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ADDITIONAL DECLARATION OF
COVENANTS, CONDITIONS, AND RESTRICTIONS
ESTABLISHING A PLAN OF CONDOMINIUM OWNERSHIP FOR
VILLAGIO AT SAN CLEMENTE

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ADDITIONAL DECLARATION OF
COVENANTS, CONDITIONS, AND RESTRICTIONS
ESTABLISHING A PLAN OF CONDOMINIUM OWNERSHIP FOR
VILLAGIO AT RANCHO SAN CLEMENTE

INDEX

RECITALS

DECLARATION

- SECTION 1 - DEFINITIONS
- SECTION 2 - DESCRIPTION OF COMMON INTERESTS,
PROPERTY RIGHTS, RIGHTS OF
ENJOYMENT AND EASEMENTS
- SECTION 3 - USE RESTRICTIONS AND COVENANTS
- SECTION 4 - THE ASSOCIATION
- SECTION 5 - MEMBERSHIP AND VOTING RIGHTS
- SECTION 6 - ASSESSMENTS
- SECTION 7 - COLLECTION OF ASSESSMENTS: LIENS
- SECTION 8 - INSURANCE
- SECTION 9 - DESTRUCTION OF IMPROVEMENTS
- SECTION 10 - CONDEMNATION
- SECTION 11 - PARTITION
- SECTION 12 - NON-SEVERABILITY OF COMPONENT
INTERESTS IN A CONDOMINIUM
- SECTION 13 - TERM OF DECLARATION
- SECTION 14 - PROTECTION OF MORTGAGEES

85-329410

SECTION 15 - AMENDMENT OR REVOCATION
SECTION 16 - ANNEXATION OF ADDITIONAL PROPERTY
SECTION 17 - ARCHITECTURAL CONTROL
SECTION 18 - GENERAL PROVISIONS

(ii)

ADDITIONAL DECLARATION
OF
COVENANTS, CONDITIONS AND RESTRICTIONS
ESTABLISHING A PLAN OF CONDOMINIUM OWNERSHIP
FOR
VILLAGIO AT RANCHO SAN CLEMENTE
(Tract No. 12283)

This Declaration is made August 22, 1985, by
EPAC SAN CLEMENTE, INC., a California corporation ("Declarant").

R E C I T A L S

A. Declarant is the owner of the Property located in the City of San Clemente, County of Orange, described as Lots 1, 3, 4 and Lots A through E, inclusive, of Tract No. 12283, as per Map recorded in Book 540, pages 6 through 13, inclusive, of Maps in the office of the County Recorder of Orange County. Declarant is a "Participating Builder" and an "Initial Participating Builder" as those terms are defined in the Master Declaration described in Section 1.15 of this Declaration.

B. Declarant intends to improve the Property by constructing 49 dwelling units having 2 to 4 bedrooms and ranging in size from approximately 1216 square feet to 1691 square feet. Amenities include Entry Statement and Entry Plaza.
The development of the Project will be consistent with the overall development plan submitted to and approved by the Veterans Administration.

C. This Declaration is an "Additional Declaration" as that term is defined in the Master Declaration and by this Declaration, Declarant intends to establish a plan of condominium ownership and a "Condominium Project" under the Master Declaration and to provide for the annexation of additional real property to the Project in compliance with applicable provisions of California law and with the provisions of the Master Declaration.

D E C L A R A T I O N :

Declarant declares that the Property is, and shall be, held, conveyed, hypothecated, encumbered, leased, rented,

used and occupied subject to the following limitations, reservations, restrictions, easements, covenants, conditions, servitudes, liens and charges, all of which are declared and agreed to be in furtherance of a plan of condominium ownership as described in California Civil Code, Sections 1350-1361 for the subdivision, improvement, protection, maintenance, and sale of condominiums within the Property, and all of which are declared and agreed to be for the purpose of enhancing, maintaining and protecting the value and attractiveness of the Property. All of the limitations, restrictions, easements, reservations, covenants, conditions, servitudes, liens and charges shall run with the land, shall be binding on and inure to the benefit of all parties having or acquiring any right, title or interest in the Property, and shall be binding on and inure to the benefit of the successors in interest of such parties. Declarant further declares that it is the express intent that this Declaration satisfy the requirements of California Civil Code, Section 1355.

