approval shall be in writing and shall be issued by the ASC within sixty (60) days from the date of submission of a complete application to the ASC. Any approval may include such reasonable conditions as the ASC or the Board may determine. If a request is rejected, the decision shall include

- an explanation of the ASC's decision and a notice describing the Owner's right to request consideration by the Board.
- 9.13 <u>Variances</u>. When approving an application pursuant to this <u>Article 9</u>, the ASC may allow reasonable variances from the Architectural Rules, the provisions of <u>Article 8</u> ("Minimum Construction Standards"), and the use restrictions at <u>Sections 6.1 through 6.8</u> of this Declaration; subject to the following:
 - 9.13.1 Written Determination. The ASC must make a good faith written determination that issuance of a variance (i) will not constitute a material deviation from any restrictions contained within this Declaration, (ii) the proposed alteration allows the objectives of the applicable use restriction provision being deviated from to be substantially achieved despite the noncompliance, or (iii) the variance applies to a land use restriction or minimum construction standard that is otherwise applicable but the ASC finds is unnecessary or burdensome under the circumstances applicable to the Lot.
 - 9.13.2 Approval of Land-Use Restriction or Minimum Construction Standard Variance. Any variance related to a land-use restriction or to a minimum construction standard may be approved so long as it will not create an unreasonable nuisance with respect to any portion of the Development or result in a material detriment to the Development.
- 9.14 <u>Disapproval by ASC; Reconsideration by Board</u>. An application that has been disapproved by the ASC may be re-submitted to the Board by the Owner or upon the Owner's request may be referred by the ASC to the Board for reconsideration. Reconsideration of an application by the Board of Directors shall be done at an open meeting, pursuant to the procedures set forth in Section 14.13 ("Owner's Request for Hearing").
- 9.15 Failure of ASC or Board to Make Timely Decision. If the ASC shall fail to act on a request for approval within the time specified in Section 9.12 ("Decisions in Writing; Timely Decision; Reasonable Conditions"), or if the Board shall fail to consider the Owner's request in a timely fashion pursuant to Section 9.14, ("Disapproval by ASC; Reconsideration by Board"), the Owner shall be entitled to invoke internal dispute resolution pursuant to Civil Code section 5910, discussed in Section 14.16 ("Internal Dispute Resolution").
- 9.16 Failure to Obtain Required Approval. If any work that requires prior approval pursuant to this Article 9 is performed without such approval having been obtained, the Board shall be entitled to proceed in accordance with the provisions of Section 9.20 ("Notice of Non-conformity") and Section 9.21 ("Failure to Remedy Non-conformity") as though the Board had given written Notice of Non-conformity with approved plans.

- 9.17 Commencement of Approved Work. Upon receipt of written approval, the Owner shall, as soon as practicable, satisfy all conditions of the approval and diligently proceed with the commencement and completion of all approved work. Commencement of the approved work shall occur, in all cases, within ninety (90) days from the date of such approval. In the case of original construction on a vacant Lot, "commencement of construction" shall mean at least the completion of grading and the pouring of all or substantially all foundations for any improvements. If the Owner fails to comply with this paragraph, any approval previously given shall be deemed revoked unless the ASC, upon written request of the Owner made prior to the expiration of the time for commencement of the approved work, extends the time for such commencement. The ASC shall not grant an extension of time for commencement of the work if the ASC finds that there has been a material change in the circumstances upon which the original approval was granted.
- Completion; Extension of Deadline. The Owner shall complete all approved work 9.18 within one (1) year after commencement thereof; except that in the case of original construction on a vacant Lot or reconstruction after substantially total destruction of the improvements on a Lot, the construction or reconstruction shall be completed within two (2) years after commencement thereof. In the case of projects under construction when this Declaration is recorded, the construction or reconstruction shall be completed by the completion date specified in the project approval or, if no such completion date was specified, within one (1) year (or in the case of original construction on a vacant Lot or reconstruction after substantially total destruction of the improvements on a Lot within two (2) years), after the date of recordation. The date for completion may be extended by the ASC pursuant to the Architectural Rules. If an Owner fails to comply with this Section 9.18, the ASC shall notify the Board of such failure, and the Board shall be entitled to (or on its own initiative the Board may) proceed in accordance with the provisions of Section 9.20, ("Notice of Non-conformity"), as though the Board has given written Notice of Non-conformity with approved plans.
- 9.19 Notice of Completion; Inspection of Completed Work. Upon the completion of any work for which approval is required under this Article 9, the Owner shall give written notice of completion to the ASC. Within sixty (60) days after receiving notice of completion from the Owner, the ASC or its duly-authorized representative may inspect such work to determine if it substantially complies with the granted approval and Owner shall cooperate with the ASC to conduct such inspection. If the ASC fails to notify the Owner of any non-conformity within such sixty (60) day period, the work shall be deemed to be in accordance with the granted approval. If the Owner fails to give notice of completion, the Board shall be entitled to proceed in accordance with the provisions of Section 9.20 ("Notice of Non-conformity"), as though the Board has given written Notice of Non-conformity with approved plans.

33

34

35

25

26

27

28

43

44

- Notice of Non-conformity. If the ASC finds that the work was not done in 9.20 substantial conformity with the granted approval, it shall notify the Owner in writing before the end of such sixty (60) day period set forth in Section 9.19 ("Notice of Completion; Inspection of Completed Work") specifying particulars of non-conformity and requiring the Owner to remedy the same within thirty (30) days from the date of the notice from the ASC or such longer time as the ASC may designate in the notice.
- 9.21 Failure to Remedy Non-conformity. If the Owner fails to remedy such nonconformity within the time specified in the Notice of Non-conformity from the ASC, the ASC shall notify the Board in writing of such failure. Pursuant to the procedures set forth in Section 14.12 ("Hearing Called by the Board; Executive Session; Open Meeting"), the Board shall then set a date on which a hearing before the Board shall be held regarding the alleged non-conformity. If the Board finds at such hearing that a substantial non-conformity exists, the Board may, in addition to any other remedy available under the Governing Documents or applicable law, order the Owner to remedy or remove such non-conformity. If the Owner thereafter fails to do so within the time specified by the Board, the Board may, in addition to any other remedy available under the Governing Documents or applicable law, remove or remedy the non-conformity and, in that event, all expenses incurred by the Association in connection therewith shall be assessed against the Owner as a Reimbursement Assessment.
- 9.22 Non-waiver. The approval by the ASC or the Board of any plans, drawings, or specifications for any work done or proposed, or for any other matter requiring approval under this Article 9, shall not be deemed to constitute a waiver of the right to withhold approval of any similar plan, drawing, specification, or matter subsequently submitted for approval with respect to the same Lot or any other Lot.
- Estoppel Certificate. Within thirty (30) days after written demand is delivered to 9.23 the Association by an Owner, and upon payment to the Association of a reasonable fee (as fixed from time to time by the Board), the Board shall cause to be recorded an estoppel certificate certifying, with respect to specified improvements and other work performed by the requesting Owner upon a particular Lot owned by such Owner, that as of the date of the estoppel certificate, either: (i) the improvements and other work specified by the Owner and performed by the Owner are not in violation of the architectural approval requirements of this Declaration, or (ii) that certain or all of the specified improvements or other work are in violation of the architectural approval requirements, in which event the estoppel certificate shall identify the noncomplying improvements or work and set forth with particularity the basis of such non-compliance. Any purchaser from the Owner, or from anyone deriving any interest in a Lot through the Owner, shall be entitled to rely on the recorded

estoppel certificate with respect to the matters therein set forth, such matters being conclusive as between the Association and the Owner(s) and any persons deriving any interest through the Owner(s).

Disclaimer of Liability. Neither the Board, nor any ASC, nor any member thereof shall be liable to the Association, to any Owner, or to any person deriving an interest through an Owner for any damage, loss, or prejudice suffered or claimed on account of: (i) the approval or disapproval of any plans, drawings, and specifications, whether or not defective; (ii) the construction or performance of any work, whether or not pursuant to approved plans, drawings, and specifications; or (iii) the development of any property within the Development; or (iv) the execution and filing of an estoppel certificate pursuant to Section 9.23 ("Estoppel Certificate") whether or not the facts therein are correct: provided. however, that the Board, ASC, or such member has acted in good faith on the basis of such information as may be possessed by it or him or her. Without limiting the generality of the foregoing, the Board or any ASC may, but is not required to, consult with or hear the views of the Association or any Owner with respect to any plans, drawings, specifications, or any other proposal submitted for approval pursuant to this Article 9. Every purchaser, by acquiring title to a Lot or portion thereof agrees not to bring any action or suit against the Board, the ASC, or its or their members seeking to recover any such damages.

22

9.25 Compliance with Governmental Requirements. The Owner of the Lot is required to obtain all permits and governmental authorizations, if any, required for any work done upon such Owner's Lot and such Owner must comply with all applicable zoning and building codes as well as other applicable laws and ordinances. The Owner of each Lot is solely responsible for complying with any applicable building permit process or other governmental requirements with respect to any work done upon the Owner's Lot. Submission of a request for approval by the ASC or the Board and the review and approval of any proposals, plans, or other submittals shall in no way be deemed to be satisfaction of or compliance with any building permit process or any other governmental requirements, nor shall it constitute the assumption of any responsibility by or impose any liability on the Association, the Board, the ASC, or its or their members as to the accuracy, efficacy, or sufficiency thereof. When Architectural approval standards of the Association are more stringent than applicable governmental standards, the more stringent standards of the Association shall apply, notwithstanding the fact that governmental approval may have been obtained based on governmental standards that are less stringent than those of the Association.

22

35 36

29

41

42

43 44

This Article 10 does not apply to Commercial Lots and Commercial Lots do not pay Assessments.

- Covenant of Owner. Each Owner of a Separate Interest within the Development, 10.1 by acceptance of a deed or other conveyance thereof, whether or not it shall be so expressed in such deed or conveyance, shall be deemed to have covenanted and agreed to pay to the Association all: (i) Regular Assessments, (ii) Special Assessments, (iii) Reimbursement Assessments, and (iv) Enforcement Assessments levied by the Association as hereinafter provided, together with all Additional Charges.
 - 10.1.1 Association's Power to Collect. Such deed or conveyance shall be deemed to vest in the Association the right and power to initiate all actions and procedures as the Board shall deem necessary or appropriate for the collection of such Assessments and Additional Charges and for the enforcement of the liens hereinafter provided for. If the Separate Interest is owned by an entity, such as a corporation, a limited liability company, a partnership, or other entity, the assessment levied by the Association pursuant to this Declaration, together with all Additional Charges, shall be a personal debt and obligation of each principal, partner, managing member, member or officer of such entity and shall bind his or her heirs, devisees, personal representatives, successors, and assigns. Upon taking title to a Separate Interest, the entity-Owner shall notify the Association in writing of the name(s) and provide contact information for each such owner, principal, partner, managing member, or officer, whichever the case may be.
 - 10.1.2 Assessments Are a Personal Obligation. Assessments levied by the Association pursuant to this Declaration, together with all Additional Charges, shall be a personal debt and obligation of the Owner against whom they are assessed, and shall bind his or her heirs, devisees, personal representatives, successors, and assigns.
 - Obligation Runs with the Land. The obligation to pay Assessments 10.1.3 and Additional Charges and the right and power of the Association to initiate all actions and procedures for collection shall run with the land, so that each successive Owner or Owners of any Separate Interest shall, in turn, become liable to pay all such Assessments and Additional Charges assessed that become due and payable during the time he or she is Owner of such Separate Interest.

- Owner's Liability After Transfer. After an Owner transfers of record his or her interest in any Separate Interest, he or she shall not be liable for any Assessments levied thereafter with respect to such Separate Interest. Such Owner shall remain personally liable, however, for all unpaid amounts due and owing at the time of transfer, together with Additional Charges accruing until time of collection. No assumption of personal liability by a successor Owner shall relieve any Owner from personal liability for delinquent Assessments. A Contract Seller of any Separate Interest shall continue to be liable for all Assessments and Additional Charges until a conveyance by deed of such Separate Interest is recorded in the Office of the County Recorder.
- 10.2 <u>Creation of Lien</u>. Each Assessment levied by the Association pursuant to this Declaration, together with all Additional Charges, shall be a charge upon the land and upon levy shall be secured by a continuing lien upon the property against which such Assessment is levied. The Association shall have a separate lien and a separate lien is hereby created upon each Separate Interest to secure the payment of any such Assessments and Additional Charges as may be levied under this Declaration.
 - Lien Is Continuing. The lien provided for herein shall continue to secure all Assessments and Additional Charges levied upon any Separate Interest notwithstanding the transfer of record title to such Separate Interest, and any such transfer shall be subject to the Association's lien, provided that, prior to such transfer, a Notice of Delinquent Assessment has been recorded as provided in the Declaration and by law.
 - 10.2.2 Priority of Association's Assessment Liens. The priority of all such liens on each Separate Interest shall be in inverse order so that upon the foreclosure of the lien for any particular charge on any Separate Interest, any sale of such Separate Interest pursuant to foreclosure of the lien will be made subject to all liens securing Assessments and Additional Charges on such Separate Interest that become due and payable subsequent to the lien being foreclosed upon.
- 10.3 Purpose of Assessments. The Assessments levied by the Board shall be used exclusively to pay for the costs of management and operation of the Development, of conducting the business and affairs of the Association, to promote the recreation, health, safety, welfare, benefit, and interests of the Owners and Residents in the Development, and for the improvement and maintenance, repair, and replacement of the Common Area and, to the extent provided for in the Governing Documents or by law, of the Separate Interests situated within the Development or which, in the opinion of the Board, shall be deemed to be necessary or proper for the management of the Development or of

