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The Highlands Community Association

Amended and Restated
Declaration of
Covenants, Conditions
and
Restrictions
and
Amended Bylaws

January, 2006

15

RECORDING REQUESTED BY
DAVID E. CANE, ESQ.

Recorded in Official Records, Orange County
Tom Daly, Clerk-Recorder

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TITLE(S)

ORDER GRANTING PETITION TO DEEM PROPOSED AMENDMENT OF DECLARATION OF
COVENANTS, CONDITIONS AND RESTRICTIONS APPROVED

COVER PAGE TO DECLARATION CC&R'S

IF THIS DOCUMENT CONTAINS ANY RESTRICTION BASED ON RACE, COLOR, RELIGION, SEX, FAMILIAL STATUS, MARITAL STATUS, DISABILITY, NATIONAL ORIGIN, OR ANCESTRY, THAT RESTRICTION VIOLATES STATE AND FEDERAL FAIR HOUSING LAWS AND IS VOID, AND MAY BE REMOVED PURSUANT TO SECTION 12956.1 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.

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FILED
SUPERIOR COURT OF CALIFORNIA
COUNTY OF ORANGE
CENTRAL JUSTICE CENTER

DEC 13 2005

ALAN SLATER, Clerk of the Court

K. Chung-Maquez
BY K. CHUNG-MARQUEZ

5 Attorneys for Petitioner THE HIGHLANDS
6 COMMUNITY ASSOCIATION

8 SUPERIOR COURT OF CALIFORNIA
9 COUNTY OF ORANGE - CENTRAL JUSTICE CENTER

11 In Re:) CASE NO. 05CC01509
12 Petition for Amendment of Declaration of)
13 Covenants, Conditions and Restrictions for THE)
14 HIGHLANDS COMMUNITY ASSOCIATION,)
15 a California nonprofit mutual benefit)
16 corporation)
17)
18)
19)
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**ORDER GRANTING PETITION TO DEEM
PROPOSED AMENDMENT OF
DECLARATION OF COVENANTS,
CONDITIONS AND RESTRICTIONS
APPROVED**

DATE: December 13, 2005
TIME: 1:30 p.m.
DEPT.: C-20

19 The Petition For Court Order Deeming Proposed Amendment of Declaration of Covenants,
20 Conditions and Restrictions Approved filed by THE HIGHLANDS COMMUNITY ASSOCIATION,
21 a California nonprofit mutual benefit corporation ("Petitioner" or "Association"), came on regularly
22 for hearing on December 13, 2005, at 1:30 p.m., in Department C-20 of the above-entitled court, the
23 Honorable Michael Brenner, Judge, presiding.

24 The court having considered Petitioner's moving papers and other pleadings on file with the
25 court, as well as the oral argument presented at the hearing, and satisfactory proof being made to the
26 court that Petitioner is entitled to the relief requested in the Petition;

27 ////
28 ////

U.S. T.V. Dept. C-20

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1 THE COURT FINDS AS FOLLOWS:

2 a. In accordance with Civil Code Section 1356, the Petition contains as exhibits thereto,
3 copies of the Governing Documents (i.e., the Articles of Incorporation, Bylaws, and Declaration), the
4 complete text of the proposed amendments to the Governing Documents, evidence of any notice and
5 solicitation materials used in the effort to obtain member votes, and all other documents relevant to
6 the court's determination of the Petition;

7 b. Petitioner has given not less than fifteen (15) days written notice of the court hearing
8 to all of Association's members;

9 c. Balloting on the proposed amendments to the Governing Documents was conducted
10 in accordance with all applicable provisions of the Association's Articles of Incorporation, Bylaws,
11 and Declaration;

12 d. A reasonably diligent effort was made to permit all eligible members to vote on the
13 amendments;

14 e. The record owners of more than two-thirds (2/3rds) of the 192 residences within the
15 Association voted in favor of the amendments;

16 f. The amendments are reasonable; and

17 g. Granting the relief requested in the Petition is not improper for any reason stated in
18 subdivision (e) of Civil Code section 1356.

19 GOOD CAUSE THEREFORE EXISTING, the court hereby issues an order pursuant to Civil
20 Code section 1356 confirming the amendments to the Governing Documents and deems the
21 amendment (the "Amendment") particularly set forth in Exhibit "A" attached hereto and incorporated
22 herein by reference to that certain Declaration of Covenants, Conditions, and Restrictions for Turtle
23 Rock Highlands Garden Homes, executed by Donald L. Bren Company, recorded on May 31, 1978,
24 as Instrument No. 44337, in Book 12696, pages 874, et seq., of the Official Records of Orange
25 County, California, as amended by the Declaration of Amendment to Declaration of Covenants,
26 Conditions and Restrictions for The Highlands Community Association, recorded December 29, 1981,
27 as Instrument No. 34324, in Book 14339, pages 77, et seq., and all supplements and amendments
28

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1 thereto (collectively, the "Declaration"), as being validly approved on the basis of affirmative votes
2 actually received during the balloting period.

3 THE COURT FURTHER ORDERS that the Amendment is effective pursuant to Civil Code
4 Section 1356(f) upon recordation of this court order and the Amendment in every county in which
5 a portion of the common interest development is located.

6 Upon recordation of the Amendment with this court order, the Declaration, as amended and
7 supplemented, shall have the same force and effect as if the Amendment was adopted in compliance
8 with every requirement imposed by the Governing Documents.

9 THE COURT FURTHER ORDERS pursuant to Civil Code section 1356(g), that within a
10 reasonable time after the Amendment and this order are recorded, Petitioner shall mail a copy of the
11 Amendment to each of Association's members, together with a statement that the Amendment has
12 been recorded.

13
14 DATED: DEC 13 2005

MICHAEL BRENNER

Judge of the Superior Court

EXHIBIT "A"

**AMENDED AND RESTATED
DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS
THE HIGHLANDS COMMUNITY ASSOCIATION
ORANGE COUNTY, CALIFORNIA**

**AMENDED AND RESTATED
DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS
THE HIGHLANDS COMMUNITY ASSOCIATION
ORANGE COUNTY, CALIFORNIA**

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- EXHIBITS:
- A- COVERED PROPERTY
 - B- LIST OF PROPERTY OWNERS
 - C- COMMUNITY FACILITIES
 - D- COMPILATION OF ASSOCIATION MAINTENANCE AREAS,
FENCES AND WALLS
 - E- ASSOCIATION MAINTENANCE AREAS
 - F- FENCES AND WALLS MAINTAINED BY ASSOCIATION
 - H- VIEW RESTRICTED AREA
 - I- ALLOWABLE FENCES ON SLOPES

(There was no Exhibit G to the Original Declaration)

AMENDED AND RESTATED
DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS

THE HIGHLANDS COMMUNITY ASSOCIATION
ORANGE COUNTY, CALIFORNIA

The Declaration of Covenants, Conditions, and Restrictions for Turtle Rock Highlands Garden Homes, executed by Donald L. Bren Company ("Declarant"), recorded on May 31, 1978, as Instrument No. 44337, in Book 12696, Pages 874, et seq., of the Official Records of Orange County, California ("Original Declaration"), as amended by the Declaration of Amendment to Declaration of Covenants, Conditions and Restrictions for The Highlands Community Association ("First Amendment"), recorded December 29, 1981, as Instrument No. 34324, in Book 14339, Pages 77, et seq., which affects all of the Properties described and commonly known as "The Highlands Community Association," is hereby amended and restated in its entirety to read as follows:

RECITALS

A. Declarant was the fee owner of the real property described in Exhibit A to this Declaration, as Covered Property.

B. Declarant deemed it desirable to establish covenants, conditions and restrictions upon the Covered Property and each and every portion thereof, to constitute a general scheme for the management of the Covered Property, and for the use, occupancy and enjoyment thereof, all for the purpose of enhancing and protecting the value, desirability and attractiveness of the Covered Property and enhancing the quality of life within the Covered Property.

C. It was desirable for the efficient management of the Covered Property and the preservation of the value, desirability and attractiveness of the Covered Property to create a corporation to which should be delegated and assigned the powers of managing the Covered Property, maintaining and administering the Community Facilities and administering and enforcing the Original Declaration and collecting and disbursing funds pursuant to the assessment and charges created and referred to and to perform such other acts as shall generally benefit the Covered Property.

D. The Highlands Community Association, a California nonprofit mutual benefit corporation, was incorporated under the laws of the State of California for the purpose of exercising the powers and functions aforesaid and has been assigned all rights, duties and responsibilities of the Declarant under the Original Declaration.

E. The Highlands Community Association ("Association"), acting through its Board of Directors, has deemed it advisable to restate the Original Declaration, to update the document to reflect current California law.

F. On _____, 200_____ percent (____%) of the Owners of Lots within the Covered Property voted by written ballot to amend and restate the Original Declaration, all in accordance with the procedures for amendment set forth in the Original Declaration. It was the intention of said Owners to replace the Original Declaration, in its entirety, with the recordation of this Declaration. The Owners' action to amend and restate the Original Declaration as set forth herein, and the fact that the requisite percentage of affirmative votes required in the Original Declaration was achieved, is attested by the execution of this Amended and Restated Declaration (hereinafter referred to as "Declaration") by duly authorized officers of the Association, as required by California Civil Code Section 1355(a). As so amended and restated, the easements, covenants, restrictions and conditions set forth herein shall run with the Covered Property and shall be binding upon all parties having or acquiring any right, title or interest in the Covered Property or any portion thereof, and shall inure to the benefit of each Owner thereof.

G. A list of property Owners of Association required by Government Code Section 27288.1 is attached hereto as Exhibit "B" and incorporated herein by this reference.

NOW, THEREFORE, Declarant hereby covenants, agrees and declares that all of its interest as the same may from time to time appear in the Covered Property shall be held and conveyed subject to the following covenants, conditions, restrictions and easements which are hereby declared to be for the benefit of said interests in the Covered Property, and the owners of said interests, their successors and assigns. These covenants, conditions, restrictions and easements shall run with said interests and shall be binding upon all parties, having or acquiring any right or title in said interests or any part thereof, and shall inure to the benefit of each owner thereof and are imposed upon said interests and every part thereof as a servitude in favor of each and every of said interests as the dominant tenement or tenements.

ARTICLE I DEFINITIONS

Unless the context clearly indicates otherwise, the following terms used in this Declaration are defined as follows:

Section 1. "Architectural Committee" shall mean and refer to the committee or committees provided for in the Article hereof entitled "Architectural Control."

Section 2. "Articles" and "Bylaws" shall mean and refer to the Articles of Incorporation and Bylaws of the Association as the same may from time to time be duly amended.

Section 3. "Assessments:" The following meanings shall be given to the Assessments hereinafter defined:

"Regular Assessment" shall mean the amount which is to be paid by each member of the Association for Common Expenses.

"Special Assessment" shall mean a charge against a particular Owner and his Residence, directly attributable to the Owner, to reimburse the Association for costs incurred in bringing the Owner and his Residence into compliance with the provisions of this Declaration, the Articles, Bylaws or Association Rules, or any other charge designated as a Special Assessment in this Declaration, the Articles, Bylaws, or Association Rules, together with attorneys' fees and other charges payable by such Owner, pursuant to the provisions of this Declaration, plus interest thereon as provided for in this Declaration.

"Reconstruction Assessment" shall mean a charge against each member and his Residence representing a portion of the cost to the Association for reconstruction of any portion or portions of the Community Facilities pursuant to the provisions of this Declaration.

"Capital Improvement Assessment" shall mean a charge against each Member and his Residence, representing a portion of the cost to the Association for installation or construction of any capital improvements on any of the Community Facilities which the Association may from time to time authorize pursuant to the provisions of this Declaration.

"Cable Television Service Assessment" shall mean a charge against a particular Owner and his Residence for cable television services obtained by the Association for the benefit of such Owner as provided in this Declaration.

Section 4. "Association" shall mean and refer to The Highlands Community Association, a nonprofit corporation, incorporated under the laws of the State of California, its successors and assigns.

Section 5. "Association Rules" shall mean rules adopted by the Association pursuant to the Article hereof entitled "Duties and Powers of the Association, and shall include the Architectural

Standards." 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 thereby all as set forth within Article VI, Section 5 of this Declaration.

Section 6. "Board" shall mean the Board of Directors of the Association.

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

Section 8. "Common Expenses" shall mean and refer to the actual and estimated costs of:

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

(b) unpaid 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 which generally benefit and enhance the value and desirability of the Covered Property;

(f) the costs of fire, casualty, liability, worker's compensation and other insurance covering the Community Facilities;

(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) taxes paid by the Association;

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

(l) costs incurred by the Architectural Committee or other committees established by the Board; and

(m) other expenses incurred by the Association for any reason whatsoever in connection with the Community Facilities, or the costs of any other item or items designated by this Declaration, the Articles, Bylaws or Association Rules, or in furtherance of the purposes of the Association or in the discharge of any duties or powers of the Association.

Section 9. "Community Facilities" shall mean all real property, and the improvements thereon, owned or leased from time to time by the Association for the common use and enjoyment of the Members, including without limitation any of the following: private storm drains, private streets, private utilities, private parks, open spaces, trails and slopes. The Community Facilities shall be that certain property described on Exhibit "C".

Section 10. "Covered Property" shall mean and refer to all the real property described on Exhibit "A" hereto.

Section 11. "Development" shall mean and refer to the real property described on Exhibit- "A".

Section 12. "Exhibit" shall mean and refer to those documents so designated herein and attached hereto and each of such Exhibit is by this reference incorporated in this Declaration.

Section 13. "Federal Agencies" shall mean and refer to collectively one or more of the following agencies and the following letter designation for such agencies shall mean and refer to respectively the agency specified within the parentheses following such letter designation: FHA (Federal Housing Administration), FHLMC (Federal Home Loan Mortgage Corporation), FNMA (Federal National Mortgage Association), GNMA (Government National Mortgage Association), VA (Veterans Administration).

Section 14. "Final Subdivision Public Report" shall refer to that report issued by the Department of Real Estate of the State of California pursuant to Section 11018.2 of the California Business and Professions Code or any similar statute hereafter enacted.

Section 15. "Institutional Mortgagee" shall mean and refer to a First Mortgagee 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, any federal or state agency, or any other institution regulated by federal or state law.

Section 16. "Member" shall mean and refer to every person or entity who qualifies for membership pursuant to the Article of this Declaration entitled "Membership."

Section 17. "Mortgage" shall mean and refer to any duly recorded mortgage or deed of trust encumbering a Residence. A "First Mortgage" shall refer to a Mortgage which has priority over any other Mortgage encumbering a specific Residence.

Section 18. "Mortgagee" shall mean and refer to the mortgagee or beneficiary under any Mortgage. A "First Mortgagee" shall mean the holder of a Mortgage that has priority over any other Mortgage encumbering a Residence.

Section 19. "Owner" shall mean and refer to one or more persons or entities who are alone or collectively the record owner of a fee simple title to a Residence, or the vendee under an installment land sales contract, but excluding those having any such interest merely as security for the performance of an obligation. The Owner of the fee title and not the lessee of any Residence shall be deemed the Owner regardless of the term of the lease.

Section 20 "Residence" shall mean and refer to a lot shown on any final map filed for record or a parcel shown on any parcel map filed for record to the extent such lots or parcels are part of the Covered Property; provided, however, "Residence" shall not include any Community Facilities. "Residence" shall include the residential dwelling unit together with garages, structures and other improvements on the same lot or parcel.

Section 21 "Supplementary Declaration" shall mean those certain declarations of covenants, conditions and restrictions or similar instruments, annexing additional property extending the plan of the Original Declaration to such additional property as provided in the article of the Original Declaration entitled "Integrated Nature of the Covered Property."

ARTICLE II MEMBERSHIP

Section 1 - Membership. Every Owner shall be a Member. The terms and provisions set forth in this Declaration, which are binding upon all Owners are not exclusive, as Owners shall, in addition, be subject to the terms and provisions of the Articles, Bylaws and Association Rules to the extent the provisions thereof are not in conflict with this Declaration. Membership of Owners shall be appurtenant to and may not be separated from the interest of such Owner in any Residence.

Ownership of a Residence shall be the sole qualification for membership; provided, however, a Member's voting rights, right to serve on the Board of Directors or privileges in the Community Facilities, or both, may be regulated or suspended as provided in this Declaration, the Bylaws or the Association Rules. Not more than one membership shall exist based upon ownership of a single Residence.

Section 2 - Transfer. The membership held by any Owner shall not be transferred, pledged or alienated in any way, except that such membership shall automatically be transferred to the transferee of the interest of an owner required for membership. Any attempt to make a prohibited transfer is void and will not be reflected upon the books and records of the Association. The Association shall have the right to record the transfer upon the books of the Association without any further action or consent by the transferring Owner.

Section 3 - Voting Rights. The Association shall have one (1) class of voting membership. An Owner's right to vote shall vest immediately upon the date Regular Assessments commence upon such Owner's Residence as provided in this Declaration. All voting rights shall be subject to the restrictions and limitations provided herein and in the Articles, Bylaws and Association Rules.

Section 4 - Approval of Members. Unless elsewhere otherwise specifically provided in this Declaration or the Bylaws, any provision of this Declaration or the Bylaws which requires the vote or written assent of a specified majority of the voting power of the Association shall be deemed satisfied by the following:

(a) The vote of the specified percentage at a meeting duly called and noticed pursuant to the provisions of the Bylaws dealing with annual or special meetings of the Members. Such percentage must include the specified number of all Members entitled to vote at such meeting and not such a percentage of those Members present;

(b) Written consents signed by the specified percentage of Members as provided in the Bylaws.

(c) In any matter requiring the consent of the Members, but not specifically provided for in this Declaration or the Articles, Bylaws or any contract executed by the Association, a simple majority of the voting power of Members entitled to vote on such matters shall suffice.

ARTICLE III COVENANT FOR MAINTENANCE ASSESSMENTS

Section 1 - Creation of the Lien and Personal Obligation of Assessments. Each Owner of any Residence by acceptance of a deed or other conveyance, creating in such Owner the interest required to be deemed an Owner, whether or not it shall be so expressed in any such deed or other conveyance, is deemed to covenant and agree to pay to the Association: Regular Assessments, Special Assessments, Capital Improvement Assessments, Reconstruction Assessments, and Cable Television Service Assessments, if applicable, such Assessments to be fixed, established and collected from time to time as provided in this Declaration. The Assessments, together with interest thereon, late charges, attorneys' fees and court costs, and other costs of collection thereof, as hereinafter provided, shall be a continuing lien upon the Residence against which each such Assessment is made. Each such Assessment, together with such interest, late charges, costs and attorneys' fees, shall also be the personal obligation of the Owner of such Residence at the time when the Assessment becomes due. The personal obligation shall not pass to the successors in title of an Owner unless expressly assumed by such successors.

Section 2 - Purpose of Assessments. The Assessments levied by the Association shall be used exclusively for the purposes of promoting the recreation, health, safety and welfare of the Members, the management of the Covered Property, enhancing the quality of life in the Covered Property, and the value of the Covered Property including, without limitation, the improvement and maintenance of the properties, services and facilities devoted to this purpose and related to the use and enjoyment of the Community Facilities, or in furtherance of any other duty or power of the Association.

Section 3 - Regular Assessments. Not later than thirty (30) days prior to the beginning of each fiscal year, the Board shall distribute to each Member a pro forma operating statement or budget for the upcoming fiscal year which shall, among other things, estimate the total Common Expenses to be incurred for such fiscal year. The Board shall at that time determine the amount of the Regular Assessment to be paid by each Member. Each Member shall thereafter pay to the Association his Regular Assessment in installments as established by the Board. Each such installment shall be due and payable on a date established by the Board in the written notice sent to Members. In the event the Board shall determine 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 then immediately determine the approximate amount of such inadequacy and issue a supplemental estimate of the Common Expenses and determine the revised amount of Regular Assessment against each Member, and the date or dates when due. Regular Assessments shall be imposed and collected pursuant to California law.

Section 4 - Capital Improvement Assessments. In addition to the Regular Assessments, the Association may levy in any calendar year, a Capital Improvement Assessment applicable to that year only, for the purpose of defraying, in whole or in part, the cost of any construction or replacement (other than due to destruction) of a described capital improvement upon the Community Facilities to the extent the same is not covered by the provisions affecting Reconstruction Assessments in the Article hereof entitled "Destruction of Improvements", including the necessary fixtures and personal property related thereto. Any Capital Improvement Assessment shall be imposed and collected pursuant to California law with regard to Special Assessments. Any reserves collected by the Association for the future maintenance and repair of the Community Facilities, or any portion thereof, shall not be included in determining said annual capital improvement limitation. All amounts collected as Capital Improvement Assessments may only be used for capital improvements and shall be deposited by the Board in a separate bank account to be held in trust for such purposes. Said funds 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 - Uniform Assessment. Regular, Reconstruction and Capital Improvement Assessments shall be fixed at an equal amount for each Residence and may be collected at intervals selected by the Board.

Section 6 - Certificate of Payment. The Association shall, upon demand, furnish to any Member liable for Assessments, a certificate in writing signed by an officer or authorized agent of the Association, setting forth whether the Assessments on a specified Residence have been paid, and the amount of delinquency, if any. A reasonable charge may be collected by the Board for the issuance of these certificates. Such certificates shall be conclusive evidence of payment of any Assessment therein stated to have been paid.

Section 7 - Exempt Property. All properties dedicated to and accepted by, or otherwise owned or acquired by, a public authority shall be exempt from the Assessments created herein.

Section 8 - Special Assessments. Special Assessments shall be levied by the Board against a Residence to reimburse the Association for:

- (a) costs incurred in bringing an Owner and his Residence into compliance with the provisions of this Declaration, the Articles, the Bylaws or Association Rules;
- (b) any other charge designated as a Special Assessment in this Declaration, the Articles, Bylaws or Association Rules; and
- (c) attorneys' fees, interest and other charges relating thereto as provided in this Declaration.

In the event the Association undertakes to provide materials or services which benefit individual Residences and which can be accepted or not by individual Owners, such as tree

trimming, such Owners in accepting such materials or services agree that the costs thereof shall be a Special Assessment.

Section 9 - Cable Television Service Assessment. In the event the Board elects to contract for cable television service, Cable Television Service Assessments shall be levied by the Board against the Owners who have subscribed with the Association for such service. In such circumstances, the Cable Television Service Assessment shall commence as to such Owner on the first day of the month following the month in which he so subscribes and shall continue against such Owner and any subsequent transferee of his Residence until the first day of the month following the month in which any such Owner or transferee notifies the Board in writing that he no longer wishes to subscribe to such service, or the month in which the Board elects to cancel the Association's contract for cable television service.

Section 10 - Date of Commencement of Regular Assessments. The Regular Assessments shall commence on the date the deed to each Residence is recorded in the Orange County Recorder's Office for that Residence. It is provided, further, that in the event the amount budgeted to meet Common Expenses for the then current year proves to be excessive in light of the actual Common Expenses, the Board in its discretion may either reduce the amount of the Regular Assessment or may abate collection of Regular Assessments as it deems appropriate.