1. DEFINITIONS

1.1 The "Architectural Committee" means the committee of persons appointed and acting pursuant to Section 17.

1.2 The "Articles" mean the Association's articles of incorporation and their amendments.

1.3 The "Association" means VILLAGIO AT RANCHO SAN CLEMENTE HOMEOWNERS ASSOCIATION, a California nonprofit mutual benefit corporation, its successors and assigns. The Association is a "Sub-Association" as that term is defined in the Master Declaration.

1.4 The "Association Rules" mean the rules and regulations regulating the use and enjoyment of the Common Area adopted by the Board from time to time.

1.5 The "Board of Directors" or "Board" means the Board of Directors of the Association.

1.6 The "Bylaws" mean the Association's bylaws and their amendments.

1.7 The "Common Area" means the entire Project, including real property owned by the Association for the common use and enjoyment of the Owners, if any, and real property owned by the Owners as tenants in common, except the units as defined and described in this Declaration or as shown on the condominium plan, unless such units are subject to an easement or servitude

85-329410

in favor of the Association or all Owners, in which case such easement or servitude shall also be deemed to be Common Area hereunder.

1.8 A "condominium" means an estate in real property as defined in California Civil Code, Section 783, consisting of an undivided fee interest as a tenant-in-common in all or a portion of the Common Area, a separate fee interest in a unit, and the interests in other portions of the Property and in the Association described in Section 2.

1.9 The "condominium plan" means a condominium plan recorded pursuant to California Civil Code, Section 1351, respecting the Project, and any recorded amendments thereto. An unrecorded copy of the condominium plan is attached as Exhibit "A."

1.10 The "County" means the County of Orange, the County in which the Project is located and the "City" means the City of San Clemente, the city in which the project is located.

1.11 The "Declarant" means EPAC SAN CLEMENTE, INC., a California corporation, and any successor or assign, if such successor or assign is assigned the rights of Declarant pursuant to Section 3.20 or if such successor or assign is a mortgagee acquiring Declarant's interest in the Project by foreclosure or deed in lieu of foreclosure.

1.12 The "Declaration" means this Declaration of Covenants, Conditions and Restrictions, and any amendments and supplements.

1.13 The "Delegate" means a natural person selected by the Owners pursuant to Section 5.3 of this Declaration to represent all of the Owners within the Project and to vote on their behalf, as further provided in the Master Declaration or in the bylaws of the Master Association. The term "Delegate" shall include any alternate Delegate elected pursuant to Section 5.3 of this Declaration.

1.14 The "Master Association" means the RANCHO SAN CLEMENTE COMMUNITY ASSOCIATION, a California nonprofit mutual benefit corporation, its successors and assigns.

1.15 The "Master Declaration" means the Master Declaration of Covenants, Conditions, Restrictions and Reservation of Easements for Rancho San Clemente recorded as Instrument No. 85-327173, Official Records of Orange County, California, and any amendments and supplements.

85-329410

1.16 A "member" means an Owner in the context of the Association.

1.17 A "mortgage" means a mortgage or deed of trust encumbering a condominium or other portion of the Project. A "mortgagee" shall include the beneficiary under a deed of trust and any governmental guarantor or insurer of a mortgage. An "institutional" mortgagee is a mortgagee that is a bank or savings and loan association or mortgage company or other entity chartered or licensed under federal or state laws whose principal business is lending money on the security of real property or investing in such loans, or any insurance company or pension or profit sharing trust or any federal or state agency or instrumentality including, without limitation, the Federal National Mortgage Association, the Federal Home Loan Mortgage Corporation the Federal Housing Administration and the Veterans Administration. A "first" mortgage or "first" mortgagee is one having priority as to all other mortgages or holders of mortgages encumbering the same condominium or other portions of the Project.

