

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.

Section 4 - Temporary Structures. No structure of a temporary character, trailer, basement, shack, garage, barn or other out-building shall hereafter be used on any Residence at any time, either temporarily or permanently.

Section 5 - Vehicles. No trailer, camper, boat or similar equipment shall hereafter be permitted to remain upon the Covered Property, including, without limitation, streets, alleys or driveways, unless placed or maintained within an enclosed area, or unless obscured from view of adjoining Residences, streets, or alleys by a fence or appropriate screen, nor permitted to be parked other than temporarily, on any street, alley, or any other portion of the Covered Property. Temporary parking shall mean parking of vehicles belonging to guests of Owners, delivery trucks, service vehicles and other commercial vehicles being used in the furnishing of services to the Association or the Owners and parking of vehicles belonging to or being used by Owners for loading and unloading purposes. The Board may adopt rules for the regulation of the admission and parking of vehicles within the Covered Property, including the assessment of charges to Owners who violate or whose invitees violate, such rules. Any charges so assessed shall be Special Assessments. Any fence or screen required under this Section shall comply with any standards promulgated pursuant to the Article entitled "Architectural Control" of this Declaration as to size, color, or other qualification for permitted fences or screens. In addition, the Board may designate areas within the Covered Property for parking of campers and similar equipment without the requirement of fencing or screening.

Section 6 - Animals. No animals, livestock or poultry of any kind, shall be raised, bred or kept upon the Covered Property, except that dogs, cats or other household pets may be kept on the Residences, provided they are not kept, bred or maintained for any commercial purpose, or in numbers deemed unreasonable by the Board. Notwithstanding the foregoing, no animals or fowl may be kept on the Residences which in the good faith judgment of the Board or a committee selected by the Board for this purpose, result in an annoyance or are obnoxious to residents in the vicinity. All animals permitted to be kept by this Section shall be kept on a leash when on any portion of the Covered Property except within a Residence.

Section 7 - Oil and Mineral Rights. No oil drilling, oil development operations, oil refining, quarrying, or mining operations of any kind shall be permitted upon or in the Covered Property nor, subsequent to the recording of this Declaration, shall oil wells, tanks, tunnels, or mineral excavations or shafts be installed upon the surface of the Covered Property or within five hundred (500) feet below the surface of such properties. No derrick or other structure designed for use in boring for water, oil or natural gas shall be erected, maintained or permitted upon the Covered Property.

Section 8 - Unsightly Items. All weeds, rubbish, debris, or unsightly material or objects of any kind shall be regularly removed from the Residences and shall not be allowed to accumulate thereon. All clotheslines, refuse containers, woodpiles, storage areas, machinery and equipment shall be prohibited upon any Residence unless obscured from view of adjoining streets or portions of the Covered Property from a height of six (6) feet or less. Any fence or screen required by this Section shall comply with any standards promulgated pursuant to the Article entitled "Architectural Control" of this Declaration as to site, color or other qualification for permitted fences or screens.

Section 9 - Antennae. No television, radio, or other electronic antenna or device of any type shall hereafter be erected, constructed, placed or permitted to remain on the Covered Property unless those antennas or devices meet the Federal Communication Commission rules and guidelines then in place for such antennas and devices, and all other antennas and devices must receive prior approval in writing by the Architectural Committee, or unless the same be contained within a building. The Board may adopt reasonable rules and regulations for antennas and devices as permitted by the FCC rules and guidelines.

Section 10 - Drainage. All drainage of water from any Residence shall drain or flow into adjacent streets or alleys and shall not be allowed to drain or flow upon, across, or under any other portion of the Covered Property unless an easement for such purpose is granted.

Section 11 - Garages. Garage doors shall not be permitted to remain open except for a temporary purpose, and the Board may adopt rules for the regulation of the opening of garage doors, and use of

a garage for parking purposes, including the assessment of charges to Owners who violate or whose invitees violate such rules. Any charges so assessed shall be Special Assessments.

Section 12 - Window Covers. Curtains, drapes, shutters or blinds may be installed as window covers. No window shall be covered with aluminum foil or similar material.

Section 13 - Residential. Except as provided within Section 1 of this Article XI, all Residences shall only be used for residential purposes.

Section 14 - Fences and/or Walls. Owners with Residences situated on property with a slope may construct and install fences or walls only at the toe of said slope, unless otherwise approved by the Architectural Committee. The height or location of any fence or wall shall be subject to approval of the Architectural Committee as set forth in the Article entitled "Architectural Control" of this Declaration. Notwithstanding the above, the Owners of Residences indicated on Exhibit "H" attached hereto, or any similar exhibit attached to a Supplementary Declaration, shall be permitted to have fences on slopes as specified on said Exhibit, and the fencing on the slopes on the easterly side of Southern Wood that was permitted pursuant to a prior arbitration award shall be maintained and replaced in accordance with the terms and conditions of such award.

## ARTICLE XII RIGHTS OF ENJOYMENT

Section 1 - Members' Right of Enjoyment. Every Member shall have a nonexclusive easement for use and enjoyment in and to the Community Facilities and such right shall be appurtenant to and shall pass with the interest required to be an Owner to every Residence, subject to all of the easements, covenants, conditions, restrictions and other provisions of record and as contained in this Declaration, including, without limitation, the following provisions:

- (a) The right of the Association to limit the number of guests of Members and to limit the use of the Community Facilities by persons not in possession of a Residence, but owning a portion of the interest in a Residence required for membership.
- (b) The right of the Association to establish reasonable rules and regulations pertaining to the use of the Community Facilities and the Residential Lots.
- (c) The right of the Association to borrow money for the purpose of improving, replacing, restoring or expanding the Community Facilities or adding new Community Facilities and in aid thereof, to mortgage said property, provided that the prior affirmative vote or written approval of a majority of Members has been obtained to mortgage said property.
- (d) The rights of the Association to suspend the right of a Member to use the Community Facilities or any portion thereof designated by the Board during any time in which any Assessment against his Residence remains unpaid and delinquent or for a period not to exceed thirty (30) days for any single infraction of the rules and regulations of the Association, provided that any suspension of such right to use such Community Facilities, except for failure to pay Assessments, shall be made only by the Association, after notice and hearing given and held in accordance with the Bylaws. Notwithstanding the foregoing, the Association shall not have the right hereunder to suspend any Member's right to use any portion of the Covered Property necessary for such Member to gain access to his Residence.
- (e) The right of the Association subject to the approval rights of Institutional Mortgagees pursuant to the Article hereof entitled "Rights of Lenders," to dedicate or transfer all or any part of the Community Facilities to any public agency, authority or utility or other entity. No such dedication or transfer, including, without limitation, the conveyance, lease or other transfer of any portion of the Community Facilities to a special tax assessment district or to the City, shall be effective unless an instrument signed by Members entitled to cast two-thirds (2/3) of the voting power of the membership has been recorded, agreeing to such dedication or transfer. The certificate of the President and the Secretary of the Association attached to such instrument certifying that the