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**FIRST RESTATED DECLARATION
OF COVENANTS, CONDITIONS AND RESTRICTIONS
FOR
BEAR VALLEY TRACT NOS. 1 THROUGH 7, INCLUSIVE**

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**FIRST RESTATED DECLARATION
OF COVENANTS, CONDITIONS AND RESTRICTIONS
FOR
BEAR VALLEY TRACT NOS. I THROUGH 7, INCLUSIVE**

Those certain declarations of protective restrictions listed in exhibit A (collectively, the "Original Declarations"), which were executed by Bear Valley Development Company, a California corporation (the "Declarant"), and Recorded in the Official Records of Alpine County, California, at the book and page numbers of the Official Records identified in exhibit A, are hereby consolidated into this single Declaration covering all the Properties and are amended, consolidated and restated in their entirety to read as follows:

RECITALS

- A. Declarant was the original owner of that certain real property located in the County of Alpine, State of California, which is more particularly described in exhibit B attached hereto and incorporated herein by reference.
- B. Declarant conveyed the Properties to the Owners or their predecessors in interest, subject to certain easements, protective covenants, conditions, restrictions, reservations, liens and charges as set forth in the Original Declarations referred to above, all of which are for the purpose of enhancing and protecting the value, desirability and attractiveness of Properties and all of which shall run with the Properties and be binding on all parties having or acquiring any right, title or interest in the Properties, or any part thereof, their heirs, successors and assigns, and shall inure to the benefit of each Owner thereof.
- C. It was the further intention of the Declarant to sell and convey residential Lots to the Owners, subject to the protective covenants, conditions, restrictions, limitations, reservations, grants of easements, rights, rights-of-way, liens, charges and equitable servitudes between Declarant and such Owners which are set forth in this Declaration and which are intended to be in furtherance of a general plan for the subdivision, development, sale and use of the Properties. Finally, it was the intention of Declarant that the Association manage the Open Space Common Areas for the benefit of all Owners and that the Association own and manage the Beach Common Areas for the exclusive use and enjoyment of the Association's Members and others who pay the Association's user fees, their tenants, lessees, guests and invitees, all subject to the terms and conditions of the Governing Documents.
- D. Acting pursuant to Article XVIII of the Original Declarations, on or about July 15, 1976, Declarant made a revocable assignment to the Association of all rights and powers previously held by Declarant to enforce the provisions for architectural control and supervision set forth in the Original Declaration and all amendments thereto. On or about March 18, 1992, Declarant made such assignment irrevocable. Such assignment was effected pursuant to that certain document entitled "Assignments of Rights Contained in Conditions, Covenants and Restrictions" recorded in the Official Records of Alpine County, California at Volume 76, pages 53-55.
- E. On JAN 21, 1993, the Owners constituting both a majority of the Owners of Lots affected by each of the Original Declarations and a majority of the total area of property subject to each of the Original Declarations voted by written ballot to amend, consolidate and restate the Original

Declarations in their entirety, all in accordance with the procedures for amendment set forth in the Original Declarations. It was the intention of the Owners to replace the Original Declarations, in their entirety, with the Recordation of this Declaration. The Owners' action to amend and restate the Original Declarations as set forth herein and the fact that the requisite percentage of affirmative votes required in the Original Declarations was achieved, is attested by the execution of this First Restated Declaration by duly authorized officers of the Association, as required by section 1355, subdivision (a), of the California Civil Code. As so amended and restated, the easements, covenants, restrictions and conditions set forth herein shall run with the Properties and shall be binding upon all parties having or acquiring any right, title or interest in the Properties or any portion thereof, and shall inure to the benefit of each Owner thereof.

ARTICLE I

Definitions

Section 1. "Architectural Review Committee" or "Committee" means the committee created in accordance with article V of this Declaration.

Section 2. "Articles" means the Articles of Incorporation of the Association, which are filed in the Office of the California Secretary of State, as such Articles may be amended from time to time.

Section 3. "Assessment" means any Regular or Special Assessment made or assessed by the Association against an Owner in accordance with the provisions of article III of this Declaration.

Section 4. "Association" means Bear Valley Residents, Incorporated, a California nonprofit corporation (formed pursuant to the Nonprofit Mutual Benefit Corporation Law of the State of California), its successors and assigns. The Association is an "association" as defined in Section 1351(a) of the California Civil Code.

Section 5. "Association Rules" means the rules, regulations and policies adopted by the Board of Directors pursuant to article III, section 6 of this Declaration, as the same may be in effect from time to time.

Section 6. "Board of Directors" or "Board" means the Board of Directors of the Association.

Section 7. "Building Site" means and refers to:

(a) The whole of any one of the Lots designated on any Subdivision Map, and any Lot or Lots, as shown

on the Subdivision Map of any other property hereafter made subject to this Declaration.

(b) Any two or more contiguous Lots, or any Lot or contiguous Lots, and a portion of, or portions of any Lot or Lots contiguous to said Lot: or Lots which are developed as one site for a single Residence and any related structures or out-buildings permitted hereunder.

Section 8. "Bylaws" means the Bylaws of the Association, as such Bylaws may be amended from time to time.

Section 9. "Common Area" is a collective term which means and refers to all real property owned or managed by the Association for the common use and enjoyment of the Owners. The Common Area owned by the Association at the time of the Recordation of this Declaration is described in exhibit C, attached hereto and is referred to herein as the "Beach Common Areas". Other real property parcels referred to herein as Common Areas are owned by the County and are managed and maintained by a County Service Area. These County owned parcels are dedicated as open space areas and are referred to herein as "Open Space Common Areas". Unless the context clearly indicates a contrary intent, any reference herein to the "Common Areas" shall also include any Common Facilities located thereon.

Section 10. "Common Expense" means any use of Common Funds authorized by article V hereof and article VIII of the Bylaws and includes, without limitation: (a) All expenses or charges duly incurred by or on behalf of the Association for the management, maintenance, administration, insurance, operation, repairs, additions, alterations or reconstruction of the Beach Common Area; (b) all expenses or charges reasonably and duly incurred by the Association to procure insurance for the protection of the Association and its Board of Directors; (c) any amounts reasonably necessary for reserves for maintenance, repair and replacement of the Beach Common Areas and Common Facilities located thereon, and for nonpayment of any Assessments, and (d) the use of such funds to defray the costs and expenses incurred by the Association in the performance of its functions or in the proper discharge of the responsibilities of the Board as provided in the Governing Documents.

Section 11. "Common Facilities" means all facilities constructed or installed, or to be constructed or installed, or currently located within the Beach Common Area, including, without limitation, the sand which is added by the Association to the Beach Common Area.

Section 12. "County" means the County of Alpine, State of California, and its various departments, divisions, employees and representatives.

Section 13. "Declarant" is a collective terms which refers to the original developers of the Tracts comprising the Properties, namely Bear Valley Development Company, a California corporation, Bear Valley Company, a joint venture, Ridge View Properties, a general partnership and Stepping Stone, Inc., a California corporation.

Section 14. "Declaration" means this instrument, as it may be amended from time to time. The "Original

Declarations" means and refers to the documents referenced in exhibit A, together with all amendments and annexations thereto, adopted prior to adoption of this Declaration.

Section 15. "Design Standards" means the rules and regulations adopted by the Architectural Review Committee and approved by the Board pursuant to Article V, section 5, below.

Section 16. "Governing Documents" is a collective term that means and refers to this Declaration and to the Articles, the Bylaws, the Association Rules and the Design Standards.

Section 17. "Improvements" shall be defined as set forth in article V, section 1, of this Declaration.

Section 18. "Lot" means any parcel of real property designated by a number on the Subdivision Map for any portion of the Properties, excluding the Common Areas. When appropriate within the context of this Declaration, the term "Lot" shall also include the Residence and other Improvements constructed or to be constructed on a Lot.

Section 19. "Member" means every person or entity who holds a membership in the Association and whose rights as a Member are not suspended pursuant to article IX, section 6 hereof.

Section 20. "Owner" means any person, firm, corporation or other entity which owns a fee simple interest in any Lot. Except where the context otherwise requires, the term "Owner" shall include the members of the Owner's family.

Section 21. "Owner of Record" includes an Owner and means any person, firm, corporation or other entity in which title to a Lot is vested as shown by the Official Records of the Office of the County Recorder.

Section 22. "Private Roadway" means the roads which are designated on the Subdivision Maps as "Private Roadways" for use by the Owners of two or more, but less than all, Lots shown on said Subdivision Maps.

Section 23. "Properties" means all parcels of real property (Common Areas and Lots) described in exhibit B, together with all buildings, structures, utilities, Common Facilities, and other Improvements now located or hereafter constructed or installed thereon.

Section 24. "Residence" means a private dwelling constructed or to be constructed on a Lot.

Section 25. "Setback" means the minimum distance between a Residence, outbuilding or other structure and the roadway or street or side or rear lines of a Lot or Building Site, as established on the Subdivision Map creating the Lot or Building Site or as established in the deed to the Lot or Building Site executed by the Declarant or its successors in interest.

Section 26. "Street" means and refers to any street, roadway (including a Private Roadway) or other thoroughfare shown on any Subdivision Map for the Properties, whether designated thereon as a street, avenue, boulevard, drive, place, court, road, terrace, way, circle, lane, walk, path or otherwise.

Section 27. "Subdivision Map" means the map for any portion of the Properties.

ARTICLE II

Property Rights and Obligations of Owners

Section 1. General Statement of Plan of Development. In addition to the objectives set forth in Recitals B and C, above, it is the purpose of this Declaration to subject the Properties to the protective covenants, conditions, restrictions, reservations, limitations, liens and charges set forth herein in order to:

- (a) Ensure the best use and the most appropriate development and improvement of each Lot and Building Site;
- (b) Create improvements which emphasize harmony of form, texture and color with the surrounding natural environment of the Properties so as to blend those improvements into the natural environment of the Building Site in an unobtrusive way;
- (c) Protect the Owners of Building Sites against such improper use of surrounding Building Sites as will depreciate the value of their property;
- (d) Preserve, so far as practicable, the natural beauty of Building Sites during and following Improvement project;
- (e) Guard against construction or installation on Building Sites of poorly designed or proportioned structures, and structures built of improper and unsuitable materials;
- (f) Ensure the best quality of development within the Properties;
- (g) Encourage and secure the erection of attractive Residences, appropriately located on Building Sites;
- (h) Prevent haphazard and inharmonious improvement of Building Sites;
- (i) Secure and maintain proper Set Backs from Streets and roadways and to provide for and maintain adequate open spaces between structures; and

(j) In general, to provide for a high type and quality of improvements within the Properties, and thereby to enhance the values of Improvements made by purchasers of Building Sites thereon.