1.18 An "Owner" means each person or entity holding a record ownership interest in a condominium, including Declarant, and contract sellers under recorded contracts. "Owner" shall not include persons or entities who hold an interest in a condominium merely as security for the performance of an obligation.

1.19 A "Party Wall" means any improvements, including a fence, but not including footings or foundations of residential building structures, which are constructed by Declarant or with the approval of the Architectural Committee upon the boundary line of any two adjoining units, a portion of which improvements are located within each of said two adjoining units. Party Walls may exist either along side property lines or along rear property lines separating units. For purposes of interpreting this Declaration and in determining the rights and obligations of Owners, and irrespective of actual location, one-half of each Party Wall shall be deemed to be located within each of the two adjoining units which share the Party Wall.

1.20 The "Project" or "development" means the Property as subdivided, developed and improved.

1.21 The "Property" means the real property described in the Recitals, and such additional real property as may hereafter be annexed to the Project and made subject to this Declaration pursuant to Section 16 and any Supplement to the Declaration recorded in accordance therewith.

1.22 The "Tract Map" means the subdivision map for Tract No. 12283, described in the Recitals.

1.23 A "unit" means the elements of a condominium that are not owned in common with other Owners of condominiums in the Project, such units and their respective elements and boundaries being shown and particularly described in the condominium plan, deeds conveying condominiums and this Declaration. The portion of the unit consisting of a separate interest in space shall include all air, earth or water located within the boundaries of such space and shall include all real property improvements now located or hereafter constructed within the boundaries of such space, including, without limitation, structures, utility lines, entranceways and landscaping, except those that are located within easements for public utility or other purposes shown on the Tract Map and which are dedicated to the city or are owned by a public utility or are described herein as part of the Common Area. Units shall be subject to the easements, servitudes or rights in favor of Declarant, individual Owners, all Owners, the Association, the County, the City, public utility companies or other persons, entities or governmental agencies as shown or described on the Tract Map, on the condominium plan, in this Declaration or as specifically granted or reserved in a deed conveying a condominium or in an instrument creating such easement, servitude or right. Whenever reference is made in this Declaration, in the condominium plan, in any deed or elsewhere to a unit, it shall be assumed that such reference is made to the unit as a whole, including each of its component elements.

2. DESCRIPTION OF COMMON INTERESTS, PROPERTY RIGHTS, RIGHTS OF ENJOYMENT AND EASEMENTS

2.1 Ownership of Condominium. Ownership of each condominium within the Project shall include a unit, an undivided interest in the Common Area or portion thereof (which undivided interest is described in Exhibit "B" and shall be specified in the deed from Declarant to each Owner and which undivided interest cannot be altered or changed as long as the prohibition against severability of component interests in a condominium remains in effect as provided in this Declaration), a membership in the Association, a membership in the Master Association, and any non-exclusive easements or servitudes appurtenant to such unit or condominium over the Common Area or other units as described in this Declaration or the deed to the condominium.

2.2 Owners Non-Exclusive Easements of Enjoyment; Association Rights. Every Owner of a condominium shall have a non-exclusive easement or right of use, enjoyment, ingress, egress and support in, to and throughout the Common Area and any improvements thereon or facilities thereof, including streets and sidewalks. Each such non-exclusive easement or right shall be appurtenant to and pass with the title to every condominium, subject to the following rights and restrictions:

2.2.1 The right of the Association to limit the number of guests, and to adopt and to enforce the Association Rules.

2.2.2 Subject to the provisions of Section 14.4.4, the right of the Association to borrow money to improve, repair or maintain the Common Area.

