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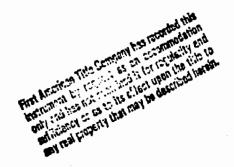
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PRANK K. JOHNSON County Recorder RIVERSIDE COUNTY, CALIFORI

### AMENDED, RESTATED AND SUPERSEDING DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS

FOR

CALIFORNIA TRADEWINDS PLANNED UNIT DEVELOPMENT



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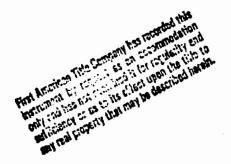
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PRANK K. JOHNSON County Recorder RIVERSIDE COUNTY, CALIFORI

## AMENDED, RESTATED AND SUPERSEDING DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS

**FOR** 

CALIFORNIA TRADEWINDS PLANNED UNIT DEVELOPMENT



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Exhibit "A":

Legal Description
On-Site Common Maintenance Area Exhibit "B":

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Off-Site Common Maintenance Area

Exhibit "E": Walls and Fences

#### SUBORDINATION AGREEMENT

# AMENDED, RESTATED AND SUPERSEDING DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS

THIS AMENDED, RESTATED AND SUPERSEDING DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS ("Declaration") is made as of October 31, 1994, by KAUFMAN AND BROAD OF SAN DIEGO, INC., a California corporation ("Declarant"), with reference to the following

#### RECITALS:

- 1. Declarant made the Declaration of Covenants, Conditions and Restrictions for California Tradewinds which was recorded with the Office of the County Recorder of Riverside County, California, on August 22, 1994 as Document No. 327125 ("Original Declaration").
- 2. The Original Declaration covered the real property located in the City of Temecula, County of Riverside, California, described as:

Lots 7 through 25, inclusive, and Lots 30 through 38, inclusive, of TRACT NO. 23125-1 as shown on Map filed in Book 246 at Pages 81-85 of Maps in the Official Records of Riverside County, California ("Phase 1").

- 3. Declarant is the owner of all of the real property described as Phase 1 and of all of the real property which may be annexed to the Original Declaration.
- 4. Declarant wishes to amend and supersede in its entirety the Original Declaration to provide as set forth in this Declaration.

NOW, THEREFORE, the Original Declaration is amended and is superseded in its entirety to provide as set forth in this Amended, Restated and Superseding Declaration of Covenants, Conditions and Restrictions.

A. Declarant is the owner of the real property located in the City of Temecula, County of Riverside, California, described on Exhibit "A" attached to this Declaration ("Properties"). The Properties have been or will be subdivided as follows:

Lots 1 through 27, inclusive, of TRACT NO. 23125 as shown on Map filed in Book of Maps in the Official Records of Riverside County, California;

Lots 1 through 44, inclusive, of TRACT NO. 23125-1 as shown on Map filed in Book 246 at Pages 81-85 of Maps in the Official Records of Riverside County, California;

Lots 1 through 71, inclusive, of TRACT NO. 23125-2 as shown on Map filed in Book of Maps in the Official Records of Riverside County, California; and

Lots I through 81, inclusive, of TRACT NO. 23125-3 as shown on Map filed in Book of Maps in the Official Records of Riverside County, California.

B. It is planned to develop the Properties as a Common Interest Development described in §1351(k) of the California CIVIL CODE as a "Planned Development" consisting of single-family detached homes, together with common areas as described in this Declaration. The development will be consistent with the overall development plan submitted to and approved by the City of Temecula, California or the United States Department of Veterans Affairs. The Planned Development is planned to be constructed in phases as follows:

Phase	Residential Lots	Common Area	Number of Residential Lots
1	7-25; 30-38 (Tract No. 23125-1)		28
2	34-61 (Tract No. 23125-2)	44 (Tract No. 23125-1)	28
3	26-28 (Tract No. 23125-1); 7-29 (Tract No. 23125-2)		26
4	1-5 (Tract No. 23125); 1-6; 30-33; 62-71 (Tract No. 23125-2)		<b>25</b>
5	6-26 (Tract No. 23125)		21
6	1-4; 52-76 (Tract No. 23125-3)		29
7	5-23; 39-51 (Tract No. 23125-3)		32
8	1-6; 39-42 (Tract No. 23125-1); 24-37 (Tract No. 23125-3)	77, 78, 79, 80 (Tract No. 23125-3) 43 (Tract No. 23125-1)	24
9	27 (Tract No. 23125) 29		3
· ·.	(Tract No. 23125-1) 38 (Tract No. 23125-3)		
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The Common Area Lots are planned to be improved as natural and landscaped open space (Common Area Lots 43 and 44 of TRACT NO. 23125-1 and Lots 77, 78 and 79 of TRACT NO. 23125-3) and as a Riparian Enhancement Area (Common Area Lot 80 of TRACT NO. 23125-3). There is no guarantee that all phases will be completed or that the phasing will be as set forth above;

Declarant reserves the right during the development of the Properties to change the design, size, type and price of the homes to be built on the Properties and the construction and land development phasing of the development of the Properties. An easement for maintenance purposes has been or will be offered to the City of Temecula over Lot 43 of TRACT NO. 23125-1 and Lot 77 of TRACT NO. 23125-3. It is expected that the City of Temecula will accept the offer and will maintain those Lots; however, fee title to both of those Lots will be owned by the Association and be a part of the Properties. Lot 81 of TRACT NO. 23125-3 has been or will be offered for dedication as a public park to the City of Temecula on the Final Map (as defined in the California Subdivision Map Act) for TRACT NO. 23125-3, and the offer of dedication has been or will be accepted by the City. As a result, Lot 81 of TRACT NO. 23125-3 will be owned by the City of Temecula and will not be part of the Properties.

- C. The owners of residential lots will be members of CALIFORNIA TRADEWINDS HOMEOWNERS ASSOCIATION, a California nonprofit mutual benefit corporation ("Association"). The Association will own and maintain the Common Area Lots ("Common Area"). The Association will also maintain portions of some residential lots and certain property adjacent to the Properties ("Common Maintenance Area").
- D. Before selling any of the residential lots, Declarant wishes to impose on each the following plan of covenants, conditions and restrictions.

NOW, THEREFORE, Declarant hereby certifies and declares and does hereby establish the following general plan for the protection and benefit of Phase 1 described above and has fixed and does hereby fix the following protective covenants, conditions and restrictions upon each and every ownership interest in the real property described as Phase 1 above and, upon annexation, each subsequent Phase, under which covenants, conditions and restrictions each ownership interest shall be held, used, occupied, leased, sold, encumbered, conveyed and/or transferred. Each and all of the covenants, conditions and restrictions are for the purpose of protecting the value and desirability of and shall inure to the benefit of all of the real property described as Phase 1 above and, upon annexation, each subsequent Phase, and shall run with and be binding upon and pass with the real property and each and every ownership interest therein and shall inure to the benefit of, apply to and bind the respective successors in title or interest of Declarant.

#### ARTICLE I

#### **DEFINITIONS**

- 1.1 "Articles" The Articles of Incorporation of the Association.
- 1.2 "Association" CALIFORNIA TRADEWINDS HOMEOWNERS ASSOCIATION, a California Nonprofit Mutual Benefit Corporation.
  - 1.3 "Board" The Board of Directors of the Association.
  - 1.4 "Bylaws" The Bylaws of the Association.

- 1.5 "City" The City of Temecula, California, a municipal corporation.
- 1.6 "Common Area" All real property owned in fee by the Association.
- 1.7 "Common Maintenance Area" Those portions of Lots and property adjacent to the Properties, the maintenance of which is the responsibility of the Association as provided in the Declaration.
- 1.8 "Declarant" KAUFMAN AND BROAD OF SAN DIEGO, INC., a California corporation, its successors and assigns, if such successor or assign should acquire more than five (5) Lots for the purpose of development, and the rights of "Declarant" are assigned to them.
  - 1.9 "Declaration" This Declaration of Covenants, Conditions and Restrictions.
  - 1.10 "FHA" The Federal Housing Administration.
- 1.11 "Lot" Any plot of land shown as a separate lot or parcel upon any recorded Final Map or Parcel Map of any portion of the Properties, with the exception of the Common Area.
- 1.12 "Member" An Owner who is entitled to membership in the Association as provided in the Declaration.
  - 1.13 "Mortgage" A Deed of Trust as well as a mortgage encumbering a Lot.
- 1.14 "Mortgagee" The beneficiary of a Deed of Trust as well as the mortgagee of a Mortgage.
- 1.15 "Owner" The record owners, whether one or more persons or entities, of fee simple title to any Lot, including contract sellers, but excluding those having such interests merely as security for the performance of an obligation.
- 1.16 "Properties" The real property described in Recital A above, and such additional real property as may hereafter be brought within the jurisdiction of the Association.
  - 1.17 "VA" The United States Department of Veterans Affairs.

#### ARTICLE II

#### PROPERTY RIGHTS IN COMMON AREA

2.1 <u>Title to Common Area.</u> Declarant will convey fee simple title to the Common Area in each phase of the development of the Properties to the Association prior to the first conveyance of a Lot in that phase to an Owner other than Declarant, free and clear of all monetary encumbrances and liens, except real property taxes which may be due but are not delinquent, and easements, covenants, conditions, reservations and other exceptions to title then of record, including those set forth in the Final Map or Parcel Map of which the Common Area is a part and in the Declaration.

2.2 Owners' Easements of Enjoyment. Every Owner shall have a right and easement of ingress, egress and of enjoyment in and to the Common Area which shall be appurtenant to and shall pass with the title to the Owner's Lot, subject to the following provisions:

- (a) The right of the Association to suspend the voting rights and right to use of the Common Area by an Owner for any period during which any Association assessment against his Lot remains unpaid; and for a period not to exceed thirty (30) days for any infraction of the published rules and regulations of the Association. No suspension shall be effective unless the Owner has been given fifteen (15) days' prior notice of the suspension and the reasons therefor and the Owner has been given an opportunity to be heard by the Board, orally or in writing, not fewer than five (5) days prior to the effective date of the suspension. Notice may be given to the Owner by any method reasonably calculated to provide actual notice, but if given by mail must be given by first-class or registered mail sent to the last address of the Owner shown on the records of the Association.
- (b) The right of the Board to dedicate or transfer all or any part of the Common Area to any public agency, authority or utility for such purposes and subject to such conditions as may be agreed to by the Board. No dedication or transfer of all or substantially all of the assets of the Association shall be effective unless approved in accordance with the California Corporations Code.
- (c) The right of the Board, in accordance with the Articles and Bylaws, to borrow money for the purpose of improving the Common Area and, with the assent of two-thirds (2/3) of each class of Members, hypothecate the Common Area.
- (d) The right of access, ingress and egress of Owners over the Common Area and the right of installation and use of utilities on the Common Area for the benefit of Lots, subject to rules and regulations adopted by the Board.
- (e) The right of the Board to grant maintenance, access and utility easements over the Common Area to others and to convey portions of the Common Area to others.
- (f) The right of the Board to adopt rules and regulations relating to the use of the Common Area and the governance of the Properties.
- (g) Subject to the obligation to restore and repair any damage, Declarant and its sales agents, employees and independent contractors shall have:
  - (i) A non-exclusive easement over the Common Area for the purpose of making repairs to the Common Area, and for the purpose of access for constructing, marketing and maintaining the project, including all phases of development of the Properties; and
  - (ii) The right to the non-exclusive use of the Common Area for the purpose of maintaining signs reasonably necessary to market the Lots to the public for a period of not more than five (5) years after conveyance of all of the Common Area to the Association, or the sale of all Lots within the Properties to home purchasers, whichever is first to occur. The use of the Common Area by Declarant and its agents

shall not unreasonably interfere with the use of the Common Area by the Class A Members of the Association.

