

THIRD AMENDMENT OF DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS OF PARK RIVER OAK ESTATES HOMEOWNERS ASSOCIATION

This Third Amendment of Declaration of Covenants, Conditions and Restrictions of Park River Oak Estates Homeowners Association (“Declaration”) is made on the date indicated below by Park River Oak Estates, a California nonprofit mutual benefit corporation (“Association”) with reference to the facts set forth in the “Recitals” below.

RECITALS

A. The Association is vested with the responsibility for the management and control of that certain real property in the County of Sacramento, State of California described as follows:

Lots 1 through 10, inclusive, Lots 11 through 14, inclusive, Lots 15 through 22, inclusive, Lots 23 through 28, inclusive, Lots 29 through 41, inclusive, Lots 43 through 47 inclusive, Lots 49 through 66, inclusive, Lots 67 through 70, inclusive, Lots 71 through 74 inclusive, Lots 75 through 78, inclusive, Lots 79 through 82 inclusive and Common Area Lots A, B, C, D, E, F, and G, as shown on the Map entitled “Park River Oaks Estates”, filed for record February 24, 1995, in Book 236 of Maps, Page 9, Sacramento County Records.

Hereinafter referred to as the “Property.”

B. The membership of the Association consists of the individual Owners of the Property.

C. The Property is subject to the Covenants, Conditions and Restrictions contained in that certain Declaration of Covenants, Conditions and Restrictions, recorded August 7, 1995 as File/Page No. 199508070845, the First Amendment to the Declaration for Park River Oak Estates a Townhouse Project, recorded June 18, 2004 as File/Page No. 200440618 and the Second Amendment of Declaration of Covenants Conditions and Restrictions for Park River Oak Estates Homeowners Association recorded May 27, 2020 as File/Page No. 202005270931 (“Declaration”).

D. The Association, through its Board of Directors, desires to amend the Declaration as set forth below.

E. Association has the power and authority to execute and record this Second Amendment pursuant to the requirement set forth in Civil Code Section 4741(f), which requires all common interest developments to comply with the prohibition on rental restrictions specified in Civil Code Section 4741 on and after January 1, 2021 and to amend their governing documents to conform to the requirements of Civil Code Section 4741 no later than December 31, 2021.

AMENDMENT

Article II, Paragraph [2.3], Section 3 (a) of the Declaration for Park River Oak Estates recorded August 7, 1995 is amended as follows:

Delegation of Use and Leasing of Townhouses. Any Owner may delegate the Owner's rights to use and enjoy the Common Area 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 Townhouse, provided that any rental or lease may only be to a single family for single family residential use and for a term not less than thirty (30) days. During any period when a Townhouse has been rented or leased, the Owner-lessor, his or her family, guests and invitees shall not be entitled to use and enjoy the Common Areas or Common Facilities of the Properties (other than roads), except to the extent reasonably necessary to perform the Owner's responsibilities as a lessor of the Townhouse, provided that this restriction shall not apply to an Owner-lessor who is contemporaneously residing in another Townhouse within the Properties.

Any rental or lease of a Townhouse 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 provide any tenant or lessee with a current copy of all Governing Documents and shall be responsible for compliance by the Owner's tenant or lessee with all of the provisions of the Governing Documents during the lessee's occupancy and use of the Townhouse.

Article II, Paragraph [2.3], Section 3 of the Second Amendment of Declaration of Covenants Conditions and Restrictions of Park River Oak Estates Homeowners Association recorded on May 27, 2020 is amended as follows:

[2.3] Section 3.

(g) Limit on the Number of Townhouses that Can be Rented or Leased.

No more than twenty-five percent (25%) of the Townhouses in the Association may be leased to tenants at any given time. Notwithstanding the foregoing, the Board of Directors, at its discretion, may from time to time for good cause (e.g., temporary work related transfers, temporary hospitalization, etc.) allow additional Townhouses to be temporarily

rented or leased, with the time period being determined by the Board. Any such action by the Board shall be in response to an Owner's written request as set forth in [2.3] Section 3(m) of the Second Amendment of Declaration of Covenants Conditions and Restrictions of Park River Oak Estates Homeowners Association recorded on May 27, 2020.

(h) Total Number of Townhouses Eligible for Lease and Exceptions for Inheritance.

