

Section 5 - Appeal. In the event plans and specifications submitted to the Architectural Committee are disapproved thereby, the party or parties making such submission may appeal in writing to the Board. The written request shall be received by the Board are more than thirty (30) days following the final decision of the Architectural Committee. The Board shall submit such request to the Architectural Committee for review, whose written recommendations will be submitted to the Board. Within forty-five (45) days following receipt of the request for appeal, the Board shall render its written decision. The failure of the Board to render a decision within said forty-five (45) day period shall not be deemed a decision in favor of the appellant.

ARTICLE VI  
DUTIES AND POWERS OF THE ASSOCIATION

Section 1 - General Duties and Powers. In addition to the duties and powers enumerated in its Articles and Bylaws, or elsewhere provided for herein, and without limiting the generality thereof, the Association shall have the specific duties and powers specified in this Article.

Section 2 - General Duties of the Association. The Association through the Board shall have the duty and obligation to:

- (a) enforce the provisions of this Declaration, the Articles, Bylaws, and Association Rules, by appropriate means and carry out the obligations of the Association hereunder.
- (b) maintain and otherwise manage the following:
  - (i) all easements and real property and all facilities, improvements and landscaping thereon in which the Association holds an interest, subject to the terms of any instrument transferring such interest to the Association;
  - (ii) all personal property in which the Association holds an interest, subject to the terms of any instrument transferring such interest to the Association; and
  - (iii) all property, real or personal, which the Association is obligated to repair or maintain pursuant to this Declaration, including, without limitation, the Article of this Declaration entitled "Repair and Maintenance".
- (c) obtain, for the benefit of the Community Facilities, water, gas and electric, refuse collections and other services.

Section 3 - General Powers of the Association. The Association through the Board shall have the power but not the obligation to:

- (a) employ a manager or other persons and contract with independent contractors or managing agents who have professional experience in the management of residential developments similar to the Covered Property, to perform all or any part of the duties and responsibilities of the Association,
- (b) acquire interests in real or personal property for offices or other facilities that may be necessary or convenient for the management of the Covered Property, the administration of the affairs of the Association or for the benefit of the Members;
- (c) borrow money as may be needed in connection with the discharge by the Association of its powers and duties;
- (d) establish in cooperation with the City a special tax assessment district for the performance of all or a portion of the maintenance or other functions now within the responsibility of the Association.
- (e) provide trash pickup and disposal service for the benefit of the Owners and their Residences;

(f) contract for cable television service for the benefit of the Owners who have subscribed for such service; and

(g) negotiate and enter into contracts with Institutional Mortgagees and mortgage insurers and guarantors as may be necessary or desirable to facilitate the availability of loans secured by Mortgages within the Covered Property.

Section 4 - General Limitations and Restrictions on the Powers of the Board. In addition to the limitations and restrictions enumerated in the Articles and Bylaws or elsewhere provided for herein, and without limiting the generality thereof, the Board shall be prohibited from taking any of the following action without the approval of a majority of the voting power of the Association:

(a) enter contracts for materials or services which have a term excess of one (1) year, with the following exceptions:

(i) a management contract, the terms of which have been approved by the FHA or VA;

(ii) a contract with a Public Utility company if the rates charged for the materials or services are regulated by the Public Utilities Commission; provided, however, that the term of the contract shall not exceed the shortest term for which the supplier will contract at the regulated rate; and

(iii) prepaid casualty and/or liability insurance policies of not to exceed three (3) years duration, provided that the applicable policy permits short rate cancellation by the insured.

(b) sell any real or personal property of the Association with an aggregate fair market value in excess of five percent (5%) of said estimated Common Expenses during any fiscal year.

(c) pay compensation to directors or to officers of the Association for services performed in the conduct of the Association's business; provided, however, the Board may cause a director or officer to be reimbursed for expenses incurred on the business of the Association.