2.3 Delegation of Use. Any Owner may delegate, in accordance with the Bylaws, his rights with respect to use of the Common Area to the members of his family, his tenants or contract purchasers who reside on his Lot. However, the Common Area is intended to be maintained as open space without any active recreational facilities, and access to the Common Area by Owners will be limited.

#### ARTICLE III

#### MEMBERSHIP AND VOTING RIGHTS IN ASSOCIATION

- 3.1 <u>Membership</u>. Every Owner of a Lot which is subject to assessment by the Association shall be a Member of the Association. Membership is appurtenant to and may not be separated from ownership of a Lot.
  - 3.2 Voting Rights. The Association shall have two (2) classes of voting membership:
  - Class A. Class A Members shall be all Owners, with the exception of Declarant, and shall be entitled to one (1) vote for each Lot owned. When more than one (1) person holds an interest in any Lot, all such persons shall be Members. The vote for the Lot shall be exercised as the Owners among themselves determine, but in no event shall more than one (1) vote be cast with respect to any Lot.
  - Class B. Class B Member(s) shall be Declarant and shall be entitled to three (3) votes for each Lot owned. The Class B membership shall cease and be converted to Class A membership on the happening of the earlier of the following to occur:
    - (i) two (2) years following the first conveyance of a Lot pursuant to the most recently issued original Final Subdivision Public Report for a phase of development of the Properties; or
    - (ii) four (4) years following the date of the first conveyance of a Lot pursuant to the original Final Subdivision Public Report for Phase 1 of the development of the Properties.

Voting rights shall not commence with respect to a Lot until regular assessments by the Association have commenced as to the Lot.

#### ARTICLE IV

# COVENANT FOR MAINTENANCE ASSESSMENTS TO ASSOCIATION

4.1 <u>Creation of Lien and Personal Obligation for Assessments.</u> Declarant, for each Lot owned, covenants, and each Owner of a Lot by acceptance of a deed to a Lot, whether or not it shall be so expressed in the deed, is deemed to covenant to pay to the Association: (a) regular

assessments or charges which shall include an adequate reserve fund for the periodic maintenance, repair and replacement of the Common Area and Common Maintenance Area; and (b) special assessments. The regular and special assessments, together with interest, late charges, costs and reasonable attorney's fees, shall (except as otherwise provided in Section 4.4 below) be a charge on the land and shall be a continuing lien upon the Lot against which the assessment is made. The lien shall be effective upon recordation of a notice of delinquent assessment. Each assessment, together with interest, late charges, costs and reasonable attorney's fees, shall also be the personal obligation of the person who was the Owner of the Lot at the time the assessment is due.

- 4.2 Purpose of Assessments. The assessments levied by the Association shall be used exclusively to promote the recreation, health, safety and welfare of the residents of the Properties. for the improvement and maintenance of the Common Area and Common Maintenance Area, and to reimburse the Association for the costs incurred in bringing an Owner into compliance with the Articles, Bylaws, Declaration and rules and regulations adopted by the Board. The regular assessment is the assessment determined annually by the Board to meet the expenses of the Association, including the establishment of reserve accounts, for the next fiscal year based upon the annual budget adopted by the Board pursuant to the Bylaws. A special assessment is an assessment the Board, in its discretion, determines necessary if the Association's available funds are or will become inadequate to meet the estimated expenses of the Association for the fiscal year. The Board may levy the entire special assessment immediately or levy it in installments over a period the Board determines appropriate. In addition, a special assessment against a particular Owner only may be levied by the Board as set forth in Section 4.4 of the Declaration. The Board shall provide notice by first-class mail to each Owner of any increase in the regular assessment or of any special assessment not fewer than thirty (30) nor more then sixty (60) days prior to the increased assessment becoming due.
- 4.3 Limitation on Regular and Special Assessments. The Board shall levy regular and special assessments sufficient to perform the obligations of the Association as provided in the Declaration and Bylaws; provided, however, except for assessment increases necessary for emergency situations, and except for special assessments imposed to restore funds to the Association reserve account pursuant to California CIVIL CODE §1365.5(c):
  - (a) the Board may not increase the regular assessments for any fiscal year unless the Board has complied with the provisions of California CIVIL CODE §1365.5 (preparation and distribution of the budget), and
  - (b) the Board may not impose a regular assessment that is more than twenty percent (20%) greater than the regular assessment for the Association's preceding fiscal year nor special assessments which in the aggregate exceed five percent (5%) of the budgeted gross expense of the Association for the fiscal year,

without the approval of Owners casting a majority of the votes at a meeting or election of the Association conducted in accordance with Chapter 5 (commencing with §7510) of Part 3 of Division 2 of Title 1 of the California Corporations Code and §7613 of the California Corporations Code at which a quorum was present or participated. For purposes of this Section 4.3, "quorum" means more than fifty percent (50%) of the Owners. An emergency situation is any one of the following:

- (1) An extraordinary expense required by an order of a court;
- (2) An extraordinary expense necessary to repair or maintain the project or any part of it for which the Association is responsible where a threat to personal safety in the Project is discovered;
- (3) An extraordinary expense necessary to repair or maintain the project or any part of it for which the Association is responsible that could not have been reasonably foreseen by the Board in preparing and distributing the pro forma operating budget under CIVIL CODE §1365. However, prior to the imposition or collection of an assessment under this Subsection, the Board shall pass a resolution containing written findings as to the necessity of the extraordinary expense involved and why the expense was not or could not have been reasonably foreseen in the budgeting process, and the resolution shall be distributed to the Members with the notice of assessment; or
- (4) An extraordinary expense in making the first payment of the earthquake insurance surcharge pursuant to §5003 of the California INSURANCE CODE.

The term "regular assessment for the Association's preceding fiscal year" as used in this Section 4.3 is deemed to be the regular assessment which would have existed in the absence of any subsidy of assessments agreed to be paid by Declarant. Anything in this Section 4.3 to the contrary notwith-standing, the limitation on regular and special assessments shall comply with the laws of the State of California at the time the regular or special assessment is levied by the Association.

- 4.4 <u>Individual Special Assessments</u>. The Association may also impose a special assessment against a Member to reimburse the Association for costs incurred in bringing a Member or his Lot into compliance with the provisions of the Declaration, the Articles, the Bylaws and the Association rules and regulations, which assessment may be imposed upon the vote of the Board after notice and an opportunity for a hearing which satisfy the requirements of §7341 of the California Corporations Code; provided, however, that except to the extent the special assessment is to reimburse the Association for the cost of collecting assessments, a special assessment levied pursuant to this Section 4.4 shall not constitute a lien on the Owner's Lot.
- 4.5 <u>Uniform Rate of Assessment</u>. Both regular and special assessments (other than a special assessment levied against an Owner to bring the Owner or his Lot into compliance with the Declaration, Articles, Bylaws or rules and regulations of the Board) shall be fixed at a uniform rate for all Lots and may be collected on a monthly or other periodic basis as determined by the Board.
- 4.6 Date of Commencement of Regular Assessments; Due Dates. Regular assessments shall commence as to all Lots in Phase 1 on the first day of the month following the first conveyance of a Lot in Phase 1 to an Owner other than Declarant. The regular assessments shall commence as to all Lots in each subsequent phase of the development of the Properties on the first day of the month following the first conveyance of a Lot to an Owner other than Declarant in the subsequent phase. The Board shall fix the amount of the regular assessment against each Lot at least thirty (30) days in advance of each regular assessment period. Written notice of the regular assessment shall be sent to every Owner. The due dates for payment of assessments shall be established by the Board and may be billed monthly or on such other periodic basis as the Board may determine.

4.7 Effect of Non-Payment of Assessments; Remedies of Association. Any assessment made in accordance with the Declaration shall be a debt of the Owner of a Lot at the time the assessment is due. Any assessment not paid within thirty (30) days after the due date shall bear interest from thirty (30) days following the due date at the rate of twelve percent (12%) per annum. The Association may bring an action at law against the Owner personally obligated to pay the assessment and, in addition thereto or in lieu thereof, may foreclose the lien against the Lot.

Any assessment not paid within fifteen (15) days after the due date shall be delinquent. Except as otherwise provided in Section 4.4 above, the amount of any delinquent assessment plus costs of collection, late charges, penalties, interest and attorney's fees, shall be and become a lien upon the Lot when the Association causes to be recorded with the County Recorder of Riverside County, California, a Notice of Delinquent Assessment. The Notice of Delinquent Assessment shall state the amount of the delinquent assessment and the other charges as may be authorized by the Declaration, a description of the Lot against which the assessment has been made, the name of the record owner of the Lot and, in order for the lien to be foreclosed by non-judicial foreclosure, the name and address of the trustee authorized by the Association to enforce the lien by sale. The Notice of Delinquent Assessment shall be signed by the person designated by the Association for that purpose or, if no one is designated, by the President of the Association. Upon payment of the delinquent assessment and charges in connection with which the Notice of Delinquent Assessment has been recorded, or other satisfaction thereof, the Association shall cause to be recorded a further notice stating the satisfaction and the release of the assessment lien.

The assessment lien may be enforced by sale by the Association after failure of the Owner to pay the assessment. The sale shall be conducted in accordance with the provisions of §2924, §2924b and §2924c of the California CIVIL CODE applicable to the exercise of powers of sale in mortgages or in any other manner permitted by law. The Association shall have the power to purchase the Lot at the foreclosure sale and to hold, lease, mortgage and convey the Lot. Suit to recover a money judgment for unpaid assessments, rent and attorney's fees shall be maintainable without foreclosing or waiving the lien securing the assessment.

- 4.8 Subordination of the Lien to First Mortgages. The assessment lien shall be subordinate to the lien of any first Mortgage, and the sale or transfer of any Lot pursuant to judicial or non-judicial foreclosure of a first Mortgage shall extinguish the lien of the assessment as to payments which became due prior to the sale or transfer. No sale or transfer shall relieve the Lot from lien rights for any assessments thereafter becoming due. When the Mortgagee of a first Mortgage or other purchaser of a Lot obtains title to the Lot as a result of foreclosure, the acquirer of title, his successors and assigns, shall not be liable for the share of the common expenses or assessments by the Association chargeable to the Lot which was due prior to the acquisition of title to the Lot by such acquirer, except for a share of the charges or assessments resulting from a re-allocation of the charges or assessments which are made against all Lots.
- 4.9 Estoppel Certificate. The Association shall furnish or cause an appropriate officer to furnish, upon demand by any person, a certificate signed by an officer of the Association setting forth whether the assessments on a specified Lot have been paid. A properly executed certificate of the Association as to the status of assessments on a Lot is binding upon the Association as of the date of its issuance.