In order to assure, to the greatest extent possible, that the plan of development for the Properties will be achieved, the criteria of the Bear Valley Design Standards will be strictly applied and followed in accordance with Article V, section 5, below.

Section 2. Owners' Nonexclusive Easements of Enjoyment in Common Areas. Every Owner shall have a nonexclusive easement and right of enjoyment in and to the Common Areas within the Properties, including ingress and egress to and from his or her Lot, which shall be appurtenant to and shall pass with the title to every Lot, subject to the following provisions:

(a) The right of the Association to charge reasonable admission and other fees or to limit the number of guests of Members who may use the Beach Common Areas.

(b) The right of the Association to adopt Association Rules as provided in article III, section 6 hereof, regulating the use and enjoyment of the Properties for the benefit and well-being of the Owners in common, and, in the event of the breach of such rules or any provision of any Governing Document by any Owner or lessee, to initiate disciplinary action against the violating Owner or tenant in accordance with article IX, section 6 of this Declaration. Such action may include the levying of fines and/or the temporary suspension of the voting rights and/or right to use any Association Common Facilities, other than roads, by any Owner and/or the Owner's tenants and guests.

Section 3. Persons Subject to Governing Documents. All present and future Owners, tenants and occupants of Lots within the Properties shall be subject to, and shall comply with, each and every provision of the Governing Documents, as the same or any of them shall be amended from time to time, unless a particular provision is specifically restricted in its application to one or more of such classes of persons (i.e. Owners, tenants, invitees, etc.). The acceptance of a deed to any Lot, the entering into a lease, sublease or contract of sale with respect to any Lot, or the occupancy of any Lot shall constitute the consent and agreement of such Owner, tenant or occupant that each and all of the provisions of this Declaration, as the same or any of them may be amended from time to time, shall be binding upon him or her and that he or she will observe and comply with the Governing Documents.

Section 4. Delegation of Use.

(a) Delegation of Use and Leasing of Residences. Any Owner may delegate the Owner's rights to use and enjoy the Common Areas and Common Facilities to members of the Owner's family or to the Owner's tenants, lessees or contract purchasers who reside in the Owner's Residence. Any rental or lease of a Residence shall be subject to the provisions of the Governing Documents all of which shall be deemed incorporated by reference in the lease or rental agreement. Each Owner-lessor shall have available to any tenant or lessee a current copy of all Governing Documents or a summary of those Governing Document provisions most relevant to residency within the Properties if such a summary is

produced by the Association. Owners who rent or lease their Residences shall be responsible for compliance by the Owner's tenant or lessee with all of the provisions of the Governing Documents during the tenant's/lessee's occupancy and use of the Residence.

(b) Discipline of Lessees. Subject to observance of the disciplinary procedures set forth in article IX, section 6 hereof, in the event that any tenant or lessee fails to honor the provisions of any Governing Document, the Association shall be entitled to take such corrective action as it deems necessary or appropriate under the circumstances which may include suspension of the tenant's privileges to use the Beach Area Common Facilities or the imposition of fines and penalties against the Owner-lessor or tenant.

ARTICLE III

The Association

Section 1. Association Membership. Every Owner of a Lot shall be entitled to become a member of Bear Valley Residents, Incorporated, a California nonprofit mutual benefit corporation (the "Association"). The Association owns and manages the Beach Common Areas, assists the County Service Area in managing the Open Space Common Areas; discharges the architectural and design review and approval responsibilities of this Declaration (see article V) and serves as a vehicle for the effective, uniform and consistent application and enforcement of the equitable servitudes imposed by this Declaration. Membership in the Association is voluntary.

Section 2. Classes of Membership. The Association has two classes of membership, namely "Class A Members" who own or lease for a period in excess of one year a Lot within the Properties (whether improved or unimproved) or a condominium unit and "Class B Members" who lease Lots or condominiums for lease terms of less than one year. The rights, duties, obligations and privileges of the Members shall be as set forth in this Declaration and the Association's Articles of Incorporation and Bylaws.

Section 3. Voting. Rights of Class A Members. Each person who joins the Association as a Class A Member shall be entitled to one vote with respect to each Lot owned for which the Owner has paid dues. When more than one person holds an interest in any Lot, all such persons shall be eligible for membership, although in no event shall more than one vote be cast with respect to any Lot. Voting rights may be temporarily suspended under those circumstances described in article IX, section 6 hereof.

Section 4. Association Dues. The Association shall have the power to establish, fix and levy dues against those persons who elect to become Members and to enforce payment of such dues in accordance with the Association's Bylaws.

Section 5. Powers and Authority of the Association. The Association shall have the responsibility of owning, managing and maintaining the Beach Common Areas and discharging the

other duties and responsibilities imposed on the Association by the Governing Documents. In the discharge of such responsibilities and duties, the Association shall have all of the powers of a nonprofit mutual benefit corporation organized under the laws of the State of California in the ownership and management of its properties and the discharge of its responsibilities hereunder for the benefit of its Members, subject only to such limitations upon the exercise of such powers as are expressly set forth in the Governing Documents. The Association and its Board of Directors shall have the power to do any and all lawful things which may be authorized, required or permitted) to be done under and by virtue of the Governing Documents, and to do and perform any and all acts which may be necessary or proper for, or incidental to, the exercise of any of the express powers of the Association for the peace, health, comfort, safety or general welfare of all Lot Owners. The specific powers of the Association and the limitations thereon shall be as set forth in the Bylaws.

Section 6. Association Rules.

(a) Rule Making Power. The Board may, from time to time and subject to the provisions of this Declaration, propose, enact and amend rules and regulations of general application to the Owners of Lots within the Properties. Such rules may concern, but need not be limited to: (i) matters pertaining to the maintenance, repair, management and use of the Beach Common Areas by Owners, their tenants, guests and invitees, or any other person(s) who have rights of use and enjoyment of the Beach Common Areas; (ii) architectural control and the design standards of the Architectural Review Committee under article V, section 5, hereof; (iii) the conduct of disciplinary proceedings in accordance with article IX, section 6 hereof; (iv) interpretation and application of the property use restrictions to regulation and restriction under article IV, hereof; (v) minimum standards for the maintenance of landscaping or other Improvements on any Lot; and (vi) any other subject or matter within the jurisdiction of the Association as provided in the Governing Documents.

Notwithstanding the foregoing grant of authority, the Association Rules shall not be inconsistent with or materially alter any provision of the other Governing Documents or the rights, preferences and privileges of Owners thereunder. In the event of any material conflict between any Association Rule and any provision of the other Governing Documents, the conflicting provisions contained in the other Governing Documents shall be deemed to prevail.

(b) Distribution of Rules. A copy of the Association Rules, as they may from time to time be adopted, amended or repealed, shall be mailed or otherwise delivered to each Owner. A copy of the Association Rules shall also be available for inspection during normal business hours at the principal office of the Association.

(c) Adoption and Amendment of Rules. Association Rules may be adopted or amended from time to time by majority vote of the Board, provided, however, that no Association Rules or amendments thereto shall be adopted by the Board until at least 30 days after the proposed rule or rule amendment

has been: (i) published in the Association newsletter, if any, or otherwise communicated to the Owners in writing or at a general membership meeting; and (ii) posted on the Association's bulletin board adjacent to the Bear Valley General Store. The notice describing the proposed rule or amendment shall also set forth the date, time and location of the membership and Board meetings at which the proposed rule is scheduled for discussion or at which action on the proposal is scheduled to be taken. Any rule which pertains to internal Association governance or membership issues need only be communicated to Association Members.

Any duly adopted rule or amendment to the Rules shall become effective immediately following the date of adoption thereof by the Board, or at such later date as the Board may deem appropriate. Any duly adopted rule or rule amendment shall be distributed to all Owners by mail.

Section 7. Breach of Rules or Restrictions. Any breach of the Association Rules or of any other Governing Document provision shall give rise to the rights and remedies set forth in article IX hereof.

ARTICLE IV

Prohibited and Permitted Uses of Properties

In addition to the restrictions established by law or by the Association Rules, the following restrictions are hereby imposed on the use of Lots, Common Areas and other parcels of real property within the Properties:

Section 1. Use of Lots and Building Sites.

(a) All Lots and Building Sites within the Properties shall be used solely for the construction of Residences whose occupancy and use shall be restricted to private residential purposes (including rentals which are consistent with the residential atmosphere within the Properties). In no event shall a Residence be occupied by more individuals than permitted by applicable law, zoning or other local governmental regulation. This residential use restriction is not intended to preclude construction of a "second-family dwelling" in accordance with Alpine County Ordinance section 18.08.270 or comparable superseding ordinance or regulation.

(b) All Residence and related structures erected on any Lot shall conform to the minimum construction standards set forth in article VI hereof and the Design Standards, unless a variance has been granted by the Architectural Review Committee in accordance with article V, section 12 hereof.

(c) Each Lot shall be conveyed as a separately designated and legally described fee simple estate, subject to this Declaration. All Lots and the Residences and other Improvements erected or placed thereon (including, without limitation, landscaping) shall at all times be maintained in such a

manner as
to prevent their becoming unsightly.

(d) The vegetation and landscaping on any Lot shall be planted or maintained by the Owner or resident in such a manner as to reduce the risk of fire, prevent or retard shifting or erosion of soils, encourage the growth of indigenous ground cover and to cause the proper diversion of water into streets and natural drainage channels. Only native vegetation, shrubs and growth shall be permitted and each Lot shall be kept and maintained in a natural, neat and attractive condition. Fallen branches and trees, shrubs, vines and plants which die, shall be promptly removed.

(e) No camping, whether temporary or permanent, and no temporary structures of any kind shall be permitted on any Lot.

(f) No Improvement (as defined in article V, section 1(b)) shall be constructed, erected, or placed on any Lot without the prior approval of the Architectural Review Committee.

(g) No drilling, refining, quarrying or mining operations of any kind shall be permitted on any Lot.

(h) No existing trees with a diameter greater than six inches (measured four feet above grade at the base of the tree) shall be destroyed, uprooted, cut down, topped or removed from any Lot unless and until such action has been approved by the Architectural Review Committee unless the Owner can prove to the reasonable satisfaction of the Committee that the tree presents an immediate hazard to life or property.

