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RECORDING REQUESTED BY
JOEL M. KRIGER, ESQ.

and WHEN RECORDED MAIL TO:
Santa Margarita Ranchos Property Owners Association
c/o Ralston Management
Attn: Luci Ralston
41800 Enterprise Circle South, Suite F
Temecula, California 92590

DOC # 2004-0272245

04/15/2004 08:00A Fee:22.00

Page 1 of 6

Recorded in Official Records
County of Riverside

Gary L. Orso

Assessor, County Clerk & Recorder



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**FIRST AMENDMENT TO THE FIRST RESTATED
DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS OF
SANTA MARGARITA RANCHOS PROPERTY OWNERS ASSOCIATION**

THIS AMENDMENT TO THE FIRST RESTATED DECLARATION was approved
by a written ballot sent to the entire membership of SANTA MARGARITA RANCHOS
PROPERTY OWNERS ASSOCIATION.

WITNESSETH

WHEREAS, SANTA MARGARITA RANCHOS PROPERTY OWNERS ASSOCIATION,
a California non-profit corporation, has responsibility for the management and control of certain real
property located in Riverside County, State of California, which is more particularly described as:

Lots 1 through 157, both inclusive, of Parcel map Number 6835 as per Map filed in
Book 29, Pages 27 through 41, both inclusive, of Parcel Maps, in the Office of the
County Recorder of said County.

WHEREAS, said property is subject to certain covenants, conditions, restrictions,
reservations, liens and charges as set forth in the First Restated Declaration of Covenants, Conditions
and Restrictions recorded as Document No. 2000-234195 in the Office of the Recorder of Riverside
County.

WHEREAS, Article X, Section 10.5 of said First Restated Declaration provides that the Declaration may be amended at any time by an instrument in writing approved by owners of a majority of the owners of lots located on the real property, which said written instrument shall become effective upon recording of the same in the County Recorder's Office of the County of Riverside, California.

NOW, THEREFORE, the Association hereby declares that the First Restated Declaration shall be amended as follows:

1. **Article III, Section 3.5 of the Declaration is amended to add as follows:**

Section 3.5 Annexation of Single Lot Parcels.

The Board of Directors may approve, by majority vote, the annexation of additional single lot parcels into the Association if requested by those property owners. The annexation must be considered to be in the best interests of the Association and any costs associated with the annexation must be borne by the property owner making application for annexation. Prior to Board consideration of any application for annexation, notice shall be sent to the membership providing the specifics of the request. The notice shall also provide the owners with the date, time and location of the Board meeting when the application for annexation will be considered. The notice shall further state that any Owner wishing to object to the annexation may present those objections to the Board at that time.

2. **Article III, Section 3.6 of the Declaration is amended to add as follows:**

Section 3.6 Annexation of Multi-Lot Parcels.

In the event the Association receives a request for annexation of a multi-lot parcel, the Board of Directors shall decide whether or not said annexation would be in the best interests of the Association. Any costs associated with the annexation must be borne by the property owner making application for annexation. If the Board of Directors feels that it would be in the best interests, said request shall be submitted to the membership for its approval. A majority of the total voting power of the Association must approve annexation of a multi-lot parcel. For purposes of Section 3.5 and 3.6, a multi-lot parcel shall be one in which there will be located more than one residence. A multi-lot parcel where only one residence exists or will be constructed may be approved under the procedures set forth in Section 3.5.



2004-0272245
04/15/2004 08:00A
2 of 6

3. Article V, Section 5.2 of the Declaration is amended to read as follows:

Section 5.2 Fencing/Perimeter Walls.

All parcels on which animals are present shall be adequately fenced so as to keep all animals on that parcel and protect the crops and property on the other parcels. However, no fence or walls shall be placed or permitted to remain which would interfere with the use of any of the easements referred to in Section 5.1 (a)(1-7) hereof. All perimeter fencing shall be primarily wood or corral pipe fencing across the front of the property and where fronting on streets shall not be located closer than forty (40) feet from the centerline of Via Santa Rosa and Via Vaquero and thirty (30) feet from the centerline of all other roads. Chain link or wire mesh fencing may be used provided it is located a minimum of forty (40) feet from the centerline of Via Santa Rosa and Via Vaquero and thirty (30) feet from the centerline on all other roads and is screened from view from the roadway by natural vegetation, grove trees or other approved landscaping. No fence shall be installed on any parcel without first being approved as to type and location by the Architectural Control Committee.

4. Article V, Section 5.2.1 of the Declaration is amended to add as follows:

Section 5.2.1 Entry Monuments/Markers.

Entry monuments/markers must have the portion that is gated, or could be otherwise obstructed, setback from the centerline of the road a minimum of forty (40) feet on Via Santa Rosa and Via Vaquero and thirty (30) feet on all other roads. Other portions of the entry monument/marker may be constructed closer, but must be at least twenty-five (25) feet from the centerline of the road on Via Santa Rosa and Via Vaquero and at least twenty (20) feet from the centerline on all other roads. Any fences attached to the entry monument/marker must comply with the setback requirements as specified in Article V, Section 5.2. Plans must be submitted for approval to the Architectural Control Committee in accordance with Article IX, Section 9.2. Chains and cables between posts for restricting access to grove roads are exempt from these setbacks and do not require submission to the ACC for approval. The posts must however be located a minimum of twenty (20) feet from the edge of the pavement and must have a reflector on the center of the chain or cable.



5. **Article V, Section 5.6(b) of the Declaration is amended to read as follows:**

Section 5.6 Maintenance and Storage.

(b) No material, supplies, trailers, or RVs or equipment; including inoperable motor vehicles, shall be stored on any area on a parcel except inside a closed building or in a specific location that has been approved by the Architectural Control Committee as being reasonably screened from view from roadways and adjacent parcels. Residents may park one trailer or RV next to their homes. Trailers or RV's are not to be occupied except on weekends and holidays without specific temporary approval of the Architectural Control Committee.

Storage for trash and debris shall be within a visual barrier surrounded by a solid fence at least six (6) feet high. Trash containers will not be stored where visible from the street. They may be placed at the street no earlier than the day prior to trash pickup and shall be removed not later than the day after pickup.

6. **Article V, Section 5.8 of the Declaration is amended to read as follows:**

Section 5.8 Utilities.

All telephone and power utility services are to be run underground to the home site and/or any other improvements from the street. For parcels where the nearest utility services may be located at other than the Street, a plan showing how services will be run to the home or other improvements must be submitted for approval to the Architectural Control Committee in accordance with Article IX, Section 9.2.



2004-0272245
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4 of 6

**CERTIFICATION OF PRESIDENT
AS TO APPROVAL OF AMENDMENT**

I, Fred Hayes, declare and state as follows:

1. I certify that I am the President of Santa Margarita Ranchos Property Owners Association, a California nonprofit mutual benefit corporation (hereafter "Association").
2. This document is executed for the purpose of certifying the foregoing amendment to the Declaration, according to the provisions contained in California Civil Code Section 1355 and to certify that the amendment requirements of the Declaration have been met.
3. I certify that there are currently 300 parcels within the Association representing the total voting power of the membership. Thus, according to the requirements of Article X, Section 10.5 of the Declaration at least fifty-one (51) percent of the voting membership or 153 affirmative votes must approve the amendment.
4. I further certify that, as of the date this document is executed, the following is the total number of votes cast by all Association members.

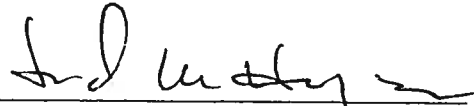
	Approve	Disapprove
To add Article III, Section 3.5	172	7
To add Article III, Section 3.6	172	7
To amend Article V, Section 5.2	156	23
To add Article V, Section 5.2.1	156	23
To amend Article V, Section 5.6(b)	157	22
To amend Article V, Section 5.8	155	24

5. Since these totals reflect approval by at least 153 affirmative votes of the membership, I certify that the amendment was approved.

