

Association for any reason whatsoever in connection with the Properties, for the common benefit of the Owners.

1.19. Declarant.

Declarant means Renaissance Properties, LLC, a California limited liability company, its successors and any Person to which it shall have assigned any rights hereunder by express written assignment. As used in this Section, "successor" means a Person who acquires Declarant or substantially all of its assets, or who merges with Declarant, by sale, merger, reverse merger, consolidation, sale of stock or assets, operation of law or otherwise.

1.20. Declaration.

Declaration means this instrument as amended or restated.

1.21. Deed of Trust.

Deed of Trust means a Mortgage as defined herein.

1.22. DRE.

DRE means the California Department of Real Estate and its successors.

1.23. Family.

Family means (a) one or more natural persons related to each other by blood, marriage or adoption, or (b) a group of natural persons not all so related, but who maintain a common household in a Residence on a Lot.

1.24. FHA.

FHA means the Federal Housing Administration of the United States Department of Housing and Urban Development and any department or agency of the United States government which succeeds to FHA's function of insuring notes secured by Mortgages on residential real estate.

1.25. FHLMC.

FHLMC means the Federal Home Loan Mortgage Corporation created by Title II of the Emergency Home Finance Act of 1970, and its successors.

1.26. Fiscal Year.

Fiscal Year means the fiscal accounting and reporting period of the Association selected by the Board.

1.27. FNMA.

FNMA means the Federal National Mortgage Association, a government-sponsored private corporation established pursuant to Title VIII of the Housing and Urban Development Act of 1968, and its successors.

1.28. GNMA.



GNMA means the Government National Mortgage Association administered by the United States Department of Housing and Urban Development, and its successors.

1.29. Improvement.

Improvement means any structure or appurtenance thereto, including, but not limited to, buildings, walkways, sprinkler pipes, carports, recreational facilities, roads, streets, driveways, gates, parking areas, fences, screening walls, block walls, retaining walls, stairs, decks, landscaping, antennae, the paint on all exterior surfaces, hedges, windbreaks, patio covers, railings, plantings, planted trees and shrubs, poles, signs, storage areas, exterior air conditioning and water-softening fixtures or equipment.

1.30. Lot.

Lot means any residential Lot or parcel of land shown upon any Recorded subdivision map or Recorded parcel map of any portion of the Properties, with the exception of the Common Area.

1.31. Manager.

Manager means the Person employed by the Association as an employee, an agent or an independent contractor, to perform functions of the Association as limited by the Restrictions and the terms of the agreement between the Association and said Person.

1.32. Master Declaration.

Master Declaration means the Declaration of Covenants, Conditions and Restrictions pertaining to Santa Margarita Ranchos Property Owners Association, Recorded on April 20, 1977, as Instrument No. 67779, of Official Records of Riverside County, California, together with any amendments, supplements or modifications thereto.

1.33. Member, Membership.

Member means any Person holding a Membership. Membership means the property, voting and other rights and privileges of Members as provided in the Restrictions, together with the correlative duties and obligations contained therein.

1.34. Mortgage.

Mortgage means any Recorded mortgage or deed of trust or other conveyance of one or more Lots or other portion of the Properties to secure the performance of an obligation which will be reconveyed upon the completion of such performances.

1.35. Mortgagee, Mortgagor.

Mortgagee means a Person to whom a Mortgage is made and includes the Beneficiary of a Deed of Trust. Mortgagor means a Person who mortgages his or her Lot to another (i.e., the maker of a Mortgage), and includes the Trustor of a Deed of Trust. The term "Trustor" is synonymous with the term "Mortgagor" and the term "Beneficiary" is synonymous with the term "Mortgagee."

1.36. Notice and Hearing.



Notice and Hearing means written notice and a hearing before the Board as provided in the Bylaws.

1.37. Notice of Addition.

Notice of Addition means an instrument Recorded pursuant to Article XVI hereof to annex additional real property to the Properties.

1.38. Owner.

Owner means the Person or Persons, including Declarant, holding fee simple interest of record to any Lot. The term "Owner" includes a seller under an executory contract of sale but excludes Mortgagees.

1.39. Person.

Person means a natural individual or any other entity with the legal right to hold title to real property.

1.40. Phase I.

Phase I means all of the real property described in Paragraph A of the Preamble of this Declaration.

1.41. Phase of Development.

Phase of Development or Phase means each of the following: (a) Phase I and (b) all of the real property covered by a Notice of Addition, for which a Final Subdivision Public Report has been issued by the DRE, unless otherwise defined in such Notice of Addition.