(i) No noxious weeds, rubbish, debris, garbage, objects, waste materials or materials of any kind whatsoever shall be placed or permitted to accumulate upon any portion of a Lot, which would render it unsanitary, unsightly, offensive or detrimental to any property in the vicinity thereof or to the occupants of any such property in such vicinity.

(j) No building material of any kind or character shall be placed or stored upon any Lot so as to be open to view by the public or neighbors, unless such material will be used and is used within three months for the construction of buildings or structures upon the Lot upon which the material is stored. Building materials will be stored in such a way as to preclude damage to the natural environment. Any damaged or disrupted habitats (trees, shrubs, rocks, ground cover, etc.) must be restored in such a way that after a period of two years after completion of construction no apparent damage or alteration is objectionably obvious or apparent to an observer viewing it from outside the property line of the Owner's Lot or Building site.

Section 2. Open Space Common Areas. The Open Space Common Areas shall be preserved as open space and used for recreational purposes and other purposes incidental and ancillary to the use of Lots. Such use shall be limited to the private use for aesthetic and recreational purposes by the Owners, their tenants, families and guests, subject to the provisions of the Governing Documents and all

applicable local ordinances. No Improvement, excavation or work which in any way alters any Common Area or Common Facility from its natural or existing state shall be made or done except by the Association and then only in strict compliance with the provisions of this Declaration and any applicable County ordinances or regulations of the County Service Area. Use of snowmobiles on Open Space Common Areas shall only be permitted in strict conformity with Chapter 10.24 of the Alpine County Codes or comparable superseding County ordinance or regulation.

Section 3. Prohibition of Noxious Activities. No illegal, noxious or offensive activities shall be carried out or conducted upon any Lot or Common Area nor shall anything be done within the Properties which is or could become an unreasonable annoyance or nuisance to neighboring property Owners. Without limiting the foregoing, no Owner shall permit noise, including, but not limited to barking dogs, the operation of excessive noisy air conditioners, stereo amplifier systems, television systems, motor vehicles, snowmobiles, power tools or machinery to emanate from an Owner's Lot or from activities within the Common Area, which would unreasonably disturb any other Owner's or tenant's quiet enjoyment of his or her Lot or the Common Areas.

Section 4. Temporary Structures. No structure of a temporary character, trailer, mobile home, camper, tent, shack, garage or other outbuilding shall be used on any Lot at any time as a Residence, either temporarily or permanently.

Section 5. Pets. The following restrictions regarding the care and maintenance of pets within the Properties shall be observed by each Owner and resident:

(a) A reasonable number of dogs, cats and other common household pets may be kept on each Lot so long as the same are not kept, bred or maintained for commercial purposes. No other animals, livestock, or poultry of any kind shall be kept, bred or, raised on any Lot or in any Residence.

(b) Dogs shall only be allowed on the Common Area when they are leashed or otherwise under the immediate supervision and restraint of their Owners. In no circumstances shall dogs be allowed on the Beach Common Areas.

(c) No household pet shall be left chained or otherwise tethered outside of any enclosed yard areas on any Lot or on any portion of the Common Areas.

(d) Each person bringing or keeping a pet on the Properties shall be solely responsible for the conduct of the owner's pets. The Association, its Board, officers, employees and agents shall have no liability (whether by virtue of this Declaration or otherwise) to any Owners, their family members, guests, invitees, tenants and contract purchasers for any damage or injury to persons or property caused by any pet.

(e) The Board of Directors shall have the right to establish and enforce additional rules and regulations defining in a uniform and nondiscriminatory manner, what constitutes a "reasonable number" of pets

depending on their size, disposition and/or maintenance requirements and imposing standards for the reasonable control and keeping of household pets in, upon and around the Properties to ensure that the same do not interfere with the quiet and peaceful enjoyment of the Properties by the other Owners and residents.

Section 6. Signs. No signs or billboards of any kind shall be displayed on any Lot or posted within or upon any portion of the Common Area except that Owners may post on their Lots any signs required by legal proceedings and a single "For Rent," "For Lease" or "For Sale" sign of reasonable dimensions. The Architectural Review Committee, in its discretion, shall be entitled to regulate or prevent altogether, the erection and maintenance of Owner's, agents or broker's directional signs along roadways or on any Common Areas within the Properties.

Section 7. Business Activities. No business or commercial activities of any kind whatsoever shall be conducted in any Residence, garage or out building or in any portion of any Lot without the prior written approval of the Board; provided, however, the foregoing restriction shall not apply to the activities, signs or activities of the Association in the discharge of its responsibilities under the Governing Documents. Furthermore, no restrictions contained in this section shall be construed in such a manner so as to prohibit any Owner from: (a) maintaining his or her personal library in his or her Residence; (b) keeping his or her personal business records or accounts therein; (c) handling his or her personal or professional telephone calls or correspondence therefrom; (d) leasing or renting his or her Residence in accordance with article II, section 4, hereof; or (e) conducting any other activities on the Owner's Lot otherwise compatible with residential use and the provisions of this Declaration which are permitted under applicable zoning laws or regulations without the necessity of first obtaining a special use permit or specific governmental authorization. The uses described in (a) through (e) of this section 7 are expressly declared to be customarily incidental to the principal residential use and not in violation of this section.

Section 8. Garbage. No rubbish, trash, or garbage shall be allowed to accumulate on Lots. Any trash that is accumulated by an Owner outside the interior walls of a Residence shall be stored entirely within appropriate covered disposal containers and facilities which shall be screened from view from any street, neighboring Lot or Common Areas. Trash placed adjacent to roadways for collection purposes shall be entirely contained within a covered container which cannot be accessed by dogs, raccoons or other similar local animals. Any extraordinary accumulation of rubbish, trash, garbage or debris (such as debris generated upon vacating of premises or during the construction of modifications and Improvements) shall be removed from the Properties to a public dump or trash collection area by the Owner or tenant at his or her expense. No tree cuttings, brush, trimmings, rubbish, debris or garbage of any kind shall be placed on any street, easement, drain or gutter within the Properties, except with the prior approval of the Association. The use of incinerators and garbage cans will also be subject to regulation and control by the Association. The Association shall be entitled to impose reasonable fines and penalties for the collection of garbage and refuse disposed in a manner inconsistent with this section.

Section 9. Storage. Storage of personal property on any Lot shall be entirely within the Owner's Residence, garage or other appropriate enclosed or screened storage areas.

Section 10. Antennas and Similar Devices. Owners are entitled to maintain antennas on their Residences which are designed for customary television and radio broadcast reception so long as the aerial or antenna is placed under the eaves of the Residence or other outbuilding or entirely within the Residence or building, Nevertheless, in order to ensure adequate aesthetic controls and to maintain the general attractive appearance of the Properties, no Owner, resident or lessee shall, at his or her expense or otherwise, place or maintain any objects, such as roasts, towers, poles, television and radio antennas, or television satellite reception dishes on or about the exterior of any building within the Properties or any portion of a Lot which is visible from any street or neighboring lot unless approval is first obtained in accordance with article V, hereof. Furthermore, no activity shall be conducted on any Lot which causes an unreasonable broadcast interference with television or radio reception on any neighboring Lot.

Section 11. Burning. Burning is permitted on Lots subject to compliance with all local governmental fire safety and permit regulations. No Owner or resident shall permit any condition to exist on his or her Lot, including, without limitation, trash piles, or weeds, which create a fire hazard or is in violation of local fire regulations.

Section 12. Vehicle and Parking Restrictions.

(a) No large commercial truck, tractor, truck larger than three-quarter tons of carry capacity or trailer, farm machine, road roller, commercial vehicle exceeding 15 feet in length, house trailer, mobile home, detached camper top, motor boat, or any unsightly or offensive vehicle or machinery shall be parked at the edge of any street, Private Roadway or on the Owners' Lot or portion thereof, except temporarily for the purpose of loading or unloading. Notwithstanding the foregoing, the Architectural Review Committee may grant variances to permit the parking of boats and trailers on the Owner's Lot in areas which are screened from view from neighboring Lots, streets and Private Roadways.

(b) In no event shall the parking of vehicles on private or public roadways by an Owner or resident limit or impede access or egress of adjacent of nearby property Owners to their properties, nor immediate access to any Lot by emergency vehicles at all times.

(c) The use of a Private Roadway for parking by a single Owner, or his/her tenants, shall bear a reasonable relationship to that Owner's undivided ownership interest in the Private Roadway. In any event, an aggregation of vehicles shall not constitute a nuisance or be objectionably obvious or apparent to a neighbor or off-site observer viewing it from outside the property line of the Owner's Lot or Building Site.

Section 13. Exterior Light Fixtures. No exterior lighting fixtures shall be installed without adequate and proper shielding to provide a projection of the light which is primarily downward, so as to prevent creating a nuisance, hazard or glare to neighbors, passing pedestrians or vehicle traffic.

Section 14. Restriction on Further Subdivision and Severability. No Lot shall be further subdivided nor

shall less than all of any such Lot be conveyed by an Owner thereof; provided, however, that Lot combinations and boundary line adjustments between adjoining Lots shall be permitted so long as the prior approval of the Architectural Review Committee and any County agencies with jurisdiction over such matters are first obtained.

Section 15. Variances. Upon application by any Owner, the Board of Directors shall be authorized and empowered to grant reasonable variances from the property use restrictions set forth in this article, if specific application of the restriction will, in the sole discretion of the Board, either cause an undue hardship to the affected Owner or fail to further or preserve the common plan and scheme of development contemplated by this Declaration. In considering and acting upon any request for a variance, the Board shall follow the procedures set forth in article V, section 12 for the granting of architectural variances.

Section 16. Enforcement of Property Use Restrictions. The objective of this Declaration shall be to promote and seek voluntary compliance by Owners and tenants with the environmental standards and property use restrictions contained herein. Accordingly, in the event that the Association becomes aware of an architectural or property use infraction that does not necessitate immediate corrective action under article IX, section 6 hereof, the Owner or Tenant responsible for the violation shall receive written notice thereof and shall be given a reasonable opportunity to comply voluntarily with the pertinent Governing Document provision(s). Such notice shall describe the noncomplying condition, request that the Owner or tenant correct the condition within a reasonable time specified in the notice, and advise the Owner or tenant of his or her appeal rights.

ARTICLE V

Architectural Control

Section 1. Approval of Improvements by Architectural Review Committee.