Section 11 - No Offsets. All Assessments shall be payable in the amount specified by the Assessment and no offsets against such amount shall be permitted for any reason, including, without limitation, a claim that (i) the Association is not properly exercising its duties and powers as provided in this Declaration; (ii) a Member has made or elects to make no use of the Community Facilities; or (iii) any construction or maintenance performed pursuant to the Section entitled "Assumption of Maintenance Obligations" of the Article entitled "Repair and Maintenance" of this Declaration shall in any way postpone Assessments or entitle a Member to claim any such offset or reduction.

Section 12 - Homestead Waiver. Each Owner, to the extent permitted by law, does hereby waive, to the extent of any liens created pursuant to this Declaration, whether such liens are now in existence or are created at any time in the future, the benefit of any homestead or exemption laws of the State of California now in effect, or in effect from time to time hereafter.

Section 13 - Reserves. The 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 a portion of the Community Facilities, 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.

ARTICLE IV NONPAYMENT OF ASSESSMENTS

Section 1 - Delinquency. Any Assessment provided for in this Declaration which is not paid when due shall be delinquent on said date (the "delinquency date"). If any such Assessment is not paid within thirty (30) days after delivery of notice of such delinquency from the Association, a late charge and interest will be imposed pursuant to California law. The Association may, at its option, and without waiving the right to judicially foreclose its lien against the Residence, pursue any available remedies, including, without limitation, bringing an action at law against the Member personally obligated to pay the same, and/or upon compliance with the notice provisions set forth in the Section entitled "Notice of Lien" of this Article to foreclose the lien against the Residence. If action is commenced, there shall be added to the amount of such Assessment the late charge, interest, the costs of such action, and attorneys' fees incurred in connection with such action; and in the event a judgment is obtained, such judgment shall include said late charge, interest and a reasonable attorney's fee, together with the costs of action. Each Member vests in the Association or its assigns, the right and power to bring all actions at law or lien foreclosure against such Member of

other Members for the collection of such delinquent Assessments.

Section 2 - Notice of Lien. No action shall be brought to foreclose said Assessment Lien or to proceed under the power of sale herein provided until thirty (30) days after the date a notice of claim of lien is deposited in the United States mail, certified or registered, postage prepaid, to the Owner of said Residence, and a copy thereof is recorded by the Association in the office of the County Recorder in which County the properties are located; said notice of claim of lien must recite a good and sufficient legal description of any such Residence, the record Owner or reputed Owner thereof, the amount claimed (which shall include interest and late charges on the unpaid Assessment at the rate then authorized by California law, , plus reasonable attorneys' fees and expenses of collection in connection with the debt secured by said lien, and the name and address of the claimant.

Section 3 - Foreclosure Sale. Said Assessment lien may be enforced by sale by the Association, its attorney or any other person authorized by the Board to make the sale after failure of the Owner to make the payments specified in the notice of claim of lien within said thirty (30) day period. Any such sale provided for above is to be conducted in accordance with the provisions of Sections 2934, 2924b, 2924c, 2924f, 2924g and 2924h of the Civil Code of the State of California as said statutes may from time to time be amended, applicable to the exercise of powers of sale in mortgages and deeds of trust, or in any other manner permitted or provided by law. The Association, through its duly authorized agents, shall have the power to bid on the Residence, using Association funds, or funds borrowed for such purpose, at the sale, and to acquire and hold, lease, mortgage and convey the same.

Section 4 - Curing of Default. Upon the timely payment or other satisfaction of: (a) all delinquent Assessments specified in the notice of claim of lien, (b) all other Assessments which have become due and payable with respect to the Residence as to which such notice of claim of lien was recorded, and (c) interest, late charges, attorneys' fees and other costs of collection pursuant to this Declaration and the notice of claim of lien which have accrued, officers of the Association or any other persons designated by the Board are hereby authorized to file or record, as the case may be, an appropriate release of such notice, upon payment by the defaulting Owner of a fee, to be determined by the Association, .

ARTICLE V ARCHITECTURAL CONTROL

Section 1 - Appointment of Architectural Committee. The Architectural Committee shall consist of not less than three (3) nor more than five (5) persons as fixed from time to time by resolution of the Board. The Board shall have the right to appoint, augment, remove or replace all members of the Architectural Committee. Persons appointed by the Board to the Architectural Committee must be Members of the Association, except any consultants, experts, architects or others retained by the Association to assist the Architectural Committee are not required to be Members.

Section 2 - General Provisions.

(a) The Architectural Committee may establish reasonable procedural rules and may assess a fee for each submission of plans in connection with review of plans and may propose that the Board adopt reasonable Architectural Guidelines, Standards, and specifications including, without limitation, the number of sets of plans to be submitted (the "Architectural Standards"). The Architectural Committee may delegate its plan review responsibilities to one or more members of such Architectural Committee or to a retained Consultant. Upon such delegation, the approval or disapproval of plans and specifications by such persons shall be equivalent to approval or disapproval by the entire Architectural Committee. Unless any and all such Architectural Standards are complied with, such plans and specifications shall be deemed not submitted.

(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 the submittal of plans and specifications and the place where the current Architectural Standards shall be kept.

(c) As a condition to approval of any requested architectural change, modification, addition, or alteration, an Owner, on behalf of himself or herself and his or her successors-in-interest, shall be deemed to have agreed to assume all responsibilities for maintenance, repair, replacement and insurance for such change, modification, addition, or alteration. It is the responsibility of every Owner of a Lot to determine for himself or herself what architectural modifications have been made to his or her Lot by any predecessor-in-interest. The approval of the Committee of any proposals or plans and specifications or drawings for any work done or proposed in connection with any matter requiring the approval and consent of the Committee, shall not be deemed to constitute a waiver of any right to withhold approval or consent to any similar proposals, plans and specifications, drawings or matter subsequently or additionally submitted for approval or consent. Each Owner acknowledges that the members of the Board of Directors and the Committee will change from time to time and that interpretation, application, and enforcement of the Architectural Standards may vary accordingly.

¹(d) In the event the Architectural Committee fails to approve or disapprove such plans and specifications within forty-five (45) days after the same have been duly submitted in accordance with any rules regarding such submission adopted by the Architectural Committee, such plans and specifications will be deemed approved.

Section 3 - Approval and Conformity of Plans. No building, fence, wall or other structure shall be commenced, erected or maintained upon the Covered Property, nor shall there be any addition to or change in the exterior of any Residence, structure or other improvement including, without limitation, the painting of exterior walls and fences, unless plans and specifications therefore have been submitted to and approved by the Architectural Committee. The Board shall, from time to time, adopt and promulgate Architectural Standards to be administered through the Architectural Committee. The Architectural Standards shall include among other things those restrictions and limitations upon the Owners set forth below:

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

(b) Conformity of completed architectural improvements to plans and specifications approved by the Architectural Committee; provided, however, the Association may notify any prospective purchasers of non-compliance by any Owners, including identifying the violating Residence and its Owner and specifying the reason for the notice; and.

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

(d) Without limiting the generality of the foregoing, the Board shall adopt a landscape maintenance plan which ensures that tree trimming and topping procedures shall be utilized to prevent the unreasonable impairment of views enjoyed by the Residences.

Section 4 - Nonliability for Approval of Plans. Plans and specifications are not approved for engineering design, and by approving such plans and specifications neither the Architectural Committee, the members thereof, the Association, the Members, nor the Board assumes liability or responsibility therefore, or for any defect in any structure constructed from such plans and specifications.

¹Amended by 12/29/81 Amendment

Section 5 - Appeal. In the event plans and specifications submitted to the Architectural Committee are disapproved thereby, the party or parties making such submission may appeal in writing to the Board. The written request shall be received by the Board are more than thirty (30) days following the final decision of the Architectural Committee. The Board shall submit such request to the Architectural Committee for review, whose written recommendations will be submitted to the Board. Within forty-five (45) days following receipt of the request for appeal, the Board shall render its written decision. The failure of the Board to render a decision within said forty-five (45) day period shall not be deemed a decision in favor of the appellant.

ARTICLE VI
DUTIES AND POWERS OF THE ASSOCIATION

Section 1 - General Duties and Powers. In addition to the duties and powers enumerated in its Articles and Bylaws, or elsewhere provided for herein, and without limiting the generality thereof, the Association shall have the specific duties and powers specified in this Article.

Section 2 - General Duties of the Association. The Association through the Board shall have the duty and obligation to:

- (a) enforce the provisions of this Declaration, the Articles, Bylaws, and Association Rules, by appropriate means and carry out the obligations of the Association hereunder.
- (b) maintain and otherwise manage the following:
 - (i) all easements and real property and all facilities, improvements and landscaping thereon in which the Association holds an interest, subject to the terms of any instrument transferring such interest to the Association;
 - (ii) all personal property in which the Association holds an interest, subject to the terms of any instrument transferring such interest to the Association; and
 - (iii) all property, real or personal, which the Association is obligated to repair or maintain pursuant to this Declaration, including, without limitation, the Article of this Declaration entitled "Repair and Maintenance".
- (c) obtain, for the benefit of the Community Facilities, water, gas and electric, refuse collections and other services.

Section 3 - General Powers of the Association. The Association through the Board shall have the power but not the obligation to:

- (a) employ a manager or other persons and contract with independent contractors or managing agents who have professional experience in the management of residential developments similar to the Covered Property, to perform all or any part of the duties and responsibilities of the Association,
- (b) acquire interests in real or personal property for offices or other facilities that may be necessary or convenient for the management of the Covered Property, the administration of the affairs of the Association or for the benefit of the Members;
- (c) borrow money as may be needed in connection with the discharge by the Association of its powers and duties;
- (d) establish in cooperation with the City a special tax assessment district for the performance of all or a portion of the maintenance or other functions now within the responsibility of the Association.
- (e) provide trash pickup and disposal service for the benefit of the Owners and their Residences;

(f) contract for cable television service for the benefit of the Owners who have subscribed for such service; and

(g) negotiate and enter into contracts with Institutional Mortgagees and mortgage insurers and guarantors as may be necessary or desirable to facilitate the availability of loans secured by Mortgages within the Covered Property.

Section 4 - General Limitations and Restrictions on the Powers of the Board. In addition to the limitations and restrictions enumerated in the Articles and Bylaws or elsewhere provided for herein, and without limiting the generality thereof, the Board shall be prohibited from taking any of the following action without the approval of a majority of the voting power of the Association:

(a) enter contracts for materials or services which have a term excess of one (1) year, with the following exceptions:

(i) a management contract, the terms of which have been approved by the FHA or VA;

(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; and

(iii) prepaid casualty and/or liability insurance policies of not to exceed three (3) years duration, provided that the applicable policy permits short rate cancellation by the insured.

(b) sell any real or personal property of the Association with an aggregate fair market value in excess of five percent (5%) of said estimated Common Expenses during any fiscal year.

(c) pay compensation to directors or to officers of the Association for services performed in the conduct of the Association's business; provided, however, the Board may cause a director or officer to be reimbursed for expenses incurred on the business of the Association.

Section 5 - Association Rules. The Board shall also have the power to adopt, amend, and repeal, subject to the requirements of Civil Code Sections 1357.100-1357.150, such rules and regulations as it deems reasonable (the "Association Rules") which may include the establishment of a system of fines and penalties enforceable as Special Assessments, all as provided in the Bylaws. The Association Rules shall govern such matters in furtherance of the purposes of the Association, including, without limitation, the use of the Community Facilities; 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 the Association Rules shall be delivered to each Owner in the same manner established in Civil Code Section 1350.7 or any successor statute for the delivery of notices. Upon completion of the notice requirements, said 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 thereby. The Association Rules, as adopted, amended or repealed, shall be available at the principal office of the Association to each Owner and Institutional Mortgagee upon request. In the event of any conflict between any such Association Rules and any other provisions of this Declaration, or the Articles or Bylaws, the provisions of the Association Rules shall be deemed to be superseded by the provisions of this Declaration, the Articles or the Bylaws to the extent of any such conflict.

Section 6 - Delegation of Powers. The Association shall have the right, according to law, to delegate to committees, officers, employees or agents any of its duties and powers under this Declaration, the Articles and Bylaws; provided, however, no such delegation to a professional management company, the Architectural Committee or otherwise shall relieve the Association of its obligation to

perform such delegated duty.

Section 7 - Pledge of Assessment Rights. The Association shall have the power to pledge the right to exercise its Assessment powers in connection with obtaining funds to repay a debt of the Association; provided, however, any such pledge shall require the prior affirmative vote or written assent of not less than seventy-five percent (75%) of the Members. Said power shall include, but not be limited to, the ability to make an assignment of Assessments which are then payable to or which will become payable to the Association; which assignment may be then presently effective but shall allow said Assessments to continue to be paid to and used by the Association as set forth in this Declaration, unless and until the Association shall default on the repayment of the debt which is secured by said assignment. The Association may levy Special Assessments against the Members to obtain such funds. Upon the failure of any Member to pay said Special Assessment when due, the Association may exercise all its rights, including, without limitation, the right to foreclose its lien, pursuant to the Article hereof entitled "Nonpayment of Assessments".

Section 8 - Emergency Powers. The Association or any person authorized by the Association may enter any Residence in the event of any emergency involving illness or potential danger to life or property. Such entry shall be made with as little inconvenience to the Owners as practicable, and any damage caused thereby shall be repaired by the Association unless covered by insurance carried by the Owner.

ARTICLE VII REPAIR AND MAINTENANCE

Section 1 - Repair and Maintenance by Association. Except to the extent that an Owner may be obligated to maintain and repair as hereinafter provided, and without limiting the generality of the statement of duties and powers contained in this Declaration, the Articles, Bylaws or Association Rules, the Association shall have the duty to accomplish the following upon the Covered Property or other land in such manner and at such times as the Board shall prescribe:

(a) maintain, repair, restore, replace and make necessary improvements to the Community Facilities, including, without limitation, the following:

- (i) private walkways, bicycle paths, trails or other pedestrian paths;
- (ii) drainage facilities and easements in accordance with the requirements of the Orange County Flood Control District;

(b) maintain the exterior (defined to mean the side fronting on any public right-of-way or Community Facilities) of those lot perimeter walls or fences identified on Exhibit "F". Exhibit "F" is, collectively, the original wall and fence Exhibits referenced within, and incorporated into the Original Declaration and the amendments and supplements thereto. A single map based upon those Exhibits is attached hereto as Exhibit "D" and incorporated herein for reference purposes. The location of the lot perimeter walls and fences generally depicted on Exhibits "F" and "D" shall be governed by as-built conditions, and in the event of any conflict between Exhibit "F" and Exhibit "D", Exhibit "F" shall control;

(c) maintain the public rights-of-way shown on Exhibit "E" according to the standards established by the City's Director of Public Works for public rights-of-way in the City. Exhibit "E" is, collectively, the original Association Maintenance Areas Exhibits referenced within, and incorporated into the Original Declaration and the amendments and supplements thereto. A single map based upon those Exhibits is attached hereto as Exhibit "D" and incorporated herein for reference purposes. The location of the public rights-of-way generally depicted on Exhibits "E" and "D", if any, shall be governed by as-built conditions, and in the event of any conflict between Exhibit "E" and Exhibit "D", Exhibit "E" shall control;

(d) maintain in a safe and attractive condition those slope areas shown on Exhibit "E". Exhibit "E" is, collectively, the original Association Maintenance Areas Exhibits

referenced within, and incorporated into the Original Declaration and the amendments and supplements thereto. A single map based upon those Exhibits is attached hereto as Exhibit "D" and incorporated herein for reference purposes. The location of the Association Maintenance Areas generally depicted on Exhibits "E" and "D" shall be governed by as-built conditions, and in the event of any conflict between Exhibit "E" and Exhibit "D", Exhibit "E" shall control;

(e) maintain, all other areas, facilities, equipment, services or aesthetic components of whatsoever nature as may from time to time be requested by the vote or written consent of two-thirds (2/3) of the voting power of the Members.

(f) the costs of any such maintenance and repair pursuant to this Section shall be paid out of the general funds of the Association, except as otherwise herein specified as payable by the particular Owners.

Section 2 - Repair and Maintenance by Owner. Except as the Association shall be obligated to maintain and repair as may be provided in this Declaration, every Owner shall:

(a) maintain the exterior of his Residence, walls, fences and roof of such Residence in good condition and repair; and

(b) install and thereafter maintain in attractive condition front yard landscaping in accordance with the provisions of this Article.

(c) In the event the Board shall determine that any lot perimeter walls and fences have been damaged from within a Residence, notwithstanding that such damage may be to the Lot perimeter walls and fences which are to be maintained by the Association pursuant to the terms of this Article, the Owner of the Residence shall be responsible for repairing such damage in a timely manner and in accordance with such rules as the Board or Architectural Committee shall from time to time adopt. In the event such repair is not so accomplished by the Owner, the Association or its delegates shall have the right at reasonable times to enter the Residence to effect such repair, and the cost thereof shall be charged to the Owner of the Residence, and, if not paid in a timely manner, shall be a Special Assessment.

Section 3 - Right of Association to Maintain and Install. In the event that an Owner fails to accomplish any maintenance or repair required by this Section, the Association or its delegates may, but shall not be obligated to, cause such maintenance and installation to be accomplished as hereinafter set forth.

(a) Upon finding by the Board of a deficiency in such maintenance or installation, the Board shall give notice of deficiency to the Owner which shall briefly describe the deficiency and set a date for hearing before the Board or a committee selected by the Board for such purpose. The Board may delegate its powers under this subsection to a duly appointed committee of the Association.

(b) Such hearing shall be held not less than ten (10) nor more than thirty (30) days from the date of said notice.

(c) Such hearing shall be conducted according to such reasonable rules and procedures as the Board shall adopt which shall provide the Owner with the right to present oral and written evidence and to confront and cross-examine any person offering at such hearing evidence adverse to such Owner. If the Board or any such committee renders a decision against the Owner, it shall further set a date by which the deficiency is to be corrected by the Owner. A decision of such committee may be appealed to the Board, but a decision of the Board shall be final.

(d) If the deficiency continues to exist after the time limitation imposed by a final decision of the Board or any such committee, the Board or such committee may cause such maintenance or installation to be accomplished.

(e) In the event the Board or such committee elects to cause such maintenance or installation to be accomplished, the following shall apply:

(i) The Owner shall have no more than ten (10) days following the receipt thereby of written notice of such election from the Board or such committee to select a day or days upon which such maintenance or installation work shall be accomplished;

(ii) The date which said Owner selects shall be not less than fifteen (15) days nor more than forty-five (45) days following the last day of said ten (10) day period;

(iii) If said Owner does not select such day or days within said ten (10) day period, the Board or such committee may select a day or days upon which such work may be accomplished which shall be not less than twenty-five (25) nor more than fifty-five (55) days from the last day of said ten (10) day period; and

(iv) Unless the Owner and the Board otherwise agree, such maintenance or installation shall take place only during daylight hours on any day, Monday through Friday, excluding holidays.

(f) If the Association pays for all or any portion of such maintenance or installation, such amount shall be a Special Assessment to the affected Owner and Residence.

Section 4 - Standards for Maintenance and Installation.

(a) Maintenance of the exterior of the Residences, including without limitation walls, fences and roofs shall be accomplished by the Owner of the Residence in accordance with the Architectural Standards and, if required by the Architectural Standards, only after approval of the Architectural Committee; and

(b) All portions of the front yard of a Residence, including hardscape and landscaping shall be maintained by the Owner in an attractive condition according to any rules promulgated by the Board.

(c) All slopes or terraces on any Residence shall be maintained by the Owner, so as to prevent any erosion thereof upon adjacent streets or adjoining property.

Section 5 - Right of Entry. The Association shall have the right to enter upon any Residence in connection with any maintenance, repair or construction in the exercise of the powers and duties of the Association.

Section 6 - 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 Community Facilities owned by such public utilities. 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.

ARTICLE VIII INSURANCE

Section 1 Types. The Association, to the extent available, shall obtain and continue in effect in its own name the following types of insurance so long as such amounts or type of insurance coverage are not, in the good faith judgment of the Board, prohibitively expensive or no longer necessary or appropriate for the protection of the Covered Property, the Association and the Members:

(a) A comprehensive policy of public liability insurance covering the Community Facilities with a limit of not less than One Million Dollars (\$1,000,000) for claims for personal injury and/or property damage arising out of a single occurrence, such coverage to include protection against water damage liability, liability for non-owned and hired automobile and liability for

property of others, and such other risks as shall customarily be covered with respect to similar planned unit developments in the area of the Covered Property, and shall contain a "severability of interest" endorsement or the equivalent which shall preclude the insurer from denying the claim of an Owner because of negligent acts or omissions of the Association or other Owners;

(b) A policy of fire and casualty insurance with extended coverage for the full replacement value of the Community Facilities (including all building service equipment and the like), without deduction for depreciation, with an "agreed amount endorsement" or its equivalent and clauses waiving subrogation against Members and the Association and persons upon the Covered Property with the permission of a Member, such insurance to afford protection against at least loss or damage by fire and other hazards covered by the standard extended coverage endorsement, and by sprinkler leakage, debris removal, cost of demolition, vandalism, malicious mischief, windstorm, water damage, and such other risks as shall customarily be covered with respect to similar planned unit developments in the area of the Covered Property.

(c) Fidelity coverage against dishonest acts on the part of directors, officers, employees or volunteers who handle or who are responsible to handle the funds of the Association, and such fidelity bonds shall name the Association as obligee, shall be written in an amount equal to one hundred fifty percent (150%) of the estimated annual operating expenses of the Association, including reserves, and shall contain waivers of any defense based on the exclusion of persons who serve without compensation or from any definition of "employee" or similar expression.

Section 2 - Waiver by Members. All insurance obtained by the Association shall be maintained by the Association for the benefit of the Association, the Owners and the Mortgagees as their interests may appear. As to each of said policies which will not be voided or impaired thereby, the Owners hereby waive and release all claims against the Association, the Board, other Owners, t and agents and employees of each of the foregoing, with respect to any loss covered by such insurance, whether or not caused by negligence of or breach of any agreement by said persons, but to the extent of insurance proceeds received in compensation for such loss only.

Section 3 - Other Insurance. The Board may and, if required by any Institutional Mortgagee, shall purchase and maintain in force demolition insurance in adequate amounts to cover demolition in the event of total or partial destruction and a decision not to rebuild, as well as a blanket policy of flood insurance. The Board shall also purchase and maintain worker's compensation insurance, to the extent that the same shall be required by law, for all employees of the Association. The Board shall also purchase and maintain in effect such insurance on personal property owned by the Association, and such other insurance, as it deems necessary or as is required by any Institutional Mortgagee including, without limitation, earthquake insurance, plate-glass insurance and officers' and directors' liability insurance.

Section 4 - Premiums, Proceeds and Settlement. Insurance premiums for any such blanket insurance coverage obtained by the Association and any other insurance deemed necessary by the Association shall be a Common Expense to be included in the Regular Assessments levied by the Association. Casualty insurance proceeds shall be used by the Association "or the repair or replacement of the property for which the insurance was carried, or otherwise disposed of as provided in the Article hereof entitled "Destruction of Improvements." The Association is hereby granted the authority to negotiate loss settlements with the appropriate insurance carriers. Any two (2) directors 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 the Association and the Members.

