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Wm. Dwyer
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DECLARATION OF COVENANTS
CONDITIONS AND RESTRICTIONS FOR
CANYON LAKE CONDOMINIUM #1
A CONDOMINIUM PROJECT

THIS DECLARATION, made this 5 day of August, 1974, by CANYON LAKE CONDOMINIUM, a limited partnership, referred so as "Declarant;"

W I T N E S S E T H:

The real property subject to this Declaration is located in the County of Riverside, State of California, and is more particularly described on Exhibit A attached hereto and,

WHEREAS, it is the desire and intention of Declarant to sell and convey interests in said real property to various individuals subject to certain basic protective restrictions, limitations, conditions, covenants, reservations, liens and charges between it and the acquirers or users of said property as hereinafter set forth.

NOW, THEREFORE, the Declarant hereby declares that all of the property described above, is held and shall be held, conveyed, hypothecated or encumbered, leased, rented, used, occupied and improved subject to the following protective restrictions, limitations, conditions, covenants, reservations, liens and charges, all of which are declared and agreed to be in furtherance of a plan for the subdivision, improvements and sale of condominiums, as defined in Section 783 of the Civil Code of California, in a condominium project, as that term is defined in Section 1350 of the Civil Code of California; and are established and agreed upon for the purpose of enhancing and protecting the value, desirability, and attractiveness of the project and every part thereof. Each and all of the restrictions, limitations, conditions, covenants, reservations, liens and charges herein contained, shall run with the land and shall be binding on all

parties having or acquiring any right, title or interest in the described property or any part thereof. The condominium project comprising too real property above described, is intended to be made subject to each and all of the provisions of Sections 1350 and 1359, inclusive, of the Civil Code of California. There has been recorded or will be recorded concurrently herewith, a Plan as required by Section 1351 of the Civil Code of California and this Declaration is intended to satisfy the provisions of Section 1355 of the Civil Code. The provisions of this Declaration shall be enforceable by any of the owners of an interest in the real property above described against any other owner or owners thereof, and shall also be enforceable by the Board of Governors which will be elected pursuant to the provisions hereof.

ARTICLE I

DEFINITION OF TERMS

Whenever used in this Declaration, the following terms shall have the following meanings:

1. Declarant. CANYON LAKE CONDOMINIUM, a limited partnership.
2. Declaration. This Declaration, as the same may be amended, changed or modified, from time to time.
3. Unit. The elements of a condominium which are not owned in common with the owners of other condominiums in the project. The boundaries of Units 1 to 12, inclusive, are as shown and defined on the condominium plan hereof filed, pursuant to section 1351 of the California Civil Code.
4. Common Area. The entire project, excepting all units therein granted or reserved.
5. Condominium. An estate in real property consisting of an undivided one-twelfth (1/12th) interest in the Common Area, together with a separate interest in a unit as hereinabove de-fined in said property.
6. Owner. The record owner, or owners if more than

one, of a condominium in the project, including Declarant, so long as any condominium remain unsold.

7. Association. An unincorporated association, consisting of all owners of condominium in the project.
8. Organization Meeting. The first meeting of the owners referred to in Article III hereof.
9. By-Laws. The duly adopted By-Laws of the Association, as the same may be amended from time to time.
10. Board. The Board of Governors of the Association.
11. Manager. The managing agent, if any, whether individual or corporate retained by Declarant, or by the Board by contract, and charged with the maintenance and upkeep of the project.
12. Project. The entire parcel of real property divided, or to be divided, into condominiums, including all structures thereon.

ARTICLE II

DESCRIPTION OF LAND AND IMPROVEMENTS

A. The hereinbefore described real property consists of an irregular plot of land approximately .731 acres, located at the area known as Canyon Lake, County of Riverside, State of California. Construction, when complete upon said land of improvements consisting basically of one (1) two (2) story building of wood frame and stucco construction, housing a total of twelve (12) units.

B. The quantum of the undivided Interest in the Common Area to be conveyed to each purchaser of a unit shall be as designated in the Grant Deed to said purchaser from Declarant, as indicated on the Schedule attached hereto as Exhibit B, and made a part hereof.

ARTICLE III

MANAGEMENT AND OPERATION

A. Said real property and improvements, to be known

and designated as CANYON LAKE CONDOMINIUM #1, and shall be organized and operated as a condominium project. The Grant Deeds conveying interests therein to all original individual purchasers thereof, shall expressly refer to and incorporate by reference this Declaration. The owners of the condominiums shall constitute an unincorporated association, and the organization meeting of such owners shall be held following the close of escrow of seven (7) condominiums in said project, or within six (6) months from the date of the close of escrow of the first condominium to be sold, whichever event occurs first. Thereafter, annual meetings of such owners shall be hold at a time to be determined by them at the organization meeting, and by the By-Laws to be adopted at said meeting.

At all meetings of the owners, only one (1) vote shall be cast for each condominium in the project. The right to vote of any owner shall be temporarily suspended if said owner is in arrears more than sixty (60) days in the payment of his maintenance charges.