1.42. Properties.

Properties means (a) Phase I, and (b) each Phase of Development described in a Notice of Addition. The Properties are a "common interest development" and a "planned development" as defined in Sections 1351 (c) and 1351(k), respectively, of the California Civil Code.

1.43. Record, File, Recordation.

Record, File, or Recordation means, with respect to any document, the recordation or filing of such document in the office of the Riverside County Recorder.

1.44. Residence.

Residence means a building located on a Lot designed and intended for use and occupancy as a residence by a single Family.

1.45. Restrictions.

Restrictions means this Declaration, the Articles, Bylaws and the Rules and Regulations of the Association.

1.46. Rules and Regulations.

Rules and Regulations means the rules and regulations adopted by the Board pursuant to this Declaration or the Bylaws, as amended.



1.47. VA.

VA means the Department of Veterans Affairs of the United States of America and any department or agency of the United States government which succeeds to VA's function of issuing guarantees of notes secured by mortgages on residential real estate.

ARTICLE II

2. Owner's Property rights and Project Easements.

2.1 Owners' Easements of Enjoyment.

Every Owner has a right and easement of ingress and egress and of enjoyment in, to and over the Common Area, and such easement is appurtenant to and shall pass with title to every Lot, subject to the following:

- (a) The Association's right to reasonably limit the number of guests and tenants of the Owners using the Common Area;
- (b) The Association's right to establish uniform Rules and Regulations for the use of the Common Area;
- (c) The Association's right in accordance with the Restrictions, with the vote or written assent of two-thirds (2/3rds) of the Association's voting power, to (I) borrow money for the purpose of improving, repairing or adding to the Common Area or for improving the Association Maintenance Areas, or for any other purpose authorized by the Articles, Bylaws or this Declaration, and (ii) in aid thereof, subject to the provisions of Article XIII hereof, to mortgage, pledge, deed in trust; or hypothecate any or all of its real or personal property as security for money borrowed or debts incurred, provided that the rights of such Mortgagee shall be subordinated to the rights of the Owners;
- (d) Subject to the provisions of Articles V and XIII hereof, the Association's right to transfer the Common Area for such purposes and subject to such conditions as may be agreed to by the Members;
- (e) The right of Declarant and its sales agents, representatives and prospective purchasers to the nonexclusive use of the Common Area, without cost, for access, ingress, egress, use and enjoyment, in order to show and dispose of the Properties and the Annexable Territory as provided herein, until the last Close of Escrow in the Properties and the Annexable Territory; provided, however, that such use shall not unreasonably interfere with the rights of enjoyment of the other Owners as provided herein;



- (f) Declarant's rights and reservations set forth in Article XIV of this Declaration;
- (g) The Association's right to reconstruct, replace or refinish any Improvement or portion thereof on the Common Area and Association Maintenance Areas;
- (h) The Association's right to maintain and repair the Common Area, including without limitation the right to replace and plant landscaping Improvements upon any portion of the Common Area and Association Maintenance Areas;
- (i) The Association's right to reasonably restrict access to portions of the Common Area; and
- (j) The easements, rights and interests reserved in Article II and Section 15.8 of this Declaration and Article 3 of the Master Declaration.

2.2. Easements for Vehicular/Pedestrian Traffic.

In addition to the general easements for use of the Common Area reserved herein, Declarant hereby reserves for the benefit of all Owners, nonexclusive easements appurtenant to all the Lots in the Properties for vehicular and pedestrian traffic over the private streets and walkways within the Common Area, subject to the parking provisions set forth in Section 10.5 hereof.

2.3. Easements for Public Service Use.

In addition to the foregoing easements over the Common Area, Declarant hereby reserves easements over the Properties for public services of the County, including but not limited to, the right of law enforcement and fire protection personnel to enter upon any part of the Properties for the purpose of carrying out their official duties.

2.4. Waiver of Use.

No Owner may exempt himself from personal liability for assessments duly levied by the Association, nor release his Lot from the liens and charges hereof, by waiving the use and enjoyment of the Common Area or any facilities thereon or by abandonment of such Owner's Lot.

2.5. Easements for Water and Utility Purposes.

In addition to the foregoing easements over the Common Area, Declarant hereby reserves easements over the Properties for public and private utility purposes, including but not limited to, the right of any public utility or mutual water district of ingress or egress over the Common Area for purposes of reading and maintaining meters, and using and maintaining fire hydrants located in the Properties. Within these easements, no structure, planting or other material shall be placed or permitted to remain which may damage or interfere with the installation and maintenance of utilities and drainage facilities.