On behalf of the Association, I declare under penalty of perjury under the laws of the State of California that the foregoing facts are true and correct.

Executed on FEB 11, 2004 at Temecula, California.

SANTA MARGARITA RANCHOS PROPERTY OWNERS ASSOCIATION

By: 
Fred Hayes, President



2004-0272245
04/15/2004 08:08A
5 of 6

Recording Requested By:
JOEL M. KRIGER, Esq.

When Recorded, Mail to:
Santa Margarita Ranchos Property
Owners Association
% Rebecca Homme, Manager
P.O. Box 1098
Temecula, CA 92593

DOC # 2000-234196

06/19/2000 08:00A Fee:117.00

Page 1 of 38

Recorded in Official Records

County of Riverside

Gary L. Orso

Assessor, County Clerk & Recorder



FIRST RESTATED DECLARATION

of

COVENANTS, CONDITIONS AND RESTRICTIONS

of

SANTA MARGARITA RANCHOS PROPERTY OWNERS ASSOCIATION



TABLE OF CONTENTS



2000-234196
06/19/2000 08:09A
2 of 38

TABLE OF CONTENTS

<u>Description</u>	<u>Page</u>
PREAMBLE	1
RECITALS	1
ARTICLE I - DEFINITIONS	3
1.1 "Assessment"	3
1.2 "Association"	3
1.3 "Association Rules"	3
1.4 "Declarant"	3
1.5 "Governing Documents"	3
1.6 "Improvements"	3
1.7 "Lot"	3
1.8 "Original Declaration"	3
1.9 "Owner"	4
1.10 "Parcel"	4
1.11 "Properties"	4
ARTICLE II - PROPERTY RIGHTS	5
2.1 Property Subject to Declaration.	5
2.2 Description of Project.	5
2.3 Right of Entry by Association.	5
2.4 Commercial Zone Lot Exemption for Lot 148	5
ARTICLE III - ASSOCIATION, ADMINISTRATION, MEMBERSHIP AND VOTING RIGHTS	6
3.1 Association to Administer Project.	6
3.2 Membership.	6
3.3 Transfer.	6
3.4 Voting Rights.	6
ARTICLE IV - ASSESSMENTS	7
4.1 Creation of the Lien and Personal Obligation of Assessments.	7
4.2 Purpose of Assessments.	7
4.3 Annual Assessment.	7
4.3.1 Preparation of Annual Budget	7
4.3.2 Limits for Increases of Annual and Special Assessments.	8



TABLE OF CONTENTS

<u>Description</u>	<u>Page</u>
4.3.3 Required Notice of Assessment Increases.	8
4.4 Special Assessments for Capital Improvements or Extraordinary Expenses; Reserves for Replacement.	8
4.4.1 Right of Board to Levy Special Assessments.	8
4.4.2 Reserve Contributions and Accounts.	8
4.5 Division of Assessments.	9
4.6 Effect of Nonpayment of Assessments.	9
4.7 Transfer of Lot by Sale or Foreclosure.	9
4.8 Enforcement; Remedies.	9
4.9 Individual Assessments.	10
4.9.1 Expenses Incurred in Gaining Member Compliance.	10
4.9.2 Change of Occupancy.	10
4.10 Levy of Individual Assessment and Payment.	10
 ARTICLE V - REGULATION OF IMPROVEMENTS	 11
5.1 Minimum Setback Line.	11
5.1.1 General.	11
5.1.2 Front Yard Setbacks	11
5.1.3 Side Yard Setback.	11
5.1.4 Rear Yard Setback.	12
5.1.5 Change in Setback	12
5.2 Fencing.	12
5.3 Excavation.	12
5.4 Signs.	12
5.5 Building Regulations	13
5.5.1 Type	13
5.5.2 Size	14
5.5.3 Height	14
5.5.4 Roof	14
5.6 Maintenance and Storage	14
5.7 Property Maintenance	15
5.8 Utilities	15
5.9 Subdivision of Less Than Five Acres	15
 ARTICLE VI - DUTIES AND POWERS OF THE ASSOCIATION	 16
6.1 General Powers and Authority	16
6.1.1 Assessments	16
6.1.2 Adoption of Rules	16
6.1.3 Enforcement of Violations	16
6.1.4 Delegation of Authority	17



TABLE OF CONTENTS

<u>Description</u>	<u>Page</u>
6.1.5 Right of Entry	17
6.1.6 Loans	17
6.1.7 Contracts	17
6.1.8 Prosecution and Defense of Lawsuits	17
6.2 Duties of the Association.	17
6.2.1 Financial Statements	18
6.2.2 Insurance	18
6.2.3 Assessments	18
6.2.4 Payment of Expenses	18
6.2.5 Enforcement	18
6.3 Limitation on Board Authority	18
6.4 Limitation on Liability of Officers and Directors	19
ARTICLE VII - MAINTENANCE RESPONSIBILITIES	20
7.1 Association's Obligation to Maintain and Repair	20
7.2 Owner's Obligation to Maintain and Repair	20
7.3 Recovery of Costs of Certain Repairs and Maintenance	20
ARTICLE VIII - USE RESTRICTIONS	21
8.1 Regulation of Operations and Uses.	21
8.2 Lot Split Regulations	22
8.3 Damage or Destruction of Residences	22
8.4 Use of Lots	22
8.5 Storage	23
8.6 Burning/Fire Hazards/Fireworks	23
8.7 Variances	23
8.8 Enforcement of Property Use Restrictions	23
ARTICLE IX - ARCHITECTURAL CONTROL COMMITTEE	24
9.1 Composition of Architectural Control Committee	24
9.2. Committee Approval	24
9.3 Submittal Procedure	24
9.4 Committee Approval in Writing	25
9.5 Liability of Committee	26
9.6 Variances	26



TABLE OF CONTENTS

<u>Description</u>	<u>Page</u>
ARTICLE X - GENERAL PROVISIONS	28
10.1 Enforcement.	28
10.2 Severability	28
10.3 Term.	28
10.4 Construction	28
10.5 Amendments	29
10.6 Singular Includes Plural	29
10.7 Nuisance	29
10.8 Waiver	29
10.9 Conflict of Governing Documents	29
10.10 Rights of Mortgagees	29
10.11 Mutuality, Reciprocity; Runs with Land	30
10.12 The Declaration	30
10.13 Notification of Sale of Parcel	30
10.14 Violation of Law	31
ACKNOWLEDGEMENTS	32



**FIRST RESTATED DECLARATION OF
COVENANTS CONDITIONS AND RESTRICTIONS OF
SANTA MARGARITA RANCHOS PROPERTY OWNERS ASSOCIATION**

PREAMBLE

The Declaration of Covenants, Conditions, and Restrictions and all subsequent amendments thereto (including but not limited to First Amendment recorded at File/Page 77-148126; Second Amendment recorded at File/Page 80-211217; Third Amendment recorded at File/Page 86-194962; Fourth Amendment recorded at File/Page 90-288739; Fifth Amendment recorded at File/Page 90-333555; Sixth Amendment recorded at File/Page 92-130009; and Seventh Amendment recorded at File/Page 95-165124) through the date of recordation of this Declaration for Santa Margarita Ranchos Property Owners Association, executed by Kaiser Aetna, a California general partnership composed of Temecula Properties, Inc., a California corporation, Kaiser Rancho California, Inc., a California corporation; Westward Properties, Inc., a California corporation; Kaiser Hawaii Kai Development Co., a Nevada corporation; and Aetna Life Insurance Company, a Connecticut corporation, ("Declarant"), and recorded on April 20, 1977, as Document No.77-67779, of the Official Records of Riverside County, California ("Original Declaration"), which affects all of the Properties described and commonly known as Santa Margarita Ranchos Property Owners Association are hereby amended and restated in their entirety to read as follows:

RECITALS

A. Declarant was the original Owner of that certain real property ("Properties") located in the City of Temecula, County of Riverside, State of California, which is more particularly described as follows:

**Lots 1 through 157, both inclusive, of Parcel map Number 6835,
as per Map filed in Book 29, Pages 27 through 41, both inclusive,
of Parcel Maps, in the Office of the County Recorder of said
County.**



B. Declarant conveyed the Properties, subject to certain easements, protective covenants, conditions, restrictions, reservations, liens and charges as set forth in the Original Declaration referred to above, all of which are for the purpose of enhancing and protecting the value, desirability and attractiveness of Properties and all of which shall run with the Properties and be binding on all parties having or acquiring any right, title or interest in the Properties, or any part thereof, their heirs, successors and assigns, and shall inure to the benefit of each Owner thereof.