B. At the organization meeting, and at each annual meeting, the owners shall elect a Board of Governors consisting of five (5) members, all of whom shall be owners and which may include the Declarant or his representative. Any vacancy on the board shall be filled in the Banner provided in the By-Laws. Every owner entitled to vote at any election of the Board of Governors may cumulate his vote and give one candidate a number of votes equal to the number of Governors to be elected, multiplied by the number of votes to which his condominium or condominiums are entitled, or may distribute his vote on the same principal among as many candidates as he desires. The general powers and duties of the Board shall be as hereinafter set forth, but may be more particularly defined by such By-Laws as shall be adopted by the owners at the organization meeting or at any

subsequent meeting of the owners' provided, however, that this Declaration may not be amended directly or indirectly, in any particular, by the enactment of any By-Laws, but only in the manner hereinafter provided.

C. In general, the Board shall have authority to conduct all business affairs of common interest to all owners. The powers of the Board shall include, but shall not be limited to, authority to: collect the monthly installments of maintenance charges and make or authorize expenditures therefrom, contract for and pay for utilities, repair, janitor, gardening, trash and garbage removal, legal and accounting services, and such other services and expenses as shall be reasonably required for the maintenance of the common areas, purchase and pay for such insurance as may be referred to hereinafter, purchase and pay for necessary supplies and personal property for the Common Area, and pay any taxes assessed against any commonly owned real or personal property, to delegate its powers to Committees formed by it or to any of its officers or its employees, and to assign, re-assign and transfer parking spaces for each unit, so long as there is no less than one parking space assigned to each unit at all times.

D. The Board shall have authority to contract with a qualified person(s) or corporation(s), for the professional handling of all or any part of the services required for the maintenance of said project and/or the handling of the financial affairs thereof; any professional management body selected by Declarant prior to the organization meeting, shall be employed to manage only until the first annual owner's meeting, at which time the continuance of the same or the selection of another professional management body shall be determined by a majority vote of the Board. Said manager may further be authorized to file any notice and to take any legal action on behalf of the owners, which is within the power and authority of the Board.

E. The Board shall not have authority to act in the following matters, but only the owners shall have such authority:

- (1) Amend or repeal this Declaration of the By-Laws;
- (2) Remove a member of the Board of Governors;
- (3) Determine not to rebuild if insurance proceeds are not less than 85% of the cost of reconstruction, after partial or total destruction;
- (4) Any other matter set forth herein as expressly requiring action by the owners.

F. At all meetings of the owners, seven (7) owners present in person or by proxy, shall constitute a quorum, and a majority of owners present and entitled to vote, either in person or by proxy, shall be sufficient for the passage of any motion or the adoption of any resolution, except in connection with the matters set forth in Paragraph E. Such actions, as set forth in Paragraph E., above, shall require the minimum vote of unit owners holding Seventy-Five (75%) Percent of the voting power (nine (9) units).

G. At the close of each fiscal year, the Board shall cause an operating statement to be prepared, showing income and disbursement from the maintenance fund account, and the Board shall have the responsibility to deliver a copy thereof, to each owner not later than 90 days after the close of the fiscal year.

H. The Board shall give written notice of the annual meeting, or of any special meeting, to each owner not less than ten (10) days prior to the date of such meeting, by mailing

such notice to the last known address of each owner. Any notice for a special meeting shall set forth the time, date and place of said meeting, and nature of the business to be conducted thereat.

I. Prior to the organization meeting hereinabove described, in this Article III, the management and operation of the condominium project shall be undertaken by the Declarant or his agent; provided, however, that the authority and power of the Declarant or his agent to so act, shall be limited to those powers, duties and responsibilities given to the Board, as provided in this Article III. Further, any management body or agent selected by Declarant, prior to the first annual election after initial organization, shall be so employed to manage only until the first annual election, at which time, the continuance of the same or another body or agent shall be determined by a majority vote of the owners, and, further, that neither Declarant nor his agent will enter into any contract which binds the Board of the Association for a period in excess of one (1) year, unless reasonable cancellation provisions are included in such contracts.

ARTICLE IV

MAINTENANCE FUND - LIEN

A. MAINTENANCE FUND. In order to establish a maintenance fund to finance its respective operations, prior to the recording of the first condominium deed and not less than thirty days prior to the beginning of each calendar year thereafter, the Board of Association shall estimate the charges to be paid during such succeeding year (including a reasonable