- the affairs of the Association, or the benefit of the Owners, or for the enforcement of the Governing Documents.
- 10.4 Funds to Be Held in Association Name. Unless otherwise determined by the Board, the Association shall maintain at least two (2) separate accounts in one (1) or more banks or other depositories selected by the Board, which accounts shall be clearly designated Tahoe Donner Association operating account and Tahoe Donner reserve account. The Assessments collected by the Association shall be properly deposited into such accounts. Withdrawal of funds from Association accounts shall be subject to the requirements of Section 10.4 of the Bylaws ("Checks, Drafts, and Evidences of Indebtedness").
- 10.5 <u>Funds Held in Trust for Owners</u>. The Assessments collected by the Association shall be held in trust by the Association for and on behalf of each Owner. Upon sale or transfer of any Separate Interest by any Owner, the Owner's interest in the funds held in trust by the Association shall terminate and shall be deemed automatically transferred to the successor-transferee of such Owner.
- 10.6 <u>Authority of the Board to Levy Assessments</u>. The Board shall have the power and the duty to levy Regular Assessments and Special Assessments sufficient to meet the Association's obligations under the Governing Documents and applicable law.
- 10.7 Regular Assessment.
 - 10.7.1 Calculation of Estimated Requirement. Prior to the beginning of each fiscal year, the Board shall estimate the net funds required by the Association for such fiscal year to manage, administer, operate, and maintain the Development; to conduct the affairs of the Association; and to perform all of the Association's duties in accordance with the Governing Documents, including a reasonable amount allocated to contingencies and to a reserve fund for restoration, repair, and/or replacement of those components for which the Association is responsible and which must be repaired or replaced on a periodic basis. The amount of estimated required funds shall constitute the Regular Assessment.
 - Allocation of Regular Assessment. The Board shall allocate and assess the Regular Assessment equally among the Separate Interests by dividing the amount by the number of Separate Interests within the Development. Owners of multiple Separate Interests that have been used as a single homesite or Unit that have been legally merged to create a single homesite or Unit shall be responsible for payment of Regular Assessments on each of the original Separate Interests on the same basis as if the Separate Interests were not used as a single

homesite or Unit or were not merged. When an undeveloped Condominium Lot is develop with Units, each Unit shall be a Separate Interest and each Owner of a Unit shall be obligated to pay an equal share of the Regular Assessment.

- 10.7.3 Payment of Regular Assessment. Unless the Board shall designate otherwise, Regular Assessments shall be levied on an annual basis and shall be paid in one (1) installment which shall be due on the first (1st) day of January; *provided, however,* that the Board may allow for the payment of annual assessments in equal installments.
- Notice of Regular Assessment. Not less than thirty (30) days and not more than ninety (90) days prior to the beginning of each fiscal year, the Board shall send to each Owner a notice of the amount of the Regular Assessment allocated to his or her Separate Interest, except that if there is an increase in the Regular Assessment over the previous year, in compliance with *Civil Code* section 5615, the notice shall be provided to the Owner by Individual Delivery not less than thirty (30) days and not more than sixty (60) days before the due date of the increased Regular Assessment.
- 10.7.5 Permitted Increase in Regular Assessment. Pursuant to Civil Code section 5605(b), except as otherwise provided by law, the Board shall not increase the Regular Assessment for any fiscal year above the amount of the Regular Assessment for the preceding fiscal year by more than twenty percent (20%) (or such other limitation on the increase as may be imposed by law), except upon the affirmative vote of a majority of Members voting on any such increase in the Regular Assessment, provided that a quorum is established. For purposes of the preceding sentence and to the extent required pursuant to Civil Code section 5605(c), a quorum shall mean more than fifty percent (50%) of the Members of the Association, notwithstanding any lower quorum requirement which may be set forth in the Bylaws.
- 10.7.6 Revised Regular Assessment. Subject to the provisions of Section 10.7.5 ("Permitted Increase in Regular Assessment") or as otherwise permitted by law, if at any time during the course of any year, the Board determines the amount of the Regular Assessment to be inadequate, by reason of a revision of its estimate of either expenses or income or otherwise, the Board shall have the right, at a regular or special meeting of the Board, to revise the Regular Assessment for the balance of the fiscal year. To the extent required by Civil Code section 5615, notice of any such increase shall be given to the Members by Individual Delivery and such revised Regular Assessment shall become effective on the first day of the next month that is at least thirty

(30) days and not more than sixty (60) days after the date of such notice.

10.7.7 Failure to Fix Regular Assessment. The failure or omission by the Board to fix or levy any Regular Assessment before the expiration of any fiscal year, for that fiscal year or the next fiscal year, shall not be deemed either a waiver or a modification in any respect of the provisions of this Declaration, or a release of any Owner from the obligation to pay Assessments or any installment thereof for that or any subsequent year, but the amount of the Regular Assessment fixed for the preceding fiscal year shall be the amount of the Regular Assessment for the ensuing fiscal year until a new Regular Assessment is levied.

10.8 Special Assessments.

- 10.8.1 Purpose of Special Assessments. If at any time during any fiscal year the Regular Assessment proves inadequate for any reason, including nonpayment of any Owner's share thereof or the unexpected repair, replacement, or reconstruction of improvements located in the Development, or if funds are otherwise required for any authorized activity of the Association, the Board may levy a Special Assessment in the amount of such actual or estimated inadequacy or cost.
- 10.8.2 Permitted Amount of Special Assessments. Except in the case of an emergency situation as defined in *Civil Code* section 5610, in any fiscal year the Board may not levy Special Assessments which, in the aggregate, exceed five percent (5%) of the budgeted gross expenses of the Association for that fiscal year (or such other limitation on the amount as may be imposed by law), except upon the affirmative vote of a majority of the Members voting on any such Special Assessment, provided that a quorum is established. For purposes of the preceding sentence and to the extent required pursuant to *Civil Code* section 5605(c), a quorum shall mean more than fifty percent (50%) of the Members of the Association, notwithstanding any lower quorum requirement which may be set forth in the Bylaws.
- 10.8.3 <u>Allocation of Special Assessments</u>. Special Assessments shall be allocated and assessed among the Separate Interests in the same manner as Regular Assessments.
- 10.8.4 Notice of Special Assessment. Upon the imposition of a Special Assessment or an increase in a Special Assessment, in compliance with *Civil Code* section 5615 notice thereof shall be given to each Owner by Individual Delivery, not less than thirty (30) days and not

more than sixty (60) days prior to the due date of the Special Assessment.

10.9 <u>Development Fund Special Assessments</u>.

- 10.9.1 Purpose of Development Fund Special Assessments. If at any time the Board shall propose to undertake a capital improvement project to add Common Area and/or Common Area Facilities to the Development, the Board may levy a Development Fund Special Assessment in such amount the board shall determine, in its sole discretion shall be required to fund the costs and expenses of the proposed capital improvement project.
- 10.9.2 Member Approval Required for a Development Fund Special Assessment. In any fiscal year the Board may levy a Development Fund Special Assessment for funding the costs and expenses of a capital improvement project without a Member vote, so long as the Development Fund Special Assessment, in the aggregate does not exceed five percent (5%) of the budgeted gross expenses of the Association for that fiscal year. And, upon the affirmative vote of a majority of the Members voting on any such Development Fund Special Assessment, provided that a quorum is established, the Board may levy a Development Fund Special Assessment which in the aggregate is in excess of five percent (5%) of the budgeted gross expenses of the Association for that fiscal year. For purposes of the preceding sentence and to the extent required pursuant to Civil Code section 5605(c), a guorum shall mean more than fifty percent (50%) of the Members of the Association, notwithstanding any lower quorum requirement which may be set forth in the Bylaws.
- 10.9.3 <u>Allocation of Development Fund Special Assessments</u>. Development Fund Special Assessments shall be allocated and assessed among the Separate Interests in the same manner as Regular Assessments.
- 10.9.4 Notice of Development Fund Special Assessment. Upon the imposition of a Development Fund Special Assessment notice thereof shall be given to each Owner by Individual Delivery, not less than thirty (30) days and not more than sixty (60) days prior to the due date of the Development Fund Special Assessment.
- 10.9.5 Payment of Development Fund Special Assessments; Cost of Payment Plans. Development Fund Special Assessments shall be payable in a lump sum or in installments as may be determined by the Board with regard to each Development Fund Special Assessment when it is imposed. If the Association incurs additional expenses

because of a payment method selected by an Owner (for example, but not limited to, paying a Development Fund Special Assessment in installments instead of in a lump sum), the Association may charge such expense to the Owner as an Additional Charge or as a Reimbursement Assessment. Nothing in this Section 10.8 shall be deemed to obligate the Association to offer or permit alternate payment plans.

- 10.10 Reimbursement Assessments. The Board, after notice and a hearing as provided for in Section 14.11 ("Notices: Content, Delivery") and Section 14.12 ("Hearing Called by the Board; Executive Session; Open Meeting"), may levy a Reimbursement Assessment against an Owner and his or her Separate Interest:
 - (a) To reimburse the Association for costs incurred to maintain, repair, or replace property (including property within a Separate Interest) when such damage is due to the act or neglect of such Owner, his or her Contract Purchaser, or member of his or her household, pet, tenant, invitee, or guest, or as otherwise provided in the Governing Documents;
 - (b) If the failure of such Owner, his or her Contract Purchaser, or member of his or her household, pet, tenant, invitee, or guest to comply with any provision of the Governing Documents has necessitated or resulted in an expenditure of funds by the Association to deal with such lack of compliance or to bring such person or the Separate Interest into compliance;
 - (c) To reimburse the Association for any costs of collecting from an Owner any amount the Owner is obligated to pay the Association.

Without limiting the generality of the foregoing, and to the fullest extent permitted by law, all costs including attorney fees, incurred by the Association to enforce Section 6.11 ("Restriction on Businesses Conducted Within a Separate Interest"), Section 6.10 ("Animals"), Section 6.10 ("Indemnification Regarding Tenants' Actions"), and Section 14.6 ("Injunctions"), or to defend any claim arising or alleged to arise from any of the foregoing sections, shall be reimbursed to the Association as a Reimbursement Assessment. Any Reimbursement Assessment shall be due and payable to the Association when levied.

10.11 Enforcement Assessments. Subject to the requirements set forth in Section 14.8 ("Imposing Sanctions"), the Board may levy an Enforcement Assessment (and any fine or monetary penalty imposed by the Board in accordance with the provisions of the Governing Documents shall be deemed to be such an Enforcement Assessment), for violation of any of the provisions of the Governing

Documents. Any Enforcement Assessment shall be due and payable to the Association when levied.

- 10.12 No Offsets. All Assessments levied by the Board shall be payable in the full amount specified, including any Additional Charges imposed as provided by the terms of this Declaration, and no offsets against any such amounts shall be permitted for any reason whatsoever, including without limitation a claim that the Association has failed to properly exercise its duties of maintenance or enforcement.
- 10.13 <u>Bad Checks</u>. An Owner who writes a check to the Association on insufficient funds shall be charged a service fee in the amount permitted by *Civil Code* section 1719 and may be liable for damages to the Association in an amount equal to three (3) times the amount of the bad check, as provided by statute.
- 10.14 Delinquent Assessments; Acceleration in the Event of Delinquency. Any installment or other portion of an Assessment not received within fifteen (15) days after its due date shall be delinquent and, to the fullest extent permitted by law including *Civil Code* section 5650(b), shall be subject to a late charge and, thirty (30) days after the due date, interest not to exceed the maximum rate permitted by law, as well as all other Additional Charges. If any monthly installment of the Regular Assessment or any installment of a Special Assessment that has been levied and is permitted to be paid on an installment basis is delinquent for a period of sixty (60) days, the Association may, but shall not be obligated to, declare the entire balance of the Regular Assessment or the Special Assessment immediately due and payable together with all other delinquent amounts.
- 10.15 Enforcement by Action at Law or Foreclosure. The Board, on behalf of the Association, may enforce the payment of any delinquent Assessment plus Additional Charges by bringing an action at law against any Owner personally obligated to pay the same, or by foreclosing the lien against the Owner's Separate Interest by judicial or non-judicial foreclosure, to the fullest extent permitted by law. To the extent prohibited by *Civil Code* section 5725(b), the amount of an Enforcement Assessment may not become a lien that is enforceable by non-judicial foreclosure.
 - 10.15.1 <u>Pre-lien Notice</u>. At least thirty (30) days prior to recording a Notice of Delinquent Assessment against a Separate Interest to collect a debt that is past due, the Association shall provide written notice to the Owner(s) of the Separate Interest, as required by *Civil Code* section 5660 ("Pre-lien Notice").
 - 10.15.2 <u>Prior to Recording a Lien</u>. Prior to recording a Notice of Delinquent Assessment, the Association shall comply with all applicable

requirements imposed by law, including offering to participate in internal dispute resolution (Section 14.16 of this Declaration) or Alternative Dispute Resolution (Section 14.17 of this Declaration) to the extent required pursuant to *Civil Code* section 5670 and making the decision to record a lien for delinquent Assessments at an open meeting of the Board, to the extent required pursuant to *Civil Code* section 5673.