Section 5 - Annual Insurance Review. The Board shall annually determine whether the amounts and types of insurance it has obtained provide adequate coverage for the Covered Property in light of increased construction costs, inflation, practice in the area in which the Covered Property is located, or any other factor which tends to indicate that either additional insurance policies or increased coverage under existing policies are necessary or desirable to protect the interests of the Owners and of the Association. If the Board determines that increased coverage or additional insurance is appropriate, it shall obtain the same.

Section 6 - Abandonment of Replacement Cost Insurance. Unless at least seventy-five percent (75%) of the Institutional Mortgagees based on one (1) vote for each First Mortgage held have given their prior written approval, the Association shall not be entitled to fail to maintain the extended coverage fire and casualty insurance required by this Article on less than a one hundred percent (100%) current replacement cost basis.

Section 7 - Federal Requirements. Notwithstanding the foregoing provisions of this Article, the Association shall continuously maintain in effect such casualty, flood and liability insurance and a fidelity bond meeting the insurance and fidelity bond requirements for planned unit development projects established by any of the Federal Agencies, so long as either is a Mortgagee, Owner, or insures or guarantees a Mortgage within the Covered Property, except to the extent such coverage is not available or has been waived in writing by the foregoing entities.

ARTICLE IX DESTRUCTION OF IMPROVEMENTS

Section 1 - Duty of Association. In the event of partial or total destruction of improvements upon the Community Facilities, it shall be the duty of the Association to restore and repair the same as promptly as practical pursuant to this Article. The proceeds of any casualty insurance maintained pursuant to this Declaration shall be used for such purpose, subject to the prior rights of Mortgagees whose interest may be protected by said policies.

Section 2 - Automatic Reconstruction. In the event that the amount available from the proceeds of such insurance policies for such restoration and repair shall be at least eighty-five percent (85%) of the estimated cost of restoration and repair or the cost not covered by insurance proceeds is less than the sum of One Hundred Fifty Dollars (\$150.00) per year per Residence, a Reconstruction Assessment, with each Owner contributing a like sum, may be levied by the Association to provide the necessary funds for such reconstruction, over and above the amount of any insurance proceeds available for such purpose, and the Board shall cause the damaged or destroyed Community Facilities to be restored as closely as practical to its condition prior to the destruction or damage.

Section 3 - Vote of Members. In the event that the amount available from the proceeds of such insurance policies for such restoration and repair shall be less than eighty-five percent (85%) of the estimated cost of restoration and repair or greater than the sum of One Hundred Fifty Dollars (\$150.00) per year per Residence, the improvements shall not be replaced or restored unless a majority of the voting power of the Association agrees in writing to such replacement or restoration or gives its affirmative vote at a meeting duly called therefore. Such majority vote must include at least a seventy-five percent (75%) majority of the Class A Members. If the Members approve such replacement or restoration, the Board shall cause the damaged or destroyed Community Facilities to be restored as closely as practical to its former condition prior to the destruction or damage. In the event of a determination, as provided above, not to replace or restore the improvements on the Community Facilities, the Community Facilities shall be cleared and landscaped for community park use and the costs thereof shall be paid for with the insurance proceeds, and any deficiency may be raised by Reconstruction Assessment in an amount determined by the Board. An election not to replace or restore any improvements to the Community Facilities will not be effective without the prior written approval from the City.

Section 4 - Excess Insurance Proceeds. In the event any excess insurance proceeds remain, after any reconstruction by the Association pursuant to this Article, the Board, in its sole discretion, may retain such sums in the general funds of the Association or distribute pro rata all or a portion thereof to the Members, subject to the prior rights of Mortgagees whose interest may be protected by insurance policies carried by the Association. In the absence of such prior rights, the rights of an Owner and the Mortgagee of his Residence as to such pro rata distribution shall be governed by the provisions of the Mortgage encumbering such Residence.

Section 5 - Use of Reconstruction Assessments. All amounts collected as Reconstruction Assessments shall only be used for the purposes set forth in this Article and shall be deposited by the Board in a separate bank account to be held in trust for such purposes. Such funds 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.

ARTICLE X EMINENT DOMAIN

Section 1 - Definition of Taking. The term "taking" as used in this Article shall mean condemnation by eminent domain or sale under threat of condemnation of all or any portion of the Community Facilities.

Section 2 - Representation by Board in Condemnation Proceedings. In the event of a threatened taking of all or any portion of the Community Facilities, the Members hereby appoint the Board and such persons as the Board may delegate to represent all of the Members in connection with the taking. The Board shall act in its sole discretion with respect to any awards being made in connection with the taking and shall be entitled to make a voluntary sale to the condemner in lieu of engaging in a condemnation action.

Section 3 - Inverse Condemnation. The Board is authorized to bring an action in inverse condemnation. In such event, the provisions of this Article shall apply with equal force.

Section 4 - Award for Community Facilities. Any awards received on account of the taking of Community Facilities shall be paid to the Association. The Board may in its sole discretion retain any award in the general funds of the Association or distribute pro rata all or a portion thereof to the Members. The rights of an Owner and the Mortgagee of his Residence as to any pro rata distribution shall be governed by the provisions of the Mortgage encumbering such Residence.

ARTICLE XI USE RESTRICTIONS

Section 1 - Commercial Use. No part of a Residence shall be used or caused to be used or allowed or authorized in any way, directly or indirectly, for any business, commercial, manufacturing, mercantile, scoring, vending, or any nonresidential purpose; provided, however, that the provisions of this Section shall not preclude an Owner from renting his or her Residence in accordance with this Declaration, nor any Owner of a Lot from maintaining a home office and conducting business activities therefrom on the following conditions: (i) there is no external evidence of such activities; (ii) such activities are conducted in conformance with all applicable governmental ordinances; (iii) the patrons or clientele of such activities do not visit the Residence or park automobiles or other vehicles within the Project; (iv) the existence or operation of such activities is not apparent or detectable by sight, sound or smell from outside the boundaries of the Residence; (v) no such activity increases the liability or casualty insurance obligation or premium of the Association; and (vi) such activities are consistent with the residential character of the Project and conform with the provisions of this Declaration. Further, the Association shall have the right to provide or authorize such services on the Community Facilities as it deems appropriate for the enjoyment of the Community Facilities or for the benefit of the Members.

Section 2 - Signs. No sign or billboard of any kind shall be displayed to the public view on any portion of the Covered Property, except such signs as may be allowed by California law. A Member may display in his Residence, a sign advertising its sale or lease by him so long as such sign shall comply with any customary and reasonable standards promulgated by the Board as to the size, color, shape or other qualification for permitted signs.

Section 3 - Nuisance. No noxious or offensive trade or activity shall be carried on upon any Residence, or any part of the Covered Property nor shall anything be done thereon which may be, or may become an annoyance or nuisance to the neighborhood, or which shall in any way interfere with the quiet enjoyment of each of the Owners of his respective Residence, or which shall in any way increase the rate of insurance.

Section 4 - Temporary Structures. No structure of a temporary character, trailer, basement, shack, garage, barn or other out-building shall hereafter be used on any Residence at any time, either temporarily or permanently.

Section 5 - Vehicles. No trailer, camper, boat or similar equipment shall hereafter be permitted to remain upon the Covered Property, including, without limitation, streets, alleys or driveways, unless placed or maintained within an enclosed area, or unless obscured from view of adjoining Residences, streets, or alleys by a fence or appropriate screen, nor permitted to be parked other than temporarily, on any street, alley, or any other portion of the Covered Property. Temporary parking shall mean parking of vehicles belonging to guests of Owners, delivery trucks, service vehicles and other commercial vehicles being used in the furnishing of services to the Association or the Owners and parking of vehicles belonging to or being used by Owners for loading and unloading purposes. The Board may adopt rules for the regulation of the admission and parking of vehicles within the Covered Property, including the assessment of charges to Owners who violate or whose invitees violate, such rules. Any charges so assessed shall be Special Assessments. Any fence or screen required under this Section shall comply with any standards promulgated pursuant to the Article entitled "Architectural Control" of this Declaration as to size, color, or other qualification for permitted fences or screens. In addition, the Board may designate areas within the Covered Property for parking of campers and similar equipment without the requirement of fencing or screening.

Section 6 - Animals. No animals, livestock or poultry of any kind, shall be raised, bred or kept upon the Covered Property, except that dogs, cats or other household pets may be kept on the Residences, provided they are not kept, bred or maintained for any commercial purpose, or in numbers deemed unreasonable by the Board. Notwithstanding the foregoing, no animals or fowl may be kept on the Residences which in the good faith judgment of the Board or a committee selected by the Board for this purpose, result in an annoyance or are obnoxious to residents in the vicinity. All animals permitted to be kept by this Section shall be kept on a leash when on any portion of the Covered Property except within a Residence.

Section 7 - Oil and Mineral Rights. No oil drilling, oil development operations, oil refining, quarrying, or mining operations of any kind shall be permitted upon or in the Covered Property nor, subsequent to the recording of this Declaration, shall oil wells, tanks, tunnels, or mineral excavations or shafts be installed upon the surface of the Covered Property or within five hundred (500) feet below the surface of such properties. No derrick or other structure designed for use in boring for water, oil or natural gas shall be erected, maintained or permitted upon the Covered Property.

Section 8 - Unsightly Items. All weeds, rubbish, debris, or unsightly material or objects of any kind shall be regularly removed from the Residences and shall not be allowed to accumulate thereon. All clotheslines, refuse containers, woodpiles, storage areas, machinery and equipment shall be prohibited upon any Residence unless obscured from view of adjoining streets or portions of the Covered Property from a height of six (6) feet or less. Any fence or screen required by this Section shall comply with any standards promulgated pursuant to the Article entitled "Architectural Control" of this Declaration as to site, color or other qualification for permitted fences or screens.

Section 9 - Antennae. No television, radio, or other electronic antenna or device of any type shall hereafter be erected, constructed, placed or permitted to remain on the Covered Property unless those antennas or devices meet the Federal Communication Commission rules and guidelines then in place for such antennas and devices, and all other antennas and devices must receive prior approval in writing by the Architectural Committee, or unless the same be contained within a building. The Board may adopt reasonable rules and regulations for antennas and devices as permitted by the FCC rules and guidelines.

Section 10 - Drainage. All drainage of water from any Residence shall drain or flow into adjacent streets or alleys and shall not be allowed to drain or flow upon, across, or under any other portion of the Covered Property unless an easement for such purpose is granted.

Section 11 - Garages. Garage doors shall not be permitted to remain open except for a temporary purpose, and the Board may adopt rules for the regulation of the opening of garage doors, and use of

a garage for parking purposes, including the assessment of charges to Owners who violate or whose invitees violate such rules. Any charges so assessed shall be Special Assessments.

Section 12 - 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 13 - Residential. Except as provided within Section 1 of this Article XI, all Residences shall only be used for residential purposes.

Section 14 - Fences and/or Walls. Owners with Residences situated on property with a slope may construct and install fences or walls only at the toe of said slope, unless otherwise approved by the Architectural Committee. The height or location of any fence or wall shall be subject to approval of the Architectural Committee as set forth in the Article entitled "Architectural Control" of this Declaration. Notwithstanding the above, the Owners of Residences indicated on Exhibit "H" attached hereto, or any similar exhibit attached to a Supplementary Declaration, shall be permitted to have fences on slopes as specified on said Exhibit, and the fencing on the slopes on the easterly side of Southern Wood that was permitted pursuant to a prior arbitration award shall be maintained and replaced in accordance with the terms and conditions of such award.

ARTICLE XII RIGHTS OF ENJOYMENT

Section 1 - Members' Right of Enjoyment. Every Member shall have a nonexclusive easement for use and enjoyment in and to the Community Facilities and such right shall be appurtenant to and shall pass with the interest required to be an Owner to every Residence, subject to all of the easements, covenants, conditions, restrictions and other provisions of record and as contained in this Declaration, including, without limitation, the following provisions:

- (a) The right of the Association to limit the number of guests of Members and to limit the use of the Community Facilities by persons not in possession of a Residence, but owning a portion of the interest in a Residence required for membership.
- (b) The right of the Association to establish reasonable rules and regulations pertaining to the use of the Community Facilities and the Residential Lots.
- (c) The right of the Association to borrow money for the purpose of improving, replacing, restoring or expanding the Community Facilities or adding new Community Facilities and in aid thereof, to mortgage said property, provided that the prior affirmative vote or written approval of a majority of Members has been obtained to mortgage said property.
- (d) The rights of the Association to suspend the right of a Member to use the Community Facilities or any portion thereof designated by the Board during any time in which any Assessment against his Residence remains unpaid and delinquent or for a period not to exceed thirty (30) days for any single infraction of the rules and regulations of the Association, provided that any suspension of such right to use such Community Facilities, except for failure to pay Assessments, shall be made only by the Association, after notice and hearing given and held in accordance with the Bylaws. Notwithstanding the foregoing, the Association shall not have the right hereunder to suspend any Member's right to use any portion of the Covered Property necessary for such Member to gain access to his Residence.
- (e) The right of the Association subject to the approval rights of Institutional Mortgagees pursuant to the Article hereof entitled "Rights of Lenders," to dedicate or transfer all or any part of the Community Facilities to any public agency, authority or utility or other entity. No such dedication or transfer, including, without limitation, the conveyance, lease or other transfer of any portion of the Community Facilities to a special tax assessment district or to the City, shall be effective unless an instrument signed by Members entitled to cast two-thirds (2/3) of the voting power of the membership has been recorded, agreeing to such dedication or transfer. The certificate of the President and the Secretary of the Association attached to such instrument certifying that the

Members signing such instrument represent two-thirds (2/3) of the voting power of the Association shall be deemed conclusive proof thereof.

(f) The right of the Association to establish in cooperation with the City, a special tax assessment district for the performance of all or a portion of the maintenance and other functions now within the responsibility of the Association, together with the right of the Association to convey, lease or otherwise transfer, subject to the provisions of this Section, all or any portion of the Community Facilities to said district.

(g) The view easement rights of certain owners of adjacent real property as more particularly described in the Article entitled "Easements" of this Declaration.

Section 2 - Delegation of Use. Any Member may delegate his right of enjoyment to the Community Facilities to the members of his family or his tenants who reside on his Residence, or to his guests, subject to rules and regulations adopted by the Board.

Section 3 - Waiver of Use. No member may exempt himself from personal liability for Assessments duly levied by the Association, nor release the Residence owned by him 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 Community Facilities, or the abandonment of his Residence.

ARTICLE XIII EASEMENTS

Section 1 - Certain Easements for Owners.

(a) Rights and Duties: Utilities and Cable Television. Wherever sanitary sewer house connections, water house connections, electricity, gas, telephone and cable television lines or drainage facilities are installed within the Covered Property, the Owners of any Residence served by said connections, lines or facilities shall have the right and easement to the full extent necessary for the full use and enjoyment of such portion of such connections which service his Residence, and to enter upon the Residences owned by others, or to have utility companies enter upon the Residences 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 as and when the same may be necessary as set forth below, provided that such Owner or utility company shall promptly repair any damage to a Residence caused by such entry as promptly as possible after completion of work thereon.

(b) Ingress, Egress and Recreational Rights. Owners shall have nonexclusive easements for ingress, egress, pedestrian walkway and general recreational purposes over and upon the Community Facilities. Such easements shall be subject to the rights of the Association as set forth in the Article hereof entitled "Rights of Enjoyment."

Section 2 - Certain Easements for Association.

(a) Association Rights. The Association shall have easements over the Covered Property, together with the right of Association to grant and transfer the same, for the purpose of permitting the Association to discharge its obligations as described in this Declaration.

(b) Rights and Duties: Utilities and Cable Television. Wherever sanitary sewer house connections, water house connections, electricity, gas, telephone and cable television lines or drainage facilities are installed within the Covered Property, and said connections, lines or facilities serve the Community Facilities, the Association shall have an easement to the full extent necessary for the full use and enjoyment of such portion of such connections which service the Community Facilities and to enter upon the Residences owned by others, or to have utility companies enter upon the Residences 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 as and when the same may be necessary as set forth below, provided the Association or utility company shall promptly repair any

damage to a Residence caused by such entry as promptly as possible after completion of work thereon.

Section 3 - Support, Settlement and Encroachment. The Owners shall have the following reciprocal easements for the purposes set forth below:

(a) An easement appurtenant to each Residence which is contiguous to another Residence or Community Facilities which Residence shall be the dominant tenement and the contiguous Residence or Community Facilities shall be the servient tenement.

(b) An easement appurtenant to the Community Facilities contiguous to a Residence, which Community Facilities shall be the dominant tenement and which contiguous Residence shall be the servient tenement.

(c) It is provided, however, that in the event Community Facilities are the dominant tenement in an easement described in this Section, Association shall have the easement rights, not the Owners.

(d) Said easements shall be for the purposes of:

(i) support and accommodation of the natural settlement of structures;

(ii) encroachment by reason of a roof or eave overhang from a Residence and for the maintenance of such roof or eave overhang by the Owner of the dominant tenement; encroachment of fireplaces, doorsteps, foundation footings, garage doors, E

(iii) encroachment of fireplaces, doorstops, foundation footings, garage doors, utilities and other appurtenances or fixtures and the maintenance thereof by the Owner of the dominant tenement, which, in the construction of the structures upon the dominant tenement or from any reconstruction or modifications of such structures, project beyond the external surface of the outer walls of such structures.

Section 4 – View Easements over Certain Community Association. Lot B, of Tract 9988 as more particularly described under Parcel 4 of Exhibit "H" is encumbered with a nonexclusive easement of view; provided that no structure, building growing thing or other improvement shall be deemed to violate or encroach upon said view easement unless the height of said structure, building, growing thing or other improvement extends beyond a point which is three (3) feet vertically above the point on the northerly boundary of said Lot B (as hereinafter defined) which is closest in distance to said structure, building or growing thing or other improvement except as follows:

(1) Within the "A" areas delineated on the map attached hereto as Exhibit "H", and by this reference made a part hereof, Eucalyptus Citriodora trees may exceed 3 foot limit or,

(2) Within the "B" areas delineated on the map attached hereto as Exhibit "H", six (6) Eucalyptus Citriodora trees may exceed the 3 foot limit.

For the purposes of the preceding reserved easement, the ground surface of said Lot B shall be deemed to be as existed on December 31, 1977, the Dominant Tenement is Tract 9939 per map filed in Book 419, Pages 17 to 20 inclusive, of Miscellaneous Maps, records of Orange County, California, and the northerly boundary of said Lot 3 shall be that boundary of said Lot B which is contiguous to Lot 3 of said Tract 9939.

ARTICLE XIV
INTEGRATED NATURE OF THE COVERED PROPERTY.

Section 1 - Supplementary Declarations. A Supplementary Declaration shall be a writing recordable form which annexes real property to the plan of this Declaration and which incorporates by reference all of the covenants, conditions, restrictions, easements and other provisions of this Declaration and shall contain such other provisions as set forth in this Declaration relating to Supplementary Declarations. Such Supplementary Declarations contemplated above may contain such complementary additions and modifications of the covenants, conditions and restrictions contained in this Declaration as may be necessary to reflect the different character, if any, of the annexed property and as are not inconsistent with the plan of this Declaration.

Section 2 - Annexation Pursuant to Approval. Upon approval in writing of the Association, pursuant to the vote or written assent of two-thirds of the voting power the Members, the Association may add real property, and to subject such property to the jurisdiction of the Association, may file or record a Supplementary Declaration. The certificate of the President and the secretary of the Association attached to any Supplementary Declaration recorded pursuant to this Section certifying that the required two-thirds (2/3) of the voting power of the Members has approved the annexation of additional area, and the recordation of such Supplementary Declaration shall be deemed conclusive proof thereof.

Section 3 - Mergers or Consolidations. Upon a merger or consolidation of the Association with another association which merger or consolidation must be approved by two-thirds (2/3) of the voting power of the Members, 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 pursuant to a merger. The surviving or consolidated association may administer the covenants, conditions and restrictions established by this Declaration within the Covered Property, together with the covenants and restrictions established upon any other property as one plan.

Section 4 - Limitation Upon Annexation. Notwithstanding the foregoing Sections of this Article, no annexation of additional real property to this Declaration, unless there has been approval thereof by a majority of the voting power of the Association, shall have the effect of either overburdening the common interests of the then existing Owners, except as set forth in this Declaration or substantially increasing the Assessments of such Owners.

ARTICLE XV
RIGHTS OF LENDERS

Section 1 - Filing Notice; Notices and Approvals. A Mortgagee shall not be entitled to receive any notice which this Declaration requires the Association to deliver to mortgagees unless and until such Mortgagee, or its mortgage servicing contractor, has delivered to the Board a written notice stating that such Mortgagee is the holder of a Mortgage encumbering a Residence within the Covered Property. Such notice need not state which Residence or Residences are encumbered by such Mortgage, but shall state whether such Mortgagee is a First Mortgagee. Wherever the approval of all or a specified percentage of Mortgagees is required pursuant to this Declaration, it shall be deemed to mean the vote or approval of all or a specified percentage only of those Mortgagees which have delivered such notice to the Board. Notwithstanding the foregoing, if any right of a Mortgagee under this Declaration is conditioned on a specific written request to the Association, in addition to having delivered the notice provided in this Section, a Mortgagee must also make such request, either in a separate writing delivered to the Association or in the notice provided above in this Section, in order to be entitled to such right. Except as provided in this Section, a Mortgagee's rights pursuant to this Declaration, including, without limitation, the priority of the lien of Mortgages over the lien of Assessments levied by the Association hereunder shall not be affected by the failure to deliver a notice to the Board. Any notice or request delivered to the Board by a Mortgagee shall remain effective without any further action by such Mortgagee for so long as the facts set forth in

such notice or request remain unchanged.

Section 2 - Priority of Mortgagee Lien. No breach of the covenants, conditions or restrictions herein contained, nor the enforcement of any lien provisions herein, shall affect, impair, defeat or render invalid the lien or charge of any Mortgage made in good faith and for value encumbering any Residence, but all of said covenants, conditions and restrictions shall be binding upon and effective against any Owner whose title is derived through foreclosure or trustee's sale, or otherwise, with respect to a Residence except as otherwise provided in this Article.

Section 3 - Curing Defaults. A Mortgagee or the immediate transferee of such Mortgagee, who acquires title by judicial foreclosure, deed in lieu of foreclosure or trustee's sale shall not be obligated to cure any breach of the provisions of this Declaration which is noncurable or of a type which is not practical or feasible to cure. The determination of the Board made in good faith as to whether a breach is noncurable or not feasible to cure shall be final and binding on all Mortgagees.

Section 4 - Resale. It is intended that any loan to facilitate the resale of any Residence after judicial foreclosure, deed in lieu of foreclosure or trustee's sale is a loan made in good faith and for value and entitled to all of the rights and protections afforded to other Mortgagees.

Section 5 - Relationship with Assessment Liens.

(a) The lien provided for in the Article hereof entitled "Nonpayment of Assessments" for the payment of Assessments shall be subordinate to the lien of any Mortgage which was recorded prior to the date any such Assessment becomes due.