provision for contingencies and replacements and less any expected income). Said charges shall be assessed against the owners so that each condominium bears the same fractional share of the total charges. Said maintenance charges shall be paid in equal monthly installments, in advance, on the first day of each month, commencing on the close of the sales escrow for each particular unit, prorated through escrow closes. Each such monthly payment shall be a separate debt of the owner against whom it is assessed and such assessments shall be deemed made as each installment becomes due. If said estimated cash requirements prove inadequate, for any reason, including non-payment of any owner's assessment, or for the payment of any capital improvement, Association may levy, upon thirty days written notice to all of its members, a further, special assessment, which shall hereafter be referred to and treated the same as the maintenance charge, upon each owner in the same proportion as then applies to annual assessments upon such owners, except, however, that the Board may not expend more than \$1,000.00 per year for a capital improvement without first obtaining the consent of a majority of the owners. Said notice shall state the date or dates upon which said special assessment shall be due and payable. Each such payment, when due, shall be a separate debt to the owner against whom it is assessed. Maintenance charges so collected shall be promptly deposited in a commercial bank account in a bank to be selected by the Board, which account shall be clearly designated as, CANYON LAKE CONDOMINIUM NO. I OWNER'S ASSOCIATION MAINTENANCE FUND ACCOUNT. The Board shall have exclusive control of said account, and shall be responsible to the owners for the maintenance of accurate records thereof, at all times. No withdrawal shall be made from said account, except to pay for the charges and expenses for the common benefit of all owners set forth In Article III of this Declaration.

B. The maintenance charge which each owner is obligated to pay shall be a debt of each owner at the time that

each monthly installment becomes due. In the event of default by any owner in the payment of any such installment, such amounts as may be in default, together with interest thereon at the rate of seven (7%) percent per annum, and all costs which may be incurred by the Board in the collection of such charges, including reasonable attorney's fees, shall be and become a lien upon the condominium of the defaulting owner upon the recording in the Riverside County Recorder's Office, of a Notice of Assessment, as provided in Section 1356 of the Civil Code of California. The Notice of Assessment shall not be filed for record unless and until the Board, or a person designated by them, shall have delivered to said defaulting owner, not less than fifteen (15) days prior to the recordation of such Notice of Assessment, a written Notice of Default and a Demand upon the defaulting owner to cure same within said fifteen (15) days, and failure of the defaulting owner to comply. Said lien shall expire and be null and void unless, within thirty (30) days after recordation of said Notice of Assessment, the Board records a Notice of Default as hereinafter provided.

C. Not less than ten (10) days nor more than thirty (30) days from the filing of said Notice of Assessment, the Board shall file for record a Notice of Default, and thereafter may cause the condominium of said defaulting owner to be sold in the same manner as a sale as provided in Sections 2921 et. seq. of the Civil Code, or through judicial foreclosure. The sale of said condominium must be held, or legal action to enforce the lien must be instituted, within 150 days of the recording of the Notice of Default, or said lien shall be deemed void and of no effect. If any action is filed by the Board to enforce the provisions of this Article, any Judgment rendered against the defaulting owner shall include all costs and expenses and reasonable attorney's fees necessarily incurred in prosecuting such action. If any such default is cured prior to sale, or

prior to filing a judicial foreclosure, the Board shall cause to be recorded a Certificate setting forth the satisfaction of such claim and release of such lien, upon payment of actual expenses incurred, including a reasonable attorney's fee, not to exceed Fifty (\$50.00) Dollars, by such defaulting owner.

D. In addition to the right to such lien, the remaining owners, or any one of them, or the Board or any member of the Board acting on behalf of all the Board or owners, shall be entitled to bring legal action for damages against any owner who shall violate or who shall default in the performance of any of the provisions herein contained, including but not limited to, the covenant to pay said maintenance charge, to enjoin any violation of this Declaration or of the By-Laws, or to prosecute any other appropriate local or equitable action that may be necessary or expedient in the premises. Any judgment rendered against any such owner shall include reasonable attorney's fees in an amount to be fixed by the Court.

E. Each owner does hereby waive, to the extent of any liens created pursuant to this Article, the benefit of any homestead or exemption laws of the State of California in effect at the time of any installment of maintenance charges become delinquent, or any lien is imposed pursuant to the terms hereof.

F. Upon the close of escrow of the first condominium in the project, Declarant shall be obligated to pay the monthly maintenance charge hereinbefore provided, for each unsold unit.

ARTICLE V INSURANCE

A. Public liability and property damage Insurance covering all Common Areas, shall be purchased by the Board as promptly as possible following its election and shall be maintained in force at all times the premium thereon to be paid out of the maintenance fund. The insurance shall be carried in reputable companies, authorized to do business in California.

The minimum amount of coverage shall be \$100,000.00 for personal injury to any one person, \$300,000.00 for any one occurrence, and \$25,000.00 property damage. The policy shall name all owners as insured, including Declarant, during such time as it shall remain the owner of one or more condominiums. The manager, if any, shall also be named insured on such policy during such time as his agency shall continue. The policy shall insure against injury or damage occurring in the Common Area. The policy shall include, if possible, contractual liability coverage to cover the liability of any owner hereunder to indemnify any other owners or other person for injury or damage arising out of negligence. The insurance shall also contain, if possible, a cross-liability endorsement to cover negligent injury by one owner to another.

