

commingled with any other funds of the Association and shall be deemed a contribution to the capital account of the Association by the Members.

ARTICLE X EMINENT DOMAIN

Section 1 - Definition of Taking. The term "taking" as used in this Article shall mean condemnation by eminent domain or sale under threat of condemnation of all or any portion of the Community Facilities.

Section 2 - Representation by Board in Condemnation Proceedings. In the event of a threatened taking of all or any portion of the Community Facilities, the Members hereby appoint the Board and such persons as the Board may delegate to represent all of the Members in connection with the taking. The Board shall act in its sole discretion with respect to any awards being made in connection with the taking and shall be entitled to make a voluntary sale to the condemner in lieu of engaging in a condemnation action.

Section 3 - Inverse Condemnation. The Board is authorized to bring an action in inverse condemnation. In such event, the provisions of this Article shall apply with equal force.

Section 4 - Award for Community Facilities. Any awards received on account of the taking of Community Facilities shall be paid to the Association. The Board may in its sole discretion retain any award in the general funds of the Association or distribute pro rata all or a portion thereof to the Members. The rights of an Owner and the Mortgagee of his Residence as to any pro rata distribution shall be governed by the provisions of the Mortgage encumbering such Residence.

ARTICLE XI USE RESTRICTIONS

Section 1 - Commercial Use. No part of a Residence shall be used or caused to be used or allowed or authorized in any way, directly or indirectly, for any business, commercial, manufacturing, mercantile, scoring, vending, or any nonresidential purpose; provided, however, that the provisions of this Section shall not preclude an Owner from renting his or her Residence in accordance with this Declaration, nor any Owner of a Lot from maintaining a home office and conducting business activities therefrom on the following conditions: (i) there is no external evidence of such activities; (ii) such activities are conducted in conformance with all applicable governmental ordinances; (iii) the patrons or clientele of such activities do not visit the Residence or park automobiles or other vehicles within the Project; (iv) the existence or operation of such activities is not apparent or detectable by sight, sound or smell from outside the boundaries of the Residence; (v) no such activity increases the liability or casualty insurance obligation or premium of the Association; and (vi) such activities are consistent with the residential character of the Project and conform with the provisions of this Declaration. Further, the Association shall have the right to provide or authorize such services on the Community Facilities as it deems appropriate for the enjoyment of the Community Facilities or for the benefit of the Members.

Section 2 - Signs. No sign or billboard of any kind shall be displayed to the public view on any portion of the Covered Property, except such signs as may be allowed by California law. A Member may display in his Residence, a sign advertising its sale or lease by him so long as such sign shall comply with any customary and reasonable standards promulgated by the Board as to the size, color, shape or other qualification for permitted signs.

Section 3 - Nuisance. No noxious or offensive trade or activity shall be carried on upon any Residence, or any part of the Covered Property nor shall anything be done thereon which may be, or may become an annoyance or nuisance to the neighborhood, or which shall in any way interfere with the quiet enjoyment of each of the Owners of his respective Residence, or which shall in any way increase the rate of insurance.