- Owner's Right to Discuss Payment Plan. To the extent provided in Civil Code section 5665, an Owner may submit to the Board a written request to discuss a payment plan for a debt noticed in a Pre-lien Notice. If the Owner's written request is mailed to the Board (as evidenced by a postmark or receipt of mailing) within fifteen (15) days after the postmark on the Pre-lien Notice, the Board shall meet with the Owner within forty-five (45) days of the postmark date of the Owner's written request, unless there is not a regularly scheduled Board meeting within the period, in which case the Board, in its discretion, may hold a special meeting in executive session to meet with the Owner or may designate a committee of one (1) or more Board members to meet with the Owner.
- 10.15.4 Notice of Delinquent Assessment. The amount of the past due debt noticed in the Pre-lien Notice shall be a lien from and after the recording of a Notice of Delinquent Assessment. No later than ten (10) days after recordation, a copy of the Notice of Delinquent Assessment shall be mailed by certified mail in compliance with *Civil Code* section 5675 to every person whose name is shown as an Owner of the Separate Interest in the Association records or in such manner and to such persons as may be required by applicable law.
- 10.15.5 Delinquent Assessments of Less Than \$1,800. To the extent provided in *Civil Code* section 5720(b), delinquent Assessments totaling less than One Thousand Eight Hundred Dollars (\$1,800) that are less than twelve (12) months delinquent may not be collected by judicial or non-judicial foreclosure, but may be collected in any other manner provided by law including a civil action in small claims court to the extent provided in *Civil Code* section 5720(b)(1) or recording a lien as provided in *Civil Code* section 5720(b)(2). Prior to recording such a lien, the Association shall offer to participate in internal dispute resolution (Section 14.16 of this Declaration) to the extent required by *Civil Code* section 5720(b)(2).
- 10.15.6 <u>Initiating Foreclosure</u>. As provided in *Civil Code* section 5700(a), no procedures shall be initiated to foreclose the lien securing any noticed past due debt under this <u>Article 10</u> until after the expiration of thirty (30)

days following the recording of a Notice of Delinguent Assessment. To the extent required pursuant to Civil Code section 5705(b), the Association shall offer to participate in internal dispute resolution (Section 14.16 of this Declaration) or Alternative Dispute Resolution (Section 14.17 of this Declaration). To the extent required by Civil Code section 5705(c), a decision to initiate foreclosure shall be made only by the Board in an executive session meeting.

- 10.15.7 Amount Due and Payable. Except with respect to the amount of any Enforcement Assessment, upon the recording of the Notice of Delinquent Assessment referred to above, the Association may, at its option, declare the entire balance of all sums then due or to become due from the Owner, immediately due and payable, which total sum may then be included in any suit, action, or other procedure initiated to collect said sums, including all Additional Charges.
- 10.15.8 Notice of Initiating Foreclosure. To the extent required pursuant to Civil Code section 5705(d), the Association shall provide written Notice of Initiating Foreclosure to the record Owner of the Separate Interest. including notice by personal service to any resident Owner.
- 10.16 Power of Sale. Each Owner does hereby appoint the Association as trustee to enforce and to foreclose any lien which is established pursuant to the terms of this Declaration, by private power of sale, as provided in Division III, Part 4, Title 14, Chapter 2, Article 1, (Section 2920 and following) of the Civil Code of the State of California, and does further grant to the Board of Directors, on behalf of the Association, the authority and power to sell the Separate Interest of such Owner in the event of any default in payment of any Assessments or Additional Charges levied against such Separate Interest, for lawful money of the United States, to the highest bidder, to satisfy said lien. The Association, as trustee for the remaining Owners, or any other Owner, may purchase the Separate Interest at said sale.
- 10.17 Right of Redemption. To the extent provided pursuant to Civil Code section 5715(b), a non-judicial foreclosure to collect delinquent Assessments shall be subject to a right of redemption.
- 10.18 Remedies Are Cumulative. The Board may commence any procedure for the collection of delinquent Assessments upon its own decision. The remedies provided in this Declaration for collection of delinquent Assessments shall be cumulative and not exclusive; that is, the Association may use one (1) or more or all of the available remedies to collect delinquent Assessments to the fullest extent permitted by law.

44

- 10.19 <u>Partial Payments</u>. The Association's acceptance of a partial payment, whether voluntary or involuntary, shall not prevent the Association from pursuing any or all of its available collection remedies.
- 10.20 <u>Certificate of Satisfaction and Release of Lien</u>. Upon payment in full of a delinquent Assessment, including any Additional Charges, or the satisfaction thereof, the Board shall cause to be recorded, in the same manner as the Notice of Delinquent Assessment, a further certificate stating the satisfaction thereof and the release of the lien.
- 10.21 Subordination to Lien of First Mortgage. Except as otherwise expressly provided by law, the lien securing each of the Assessments provided for under this Declaration shall have priority as of the date of recordation of the Notice of Delinquent Assessment, as provided in Section 10.15.4, over all other liens and encumbrances applicable to the Separate Interests; provided, however, that such Assessment lien shall be subordinate to the lien of any First Mortgage recorded against the Separate Interest prior to the date the Notice of Delinguent Assessment was recorded; and provided, further, that such subordination shall apply only to the Assessments which have become due and payable prior to the sale of such property pursuant to a decree of foreclosure of any such First Mortgage, or pursuant to a power of sale contained in any such First Mortgage. Such foreclosure sale shall not relieve such property from liability for any Assessments and Additional Charges becoming due after the sale of such property pursuant to a decree of foreclosure of any such First Mortgage, or pursuant to a power of sale contained in any such First Mortgage, nor from the lien of any subsequent Assessment, including Assessments levied against all Separate Interests proportionately to compensate for the unpaid Assessments and Additional Charges, which shall constitute a lien upon the purchased Separate Interest in accordance with this Article 10.
- 10.22 <u>Waiver of Exemptions</u>. Each Owner, to the extent permitted by law, does hereby waive, to the extent of any liens created pursuant to this Declaration, the benefit of any homestead or exemption laws of the State of California in effect at the time any Assessment or installment thereof becomes delinquent or any lien is imposed pursuant to the terms of this Declaration.
- 10.23 <u>Property Exempt from Assessments</u>. The following property subject to this Declaration shall be exempt from the Assessments, Additional Charges, and liens created herein:
 - (a) All property dedicated to and accepted by the City or County or other local public authority and devoted to public use;
 - (b) Any Separate Interest which is owned by the Association as a result of the Association having acquired such Separate Interest through foreclosure;

provided, however, that such exemption shall apply only during the period in which the Association is record owner of such Separate Interest;

- (c) All Common Area; and
- (d) All Other Association Property.

ARTICLE 11 MAINTENANCE OF PROPERTY

- 11.1 <u>Association's Responsibility for Common Area Generally</u>. The Association has the exclusive right and responsibility to provide maintenance, repair, upkeep, and replacement of the Common Area and Common Facilities and improvements, and landscaping thereon, and Other Association Property, and any other real and/or personal property that may be acquired by the Association, keeping such property in good condition and repair. Without limiting the generality of the foregoing:
 - 11.1.1 <u>Landscaping; Janitorial; Painting</u>. The Association shall specifically be responsible for providing lighting, landscaping, gardening (including periodic replacement, as the Board deems necessary, of trees, shrubs, and other plants upon the Common Area), and janitorial services for the Common Area, as needed, and shall cause any and all other acts to be done which may be necessary to assure the maintenance of the Common Area in good condition and repair, including painting of the exterior surfaces of Common Area building(s) and such other portions of the Common Area as the Board, in its discretion, determines to be necessary.
 - 11.1.2 <u>Snow Removal</u>. The Association shall be responsible for providing snow removal for the Common Area as necessary in the discretion of the Board.
 - 11.1.3 Common Area Utilities and Services; Utility Laterals. The Association shall procure and pay for water, sewage, garbage, electrical, gas, telephone, fiberoptics, cable, and other service for the Common Area. The Association shall pay all charges for utilities supplied to the Development except those metered or charged separately to the Lots. The Association shall maintain all utility installations located in the Common Area except for (i) those installations maintained by utility companies, public, private, or municipal and (ii) utility lateral lines that serve a single Lot exclusively, no matter where located, which are the responsibility of the Lot Owner.

- 11.1.4 <u>Drainage Systems</u>. Except for those installations maintained by a public, private, or municipal entity, the Association shall be responsible for maintenance, repair, and replacement of drainage installations and facilities, and for culverts and canals designed to collect storm runoff and all natural drainage courses within the Common Area.
- 11.1.5 <u>Employees or Independent Contractors</u>. The Association may perform its obligations and provide such services as the Board shall determine through employees of the Association or through independent contractors. In either case, Residents or Owners shall not interfere with or attempt to instruct any of such persons in the performance of their duties.
- 11.2 Owner's Responsibility for Maintenance of Units. Each Owner shall be responsible for the maintenance, repair, and replacement of his or her Condominium as may be required in a Supplemental Declaration with respect to a Condominium Project.
- 11.3 Owner's Responsibility for Maintenance of Lots. Each Owner shall be responsible for the maintenance, repair, and replacement of his or her Lot, and any and all improvements, structures, outbuildings, fences, gates, driveways, patio, paving, walkways, pathways, lighting, and landscaping thereon, keeping the same in a clean, sanitary, workable, and attractive condition. Without limiting the generality of the foregoing:
 - 11.3.1 <u>Utility Laterals and Lines</u>. Each Owner shall be responsible for the maintenance, repair and replacement of utility laterals and utility lines that serve the Owner's Lot exclusively, even if all or a portion of such lateral or line is situated in the Common Area.
 - 11.3.2 <u>Landscaping</u>. Subject to the restrictions on tree removal at <u>Section 6.9</u> ("Tree Removal"), each Owner shall be responsible for the maintenance, repair and replacement of the landscaping within the Lot, keeping the same is a neat, clean, and attractive condition. Landscaping must be maintained in such a manner as to not become a fire hazard or to be unsightly.
 - 11.3.3 <u>Drainage</u>. Each Owner shall be responsible for the maintenance, repair, and replacement of drainage facilities located upon the Lot. Each Owner shall keep any drainage facilities, culverts, ditches or swales (whether natural or manmade) free and clear of obstructions and in good working condition at all times. No Owner shall alter or obstruct a natural drainage course or materially add to the natural water volume of such drainage course without making adequate provisions with respect to neighboring Lots and Common Area. As

- provided for in <u>Section 9.2.5</u> ("Drainage Patterns"), alterations, obstructions, or additions to natural or other drainage facilities upon a Lot is subject to prior architectural approval.
- 11.3.4 <u>Slope Control</u>. Except for those installations maintained by a public, private, or municipal entity, each Owner shall be responsible for the maintenance, repair, and replacement of slope control areas of the Lot and all slope control improvements thereon.
- 11.3.5 <u>Compliance with Architectural Provisions.</u> An Owner's right and responsibility for maintaining, repairing, or replacing any portions of his or her Lot shall be subject to any applicable provisions of the Governing Documents relating to landscaping and architectural control, including <u>Article 9</u> ("Architectural Approval").
- 11.4 Owner's Cooperation. Each Owner and Resident shall cooperate with the Board and its agents in the performance of maintenance, repair, or replacement by the Association of any portion of Common Area.
- 11.5 <u>Wood Destroying Organisms</u>. As provided in *Civil Code* section 4780(b), each Owner is responsible for and shall perform maintenance and repair of his or her Lot and Dwelling occasioned by the presence of wood destroying pests or organisms, including mold, decay, dry rot, Bark Beatles, and termites. Without limiting the generality of the foregoing, every Owner and Resident shall be responsible for taking reasonable measures to prevent conditions that may cause such damage, including but not limited to use of proper spacers under planters and other objects that may trap moisture, stacking of firewood on racks, and prompt removal of leaves, dirt, and other debris and may be liable to the Association for the cost of maintenance, repair, or replacement due to damage as provided in <u>Section 11.10</u> ("Owner's Liability to Association for Negligent Damage").
- 11.6 Authority for Entry of Lot. The Association or its agents shall have the right to enter any Lot whenever such entry is necessary, in the Board's discretion, for purposes of inspection to (1) ensure compliance with the use restrictions of this Declaration, (ii) to ensure compliance with the Architectural Rules, and (iii) to perform maintenance, repair or replacement that the Association is required to perform as a result of an Owner's failure to perform such maintenance, repair or replacement. Such entry shall be made with as little inconvenience to the Residents as practicable and only upon reasonable advance written notice of not less than ten (10) days, except that in emergency situations notice shall be given as the situation reasonably permits.
- 11.7 <u>Acceptance of Condition of Lot</u>. Each Owner, by acceptance of a deed to a Lot, accepts responsibility for the condition of the Lot including but not limited to

existing defects, unresolved architectural violations of any predecessor Owner, and failure of a predecessor Owner to perform maintenance, repairs, or replacement upon the Lot or any encroachments upon the Common Area that are the responsibility of the Lot Owners, and the Association shall be entitled to exercise all of its enforcement powers with respect to the obligations of Lot Owner in connection with such conditions, whether or not such conditions were disclosed to the Owner.

- 11.8 <u>Board's Discretion to Require Maintenance</u>. The Board shall have the discretion to determine whether any maintenance, repair, or replacement that is the responsibility of an Owner is necessary to preserve the appearance and value of the property within the Development or any portion thereof and may notify an Owner of the work the Board deems necessary. In the event an Owner fails to perform such work within sixty (60) days after notification by the Board to the Owner, the Board may, after written notice to the Owner and the right of a hearing before the Board pursuant to <u>Section 14.12</u> ("Hearing Called by the Board; Executive Session; Open Meeting"), cause such work to be done and charge the cost thereof to the Owner as a Reimbursement Assessment.
- 11.9 <u>Limitation of Association's Liability</u>. The Association shall not be responsible or liable for damage to a Lot or any improvement thereon or contents thereof, except to the extent arising from the willful misconduct or gross negligence of the Association, its employees, contractors, or agents.
- 11.10 Owner's Liability to Association for Negligent Damage. In the event the need for any maintenance, repair, or replacement performed by the Association is caused by the willful or negligent act or omission of an Owner or a Resident, a member of his or her household, pets, tenants, invitees, or guests, the cost of such maintenance, repair, or replacement not covered by insurance, including any applicable insurance deductible and the cost of materials, labor, supplies, and services shall be charged to, and paid by, the Owner of the Lot in the form of a Reimbursement Assessment.

