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DECLARATION OF RESTRICTIONS

RE: TRACT 3892

THIS DECLARATION, made this 20th day of October, 1973, by CORONA LAND CO., a California corporation, herein referred to as "DECLARANT".

WITNESSETH

WHEREAS, Declarant is the owner of the real property set forth and described on that certain map (herein called "Map") entitled Tract No. 3892, Lots 1 through 37, inclusive (herein called "Tract"), which Map was recorded in the Office of the County Recorder of Riverside County, California, on October 16, 1969, in Book 63 of Subdivisions, Page 51 & 52; and

WHEREAS, all of the real property described in the Map, is part of the Canyon Lake general subdivision (herein called "Subdivision") which have been or shall be developed from adjoining lands owned by Declarant and annexed to the Subdivision as detailed herein in the initial filing with the California Real Estate Commissioner relating to the Subdivision (Tract No. 3719); and

WHEREAS, there are Thirty-Seven (37) subdivided lots set forth and described in the recorded Map, numbered 1 through 37, respectively; and

WHEREAS, Declarant is about to sell and convey said lots, and before doing so desires to subject them to and impose upon them mutual and beneficial restrictions, covenants, conditions and charges, hereinafter collectively referred to as "Restrictions", under a general plan or scheme of improvement for the benefit and complement of all of the lots in the Tract and the future owners of said lots;

NOW, THEREFORE, Declarant hereby declares that all of said lots are held and shall be held, conveyed, hypothecated or

encumbered, leases, rented, used, occupied, and improved subject to the following Restrictions, all of which are declared and agreed to be in furtherance of a plan for the subdivision, improvement, and sale of said lots and are established and agreed upon for the purpose of enhancing and projecting the value, desirability and attractiveness of the property described in the Tract as a whole. All of the Restrictions shall run with the land and shall be binding on all parties having or acquiring any right, title or interest in the real property or any part thereof subject to such Restrictions.

1. DEFINITIONS.

a. The term "Subdivision", as used herein, shall refer to the Canyon Lake subdivision comprising approximately 2017 acres.

b. The term "Tract 11", as used herein, shall refer to the land within the Subdivision which is covered by this Declaration. The Tract shall consist of Lots 1 through 37 inclusive, of Tract 3892.

c. The term "residential lot", as used herein, shall refer to Lots 1 to 36 inclusive.

d. The term "common area", as used herein, shall refer to Lot 37.

e. The term "covenants", as used herein, shall refer collectively to the covenants, conditions, restrictions, reservations, easements, liens and charges imposed by or expressed in this Declaration.

f. The term "owner", as used herein, shall refer to the owner or owners of a residential lot.

g. The term "Declarant", as used herein, shall refer to CORONA LAND CO.

h. The term "Board of Governors" or "Board", as used herein, shall refer to the managing board as created herein.

i. The term "Association", as used herein, shall refer to EASTPORT VILLAS ASSOCIATION, an incorporated non-profit association.

j. The term "Property Owners Association", as used herein, shall refer to the Canyon Lake Owners Association, Inc., a California non-profit corporation.

2. NATURE AND PURPOSE OF COVENANTS

The covenants set forth in this Declaration constitute a general scheme for the development, protection and maintenance of the Tract to enhance the value, desirability and attractiveness of such property for the benefit of all owners of lots therein, and the same will be imposed upon Declarant and upon the original grantees of all such lots by express reference to this Declaration in the deeds such grantees receive from Declarant. Said covenants are for the benefit of all of the lots in the Tract and may be enforced by any one or more of the owners of all lots in the Tract, and shall bind the owners of all such lots. All such covenants are intended as and are hereby declared to be covenants running with the land or equitable servitudes upon the land, as the case may be.

3. GRANTEE'S TITLE AND EASEMENTS.

Declarant shall convey fee title to lots within the Tract by grant deed subject to:

- a. These Restrictions;
- b. Easements, rights-of-way and reservations of record;
- c. The reservation to Declarant of all oil, gas, gasoline and other hydro-carbon substances and all other minerals underlying and within the boundaries of such lot below a depth of one hundred (100) feet, without right of surface entry;
- d. The reservation of any and all water rights regarding said property, without right of surface entry; and
- e. The following described easements and/or rights-of-way which Declarant reserves for itself, its successors and assigns, for purposes incident to its development of the real property subject to these Restrictions:
 1. For the use and maintenance of drainage courses of all kinds, designated on the Map as "Drainage Easements", if any;
 2. For maintenance and permanent stabilization control of slopes in the slope-controlled areas designated on the Map as "Slope Easements", if any;
 3. For lake and shoreline maintenance and control along the lakefront portion of any lot contiguous to a lake shoreline to the extent of ten (10) feet in width designated on the

- Map as "Utility Maintenance Easements", if any; and
4. For the installation and maintenance of radio and television transmission cables over portions of lot 37 as necessary to provide any such cable service to each Lot in the Tract;
 5. For non-exclusive right-of-way easements over Lot 37 as necessary for access to and from all common facilities located thereon.

Declarant has been dedicated to the public non-exclusive rights-of-way and easement areas for the installation and maintenance of public utilities over Lot 37 as contained in the offer of dedication set forth in Sheet 1 of the Map, reserving therefrom the easements and/or rights-of-way set forth in subparagraph 4, above, relative to radio and television transmission cables.

On the recorded plat of the Tract there is depicted the location of sanitary sewers. Lot 37 shall be subject to an easement for the installation, operation, maintenance, repair, renewal, replacement, relocation, or removal of said sanitary sewers.

Every lot in the Tract that lies contiguous to a lake shall be subject to a flowage easement to an elevation on the lot equal to the high water elevation of such lake as stated on the recorded plat of the Subdivision.

Declarant shall not enter into any contracts which bind the Association or its Board of Governors for a period in excess of one year, unless reasonable cancellation provisions are included in such contracts.

4. TERM, SCOPE AND DURATION

Subject to the provisions hereof relating to amendments, this Declaration and the covenants herein contained shall be in effect until January 1, 2008, and shall be automatically after extended for successive periods of ten (10) years thereafter unless within six (6) months prior to the expiration of the initial term or any ten (10) year renewal period a written agreement executed by the then record owners of more than one-half of the residential lots shall be placed on record in the office of the County Recorder of the County of Riverside, by the terms of which agreement the effectiveness of these covenants is terminated or the covenants herein contained are extinguished in whole or in part as to all or any part of the property then subject thereto. Notwithstanding the foregoing, this Declaration shall become extinguished upon the expiration of twenty-one (21) years following the death of the last survivor of the following named persons and all natural and legally adopted children of such persons who are living at the time of the execution of this Declaration.