B. A master or blanket fire insurance policy shall also be purchased by the Board as promptly as possible following its election, and shall thereafter be maintained in force at all times, the premium thereon to be paid out of the maintenance fund. Said insurance shall be carried in reputable companies qualified to do business in the State of California, and shall insure against loss from fire and any other hazards therein covered, for the insurable value less appropriate deductible provisions of all of the improvements within the project. Such policy shall contain extended coverage and replacement cost endorsements. It may also contain vandalism and malicious mischief coverage, special form endorsement, stipulated amount clause and determinable cash adjustment clause or similar clause to permit cash settlement covering full value of the improvements in the event of partial destruction and decision not to rebuild. The policy shall be in such amounts as shall be determined from time to time by the Board. The policy shall name as insured all of the owners and Declarant, so long as Declarant is the owner of any of the condominiums in the project, and all mortgagees of record, as their respective Interest may appear.

C. All insurance proceeds, payable under this Article and subject to the rights of mortgagees under Paragraph G, hereof, shall be paid to the Board, to be held and expended for the benefit of the owners, mortgagees and others, as their respective interests shall appear, and be paid out in accordance with Article VI. In the event repair or reconstruction is authorized, the Board shall have the duty to contract for such work, as provided in Article VI, hereof.

D. The Board may purchase and maintain in force at all times demolition insurance in adequate amounts to cover demolition in the event of destruction and decision not to rebuild. The premium therefore, shall be paid out of the maintenance fund. Such policy, if purchased, shall contain a determinable demolition clause, or similar clause, to allow for the coverage of the cost of demolition in the event of destruction and decision not to rebuild. The Board shall also purchase and maintain workmen's compensation insurance to the extent that the same shall be required by law for employees of the owners. The Board may also purchase and maintain fidelity bonds, insurance on commonly owned personal property, and such other insurance as it deems necessary, the premiums thereon to be paid out of the maintenance fund.

ARTICLE VI

DESTRUCTION OF IMPROVEMENTS

A. In the event of a total or partial destruction of the improvements in the condominium project, and if the available proceeds of the insurance carried pursuant to Article V of this Declaration are sufficient to cover not less than eighty-five (85%) percent of the cost of repair or reconstruction thereof, the same shall be promptly repaired and rebuilt, unless, within ninety (90) days from the date of such destruction, seventy-five (75%) percent or more of the owners entitled to vote, in person or by proxy, at a duly constituted meeting, determine that such

reconstruction shall not take place. If reconstruction is to take place, the Board shall be required to execute, acknowledge and file and record not later than 120 days from the date of said destruction, a certificate declaring the intention of the owners to rebuild.

B. If the proceeds of such insurance are less than eighty-five (85%) percent of the costs of reconstruction, such reconstruction may, nevertheless, take place, if within ninety (90) days from the date of said destruction, a majority of the owners elect to rebuild.

C. If the owners determine to rebuild, either pursuant to A, or B, above, each owner shall be obligated to contribute such funds as shall be necessary to pay his proportionate share of the cost of reconstruction, over and above the insurance proceeds, and the proportionate interest in the Common Area. In the event of the failure or refusal of any owner to pay his proportionate contribution, the Board may levy a special assessment against such owner, which may be enforced under the lien provisions contained in Article IV hereof.

D. If the owners determine to rebuild, the Board shall obtain bids from at least two (2) reputable contractors, and shall award reconstruction work to the lowest bidder. The Board shall have the authority to enter into a written agreement with said contractor for such reconstruction, and the insurance proceeds held by the Board shall be disbursed to said contractor according to the terms of the agreement. It shall be the obligation of the Board to take all steps necessary to assure the commencement and completion of such reconstruction at the earliest possible date.

E. If the vote of the owners shall be insufficient to authorize rebuilding either pursuant to Paragraphs A. or B., above:

- (1) Subject to the rights of mortgagees set forth

in Article V. G., any insurance proceeds available for such rebuilding shall be distributed among the owners and their individual leaders by the Board, as their respective interests may appear. The proportionate interest of each owner in said proceeds, in relation to the other owners, shall be the same as the proportionate ownership in the Common Area. If the owners elect to rebuild, the Board shall file of record a certificate as provided in Article VI. A.

(2) The board shall have the duty, within 120 days of the date of such loss, to execute, acknowledge and record a certificate setting forth the determination of the owners not to rebuild, and shall promptly cause to be prepared and filed of record such revised maps and other documents as may be necessary to show the conversion of the project to the status of unimproved land, or to show the elimination of one or more of the units as a result of such destruction.

F. Upon recordation of such certificate, the right of any owner to partition his condominium through legal action shall forthwith revive.

G. In the event of a dispute among the owners respective of the provisions of this Article, any owner may cause the same to be referred to arbitration In accordance with the then prevailing rules of the American Arbitration Association. In the event of arbitration, notice thereof shall be given to the members of the Board and all other owners as promptly as possible after an opportunity to appear in such arbitration proceedings. The decision of such arbitrator in this matter shall be final and conclusive upon all owners. The arbitrator may Include In his decision an award for costs and/or attorney's fees, against any one or more parties to the arbitration.