ARTICLE 12 INSURANCE

12.1 <u>Insurance Coverage to Be Maintained by Association</u>. The Association shall procure and maintain, as a common expense of all Owners, the types of insurance described in <u>Section 12.2</u> ("Common Area Hazard Insurance to Be Maintained by Association"), <u>Section 12.3</u> ("Earthquake Insurance"), <u>Section 12.4</u> ("General Liability Insurance to Be Maintained by Association"), and <u>Section 12.5</u> ("Other Insurance to Be Maintained by Association"), if and to the extent such insurance, with the coverages described below, is available at a reasonable premium cost.

- 12.2 Common Area Hazard Insurance to Be Maintained by Association. Association shall maintain a policy of fire and extended coverage insurance covering all of the Common Area, the Common Facilities and the Other Association Property and all furnishings, equipment, and personal property owned by the Association or owned in common by all of the Owners, with limits equal to one hundred percent (100%) of the full insurable replacement costs of the Common Area improvements exclusive of land, foundation, excavations, and other items normally excluded from coverage. The policy may contain a reasonable deductible and the amount of the deductible shall be added to the face amount of the policy in determining whether the insurance equals the replacement cost.
 - 12.2.1 Policy Endorsements. The policy may include such endorsements as the Board, in its discretion, shall determine based on the character and replacement cost of the Common Area, Common Facilities, and Other Association Property improvements from time to time, such as:
 - an increased cost of construction endorsement or a contingent (i) liability from operation of building laws and ordinances endorsement or their equivalent with the following three (3) coverages: (a) contingent liability, (b) demolition of the undamaged part of the building, and (c) increased cost of construction because of changes in codes;
 - coverage for costs of demolition; (ii)
 - (iii) glass coverage;
 - comprehensive equipment and machinery breakdown coverage (iv) for all Common Area Facilities as defined in Section 1.10.2;
 - (v) windstorm, lightening, sprinkler leakage, for or water damage;
 - (vi) coverage for loss or damage as a result of theft, vandalism, or malicious mischief:
 - (vii) a determinable cash adjustment clause or a similar clause to permit cash settlement covering full value of the improvements in case of total or partial destruction and a decision not to rebuild:
 - coverage for demolition in the event of total or partial destruction (viii) and a decision not to rebuild:

- (ix) maintenance fees receivable coverage in case of damage to a Parcel by a covered peril and the Board is unable, after reasonable effort to collect assessments from the Owner of the affected Parcel; and
- (x) a no coinsurance or margin clause.

12.2.2 <u>General Policy Provisions</u>. Such policy shall:

- (i) name the Master Association as the first-named insured and the Owners or any of them, as additional insureds;
- (ii) contain a standard Mortgagee clause;
- (iii) provide a waiver of subrogation as to any and all claims against the Master Association, its officers and directors, the manager, and the Owners and a waiver of all defenses based upon acts of the insureds or the existence of co-insurance; and
- (iv) shall require that at least thirty (30) days' prior written notice be given to the Master Association by the insurer before cancellation except that in the case of cancellation for nonpayment of premiums or for fraud the notice shall be given no less than ten (10) days prior to the effective date of the cancellation.
- 12.3 <u>Earthquake Insurance</u>. The Association may carry earthquake insurance for some Common Facilities, such as the pool, with such coverage and deductibles as the Board may from time to time determine; *provided, however*, that if a Special Assessment in an amount requiring approval of the Members or an increase in the Regular Assessment in an amount requiring approval of the Members shall be required to fund the payment of the earthquake insurance premiums, and the Members shall fail to approve such Special Assessment or increase in the Regular Assessment, the Association shall not be obligated to maintain or procure earthquake insurance.
- 12.4 <u>Liability Insurance to Be Maintained by Association</u>. The Association shall maintain commercial general liability insurance insuring the Association, its officers and directors, its manager, its employees, its committee members, its agents, and the Owners against any liability incident to operation, management, ownership, maintenance, and repair of the Common Area and to protect against liability to the public or to any Owner incident to the use of, or resulting from accidental or intentional act occurring in or about the Common Area, but excluding the liability of an Owner incident to personal bodily injury and property damage occurring within that Owner's Lot or in any other Lot or upon the

Common Area resulting from the negligence of that Owner. Limits of liability shall be set by the Board but shall in no event be less than Three Million Dollars (\$3,000,000).

- 12.4.1 Scope of Coverage. Such liability insurance policy shall insure against personal injury, including medical payments, advertising injury, death, or property damage occurring in, on or about any portion of the Common Area and if available and at a reasonable cost as determined by the Board shall include:
 - (i) water damage liability,
 - (ii) hired and non-owned vehicle coverage, theft and collision coverage,
 - (iii) liability for property of others,
 - (iv) elevator liability coverage, if applicable,
 - (v) off-premises employee coverage, and
 - (vi) such other risks as are customarily covered in similar developments.
- 12.4.2 <u>Other Provisions</u>. If available and at a reasonable cost as determined by the Board, such liability insurance policy:
 - (i) shall contain a waiver of subrogation as to claims against the Association, the Board members, the committee members, the Owners and members of the Owner's family who reside with such Owner, except in cases of arson or fraud;
 - (ii) shall contain a waiver of the defense of invalidity on account of the conduct of any Owner over which the Board has "no control;"
 - (iii) shall require that at least thirty (30) days' prior written notice be given to the Association by the insurer before cancellation, except that in the case of cancellation for nonpayment of premiums or for fraud, the notice shall be given no less than ten (10) days prior to the effective date of the cancellation;
 - (iv) shall provide that in no event shall the insurance be brought into contribution with insurance purchased individually by Owners or their Mortgagees;

- (v) shall exclude policies obtained by the individual Owners from consideration under any "other insurance" clause; and
- (vi) shall contain a provision requiring the insurer to defend lawsuits for which there is coverage under the policy even if the allegations are fraudulent, but authorizing the insurer to make such investigation and settlement of any claim or suit within the policy limit as it deems expedient,
- (vii) a standard ISO endorsement listing the Residential Owners as insureds except for liability arising out of their own Units (ISO CG 20 04 11 85) or its equivalent.

12.5 Other Insurance to Be Maintained by Association.

- Directors' and Officers' Insurance. The Association shall maintain directors' and officers' liability insurance for monetary and non-monetary loss with limits to be set by the Board but in no event less than One Million Dollars (\$1,000,000) or any higher applicable limit set forth in *Civil Code* section 5800, and containing an insured vs. insured endorsement to the extent commercially available and a waiver of subrogation as to the Association, the officers, the directors, committee members, the employees, and the agents and employees, or any of them. Coverage for prior acts, to the extent obtainable, shall be included.
- 12.5.2 <u>Automobile Insurance</u>. If the Master Association operates owned, hired or non-owned vehicles for the Project, the Master Association shall maintain comprehensive automobile liability insurance at a limit of liability of not less than Five Hundred Thousand Dollars (\$500,000) for combined bodily injury and property damage.
- 12.5.3 Workers' Compensation Insurance. The Association shall maintain workers' compensation insurance to the extent necessary to comply with any applicable laws and may carry such insurance at any time as determined by the Board.
- 12.5.4 <u>Fidelity Insurance</u>. The Association shall maintain standard fidelity insurance covering dishonest acts and employee theft on the part of officers, directors, and committee members of the Association, the manager, and any employees or volunteers who are responsible to handle funds of the Association. Such insurance shall name the Association as obligee, shall be written in an amount not less than three (3) times the monthly Regular Assessments plus the amount of

43

44

45

reserve funds, and shall contain a waiver of any defense based on the exclusion of persons serving without compensation.

- 12.5.5 Other Insurance. The Association may maintain at any time and from time to time any other insurance, including but not limited to flood insurance, coverage for business income and extra expenses, and for maintenance fees receivable, and any other such and bonds as the Board may from time to time deem necessary or desirable.
- <u>Insurance to Be Maintained by Owner</u>. The insurance policies to be carried by 12.6 the Association pursuant to Section 12.1 ("Insurance Coverage to Be Maintained by Association") are not intended to cover the Lots or Units or the commercial structures or residential Dwellings, or the condominium Units erected, installed and maintained thereon, or liability of an Owner incident to ownership or use of his or her Lot, Unit, structure or Dwelling, or liability incident to an Owner's negligence upon the Common Area and Common Facilities. In addition to any insurance an Owner may be required to procure as set forth in a Supplemental Declaration, each Owner shall be responsible for procuring and maintaining (i) hazard insurance on the Owner's Lot or Condominium and any structures and/or Dwelling improvements, (ii) insurance against Owner liability incident to ownership or use of the Owner's Lot or Condominium, liability incident to an Owner's negligence upon the Common Area or Common Facilities, (iii) insurance on the contents of the Dwelling, Unit, or commercial buildings and/or structures, and (iv) such other insurance as the Owner shall determine is adequate to cover such other risks as the Owner shall determine, including but not limited to loss of business, loss of use, additional living expenses, loss of rental income or business income, and loss assessment coverage. If an Owner fails to obtain any insurance he or she is obligated or permitted to obtain pursuant to this Declaration, nothing in this Declaration shall be construed to impose any obligation whatsoever on the Association to insure that which the Owner does not insure.
- 12.7 <u>Insurance Proceeds</u>. Proceeds of all insurance policies owned by the Association shall be received by the Association and shall be deposited in the operating account of the Association; *provided*, *however*, that whenever repair or reconstruction is required, the proceeds of any insurance received by the Association as a result of any loss shall be applied to such repair or reconstruction except to the extent of any excess insurance proceeds as provided in <u>Section 13.2.4</u> ("Excess Insurance Proceeds").
- 12.8 Responsibility for Payment of Deductible. Subject to the provisions of Section 11.10 ("Owner's Liability to Association for Negligent Damage"), the amount of the deductible under any insurance obtained by the Association shall be borne solely by the Association. If an Owner is responsible for the payment of such deductible, the failure or refusal of the Owner's insurance carrier to pay or

34

35

36

37

38

39

40

41 42

43

44

- reimburse the deductible shall not relieve the Owner of his or her responsibility for the deductible.
- 12.9 Owner's Liability for Conditions Affecting Insurance. As provided in Section 5.1.3 ("Conditions Affecting Insurance"), the responsible Lot Owner shall be liable to the Association if anything is done, placed, or kept within the Development that increases the rate of insurance or results in the cancellation of insurance under any insurance policy maintained by the Association.
- 12.10 <u>Insurance Carriers</u>. All insurance policies carried by the Association shall be written by companies that are not prohibited from doing business in the State of California.
- 12.11 <u>Annual Review of Policies</u>. The limits and coverage of all insurance policies carried by the Association shall be reviewed at least annually by the Board and increased or decreased in its discretion.
- 12.12 Coverage Not Available; Disclaimer. In the event any insurance policy or any endorsement listed in in Section 12.2 ("Common Area Hazard Insurance to Be Maintained by Association"), Section 12.3 ("Earthquake Insurance"), Section 12.4 ("General Liability Insurance to Be Maintained by Association"), and Section 12.5 ("Other Insurance to Be Maintained by Association"), is for any reason not available, then the Association shall obtain such other or substitute policy or endorsement as may be available which provides, as nearly as possible, the coverage described above. The Association, and its directors and officers, shall have no liability to any Lot Owner or Mortgagee if, after good faith effort, it is unable to obtain or maintain the insurance required pursuant to Section 12.2, Section 12.3, Section 12.4, and Section 12.5 because the insurance is no longer available or, if available, can be obtained or maintained only at a cost that the Board in its sole discretion determines is unreasonable under the circumstances, or the Members fail to approve any Special Assessment or increase in the Regular Assessment needed to fund the insurance premiums. In accordance with Civil Code section 5810, as soon as reasonably practicable, the Association shall notify the Members by Individual Notice if any of the policies described in Section 7.5.8 of the Bylaws ("Summary of Association's Insurance Policies") have lapsed or been canceled, and are not immediately renewed, restored, or replaced, or if there is a significant change, such as a reduction in coverage or limits or an increase in the deductible for any of those policies. If the Association receives any notice of non-renewal of a policy described in Section 7.5.8 of the Bylaws and replacement coverage will not be in effect by the date the existing coverage will lapse, the Association shall immediately notify the Members by Individual Notice.
- 12.13 <u>Copies of Policies</u>. Copies of all insurance policies (or certificates of insurance) and paid invoices showing that premiums have been paid shall be retained by

the Association and shall be available for inspection by Owners at any reasonable time.

- 12.14 Adjustment of Losses. The Board is appointed attorney-in-fact by each Owner to file all claims and to negotiate and agree on the value and extent of any loss under any policy carried by the Association pursuant to Section 12.2 ("Common Area Hazard Insurance to Be Maintained by Association"), Section 12.3 ("Earthquake Insurance"), Section 12.4 ("General Liability Insurance to Be Maintained by Association"), and Section 12.5 ("Other Insurance to Be Maintained by Association"). The Board is granted full right and authority to compromise and settle any claims or enforce any claim by legal action or otherwise and to execute releases in favor of any insured.
- 12.15 <u>Premiums</u>. The premiums for any insurance obtained by the Association shall be a common expense of the Association and shall be paid for out of the operating fund of the Association.

