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DOC#: 2008057510



Titles: 1 Pages: 48

Fees	149.00
Taxes	0.00
Others	0.00
PAID	<u>\$149.00</u>

RESTATED DECLARATION OF COVENANTS, CONDITIONS AND  
RESTRICTIONS FOR OAK SHORES COMMUNITY ASSOCIATION

**DOCUMENT TITLE**

When Recorded Mail to:

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**RESTATED  
DECLARATION OF COVENANTS, CONDITIONS  
AND RESTRICTIONS**

**OAK SHORES COMMUNITY ASSOCIATION**



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

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**OAK SHORES COMMUNITY ASSOCIATION**  
a California nonprofit mutual-benefit corporation

THIS RESTATED Declaration of Covenants, Conditions and Restrictions ("CC&Rs") is made by all Persons who own Lots in that certain real property planned residential development known as "Oak Shores" located in Bradley, California 93426. These CC&Rs shall apply to and bind all properties previously covered by covenants, conditions and restrictions. Without reducing the number of properties covered by these CC&Rs, the CC&Rs shall apply to the following properties:

Lots 1 to 311, inclusive and all roads and other land included in Tract Nos. 378, 379, 380 and 381 as shown on a map recorded in Book 8, page 5 of Maps in the Office of the County Recorder of the County of San Luis Obispo.

By this instrument the Members of the Association hereby revoke all previous declarations of covenants, conditions and restrictions as well as all amendments thereto and substitutes in their place these CC&Rs which shall:

1. *Benefit Members.* Be for the benefit of Members of the Association.
2. *Benefit The Development.* Be for the benefit, enhancement and protection of the desirability, value and attractiveness of the Development and each Lot therein;
3. *Bind Successors In Interest.* Inure to the benefit of and be binding upon each successor in interest of the Association, each Member, Tenant and Resident of any portion of the Development as well as their respective heirs, personal representatives, grantees, Tenants, licensees, successors and assigns; and
4. *Run With The Land.* Run with the land and be binding upon all parties having or acquiring any right, title or interest in the Development or any portion of the Development whether as sole owners, joint owners, Tenants, Residents or otherwise.

NOW THEREFORE, all Lots in the Development as well as any conveyance, transfer, sale, assignment, rental, lease or sublease of a Lot shall be deemed to incorporate the provisions of these CC&Rs. Each successor in interest is subject to all of the covenants, conditions and restrictions contained in these CC&Rs.

**Article 1: DEFINITIONS**

1.1 **“Annual Meeting”** shall mean the annual meeting of the Members of the Association for the purpose of conducting general membership business and electing, or announcing the election of directors in accordance with the Bylaws, a Board of Directors.

1.2 **“Architectural Committee”** shall mean the committee appointed by the Board for the purpose of establishing architectural standards and reviewing architectural submissions as provided for in these CC&Rs.

1.3 **“Architectural Standards”** shall mean rules and guidelines which govern alterations and Improvements on or to Lots, Common Areas and Exclusive Use Common Areas.

1.4 **“Articles”** shall mean the Association’s Articles of Incorporation.

1.5 **“Assessment”** shall mean a Regular Assessment or Special Assessment levied against a Member’s Lot in accordance with these CC&Rs.

1.6 **“Association”** shall mean the Oak Shores Community Association, a California nonprofit mutual-benefit corporation which is comprised of all owners of Lots in the Development. The Association shall include, when the context requires, its Officers, Directors, employees and agents.

1.7 **“Beach Lots”** shall mean those lots contiguous to lots 212, 214, 216, 218 and 219 of Tract 379 and to Lots 306 through 311 of Tract 381. Beach Lots and their contiguous lots being respectively:

Tract 379:

Beach Lot 212 and lots 204, 205, 206 and 207;  
Beach Lot 214 and lots 202 and 203;  
Beach Lot 216 and lots 199, 200 and 201;  
Beach Lot 218 and lots 196, 197 and 198;  
Beach Lot 219 and lots 193, 194, and 195;

Tract 381:

Beach Lot 306 and lots 77, 78, 79, 80, 81, 82 and 83;  
Beach Lot 307 and lots 84, 85 and 86;  
Beach Lot 308 and lots 104, 105, 106, 107 and 108;  
Beach Lot 309 and lots 129 and 131;  
Beach Lot 310 and lots 132, 133, 134, 135, 136, 137, 138, 143, 145, 146, 149, 151, 152,  
153, 154, 155 and 156;  
Beach Lot 311 and lots 160, 161, 162, 163 and 164

1.8 **“Board”** and **“Board of Directors”** shall mean the Board of Directors of the Association.

1.9 **“Budget”** shall mean a pro forma, projected or estimated operating budget of the Association’s income and expenses for a twelve (12) month period.

1.10 **“Bylaws”** shall mean the duly adopted Bylaws of the Association, including any amendments.

1.11 **“CC&Rs”** shall mean this Restated Declaration of Covenants, Conditions and Restrictions and any amendments to these CC&Rs.

1.12 **“Committee”** shall mean any committee appointed by the Board to advise and assist the Board in the affairs of the Association.

1.13 **“Common Area”** shall mean the entire Development except the interests owned separately by individual Members.

1.14 **“Common Expenses”** shall mean the costs, expenses and charges in connection with maintaining, managing, insuring, operating, repairing and replacing the Common Areas as the same may be estimated from time to time by the Board including, but not limited to, any amounts reasonably necessary for reserves for anticipated long-term maintenance, repair and replacement of Improvements upon the Common Areas, contingencies and the service obligations of the Association, and any other obligations of the Association as described in these CC&Rs or by law.

1.15 **“Development”** shall mean the planned residential development known as “Oak Shores” located in Bradley, California 93426.

1.16 **“Director”** shall mean any member of the Association’s Board of Directors.

1.17 **“Dues”** and **“HOA Dues”** shall mean Regular Assessments levied against Members in accordance with these CC&Rs.

1.18 **“Exclusive Use Common Area”** shall mean any portion of the Common Area which serves a single Lot.

1.19 **“Good Standing”** shall mean those Members who are current in the payment of their Assessments, fees and fines, and who are not in violation of the Governing Documents. Members who are more than thirty (30) days delinquent in the payment of their Assessments, fees or fines, or have been found in violation of the Governing Documents, following written notice and an opportunity to be heard as provided for in the Bylaws, shall automatically cease to

be in Good Standing until such time as their Assessments, fees and fines are paid and their violations of the Governing Documents have been cured.

1.20 **“Governing Documents”** shall mean these CC&Rs, Articles of Incorporation, Bylaws, Architectural Standards, Rules and Regulations, any amendments to these documents, and such other written documents, reports, maps, schedules and exhibits as are required by law to be recorded, filed or issued in connection with the Development.

1.21 **“Improvements”** shall mean all buildings, structures, and other physical components or improvements in the Development.

1.22 **“Lot”** shall mean any real property such as lots, sublots, or parcels in the Development subject to these CC&Rs.

1.23 **“Manager”** shall mean any person or company employed or retained by the Association to oversee the operation, maintenance and management of the Association.

1.24 **“Member”** shall mean any Person who holds a recorded ownership interest in real property subject to these CC&Rs, which shall be either title ownership or an equitable interest under a contract to purchase the property, but excluding any Person having an interest in the property merely as security for the performance of an obligation.

1.25 **“Membership Approval”** and **“Approval of the Membership”** shall mean the affirmative vote of a majority of the votes represented and voting at a duly held meeting at which a quorum is present (which affirmative votes also constitute a majority of the required quorum) or by written ballot, unless indicated otherwise in these CC&Rs.

1.26 **“Officer”** shall mean the president, vice president, secretary, treasurer, and any other officer of the Association, as defined in the Bylaws.

1.27 **“Person”** shall mean a natural person, corporation, partnership, trust, association or other similar entity as defined by law.

1.28 **“Quorum”** or **“Quorum of the Voting Power”** shall mean a minimum of 30% of the Members of the entire membership entitled to vote at the time the vote is taken.

1.29 **“Regular Assessments”** shall mean assessments levied against Members to defray expenses incurred by the Association each fiscal year to carry out its duties under the Governing Documents.

1.30 **“Reimbursement Special Assessments”** or **“Reimbursement Assessments”** shall mean those Special Assessments levied against Members for expenses incurred by the

Association arising out of (i) actions or omissions of, or (ii) materials or services provided to, Members or their family, Tenants, guests, or pets, or (iii) conditions originating on a Lot.

1.31 **“Reserves”** shall mean those monies set aside in a separate account for the purpose of repairing, replacing, restoring, or maintaining the major components of the Common Areas of the Development.

1.32 **“Residence”** shall mean a building used for residential purposes.

1.33 **“Resident”** shall mean a Member, resident, guest, invitee, Tenant, or other person residing on a Lot.

1.34 **“Rules and Regulations”** or **“Rules”** shall mean any rules and regulations adopted by the Board for the general health, welfare, comfort, and safety of residents and to interpret and implement these CC&Rs.

1.35 **“Special Assessments”** shall mean Assessments levied from time to time against Members for capital improvements, unexpected expenses, emergency repairs, reimbursements, or any other expense as provided for in the Governing Documents.

1.36 **“Tenants”** and **“Lessees”** shall mean those persons who sign a rental or lease agreement and occupy a rental unit of Lot(s) owned by others for a period of three (3) months or more, and therefore are considered long term, whether such use is paid for in money or other value.

1.37 **“Utility Lines”** shall mean, without limitation, sewer lines, drain lines, water lines, electrical cable, gas lines, telephone lines, television cables, fiber optic lines, computer lines, etc.

1.38 **“Vehicle”** shall mean automobiles, trucks, recreational vehicles, campers, trailers, motorcycles, golf carts, boats or any similar type of mechanical device used for transportation.

1.39 **“Voting Power”** shall mean the total number of Members entitled to vote excluding those Members whose voting rights have been suspended.

1.40 Definitions of Other Terms. Unless the context clearly requires otherwise, all other terms are defined as set forth in Section 1350, et seq. of the California Civil Code.

## **Article 2: MEMBERSHIP RIGHTS AND PRIVILEGES**

2.1 Ownership of Common Areas. The Common Areas shall be owned by the Membership as tenants-in-common according to the Members’ percentage interest.



2.2 Prohibition Against Severance. Members shall not have the right to sever their Lots from their Membership rights or from their ownership interest in the Common Area. Membership rights and ownership interests in the Common Area and the fee title to the respective Lots shall conclusively be deemed to be conveyed, transferred or encumbered with its respective Lot even though the description in the instrument of conveyance or encumbrance may refer only to the Lot.