2.2.3 The right of the Association to control use of or access to any slope within the Common Area.

2.2.4 The right of the Association to consent to or otherwise cause the construction of additional improvements on the Common Area and to consent to or otherwise cause the alteration or removal of any existing improvements on the Common Area for the benefit of the members of the Association.

2.2.5 The right of the Association to adopt and enforce Association Rules concerning the control and use of the private streets, roadways, sidewalks, entry-way and paving areas located upon or across the Common Area, including the right to regulate the kind of motorized or non-motorized vehicles traveling thereon, the speed thereof and the parking of vehicles upon such private streets and roadways.

2.2.6 The rights, easements, covenants, conditions, servitudes and restrictions reserved to Declarant and to other Owners herein or in any recorded instrument; dedicated to the County, the City, or other interested party upon the Tract Map; or granted or reserved to the Master Association, to its members or to any other person in the Master Declaration or in any recorded instrument or recorded agreement affecting the Property and recorded prior to the date of recordation of this Declaration.

2.3 Entry or Use Rights.

2.3.1 Declarant or its designees shall have the right to enter on the Project to construct the Project, to conduct sales activities and to make repairs and remedy

construction defects. Such entry shall not interfere with the use or occupancy of any occupied unit unless authorized by the unit Owner, which authorization shall not be unreasonably withheld.

2.3.2 The Association, or its agents, shall have the right to enter any unit to perform its obligations under this Declaration, including obligations with respect to construction, maintenance or repair for the benefit of the Common Area or the Owners in common. Entry into a unit shall be made only after three (3) days notice to the Owner, except that the right to enter shall be immediate in case of an emergency originating in or threatening the Common Area, Owners or such unit, whether or not the Owner is present. Such entry shall be made with as little inconvenience as possible to the Owner and any damage caused thereby shall be repaired by the Association.

2.3.3 The Association, or its agents, shall have the right to enter any unit to cure any violation or breach of this Declaration or the Bylaws or the Association Rules, provided that at least thirty (30) days prior written notice of such violation or breach (except in cases of emergency) has been given to the Owner, and provided that, within said thirty (30) day period such Owner had not acted to cure such violation or breach. The Association shall be entitled to recover from such Owner its costs of effecting such cure. Entry into a unit shall be made only after three (3) days notice to the Owner, except that the rights of entry and cure shall be immediate in case of an emergency originating in or threatening any unit, whether or not its Owner is present. Such entry shall be made with as little inconvenience as possible to the Owner and any damage caused thereby shall be repaired by the Association and the cost thereof shall be deemed to be a cost of effecting such cure, unless the damage was caused by the negligence or wilful misconduct of the Association.

2.3.4 Any Owner, or his representatives, shall have the right to enter the portion of the unit of any other Owner which is not improved with a structure to perform maintenance or repairs to the entering Owner's structure or landscaping or to perform installations, alterations or repairs to mechanical, electrical, utility or drainage services or devices, including installation of television antennae and related cables, which are reasonably necessary for the use and enjoyment of the entering Owner's unit, provided that requests for entry are made at least three (3) days in advance and such entry is at a time convenient to the Owner whose unit is being entered, except that in case of emergency such right of entry

shall be immediate. Any damage caused by such entry shall be repaired by the entering party.

2.4 Utility and Other Common Area Easements.

Declarant or the Association shall have the power to grant and convey to any person or entity easements and rights-of-way in, on, over or under the Common Area or within the easement for public utility purposes shown on the Tract Map for the purpose of constructing, erecting, operating or maintaining lines, cables, wires, conduits, or other devices for electricity, cable television, power, telephone and other purposes, public sewers, storm water drains and pipes, water systems, sprinkling systems, water, heating and gas lines or pipes, and any similar public or quasi-public improvements or facilities, and each Owner, in accepting a deed to a condominium, expressly consents to such easements and rights of way and authorizes and appoints the Association and Declarant (so long as Declarant owns one or more condominiums) as attorney-in-fact of such Owner to execute any and all instruments conveying or creating such easements or rights-of-way. However, no such easement can be granted if it would interfere with the use, occupancy or enjoyment by any Owner of his unit, unless approved by the vote or written consent of the holders of not less than seventy-five percent (75%) of the voting rights of each class of members, or seventy-five percent (75%) of all members if only one class exists, and seventy-five (75%) of all first mortgagees.