ARTICLE 13 DAMAGE OR DESTRUCTION; CONDEMNATION

- 13.1 <u>Emergency Repairs</u>. Without waiting to obtain insurance settlements or bids, the Board may undertake such emergency repair work after a casualty to the Common Area or Common Area improvements as it may deem necessary or desirable under the circumstances including but not limited to mitigating or removing dangerous conditions and other actions that may be necessary to comply with applicable laws, ordinances, and regulations; and the Board may charge the operating account for the costs thereof.
- 13.2 <u>Damage to Common Area</u>. In the event of damage to or destruction of the Common Area or other property of the Association or any part thereof, then the following provisions shall apply:
 - 13.2.1 <u>Amount of Insurance Proceeds</u>. The Board shall obtain a determination of the amount of available insurance proceeds that will be recovered from the Association's insurance carrier(s).
 - 13.2.2 <u>Bids.</u> The Board shall obtain such bids from responsible licensed contractors as the Board deems appropriate to restore the damaged or destroyed property to its condition immediately prior to such damage or destruction (including compliance with current building code and ordinance requirements and any modifications approved by the Board), including provision for a completion bond.

- 13.2.3 <u>Sufficient Proceeds</u>. If the insurance proceeds paid to the Association are sufficient to cover the costs of restoration, the Board shall contract with such contractor as the Board in its discretions shall determine and proceed to perform the restoration.
- 13.2.4 <u>Excess Insurance Proceeds</u>. Any excess insurance funds shall be deposited in the operating account of the Association.
- If the insurance 13.2.5 Insufficient Proceeds: Decision Not to Repair. proceeds, together with reserve funds, if any, allocated for replacement of the damaged or destroyed improvement, are insufficient to cover the costs of repair or replacement of the property damaged or destroyed, the Association may levy a Special Assessment against the Members of the Association up to the maximum amount permitted without a Member approval vote as provided in Section 10.8.2 ("Permitted Amount of Special Assessments") to cover the cost of the repair or replacement not covered by the insurance proceeds. If the sum of insurance proceeds, allocated reserve funds, and Special Assessment funds equal less than eighty-five percent (85%) of the cost of repair or replacement, the Members may elect not to cause such replacement or repair by the vote of two-thirds (2/3) of the Total Voting Power of the In that event, the damaged Common Area shall be cleared and landscaped; provided, however, that there shall exist in such Common Area adequate vehicular and pedestrian rights-of-way for Owners to ensure legal access to each Owner's Lot and the costs thereof shall be paid from the insurance proceeds, any allocated reserve funds and, if necessary, the other funds of the Association. Any remaining insurance proceeds shall be used in the manner determined by the Board, provided that such use shall not be inconsistent with the purposes of the Association.
- 13.2.6 <u>Alternative Repair Plan.</u> If a decision not to rebuild is not approved pursuant to <u>Section 13.2.5</u> ("Insufficient Proceeds; Decision Not to Repair"), the Board shall use such funds as are available to repair or stabilize the damaged Common Area according to such alternative plan as the Board shall deem appropriate under the circumstances.

- Owner to Repair. If any Lot or any improvement on a Lot is damaged or destroyed by fire or other casualty, the Owner(s) of such Lot shall repair or rebuild the structures upon such Lot and restore such Lot to its condition prior to the damage or destruction, or to such other condition as shall have been approved in advance by the ASC pursuant to Article 9 ("Architectural Approval").
- Commencement and Completion of Repair. Repair or rebuilding shall be commenced and completed within the times specified in Section 9.17 ("Commencement of Approved Work") and Section 9.18 ("Completion: Extension of Deadline").
- Insufficient Insurance Proceeds. In the event the insurance proceeds are insufficient to complete such work, the Lot Owner shall pay such additional sums as may be necessary to complete such rebuilding and
- Destruction; Failure to Timely Repair. In the case of total or substantially total destruction of a Dwelling, if restoration is not commenced within one (1) year after the occurrence of the destruction, the Board may require that the foundation and other installations be removed and the Lot restored to a safe, orderly, and natural condition. Nothing in the preceding sentence shall be deemed to limit the right of the Association to otherwise enforce the obligation of an Owner to restore or rebuild the damaged structures and restore the Lot as provided in the first sentence of this Section 13.3.4.
- Total Condemnation of Lot. If an entire Dwelling or Lot, or so much thereof as to render the remainder unfit for use as a Dwelling, is condemned or taken for a public or quasi-public use pursuant to any statute, by right of eminent domain, or by private purchase in lieu of eminent domain, the Owner's membership in the Association shall terminate as of the last day of the month in which the condemner obtains the right to possession, or upon Owner's vacating the premises, whichever occurs last.
- Partial Condemnation of Lot. If only a portion of a Dwelling or Lot is 13.4.2 taken and the remainder is fit for use as a Dwelling, the Owner shall continue to be a Member of the Association.

- 13.4.3 Rights of Association. In any condemnation action involving an Owner's Dwelling or Lot, the Association shall have the right to seek compensation for any damages incurred by the Association.
- 13.5 Revision of Documents. In the event of (i) a partial or complete condemnation of the Common Area or the taking of all or a portion of the Common Area by right of eminent domain or by private purchase in lieu of eminent domain, (ii) condemnation or taking of one (1) or more Lots, or (iii) a decision by the Association by affirmative act or failure to act, not to repair damaged Common Area, the Association shall have the power and authority to resurvey the remaining portion of the Development and to execute and record, on behalf of itself and the individual Owners, all necessary documents to show the altered status of the Development, including but not limited to a revised Subdivision Map and an amended Declaration and readjustment of the percentages of undivided interest of the remaining Owners in the Development, if applicable.

ARTICLE 14 ENFORCEMENT; NOTICE; HEARINGS

- 14.1 <u>Violations As Nuisance</u>. Every act or omission constituting or resulting in a violation of any of the provisions of the Governing Documents shall be deemed to constitute a nuisance and, in addition to any other remedies which may be available, such nuisance may be abated or enjoined by the Association or its Officers or Board of Directors or by any Owner; *provided, however*, that the Board shall not be obligated to take action to abate or enjoin a particular violation if, in the exercise of its discretion, the Board determines that acting to abate or enjoin such violation is not likely to foster or protect the interests of the Association and its Members as a whole.
- 14.2 <u>Violation of Law Is a Violation of the Declaration</u>. Any violation of a state, municipal, or local law, ordinance or regulation pertaining to the ownership, occupancy, or use of any property within the Development is hereby declared to be a violation of this Declaration and subject to any and all of the enforcement procedures set forth herein.
- 14.3 Owner's Responsibility for Conduct and Damages. Each Owner shall be fully responsible for informing members of his or her household, Contract Purchasers, tenants, invitees, and guests of the provisions of the Governing Documents, and shall be fully responsible for the conduct, activities, and any Governing Document violation of any of them, and for any damage to the Development or the Association resulting from the negligent or intentional conduct of any of them or the conduct of any pet belonging to any of them.

- 14.4 <u>No Avoidance</u>. No Owner may avoid the burdens or obligations imposed by the Governing Documents through non-use of any Common Area facilities or by abandonment of his or her Lot.
 - 14.5 <u>Enforcement Rights Are Cumulative</u>. To the fullest extent permitted by law, including *Civil Code* section 5975, the Association and any Owner shall have the right to enforce any and all provisions of the Governing Documents by any proceeding at law or in equity. Each remedy provided is cumulative and not exclusive.
 - 14.6 <u>Injunctions</u>. Except for the nonpayment of any Assessment levied pursuant to the provisions of this Declaration, it is hereby declared that a remedy at law to recover damages for a default in the performance of any of the terms and provisions of any of the Governing Documents or for the breach or violation of any such provisions is inadequate and that the failure of any Owner, Contract Purchaser, member of his or her household, tenant, invitee, guest, or household pets or any other occupant or user of any of the property within the Development to comply with any provision of the Governing Documents may be enjoined in any judicial proceedings initiated by the Association, its officers or Board of Directors, or by any Owner or by their respective successors in interest.
 - Limitation on Association's Disciplinary Rights. To the extent provided in *Civil Code* section 4510, the Association shall not have the power and authority to cause a forfeiture or abridgment of an Owner's right to the full use and occupancy of his or her Lot as the result of the failure by such Owner, members of his or her household, Contract Purchaser, tenants, invitees, guests or pets to comply with any provision of the Governing Documents, except where such forfeiture or abridgement is the result of the judgment of a court of competent jurisdiction, a decision arising out of an arbitration proceeding, or a foreclosure or sale under private power of sale for failure of such Owner to pay Assessments levied by the Association pursuant to this Declaration. The provisions of this Section 14.7 shall not affect the Association's right to impose other sanctions including imposing Enforcement Assessments as provided in Section 14.8 ("Imposing Sanctions").
 - 14.8 Imposing Sanctions. Upon an explicit finding and for reasons specified by the Board or the Architectural Standards Committee or the Covenants Committee or the Covenants Committee and conducted in accordance with this Article 14, the Board or the Architectural Standards Committee or the Covenants Committee shall have the power to impose sanctions on a Member who is in default in the payment of any Assessment or Additional Charge levied by the Board or is found to be in violation of any provision of the Architectural Rules or is found to be in violation of any provision of the Governing Documents. Sanctions may include

45

loss of good standing, suspension of other rights, and/or monetary penalties (fines), as described below.

- 14.8.1 Loss of Good Standing. The Board or the Architectural Standards Committee or the Covenants Committee may suspend a Member's Good Standing for so long as the Member remains in default of such payment or until the violation is remedied. When a Member is not in Good Standing, his or her Association voting rights shall be suspended and the Member shall be disgualified from serving on the Board.
- 14.8.2 <u>Suspension of Other Rights</u>. The Board or the Architectural Standards Committee or the Covenants Committee may suspend a Member's or a Resident's right to use Common Area and Common Facilities for so long as a Member remains in default of such payment, or for such period as may be specified by the Board or the Covenants Committee if the violation involves misbehavior related to Common Area and Common Facilities.
- Monetary Penalties (Fines). The Board may adopt a policy imposing monetary penalties or fines (which shall constitute Enforcement Assessments) pursuant to *Civil Code* section 5850. Such policy, if adopted, shall be distributed to the Member in the annual policy statement pursuant to *Civil Code* section 5310. Multiple fines may be imposed for multiple violations. The schedule of fines may be changed by the Board by a Rule change pursuant to *Civil Code* section 4360 and following.
- 14.8.4 Monthly Sanctions for Continuing Violations. In the case of a continuing violation, such as an uncorrected architectural violation, where an Owner fails to remedy the violation after notice to do so, the Board or the Architectural Standards Committee or the Covenants Committee may impose sanctions, including monetary penalties, such sanctions to remain in effect for a period of one (1) month or until the continuing violation is remedied, whichever occurs sooner. (By way of example and not limitation, a violation in the nature of parking every day in a prohibited parking space would not constitute a "continuing violation" but each instance would constitute a separate violation.) If the continuing violation has not been remedied within the one (1) month period, the Board or the Architectural Standards Committee or the Covenants Committee may impose separate and successive sanctions for the continuing violation, provided the Board or the Architectural Standards Committee or the Covenants Committee conducts a separate hearing, not more frequently than once a month, before imposing each successive sanction. The Board or the Architectural Standards Committee or the Covenants Committee may

limit the scope of such hearing to facts and circumstances occurring subsequent to the previous hearing relating to the subject continuing violation.

- 14.8.5 Reimbursement Assessment Not a Sanction. The imposition of a Reimbursement Assessment pursuant to the Declaration does not constitute and shall not be deemed to be a sanction.
- 14.9 <u>Investigation of Complaints</u>. Upon receipt of a written complaint from an Owner or a Resident, the Board or the Architectural Standards Committee (if it pertains to an Architectural Rules) or the Covenants Committee (if it pertains to misbehavior related to Common Area and Common Facilities or violations of any of the use restrictions in this Declaration) shall conduct an investigation of the allegations in the complaint and shall make relevant findings upon which the Board or the Architectural Standards Committee or the Covenants Committee shall base a decision to pursue or not pursue the matter. If the Board decides not to pursue a matter, it shall notify the complaining party in writing stating the reason(s) for its decision.
- 14.10 Written Notice of Violation. If the Board or the Architectural Standards Committee or the Covenants Committee determines, whether on its own initiative or pursuant to a written complaint, that a violation of the Governing Documents exists or has occurred, it shall notify the responsible Owner(s) by written notice in compliance with Section 14.11 ("Notices: Content, Delivery").
- 14.11 Notices: Content, Delivery. Any notice of violation required or given under this Article 14 shall be in writing and shall comply with Civil Code section 5855 as to content and time of service and with Civil Code section 4040 as to method of service.
 - 14.11.1 Content of Notice of Violation. Any notice given by the Association to a Member shall comply with *Civil Code* section 5855 and shall, at a minimum, set forth a brief description of the act or omission constituting the alleged violation of the Governing Documents; a reference to the specific Governing Document provision or provisions alleged to have been violated; if applicable, a statement that the Member may request a hearing by the Board or the Architectural Standards Committee or the Covenants Committee; the date, time, and location of any hearing called by the Board or the Architectural Standards Committee or the Covenants Committee; and any sanction, disciplinary action, or other enforcement action being contemplated by the Board or the Architectural Standards Committee or the Covenants Committee.