Richard M. Nixon
Spiro K. Agnew
John Tunney

These Restrictions may be amended at any time by written consent of two-thirds (2/3) of the record owners of such lots,

5. USE OF RESIDENTIAL LOTS AND COMMON AREAS.

a. Each residential lot shall be improved, used and occupied only for single family dwelling residential purposes.

b. No residential lot or improvements situated thereon shall be occupied or used for any purpose or in any manner which shall cause such improvements to be uninsurable against loss by fire or the perils of the extended coverage endorsement to the California standard fire policy form, or cause any policy or policies representing such insurance and insuring any improvements within the Tract to be canceled or suspended or the company issuing the same to refuse renewal thereof.

c. Not exceeding one dog, cat or other usual and ordinary household pet may be kept in any dwelling located on any residential lot, provided that such pet shall not be allowed on the common area except as may be permitted by rules made from time to time by the Board of Governors. Except as hereinabove provided, no animals, livestock, birds or poultry shall be brought within the Tract or kept on any lot thereof.

d. No residential lot shall be used in such manner as to obstruct or interfere with the enjoyment of occupants of other residential lots or annoy them by unreasonable noises or otherwise, nor shall any drilling, pumping, mining, nuisance, or immoral or illegal activities be committed or permitted to occur on any residential lot.

e. Apartment numbering devices and signs shall be approved by the Board of Governors. Signs giving notice that the property is for sale or lease shall be approved by the Board of Governors so long as said signs are of customary and reasonable design and dimension. No signs shall be erected or displayed on the common area except signs placed by authority of the Board of Governors and subject to its approval as to size,

style and location, for the purpose of identifying the Tract and the streets, alleyways, courts and walkways therein, giving notice of rules relating to the use of the common area and improvements situated thereon, and for such other purposes as the Board shall consider to require the use of signs.

f. The common area shall be improved and used only for the following purposes:

1. Affording vehicular and pedestrian movement within the Tract, including access to the residential lots.
2. Vehicular parking on Lot 37 for benefit of inhabitants of the Tract and guests thereof.
3. Use by the owners and occupants of residential lots in the Tract and their guests.
4. Beautification of the Tract and providing privacy to the residents thereof through landscaping and such other means as the Board of Governors shall deem appropriate.
5. Laundry facilities for use by owners and occupants of residential lots in the tract and their guests.

g. No part of the common area shall be obstructed so as to interfere with its use for the purposes hereinabove permitted, nor shall any part of the common area be used for storage purposes (except as incidental to one of such permitted uses), nor used in any manner which may increase the rate at which insurance may be obtained insuring against loss by fire or the perils described in the extended coverage endorsement to the California standard fire policy form and against loss from bodily injury or property damage occurring on or about the common area and improvements situated thereon, nor shall such premises be used in a manner which will cause the Association to be uninsurable against such risks, or will cause any policy or policies representing such insurance to be cancelled or suspended or the company issuing the same to refuse renewal thereof.

h. No owner of a residential lot shall make any alterations or improvements to the common area, or remove any planting, structure, furnishing, or other object therefrom, except with the written consent of the Board of Governors.

i. There shall be no parking on any portion of the common area which is not specifically designated for that purpose.

j . The common area shall be maintained in an attractive and safe manner suitable to the full enjoyment of the open space, street and road facilities, parking areas and all other improvements. The Board of Governors, as hereinafter provided, shall levy an assessment against all of the owners for the maintenance, upkeep, and other expenses for the common area and exterior of all buildings within the tract. The Board shall maintain the road and street facilities in a manner acceptable to the County of Riverside in its regulations for the public health, safety and welfare for the benefit of the Tract.

k. No radio station or short-wave operators of any kind shall operate from any lot or residence. No exterior television or radio antenna of any kind shall be constructed or erected on any lot or residence after such time as a community antenna television (CATV) system has been made available to residences at the rates of charge for installation and monthly service commensurate with the rates charged by comparable CATV systems.

l. No trash, ashes, garbage or other refuse shall be dumped or stored on any lot nor be thrown into or left on the shoreline of any lake in the Subdivision. No outside burning of trash or garbage shall be permitted.

m. In order to enhance the appearance and orderliness of the Subdivision the Declarant hereby reserves for itself, its successors and assigns, the exclusive right to operate, a commercial scavenging service within the Subdivision for the

purpose of removing garbage, trash, and other like household refuse. Such refuse collection and removal service shall be provided not less often than once each week on a day or days designated by the Declarant or its successors and assigns. The charge to be made for such refuse collection and removal shall be at a reasonable rate commensurate with the rates charged by commercial scavengers serving other subdivisions of high standards in the area and shall be subject to change from time to time. Initially, the charge for such service shall be Two Dollars (\$2.00) per month.

n. No store, office or other place of business of any kind, and no hospital, sanatorium, or other place for the care or treatment of the sick, physically or mentally, nor any theater, saloon or other place of entertainment shall be erected or permitted upon any lot, and no business of any kind or character whatsoever shall be conducted from or in the building located on any lot or from any lot.

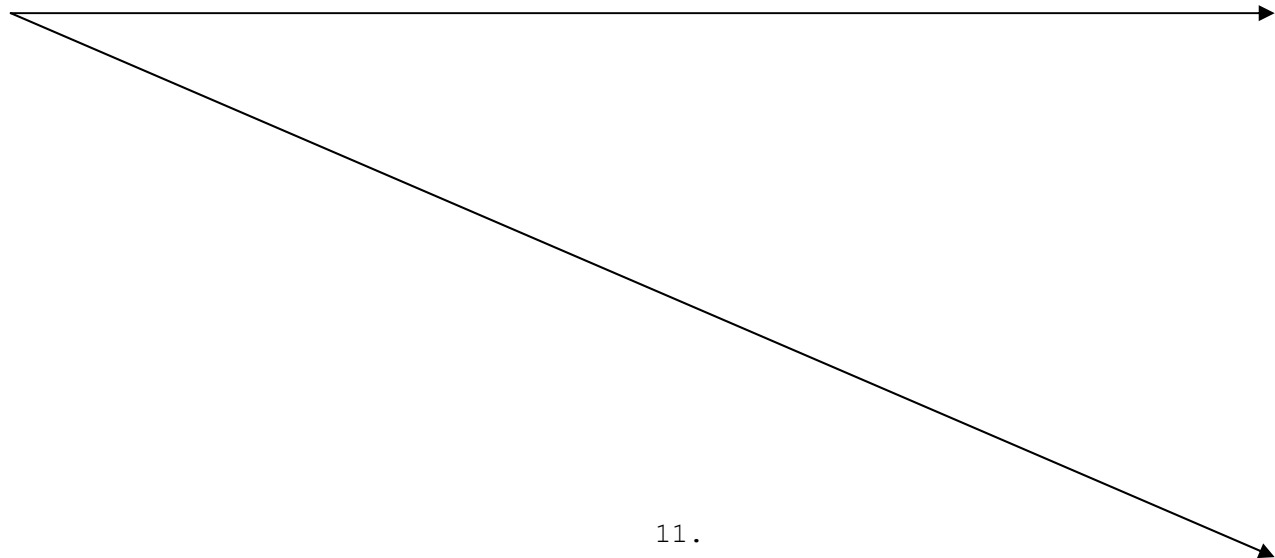
o. All dividing wall now or hereafter constructed between the dwellings on the residential lots shall be considered party walls, and shall be deemed to belong to the respective common owners as tenants in common, and shall be used for the common purposes of the dwellings separated thereby.