- 4.10 <u>Personal Liability of Owner</u>. No Member may exempt himself from personal liability for assessments levied by the Association, nor release the Lot owned by him from the liens and charges for assessments by waiver of the use and enjoyment of the Common Area or by abandonment of his Lot.
- 4.11 Exempt Property. All properties dedicated to and accepted by a local public authority, and all properties owned by a charitable nonprofit organization exempt from taxation by the laws of the State of California, shall be exempt from assessment by the Association. However, no land or improvements devoted to dwelling use shall be exempt from assessments by the Association.
- 4.12 <u>Capitalization of Association</u>. Upon acquisition of record title to a Lot from Declarant, each Owner who purchases a Lot from Declarant shall contribute to the capital of the Association an amount equal to two (2) months of the then regular assessment for the Lot determined without regard to any assessment subsidy which is being paid by Declarant. The capital contribution shall be deposited by the buyer into the purchase and sale escrow and disbursed from the escrow to the Association. Amounts paid pursuant to this Section 4.12 shall not be considered as advance payments of assessments and are in addition to and not in lieu of regular and special assessments of the Association.

#### ARTICLE V

#### **GOVERNMENTAL REGULATIONS**

- 5.1 Approvals and Permits. The Properties and its use are subject to the jurisdiction of the City, and the ordinances, regulations and permits issued by the City and other governmental authorities, including:
  - (a) Conditions to Approval of Vesting Tentative Map No. 23125; and
  - (b) California Department of Fish & Game Streambed Alteration Agreement No. 5-046-93.
  - 5.2 <u>Enforcement by City</u>. The City is not responsible for the enforcement of, and shall have no obligation to enforce, the provisions of the Declaration or the rules or regulations adopted by the Board.

#### ARTICLE VI

#### ARCHITECTURAL CONTROL

Architectural Committee. No construction, development, alteration, grading, landscaping, addition, excavation, modification, decoration, painting or reconstruction of the visible exterior of any improvement, including a residence, patio cover or fence, on any Lot shall be commenced or maintained until the plans and specifications therefor showing the nature, design, kind, shape, height, width, color, materials and location have been submitted to and approved in writing by a committee of not less than three (3) nor more than five (5) persons ("Committee"). All members of the Committee may be appointed and replaced by Declarant until one year following issuance by the California Department of Real Estate of the original Final Subdivision Public

Report for Phase 1 of the development of the Properties. Thereafter, a majority of the members of the Committee may be appointed and replaced by Declarant and a minority of the members of the Committee may be appointed or replaced by the Board until ninery percent (90%) of the Lots in the Properties have been conveyed of record to purchasers or until five (5) years following issuance by the California Department of Real Estate of the original Final Subdivision Public Report for Phase 1 of the development of the Properties, whichever shall first occur. Thereafter, all members of the Committee may be appointed or replaced by the Board. Committee members appointed by Declarant need not be Members of the Association. Committee members appointed by the Board shall be Members of the Association. Persons submitting proposals or plans and specifications to the Committee (each person is referred to as the "Applicant") must furnish the Committee with the address to which communications from the Committee to the Applicant are to be directed. No building additions, including patio covers, shall be permitted without the prior approval of the Planning Director of the City, as well as of the Committee. Building Additions, including patio covers, may be permitted only if they are consistent with the architecture of the residential unit located on the Lot. In addition to Committee approval, certain improvements to a Lot may require a building permit or other approval from the City. An Owner or Owner's agent shall not apply for or obtain a building, electrical, plumbing or similar permit from the City for an improvement requiring approval of the Committee without first obtaining the written approval of the Committee for the improvement.

- 6.2 <u>Committee Approval</u>. The Committee shall approve proposals or plans and specifications submitted for its approval only if it deems that the construction, alteration, addition or other construction activity contemplated thereby in the locations indicated will not be detrimental to the appearance of the Properties and surrounding real property as a whole, and that the appearance of any structure or other improvement will be in harmony with the surrounding structures and improvements.
- or plans and specifications on such changes thereto as it deems appropriate, and may require submission of additional plans and specifications or other information prior to approving or disapproving material submitted. The Committee may adopt, amend or supplement the architectural rules (i) concerning design and materials standards, rules and guidelines for construction activities; (ii) setting forth procedures for the submission of plans for approval; (iii) requiring a reasonable fee ("Review Fee") payable to the Committee for any costs involved to accompany each application for approval; and (iv) specifying additional factors which it will take into consideration in reviewing submissions. The Committee may require such detail in plans and specifications submitted for its review as it deems proper, including, without limitation, floor plans, site plans, drainage plans, elevation drawings and description or samples of plantings, exterior materials and colors. Until receipt by the Committee of all plans, specifications or other materials deemed necessary by the Committee, the Committee may postpone review of any plans submitted for approval.
- 6.4 Notification. Decisions of the Committee and the reasons for decisions shall be transmitted by the Committee to the Applicant at the address set forth in the application for approval within forty-five (45) days after receipt by the Committee of all materials required by the Committee. Any application submitted pursuant to this Article VI shall be deemed approved, unless the Committee's written disapproval or a request for additional information or materials is transmitted to the Applicant within forty-five (45) days after the date of receipt by the Committee of all required materials.

- 6.5 Waiver. The approval of the Committee to any proposals or plans and specifications or drawings for any work done or proposed or in connection with any other matter requiring the approval and consent of the Committee shall not be deemed to constitute a waiver of any right to withhold approval or consent as to any similar proposals, plans and specifications, drawings or matters whatever subsequently or additionally submitted for approval or consent.
- 6.6 No Liability. Neither the Committee, nor any members of the Committee, nor their duly authorized representatives, shall be liable to any Applicant or Lot Owner for any loss, damage or injury arising out of or in any way connected with the performance of the Committee's duties, unless due to the willful misconduct of the Committee.
- 6.7 **Design Criteria.** The Committee shall review and approve or disapprove all plans submitted to it for any proposed improvement, alteration, addition or other construction activity on the basis of satisfaction of the Committee with the grading plan, location of the improvements on the Lot, the finished ground elevation, the color scheme, finish, design, proportions, architecture, shape, height, style, appropriateness of proposed improvements, affect on adjoining Lots, the materials to be used, the kinds, pitch or type of roof proposed, the planting, landscaping, size, height or location of vegetation on a Lot, and on the basis of aesthetic considerations and the overall benefit or detriment to the Properties and surrounding real property generally which would result from such improvement, alteration, addition or other construction activity. Although the Committee shall take into consideration the aesthetic aspects of the architectural designs, placement of buildings, landscaping, color, schemes, exterior finishes and materials, and similar features, it shall not be responsible for reviewing, nor shall its approval of any plans or design be deemed approval of any plan or design from the standpoint of adequacy of drainage, structural safety or conformance with building or other codes. The Committee approval of any particular construction activity shall expire and the plans and specifications therefor shall be resubmitted for Committee approval if substantial work pursuant to the approved plans and specifications is not commenced within six (6) months after the Committee's approval of such construction activity. All construction activities shall be performed as promptly and as diligently as possible and shall be completed within such reasonable period of time specified by the Committee.
- 6.8 <u>Variances</u>. The Committee may authorize variances from compliance with any of the architectural provisions of this Article VI, including, without limitation, restrictions on height, size, floor area or placement of structures, or similar restrictions, when circumstances such as topography, natural obstructions, hardship, aesthetic or environmental considerations may require. Such variances must be in writing, and must be signed and acknowledged by at least a majority of the members of the Committee. The granting of a variance shall not operate to waive any of the terms and provisions of this Article VI for any purpose except as to the particular property and particular provision covered by the variance, nor shall it affect in any way the Owner's obligation to comply with all laws and regulations of any governmental authority affecting the use of his Lot, including, but not limited to, zoning and building requirements of any governmental agency or entity having jurisdiction over the Lot.
- 6.9 Rules. The Committee shall adopt rules for the conduct of its affairs and design guidelines for construction activities. The architectural rules of the Committee may provide for the pre-approval of certain specified types or categories of construction activities, provided that such pre-approved construction activities are implemented by the affected Owner in conformance with the standards for design, materials and other criteria established in the architectural rules

for such pre-approved construction activities. The Committee may from time to time adopt, supplement or amend architectural rules to establish, expand, limit or otherwise modify the categories and criteria for any pre-approved construction activities.

- 6.10 Enforcement. With the approval of the Board, the Committee shall have the right to specifically enforce against resolution of or to obtain injunctive relief in any court of competent jurisdiction. In the event the Committee prevails in the court proceeding, the Committee shall be entitled to recover its costs and attorneys' fees which, if not paid within three (3) months following the court award, shall become a lien upon the Owner's Lot.
- 6.11 <u>Declarant Exemption</u>. This Article VI shall not apply to, and the Committee shall have no authority or responsibility to review or approve any, improvements made by Declarant on any Lot or to the Common Area or Common Maintenance Area.

#### ARTICLE VII

#### USE RESTRICTIONS

- 7.1 Antennae. No exterior radio antenna, television antenna, "C.B." antenna, satellite dish, earth receiving station or other antenna, transmitting or receiving device of any type shall be erected or maintained on the roof of any structure on a Lot or, without the prior written approval of the Committee, on any other portion of a Lot.
- Nuisances: No rubbish or debris of any kind shall be placed or permitted to accumulate anywhere within a Lot. No odor shall be permitted to arise from a Lot which renders the Lot or any portion of a Lot unsanitary, unsightly or offensive to any street or to any portion of the Properties, or vicinity thereof, or to its occupants. No noise or other nuisance shall be permitted to exist or operate upon any portion of a Lot so as to be unreasonably offensive or detrimental to any other part of the Properties or to their occupants. 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, unlicensed off-road motor vehicles or other items which unreasonably disturb other Owners or their tenants shall be located, used or placed on any Lot. No vehicles may be operated upon any portion of the Properties not improved as a street, driveway or parking area. Alarm devices used exclusively to protect the security of a residence and its contents shall be permitted, provided that the devices do not produce annoying sounds or conditions as a result of frequently occurring false alarms.
- 7.3 Exterior Maintenance and Repair: Owner's Obligations. No improvement within a Lot shall be permitted to fall into disrepair, and each improvement shall at all times be kept in good condition and repair by the Owner of the Lot.

#### 7.4 Drainage.

(a) There shall be no interference with the established surface drainage pattern over any Lot which affects any other portion of the Properties, unless an adequate alternative provision is made for proper surface drainage and it is in accordance with all applicable governmental codes and ordinances. "Established surface drainage" is defined as the drainage

which exists at the time the overall grading and landscaping of the Properties is completed by Declarant pursuant to grading plans approved by the City. There are created, granted and reserved non-exclusive easements appurtenant to each Lot in the Properties for drainage according to the patterns for drainage created by the approved grading plans for the Properties, as well as according to the actual, natural and existing patterns for drainage. Each Owner covenants and agrees that he shall not obstruct or otherwise interfere with the drainage patterns of waters from adjacent Lots in the Properties over his Lot or, in the alternative, that in the event it is necessary and essential to alter the drainage pattern for the protection and use of his Lot, he will make adequate provisions for proper drainage in accordance with the applicable governmental grading ordinance. An open drainage swale and brow ditch exists within the Properties as shown on Exhibit "C" attached to the Declaration for purposes of draining water within the Properties. The Owner of each Lot affected by the drainage swales and brow ditches is granted an easement appurtenant to the Lot over each of the other Lots for purposes of surface drainage of water within the drainage swale and brow ditch located on each of the Lots. All surface drainage facilities located on a Lot which are not within the Common Maintenance Area shall be maintained by the Owner of the Lot. All surface terrace drains located on a Lot (other than within the Common Maintenance Area) shall be maintained in good working condition and appearance, free and clear of debris, by the Owners of the Lot. No surface drainage shall be allowed from one Lot to another unless that drainage pattern is part of the established surface drainage pattern. The soil level of each Lot adjacent to a building shall be at least six (6) inches below the finished floor slab of the adjacent building.