2.3 Membership. Each Person shall automatically become a Member of the Association upon obtaining an ownership interest of 25% or more in a Lot and shall remain a Member until he or she ceases to have at least a 25% ownership interest in a Lot.

- a. *Membership Appurtenant to Lots.* Membership in the Association is for the benefit of and appurtenant to the Lot to which it relates and may not be separated from the ownership of the Lot.
- b. *No Membership for Security Interests.* Membership does not include Persons who hold an interest in a Lot merely as security for the performance of an obligation.
- c. *No Membership for Tenants or Lessees.* Limited membership privileges shall be extended to Tenants and Lessees as provided for in the Rules and Regulations, but Tenants and Lessees shall not be Members nor shall they have the right to vote.
- d. *No Transfer of Membership.* No Member may transfer, pledge or alienate in any way his/her Membership in the Association, except upon the transfer of the fee interest in the Lot to which it is appurtenant, and then only to the transferee of such fee interest.
- e. *Trusts.* If title to a Lot is held in the name of a trust, the trustees of the trust who are on title to the property shall be considered the owners of the Lot for purposes of membership in the Association and may exercise the rights and privileges of Members.
- f. *Corporations.* If title to a Lot is held by a corporation, the president of the corporation as designated in the corporation's minutes shall be considered the owner of the Lot for purposes of membership in the Association and may exercise the rights and privileges of a Member.
- g. *Partnerships.* If title to a Lot is held by a partnership, the managing partner as designated in the partnership agreement shall be considered the owner of the Lot for purposes of membership in the Association and may exercise the rights and privileges of a Member.

- h. *Companies.* If title to a Lot is held by a company, the president of the company as designated in the operating agreement shall be considered the owner of the Lot for purposes of membership in the Association and may exercise the rights and privileges of a Member.
- i. *Other Entities.* If title to a Lot is held by an entity not described above, the majority owner of the entity shall be considered the owner of the Lot for purposes of membership in the Association and may exercise the rights and privileges of a Member.

2.4 Proof of Membership. No Person may exercise the rights of Membership unless he or she owns a Lot in the Development. The Board may require a Person to provide proof of ownership before exercising Membership rights, which proof shall be in the form of a recorded deed or, for purchases in the preceding thirty (30) days, a completed escrow closing statement.

2.5 Voting Rights. In all matters submitted for a Membership vote, Members in Good Standing shall be entitled to one (1) vote per Lot regardless of the number of Owners having an interest in the Lot.

2.6 Inspection of Records. Members shall have the right to inspect records of the Association as provided for in the Bylaws.

2.7 Ingress, Egress and Support. Members shall enjoy a nonexclusive easement appurtenant to and for the benefit of their real property for ingress, egress and support over, across and through the Common Areas.

2.8 Easements of Enjoyment. Every Member in Good Standing shall have a right and easement of enjoyment in and to the common area, and such easement shall be appurtenant to and shall pass with the title to every assessed Lot, subject to the following provisions:

- a. *Guests.* The right of the Association to limit the number of guests of members.
- b. *Common Area Dedication.* The right of the Association to dedicate or transfer all or any part of the common area to any public agency, authority or utility for such purposes and subject to such conditions as may be agreed to by two-thirds approval of the Membership.

2.9 Easement with Respect to Beach Lots. Owners and tenants of Beach Lots, and their guests, shall have a right and easement of enjoyment in and to the contiguous Beach Lots and such easement shall pass with the title of said contiguous Lots.

**Article 3: MEMBERSHIP OBLIGATIONS**

3.1 Obligation to Follow Governing Documents. Members shall be obligated to follow the Association's Governing Documents and to ensure that their family, guests, invitees, and Tenants abide by the Governing Documents.

3.2 Supervision of Minors. Members shall be liable for the conduct, behavior, and proper supervision of minors residing at or visiting their Lots and/or using the Association's Common Areas.

3.3 Security. Members shall be responsible for their own security and shall take appropriate measures to ensure the security of the persons and property of themselves as well as that of their family, Tenants and guests. Members may not rely on any security measures provided by the Association.

3.4 Purchase Subject to Violations. Buyers shall take ownership of Lots subject to any violations of the CC&Rs, or Rules which may exist concerning the Lot, whether or not such violations were disclosed prior to transfer of title and whether or not the Association knew of the violations at the time of sale. Such buyers shall be liable for correcting such violations upon demand by the Association. Assessments, fines, and other charges not secured by a lien on the Lot prior to transfer of title are exempted from this provision.

3.5 Notice of Transfer of Ownership. No later than five (5) days after the assignment, sale, quitclaim or other transfer of their Lots, Members shall notify the Association of the name and address of the transferee and the nature of the transfer.

3.6 Obligation to Carry Insurance. Members shall purchase insurance at their sole expense to insure their separate interests as more fully described in the article in these CC&Rs entitled "Insurance." The Association may but is not required to and is specifically relieved of any responsibility or liability for policing this provision.

3.7 Maintenance of Lots & Improvements. Members shall, at their sole expense, repair and maintain their Lots, including but not limited to:

- a. *Slopes.* Their slopes, terraces, drainage contours, drainage devices, and landscaping;
- b. *Improvements.* All Improvements to their Lots;
- c. *Utility Lines.* All Utility Lines that exclusively service their Lots. Members shall have limited easements across and under Lots and Common Areas adjacent to their Lots for the limited purpose of installing, repairing or maintaining Utility Lines which cannot reasonably be serviced from their Lots. Access to adjacent

Lots and Common Areas shall be limited to a reasonable work area for a reasonable time and with reasonable notice. Members shall, at their sole expense, restore Lots and Common Areas to the same or better condition as prior to the commencement of such work. All such work shall be done in a timely fashion and in accordance with the Association's Architectural Standards and applicable building codes.

- d. *Weeds and Trash.* Members shall keep their Lots free and clear of all weeds, debris and rubbish (including rubbish dumped by others), and shall keep all shrubs, trees, grass and plantings of every kind neatly trimmed, watered, cultivated and free of weeds and other unsightly material.
- e. *Paint.* Members shall prevent their Lots from becoming unsightly by reason of deterioration of paint or other materials and, in general, shall do all other things necessary or desirable to keep his property neat, clean, attractive and in good order.
- f. *Sidewalk and Street Encroachments.* Members shall ensure that no tree, shrub or planting of any kind shall be allowed to protrude from their Lot onto a sidewalk or street. Trees which overhang a pedestrian walkway or street must be kept free of limbs from the walkway or street to a height of ten (10) feet above the walkway or street.
- g. *Fences.* Unless otherwise agreed to by the affected Members, Members who have fences separating their Lots which are not maintained by the Association shall equally have the right to the use and enjoyment of the fence as well as being equally liable for maintaining the fences. Notwithstanding the foregoing, if fences are damaged due to the negligence or willful misconduct of a Member or such Member's family, Tenants or guests, such Member shall bear the full expense of the repair.
- h. *Insects and Plant Diseases.* No thing or condition may be permitted to exist upon any Lot which shall induce, breed or harbor infectious plant diseases or noxious insects.
- i. *Tree Removal, Pruning and Topping.* Members must keep the trees on their Lots properly pruned and topped to prevent them from becoming overgrown or diseased. No living tree having a height of ten (10) feet or more shall be destroyed or removed from any Lot without the express written consent of the Architectural Committee. Individual Members and not the Association shall be responsible for any damage caused by the trees and shrubs on their Lots.

3.8 Reimbursement to Association. In the event the Association undertakes to provide materials or services that benefit a particular Member, such Member in accepting the materials or services agrees to reimburse the Association for the costs incurred by the Association, which shall become a Special Assessment against the Member.

3.9 Damage to Common Area. Members shall be liable for any damage to the Common Areas and any other property of the Association originating from their Lot or caused by the acts, omissions or willful misconduct of such Members, their family, guests, invitees, Tenants, or pets. The Association shall cause the damaged Common Property to be repaired or replaced. The expenses related to mitigation, repairs and replacements shall be assessed against the Member as a Special Assessment.

3.10 Liability for Mitigation. Members shall be liable for expenses incurred by the Association mitigating damage to the Common Areas, Member's Lots and Improvements due to damage (i) originating from Members' Lots such as, but not limited to, flood, fire, insect or rodent infestation, altered drainage patterns, or (ii) from the negligence or willful misconduct of such Members, or Member's guests, invitees, Tenants or pets. Such expenses shall become a Special Assessment against such Members.

#### **Article 4: DUTIES AND AUTHORITY OF THE ASSOCIATION**

4.1 Board of Directors. The maintenance of the Common Areas, management of the Association, enforcement of the Governing Documents, and all other acts of the Association shall be through its Board of Directors, unless provided otherwise in the Governing Documents.

- a. *Membership Meetings.* The Association shall have at least one (1) meeting of its Members each year as provided for in the Bylaws. Annual and Special Meetings of the Membership shall be held at dates, times and locations as provided for in the Bylaws.
- b. *Director Qualifications and Meetings.* The qualifications of who may be elected to the Board shall be as provided for in the Bylaws. Meetings of the Board shall be held as provided for in the Bylaws. Meetings of the membership shall be conducted in accordance with a recognized system of parliamentary procedure selected by the Board.

4.2 Powers of a Nonprofit Corporation. The Association shall have the powers of a nonprofit corporation organized under the laws of the State of California operating for the benefit of its Members.

4.3 Maintain Common Areas. The Association shall maintain in a first-class condition all Common Areas and Association-owned assets, including but not limited to entrance monuments, guard house, entrance gate, structures, lighting, and landscaping.

- a. *Common Area Slopes*. The Association shall stabilize and maintain, including landscaping and watering, all Common Area slopes and drainage contours throughout the Development.
- b. *Common Area Fences*. The Association shall maintain in a first-class condition all fences installed before sale of the first Lot or installed later by the Association. Fences installed by Members shall be maintained by those Members in accordance with these CC&Rs. Members shall not interfere with the Association's maintenance of its fences and shall keep the portions of their Lots around the fences in a clean and neat condition, including the removal of all weeds. Members must also remove other vegetation and materials from around the fences when so requested by the Association.
- c. *Vacant or Unimproved Lots*. The Association shall have the right at all times to enter upon any vacant or unimproved Lot in the Development to plant or replant, trim, cut back, remove, replace or maintain trees or shrubs. Neither the Association nor those acting at its direction shall be deemed guilty of any manner of trespass.

4.4 Enforce Governing Documents. The Association shall interpret and enforce the Governing Documents as provided for by law.