(a) Approval Generally. By virtue of that certain document referenced in Recital D, above, the Association has jurisdiction over all Owners and their Lots with respect to matters pertaining to architectural control and supervision. Accordingly, before commencing construction or installation of any Improvement within the Properties, the Owner planning such Improvement must submit a written request for approval to the Association's Architectural Review Committee, established pursuant to section 2, below, and article VI of the Bylaws. The Owner's request shall include plans and specifications satisfying the requirements of the Design Standards promulgated pursuant to section 5 of this article. Unless the Committee's approval of the proposal is first obtained, no work on the Improvement shall be undertaken. The Committee shall base its decision to approve, disapprove or conditionally approve the proposed Improvement on the criteria described in section 6 of this article.

(b) Definition of "Improvement". The term "Improvement" as used herein includes, without limitation, the construction, installation, alteration or remodeling of any buildings, walls, decks, fences,

landscaping, landscape structures, skylights, solar heating equipment, hot tubs, spas, antennas, propane tanks, decking, utility lines or any structure of any kind; provided, however, that Improvements to the interior of any Residence shall not be considered an Improvement, as defined herein. In order to preserve the open, natural appearance of the Properties, fences and landscape walls are not favored and the Architectural Review Committee reserves the right to deny, entirely, an Owner's request to erect a fence or wall if, in the opinion of the Committee the proposed location detracts from the natural environment in the area of the Lot. Any grading, excavation, fill, change in existing drainage and/or landscaping shall also be considered an "Improvement" subject to the review and approval requirements of this Article V.

(c) Modifications to Approved Plans Must Also Be Approved. Once a work of Improvement has been duly approved by the Architectural Review Committee, no material modifications shall be made in the approved plans and specifications therefore and no subsequent alteration, relocation, addition or modification shall be made to the work of Improvement, as approved, without a separate submittal to, and review and approval by, the Committee. If the proposed modification will have, or is likely to have, a material affect on other aspects or components of the work, the Committee, in its discretion, may order the Owner, his or her contractors and agents to cease working not only on the modified component of the Improvement, but also on any other affected component. The restrictions of this subparagraph (c) shall also apply to any proposed modification of any Residence, fence or other structure from its appearance or location as originally constructed.

In the event that it comes to the knowledge and attention of the Association, its Board of Directors or duly appointed Architectural Review Committee, or the agents or employees of either that a work of Improvement, or any modification thereof, is proceeding without proper approval, the Association shall be entitled to exercise the enforcement remedies specified in section 11 of this article, including, without limitation, ordering an immediate cessation and abatement of all aspects of the work of Improvement until such time as proper architectural review and approval is obtained.

Section 2. Composition of the Architectural Review Committee. The Architectural Review Committee, pursuant to Article VI of the Bylaws, shall be composed of five Members appointed by the Board. In selecting Members for the Committee, the Board shall endeavor to select individuals whose occupations or education will provide technical knowledge and expertise relevant to matters within the Committee's jurisdiction. Committee members shall serve three-year terms subject to the Board's power to remove any Committee member and to appoint his or her successor. Neither the members of the Committee nor its designated representatives shall be entitled to any compensation for services performed pursuant hereto. The Committee shall have those powers which are specifically designated by the Board in the resolution establishing the Committee as well as those powers described in this Declaration and the Design Standards.

Section 3. Duties. The Architectural Review Committee shall have the duty to consider and act upon the proposals and plans submitted to it pursuant to this Declaration, to adopt Design Standards pursuant to section 5 hereof, and to carry out all other architectural review duties imposed upon it by this Declaration.

Section 4. Meetings. The Committee shall meet from time to time as necessary to properly perform the architectural review functions described herein. The vote or written consent of a majority of the Committee shall constitute the action of the Association. The Committee shall keep and maintain a written record of all actions taken.

The Applicant shall be entitled to appear at any meeting of the Committee at which his or her proposal has been scheduled for review and consideration. The Applicant shall be entitled to be heard on the matter and may be accompanied by his or her architect, engineer and/or contractor, if any. Other Owners whose Lots may be affected by the proposed Improvement (in terms of the view or solar access of their Lot, noise or other considerations) shall also be entitled to attend the meeting and shall be notified by the Committee.

Reasonable notice of the time, place and proposed agenda for the review of architectural matters shall be communicated before the date of the meeting to any Applicant whose application is scheduled to be heard.

Section 5. Bear Valley Design Standards. The Architectural Review Committee, with ratification by the Board of Directors, may, from time to time, adopt, amend and repeal rules and regulations pertaining to architectural, landscape and construction projects which shall be known as the "Bear Valley Design Standards." The Design Standards shall interpret and implement the provisions hereof by setting forth: (a) the standards and procedures for architectural review, including the required content of Improvement plans and specifications; (b) guidelines for architectural design, placement of any work of Improvement, or color schemes, exterior finishes and materials and similar features which are recommended or required for use within the Properties; (c) the criteria and procedures for requesting variances from any property use restrictions that would otherwise apply to the proposed Improvement under the Governing Documents (see section 12, below); and (d) the amount of any fees imposed by the Committee to offset actual expenses incurred in administering the architectural and design review functions of this Article V and the amount of any deposits which may be required to assure the Owner's faithful performance of approved Improvement projects. Any deposits, if imposed, shall be refundable if the Owner complies with this Declaration and the completed project passes inspection pursuant to section 10, below. Notwithstanding the foregoing, no Design Standard shall be in derogation of the minimum standards required by this Declaration. In the event of any conflict between the Design Standards and this Declaration, the provisions of this Declaration shall prevail.

Section 6. Basis for Approval of Improvements. When a proposed work of Improvement is submitted to the Committee for review, the Committee shall grant the requested approval only if, in its sole discretion, the Committee finds that all of the following provisions have been satisfied:

(a) The Owner's plans and specifications: (i) conform to this Declaration and to the Design Standards in effect at the time such plans are submitted to the Committee; (ii) will result in the construction of an Improvement that is in harmony with the external design of other structures and/or landscaping within

the Properties; and (iii) will not interfere with the reasonable enjoyment of any other Owner of his or her property, including, without limitation, the other Owner's rights to scenic and solar access free of unreasonable obstructions; and

(b) The proposed Improvement(s), if approved, will otherwise be consistent with the architectural and aesthetic standards prevailing within the Properties and with the overall plan and scheme of development and the purposes of this Declaration.

The Committee shall be entitled to determine that a proposed Improvement or component thereof is unacceptable when proposed on a particular Lot, even if the same or a similar Improvement/component has previously been approved for use at another location within the Properties if factors such as drainage, topography or visibility from roads, Common Areas or other Lots or prior adverse experience with the product or components used in construction of the Improvement, design of the Improvement or its use at other locations within the Properties mitigate against erection of the Improvement or use of a particular component thereof on the Lot involved in the Owner's submittal.

In approving a request for construction of an Improvement, the Committee may condition approval upon the adoption of modifications in the plans and specifications or observance of restrictions as to location, noise abatement or similar mitigating conditions. As a condition of approval, the Committee may require that all work described in the plans and specifications submitted be prepared by a licensed architect and be performed only by a licensed general contractor.

The Committee shall be entitled to request that the Owner-applicant submit an adequate number of sets of plans to enable the Committee to make a prompt determination of the application. Approval of such plans, specifications and location of buildings by the Architectural Review Committee shall be endorsed on all sets of said plans and specifications, and if four sets are requested and submitted, one set shall be returned to the applicant, two sets shall be retained by the Association in its permanent records, and the fourth set shall be forwarded to the County.

Section 7. Time Limits for Approval or Rejection. Within 30 days after submission of plans and specifications satisfying the requirements of the Architectural Rules, the Architectural Review Committee shall return one set of such plans to the Applicant, with either written notice of approval or disapproval or with written suggestions of changes required for approval accompanying the returned set of plans. If the Committee recommends that the plans and specifications be modified, the Applicant may implement such changes to the plans and within 30 days resubmit plans incorporating such changes for approval to the Committee, which shall not unreasonably withhold its approval so long as the Applicant has complied in all material respects with the requested changes. If no written notice of approval or disapproval is received by the Applicant within 30 days after the Owner's plans and specifications (or revisions thereto) are submitted to the Committee, the plans shall be deemed to have been approved as submitted.

If the Committee denies approval to any plans and specifications or any portion or component

of a proposed Improvement, the person submitting same may appeal the decision to the Board of Directors in writing within 30 days of being notified of said disapproval, stating all reasons for the appeal and justifying its position. The Board of Directors shall have the right to review the matter de novo and shall either confirm, modify or reverse the Committee's decision. The decision of the Board of Directors shall be final and conclusive, and not subject to further discussion or appeal to higher authority.

Section 8. Proceeding With Work. Upon receipt of approval of an Improvement project from the Architectural Review Committee (or Board approval upon appeal), the Owner shall, as soon as practicable, satisfy all conditions thereof and diligently proceed with the commencement of construction pursuant to the approval. In all cases, work on an Improvement project shall commence within one year from the date of such approval. If the Owner fails to comply with this paragraph, any approval given pursuant to this article shall be deemed revoked unless the Board, upon written request of the Owner prior to the expiration of the initial one-year period, extends the time for commencement of the project. No such extension shall be granted except upon a finding by the Board that there has been no change in the circumstances upon which the original approval was granted and that the Owner has a bona fide intention and ability to proceed with the Improvement project within the time specified in the extension request.

Section 9. Failure to Complete Work. Unless the Owner has been granted an extension of time to complete the project by the Board, construction, reconstruction, refinishing or alteration of any such Improvement must be completed within one year after construction has commenced, except and for so long as such completion is rendered impossible or would result in great hardship to the Owner because of snow, strikes, fires, national emergencies, natural calamities or other supervening forces beyond the control of the Owner or his or her agents. If construction shall cease on any Improvement for the period of 11 months without the permission of the Association, the part or portion of such Improvement which remains unfinished shall be deemed to be a nuisance and forthwith removed at the cost of the Owner and the Association, among other remedies, is hereby accorded the right of removal and charge to owner, 30 days after written notice of intent to remove is mailed to the Owner of record of the Lot Record on which the Improvement is located or personal delivery of notice in lieu of mailing.

If the Owner fails to comply with this section, the Board shall proceed in accordance with the provisions of section 10(c) and (d) below as though the failure to complete the Improvement was a noncompliance with approved plans.

Section 10. Inspection of Work by the Architectural Review Committee. Inspection of the work relating to any approved Improvement and correction of defects therein shall proceed as follows:

(a) During the course of construction, representatives of the Architectural Review Committee shall have the right to, inspect the job site at a time mutually agreed upon to review the improvement to confirm that it is proceeding in accordance with the approved plans and specifications.

(b) Upon the completion of any work of Improvement for which architectural approval is required under

this article, the Owner shall give the Committee a written notice of completion.

