

that such use shall not unreasonably interfere with the rights of enjoyment of the other Unit Owners as provided herein.

## ARTICLE IX

**RESIDENCE AND USE RESTRICTIONS**

Section 1. Residential Use; Rentals. No living element of any Residence shall be used for any purpose other than single-family residential purposes. No gainful occupation, profession, trade or other non-residential use shall be conducted within the Project or the Association Properties; provided, however, that nothing in this Declaration shall prevent the rental of a Condominium by the Unit Owner thereof for Residential purposes, subject to all the provisions of the Windwood Restrictions.

Section 2. Parking and Vehicular Restrictions. No trailer, motor home, truck, camper, or boat shall be kept or maintained anywhere on the Project or the Association Properties, including any street (public or private), in such a manner as to be visible from neighboring property. No vehicle or boat shall be constructed or repaired upon the Project or the Association Properties, including any street (public or private), in such a manner as to be visible from neighboring property. No inoperable vehicle shall be stored or allowed to remain on the Project or the Association Properties, including any street (public or private), in such a manner as to be visible from neighboring property. There must be space available in every two-car garage in the Project for the parking of at least two (2) automobiles, and there must be space available in every one-car garage in the Project for the parking of at least one (1) automobile. The garages shall be used for parking vehicles only and shall not be converted for storage, living, recreational or business purposes.

Section 3. Antennae. No exterior radio antenna, television antenna, or other antennae of any type shall be erected or maintained in the Project. A master antenna or cable television antenna or antennae may, but need not, be provided for use of all Unit Owners, and Grantor may grant easements for such purposes.

Section 4. Insurance Rates. Nothing shall be done or kept in the Project or on the Association Properties which will increase the rate of insurance on any property insured by the Association without the approval of the Board, nor shall anything be done or kept in the Project or on the Association Properties which would result in the cancellation of insurance on any property maintained by the Association or which would be in violation of any law.

Section 5. Further Subdivision. No Unit Owner shall further subdivide his Unit (physically or legally), without the prior written consent of a majority of the voting power of the Association and without first having complied with all applicable laws and regulations; provided, however, that this provision shall not be construed to limit the right of a Unit Owner to rent or lease all of his Unit by means of a written lease or rental agreement subject to the restrictions of this Declaration. With the exception of a lender in possession of a Condominium Unit following a default in a first Mortgage, a foreclosure proceeding or any deed or other arrangement in lieu of foreclosure, no Unit Owner shall be permitted to lease or rent his Unit for transient or hotel purposes.

The terms of any such lease or rental agreement shall be subject in all respects to the provisions of this Declaration and the By-Laws of the Association and any failure by the lessee of such Unit to comply with the terms of this Declaration or the By-Laws of the Association shall constitute a default under the lease or rental agreement. Notwithstanding the foregoing, no Condominium or Unit in the Project may be partitioned or subdivided without the prior written approval of the holder of any first Mortgage lien on such Unit; and this Section may not be amended without the prior written approval of at least seventy-five percent (75%) of the first Mortgagees of Condominiums in the Project.

Section 6. Signs. No sign, poster, billboard, advertising device or other display of any kind shall be displayed to the public view without the approval of the Architectural Committee, except such signs as may be used by Grantor in connection with the development of the Project and the Association Properties and sale of Condominiums and except such signs of customary and reasonable dimensions as prescribed by the Architectural Committee as may be displayed on or from a Condominium advertising the residence for sale. Any "for sale" or "for lease" signs not more than six (6) square feet shall not require Architectural Committee approval. Any sign stating that the Unit is for rent may be placed within a Unit but not upon any portion of the Common Areas or the Association Properties. The Board of Directors shall erect within the Common Areas a master directory of Units which are for lease or rent. Address, identification signs and mail boxes shall be maintained by the Board of Directors.

Section 7. View Obstructions. No vegetation or other obstruction shall be planted or maintained upon any balcony or patio in such location or of such height as to unreasonably obstruct the view from any other Residence in the vicinity thereof. In the event of a dispute between Unit Owners as to the obstruction of a view from a Residence, such dispute shall be submitted to the Architectural Committee, whose decision in such matters shall be binding. Any such obstruction shall, upon request of the Architectural Committee, be removed or otherwise altered to the satisfaction of the Architectural Committee, by the Unit Owner of the Residence upon which said obstruction is located. Any item or vegetation maintained upon any balcony or patio which item or vegetation is exposed to the view of any Unit Owner, shall be removed or otherwise altered to the satisfaction of the Architectural Committee, if such Committee determines that the maintenance of such item or vegetation in its then existing state is contrary to the purposes or provisions of this Declaration. The Architectural Committee shall ensure that the vegetation on the Common Areas maintained by the Association is cut frequently, so that the view of any Unit Owner is not unreasonably obstructed.

