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If this document contains any restriction based on race, color, religion, sex, gender, gender identity, gender expression, sexual orientation, familial status, marital status, disability, genetic information, nation origin, source of income as defined in subdivision of Section 12955, or ancestry, that restrictions violates state and federal fair housing laws and is void, and may be removed pursuant to Section 12956.1 & 12956.2 of the Government Code. Lawful restrictions under state and federal law on the age of occupants in senior housing or housing for older persons shall not be construed as restrictions based on familial status.

Section 1352.5 of the Civil Code, effective January 1, 2000 requires community associations to put this cover page on the front of the Governing Documents.

RECORDING REQUESTED BY:

TICOR TITLE INSURANCE

WHEN RECORDED RETURN TO:

BEST, BEST & KRIEGER
400 Mission Square
3750 University Avenue
Riverside, California 92501
Attention: Michael Grant

MASTER DECLARATION OF
COVENANTS, CONDITIONS AND RESTRICTIONS FOR
SERRANO DEL VISTA HOMEOWNERS ASSOCIATION

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MASTER DECLARATION OF
COVENANTS, CONDITIONS AND RESTRICTIONS FOR
SERRANO DEL VISTA HOMEOWNERS ASSOCIATION

THIS DECLARATION is made this ____ day of _____,
1989 by JOHN C. HEERS, INC., a California corporation.
JOHN C. HEERS, INC., its successors and assigns shall
hereinafter be referred to as "Declarant."

R E C I T A L S

A. Declarant is the owner of certain real property described in Exhibit "A" attached hereto, which shall be the Covered Property under this Declaration.

B. Declarant is also the owner of additional real property more particularly described in Exhibit "B" attached hereto, which may be subsequently annexed to and become a part of the Covered Property according to the procedures hereinafter described.

C. Declarant intends to develop on the Covered Property a planned development as defined in Section 1351(k) of the California Civil Code. These covenants, conditions and restrictions are imposed upon the Covered Property in order to provide for its management and to enhance and protect the

value, desirability and attractiveness of the Covered Property.

D. In furtherance of these objectives, Serrano Del Vista Homeowners Association, a California nonprofit mutual benefit corporation, has been incorporated and will manage the Project, maintain and administer the Common Areas, and administer and enforce this Declaration, the Articles and Bylaws of the Association, and perform such other acts as may benefit the Project.

NOW, THEREFORE, Declarant covenants and agrees that the Covered Property, the Project and all of the Lots, including any improvements added or constructed on or about the Project in the future, shall be held, conveyed, assigned, hypothecated, encumbered, leased, used, occupied and improved subject to the following limitations, restrictions, covenants and conditions, for the purpose of mutually benefiting the Covered Property, the Project and all of the Lots, and the future Owners thereof. All of the covenants and restrictions set forth herein shall run with the land, shall be enforceable as equitable servitudes, and shall be binding upon and for the benefit of all parties having or acquiring any right, title or interest in the Covered Property, the Project or any of the Lots.

I.

DEFINITIONS

The following terms used in this Declaration are defined as follows:

Section 1. Architectural Committee. The term "Architectural Committee" or "Committee" shall mean and refer to the Architectural Committee created pursuant to the Article of this Declaration entitled "Architectural Control."

Section 2. Articles. The term "Articles" shall mean and refer to the Articles of Incorporation of the Association, which are or shall be filed in the Office of the Secretary of State of California, as amended from time to time.

Section 3. Assessments. The following definitions shall apply to the assessments described below:

(a) Regular Assessment shall mean the amount which is to be paid by each Owner to the Association for Common Expenses as provided by the terms of this Declaration.

(b) Special Assessment shall mean a charge against each Owner and his Lot, representing a portion of the cost to the Association for installation or construction of any capital improvements on any of the Common Area which the Association may from time to time authorize pursuant to the provisions of this Declaration.

(c) Reimbursement Assessment shall mean a charge against a particular Owner and his Lot for the purpose of reimbursing the Association for costs incurred in bringing the Owner and his Lot into compliance with the provisions of this Declaration, the Articles, Bylaws, or Association rules, or any other charge designated as a Reimbursement Assessment in this Declaration or Association rules, together with attorney's fees and other charges payable by such Owner, pursuant to the provisions of this Declaration.

(d) Reconstruction Assessment shall mean a charge against each Owner and his Lot representing a portion of the cost to the Association for reconstruction of any portion of the Common Area pursuant to the provisions of this Declaration.

Section 4. Association. The term "Association" shall mean and refer to SERRANO DEL VISTA HOMEOWNERS ASSOCIATION, a California nonprofit mutual benefit corporation, its successors and assigns.

Section 5. Board of Directors. The term "Board of Directors" or "Board" shall mean and refer to the duly elected Board of Directors of the Association.

Section 6. Bylaws. The term "Bylaws" shall mean the Bylaws of the Association, as amended from time to time.

Section 7. City. The term "City" shall mean and refer to the City of Banning, California, a municipal corporation of the State of California.

Section 8. Common Area. The term "Common Area" shall mean all portions of the Project except the Lots and Units located thereon, and shall include all common recreational facilities as well as all other land, structures and facilities within the Project which are conveyed to the Association for the use and enjoyment of the Owners.

Section 9. Common Expenses. The term "Common Expenses" shall mean and refer to the actual and estimated costs of:

(a) maintenance, management, operation, repair and replacement of the Common Area, and all other areas on the Covered Property which are maintained by the Association;

(b) unpaid Special, Reconstruction and Reimbursement Assessments;

(c) maintenance by the Association of areas within the public right-of-way of public streets in the vicinity of the Covered Property as provided in this Declaration or pursuant to agreements with the City;

(d) costs of management and administration of the Association, including, but not limited to, compensation paid by the Association to managers, accountants, attorneys and employees;

(e) the costs of utilities, trash pickup and disposal, gardening and other services benefiting the Owners, their Lots and the Common Area to the extent such services are paid for by the Association and not separately and individually billed directly to Owners;

(f) the costs of fire, casualty, liability, worker's compensation and other insurance covering the Common Area, the Project and the Association;

(g) the costs of any other insurance obtained by the Association;

(h) reasonable reserves as deemed appropriate by the Board;

(i) the costs of bonding of the members of the Board, any professional managing agent or any other person handling the funds of the Association;

(j) any taxes paid by the Association;

(k) amounts paid by the Association for discharge of any lien or encumbrance levied against the Common Area or portions thereof;

(l) costs incurred by the Architectural Committee or other committees of the Association; and

(m) such other costs or expenses incurred by the Association in connection with the Common Area, this

Declaration, the Articles or Bylaws or in furtherance of the purposes of the Association or in the discharge of any obligations imposed on the Association by this Declaration.

Section 10. County. The term "County" shall mean and refer to Riverside County, California.

Section 11. Covered Property. The term "Covered Property" shall mean and refer to all of the real property described in Exhibit "A" attached hereto.

Section 12. Declarant/Grantor. The terms "Declarant" or "Grantor" shall mean and refer to John C. Heers, Inc., a California corporation, its successors and assigns.

Section 13. Declaration. The term "Declaration" shall mean this Declaration, i.e., this document.

Section 14. Improvements. The term "Improvements" shall include buildings, outbuildings, driveways, parking areas, fences, screening walls, retaining walls, stairs, decks, hedges, windbreaks, plantings, trees and shrubs, poles, signs and all other structures and landscaping improvements of every type and kind.

Section 15. Institutional Holder. The term "Institutional Holder" shall mean and refer to any beneficiary of a deed of trust or mortgagee of a mortgage which encumbers a Lot and which is a bank or savings and loan association or established mortgage company or other entity chartered under federal or state laws, any corporation or insurance company, or any federal or state agency.

Section 16. Lot. The term "Lot" shall mean and refer to any plot of land or parcel shown on any recorded subdivision map of the Project, with the exception of the Common Area and shall include a Unit constructed upon such Lot. A Lot is a "separate interest" as defined in Section 1351(L)(1) of the Civil Code.

Section 17. Member. The term "Member" shall mean and refer to each person entitled to membership in the Association as provided in this Declaration, the Articles and Bylaws.

Section 18. Mortgage. The term "Mortgage" shall mean and refer to any duly recorded and valid mortgage or deed of trust encumbering a Lot.

Section 19. Owner. The term "Owner" shall mean and refer to one or more persons or entities holding fee title

or an equitable ownership interest in any Lot, including contract purchasers, but excluding those having such interest merely as security for the performance of an obligation.

Section 20. Phase. The term "Phase" shall mean and refer to one or more lots or parcels with the Project upon which a Public Report has been issued by the California Department of Real Estate.

Section 21. Project. The term "Project" shall mean and refer to all of the Covered Property, including all of the Lots, the Common Area and all Improvements located upon the Covered Property.

Section 22. Public Report. The term "Public Report" shall mean and refer to a Final Subdivision Public Report issued by the California Department of Real Estate pursuant to the California Subdivided Lands Act.

Section 23. Supplemental Declaration. The term "Supplemental Declaration" shall mean and refer to those declarations of covenants, conditions and restrictions, or similar instruments, annexing additional property, extending the plan of this Master Declaration to such additional property as provided as provided in the Article of this Master Declaration entitled "INTEGRATED NATURE OF THE COVERED PROPERTY."

Section 24. Unit. The term "Unit" shall mean and refer to the residential improvements located upon a Lot.

II.

CREATION OF PLANNED DEVELOPMENT

Section 1. Division of Project. Declarant, in order to establish the Project as a Planned Development, hereby divides the Project into the following:

(a) Twenty-seven (27) designated and legally described Lots, which are shown, defined and described on the recorded subdivision map for the Project, consisting of Lots 47 through 57, and 59 through 74, all as more particularly described in Exhibit "A" attached hereto;

(b) The Common Area consisting of the remainder of the Project, excepting the Lots as shown on the subdivision map, specifically consisting of Lots A, B, C, D, V and 58, all as more particularly described in Exhibit "A" attached hereto.

Section 2. Interest in Common Area. Acquisition of title to a Lot shall also include the right to use and enjoy all of the Common Areas within the Project. Each conveyance of a Lot, whether voluntary or involuntary, shall also convey the right to use and enjoy the Common Area even though the conveyance document may omit reference to the Common Area.

Section 3. Conveyance of Common Area to Association. Prior to or concurrent with the first conveyance of a Lot to an Owner, Declarant shall convey title to the Common Area to the Association.

III

RIGHTS OF ENJOYMENT

Section 1. Members' Right of Enjoyment. Every Member of the Association shall have a nonexclusive easement for use and enjoyment of the Common Area, which shall be appurtenant to and pass with title to each Lot, subject to all of the easements, covenants, conditions, restrictions and other provisions contained in this Declaration, including, without limitation, the following:

(a) The right of the Association to reasonably limit the number of guests of Owners using the Common Area recreational facilities;

(b) The right of the Association to establish uniform rules and regulations pertaining to the use of the Common Area and any recreational facilities thereon;

(c) The right of the Association, upon the vote or written assent of a majority of the voting power of each class of Members, to borrow money for the purpose of improving the Common Area and any Improvements thereon and (subject to the rights of Institutional Holders described in Article XIII) to mortgage, pledge, deed in trust, or hypothecate any or all of its real or personal property as security for money borrowed or debts incurred;

(d) Subject to the rights of Institutional Holders described in Article XIII, the right of the Association to dedicate, release, alienate, transfer or assign an interest in the Common Area to any public agency, authority, utility or other person for such purposes and subject to such conditions as may be agreed to by the Members. No such dedication, release, alienation, transfer or assignment shall be effective, unless an instrument is signed by Members entitled to cast at least a majority of each class of the voting power of the Association agreeing to such dedication, release, alienation or transfer has been recorded;

(e) The rights and reservations of Declarant as set forth in this Declaration, including the right of Declarant, its sales agents, representatives and prospective purchasers, to the nonexclusive use of the Common Area, without cost, for access, ingress, egress, use and enjoyment, in order to market and sell Lots until the close of escrow for the sale of all of the Lots in the Project; provided, however, that such use shall not unreasonably interfere with the rights of enjoyment of the other Owners;

(f) The right of the Association to suspend the rights and easements of use and enjoyment of the recreational facilities, if any, located on the Common Area, of any Member, and the persons deriving such rights and easements from any Member, for any period during which the payment of any assessment against such Member and his Lot remains delinquent; and, after notice and hearing with an opportunity to be heard, to impose monetary penalties or suspend such use rights and easements for a reasonable period of time as determined by the Board for any violation of this Declaration, the Articles, Bylaws or rules and regulations of the Association, it being understood that any suspension for either nonpayment of any assessment or breach of such restrictions shall not constitute a waiver or discharge of the Member's obligation to pay assessments or comply with the restrictions.

(g) The right of the Association to levy a reasonable charge for the use of any recreational facilities located on the Common Area;

(h) The right of the Association to grant concessions for snack bars and other commercial activities relating to the use and enjoyment of the Common Area by the Members, provided that any such contract shall be subject to the restrictions on contracts described elsewhere in this Declaration and in the Bylaws.