2.5 Delegation of Use; Contract Purchasers; Tenants.

Any Owner may delegate his rights of use and enjoyment in the Project to the members of his family, his guests, and invitees, and to such other persons as may be permitted by the Bylaws and the Association Rules, subject, however, to this Declaration. However, if an Owner of a condominium has sold his condominium to a contract purchaser or rented it, the Owner, members of his family, his guests and invitees shall not be entitled to use and enjoy the recreational facilities of the Project while the Owner's unit is occupied by such contract purchaser or tenant. Instead, the contract purchaser or tenant, while occupying such unit, shall be entitled to use and enjoy the recreational facilities of the Project and can delegate the rights of use and enjoyment in the same manner as if such contract purchaser or tenant were an Owner during the period of his occupancy. Each Owner shall notify the secretary of the Association of the names of any contract purchasers or tenants of such Owner's condominium and all such notifications shall be made pursuant to and shall be subject to the provisions of Section 18.8. Each Owner, contract purchaser or tenant also shall notify the secretary of the Association of the names of all persons to whom such Owner, contract purchaser, or tenant has delegated any

rights of use and enjoyment in the development and the relationship that each such person bears to the Owner, contract purchaser, or tenant. Any delegated rights of use and enjoyment are subject to suspension to the same extent as are those rights of Owners. No such delegation shall relieve an Owner from liability to the Association or to other Owners for payment of assessments or other monetary obligations to the Association or performance of the covenants, conditions and restrictions contained in this Declaration. Any lease, rental agreement or contract of sale entered into between an Owner and a Lessee or tenant of a unit shall be subject to and shall incorporate by reference and shall require performance by the lessee, tenant or contract purchaser of all of the covenants, conditions and restrictions contained herein, which provision shall be for the express benefit of the Association and each Owner. The Association and each Owner shall have a right of action directly against any lessee, tenant or contract purchaser of an Owner, as well as against the Owner, for non-performance of any of the provisions of this Declaration to the same extent that such right of action exists against such Owner.

2.6 Minor Encroachments. If any portion of the Common Area improvements or landscaping encroaches on any unit or if any improved portion of a unit encroaches on the Common Area, regardless of the cause, a valid easement exists for such encroachment and for the maintenance of it as long as it remains, and all units and the Common Area are made subject to such easements. However, in no event shall a valid easement for encroachment exist in favor of an Owner if said encroachment occurred due to willful misconduct of said Owner or resulted from said Owner's noncompliance with any provision of this Declaration. If any Owner's structure is partially or totally destroyed and then rebuilt and any encroachment on the Common Area results, a valid easement exists for such encroachment and for the maintenance of it as long as it remains, and, all units and the Common Area are made subject to such easements.

2.7 Drainage Easements. Each unit is hereby declared to be subject to an easement for drainage and surface water runoff from any other unit or the Common Area from which such water emanates in accordance with any drainage or surface water runoff patterns described on the Tract Map or resulting from grading of the Project or installation of drainage facilities as part of the construction or any reconstruction of the Project in accordance with grading and drainage facilities plans approved or required by the City of San Clemente.