(b) If any Residence subject to a monetary lien created by any provision hereof shall be subject to the lien of a Mortgage: (1) the foreclosure of any lien created by anything set forth in this Declaration shall not operate to affect or impair the lien of such Mortgage; and (2) the foreclosure of the lien of said Mortgage, the acceptance of a deed in lieu of foreclosure of the Mortgage or sale under a power of sale included in such Mortgage (such events being hereinafter referred to as "Events of Foreclosure") shall not operate to affect or impair the lien hereof, except that any persons who obtain an interest through any of the Events of Foreclosure, and their successors in interest, shall take title free of the lien hereof or any personal obligation for said charges as shall have accrued up to the time of any of the Events of Foreclosure, but subject to the lien hereof for all said charges that shall accrue subsequent to the Events of Foreclosure.

(c) Any Mortgagee who obtains title to a Residence by reason of any of the Events of Foreclosure, or any purchaser at a private or judicial foreclosure sale, shall take title to such Residence free of any lien or claim for unpaid Assessments against such Residence which accrue prior to the time such Mortgagee or purchaser takes title to such Residence, except for liens or claims for a share of such Assessments resulting from a pro rata reallocation of such Assessments to all Residences within the Covered Property.

(d) Nothing in this Section shall be construed to release any owner from his obligations to pay for any Assessment levied pursuant to this Declaration.

Section 6 - Seventy-Five Percent (75%) Vote of Institutional Mortgagees. Except upon the prior written approval of at least seventy-five percent (75%) of Institutional Mortgagees, based on one (1) vote for each First Mortgage held, or 75% of the voting power of the Members, neither the Association nor the Members shall be entitled to do any of the following:

(a) Dissolve the Association or abandon or terminate the maintenance of the Community Facilities by the Association; or

(b) Effectuate any decision to terminate professional management and assume self-management of the Covered Property;

(c) Abandon, partition, sell, alienate, subdivide, release, transfer, hypothecate or otherwise

encumber the Community Facilities; provided, however, the granting of easements for public utilities or other public purposes consistent with the intended use of the Community Facilities shall not require such approval.

Section 7 - Other Rights of Institutional Mortgagees. Any Institutional Mortgagee or its mortgage servicing contractor, shall, upon written request to the Association, be entitled to:

- (a) Inspect the books and records of the Association during normal business hours,
- (b) Receive the annual audited financial statement of the Association ninety (90) days following the end of the Association's fiscal year;
- (c) Receive written notice of all annual and special meetings of the Members or of the Board, and Institutional Mortgagees shall further be entitled to designate a representative to attend all such meetings in order to, among other things, draw attention to violations of this Declaration which have not been corrected or made the subject of remedial action by the Association; provided, however, nothing contained in this Section shall give an Institutional Mortgagee the right to call a meeting of the Board or of the Members for any purpose or to vote at any such meeting; and
- (d) Receive written notification from the association of any default in the performance of the obligations imposed by this Declaration by the Owner whose Residence is encumbered by such Institutional Mortgagee's Mortgage, which default has not been cured within sixty (60) days of a request therefore by the Association: provided, however, the Association shall only be obligated to provide such notice to Institutional Mortgagees who have delivered a written request therefore to the Association specifying the Residence or Residences to which such request relates.

Section 8 - Mortgagees Furnishing Information. Mortgagees are hereby authorized to furnish information to the Board concerning the status of any Mortgage.

Section 9 - Conflicts. In the event of any conflict between any of the provisions of this Article and any of the other revisions of this Declaration, the provisions of this Article shall control.

Section 10 - Payment of Taxes or Premiums by Institutional Mortgagees. Institutional Mortgagees may, jointly or singly, pay taxes or other charges which are in default and which may or have become a charge against the Community Facilities, unless such taxes or charges are separately assessed against the Owners, in which case the rights of Institutional Mortgagees shall be governed by the provisions of their Mortgages. Institutional Mortgagees may, jointly or singly, also pay overdue premiums on hazard insurance policies, or secure new hazard insurance coverage on the lapse of a policy, for the Community Facilities and Institutional Mortgagees making such payments shall be owed immediate reimbursement therefore from the Association. Entitlement to such reimbursement shall be reflected in an agreement in favor of any Institutional Mortgagee which requests the same to be executed by the Association.

ARTICLE XVI PARTY WALLS

Section 1 - Definition of Party Wall. Each wall which is built as a part of the original construction of the Lots and Dwellings upon the Covered Property and placed on the dividing line between the Lots shall constitute a party wall, and, to that extent not inconsistent with the provisions of this Article, the general rules of law regarding party walls and liability for property damage due to negligence or willful acts or omissions shall apply thereto. A party wall shall be considered to adjoin and abut against the property line dividing the Lots from the bottom of the foundation over the full length and height of any structure or wall.

Section 2 - Use of Party Wall. Owners whose Lots are separated by a party wall shall equally have the right to use such party wall, except that each shall have the right to the exclusive use of the surface of the wall on his side. Neither such Owner shall use any portion of such party wall so as to interfere with the use and enjoyment of the other Owner.

Section 3 – Modification or Alteration of the Party Wall. No Owner shall alter the shape, size or construction of a party wall, or repair or replace a party wall using materials different than those used in the original construction of the party wall, without the written consent of the Architectural Committee, and the written consent of the Owner of the adjoining Lot who is jointly responsible for the maintenance and repair of the party wall. All written consents required by this Section shall be obtained in compliance with the terms and conditions contained within the Architectural Standards concerning party wall consents.

Section 4 - Sharing of Repair and Maintenance. Except as the Association is obligated to maintain a party wall, the cost of reasonable repair and maintenance of a party wall shall be shared by the Owners who make use of the wall in proportion to such use.

Section 5 - Destruction by Fire or Other Casualty. If a party wall is destroyed or damaged by fire or other casualty, any Owner who has used the wall may restore it, and if the other Owners thereafter make use of the wall, they shall contribute to the cost of restoration thereof in proportion to such use without prejudice, however, to the right of any such Owners to call for a larger contribution from the others under any rule of law regarding liability for negligent or willful acts or omissions.

Section 6 - Weatherproofing. Notwithstanding any other provision of this Article, an Owner who by his negligent or willful act causes the party wall to be exposed to the elements shall bear the whole cost of furnishing the necessary protection against such elements.

Section 7 - Right to Contribution Runs With Land. The right of any Owner to contribution from any other Owner under this Article shall be appurtenant to the land and shall pass to such Owner's successors in title.

Section 8 - Arbitration. In the event of any dispute arising concerning a party wall, or under the provisions of this Article, all owners of the Party Wall agree to submit the dispute to binding arbitration at Judicial Mediation and Arbitration Service (JAMS, Inc.) or other mutually agreeable alternative dispute resolution service, to have the matter arbitrated before a mutually agreeable arbitrator. If an arbitrator cannot be agreed upon, JAMS, Inc. or another mutually agreeable alternative dispute resolution service shall select an arbitrator upon the request of any of the parties. The Association shall only be a party to such binding arbitration if an Owner is challenging the Association's denial of such Owner's application to modify a party wall, or if an Owner is challenging the Association's approval of an adjoining Owner's application to modify a party wall.

ARTICLE XVII GENERAL PROVISIONS

Section 1 – Enforcement. The Association, or any Owner, shall have the right to enforce by proceedings at law or in equity, all restrictions, conditions, covenants and reservations, now or hereafter imposed by the provisions of this Declaration or any amendment thereto, including the right to prevent the violation of any such restrictions, conditions, covenants, or reservations and the right to recover damages or other dues for such violation. The Association or any Owner shall also have the right to enforce by proceedings at law or in equity the provisions of the Articles or Bylaws and any amendments thereto. With respect to architectural control, Assessment liens or any other liens or charges and Association Rules, the Association shall have the exclusive right to the enforcement thereof.

Section 2 - No Waiver. Failure by the Association or by any Member to enforce any covenant, condition, or restriction herein contained, or the Articles, Bylaws or Association Rules, in any certain instance or on any particular occasion shall not be deemed a waiver of such right on any such future breach of the same or any other covenant, condition or restriction.

Section 3 - Cumulative Remedies. All rights, options and remedies of the Association, the Owners or Mortgagees under this Declaration are cumulative, and not one of them shall be exclusive of any other, and the Association, the Owners and the Mortgagees shall have the right to pursue any one or

all of such rights, options and remedies or any other remedy or relief which may be provided by law, whether or not stated in this Declaration.

Section 4 - Severability. Invalidation of any one or a portion of these covenants, conditions or restrictions by judgment or court order shall in no way affect any other provision which shall remain in full force and effect.

Section 5 - Covenants to Run with the Land: The covenants, conditions and restrictions of this Declaration shall run with and bind the Covered Property and shall inure to the benefit of and be enforceable by the Association or any Owner, their respective legal representatives, heirs, successors and assigns, for a term of sixty (60) years from the date this Declaration is recorded, after which time said covenants, conditions and restrictions shall be automatically extended for successive periods of ten (10) years, unless an instrument, signed by a majority of the then Owners and seventy-five percent (75%) of the Institutional Mortgagees based on one (1) vote for each First Mortgage held, has been recorded at least one (1) year prior to the end of any such period, agreeing to change said covenants, conditions and restrictions in whole or in part.

Section 6 - Construction. The provisions of this Declaration shall be liberally construed to effectuate its purpose of creating a plan for the development of a residential community or tract and for the maintenance of the Covered Property. 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 7 - Singular Includes Plural. Whenever the context of this Declaration requires same, the singular shall include the plural and the masculine shall include the feminine and the neuter.

Section 8 - Nuisance. The result of every act or omission, whereby any provision, condition, restriction, covenant, easement, or reservation contained in this Declaration is violated in whole or in part, is hereby declared to be and constitutes 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 Association or any Member. Such remedy shall be deemed cumulative and not exclusive.

Section 9 - Attorneys' Fees. In the event action is instituted to enforce any of the provisions contained in this Declaration, the party prevailing in such action shall be entitled to recover from the other party thereto as part of the judgment, reasonable attorneys' fees, expert fees, and costs of such suit.

Section 10 - Notices. Any notice to be given to an Owner or a Mortgagee or mortgage servicing contractor under the provisions of this Declaration shall be in writing and may be delivered as follows:

(a) Notice to an Owner shall be deemed to have been properly delivered when delivered in compliance with Civil Code Section 1350.7 or any comparable successor statute.

(b) Notice to a Mortgagee or its mortgage servicing contractor shall be deemed to have been properly delivered when placed in the first class United States mail, postage prepaid, to the address furnished to the Association by such Mortgagee or such contractor for the purposes of notice or, if no such address is furnished, to any office of the Mortgagee in Orange County, California, or if no such office is located in said County, to any office of such Mortgagee.

(c) The affidavit or declaration of an officer or authorized agent of the Association declaring under penalty of perjury that a notice has been mailed to any Owner or Owners, to any Mortgagee or Mortgagees, or to all Members or all Mortgagees, to the address or addresses shown on the records of the Association, shall be deemed conclusive proof of such mailing, whether or not such notices are actually received.

Section 11 - Effect of Declaration. This Declaration is made for the purposes set forth in the Recitals to this Declaration and shall be binding and enforceable as to all or any portion of this Declaration, or these provisions are considered to be in compliance with public laws, ordinances and regulations applicable thereto. If this Declaration is found by a court of competent jurisdiction to be invalid for any reason, the Original Declaration shall be revived to full force and effect as if this First Amended and Restated Declaration had never been adopted.

Section 12 - Personal Covenant. To the extent the acceptance of a conveyance of a Residence creates a personal covenant between the Owner of such Residence and Association or other Owners, such personal covenant shall terminate and be of no further force or effect from and after the date when a person or entity ceases to be an Owner except to the extent this Declaration may provide otherwise with respect to the payment of money and other obligations to the Association.

Section 13 - Nonliability of Officials. To the fullest extent permitted by law, neither the Board, the architectural Committee, or any other committees of the Association or any member of such Board or committee, shall be liable to any Member or 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 14 - Leases. Any agreement for the leasing or rental of a Residence (hereinafter in this is Section referred to as a "lease") shall provide that the terms of such lease shall be subject in all respects to the provisions of this Declaration, the Articles, the Bylaws, the Association Rules and any applicable agreements between the Association and any of the Federal agencies. Said lease shall further provide that any failure by the lessee thereunder to comply with the terms of the foregoing documents shall be a default under the lease. All leases shall be in writing. Any Owner who shall lease his Residence shall be responsible for assuring compliance by such Owner's lessee with this Declaration, the Articles, the Bylaws and the Association Rules; No Residence shall be leased for transient or hotel purposes, which shall be defined as rental for any period less than thirty (30) days or any rental whatsoever, if the occupants of the Residence are provided customary hotel services such as room service for food and beverage, maid service, furnishing laundry and linen and bellboy service.

Section 15 Amendments. Subject to the other provisions of this Declaration, including, without limitation, the rights of Mortgagees, or otherwise, this Declaration may be amended is follows:

(a) Any amendments shall require the affirmative written assent or vote of not less sixty-six and two-thirds percent (66 2/3%) of the voting power of the Members.

(b) Any amendment or modification to this Declaration affecting the maintenance obligations of the Association or the property exempt from Assessments shall require the prior written approval of the City's Planning Director and City Attorney.

(c) An amendment or modification that requires the vote and arid written assent of the Members as hereinabove provided shall be effective when executed by the President and Secretary of the Association who shall certify that the amendment or modification has been approved as hereinafter provided, and when recorded in the Official Records of Orange County, California.

(d) Notwithstanding the foregoing, any provisions of this Declaration, or the Articles, Bylaws, or Association Rules which expressly requires the approval of a specified percentage of the voting power of the Association for action to be taken under said provision can be amended only with the affirmative vote or written assent of not less than the same percentage of the voting power of the Association.

Section 16- Exemption of Public Property. All properties dedicated to and accepted by, or otherwise owned or acquired by a public authority shall be exempt from this Declaration.

Section 17- Amended Declaration.

a. Effective Date of Amendment

This Amended and Restated Declaration will be effective upon the recording of this Amended Declaration in the Office of the Recorder of Orange County along with a Certificate of Amendment duly executed and certified by the president of the Association setting forth in full the amendment so approved and that the approval requirements of the Original Declaration on Amendment, have been duly met.

b. On _____, 2005, at least seventy-five percent of the voting power of the Association, voted by written ballot to amend and restate the Original Declaration, all in accordance with the procedures for amendment set forth in the Original Declaration. It was the intention of the Owners to replace the Original Declaration, in its entirety, with the recordation of this Declaration. The Owners' action to amend and restate the Original Declaration as set forth in this Declaration and the fact that the requisite percentage of affirmative votes required in the Original Declaration was achieved, is attested by the execution of this Declaration by duly authorized officers of the Association, as required by the Original Declaration. As so amended and completely restated, the easements, covenants, restrictions and conditions set forth herein shall run with the Covered Property in the Development, and shall be binding upon all persons or entities having or acquiring any right, title or interest in the Development or any portion thereof, and shall inure to the benefit of each Owner thereof.

LIST OF PROPERTY OWNERS

A list of property owners of Association required by Government Code, Section 27288.1, is attached hereto as Exhibit "B" and incorporated herein by this reference.

CERTIFICATE OF APPROVAL

The undersigned President and Secretary of the Association hereby certify that the following amendment has been approved by the members, which approval was obtained by Written Ballot on _____, 2005, pursuant to Corporations Code, Sections 7513 and 7514.

THE HIGHLANDS COMMUNITY ASSOCIATION, a
California Non Profit Mutual Benefit Corporation

BY: _____
_____, Its President

BY: _____
_____, Its Secretary

EXHIBIT "A"

COVERED PROPERTY

Lots 1 through 39 and Lot A of Tract 9985, as per map filed in Book 422, Pages 13 to 17 inclusive of Miscellaneous Maps, records of Orange County, California.

Tract 9424 as per map filed in Book 422, Pages 41 to 42, inclusive, of Miscellaneous Maps, records of Orange County, California;

Tract 9986 as per map filed in Book 422, Pages 38 to 40, inclusive, of Miscellaneous Maps, records of Orange County, California;

Tract 9987, as per map filed in Book 422, Pages 18 to 21, inclusive of Miscellaneous Maps, records of Orange County, California; and

Tract 9988, as per map filed in Book 422, Pages 22 to 24 inclusive, of Miscellaneous Maps, records of Orange County, California

EXHIBIT "B"

LIST OF PROPERTY OWNERS

UNIT ADDRESS/OWNER
34 Hillgrass & Marjohn Meshkinpour, Hassan Movahedi
17 Silverfern Adams, Lon Adams, Shari
12 Tumbleweed Aminian, Farhad
10 Hillgrass Arastoo, Abdolreza Chadorbaf, Shahnaz
22 Purple Sage Asher, Catherine
20 Hillgrass Auyeung, Mr. & Mrs. John
7 Purple Sage Awamoto, Yasuo
2 Elderberry Baker, John H. & Chris
3 Elderberry Baker, Mr. & Mrs. Will
7 Silverfern Barnes, Mr. & Mrs. W. P
21 Hillgrass Barrows, David E.
31 Hillgrass Bartal, James E.
19 Candlebush Bartlett, William L.
13 Candlebush Baughn, John W. Van Ness, Katheryn
24 Hillgrass Beshay, Adel Beshay, Christine L.

UNIT ADDRESS/OWNER
8 Candlebush Bird, James Allen
27 Southern Wood Biss, Gerald J.
15 Hillgrass Bobinski, Richard & Andre
11 Sunrose Boehm, William P. Boehm, Lisa F.
8 Windflower Brahm, Mr. & Mrs. Gary
16 Windflower Brown, Mr. & Mrs. Robe
14 Windflower Bryant, Mr. & Mrs. Dona
3 Sunrose Bull, III, Richard D. Bull, Loretta A.
15 Silverfern Burkhardt, Eric M. & Maria
9 Silverfern Burrill, David P. Burrill, Barbara Lynn
10 Elderberry Carder, Steven J. Carder, Cathy E.
14 Candlebush Carreras, Juan L. & Marth
25 Candlebush Carruthers, David Li, Xin
4 Tumbleweed Case, Sylvia D.

UNIT ADDRESS/OWNER
21 Southern Wood Chang, Paul Chang, Hyoshin
7 Elderberry Chang, Rosie Chang, Clifton
13 Hillgrass Chen, Sung-May Hsu
4 Candlebush Chewning, Mr. & Mrs. Hugh
11 Purple Sage Choi, Benedict Y. I.
28 Southern Wood Choi, Eun Kyeong
10 Candlebush Colby, Mr. & Mrs. John
3 Hillgrass Cooper, Terry R. & Dawn
37 Hillgrass Corbett, Donald & Barbar
22 Hillgrass Coven, Roger B.
3 Candlebush Dacquay, Bruno Dacquay, Patricia
13 Sunrose Dahlin, Susan H. Dahlin, Barry
13 Southern Wood Darracq, Marilyn
16 Purple Sage Davidson, Douglas & Barba

UNIT ADDRESS/OWNER
10 Tumbleweed De La Maza, Luis M. & Maria
18 Candlebush Dellinger, Brent Cooper,
12 Elderberry Dirienzo, Pegi
9 Hillgrass Disney, Emily C.
10 Windflower Donahue, Mr. & Mrs. Patr
17 Southern Wood Donnelly, Joseph H.
5 Elderberry Dooley, Brian G.
1 Hillgrass Elink - Schuurman, Mr. & Mrs. Ted
12 Southern Wood Erb, Glenn A.
40 Hillgrass Eulenstein Tr., Andreas F.
30 Hillgrass Feely, Robert
8 Southern Wood Fishlock, Mark A. Winn, Rodney A.
24 Windflower Fuller, Robert H. & Lin
11 Candlebush Garnier, Ruth Elaine
14 Hillgrass Gary, Bruce J. Gary, Wendy Hirsch

UNIT ADDRESS/OWNER

18 Windflower Geller, Donald Pliszka, Diane
13 Silverfern Ghahremani, Mr. & Mrs. Farh
8 Elderberry Glass, Robert & Jacque
23 Hillgrass Gray, Rita
19 Silverfern Gruver, Eric W. & Linda
1 Sunrose Haddan, Mr. & Mrs. Jon
24 Candlebush Henderson, John D.
18 Hillgrass Hill, Mr. & Mrs. John
22 Windflower Horn, Charles H. & Lo
3 Purple Sage Hozubin, Betsy A.
20 Elderberry Hsieh, Chih-Chiang Hsieh, Mint-Chaun Wa
23 Elderberry Hsu, Mr. & Mrs. Chri
14 Southern Wood Huffaker, Craig A. & Cynt
20 Windflower Hung, Mr. & Mrs. Hung,
12 Windflower Huntley, David Huntley, Wendy

UNIT ADDRESS/OWNER

9 Candlebush Hylton, Mr. & Mrs. Thom
31 Candlebush Hyman, Mark F. Hyman, Karen A.
16 Candlebush Iii - Truste, William G. Camp Campbell - Truste, Kelly Kalister
16 Silverfern Injev, Valentine P.
15 Candlebush Isaacs, Jeffrey A. Isaacs, Norma Jeanne
18 Elderberry Jack, Daniel A.
4 Purple Sage Jackson, Gary Hall Jackson, Linda Globerman
9 Purple Sage Jahanbani, Safaeddin Shariatmadari, Shahla
6 Elderberry Johnson, Robert R.
15 Southern Wood Jung, Jae Young
21 Elderberry Kang, Bong Ku
1 Elderberry Kaplan, Eugene R. & Mir
8 Silverfern Keeney, Mr. & Mrs. Geor
14 Purple Sage Kelly, Christopher & K

UNIT ADDRESS/OWNER
6 Windflower Khamis, Mitri G.
2 Purple Sage Kinaly, Steve Kinaly, Mae E.
20 Southern Wood Kingsley, Richard G. & Ga
24 Southern Wood Knox, Mr. & Mrs. John
12 Candlebush Kraus, Peter
9 Elderberry Kuo, Lih-Yeh
9 Southern Wood Laird, Frank E. & Barb
3 Tumbleweed Lam, Mr. & Mrs. Sydn
4 Silverfern Lee, Linda Denise
1 Candlebush Lieberman, Nicholas & Beat
6 Silverfern Lin, Robert I. & Cec
7 Hillgrass Lin, Yuh T. & Shiou
15 Elderberry Lindgren, Paul E. & Carol
5 Silverfern Lo, Patrick Kar-L Lai, Ida Wai-Ying
4 Elderberry Lyman, Richard

UNIT ADDRESS/OWNER
13 Elderberry Major, Donald E. Major, Catherine L.
2 Hillgrass Maliwanag, Greg C. Maliwanag, Cheryl L.
19 Elderberry Malouf, Mr. & Mrs. Geor
26 Windflower Martin, Catherine M.
17 Sunrose Martinez, Mr. & Mrs. Davi
6 Southern Wood Mary Siegal, Fu-Shun Sean
24 Purple Sage Matsui, Neil M. & Kathl
19 Hillgrass Mazure, Vincent
2 Candlebush Mc Quoid, Jean R.
12 Purple Sage Mccallon, Sharon L.
22 Candlebush Mccarthy, Patrick Y. & Ju
2 Tumbleweed Melia, Joan C.
11 Silverfern Meseck, Scott R. & Merc
8 Hillgrass Miller, Craig & Yvonne
25 Hillgrass Minium, Virginia

UNIT ADDRESS/OWNER
45 Hillgrass Mirza, Mr. & Mrs. Zia
23 Purple Sage Moe, Osborne Kenneth Moe, Mildred M.
13 Purple Sage Montmaneix, Christian & Jul
36 Hillgrass Morgan, Mr. & Mrs. Ralph
6 Candlebush Mottaghi, Mohammad Teimoori, Sahar
1 Tumbleweed Murphy, Tod J.
41 Hillgrass Naeim, Mr. & Mrs. Kamr
38 Hillgrass Neuhoff, Clark & Celeste
23 Southern Wood Noah, Mr. & Mrs. Lynn
20 Candlebush Noebel, Barry C. Noebel, Jane M.
23 Candlebush O' Neal, Mr. & Mrs. Jame
7 Candlebush O'Bryan, Doug & Karen
22 Southern Wood Parret, Charles W.
6 Purple Sage Pauli, Howard Leiter, Stephanie K.