Section 2. Delegation of Use. Any Member may delegate his right to the use and enjoyment of the Common Area to the members of his family, his guests or tenants who reside in his Unit, subject to rules and regulations adopted by the Association.

Section 3. Waiver of Use. No Member may exempt himself from personal liability for assessments duly levied by the Association, or release his Lot from the liens, charges and other provisions of this Declaration, the Articles, Bylaws and Association rules, by waiver of the use and enjoyment of the Common Area or the abandonment of his Lot.

IV

USE RESTRICTIONS

In addition to all other covenants contained herein, the use of the Project, each Lot and the Common Area is subject to the following:

Section 1. Commercial Use. Subject to the Section entitled "Construction and Sales" of the Article hereof entitled "EASEMENTS," no Lot, Unit or any part thereof shall be used for any business, commercial, manufacturing, mercantile, storing, vending, or other nonresidential purposes; provided, however, that the Association shall have the right to provide or authorize such services on the Common Area as it deems appropriate for the enjoyment of the Common Area or for the benefit of the Members.

Section 2. Maintenance of Lots and Units. Each Owner shall be responsible for the maintenance and appearance of his Lot and Unit. Owners shall assure that their Lots are properly landscaped and that all landscaping, including grass, trees, ornamental shrubs, and the like, is properly irrigated, trimmed and maintained. Lots and Units shall be maintained in a neat, clean, orderly, safe, sanitary and attractive condition. All painting and alterations of the exterior surfaces of Units shall be undertaken in conformance with the requirements of Article XII regarding Architectural Control. If a Unit is destroyed or damaged by fire or other casualty and the Owner elects not to rebuild, the Owner shall clear the Lot of all debris within a reasonable time. In the event that any Owner fails to maintain his Lot or Unit in accordance with the standards described in this Section, the Association shall have the right, but not the obligation, to undertake such maintenance and levy the expense thereof against the delinquent Owner as a Reimbursement Assessment.

Section 3. No Obstruction of Common Area. There shall be no obstruction of the Common Area nor shall anything be stored in the Common Area without the prior written consent of the Association provided, however, that personal property and fixtures consistent with the use of any Restricted Common Area may be maintained by Owners upon such Restricted Common Area, subject to such limitations as rules and regulations adopted by the Board may impose. Nothing shall be altered or constructed in or removed from the Common Area, except upon the prior written consent of the Board.

Section 4. Signs. No sign, poster, billboard, advertising device or other display of any kind shall be displayed so as to be visible from outside any portion of the Project without the approval of the Architectural Committee, except such signs as may be used by Declarant in connection with the development of the Project and sale of Lots and such signs of customary and reasonable dimensions as prescribed by the Architectural Committee which may be displayed on or from a Lot, advertising it for sale or lease.

Section 5. Animals. No insects or animals of any kind shall be raised, bred or kept on the Project except that a reasonable number of dogs, cats or other household pets may be kept, provided that they are not kept, bred or maintained, for any commercial purpose, or in violation of any other provision of this Declaration and the rules and regulations of the Association. The Association, acting through the Board of Directors, shall have the right to prohibit maintenance of any animal on any Lot in the Project which constitutes, in the opinion of the Board, a nuisance to other Owners within the Project. Animals belonging to Owners or their licensees, tenants or invitees within the Project must be either kept within an enclosure, an enclosed yard or on a leash or bridle being held by a person capable of controlling the animal. Owners shall be liable to other Owners, their families, guests, tenants and invitees, for any unreasonable noise or damage to person or property caused by any animals brought or kept upon the Project by such Owner or by members of his family, his tenants or guests. It shall be the duty and responsibility of each Owner to clean up after his animals.

Section 6. Utilities. Each Owner shall be obligated to pay any and all assessments for sewage, electricity, other utilities, taxes and other charges assessed individually against his Lot.

Section 7. Trash. No rubbish, trash, garbage or other waste material shall be kept or permitted upon any portion of the Project, except in sanitary containers located in appropriate areas screened and concealed from view, and no odor shall be permitted to arise therefrom so as to render the Project, or any portion thereof, unsanitary, unsightly, offensive or detrimental to any other property in the vicinity or to its occupants. Such containers shall be exposed to the view of neighboring Lots only when set out for a reasonable period of time (not to exceed twenty-four (24) hours) before and after scheduled trash collection hours. If trash bins are located in designated trash areas on the Common Area, all Owners shall utilize such trash bins for the disposal of their trash.

Section 8. Vehicles. No trailer, motor home, truck, camper, boat or "recreational vehicle" as defined in California Health & Safety Code Section 18215.5 (as that section may be amended) shall be stored anywhere on the Project. For purposes of the above prohibition, a recreational vehicle will not be deemed "stored" within the Project if it is parked by an Owner's Lot for a period of not to exceed forty-eight (48) hours for purposes of loading or unloading or if a recreational vehicle belonging to a guest or invitee of an Owner is parked upon or next to that Owner's Lot for a period of not to exceed seven (7) consecutive days. No inoperable vehicle shall be stored or allowed to remain on any Lot (including any public or private street) in such a manner as to be visible from any other Lot within the Project.

Section 9. Rules of Association. Each Owner, tenant or occupant of a Unit shall comply with the provisions of this Declaration, the Bylaws, decisions, rules and regulations of the Association or its duly authorized representatives which may from time to time be promulgated. Failure to comply with any such provisions, decisions, or resolutions, shall be grounds for an action to recover sums due, for damages, for injunctive relief, or for any other remedy permitted by law or by the terms of this Declaration.

Section 10. Conduct in Units and Common Area. The Common Area shall not be used for any purpose or in any manner which might cause it to be uninsurable against loss by fire or the perils of the extended coverage endorsement of the California Standard Fire Policy form, or cause any policy of insurance to be cancelled or suspended or the company issuing the same to refuse renewal thereof. No Unit shall be used in such a manner as to obstruct or interfere with the enjoyment of occupants of other Units or annoy them by unreasonable noises or otherwise, nor shall any nuisance be committed or permitted to occur in any Unit or upon the Common Area.

Section 11. Leasing of Units. No Owner shall lease his Unit for transient or hotel purposes or lease less than the entire Unit. The terms of any lease shall be in accordance with and subject in all respects to the provisions of this Declaration, the Bylaws and Association rules, and any failure by the lessee to comply with the terms of such documents shall be a default under the lease. All leases must be in writing.

Section 12. Antennas. No individual television, radio or other electronic antenna or device of any type including

satellite dishes, shall be erected, constructed, placed or permitted to remain within the Project unless it is fully contained within a Unit. Television service for the Project will be provided through a master antenna or cable system serving the entire Project.

Section 13. Window Covers. Curtains, drapes, shutters or blinds may be installed as window covers. No window shall be covered with aluminum foil or similar material.

Section 14. Landscaping. The initial Owner of a Lot within the Project must landscape the front yard of his Lot within ninety (90) days following close of escrow. Rear yards must be landscaped within one hundred eighty (180) days following close of escrow.

Section 15. Play Equipment. All play equipment which is of a permanent nature and generally stored out of doors (such as swing sets, children's climbing equipment and the like) must be contained within rear yards.

Section 16. Garage Conversions/Additional Rooms. No conversion of garages to living spaces will be permitted in any Unit within the Project. Additional enclosed rooms may not be constructed on any Unit.

Section 17. Fences and Walls. All fences and walls constructed by an Owner (other than Declarant) will be subject to prior review and approval by the Architectural Committee and the City.

Section 18. Patio Covers. Patio covers will be permitted on side and rear yards (but not front yards). Any side and rear yard patio covers must maintain a two (2) foot setback from property lines.

Section 19. Single-Family Use. Each Unit will be a "single-family" dwelling and may not be modified so as to be utilized as a multiple-family dwelling.

IV-A

ADULT COMMUNITY RESTRICTIONS

Section 1. Senior Citizen Housing Development. It is the intention of the Declarant that the Project constitute and be developed (through all Phases) as a "senior citizen housing development" in accordance with the provisions of California Civil Code Section 51.3, as that section may be amended from time to time. The provisions of this Article will govern and supersede in the event of any inconsistency between this Article and any other provisions of this Declaration, the Bylaws or the Articles.

Section 2. Age/Residency Restrictions. As provided in Civil Code Section 51.3, each Unit within the Project must be occupied by a person fifty-five (55) years of age or older ("Qualifying Resident"). Every other resident living with a Qualifying Resident must be forty-five (45) years of age or older ("Qualified Permanent Resident") unless such person is the spouse or co-habitant of the Qualifying Resident or is providing primary physical or economic support to the Qualifying Resident. In addition to the foregoing age restriction, a Qualified Permanent Resident must (a) have been residing with the Qualifying Resident prior to the death, hospitalization or other prolonged absence of, or the dissolution of marriage with, the Qualifying Resident; and (b) have an ownership interest or the expectation of an ownership interest in the Unit of the Qualifying Resident. All leases or other tenancies must comply in all respects with these age and residency restrictions.

Section 3. Guests. The age and residency restrictions described in Section 2 above do not prohibit any occupant of a Unit from entertaining guests of any age; provided, however, that the visitation period for such guests may not exceed sixty (60) calendar days, whether consecutive or in the aggregate, during any one calendar year. Guests over fifty-five (55) years of age are exempt from this restriction.

Section 4. Phasing. California law (10 Cal. Admin. Code Section 2792.27(b)(4)) generally requires additional Phases to be annexed within three (3) years subsequent to the date of original issuance of the most recently issued Public Report for a Phase or increment of the Project. Declarant has provided information to the California Department of Real Estate in accordance with California Business and Professions Code Section 11010.05 and 10 Cal. Admin. Code Section 2790.5 as a result of which the annexation of

subsequent Phases will not be subject to the time limitations described above which would otherwise be applicable.

Section 5. Construction. The provisions of this Article and all provisions of this Declaration dealing with age related residency restrictions will be construed so as to comply with Civil Code Section 51.3 and any implementing rules, regulations or other statutes.

MEMBERSHIP AND VOTING RIGHTS

Section 1. Membership. Every Owner shall automatically, upon becoming the Owner of a Lot, be a Member of the Association, and shall remain a Member thereof until his ownership ceases for any reason, at which time his membership in the Association shall also automatically cease. For each Lot there shall be on file with the Association an address of record for the Owner, if different from the Unit address, and a phone number in case of emergency, all of which shall be kept current by the Owner. Ownership of a Lot shall be the sole qualification for membership in the Association; provided, however, that a Member's voting rights or privileges to use the Common Area, or both, may be regulated or suspended as provided in this Declaration, the Bylaws or Association rules. All memberships shall be appurtenant to the Lot conveyed, and with the exception of Declarant, a person or entity shall be deemed an Owner of a Lot only upon recordation of a deed, contract of sale or other document conveying the Lot to him.

Section 2. Transfer. The membership held by any Owner shall not be transferred, pledged or alienated in any way, except upon the conveyance or encumbrance of his Lot, and then only to the transferee or Mortgage holder of the Lot. Any attempt to make a prohibited transfer is void, and will not be reflected upon the books and records of the Association. In the event an Owner fails or refuses to transfer the membership registered in his name to the transferee of his Lot, the Board may record the transfer upon the books of the Association. The Association may charge a fee for transferring membership records from an Owner to the transferee of his Lot, which amount will not exceed One Hundred Dollars (\$100.00) and in no event will exceed the Association's actual and reasonable costs to change its records and assist in the preparation and reproduction of the materials described in Article XVIII, Section 8 below.

Section 3. Two Classes of Memberships. The Association shall have two (2) classes of voting membership:

Class A. Class A members shall be those Owners described in Section 1 above, with the exception of Declarant, for so long as there exists a Class B membership. Each Class A member 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, and the vote for such Lot shall be exercised as they among them-

selves determine, but in no event shall more than one (1) vote be cast with respect to any Lot. The Association shall not be required to recognize the vote or written assent of a co-owner unless that co-owner is designated in a writing executed by all such co-owners and delivered to the Association.

Class B. The Class B member shall be the Declarant. The Class B member shall be entitled to three (3) votes for each Lot owned; provided that the Class B membership shall cease and be converted to Class A membership on the happening of either of the following events, whichever occurs earlier:

(a) Two (2) years following the issuance of the original Public Report for the most recent Phase of the Project; or

(b) Four (4) years following the issuance of the original Public Report for the first Phase of the Project.

Section 4. Required Vote. Notwithstanding anything to the contrary contained elsewhere in this Declaration, any action by the Association which must have the approval of the membership before being undertaken (except for the action referred to in the Article entitled "ENFORCEMENT OF BONDED OBLIGATIONS") shall require the vote or written assent of the required percentage of each class of membership during the period of time that there are two (2) outstanding classes of membership. Except for the provisions of the Article entitled "ENFORCEMENT OF BONDED OBLIGATIONS," any provision of this Declaration which provides that the vote of the Declarant shall be excluded shall be applicable only if there has been a conversion of Class B to Class A membership and such provision shall be interpreted as requiring the prescribed vote of the total voting power of the Association as well as the vote or written assent of the prescribed majority of the total voting power of Members other than Declarant.