4.5 Incur and Pay Expenses. The Association shall have the power to incur and pay the operational expenses of the Association, which shall include but not limited to, legal and accounting services; utilities; insurance; management services; vendor services such as security, landscaping, garbage collection for the Common Areas and for individual residences, pest control, street sweeping, swimming pool maintenance, cleaning, painting and other such services; maintenance, repair, reconstruction and replacement of all or any portion of the Common Areas or the personal property acquired by the Association; supplies and materials; and such other services for the use, enjoyment and protection of the Development and its residents as the Board may determine from time to time are reasonable, proper or desirable.

4.6 Rules and Regulations. The Board may adopt, amend and repeal Rules and Regulations regarding any matter set forth in the Governing Documents, including (i) the use, occupancy and maintenance of the Development, (ii) the general health, welfare, comfort, and safety of residents in the Development, and (iii) the interpretation and implementation of the Governing Documents. The Board shall use the following procedure for adoption of such Rules:

- a. *Distribution to Members.* The proposed Rules shall be distributed to the Membership at least 30 days before an open Board meeting at which the Board will vote on the Rules. The distribution shall include a notice of the meeting and a description of the purpose and effect of the proposed Rules.
- b. *Adoption of Rules.* At the scheduled Board meeting, the Board shall vote on adoption, amendment or repeal of the Rules after considering any comments received by the Membership on this issue.
- c. *Notice.* Within 15 days of approving the Rules, the Association shall distribute a notice to the Membership of the new or changed Rules and Regulations.

4.7 Foreclose, Hold Title and Make Conveyances. The Association shall have the authority to lien and foreclose upon any Lot for non-payment of Assessments, to take title to the Lot, to assume or otherwise pay off encumbrances, and to acquire, hold title to, lease and convey, with or without consideration, real and personal property and interests.

4.8 Fee Limitation. The Association may not impose fees that exceed the amount necessary to defray the costs for which the fee is levied.

4.9 Commercial Concessions. The Board may negotiate contracts and grant commercial concessions over portions of the Common Area, subject to Membership Approval.

4.10 Utility and Cable Easements. The Association is granted easements to enter onto Lots as is necessary or prudent to (i) install, repair and maintain Common Area Utility Lines and (ii) install, operate and maintain transmission lines and other facilities for a community television system, high-speed internet lines, community security systems, or other similar systems, provided that any damage to a Member's Lot shall be repaired at the Association's expense and in a timely fashion.

4.11 Granting Easements. The Board may grant and convey easements and rights of way for utilities such as wires, conduits, piping, plumbing, water lines, telephone lines, power lines, cable, storm drains, sewer lines, gas lines, and the like. The Board may grant and convey easements, rights of way, parcels or strips of land in, on, over or under any Private Street or Common Area for the purpose of constructing, erecting, operating or maintaining roads, streets, walkways, parkways and park areas.

4.12 Limitation on Granting Easements. Granting any Member an easement for exclusive use of any portion of the Common Areas requires approval of the Membership as required by section 1363.07 of the Civil Code.

4.13 Borrow Money. The Association may borrow and repay monies as needed in connection with the discharge of its duties, and pledge or assign Special Assessment rights as

security for the repayment of such borrowed money provided, however, that any loan in excess of 5% of the annual assessments shall require Membership Approval.

4.14 Represent Association in Litigation. The Board may institute, defend, settle or intervene on behalf of the Association in litigation, arbitration, mediation, administrative proceedings or any other legal proceeding in any capacity necessary to represent the interests of the Association.

4.15 Receive Property. The Board may receive property on behalf of the Association.

4.16 Limitations on Sale of Property. In no event shall the Board sell during any fiscal year property owned by the Association having an aggregate market value in excess of five percent (5%) of the Association's budgeted gross expenses for that year without Membership Approval.

4.17 Limitations on Capital Improvements. The Board may not make capital improvements to the Common Areas in excess of five percent (5%) of the Association's budgeted gross expenses for that year without Membership Approval.

4.18 Vendor Contract Limitations. No contract for services shall be entered into which binds the Association for a period in excess of two (2) years, without Membership Approval. The following exceptions may exceed two (2) years without Membership Approval:

- a. *Public Utility Contract.* A contract with a public utility company if the rates charged for the materials or services are regulated by the Public Utilities Commission provided, however, that the term of the contract shall not exceed the shortest term for which the supplier will contract at the regulated rate.
- b. *Security & Fire Services.* Contracts for terms up to three (3) years for security and/or fire protective services.
- c. *Bulk Cable Service.* Contracts for terms up to five (5) years to provide cable, internet or satellite communications service.

4.19 Delegation to Manager. The Board may delegate any of its duties, powers or functions to any qualified person or management company to act as Manager, provided however, that the Manager shall act at the direction and supervision of the Board.

4.20 Transfer to Public Agency. The Association may, upon Membership Approval, dedicate or transfer all or any part Common Area to any public agency, authority or utility for such purposes and subject to such conditions as may be agreed to by the Association.



4.21 Real Property Exchange. The Association may, upon approval by a majority of the Membership, transfer any part of the common area to other persons or entities in exchange for real property of equal or greater value.

4.22 Personal Property of Association. The Association may acquire and hold tangible and intangible personal property and may dispose of the same by sale or otherwise.

4.23 Nonprofit Character of Association. Notwithstanding anything contained in these CC&Rs to the contrary, the Association may not engage in any activity which may jeopardize the nonprofit character of the Association.

4.24 Title to the Common Area. The Association shall hold fee simple title to the common areas in Tracts 378, 379, 380 and 381.

## **Article 5: ARCHITECTURAL CONTROL**

5.1 Architectural Committee. The Board shall appoint an Architectural Committee. If the Board does not appoint one, the Board shall automatically be deemed the Architectural Committee. The Committee shall have the authority to approve, reject, modify, give conditional approvals, and give limited approvals of improvements and alterations as provided for in the Association's Architectural Standards.

- a. *Architect*. The Board may retain the services of an architect and one or more consultants to assist the Architectural Committee in its duties. Compensation for the consultant's services shall be fixed by the Board. The cost of such consultants and any related expenses may be charged to those Members submitting plans for alterations and/or improvements to their Lots.
- b. *Conflicts of Interest*. No Director or Architectural Committee Member may participate in the decision-making process of any architectural submittal made by that Director or Committee member or members of their family. Further, no Director or Architectural Committee Member may participate in the decision-making process of any other architectural submittal if it results in a monetary benefit to the Director or Committee member or any company in which they or members of their family have a financial interest.

5.2 Architectural Standards. The Board may adopt, amend, and repeal architectural standards. These architectural standards shall interpret and implement the provisions of these CC&Rs by setting forth the standards and procedures for the review and approval of proposed modifications, guidelines for architectural design, placement of any modification, color schemes, exterior finishes and materials, and similar features which are recommended for use within the Development, provided that the architectural standards shall meet the minimum standards

required by these CC&Rs. In the event of any conflict between the architectural standards and these CC&Rs, the CC&Rs shall prevail.

5.3 No Improvements or Alterations Without Approval. No improvement, excavation, wall, swimming pool, painting, alteration or other work which alters the exterior appearance of any Lot or its Improvements shall be commenced until plans and specifications have been submitted to and approved in writing by the Architectural Committee. If Improvements, additions, alterations or modifications are different from those approved by the Architectural Committee, such Improvements, additions, alterations or modifications shall be deemed disapproved and Member shall promptly correct the nonconforming items to comply with the Association's Architectural Standards.

5.4 Submission of Plans. Plans and specifications in accordance with the Association's Architectural Standards which describe the proposed modification shall be submitted to the Architectural Committee by personal delivery or certified mail. If the Committee fails to approve or disapprove the modification within 45 days after proper plans and specifications have been submitted to it, the request shall be deemed approved, except for any portion of the Improvement or alteration which violates any provision of the Association's Governing Documents, or violates local or state ordinances. Approval by the Committee may contain conditions or requests for modification of particular aspects of the Member's plan and specifications.

5.5 Review Fees. The Board may establish a schedule of fees which may be charged against the submitting party to defray any costs incurred by the Association including architectural and/or engineering consultant fees, legal fees, and expenses for reviewing plans.

5.6 Variances. The Architectural Committee may grant reasonable architectural variances, subject to Board approval, if the Committee determines that the variance will not: (i) constitute a material deviation from the overall plan and scheme of development within the Development or (ii) result in a material detriment or (iii) create a nuisance with respect to the Common Area or any other Member. The granting of a variance by the Board shall in no event be deemed a variance or waiver as to any other Lot, nor shall any variance affect the applicability or enforceability of any provision of this Article in respect to any other Lot.

5.7 Engineering and Code Requirements. Plans and specifications approved by the Architectural Committee are not approved for engineering design or building code specifications. Members shall be responsible for ensuring compliance with applicable building codes, ordinances and specifications.

5.8 Setback Requirements. No Residence, garage, or any part thereof, including porches, chimneys, steps, balconies and/or other architectural features, and no other structure shall be erected, placed, permitted and/or maintained on any Lot leaving less than a total of 20 feet from both side lines with a 5 foot minimum on one side. Rear yards shall be 25 feet

measured from eave line to lot line, unless otherwise noted on that map described on the first page hereof. Front set-backs and all other setback lines also shall be established in the Association's Architectural Standards.

5.9 Minimum Size of Residence. Residences must meet minimum square footage requirements as established in the Association's Architectural Standards.

5.10 Height of Fences, Walls and Planting Limited. No fence, wall hedge or planting (with exception of trees) exceeding seven (7) feet in height above the finished surface shall be permitted or maintained on lot or property in said tract or tracts. No trees or shrubs shall be planted or placed on any Lot which substantially obstruct or diminish the view from any other Lot. If the Architectural Committee makes a determination that the view has been unreasonably obscured, the appropriate party shall take action to abate the obstruction so as to establish a view which, in the Architectural Committee's opinion, is reasonable. The Member, upon written notice sent by the Association, shall remove, cut down or cut back any such trees or shrubs to the extent specified by the Architectural Committee within 30 days of such notice.

5.11 Roof Requirements. No white or shiny material, including shiny metal, shall be used as roofing material. Owners are to select a fire resistant material.

5.12 Drainage. No Member or Member's family, guests, invitees or Tenants shall change the established drainage patterns over a Lot without (i) making adequate provisions for proper drainage in accordance with applicable building codes, which shall not adversely affect the property of others, and (ii) written approval of the Architectural Committee.

5.13 Combining Lots. No Lot may be combined with another Lot without the written approval of the Board. Combining Lots shall have the following consequences:

- a. *Assessments*. The Assessments due and owing on the combined Lots shall be equal to the sum of the Assessments levied against each of the respective Lots so combined.
- b. *Voting Rights*. The Member of the combined Lot shall have the number of votes equal to the number of votes of the Lots that were combined. For example, if two Lots were combined into one, the Member of the new Lot would retain two votes as a Member of the Association.