- 14.11.2 <u>Delivery of Notice</u>. Any notice may be given by any method provided for in *Civil Code* section 4040; *provided, however*, that (i) if notice is given by mail, it shall be sent postage prepaid by United States first-class mail and/or by certified mail, return-receipt requested; and (ii) if given by the Association to a Member, it shall be sent to the most recent address for the affected Member as shown on the records of the Association. Pursuant to *Civil Code* section 4050(b), if sent by United States mail, delivery of such is deemed complete upon deposit in the United States mail, postage prepaid. Pursuant to *Civil Code* section 4050(c), if such notice is sent by electronic means, delivery is deemed complete at the time of transmission.
- 14.11.3 Owner's Address for Notice. It shall be each Owner's responsibility to notify the Association in writing of any change in the Owner's address for the purpose of receiving notices from the Association. The fact that a different address appears on correspondence to the Association from an Owner shall not constitute such written notice, unless it is expressly stated that such address is a change of address for the purpose of receiving notice from the Association. Upon transfer of title to a Lot. the transferee shall be responsible for notifying the Association of such transfer. The notification shall set forth the address of the Lot, the names of the transferee and the transferor, and the date of sale or other transfer. Prior to receipt of such notification, any and all communications required or permitted to be given by the Association or the Board to the Lot Owner shall be deemed to be duly made and given to the transferee if duly and timely made and given to the person shown as the Owner of the Lot and at the address in the Association's records.
- 14.11.4 Notice to Co-Owners or Occupants. Unless otherwise provided by law, when a Lot is owned by two (2) or more co-Owners or is occupied by two or more Occupants, notice to one (1) Owner or to one Occupant shall be deemed notice to all Owners or to all Occupants, as the case may be.
- 14.12 Hearings; Executive Session; Open Meeting. To the extent required by *Civil Code* section 5855, whenever the Board or the Architectural Standards Committee or the Covenants Committee determines to conduct a hearing, it shall notify the affected Owner(s) and/or Resident(s) in writing by Individual Delivery, at least ten (10) days before the meeting at which the matter will be considered. If the matter concerns Member discipline or the imposition of sanctions, the Board or the Architectural Standards Committee or the Covenants Committee shall meet in executive session (or with respect to the Architectural Standards Committee or Covenants Committee (in a private session) if requested by the Member, *unless* (and then only to the extent) applicable law requires that certain

actions by the Board be conducted at an open meeting of the Board, such as Civil Code section 5673 concerning a decision to record a lien for delinquent Assessments. In the Board's or the Architectural Standards Committee's or the Covenants Committee's discretion, other interested person(s) may attend a hearing and may present information relevant to the subject matter of the hearing. An Owner shall be entitled to bring his or her attorney to a hearing. If a notified Owner or Resident fails to attend a noticed hearing, the Board or the Architectural Standards Committee or the Covenants Committee may nevertheless conduct its deliberations and make a determination based on its own investigation and any other information supplied to it that the Board or the Architectural Standards Committee or the Covenants Committee deems reasonably reliable.

14.13 Owner's Request for Hearing. An Owner who has received a notice of violation sent pursuant to Section 14.10 ("Written Notice of Violation") or a notice of corrective action sent pursuant to Section 14.15 ("Enforcement by Association in Emergency Situations") or as otherwise provided in the Governing Documents. may request a hearing before the Board or the Architectural Standards Committee or the Covenants Committee by submitting a written request to the Board or the Architectural Standards Committee or the Covenants Committee. If an Owner is requesting a meeting to discuss a payment plan for a past due debt owed to the Association, the meeting shall be scheduled and conducted as provided in Section 10.15.3 ("Owner's Right to Discuss Payment Plan"). If the Owner is requesting a hearing concerning a notice of violation sent pursuant to Section 14.10 ("Written Notice of Violation") or a notice of corrective action sent pursuant to Section 14.15 ("Enforcement by Association in Emergency Situations"), the request for hearing must be submitted within ten (10) days after the date of such notice. The Board or the Architectural Standards Committee or the Covenants Committee shall schedule a hearing at its next regular meeting that is at least five (5) days after its receipt of an Owner's request for hearing or, in the Board's or the Architectural Standards Committee or the Covenants Committee discretion, at another time agreed by the Board or the Architectural Standards Committee or the Covenants Committee and the Owner. Hearings conducted by the Board shall be in executive session or at an open meeting as provided in Section 14.12 ("Hearings; Executive Session; Open Meeting").

36

39

40

41

14.14 Notice of Hearing Decisions. Within fifteen (15) days after a hearing is conducted, the Board or the Architectural Standards Committee or the Covenants Committee shall notify the Owner or Resident in writing as to its If the Board or the Architectural Standards Committee or the Covenants Committee decides to impose sanctions, the notice shall describe the sanctions imposed and, if applicable, their effective dates.

- 14.15 Enforcement by Association in Emergency Situations.
 - Definition of Emergency Situation. For purposes of this Section 14.15, 14.15.1 the following shall constitute emergency situations:
 - (i) an immediate and unreasonable infringement of or threat to the safety or peaceful enjoyment of Residents of the Development,
 - a traffic or fire hazard, (ii)
 - a threat of material damage to or destruction of the (iii) Development or any portion thereof,
 - a violation of any provision of the Governing Documents that is (iv) of such a nature that there is no material question regarding the identity of the violator or whether the violation has occurred (such as parking violations).
 - 14.15.2 Immediate Corrective Action. Notwithstanding any other provisions of the Governing Documents, under circumstances that constitute an emergency, the Board or its duly-authorized agents may undertake immediate corrective action. The Board shall promptly thereafter send written notice of the corrective action to the affected Owner including notice of any Reimbursement Assessment assessed to the Owner for costs incurred by the Association in connection therewith. If the Owner requests a hearing pursuant to Section 14.13 ("Owner's Request for Hearing"), enforcement of any Reimbursement Assessment imposed by the Board shall be held in abeyance and shall be pursued only if affirmed by the Board at the hearing.

14.16 Internal Dispute Resolution.

Fair, Reasonable, and Expeditious Procedure. The provisions of 14.16.1 Article 9 ("Architectural Approval") and of Section 14.9 ("Investigation of Complaints") through Section 14.15 ("Enforcement by Association in Emergency Situations") are intended to provide a fair, reasonable, and expeditious procedure for resolving disputes between the Association and any Member that are subject to Civil Code sections 5900 through 5920 (which applies to, among other things, enforcement of applicable provisions of the Corporations Code and enforcement of the Governing Documents). The above-referenced provisions of the Declaration shall constitute the Association's "internal dispute resolution" process as required by Civil Code section 5905.

- 14.16.2 <u>Statutory Default Procedures</u>. If the Association shall fail to comply with the Association's internal dispute resolution process, then the Association and the affected Member shall abide by the statutory default procedures provided in *Civil Code* section 5915, or successor statute. Any resolution so agreed upon by the parties thereto, that is not in conflict with the law or the Governing Documents, shall bind the parties and shall be judicially enforceable as provided in *Civil Code* section 5910.
- 14.16.3 Alternative Dispute Resolution ("ADR") May Also Apply. subject matter of the dispute (including, among other things, enforcement of applicable provisions of the Corporations Code and enforcement of the Governing Documents) and the remedy sought (including certain kinds of declaratory, injunctive, or writ relief, which may be in conjunction with certain limited monetary relief, but excluding small claims actions and excluding Assessment disputes) are subject to Civil Code sections 5925 through 5965 and (b) the Association and the affected Member do not agree on a resolution through the foregoing internal dispute resolution process provided for in Section 14.16.1 ("Fair, Reasonable, and Expeditious Procedure"), then no party to the dispute may pursue a civil remedy that is subject to Civil Code sections 5925 through 5965, without first complying with the "alternative dispute resolution" procedures set forth in that statute and referenced in Section 14.17 ("Alternative Dispute Resolution" Before Initiating Lawsuit").
- 14.16.4 Annual Description of Internal Dispute Resolution Process. The Association shall annually provide the Members with a description of the internal dispute resolution process required by *Civil Code* section 5920 as part of the annual policy statement prepared pursuant to *Civil Code* section 5310. Such description may consist of a copy of Article 9 ("Architectural Approval") and Section 14.9 ("Investigation of Complaints") through this Section 14.16 ("Internal Dispute Resolution").
- 14.17 Alternative Dispute Resolution Before Initiating Lawsuit.
 - 14.17.1 Annual Disclosure of ADR Process. As provided in *Civil Code* section 5965, the Association shall annually provide to its Members a summary of the provisions concerning alternative dispute resolution contained in *Civil Code* sections 5925 through 5965 as part of the annual policy statement prepared pursuant to *Civil Code* section 5310. Such summary may consist of a copy of this Section 14.17. Such summary shall include the following language:

"Failure of a member of the association to comply with the alternative dispute resolution requirements of Section 5930 of the *Civil Code* may result in the loss of the member's right to sue the association or another member of the association regarding enforcement of the governing documents or the applicable law."

- 14.17.2 When ADR Applies. The requirements of this Section 14.17 apply to civil action or proceedings as defined in Civil Code section 5925(b) when the remedy sought is solely for declaratory, injunctive, or writ relief or if for the foregoing relief in conjunction with monetary damages not in excess of the jurisdictional amount for a small claims action as stated in Code of Civil Procedure sections 116.220 and 116.221, all as provided in Civil Code section 5930(b). Civil Code sections 5925 through 5965 apply to disputes between Members as well as to disputes between the Association and a Member. The ADR requirements of this Section 14.17 do not apply to Assessment disputes or to an action in small claims court.
- 14.17.3 <u>Statutory ADR Process</u>. In accordance with *Civil Code* sections 5925 through 5965, the Association or a Member may not file an "enforcement action" as defined in the statute unless the parties have endeavored to submit their dispute to "alternative dispute resolution" as the term is defined in *Civil Code* section 5925(a) and as the process is specified in *Civil Code* sections 5935, 5940, and 5945.
- 14.18 Non-waiver of Enforcement. Failure to enforce any provision of the Governing Documents at any time shall not be deemed a waiver of the right to do so thereafter with respect to the same or any other violation of any provision of the Governing Documents.
- 14.19 Costs and Attorney Fees. In an action to enforce the Governing Documents, the prevailing party shall, to the fullest extent permitted by law, including *Civil Code* section 5975, be entitled to recover the full amount of all costs including attorney fees incurred in responding to and/or in enforcing any Governing Document provision. Without limiting the generality of the foregoing, in the event an Owner pursuant to *Civil Code* section 4605 brings a civil action for violation of *Civil Code* section 4600 (concerning the granting of exclusive use of a portion of the Common Area to a Member) or pursuant to *Civil Code* section 4955 a civil action for violation of the Common Interest Open Meeting Act (*Civil Code* sections 4900 through 4955) if the Association shall prevail in any such action, the Association shall be entitled to recover reasonable attorney fees except to the extent prohibited by law. The remedies of the prevailing party to recover the amount of such costs, expenses, and attorney fees shall include, but shall not necessarily be limited to, the imposition of a Reimbursement Assessment.

- 15.1 Required Approval. This Declaration may be amended by the affirmative vote of Members representing at least a Majority of a Quorum of the Owners, provided that for purposes of voting to amend the Declaration a quorum shall mean at least fifty percent (50%) of the Total Voting Power of the Association; provided, however, that, upon advice of legal counsel licensed to practice law in the State of California including the drafting by legal counsel of appropriate amendatory provisions, the Board shall have the authority without the requirement of Member approval to amend any provision of the Declaration (i) to resolve any conflict between the Declaration and applicable law which may arise due to the enactment or amendment of a statute or due to a development in applicable case law or (ii) to conform the provisions of the Declaration to changes in applicable statutory law that impose requirements that are non-discretionary in nature.
- 15.2 <u>Amendment Must Be Recorded</u>. Any amendment of the Declaration shall be signed and acknowledged by the duly-authorized officer(s) of the Association and recorded in the Office of the County Recorder.
- 15.3 Presumption of Validity. There will be a presumption subsequent to the recording of an amendment to this Declaration pursuant to Section 15.2 ("Amendment Must Be Recorded") that all votes and consents required to pass the same pursuant to Section 15.1 ("Required Approval") were duly obtained in accordance with the Governing Documents and applicable law. Such presumption may be rebutted by an action commenced within one (1) year from the date the amendment is recorded. In the absence of any such action, such presumption shall thereafter become conclusive.

ARTICLE 16 GENERAL PROVISIONS

- 16.1 <u>Headings</u>. The headings used in this Declaration are for convenience only and are not to be used in interpreting the meaning of any of the provisions of this Declaration, or otherwise.
- 16.2 <u>Severability</u>. The provisions of this Declaration shall be deemed independent and severable, and the invalidity or partial invalidity or unenforceability of any provision hereof shall not invalidate any other provisions hereof.
- 16.3 <u>Liberal Construction</u>. The provisions of this Declaration shall be liberally construed to effectuate its purpose of fostering a plan of community ownership and occupancy and of management of the Development for the benefit of the community.