Section 5. Special Class A Voting Rights. From the first election of Directors and thereafter for as long as a majority of the voting power of the Association resides in Declarant, or as long as there are two (2) classes of membership in the Association, not less than twenty percent (20%) of the incumbents on the Board of Directors shall have been elected solely by votes of Members other than Declarant. A Director who has been elected solely by votes of Members other than Declarant may be removed from office prior to the expiration of his term of office only by the vote of at least a simple majority of the voting power residing in Members other than Declarant.

Section 6. Vesting of Voting Rights. All voting rights which are attributable to a specific Lot shall not vest until such time as that Lot is subject to Regular Assessments (and Special Assessments, if any) pursuant to the terms of this Declaration.

COVENANT FOR MAINTENANCE ASSESSMENTS

Section 1. Covenant to Pay Assessments. Declarant, for each Lot owned within the Project, hereby covenants, and each Owner of any Lot, by acceptance of a conveyance therefor (whether or not it is expressed in such conveyance), is deemed to covenant and agree to pay to the Association: (1) Regular Assessments or charges, (2) Special Assessments for capital improvements, (3) Reimbursement Assessments, and (4) Reconstruction Assessments, all such assessments to be established and collected as hereinafter provided. Each of these assessments, together with interest, costs and reasonable attorneys' fees, shall also be the personal obligation of the person who was the Owner of such Lot at the time the assessment became due. The personal obligation for delinquent assessments shall not pass to such person's successors in interest unless expressly assumed by them.

Section 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 Project and for the improvement, operation and maintenance of the Common Area and the Project and the performance of the duties of the Association as set forth in this Declaration, the Articles and Bylaws.

Section 3. Regular Assessments. The amount and time of payment of Regular Assessments against each Lot shall be determined by the Board, giving due consideration to the current maintenance costs and future needs of the Association. Not later than sixty (60) days prior the beginning of each fiscal year, the Board shall estimate the total Common Expenses to be incurred for the upcoming fiscal year, and shall determine the amount of Regular Assessments to be paid by each Member. Written notice of the amount of the Regular Assessment for the year shall be sent to each Member, who shall thereafter pay the Regular Assessment to the Association in monthly installments unless some other period for collection is established by the Board.

Section 4. Special Assessments for Capital Improvements. In addition to the Regular Assessments authorized above, the Association may levy, in any fiscal year, a Special Assessment applicable to that year only, for the purpose of defraying, in whole or in part, the cost of any construction, repair or replacement (other than due to destruction) of a capital improvement upon the Common Area and the Project, including fixtures and personal property

related thereto, or any other action or undertaking on behalf of the Association, to the extent the same is not covered by the provisions affecting Reconstruction Assessments described below.

Section 5. Increases in Regular and Special Assessments. In the event that the Board at any time determines that the estimate of total charges for the current year is or will become inadequate to meet all Common Expenses for any reason, it shall immediately determine the approximate amount of such inadequacy and issue a supplemental estimate of the Common Expenses and determine a revised amount of Regular Assessments for each Member and the date or dates when due. Except as provided below, Regular Assessments may not be increased more than twenty percent (20%) over the Regular Assessments for the preceding fiscal year and Special Assessments may not exceed in the aggregate five percent (5%) of the budgeted gross expenses of the Association for the current fiscal year without approval by the vote or written assent of Owners casting a majority of the votes at a meeting or election of the Association conducted in accordance with Sections 7510 through 7527 and 7613 of the Corporations Code. Notice and quorum for any meeting called to approve an increase in Regular or Special Assessments in excess of the percentage limitations described above shall be conducted in accordance with Sections 4 and 5 of Article IV of the Bylaws. For purposes of this Section, "quorum" means more than fifty percent (50%) of the Owners of the Association.

The percentage limitations for increases in Regular and Special Assessments described above will not limit assessment increases necessary for emergency situations. An "emergency situation" includes any one of the following:

(a) An extraordinary expense required by an order of a court;

(b) 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 is discovered; or

(c) An extraordinary expense necessary to repair or maintain the Project or any part of it for which the Association is responsible which could not have been reasonably foreseen by the Board in preparing and distributing its pro forma budget of the Association as described in Article VII, Section 5 of the Bylaws. Prior to the imposition or collection of an assessment under this subparagraph (c), the Board shall adopt a resolution containing written

findings regarding the necessity of the extraordinary expense and why such expense was not or could not have been reasonably foreseen in the budgeting process, which resolution will be distributed to the Members with the notice of such assessment.

Section 6. Reimbursement Assessments. The Association may levy a Reimbursement Assessment against any Owner who fails to comply with the provisions of this Declaration, the determinations of the Architectural Committee, the Articles or Bylaws, or any rule or regulation adopted by the Association, if such failure results in the expenditure of monies by the Association in carrying out its functions hereunder or for purposes of collecting any fines which may be levied by the Association. Such assessment shall also be for the purpose of reimbursing the Association for any costs incurred by the Association on behalf of an individual Owner. A Reimbursement Assessment shall be due and payable to the Association when levied but may not become a lien as provided by Section 14(b) of this Article VI which could otherwise be enforced by a sale of the Owner's Lot.

Section 7. Reconstruction Assessments. Assessments for reconstruction of Improvements upon the Common Area may be levied in accordance with the provisions of that Article below entitled "DESTRUCTION OF IMPROVEMENTS."

Section 8. Uniform Rate of Assessment. Regular and Special Assessments shall be fixed at a uniform rate for all Lots (including those owned by Declarant) and shall be levied against each Owner according to the ratio of the number of Lots owned by the Owner to the total number of Lots subject to assessment.

Section 9. Date of Commencement of Regular Assessments: Due Dates. The Regular Assessments described herein shall commence as to all Lots (including those owned by Declarant) on the first day of the month following the conveyance of the first Lot by Declarant to an Owner.

Section 10. Certificate of Payment. The Association shall, within ten (10) days after receipt of written request, furnish to any Member liable for assessments a certificate in writing signed by an Officer or authorized agent of the Association, stating (as of the date the statement is issued) whether assessments for a specific Lot have been paid and the amount of delinquency, if any, including penalties and attorneys' fees. A reasonable charge, of not less than Fifteen Dollars (\$15.00), and not more than the reasonable cost of preparing the certificate (as determined by the Board) may be collected for the issuance of such a

certificate. Such certificates shall be conclusive evidence of payment of any assessment therein stated to have been paid as to all third parties relying thereon, but shall not relieve any Owner of liability for assessments not in fact paid.

Section 11. No Offsets. All assessments shall be payable in the amount specified and no offset against such amount shall be permitted for any reason, including, without limitation, a claim that the Association is not properly exercising its duties and powers as provided in this Declaration.

Section 12. Reserves. Regular Assessments shall include reasonable amounts as determined by the Board collected as reserves for the future periodic maintenance, repair or replacement of all or any portion of the Common Area that must be repaired or replaced on a periodic basis, or any other purpose as determined by the Board. All amounts collected as reserves, whether pursuant to this Section or otherwise, shall be deposited by the Board in a separate bank account to be held in trust for the purposes for which they are collected and are to be segregated from and not commingled with any other funds of the Association. Such reserves shall be deemed a contribution to the capital account of the Association by the Members.

Section 13. Pledge of Assessment Rights. The Association shall have the power to pledge to exercise its assessment powers to obtain funds to repay a debt of the Association; provided, however, that any such pledge shall require the prior affirmative vote or written assent of not less than a majority of the Class A members at a meeting duly called and noticed pursuant to the provisions of the Bylaws dealing with Special Meetings of Members. The Association may levy Special Assessments against the Members to obtain such funds. Upon the failure of any Member to pay such a Special Assessment when due, the Association may exercise all of its rights, including, without limitation, the right to foreclose its lien, pursuant to the further provisions of this Declaration.

Section 14. Effect of Nonpayment of Assessments; Remedies of the Association. Each Owner upon becoming an Owner of any Lot, covenants and agrees to pay to the Association all of the assessments provided for in this Declaration and further agrees to the enforcement of all such assessments in the manner herein specified. Regular and Special Assessments are delinquent fifteen (15) days after they become due. If an assessment is delinquent, the Association may recover all of the following:

(1) Reasonable costs incurred in collecting the delinquent assessment, including reasonable attorneys' fees;

(2) A late charge not exceeding ten percent (10%) of the delinquent assessment or Ten Dollars (\$10.00) whichever is greater; and

(3) Interest on the above sums, including the amount of the delinquent assessment, reasonable costs of collection and late charges, at an annual percentage rate of twelve percent (12%), commencing thirty (30) days after the assessment becomes due.

A Regular or Special Assessment and any late charges, reasonable costs of collection, and interest, shall be a debt of the Owner at the time the assessment or other sums are levied. In addition to any other remedies provided herein or available at law or in equity, the Board or its authorized representative may enforce the obligations of the Owners to pay the assessments provided for in this Declaration by either or both of the following procedures:

(a) Enforcement by Suit. The Association may commence and pursue an action against any Owner personally obligated to pay assessments for such delinquent assessments. Any judgment rendered in any such action shall include the amount of the delinquency, together with interest thereon, costs of collection, court costs and reasonable attorneys' fees in such amount as the court may adjudge against the delinquent Owner. Pursuant to California Civil Code Section 1367(e), suit to recover a money judgment for unpaid assessments may be maintained without foreclosing or waiving the lien hereinafter described. The remedy provided in this paragraph shall be the exclusive manner of enforcing payment of delinquent Reimbursement Assessments.

(b) Enforcement by Lien. The Association may record, or cause to be recorded, a Notice of Delinquent Assessment with respect to the Lot as to which assessments are delinquent. The Notice of Delinquent Assessment shall set forth a description of the Owner's interest in the Project, the name of the record owners of that interest, the amount of assessments (other than Reimbursement Assessments) which are delinquent as of the date of recording, together with all costs, attorneys' fees, late charges and interest accrued thereon. The Notice shall also include the name and address of the trustee authorized by the Association to enforce the lien by sale through nonjudicial foreclosure

proceedings as described below and shall be signed by the person designated by the Board for that purposes (or if no one is designated, by the President of the Association). Immediately upon recordation of a Notice of Delinquent Assessment, the amounts set forth in said Notice, together with all sums accruing thereon or becoming due and payable in accordance with this Declaration after the date of recordation of the Notice, shall constitute a lien in favor of the Association upon the Lot described in the Notice, which lien shall be immediately due and payable.

This lien shall have priority over all liens or claims created subsequent to the recordation of the Notice except for liens for real property taxes and assessments on any Lot in favor of any governmental assessing unit. Any such lien may be enforced in any manner permitted by law, including sale by the court, sale by the trustee designated in the Notice, or sale by a trustee substituted pursuant to Section 2934(a) of the California Civil Code. Any sale by the trustee shall be conducted in accordance with the provisions of Sections 2924, 2924(b) and 2924(c) applicable to the exercise of powers of sale in mortgages and deeds of trust or in any other manner permitted by law. The Association shall have the power to bid in at any foreclosure sale and to purchase, acquire, hold, lease, mortgage and convey any Lot. The Association may accept a deed in lieu of foreclosure. Upon the timely curing of any default for which a Notice of Assessment was filed, by payment of all sums secured by the lien, the Board shall cause an appropriate release of such lien to be recorded in the Recorder's Office of the County.

No Owner may waive or otherwise escape liability for the assessments described in this Declaration by non-use of the Common Area or any other part of the Project, or abandonment of his Lot. Notwithstanding anything contained in this Declaration to the contrary, no action may be brought to foreclose the lien created by recordation of a Notice of Assessment, whether judicially, by power of sale, or otherwise, until the expiration of ten (10) days after a copy of said Notice, showing the date of recordation thereof, has been mailed to the Owner of the Lot which is described in such Notice.

Section 15. Subordination to Certain Trust Deeds. The lien for the assessments described herein shall only be subordinate to the lien of a first Mortgage, given and made in good faith and for value, that is of record as an encumbrance against such Lot prior to the recordation of a Notice of Assessment. The sale or transfer of any Lot shall not affect the assessment lien described herein, nor shall such

sale or transfer diminish or defeat the personal obligation of any Owner for delinquent assessments. However, the sale or transfer of any Lot pursuant to a judicial foreclosure or foreclosure by power of sale of a first encumbrance shall extinguish any assessment lien recorded prior to the time of such sale or transfer. Following a foreclosure, the interest of any purchaser at such foreclosure sale shall be subject to all assessments becoming due after the date of such sale or transfer, and in the event of nonpayment of such assessments, shall be subject to all of the remedies described in this Declaration. For the purpose of this Section 15, a sale or transfer of a Lot shall occur on the date of recordation of a deed or land sale contract evidencing the conveyance of record ownership of the Lot.