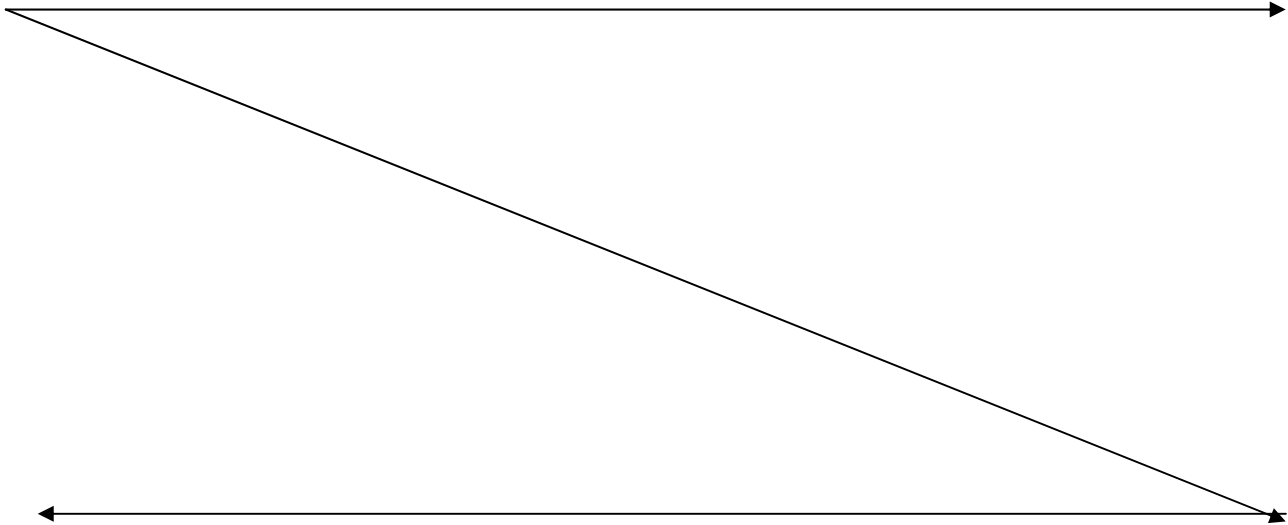
p. Non-exclusive easements within subdivided lots shall be established, by separate instrument, for utility maintenance, repair, and installation.

6. MANAGEMENT.

a. All powers relating to management, operation and maintenance of the common area, as well as certain rights, duties and powers relating to residential lots, as hereinafter set forth, shall be vested in Canyon Lake Villas Association No. 1, a non-profit incorporated association, consisting of 36 members, each of whom shall be the owner of a residential lot.

b. The managerial powers of the Association shall be delegated to a Board of Governors, consisting of five (5) members of the Association. The term of office for each Governor shall be one year. The election for the Board of Governors shall be held at the annual meeting of the members of the Association. Every member entitled to vote at any election may cumulate his votes and give one candidate a number of votes equal to the number of Governors to be elected, multiplied by the number of votes to which such member is otherwise entitled, or distribute his votes on the same principle among as many candidates as he thinks fit. Whatever number of Governors are to be elected, the candidates receiving the highest number of votes, up to that number, shall be deemed elected. The Board, as elected, shall elect one Board member to act as Treasurer of the Association.





c. Board members shall serve for a term of one year and until their respective successors are elected or until their death, resignation or removal from office. The entire Board of Governors any individual Board member may be removed from office by a vote of owners holding a majority of the votes entitled to be cast at an election of directors. However, unless the entire Board of Governors is removed, an individual member of the Board shall not be removed if the number of votes cast against the resolution for his removal exceeds the quotient arrived at when the total number of votes entitled to be cast is divided by one plus the authorized number of Board members. If any or all members of the Board are so removed, new members of the Board may be elected at the same meeting. Three (3) members of the Board shall constitute a quorum for the purpose of transacting any business which comes before the Board, and the decision of a majority of those present shall be deemed to be the act of the Board. Meetings of the Board may be called, held and conducted in accordance with such rules and regulations as the Board may adopt.

d. Members of the Association shall hold at least one meeting per year at which the Board of Governors shall be

elected, and shall hold such other meetings as may be deemed necessary from time to time. Meetings shall be held and called pursuant to the By-Laws which Association may from time to time adopt. At such meetings, the holder of a membership shall be entitled to one vote, either in person or by proxy, in the manner and form prescribed by the By-Laws which Association may from time to time adopt. The presence at any meeting of the members having a majority of the total votes shall constitute a quorum, and unless otherwise expressly provided in the By-Laws which Association may from time to time adopt, the affirmative vote of a majority of the total votes present at such meeting, in person or by proxy, shall constitute an act of the members. If any such meeting cannot be held because a quorum is not present, the owners present, either in person or by proxy, may, as otherwise provided by law, adjourn the meeting to a time not less than forty-eight (48) hours nor more than thirty (30) days from the time the original meeting was called, at which meeting the quorum requirement shall be twenty-five (25) per cent.

e. The Association may employ or engage a manager and other employees or agents and contract for such services, labor and materials as it may deem reasonably necessary to operate and maintain the common area and the facilities thereon and to discharge its other duties as herein provided. Except as otherwise herein provided, the Board of Governors may delegate to the manager employed by it any or all of its powers, but shall reserve at all times the right to revoke such delegation. A fidelity bond having a penalty of not less than \$10,000.00 shall be required by the Board of Governors of the person acting as Treasurer of the Association. A fidelity bond or contract performance bond, whichever shall be appropriate, having a penalty of not less than \$10,000.00 shall be required of any individual, firm or corporation (other than a corporation authorized

to conduct a banking or trust business in the State of California) employed or engaged as manager or as agent for the receipt and disbursement of funds for which the Board of Governors is responsible.

f. The Association shall be responsible for:

1. Maintaining the common area and all improvements thereon (including furnishings and equipment related thereto) in good, clean, attractive and sanitary order and repair.
2. Operation of the swimming pools, putting green and all other recreational equipment and facilities located within the common area.
3. Repainting of exterior surfaces of buildings and garages situated on the residential lots, as such repainting is required in order to preserve the attractiveness of the Tract.
4. Keeping and maintaining fire insurance on all improvements located within the Tract.