- by Declarant pursuant to plans and specifications approved by the City ("Subsurface System"). The Subsurface System includes pipes and conduits installed below the finished grade of the Lots which transport water underground from some Lots under other Lots. The Subsurface System is located as shown on Exhibit "C" attached to the Declaration and is described in detail on the grading plans for the Properties on file with the City. The Owner of each Lot which is affected by the Subsurface System is hereby granted an easement under other Lots affected by the Subsurface System for purposes of drainage within the Subsurface System. No Owner shall damage or interfere with the Subsurface System located within the boundaries of the Owner's Lot. Before any excavation on a Lot, the Owner of the Lot is responsible for determining whether the excavation will damage or interfere with the proper operation of the Subsurface System. Each Owner will be responsible for the maintenance of the portion of the Subsurface System located within the boundaries of the Owner's Lot except that portion, if any, which is within the Common Maintenance Area.
- 7.5 Water and Sewer Systems. No individual water supply system, water softener system or sewage disposal system shall be permitted on any Lot unless the system is designed, located, constructed and equipped in accordance with the requirements, standards and recommendations of any applicable water district and any applicable governmental health authority having jurisdiction to control and regulate those systems.
- 7.6 No Hazardous Activities. No activities shall be conducted nor shall any improvements be constructed on a Lot which are or might be unsafe or hazardous to any person or property.

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- 7.7 <u>Unsightly Articles</u>. No unsightly articles, including clotheslines, shall be permitted to remain on any portion of a Lot which are visible from any street or from any other Lot. Without limiting the generality of the foregoing, refuse, garbage and trash shall be kept at all times in covered, sanitary containers commercially designed for that purpose (i.e., oil drums or similar substitutes for commercially designed refuse receptacles are prohibited) and located within an enclosed area or areas appropriately screened from the view of any other Lot. The containers shall be exposed to the view of neighboring Lots only when set out for a reasonable period of time (not to exceed twelve (12) hours before and after scheduled trash collection hours). There shall be no exterior fires, except barbecue fires contained within receptacles designed for that purpose which do not create a fire hazard. No bars or other solid materials (other than wire mesh screens) shall be placed on the exterior of any windows of a residence on a Lot, and no newspapers, sheets or metallic foil shall be placed on any window of a residence on a Lot.
- 7.8 Temporary and Prefabricated Structures. No tent, shed, shack, trailer or any temporary building, improvement or structure shall be placed upon any portion of a Lot without the prior approval of the Committee. The foregoing excludes construction trailers and other temporary or prefabricated structures or improvements utilized during construction and sales activities.
- 7.9 Mining and Drilling. The surface of a Lot shall not be used for the purpose of mining, quarrying, drilling, boring or exploring for or removing water, oil, gas or other hydrocarbons, geothermal heat, minerals, rocks, stones, gravel or earth, nor shall oil wells, tanks, tunnels, mineral or geothermal excavations or shafts be permitted upon the surface of any portion of a Lot.
- 7.10 <u>Yiew Impairment</u>. There is no representation that any view exists from any Lot. Each Owner, by accepting a deed to a Lot, acknowledges that grading of, construction on or installation of improvements on other Lots within the Properties and on surrounding real property may impair whatever view may exist from the Owner's Lot, and each Owner consents to such impairment and waives any claim for view impairment.
  - 7.11 Residential Use. All Lots within the Properties shall be improved and used solely for single-family residential use; provided, however, that this provision shall not preclude any Owner from renting or leasing all of his Lot by means of a written lease or rental agreement. No lease shall be for a term of less than thirty (30) days. No Lot shall be used or caused to be used or allowed or authorized to be used in any way, directly or indirectly, for any business, commercial, manufacturing, mercantile, storage, vending or other non-residential purposes; except Lots may be used for model home sites, construction offices, a design center, and display and sales office purposes during the construction and sales period. The provisions of this Section shall not preclude professional or administrative occupations without external evidence thereof, for so long as such occupations (i) are conducted in conformance with all applicable governmental ordinances, (ii) are merely incidental to the use of the Lot as a residence, and (iii) the patrons or clientele of such professional or administrative occupation do not regularly visit or conduct business on the Lot.

#### 7.12 Residential Area Improvements.

- Residence. No Lot shall be improved except with one residence designed to accommodate no more than a single family and its servants and occasional guests, plus a garage, fencing and such other improvements as are necessary or customarily incident to a single-family residence. Subject to applicable requirements of any governmental agency or entity having jurisdiction over the Lot, no part of the construction on any Lot shall exceed two (2) stories in height above the finished pad. Chimneys, railings, vent stacks, pediments and similar architectural features of normal size, height and distribution may rise above the two (2) story construction limit. No projections of any type shall be placed or permitted to remain above the roof of any building within the Lot, except chimneys, railings, vent stacks, pediments and similar architectural features. Anything contained in this Section to the contrary notwithstanding, any structure constructed on a Lot shall be subject to the ordinances of the City regulating the height of structures. No wiring or air conditioning fixture, water softeners or other devices (other than solar heating devices approved by the Committee) shall be installed on the exterior of a residence or be allowed to protrude through the walls or roof of the residence (with the exception of those items installed during the original construction of the residence).
- (b) Utilities. Except for facilities installed by Declarant, a public utility company or a governmental entity, all utility and storage areas or structures must be (i) completely concealed from the view of any other Lot or street, or (ii) constructed of such design, materials, configuration and in such location as to be compatible with the residence and other improvements on the Lot.
- (c) Fences. All fences installed within the Properties shall be in conformance with the ordinances of the City. No fence installed within the Properties shall be altered as to type or height without the approval of the City Planning Department and the Committee. In the event fencing within the Properties requires replacement, the replacement fencing shall be substantially identical to the fencing being replaced, unless other replacement fencing is approved by the City Planning Department and the Committee.
  - (d) Flag Poles. No flag pole shall be permitted in the front yard of a Lot.
- (e) Roofs. All structures shall be improved with fire retardant roofs, and no roof shall be repaired or replaced with material different than originally installed by Declarant, without the prior approval of the Board.
- 7.13 Landscaping. Within six (6) months after the later to occur of (i) close of escrow for the sale of a Lot by Declarant to a retail purchaser, or (ii) issuance of a Certificate of Occupancy for a residence constructed on such Lot, the Owner shall install and shall thereafter maintain plants, shrubs, trees and any other appropriate landscaping improvements, pursuant to plans and specifications approved by the Committee, on those portions of the Lot which have not been landscaped by Declarant but are visible from any street within the Properties. Each Owner shall properly maintain and periodically replace when necessary all trees, plants, grass, vegetation and other landscaping improvements located on the Owner's Lot. No plants or seeds infected with insects or plant diseases, shall be brought upon, grown or maintained upon any Lot. If any Owner fails to install or maintain landscaping in conformance with architectural rules or allows his landscaping

to deteriorate to a dangerous, unsafe, unsightly or unattractive condition, the Committee, upon thirty (30) days' prior written notice to the Owner, shall have the right either to seek any remedies at law or in equity which it may have or to correct such condition and to enter upon the Owner's property for the purpose of doing so, and the Owner shall promptly reimburse the Committee for the cost thereof.

- 7.14 Parking and Vehicular Restrictions. None of the following (collectively "Prohibited Vehicles") shall be parked, stored or kept on any street within the Properties: any commercial type vehicle (including, but not limited to, any dump truck, cement mixer truck, oil or gas truck of delivery truck); any recreational vehicle (including, but not limited to, any camper unit, house/car of motor home); any bus, trailer, trailer coach, camp trailer, boat, aircraft or mobile home; any inoperable vehicle or any other similar vehicle; or any vehicle or vehicular equipment, mobile or otherwise, constituting a nuisance. No Prohibited Vehicle shall be parked, stored or kept on any Lot except wholly within an enclosed garage, and then only if the garage door is capable of being fully closed. Prohibited Vehicles shall not be allowed in any driveway or other exposed parking areas, or any street (public or private), except for the purposes of loading, unloading, making deliveries or emergency repairs ("Transitory Use"), provided that no Transitory Use shall extend over more than twenty-four hours during any seven (7) consecutive days. Vehicles owned, operated or within the control of an Owner, or of a resident of Owner's Lot, shall be parked in the garage or driveway. Garages shall be used only for parking authorized vehicles, and shall not be used for living or business purposes. Garage doors shall be kept closed at all times, except as reasonably required for ingress to and egress from the interiors of the garages. No repairs or restorations of any motor vehicle, boat, trailer, aircraft or other vehicle or equipment shall be conducted upon any street (public or private). Lot or elsewhere within the Properties, except wholly within an enclosed garage; provided, however, that such activity is not undertaken as a business, and provided further that such activity may be prohibited entirely if it constitutes a nuisance. These restrictions shall not be interpreted in a manner which would permit any activity which would be contrary to any ordinance of the City or other governmental agency having jurisdiction over the Properties.
- 7.15 Further Subdivision. No Lot may be further subdivided (including division into time-share estates or time-share uses) without the prior written approval of the Board; provided, however, that nothing in this Section shall be deemed to prevent an Owner from selling a Lot to more than one person to be held by them as tenants in common, joint tenants, tenants by the entirety or as community property, or leasing or renting by any Owner of all of his Lot by means of a written lease or rental agreement, or adjusting the boundary of a Lot by Boundary Adjustment, Parcel Map or other procedure authorized by the City. The provisions of this Section 7.15 shall not apply to any Lot owned by Declarant.
- 7.16 Animals. No animals, fowl, poultry, fish, reptiles or insects of any kind ("animals") shall be raised, bred or kept on any Lot, except that a reasonable number of birds, fish, dogs cats or other household pets may be kept, provided that they are not kept, bred or maintain of any commercial purpose, nor in unreasonable quantities nor in violation of any applicable law or ordinance. No animal shall be maintained in any Lot which constitutes a nuisance to other Owners of Lots. Animals belonging to Owners, occupants or their licensees, tenants or invitees must be either kept within the enclosure, an enclosed yard, or on a leash or bridle being held by a person capable of controlling the animal. Furthermore, to the extent permitted by law, any Owner shall be liable to each and all Owners, their families, guests, tenants and invitees, for any

unreasonable noise or damage to person or property cased by any animals brought or kept upon the Properties by an Owner or by members of his family, his tenants or his guests; and it shall be the duty and responsibility of each Owner to clean up after such animals which have used any portion of the Properties.