(c) Within 30 days thereafter, the Committee or its duly appointed agents may inspect the Improvement to determine whether it was constructed, reconstructed, altered or refinished in substantial compliance with the approved plans. If the Committee finds that the Improvement was not erected, constructed or installed in substantial compliance with the Owner's approved plans, then within the 30-day inspection period the Committee shall give the Owner a written notice of noncompliance detailing those aspects of the project that must be modified, completed or corrected. If the violation or nonconforming work is not corrected within a 60-day period, the Improvement shall be deemed to have been constructed without approval of the Association and the Committee shall have the enforcement rights and remedies set forth in section 11 below.

(d) If for any reason the Committee fails to notify the Owner of any noncompliance within 30 days after receipt of the Owner's notice of completion, the Improvement shall be deemed to have been constructed in accordance with the approved plans for the project, unless it can be demonstrated that the Owner knew of the noncompliance and intentionally misled the Committee with respect thereto.

Section 11. Enforcement of Architectural Compliance Matters.

(a) In addition to other enforcement remedies set forth in this Declaration, the Architectural Review Committee shall have enforcement rights with respect to any matters required to be submitted to and approved by it, and with the prior authorization of the Board may enforce such architectural control by any proceeding at law or in equity. In addition, the Committee shall have the authority to order an abatement of any construction, alteration or other matter for which approval is required, to the extent that it has not been approved by the Committee or if it does not conform to the plans and specifications submitted to and approved by the Committee. No work for which approval is required shall be deemed to be approved simply because it has been completed without a complaint, notice of violation, or commencement of a suit to enjoin such work. If any legal proceeding is initiated by the Association to enforce any of the provisions hereof, the prevailing party shall be entitled to recover reasonable attorneys' fees in addition to the costs of such proceeding.

(b) If the Owner fails to remedy any noncompliance of which notice has been given within 30 days from the date of such notification, the Architectural Review Committee shall set a date on which a hearing before the Committee shall be held regarding the alleged noncompliance. The hearing date shall not be more than 30 days nor less than 15 days after the second notice of the noncompliance is issued by the Committee to the Owner, and in the discretion of the Committee, to any other interested party.

(c) At the hearing, the Owner, a representative(s) of the Architectural Review Committee and, in the Committee's discretion, any other interested person may present information relevant to the question of the alleged noncompliance. After considering all such information, the Committee shall determine whether there is a noncompliance and, if so, the nature thereof and the estimated cost of correcting or

removing the same. If a noncompliance is determined to exist, the Architectural Review Committee shall require the Owner to remedy or remove the same within such period or within any extension of such period as the Committee, at its discretion, may grant. If the Owner fails to take corrective action after having a reasonable opportunity to do so, the Committee, at its option, may either remove the noncomplying Improvement or remedy the noncompliance and the Owner shall reimburse the Association for all expenses incurred in connection therewith upon demand. If such expenses are not properly repaid by the Owner to the Association., the Board shall be entitled to recover its costs in an action at law and if the Association is the prevailing party in such action, it shall have a lien against the Owner's Lot for the judgment amount, court costs and reasonable attorneys' fees, as awarded by the court, which lien may be enforced by foreclosure by the Association pursuant to a power of sale in accordance with Civil Code sections 2924, 2924(b) and 2924(c).

(d) The approval by the Committee of any plans, drawings or specifications for any work of Improvement done or proposed, or for any other matter requiring the Committee's approval under this Declaration, or any waiver thereof, shall not be deemed to constitute a waiver of any right to withhold approval of any similar plan, drawing, specification or, matter subsequently submitted for approval by the same or some other Owner. Different locations for Improvements, the size of the structure, proximity to other Residences or Common Facilities and other factors may be taken into consideration by the Committee in reviewing a particular submittal.

(e) Any other provision in this Article V to the contrary notwithstanding, upon the expiration of one year from the date of completion of any Improvement, or alteration, the Improvement or alteration shall be deemed to comply with all of the provisions of this article V, unless notice to the contrary shall have been recorded in the office of the County Recorder of Alpine County, or such other place as may then be prescribed by law, or legal proceedings shall have been instituted to enforce such compliance.

Section 12. Variances. The Architectural Review Committee, with concurrence of the Board of Directors, shall be entitled to allow reasonable variances in any procedures specified in this article, or in any land use restrictions specified in article IV to overcome practical difficulties, avoid unnecessary expense or prevent unnecessary hardship to Applicants, provided all of the following conditions are met:

(a) If the requested variance will necessitate deviation from, or modification of, a property use restriction that would otherwise be applicable under this Declaration, the Committee must conduct a public hearing on the proposed variance after giving prior written notice to the Board and to all Owners residing within the lesser of 150 feet or two Lots away from the Lot where the Improvement is proposed to be erected. The notice shall be posted and mailed to the interested Owners at least 15 days prior to the date when the Committee is scheduled to act on the requested variance. No decision shall be made with respect to the proposed variance until the 15-day comment period has elapsed.

(b) If the requested variance pertains to any material Improvement or project, the Committee must make a good faith written determination that the variance is consistent with one or more of the following

criteria: (i) the requested variance will not constitute a material deviation from any restriction contained herein or that the proposal allows the objectives of the violated requirement(s) to be substantially achieved despite noncompliance; or (ii) that the variance relates to a required land use restriction or minimum construction standard otherwise applicable hereunder that is unnecessary or burdensome under the circumstances; or (iii) that the variance, if granted, will not result in a material detriment, or create an unreasonable nuisance with respect to any other Lot or Common Area within the Properties.

Section 13. Estoppel Certificate. Within 30 days after written demand is delivered to the Architectural Review Committee by any Owner, and upon payment to the Association of a reasonable fee (as established from time to time by the Board), the Committee shall deliver to the Owner an estoppel certificate, executed by any two of its members, certifying that as of the date thereof, either: (a) all Improvements made and other work completed by the Owner comply with this Declaration; or (b) such Improvements or work do not so comply, in which event the certificate shall also identify the noncomplying Improvements or work and set forth with particularity the basis of such noncompliance. Any purchaser from the Owner, or from anyone deriving any interest in the Lot through the Owner, shall be entitled to rely on the Association's estoppel certificate with respect to the matters therein set forth, such matters being conclusive as between the Association, all Owners and any persons deriving any interest through them.

Section 14. Limitation on Liability. Neither the Association, nor the Board or the Architectural Review Committee or any member thereof, shall be liable to any Owner for any damage, loss or prejudice suffered or claimed on account of any mistakes in judgment, negligence or nonfeasance arising out of: (a) the approval or disapproval of any plans, drawings and specifications, whether or not defective; (b) the construction or performance of any work, whether or not pursuant to approved plans, drawings or specifications; or (c) the execution and filing of an estoppel certificate pursuant to section 13 above, whether or not the facts therein are correct; provided, however, that such member has acted in good faith on the basis of such information as he or she may possess.

Section 15. Compliance With Governmental Regulations. Review and approval by the Architectural Review Committee of any proposals, plans or other submittals pertaining to Improvements shall in no way be deemed to constitute satisfaction of, or compliance with, any building permit process or any other governmental requirements, the responsibility for which shall lie solely with the Owner who desires to construct, install or modify the Improvement.

ARTICLE VI

Minimum Construction Standards

Unless a variance is requested from, and granted by the Architectural Review Committee in accordance with article V section 12, hereof, Improvements constructed on any Lot shall conform to the following

minimum construction standards:

Section 1. Approval by Architectural Review Committee. No building, fence, wall or other permanent structure or Improvement shall be erected, altered or placed on any Lot until building plans, specifications and a plot plan showing the location of structures on the Lots have been submitted to the Architectural Review Committee for review and approval as described in article V hereof.

Section 2. Minimum Square Footage Requirements. The ground floor area of the main Residence structure, exclusive of open or roofed porches, decks, terraces, carports, garages and other outbuildings, shall be not less than 800 square feet for Lots in Tracts 1 and 2, and 900 square feet for Lots in Tracts 3-7, inclusive.

The Architectural Review Committee may waive the above-specified minimum square footage requirements in specific cases where the proposed Residence has two or more stories and the total square foot area contained in all stories together with features of design and site compensate for lack of such minimum area.

Section 3. Setback and Location of Structure. Setbacks for any Residence or other permanent structure (whether or not attached to the Residence) shall be at least:

- (i) 30 feet from the front Lot line;
- (ii) 20 feet from the rear Lot line, or as established by Association Rule; and
- (iii) 20 feet from the side Lot lines.

Roof overhangs, decks, railings and stairs should not project over or encroach upon any setback area or easement.

Section 4. Limitation on Number of Residence Structures. Except for guest quarters or "second family dwellings" constructed in accordance with Alpine County ordinance section 18.08.270, not more than one Residence shall be erected, constructed or maintained on any single Building Site.

Section 5. No Temporary Structures. No recreational vehicle, trailer, mobile home, camper, tent, shack, used structures, structures of a temporary character, or other outbuildings shall be used on any Lot at any time as a Residence.

Section 6. No Used Materials. No used buildings or structures, intended for use as a Residence shall be placed on any Lot.

Section 7. Exterior Finishes. No reflective finishes (other than glass) shall be used on exterior surfaces (other than surfaces of hardware fixtures), including but without limitation, the exterior surfaces of any of the following: roofs, all projections above roofs, retaining walls, doors, trim, fences, pipes, equipment, mailboxes and newspaper tubes. Wood siding and surfacing materials, such as redwood or cedar, are preferred. Natural rock, native to the area, may be permitted. No exterior finishes shall be

used without approval of the Architectural Review Committee and in no event shall manufactured materials, such as asphalt or metal siding, concrete block or imitation brick be permitted.

Section 8. Exterior Colors. Exterior siding and roof colors shall be chosen to provide for attractive homes that harmonize and blend in with the natural setting so as to be unobtrusive and have minimum visual contrast with the surrounding forest and meadows. Exterior and roof colors shall be selected so that the Residence blends in with the predominant background earth or forest colors. Colors will be considered on a Lot-by-Lot basis with a view to minimize visual impact. The Committee may, at its discretion, adopt a chart of approved colors and stains for exterior finishes as part of the Design Standards.

Section 9. Drainage. No Owner shall do any work, construct any Improvement, place any landscaping or suffer the existence of any condition whatsoever which shall alter or interfere with the drainage pattern for the Owner's or any adjacent Lots or parcels or Common Area as established in connection with the approval of the final subdivision and parcel maps applicable to the Properties by the County except to the extent such alteration in drainage pattern is approved in writing by the Architectural Review Committee, the County and all other public authorities having jurisdiction. Plans and specifications submitted by an Owner to the Architectural Review Committee in connection with the construction of a Residence or other major structural Improvement shall include a drainage plan in sufficient detail to permit the Committee to assess the impacts, if any, of the Improvement on natural drainage courses.