VII

MANAGEMENT OF THE ASSOCIATION AND THE PROJECT

Section 1. General Powers of the Association. All powers relating to the management, operation and maintenance of the Project and of the Common Area, shall be vested in the Association. The specific and primary purposes and powers of the Association are to provide architectural control of, manage and maintain the Project and the Common Area and to enforce the provisions of this Declaration, the Articles and Bylaws, and any other instruments relating to the management and control of the Association and the Project. The Association may do any and all other acts and things that a nonprofit mutual benefit corporation is empowered to do, which may be necessary, convenient or desirable in the administration of its affairs and in order to carry out the duties described in this Declaration, including those powers described in Section 374 of the California Code of Civil Procedure and (to the extent not inconsistent herewith) those powers described in Section 1350 et seq. of the California Civil Code, as those sections may be amended from time to time.

Whenever this Declaration or the Bylaws require or permit the approval, consent or action of the Association, such approval, consent or action shall be that of the Board of Directors, unless otherwise provided by this Declaration or the Bylaws. The Association, through its Board of Directors, also shall have the authority to delegate its powers to committees, Officers of the Association and its employees.

Section 2. Contracts of the Association. The Association shall have the right and power to employ or engage a manager and other employees or agents and contract for such services, labor and materials as it may deem reasonably necessary to operate and maintain the Project, the Common Area and the improvements thereon and to discharge its other duties. Any agreement for professional management of the Association or any contract providing for services by the Declarant must provide for termination of such contract or agreement by either party with or without cause or payment of a termination fee on thirty (30) days or less written notice and for a maximum contract term not to exceed one (1) year.

Section 3. General Duties of Association. In addition to the duties and powers enumerated in its Articles and Bylaws, or elsewhere described herein, and without limiting

the generality thereof, and subject to the limitations set forth in Sections 6 and 7 of this Article, the Association shall:

(a) Maintain and otherwise manage all of the Common Area and all facilities, improvements, and landscaping within the Common Area;

(b) Procure and maintain public liability and fire insurance with extended coverage on the Common Area as required by the terms of this Declaration. The Association shall also have the authority to procure and maintain any other type of insurance which the Association determines is in the best interest of the Association and its Members;

(c) Obtain, for the benefit of the Common Area, all water, gas and electric services and refuse collection;

(d) Pay taxes and assessments which are or could become a lien on the Common Area, or some portion thereof;

(e) Prepare budgets and financial statements for the Association and its Members as prescribed in the Bylaws;

(f) Initiate and pursue disciplinary proceedings against Members for violations of provisions of this Declaration, the Articles or Bylaws, in accordance with the procedures set forth in this Declaration;

(g) Subject to approval by a majority vote of each class of Members, borrow money and incur indebtedness for the purposes of the Association and cause to be executed and delivered therefor, in the Association's name, promissory notes, bonds, debentures, deeds of trust, mortgages, pledges or other evidences of debt and security.

Section 4. Maintenance of the Project. The Maintenance responsibilities of the Association and the Owners will be as follows:

(a) Association. The Association shall provide landscaping and gardening services for all Common Areas and shall repair and maintain all recreational facilities or other improvements within the Common Areas. All grass, trees and ornamental vegetation shall be properly irrigated, trimmed and in all respects cared for in a manner so as to provide a well maintained appearance at all times. The City may enforce proper landscape maintenance by the Association as set forth in Article XVIII, Section 1 below. Any improvements and recreational facilities located within the Common Area shall be maintained in a neat, clean, orderly,

safe, sanitary and attractive condition so as to be usable and enjoyable by all members of the Association at all times. The Association will also maintain the exterior surface of all perimeter walls, landscaping outside the boundary created by perimeter walls and the stucco portion (if any) of walls bordering Common Area pedestrian walkways within the Project. The Association will further maintain all private streets, street lights and on-sight water and sewer systems within the Project (except the pre-existing sewer line extending into the Project located north of the Project; provided, however, that in the event any sewer system serving a particular Unit becomes inoperable due to the negligence or misuse of the Owner of such Unit, such Owner will be solely responsible for maintenance and repair of the affected sewer lateral. As set forth in Section 1 of Article XVI below, the Association will have access easements as necessary over all portions of the Project in order to complete the maintenance obligations described herein.

(b) Owners. Each Owner shall be responsible to repair and maintain his Lot and Unit and to keep such Lot and Unit in good and attractive condition at all times, all as more particularly described in Section 2 of Article IV above. Should the activities of any Owner, family members, guests or invitees of such Owner result in damage to or destruction of any portion of the Common Area or any Common Area improvement, that Owner shall be held responsible for all costs associated with the repair or replacement of that portion of the Common Area, which expense may be enforced as a Reimbursement Assessment. Owners whose Lots are bounded by any portion of the perimeter wall or fence will be responsible to maintain the structural integrity and interior surface of such wall or fence. Owners whose Lots adjoin walls bordering pedestrian walkways within the Project will be responsible to maintain the interior stucco surface (if any) of such walls, as well as all wrought iron surfaces (if any) of such walls or fences. All side yard and rear yard interior fencing within the Project will be the sole maintenance responsibility of the individual Owners whose Lots are bounded by such fences.

(c) Party Walls. Each wall which is built as a part of the original construction of a Unit, is located on the boundary line with an adjacent Lot and attached Unit and is used in common with the Unit on the adjacent Lot or abutts against a similar wall on the adjacent Lot between two (2) Lots will constitute a party wall, and (to the extent not inconsistent with the provisions of this subparagraph) the general rules of law regarding party walls and liabilities for property damage due to negligence or willful acts or omissions will apply. The cost of reasonable repair

and maintenance of a party wall will be shared equally by the Owners whose adjacent Units are separated by such party wall. If a party wall is destroyed or damaged by fire or other casualty, either Owner may restore the wall and each adjacent Owner will contribute equally to the cost of restoration; provided, however, that an Owner whose negligent act or omission proximately caused the damage or destruction shall bear the full cost of restoration to the extent that it is not covered by insurance proceeds. Any Owner who by his negligent or willful act causes a party wall to be exposed to the elements will bear the entire cost of furnishing the necessary protection against such elements. The right of any Owner to contribution from an adjacent Owner will be appurtenant to the land and will pass to such Owner's successors in title. In the event of any dispute arising concerning a party wall or the provisions of this subparagraph, the matter will be submitted to arbitration under the Rules of the American Arbitration Association.

Section 5. Additional Restrictions on Power of the Board. The Board shall be prohibited, without the prior vote or written consent of a majority of the voting power of the Association (excluding the voting power of the Declarant), from doing any of the following: (i) incurring aggregate expenditures for capital improvements to any portion of the Project in any fiscal year in excess of five percent (5%) of the budgeted gross expenses of the Association for that fiscal year; or (ii) selling during any fiscal year property of the Association having an aggregate fair market value greater than five percent (5%) of the budgeted gross expenses of the Association for that fiscal year; (iii) paying compensation to Directors or Officers of the Association for services performed in the conduct of the Association's business; provided, however, that the Board may cause a Director or Officer to be reimbursed for expenses incurred in carrying on the business of the Association; or (iv) filling a vacancy on the Board created by the removal of a Director.

Section 6. Limitation on Board Authority to Contract. The Board shall not enter into any contracts for goods or services with a duration greater than one (1) year without the vote or written consent of a majority of the voting power of the Association residing in Members other than Declarant with the following exceptions: (i) a management contract, the terms of which have been approved by the Federal Housing Administration or Veterans Administration; (ii) a contract with a public utility company if the rates charged for the materials or services are regulated by the Public Utilities Commission; provided, however, that the

term of the contract shall not exceed the shortest term for which the supplier will contract at the regulated rate; or (iii) prepaid casualty and/or liability insurance policies of not to exceed three (3) years duration, provided that the policy provides for short rate cancellation by the insured; (iv) lease agreements for laundry room fixtures and equipment of not to exceed five (5) years duration; provided that the lessor under the agreement is not an entity in which the Declarant has a direct or indirect ownership interest of ten percent (10%) or more; (v) agreements for cable television services and equipment or satellite dish television services and equipment of not to exceed five (5) years duration provided that the supplier is not an entity in which the subdivider has a direct or indirect ownership interest of ten percent (10%) or more.

Section 7. Maintenance of Public Utilities. Nothing contained herein shall require or obligate the Association to maintain, replace or restore the underground facilities of public utilities which are located within easements in the Common Area. However, the Association shall take such steps as are necessary or convenient to ensure that such facilities are properly maintained, replaced or restored by such public utilities.

Section 8. Rights of Entry. The Association, through its agents or employees, shall have a limited right of entry upon all Lots for the purpose of inspecting the Project and taking whatever corrective action may, after approval by a majority vote of the Board, be deemed necessary or proper by the Board, consistent with the provisions of this Declaration. This right of entry shall include the right to enter a Lot for purposes of construction, maintenance or repair for the benefit of the Common Area or the Owners in common.

Nothing in this Article shall in any manner limit the right of an Owner to the exclusive occupancy and control of his Lot. Entry onto a Lot by the Association for other than emergency repairs shall be made only after three (3) days notice has been given to the Owner, shall be made with as little inconvenience as possible to the Owner and any damage caused thereby shall be repaired by the party causing such damage. In the case of an emergency, the right of the Association to enter upon a Lot shall be immediate; provided, however, that such entry shall be made with as little inconvenience as possible to the Owner and any damage caused thereby shall be repaired by the party causing such damage. Nothing herein shall be construed to impose any obligation upon the Association to maintain or repair any property or portion of a Lot to be maintained or repaired by the Owner thereof. The Association shall not be liable for

failing to exercise this right of entry during an emergency or otherwise.

Section 9. Association Rules. The Association shall have the power to adopt, amend and repeal such rules and regulations as it deems reasonable which may include the establishment of a system of fines and penalties enforceable as a Reimbursement Assessment. The Association rules shall govern matters in furtherance of the purposes of the Association, including, without limitation, the use of the Common Area; provided, however, that the Association rules may not discriminate among Owners, and shall not be inconsistent with this Declaration, the Articles or Bylaws. A copy of the Association rules as they may from time to time be adopted, amended or repealed or a notice setting forth the adoption, amendment or repeal of specific portions of such rules shall be delivered to each Owner. The Association rules shall have the same force and effect as if they were set forth in and were part of this Declaration and shall be binding on the Owners and their successors in interest whether or not actually received by them.

VIII

INSURANCE

Section 1. Duty to Obtain Insurance; Types. The Association shall obtain and continue in effect the following types and policies of insurance:

(a) Fire insurance with extended coverage endorsement on all Improvements built on Common Area Lots (excluding non-insurable property, e.g., trees, shrubs, and foliage). SUCH POLICY OR POLICIES SHALL SPECIFICALLY INCLUDE A FULL REPLACEMENT COST COVERAGE ENDORSEMENT. The master policy representing such insurance shall be carried in the name of the Association and the original or a certificate of the master policy and a copy of the receipt for payment of the premium (or other satisfactory evidence of payment) shall be furnished to Declarant at each renewal period during the time Declarant retains any ownership interest in the Project.

(b) Bodily injury liability insurance with limits of not less than \$1,000,000 per person and \$3,000,000 per occurrence and property damage liability with limits of not less than \$500,000 per occurrence, insuring against liability for bodily injury, death, and property damage arising from the activities of the Association or with respect to property under its jurisdiction;

(c) Special liability insurance or a fidelity bond in an amount equal to one hundred fifty percent (150%) of the Association's annual assessments plus reserves, which names the Association as obligee and insures against loss by reason of the acts, including misuse and misappropriation of funds, of members of the Board, officers, and employees of the Association and any Manager and his employees, whether or not such persons are compensated for their services.

(d) Workers' Compensation insurance covering all of its employees, indemnity and other bonds as required, and such other insurance as the Association shall deem necessary or expedient to carry out its functions as set forth in this Declaration and in the Articles or Bylaws.

All insurance shall be obtained from and carried with companies approved by Declarant, for so long as Declarant owns any interest in the Project, and qualified to do business in California, and rated A+XII, or better, in the then-current edition of Best's Key Rating Insurance Guide. Declarant will procure, on behalf of the Associa-

tion, that insurance described herein prior to closing of escrow of the first Residential Lot sold to a non-Declarant purchaser. The Association shall reimburse Declarant for such insurance premiums prorated from the date of said first closing to the end of the policy year.

Section 2. Waiver of Claims Against Association. As to each policy of insurance maintained by the Board, the Owners hereby waive and release all claims against the Association, the Board and Declarant, only to the extent of the insurance proceeds available to the Owners, whether or not the insurable damage or injury is caused by the negligence of or breach of any agreement by said persons.

Section 3. Notice of Expiration Requirements. All of the policies of insurance described herein shall contain a provision that such policies shall not be cancelled or terminated, or expire by their terms, without thirty (30) days' prior written notice to the Association, Declarant, Owners and Institutional Holders (provided that such Owners and Institutional Holders have filed written requests with the carrier for such notice) and every other person in interest who has requested such notice of the insurer.

Section 4. Insurance Premiums. Premiums for any blanket insurance coverage obtained by the Association and any other insurance deemed necessary by the Board shall be a Common Expense to be included in the assessments levied by the Association and collected from the Owners. The proportion of such assessments necessary for the required insurance premiums shall be used solely for the payment of premiums of required insurance as such premiums become due.