C. It was the further intention of the Declarant to sell and convey residential Lots, subject to the protective covenants, conditions, restrictions, limitations, reservations, grants of easements, rights, rights-of-way, liens, charges and equitable servitudes between Declarant and such Owners which are set forth in this Declaration and which are intended to be in furtherance of a general plan for the subdivision, development, sale and use of the Properties as a "planned development" as that term is defined in §1351(k) of the California Civil Code.

D. There currently exists upon the above-described real property a Common Interest Subdivision subject to the provisions of the Davis-Stirling Common Interest Subdivision Act (California Civil Code §1350, et seq.).

E. Prior to the date shown hereunder, fifty-one percent (51%) of the Owners of Lots within the Properties voted by written ballot to amend and restate the Original Declaration, all in accordance with the procedures for amendment set forth in the Original Declaration. It was the intention of said Owners to replace the Original Declaration, in its entirety, with the recordation of this Declaration. The Owners' action to amend and restate the Original Declaration as set forth herein and the fact that the requisite percentage of affirmative votes required in the Original Declaration was achieved, is attested by the execution of this First Restated Declaration by duly authorized officers of the Association, as required by California Civil Code §1355(a). As so amended and restated, the easements, covenants, restrictions and conditions set forth herein shall run with the Properties and shall be binding upon all parties having or acquiring any right, title or interest in the Properties or any portion thereof, and shall inure to the benefit of each Owner thereof.



ARTICLE I

DEFINITIONS

Section 1.1 "Assessment" means any Regular, Special or Individual Assessment made or assessed by the Association against an Owner and his or her Lot in accordance with the provisions of Article IV of this Declaration.

Section 1.2 "Association" means Santa Margarita Ranchos Property Owners Association, a California nonprofit corporation, its successors and assigns.

Section 1.3 "Association Rules" means the rules, regulations and policies adopted by the Board of Directors of the Association, as the same may be in effect from time to time.

Section 1.4 "Declarant" shall mean and refer to Kaiser Aetna, a California general partnership composed of Temecula Properties, Inc., a California corporation; Kaiser Rancho California, Inc., a California corporation; Westward Properties, Inc., a California corporation; Kaiser Hawaii Kai Development Co., a Nevada corporation; and Aetna Life Insurance Company, a Connecticut corporation, its successors and assigns, if such successors or assigns should acquire substantially all of Kaiser Aetna's interest in the properties encumbered by this Declaration.

Section 1.5 "Governing Documents" is a collective term that means and refers to this First Restated Declaration and to the Articles, Bylaws, and Association Rules.

Section 1.6 "Improvements" shall mean and include grading, barns, buildings, silos, cages, houses, outbuildings, sheds, parking areas, fences, walls, poles, signs, streets, alleys and any other structures of any type or kind.

Section 1.7 "Lot" means any parcel of real property designated by a number on the Subdivision Map of the Properties. When appropriate within the context of this Declaration, the term "Lot" shall also include the Residence and other improvements constructed on a Lot.

Section 1.8 "Original Declaration" means and refers to the document referenced in the Preamble to this Declaration, together with all amendments thereto, adopted prior to recordation of this Declaration.



Section 1.9 "Owner" means any person, firm, corporation or other entity which owns a fee simple interest in any Lot, as shown by the official records of the County recorder. The term "Owner" shall include, except where the context otherwise requires, the family, guests, tenants and invitees of an Owner.

Section 1.10 "Parcel" shall mean and refer to any plot of land shown upon any recorded subdivision map of the Property.

Section 1.11 "Properties" shall mean and refer to that certain real property hereinabove described.



ARTICLE II

PROPERTY RIGHTS

Section 2.1 Property Subject to Declaration.

All the real property previously described in the Preamble and the improvements thereon, shall be subject to this Declaration.

Section 2.2 Description of Project.

The Association consists of 288 Lots with no common areas. Formerly there were roads and road easements maintained by the Association. These roads are now publically dedicated streets and maintained by a Santa Rosa Community Service District. The Association has no responsibility for maintenance of any real property.

Section 2.3 Right of Entry by Association.

For any purpose related to the performance by the Board of its responsibilities under this Declaration, the Association's agents or employees shall have the right to enter any Lot. For other than emergency purposes, the Association's agents or employees shall have the right to enter any Lot or any purpose reasonably related to the performance by the Board of its responsibilities under this Declaration. Such entry shall be with as little inconvenience to the Owner as possible, and any damage caused thereby shall be repaired by the Association.

Section 2.4 Commercial Zone Lot Exemption for Lot 148

Lot 148 of the Property is hereby exempted from the operation of each and every section of Articles V and VIII and shall not hereafter constitute a covenant, condition and restriction against said Lot nor be binding upon or give rise to easements across said Lot 148. The maximum height of any commercial building on Lot 148 shall be 35 feet



ARTICLE III

ASSOCIATION, ADMINISTRATION, MEMBERSHIP AND VOTING RIGHTS

Section 3.1 Association to Administer Project.

The Members covenant and agree that the administration of the Project shall be in accordance with the provisions of this Declaration, the Articles, Bylaws and Rules of the Association.

Section 3.2 Membership.

Every Owner of a Parcel which is subject to assessment shall be a member of the Association. Membership shall be appurtenant to and may not be separated from ownership of any Parcel which is subject to assessment. The terms and provisions set forth in this Declaration, which are binding upon all owners of all Parcels and all members in the Association, are not exclusive, as both the member and the parcel owner shall, in addition, be subject to the terms and provisions of the Articles of Incorporation and the Bylaws of the Association. The foregoing is not intended to include persons or entities who hold an interest merely as security for the performance of an obligation. Ownership of such Parcel shall be the sole qualification for membership.

Section 3.3 Transfer.

The membership held by any Owner of a Parcel shall not be transferred, pledged or alienated in any way, except upon the sale of such Parcel and then only to the purchaser or in the event of foreclosure to the deed of trust holder of such parcel. Any attempt to make a prohibited transfer is void, and will not be reflected upon the books and records of the Association. In the event the Owner of any Parcel should fail or refuse to transfer the membership registered in his name to the purchaser of such Parcel, the Association shall have the right to record the transfer upon the books of the Association.

Section 3.4 Voting Rights.

The Association shall have only one class of membership. Members shall be entitled to one vote for each Parcel in which they hold the interest required for membership. When more than one person holds such interest or interest in any parcel, all such persons shall be members and the vote for such parcel shall be exercised as they among themselves determine, but in no event shall more than one vote be cast with respect to any such Parcel. Said voting rights shall be subject to the restrictions and limitations provided hereinafter and in the Articles and Bylaws of the Association.