2.6. Access to Slopes and Drainage Ways.

Each Owner agrees for himself and his successors in interest, by the acceptance of this deed, to permit fire access by other Owners to slopes or drainage ways, if any, located on his Lot, which slopes or drainage ways affect other areas of the Properties, when such access is essential for the maintenance or permanent stabilization of such slopes or for the maintenance of drainage ways for the protection or use of said other Owners' Lots.

2.7. Taxes.

Each Owner shall take such action as the Association may reasonably specify to obtain separate real estate tax assessment of each Lot. If any taxes or assessments may, in the Association's opinion, become a lien on the Common Area or any part thereof, the Association may pay them as a Common Expense.

2.8. Easement - Association Maintenance Areas.

Declarant hereby expressly reserves for the benefit of the Association an easement over the Association Maintenance Areas for maintenance thereof and over the Lots for access, ingress and egress necessary to such maintenance. Subject to the procedures described in Article VIII hereof, no Owner may interfere with the Association's exercise of its rights under the easement reserved in this Section. In addition, no Owner may alter or remove the Improvements on the Common Area or the Association Maintenance Areas.

2.9. Easement for Declarant Over Common Area.

Declarant hereby expressly reserves for its benefit, for the benefit of its agents, employees and contractors, and for the benefit of its successors and assigns, a nonexclusive easement appurtenant to the Annexable Territory, in, to, and over the Common Area for access, ingress, egress, use and enjoyment, in order to show the Properties or Annexable Territory to its prospective purchases, or to develop, market, sell, lease or otherwise dispose of the Properties or the Annexable Territory. Such easement shall continue for so long as Declarant owns any Lot in the Properties.

2.10. Delegation of Use.

Any Owner entitled to the right and easement of use and enjoyment of the Common Area may delegate those rights and easements to such Owner's tenants, contract purchasers or subtenants who reside in such Owner's Residence, subject to reasonable regulation by the Board. An Owner who has delegated such right and easement may not use or enjoy the recreational facilities or equipment on the Common Area for so long as such delegation remains in effect.

2.11. Right to Grant Easements.

Declarant hereby reserves, together with the right to grant and transfer the same, easements over the Common Area, or any portion thereof, for the exclusive use by an Owner or Owners of contiguous property as a yard, recreational, gardening, and/or landscaping area. Any such easement may be conveyed by the Declarant prior to the last Close of Escrow for sale of a Lot in the Property. Such conveyance must be approved in advance by the Board of Directors of the Association. The purpose of the easement, the portion of the Common Area affected, the Lot to which the easement is



appurtenant, and any restrictions on use of the easement area shall be identified in the Recorded grant of easement.

ARTICLE III

3. Renaissance Estates Owners' Association.

3.1. Organization of Association.

The Association is or shall be incorporated under the name of Renaissance Estates Owners' Association, as a corporation not for profit organized under the California Nonprofit Mutual Benefit Corporation Law, as required by Section 1363 of the California Civil Code.

3.2. Duties and Powers.

The Association has the duties and powers set forth in the Restrictions and also has the general and implied powers of a nonprofit mutual benefit corporation, generally to do all things that a corporation organized under the laws of the State of California may lawfully do which are necessary or proper in operating for the peace, health, comfort, safety and general welfare of its Members, subject only to the limitations upon the exercise of such powers set forth in the Restrictions.

3.3. Membership.

Every Owner shall automatically be a Member and shall remain a Member until such Owner's Lot ownership ceases, at which time such Owner's Membership shall automatically cease. Ownership of a Lot is the sole qualification for Membership. Memberships are not assignable except to the Person to whom title to the Lot has been transferred, and every Membership is appurtenant to and may not be separated from the fee ownership of such Lot.