UNIT ADDRESS/OWNER
12 Hillgrass Pecca, Gregory
26 Southern Wood Peck, Jerry C. & Zoe
10 Southern Wood Petchul, Adrienne
7 Southern Wood Pfeifer, Mr. & Mrs. Bert
35 Hillgrass Pierce, William P. Pierce, Devona
43 Hillgrass Plizga, Wayne & Carol
25 Southern Wood Poiser, Mr. & Mrs. Wern
5 Hillgrass Popa, Georgette
28 Windflower Ridland, Robert Mayfield, Hillary
11 Hillgrass Rosenbaum, Mac & Mitzi
15 Purple Sage Roy, Mr. & Mrs. Thom
10 Purple Sage Rubin, Charles R. & Ju
16 Elderberry Rugg, Michael D. Rugg, Elizabeth J.
4 Hillgrass Russell, Donald E. Adamson, Sherri L.

UNIT ADDRESS/OWNER
32 Hillgrass Rzepnick, Adrienne
17 Elderberry Saigal, Champa
29 Hillgrass Salay, Susan
33 Hillgrass Salerno, Paul & Moira
20 Purple Sage Salma, Mark Frame, Francene
11 Elderberry Sanchez, Richard Sanchez, Darlene Quon
2 Silverfern Saucedo, Carmen
18 Southern Wood Schwartz, Mr. & Mrs. Jero
16 Southern Wood Segall, Mr. & Mrs. Raym
21 Candlebush Shang, Shee King
39 Hillgrass Shaw, David & Maria C
10 Silverfern Shindo, Shun Shindo, Motoko
27 Hillgrass Shoraka, Bahman
14 Silverfern Sih, Brady L. & Chun
47 Hillgrass Silverman, Mr. & Mrs. Mari

UNIT ADDRESS/OWNER
18 Purple Sage Spitz, Marc & Sharon
5 Candlebush Spruston, L. Erin
9 Sunrose Stanek, Bryan E. Stanek, Patrice C.
2 Windflower Stewart, Ms.
14 Elderberry Sullivan, Neil J. & Betha
11 Southern Wood Sweetter, Lyle R. & Maria
4 Windflower Tajrishi, Mashallah Noorizadeh, Mehri
8 Purple Sage Tanaka, Sadahiro Wu, Guojin
1 Purple Sage Tarantino, Mr. & Mrs. Step
15 Sunrose Teng, Meng-Hee
17 Purple Sage Teresi, Louis M. & Amy
19 Purple Sage Tran, Hau T.
1 Silverfern Traslavina, Salvador G.
5 Purple Sage Trust, The Sparks Livi
6 Tumbleweed Tsai, Cheng-Yun Tsai, Jean Fang

UNIT ADDRESS/OWNER
6 Hillgrass Tuchman, Mr. & Mrs. Marc
19 Sunrose Tucker, Gavin
29 Candlebush Tung, Teh-Kan Tung, Shu-Ching
27 Candlebush Tutunjian, Alice
3 Silverfern Ung, David M. & Rosa
5 Sunrose Vanderweele, Sarah
29 Southern Wood Wallace, Douglas C. Wallace, Elizabeth O.
8 Tumbleweed Wilkins, Clinton & Carla
16 Hillgrass Wisbacher, Josef & Marth
19 Southern Wood Wu, Yuh-Haw & Yue
28 Hillgrass Yan, Harry T. & June
12 Silverfern Yu, Jiong Hao Zhao, Tiehong
7 Sunrose Zahavi, ArieH & Tamara
17 Hillgrass Zambo, Michael F. & Sa
21 Purple Sage Zaradnik, Mr. & Mrs. Wayn

UNIT ADDRESS/OWNER
17 Candlebush Zheng, Frank Q. Li, Julie Wei
26 Hillgrass Zinchevsky, Mary




EXHIBIT "C"

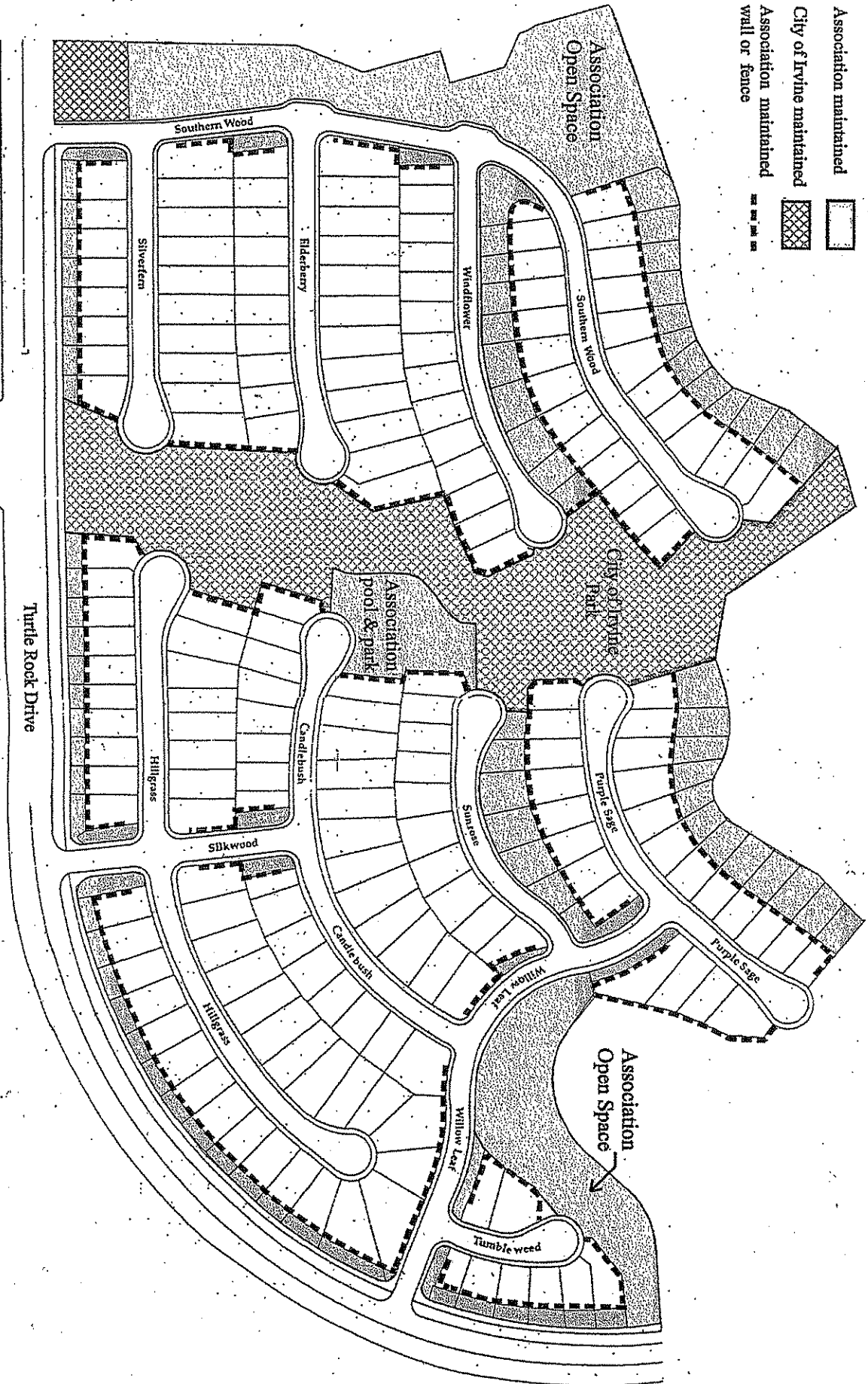
COMMUNITY FACILITIES

Lots 39 and A of Tract 9985, as per map filed in Book 422, Pages 13 through 17, inclusive of Miscellaneous Maps, records of Orange County, California.

EXHIBIT "D"

COMPILATION OF ASSOCIATION MAINTENANCE AREAS, WALLS AND FENCES

- Association maintained 
- City of Irvine maintained 
- Association maintained wall or fence 






Compilation of Association Maintenance Areas, Walls and Fences

Exhibit D



EXHIBIT "E"
ASSOCIATION MAINTENANCE AREAS

WALL & FENCE LEGEND:

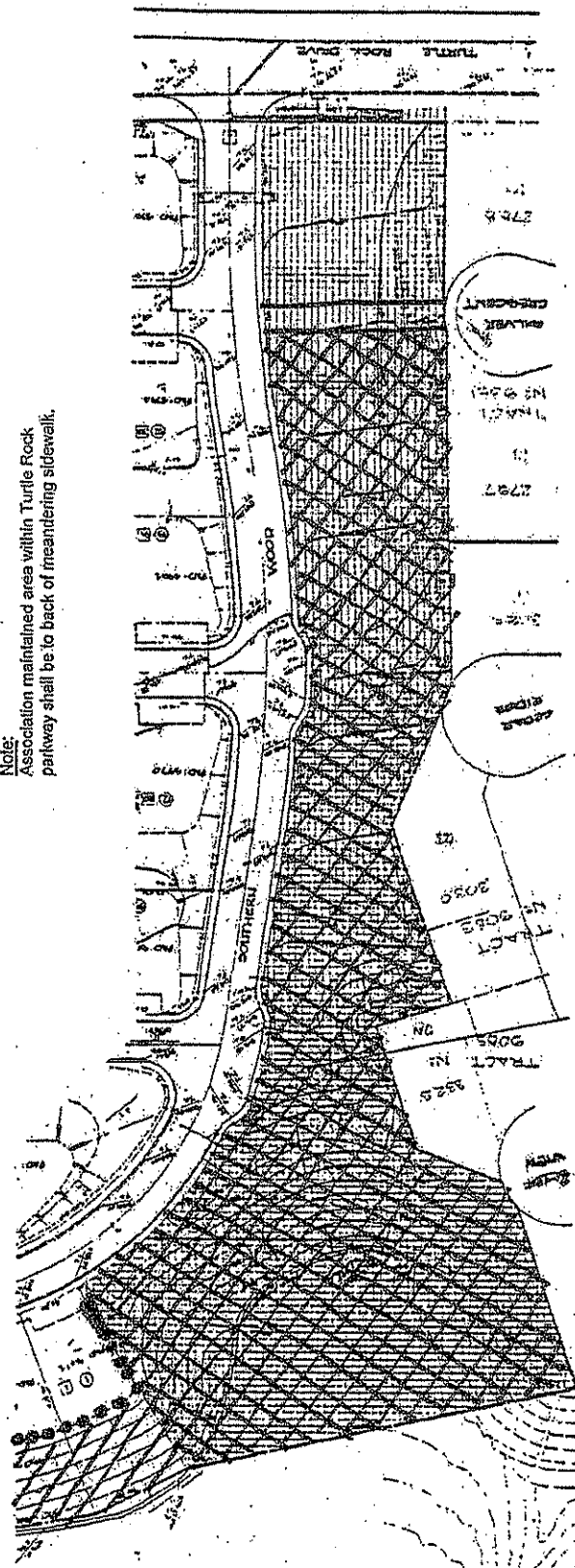
-  **Stucco Wall:**
Association shall maintain exterior of wall only.
-  **Wrought Iron Fence:**
Association shall maintain interior and exterior sides of wrought iron fence.
-  **Wrought Iron Fence on Stucco Wall:**
Association shall maintain exterior of stucco wall only, and interior and exterior sides of wrought iron fence.

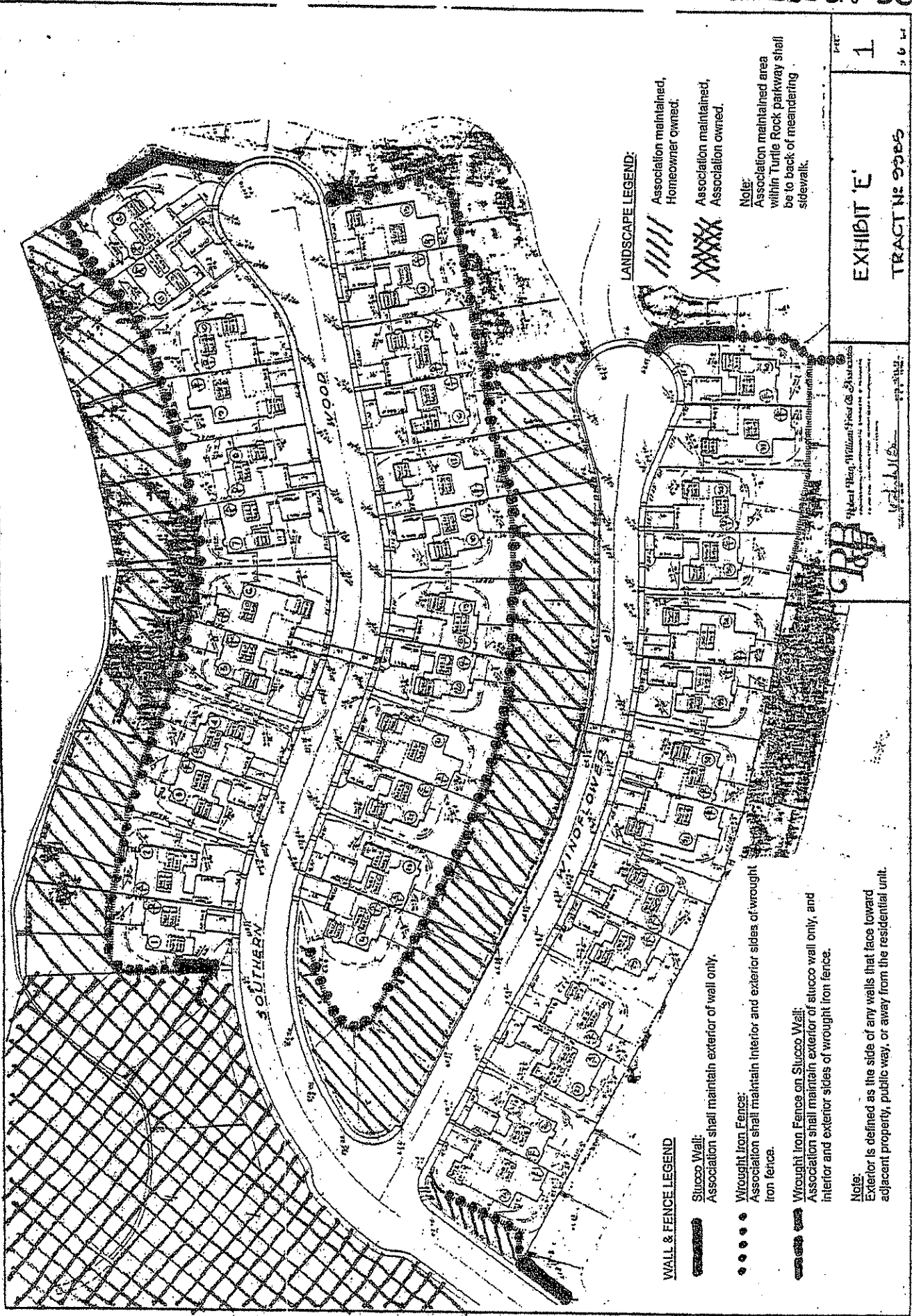
Note:
Exterior is defined as the side of any walls that face toward adjacent property, public way, or away from the residential unit.

LANDSCAPE LEGEND:




-  Association maintained, Homeowner owned.
-  Association maintained, Association owned.

Note:
Association maintained area within Turtle Rock pathway shall be to back of freanding sidewalk.





WALL & FENCE LEGEND

-  Stucco Wall:
Association shall maintain exterior of wall only.
-  Wrought Iron Fence:
Association shall maintain interior and exterior sides of wrought iron fence.
-  Wrought Iron Fence on Stucco Wall:
Association shall maintain exterior of stucco wall only, and interior and exterior sides of wrought iron fence.

Note:
Exterior is defined as the side of any walls that face toward adjacent property, public way, or away from the residential unit.

LANDSCAPE LEGEND:

-  Association maintained, Homeowner owned.
-  Association maintained, Association owned.

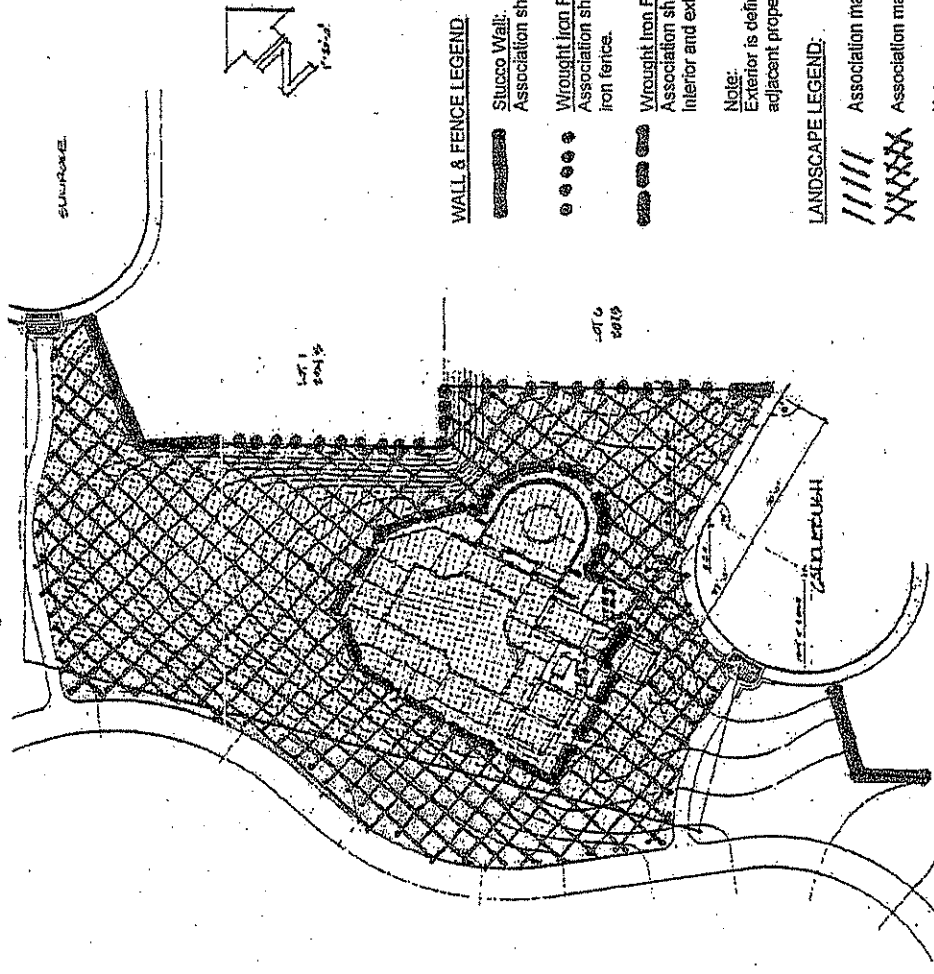
Note:
Association maintained area within Turtle Rock parkway shall be to back of meandering sidewalk.

EXHIBIT 'E'




TRACT NO. 2005

1

Robert H. King, William H. Ford & Associates
 ARCHITECTS
 1000 ...
 ...





WALL & FENCE LEGEND:

-  Stucco Wall:
Association shall maintain exterior of wall only.
-  Wrought Iron Fence:
Association shall maintain interior and exterior sides of wrought iron fence.
-  Wrought Iron Fence on Stucco Wall:
Association shall maintain exterior of stucco wall only, and interior and exterior sides of wrought iron fence.

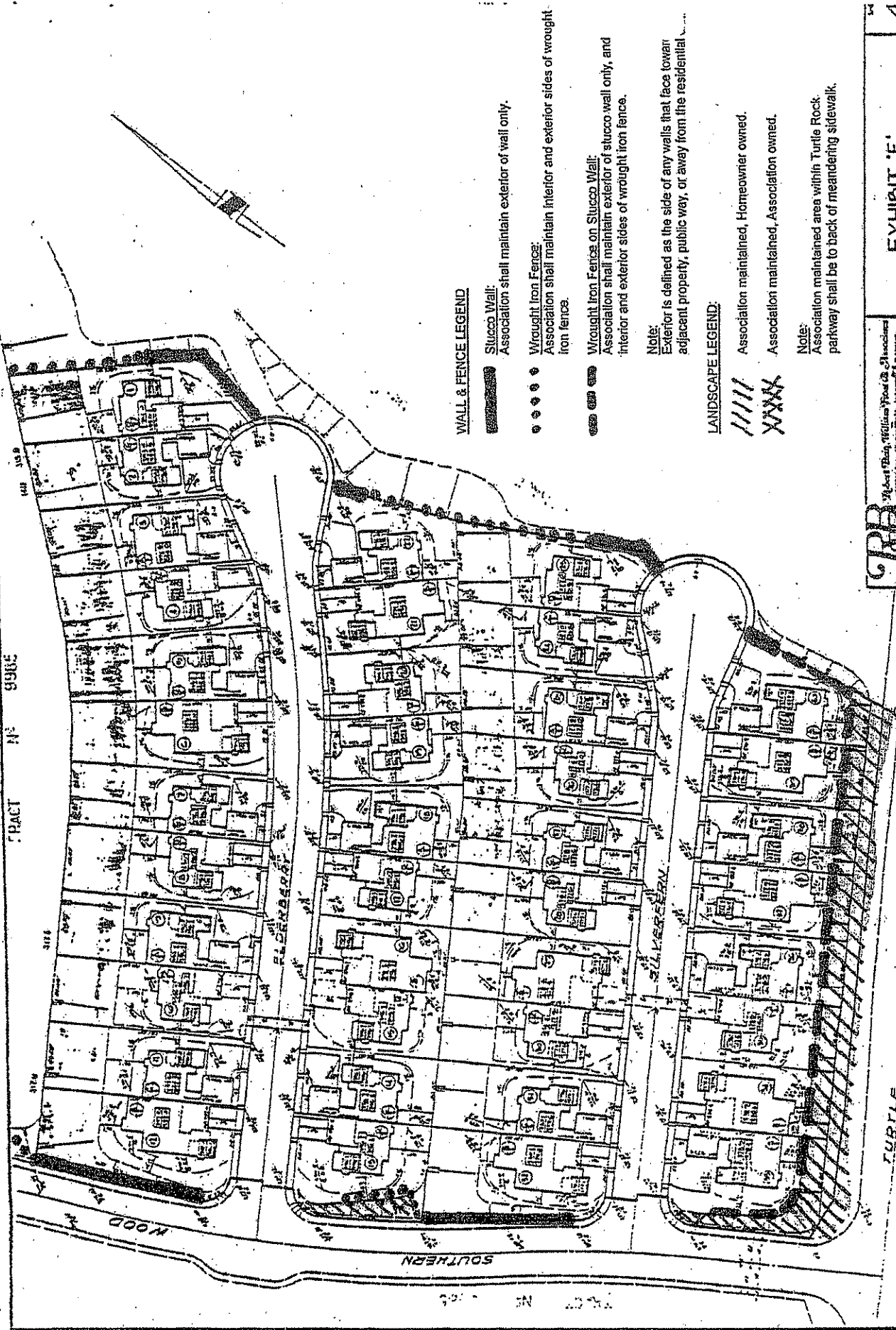
Note:
Exterior is defined as the side of any walls that face toward adjacent property, public way, or away from the residential unit.