5.14 No Right to Divide. No Member shall have the right to divide any Lot; provided, however, once two or more Lots have been combined the Member may seek written Board approval to divide the Lots to restore them to their prior condition.

5.15 Building Department and Association Approvals. Any construction, repair, modification, or alteration of any Improvement requiring the issuance of a building permit shall

be submitted by the Member to the appropriate governmental entity for review and approval. In the event of a conflict in the conditions of approval imposed by the governmental entity and the Architectural Committee, the more restrictive conditions shall control. Nothing herein shall limit the Architectural Committee from imposing conditions of approval which are more restrictive than conditions imposed by governmental agencies.

5.16 Occupancy of Unfinished, Temporary or Mobile Structures. No trailer, RV, bus, mobile home, tent, shack, garage, temporary building or structure of any kind shall be occupied or lived in at any time, except that a contractor's tool house and a mobile home may be used temporarily during construction, as approved by the Architectural Committee and the County of San Luis Obispo. Permanent residential dwellings shall not be occupied or lived in until they have been completed and the exterior is made to comply with the Association's Architectural Standards.

5.17 Removal of Temporary Buildings. Temporary buildings or structures used during construction or remodeling shall be removed immediately after the completion of construction.

5.18 Diligent Construction. The construction of any building or structure shall be prosecuted diligently and continuously from the time of commencement until fully completed. All buildings and structures shall be completed and receive final inspection approval from the County within eighteen (18) months once the foundations are erected.

5.19 Landscaping Following Construction. Within two (2) months of the completion of any construction work during which the Association's landscaping requirements were waived, or within any shorter time frame required by the Architectural Committee, Members shall landscape their Lots as may be required by the Association's Architectural Standards.

5.20 Mechanics Liens. Members shall ensure that no lien is placed against any other Lot or against the Common Areas for labor or material furnished to their Lots. If a lien is placed against the Common Areas and other Lots, and the responsible Member does not immediately cause the removal of the lien, the Association may, after written notice to the responsible Member, pay the amounts necessary to have the lien removed and levy a Reimbursement Special Assessment against the responsible Member.

5.21 Waiver of Liability. Neither the Architectural Committee or its members nor the Association or its Officers, Directors, employees or agents shall be liable for any damage, loss or prejudice suffered or claimed on account of the Architectural Committee's review, approval, or disapproval of any plans, drawings or specifications, or the conformance of the construction with the approved plans.

**Article 6: GENERAL RESTRICTIONS**

6.1 Antennas. No antennas for transmitting or receiving radio signals or any other form of electromagnetic radiation may be installed except as provided in the Association's Rules and Regulations or its Architectural Standards.

6.2 Exterior Fires. There shall be no exterior fires whatsoever except in confined approved receptacles designed for such purposes. The hours of operation, type of equipment and rules regarding their operation shall be in the Rules and Regulations. Residents shall take all reasonable precautions to minimize smoke.

6.3 Drilling and Exploration. No Lot shall be used in any manner to explore for, remove, refine, or store any water, gasoline, oil, hydrocarbons, minerals, gravel, earth, or earth substances of any kind.

6.4 Flammable Materials. No explosives, fireworks, or highly flammable or corrosive materials are permitted to be stored on Lots or used by Members or their family members, Tenants, invitees, or guests within the Development, except as may be permitted by the Rules and Regulations (i.e. storage of gasoline).

6.5 Health/Safety Hazards. Members shall not permit conditions which constitute a health, safety or fire hazard to exist on their Lots or Exclusive Use Common Areas.

6.6 Increased Insurance Rates. No Member shall permit anything be done or kept in or on any Lot or any Common Area which will increase the rate of insurance in or on any other Lot or the Common Area, or which would result in uninsurability or in the cancellation, suspension, modification or reduction of insurance in, on or covering any other Lot, Common Area or item of personal property within the Development. If, by reason of the occupancy or use of any portion of the Development by any Member, the rate of insurance on any policy held by the Association shall be increased, such Member shall become personally liable to the Association for any increase in insurance premiums caused thereby and the cost of the increase shall be assessed to such Member and his/her Lot as a Special Assessment.

6.7 Livestock Prohibited. No horses, cows, cattle, goats or sheep shall be kept or permitted to be kept on any property or Lots except that the Association may grant permission to owners of large Lots to keep horses thereon. No dogs, cats, birds, poultry, bees, horses, rabbits or other pets shall be raised or traded as business, either directly or indirectly, on any of said properties or lots. No pets shall be kept which, in the opinion of the Association, disturb the neighborhood by excessive noise, or, which, if other than dogs, cats or birds, are allowed to leave the premises while not under owner's control.

6.8 Machinery and Equipment. No machinery or equipment of any kind shall be placed, operated or maintained upon or adjacent to any Lot except such machinery or equipment

as is usual and customary in connection with the use, maintenance or construction of a private Residence.

6.9 Nudity. Public displays of nudity are prohibited.

6.10 Nuisance. No one may cause or permit to be caused anything which constitutes a nuisance. To constitute a nuisance the activity must be unreasonably noxious or offensive, cause an unreasonable disturbance or annoyance, be unreasonably injurious to health, indecent, or create an unreasonable obstruction to the free use of property. Residents with allergies or sensitivities must, at their own expense, take precautions to protect themselves against common-place levels of noise, odors, dust, smoke, gases, pollen, or other environmental pollutants. Because a nuisance is largely subjective, the Association is not obligated to become involved in disputes where the alleged nuisance causes mere inconvenience rather than substantial interference. If, in the Board's opinion, a nuisance exists, the Board may send "cease and desist" letters or, following due process as provided for in the Bylaws, impose fines, suspend privileges, take legal action, or seek any other remedy provided for by law and/or these CC&Rs.

6.11 Occupancy Restriction. The maximum number of persons who may reside in any residential dwelling is two (2) persons per bedroom plus two (2) for the dwelling. For purposes of this restriction, "reside" shall mean the use, residency or occupancy of any dwelling by any person for more than thirty (30) consecutive days or more than sixty (60) aggregate days, whether or not consecutive, in any one calendar year. [Note: California's Department of Fair Employment and Housing (DFEH) allows a formula of "two-plus-one" for establishing reasonable occupancy limitations. This section 6.11 adopts a more permissive formula of two-plus-two which minimizes the problem of over-crowding of residences and common area facilities, while still allowing for large families, i.e., a 1-bedroom house can have 4 occupants, a 2-bedroom can have 6 and so on.]

6.12 Obstruction of Common Areas. No Common Area shall be obstructed or used for other than its intended purpose except as designated by the Board.

6.13 Quiet Enjoyment. No one may engage in any abusive or harassing behavior or any form of intimidation or aggression, whether verbal or physical, against other Members, residents, guests, invitees, members of the Board, or the Association's management, employees, agents or vendors. Because the breach of quiet enjoyment is largely subjective, the Board may choose to act only against egregious breaches. In the event the Association chooses not to act on a complaint of breach of quiet enjoyment, or the complaining party believes the Association's action is not sufficient, such party may take legal action to enforce this provision against other residents but specifically waives his/her right to take action against the Association and its officers, directors, employees and agents in their handling of the party's complaint.

6.14 Residential Use. No Member shall use or permit his/her Lot or any portion of it to be occupied or used for timeshare purposes or for any purpose other than a private single-family

Residence. Notwithstanding the foregoing, Members may have a home office/business provided it is passive and does not affect the outside single family residence and meets all of the following criteria:

- a. *Advertisement Limitations.* The home office does not involve any advertisement which includes the address of the Lot or the phone number of the Association's business office;
- b. *No Excessive Deliveries.* The home office does not involve deliveries or pick-ups of mail or packages which in the Board's determination are in excess of a level normal for residential occupancy;
- c. *Compliance with Laws.* The home office and its business activity does not violate any ordinances or laws, and complies with all applicable business license requirements.

6.15 Sale of Lot. Open houses, brokers' caravans and other matters relating to the sale of a Lot shall be provided for in the Rules.

6.16 Sanitary Conditions. Members shall maintain their Lots and all Improvements in a clean and sanitary condition and not allow rubbish or debris of any kind to accumulate so as to render any Lot or portion of a Lot unsanitary, unsightly, or offensive.

6.17 Satellite Dishes. Satellite dishes and antennas may only be installed as provided for in the Architectural Standards.

6.18 Signs. No signs shall be erected or maintained on any Lot except as allowed by the Architectural Standards.

6.19 Smoking. Smoking is prohibited in all enclosed Common Areas. Smoking in open Common Areas shall be as specified in the Rules.

6.20 Storage. No Lot shall at any time be used for open air storage of building materials, non-operational vehicles, implements, tools, furniture, landscaping materials or equipment, irrigation pipes, or any other things, except as provided for in the Architectural Standards.

6.21 Trash Containers and Burning. Every outdoor receptacle for trash, rubbish or garbage shall be placed in approved receptacles and kept as provided for in the Association's Rules and Regulations. Burning of trash and garbage is prohibited.

6.22 Use of Association Employees. Members may hire off-duty Association employees to perform work. However, the use of off-duty employees shall be at the employing

Member's expense and such Member shall be responsible for workers' compensation and payroll deductions for the employee. In no event shall the Association be liable for the acts or omissions of employees hired by Members.

6.23 Use of Independent Contractors. Members may use independent contractors to perform work for the Member. Members engaging independent contractors shall ensure that they are licensed and insured.

6.24 Utility Service. No lines, wires or other devices for the communication or transmission of electric current or power, including telephone, television and radio signals, shall be constructed, placed or maintained anywhere in or upon any Lot unless the same shall be contained in conduits or cables constructed, placed and maintained underground or concealed in, under or on buildings or other approved structures. Nothing herein shall be deemed to forbid the erection and use of temporary power or telephone services incident to the construction of approved buildings.

6.25 Violation of Law. Violation of any federal, state, municipal or local law, ordinance or regulation by Members or their family, Tenants, guests, or invitees which affects the health, safety, and or property rights of other Members, shall be deemed a nuisance and a violation of these CC&Rs which may be abated as provided for in these CC&Rs or by law.

6.26 Window Coverings. When windows are covered, appropriate window coverings must be installed. The color of such window coverings shall be in harmony with the exterior of the structure. No window may be covered by paint, aluminum foil, newspapers, bed sheets, cardboard, blankets or other similar items.

## **Article 7: RESIDENCES**

7.1 Transfer of Occupancy. Members living offsite shall promptly provide the Association with the names of all Lot Residents and any change in occupancy.

7.2 Repair Damage. Members shall promptly repair any damage to the Common Areas caused by their Tenants or Tenants' family, guests, invitees, or pets.