g. Each owner of a residential lot shall make month payments to the Association (hereinafter called the maintenance fund payments) for the purpose of establishing and maintaining a fund out of which the sums expended by the Board of Governors in discharging its responsibilities under this Declaration shall be paid. Each year the Board shall prepare an estimate of the amount which should be paid into the maintenance fund during the forthcoming year in order to cover expenditures to be made during such period and provide for such reserves or additions to reserves as the Board shall deem appropriate to minimize fluctuations in the level of maintenance fund payments. Such estimate may be revised from time to time and may be based on a period shorter than one year if the Board deems such action desirable. Based upon such estimates the Board shall increase or reduce the amount of the maintenance fund payments from time to time as necessary in order to avoid a deficit or a surplus, provided that an increase of more than ten per cent (10%) in the amount of

the maintenance fund payments during any twelve (12) month period shall not be made without the vote or written consent of a majority of owners of residential lots. The amount of the maintenance fund payments, as among all residential lots, shall be computed on the basis of whether the residential unit on a lot contains two or three bedrooms. Three bedroom units may be assessed not more than eight percent (8%) more than two bedroom units to compensate for the increased maintenance costs of the larger residential units. Written notice of any change in the amount of maintenance fund payments shall be given to all owners of residential lots not less than thirty (30) days prior to the effective date of such change. The interest of each owner in the maintenance fund shall, upon any conveyance of his residential lot, whether as a result of sale, gift, foreclosure of mortgage or deed of trust or otherwise, pass to the persons acquiring title by such conveyance. Upon the expiration or other termination of the effectiveness of these covenants, the balance remaining in the maintenance fund, if any, after payment of all amounts properly chargeable against the fund on the termination date, shall be divided among the then owners, as their respective interests appear of record, on the same basis as used for computing maintenance fund payments, subject, however, in appropriate adjustment for any delinquencies in maintenance fund payments existing on termination date.

h. The Association shall carry fire insurance with extended coverage endorsement or other form of coverage providing equal or greater protection in the amount of the full insurable replacement value (as determined by appraisal or other such method as shall be deemed appropriate by the Board of Governors and be

acceptable to the insurance carrier, and reviewed at least annually) of all buildings, structures and other improvements (including furnishings and equipment related thereto) situated within the Tract, excluding personal furnishings and belongings, trees, shrubs and other foliage, if the Board so elects. Such insurance shall be made payable to the Association. In the event of damage to or destruction of any buildings, structure or other improvement situated within the Tract, the Board of Governors shall cause the same to be repaired, rebuilt or replaced. In the event the cost of such repair, rebuilding or replacement exceeds the insurance proceeds payable by reason of said damage or destruction, the amount of the difference shall be pro-rated among the owners of residential lots and assessed to such owners. In the event the amount of such insurance proceeds exceeds the cost of such repair, rebuilding or replacement, the surplus shall be added to the maintenance fund, and such addition shall be taken into consideration in determining what adjustment shall be made in the amount of the maintenance payments for the next budget period.

i. The Association shall carry workmen's compensate insurance covering all persons employed by it in performing its responsibilities under these covenants. The Association shall also maintain in force bodily injury liability insurance with limits of not less than \$300,000.00 per person injured and \$300,000.00 per accident, and property damage liability insurance with a limit of not less than \$50,000.00 per occurrence, covering the common area and the use thereof, and insuring the Association, its officers, and all owners.

j . With respect to each contract made by the Board of Governors for repainting of exterior surfaces of buildings and garages, and each contract for work and/or materials relating to the maintenance, repair, rebuilding or replacement of any building, structure or other improvement situated within the

common area in which the amount to be paid exceeds \$250.00, the Board shall endeavor to secure three or more bids from responsible contractors, and shall accept the lowest responsible bids so obtained. In all cases, the Board shall require from each contractor which it engages satisfactory evidence that adequate workmen's compensation and liability insurance is carried with respect to the employees and activities of such contractor. In cases where a completion bond is not required, the Board shall require labor and material releases to be furnished by the contractor prior to making payment to such contractor, unless the Board deems such requirement to be impractical or unnecessary to afford protection against liens.

k. The Association shall keep books of account relating to all of its receipts and expenditures, and shall secure an audit of such books annually by an independent certified public accountant. At each annual meeting of owners the Board of Governors shall present a detailed report showing all receipts and disbursements during the prior year, and shall make such report available in writing to each owner desiring a copy thereof. Each owner shall be entitled at reasonable times to inspect the books and to have such books examined by an attorney or accountant representing such owner, and may make excerpts or copies of such books or portions thereof, and each owner, at his own expense, shall have the right to have such books independently audited by a certified public accountant; provided, however, that no owner shall exercise his right of inspection or audit of the books for the benefit of any person who is not an owner of a residential lot, or for any purpose not reasonably related to such ownership.

1. The Association shall adopt reasonable rules relating to the use of the common area and the recreational and other facilities situated thereon by owners and by their tenants or guests, and the conduct of such persons with respect to automobile parking, outside storage of boats, trailers, bicycles, motor bikes and

other objects, disposal of waste materials, drying of laundry, control, of pets, and other activities, which, if not so regulated, might detract from the appearance of the Tract or offend or cause inconvenience or danger to persons residing or visiting therein. Such rules may provide that the owner of a residential lot whose occupants leave property on the common area in violation of the rules, may be assessed to cover the expense incurred by the Association in removing such property and storing or disposing thereof. The Association may assign one storage space to each owner of a residential lot which may exist upon the common area, provided that such assignment shall in no way impose liability upon the Association or any of its members for damage or loss to property so stored, it being intended that the use of any such storage area or facility be solely at the risk of the person using the same. Such spaces shall be assigned to the residents of the building complex adjacent to which the spaces are located. A copy of such rules and of all amendments thereto shall be mailed to each owner of a residential lot, and a copy shall be posted in one or more places on the common area where the same may be conveniently inspected.

m. The Association or its representatives may enter upon any residential lot to the extent such entry is necessary to carry out the repainting of the exterior surfaces of the building and garage situated thereon, or to perform any work required in the maintenance and upkeep of the common area, or for any other purposes reasonably related to the performance by the Association of its responsibility under the terms of this Declaration. Such right of entry shall be exercised in such manner as to interfere with the possession and enjoyment of the occupants of such lot as little as is reasonably possible, and shall be preceded by reasonable notice wherever the circumstances permit. In no event shall entry within a building be made without the consent of the occupant, unless such entry be pursuant to a valid order of court.

n. The monthly payments each owner shall make to the Association for the maintenance fund purposes shall be the following amounts and shall so remain until changed by the Association:

Accounting	\$	1.41
Insurance		2.49
Water (minimum charge)		4.00
Sewer		2.00
Electric		2.00
Garden Area Maintenance		47.25
Pool Service		2.50
Refuse Disposal		2.50
Exterior Repairs and Maintenance Reserve		<u>6.00</u>
Estimated Monthly Assessments		\$63.15

In addition, an initial payment to the maintenance fund is hereby levied against each lot in the sum of \$210.00 to be paid by the purchaser of each lot through the sales escrow and at the closing thereof to be released to an independent escrow. Such impound amounts will be released to the Board of Governors at their first organizational meeting. These impound amounts are to be used by the Board of Governors for the payment of delinquent assessments incurred by the property owner up to an amount of \$210.00 per Lot.