If, at the time this amended Declaration is recorded, less than twenty five percent (25%) of the Townhouses in the Association are rented and/or leased, additional Townhouses may be rented and/or leased until the total number of rented and/or leased Townhouses has reached twenty five percent (25%). An exception shall be made for Townhouses acquired through inheritance, at any time. When a Townhouse is acquired through inheritance, the new Owner may rent or lease the Townhouse, after satisfying the requirements of [2.3] Section 3(i) of the Second Amendment of Declaration of Covenants Conditions and Restrictions of Park River Oak Estates Homeowners Association recorded on May 27, 2020. The inherited Townhouse then becomes part of the total number of currently rented and/or leased Townhouses in the Association.

(k) Rental List.

Townhouses shall be added to the bottom of the list of rented or leased Townhouses ("Rental List") on a first-come, first-served basis. When no more than twenty five percent (25%) of the Townhouses in the Association are rented and/or leased, the Owner of the first Townhouse set forth on the Rental List may elect to designate his/her Townhouse as a "Rental Unit" and proceed to rent or lease the Townhouse, after satisfying the requirements of [2.3] Section 3(i) of the Second Amendment of Declaration of Covenants Conditions and Restrictions of Park River Oak Estates Homeowners Association recorded on May 27, 2020. If the Owner of the first Townhouse on the Rental List does not elect to designate his/her Townhouse as a rental, that Owner will be placed at the bottom of the Rental List and the second Owner on the Rental List may then elect to designate his/her Townhouse as a rental and proceed to rent or lease the Townhouse, after satisfying the requirements of [2.3] Section 3(i) of the Second Amendment of Declaration of Covenants Conditions and Restrictions of Park River Oak Estates Homeowners Association recorded on May 27, 2020. The Rental List is maintained by the Board of Directors. If a Townhouse on the Rental List is approved, all remaining Townhouses will advance in priority.

(l) No Leasing or Rental of Townhouses During Initial Twelve (12) Months of Ownership.

This Section is deleted in its entirety.

(n) Exemption.

The rental/lease cap change required by Civil Code Sections 4740 and 4741 is not deemed to establish a new “effective date” under Civil Code Section 4740(a) and/or 4741(h). Therefore, Owners who held title to their Townhouses prior to May 27, 2020, the date the Second Amendment of Declaration of Covenants Conditions and Restrictions of Park River Oak Estates Homeowners Association was recorded, are not subject to the rental limitation stated in sub-section (g) above. Upon sale or transfer of the Townhouses owned by such Owners, this exemption will no longer apply.

Article II, Paragraph [2.4] Section 4(a) of the Declaration for Park River Oak Estates recorded August 7, 1995 is amended as follows:

[2.4] Section 4. Obligations of Owners. Owners of Lots within the Properties shall be subject to the following:

- (a) Owner’s Duty to Notify Association of Tenants and Contract Purchasers. Each Owner shall notify the secretary of the Association or the Association’s property manager, if any, of the names of all persons to whom such Owner, contract purchaser or tenant has delegated any rights to use and enjoy the Properties and the relationship that each such person bears to the Owner, contract purchaser or tenant. Each Owner shall provide the Association’s secretary or property manager with (a) a fully-executed copy of the rental or lease agreement with all addenda, and any amendments or renewals or extensions of the lease, and (b) of the names of any contract purchaser or tenant of the Owner’s Townhouse and other information such as telephone number of the tenants and contract purchasers for contact and identification of resident vehicles, on a form provided by the Association that further certifies that the Townhouse has been leased for a minimum of thirty (30) days to said tenants. This information and the lease shall be provided to the Association at least seven (7) days prior to the tenant taking possession of the Townhouse. The Board of Directors shall have the right to adopt rules and regulations imposing fines or other enforcement action for failure to comply with the rental and leasing requirements of this Declaration.

Except as expressly amended herein, the remaining portions of the Declaration, First Amendment thereto and Second Amendment thereto shall remain in full force and effect.

IN WITNESS WHEREOF, the undersigned President and Secretary of Park River Oak Estates Homeowners Association, do hereby certify and attest that this Third Amendment was duly enacted by the Board of Directors of the Association in accordance with the requirements set forth in Civil Code Sections 4740 and 4741.