ARTICLE VII CONDEMNATION

A. In the event that an action for condemnation is

proposed or commenced by any governmental body, having the right or eminent domain, the following provisions shall apply:

(1) If such action, or proposed action, is for the condemnation of the entire project, upon the unanimous consent of all the owners, the project may be sold to such government body prior to judgment and the proceeds of such sale shall be distributed to the owners and their lenders, as their respective interests shall appear, based upon each owner's interest in the Common Area. Lacking such unanimous consent, the compensation for the taking shall be distributed in like manner, unless said judgment shall by its terms, apportion such compensation among the individual condominium owners.

(2) If such action, or proposed action, is for the condemnation of only a portion of the Common Area, the compensation for the taking shall be distributed to the owners, as provided in sub-paragraph (1) above.

ARTICLE VIII

FURTHER CONDITIONS OF OWNERSHIP

A. All units in the project above described shall be used solely for single-family residences.

B. The owners shall maintain in good repair the interiors of their units, and shall have the exclusive right to paint, repaint, tile, wax, paper or otherwise refinish and decorate the inner surfaces of the walls, ceilings, floors, windows and doors bounding their respective units.

C. No owner shall, at his own expense or otherwise, make any alteration, addition or modification to the building in which his unit is located or to any part or portion of the Common Area.

With respect to the installation of awnings, sunshades, screen doors and other minor installations to any individual unit, the prior written approval of the Board shall be required with a view toward promoting uniformity and thereby enhancing the attractiveness of the property as a whole.

D. No radio or television receiving or transmitting antennas or external apparatus shall be installed on or upon any unit, or in, on or upon any part of the Common Areas, without prior written approval of the Board.

E. Any sign, other than a sign indicating the name of the project, the professional management agent managing the project, if any, and signs relative to the sale of a particular unit or units for sale, shall be prohibited. Should an owner desire to sell or lease his unit, he shall be allowed to display a sign of customary and reasonable dimensions, advertising his unit for sale or lease, and which sign shall be of a professional type and dignified appearance and shall be placed in some appropriate location in the Common Area open to public view. Such sign may be the sign of a licensed real estate broker, engaged by an owner for the purpose of selling or leasing his condominium. Nothing contained herein shall prohibit or restrict in any way the Declarant's right to construct such promotional signs or other sales aids on or about any portion of the premises which it shall deem reasonable necessary in conjunction with its original sales program.

F. No owner shall permit or suffer anything to be done or kept upon the project which will increase the rate of insurance thereon, or which will obstruct or interfere with the rights of other owners, nor annoy them by unreasonable noises or otherwise; nor will he commit or permit any nuisance on the project, or commit or suffer any immoral or illegal act to be committed therein. Each owner shall comply with all of the applicable ordinances and statutes and with the requirements of the local and/or State Board of Health with respect to the occupancy and use of his unit.

G. Each owners shall be liable to the Board for any damage to the Common Area or to any of the equipment or improvements thereon which may be sustained by reason of the negligence or willful misconduct of said owner or of his family members,

relatives, guests or invitees, both minor and adult, to the extent that any such damage shall not be covered by insurance, In the case of joint ownership of a condominium, the liability of such owners shall be joint and several. In the event of personal injury or property damage sustained by any person while physically within the unit or private balcony or patio of any owner, and in the further event that any other owner shall be sued, or a claim made against him or her for said injury or damage, the owner or owners of the unit in which said injury or damage occurs shall fully indemnify and hold harmless any such other owners against whom such claim shall be made, and shall further defend any such other owners, at their own expense, in the event of litigation of such claim; provided, however, that such protection shall not extend to any other owner whose own negligence may have caused or contributed to the cause of any such injury or damage.

H. The Board shall have authority to designate one or more qualified repairmen or other persons to enter upon and within any individual unit, in the presence of the owner thereof, or otherwise, for the purpose of making emergency repairs, therein, or for necessary maintenance or repairs to portions of the Common Area, or further to abate any nuisance being conducted or maintained in said unit, in order to protect the property rights and best interests of the remaining owners. To facilitate this paragraph, all owners shall deposit with the property manager or his nominee, a key to their units.

I. No owner may exempt himself from liability for his specified contribution to said maintenance fund by any waiver of the use or enjoyment of said Common Area, or by the abandonment of his condominium.

J. No owner shall execute or file for record any instrument which imposes a restriction upon the sale, leasing or occupancy of his condominium on the basis of race, color or creed.

K. The books and records of the Owner's Association and the books and records of any agent thereof, pertaining to the Maintenance fund and any other fund, may be inspected or audited by any owner, or his duly authorized representative for such purposes at all reasonable times. Such representative shall be either an attorney or a public accountant. The Board shall also cause an independent audit of the account or accounts of the Owner's Association to be made, annually, and shall deliver a copy of such annual audit to each condominium owner within thirty (30) days of completion of such audit. If any additional audit, beyond the annual independent audit is desired by a majority of the owners, it shall be at the expense of such owner or owners desiring same.