## **Article 8: VEHICLES AND PARKING**

8.1 Management of Streets. The Association shall have authority to manage and control the use of all streets in the Development and all Common Area parking.

8.2 Motorcycles. Motorcycles and all other motorized vehicles must be configured so as to provide for their quiet operation.



8.3 Parking. Vehicles, water craft and recreational equipment may be parked on Lots and streets only as provided for in the Association's Rules and Regulations.

8.4 Garages. Garages may not be converted to any use other than the storage of Vehicles. Garages shall not be sublet. Members are responsible for garage door hardware and for maintaining the doors in proper working order.

8.5 Repair of Vehicles. No Member shall construct, repair, or service any Vehicle within any portion of the Common Areas, except for emergency repairs to the extent necessary for the movement of the Vehicle to a proper repair facility, or on any Lot except in an area on the Lot not visible from the Common Areas or neighboring properties.

8.6 Proper Operating Condition. All Vehicles shall be maintained in proper operating condition so as not to be a hazard or nuisance by noise, exhaust emissions or appearance.

8.7 Fluid Leaks. Members must keep their driveways and streets in front of their Lots free of fluids such as oil, radiator coolant, brake fluid, power steering fluid, etc. Members who fail to do so may be fined, specially assessed for the cost of cleaning the affected areas and/or have their vehicles towed.

8.8 Insurance and Sticker. All Vehicles shall be insured and properly display an Oak Shores sticker.

8.9 Theft or Damage. The Association shall not be liable for any loss or damage suffered by any Member or guest by reason of theft of or damage to any Vehicle or Vehicle contents, unless caused by the Association's intentional misconduct or gross negligence.

8.10 Towing. For any Vehicle-related violation, the offending Vehicle may be towed by the Association at the Member's expense and without prior warning if the Vehicle is blocking entrances, exits, fire lanes, clearly marked restricted areas, other Member's parking spaces, other Vehicles, or the vehicle does not display an Oak Shores sticker or pass. Also, guests who bring watercraft into the Development without paying the Association's fees may be towed.

## **Article 9: ENFORCEMENT OF GOVERNING DOCUMENTS**

9.1 Association Enforcement Rights. In addition to any other rights described in these CC&Rs and without waiving the Association's right to institute other enforcement measures, and subject to the notice and hearing provisions described in the Bylaws, may be enforced by any or all of the following as may be appropriate:

- a. *Monetary Penalties.* The Board may assess reasonable monetary penalties for violations of the Association's Governing Documents by a Member or Member's family, Tenants, or guests. Such Member shall be liable for all costs of collection including attorneys' fees, court costs and related expenses.
- b. *Suspend Common Area Privileges.* The Board may suspend the Common Area privileges of Members and their family, Lot Residents, and guests for failure by any of the above to comply with the Association's Governing Documents, including delinquency of more than thirty (30) days in payment of any Assessments, fees or fines. Any such suspension shall be for a period of time not to exceed thirty (30) days for any noncontinuing violation. For continuing violations, the suspension may be imposed for as long as the violation continues. Regular and Special Assessments shall continue to accrue and shall be due and payable notwithstanding the suspension of Membership rights and privileges.
- c. *Judicial Enforcement.* A lawsuit for damages and/or injunctive relief may be filed, whether or not the relief sought is for negative or affirmative action.

9.2 Cumulative Remedies. The respective rights and remedies, provided by these CC&Rs or by law or available in equity, shall be cumulative and the exercise of any one or more of such rights or remedies shall not preclude or affect the exercise, at the same or at different times, of any other such rights or for the same or different failures of the Members or others to perform or observe any provision of these CC&Rs.

9.3 Failure to Enforce Not a Waiver. Failure by the Board, any Member or any other Person entitled to enforce the Governing Documents to enforce the same shall in no event be deemed a waiver of the right of such Person or of any other Person entitled to enforce the Governing Documents to enforce the same thereafter. Waiver or attempted waiver of any provision of these CC&Rs with respect to any Lot shall not be deemed a waiver as to any other Lot, nor shall the violation of any provision hereof with respect to any Lot or Lots affect the applicability or enforceability of any provision of these CC&Rs in respect to any other Lot.

9.4 Remedy at Law Inadequate. Remedies at law for violation of the Association's Governing Documents are inadequate and equitable and injunctive relief may be sought and awarded.

9.5 Right of Action Against Buyer. Failure by a Member to correct Lot violations prior to the transfer of title to the Lot shall give the Association the right to enforce compliance against the buyer.

9.6 Attorneys' Fees. In the event any party initiates any action or proceeding to enforce or interpret the Governing Documents or California law relating to the Development, the

substantially prevailing party shall be awarded reasonable attorneys' fees and costs, including reasonable experts' fees.

**Article 10: RIGHT OF ENTRY**

10.1 Limited Right of Entry. During reasonable hours and subject to the notice requirements contained in this Article, the Association's representatives and vendors may enter Lots, Common Areas, and Exclusive Use Common Areas (i) to inspect and perform necessary maintenance or repairs to the Common Areas and/or Exclusive Use Common Areas or (ii) to mitigate damages, or (iii) to inspect the Lot and its Improvements to ensure compliance with the Governing Documents. Such persons, acting in good faith, shall not be liable for trespass.

10.2 Notice of Entry. The Association shall give at least five (5) business days' written notice to the Resident of the Lot and the Lot's owner, stating the purpose for the entry and the time of the entry. Notice may be personally delivered or mailed to the occupant of the Lot and to the Member's address of record, if different from the Lot address, unless the Member has specified in writing a different location for notice to be sent.

10.3 Avoid Unreasonable Interference. The right of entry shall be exercised in such a manner as to avoid any unreasonable or unnecessary interference with the possession, use and enjoyment of the Member or other Resident of such Lot.

10.4 Emergency Entry. In the event of an emergency, the Board shall make a good faith effort to give an opportunity to cure and notice of entry. However, if it is not feasible to allow time for cure or to seek permission for entry, or if permission is refused, the Board or its authorized representative may enter the Lot and shall not be subject to liability to the Member or occupant, and no trespass or other wrongful act shall be deemed to have been committed by reason of such entry.

10.5 Refusal to Allow Entry. If the Association seeks entry for any reason authorized in these CC&Rs and the Resident or Member refuses to allow entry, the Association shall have the right to assess the Member for all expenses, including attorneys' fees (regardless of whether legal proceedings are instituted), incurred by the Association arising from the resident's refusal to allow entry. Such fees and expenses shall become a Special Assessment against the Member and shall be fully enforceable by all means provided for in these CC&Rs including lien and foreclosure.

10.6 Damage by Association. Any damage caused by the Association shall be promptly repaired by the Association.

## Article 11: ASSESSMENTS

11.1 Purpose of Assessments. The general purpose of Assessments is to provide for the recreation, health, safety and welfare of the Members, enforcement and compliance with the Governing Documents, management of the Development, enhancement of the quality of life in the Association, improvement and maintenance of the Common Areas, provide for the acquisition and maintenance of property, provide for services and facilities devoted to these purposes, and for any action or undertaking on behalf of the Association.

11.2 Regular Assessment. The Board shall levy Regular Assessments in an amount sufficient to provide for the performance by the Board of each and every one of its powers and duties provided, however:

- a. *20% Limitation*. The Board shall not, without Membership Approval, impose a Regular Assessment which is more than twenty percent (20%) greater than the Regular Assessment for the immediately preceding fiscal year.
- b. *Uniform Rate of Assessment*. Regular Assessments shall be fixed at a uniform rate for all Lots.
- c. *Payment Schedule*. Regular Assessments shall be payable by each Member against whom assessed at such dates and in such installments as the Board shall determine.
- d. *Written Notice*. Written notice of any increase in Regular Assessments shall be sent by first-class mail to each Member not less than thirty (30) days nor more than sixty (60) days prior to the increased Assessment becoming due.
- e. *Modification of Assessment*. The Board may modify the Regular Assessments during the course of a fiscal year if necessary to conform to a revised estimate of costs and expenses. However, if the aggregate increase exceeds twenty percent (20%) of the Regular Assessment for the immediately preceding fiscal year, the Board must obtain the Membership's approval. If an annual Regular Assessment is not published for a new fiscal year, the Regular Assessment for the prior fiscal year shall apply and govern each Member's payments until changed by a new Regular Assessment.

11.3 Special Assessment. In addition to the Regular Assessment, the Board may levy a Special Assessment for any purpose necessary for the Association to carry out its duties provided, however:

- a. *5% Limitation.* The Board shall not, without Membership Approval, impose a Special Assessment which is more than five percent (5%) of the budgeted gross expenses of the Association for such fiscal year.
- b. *Uniform Rate of Assessment.* Special Assessments shall be fixed at a uniform rate for all Lots.
- c. *Reimbursement Assessments.* Special Assessments may also be levied against individual Lots for reimbursement of expenses incurred by the Association arising out of actions or omissions of such Members or their family, Tenants, guests, or pets. As provided elsewhere in these CC&Rs, such expenses shall include but not be limited to: (i) enforcing compliance with the Association's Governing Documents; (ii) mitigating or repairing damage to Association property or Common Areas; (iii) collecting delinquent Assessments, (iv) attorneys' fees and costs; and (v) materials and services provided by the Association to individual Members or their family, guests, invitees or Tenants.
- d. *Payment Schedule.* Special Assessments shall be payable by each Member against whom assessed: (i) monthly, or (ii) at such dates and in such installments as the Board shall determine.
- e. *Written Notice.* Written notice of Special Assessments shall be sent by first-class mail to each Member not less than thirty (30) days nor more than sixty (60) days prior to the Assessment becoming due.

11.4 Emergency Assessments. In emergency situations, the Board may increase Regular Assessments beyond 20% or impose special Assessments above 5% only as provided for by law.

11.5 Assessment for Beach Lots. In addition to Regular, Special and Emergency Assessments, the Association shall levy an Assessment against the owners of Beach Lots for the purpose of maintaining Lots in a clean, weed-free, and safe condition. The amount and time of payment of such assessments shall be determined by the Board and shall be payable by each owner with respect to his/her Beach Lot.

11.6 Exempt Property. The following property subject to these CC&Rs shall be exempt from Assessments: (a) properties dedicated to and accepted by a local public authority; (b) the Common Areas; and (c) all properties owned by organizations exempt from taxation by the laws of the State of California. However, no land or Improvements devoted to dwelling use shall be exempt from Assessments.

11.7 Deposit of Assessments. All sums received by the Association shall be promptly deposited into accounts clearly designated in the Association's name.

- a. *Commingling.* The Association shall maintain separate accounts for its Operating funds and its Reserves, respectively, and no funds from those separate accounts shall be commingled at any time.
- b. *Interest.* No Member shall have the right to receive interest on any such funds deposited.