Section 5. Trustee for Policies. The Board shall be trustee of the interests of all named insureds under policies of insurance purchased and maintained by the Association. All insurance proceeds under any such policies shall be paid to the Board as trustee. The Board shall have full power to receive and to receipt for the proceeds and to disburse such proceeds as provided herein. Insurance proceeds shall be used by the Association for the repair or replacement of the property for which the insurance was carried or otherwise disposed of as provided in this Declaration. The Board shall have the authority to negotiate loss settlements with insurance carriers, with participation by Institutional Holders who so desire and have filed written requests under Section 3 of this Article. Any two (2) Officers of the Association may sign a loss claim form and release form in connection with the settlement of a loss claim, and such signatures shall be binding on all the named insureds.

Section 6. Actions as Trustee. Except as otherwise specifically provided in this Declaration, the Board, acting on behalf of the Association and all Owners, shall have the exclusive right to bind such parties in respect to all matters affecting insurance carried by the Association, the settlement of a loss claim, and the surrender, cancellation, and modification of all such insurance, in a manner satisfactory to seventy-five percent (75%) of the Institutional Holders who have filed requests under Section 3 of this Article. Duplicate originals or certificates of all policies of fire and casualty insurance carried by the Association and of all renewals thereof, together with proof of payment of premiums, shall be delivered by the Association to all Institutional Holders who have requested the same in writing.

Section 7. Annual Insurance Review. The Board shall review the insurance carried by the Association at least annually, for the purpose of determining the amount of the casualty and fire insurance referred to in Section 1 above. The Board may in its discretion obtain a current appraisal of the full replacement value of any buildings and improvements within the Common Area, except for foundations, footings and masonry walls, without deduction for depreciation, by a qualified independent insurance appraiser, prior to each such annual review.

Section 8. Required Waiver. All policies of hazard and physical damage insurance shall provide for waiver of the following rights, to the extent that the respective insurers would have the rights without such waivers:

- (a) Subrogation of claims against the tenants of the Owners;
- (b) Any defense based on co-insurance;
- (c) Any right of set-off, counterclaim, apportionment, proration or contribution by reason of other insurance not carried by the Association;
- (d) Any invalidity, other adverse effect or defense on account of any breach of warranty or condition caused by the Association, any Owner or any tenant of an Owner, or arising from any act, neglect or omission of any named insured, or the respective agents, contractors and employees of any insured;
- (e) Any right of the insurer to repair, rebuild or replace, and, in the event the improvement is not repaired,

rebuilt or replaced following loss, any right to pay under the insurance an amount less than the replacement value of the improvements insured or the fair market value thereof;

(f) Notice of the assignment of any Owner of its interest in the insurance by virtue of a conveyance of any Lot; and

(g) Any right to require any assignment of any Mortgage to the insurer.

Section 9. Attached Unit Insurance. Declarant intends to construct attached, duplex style Units upon some adjoining Lots within Project. Owners of such attached Units will obtain and provide to the Owner or Owners of the adjoining attached Unit a certificate of insurance, as evidence that each such attached Unit is fully and properly insured, with coverage which will be effective in the event of a loss resulting from conditions or activities within the adjoining attached Unit.

Section 10. Additional Insurance Provisions. Insurance referred to herein shall name as separately protected insureds, where applicable, Declarant, the Association, the Board, and their representatives, Members, employees and the Owners (as a class). Such policy or policies shall protect each of the insureds as if separately insured under separate policies; provided, however, that such policy or policies shall not require the insurers to pay any amount in excess of the maximum limits stated therein. Each policy of insurance obtained by the Association, whether or not required to be obtained pursuant to the provisions of this Declaration, shall expressly waive any and all rights of subrogation against Declarant, its representatives, and employees, and all Owners, and shall contain a waiver of any "pro rata" clause, unless such waivers are prohibited by law or unavailable from insurers deemed qualified under this Declaration. The name of the insured under policies required by this Declaration must be set forth substantially as Serrano Del Vista Homeowners Association, Inc., a Non-Profit Mutual Benefit Corporation, for use and benefit of the individual owners."

Section 11. Additional Insurance Requested By Lenders/ Mortgage Insurers. At the request of Declarant, which request may be made at any time prior to the time sale of all residential Lots is completed or five (5) years from the close of escrow of the first residential Lot, whichever occurs first, the Association shall obtain additional insurance required by any lender or federal mortgage insurer willing to provide or insure funding two (2) or more residential Lots in the Project.

IX

DESTRUCTION OF COMMON AREA IMPROVEMENTS

Section 1. Reconstruction Without Election. In the event of a total or partial destruction of any portion of the Common Area, if available insurance proceeds are sufficient to cover not less than ninety percent (90%) of the cost of repair or reconstruction, such Common Area shall be promptly repaired and rebuilt unless, within sixty (60) days from the date of such destruction, (1) Declarant and not less than seventy-five percent (75%) of the Members entitled to vote, including seventy-five percent (75%) of the voting power of the Association held by Members other than Declarant (after there is no longer a Class B Membership) at a duly called and noticed annual or special meeting of the Members at which a quorum is present, determine that such reconstruction shall not be undertaken. If reconstruction is to take place, the Board shall cause to be executed, acknowledged and recorded in the Office of the County Recorder a certificate declaring its intention to rebuild, such certificate to be executed by any Officer or agent of the Association duly authorized to do so by the Board.

Section 2. Reconstruction By Consent. If the proceeds of such insurance are less than ninety percent (90%) of the cost of reconstruction, such reconstruction may nevertheless be undertaken if a majority of the voting power of the Association, present either in person or by proxy and entitled to vote, at a duly called and noticed annual or special meeting of the Members at which a quorum is present, elects to rebuild. In the event of an election to rebuild, a certificate shall be executed, acknowledged and recorded as described in Section 1 above.

Section 3. Assessments. In the event of a determination to rebuild pursuant to Section 1 or Section 2 above, the Board shall determine the amount (in excess of available insurance proceeds, if any) necessary in order to effect such reconstruction. The amount determined by the Board shall be levied against the Owners as a Reconstruction Assessment, payable upon such terms and conditions as the Board may deem appropriate. Any such Reconstruction Assessment shall be enforceable in the manner described in Section 14 of Article VI above.

Section 4. Board Responsibility. The Board shall take all steps necessary to assure the timely commencement and completion of any reconstruction. All amounts collected as

Reconstruction Assessments shall be used only for the purposes set forth in this Article, shall be deposited by the Board in a separate bank account to be held in trust for such purposes, shall not be commingled with any other funds of the Association and shall be deemed a contribution to the capital account of the Association by the Members.

Section 5. Determination Not to Rebuild. If a certificate of intention to rebuild has not been executed, acknowledged and recorded in accordance with Section 1 or Section 2 above within nine (9) months from the date of any partial or total destruction of the Common Area, or if reconstruction and rebuilding has not actually commenced within such period, any insurance proceeds available for such reconstruction shall be used to clear and landscape the affected areas for community park, greenbelt or other suitable use. Any deficiency in the cost of clearing and landscaping the affected areas may be raised by a Reconstruction Assessment in an amount determined by the Board. In the event any excess insurance proceeds remain, the Board, in its sole discretion, may retain such sums in the general funds of the Association or distribute proportionately all or a portion thereof to the Members, subject to (i) the rights of Institutional Holders; and (ii) any unpaid assessments of an Owner, together with any interest and fees attributable thereto.

PROPERTY TAXES

Real property taxes, levies and assessments shall be separately and individually billed by the County Assessor's office to the Owners of individual Lots. Payment of such taxes for Lots shall be the sole responsibility of the Owner of such Lot. The Association shall not be liable for the collection and payment of any real or personal property taxes of any type whatsoever levied against individual Owners on account of their Lots. Real property taxes and assessments levied against the Common Area or personal property of the Association shall constitute a Common Expense which shall be paid by the Association through the Regular Assessment process.

XI

PROHIBITION AGAINST PARTITION OR SEVERANCE
OF LOT FROM INTEREST IN COMMON AREA

The Common Area shall remain undivided and each Owner irrevocably waives the right to bring any action to partition the Common Area. The rights in the Common Area and title to the respective Lots, together with any exclusive easements or rights appurtenant to each Unit, shall not be separated, severed or separately conveyed, assigned, encumbered or otherwise transferred. All rights in the Common Area shall be conclusively deemed to be conveyed, assigned, transferred or encumbered with the respective Lot even though the description in the instrument of conveyance or encumbrance may refer only to the Lot.

XII

ARCHITECTURAL CONTROL

Section 1. Architectural Approval. In order to maintain a uniform and well-maintained appearance throughout the Project, no exterior improvements or other structures shall be commenced, erected, altered or maintained upon the Project without the prior approval of the Architectural Committee.

Section 2. Architectural Committee. An Architectural Committee, consisting of not less than three (3) nor more than five (5) members shall be established for the Project. The Declarant may appoint all of the original members of the Committee and retains the right to appoint or replace Committee members until ninety percent (90%) of the Lots in the Project have been sold or until the fifth anniversary of the issuance of the Public Report for the Project, whichever first occurs. After one (1) year following the date of issuance of the original Public Report for the Project, the Board shall have the right to appoint one (1) member to the Committee until ninety percent (90%) of all Lots in the Project have been sold or until the fifth anniversary date of the original issuance of the Public Report for the Project, whichever first occurs. Thereafter, the Board shall have the power to appoint all members of the Committee. Committee members appointed by Declarant need not be Members of the Association. Committee members appointed by the Board shall be from the membership of the Association.

Section 3. Submission, Approval and Conformity of Plans. The Board shall, adopt and promulgate Architectural Standards to be administered through its Architectural Committee as the Board in its discretion may deem appropriate. If the Architectural Standards so provide, no improvement, alteration, other structure or addition shall be commenced, erected, altered or maintained within the Project, nor shall any exterior addition, change, alteration, or change in original exterior color to any Unit be made until plans and specifications showing the nature, kind, shape, height, materials and location of the same are submitted to and approved in writing by the Architectural Committee. The Architectural Standards shall include the following restrictions and limitations:

(a) Time limitations for the completion of the improvements for which approval is required pursuant to the Architectural Standards;

(b) Conformity of completed improvements to plans and specifications approved by the Architectural Committee; provided, however, that as to purchasers and encumbrancers in good faith and for value, unless a notice of noncompletion or nonconformance identifying the violating Unit and its Owner and specifying the reason for the notice, executed by the Architectural Committee, is recorded in the Recorder's Office of the County and given to such Owner within thirty (30) days of the expiration of the time limitation described in subsection (a) above, or unless legal proceedings have been instituted to enforce compliance or completion within that thirty-day period, the completed improvements shall be deemed to be in compliance with plans and specifications approved by the Architectural Committee;

(c) Such other limitations and restrictions as the Board in its reasonable discretion shall adopt, including, without limitation, regulation of construction, reconstruction, exterior addition, change, alteration to or maintenance of any building, with regard to the nature, kind, shape, height, materials, exterior color and surface and location of such structure.

The Architectural Committee may delegate its plan review responsibilities to one (1) or more members of the Committee. Upon such delegation, the approval or disapproval of plans and specifications by such persons shall be equivalent to approval or disapproval by the entire Committee. The Committee may establish reasonable procedural rules and may assess a reasonable fee (not to exceed the estimated cost of review) per submission in connection with review of plans and specifications. Unless such rules regarding submission of plans are complied with, such plans and specifications shall be deemed not submitted. In the event that the Architectural Committee fails to approve or disapprove plans or other requests submitted to it within thirty (30) days after such submission, then such plans will not be required so long as any structure or improvement is erected or altered pursuant to such plans conforming to the conditions and restrictions herein contained and in harmony with similar structures erected within the Project.

Section 4. Appeal. In the event plans and specifications submitted to the Architectural Committee are disapproved, the party making such submission may appeal in writing to the Board. The written request must be received by the Board not more than thirty (30) days following the final decision of the Architectural Committee. The Board shall submit such request to the Architectural Committee for comment and the Committee's written comments will be sub-

mitted to the Board. Within forty-five (45) days following receipt of the request for appeal, the Board shall render its written decision. Failure of the Board to render a decision within this forty-five (45) day period shall be deemed a decision in favor of the appellant.

Section 5. General Provisions. Operation of the Architectural Committee shall be subject to the following general provisions:

(a) Review and approval by the Committee of plans and specifications does not constitute approval of engineering design, and by approving such plans and specifications, neither the Committee, the members thereof, the Association, the Members, the Board nor Declarant assumes liability or responsibility therefor, or for any defect in any structure constructed from such plans and specifications. Approval of plans and specifications by the Committee does not relieve the Owner-applicant of the responsibility to obtain necessary building permits and approvals from the City.

(b) The address of the Architectural Committee shall be the principal office of the Association as designated by the Board pursuant to the Bylaws. Such address shall be the place for submission of plans and specifications and the place where the current Architectural Standards, if any, shall be kept.