o. To collect delinquent assessments by suit or otherwise, and to enjoin or seek damages from the owners of the lots for violation of the covenants herein contained on the part of the owners to be performed, or for violation of the rules hereinafter referred to.

p. To protect and defend the property from loss and damage by suit or otherwise.

q. To employ workmen, maids, janitors and gardeners and to purchase supplies and equipment, to enter into contracts and generally to have the powers of an apartment house manager in connection with the matters hereinbefore set forth, except that the Board, nor any officer elected thereby, may not encumber or dispose of the interest of any owner except in order to satisfy a judgment against

such owner for violation of the owner's covenants, imposed by these restrictions.

r. To make reasonable rules and to amend the same from time to time, and such rules and amendments shall be binding upon the owners when a majority of the lots have been sold and delivered.

s. To appoint officers and agents to carry out the business of the Board.

t. The First Board of Governors shall consist of W. G. Heath, D. E. Serafini and H. K. Lynch, who shall serve until fifty-one per cent (51%) of the lots have been sold or until one (1) year from the close of escrow on the sale of the first lot, whichever is earlier, at which time such Board shall thereupon cause an election to be held among the owners, who shall elect a new Board from among the owners. In the event of the resignation, death or incapacity of any member of the original Board, the remaining member or members shall have the power to appoint a new member to serve in such capacity. Thereafter annual elections shall be held for the purpose of electing the Board of Governors under such rules and regulations as shall be adopted by such Board, or a majority of the owners. The Governors so elected shall serve for a term of one (1) year, without pay.

u. Garden area maintenance and exterior building maintenance and repairs cover the following items:

1. Exterior painting.
2. Roofing and exterior walls.
3. Common area grounds, Landscaping and sprinkler system.
4. Off-street parking lot and trash pick-up.
5. Swimming pool maintenance and chemicals.
6. Exterior lighting and energy use.
7. Energy use for pool and cabana.
8. Fuel for pool heating.
9. Maintenance of cabana.
10. Water for pool, sprinkler system and cabana.
11. Laundry facilities.

7. ACTIVITIES OF ASSOCIATION.

The Association shall be formed and shall exist only for the convenience of the individual lot owners to assist with the maintenance of the Tract. The Association shall not engage in any business or profit making activities, but shall exist only as an arrangement for the protection of the property interests of the members.

The sole income of the Association shall be derived from assessments received from individual members, and to the extent there exists a surplus in the maintenance fund, at the end of each calendar year, the surplus shall be returned to the individual members, on a pro-rata basis.

8. ARCHITECTURAL CONTROL

a. No building or other structure, including fences and walls, whether located on a residential lot or on the common area, shall be erected, altered, or repaired until the building plans, specifications and plot plans showing the location, elevation and grade lines of such building or other structure, or such other description of the proposed work as shall be acceptable to and approved by the Board of Governors and the Architectural Control Committee established by the Declaration of Restrictions regarding Canyon Lake Subdivision. One set of such plans, specifications and plot plans or other description shall be submitted to the Board and one such set to said Committee. The Board, before giving such approval, shall require that changes be made to comply with such requirements as the Board or the Architectural Control Committee may impose as to the structural features of said building or other structure, the type of building material used, or other features or characteristics thereof not expressly covered by any of the provisions of this instrument, including the location of the building or other structure with respect to topography and finished ground elevation. The Board may also require that the exterior finish and color, and the architectural style of such building or other structure shall

be such as in the discretion of the Board and/or Committee shall be deemed to be suitable in view of the general architectural style and character of structures erected or to be erected in the Tract or Subdivision. The exterior surface of any building or other structure in the Tract shall not be repainted or refinished in a color or manner differing from the previous painting or finishing of such building or other structure until the Board and the Committee have given its written approval of such repainting or ref finishing following the submission of an acceptable description of the work proposed to be done. No substantial change shall be made in the landscaping of the common area until an acceptable description of the proposed change as presented to the Board of Governors and the Committee, and the written approval thereof obtained. In the event the Board and/or Committee shall fail to approve or disapprove any plans, specifications, plot plans or work description submitted to it within thirty (30) days after such submission, then the need for such approval shall be deemed to have been waived.

b. Neither the Association, the Board of Governors or the Architectural Control Committee, nor any member thereof shall be responsible for structural or other defects of any kind or nature in said plans or specifications, or in the structure and improvements erected in accordance therewith.

c. The Board of Governors shall review the plans within fifteen (15) days of receipt and immediately forward them with their recommendations to the Architectural Control Committee for their approval. The Architectural Control Committee shall be the final approval authority and shall act within ten (10) days and return the plans to the Board of Governors for return to the owner.

9. CANYON LAKE PROPERTY OWNERS ASSOCIATION

Every person, including Declarant, who acquires title, legal or equitable, to any lot in the tract shall become a member of the Canyon Lake Property Owners Association, a California non-profit corporation, (herein referred to as "Property Owners Association"); provided however, that such membership is not intended to apply to those persons who hold an interest in any such lot merely as security for the performance of an obligation to pay money, e.g., mortgages, deeds of trust, or real estate contract purchases. Declarant's membership (by reason of its ownership of unsold lots) need not be evidenced by certificates of membership as provided in the Association's by-laws.

The general purpose of the Association is to further and promote the community welfare of property owners in the Subdivision. So as to assure the opportunity to all owners to acquire full knowledge of said Property Owners Association's activities, each such owner shall be notified not less than seven (7) days nor more than sixty (60) days prior to any meeting of Property Owners Association members. Said notice shall specify a reasonable place, date and hour, and in the case of a special meeting, the general nature of the business to be conducted.

The Property Owners Association shall be responsible for the maintenance, repair, and upkeep of the private streets and parks, pedestrian easements, within the subdivision, and the appurtenant drainage improvements and slope easements reserved by Declarant. Said maintenance, repair and upkeep shall be done in a continual and workmanlike manner and in no case shall the level of such maintenance, repair and upkeep be below the level of such care which would have been provided by the County of Riverside, had such streets, parks, pedestrian easements, drainage easements and slope easements been owned by said County.

The Property Owners Association shall also be the means for the promulgation and enforcement of all regulations necessary to the governing of the use and enjoyment of such streets and parks and such other properties within the Subdivision as it may from time to time own.

The Property Owners Association shall also be responsible for the maintenance and operation of the recreational facilities to be acquired by the Property Owners Association from the Declarant, by means of a Trust Agreement, when 3500 single family residential lots have been sold by Declarant in said Subdivision, or on January 31, 1973, whichever occurs first. At such time the Property Owners Association shall also be the means for the promulgation and enforcement of such recreational facility rules.