- 16.4 Amendment to Referenced Statutes; Time for Performance. References in the Declaration to particular statutes, including sections of the *Civil Code* or the *Corporations Code*, shall be deemed to include any successor statute and any amendments to existing or successor statutes. Whenever this Declaration states a time for the performance of any act by the Association which by law (as it may exist from time to time) must be performed at or within a specified time, the time for the performance of such act shall be deemed to be the widest timeframe permitted under then-applicable law.
- 16.5 <u>Number; Gender</u>. The singular shall include the plural and the plural the singular unless the context requires the contrary, and the masculine, feminine, and neuter shall each include the masculine, feminine, or neuter, as the context requires.
- 16.6 <u>Exhibits</u>. All exhibits attached to this Declaration are incorporated by this reference as though fully set forth herein.
- 16.7 Power of Attorney. To the extent necessary to carry out and enforce the provisions of this Declaration, an irrevocable power of attorney coupled with an interest is granted to the Association by the Owners and each of them.
- 16.8 Term. The covenants, conditions, restrictions, limitations, reservations, grants of easement, rights, rights-of-way, liens, charges, and equitable servitudes contained in this Declaration shall run with and shall benefit and burden all of the real property subject to this Declaration, including without limitation the Lots and Common Areas, and shall inure to the benefit of and be binding upon the Owners, the Association, its Board of Directors and officers, and their respective agents and successors in interest, for a term of forty-seven (47) years from the date of recordation of this Declaration. Thereafter the term shall be automatically extended for successive periods of ten (10) years each, unless within the six (6) months prior to the expiration of the initial forty-seven (47) year term or any tenyear extension period a written instrument, approved by Owners entitled to vote and holding at least a majority of the Total Voting Power of the Association, terminating the effectiveness of this Declaration shall be recorded in the Office of the County Recorder of Nevada County, California.

IN WITNESS WHEREOF, we, the Members of TAHOE DONNER ASSOCIATION, pursuant to the requisite approval, and by means of the signatures of the President and the Secretary, do hereby affirm, approve, and adopt the foregoing Amended and Restated Declaration of Covenants, Conditions and Restrictions of Tahoe Donner Association, which Amended and Restated Declaration of Covenants, Conditions and Restrictions shall be recorded with the County Recorder of Nevada County, California.

1	DATED:	_ TAHOE DONNER ASSOCIATION, a
2		California nonprofit mutual benefit
3		corporation
4		
5		
6		
7		President
8		
9		
10		
11		Secretary
12		
13		

EXHIBIT A

(Recital Paragraph C)

Legal Description of the Property Comprising the Development Subject to This Declaration

A. Property other than Common Areas or Other Association Real Property:

UNIT 1 Lots 1 through 183 and Lots 185 through 499 inclusive of Tahoe Donner Unit 1, as shown on the Official Map thereof, filed in the Office of the Nevada County Recorder on April 13, 1971 in Book 4 of Subdivisions Maps, Page 21.

UNIT 2 Lots 1 through 51, Lots 55 through 140, and Lots 142 through 427, inclusive of Tahoe Donner Unit 2, as shown on the Official Map thereof, filed in the Office of the Nevada County Recorder on May 26, 1971 in Book 4 of Subdivision Maps, at Page 23. Lots 4, 23, 24, 25, 26, 27, 28, 424, 425, 426, and 427 are commercial lots. Lot 141 is privately owned and not part of Tahoe Donner Association.

UNIT 3 Lots I through 10, 16 through 256 and 260 through 549 inclusive of Tahoe Donner Unit 3, as shown on the Official Map thereof, filed in the Office of the Nevada County Recorder on August 11, 1971, in Book 4 of Subdivision Maps, at Page 25. Lots 28, 29, 65, 66 and 79 are commercial lots.

UNIT 4 Lots 1 through 643, inclusive of Tahoe Donner Unit 4, as shown on the Official Map thereof, filed in the Office of the Nevada County Recorder on November 23, 1971, in Book 4 of Subdivision Maps, at Page 27.

UNIT 5 Lots 1 through 555, inclusive of Tahoe Donner Unit 5, as shown on the Official Map thereof, filed in the Office of the Nevada County Recorder on August 23, 1972, in Book 4 of Subdivision Maps, at Page 36.

UNIT 6 Lots 1 through 640 inclusive of Tahoe Donner Unit 6, as shown on the Official Map thereof, filed in the Office of the Nevada County Recorder, on May 10, 1972, in Book 4 of Subdivision Maps, at Page 34.

UNIT 7 Lots 1 through 356, inclusive of Tahoe Donner Unit 7, as shown on the Official Map thereof, filed in the Office of the Nevada County Recorder, on August 23, 1972, Book 4 of Subdivision Maps, at Page 37.

1	UNIT 8 Lots 1 through 237 and 240 through 608, inclusive of Tahoe Donner Unit 8, as
2	shown on the Official Map thereof, filed in the Office of the Nevada County Recorder, on
3	March 13, 1973, in Book 4 of Subdivision Maps, at Page 43.
4	
5	UNIT 9 Lots 1 through 338 and Lots 342 through 654, inclusive of Tahoe Donner Unit 9,
6	as shown on the Official Map thereof, filed in the Office of the Nevada County Recorder on
7	September 7, 1973, in Book 4 of Subdivision Maps, at Page 57.

UNIT 10 Lots 1 through 488 inclusive of Tahoe Donner Unit 10, as shown on the Official Map thereof, filed in the Office of the Nevada County Recorder on July 5, 1973, in Book 4 of Subdivision Maps, at Page 55.

UNIT 11 Lots 1 through 170 and Lots 173 through 517 inclusive of Tahoe Donner Unit 11, as shown on the Official Map thereof, filed in the Office of the Nevada County Recorder, on January 3, 1973, in Book 4 of Subdivision Maps, at Page 41.

"TAHOE DONNER SKI BOWL CONDOMINIUMS", and the "TAHOE DONNER LODGE CONDOMINIUMS", all real property lying within the unincorporated territory of Nevada County, California, and situated in Section 1, Township 17 North, Range 15 East, M.D.B. & M., and more particularly described as Lot 64 and a portion of Parcel R of Tahoe Donner Unit 3 as said lot and parcel are so designated and shown on the Official Map thereof, filed in the Office of the Nevada County Recorder, on August 11, 1971, in Book 4 of Subdivision Maps, at Page 25.

"TAHOE DONNER GOLF CLUB CONDOMINIUMS", as shown upon the Official Map thereof, filed in the Office of the Nevada County Recorder, on June 13, 1974, in Book 5 of Subdivisions at Page 11.

UNIT 3 Lot 259, (the Nevada County maintenance site).

UNIT 10 Parcel B (proposed school site).

UNIT 11 Parcel K (fire station site).

B. Common Areas:

"Golf Course Facilities", Parcels 1 and 2, as shown on the Official Map thereof, filed in the Office of the Nevada County Recorder, on September 15, 1976, in Book 10 of Parcel Maps, at Page 178.

"Marina", as described in the deed recorded in the Office of the Nevada County Recorder on April 30, 1976, as document No. 7664, in Book 789, at Page 686.

UNIT 2: Parcels A through L, inclusive and Parcel N of the Tahoe Donner Unit No. 2 as shown on the Official Map thereof, filed in the Office of the Nevada County Recorder, on May 26, 1971, in Book 4 of Subdivision Maps, Page 23.

"Trout Creek Condo Property" (formerly Lots 428 through 439 of Tahoe Donner Unit 2 as shown on the Official Map thereof, filed in the Office of the Nevada County Recorder on May 26, 1971, in Book 4 of Subdivision Maps, at Page 23) and as further described in the deed recorded November 22, 1988, series No. 88-31745.

"Northwoods Clubhouse Facilities" All property as shown on the parcel map recorded with the Office of the Nevada County Recorder, on October 22, 1980, in Book 15 of Parcel Maps, at Page 31. (This property includes former Lots 52, 53 and 54 of Tahoe Donner Unit 2.)

UNIT 3: A portion of Parcel R ("Ski Area Day Lodge") of Unit 3, as shown on the Official Map thereof, filed in the Office of the Nevada County Recorder, on August 11, 1971, in Book 4 of Subdivision Maps, at Page 25.

Lots 28 and 79 ("Ski Area Parking Lots) of Tahoe Donner Unit 3, as shown on the Official Map thereof, filed in the Office of the Nevada County Recorder, on August 11, 1971, in Book 4 of Subdivision Maps, at Page 25.

"Maintenance Facility", Parcels 1, 2 and 3 as shown on the parcel map (formerly Tahoe Donner Unit 3, Lots 257, 258 and Lots 172, 173 of Unit 11 as shown on the Official Map thereof, filed in the Office of the Nevada County Recorder, on August 11, 1971, in Book 4 of Subdivision Maps, at Page 25) filed in the Office of the Nevada County Recorder, on December 28, 1979, in Book 17 of Parcel Maps, at Page 38.

Parcels A through N inclusive and Parcels U and V, as shown on the Official Map of Tahoe Donner Unit 3, filed in the Office of the Nevada County Recorder, on August 11, 1971, in Book 4 of Subdivision Maps at Page 25.

Lots 11, 12, 13, 14 and 15 of Tahoe Donner Unit 3, as shown on the Official Map thereof, filed in the Office of the Nevada County Recorder, on August 11, 1971, in Book 4 of Subdivision Maps, at Page 25.

"Alder Creek Picnic Area" Parcels 1 and 2 as described in the deed recorded in the Office of the Nevada County Recorder on November 24, 1975, as document No. 21094, in Book 767 at Page 637.

1	UNIT 4: Parcels A through M, inclusive of Tahoe Donner Unit 4, as shown on the
2	Official Map thereof, filed in the Office of the Nevada County Recorder on November 23,
3	1971, in Book 4 of Subdivision Maps, at Page 27.

UNIT 5: Parcels A through H, inclusive and Parcel L (Boat Storage Lot) within Tahoe Donner Unit 5, as shown on the Official Map thereof, filed in the Office of the Nevada County Recorder on August 23, 1972, in Book 4 of Subdivision Maps, at Page 36.

UNIT 6: Parcels A through N, inclusive and Parcel P ("The Equestrian Center") located within Tahoe Donner Unit 6, as shown on the official Map thereof, filed in the Office of the Nevada County Recorder, on May 10, 1972, in Book 4 of SUBDIVISION Maps, at Page 34.

UNIT 7: Parcels A through K, inclusive and Parcel L ("The Campground") located within Tahoe Donner Unit 7, as shown on the Official Map thereof, filed in the Office of the Nevada County Recorder, on August 23, 1972, Book 4 of Subdivision Maps, at Page 37.

UNIT 8: Parcels A through H, inclusive, Parcels J through Y inclusive and lots 238 and 239, located within Tahoe Donner Unit 7, as shown on the Official Map thereof, filed in the Office of the Nevada County Recorder on March 13, 1973, in Book 4 of Subdivision Maps, at Page 43.

UNIT 9: Lots 339, 340 and 341 and Parcels B through F, inclusive, Parcels H through *N* inclusive, Parcel 0, and Q through W, inclusive, located within Tahoe Donner Unit 9, as shown on the Official Map thereof, filed in the Office of the Nevada County Recorder on September 7, 1973, in Book 4 of Subdivision Maps, at Page 57.

UNIT 10: Parcel A, and Parcels C through K inclusive, located within Tahoe Donner Unit 10, as shown on the Official Map thereof, filed in the Office of the Nevada County Recorder on July 5, 1973, in Book 4, of Subdivision Maps, at Page 55.

UNIT 11: Parcels A through K inclusive and Parcel J located within Tahoe Donner Unit 11, as shown on the Official Map thereof, filed in the Office of the Nevada County Recorder on January 3, 1973, in Book 4 of Subdivision Maps, at Page 41.

C. Other Association Real Property:

"2,000 Acres", Parcels 1 and 2 as described in the deed recorded in the Office of the Nevada County Recorder on July 7, 1982, Document No. 82-15361.

(A.P.N.: 16-060-12; 16-060-14; 16-060-15; 16-060-16; 17-020-05; 17-020-06; and 17-020-27)

All the real property as described in the deed recorded in the Office of the Nevada County Recorder on February 17, 2012, Document No. 20120004305.

(A.P.N.: 16-060-22 and 16-060-13, Euer Grant)

All the real property as described in the deed recorded in the Office of the Nevada County Recorder on October 25, 2011, Document No. 20110025265.