L. No member of the Board, or officer of the Association, shall be liable for or on account of any damages resulting from any acts performed while in the furtherance of such duty as a member of the Board or Officer, or omission to perform same, unless such act or omission was unlawful or the result of grossly negligent conduct or inaction.

M. Each owner shall be accountable to the remaining owners for the conduct and behavior of children residing or visiting his residential unit.

N. No automobile, trailer, camper, boat or other similar type vehicle shall be permitted to remain on any portion of the Common Area, except that guest parking, limited to automobiles may be permitted to exist in those areas designated as guest parking by the Board, for a period of time not in excess of twenty-four (24) hours.

O. Trash, rubbish, trash bins and trash receptacles shall not be permitted to remain in the alley at the rear portion of the Common Area, except on the day(s) scheduled for trash and/or rubbish collection.

ARTICLE IX
SUSPENSION OF THE RIGHT OF PARTITION

The right of partition of the Common Areas is hereby suspended pursuant to Section 1354 of the Civil Code of California. The project may be partitioned and sold as a whole pursuant to the provisions of Section 752(b) of the Code of Civil Procedure of the State of California, upon a showing of the occurrences of any one of the events therein provided. Additionally, partition may be had of the project upon a showing that the conditions for such partition by sale set forth in Paragraph F. of Article VI or Subparagraph A. (2) of Article VII have been met. Nothing herein contained shall prevent the partition or division of interest between joint or common owners of one (1) condominium.

ARTICLE X
PROHIBITION AGAINST SEVERABILITY OF COMPONENT INTERESTS
IN A CONDOMINIUM

A. No owner shall be entitled to sever his unit in any condominium from his undivided interest in the Common Area for any purpose. Neither of said component interests may be severally sold, conveyed, encumbered, hypothecated or otherwise dealt with, and any violation or attempted violation of this provision shall be void and of no effect. The suspension of this right of severability will, in no event last beyond the period set forth in Article XI of this Declaration. It is intended hereby to restrict severability in accordance with the provisions of Subparagraph (g) of Section 1355 of the Civil Code.

B. Subsequent to the initial sales of the condominiums, any conveyance of a unit, or of the component interest in the Common Area, by the owner of any condominium shall be presumed to convey the entire condominium; provided, however, that nothing herein contained shall be construed to preclude the owner of any condominium from creating a co-tenancy in the ownership of said condominium with any other person or persons.

ARTICLE XI

TERM OF DECLARATION: COMPLIANCE WITH RULE AGAINST
PERPETUITIES AND RESTRAINTS ON ALIENATION

A. Any Hem created or claimed inter the provisions of this Declaration is expressly made subject and subordinate to the rights of the beneficiary of any first Trust Deed upon the entire project, or upon any condominium therein, made in good faith and for value, and no such lien shall in any way defeat, invalidate or impair the obligation or the priority of such first Trust Deed unless the beneficiary thereof shall expressly subordinate his interest, in writing, to such lien.

B. No amendment to this Declaration shall effect the rights of the beneficiary of any Trust Deed made in good faith and for value, and recorded prior to the recordation of any such amendment, unless said beneficiary shall either join in the execution of such amendment, or approve the same in writing as a part of such amendment.

C. In the event of a default of any owner in the payments due upon a Promissory Note secured by first Trust Deed to his individual condominium, the beneficiary of said first Trust Deed shall have the right, upon giving written notice to said defaulting owner, and placing of record a Notice of Default, to exercise the vote of such owner at any regular or special meeting or the owners held during such time as said default may continue.

D. No breach of any provision of these covenants, conditions and restrictions shall invalidate the lien of any mortgage or deed of trust made in good faith and for value, but all of said covenants, conditions and restrictions shall be binding upon any owner whose deed is derived through foreclosure or trustee's sale, or otherwise.

E. If any condominium subject to a monetary lien, created by any provision hereof, shall be subject to the lien of a first or second mortgage or deed of trust: (1) the foreclosure of any lien created by anything set forth in this Declaration shall not operate to effect or impair the lien of such

mortgage or deed or trust) (2) on the foreclosure of the lien of such mortgage or deed of trust, or the acceptance of a deed-in-lieu of the foreclosure by the mortgagee, the lien hereof for said charges as shall have secured up to the foreclosure or the acceptance of a deed-in-lieu of foreclosure, shall be subordinate to the lien of the mortgage or deed of trust, with the foreclosure-purchaser or deed-in-lieu-grantee taking title, free of the lien hereof, for all said charges that have accrued up to the time of the foreclosure or deed given in lieu of the foreclosure, and subject to the foreclosure or deed given in lieu of foreclosure. Upon conveyance of a condominium by an encumbrance after foreclosure or deed-in-lieu of foreclosure: (1) the grantee shall not be obligated to pay any dues, fees, assessments or other charges levied or assessed by said Association, prior to the time the mortgagee-mortgagee acquired title to the condominium, and any lien therefore shall be discharged as to such grantee, and (2) the grantor-mortgagee shall not be obligated to pay any dues, fees, assessments or other like charges levied or assessed by the Association after such conveyance.