For the purpose of proportionately dividing the Property Owners Association's expenses incurred in the maintenance of its properties and in furthering and promoting its purposes, the Property Owners Association shall have all the powers that are set forth in its Articles of Incorporation and By-Laws or that belong to it by operation of law, including the power to levy against every lot in the Tract and Subdivision uniform annual charges as set forth in its by-laws of not less than Twenty Dollars (\$20.00) nor more than Fifty Dollars (\$50.00) per year for the operation and maintenance of the streets, parks, pedestrian easements, drainage improvements and slope easements; and not less than One Hundred Eight dollars (\$108.00) nor more than Two Hundred Dollars (\$200.00) for the operation and maintenance of the recreation facilities to be acquired.

Every such charge made shall be paid by the member to the Property Owners Association on or before the date established by its Board of Directors pursuant to the resolution adopted by such Board of Directors fixing the amount of the annual charge. Written notice of the charge so fixed and the date of payment

shall be sent to each member. Said charges shall remain a lien upon the property of the respective member until paid.

Upon the adoption of a resolution of charges, the Property Owners Association shall forthwith cause a notice thereof and of the lien created thereby to be signed and acknowledged by it and recorded in the Office of the County Recorder of Riverside County, California.

Such recorded notice shall embody said resolution and state the rate of the charge, the time payable and record in the Office of the County Recorder of Riverside County, California, a release or, and when it becomes a lien. When paid, the Property Owners Association shall from time to time execute, acknowledge and record in the Office of the County Recorder of Riverside County, California, a release or releases of lien with respect to the property for which payment has been made. Full receipts shall be issued to lot owners upon payment.

Each lot owner in the Subdivision and Subdivision shall, by acceptance of a deed thereto or the signing of a contract or agreement to purchase the same, whether from Declarant or a subsequent owner of such lot, bind himself, his heirs, personal representatives and assigns to pay all charges determined and levied upon such lot, including interest thereon and collection costs thereof, if any, including attorneys' fees; and the obligation to pay such charges, interest and costs thereby constitutes an obligation running with the land. Sale or transfer of any lot shall not affect any lien for charges provided for herein.

All liens herein provided for shall be enforceable by foreclosure and sale proceedings in the manner provided by law for the foreclosure and sale of mortgages and/or trust deeds; provided, however, that no proceeding for foreclosure shall be commenced except upon expiration of two (2) months from and after the date the charge giving rise to such lien becomes due and payable.

The funds arising from such charges, so far as may be sufficient, shall be applied toward the payment of expenses incurred by the Property Owners Association in the maintenance of its properties and in furthering and promoting the community welfare of property owners in the Tract and Subdivision, all as set forth and provided in its articles of incorporation and by-laws.

10. OWNERSHIP, USE AND ENJOYMENT OF STREETS, PARKS AND RECREATIONAL AMENITIES

Each of the streets in the Tract or Subdivision, except Railroad Canyon Road, is a private street, and every park, recreational facility, and other amenity within the Tract or Subdivision is a private park, facility or amenity. An easement for the use and enjoyment of each of said streets and areas designated on the Subdivision Map as parks, and areas designated on the said Maps as pedestrian easements, is reserved to Declarant, its successors and assigns; to the persons who are, from time to time, members or associate members of the Property Owners Association to the residents, tenants, and occupants of any multi-family residential building, guesthouse, inn or hotel facilities, and all other kinds of residential structures that may be erected within the boundaries of the Tract or Subdivision, to the owner and/or operator of the dam and lake facility, its successors and assigns, and to the invitees of all of the aforementioned persons.

Declarant has previously offered said private streets to Riverside County for dedication to public use, the acceptance of which was rejected.

The Property Owner's Association may request the inclusion of said streets into the County Street System, at any time, provided, however, that such request shall not be made by said Property Owners Association except upon a two-thirds (2/3)

vote of its members entitled to vote.

Declarant hereby covenants, for itself, its successors, and assigns, that it will convey fee simple title to the streets and to those areas designated as parks and those areas designated on the recorded Map as pedestrian easements, and on all future maps of the Subdivision, to the Property Owners Association within three (3) years after their completion, subject only to easements of record and utility rights. At the time of conveyance, such streets shall conform to the standards of Riverside County.

Speed limits and parking regulations and restrictions on such private streets and the rules governing the use of such parks shall be as promulgated from time to time by Declarant, its successors thereto or assigns thereof.

11. RESPONSIBILITIES OF OWNERS

Each owner of a residential lot shall be responsible for the maintenance and repair of the building situated thereon except for the repainting of exterior surfaces thereof. In the event an owner fails to maintain his buildings and improvements or make repairs thereto in such manner as shall be deemed necessary in the judgment of the Board of Governors to preserve the attractive appearance of the Tract and protect the value of other property therein, the Board shall give written notice to such owner, stating with particularity the work of maintenance or repair which the Board finds to be required and requesting that the same be carried out within a period of thirty (30) days from the giving of such notice. In the event the owner fails to carry out such maintenance or repair within the period specified by the notice, the Board shall cause such work to be done and shall assess the cost thereof to such owner.

12. BREACH.

a. Breach of any of the covenants contained in this Declaration and the continuation of any such breach may be enjoined, abated or remedied by appropriate legal proceedings by any Owner, by the Association, by the Property Owners Association or by the successors in interest of such. It is hereby agreed that damages at law for such breach are inadequate.

b. The result of every act or omission whereby any of the covenants contained herein are violated in whole or in part is hereby declared to be and constitutes a nuisance, and every remedy allowed by law or equity against a nuisance either public or private shall be applicable against every such result and may be exercised by any owner, by the Association, the Property Owners Association or by the successors in interest of such.

c. The remedies herein provided for breach of the covenants contained herein shall be deemed cumulative, and none of such remedies shall be deemed exclusive.

d. The failure of the Association, the Property Owners Association or any Owner to enforce any of the covenants contained herein shall not constitute a waiver of the right to enforce the same thereafter.

e. A breach of any of the covenants contained herein shall not affect or impair the lien or charge of any bona fide Mortgage or deed of trust, which is of record prior to the recording of the Association's lien or charge, made in good faith and for value on any residential lot or the improvements thereon, provided, however, that any subsequent owner of such property shall be bound by said covenants, whether such owner's title was acquired by foreclosure in a trustee's sale or otherwise. A lender who acquires title by foreclosure or deed in lieu of foreclosure shall not be obligated to cure any breach of the covenants which occurred prior to such acquisition of title if such breach was or is non-curable or was a type of breach which is not practical or feasible to cure.

13. LIENS

Each maintenance fund payment or assessment shall be paid by each owner to the Association on or before the date established by its Board of Directors pursuant to the resolution adopted by such Board fixing the amount of such payments. Written notice of the monthly payment so fixed and the dates of payment thereof shall be sent to each member. Said charges shall remain a lien upon the property of the respective owner until paid.

Upon the adoption of a resolution of maintenance fund payments, the Association shall forthwith cause a notice thereof and of the lien created thereby to be signed and acknowledged by it and recorded in the Office of the County Recorder of Riverside County, California.