- 7.17 Signs. No sign, poster, billboard, balloon or other display or advertising device of any kind shall be displayed on, over or from any portion of the Properties, except (i) such signs, flags, poles and banners (regardless of size or configuration) as may be used by Declarant in connection with the development of the Properties and the sale, lease or other disposition of Lots, (ii) entry monuments and similar community identification signs, (iii) one sign which may be displayed on each Lot advertising the Lot for sale or lease; provided that such for sale or lease signs shall not be larger than 18" by 30" in size, and (iv) one sign which may be displayed on each Lot providing notification that the house on the Lot is serviced by a security system; provided that the sign shall be freestanding not more than three (3) feet from the exterior of the house on the Lot, the top of the sign shall not be higher than three (3) feet above the ground and shall not be larger than 12" by 12" in size. All signs shall conform to the City Sign Ordinances, and shall be reviewed and approved by the Planning Director of the City prior to installation.
- 7.18 Trees. Unless located in the Common Maintenance Area, all trees, hedges and other plant materials shall be trimmed by the Owner of the Lot upon which they are located so they do not unreasonably obstruct the view from any other Lot, which determination shall be within the sole judgment of the Committee. Before planting any trees on a Lot, other than within the Common Maintenance Area, the proposed location of the trees shall be approved in writing by the Committee. No trees planted by Declarant shall be removed without the prior written approval of the Committee.
- 7.19 Slope Control. Use and Maintenance. Each Lot Owner will keep, maintain, water, plant and replant all slope banks located on the Owner's Lot (other than slopes within the Common Maintenance Area or the maintenance of which is the responsibility of others) to prevent erosion, control brush in accordance with the requirements of the City and to create an attractive appearance. No structure, planting or other material shall be placed or permitted to remain or other activities undertaken on any slope banks which may damage or interfere with established slope ratios, create erosion or sliding problems, or which may change the direction of flow of drainage channels or obstruct or retard the flow of water through drainage channels.
- with post-tensioned concrete slabs ("System"). The System involves placing steel cables under high tension in the concrete slab located beneath the residence. Each Owner shall be responsible for determining whether the residence on his Lot has been constructed with a System. Any attempt by an Owner or other person to alter or pierce the foundation (e.g., saw cutting or drilling) could damage the integrity of the System and/or cause serious injury or damage to persons and property. No Owner shall cut into or otherwise disturb the System upon which the residence on his Lot is constructed. The Owner of each Lot on which the residence has been constructed with a System agrees that neither Declarant nor any contractor of Declarant shall be responsible for any damage or injury resulting from or arising in connection with the alteration or piercing by the Owner or any employee, agent, family member, representative or other person of the slab or the foundation of the residence on the Lot. Each Owner shall hold Declarant harmless from and indemnify Declarant against all claims, demands, losses, costs (including attorney's fees), obligations and liabilities

arising out of or in connection with the failure of the Owner to comply with the provisions of this Section 7.20.

- 7.21 Common Walls and Fences. There is created, established and granted an easement appurtenant to all Lots in the Properties for the placement of all common fences and walls, where the fences or walls were originally installed by Declarant, regardless of whether the fences and walls are located precisely upon the boundary separating two (2) Lots. Those Owners who have a common fence or wall which adjoin their Lots and effectively creates the boundary line between the Lots shall equally have the right to use the fence or wall, and each shall have the exclusive right to the use and the obligations of maintenance of the interior surface of the fence or wall facing the Owner's residence. Neither Owner shall drive nails, screws, bolts or other objects more than half way through any common fence or wall, or impair in any way the structural integrity of the common wall or fence. In the event that any portion of the common fence or wall, except the interior surface of one (1) side, is damaged from any cause other than the act or negligence of either party, it shall be replaced or rebuilt at their joint expense. In the event any portion of the common fence or wall is damaged by the Owner of only one of the Lots, that Owner shall. at its expense, be responsible for the repair of the damage to the fence or wall. In the event of a dispute arising in connection with a common boundary fence or wall or the provisions of this Section, the matter shall be submitted to and decided by binding arbitration. Each party to the dispute shall choose one arbitrator and those arbitrators shall choose one additional arbitrator. The decision shall be rendered by a majority of all arbitrators in accordance with the American Arbitration Association Commercial Rules of Arbitration.
- 7.22 Outdoor Lighting. Outdoor lighting on a Lot shall be shaded and adjusted so the light falls only on the Lot on which the lighting is located and does not fall or reflect on other Lots. All outdoor lighting located on a Lot shall comply with the recommendations of California Institute of Technology, Palomar Observatory.
- 7.23 <u>Easement Reservations</u>. The rights and duties of the Owners of Lots with respect to sanitary sewer, water, electricity, gas, television cable (or CATV service) and telephone lines, and other facilities, shall be governed by the following:
  - (a) Each Owner shall maintain those facilities and connections located upon his Lot which are not maintained by the respective utility company or public agency.
  - (b) Wherever sanitary sewer, water or gas connections, television cables, electricity or telephone lines are installed within the Properties and it becomes necessary to gain access to the connections, cables and/or lines through a Lot owned by someone other than the Owner of the Lot served by the connections, cables and/or lines, the Owner of the Lot served by the connections, cables and/or lines shall have the right, and is hereby granted an easement to the full extent necessary, to enter upon such other Lot or to have the utility companies enter upon such other Lot to repair, replace and generally maintain the connections, cables and/or lines.
  - (c) Whenever sanitary sewer, water or gas connections, television cables, electricity or telephone lines are installed within the Properties and the connections, cables and/or lines serve more than one (1) Lot, the Owner of each Lot served by the connections,

cables and/or lines shall be entitled to the full use and enjoyment of the portions of the facilities which service his Lot.

- (d) In the event of a dispute between Owners with respect to the repair or rebuilding of the connections, cables and/or lines, or the sharing of the cost of maintenance, the matter shall be resolved by arbitration as provided in the Article of this Declaration entitled "General Provisions".
- (e) No Owner shall construct any improvements on any utility easement area of record which will unreasonably interfere with the maintenance and repair of the facilities located in the easement, without the prior written consent of the appropriate utility company or easement owner.

#### ARTICLE VIII

#### **INSURANCE AND CONDEMNATION**

#### 8.1 Insurance.

- The Association shall keep (i) any improvements on the Common Area and (a) Common Maintenance Area insured against loss by fire and the risks covered by a Standard All Risk of Loss Perils insurance policy under an extended coverage casualty policy in the amount of the maximum insurable replacement value thereof, and (ii) all personalty owned by the Association insured with coverage in the maximum insurable fair market value of personalty as determined annually by an insurance carrier selected by the Association. Insurance proceeds for improvements in the Common Area and Common Maintenance Area and personalty owned by the Association shall be payable to the Association. In the event of any loss, damage or destruction, the Association shall cause the same to be replaced, repaired or rebuilt if it occurred in the Common Area or Common Maintenance Area. In the event the cost of such replacement, repair or rebuilding of Common Area or Common Maintenance Area (A) exceeds the insurance proceeds available therefor, or (B) no insurance proceeds are available therefor, the deficiency or full cost thereof shall be assessed to the Owners as a special assessment pursuant to Section 4.3 above. In the event of any loss, damage or destruction to improvements on a Lot (other than that portion thereof within the Common Maintenance Area), the Owner of the Lot shall cause the same to be replaced, repaired or rebuilt at no cost to the Association.
- (b) The Association shall procure and keep in force a general liability insurance policy in the name of the Association and the Owners against any liability for personal injury or property damage resulting from any occurrence in or about the Common Area or Common Maintenance Area in an amount not less than \$1,000,000 in indemnity against the claims of one or more persons in one accident or event, and not less than \$100,000 for damage to property.
- (c) The Association shall maintain a fidelity bond in an amount equal to the amount of funds held by the Association during the term of the bond but not less than one-fourth (1/4) of the regular assessments, plus reserves, naming the Association as obliged and insuring against loss by reason of the acts of the Board, officers and employees of

the Association, and any management agent and its employees, whether or not such persons are compensated for their services.

- (d) Copies of all insurance policies (or certificates) showing the premiums to have been paid shall be retained by the Association and open for inspection by Owners at any reasonable time(s). All insurance policies shall (i) provide that they shall not be cancelable by the insurer without first giving at least ten (10) days' prior notice in writing to the Association, and (ii) contain a waiver of subrogation by the insurer(s) against the Association, Board and Owners.
- (e) Anything contained herein to the contrary notwithstanding, the Association shall maintain such insurance coverage as may be required by the Federal National Mortgage Association ("FNMA") or the Federal Home Loan Mortgage Corporation ("FHLMC") so long as FNMA or FHLMC, respectively, holds a mortgage on or owns any Lot.
- (f) Section 1365.7 of the California CIVIL CODE provides for a partial limitation on the liability of volunteer officers and directors of the Association, provided that certain requirements, as set forth in the CODE section, are satisfied. The requirements include that general liability insurance and officers' and directors' liability insurance be carried by the Association in specified amounts. The Association shall maintain general liability insurance and officers' and directors' liability insurance in amounts which satisfy the requirements of the CODE to limit the liability of volunteer officers and directors of the Association.
- property loss is charged to the Association, the Owner shall reimburse the Association upon written demand for the amount charged to the Association.
- (h) Association insurance policy premiums paid by Declarant shall be prorated between Declarant and the Association as of the date of the first closing of a sale of a Lot in Phase 1 to a retail purchaser, and the Association shall refund to Declarant upon demand the amount of the proration attributable to the period following the proration date.
- 8.2 <u>Condemnation</u>. In the event the Common Area or any portion thereof shall be taken for public purposes by condemnation as a result of any action or proceeding in eminent domain, or shall be transferred in lieu of condemnation to any authority entitled to exercise the power of eminent domain, then the award or consideration for such taking or transfer shall be paid to and belong to the Association.

#### ARTICLE IX

#### COMMON AREA AND COMMON MAINTENANCE AREA: MAINTENANCE RESPONSIBILITIES

9.1 <u>Common Area</u>. The Association shall maintain and use the Common Area in accordance with the following standards:

(a) Common Area Lot 80 of TRACT NO. 23125-3 ("Lot 80") has been designated as a "Riparian Enhancement Area" to provide a wetland habitat for birds and other animals, and is subject to the jurisdiction and control of the California Department of Fish & Game ("DF&G") and the United States Army Corp of Engineers ("ACOE"). Declarant will install vegetation and irrigation facilities on Lot 80 as required by the DF&G and the ACOE, and will retain the services of a biologist to monitor the condition, and to make recommendations for the maintenance, of Lot 80. At such time as title to Lot 80 is conveyed of record to the Association, the Association shall be responsible at the expense of the Association for the maintenance of Lot 80 in accordance with the direction of the DF&G, the ACOE and the biologist retained by Declarant. It is anticipated that the monitoring of Lot 80 by a biologist will be required for a period of not less than five (5) years following the installation by Declarant of the initial vegetation and irrigation facilities on Lot 80. Declarant will retain and pay the cost of the monitoring biologist. For so long as the DF&G or the ACOE retain jurisdiction over Lot 80:

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- (i) Declarant, the DF&G, the ACOE and their consultants, agents and contractors shall have the right of access, ingress and egress over Lot 80 for purposes of inspecting Lot 80;
- (ii) Lot 80 shall be maintained in accordance with the recommendations of the biologist retained by Declarant to monitor Lot 80 and the requirements of the DF&G and the ACOE; and
- (iii) Lot 80 may be used only for open space and not be altered or improved except in accordance with plans approved by the DF&G and the ACOE.

Lot 80 and Common Area Lot 79 of TRACT NO. 23125-3 ("Lot 79") have been offered for dedication to the City on the Final Map for TRACT NO. 23125-3 but the offer of dedication has not been accepted by the City. Pursuant to the provisions of the California Subdivision Map Act, the City may at any time accept the offer of dedication as to either or both Lot 80 and Lot 79, in which event title to the Lot the offer of dedication of which is accepted by the City shall be transferred to and become the property of the City, and the Association's ownership of and responsibility for the Lot the offer of dedication of which is accepted shall terminate. It is anticipated that Common Area Lot 43 of TRACT NO. 23125-1 and Common Area Lot 77 of TRACT NO. 23125-3 will be maintained by the City but that fee title to those Common Area Lots will be owned by the Association.