11.8 Disbursement of Funds. All checks, drafts or other orders for payment of money issued by or in the name of the Association shall require two (2) signatures, one by the President or the Treasurer, and the second by another Director or the managing agent of the Association. In the absence of the President or Treasurer, any other Director may be a co-signer. Notwithstanding the foregoing, routine disbursements up to a dollar value set by the Board may be paid by the managing agent without counter-signature by the Board. However, all Reserve account withdrawals or transfers shall require approval by the Board and signatures by two Directors.

11.9 Reserves. Notwithstanding the foregoing, all sums assessed and collected by the Association as part of the Regular Assessments which are budgeted to fund Reserves shall:

- a. *Contributions to Capital.* Be received by the Association as contributions to the capital of the Association by the Member assessed.
- b. *Segregated.* Be received in trust by the Board, set aside and segregated from the other monies and not commingled with the Association's operating account.
- c. *Invested.* Be invested in low-risk investments.
- d. *Restricted Use.* Be used for the sole purpose of paying the cost of long-term maintenance, repair and replacement of Improvements upon the Common Area, the cost of which would not ordinarily be incurred on an annual basis.
- e. *Two Signatures.* Be withdrawn from the Reserve account only upon approval by the Board and the signature of two (2) members of the Board.
- f. *Temporary Transfers.* Notwithstanding the foregoing, the Board may authorize the temporary transfer of money from a Reserve fund to the general operating fund of the Association to meet short-term cash flow requirements or other expenses. The transfer shall be noted in the minutes of a Board meeting and the transferred funds shall be restored to the Reserve fund within one (1) year of the date of such initial transfer, except that the Board may, upon making a written finding that a delay would be in the best interests of the Association, temporarily delay the restoration as provided for in Civil Code §1365.5.

- g. *No Reimbursement.* All contributions to the Reserves as well as interest earned are for the benefit of the Association and not to the benefit of any individual Member. As such, contributions and interest are not refundable to Members when they cease to be Members.

## **Article 12: ENFORCEMENT OF ASSESSMENTS**

12.1 Liability for Assessments. Assessments, together with charges, interest, costs, and attorneys' fees (regardless of whether legal proceedings are instituted), shall be a charge on the land and shall be a continuing lien upon the property against which each such Assessment is made. In addition, Members shall be personally liable for any and all Assessments provided for by these CC&Rs together with any accompanying late charges, interest, costs, attorneys' fees (regardless of whether legal proceedings are instituted), and penalties as may be authorized under these CC&Rs. In a voluntary conveyance of a Lot by a Member, the buyer shall be jointly and severally liable with the seller for all unpaid Assessments, late charges, interest, costs and penalties up to the time of the grant or conveyance without prejudice to the buyer's right to recover from the seller the amounts paid by the buyer.

12.2 Enforcement Rights. Any Assessment made in accordance with these CC&Rs shall be the separate debt of each Member against whom the same is assessed. In addition to any other rights provided for by law or described in these CC&Rs, the Board has the right to collect delinquent Assessments as follows:

- a. *Late Fees and Interest.* Unpaid Assessments shall be deemed delinquent fifteen (15) days after they are due and shall be subject to (i) a late charge of ten percent (10%) or Ten Dollars (\$10.00), whichever is greater, which may not be imposed more than once on any delinquent payment and (ii) interest at the rate of twelve percent (12%) per annum, which may commence thirty (30) days after the Assessment becomes due.
- b. *File Suit.* The Association may commence and maintain a lawsuit directly on the debt without waiving its right to establish a lien and initiate foreclosure against the Member's Lot for the delinquent Assessment. In any action to collect delinquent Assessments, late charges or interest, the prevailing party shall be entitled to costs and reasonable attorneys' fees. If such costs and fees are awarded to the Association, they shall become a Special Assessment against the Member and shall be fully enforceable by all means provided for in these CC&Rs including lien and foreclosure.
- c. *Lien and Foreclose.* A delinquent Assessment or installment, together with any late charges, interest, costs, attorneys' fees and penalties shall become a lien on the Lot upon the recordation of a "Notice of Delinquent Assessment" in the Office

of the County Recorder. The Board may enforce any Assessment lien against a Lot by filing an action for judicial foreclosure or by nonjudicial foreclosure. The Association, through its Board, may bid on the Lot at the sale, and may hold, lease, mortgage, and convey the acquired Lot.

- d. *Suspend Privileges.* Subject to the notice and hearing provisions set forth in the Bylaws, privileges may be suspended until such time as delinquent Assessments, fees and fines, including any accumulated penalties, interest, and costs of collection have been paid in full.
- e. *Suspend Voting Rights.* The voting rights of a Member may be suspended if the Member is more than thirty (30) days delinquent in paying any Assessment, fee or fine, provided the Board gives the Member notice and an opportunity to be heard. Once suspended, a Member's voting privileges shall remain suspended until such time as the delinquency, including any accumulated late charges, interest and costs of collection have been paid in full.
- f. *Additional Remedies.* The remedies provided in this Section shall be in addition to and not in substitution for any other rights and remedies which the Association may have.

12.3 Waiver of Objection. Each Member vests in and delegates to the Board or its duly authorized representative the right and power to bring all actions at law or lien foreclosures, whether judicially or by power of sale, or otherwise, against any Member or Members for the collection of delinquent Assessments in accordance herewith, and expressly waives any objection to the enforcement in accordance with these CC&Rs of the obligation to pay Assessments as set forth in these CC&Rs.

12.4 No Offsets. All Assessments shall be payable in the amount specified by the Assessment and no offsets against such amount shall be permitted for any reason, including without limitation, (i) a claim that the Association is not properly exercising its duties and powers as provided in these CC&Rs; (ii) a Member has made or elects to make no use of the Common Area; (iii) any construction or maintenance for which the Association is responsible has not been performed; or (iv) any construction or maintenance for which the Association is responsible has not been performed to a Member's satisfaction.

12.5 No Exemption by Waiver of Use. Members may not exempt themselves from liability for Assessments nor release their Lots from liens and charges by waiver of their use and enjoyment of the Common Areas or by abandonment of their Lots or through non-use of any Common Areas or Membership privileges.

12.6 Waiver of Exemptions. Members, to the fullest extent permitted by law with respect to liens created pursuant to these CC&Rs, waive the benefit of any exemption or



redemption laws of the State of California in effect at the time any payment of any Assessment becomes delinquent, and shall be deemed to be estopped to raise exemptions or redemptions in any action or proceeding to enforce or foreclose such liens.

12.7 Attorneys' Fees. Any reasonable attorneys' fees and costs incurred by the Association in the enforcement of its Assessment rights against a Member may be levied against that Member by the Board as a Special Assessment which may be collected in any manner provided for by these CC&Rs or by law.

### **Article 13: INSURANCE**

13.1 Association Insurance. The Association shall obtain and maintain policies of insurance as described below. So as to keep premiums at a reasonable level and to ensure the insurability of the Association, the Board shall establish appropriate deductibles and make business decisions as to which losses shall be submitted to the Association's insurance carrier.

- a. *Direct Physical Loss*. Loss or damage by fire or other risks covered by the standard "Special Form" policy (or its equivalent) on all Common Area Improvements. The amount of such insurance shall be not less than one hundred percent (100%) of the aggregate full insurable value, meaning actual replacement value. The coverage shall be written on a blanket basis with an agreed value endorsement and an inflation guard endorsement. In addition, and if available, the Board may purchase:
  - i. "Building Ordinance" coverage (or its equivalent) to cover any increased costs of construction following a covered loss which may be imposed due to changes building codes or ordinances.
  - ii. "Maintenance Fees Receivable" coverage (or its equivalent) to cover the loss from unpaid or uncollected assessments resulting from a covered property loss.
  - iii. "Demolition and Debris Removal" endorsement in the amounts adequate to cover demolition and debris removal costs.
  - iv. Such other endorsements which the Board may deem necessary or reasonable.
- b. *Comprehensive or Commercial General Liability ("CGL")*. The Association shall maintain one or more CGL policies which shall provide appropriate liability limits for injury or death to one or more persons in any one accident or occurrence. The Association shall carry coverage of at least three million dollars (\$3,000,000) or

any greater amounts specified in Civil Code Section 1365.9, as amended from time to time.

- c. *Directors and Officers.* The Association shall purchase directors and officers errors and omission insurance which shall provide appropriate liability limits insuring Directors, Officers, Committee members, and management employees. The Association shall carry coverage of at least five hundred thousand dollars (\$500,000) or any greater amount specified in Civil Code Section 1365.7, as amended from time to time.
- d. *Workers' Compensation.* The Association shall carry workers compensation and employer's liability insurance as may be appropriate.
- e. *Fidelity Bond.* The Association shall maintain blanket fidelity bond coverage for all Directors, Officers, Committee members, and employees of the Association handling funds of the Association or third party property. In the event the Association has delegated some or all of the responsibility for the handling of funds to a management agent, the management agent shall also be required to maintain blanket fidelity bond coverage for those persons handling or responsible for funds of the Association.
- f. *Employment Practices Liability.* If the Association has employees, it should, depending on cost and availability, purchase employment practices liability coverage.
- g. *Automobile Liability Insurance.* If appropriate, the Association shall purchase non-owned and hired automobile coverage and garage-keepers legal liability coverage.
- h. *Boiler and Machinery Insurance.* If appropriate, the Association shall purchase insurance for the loss or damage to or as a result of boilers, pressure vessels and pressure pipes.
- i. *Umbrella Policy.* In addition to appropriate levels of insurance for all of the above, the Association may carry an umbrella policy for its public liability and property damage, Directors and Officers liability, and workers compensation policies.
- j. *Earthquake and Flood Insurance.* The Association may purchase appropriate levels of earthquake or flood insurance if such insurance is available and if approved by the Board or the Membership. In the event the Board has decided not to purchase earthquake insurance for the Association's Improvements, that

decision must be made as part of the Board's annual insurance disclosure to the Membership.

13.2 Member Obligation to Carry Insurance. At their sole expense, Members shall purchase the following insurance: (i) *real property and personal property coverage* which insures their Lot's Improvements and contents against damage or loss, (ii) *premises liability* which includes protection for bodily injury and property damage, (iii) *loss of use* which protects a Member for additional living expenses should his/her Lot become uninhabitable due to a covered loss, and (iv) *loss assessment coverage* which protects against special assessments due to a loss which exceeds the Association's master policy limits. In addition, if Members operate Vehicles which are driven across or stored in the Association's Common Areas, they must carry appropriate *automobile insurance*. The Association may but is not required to and is specifically relieved of any responsibility or liability for policing this provision.