ARTICLE IV

ASSESSMENTS

Section 4.1 Creation of the Lien and Personal Obligation of Assessments.

Each Owner of any Lot by acceptance of a deed therefor, whether or not it shall be so expressed in such deed, is deemed to covenant and agree to pay to the Association: (1) Annual Assessments or charges, (2) Special Assessments for purposes permitted herein, and (3) Individual Assessments (as more fully described in Section 4.9 herein); such Assessments to be established and collected as hereinafter provided. The Annual and Special Assessments, together with interest, costs and reasonable attorney's fees, shall be a charge on the Lot and shall be a continuing lien upon the separate interest against which each such Assessment is made, the lien to become effective upon recordation of a notice of Assessment. Each such Assessment together with interest, costs, and reasonable attorneys' fees, shall also be the personal obligation of the person who was the Owner of such Lot at the time when the Assessment fell due. No Member may exempt himself from liability for this contribution towards the common expenses by the abandonment of his Lot.

Section 4.2 Purpose of Assessments.

The Assessments levied by the Association shall be used exclusively to promote the economic interest, recreation, health, safety, and welfare of all the residents in the entire Project.

Section 4.3 Annual Assessment.

The Board of Directors shall determine and fix the amount of the Annual Assessment against each Lot in accordance with the procedures described below. Payment of the Annual Assessment may be made by the Owners on annual basis or as otherwise established by the Board.

Section 4.3.1 Preparation of Annual Budget

Not less than 45 nor more than 60 days prior to the beginning of the Association's fiscal year, the Board shall estimate the total amount required to fund the Association's anticipated common expenses for the next succeeding fiscal year by preparing and distributing to all Association Members a budget. If the Board fails to distribute the budget for any fiscal year within the time period provided for in this section, the Board shall not be permitted to increase regular assessments for that fiscal year unless the Board first obtains the approval of Owners, constituting a quorum, casting a majority of the votes at a meeting or election of the Association.



Section 4.3.2 Limits for Increases of Annual and Special Assessments.

The Board of Directors of the Association may not impose a regular Assessment that is more than twenty percent (20%) greater than the regular Assessment for the Association's preceding fiscal year or impose Special Assessments which in aggregate exceed five percent (5%) of the budgeted gross expenses of the Association for that fiscal year without the approval of Owners casting a majority of the votes at a meeting or election of the Association at which a quorum is present.

Section 4.3.3 Required Notice of Assessment Increases.

Whenever there is an increase in Annual or Special Assessments of the Association, all Members shall be notified by first-class mail, not less than thirty (30) nor more than sixty (60) days prior to the increased Assessment becoming due.

Section 4.4 Special Assessments for Extraordinary Expenses; Reserves for Replacement.

Section 4.4.1 Right of Board to Levy Special Assessments.

The Board of Directors may levy, in any Assessment year, a Special Assessment applicable to that year only, provided that in the event Special Assessments exceed in the aggregate five percent (5%) of the budgeted gross expenses of the Association for that fiscal year, the vote or written consent of a majority of those voting of the Association where a quorum is represented shall be required.

Section 4.4.2 Reserve Contributions and Accounts.

As part of the regular annual Assessments for maintenance authorized above, the Board of Directors shall annually fix the amount to be contributed pro rata by each Member to reserve funds. Such determination shall be made after consideration of the need for additional funds and of the Association's capital position. The Board shall maintain a separate account for those funds. The Board shall fix the method of payment of such Assessments and shall be empowered to permit either lump sum or monthly payments. Separate records shall be maintained for all funds deposited to the said account, which shall be designated as a reserve account.



Section 4.5 Division of Assessments.

All Assessments, both Annual and Special, shall be charged to and divided among the Members equally.

Section 4.6 Effect of Nonpayment of Assessments.

Assessments are delinquent thirty (30) days after they become due. Interest on delinquent Assessments and late charges shall be imposed at an annual percentage rate of twelve percent (12%) interest commencing thirty (30) days after the Assessments become due. Late charges and interest on past due amounts may be modified by the Board in accordance with any changes permitted by state law.

Section 4.7 Transfer of Lot by Sale or Foreclosure.

Sale or transfer of any Lot shall not affect the Assessment lien. However, the sale of any Lot pursuant to Mortgage foreclosure of a first Mortgage shall extinguish the lien of such Assessments as to payments which became due prior to such sale or transfer (except for Assessment liens recorded prior to the Mortgage). No sale or transfer shall relieve such Lot from liability for any Assessments thereafter becoming due or from the lien thereof.

Section 4.8 Enforcement; Remedies.

If any Annual or Special Assessment is delinquent, the Association may record an Assessment Lien against the Lot of the delinquent Owner, notwithstanding any provision of this Declaration to the contrary, the Assessment lien provided for herein shall be subordinate to the lien of any first mortgage or first deed of trust upon any Lot. The lien shall be recorded in accordance with the requirements of Civil Code §1367. The lien shall be signed by any officer of the Association or any agent designated by the Association.

An Assessment lien may be enforced in any manner permitted by law, including sale by the court, sale by the trustee designated in the notice of delinquent Assessment, or sale by a trustee substituted pursuant to California Civil Code §2934(a). Any sale shall be conducted in accordance with the provisions of §§2924, 2924(b), 2924(c), 2924(f), 2924(g) and 2924(h) of the California Civil Code, or any successor statutes thereto, applicable to the exercise of powers of sale in mortgages and deeds of trust, or in any other manner permitted by law. Nothing herein shall preclude the Association from bringing an action directly against an Owner for breach of the personal obligation to pay Assessments.



The Association, acting on behalf of the Lot Owners, shall have the power to bid for the Lot at foreclosure sale, and to acquire and hold, lease, Mortgage, and convey the same.

Section 4.9 Individual Assessments.

In addition to the Special Assessments levied against all Owners in accordance with Section 4.4 above, the Board of Directors may impose Individual Assessments against an Owner in any of the circumstances described below, provided that no Individual Assessments may be imposed against an Owner pursuant to this Section 4.9 until the Owner has been afforded notice and an opportunity for a hearing and, if appropriate, has been given a reasonable opportunity to comply voluntarily with the Association's Governing Documents. Subject to the foregoing, the acts and circumstances giving rise to liability for Individual Assessments include the following:

Section 4.9.1 Expenses Incurred in Gaining Member Compliance.

In the event that the Association incurs any costs or expenses, to bring the Owner and/or his Lot into compliance with any provision of the Governing Documents, the amount incurred by the Association (including reasonable fines and penalties duly imposed hereunder, title company fees, accounting fees, and reasonable attorneys' fees) shall be assessed and charged solely to and against such Owner as a Individual Assessment.

Section 4.9.2 Change of Occupancy.

A change of ownership charge may be assessed against each Lot at the time escrow closes on the conveyance of title to such Lot, if title is transferred, or as of the date a new tenant takes possession of the Lot. The charge shall be for the purpose of covering the reasonable and necessary expenses incurred by the Association as a result of the change of ownership or possession of the Lot. The charge shall be in an amount to be reasonably determined from time to time by the Board.

Section 4.10 Levy of Individual Assessment and Payment.

Once an Individual Assessment has been levied against an Owner for any reason described, and subject to the conditions imposed in this Section 4.9, such Individual Assessment shall be recorded on the Owner's account, notice thereof shall be mailed to the affected Owner and the Individual Assessment shall thereafter be due as a separate debt of the Owner payable in full to the Association within 30 days after the mailing of notice of the Assessment.



ARTICLE V

REGULATION OF IMPROVEMENTS

Section 5.1 Minimum Setback Line.

Section 5.1.1 General.