- (b) All litter and debris which collects or is deposited on the Common Area shall be promptly removed and the Common Area shall be kept clear and clean of litter and debris. All landscaped areas shall be maintained in a healthy and thriving condition, free from weeds, trash and debris.
  - (c) As may from time to time be required by the City, the DF&G and the ACOE.
- 9.2 Common Maintenance Area. The Common Maintenance Area shall include:
- (a) Those portions of Lots shown and described on Exhibit "B" attached to this Declaration, subject to the provisions of Section 9.2(f) below.

Sales Contract

- (b) Those portions of the real property adjacent to the Properties described on Exhibit "D" attached to this Declaration.
- (c) View fences located at or near the boundaries between a Lot and the Common Area or Common Maintenance Area as shown on Exhibit "E" attached to this Declaration.
- (d) The exterior surface (facing away from a Lot) and the structural elements of the perimeter wall located adjacent to De Portola Road and Butterfield Stage Road ("Perimeter Wall") as shown on Exhibit "E" attached to this Declaration.
- (e) Those drainage facilities as shown on Exhibit "C" attached to this Declaration which are within the Common Maintenance Area defined in Section 9.2(a) above.
- As a condition to approval of the Project by the City, Declarant is required **(1)** to, and has or will, construct a paved vehicular road ("Road") over portions of Lot 29 of TRACT NO. 23125-1 ("Lot 29"), over portions of Lot 27 of TRACT NO. 23125 ("Lot 27") and over portions of Lot 38 of TRACT NO. 23125-3 ("Lot 38"). The purpose of the Road is to provide temporary secondary access from the Properties to the public street known as Butterfield Stage Road. Upon the earlier to occur of (i) the determination by the City that the Road is no longer necessary; or (ii) the extension and improvement of the public streets known as Via Sabino and Via Angeles to the north beyond the boundaries of the Properties to the extent necessary to provide access from Via Sabino and Via Angeles on public roads other than De Portola Road ("Termination Date"), Declarant will remove the Road and regrade Lot 29, Lot 27 and Lot 38 for the purpose of constructing homes on Lot 29, Lot 27 and Lot 38, Declarant will maintain Lot 29, Lot 27 and Lot 38, and the Road, landscaping, retaining walls and other improvements to Lot 29, Lot 27 and Lot 38 until the first close of sale of a Lot in Phase 8 of the Project; at which time Lot 29, Lot 27 and Lot 38 will become part of the Common Maintenance Area and shall be maintained by the Association. The obligation of the Association to maintain, and the right of the Association and its members to use, Lot 29, Lot 27 and Lot 38 shall terminate on the Termination Date.

An easement or right over an area which otherwise would be Common Maintenance Area may be conveyed to a public assessment district, in which event the area conveyed shall be maintained by the public assessment district.

9.3 Association Maintenance. The Association shall maintain and provide for the maintenance of all of the Common Area (other than the Common Area maintained by the City) and Common Maintenance Area in good repair and appearance as set forth in the Declaration and in accordance with the requirements of the City. The Association shall provide landscaping and gardening properly to maintain and periodically replace when necessary the trees, plants, grass and other vegetation placed in the Common Area (other than the Common Area maintained by the City) and Common Maintenance Area pursuant to landscape plans approved by the City. The Association's obligation to maintain the Common Area shall commence upon conveyance of the Common Area to the Association. The Association's obligation to maintain the Common Maintenance Area shall commence in phases upon conveyance to the Association of a Common Maintenance Area Easement describing the Common Maintenance Area to be maintained or upon conveyance of a Lot upon which the Common Maintenance Area is located to an Owner other

than Declarant, whichever shall first occur. The Association shall maintain all drainage facilities located within the Common Area (other than the Common Area maintained by the City) and Common Maintenance Area in good working condition. The Association shall have the right to enter onto any Lot (but not within the dwelling) as may be necessary for the construction, maintenance or emergency repair of the Common Area or Common Maintenance Area or, if necessary, for the benefit of the Owners in common. Any damage caused to a Lot by entry of the Association shall be repaired by the Association at its expense. The Association shall not relinquish its obligation to maintain the Common Area or Common Maintenance Area without the prior consent of the Planning Commission or City Council of the City.

- 9.4 Owner Maintenance. Each Owner shall keep and maintain in good repair and appearance all portions of his Lot and improvements on his Lot (other than that portion the maintenance of which is the responsibility of the Association or a public maintenance assessment district), including, but not limited to, any fence or wall, concrete terrace drain or brow ditch drainage facility which is located on the Lot. The Owner of each Lot shall water, weed, maintain and care for the landscaping located on his Lot (other than that portion the maintenance of which is the responsibility of the Association or a public maintenance assessment district) so that the Lot presents a neat and attractive appearance. No Owner shall interfere with or damage the Common Area or Common Maintenance Area or install landscaping or otherwise improve or alter the Common Area or Common Maintenance Area or interfere with or impede Declarant, the Association or a public maintenance assessment district in connection with the maintenance of the Common Area or Common Maintenance Area.
- 9.5 Association's Right to Repair Neglected Lots. In the event an Owner of a Lot should fail to maintain his Lot and improvements on his Lot in a manner satisfactory to the Board, the Association, after approval by two-thirds (%) vote of the Board, shall have the right through its agents and employees, to enter onto the Lot and to repair, maintain and restore the Lot and exterior of the building and any other improvements erected on the Lot. However, no entry into a dwelling may be made without the consent of the Owner, and entry shall only be made after not less than three (3) days notice has been given to the Owner. Entry by the Association shall be made with as little inconvenience to the Owner as possible and any damage caused by the Association shall be repaired by the Association. The cost of such exterior maintenance shall be added to and become a part of the assessment to which the Lot is subject, but the cost shall not be a lien on the Lot. There is hereby created an easement in favor of the Association to enter onto each Lot which is subject to assessment by the Association to provide maintenance as provided in this Section 9.5, subject to the foregoing notice and consent requirements.

#### ARTICLE X

#### ANNEXATION

10.1 By Association. Additional residential property, Common Area and Common Maintenance Area may be annexed to the Properties and to the Declaration upon the vote or written assent of two-thirds (34) of the voting power of Members of the Association, excluding the vote of Declarant. Upon approval by Members of the Association, the Owner of the property wishing it to be annexed may file of record a Declaration of Annexation which shall extend the provisions of this Declaration to the property being annexed.

Area and Common Maintenance Area and to the jurisdiction of the Association by the owner of the property without the consent of Members of the Association or the Board at any time within three (3) years following the original issuance by the California Department of Real Estate of the most recently issued Final Subdivision Public Report for a phase of the development of the Properties. Annexation shall be made by Declaration of Annexation executed by the owner of the land being annexed. The Declaration of Annexation may be revoked or amended at any time before the first close of sale of a Lot in the annexed property and may contain additional or different restrictions applicable to the annexed property.

#### ARTICLE XI

#### RIGHTS OF LENDERS

- 11.1 Payments of Taxes or Premiums by First Mortgagees. First Mortgagees may, jointly or severally, pay taxes or other charges which are in default and which may or have become a charge against the Common Area, unless the taxes or charges are separately assessed against the Owners, in which case, the rights of first Mortgagees shall be governed by the provisions of their Mortgages. First Mortgagees may, jointly or severally, also pay overdue premiums on casualty insurance policies, or secure a new casualty insurance coverage on the lapse of a policy for the Common Area; first Mortgagees making such payments shall be owed immediate reimbursement from the Association. Entitlement to reimbursement shall be reflected in an agreement in favor of any first Mortgagee who requests the same to be executed by the Association.
- 11.2 Priority of Lien of Mortgage. No breach of the covenants, conditions or restrictions in the Declaration shall affect, impair, defeat or render invalid the lien or charge of any first Mortgage made in good faith and for value encumbering any Lot, but all of the covenants, conditions and restrictions shall be binding upon and effective against any Owner whose title to a Lot is derived through foreclosure or trustee's sale, or otherwise.
- 11.3 <u>Curing Defaults</u>. A first Mortgagee who acquires title by judicial foreclosure, deed in lieu of foreclosure or trustee's sale shall not be obligated to cure any breach of the provisions of this Declaration which is non-curable or of a type which is not practical or feasible to cure. The determination of the Board made in good faith as to whether a breach is non-curable or not feasible to cure shall be final and binding on Mortgagees.
- 11.4 Approval of First Mortgagees. Except as provided by statute in case of condemnation or substantial loss to the Lots or Common Area, unless the Mortgagees of first Mortgages encumbering sixty-seven percent (67%) or more of the Lots which are subject to a Mortgage or Owners representing sixty-seven percent (67%) of the voting power of the Association (excluding the vote of Declarant) have given their prior written approval, the Association shall not:
  - (a) By act or omission, seek to abandon, partition, subdivide, encumber, sell or transfer the Common Area. The granting of easements for public utilities or for other public purposes shall not be deemed a transfer within the meaning of this Subsection.
  - (b) Change the method of determining the obligations, assessments, dues or other charges which may be levied against an Owner.

- (c) By act or omission, change, waive or abandon any scheme of regulations, or enforcement thereof, pertaining to the architectural design or exterior appearance of residences, the exterior maintenance of residences, the maintenance of Common Area walks or common fences and driveways, or the upkeep of lawns and plantings in the project.
- (d) Fail to maintain fire and extended coverage insurance on the Common Area on a current replacement cost basis in an amount not less than one hundred percent (100%) of the insurable value, based on current replacement cost.
- (e) Use hazard insurance proceeds for losses to any portion of the Common Area for other than the repair, replacement or reconstruction of the Common Area.
- 11.5 Restoration of Common Area. Any restoration or repair of the Common Area after partial condemnation or damage due to an insurable event, shall be performed substantially in accordance with the Declaration and original plans and specifications unless other action is approved by holders of first Mortgages on Lots which have at least fifty-one percent (51%) of the votes of Lots subject to Mortgage holders.
- 11.6 <u>Professional Management</u>. When professional management has been previously required by a first Mortgage holder, a decision to establish self-management by the Association shall require the consent of at least sixty-seven percent (67%) of the voting power of Members of the Association and the approval of holders of first Mortgages on Lots, the Owners of which have at least fifty-one percent (51%) of the votes of Lots encumbered by Mortgages.
- 11.7 <u>Notice to Mortgagees</u>. Upon written request to the Association identifying the name and address of the holder and the Lot number or address, any first Mortgage holder will be entitled to timely written notice of:
  - (a) Any condemnation loss or any casualty loss which affects a material portion of the project or any Lot on which there is a first Mortgage held by the Mortgage holder.
  - (b) Any delinquency in the payment of assessments or charges owed by an Owner subject to a first Mortgage held by the Mortgage holder which remains uncured for a period of sixty (60) days.
  - (c) Any lapse, cancellation or material modification of any insurance policy or fidelity bond maintained by the Association.
  - (d) Any proposed action which would require the consent of a specified percentage of Mortgage holders.
- Mortgagees, and holders, insurers or guarantors of any first Mortgage, current copies of the Declaration, the Bylaws, other rules concerning the project and the books, records and financial statements of the Association. "Available" means available for inspection, upon request, during normal business hours or under other reasonable circumstances. The holders of first Mortgages encumbering fifty-one percent (51%) or more of the Lots subject to a Mortgage shall be entitled to have an audited statement for the immediately preceding fiscal year prepared at their expense

if one is not otherwise available. Any financial statement so requested shall be furnished within a reasonable time following the request.