(c) The establishment of the Architectural Committee and the procedures described herein for architectural approval shall not be construed as changing any rights or restrictions upon Owners to maintain, repair, alter or modify or otherwise have control over their Lots and Units as may otherwise be specified in this Declaration, the Bylaws or the Association rules.

Section 6. Nonapplicability to Declarant. The provisions of this Article shall not apply to any Lot owned by Declarant prior to its first conveyance to an Owner.

Section 7. Reconstruction of Units. The reconstruction of any Unit after destruction, which is accomplished in substantial compliance with the original building plans for such Unit, shall not require compliance with the provisions of this Article.

Section 8. Specific Architectural Provisions. In addition to such other rules, regulations and Architectural Standards as may be adopted by the Board and the Architectural Committee, the Project is subject to the following standards and prohibitions imposed by the City:

(a) Garage Conversions/Additional Rooms. No garage space within a Unit may be converted for use as living space. No additional enclosed rooms may be constructed upon any Unit.

(b) Fences/Walls. Any fence or wall constructed by an Owner (other than Declarant) will be subject to review and approval by the Architectural Committee and the City.

(c) Single-Family Use. Units may be utilized for single-family purposes only and may not be altered or modified in order to allow multiple-family use.

(d) Patio Covers. Patio covers may be constructed in side and rear yard areas (but not the front yard), and will be subject to a two (2) foot setback from the respective side or rear boundary line.

XIII

RIGHTS OF INSTITUTIONAL HOLDERS OF MORTGAGES

The following provisions are for the benefit of Institutional Holders, Insurers and Guarantors of first Mortgages on Lots within the Covered Property and shall apply notwithstanding any provision to the contrary set forth elsewhere in this Declaration or the Bylaws. These provisions apply only to "Eligible Holders" as defined below.

Section 1. Notices of Actions. Any Institutional Holder, Insurer or Guarantor of a first Mortgage who provides written request to the Association, stating the name and address of such Holder, Insurer or Guarantor and the address or legal description of the particular Lot encumbered (thus becoming an "Eligible Holder"), will be entitled to timely written notice of:

(a) Any default by the Owner of such Lot in the performance of such Owner's obligations under the Declaration or Bylaws which is not cured within sixty (60) days from the date of such default;

(b) Any condemnation proceedings affecting the Project;

(c) Any substantial damage to or destruction of any significant portion of the Common Area;

(d) Any proposed termination of the Association;

(e) Any lapse, cancellation or material modification of any insurance policy maintained by the Association;
or

(f) Any proposed action which would require the consent of Eligible Holders as further described in this Article.

Section 2. Rights of Institutional Holders Upon Foreclosure. Any Institutional Holder of a first Mortgage on a Lot which comes into possession of that Lot pursuant to judicial foreclosure or foreclosure by power of sale shall:

(a) Acquire title in such Lot free of any claims for unpaid assessments or charges against the Lot accruing prior to the Institutional Holder's acquisition of title;

(b) Not be obligated to cure any breach of this Declaration which is noncurable or of a type which is not practical or feasible to cure and which took place prior to acquisition of title to the Lot by the Institutional Holder; and

(c) Be exempt from any right of first refusal contained in this Declaration, or any amendment hereto, and such right of first refusal shall not impair the rights of an Institutional Holder to (i) foreclose or acquire title to a Lot pursuant to the remedies provided in the Mortgage, (ii) accept an assignment in lieu of foreclosure in the event of default by the mortgagor, or (iii) sell or lease a Lot acquired by the Institutional Holder.

Section 3. Consent of Institutional Holders. The consent of Institutional Holders, Insurers or Guarantors shall be required in order to take the following actions with respect to the Association and rights and obligations of Members and Institutional Holders:

(a) Any restoration or repair of the Common Area after a partial condemnation or damage due to an insurable hazard shall be substantially in accordance with this Declaration and the original plans and specifications unless the approval of the Eligible Holders of first encumbrances on Lots to which at least fifty-one percent (51%) of the votes of the Owners of such Lots, subject to encumbrances held by such Eligible Holders are allocated, is obtained;

(b) Any election to terminate the Association after substantial destruction or a substantial taking in condemnation shall require the approval of the Eligible Holders of first encumbrances on Lots to which at least fifty-one percent (51%) of the votes of Owners of such Lots, subject to first encumbrances held by such Eligible Holders, are allocated;

(c) Unless at least seventy-five percent (75%) of the Owners (other than Declarant) have given their prior written approval, the Association and the Owners shall not be entitled to: (i) change the pro rata interest or obligations of any Lot for the purposes of levying assessments and charges or allocating distributions of hazard insurance proceeds or condemnation awards; (ii) partition or subdivide all or any part of the Common Area of the Project; (iii) 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 consistent with the intended use of the Common Area shall not be deemed a transfer within the meaning of this provi-

sion); (iv) use hazard insurance proceeds for losses to any portion of the Common Area for other than the repair, replacement or reconstruction of such improvements, except as provided by statute.

Section 4. Amendments to Documents. The following provisions contained in this Section do not apply to amendments to the Bylaws or this Declaration or termination of the Association made as a result of destruction, damage or condemnation pursuant to subsections (a) and (b) of Section 3 above.

(a) The consent of at least one hundred percent (100%) of the voting power of the Association and the approval of the Eligible Holders of first encumbrances on Lots to which at least sixty-seven percent (67%) of the votes of Members owning Lots subject to such encumbrances pertain, shall be required to terminate the Association.

(b) The consent of at least sixty-seven percent (67%) of Class A members and the consent of the Class B member and the approval of Eligible Holders of first encumbrances on Lots to which at least fifty-one percent (51%) of the votes of members whose Lots are subject to such an encumbrance pertain, shall be required in order to materially amend any provision of the Declaration, Bylaws, or Articles, or to add any material provisions thereto, which establish, provide for, govern or regulate any of the following: (i) voting; (ii) assessments, assessment liens or subordination of such liens; (iii) reserves for maintenance, repair and replacement of the Common Area; (iv) insurance or fidelity bonds; (v) rights to use the Common Area; (vi) responsibility for maintenance and repair of the Project; (vii) expansion or contraction of the Project or the addition, annexation or withdrawal of property to or from the Association; (viii) boundaries of any Lot or the Common Area; (ix) leasing of Lots and Units; (x) imposition of any right of first refusal or similar restrictions of the right of any Owner to sell, transfer or otherwise convey his Lot; (xi) establishment of self-management by the Association where professional management has previously been required; or (xii) any provisions included in the Declaration, Bylaws or Articles which are for the express benefit of Institutional Holders, Guarantors or Insurers of first encumbrances on Lots.

Section 5. Additional Rights of Institutional Holders. Any Institutional Holder of a Mortgage on a Lot in the Project will, upon request, be entitled to: (a) inspect the books and records of the Association during normal business hours; and (b) receive an annual audited financial

statement of the Association within ninety (90) days following the end of any fiscal year of the Association; provided, however, that such audited statements shall be made available only if they have been prepared by the Association in the regular course of business; and (c) receive written notice of all meetings of Owners and be permitted to designate a representative to attend all such meetings.

Section 6. Information. Any Institutional Holder is authorized to furnish information to the Board concerning the status of any loan encumbering a Lot.

Section 7. Priority of Mortgage Lien. No breach of the covenants, conditions or restrictions contained in this Declaration, nor the enforcement of any lien provisions created herein, shall affect, impair, defeat or render invalid the lien of any first Mortgage made in good faith and for value, 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, trustee's sale or otherwise.

Section 8. Insurance. The Owners and the Association shall procure and maintain fire and liability insurance and such other insurance as may from time to time be required by Institutional Holders. All such insurance shall contain loss payable clauses naming the Institutional Holders which encumber a Lot by a first Mortgage, as their interests may appear.

Section 9. Priority on Distribution of Proceeds. No Owner or any other party shall have priority over the Institutional Holder of the Mortgage on his Lot in the case of a distribution of insurance proceeds or condemnation awards for losses to or a taking of the Lot or Common Area.

Section 10. Special FNMA-FHLMC Provisions. So long as required by The Federal National Mortgage Association ("FNMA") and the Federal Home Loan Mortgage Corporation ("FHLMC"), the following provisions shall apply in addition to and not in lieu of the foregoing provisions contained in this Article.

(a) Unless two-thirds (2/3) of the Institutional Holders of first encumbrances or Owners of Lots subject to such encumbrances give their consent, the Association shall not: (i) by act or omission seek to abandon, partition, subdivide, encumber, sell or transfer the Common Area which the Association owns, directly or indirectly; (ii) change the method of determining the obligations, assessments, dues

or other charges which may be levied against an Owner; (iii) by act or omission change, waive or abandon any scheme of regulations or enforcement thereof pertaining to the architectural design or the exterior appearance and maintenance of the Project and the Common Area; (iv) fail to maintain fire or extended coverage insurance, as required by this Declaration; or (v) use hazard insurance proceeds for any Common Area losses for other than the repair, replacement or reconstruction of such property.

(b) The Association agrees to give written notice to the FNMA or FHLMC or its designated representative of any loss to, or taking of, the Common Area if such loss or taking exceeds Ten Thousand Dollars (\$10,000.00).

(c) If any loan secured by a Mortgage encumbering a Lot is owned by the FNMA or FHLMC, its successors or assigns or is tendered to the FNMA or FHLMC, its successors or assigns for purchase, the Association and the Owners shall obtain and maintain in full force and effect all insurance coverages which may at any time be required by the FNMA or FHLMC, its successors or assigns and shall otherwise comply in all respects with all insurance requirements of the FNMA or FHLMC which may be in effect at any time.

Section 11. Consent. An Eligible Holder which receives a written request to consent to an amendment or to any other action to which the Eligible Holders' consent is required or permitted by this Declaration, and which does not respond negatively within thirty (30) days after having received the request, shall be deemed to have consented to the amendment or other action.

XIV

ENFORCEMENT OF BONDED OBLIGATIONS

In the event that the improvements to the Common Area of the Project have not been completed prior to the issuance of a Public Report for the Covered Property and the Association is obligee under a bond or other arrangement (the "Bond") to secure performance of the commitment of Declarant to complete such improvements, the following provisions shall apply:

(a) The Board shall consider and vote on the question of action by the Association to enforce the obligations under the Bond with respect to any improvements for which a Notice of Completion has not been filed within sixty (60) days after the completion date specified for such improvement in the Planned Construction Statement appended to the Bond. If the Association has given an extension in writing for the completion of any Common Area improvement, the Board shall consider and vote on the aforesaid question if a Notice of Completion has not been filed within thirty (30) days after the expiration of such extension.

(b) In the event that the Board determines not to initiate action to enforce the obligations under the Bond, or in the event the Board fails to consider and vote on such question as provided above, the Board shall call a special meeting of the Members for the purpose of voting to override such decision or such failure to act by the Board. Such meeting shall be called according to the provisions of the Bylaws dealing with meetings of the Members, but in any event such meeting shall be held not less than thirty-five (35) days nor more than forty-five (45) days after receipt by the Board of a petition for such meeting, signed by Members representing not less than five percent (5%) of the total voting power of the Association.

(c) The only Members entitled to vote at such meeting shall be the Owners other than Declarant. A vote at such meeting of a majority of the voting power of such Members, other than 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 such decision by initiating and pursuing appropriate action in the name of the Association.

EMINENT DOMAIN

Section 1. Definition of Taking. The term "taking" as used in this Article shall mean condemnation by eminent domain, or by sale under threat thereof, of all or part of the Common Area.

Section 2. Representation by Association in Condemnation Proceeding. In the event of a taking, the Association shall, subject to the right of all Institutional Holders who have requested the right to join the Association in the proceedings, represent all of the Members in an action to recover all awards. No Member shall challenge the good faith exercise of the discretion of the Board in fulfilling its duties under this Article. The Association is further designated as the sole representative of the Members, in all aspects of condemnation proceedings not specifically covered herein.

Section 3. Award for Common Area. In the event of a taking of all or any part of the Common Area, the Association shall distribute the award from the taking authority according to the provisions of this Section after deducting therefrom fees and expenses related to the condemnation proceeding including, without limitation, fees for attorneys and appraisers and court costs. In the event that the taking is by judgment of condemnation and said judgment apportions the award among the Owners and their respective Institutional Holders, the Association shall distribute the amount remaining after such deductions among such Owners and Institutional Holders on the allocation basis set forth in the judgment. In the event that the taking is by sale under threat of condemnation, or if the judgment of condemnation fails to apportion the award, the Association shall distribute the award among the Owners on a pro rata basis, with each Owner receiving an equal share of such award for each Lot owned within the Project.

Section 4. Inverse Condemnation. The Association is authorized to bring an action in inverse condemnation. In such event, the provisions of this Article shall apply with equal force.

Section 5. Notice to Members. The Association, immediately upon having knowledge of any taking or threat thereof, shall promptly notify all Members.

XVI

EASEMENTS

Section 1. Utility Easements. Easements over the Project for the installation and maintenance of electric, telephone, water, gas and sanitary sewer lines and facilities, and for drainage facilities as shown on the recorded map of the Project, and as may be hereafter required or needed to service the Project are hereby created by Declarant for the benefit of each Owner and the Association.