Section 5 - Association Rules. The Board shall also have the power to adopt, amend, and repeal, subject to the requirements of Civil Code Sections 1357.100-1357.150, such rules and regulations as it deems reasonable (the "Association Rules") which may include the establishment of a system of fines and penalties enforceable as Special Assessments, all as provided in the Bylaws. The Association Rules shall govern such matters in furtherance of the purposes of the Association, including, without limitation, the use of the Community Facilities; provided, however, that the Association Rules may not discriminate among Owners, and shall not be inconsistent with this Declaration, the Articles or Bylaws. A copy of the Association Rules as they may from time to time be adopted, amended or repealed or a notice setting forth the adoption, amendment or repeal of specific portions of the Association Rules shall be delivered to each Owner in the same manner established in Civil Code Section 1350.7 or any successor statute for the delivery of notices. Upon completion of the notice requirements, said Association Rules shall have the same force and effect as if they were set forth in and were part of this Declaration and shall be binding on the Owners and their successors in interest whether or not actually received thereby. The Association Rules, as adopted, amended or repealed, shall be available at the principal office of the Association to each Owner and Institutional Mortgagee upon request. In the event of any conflict between any such Association Rules and any other provisions of this Declaration, or the Articles or Bylaws, the provisions of the Association Rules shall be deemed to be superseded by the provisions of this Declaration, the Articles or the Bylaws to the extent of any such conflict.

Section 6 - Delegation of Powers. The Association shall have the right, according to law, to delegate to committees, officers, employees or agents any of its duties and powers under this Declaration, the Articles and Bylaws; provided, however, no such delegation to a professional management company, the Architectural Committee or otherwise shall relieve the Association of its obligation to

perform such delegated duty.

Section 7 - Pledge of Assessment Rights. The Association shall have the power to pledge the right to exercise its Assessment powers in connection with obtaining funds to repay a debt of the Association; provided, however, any such pledge shall require the prior affirmative vote or written assent of not less than seventy-five percent (75%) of the Members. Said power shall include, but not be limited to, the ability to make an assignment of Assessments which are then payable to or which will become payable to the Association; which assignment may be then presently effective but shall allow said Assessments to continue to be paid to and used by the Association as set forth in this Declaration, unless and until the Association shall default on the repayment of the debt which is secured by said assignment. The Association may levy Special Assessments against the Members to obtain such funds. Upon the failure of any Member to pay said Special Assessment when due, the Association may exercise all its rights, including, without limitation, the right to foreclose its lien, pursuant to the Article hereof entitled "Nonpayment of Assessments".

Section 8 - Emergency Powers. The Association or any person authorized by the Association may enter any Residence in the event of any emergency involving illness or potential danger to life or property. Such entry shall be made with as little inconvenience to the Owners as practicable, and any damage caused thereby shall be repaired by the Association unless covered by insurance carried by the Owner.

## ARTICLE VII REPAIR AND MAINTENANCE

Section 1 - Repair and Maintenance by Association. Except to the extent that an Owner may be obligated to maintain and repair as hereinafter provided, and without limiting the generality of the statement of duties and powers contained in this Declaration, the Articles, Bylaws or Association Rules, the Association shall have the duty to accomplish the following upon the Covered Property or other land in such manner and at such times as the Board shall prescribe:

(a) maintain, repair, restore, replace and make necessary improvements to the Community Facilities, including, without limitation, the following:

(i) private walkways, bicycle paths, trails or other pedestrian paths;

(ii) drainage facilities and easements in accordance with the requirements of the Orange County Flood Control District;

(b) maintain the exterior (defined to mean the side fronting on any public right-of-way or Community Facilities) of those lot perimeter walls or fences identified on Exhibit "F". Exhibit "F" is, collectively, the original wall and fence Exhibits referenced within, and incorporated into the Original Declaration and the amendments and supplements thereto. A single map based upon those Exhibits is attached hereto as Exhibit "D" and incorporated herein for reference purposes. The location of the lot perimeter walls and fences generally depicted on Exhibits "F" and "D" shall be governed by as-built conditions, and in the event of any conflict between Exhibit "F" and Exhibit "D", Exhibit "F" shall control;

(c) maintain the public rights-of-way shown on Exhibit "E" according to the standards established by the City's Director of Public Works for public rights-of-way in the City. Exhibit "E" is, collectively, the original Association Maintenance Areas Exhibits referenced within, and incorporated into the Original Declaration and the amendments and supplements thereto. A single map based upon those Exhibits is attached hereto as Exhibit "D" and incorporated herein for reference purposes. The location of the public rights-of-way generally depicted on Exhibits "E" and "D", if any, shall be governed by as-built conditions, and in the event of any conflict between Exhibit "E" and Exhibit "D", Exhibit "E" shall control;

(d) maintain in a safe and attractive condition those slope areas shown on Exhibit "E". Exhibit "E" is, collectively, the original Association Maintenance Areas Exhibits