2.8 Party Wall Easements. Each Owner of a condominium whose unit shares a Party Wall with an adjoining unit is hereby

declared to have an easement appurtenant, and the same is hereby granted by Declarant, on, over and upon such adjoining unit for such Party Wall, including the right to enter within such adjoining unit to service and maintain such easement and to service, maintain, repair or replace the improvements constituting such Party Wall. Entry shall be at reasonable times after prior notice, except that in case of emergency the right of entry shall be immediate. Each Owner shall be responsible for the maintenance, repair and reconstruction of that portion of any Party Wall which is located within his unit and to share the expense of repair or reconstruction of the Party Wall if such be required and, in the opinion of the Architectural Committee, such repair or reconstruction is caused by deterioration, weather or other events beyond the reasonable control of the Owners sharing such Party Wall. In the event either of the Owners of a Party Wall damages the Party Wall, and fails to correct such damage, or neglects or refuses to maintain, repair or reconstruct the Party Wall after written notice to do so from the Architectural Committee, the other Owner or the Association can perform such maintenance, repair or restoration and may recover the expense thereof and any incidental expense or consequential damages from the neglecting or refusing Owner. No Owner shall alter the shape, size or construction or use any materials different than those used in the initial construction of any such Party Wall without the written consent of the Architectural Committee.

2.9 FOUNDATION AND FOOTING EASEMENTS. Each unit is hereby declared to be subject to an easement for construction, maintenance, repair and replacement of building foundations and footings to a maximum depth of four (4) feet below finished surface grade in favor of Owners of adjacent units whose structural improvements abut the horizontal boundary or boundaries of the unit subject to this easement. Such easement shall be co-extensive with the area occupied by the foundations and footings as actually constructed by Declarant or reconstructed in accordance with plans approved by the Architectural Committee.

2.10 Sidewalk Easements. Each unit is hereby declared to be subject to an easement for sidewalk purposes in favor of the Association and the Owners and their tenants, guests, invitees and licensees, over and along the surface of the land, and so much below the surface of the land as is required to install sidewalk surfacing and subbase materials, which is located within the public utility easement shown on the Tract Map, subject to the rights of utility companies to enter upon the surface of the land and to excavate below the surface of the land in connection with the use and enjoyment of said easement.

85-329410

The easement for sidewalk purposes described in this section 2.10 shall be deemed to be part of the Common Area of the Project and shall be maintained by the Association together with all other Common Area.

3. USE RESTRICTIONS AND COVENANTS

3.1 Residential Use. Units shall be used for residential purposes only. However, for a period of three (3) years from the date of recordation of this Declaration or of any Supplement, whichever is later, but in no event to exceed the date when all condominiums in the Project are sold and conveyed by Declarant to separate Owners thereof or five (5) years after the date of sale of the first condominium in the Project, whichever shall first occur, units owned by Declarant and the Common Area may be used by Declarant or its designees as models, sales offices and construction offices for the purpose of developing, improving and selling condominiums in the Project.

3.2 Leasing. Nothing in this Declaration shall prevent an Owner from leasing or renting his condominium. However, any lease or rental agreement shall be in writing and any tenant shall abide by and be subject to all provisions of this Declaration, the Articles, the Bylaws, and the Association rules and any lease or rental agreement must specify that failure to abide by such provisions shall be a default under the lease or rental agreement. Failure by an Owner to take legal action, including the institution of proceedings in unlawful detainer against his lessee who is in violation of this Declaration, the Articles, the Bylaws or the Association Rules within ten (10) days after receipt of written demand so to do from the Association, shall entitle the Association to take any and all such action, including the institution of proceedings in unlawful detainer on behalf of such Owner against his lessee. Any expenses incurred by the Association, including attorneys' fees and costs of suit, shall be paid by such Owner. Also, except for a mortgagee in possession of a condominium following a default in a first mortgage, a foreclosure proceeding or acceptance of a deed or other arrangement in lieu of foreclosure, no Owner shall rent, lease or let his condominium for transient or hotel purposes.

3.3 Commercial Use. Except as otherwise provided in this Declaration, including Section 3.1, no part of the Project shall be used or caused, allowed, or authorized to be used in any way, directly or indirectly, for any business, commercial, manufacturing, mercantile, storing, vending, or other such non-residential purpose.