(A.P.N.: 16-060-20 and 16-060-23, Euer Grant)

5 6

7

All the real property as described in the deed recorded in the Office of the Nevada County Recorder on February 16, 2012, Document No. 20120004255. (A.P.N.: 17-020-34, Rosamond Grant)

8

9

10 11

13

14

15

16

Parcels One through Ten, inclusive, as described in the deed recorded in the Office of the Nevada County Recorder on June 4, 2010, Document No. 20100013062. 12

(A.P.N.: 18-180-01, 02, 03; 18-200-02 thru 21; 18-210-02 thru 21; 18-220-02 thru 22; 18-230-02 thru 22; 18-240-02 thru 19; 18-250-02 thru 19; 18-260-02 thru 09, 11 thru 15, 20 and 22 thru 27; 18-270-02 thru 07, 09 thru 21 and 27; 18-280-02 thru 20, 22, 23 and 27; 18-290-02 thru 02, 10 thru 25; 18-320-06 thru 07, 10 thru 12, 14 thru 16, 20 thru 24, 26, 28, 31, 34 thru 37, 39, 40, 49, 50, 59, 60; 18-330-02, 03, 06, 08, 09, 10, 11, 13 thru 16, 20, 26 thru 30 and 34; 18-382-21, Sinclair Grant)

17 18 19

Tract One Parcels I, II and III, and Tract Two, as described in the deed recorded in the Office of the Nevada County Recorder on May 12, 2016, Document No. 20160009902. (A.P.N.: 16-060-02-000; 16-060-18-000; 16-060-17-000, Crabtree Canyon)

21 22 23

24

20

Parcels One and Two, as described in the deed recorded in the Office of the Nevada County Recorder on June 3, 2011, Document No. 20110013213. (A.P.N.: 18-101-10, McGlasham Springs)

1	EXHIBIT B
3	(Section 1.10)
4 5	List of Common Area Lots
6 7 8 9	"Golf Course Facilities", Parcels 1 and 2, as shown on the Official Map thereof, filed in the Office of the Nevada County Recorder, on September 15, 1976, in Book 10 of Parcel Maps, at Page 178.
10 11 12	"Marina", as described in the deed recorded in the Office of the Nevada County Recorder on April 30, 1976, as document No. 7664, in Book 789, at Page 686.
13 14 15 16	UNIT 1: Parcel A through N, inclusive and Lot 184 of Tahoe Donner Unit 1 as shown on the Official Map thereof, filed in the Office of the Nevada County Recorder, on April 13, 1971, in Book 4 of Subdivision Maps, Page 21.
17 18 19 20	UNIT 2: Parcels A through L, inclusive and Parcel N of the Tahoe Donner Unit No. 2 as shown on the Official Map thereof, filed in the Office of the Nevada County Recorder, on May 26, 1971, in Book 4 of Subdivision Maps, Page 23.
21 22 23 24 25	"Trout Creek Condo Property" (formerly Lots 428 through 439 of Tahoe Donner Unit 2 as shown on the Official Map thereof, filed in the Office of the Nevada County Recorder on May 26, 1971, in Book 4 of Subdivision Maps, at Page 23) and as further described in the deed recorded November 22, 1988, series No. 88-31745.
26 27 28 29 30	"Northwoods Clubhouse Facilities" All property as shown on the parcel map recorded in the Office of the Nevada County Recorder, on October 22, 1980, in Book 15 of Parcel Maps, at Page 31. (This property includes former Lots 52, 53 and 54 of Tahoe Donner Unit 2.)
31 32 33 34 35	UNIT 3: A portion of Parcel R ("Ski Area Day Lodge") of Unit 3, as shown on the Official Map thereof, filed in the Office of the Nevada County Recorder, on August 11, 1971, in Book 4 of Subdivision Maps, at Page 25.
36 37 38 39	Lots 28 and 79 ("Ski Area Parking Lots) of Tahoe Donner Unit 3, as shown on the Official Map thereof, filed in the Office of the Nevada County Recorder, on August 11, 1971, in Book 4 of Subdivision Maps, at Page 25.
40 41 42 43 44 45	"Maintenance Facility", Parcels 1, 2 and 3 as shown on the parcel map (formerly Tahoe Donner Unit 3, Lots 257, 258 and Lots 172, 173 of Unit 11 as shown on the Official Map thereof, filed in the Office of the Nevada County Recorder, on August 11, 1971, in Book 4 of Subdivision Maps, at Page 25) filed in the Office of the Nevada County Recorder, on December 28, 1979, in Book 17 of Parcel Maps, at Page 38.

Lots 11, 12, 13, 14 and 15 of Tahoe Donner Unit 3, as shown on the Official Map thereof, filed in the Office of the Nevada County Recorder, on August 11, 1971, in Book 4 of Subdivision Maps, at Page 25.

"Alder Creek Picnic Area" Parcels 1 and 2 as described in the deed recorded in the Office of the Nevada County Recorder on November 24, 1975, as document No. 21094, in Book 767 at Page 637.

UNIT 4: Parcels A through M, inclusive of Tahoe Donner Unit 4, as shown on the Official Map thereof, filed in the Office of the Nevada County Recorder on November 23, 1971, in Book 4 of Subdivision Maps, at Page 27.

UNIT 5: Parcels A through H inclusive and Parcel L (Boat Storage Lot) within Tahoe Donner Unit 5, as shown on the Official Map thereof, filed in the Office of the Nevada County Recorder on August 23, 1972, in Book 4 of Subdivision Maps, at Page 36.

UNIT 6: Parcels A through N, inclusive and Parcel P ("The Equestrian Center") located within Tahoe Donner Unit 6, as shown on the official Map thereof, filed in the Office of the Nevada County Recorder, on May 10, 1972, in Book 4 of Subdivision Maps, at Page 34.

UNIT 7: Parcels A through K inclusive and Parcel L ("The Campground") located within Tahoe Donner Unit 7, as shown on the Official Map thereof, filed in the Office of the Nevada County Recorder, on August 23, 1972, Book 4 of Subdivision Maps, at Page 37.

UNIT 8: parcels A through H inclusive, Parcels J through Y inclusive and lots 238 and 239, located within Tahoe Donner Unit 7, as shown on the Official Map thereof, filed in the Office of the Nevada County Recorder on March 13, 1973, in Book 4 of Subdivision Maps, at Page 43.

UNIT 9: Lots 339, 340 and 341 and Parcels B through F, inclusive, Parcels H through N inclusive, Parcel 0, and Q through W, inclusive, located within Tahoe Donner Unit 9, as shown on the Official Map thereof, filed in the Office of the Nevada County Recorder on September 7, 1973, in Book 4 of Subdivision Maps, at Page 57.

UNIT 10: Parcel A, and Parcels C through K inclusive, located within Tahoe Donner Unit 10, as shown on the Official Map thereof, filed in the Office of the Nevada County Recorder on July 5, 1973, in Book 4, of Subdivision Maps, at Page 55.

2		
3	(Section 1.16)	
4		
5	List of Condominium Projects Subject to This Declaration	
6		
7		
8	"TAHOE DONNER SKI BOWL CONDOMINIUMS", and the "TAHOE DONNER LODGE	
9	CONDOMINIUMS", all real property lying within the unincorporated territory of Nevada	
10	County, California, and situated in Section 1, Township 17 North, Range 15 East, M.D.B.	
11	& M., and more particularly described as Lot 64 and a portion of Parcel R of Tahoe Donner	
12	Unit 3 as said lot and parcel are so designated and shown on the Official Map thereof, filed	
13	in the Office of the Nevada County Recorder, on August 11, 1971, in Book 4 of	
14	Subdivision Maps, at Page 25.	
15		
16	"TAHOE DONNER GOLF CLUB CONDOMINIUMS", as shown upon the Official Map	
17	thereof, filed in the Office of the Nevada County Recorder, on June 13, 1974, in Book 5 of	
18	Subdivisions at Page 11.	
19		
20	"Trout Creek Condominiums" (formerly Lots 428 through 439 of Tahoe Donner Unit 2 as	
21	shown on the Official Map thereof, filed in the Office of the Nevada County Recorder on	
22	May 26, 1971, in Book 4 of Subdivision Maps, at Page 23) and as further described in	
23	the deed recorded November 22, 1988, series No. 88-31745.	
24		
25		
26		

EXHIBIT C

1	EXHIBIT D
3	(Section 1.40)
4 5	Other Association Property Subject to This Declaration
6 7 8 9 10	"2,000 Acres", Parcels 1 and 2 as described in the deed recorded in the Office of the Nevada County Recorder on July 7, 1982, series No. 82-15361. (A.P.N.: 16-060-12; 16-060-14; 16-060-15; 16-060-16; 17-020-05; 17-020-06; and 17-020-27)
11 12 13 14	All the real property as described in the deed recorded in the Office of the Nevada County Recorder on February 17, 2012, Document No. 20120004305. (A.P.N.: 16-060-22 and 16-060-13, Euer Grant)
15 16 17 18	All the real property as described in the deed recorded in the Office of the Nevada County Recorder on October 25, 2011, Document No. 20110025265. (A.P.N.: 16-060-20 and 16-060-23, Euer Grant)
19 20 21 22	All the real property as described in the deed recorded in the Office of the Nevada County Recorder on February 16, 2012, Document No. 20120004255. (A.P.N.: 17-020-34, Rosamond Grant)
23 24 25 26 27 28 29 30 31	Parcels One through Ten, inclusive, as described in the deed recorded in the Office of the Nevada County Recorder on June 4, 2010, Document No. 20100013062. (A.P.N.: 18-180-01, 02, 03; 18-200-02 thru 21; 18-210-02 thru 21; 18-220-02 thru 22; 18-230-02 thru 22; 18-240-02 thru 19; 18-250-02 thru 19; 18-260-02 thru 09, 11 thru 15, 20 and 22 thru 27; 18-270-02 thru 07, 09 thru 21 and 27; 18-280-02 thru 20, 22, 23 and 27; 18-290-02 thru 02, 10 thru 25; 18-320-06 thru 07, 10 thru 12, 14 thru 16, 20 thru 24, 26, 28, 31, 34 thru 37, 39, 40, 49, 50, 59, 60; 18-330-02, 03, 06, 08, 09, 10, 11, 13 thru 16, 20, 26 thru 30 and 34; 18-382-21, Sinclair Grant)
32 33 34 35 36	Tract One Parcels I, II and III, and Tract Two, as described in the deed recorded in the Office of the Nevada County Recorder on May 12, 2016, Document No. 20160009902. (A.P.N.: 16-060-02-000; 16-060-18-000; 16-060-17-000, Crabtree Canyon)
37 38 39 40	Parcels One and Two, as described in the deed recorded in the Office of the Nevada County Recorder on June 3, 2011, Document No. 20110013213. (A.P.N.: 18-101-10, McGlasham Springs)
41 42	

	EXHIBIT E
	(Section 1.57)
	List of Subdivisions Maps
	Map of Tahoe Donner Unit 1, filed in the office of the Nevada County Recorder on April 13, 1971 in Book 4 of Subdivisions Maps, Page 21. Map of Tahoe Donner Unit 2, filed in the office of the Nevada County Recorder on May
	26, 1971 in Book 4 of Subdivision Maps, at Page 23. Map of Tahoe Donner Unit 3, filed in the office of the Nevada County Recorder on August 11, 1971, in Book 4 of Subdivision Maps, at Page 25. Lots 28, 29, 65, 66 and 79 are commercial lots.
	Map of Tahoe Donner Unit 4, filed in the Office of the Nevada County Recorder on November 23, 1971, in Book 4 of Subdivision Maps, at Page 27.
	Map of Tahoe Donner Unit 5, filed in the office of the Nevada County Recorder on August 23, 1972, in Book 4 of Subdivision Maps, at Page 36.
	Map of Tahoe Donner Unit 6, filed in the office of the Nevada County Recorder, on May 10, 1972, in Book 4 of Subdivision Maps, at Page 34.
	Map of Tahoe Donner Unit 7, filed in the office of the Nevada County Recorder, on August 23, 1972, Book 4 of Subdivision Maps, at Page 37.
	Map of Tahoe Donner Unit 8, filed in the office of the Nevada County Recorder, on March 13, 1973, in Book 4 of Subdivision Maps, at Page 43.
	Map of Tahoe Donner Unit 9, filed in the office of the Nevada County Recorder on September 7, 1973, in Book 4 of Subdivision Maps, at Page 57.
	Map of Tahoe Donner Unit 10, filed in the office of the Nevada County Recorder on July 5, 1973, in Book 4 of Subdivision Maps, at Page 55.
	Map of Tahoe Donner Unit 11, filed in the office of the Nevada County Recorder, on January 3, 1973, in Book 4 of Subdivision Maps, at Page 41.
	"TAHOE DONNER SKI BOWL CONDOMINIUMS", and the "TAHOE DONNER LODGE CONDOMINIUMS", all real property lying within the unincorporated territory of Nevada County, California, and situated in Section 1, Township 17 North, Range 15 East, M.D.B.
_	Tahoe Donner Association 99 Amended and Restated

MEMBER DRAFT 1/24/2017

DECLARATION

1 2	& M., and more particularly described as Lot 64 and a portion of Parcel R of Tahoe Donner Unit 3 as said lot and parcel are so designated and shown on the Official Map thereof, filed in the office of the New to County Based to the Alexandre County Based to the County Based to
3 4 5	in the office of the Nevada County Recorder, on August 11, 1971, in Book 4 of Subdivision Maps, at Page 25.
6 7	"TAHOE DONNER GOLF CLUB CONDOMINIUMS", as shown upon the Official Map thereof, filed in the office of the Nevada County Recorder, on June 13, 1974, in Book 5 of Subdivisions at Reseat 11.
8 9 10	Subdivisions at Page 11. Map of Golf Course Facilities, filed in the office of the Nevada County Recorder, on
10 11 12	September 15, 1976, in Book 10 of Parcel Maps, at Page 178.
13 14	Map of Trout Creek Condo Property (formerly Lots 428 through 439 of Tahoe Donner Unit 2 as shown on the Official Map thereof, filed in the office of the Nevada County
15 16 17	Recorder on May 26, 1971, in Book 4 of Subdivision Maps, at Page 23) and as further described in the deed recorded November 22, 1988, series No. 88-31745.
18 19 20	Map of Northwoods Clubhouse Facilities, filed on October 22, 1980, in Book 15 of Parcel Maps, at Page 31. (This property includes former Lots 52, 53 and 54 of Tahoe Donner Unit 2.)

23

UNIT 5: Parcels A through H inclusive and Parcel L (Boat Storage Lot) within Tahoe Donner Unit 5, as shown on the Official Map thereof, filed in the office of the Nevada County Recorder on August 23, 1972, in Book 4 of Subdivision Maps, at Page 36.

242526

Map of 32 Acres Parcel A, recorded with the Nevada County Recorder on June 23, 1987, in Book 17 of Parcel Maps at Page 121.

27 28 29

30

Map of Parcel 1 (Corner of Donner Pass Road and Northwoods Blvd.), recorded on September 15, 1976, in Book 10 of Parcel Maps at Page 177.