No structure of any kind, and no part thereof, shall be placed on any Parcel closer to a property line than herein provided. The following structures and improvements are specifically excluded from these set back provisions

- (1) Pole Lines
- (2) Underground pipelines;
- (3) Conduits;
- (4) Ditches;
- (5) Waterworks facilities for the production and distribution of water primarily for irrigation purposes;
- (6) Streets and grove access roads;
- (7) Signs

Section 5.1.2 Front Yard Setbacks.

The setback line is established fifty (50) feet from the front property line except that no structure or improvement except those listed in Section 5.01 (a), (1) - (7) shall be erected nearer than a minimum of forty (40) feet from the nearest point of intersection of any two (2) streets or highway lines.

Section 5.1.3 Side Yard Setback.

(1) The setback line for the main residence is established at a minimum of fifty (50) feet from the property line.

(2) The setback line for all accessory buildings is established at a minimum of twenty (20) feet from the Property line



Section 5.1.4 Rear Yard Setback.

The setback line is established at a minimum of twenty (20) feet from the rear property line.

Section 5.1.5 Change in Setback.

Anything contained in this Article to the contrary notwithstanding, in the event the zoning of subject property allows different setbacks, the setbacks required shall be those which are the more restrictive.

If the Architectural Control Committee shall determine that extenuating circumstances exist with respect to any parcel that would cause conformance to the setback minimums to result in undue hardship on the Owner of the Parcel, the Architectural Control Committee may approve such setback as may be deemed reasonable.

Section 5.2 Fencing/Perimeter Walls.

All parcels on which animals are present shall be adequately fenced so as to keep all animals on that Parcel and protect the crops and property on the other parcels. However, no fence or walls shall be placed or permitted to remain which would interfere with the use of any of the easements referred to in Section 5.1 (a) (1-7) hereof. All perimeter fencing shall be primarily wood or corral pipe fencing across the front of the property and where fronting on streets and shall not be located closer than forty (40) feet from the centerline of Via Santa Rosa and Via Vaquero and thirty (30) feet from the centerline of all other roads, Chain link or wire mesh fencing may be used provided it is located a minimum of fifty (50) feet from the centerline of Via Santa Rosa and Viaquero and forty (40) feet from all other roads and is screened from view from the roadway by natural vegetation, grove trees or other approved landscaping. No fence shall be installed on any parcel without first being approved as to type and location by the Architectural Control Committee.

Section 5.3 Excavation.

Exposed openings resulting from any excavation shall be back filled and disturbed ground shall be leveled. Such excavation shall be done in compliance with the riverside County Grading Ordinance and shall be certified by a California licensed soils engineer as appropriate.

Section 5.4 Signs.

All signs shall conform to the following criteria:



(a) Signs larger than twelve (12) square feet shall be allowed only upon application and the issuance of a permit by the Architectural Control Committee. The applicant may be required to pay a sign fee in the amount to be set by the board of Directors. No permit issued shall be for a period greater than twelve (12) consecutive months. The application shall include a scaled architectural drawing which indicates the size, colors and contents of the sign and a site plan showing the precise location of the sign.

(b) Signs having a size of twelve (12) square feet or less shall be constructed and posted without a permit issued by the Architectural Control Committee subject to the following restrictions;

(1) No sign shall be constructed and posted within twelve (12) feet of the edge of the traveled roadway;

(2) Each parcel shall be limited to one (1) sign for 5 to 10 acres and a maximum of two signs per twenty (20) acres of gross parcel;

(3) Signs constructed or posted on a Parcel for the purpose of selling, leasing or renting the Property or any other Parcel shall be removed within ten (10) days of sale, lease, or termination of listing. The Association shall have the right to enter said property and remove the sign.

Section 5.5 Building Regulations.

Section 5.5.1 Type.

Any building or structure of whatever type shall be properly maintained. No building or other structure shall be built or erected unless the building or other structure is of a quality usual and customary for that type of building or structure and a good quality and design. No used building including buildings previously constructed on any other property shall be moved onto any parcel without the prior approval of the ACC. No mobile homes, modular homes or lean-tos, or commercial metal storage facilities shall be permitted on any Parcel. However, a travel trailer may be brought on to the Property for use over the weekend and holiday, but must not be left parked on the Property during the week. Unless, done so in compliance with Section 5.6 (b). The only buildings permitted by this Declaration to be constructed on any lot shall be a single family residence., a guest cottage or a caretaker quarters, accessory buildings and a garage.



Section 5.5.2 Size.

The primary principal single family residence, if any shall contain a minimum of twenty-five hundred (2500) square feet, excluding garage and overhangs. The garage shall contain a least four hundred forty (440) square feet and shall be enclosed. Any accessory building or garage, but not living quarters may be constructed prior to the main residence, and shall conform in architectural design to the residential structure to be constructed on the Parcel. Roofing material shall be the same as required for the main residence, as set forth in paragraph (d) below.

Section 5.5.3 Height.

No building structure shall be more than two (2) stories in height, providing such structure does not obstruct the view of adjacent residences. Residential buildings constructed on hillsides may use the area under the main floor for additional living area as approved by the Architectural Control Committee. The maximum height of any commercial building on Lot 148 shall be thirty-five (35) feet.

Section 5.5.4 Roofs.

All roofs shall be constructed of fire proof materials approved in writing by the Architectural Control Committee. No roof or other structure shall be constructed of reflective metal, except as herein expressly provided . No projection of any type shall be placed or permitted above the roof of any building structure with the exception of one or more chimneys, one or more vent stacks, and one (1) television antenna and/or satellite dish (one meter or less in diameter) of shape, size and location as approved by the Committee. No air condition units, ducts, conduits, or pipes shall be exposed on the roof of any building structure. Solar heating and photovoltaic installations being an exception to this restriction.

Section 5.6 Maintenance and Storage.

(a) All parcels shall be properly maintained. Rubbish and debris shall be promptly removed.

(b) No material, supplies, trailers, or RVs or equipment; including inoperable motor vehicles, shall be stored on any area on a parcel except inside a closed building or in a specific location that has been approved by the Architectural Control Committee as being reasonably screened from view from roadways and adjacent parcels. Residents may park one trailer or RV next to their homes. Trailers or RV's are not to be occupied except on



weekends and holidays without specific temporary approval of the Architectural Control Committee.

Storage for trash and debris shall be within a visual barrier screened area of a maximum of fifty (50) square feet and surrounded by a wood fence at least six (6) feet high.

Section 5.7 Property Maintenance.

If the Owner uses the property for agricultural purposes, Owner must farm said land in an approved and husband-like manner and to keep all trees, vines and crops on the land properly cultivated, irrigated, fertilized, sprayed and fumigated; to replace all dead and unproductive trees or vines with new ones, and to keep all buildings fences, ditches, canals and any farming improvements on said premises in first class condition; to do all other acts which from the character or use of the property may be reasonably necessary to maintain, preserve or enhance its value. If Owner fails to perform in this manner, the Association or the Architectural Control Committee (Hereinafter "Committee") or their agents shall have the right to enter upon any Parcel and at the expense of the Owner of the Parcel to remove infected or diseased plants and spray and fumigate the same and/or take measures as they may reasonably deem necessary to protect the subject property and all property that could be affected by failure of Owners performance.

Section 5.8 Utilities.

All telephone and power utility services are to be run underground to the home site and other improvements from the property line.

Section 5.9 Subdivision of Less Than Five Acres

Any subdivision which will result in a Lot of less than five acres in size must be approved by fifty-one (51%) percent of the owners, excluding all votes of the subdividing owners.



ARTICLE VI

DUTIES AND POWERS OF THE ASSOCIATION

Section 6.1 General Powers and Authority.