3.4. Transfer.

The Membership of any Owner may not be transferred, pledged or alienated in any way, except upon the transfer or encumbrance of such Owner's Lot, and then only to the transferee or Mortgagee of such Lot. A prohibited transfer is void and will not be reflected upon the books and records of the Association. A Class A Member who has sold his Lot to a contract purchaser under an agreement to purchase may delegate his Membership rights to the contract purchaser. The delegation must be in writing and must be delivered to the Board before the contract purchaser may vote. The contract seller shall remain liable for all charges and assessments attributable to the contract seller's Lot which accrue before fee title to the Lot is transferred. If an Owner fails or refuses to transfer his Membership to the purchaser of such Owner's Lot upon transfer of fee title thereto, the Board may record the transfer upon the Association's books. Until satisfactory evidence of such transfer has been presented to the Board, the purchaser will not be entitled to vote at Association meetings. The Association may levy a reasonable transfer fee against a new Owner and such Owner's Lot (which



fee shall be paid through escrow or added to the Annual Assessment chargeable to such new Owner) to reimburse the Association for the administrative cost of transferring the Membership to the new Owner on the Association's records. Such fee may not exceed the Association's actual cost involved in changing its records.

ARTICLE IV

4. Voting Rights.

4.1 Classes of Voting Membership.

The Association classes of voting Membership are as follows:

Class A. Class A Members are all Owners except Declarant for so long as there exists a Class B Membership. Class A Members are entitled to one (1) vote for each Lot owned by such Class A Members which is subject to assessment. Declarant shall become a class A Member upon conversion of Declarant's Class B Membership as provided below. When more than one (1) Persons owns any Lot, all such Persons are Members. The vote for such Lot shall be exercised in accordance with Section 4.2, but no more than one (1) Class A vote may be cast for any Lot.

Class B. The Class B Member is Declarant. The Class B Member is entitled to three (3) votes for each Lot owned by Declarant which is subject to assessment. The Class B Membership shall be converted to Class A Membership upon the first to occur of the following events:

- (a) The second anniversary of the first Close of Escrow in the most recent Phase;
or
- (b) The fourth anniversary of the first Close of Escrow in Phase I.

4.2. Voting Rights.

- (a) All voting rights are subject to the Restrictions. Except as provided in Section 15.11 hereof and Section 4.8 of the Bylaws, as long as there exists a Class B Membership, any provision of the Restrictions which expressly requires a vote or written consent of a specified percentage (i.e., other than actions requiring merely the vote or written consent of a majority of a quorum) of the Association's voting power before action may be undertaken shall required the approval of such specified percentage of the voting power of each class of Membership. Except as provided in Section 15.11 hereof and Section 4.8 of the Bylaws, upon termination of the Class B Membership, any provision of the Restrictions which expressly requires a vote or written consent of Owners representing a specified percentage (i.e., other than actions



requiring merely the vote or written consent of a majority of a quorum) of the Association's voting power before action may be undertaken shall then require the vote or written consent of Members representing such specified percentage of both (1) the Association's total voting power and (2) the Association's voting power residing in Members other than Declarant.

- (b) Class A Members are entitled to one (1) vote for each Lot in which they hold the interest required for Membership. When more than one (1) Person holds such interest in any Lot ("co-owner"), all such co-owners are Members and may attend any Association meetings, but only one (1) such co-owners shall be entitled to exercise the vote to which the Lot is entitled. Co-owners owning the majority interests in a Lot may designate in writing one (1) of their number to vote. Fractional votes shall not be allowed, and the vote for each Lot shall be exercised, if at all, as a unit. Where no voting co-owner is designated or if the designation has been revoked, the vote for the Lot shall be exercised as the co-owners owning the majority interests in the Lot agree. Unless the Board receives a written objection in advance from a co-owner, it shall be conclusively presumed that the corresponding voting co-owner is acting with his co-owners' consent. No vote may be cast for any Lot if the co-owners present in person or by proxy owning the majority interests in such Lot cannot agree to said vote or other action. The nonvoting co-owner or co-owners are jointly and severally responsible for all of the obligations imposed upon the jointly owned Lot and are entitled to all other benefits of ownership. All agreements and determinations lawfully made by the Association in accordance with the voting percentages established in the Restrictions are binding on all Owners and their successors in interest.

ARTICLE V

5. Jurisdiction of Association.

5.1. Commencement of Association Maintenance Obligations.

The Association's obligation to maintain the Common Area and the Association Maintenance Areas in any Phase in which a Lot is located shall commence on the date Annual Assessments commence on Lots in such Phase. Until commencement of Annual Assessments on Lots in a Phase, Declarant shall maintain the Common Area and Association Maintenance Areas in such Phase. The Association's obligation to maintain the Common Area and Association Maintenance Area in a Phase comprised solely of Common Area, Association Maintenance Areas, or both, shall commence upon conveyance of such Common Area, Association Maintenance Area, or both, to the Association.

5.2. Authority of Association.