11.9 <u>Conflicts.</u> In the event of any conflict between any of the provisions of this Article and any of the other provisions of the Declaration, the provisions of this Article shall control.

#### ARTICLE XII

#### **GENERAL PROVISIONS**

- 12.1 Enforcement. The Association, Declarant and any Owner shall have the right to enforce by any proceedings at law or in equity, all covenants, conditions, restrictions and reservations imposed by the provisions of the Declaration. Each Owner shall have a right of action against the Association for any failure of the Association to comply with the provisions of the Declaration or of the Bylaws or Articles. Failure by the Association, Declarant or any Owner to enforce any covenant, condition, restriction or reservation in the Declaration shall not be deemed a waiver of the right to do so thereafter. The City shall have the right, but not the obligation, to enforce the provisions of the Declaration. In the event the City files a legal action to enforce the provisions of the Declaration and it is the prevailing party in the litigation, it shall be entitled to recover costs of suit and attorney's fees incurred in the litigation.
- 12.2 <u>Severability</u>. Should any provision in the Declaration be void or become invalid or unenforceable in law or equity by judgment or court order, the remaining provisions shall be and remain in full force and effect.
- 12.3 Amendments. Except as may otherwise be stated in the Declaration, during the period of time prior to conversion of the Class B membership in the Association to Class A membership, this Declaration may be amended at any time and from time to time by the vote or written consent of sixty-seven percent (67%) of the voting power of each class of Members of the Association, any which amendment shall become effective upon recording with the Office of the County Recorder of Riverside County, California. After conversion of the Class B membership in the Association to Class A membership, the Declaration may be amended at any time and from time to time by the vote or written consent of (i) sixty-seven percent (67%) of the total voting power of the Association; and (ii) at least sixty-seven percent (67%) of the voting power of Members of the Association other than Declarant. Anything herein stated to the contrary notwithstanding, no material amendment may be made to this Declaration without the prior written consent of Mortgagees of first Mortgages encumbering fifty-one percent (51%) or more of the Lots within the Properties which are subject to a Mortgage. "Material amendment" shall mean, for purposes of this Section 12.3, any amendments to provisions of this Declaration governing any of the following subjects:
  - (a) The fundamental purpose for which the project was created (such as a change from residential use to a different use).
    - (b) Assessments, assessment liens or the priority of assessment liens.
  - (c) Reserve for maintenance, repair and replacement of the Common Area or Common Maintenance Area.

- (d) Responsibilities for maintenance and repairs.
- (e) Insurance or fidelity bonds.
- (f) Restoration or repair of the Properties after a hazard damage or partial condemnation.
  - (g) Rights to use the Common Area or Common Maintenance Area.
- (h) Expansion or contraction of the Properties or the addition, annexation or withdrawal of property to or from the Properties.
  - (i) Voting rights.
  - (j) Convertibility of Lots into Common Area or of Common Area into Lots.
  - (k) Redefinition of boundaries of any Lot or the Common Area.
  - (1) The interests in the Common Areas or Common Maintenance Area.
  - (m) Leasing of Lots.
- (n) Imposition of any restrictions on the right of an Owner to sell or transfer his Lot.
- (0) Any action to terminate the legal status of the Association after substantial destruction or condemnation.
  - (p) The requirement of retention of professional management of the Association.
- (q) Any provision which is expressly for the benefit of first Mortgagees or insurers or guarantors of first Mortgages.

An amendment to the Declaration shall not be considered material if it is for the purpose of correcting technical errors or for clarification. A first Mortgagee who receives a written request delivered by certified or registered mail, return receipt requested, to approve amendments who does not deliver or mail to the requesting party a negative response within thirty (30) days, shall be deemed to have approved such request.

Notwithstanding the above provisions, (i) the percentage of voting power necessary to amend a specific clause or provision in the Declaration shall not be less than the percentage of affirmative votes necessary for action to be taken under that clause or provision; and (ii) any amendment to the Declaration which affects the extent, usage or maintenance of the Common Area or Common Maintenance Area shall require the consent of the Planning Director of the City.

The percentage of membership votes or written consents required to amend the Declaration may be reduced under certain circumstances by Court Order obtained pursuant to California CIVIL CODE §1356.

12.4 Extension of Declaration. Each and all of the covenants, conditions and restrictions shall run with and bind the land for a term of sixty (60) years from the date the Declaration is recorded, after which date they shall automatically be extended for successive periods of ten (10) years, unless the Owners of two-thirds (2/3) of the Lots subject to the Declaration have executed and recorded at any time within six (6) months prior to the end of the sixty (60) year period, or within six (6) months prior to the end of any such ten (10) year period, in the manner required for a conveyance of real property, a written instrument in which it is agreed that the restrictions shall terminate at the end of the sixty (60) year period or at the end of any ten (10) year period.

#### 12.5 Encroachment Easement.

- (a) In the event any improvement to a Lot encroaches upon the Common Area or Common Maintenance Area as a result of the construction, reconstruction, repair, shifting, settlement or movement of any portion thereof, an easement for the encroachment and for its maintenance shall exist so long as the encroachment exists; provided, however, in no event shall an easement for encroachment be created in favor of an Owner if the encroachment occurred due to the willful misconduct of the Owner. In the event a structure on a Lot is partially or totally destroyed and then rebuilt or repaired, the minor encroachments over adjoining Common Area and Common Maintenance Area shall be permitted and there shall be easements for maintenance of the encroachments so long as they shall exist.
- (b) Each Owner of a Lot is granted an easement over adjoining Lots for the purpose of accommodating encroachments due to design, construction, engineering errors, errors in construction, settlement or shifting of the building, roof overhangs, architectural or other appendants and drainage of water from roofs. There shall be easements for the maintenance of encroachments so long as they shall exist; provided, however, that no easement is created in favor of an Owner if the encroachment occurred due to the willful misconduct of the Owner. In the event a structure on any Lot is partially or totally destroyed and then rebuilt or repaired, the minor encroachments over adjoining Lots shall be permitted and there shall be easements for maintenance of encroachments so long as they shall exist.
- by Declarant to the Common Area have not been completed prior to the issuance by the California Department of Real Estate of a Final Subdivision Public Report covering the Properties, and in the further event the Association is the obligee under a bond to secure the obligation of Declarant to complete the improvements, then if the improvements have not been completed and a Notice of Completion filed within sixty (60) days after the completion date specified in the Planned Construction Statement appended to the bond, the Board shall consider and vote upon the question of whether or not to bring action to enforce the obligations under the bond. If the Association has given an extension in writing for the completion of any improvement, then the Board shall consider and vote on the question if the improvements have not been completed and a Notice of Completion filed within thirty (30) days after the expiration of the extension period. In the event the Board determines not to take action to enforce the obligations secured by the bond, or

does not vote on the question as above provided, then, in either event, upon petition signed by Members representing five percent (5%) or more of the voting power of the Association (excluding the voting power of Declarant), the Board shall call a special meeting of the Members of the Association to consider the question of overriding the decision of the Board or of requiring the Board to take action on the question of enforcing the obligations secured by the bond. The meeting of Members shall be held not less than thirty-five (35) days nor more than forty-five (45) days following receipt of the petition. At the meeting, a vote of a majority of the voting power of Members of the Association, excluding the vote of Declarant, to take action to enforce the obligations under the bond shall be deemed to be the decision of the Association, and the Board shall thereafter implement the decision by initiating and pursuing appropriate action in the name of the Association.

- 12.7 <u>Litigation</u>. In the event of litigation arising out of or in connection with the Declaration, the prevailing party shall be entitled to receive costs of suit and such sum for attorney's fees as the Court deems reasonable.
- 12.8 <u>Documents to be Provided to Prospective Purchaser</u>. Each Owner, other than Declarant, shall, as soon as practicable before transfer of title to a Lot, provide to the prospective purchaser the following:
  - (a) A copy of the Articles, Bylaws and Declaration.
  - (b) A copy of the most recent financial statements of the Association.
  - (c) A true statement in writing from an authorized representative of the Association as to the amount of the Association's current regular and special assessments and fees as well as any assessments levied upon the Lot which are unpaid as of the date of the statement. The statement shall also include true information on late charges, interest and costs of collection which, as of the date of the statement, are or may be made a lien upon the Lot.
  - (d) A statement setting forth any change in the Association's current regular and special assessments and fees which have been approved by the Board but have not become due and payable as of the date this statement is provided.
- 12.9 <u>Limitation of Restrictions on Declarant</u>. Declarant is undertaking the work of construction of residential dwellings and incidental improvements upon the Properties. The completion of that work, and the sale, rental and other disposal of dwellings is essential to the establishment and welfare of the Properties as a residential community. In order that the work may be completed and the Properties be established as a fully occupied residential community as rapidly as possible, nothing in this Declaration shall be understood or construed to:
  - (a) Prevent Declarant, its contractors or subcontractors from doing on the Common Area or any Lot whatever is reasonably necessary or advisable in connection with the completion of the work, including access over the Properties; or
  - (b) Prevent Declarant or its representatives from erecting, constructing and maintaining on any part or parts of the Properties, such structures as may be reasonable and necessary for the conduct of its business of completing the work and establishing the

Properties as a residential community and transferring the Properties in parcels by sale, lease or otherwise; or

- (c) Prevent Declarant from conducting on any part of the Properties its business of completing the work, and of establishing a plan of ownership and of transferring the Properties by sale, lease or otherwise; or
- (d) Prevent Declarant from maintaining such signs, poles or flags on any of the Properties as may be necessary for the sale, lease or disposition thereof; provided, however, that the maintenance of any sign, pole or flag shall not unreasonably interfere with the use by any Owner of his Lot or the Common Area; or
- (e) Prevent Declarant from making changes to, repairing or replacing the Common Area as may be reasonably necessary to satisfy or comply with the requirements of the City or other applicable public agencies.

The rights of Declarant provided in Subsections (a) through (e) above, may be exercised during the period of time commencing when the Lots are first sold or offered for sale to the public and ending when all the Lots are sold and conveyed by Declarant to separate Owners, or five (5) years following the date of conveyance of the first Lot from Declarant to a retail purchaser, whichever shall first occur. So long as Declarant, its successors and assigns, owns one or more of the Lots described herein, Declarant, its successors and assigns, shall be subject to the provisions of this Declaration. Declarant, in exercising its rights under this Section 12.9, shall not unreasonably interfere with the use of the Common Area by any Owner.

- 12.10 FHA and VA Approval. So long as there is a Class B membership in the Association, the following actions shall require prior approval of the FHA or VA: annexation of additional property to the Properties, mergers and consolidations, special assessments and amendment to the Declaration. If VA approval is required to amend the Declaration, a draft of the amendment shall be submitted to and approved by the VA prior to recordation of the amendment.
- 12.11 No Interference With City Ordinances. No provision in this Declaration and no contract of sale, lease or other written document, shall establish any restriction on Declarant or others which would prevent any other person or entity from complying with all applicable provisions of the Governmental Regulations referred to in Article V of this Declaration or any other City ordinances, rules, policies or regulations.
- 12.12 <u>High Voltage Electric Lines</u>. High voltage electric transmission lines are located along De Portola Road near the Properties. Scientific opinion is conflicting as to the danger to persons of exposure to the electro-magnetic fieldcreated by electric transmission lines. Each Owner is responsible for making his own determination as to the adverse impact, if any, of the proximity of the electric transmission lines to the Properties.
- 12.13 <u>Conflict Of Provisions</u>. In the event of a conflict among the provisions of the Declaration, the Articles and the Bylaws, the provisions of the Declaration shall control. In the event of a conflict between the provisions of the Articles and Bylaws, the provisions of the Articles shall control.