The Association shall have all the powers of a nonprofit corporation under California law, subject only to the limitations in the Governing Documents of the Association. It may perform all acts which may be necessary for or incidental to the performance of the obligations and duties imposed upon it by this Declaration or the other Governing Documents. Its powers shall include, but are not limited to, the following:

Section 6.1.1 Assessments.

The Association shall have the power to establish, fix, and levy Assessments against the Members in accordance with the procedures set out in this Declaration and subject to the limitations therein.

Section 6.1.2 Adoption of Rules.

The Association shall have the power to adopt reasonable operating rules governing the use of the Properties.

Section 6.1.3 Enforcement of Violations.

In addition to any other enforcement rights described in Section 10.1 and in this Declaration and the Bylaws, or authorized by law and subject to any restrictions on the Association's enforcement rights, including any due process requirements, imposed by this Declaration, the Bylaws, or by law, the Association may take any of the following actions against any person or entity whose act or failure to act violates or threatens to violate any provision of this Declaration, the Bylaws, or Association Rules:

- (i) impose monetary penalties, including late charges and interest;
- (ii) suspend voting rights in the Association until the violation has been cured.



The determination of whether to impose any of the foregoing sanctions shall be within the sole discretion of the Association. The Association shall provide due process to members before imposing any of the foregoing sanctions by giving notice and allowing the member a hearing before the Board.

Section 6.1.4 Delegation of Authority.

The Association, acting through the Board, shall have the power to delegate its authority, duties, and responsibilities to such committees, officers, or employees as are allowed under the Governing Documents.

Section 6.1.5 Right of Entry.

The Association's agents or employees shall have the right to enter upon any Lot when necessary in connection with performing the Association or Board's duties as set forth in the Governing Documents. Such entry shall be made with as little inconvenience to the Member as is practicable, and in accordance with Section 2.3 of this Declaration.

Section 6.1.6 Loans.

The Association shall have the power to borrow money upon approval of a majority of the voting membership of the Association.

Section 6.1.7 Contracts.

The Association shall have the power to contract for goods and/or services for the Association, subject to limitations of the Governing Documents.

Section 6.1.8 Prosecution and Defense of Lawsuits

The Board has the authority to prosecute or defend, in the name of the Association, any action affecting the Association, and any action in which all or substantially all of the Owners have an interest.

Section 6.2 Duties of the Association.

In addition to the duties delegated to the Association or its agents and employees elsewhere in these Governing Documents, the Association shall be responsible for the following:



Section 6.2.1 Financial Statements.

The Association shall regularly prepare, review and distribute financial statements to the Members in accordance with the Bylaws.

Section 6.2.2 Insurance

The Association shall maintain such policy or policies of insurance as are required by this Declaration and/or the Board of Directors and/or state law.

Section 6.2.3 Assessments

The Association shall fix, levy, collect, and enforce Assessments.

Section 6.2.4 Payment of Expenses.

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

Section 6.2.5 Enforcement.

The Association shall enforce this Declaration.

Section 6.3 Limitation on Board Authority.

Except with the vote or written assent of Owners casting a majority of the votes at a meeting or through a mail ballot where a quorum is represented, the Board shall not take any of the following actions:

(i) Pay compensation to Members of the Board or to officers of the Association for services performed in the conduct of the Association's business, provided that the Board may reimburse a Member for expenses incurred in carrying on the business of the Association; or

(ii) Enter into a contract with a third person to furnish goods or services for the Association for a term longer than one year, with the following exceptions:

(a) Prepaid casualty or liability insurance policies not to exceed three years' duration provided the policy permits short rate cancellation by the insured.



Section 6.4 Limitation on Liability of Officers and Directors.

No director, officer, committee Member, employee, or other agent of the Association, shall be liable to any Owner or any other party, including the Association, for any damage, loss, or prejudice suffered or claimed on account of any act, omission, error, or negligence of any such person if such person has acted in good faith and in a manner such person reasonably believed to be in the best interests of the Association.



ARTICLE VII

MAINTENANCE RESPONSIBILITIES

Section 7.1 Association's Obligation to Maintain and Repair.

The Association has no obligation to maintain or repair any property at the time of filing of this Restated Declaration. Currently, all Association roads are being maintained by the Santa Rosa Community Service District. Only in the event the Santa Rosa Community Service District stopped maintenance of these roads would the Association resume that function.

Section 7.2 Owner's Obligation to Maintain and Repair.

Each Lot Owner shall, at his sole cost and expense, maintain and repair his Lot and all improvements thereon, and all landscaping thereon in a neat, clean and attractive condition.

Section 7.3 Recovery of Costs of Certain Repairs and Maintenance.

In the event that an Owner fails to perform maintenance functions for which he or she is responsible under Section 7.2 above, the Association may give written notice to the offending Owner with a request to correct the failure within thirty (30) days after receipt thereof. If the Owner refuses or fails to perform any necessary repair or maintenance, the Association may exercise its rights under Article II, Section 2.3, to enter the Owner's Lot and perform the repair or maintenance so long as the Owner has been given notice and the opportunity for a hearing. The cost of the repairs may be billed to the owner as an Individual Assessment in accordance with Section 4.9.



ARTICLE VIII

USE RESTRICTIONS

Each Owner of a Lot shall be responsible for ensuring that the Owner's family, guests, tenants and all occupants of the Owner's Lot comply with all provisions of this Declaration, the Bylaws and the rules and regulations of the Association. In addition to any rights the Association may have against the Owner's family, guests, tenants or occupants, the Association may take action under this Declaration against the Owner as if the Owner committed the violation in conjunction with the Owner's family, guests, tenants or occupants.

Section 8.1 Regulation of Operations and Uses.

The following operations and uses are prohibited:

- (a) Commercial, industrial or manufacturing, but nothing contained herein shall prohibit the drying, packing, canning, freezing and other acceptable methods of processing fruits, nuts, vegetables, and other agricultural products on any Parcel where such drying, packing, canning, freezing or processing is primarily in conjunction with the agricultural operation on that Parcel.
- (b) Junk yards or dumps;
- (c) Trailer courts;
- (d) Drilling for and or the removal of oil, gas or other hydrocarbon substances;
- (e) Fat rendering;
- (f) Stockyard or slaughter of animals, except those animals produced on that parcel;
- (g) Farm Labor Camps;
- (h) Commercial tree nurseries;
- (i) Commercial Poultry raising;



(j) Animal raising (except two (2) cats and or three (3) dogs, one (1) cow per acre of any Parcel, and two (2) horses per acre of Parcel); and/or other animals as approved by Architectural Control Committee;

(k) Multiple units, hotels, motels;

(l) Exception subject to written ACC approval.

Section 8.2 Lot Split Regulations.

No Owner, lessee or occupancy of any portion of the Property shall subdivide any portion of the Property in any manner, including without limitation, the filing of subdivision maps, lot splits, or sales or leases without the prior advice to the Architectural Control Committee, which approval shall be requested in the manner provided for in Article VIII. Such approval shall not be unreasonably withheld. The Architectural Control Committee shall consider the shape and location of any and all subdivided property as to its aesthetic appearance, enhancement or detracting from the values of surrounding parcels and conformity with planned streets and highways. Any subdivision which will result in a parcel of less than five (5) acres in size must be approved by 51% of the Owners, excluding all votes of the subdividing Owner. Voting rights and membership shall accrue to a new parcel created by subdivision upon the recording of the tract or parcel map.

Section 8.3 Damage or Destruction of Residences.

In the event of damage or destruction by fire or other casualty affecting a Residence, the Owner thereof shall, within six months thereafter, either:

(a) Diligently commence to rebuild the Residence in accordance with the terms hereof, including, without limitation, the architectural review provisions of Article VIII hereof; or

(b) Clear and level the Lot, removing all wreckage, debris and remains of the Residence therefrom and leaving the same in a level, clean condition.