Section 10. Parking Spaces. Suitable off-street parking shall be provided on the Owner's Lot for at least two cars. Each space shall have minimum dimensions of 10 feet by 22 feet per car.

Section 11. Roof Materials. The Committee considers two design objectives to be paramount in evaluating proposed roofing materials: (a) compatibility with the natural surroundings and with the neighboring properties; and (b) reduced fire risk. Noncombustible (Class A fire rated) composition shingles and metal roofing best satisfy these criteria.

(a) Composition Shingles. The composition shingles shall be a dimensional shingle weighing a minimum of 290 pounds per square.

(b) Metal Roofing. Metal roofing must satisfy the following criteria to be considered:

(i) Permanent non-glaring flat finish;

(ii) Closed-fastener, minimum 26--gauge steel roof system with matching fascia and accessories;

(iii) Factory-applied resin coating in a muted earth or forest tone color;

(iv) Manufacturer's warranty of 20 years or more for the durability of the coating (including color retention) and of the hardware;

(v) No unreasonable glare to either near or distant properties; and

(vi) Explicit provisions for maintenance and repair.

(c) Tar and Gravel. Tar and gravel will be permitted only when a dark, harmonizing aggregate is used in sufficient thickness to assure full covering of the base coats.

(d) Concrete or Clay Tile Shingles. Concrete or clay tile shingles or mission tile are not approved roofing materials.

Section 12. Metal Components. Other structural components of metal, such as pickets and handrails, may be incorporated into a predominantly wood design, provided they are not obtrusive, create no glare problems and are consistent with the overall appearance and tone of the structure. Their finish must be kept well maintained.

Aluminum windows and screens shall be color anodized (dark bronze) or factory finished in permanent, flat colors. Foundations, vents, chimneys, stacks, flues, flashing or other exposed metal shall be painted in non-reflective earth tones. Metal garage doors are unacceptable unless they are compatible with the total design and color scheme of the structure.

Section 13. Skylights and Solar Panels. Flat skylights, solar panels and other solar heat exterior devices must be an integral part of the architectural design. Exposed metal should have a color anodized or factory applied earth tone finish. Skylights should not protrude more than six inches above the adjacent roof surface.

Section 14. Lighting. Exterior lighting fixtures and locations must be approved by the Committee. No exterior lighting fixtures shall be installed without adequate and proper shielding to provide a primarily downward projection of the light source, so as to prevent creating a nuisance, hazard or glare to neighbors, passing pedestrians or vehicle traffic. Interior lights should be screened or located to avoid intruding on the view from the outside.

Section 15. Decking Substructures. Dimensions and/or facings of deck posts and beams should be selected to relate proportionately to the rest of the structure. Cross bracing should be done with "shear walls" or metal tie rods painted in a muted tone. Exposed undersides of decks should be stained or painted a dark color.

Section 16. Fuel Tank. The location should be inconspicuous and readily serviceable without damage to the environment. Slope and drainage under the tank should not be directed toward inhabited buildings. The separation between tank and buildings must be at least ten feet. The tank shall be painted in an earth tone to blend with its surroundings. Landscaping is encouraged and may be required to make the tank less obtrusive.

Section 17. Aerials and Antennas. No radio, television or other aerial, antenna, satellite antenna, tower or support thereof shall be erected, installed, placed or maintained upon any Lot or upon any building or structure, except those devices which may be erected, installed, placed or maintained and used under eaves or entirely within the enclosed portion of a Residence or are otherwise enclosed, camouflaged or concealed.

Section 18. Exposed Facilities. All appliances and any exposed facilities (including but not limited to water heaters, tanks and containers) shall be enclosed or camouflaged.

Section 19. Hot Tubs. Hot tubs and spas should be screened and located so as not to intrude upon any neighbor's privacy and solitude. Pump motors and filter systems should not be audible beyond the boundaries of the Owner's Lot.

Section 20. Fences. Fences are prohibited.

Section 21. Electrical Fixtures. Electrical, telephone and cable TV wiring shall be enclosed within structural walls. Exterior electrical panels, junction boxes and meters shall be recessed or enclosed with exterior siding. Electrical equipment, such as air conditioners and generators, shall be housed to avoid disturbance to neighboring properties from either their sight or their sound.

Section 22. Construction Access. Neighboring Lots and Common Areas cannot be used to gain access to a Building Site.

Section 23. Additional Standards. The Committee's Design Standards may impose additional minimum construction standards relating to other components of Improvements so long as said additional standards are consistent with this Declaration.

ARTICLE VII

Repair and Maintenance Responsibilities

Section 1. Beach Common Areas and County Common Areas. The Association shall be solely responsible for all maintenance, repair, upkeep and replacement within the Beach Common Areas. No person other than the Association or its duly authorized agents shall construct, reconstruct, refinish, alter or maintain any Improvement upon, or shall create any excavation or fill or change the natural or existing drainage of any portion of the Beach Common Areas. In addition, no person shall remove any tree, shrub or other vegetation from, or plant any tree, shrub, or other vegetation upon any Common Area parcels without express approval of the Association or the County, as the case may be (based on ownership of the Common Area property). Use and enjoyment of all Common Areas owned by the County shall be in accordance with all applicable local ordinances.

Section 2. Owner Maintenance and Repair Responsibilities.

(a) The Owner of any Lot within the Properties shall maintain the Lot and all landscaping and Improvements located thereon in a good, neat and attractive condition. The Owner shall promptly repair any damage to any Improvement.

(b) The Owner of each Lot having an undivided interest in common with other Owners in a Private road shall have the responsibility to repair and maintain such Private road at such Owner's cost and expense. As among the Owners who share ownership of a Private road, they shall share the expense of maintenance and repairs equally. In the event such Owners cannot agree upon the need or extent of repair and maintenance, the matter can be submitted by any of such Owners to the Association's Board of Directors as an arbitrator for arbitration and the decision of the Board shall be final and binding on all of such Owners.

Section 3. Drainage Structures. Ditches and Swales.

(a) All drainage structures, culverts and canals improved by the Association for the major collection of storm runoff and any natural drainage courses within the Open Space Common Areas shall be maintained regularly by the Association.

(b) Except as provided in subparagraph (a), above, each Owner shall keep drainage courses, ditches and swales on his or her Lot free and clear of all obstructions, and shall, in cooperation with contiguous property Owners (including the Association as to any contiguous parcels it owns or maintains), maintain all such drainage ditches, swales and culverts common to their Lots in good order.

(c) No Owner or resident shall alter or obstruct a natural drainage course, or materially add to the natural water volume of the drainage course without making adequate provisions with respect to neighboring Lots and Common Areas. Any such alterations, obstructions, or additions to water volume shall be considered a work of Improvement that is subject to prior review and approval by the Association pursuant to article V, above.

ARTICLE VIII

Easements

Section 1. Utility and Road Maintenance Easements Affecting the Properties. Easements, reservations and rights-of-way are hereby reserved on, in and across the Properties as follows:

(a) An easement beneath the surface of the ground for the erection, construction and maintenance of

lines, wires and conduits for the transmission of electricity, power, lighting, telephone, television and other purposes, pipes and mains for water, gas and heating, and for necessary attachments in connection therewith.

(b) An easement beneath the surface of the ground for the erection, construction and maintenance of public and private sewers, storm drains and land drains.

(c) An easement on and across the real property for snow removal and the deposit of cleared snow.

(d) An easement beneath the surface of the ground for any other method not mentioned above of conducting or performing any public function of a public authority or any other or quasi-public function.

Section 2. Common Area Easements. Easements, reservations and rights- of-way are hereby reserved on, in or across all of the Common Areas and on, in or across all of the Private roads as follows:

(a) An easement for each and all of the uses, purposes and facilities described in each of the subparagraphs described in section 1 of this article VIII.

(b) An easement for ski trails, ski lifts and general skiing purposes including construction, reconstruction, relocation, repair, improvement, maintenance and replacement of ski lifts and related facilities.

(c) An easement for the passage of snowmobiles and other over-the-snow vehicles and means of conveyance to and from the Owner's Residence, but not for recreation.

By way of clarification, and not as an amendment or modification of the foregoing provisions of section 2, it is expressly stated that the easements, reservations and rights-of-way pertaining to Common Areas and Private roadways are reserved for the express benefit of the Properties and for each Owner of a Lot located within the Properties. Said easements, reservations and rights-of-way shall inure to the benefit of each successor and assign of any Owner who acquires an interest in the Owner's Lot to which the easements are appurtenant.

Section 3. Easements Appearing on Subdivision Maps. The Properties shall be subject to all easements, reservations and rights-of-way designated on the Subdivision Maps for the Properties.

Section 4. Prohibition Against Obstruction of Easements. No Residence and, except with the prior approval of the Association pursuant to article; V, no outbuilding or other structure of any kind shall be built, erected or maintained upon any such easement, reservation or right-of-way, and said easements, reservations and right-of-way shall, at all times, be open and accessible to public authorities and to the Association, its successors and assigns, all of whom shall have the right of ingress and egress thereto and therefrom, and the right and privilege of doing whatever may be necessary in, under and

upon said locations for the carrying out of any of the purposes for which said easements, reservations and right-of-way are hereby reserved, or may hereafter be reserved.

Section 5. Association's Right to Maintain Easements. The Association shall have the right at any time to cut and remove trees, branches or other unapproved obstructions of any easement, reservation or right-of-way described in sections 1 through 3, above.

Section 6. Priority of Easements. Wherever easements granted to the County are, in whole or in part, coterminous with any other easements, the easements of the County shall have and are hereby granted priority over the other easements in all respects.

ARTICLE IX

Breach and Default

Section 1. Remedy at Law Inadequate. Except for the nonpayment of any Assessment, it is hereby expressly declared and agreed that the remedy at law to recover damages for the breach, default or violation of any of the covenants, conditions, restrictions, limitations, reservations, grants of easements, rights, rights-of-way, liens, charges or equitable servitudes contained in this Declaration are inadequate and that the failure of any Owner, tenant, occupant or user of any Lot, or any portion of the Common Area or Common Facilities, to comply with any provision of the Governing Documents may be enjoined by appropriate legal proceedings instituted by any Owner, the Association, its officers or Board of Directors, or by their respective successors in interest.