ARTICLE XIII
GENERAL PROVISIONS

A. The provisions of this Declaration shall be liberally construed to effectuate its purpose of creating a uniform plan for the operation of the project for the mutual benefit of all owners,

B. The provisions herein shall be deemed Independent and severable and the invalidity or partial invalidity or un-enforceability of any of the provisions hereof, shall not effect the validity of the remaining provisions.

C. Each and all-legal or equitable remedies provided for in this Declaration shall be deemed to be cumulative, whether so expressly provided for or not.

D. This Declaration shall be binding upon, and shall inure to the benefit of the heirs, personal representatives,

grantees, leasees, sub-leasees and assignees of the owners.

E. No waiver or any breach of any of the covenants or conditions of this Declaration shall constitute a waiver of any succeeding or proceeding breach of the same, or any other covenant or condition contained herein.

ARTICLE XIV
AMENDMENT

A. Subsequent to the organization meeting, each and all of the covenants, conditions and restrictions contained in this Declaration may be modified, amended, augmented or deleted in the following manner, and not otherwise:

By the execution of either an amended Declaration or an amendment to this Declaration, duly executed and acknowledged. By not less than Seventy-Five (75%) Percent of the then owners in the said project. Said amended Declaration or amendment to Declaration shall not be effective for any purpose unless and until recorded in the Office of the Recorder of Riverside County, California, but shall thereafter be conclusive and presumed to be valid as to anyone relying thereon in good faith.

B. The written approval, endorsed on any such amendment and acknowledged by all beneficiaries, shall be sufficient compliance with the provisions of Paragraph A.

C. Prior to the organization meeting, Declarant shall have the right to amend this Declaration by executing and recording, along with the beneficiaries of all Trust Deeds then of record, the desired amendment thereto, and after prior written approval of the State of California Department of Real Estate, and any other State administrative agency then having regulatory jurisdiction over said project, and the recording of said amendment shall be presumed to be valid as to anyone relying thereon in good faith.

ARTICLE XV

CANYON LAKE PROPERTY OWNER'S ASSOCIATION

The project is located within the jurisdiction of the Canyon Lake Property Owner's Association. Each owner shall maintain his membership in said association and shall pay and be current upon the dues assessed by said Association against each unit for membership therein. Canyon Lake Condominium No. 1 nor its Board shall not be liable for, pay for, or assess for dues or membership in the Canyon Lake Property Owner's Association.

ARTICLE XVI

ANNEXATION

If, within three years of the date of issuance of the most recent preliminary or final subdivision report on any portion or phase of the project by the California Department of Real Estate, Declarant should develop additional lands within the real property described In Exhibit "C" attached hereto, such lands, in one or more increments, say be annexed to and become a part of the project provided that said lands do not contain more than in aggregate of 12 units and provided further that such annexation shall not create a substantial increase in the assessments of this project.

If more than three years has elapsed from the date of issuance of the most recent preliminary or final subdivision report on any portion or phase of the project and Declarant should develop additional lands within the real property described in Exhibit "C" attached hereto, such additional lands, in one or more increments, may be annexed to and become a part of the project with the assent of owners of condominiums holding in the aggregate more than 66 2/3 per cent of the voting rights in this Association.

All owners and their tenants, guests and licensees in any annexed real property shall, upon annexation, have an easement for ingress, egress, use and enjoyment to, over and upon all of the

common areas of this project and all owners and their tenants, guests and licensees in this project shall, upon annexation, have an easement for ingress, egress, use and enjoyment to, over and upon all of the common areas of the annexed real property.

Assessment and voting rights in any annexed real property shall, as to all annexed units thereof, commence upon the close of escrow of the sale of the first unit in the real property being annexed.

Any instrument of annexation not requiring the assent of owners of condominiums may be executed by Declarant alone.

This Declaration of Covenants, Conditions and Restrictions for Canyon Lake Condominium No. 1 supercedes, cancels, nullifies and voids that certain Declaration of Covenants, Conditions and Restrictions recorded on August 8, 1974, as Document No. 10296 in the official records, Riverside County, California.

IN WITNESS WHEREOF, Declarant has executed this Declaration on the day and year first above written.

CANYON LAKE CONDOMINIUM,
A Limited Partnership

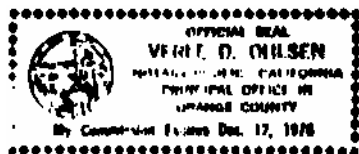
BY: *Sylvan Shulman*

General Partner

STATE OF CALIFORNIA)
) 53.
COUNTY OF)

On March 8, 1975 before me, the undersigned, a Notary Public in and for said State, personally appeared SYLVAN SHULMAN, known to me to be the General Partner of CANYON LAKE CONDOMINIUM, a Limited Partnership, known to me to be the Partnership which executed the within instrument, and acknowledged to me that he executed the same as such partner and that such partnership executed the same.

WITNESS my hand and official seal.