Section 8.4 Use of Lots.

(a) The vegetation and landscaping on any Lot shall be planted or maintained by the Owner or resident in such a manner as to reduce the risk of fire, prevent or retard shifting or erosion of soils, encourage the growth of indigenous ground cover and to cause the proper diversion of water into streets and natural drainage channels.



(b) No Improvement, including without limitation, fences, hedges, retaining walls, landscape or privacy structures shall be constructed, erected, or placed on any Lot without the prior approval of the Architectural Committee.

(c) No drilling, refining, quarrying or mining operations of any kind shall be permitted on any Lot except for water.

Section 8.5 Storage.

Storage of personal property shall be reasonably screened from view.

Section 8.6 Burning/Fire Hazards/Fireworks.

Burning of agricultural trimmings is permitted on Lots as long as it is in compliance with all local governmental fire safety and permit regulations. No Owner or resident shall permit any condition to exist on his or her Lot, including, without limitation, trash piles or weeds, which create a fire hazard or is in violation of local fire regulations. Due to the extreme fire hazard in the area fire works are prohibited.

Section 8.7 Variances.

Upon application by any Owner, the Architectural Control Committee shall be authorized and empowered to grant reasonable variances from the property use restrictions set forth in this Article VIII, if specific application of the restriction will, in the sole discretion of the Board, either cause an undue hardship to the affected Owner or fail to further or preserve the common plan and scheme of development contemplated by this Declaration. In considering and acting upon any request for a variance, the Committee shall follow the procedures set forth in Article IX, Section 9.6 for the granting of architectural variances.

Section 8.8 Enforcement of Property Use Restrictions.

The objective of this Declaration shall be to promote and seek voluntary compliance by Owners with the environmental standards and property use restrictions contained herein. Accordingly, in the event that the Association becomes aware of an architectural or property use infraction that does not necessitate immediate corrective action, the Owner responsible for the violation shall receive written notice thereof and shall be given a reasonable opportunity to comply voluntarily with the pertinent Governing Document provision(s). Such notice shall describe the noncomplying condition, request that the Owner correct the condition within a reasonable time specified in the notice, and advise the Owner of his or her appeal rights.



ARTICLE IX

ARCHITECTURAL CONTROL COMMITTEE

Section 9.1 Composition of Architectural Control Committee.

Each Board of Directors shall establish a three member Architectural Control Committee. The members of which shall be selected and appointed by the Board of Directors and shall serve for a term concurrent with said Board. Neither the members of the Committee nor its designated representatives shall be entitled to any compensation for their services. Members of the Committee must be members of the Association or live within the Santa Margarita Property Owners Association. Any member may be removed before the expiration of their term by a majority vote of the Board. The majority of the Architectural Control Committee shall be members of the Board.

Section 9.2 Committee Approval.

No property owner shall commence construction of any improvement on his Property, and no building, garage, outbuilding, fence or other improvement unless and until two complete sets of plans including a plot plan showing location of such structure on the property, floor and roof plan, exterior elevations, sections and salient exterior details shall have been submitted to and approved in writing by any two members of the Committee. The Committee will consider the quality and serviceability of the materials to be used, the location of the improvements on the Parcel being improved when completed, and its consistency with existing improvements.

Section 9.3 Submittal Procedure.

The plans and specifications shall be submitted to the offices of the Association in duplicate to such place as shall be designated from time to time by the Board of Directors. It is the obligation of the Member/Applicant to satisfy the submission requirements of the Association. Incomplete documentation, plans or specifications shall not be reviewed or considered by the Committee for approval.



Section 9.4 Committee Approval in Writing.

The Committee's approval, disapproval or conditional approval of such building plans, specifications and plot plans shall be in writing and delivered to the applicant with one (1) set of the submitted documents. If the Committee fails to approve or disapprove such plans and specifications and plot plan within sixty (60) days after submittal, it shall be assumed that the Committee has approved the submittal, the Applicant shall notify the Committee in writing of their failure to respond. If the Committee does not approve or deny said application within fifteen (15) days in writing after receipt of said notice, the Application shall be deemed approved.

If, after the plans, specifications and plot plans have been approved, the building, fence, wall or other structure shall be altered otherwise than as approved by the Committee, such alteration shall be deemed to have been undertaken without the approval of the Committee and the Board of Directors will proceed against the member to have the unapproved improvements removed unless the member submits an amendment to the plan and said plan is approved by the Committee. Any and all reasonable costs, incurred by the Association in enforcing this provision shall be paid by the Member failing to obtain the requested approval. Costs incurred shall be paid by the Member whether or not legal proceedings are initiated.

Any applicant, if dissatisfied with the decision of the Committee, may appeal the decision of the Architectural Control Committee to the Board of Directors, whose decision shall be final. The right of appeal by an Owner must be exercised in writing within thirty (30) days after notification to the Member of the decision of the Committee; provided, however, that the Board may extend the time for such appeal or grant hearing thereon after the expiration of time at its discretion.

Said Committee shall have the power and authority to approve or disapprove the plans and specifications and approval of said plans, specifications and plot plan may be withheld not only because of noncompliance with any of the specific covenants, conditions and restrictions contained in this Declaration, but also by reason of the reasonable dissatisfaction of the Committee with the location of the structure on the Parcel, or the building site, the finished ground elevation, design, proportions, architecture, shape, height and style of the proposed structure or altered structures, or other matters or things which, in the reasonable judgment of the Committee, will render the proposed structure inharmonious, inconsistent or out of keeping with the general scheme, the existing improvements on the site or with the structures erected on other building sites in the immediate area of the subject parcel. The Committee, may if it so desires adopt rules governing its procedures, providing said rules and procedures are not inconsistent with the rules and procedures contained herein, or those adopted by the Association's Board of Directors.



Once commencement of construction has begun, the completion of all approved and permitted construction shall be diligently and continuously pursued to completion.

The Committee may, from time to time, as a means of defraying its expenses, require a reasonable filing fee to accompany submission of the application and plans. No additional fee shall be required for resubmission of the plans revised in accordance with Committee recommendations.

The approval by the Committee of any plans or specifications submitted for approval as herein specified for use on any building site shall not be deemed a waiver by the Committee of its right to object to any of the features or elements embodied in such plans and specifications, if, or when the same features or elements are embodied in any subsequent plans and specifications submitted for approval as herein provided for use on the building sites.

Section 9.5 Liability of Committee.

Neither the Board of Directors, the members of the Committee, shall be liable in damage to anyone submitting plans to them for approval, or to any Owner or Lessee or any Parcel affected by this Declaration, by reason of mistake in judgment, negligence or nonfeasance arising out of or in connection with the approval or disapproval or failure to approve any plans submitted. Every person who submits plans to the Committee for approval agrees, by submission of such plans, and every Owner or Lessee of any Parcel within the Property agrees, by acquiring title or interest therein, that he will not bring any action or suit in law or equity against the Board of Directors, the members of the Committee or their representatives, to recover damages or see equitable relief.

Section 9.6 Variances.

The Architectural Control Committee shall be entitled to allow reasonable variances with respect to this Article or any restrictions specified in Article VIII in order to overcome practical difficulties, avoid unnecessary expense or prevent unnecessary hardships, provided that the following conditions are met:

(a) If the requested variance will necessitate deviation from, or modification of, a property use restriction that would otherwise apply under this Declaration, the Committee must conduct a hearing on the proposed variance after giving at least 10 days' prior written notice to the Board and to all adjacent Lots to the property for which the variance applies. The Owners receiving notice of the proposed variance shall have 30 days in which to submit to the Board or Committee written comments



or objections with respect to the variance. No decision shall be made with respect to the proposed variance until the 30-day comment period has expired.