Such recorded notice shall embody said resolution and state the rate of the charge, the time payable, and when it becomes a lien. When paid, the Association shall from time to time to execute, acknowledge and record in the Office of the County Recorder of Riverside County, California, a release or releases of lien with respect to the property for which payment has been made. Full receipts shall be issued to lot owners upon payment.

Each owner in the Tract shall, by acceptance of a deed thereto or the signing of a contract or agreement to purchase the same, whether from Declarant or a subsequent owner of such lot, bind himself, his heirs, personal representatives and assigns to pay all charges determined and levied upon such lot, including interest thereon and collection costs thereof, if any, including attorneys' fees; and the obligation to pay such charges, interest and costs thereby constitutes an obligation running with the land. Sale or transfer of any lot shall not affect any lien for charges provided for herein.

All liens herein provided for shall be enforceable by foreclosure and sale proceedings in the manner provided by law

for the foreclosure and sale of mortgages and/or trust deeds; of provided, however, that no proceeding for foreclosure shall be commenced except upon expiration of two (2) months from and after the date the charge giving rise to such lien becomes due and payable.

The funds arising from such charges, so far as may be efficient, shall be applied toward the payment of expenses incurred by the Association in the maintenance of the Tract and in furthering and promoting the community welfare of owners in the Tract, all as set forth and provided herein.

Interest shall accrue at the rate of eight percent (8%) per annum on all unpaid maintenance fund payments and assessments from the date of delinquency thereof. Penalties for late payment, not exceeding five percent (5%) of the amount of the delinquent maintenance fund payment or assessment, maybe established by action of the Association, provided that written notice thereof is given to each owner.

14. COVENANT AGAINST PARTITIONS.

An action may be brought by one or more of the owners for judicial partition of their respective interests by sale of the entire Tract as if the owners of all the residential lots of the Tract were tenants-in-common in the entire Tract in the same proportions as their interests in the common areas, provided, however, that a partition shall be made only upon the showing that (1) there has been damage or destruction to the Tract which renders a material part of it unfit for use and for a period of three (3) years the Tract has not been rebuilt or repaired substantially to its state prior to its damage or destruction, or (2) that three-fourths (3/4) or more of the Tract has been destroyed or substantially damaged and that the owners of residential lots holding in aggregate more than fifty percent (50%) interest in the common area are opposed to

repair or restoration of the Tract, or (3) that more than fifty (50) years has elapsed from the recording of this Declaration, and that the Tract is obsolete and uneconomic, and that the owners of residential lots holding in aggregate more that fifty percent (50%) interest in the common area are opposed to repair or restoration of the Tract. Except as hereinabove provided, no owner shall seek judicial partition of the tract, the common area, or any part thereof, so long as this Declaration shall remain in effect.

15. NOTICES

In each instance in which notice is to be given to the owner of a residential lot, the same shall be in writing and may be delivered personally, in which case personal delivery of such notice to one or more co-owners of the lot, or to any general partner of a partnership owning such lot shall be deemed delivery to all of the co-owners or to the partnership as the case may be, and personal delivery of the notice to any officer or agent for the service of _____ a corporation owning such lot shall be deemed delivery to the corporation or such notice may be delivered by United States mail, certified or registered, postage prepaid, return receipt requested, _____ to the owner of such lot at the most recent address furnished by such owner in writing for the purpose of giving notice, or if no such address shall have been furnished, then to the street address of such lot, and any notice so deposited in the mail within Riverside County, California, shall be deemed delivered forty-eight (48) hours after such deposit. Any notice to be given to the Association shall be delivered by United States mail, certified, registered, postage prepaid, return receipt requested, addressed to the Association of Canyon Lake, _____ land California, and any notice so deposited in the mail within Riverside County, California shall be deemed delivered forty-eight (48) hours after such deposit.

16. AMENDMENTS.

The provisions of these, covenants may be amended from time to time by action of the owners of 2/3 of the residential lots in the Tract, and with respect to lots subject to the lien of a mortgage or deed of trust, by action of 2/3 of the holders of such mortgages or deeds of trust. The recording of an Instrument (including counterparts thereof) signed by the requisite number of owners, and containing the written consents of holders of mortgages and deeds of trust, where required, and stating the manner in which the declaration is to be amended, shall effect such amendment.

17. SEVERABILITY.

Should any of the covenants contained herein be void or be or become unenforceable in law or in equity, the remaining portions of these covenants shall, nevertheless, be and remain in full force and effect.

18. ANNEXATION OF SUBSEQUENT UNITS OR PARCELS

Declarant, or its successor in interest, may, from time to time, and in its sole discretion, annex into the Subdivision all or any part of the following described real property, and to all other units of the Subdivision presently of record to which restrictions substantially identical to those set forth herein apply:

DESCRIPTION:

In the County of Riverside, State of California, described as follows:

PARCEL 1:

Section 35, Township 5 South, Range 4 West, San Bernardino Base and Meridian, as shown by United States Government Survey.

PARCEL 2:

The Easterly 10 feet of the Southeast quarter of the Southwest quarter, the Southerly 10 feet of the Northwest quarter of the Southeast quarter, the Easterly 10 feet of the Northwest quarter of the Southeast quarter, the Easterly 10 feet of the Southwest quarter of the Northeast quarter, and the

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Southerly 10 feet of the Northeast quarter of the Northeast quarter. All in Section 34, Township 5 South, Range 4 West, San Bernardino Base and Meridian as shown by United States Government Survey.

PARCEL 3:

The Southeast quarter of the Southwest quarter of Section 36, Township 5 South, Range 4 West, San Bernardino Base and Meridian, as shown by United States Government Survey.

PARCEL 4:

The South half of the Southeast quarter of Section 36, Township 5 South, Range 4 West, San Bernardino Base and Meridian, as shown by United States Government Survey.

PARCEL 5:

The West 2/3 of the Northwest quarter of Section 6, Township 6 South, Range 3 West, San Bernardino Base and Meridian, as shown by United States Government Survey.

PARCEL 6:

Fractional Section 1, Township 6 South, Range 4 West, San Bernardino Base and Meridian, as shown by United States Government Survey.

PARCEL 7:

The North half and the Northwest quarter of the Southwest quarter, and the North 6.88 acres of the Southwest quarter of the Southwest quarter of Section 2, Township 6 South, Range 4 West, San Bernardino Base and Meridian, as shown by United States Government Survey.