Section 2. Common Area Easements. Each Lot within the Project is hereby declared to have an easement over all of the Common Area, for the benefit of the Lots, the Owners thereof, and for their families, guests, invitees and tenants, for all of the purposes and uses described herein, including ingress and egress over and through the Common Area.

Section 3. Utilities. Wherever sewer connections, water connections, electricity, gas, telephone and cable television lines or drainage facilities are installed within the Project, the Owners of Lots served by such connections, lines or facilities shall have an easement to the full extent necessary for the use and enjoyment of that portion of the connections which service his Lot, and to have utility companies enter upon Lots owned by others, in or upon which said connections, lines or facilities, or any portion thereof lie, to repair, replace and generally maintain said connections when it may be necessary.

Section 4. Construction and Sales Easements. Declarant hereby reserves easements over the Project for construction, display, maintenance, sales and exhibit purposes in connection with the construction and sale or lease of Lots within the Project, together with the right to grant and transfer such easements to its sales agents, representatives and prospective purchasers of Lots; provided, however, that such use shall not be for a period beyond the earlier of (i) seven (7) years from the conveyance of the first Lot by Declarant or (ii) the sale by Declarant of all Lots within the Project, and provided further that such use by Declarant and others shall not interfere with the reasonable use and enjoyment of the Common Area by the Members.

Section 5. Establishment of Easements. The easements described in this Declaration shall be deemed established upon the recordation of this Declaration, and shall thereafter be considered covenants running with the land for the

use and benefit of all of the Lots and the Common Area, superior to all other encumbrances affecting any portion of the Project. Individual conveyances of Lots may, but shall not be required to, set forth such easements.

INTEGRATED NATURE OF THE COVERED PROPERTY

Section 1. Development of the Project. Declarant intends to develop the Project in Increments or Phases, annexing the property described in Exhibit "B". Declarant has submitted to the California Department of Real Estate a plan for phased development, which provides that the proposed annexation will not result in an overburdening of the Common Area and which further provides that such annexation will be effected prior to the third anniversary of the original issuance of the most recently issued Public Report for a Phase of the Project. However, Declarant may elect not to develop all or any part of any Increment or Phase within an Increment, to develop the Project in Increments or Phases of any size whatsoever, or to develop more than one Phase at any given time and in any given order.

Declarant reserves the right to subject all or any portion of an Increment or Phase(s) within an Increment to the plan of this Master Declaration or of one or more separate declarations of covenants, conditions and restrictions which subject such property to the jurisdiction and powers of a homeowners association or other entity with powers and obligations similar to the Association and which is not subject to the provisions of this Declaration. Although Declarant shall have the ability to annex the real property described in Exhibit "B", Declarant shall not be obligated to annex all or any portion of such property. Annexed property shall not become subject to this Master Declaration unless and until a Supplemental Declaration describing such property is executed and recorded.

Section 2. Annexation without Approval and Pursuant to Plan. All or any part of the property described in Exhibit "B" may be annexed to and become subject to this Master Declaration and the jurisdiction of the Association without the approval, assent or vote of the Association or its Members, provided that a Supplemental Declaration covering the portion of the property described in Exhibit "B" sought to be annexed, is executed and recorded by Declarant. The recordation of a Supplemental Declaration shall constitute and effectuate the annexation of the real property described therein, making that property subject to this Master Declaration and the jurisdiction of the Association, and thereafter the annexed property shall be part of the Covered Property and all Owners of Lots in the annexed property shall automatically be Members of the Association. No proposed annexation will result in a substantial increase in

assessments against existing Owners unless that fact was disclosed in the Public Reports for the earlier Phases of the Project in which the existing Owners purchased their Lots. The time requirements for the recording of a Supplemental Declaration and effectuation of an annexation thereby are described in Section 7 below.

Section 3. Annexation Pursuant to Approval. Upon approval in writing of the Association, pursuant to the majority vote of Members other than Declarant, any person who desires to add property other than the property described on Exhibit "B" to the plan of this Master Declaration and to subject such property to the jurisdiction of the Association, may record a Supplemental Declaration.

Section 4. Supplemental Declarations. The annexations authorized under the foregoing sections shall be made by recording a Supplemental Declaration of Covenants, Conditions and Restrictions, or similar instrument, describing the property which is being annexed. Such Supplemental Declarations may contain complementary additions and modifications of the covenants, conditions and restrictions contained in this Master Declaration as necessary to reflect the different character, if any, of the annexed property and as are not inconsistent with the plan of this Master Declaration. In no event shall any such Supplemental Declaration, or any merger or consolidation revoke, modify or add to the covenants established by this Master Declaration within the existing property.

Section 5. Mergers or Consolidations. Upon a merger or consolidation of the Association with another association, the Association's properties, rights and obligations may, by operation of law, be transferred to the surviving or consolidated association, or, alternatively, the properties, rights and obligations of another association may, by operation of law, be added to the properties, rights and obligations of the Association as a surviving corporation. The surviving or consolidated association may administer the covenants, conditions and restrictions established by this Master Declaration within the Covered Property, together with the covenants and restrictions established upon any other property as one plan.

Section 6. Right of De-Annexation. Declarant reserves the right to de-annex any property which may be annexed to the Project pursuant to this Declaration and to delete such property from the common plan described herein and from the jurisdiction of the Association. Such de-annexation shall be effected prior to the conveyance of any Lot within the property to be de-annexed.

Section 7. Annexation Time Restrictions. As described in Article IV-A above, the Project is being developed as a senior citizen housing development pursuant to California Civil Code Section 51.3. In accordance with California Business and Professions Code Section 11010.05 and 10 Cal. Admin. Code Section 2790.5, Declarant has submitted to the Department of Real Estate the documentation required by those statutes. Based upon such documentation, the provisions of 10 Cal. Admin. Code Section 2792.27(b)(4) which would otherwise require annexation of Phases within three (3) years subsequent to the date of original issuance of the most recently issued Public Report for a Phase of the Project are not applicable. The property described in Exhibit "B" may therefore be annexed in Phases without regard to such time limitations.

XVIII

GENERAL PROVISIONS

Section 1. Enforcement. The covenants and restrictions contained in this Declaration may be enforced as follows:

(a) The Association and each Owner shall have the right to enforce, by any proceeding at law or in equity, all restrictions, conditions, covenants, reservations, liens and charges now or hereafter imposed by this Declaration, or any amendment hereto and the Articles and Bylaws; provided, however, that with respect to assessment liens, the Association shall have the exclusive right of enforcement. Failure by the Association or by any Owner to enforce any covenant or restriction herein contained shall not be deemed a waiver of the right to do so thereafter.

(b) Pursuant to an Agreement dated _____, 198_, the Association has agreed with the City regarding maintenance by the Association of all landscaping within Common Areas, as described in Article VII, Section 4(a) above. If, in the opinion of the City Manager of the City (or his authorized representative), the Association at any time fails to maintain Common Area landscaping in accordance with the terms of the above-referenced Agreement, the City shall give written notice to the Association, specifying the exact nature of such deficiency. Such written notice of deficiency from the City shall be addressed to the Association and shall require that the Association take appropriate corrective action within thirty (30) days of receipt of such written notice unless there exists a hazardous condition creating an immediate possibility of serious injury to persons or property, in which case the time for correction may be reduced to a minimum of five (5) days. The Association shall have the right, within ten (10) days of receipt of such written notice of deficiency, to file an appeal with the City Council of the City for public hearing before the City Council to consider the reasonableness of the City's requirements as set forth in the written notice of deficiency. The decision of the City Council on such appeal shall be binding upon all parties but may be appealed by the Association through an appropriate action in any court having jurisdiction. The written notice of deficiency from the City shall state the anticipated costs that the City would assess against the Association for the corrective work to be accomplished, which costs shall be no more than those charged by competitive private industry for similar work. If the Association, within the time set forth in the notice of deficiency (subject to extension for such time as

may be required to appeal the notice of deficiency to the City Council) does not undertake and complete the corrective work required in the notice of deficiency, the City may (but will not be obligated to) undertake and complete such corrective measures as are set forth in the notice and assess the costs thereof against the Association. In such event, the Association hereby grants to the City such rights of access, ingress and egress upon and across the Project as may be necessary to complete such work. The City may elect to enforce payment of such costs through the procedures set forth in this Declaration for the establishment of assessment liens or through an action at law (which action may be brought without foreclosing or waiving any lien securing such amount). In any such action, the prevailing party will be entitled to receive its attorney's fees and costs, in addition to such other relief as may be granted.

Section 2. Severability of Covenants. Invalidation of any one of these covenants or restrictions by judgment or court order shall not affect any other provisions which shall remain in full force and effect.

Section 3. Term. The covenants and restrictions of this Master Declaration shall run with and bind the Covered Property and the Project, and shall inure to the benefit of and be enforceable by the Association or the Owners, their legal representatives, heirs, successors and assigns until thirty (30) years after the date this Declaration is recorded, after which date they shall automatically be extended for successive periods of ten (10) years, unless an instrument signed by a majority of the then Owners has been recorded within the year preceding the beginning of each successive period of ten (10) years, agreeing to terminate this Master Declaration.

Section 4. Construction. The provisions of this Declaration shall be liberally construed to effectuate its purpose of creating a uniform plan for the development of a planned unit development and for the maintenance of the community recreational facilities and Common Areas. In case of any conflict between this Declaration and the Articles or Bylaws, this Declaration shall control. The article and section headings have been inserted for convenience only and shall not be considered or referred to in resolving questions of interpretation or construction.

Section 5. Amendments. Subject to the rights of Institutional Holders described in Article XIII above, this Declaration may be amended only by the affirmative assent or vote of both (i) a majority of the voting power of the Association, including the voting power of the Declarant, and

(ii) a majority of the voting power of Members other than Declarant; provided, however, that the percentage of voting power necessary to amend a specific clause or provision shall not be less than the percentage of affirmative votes prescribed for action to be taken under that clause; provided further, that if the two-class voting structure as provided by this Declaration is still in effect, this Declaration may not be amended without the vote or written assent of a majority of the voting power of each class of Members.

Notwithstanding any other provision of this Declaration, in the event that any further modification of this Declaration is required in order to comply with requirements of governmental or quasi-governmental corporations of agencies such as the Veterans Administration (VA), Federal Housing Administration (FHA), Government National Mortgage Association (GNMA), Federal National Mortgage Association (FNMA), Federal Home Loan Mortgage Corporation (FHLMC) or the like, such modifications may be effected by an amendment executed and recorded by the Class B member alone. This power shall exist in Declarant only so long as there exist two classes of memberships as described in Article V above. Such modifications shall be for the benefit of and not impose any increased burden upon the Owners. Any such modifications to this Declaration shall also require approval by the California Department of Real Estate.

This amendment provision shall not be amended to allow amendments by the assent or vote of less than the prescribed percentage of voting power required for amendments hereof. An amendment or modification shall be effective when executed by the Secretary of the Association, who shall certify that the amendment or modification has been approved as provided herein, and recorded in the official records of the County. No amendment or modification of this Declaration which would adversely affect the rights of the City to enforce the terms and provisions of this Declaration as they relate to the maintenance of the Common Area, structures and landscaping within the Project, terminate or materially impair the powers and duties of the Association as set forth in this Declaration, or interfere with the rights of ingress and egress to any Lot or the Common Area shall be effective without the prior written consent of the Planning Director of the City.

Section 6. Dissolution. So long as there is any Lot or Common Area for which the Association is obligated to provide management, maintenance, preservation or control, the Association may be dissolved or may transfer all or substantially all of its assets only upon the approval of one hundred percent (100%) of the Members.

Section 7. Nonliability of Officials. To the fullest extent permitted by law, neither the Board, the Architectural Committee, any other committees of the Association or any member of such Board or committee shall be liable to any Member of the Association for any damage, loss or prejudice suffered or claimed on account of any decision, approval or disapproval of plans or specifications (whether or not defective), course of action, act, omission, error, negligence or the like made in good faith within which such Board, committees or persons reasonably believed to be the scope of their duties.

Section 8. Information to Prospective Purchasers. Following the initial sale of a Lot by Declarant to an Owner, prior to the execution of any contract of sale by the Owner of a Lot to a prospective purchaser, the Owner shall provide such prospective purchaser with a copy of the Association's Articles, Bylaws and Covenants, Conditions and Restrictions, the written statement referred to in Section 10 of Article VI above, the most current financial statements of the Association which have been distributed by the Board as described in Article VII of the Bylaws and a written summary of the age and residency restrictions described in Article IV-A above.

Section 9. Violation of Declaration. The result of every act or omission, whereby any provision, condition, restriction, covenant, easement or reservation contained in this Declaration is violated is hereby declared to be and constitute a nuisance, and every remedy allowed by law or equity against a nuisance, either public or private, shall be applicable against every such result, and may be exercised by the Architectural Committee and the Association. Such remedy shall be deemed cumulative and not exclusive.