(b) The Committee must make a good faith determination that (i) the requested variance does not constitute a material deviation from the overall plan and scheme of development within the Properties or from any restriction contained herein or that the proposal allows the objectives of the violated requirement(s) to be substantially achieved despite noncompliance; or (ii) the variance relates to a requirement hereunder that is unnecessary or burdensome under the circumstances; or (iii) the variance, if granted, will not result in a material detriment, or create an unreasonable nuisance, with respect to any other Lot or Owner within the Properties.



ARTICLE X

GENERAL PROVISIONS

Section 10.1 Enforcement.

The Association or any Member shall have the right to enforce by proceedings at law or in equity, all restrictions, conditions, covenants, Association Bylaws and rules and regulations, reservations, liens and charges now or hereafter imposed by the provisions of this First Restated Declaration or any amendment thereto, including the right to prevent the violation of any such restrictions, conditions, covenants or reservations, the right to recover damages or other dues for such violation; provided, however, that with respect to Assessment liens, the Association shall have the exclusive right to the enforcement thereof. Should the Association incur attorney's fees in order to enforce the covenants, conditions and restrictions or the Association Bylaws or rules and regulations, it shall be entitled to recover such expenses from the responsible Members.

Prior to the commencement of a civil action to enforce the Governing Documents, the party initiating the case shall comply with Civil Code §1354(b) by serving a Request for Resolution on the other party in accordance with this statute.

Section 10.2 Severability.

Invalidation of any one of these covenants, conditions and restrictions by judgment or court order shall in no way affect any other provisions which shall remain in full force and effect.

Section 10.3 Term.

The covenants, conditions and restrictions of this Declaration shall run with and bind the Lots, and shall inure to the benefit of and be enforceable by the Association or the Owner of any Lot subject to this Restated Declaration, their respective legal representatives, heirs, successors, and assigns.

Section 10.4 Construction.

The provisions of this First Restated Declaration shall be liberally construed to effectuate its purposes of creating a uniform plan for the maintenance of a residential/agricultural community. Paragraph headings have been inserted for convenience only, and shall not be considered or referred to in resolving questions of interpretation or construction.



Section 10.5 Amendments.

This First Restated Declaration may be amended by the affirmative assent or vote of a majority of the Owners of Lots in the Property. However, the percentage of voting power necessary to amend a specific clause shall not be less than the prescribed percentage of affirmative votes required for action to be taken under that clause. Any amendment must be certified in a writing executed and acknowledged by an authorized officer of the Association and recorded in the County Recorder's Office of the County of Riverside.

Section 10.6 Singular Includes Plural.

Whenever the context of this Restated Declaration requires same, the singular shall include the plural and the masculine shall include the feminine.

Section 10.7 Nuisance.

The result of every act or omission whereby any covenant contained in this Declaration is violated in whole or in part is hereby declared to be a nuisance, and every remedy against nuisance, either public or private, shall be applicable against every such act or omission.

Section 10.8 Waiver.

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

Section 10.9 Conflict of Governing Documents.

If there is a conflict among or between the Governing Documents, the provisions of this First Restatement of Declaration shall prevail; thereafter, priority shall be given to Governing Documents in the following order: Articles, Bylaws, and Rules and Regulations of the Association.

Section 10.10 Rights of Mortgagees.

None of the restrictions nor any of the provisions herein contained shall supersede or in any way reduce the security or affect the validity of any mortgage or deed of trust; provided, however that if any portion of the Property is sold under a foreclosure of any mortgage or under the provisions of any deed of trust, any purchaser at such sale and his successors and assigns, shall hold any and all property so purchased subject to all of the restrictions and other provisions of this Declaration.



Section 10.11 Mutuality, Reciprocity; Runs with Land.

All restrictions, covenants, conditions and agreements contained herein are made for the direct, mutual and reciprocal benefit of each and every part and parcel of the Property; shall create mutual, equitable servitudes upon each Parcel in favor of every other parcel; shall create reciprocal rights and obligations between the respective owners of said Parcels, their heirs, successors and assigns; and shall, as to the owner of each parcel, his heirs, successors and assigns, operate as covenants, running with the land, for the benefit of all other Parcels.

Section 10.12 The Declaration.

By acceptance of a deed or by acquiring any ownership interest in any of the real property included within this Declaration, each person or entity, for himself or itself, his heirs, personal representatives, successors, transferees and assigns, binds himself, his heirs, personal representatives, successors, transferees and assigns, to all of the provisions, restrictions, covenants, conditions, rules and regulations now or hereafter imposed by this Declaration and any amendments thereof. In addition, each such person by so doing thereby acknowledges that this Declaration sets forth a general scheme for the improvement of the real property covered hereby, and hereby evidences his intent that all the restrictions, conditions, covenants, rules and regulations contained herein shall run with the land and be binding on all subsequent and future Owners, grantees, purchasers, assignees and transferees thereof. Furthermore, each such person fully understands and acknowledges that this Declaration shall be mutually beneficial, prohibitive and enforceable by the various subsequent and future Owners.

Section 10.13 Notification of Sale of Parcel.

Concurrently with the consummation of the sale of any Parcel under circumstances whereby the transferee becomes an Owner thereof or within five (5) business days thereafter, the transferee or agent shall notify the Association, in writing of such sale. Such notification shall set forth (i) the name of the transferee and his transferor; (ii) the transferee's mailing address; (iii) the street address of the parcel purchased by the transferee; and (iv) the date of the sale. Prior to receipt of such notification, any and all communications required or permitted to be given by the Association, the Board, or the Architectural Control Committee shall be deemed to be duly made and given to the transferee if duly and timely made and given to said transferee's transferor.

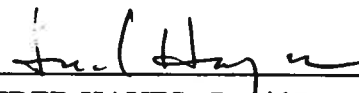


Section 10.14 Violation of Law.

Any violation of any state, municipal, or local law, ordinance or regulation, pertaining to the ownership, occupation or use of any of the properties is hereby declared to be a violation of this Declaration and subject to any or all of the enforcement procedures set forth herein.

IN WITNESS WHEREOF, SAN MARGARITA PROPERTY OWNERS ASSOCIATION,
by and through its Board of Directors, hereby certifies that this Restated Declaration of Covenants, Conditions and Restrictions was duly adopted.

SANTA MARGARITA PROPERTY OWNERS ASSOCIATION

By: 
FRED HAYES, President

[Name printed]

By: 
MAHMOUD YAKUT, Secretary

[Name printed]



ACKNOWLEDGMENT

State of California)
 : S.S.
County of Riverside)

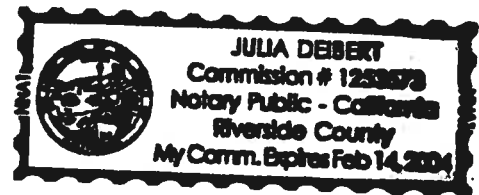
On May 31, 2000, before me, Julia Deibert, a Notary Public in and for said County and State, personally appeared **FRED HAYES**, personally known to me (or proved on the basis of satisfactory evidence) to be the person whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his authorized capacity, and that by his signature on the instrument the person, or the entity upon behalf of which the person acted, executed the instrument.

WITNESS my hand and official seal.

Julia Deibert

[Seal]

ACKNOWLEDGMENT



State of California)
 : S.S.
County of Riverside)

On May 31, 2000, before me, Julia Deibert, a Notary Public in and for said County and State, personally appeared **MAHMOUD YAKUT**, personally known to me (or proved on the basis of satisfactory evidence) to be the person whose name is subscribed to the within instrument and acknowledged to me that she executed the same in her authorized capacity, and that by her signature on the instrument the person, or the entity upon behalf of which the person acted, executed the instrument.

WITNESS my hand and official seal.

Julia Deibert

[Seal]