EXCEPTING from the Southeast quarter of the Northwest quarter of said Section, the portion thereof described as follows:

BEGINNING at a point on the South line of the Southeast quarter of the Northwest quarter of

said Section, which bears South 89° 39' East, 109.07 feet from the Southwest corner thereof;

THENCE South 89° 39' East, along said South line, 396 feet;

THENCE North 00° 21' East, 550 feet;

THENCE North 89° 39' West, 396 feet;

THENCE South 00° 21' West, 550 feet to the point of beginning;

ALSO EXCEPTING from the Northwest quarter of the Southwest quarter of said Section, the portion thereof conveyed to Elsinore Valley Municipal Water District, by Deed recorded June 6, 1958 in Book 2282 page 46 of Official Records of Riverside County, California;

ALSO EXCEPTING therefrom the watchman's house and any outbuildings appurtenant thereto, located on the Northwest quarter of the Southwest quarter of said Section. Together with an easement for all purposes necessary for the proper use, enjoyment and occupancy of said houses, over one acre of ground surrounding said house and outbuildings;

ALSO EXCEPTING from said Section 2, the portion thereof included in the dam at Railroad Canyon Reservoir and in addition thereto sufficient land for all appurtenances necessary for the proper maintenance and operation of said dam at said Reservoir.

PARCEL 8:

The Southeast quarter of Section 2, Township 6 South, Range 4 West, San Bernardino Base and Meridian;

EXCEPTING therefrom that portion thereof described as follows:

BEGINNING on the Northwesterly line of Railroad Canyon Road, at a point whence the Southeast corner of said Section bears South 40° 46' East, 1208 feet, and running Thence North 53° 40' West, a distance of 110 feet;

THENCE North 36° 20' East, a distance of 100 feet;

THENCE South 53° 40' East, a distance of 130 feet, more or less, to a point on said Northwesterly line of Railroad Canyon Road;

THENCE Southwesterly along said Northwesterly line of Railroad Canyon Road, to the point of beginning.

PARCEL 9:

The East half of Government Lot 2. Excepting, therefrom the West half of the South 660 feet thereof. All of Government Lot 1, the North half of the Southeast quarter of the Northeast quarter, the Southeast quarter of the Southeast quarter of the Northeast quarter, the East quarter of the Northeast quarter of the Southeast quarter, and the East half of the West half of the East half of the Northeast quarter of the Southeast quarter of

Section 3, Township 6 South, Range 4 West, San Bernardino Base and Meridian as shown by United States Government Survey, and the West half of Government Lot 2 in Section 3, Township 6 South, Range 4 West, San Bernardino Base and Meridian.

Such annexation shall be effective upon the recordation of restrictions, either by declaration or by deed, designating the property subject thereto, as an additional unit within the Subdivision, which property shall thereupon become and constitute a part of the Subdivision, and the Property Owners Association shall accept and exercise such powers and jurisdiction over such property as are granted to it by such restrictions. Such restrictions shall be substantially the same as those contained herein as they apply to the Canyon Lake Association, provided, however, that:

- a. The use in said restrictions of the word "Unit" or "Tract" or shall be deemed to apply to the particular unit for which such restrictions are recorded; the use of the word "Subdivision" shall be deemed to mean the aggregate of all previously recorded units designated as being a part of the Canyon Lake general subdivision scheme of development; and the use of the words "lot" or "lots" shall be deemed to mean all subdivided lots described and set forth in any unit maps of the Subdivision and each unit of any multiple-family residence building or guesthouse, inn or hotel facility within the Subdivision, including condominium developments;
- b. Such restrictions shall not discriminate against lot owners whose property is already included in the Subdivision;

- c. The Property Owners Association's powers to make assessments and enforce liens shall not be curtailed with respect to such newly annexed units;
- d. The limits of uniform annual charges upon each lot in the Unit or other units already annexed to the Subdivision shall not be increased as a result of any annexation (but the Property Owners Association may provide for a higher annual charge upon lots in the newly annexed).
- e. Such restrictions may impose additional limitations upon the property subject thereto but shall not have the effect of alleviating any of the provisions herein or of any restrictions pertaining to other units already annexed to the Subdivision; and
- f. No annexation of additional property shall be permitted unless the subdivision map and restrictions applicable thereto shall be recorded within three (3) years from the date of the Final Subdivision Public Report of the California Division of Real Estate applicable to the next preceding unit of the Subdivision.

Any portion of such property described above and available for annexation into the Subdivision may, at the option of Declarant, its successors or assigns, be so annexed as a condominium, or for use as a multiple-family residential, guesthouse, inn or hotel facility.

Should property related to any of such uses not be so annexed, the Property Owners Association shall, nevertheless, grant to the owners thereof the right to the use and

enjoyment of the private streets and parks within the Subdivision, or any other assets of the Association, upon payment of a reasonable charge for maintenance, repair and upkeep or in return for the reciprocal use and enjoyment of common areas of such facilities or a combination of both.

19. GRANTEE'S ACCEPTANCE.

The grantee of any lot subject to the coverage of this Declaration, by acceptance of a deed conveying title thereto, or the execution of a contract for the purchase thereof, whether from Declarant or a subsequent owner of such lot, shall accept such deed or contract upon and subject to each and all of these Restrictions and the agreements herein contained, and also jurisdiction, rights and powers of Declarant, and by such acceptance shall for himself, his heirs, personal representatives, successors, and assigns, covenant, consent and agree to and with Declarant, and to and with the grantees and subsequent owners of each of the lots within the Subdivision to keep, observe, comply with and perform said Restrictions and agreements.

Each such grantee also agrees , by such acceptance, to assume, as against Declarant, its successors or assigns, all the risks and hazards of ownership or occupancy attendant to such lot, including but not limited to its proximity to golf course fairways or lakeshores

20. CAPTIONS.

The titles or headings of the articles or paragraphs of these covenants are not a part hereof and shall have no effect upon the constructions or interpretation of any part hereof.

IN WITNESS WHEREOF, the Declarant has executed these covenants on the day and year first above written.

CORONA LAND CO.

By [Signature]
President

By [Signature]
Secretary

APPROVAL AND CONSENT

of

MORTGAGE LENDER

Temescal Properties, Inc., a California corporation, hereby approves and consents to the recording of the attached Declaration of Restrictions on Tract 3892, Riverside County, California, and hereby consents and agrees that any lien shall be subordinate to this Declaration of Restrictions and shall be binding and effective against any owner of said property whose title is acquired by foreclosure, trustee sale, or lien foreclosure.

Dated: 22 September 1969

TEMESCAL PROPERTIES, INC.

By *R. L. Hampton*
President

By *W. H. Purdy*
Secretary

STATE OF CALIFORNIA
COUNTY OF Riverside
On September 22, 1969
before me, the undersigned, a Notary Public in and for
said State, personally appeared R. L. Hampton
known to me to be the President and W. H. Purdy
known to me to be the Secretary of the corporation that executed the within instrument,
and known to me to be the persons who executed the within
instrument on behalf of the corporation therein named, and ac-
knowledged to me that such corporation executed the within
instrument pursuant to its by-laws or a resolution of its board of
directors.

WITNESS my hand and official seal
Signature *Lynda S. Beel*
LYNDA S. BEEL, Notary Public
and State of California
My Commission Expires April 11, 1972