Section 2. Nuisance. Without limiting the generality of the foregoing section 1, the result of every act or omission whereby any covenant contained in this Declaration is violated in whole or in part is hereby declared to be a nuisance, and every remedy against nuisance, either public or private, shall be applicable against every such act or omission.

Section 3. Costs and Attorneys' Fees. In any action brought because of any alleged breach or default of any Owner or other party hereto under this Declaration, the court may award to any party to such action such attorneys' fees and other costs as it may deem just and reasonable.

Section 4. Cumulative Remedies. The respective rights and remedies provided by this Declaration or by law shall be cumulative, and the exercise of any one or more of such rights or remedies shall not preclude or affect the exercise, at the same or at different times, of any other such rights or remedies for the same or any different default or breach or for the same or any different failure of any Owner or others to perform or observe any provision of this Declaration.

Section 5. Failure Not a Waiver. The failure of any Owner, the Board of Directors, the Association or its

officers or agents to enforce any of the covenants, conditions, restrictions, limitations, reservations, grants or easements, rights, rights-of-way, liens, charges or equitable servitudes contained in this Declaration shall not constitute a waiver of the right to enforce the same thereafter, nor shall such failure result in or impose any liability upon the Association or the Board, or any of its officers or agents.

Section 6. Rights and Remedies of the Association.

(a) Rights Generally. In the event of a breach or violation of any Association Rule or of any of the restrictions contained in any Governing Document by an Owner, his or her family, or the Owner's guests, employees, invitees, licensees, or tenants, the Board, for and on behalf of all other Owners, may enforce the obligations of each Owner to obey such Rules, covenants, or restrictions through the use of such remedies as are deemed appropriate by the Board and available in law or in equity, including but not limited to the hiring of legal counsel, the imposition of fines and monetary penalties, the pursuit of legal action, or the suspension of the Owner's right to use recreation Common Facilities or suspension of the Owner's voting rights as a Member; provided, however, the Association's right to undertake disciplinary action against its Members shall be subject to the conditions set forth in this Article IX.

The decision of whether it is appropriate or necessary for the Association to take enforcement or disciplinary action in any particular instance shall be within the sole discretion of the Board or its duly authorized enforcement committee. If the Association declines to take action in any instance, any Owner shall have such rights of enforcement as exist by virtue of section 1354 of the California Civil Code or otherwise by law. Owners may also act independently of the Association to enforce their rights and the obligations of other Owners under this Declaration.

(b) Schedule of Fines. The Board may implement a schedule of reasonable fines and penalties for particular offenses that are common or recurring in nature and for which a uniform fine schedule is appropriate (such as fines for late payment of Assessments or illegally parked vehicles).

(c) Definition of "Violation". A violation of the Governing Documents shall be defined as a single act or omission occurring on a single day. If the detrimental effect of a violation continues for additional days, discipline imposed by the Board may include one component for the violation and, according to the Board's discretion, a per diem component for so long as the detrimental effect continues. Similar violations on different days shall justify cumulative imposition of disciplinary measures. The Association shall take reasonable and prompt action to repair or avoid the continuing damaging effects of a violation or nuisance occurring within the Properties at the cost of the responsible Owner.

(d) Limitations of Disciplinary Rights.

(i) Loss of Rights; Forfeitures. The Association shall have no power to cause a forfeiture or abridgment of an Owner's right to the full use and enjoyment of his or her Lot due to the failure by the Owner (or his or her family members, tenants, guests or invitees) to comply with any provision of the Governing Documents or of any duly enacted Association Rule except where the loss or

forfeiture is the result of the judgment of a court of competent jurisdiction, or where the loss or forfeiture is limited to a temporary suspension of an Owner's rights as a Member or the imposition of monetary penalties for failure to pay dues or otherwise comply with any Governing Documents so long as the Association's actions satisfy the due process requirements of subparagraph (ii) below.

(ii) Hearings. No penalty or temporary suspension of rights shall be imposed pursuant to this article unless the Owner alleged to be in violation is given at least 15 days prior notice of the proposed penalty or temporary suspension and is given an opportunity to be heard before the Board of Directors or appropriate committee established by the Board with respect to the alleged violation(s) at a hearing conducted at least 5 days before the effective date of the proposed disciplinary action.

Notwithstanding the foregoing, under circumstances involving conduct that constitutes: (A) an immediate and unreasonable infringement of, or threat to, the safety or quiet enjoyment of neighboring Owners; (B) a traffic or fire hazard; (C) a threat of material damage to, or destruction of, any Common Areas or Common Facilities; or (D) a violation of the Governing Documents that is of such a nature that there is no material question regarding the identity of the violator or whether a violation has occurred (such as late payment of Assessments), the Board of Directors, or its duly authorized agents, may undertake immediate corrective or disciplinary action and, upon request of the offending Owner (which request must be received by the Association, in writing, within five days following the Association's disciplinary action), or on its own initiative, conduct a hearing as soon thereafter as reasonably possible.

If the Association acts on its own initiative to schedule a hearing, notice of the date, time and location of the hearing shall accompany the notice of disciplinary action. If the accused Owner desires a hearing, a written request therefore shall be delivered to the Association no later than five days following the date when the fine is levied. The hearing shall be held no more than 15 days following the date of the disciplinary action or 15 days following receipt of the accused Owner's request for a hearing, whichever is later. Under such circumstances, any fine or other disciplinary action shall be held in abeyance and shall only become effective if affirmed at the hearing.

(e) Notices. Any notice required by this article shall, at a minimum, set forth the date and time for the hearing, a brief description of the action or inaction constituting the alleged violation of the Governing Documents and a reference to the specific Governing Document provision alleged to have been violated. The notice shall be in writing and may be given by any method reasonably calculated to give actual notice; provided, however, that if notice is given by mail it shall be sent by first-class or certified mail sent to the last address of the Owner shown on the records of the Association.

(f) Rules Regarding Disciplinary Proceedings. The Board, or a Covenants Committee appointed by the Board to conduct and administer disciplinary hearings and related proceedings pursuant to section 7, below, shall be entitled to adopt rules that further elaborate and refine the procedures for conducting disciplinary proceedings. Such rules, when approved and adopted by the Board, shall become a part of the Association Rules.

Section 7. Covenants Committee.

(a) Appointment of Committee. Acting pursuant to the Bylaws, the Board of Directors may establish a Covenants Committee to hear and decide cases involving alleged violations of the Governing Documents. If no committee is established, the Board shall perform this function.

(b) Jurisdiction and Hearing Procedures of the Committee. The Covenants Committee shall review written complaints from Owners, or the Architectural Review Committee (for violations other than those relating to specific Improvement projects within the jurisdiction of the Architectural Review Committee) regarding alleged violations of the Governing Documents or Association Rules, and, when determined appropriate, conduct hearings and make findings regarding the alleged violation(s). The Covenants Committee may levy penalties and/or fines (pursuant to a Board-approved fine schedule) in the event the allegations regarding such violations are found to be true. To perform the foregoing, the Covenants Committee shall adopt rules of procedure for enforcement hearings and shall conduct its hearings in accordance with such rules after they have been approved by the Board. Notwithstanding the foregoing, enforcement of specific violations of architectural requirements relating to Improvement projects submitted to, and reviewed by, the Architectural Review Committee shall remain the jurisdiction of the Committee pursuant to article V, section 13.

(c) Appeals. The decisions of the Covenants Committee, if established, shall be appealable to the Board of Directors within 10 calendar days following receipt of the committee's decision. The Board shall have the discretion to hear any appealed matter or decline to take the appeal and thus affirm the decision of the Covenants Committee. Any decision to decline an appeal shall be based on a reasonable determination from the record that the appeal lacks merit. Decisions of the Board shall be final. Procedures for appeal and the hearing of appeals shall be set forth in the Association Rules.

(d) Court Actions. Court actions to enforce the Governing Documents may only be initiated on behalf of the Association upon approval of the Board.

ARTICLE X**Subordination of Conditions, Covenants,****Reservations, Restrictions and Charges**

All of the conditions, covenants, reservations, restrictions, liens and charges set forth in this Declaration shall be subject to and subordinate to any recorded Mortgage or deed of trust in good faith and for value at any time executed covering any part of said property, and the breach of any such conditions, covenants, restrictions, reservations, liens or charges shall not defeat the lien of any such Mortgage or deed of trust, and in case of entry the title shall remain subject to such mortgage or deed of trust; provided, however, that the purchaser at any foreclosure sale under any such Mortgage or deed of trust and any trustee's sale under any such deed of trust, or the grantee under any deed in lieu of foreclosure,

his or its successors and assigns shall take and thereafter hold the title subject to all of the conditions, covenants, restrictions, reservations, liens and charges set forth in this Declaration.

ARTICLE XI

Notices

Section 1. Mailing Addresses. Any communication or notice of any kind permitted or required herein shall be in writing and may be served, as an alternative to personal service, by mailing the same as follows:

If to any owner:

To the street address of his or her Lot or to such other address as he or she may from time to time designate in writing to the Association.

If to the Association:

Bear Valley Residents, Incorporated, at the principal office of the Association (or to such other address as the Association may from time to time designate in writing to the Owners)

Section 2. Personal Service Upon Co-Owners and Others. Personal service of a notice or demand to one of the co-Owners of any Lot, to any general partner of a partnership which is the Owner of Record of the Lot, or to any officer or agent for service of process of a corporation which is the Owner of Record of the Lot, shall be deemed delivered to all such co-Owners, to such partnership, or to such corporation, as the case may be.

Section 3. Deposit in United States Mails. All notices and demands served by mail shall be by first-class or certified mail, with postage prepaid, and shall be deemed delivered four days after deposit in the United States mail in the County.

ARTICLE XII

No Public Rights in the Properties

Nothing contained in this Declaration shall be deemed to be gift or dedication of all or any portion of the Properties to the general public or for any public use or purpose whatsoever.

ARTICLE XIII

Amendment of Declaration

Section 1. Amendment in General. This Declaration may be amended or revoked in any respect by the vote or assent by written ballot of not less than a majority of the Owners of Lots within the Properties and a majority of the Owners of Lots improved by a Residence.

Section 2. Effective Date of Amendment. The amendment will be effective upon the Recording a Certificate of Amendment, duly executed and certified by the president and secretary of the Association, setting forth in full the amendment so approved and that the approval requirements of section 1 above have been duly met. Notwithstanding anything to the contrary herein contained, no such amendment shall affect the rights of the holder of any first deed of trust or Mortgage Recorded prior to the Recording of such amendment. If the consent or approval of any governmental authority, Mortgagee, or other entity is required under this Declaration to amend or revoke any provision of this Declaration, no such amendment or revocation shall become effective unless such consent or approval is obtained.