Section 10. Statutory References; Fixed Amounts. References in this Declaration or the Bylaws to specific statutes or provisions of California law shall include those statutes or provisions as they may be modified or amended from time to time. References in this Declaration or the Bylaws to specific dollar amounts or percentage rates shall be modified from time to time as the dollar figures or percentage rates in statutes upon which they are based are modified. If a dollar amount is not governed by a statute, it may be modified periodically by the Association in accordance with changes in the Consumer Price Index, All Urban Consumers, All Items, for the Los Angeles-Anaheim-Riverside Area, utilizing that index on the month and year this Declaration was recorded as the basis for comparison. Any modification of the Declaration or Bylaws resulting from

the application of this Section may be affected by a validly adopted resolution of the Board, without utilizing the formal amendment procedures contained herein or in the Bylaws.

Section 11. Common Plan Declaration. The covenants, conditions and restrictions set forth in this Declaration constitute a general program for the development, protection and maintenance of the Project to enhance its value, desirability and attractiveness for the benefit of all Owners. By acquiring any ownership interest in a Lot subject to this Declaration, each person or entity, for himself, his heirs, personal representatives, successors, transferees and assigns, agrees to be subject to all of the provisions, restrictions, covenants, conditions, rules and regulations now or hereafter imposed by this Declaration. Declarant, by this Declaration, sets forth a program for the improvement and development of the Project and hereby evidences its intent that all the restrictions, conditions, covenants, rules and regulations contained herein shall run with the land and be binding on all future Owners, grantees, purchasers, assignees, and transferees.

Section 12. Attorneys' Fees. In the event of any controversy, claim or dispute arising out of or relating to this Declaration or the interpretation as a breach thereof, the prevailing party shall be entitled to recover from the other party reasonable expenses, attorneys' fees and costs.

Section 13. Limitation of Restrictions on Declarant. Declarant is undertaking the work of construction of residential dwellings and incidental Improvements upon the Project and, as set forth in this Section, shall be exempt from restrictions with respect to the activities described in subparagraphs (a) through (e) below. The completion of Declarant's work and the sale, rental, and other disposal of said dwellings is essential to the establishment and welfare of the Project as a residential community. In order that said work may be completed and the Project 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, a Successor, or their respective agents from doing on the Project, including the Common Area, or any residential Lot, whatever is reasonably necessary or advisable in connection with the completion of said work; or

(b) Prevent Declarant, a Successor, or their respective agents from erecting, constructing, and main-

taining on any part or parts of the Project, such structures as may be reasonable and necessary for the conduct of its business of completing said work and establishing the Project as a residential community and disposing of the same by sale, lease, or otherwise; or

(c) Prevent Declarant, a Successor, or their respective agents from conducting on any part of the Project its business of completing said work and of establishing a plan of ownership and disposing of the Project, or the individual dwellings, by sale, lease, or otherwise; or

(d) Prevent Declarant, a Successor, or their respective agents from maintaining such sign or signs on any of the Project as may be necessary for the sale, lease, or disposition thereof; provided, however, that the maintenance of any such sign shall not unreasonably interfere with the use by any Owner of his Lot or the Common Areas.

(e) Subject to a concomitant obligation to restore, Declarant, a Successor, and/or their respective agents, until completion of original sales in the last Phase to be annexed to the Project, shall have:

(i) Non-exclusive easements over the Common Area for construction and common driveway purposes including access, ingress, and egress, as well as for drainage, encroachment and reasonable use related to construction activities on the properties subject to annexation as identified herein and for making repairs to the Common Areas or to the residences; and

(ii) The right and easement for non-exclusive use of the Common Area for the purpose of maintaining model homes, sales offices and signs reasonably necessary to market the residential Lots, until completion of the sale of all residential Lots within the Project. The use of the Common Areas by Declarant and its agents shall not unreasonably interfere with the use thereof by the Class A Members of the Association.

This Section may not be modified, terminated, or otherwise amended or altered without written approval by Declarant until the earlier of six (6) months following close of escrow for the last residential Lot sold in the fully annexed Project, or five (5) years from close of escrow of the first Lot in the first Phase of the Project, after which time it shall terminate and be of no further force and effect. Any act attempting or purporting to effect such change, or to adversely affect the rights granted to or reserved by Declarant hereunder, shall be void and of no force or effect.

DISCLOSURES

Section 1. The Recorded Subdivision Map for the Project Designates Interior Streets as Lettered Lots. With the approval of the City, Declarant intends to initially landscape that portion of the interior private streets which is adjacent to the anticipated final phase (Phase 9) of its development of the Project. It is now anticipated that such phase will include Lots 1 through 3 and 231 through 236, together with Common Area Lots Q, 237 and 238. Those interior streets within and adjacent to this final phase will not be available for normal vehicular and pedestrian use, access, ingress or egress until those Lots and that phase are annexed into the Project and become subject to this Declaration in accordance with the annexation provisions described herein. Declarant hereby discloses to all Owners within the Project that such portion of the interior streets will be unavailable for access, ingress and egress to pedestrian and vehicular traffic until it is annexed and Declarant hereby reserves to itself, its agents and employees an exclusive easement over and across such portion of the interior streets. The area affected by this disclosure and easement is depicted in Exhibit "C" attached hereto. The easement retained herein will automatically expire and terminate upon annexation of Lots 1 through 3, 231 through 236, Q, 237 and 238 into the Project, at which time all landscaping improvements within such roadway areas will be removed and replaced with appropriate street improvements. By acceptance of title to a Lot within the Project, each Owner acknowledges and agrees that until annexed, private interior street areas within this final phase of the Project will not be available until the phase is annexed, as set forth herein.

Section 2. Guard/Guard House. Declarant, at its sole cost and expense, intends to maintain a guard house and security guard at the entrance to the Project during that period in which it is engaged in the sale of Lots within the Project. The expense of providing the guard and maintaining the guard house facility has not been included within the budget which has been submitted to and approved by the California Department of Real Estate and the regular assessments paid by Owners within the Project (including Declarant with respect to unsold Lots which are subject to assessment) will include no element of compensation to Declarant for such guard services. Since services will be provided solely for the benefit of and at the discretion of Declarant, Declarant may elect to cease such services at any time. Declarant will incur no liability to any Owner, his guests

or invitees for any failure or alleged failure of security within the Project, it being understood that the Project is not being represented or marketed as a "gate guarded" or otherwise security-enhanced Project.

IN WITNESS WHEREOF, the undersigned, being the Declarant herein, has executed this Declaration this _____ day of _____, 1989.

DECLARANT:

JOHN C. HEERS, INC.,
a California corporation

By: _____

By: _____

STATE OF CALIFORNIA)
) ss.
COUNTY OF _____)

On this _____ day of _____, 1989, before me,
_____, the undersigned Notary Public,
personally appeared _____ and
_____, personally known to me (or proved to
me on the basis of satisfactory evidence) to be the persons
who executed the within instrument as _____ and
_____ of John C. Heers, Inc., a California corpora-
tion, the corporation that executed the within instrument,
and acknowledged to me that the corporation executed it.

WITNESS my hand and official seal.

Notary Public

SUBORDINATION AGREEMENT

_____ , being the beneficiary under that certain deed of trust recorded _____, 198____, as Instrument NO _____, Records of Riverside County, California, hereby declares that the lien and charge of said deed of trust is and shall be subordinate and inferior to the Declaration of restrictions to which this Subordination Agreement is attached.

By: _____

By: _____

STATE OF _____)
 COUNTY OF _____) ss.

On this _____ day of _____, 1989, before me, _____, the undersigned Notary Public, personally appeared _____ personally known to me (or proved to me on the basis of satisfactory evidence) to be the _____ and _____ of the corporation that executed the within instrument, and acknowledged to me that such corporation executed the within instrument pursuant to its bylaws or a resolution of its Board of Directors.

WITNESS my hand and official seal.

 Notary Public

EXHIBIT "A"

Legal Description of Covered Property

That certain real property located in the City of Banning, Riverside County, California consisting of residential lots (Parcel 1) and a common area lot (Parcel 2), all within Tract 18063 as recorded in Book 134 of Maps, Pages 71 through 76, Records of Riverside County, California.

Parcel 1: Lots 47 through 57, and 59 through 74.

Parcel 2: Lots A, B, C, D, V and 58.

EXHIBIT "B"

Legal Description of Annexable Area

That certain real property located in the City of Banning, Riverside County, California consisting of residential lots (Parcel 1) and common area lots (Parcel 2) all within Tract 18063 as recorded in Book 134 of Maps, Pages 71 through 76, Records of Riverside County, California.

Parcel 1: Lots 1 through 46, 75 through 236 and 239 through 250, inclusive.

Parcel 2: Lots 86, 237, 238, E, F, G, H, I, J, K, L, M, N, O, P, Q, R, S, T, and U, inclusive.


EXHIBIT "C"

Depiction of Landscaped Portion
of Interior Streets in Final Phase

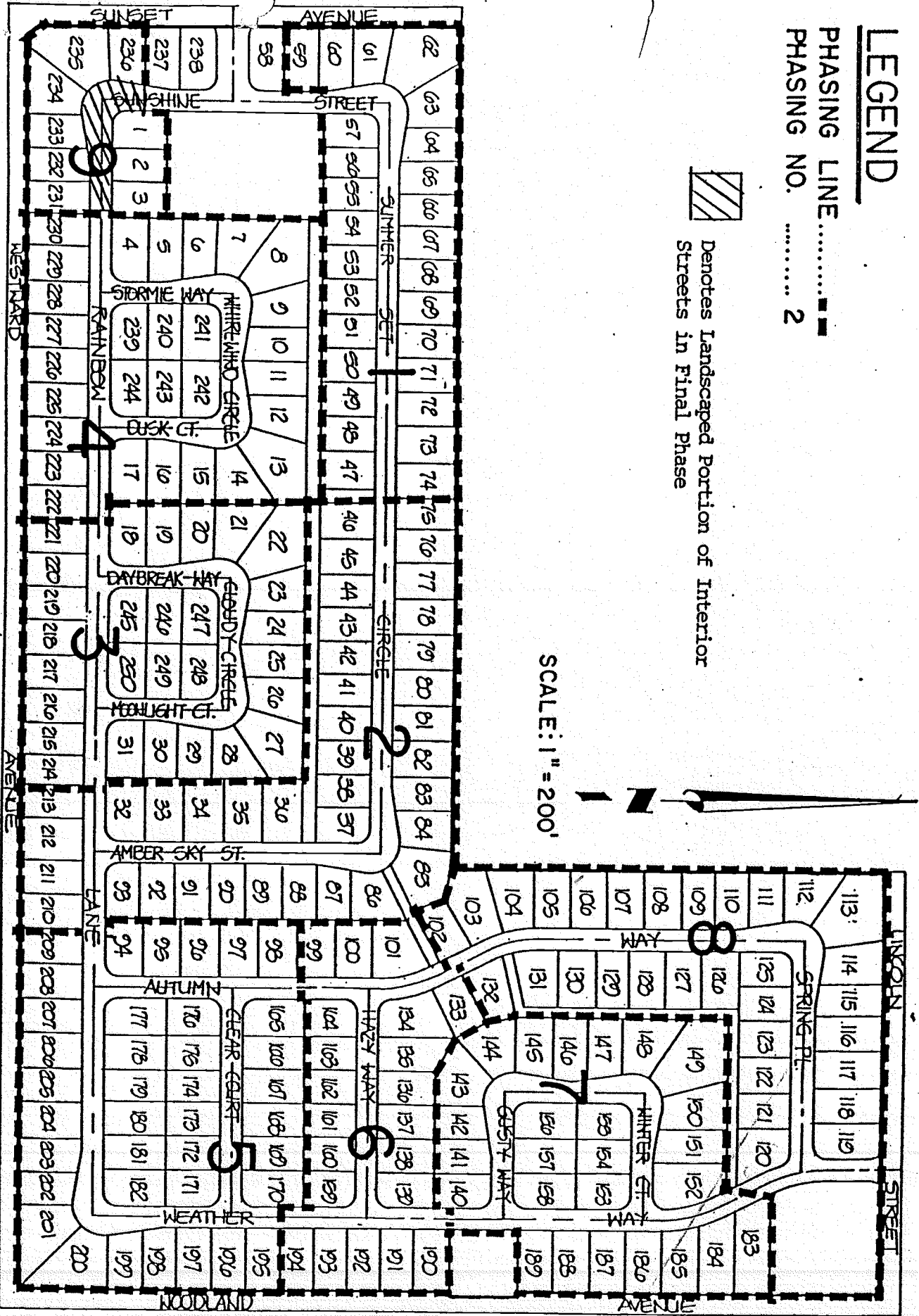
[To be attached.]

LEGEND

PHASING LINE.....
 PHASING NO. 2

 Denotes Landscaped Portion of Interior Streets in Final Phase

SCALE: 1" = 200'



SERRANO DEL VISTA
 DUNA CINIC MAND

J.F. Davidson Associates, Inc.
 ENGINEERING • PLANNING • SURVEYING
 ARCHITECTURE • LANDSCAPE ARCHITECTURE