Section 8. Animal and Insect Restriction. No livestock, reptiles, insects, poultry or other animals of any kind shall be raised, bred or kept anywhere on the Project or the Association Properties, except domestic dogs, cats, fish, birds and other household pets may be kept within any Residence, provided that they are not kept, bred or maintained for commercial purposes or in unreasonable quantities or sizes. As used in this Declaration, "unreasonable quantities" shall ordinarily mean more than two (2)

dogs per Residence; provided, however, that the Architectural Committee may determine that a reasonable number in any instance may be more or less. The Architectural Committee shall have the right to prohibit maintenance of any animal which in its opinion constitutes a nuisance to any other Unit Owner. Animals belonging to Unit Owners, occupants or their licensees, tenants or invitees within the Project must be either kept within an enclosure, an enclosed patio or on a leash being held by a person capable of controlling the animal. Furthermore, any Unit Owner shall be absolutely liable to each and all remaining Unit Owners, their families, guests, tenants and invitees, for any unreasonable noise or damage to person or property caused by any animals brought or kept upon the Project or the Association Properties by a Unit Owner or by members of his family, his tenants or his guests; and it shall be the duty and responsibility of each such Unit Owner to clean up after such animals which have used any portion of the Common Areas or the Association Properties.

Section 9. Nuisances. No rubbish or debris of any kind shall be placed or permitted to accumulate anywhere upon the Project or the Association Properties, and no odor shall be permitted to arise therefrom so as to render the Project, the Association Properties or any portion thereof unsanitary, unsightly, offensive or detrimental to any other property in the vicinity thereof or to its occupants. No activity shall be permitted to exist or operate upon any portion of the Project or the Association Properties, so as to be offensive, hazardous or detrimental to any other property in the vicinity thereof or to its occupants, and the Board shall have the right to determine if any noise, odor or activity producing same constitutes a nuisance. Without limiting the generality of any of the foregoing provisions, no exterior speakers, horns, whistles, bells or other sound devices (other than security devices used exclusively for security purposes), noisy or smoky vehicles, large power equipment or large power tools, unlicensed offroad motor vehicles or other items which may unreasonably interfere with television or radio reception of any Unit Owner in the Project, shall be located, used or placed on any portion of the Project or the Association Properties, without the prior written approval of the Architectural Committee. Each Unit Owner shall be accountable to the Association and other Unit Owners for the conduct and behavior of children visiting his Unit and other family members or persons residing in or visiting his Unit; and any damage to the Common Areas, the Association Properties, or property of another Unit Owner, caused by such children or other family members, shall be repaired at the sole expense of the Unit Owner with whom said children or other Family members or Persons are residing or visiting.

Section 10. Inside and Outside Installations. No outside installation of any type, including but not limited to a television or radio pole, antenna or clothesline shall be constructed, erected or maintained on any Residence, or the Association Properties, excepting antennae installed by Grantor as a part of the initial construction of the Project and except as may be installed by, or with the prior consent of the Architectural Committee. No patio or balcony covers, wiring, or installation of air conditioning, water softeners, or other machines shall be installed on the