- a. *Waiver of Claims.* Members waive their claims against the Association to the extent such claims are covered under insurance which Members are required to carry under this Article, regardless of whether Members actually carry such insurance.
- b. *Assignment of Proceeds.* If any loss intended to be covered by the Association's insurance occurs and the proceeds payable are reduced because of a Member's insurance coverage, that Member shall assign such insurance proceeds to the Association, to the extent of the reduction. The Board shall apply those proceeds to the same purposes as the reduced proceeds received by the Association.

13.3 Payment of Deductible. If a loss occurs as a result of the negligence or breach of CC&Rs of a Member or Member's family, guests, invitees, Tenants, or pets, or as a result of a failure of a portion of the Lot or its Improvements within a Member's care, custody or control, and the loss results in a payment by the Association's insurance, that Member shall pay the Association's deductible, if any.

13.4 Management of Claims. The Board and not individual Members shall determine which claims, if any, shall be submitted to the Association's insurance carrier. The Board may take into account the Association's claim history, the amount of the deductible, the apparent merit of the claim, etc. and make a business decision regarding which claims are submitted and which ones are not. In the event a Member makes an unauthorized claim against the Association's insurance which results in an increase in the Association's insurance premiums, the amount of the increase shall be assessed against the Member and his/her Lot as a Special Assessment.

13.5 Liability for Increased Insurance Rates. In the event any act or omission of any Member or Member's family, guests, invitees, Tenants or pets causes an increase in the cost of

the Association's insurance, the amount of the increase shall be assessed against the Member and his/her Lot as a Special Assessment.

13.6 Choice of Contractor. With respect to any repairs for which proceeds of insurance are paid or are payable to the Association, the Board shall designate the contractor to perform the repairs to the Common Areas. Individual Members shall be responsible for overseeing repairs done to their respective Lots.

13.7 Insurance Company Rating. All policies of insurance obtained by the Board shall be from an insurance company qualified to do business in the State of California and holding a Best's Insurance Reports rating of "A" or better or such other comparable rating as may be given by Standard and Poor's.

#### **Article 14: PROTECTION OF LENDERS**

14.1 Written Notification to First Mortgagees. A first Mortgagee, upon request, is entitled to written notice from the Board of any default in the performance of an individual Lot mortgagor of any obligation under these CC&Rs and the Bylaws which is not cured within sixty (60) days. It shall be the responsibility of each Member of a Lot to notify the Association within thirty (30) days of the close of his escrow to purchase a Lot of the name and address of the holder of his/her first Mortgage on the particular Lot.

14.2 Subordination of Assessment Lien to Mortgages. Any holder of a first mortgage or any third party purchaser who comes into possession of the Lot pursuant to the remedies provided in the mortgage or foreclosure of the Mortgage shall take the property free of any claim for unpaid Assessments or charges against the mortgaged Lot which accrue prior to the time such Person takes title to the Lot. The lien for Assessments provided for in these CC&Rs shall be subordinate to the lien of any first Mortgage or first deed of trust placed on the Lot; provided, however, that such subordination shall apply only to the Assessments which have become due and payable prior to a sale or transfer of such property pursuant to a decree of foreclosure or trustee's sale. Such sale or transfer shall not relieve such property from liability for any assessments thereafter becoming due, nor from the lien of any such subsequent assessment.

14.3 Examination of Books and Records. Each First Mortgagee shall have the right to examine the books and records of the Association.

#### **Article 15: LIMITATIONS OF LIABILITY**

15.1 Limited Personal Liability. No Officer, Director, Committee member, or employee of the Association shall be personally liable for any loss, injury, or damage to persons or property for any act or omission if the act or omission was performed in good faith, within the

scope of the person's duties for the Association, was not self-dealing, and did not constitute intentional misconduct or gross negligence.

15.2 Association Not a Security Provider. The Association may, from time to time, provide measures of security in the Development. However, the Association is not a provider of security and shall have no duty to provide any security in the Development. The obligation to provide security lies with each Member individually. The Association shall not be held liable for any loss or damage by reason of failure to provide adequate security or ineffectiveness of security measures undertaken. This shall include, but not be limited to, any loss or damage suffered by reason of theft of or damage to any article or thing which is placed or stored in or on any portion of the Common Area.

15.3 Duty to Defend. The Association shall indemnify and defend and shall advance reasonable attorneys' fees and costs to its Officers, Directors, Committee members, and employees against all expenses and liabilities reasonably incurred by such person(s) in connection with any proceeding (including, but not limited to, alternative dispute resolution proceedings) to which they may be a party by reason of having been an Officer, Director, Committee member or employee of the Association. Provided, however, the Association is not obligated to indemnify, and may recover its attorneys' fees and costs from, those persons who are adjudged to have acted in bad faith or in gross negligence in the performance of their duties.

15.4 Limitation of Association Liability for Damage. Neither the Association nor its Officers, Directors, Committee members, employees or agents shall be responsible to any Member or Member's family, guests, invitees or Tenants for any loss or damage to person or property suffered by reason of water, fire, smoke, explosion, electricity, dust, sand, insect or rodent infestation, or any other source unless there is clear and convincing evidence the damage or loss was caused by the gross negligence or willful misconduct of the Association's Officers, Directors, Committee members, employees, or agents.

15.5 Personal Injury or Property Damage Sustained on a Lot. The following shall apply if any Person sustains personal injury or property damage on a Lot and the injury or damage results in a claim against the Association or any of its Officers, Directors, Committee members, agents or employees. The owner of the Lot where the injury or damage occurred shall (i) fully indemnify and hold harmless the Association, Officer, Director, Committee member, agent or employee against whom such claim or suit is brought and (ii) defend at his own cost and expense any resulting litigation against said parties; provided that there shall be no obligation to defend or indemnify any party whose gross negligence or willful misconduct was the cause of the injury or damage.

**Article 16: DESTRUCTION OF IMPROVEMENTS**

16.1 Association's Duties. In the event of partial or total destruction of Common Area Improvements the Association is obligated to maintain, it shall be the duty of the Association to restore and repair the same to its former condition (or better) as promptly as practical. The proceeds of any insurance received shall be used for such repairs and/or replacement.

16.2 Members' Duties. In the event of partial or total destruction of Improvements on a Member's Lot, it shall be the duty of the Member to either: (i) restore and repair the same to its former condition (or better) as promptly as practical, or (ii) as promptly as possible remove the damaged Improvement as well as all debris and place the Lot in a clean and presentable condition to the satisfaction of the Architectural Committee.

**Article 17: CONDEMNATION**

17.1 Notice. Promptly upon learning of any potential condemnation or sale by eminent domain, the Board shall notify all Members and first mortgagees who have filed a written request for notice.

17.2 Common Action. In the event that an action in eminent domain is brought to condemn all or any portion of the Common Areas, the Association shall represent the Members in all proceedings, negotiations or settlements. Awards for the acquisition of Common Area shall be paid to the Board, as trustee, for deposit into the Association's Reserves or for distribution to the Members in accordance with their percentage interest.

17.3 Condemnation Awards. In the event that an action in eminent domain is brought to condemn all or any portion of one or more Lots in the Development, the award made for such taking shall be payable to the respective owners of the Lots subject to: (i) the rights of mortgagees holding mortgages covering such Lots and (ii) all unpaid Assessments of each Member taken together with interest charges.

17.4 Revision of Documents. In the event of any condemnation of a part of the Development, the Board shall, as soon as practical, cause to be prepared, filed and/or recorded a revised subdivision map or other documents, reports, schedules or exhibits necessary to show the changed or altered status of the Development.

17.5 Status of Ownership. In the event a Lot is taken in condemnation, the Lot shall cease to be part of the Association and the owner of the Lot shall cease to be a Member of the Association.

**Article 18: ANNEXATION**

18.1 Property Subject to Annexation. Real property may be annexed into the Oak Shores Development and become subject to these CC&Rs as described in this Article and upon recordation of a supplementary declaration of covenants, conditions and restrictions or similar instrument with respect to the additional property which shall extend these CC&Rs to such property.

- a. *Different Character.* The supplementary declarations of annexed properties may contain covenants, conditions and restrictions as may be necessary to reflect the different character, if any, of the added property and which are not inconsistent with the plan of these CC&Rs. In the event provisions in supplementary declarations are inconsistent, these CC&Rs shall prevail.
- b. *Membership in Oak Shores.* The recordation of supplementary declarations shall constitute and effectuate the annexation of the said real property described in the declarations, making the property subject to these CC&Rs and subject to the functions, powers and jurisdictions of the Association. All owners of such property shall automatically be Members of the Oak Shores Community Association and shall have all the rights and obligations of Members as provided for in these CC&Rs.

18.2 Annexation with Board Approval. Real property may be annexed with the approval of the Oak Shores Board of Directors, as provided for below:

- a. *Public Report.* Any annexation pursuant to this section shall be made prior to the expiration of three (3) years from the date of the last public report of the property to be annexed.
- b. *Follows General Plan.* The development of the annexed property shall be in accordance with a general plan of development submitted to and approved by the Division of Real Estate of the State of California by Declarant in furtherance of Declarant's plan of development of Tracts 378, 379, 380, 381, 2124, 2162, and 2520 as set forth in the application of Declarant for a Subdivision Public Report on these tracts in the County of San Luis Obispo, State of California.
- c. *Conveyance of Common Areas.* Prior to the conveyance of title to any real property, fee simple title to the common area within said real property shall be conveyed to the Association, or held in trust for conveyance to the Association, free and clear of any and all encumbrances and liens, except current real property taxes, which taxes shall be prorated to the date of transfer, and easements, covenants, conditions and restrictions (other than those requiring the payment of money) then of record, including those set forth in this Declaration.

- d. *Completion of Amenities.* Prior to annexation, the developer of the annexed property shall complete all amenities or make provision for the completion of all amenities so that there is no financial responsibility or burden on the Association for the completion of such amenities.

18.3 Annexation with Membership Approval. Real property not subject to approval by the Board as described in Section 18.2 of these CC&Rs may be annexed into the Association and become subject to these CC&Rs upon the affirmative vote of sixty percent (60%) of the votes represented and voting at a duly held meeting at which a quorum is present (which affirmative votes also constitute a majority of the required quorum) or by written ballot. Upon approval of the annexation, a supplementary declaration of covenants, conditions and restrictions, or similar instrument, extending these CC&Rs to the annexed property shall be recorded.

18.4 Administration of CC&Rs. Upon a merger or consolidation of the Association with or into another Association, the properties, rights and obligations of the Association may, by operation of law, be transferred to another surviving or consolidated association or alternatively, the properties, rights and obligations of another association may, by operation of law, be added to the properties, rights and obligations of the Association. The surviving or, consolidated association shall administer the covenants, conditions and restrictions established by these CC&Rs, together with the covenants and restrictions established upon any other property, as one plan.