Section 3. Reliance on Amendments. Any amendments made in accordance with the terms of this Declaration shall be presumed valid by anyone relying on them in good faith.

ARTICLE XIV

Restrictions Applicable to Lot 6 of Tract 1

Section 1. Exemption From Specified Restrictions. Lot 6 of Tract 1 ("Lot 6") upon which the telephone company maintains a building shall not be subject to and is expressly excepted from the covenants, conditions, restrictions, reservations, easements, liens and/or servitudes contained in the following provisions of this Declaration: Article IV, section 1(a), article VI, sections 2, 3 and 4, and article VIII, section 1.

Section 2. Special Restrictions Applicable to Lot 6. The following conditions, covenants, restrictions, easements and liens are hereby declared to pertain to Lot 6 of Bear Valley Tract No. 1:

(a) Lot 6 shall not be used nor shall any portion of said Lot be used for any purpose other than public utility purposes for a public utility engaged in the telephone, telegraph or other communications public utility business.

(b) No buildings other than buildings approved as provided in section V of said Conditions and which are necessary for such public utility use shall be constructed or erected on Lot 6 nor shall any building constructed or erected on said property be used for any other purpose, and more particularly and without the intent of limiting the foregoing restriction, no flat, duplex, double house, apartment house, bungalow court or multiple family dwelling structure, no hotel, motel, public boarding or rooming house, shall be erected, operated, carried on, permitted, conducted or maintained on Lot 6 or any part thereof.

(c) Notwithstanding the provisions of article IV, section 10, subject to the provisions of article V of this Declaration, an aerial or antenna may be erected upon Lot 6 if the same is reasonably required in the

conduct of the public utility use permitted thereon.

(d) Notwithstanding the provisions of article V, section 1(b), a fence or wall enclosing the improvements constructed for public utility purposes on Lot 6 may be constructed subject to the provisions of article V of this Declaration if such fence or wall is deemed necessary to secure the property and its improvements from unauthorized access or vandalism.

(e) Article V, section 10(a) of this Declaration, as it pertains to Lot 6, is hereby amended as follows:

"Any agent or officer of the Association may at any reasonable time enter upon the unenclosed portion of said real property and inspect the exterior of any building or improvement under construction or on or in which such agent or officer may believe that a violation of the conditions, covenants, restrictions or reservations is occurring or has occurred."

(f) Lot 6 shall be subject to all easements and rights-of-way now of record.

ARTICLE XV

General Provisions

Section 1. Term. The covenants, conditions, restrictions, limitations, reservations, grants of easement, rights, rights-of-way, liens, charges and equitable servitudes contained in this Declaration shall run with, and shall benefit and burden the Lots and the Common Area as herein provided, and shall inure to the benefit of and be binding upon the Owners, the Association, its Board of Directors, and its officers and agents, and their respective successors in interest, until January 1, 2000, after which time the same shall be automatically extended for successive periods of 10 years each unless, within 6 months prior to the expiration of the initial 60-year term or any such 10-year extension period, a recordable written instrument, approved by Owners of at least a majority of the Lots and Owners of at least a majority of the Lots improved by a Residence terminating the effectiveness of this Declaration shall be Recorded. This Declaration is subject to amendment during its term, including any extension thereof, in accordance with Article X111 above.

Section 2. Annexation of Additional Property.

(a) **Membership Approval Required.** Additional real property may be annexed to the Properties and

brought within the general plan and scheme of this Declaration upon the approval by vote or written consent of Owners of 66 2/3 percent of the Lots included within the Properties. Upon obtaining the requisite approval pursuant to this section, the owner of any real property who desires to annex such property to the Properties and add it to the general plan and scheme of this Declaration and subject the property to the jurisdiction of the Association, shall Record a Declaration of Annexation as more particularly described in subsection (b) below.

(b) Declaration of Annexation. Any annexations of real property to the Properties authorized under subparagraph (a), above, shall be effected by Recording a Declaration of Annexation, or other similar instrument, with respect to the additional real property. The Declaration of Annexation: (i) shall be executed by the owner(s) of the subject property; (ii) shall extend the general plan and scheme of this Declaration to such real property; and (iii) may contain such additions to, and modifications of, the covenants, conditions and restrictions contained in this Declaration as may be necessary to reflect the different character, if any, of the added real property, so long as the supplemental restrictions are approved by the Association's Board of Directors and is otherwise consistent with the general plan and scheme of this Declaration and all applicable laws and governmental regulations. Any such supplemental declaration shall be distributed to all Owners at their principal residence address at least 60 days before any vote of the Owners is solicited pursuant to section 2(a) above. The supplemental declaration may set forth use restrictions and the design and building standards which shall apply to the annexed parcel in question or may give blanket approval for development of that parcel in accordance with specific architectural plans and drawings which are signed, dated and incorporated by reference in the supplemental declaration.

The filing of a Declaration of Annexation shall constitute and effectuate the annexation of the additional real property described therein, and thereupon that real property shall become and constitute a part of the Properties, and be subject to, and encompassed within, the general plan and scheme of this Declaration. The Owners of Lots within the annexed real property shall be entitled to become Members of the Association upon payment of dues and compliance with other requirements for membership, if any, imposed by the Association's Bylaws.

Section 3. Construction.

(a) Restrictions Construed Together. All of the covenants, conditions and restrictions of this Declaration shall be liberally construed together to promote and effectuate the fundamental concepts of the development of the Properties as set forth in the Recitals of this Declaration. Failure to enforce any provision hereof shall not constitute a waiver of the right to enforce that provision in a subsequent application or any other provision hereof.

(b) Restrictions Severable. Notwithstanding the provisions of subparagraph (a) above, the covenants, conditions and restrictions of this Declaration shall be deemed independent and severable, and the invalidity or partial invalidity of any provision or portion thereof shall not affect the validity or enforceability of any other provision.

(c) Singular Includes Plural. The singular shall include the plural and the plural the singular unless the context requires the contrary, and the masculine, feminine or neuter shall each include the masculine, feminine and neuter, as the context requires.

(d) Captions. All captions or titles used in this Declaration are intended solely for convenience of reference and shall not affect the interpretation or application of any of the substantive terms or provisions of this Declaration.

(e) Exhibits. All exhibits to which reference is made herein are attached hereto and are deemed to be incorporated herein by reference.

DATED: Feb 12, 1993

BEAR VALLEY RESIDENTS, INCORPORATED

By. _____ s/s David R. Morley_____

(President)

By. _____ s/s Dale Olson_____

(Secretary)

EXHIBIT A

Declarations Constituting the Original Declaration

1. Declaration of Covenants, Conditions and Restrictions for Bear Valley Tracts 1, 2, 3 and 4,
recorded on October 21, 1970, in Volume 13, pages 263 through 283, in the Official Records of Alpine County, California;

1a. First Amendment to Declaration of Covenants, Conditions and Restrictions for Bear Valley Tracts 1, 2, 3 and 4, recorded on January 19, 1971, in Volume 13, page 527, in the Official Records of Alpine County, California;

1b. Second Amendment to Declaration of Covenants,

Conditions and Restrictions for Bear Valley Tracts 1, 2, 3 and 4, recorded on September 20, 1971, in Volume 14, pages 335 through 337, in the Official Records of Alpine County, California;

1c. Third Amendment to Declaration of Covenants, Conditions and Restrictions for Bear Valley Tracts 1, 2, 3 and 4, recorded on October 13, 1971, in Volume 14, pages 408 through 410, in the Official Records of Alpine County, California;

2. Declaration of Covenants, Conditions and Restrictions for Bear Valley Tract 5 recorded on August 8, 1974, in CC&R's Book 21, Page 283 through 309, in the Official Records of Alpine County, California;

3. Declaration of Covenants, Conditions and Restrictions for Bear Valley Tract 6 recorded on January 3, 1983, in CC&R's Book 42, Page 623 through 639, in the Official Records of Alpine County, California;

4. Declaration of Covenants, Conditions and Restrictions for Bear Valley Tract 7 recorded on June 20, 1984, in CC&R's Book 47, Page 354 through 371, in the Official Records of Alpine County, California.

EXHIBIT B

Description of Properties Subject to This First Restated Declaration

The real property which is, and shall be, held and shall be conveyed, transferred and sold subject to the conditions, restrictions, covenants, reservations, easements, liens and charges with respect to the various portions thereof set forth in various sections and subdivisions of this Declaration is located in the County of Alpine, State of California, and is more particularly described as follows, to wit:

All of the lots, pieces or parcels of land designated by lot number on the following described certain maps:

TRACT NO. 1

That certain map entitled Bear Valley Tract No. 1, filed in the office of the County Recorder of the County of Alpine, State of California, on the 15 day of January, 1965 in Book of Maps, Map 16, Pages 1, 2, 3, 4, & 5.

TRACT NO. 2

That certain map entitled Bear Valley Tract No. 29 filed in the office of the County Recorder of the County of Alpine, State of California, on the 7 day of September, 1965 in Book of Maps, Map 17, Pages 1, 2, & 3.

TRACT NO. 3

That certain map entitled Bear Valley Tract No. 3, filed in the office of the County Recorder of the County of Alpine, State of California, on the 2 day of August, 1966 in Book of Maps, Map 20, Pages 1 & 2.

TRACT NO. 4

That certain map entitled Bear Valley Tract No. 4, filed in the office of the County Recorder of the County of Alpine, State of California, on the 7 day of August, 1967 in Book of Maps, Map 22, Pages 1 & 2.

TRACT NO. 5

That certain map entitled Bear Valley Tract No. 5, filed in the office of the County Recorder of the County of Alpine, State of California, on the 29th day of July, 1974 in Book of Maps, Map Book 1, Pages 1-3, Map 69.

TRACT NO. 6

That certain map entitled Bear Valley Tract No. 6, filed in the office of the County Recorder of the County of Alpine, State of California, on the 29th day of December, 1982 in Book of Maps, Map Book 1, Pages 1-2, Map 136.

TRACT NO. 7

That certain map entitled Bear Valley Tract No. 7 filed in the office of the County Recorder of the County of Alpine, State of California, on the 20th day of June, 1984 in Book of Maps, Map Book 2, Pages 36-37.

No property other than that described above shall be deemed subject to this Declaration, unless and until

specifically made subject thereto in accordance with article XV, section 2 of this Declaration.

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