LANDSCAPE LEGEND:

-  Association maintained, Homeowner owned.
-  Association maintained, Association owned.

Note:
Association maintained area within Turtle Rock parkway shall be to back of meandering sidewalk.

3
 EXHIBIT 'E'
 TRACT N# 2965



WALL & FENCE LEGEND:

Stucco Wall:
 Association shall maintain exterior of wall only.

Wrought Iron Fence:
 Association shall maintain interior and exterior sides of wrought iron fence.

Wrought Iron Fence on Stucco Wall:
 Association shall maintain exterior of stucco wall only, and interior and exterior sides of wrought iron fence.

Note:
 Exterior is defined as the side of any walls that face toward adjacent property, public way, or away from the residential development.

LANDSCAPE LEGEND:

|||||
 Association maintained, Homeowner owned.

XXXX
 Association maintained, Association owned.

Note:
 Association maintained area within Turtle Rock Drive shall be to back of meandering sidewalk.



 CRP
 Civil Rights Practice
 1100 North Main Street, Suite 200
 Phoenix, Arizona 85004
 Phone: (602) 258-1100
 Fax: (602) 258-1101
 Email: crp@crp.com

EXHIBIT 'E'
TRACT NO 926C
4

BK 12707PG 1993

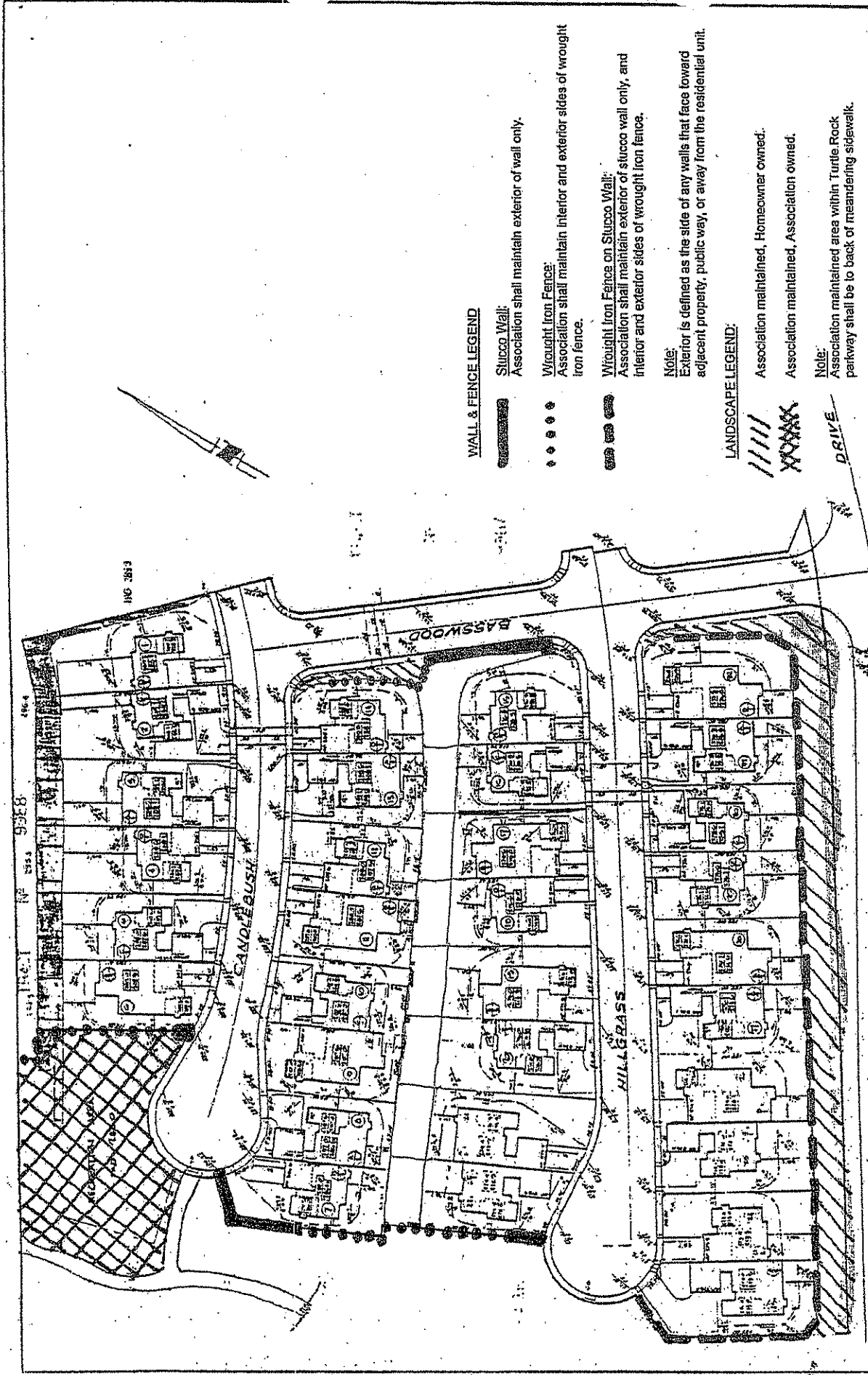
EXHIBIT 'E'
TRACT MAP

Map of Dog, Wilson, West & Lincoln
 Prepared by
 [Signature]



ROCK

TURTLE



WALL & FENCE LEGEND

Stucco Wall:
Association shall maintain exterior of wall only.

Wrought Iron Fence:
Association shall maintain interior and exterior sides of wrought iron fence.

Wrought Iron Fence on Stucco Wall:
Association shall maintain exterior of stucco wall only, and interior and exterior sides of wrought iron fence.

Note:
Exterior is defined as the side of any walls that face toward adjacent property, public way, or away from the residential unit.




LANDSCAPE LEGEND

Association maintained, Homeowner owned.

Association maintained, Association owned.



Note:
Association maintained area within Turtle Rock pathway shall be to back of meandering sidewalk.

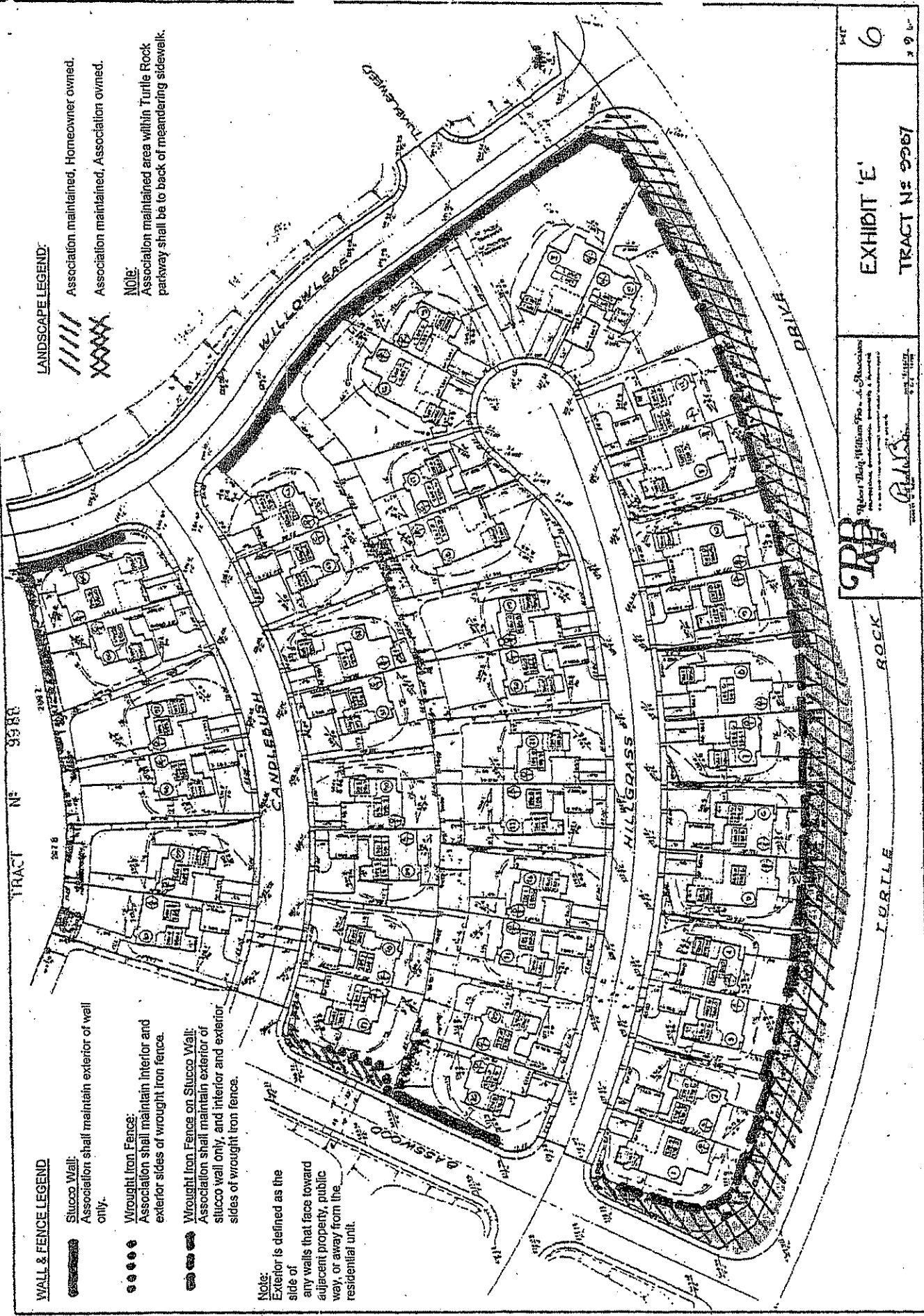
WALL & FENCE LEGEND

-  **Stucco Wall:**
Association shall maintain exterior of wall only.
-  **Wrought Iron Fence:**
Association shall maintain interior and exterior sides of wrought iron fence.
-  **Wrought Iron Fence on Stucco Wall:**
Association shall maintain exterior of stucco wall only, and interior and exterior sides of wrought iron fence.

Note:
Exterior is defined as the side of any walls that face toward adjacent property, public way, or away from the residential unit.

LANDSCAPE LEGEND

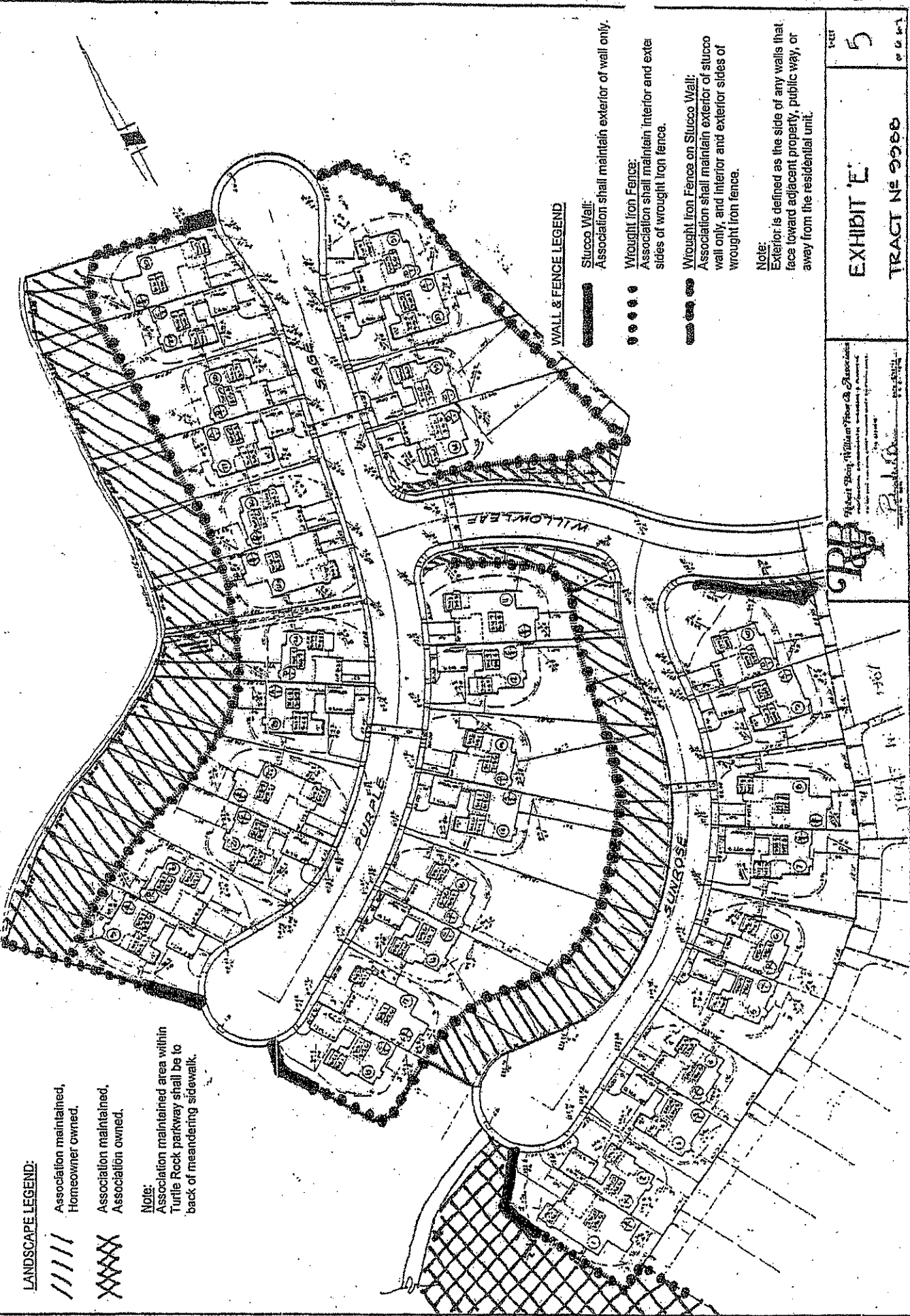
-  Association maintained, Homeowner owned.
 -  Association maintained, Association owned.
- Note:**
Association maintained area within Turtle Rock Parkway shall be to back of meandering sidewalk.



144
9
1966 3N 12W 1E
EXHIBIT 'E'
TURTLE ROCK DRIVE
TURTLE ROCK
CANDLEBUSH
WILLOWLEAF
HILLGRASS
TURTLE ROCK DRIVE

Robert "Bob" William Fro...
Professional Architect, Engineer & Surveyor
1966 3N 12W 1E
TURTLE ROCK DRIVE
TURTLE ROCK
CANDLEBUSH
WILLOWLEAF
HILLGRASS
TURTLE ROCK DRIVE

BK 12707R61978



LANDSCAPE LEGEND:

- //// Association maintained, Homeowner owned.
- XXXX Association maintained, Association owned.

NOTE:
 Association maintained area within Turtle Rock parkway shall be to back of meandering sidewalk.

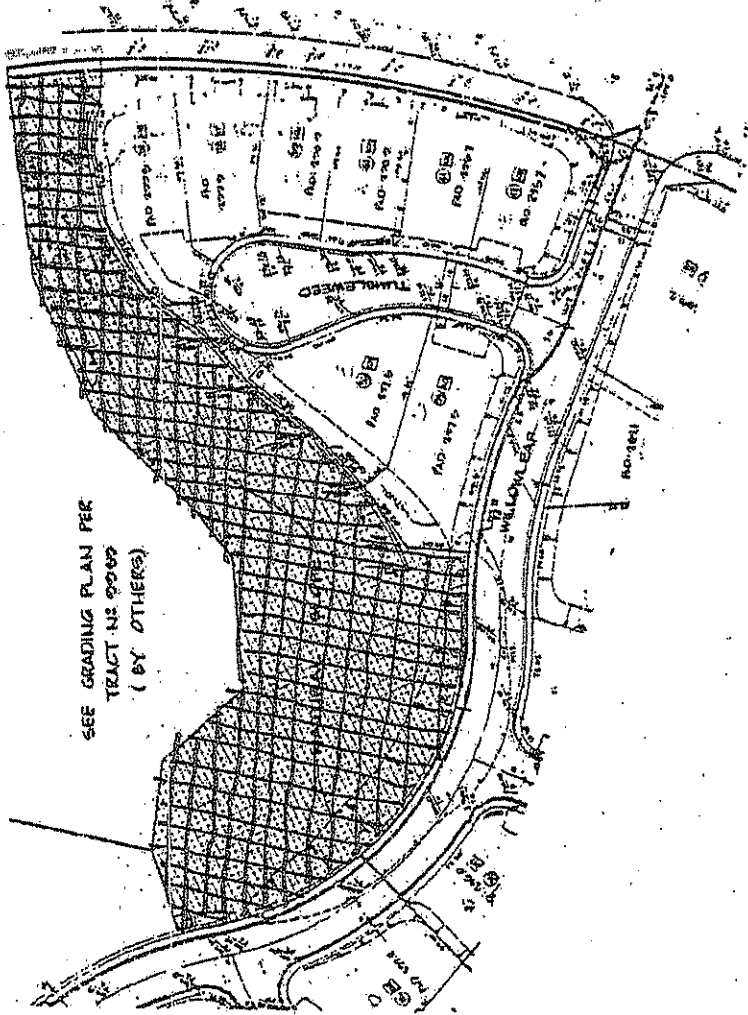
WALL & FENCE LEGEND

- Stucco Wall:
Association shall maintain exterior of wall only.
- Wrought Iron Fence:
Association shall maintain interior and exterior sides of wrought iron fence.
- Wrought Iron Fence on Stucco Wall:
Association shall maintain exterior of stucco wall only, and interior and exterior sides of wrought iron fence.

Note:
 Exterior is defined as the side of any walls that face toward adjacent property, public way, or away from the residential unit.

5
 TRACT
 EXHIBIT E

Robert B. B...
 Architect



SEE GRADING PLAN PER TRACT NO 9999 (BY OTHERS)

LANDSCAPE LEGEND:

Association maintained, Homeowner owned.

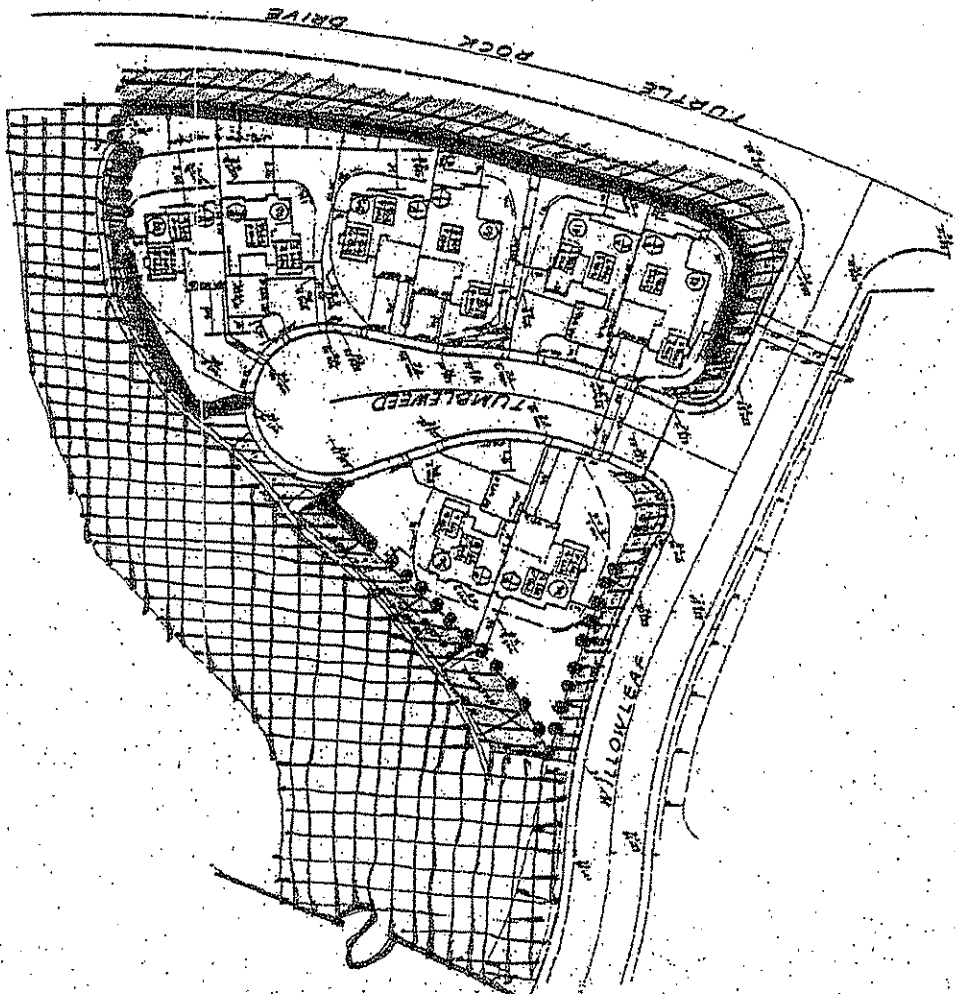
Association maintained, Association owned.

Note:

Association maintained area within Turtle Rock parkway shall be to back of meandering sidewalk.

EXHIBIT 'E'
TRACT N° 9999

BK 12707Pg 1986



WALL & FENCE LEGEND

- Stucco Wall:** Association shall maintain exterior of wall only.
- Wrought Iron Fence:** Association shall maintain interior and exterior sides of wrought iron fence.
- Wrought Iron Fence on Stucco Wall:** Association shall maintain exterior of stucco wall only, and interior and exterior sides of wrought iron fence.

Note:
Exterior is defined as the side of any walls that face toward adjacent property, public way, or away from the residential unit.

LANDSCAPE LEGEND:

- Association maintained, Homeowner owned.
- Association maintained, Association owned.

Note:
Association maintained area within Turtle Rock parkway shall be to back of meandering sidewalk.