#### **Article 19: MISCELLANEOUS**

19.1 Amendment. These CC&Rs may be amended by the vote or written consent of Members comprising at least fifty-one percent (51%) of the Voting Power of the Association or as provided for in Section 1356 of the Civil Code or any successor statutes, provided that the percentage of the Voting Power necessary to amend a specific provision shall not be less than the percentage of affirmative votes prescribed for action to be taken under that provision. Any amendment enacted in compliance with this provision shall become effective when recorded with the Office of the County Recorder.

19.1 Amendment to Conform to Statute. If at any time a provision in these CC&Rs contradicts current law according to a written opinion of the Association's legal counsel, the Board of Directors will have the authority, on the unanimous approval of the Directors and without approval of the Members, to amend that provision, but only to the extent necessary to render the provision compliant with applicable law.

19.2 Term of CC&Rs. These CC&Rs shall continue in full force and effect for a term of sixty (60) years from the date of their recordation, after which time they shall be automatically extended for successive periods of twenty (20) years unless within six (6) months prior to the



expiration of the initial term or any twenty (20) year extension period a written agreement executed and acknowledged by at least seventy-five percent (75%) of the Members is placed on record in the office of the County Recorder terminating the effectiveness of these CC&Rs.

19.3 No Right of Partition. No proceeding shall be brought for the partition of the Common Area except as provided by Section 1359 of the California Civil Code as the Section may be amended from time to time.

19.4 Attorneys' Fees. Any reasonable attorneys' fees and costs incurred by the Association in the enforcement of the Governing Documents against a Member, or to determine the rights or duties of the Member under the Governing Documents, may be levied against that Member by the Board as a Special Assessment which may be collected in any manner provided for by these CC&Rs or by law.

19.5 Notices. Any communication or notice of any kind permitted or required herein may be delivered as provided in these CC&Rs and shall be in writing and may be served, as an alternative to personal service, by mailing same as follows:

To a Member: To the street address of the Lot or at such other address as the Member may designate in writing to the Association.

To the Association: To the address of the Manager.

All notices or demands to be served by mail shall be by first-class mail with postage prepaid. Service shall be deemed to be completed three (3) business days after such mailing.

19.6 Headings. The headings contained in these CC&Rs are for the convenience of reference and are not a part of and are not intended to govern, limit or aid in the construction of any term or provision of these CC&Rs.

19.7 Liberal Construction. The provisions of the Governing Documents shall be liberally construed to effectuate their purpose of creating a uniform plan for the use, operation and maintenance of the Development.

19.8 Number and Gender. Whenever the context so requires, the singular number includes the plural, the plural includes the singular, the masculine gender includes the feminine and/or neuter and the neuter gender includes the masculine and/or feminine.

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

19.10 No Public Rights. Nothing contained in these CC&Rs shall be deemed to be a gift or dedication of all or any portion of the Development to the general public or for any public use or purpose whatsoever.

19.11 Successor Association. In the event the Association as a corporate entity is dissolved, a nonprofit, unincorporated association shall without further action automatically succeed to all the rights and duties of the corporation. The affairs of the unincorporated association shall continue to be governed by these CC&Rs, the Bylaws, and the Rules as well as any applicable law.

**CERTIFICATION**

This Certification of Restated Declaration of Covenants, Conditions and Restrictions ("CC&Rs") is made with reference to the following facts:

- A. Oak Shores Community Association ("Association") CC&Rs were recorded on May 18, 1970 as Doc. No. 11284 in the official records of the San Luis Obispo County Recorder, binding the property known as:

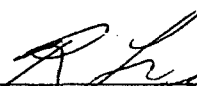
Lots 1 to 311, inclusive and all roads and other land included in Tract Nos. 378, 379, 380 and 381 as shown on a map recorded in Book 8, page 5 of Maps in the Office of the County Recorder of the County of San Luis Obispo.

- B. On October 30, 2008, Judge Barry LaBarbera of the San Luis Obispo County Superior Court, granted Oak Shores Community Association's petition to amend the CC&Rs in accordance with the Petition assigned Case No: CV 080323 to reduce the required voting percentage necessary to amend and restate the CC&Rs, as indicated in the Order Granting Petition to Reduce Required Voting Percentage ("Order"), attached hereto and incorporated by reference as though fully set forth at length. Oak Shores Community Association desires to restate the CC&Rs in accordance with attached Order.

The President and Secretary of the Association, by their signatures below, hereby declare that the above information is true and correct.

Dated this 6 day of NOVEMBER, 2008 in ARROYO GRANDE, California.

**OAK SHORES COMMUNITY ASSOCIATION**

By:   
President

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

**CERTIFICATION**

This Certification of Restated Declaration of Covenants, Conditions and Restrictions ("CC&Rs") is made with reference to the following facts:

- A. Oak Shores Community Association ("Association") CC&Rs were recorded on May 18, 1970 as Doc. No. 11284 in the official records of the San Luis Obispo County Recorder, binding the property known as:

Lots 1 to 311, inclusive and all roads and other land included in Tract Nos. 378, 379, 380 and 381 as shown on a map recorded in Book 8, page 5 of Maps in the Office of the County Recorder of the County of San Luis Obispo.


- B. On October 30, 2008, Judge Barry LaBarbera of the San Luis Obispo County Superior Court, granted Oak Shores Community Association's petition to amend the CC&Rs in accordance with the Petition assigned Case No: CV 080323 to reduce the required voting percentage necessary to amend and restate the CC&Rs, as indicated in the Order Granting Petition to Reduce Required Voting Percentage ("Order"), attached hereto and incorporated by reference as though fully set forth at length. Oak Shores Community Association desires to restate the CC&Rs in accordance with attached Order.

The President and Secretary of the Association, by their signatures below, hereby declare that the above information is true and correct.

Dated this 7 day of November, 2008 in Bradley, California.

**OAK SHORES COMMUNITY ASSOCIATION**

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

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

ACKNOWLEDGMENT

State of California

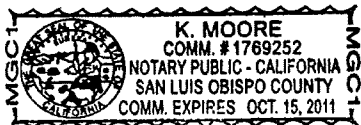
County of San Luis Obispo

On 11.6.2008 before me, K. Moore, Notary Public  
(insert name and title of the officer)

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

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

WITNESS my hand and official seal.



K. Moore  
(Signature of Notary Public)

[Seal]

**ACKNOWLEDGMENT**

State of California

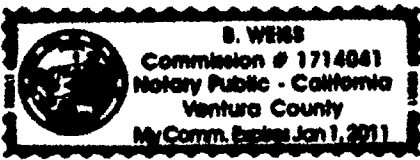
County of San Luis Obispo

On 11.7.08 before me, B. Weiss  
(insert name and title of the officer)

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

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

WITNESS my hand and official seal.



B. Weiss  
(Signature of Notary Public)

[Seal]

ORIGINAL

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Azadeh Saghian, Esq., SBN 238488  
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5 Attorneys for Petitioner  
Oak Shores Community Association

**FILED**  
**OCT 30 2008**  
SAN LUIS OBISPO SUPERIOR COURT  
BY *[Signature]*  
Sally Scholt, Deputy Clerk

8 **SUPERIOR COURT OF THE STATE OF CALIFORNIA**  
9 **FOR THE COUNTY OF SAN LUIS OBISPO**

10  
11 In re: ) Case No. CV 080323  
12 OAK SHORES COMMUNITY ASSOCIATION, ) [Filed 4/08; assigned to the Hon. Barry  
a California nonprofit corporation. ) LaBarbera, Veterans Mem'l Bldg.]  
13 )  
14 ) **[PROPOSED] ORDER GRANTING**  
15 ) **PETITION TO REDUCE REQUIRED**  
16 ) **VOTING PERCENTAGE**  
17 ) **[CIVIL CODE §1356]**  
18 ) Date: October 14, 2008  
Time: Submitted  
19 ) Dept.: Veterans Mem'l Bldg.

20 The Oak Shores Community Association filed a Petition to reduce the required voting  
21 percentage to approve its Restated Declaration of Covenants, Conditions, and Restrictions ("Restated  
22 CC&Rs") pursuant to Civil Code §1356. The Association's Petition was opposed by Judith Tobias  
23 through her counsel, Robert Burlison of Burlison & Luostari. A Reply brief was submitted by the  
24 Association through its counsel, Adrian Adams of Adams Kessler PLC.

25 Having considered the Petition, the Opposition Brief and the Reply with their supporting  
26 exhibits and declarations, the Court finds:

- 27 1. The Association gave the required 15 days written notice of the court hearing to its  
28 members;

1           2.     Balloting on the Restated CC&Rs was conducted in accordance with all applicable  
2 provisions of its governing documents;

3           3.     The Association made a reasonably diligent effort to permit all eligible members to  
4 vote on the Restated CC&Rs;

5           4.     Owners having more than 50% of the votes, in a single class voting structure, voted in  
6 favor of the Restated CC&Rs;

7           5.     The Restated CC&Rs are reasonable; and

8           6.     The Petition is not improper for any reason stated in Civil Code §1356(e).

9  
10 Good cause appearing, IT IS ORDERED that:

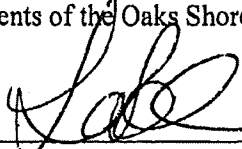
11           1.     The Oak Shores Community Association's Petition to reduce the required voting  
12 percentage from 75% to 71.5% for approval of the Restated CC&Rs is granted and the Restated  
13 CC&Rs deemed approved by the membership.

14           2.     The objections filed with respect to the Petition are overruled.

15           3.     Before recordation, true and correct copies of all exhibits to the Restated CC&Rs shall  
16 be attached.

17           4.     The Restated CC&Rs shall not be effective until recorded in the Official Records of -  
18 San Luis Obispo County, together with a copy of this order. Within 60 days after its recordation,  
19 petitioner shall mail a copy of the Restated CC&Rs to each member of the association, together with a  
20 statement that the Restated CC&Rs has been recorded. On such recordation, the Restated CC&Rs  
21 shall have the same force and effect as if it had been adopted in compliance with every requirement  
22 for amendment imposed by the governing documents of the Oaks Shores Community Association.

23  
24 Date: 10/30/08

  
\_\_\_\_\_  
The Hon. Barry LaBarbera,  
Judge of the Superior Court





This is a true and correct copy of the record if  
it bears the county seal and is printed in  
purple ink

Julie L. Redawald, Clerk-Recorder  
By ACibson Deputy  
San Luis Obispo County, California

NOV 19 2008