Vert D. Chilsen
Notary Public in and for said
County and State

EXHIBIT "B"

Pursuant in Article 11 G. of the Declaration of Covenants, Conditions, and Restrictions, to which this Exhibit "B" is attached to and made a part hereof.

<u>UNIT NUMBER</u>	<u>UNDIVIDED INTEREST IN THE COMMON AREA</u>
101	1/12
102	1/12
103	1/12
104	1/12
105	1/12
107	1/12
108	1/12
109	1/12
110	1/12
111	1/12
112	1/12

EXHIBIT "C"

In accordance with Article XVI of this Declaration of Covenants, Conditions and Restrictions, to which this Exhibit "C" is attached to and made a part thereof.

These portions of Lot 71, Tract No. 3887, in the County of Riverside, State of California, as per map recorded in Book 63 pages 7 to 11 of Maps, in the Office of the Recorder of said County and of Section 1, Township 6 South, Range 4 West, San Bernardino Base and Meridian, lying Southerly and Westerly of said Lot and Northerly and Easterly of Tract No. 3861 as per map recorded in Book 63 page 57 to 65 of Maps, and Southerly of South line of Railroad Canyon Road as shown on the Maps of said Tracts, described as a whole as follows:

BEGINNING at the Northwest corner of said Lot;

THENCE 85° 40' 46" East 163.32 feet along the North line of said Lot;

THENCE South 99.28 feet;

THENCE North 85° 40' 46" West, 159.65 feet;

THENCE South 8° 27' 36" East, 62.54 feet;

THENCE South 30° 25' 28" West 48.00 feet;

THENCE North 59° 34' 32" West 49.93 feet;

THENCE North 8° 27' 36" West 115.65 feet;

THENCE North 34° 36' 41" West 87.87 feet;

THENCE South 85° 40' 46" East 121.75 feet to the Point of Beginning.

EXHIBIT "A"PARCEL 1:

Those portions of Lot 71, Tract No.3887, as per Map recorded in Book 62, Page 7 to 11 of Maps, in the Office of the Recorder of Riverside County, California, and of Section 1, Township 6 South, Range 4 West, San Bernardino Base and Meridian, lying Southerly and Westerly of said Lot and Northerly and Easterly of Tract No. 3961 as per map recorded in Book 63, pages 57 to 65 of Maps, and Southerly of South line of Railroad Canyon Road as shown on the Maps of said Tracts, described as a whole as follows:

Beginning at the Northwest corner of said Lot; thence South $85^{\circ} 40' 46''$ East, 163.32 feet along the North line of said Lot; thence South 99.28 feet to the true point of beginning; thence continuing South 147.14 feet; thence South $48^{\circ} 56' 57''$ East 76.91 feet; thence East 93.00 feet; thence South 1.00 feet; thence North $84^{\circ} 04' 24''$ West 142.66 feet; thence North $59^{\circ} 34' 32''$ West 212.67 feet; thence North $30^{\circ} 25' 28''$ East 48.00 feet; thence North $8^{\circ} 27' 36''$ West 62.54 feet; thence South $85^{\circ} 40' 46''$ East 159.63 feet to the true point of beginning.

PARCEL 2:

An easement for ingress and egress over that portion of Lot 71, Tract No. 3887, as per Map recorded in Book 62, pages 7 to 11 of Maps, in the Office of the Recorder of Riverside County, California, described as follows:

Beginning at the Northwest corner of said Lot; thence South $85^{\circ} 40' 46''$ East, 163.32 feet along the North line of said Lot to the true point of beginning; thence continuing South $85^{\circ} 40' 46''$ East 173.68 feet to the beginning of a tangent curve concave Northerly having a radius of 2055 feet; thence Easterly along said curve through a delta of $2^{\circ} 36' 15''$ an arc length of 93.41 feet to the beginning of a tangent curve concave Southwesterly having a radius of 15 feet; thence Southeasterly along said curve through a delta of $88^{\circ} 17' 01''$ an arch length of 23.11 feet; thence South 35.93 feet; thence West 71.00 feet; thence South 36.00 feet; thence East 71.00 feet; thence South 10.00 feet; thence West 155.00 feet; thence South 72.00 feet; thence East 25.00 feet; thence South 110.00 feet; thence West 93.00 feet; thence North $48^{\circ} 56' 57''$ West 76.91 feet; thence North 246.42 feet to the true point of beginning.

EXCEPT that portion described as follows:

Beginning at the Northwest corner of said Lot; thence South $85^{\circ} 40' 46''$ East 163.32 feet along the North line of said Lot; thence South 53.00 feet; thence East 7.00 feet to the true point of beginning; thence continuing East 72.00 feet; thence South 184.00 feet; thence West 72.00 feet; thence North 184.00 feet to the true point of beginning.

SAID LAND IS ALSO SHOWN ON THE MAP ENTITLED TRACT NO. 4808. CONSISTING OF 1 LOT RECORDED IN MAP BOOK SO PAGES 15 and 16 OF MAPS, RECORDS OF RIVERSIDE COUNTY, CALIFORNIA.