exterior of the buildings of the Project, or the Association Properties or be allowed to protrude through the walls or roof of the buildings, unless the prior written approval of the Architectural Committee is secured. Outdoor patio or lounge furniture, plants and barbecue equipment may be maintained pursuant to the Windwood Rules and Regulations. No basketball standards or fixed sports apparatus shall be attached to any Residence without the prior written approval of the Architectural Committee. Notwithstanding the specificity of the foregoing, no exterior addition, change or alteration to any Residence or the Association Properties shall be commenced without the prior written approval of the Architectural Committee. Nothing shall be done in any Unit or in, on or to the Common Areas or the Association Properties which will or may tend to impair the structural integrity of any building in the Project or which would structurally alter any such building except as otherwise expressly provided herein. There shall be no alteration, repair or replacement of wall coverings within Units which may diminish the effectiveness of the sound control engineering within the buildings in the Project. There shall be no destruction of any part of the Common Areas or the Association Properties, except by the Association in accordance with the Windwood Restrictions. No utility bearing or structural interior wall in any of the Improvements of the Project shall be pierced or otherwise altered in any way, without the prior approval of the Architectural Committee and a structural engineering analysis. No Unit Owner shall cause or permit any mechanic's lien to be filed against any portion of the Project or the Association Properties for labor or materials alleged to have been furnished or delivered to the Project, the Association Properties or any Condominium Unit for such Unit Owner. Any such Unit Owner shall immediately cause such lien to be discharged within five (5) days after notice to the Unit Owner from the Board; the Board may discharge the lien and charge the Unit Owner a Special Assessment for such cost of discharge after Notice and Hearing.

Section 11. Rubbish Removal. Trash, garbage, or other waste shall be disposed of only by depositing same into a designated trash container. No portion of the Project or the Association Properties shall be used for the storage of building materials, refuse or any other materials, other than in connection with approved construction. There shall be no exterior fires whatsoever except barbecue fires contained within receptacles therefor. The cost of trash collection and removal shall be borne by the Association and shall constitute a portion of the Common Expenses. No clothing, household fabrics or other unsightly articles shall be hung, dried or aired in any Residence or the Association Properties nor inside Residences in such a way as to be visible from other Residences. No lumber, grass, shrub or tree clippings or plant waste, metals, bulk materials or scrap or refuse or trash shall be kept, stored or allowed to accumulate in any Residence or the Association Properties except within an enclosed structure or appropriately screened from view.

Section 12. Drainage. There shall be no interference with the established drainage pattern over the Project, unless an adequate alternative provision is made for proper drainage and is first approved in writing by the Architectural Committee. For the purpose hereof, "established" drainage is defined as the drainage

which exists at the time the overall grading of the Project is completed by Grantor, or that which is shown on any plans approved by the Architectural Committee.

Section 13. Water Supply Systems. No individual water supply or water softener system shall be permitted in any Condominium Unit unless such system is designed, located, constructed and equipped in accordance with the requirements, standards, and recommendations of any applicable water district, the Orange County Health Department, and all other applicable governmental authorities. Any sewage disposal system shall be installed only after approval by the Architectural Committee and any governmental health authority having jurisdiction.

Section 14. Violation of Windwood Restrictions. There shall be no violation of the Windwood Restrictions, including without limitation the Windwood Rules and Regulations, once adopted by the Board. If any Member, his family, guest, or any licensee, lessee or invitee violates the Windwood Restrictions, the Board may impose a reasonable Special Assessment upon such Owner for each violation and may suspend or condition such Member's right to use the recreational facilities on the Common Areas and the Association Properties. Before invoking any such measure, the Board shall give such Member Notice and an opportunity for a formal Hearing, as further provided in the By-Laws. Any such suspension or conditional suspension shall be for a period of not more than thirty (30) days for any non-continuing infraction, but in the case of a continuing infraction (including nonpayment of any assessment after the same becomes delinquent), may be imposed for so long as the violation continues.

## ARTICLE X

### INSURANCE

Section 1. Duty to Obtain Insurance; Types. The Board shall obtain and continue in effect adequate blanket public liability insurance (including medical payments), with such limits as may be considered acceptable to the Federal National Mortgage Association (not less than \$1 million covering all claims for personal injury and property damage arising out of a single occurrence), insuring against liability for bodily injury, death and property damage arising from the activities of the Association and its Members, with respect to the Common Areas, the Association Properties and any other property under its jurisdiction. The Board shall also obtain and continue in effect fire and casualty insurance with extended coverage in an amount as near as possible to the full replacement value of the Common Areas (including, without limitation, all Improvements, built-in appliances, cabinets and initial basic floor coverings, all as provided in the plans and specifications for the Project) and the Association Properties, without deduction for depreciation. Such insurance shall be maintained by the Board of Directors for the benefit of the Association, the Unit Owners, and the Mortgagees, as their interests may appear as named insureds, subject, however, to loss payment requirements as set forth herein. The Board of Directors shall purchase such other insurance, as necessary, including but not limited to, errors and omissions, plate glass insurance, medical payments, malicious