SHEET

8

EXHIBIT 'E'

TRACT NO. 9960

TRACT 1985

CRP

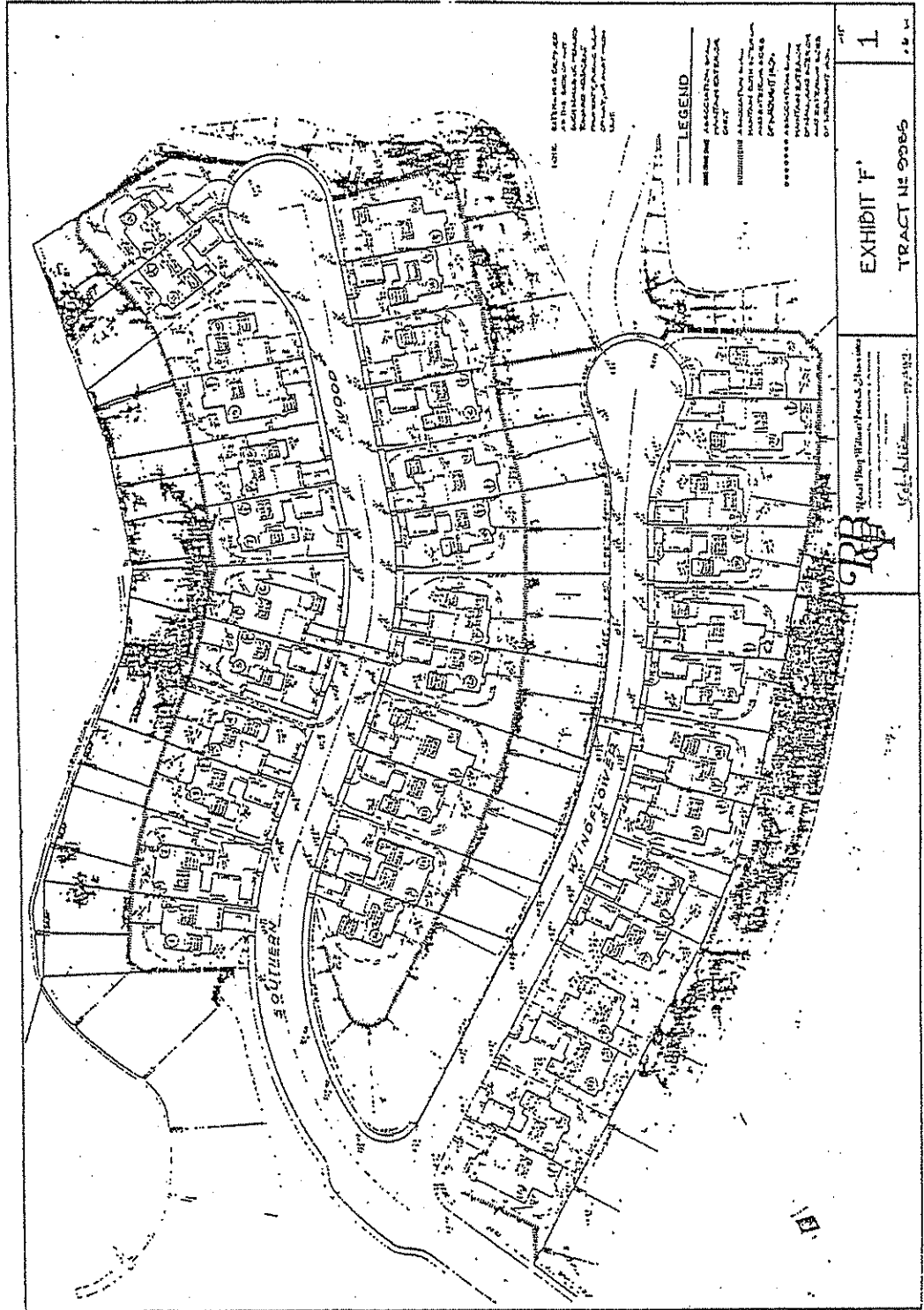
CLP

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EXHIBIT "F"

FENCES AND WALLS MAINTAINED BY ASSOCIATION

BK 1 26960 931



1

EXHIBIT 'F'

TRACT NO 0086

GRB

10

BK 1 2707/973

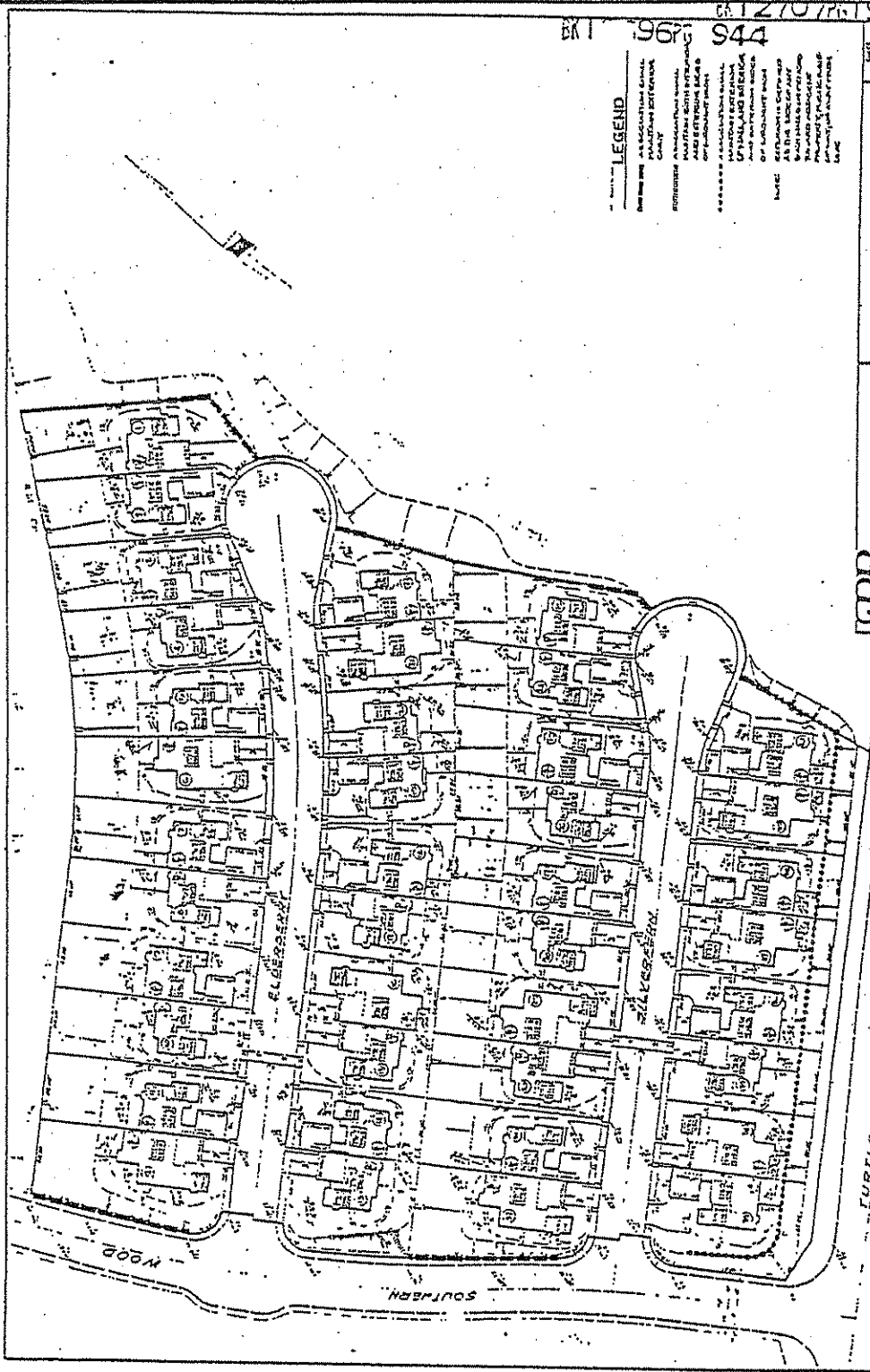
966 944

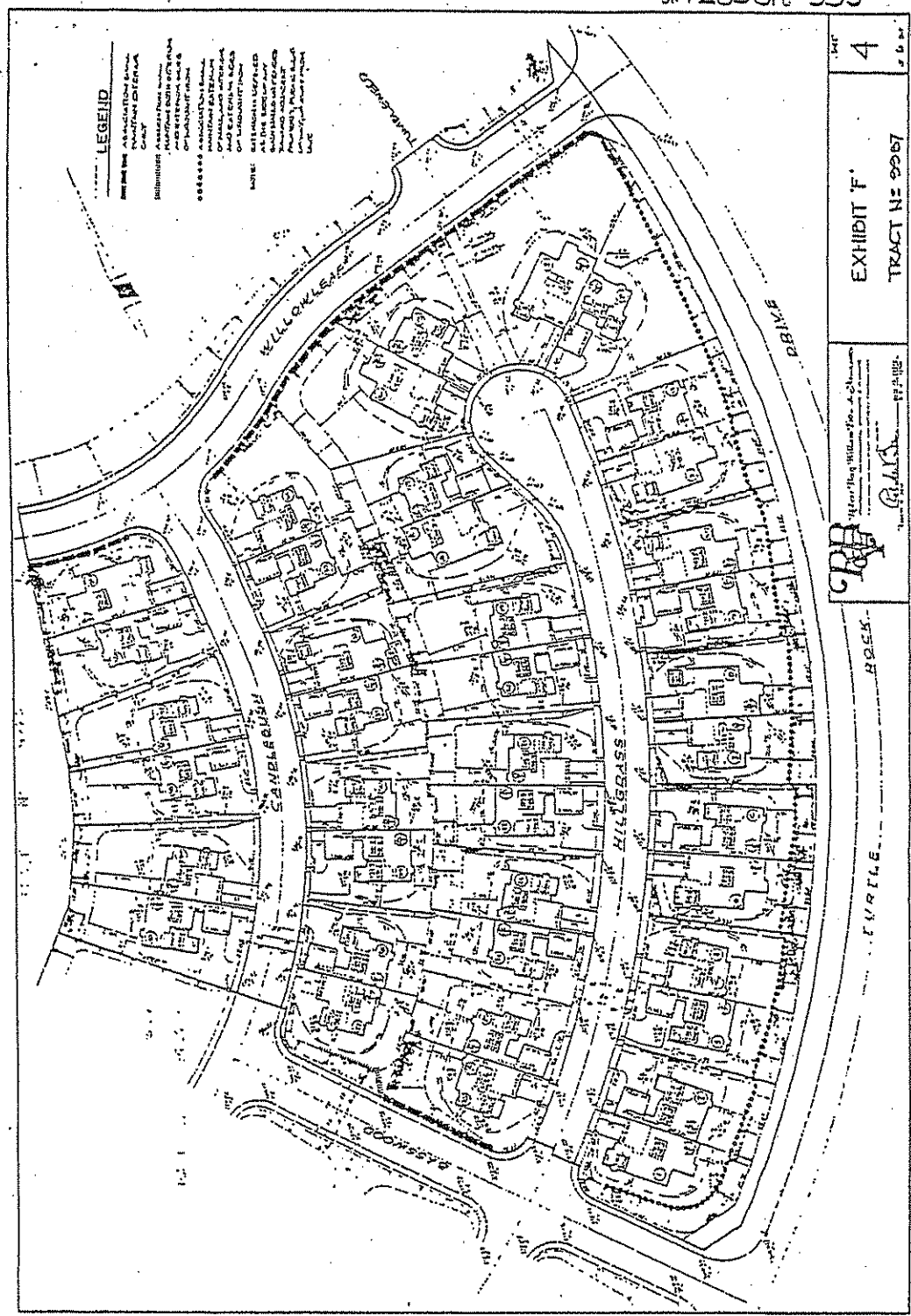
EXHIBIT 'F'
TRACT NE 328G

2

Logo: **G.P.A.**
Geometric Planning Associates, Inc.
400 West 10th Street, Suite 200
Fort Worth, Texas 76102
Phone: (817) 552-1234
Fax: (817) 552-1234
www.gpa.com

- LEGEND**
- SOLID LINE: AN EXISTING OR PROPOSED PLANNING DISTRICT BOUNDARY
 - DOTTED LINE: A PROPOSED PLANNING DISTRICT BOUNDARY
 - SOLID LINE WITH DOTS: A PROPOSED PLANNING DISTRICT BOUNDARY WITH A 100-FEET BUFFER
 - SOLID LINE WITH DASHES: A PROPOSED PLANNING DISTRICT BOUNDARY WITH A 200-FEET BUFFER
 - DOTTED LINE WITH DASHES: A PROPOSED PLANNING DISTRICT BOUNDARY WITH A 300-FEET BUFFER
 - SOLID LINE WITH DASHES AND DOTS: A PROPOSED PLANNING DISTRICT BOUNDARY WITH A 400-FEET BUFFER
 - SOLID LINE WITH DASHES AND DOTS AND DASHES: A PROPOSED PLANNING DISTRICT BOUNDARY WITH A 500-FEET BUFFER
 - SOLID LINE WITH DASHES AND DOTS AND DASHES AND DOTS: A PROPOSED PLANNING DISTRICT BOUNDARY WITH A 600-FEET BUFFER
 - SOLID LINE WITH DASHES AND DOTS AND DASHES AND DOTS AND DASHES: A PROPOSED PLANNING DISTRICT BOUNDARY WITH A 700-FEET BUFFER
 - SOLID LINE WITH DASHES AND DOTS AND DASHES AND DOTS AND DASHES AND DOTS: A PROPOSED PLANNING DISTRICT BOUNDARY WITH A 800-FEET BUFFER
 - SOLID LINE WITH DASHES AND DOTS AND DASHES AND DOTS AND DASHES AND DOTS AND DASHES: A PROPOSED PLANNING DISTRICT BOUNDARY WITH A 900-FEET BUFFER





LEGEND

--- Association Boundary
 --- City Boundary
 --- Subdivided Areas
 --- Lots with 60% or more
 --- Lots with 30% or more
 --- Lots with 15% or more
 --- Lots with 10% or more
 --- Lots with 5% or more
 --- Lots with 1% or more
 --- Lots with 0% or more

NOTE: SETBACKS SHOWN AT THE BOUNDARY OF THE LOTS ARE THE MINIMUM SETBACKS REQUIRED BY THE CITY OF LOS ANGELES.

4

EXHIBIT 'F'

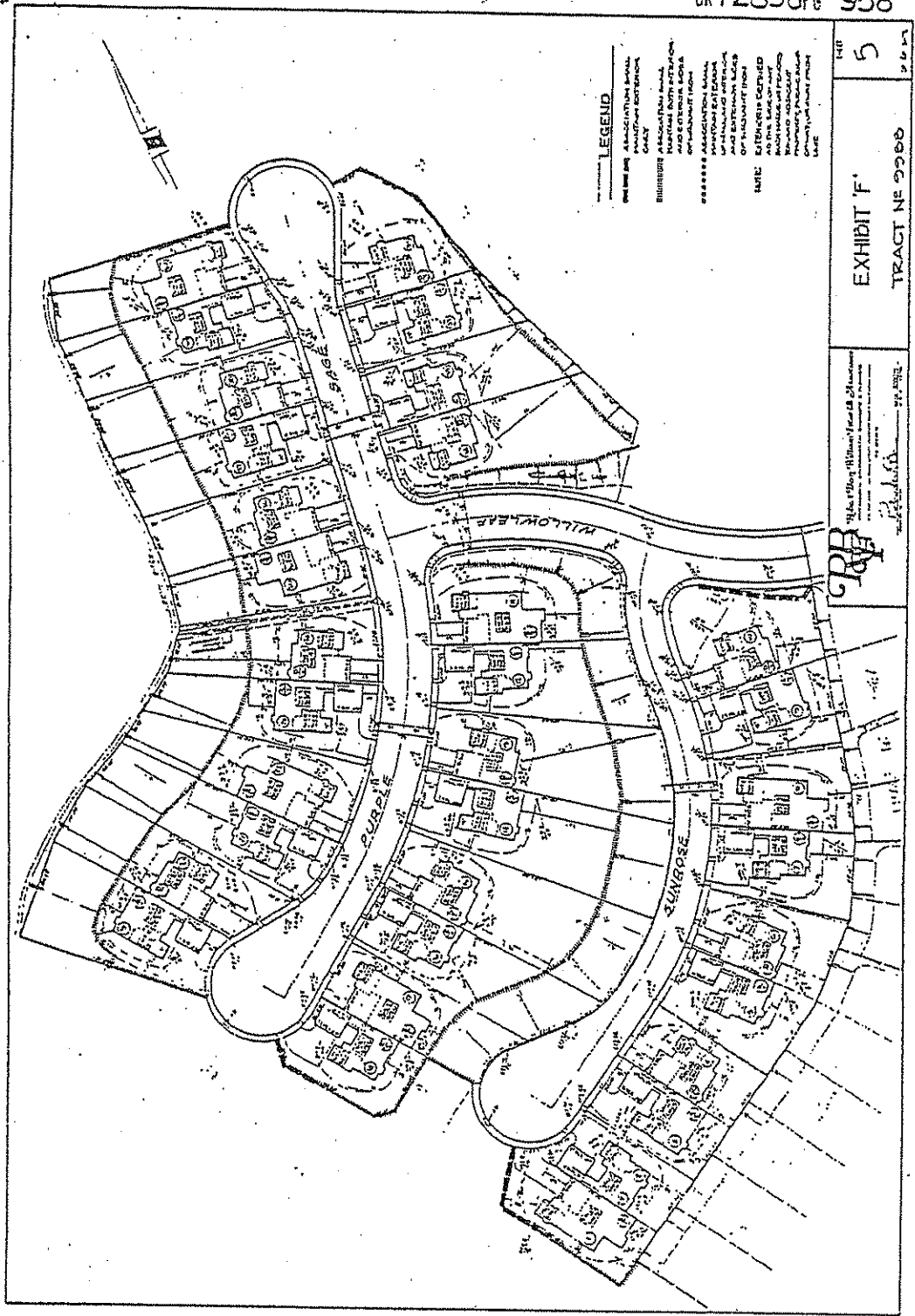
TRACT NO. 9967

Map of the City of Los Angeles
 Prepared by the City Engineer
 and the City Assessor
 in accordance with the
 provisions of the
 City Charter and the
 City Ordinance
 No. 100,000

ROCK

ERTLE

BK 126968 958



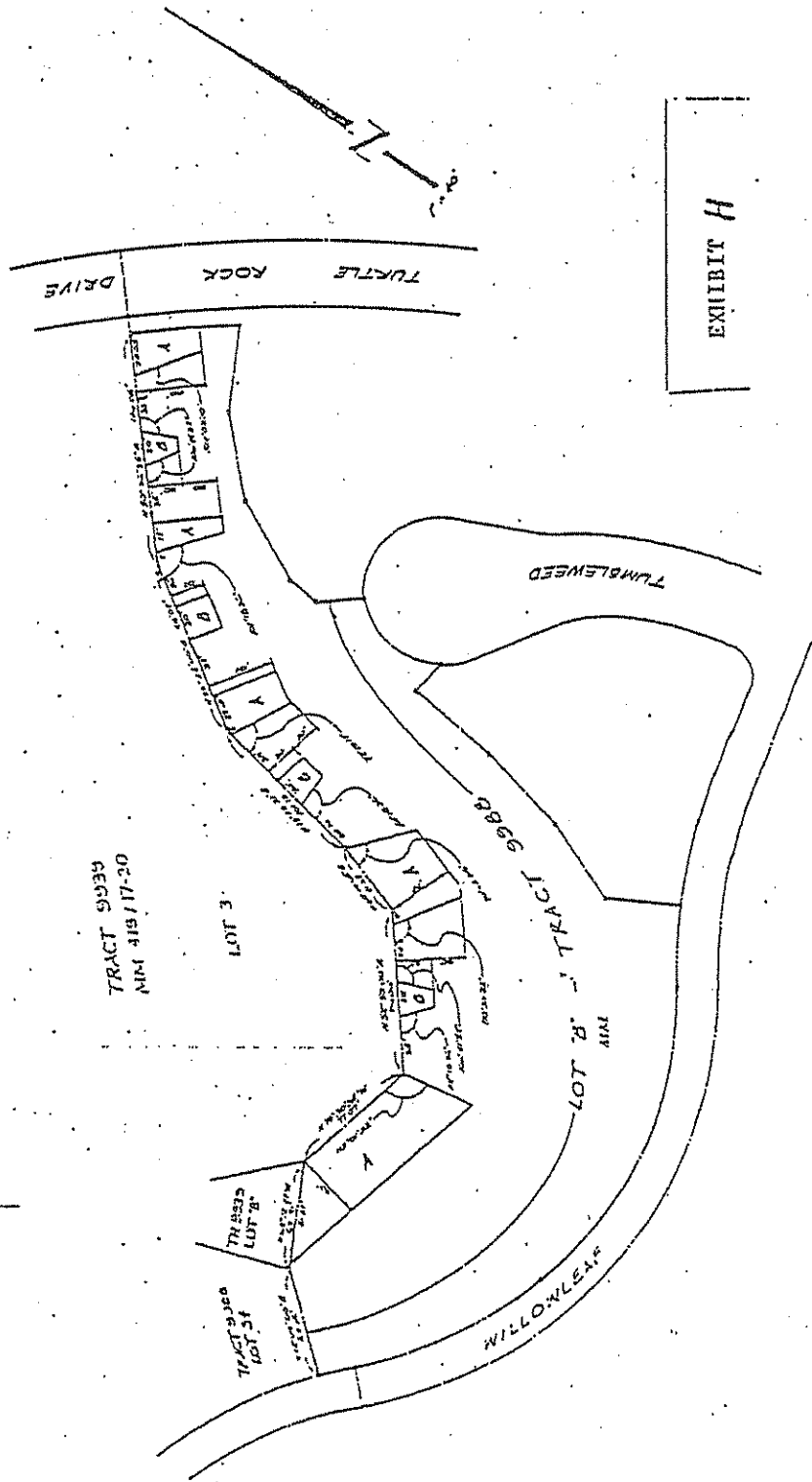
18619/1987

EXHIBIT "H"
VIEW RESTRICTED AREA

LDKING
CONSILING ENGINEERS
KANSAS CITY, MO

12-19-77

EXHIBIT H



TRACT 9939
NIM 419/17-20

LOT 3

R. LOT 7

TRACT 988
LOT 2

TRACT 988
LOT 1

EXHIBIT "T"