IN WITNESS WHEREOF, the undersigned, being Declarant herein, has set its hand and seal as of the date first hereinabove written.

# KAUFMAN AND BROAD OF SAN DIEGO, INC., a California corporation

By Ol w
TATE OF CALIFORNIA ) ) ss. COUNTY OF SAN DIEGO )
On NOVEMBER 10, 19 94, before me, PAMELA J. ARAGON Notary Public in and for said State, personally appeared
GREGG LINHOFF and JOHN W. FULBRIGHT

personally known to me (or proved to me on the basis of satisfactory evidence) to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument, the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

WITNESS my hand and official seal.

PAMELA J. ARAGON
GOMAL PIKNOS
Notary R. tele-Cattornia
SAN DEGO COUNTY
My comm. suptess APR 12,1998

Signature

(Scal)

# CITY OF TEMECULA

GARY THORNHILL, Director of Planning

JOSEPH KICAK, Director of Public Works

By PETER/THORSON, City Attorney	·mg/fc.,-
LIFORNIA ALL-PURPOSE ACKNOWLEDGMENT  State ofCALIFORNIA	OPTIONAL SECTION CAPACITY CLAIMED BY SIGNER
County of ORANGE  On Oct. 31, 1994 me, Sandy Brisbin, Notary Public NAME, TITLE OF OFFICER - E.G., NAME DOE, NOTARY PUBLIC.  Personally appeared Gregory G. Diaz NAME(S) OF SIGNER(S)	Though statute does not require the Notary to still in the data below, doing so may prove invaluable to persons relying on the document.  INDIVIDUAL  CORPORATE OFFICER(S)
Kipersonally known to me - OR -   proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/arx subscribed to the within instrument and acknowledged to me that heisbar/linex executed the same, in his/harktheir authorized	TITLE(S)  PARTNER(S) LIMITED  GENERAL  ATTORNEY-IN-FACT  TRUSTEE(S)  GUARDIAN/CONSERVATOR
capacity(imm)k and that by his/therithmic signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.  SANDY BRISBIN  WITNESS my hand and official seal.	SIGNER IS REPRESENTING: NAME OF PERSON(S) OR ENTITY(RES)
CRANGE COUNTY  My Comm. Expires Sept. 19. 1986  SIGN TURE OF NOTARY  OPTIONAL SECTION  THIS CERTIFICATE MUST BE ATTACHED TO TITLE OR TYPE OF DOCUMENT CCER'S FOR	Peter Thorson, City Attorney, City of Temecula and City of
THE DOCUMENT DESCRIBED AT RIGHT:  Though the data requested here is not required by law. It could prevent fraudulent reattachment of this form.  NUMBER OF PAGES 44 DATE OF DOCUMENT OF THE PLAN NAMED ABOVE. Kaufman DATE OF DOCUMENT OF THE PROPERTY OF THE PAGE ABOVE. THE PAGE ABOVE ABOVE THE PAGE ABOVE TO THE PAGE ABOV	it Development  10/31/94  n & Broad; Gary Thornh: Greek
61993 NATIONAL NOTARY ASSOCIATION - 8235 Remm	let Ava., P.O. Box 7184 • Canoga Park, CA 91309-71

TEAT PORTICE OF THE RANCEO PAUDA, IN THE COUNTY OF RIVERSIDE, STATE OF CALIFORNIA, WHICH RANCEO WAS GRANTED BY THE GOVERNMENT OF THE UNITED STATES TO LUIS VIGNES BY PATENT DATED JANUARY 19, 1860 AND RECORDED IN BOOK 1 PAGE 45 OF PATENTS, RECORDS OF SAN DIEGO COUNTY. CALIFORNIA, DESCRIBED AS FOLLOWS:

BEGINNING AT THE WESTERLY TERHINUS OF TRAT CERTAIN COURSE HAVING A BEARING OF SOUTH 56 DEGREES 26' 11" WEST, AND A LENGTH OF 255.20
FEET AS DESCRIBED IN PARCEL 1 OF SAID PATENT HEREINBEFORE MENTIONED

THENCE NORTH 22 DEGREES 56' 22" WEST, 1,055.05 FEET TO THE BEGINNING OF A TANGENT CURVE CONCAVE TO THE NORTHEAST HAVING A RADIUS OF 3,600.00 FEET;

THENCE NORTHERLY ALONG SAID CURVE 216.75 FEET;
THENCE NORTH 68 DEGREES 25' 13" EAST, 1,611.44 FEET;
THENCE NORTH 42 DEGREES 42' 14" EAST, 1,650.00 FEET;
THENCE SOUTH 20 DEGREES 37' 26" EAST, 1,483.07 FEET TO A POINT IN
THE CENTER LINE OF PARCEL 1 HEREINABOVE DESCRIBED;
THENCE ALONG SAID CENTER LINE SOUTH 38 DEGREES 24' 28" WEST, 399.98
FRET TO THE REGINNING OF A TANGENT CURVE CONCAVE TO THE NORTHWEST
WANTEG A RADIUS OF 1,200.00 FEET; MAVING A RADIUS OF 1,200.00 FEET;

THENCE SOUTHWESTERLY ALONG SAID CURVE 635.45 FEET THROUGH A CENTRAL

ANGLE OF 30 DEGREES 20' 26";

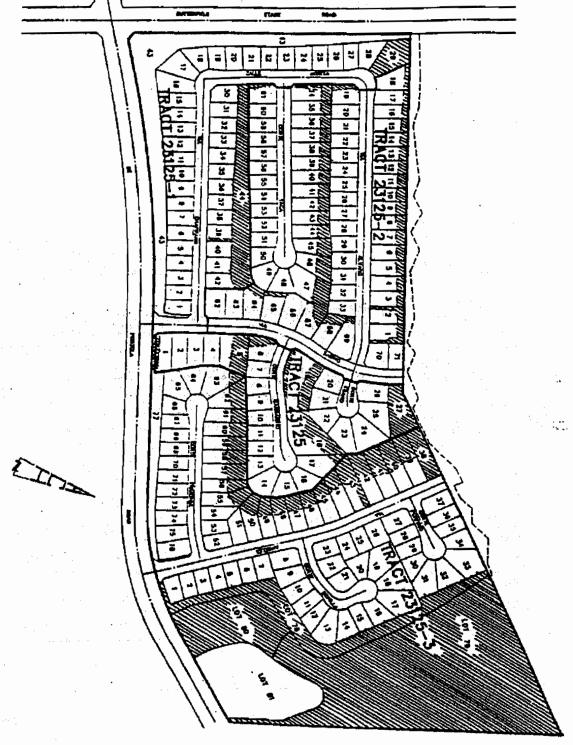
THENCE TANGENT TO SAID CURVE SOUTH 68 DEGREES 44' 54" WEST, 907.75 FRET TO THE ENGINEERS OF A TANGENT CURVE CONCAVE TO THE SOUTHEAST EAVING A RADIUS OF 4,400.00 PERT;

THERCE SOUTHWESTERLY ALONG SAID CURVE 945.49 FEET THROUGH A CENTRAL AMGLE OF 12 DEGREES 18' 43";

THENCE TANGENT TO SAID CURVE SOUTH 56 DEGREES 26' 11" WEST. 255.20 FEET TO THE POINT OF BEGINNING:

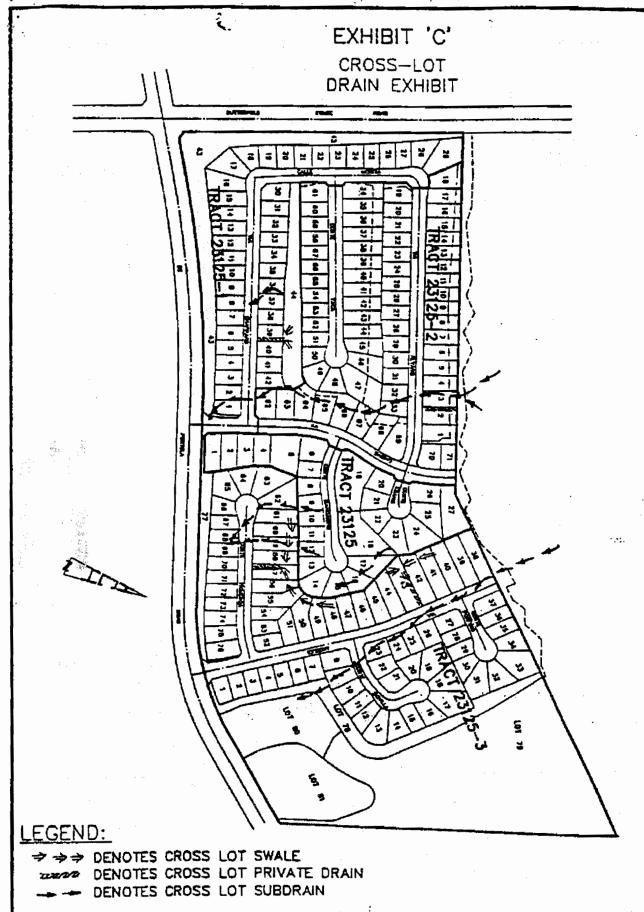
# EXHIBIT 'B'

ON-SITE
COMMON MAINTENANCE AREAS



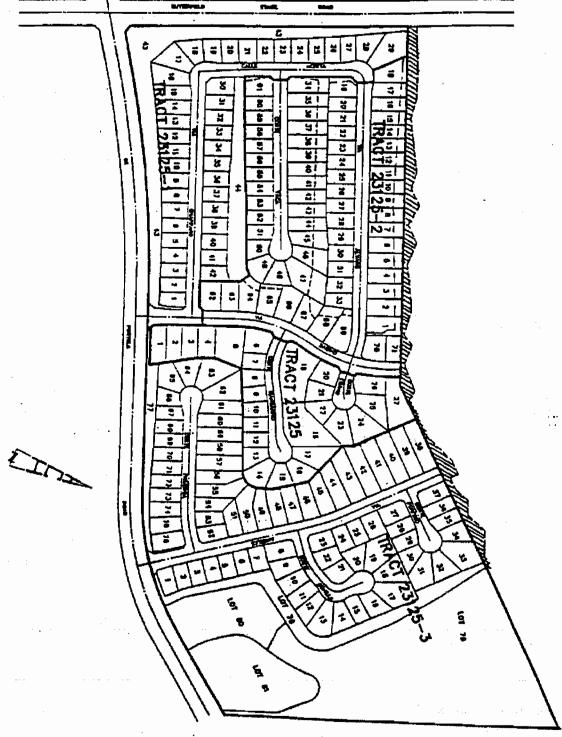
LEGEND:

DENOTES ON-SITE COMMON MAINTENANCE AREAS



# EXHIBIT 'D'

OFF-SITE COMMON MAINTENANCE AREAS



LEGEND:

DENOTES OFF-SITE COMMON MAINTENANCE AREAS