3.4 Owner Maintenance; Standards. No Owner shall at his expense or otherwise make any alterations or modifications to the exterior of the buildings, fences, railings or walls situated within his unit without the prior written consent of the Architectural Committee. Each Owner shall keep and maintain all landscaping, improvements, Party Walls, rear yard fences and structures within his unit, including plantings, equipment, mechanical, plumbing, or electrical systems, walls, roofs, windows and doors, in a neat, clean, sanitary, workable and attractive condition and in conformance with minimum standards and policies established from time to time by the Architectural Committee or, if such minimum standards and policies have not been established or are not applicable, in conformance with specific requirements of the Architectural Committee applicable to the Owner's unit. In establishing any such minimum standards or specific requirements, the Architectural Committee shall act with a view toward achieving uniform appearance consistent with the original design and development of the Project. Any Owner who disagrees with the standards or requirements applicable to his unit shall be entitled to request a hearing before the Architectural Committee; however, all decisions of the Architectural Committee shall be final and binding on the Owner and the Association shall take such action to enforce such standards or requirements as the Board deems appropriate under the circumstances. An Owner shall be liable to the Association for all costs, including attorney's fees, expended by the Association in enforcing such standards or requirements. Each Owner has complete discretion as to the choice of furniture, furnishings, and interior decoration; but windows can be covered only by drapes, shutters, or shades and can not be painted or covered by foil, cardboard, or other similar materials. Each Owner shall be responsible for maintenance, repair and replacement of all plumbing, electrical, heating, air-conditioning and gas lines, conduits, apparatus and equipment servicing his unit and for repair, replacement and cleaning of the windows and glass of his structure. In the event that an Owner is required to make any repair or if he desires to contract any improvement or install any fixture or equipment which will affect or involve the exterior of his structure or any bearing wall or other structural member, the prior written approval of the Architectural Committee must first be obtained. However, such approval need not be obtained to make emergency repairs, provided that the structure so affected is restored to its original condition at the Owner's expense.

3.5 Association Maintenance. The Association shall be responsible for the repair and maintenance of the Common Area and any improvements or landscaping thereon as provided in Section 4.3.2.1.

3.6 Oil Drilling. No oil drilling, oil development operations, oil refining, quarrying, or mining operations of any kind shall be permitted on or in the Project, and no oil wells, tanks, tunnels or mineral excavations or shafts shall be permitted on the surface of the Project or within five hundred (500) feet below the surface of the Project. No derrick or other structure designed for use in boring for water, oil or natural gas shall be erected, maintained or permitted on the Project.

3.7 Offensive Conduct; Nuisances. No noxious or offensive activities, including but not limited to, repair of automobiles or other motorized vehicles, shall be conducted within the Project. Nothing shall be done on or within the Project that may be or may become an annoyance or nuisance to the residents of the Project, or that in any way interferes with the quiet enjoyment of occupants of units. Unless otherwise permitted by the Association Rules, no Owner shall serve food or beverages, cook, barbecue, or engage in similar activities, except within such Owner's unit.

3.8 Parking Restrictions; Use of Garage. Unless otherwise permitted by the Association, no automobile shall be parked or left within the Project other than within a garage, carport, or assigned or appurtenant parking stall or space and no Owner's automobile shall be parked (other than temporarily) in any unassigned paving space. No boat, trailer, recreational vehicle, camper, truck, or commercial vehicle shall be parked or left within the Project other than in a garage or in a parking area designated by the Association for the parking and storage of such vehicles. However, parking by commercial vehicles for the purpose of making deliveries shall be permitted in accordance with the Association Rules. Any garages and carports shall be used for parking automobiles only and shall not be converted for living or recreational activities. Any garage doors shall remain closed at all times except when being used to enter or exit and each Owner shall maintain in good operating condition an automatic garage door mechanism. Notwithstanding the foregoing, so long as Declarant has the right to use units for models, sales office and construction offices pursuant to Sections 3.1 of this Declaration, Declarant shall have the right to use and to improve one or more units as a parking area.