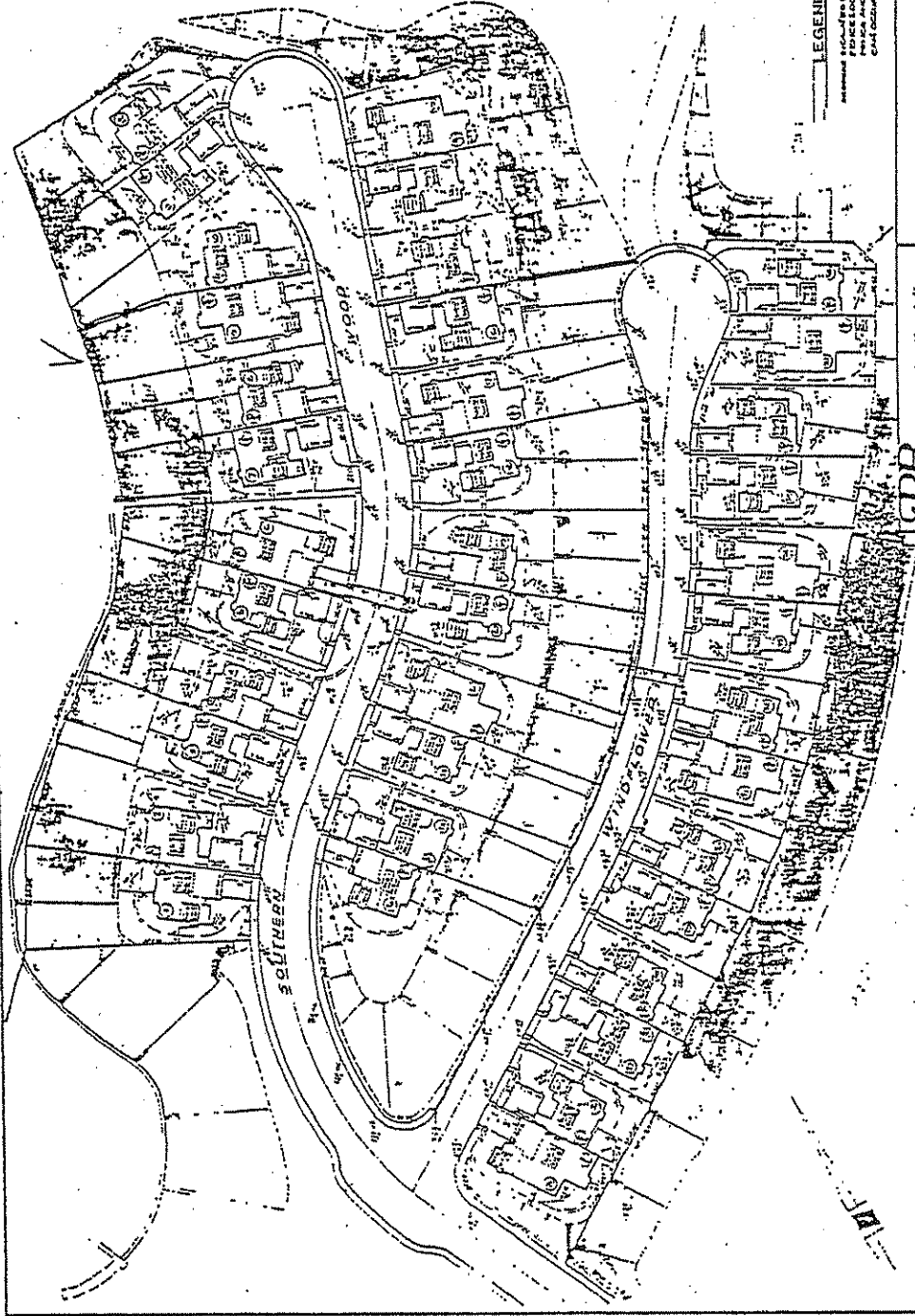
ALLOWABLE FENCES ON SLOPES

BK 1 69676 933

LEGEND
SOLID LINE WITH DASHES
POLICE STATION
SCHOOL BUILDING
CITY OFFICE

1

EXHIBIT 'I'
TRACT NO. 9385



GRB

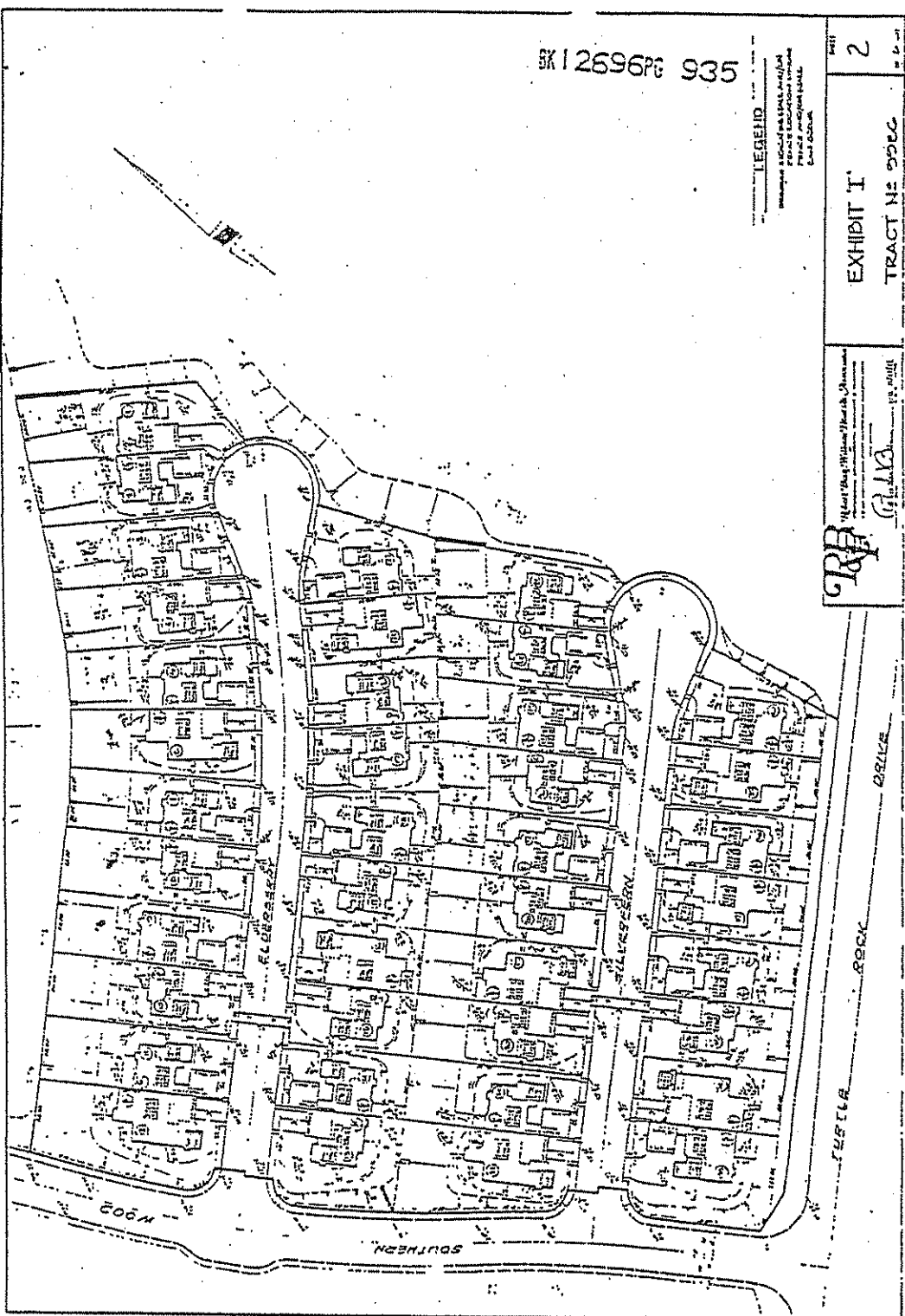
5-1/2

SK 12696PG 935

LEGEND
--- Proposed
--- Existing
--- Easement
--- Right of Way
--- Utility
--- Other

EXHIBIT I
TRACT No. 502C

RE
G.L.A.
19.0001



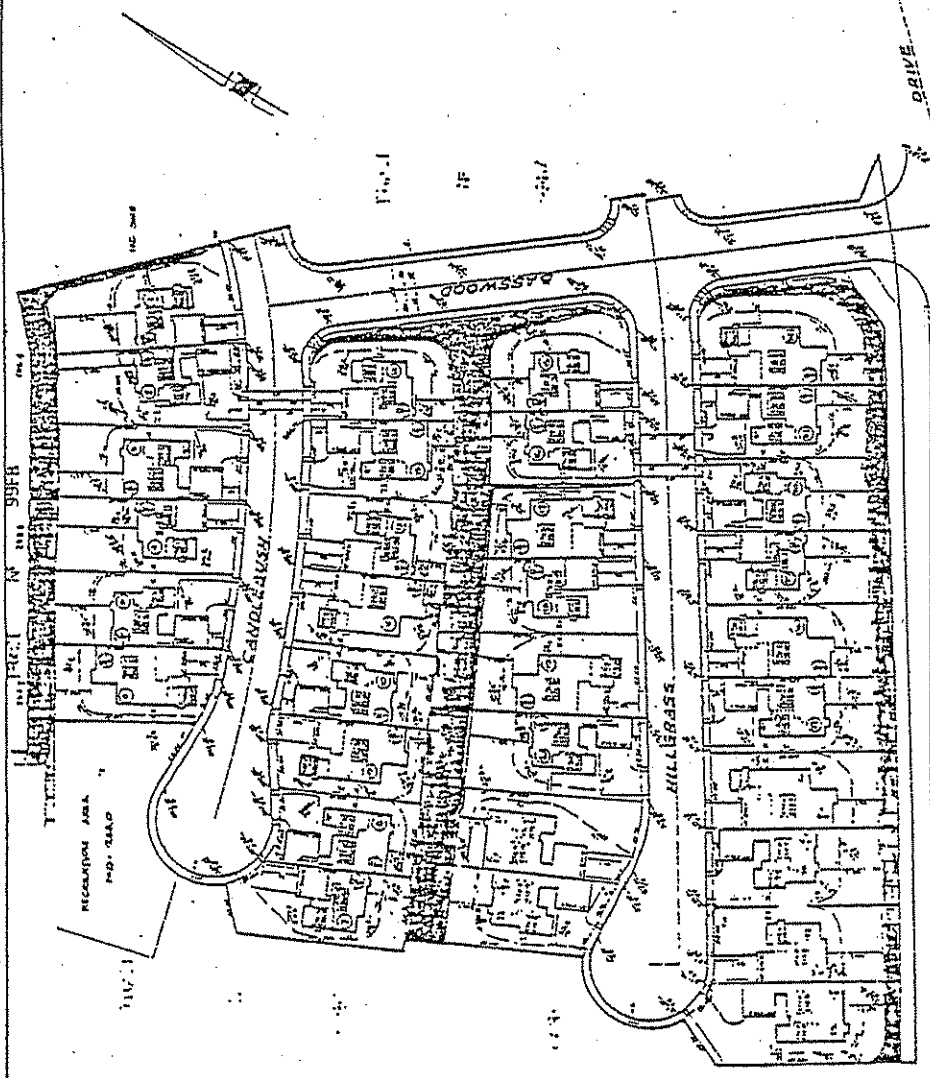
2

EX: 696 934

LEGEND
--- UNIMPROVED LAND
--- IMPROVED LAND
--- FENCED LAND
--- OPEN SPACE
--- WATER

EXHIBIT 'I'
TRACT NO. 242

APR
C. J. LUCAS - PRS.



TURTLE
ROCK

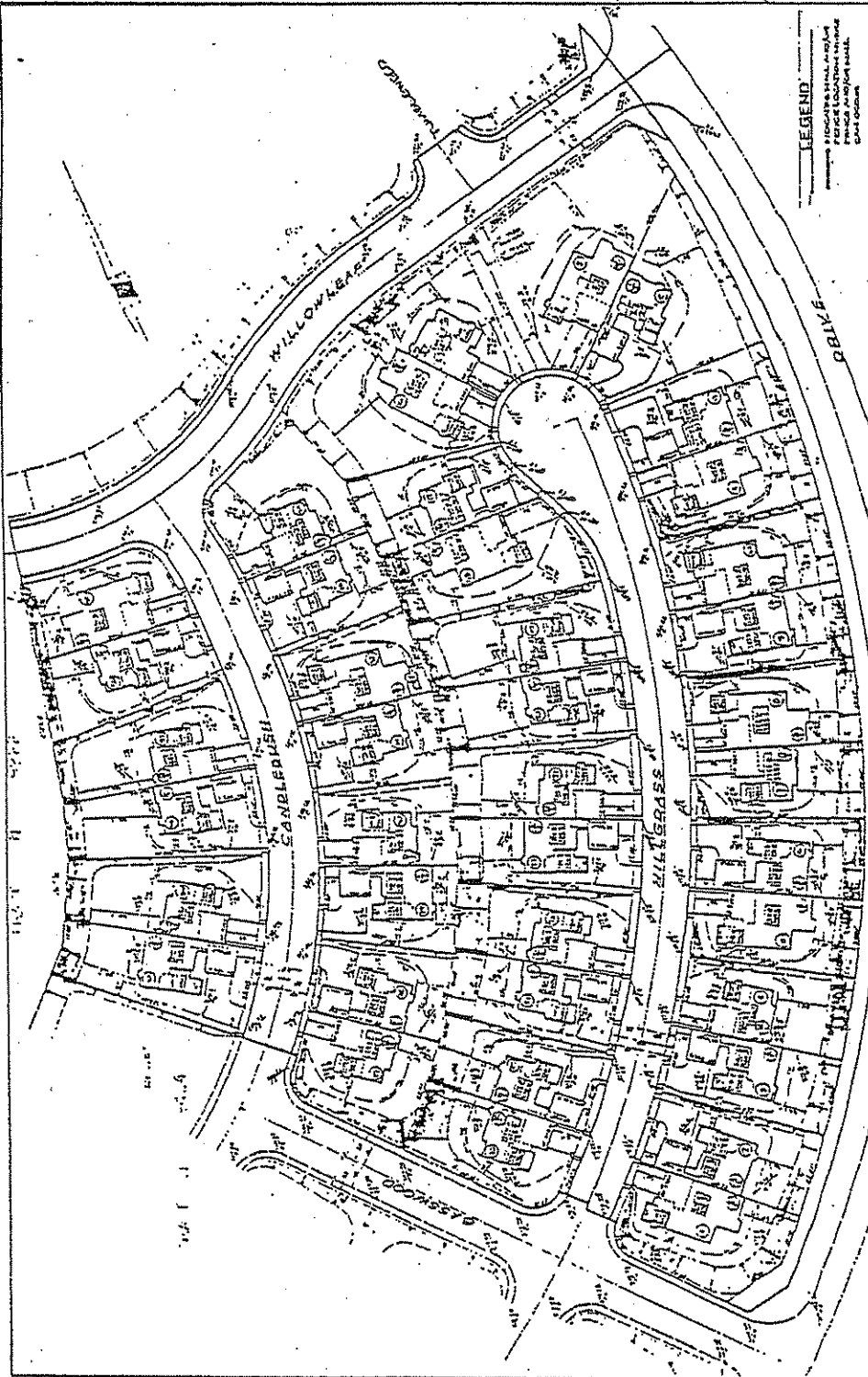
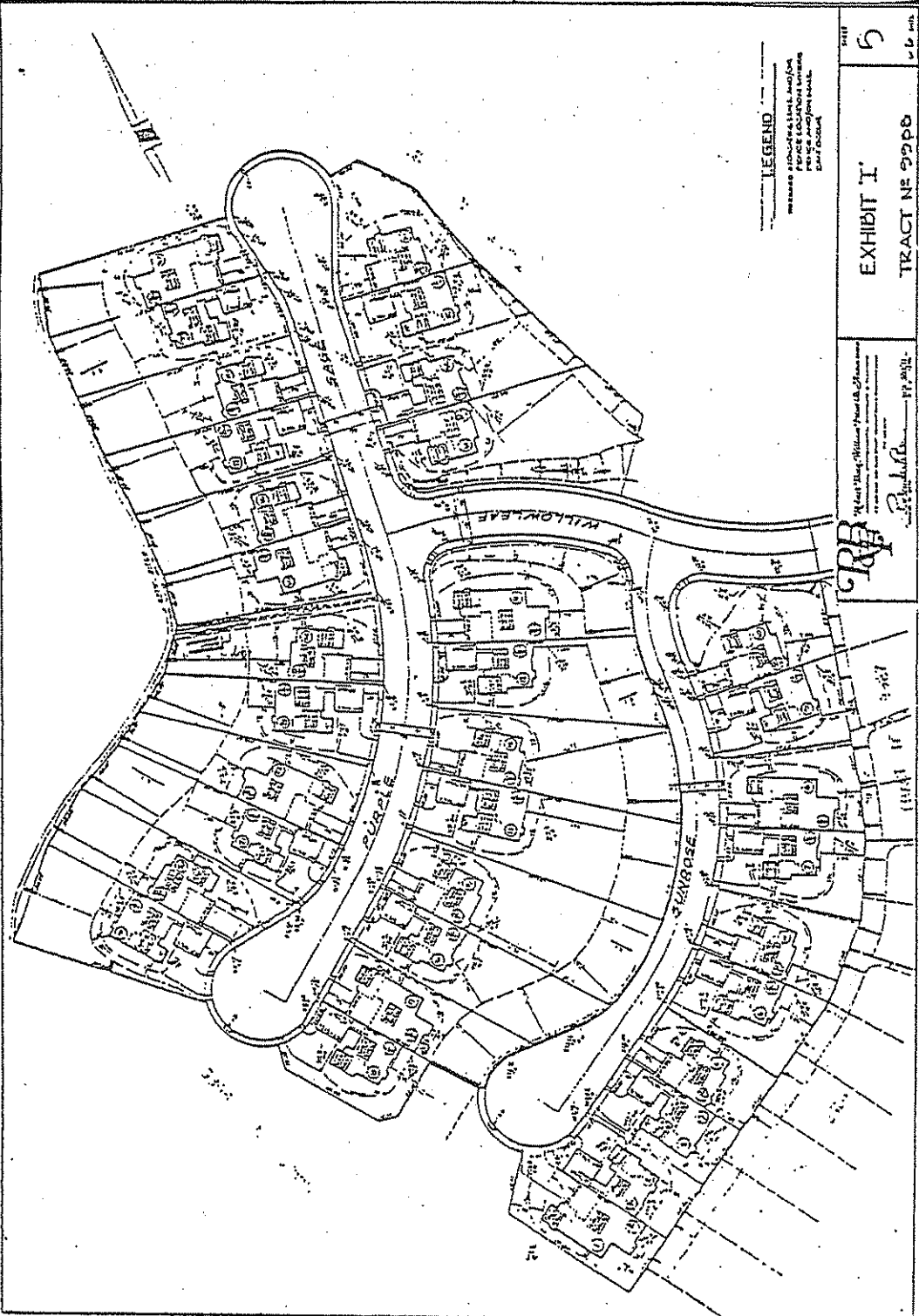




 EXHIBIT 'I'
 TRACT NE 2267

LURE
 ROCK

4
 1967



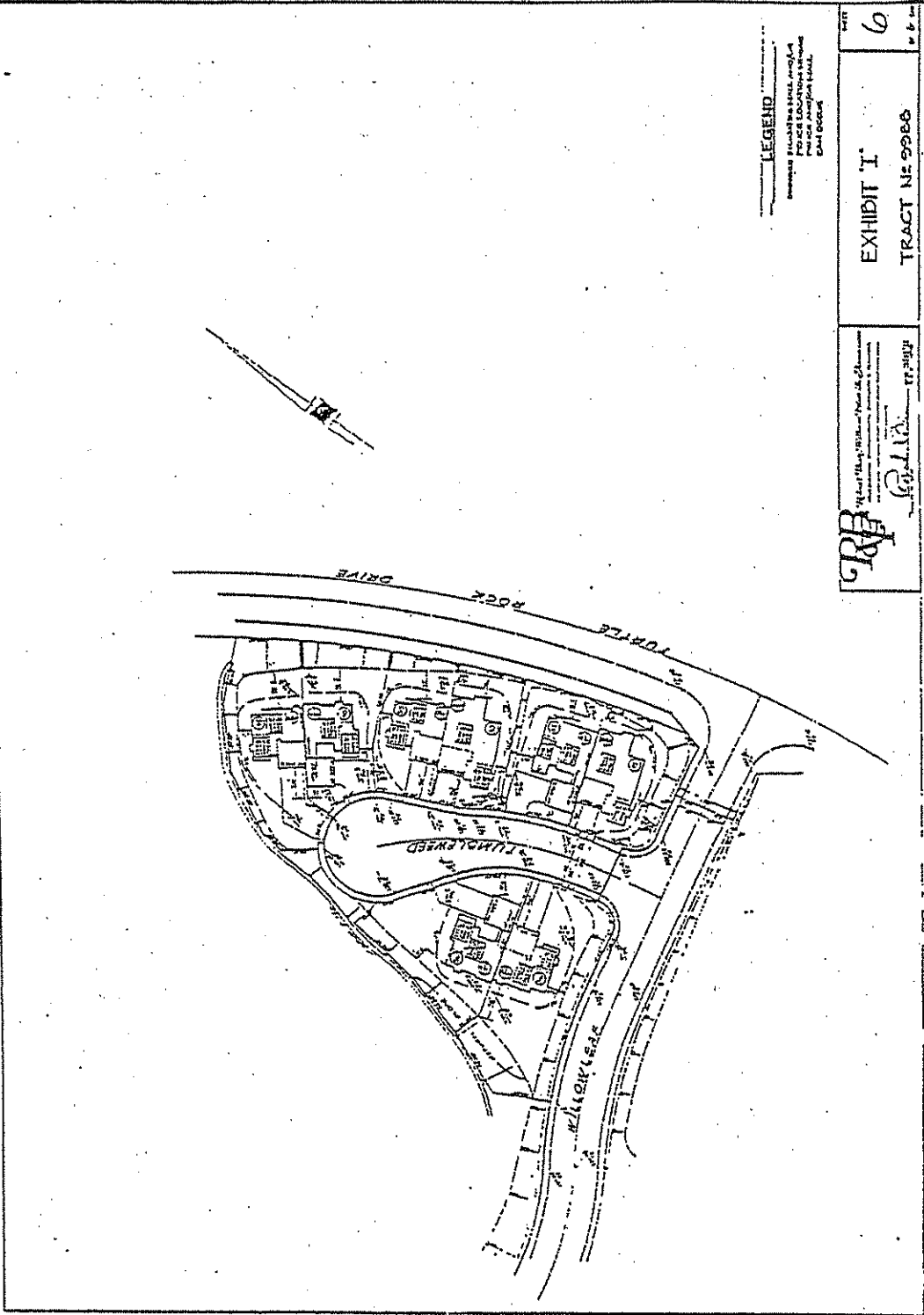
LEGEND
 --- proposed street and/or
 --- proposed street
 --- proposed street

EXHIBIT I
 TRACT NO 2222

Map of City of Chicago, Illinois, showing the location of the proposed street and/or proposed street and/or proposed street.

City of Chicago
 Department of Public Works
 Street Department

Sheet 5 of 16 sheets



LEGEND
 --- PLANNED BUILDING FOOTPRINTS
 --- EXISTING BUILDING FOOTPRINTS
 --- EXISTING DRIVEWAYS
 --- EXISTING DRIVE



 G. R. B.
 GEORGE R. B. ENGINEERS & ARCHITECTS
 1111 1/2 PINE STREET, SUITE 100, HOUSTON, TEXAS 77002
 PH: 713-520-1111
 FAX: 713-520-1112
 WWW: WWW.GRB.COM

EXHIBIT 'I'
TRACT NO. 0066

SHEET
6
 OF 6