3.9 Signs. No sign of any kind shall be displayed to the public view on or from any unit or within the Common Area without the approval of the Association, except such signs as may be used by the Declarant or its designees for the purpose of developing, selling and improving condominiums within the Project for a period of time not to exceed (i) the date on which

the last condominium is sold by Declarant or three (3) years from the date of recordation of this Declaration, whichever is sooner, or if a Supplement to the Declaration is recorded, (ii) the date on which the last annexed condominium is sold by Declarant or three (3) years from the date of recordation of the Supplement, whichever is sooner, but in no event to exceed the date when all condominiums in the Project are sold and conveyed by Declarant to separate Owners thereof or five (5) years after the date of sale of the first condominium in the Project, whichever shall first occur. In exercising its rights under this Section, Declarant shall not unreasonably interfere with the use of the Common Area by any Owner. However, one sign of customary and reasonable dimensions advertising a condominium for sale or for rent may be placed within that portion of the Common Area as designated by the Association for such purpose or elsewhere to the extent required by law, and the location and design thereof shall be subject to approval by the Association.

3.10 Antennae and External Fixtures. No television or radio poles, antennae, flag poles, clotheslines, or other external fixtures other than those originally installed by Declarant or approved by the Architectural Committee and any replacements shall be constructed, erected or maintained on or within the Common Area or any unit. No wiring, insulation, air-conditioning, or other machinery or equipment other than that originally installed by Declarant or approved by the Architectural Committee, and any replacements shall be constructed, erected or maintained on or within the Common Area or any unit. Each Owner shall have the right to maintain television or radio antennae within completely enclosed portions of his unit. However, if cable television is or becomes available to an Owner his right to maintain television antennae within completely enclosed portions of his unit may be terminated by the Association. The location of common antennae or connection facilities for cable television serving more than one unit shall be as designated by the Association or the Architectural Committee and each unit and its Owner shall be subject to the right of other Owners or the Association to install, use and maintain such common antennae or facilities.

3.11 Fences or Enclosures. No fences, awnings, ornamental screens, screen doors, sunshades or walls of any nature shall be erected or maintained on or around any portion of any structure or elsewhere within the Project, except those that are installed in accordance with the original construction of the Project, and their replacements or as are authorized and approved by the Architectural Committee. All fences, including Party Walls, installed in accordance with the original construction of the Project shall be replaced with fences of

like design and materials and no such fence shall be removed without the approval of the Architectural Committee.

3.12 Animals. No animals, reptiles, rodents, birds, fish, livestock or poultry shall be kept within any unit or elsewhere within the Project except that domestic dogs, cats, fish and birds inside bird cages may be kept as household pets within any unit, if they are not kept, bred or raised for commercial purposes or in unreasonable quantities. As used in this Declaration, "unreasonable quantities" shall be deemed to limit the total number of all dogs, cats and birds to two (2) per unit. The Board can prohibit maintenance of any animal that constitutes a nuisance to any other Owner in the sole and exclusive opinion of the Board. Each person bringing or keeping a pet upon the Project shall be liable to other Owners, their family members, guests, invitees, tenants and contract purchasers, and their respective family members, guests, and invitees for any damage to persons or property proximately caused by any pet brought upon or kept upon the Project by that person or by members of his family, his guests or invitees.

3.13 Restricted Use of Recreation Vehicles. No boat, truck, trailer, camper, recreational vehicle or tent shall be used as a living area while located within the Project. No truck, trailer, camper or recreational vehicle may be stored on the Project by any Owner unless it is that Owner's principal means of transportation. However, trailers or temporary structures for use incidental to the initial construction of the Project and any phase thereof or the initial sales of condominiums may be maintained within the Project, provided that such use does not unreasonably interfere with any Owner's use of the Common Area. Such trailers or structures shall be promptly removed on completion of all initial construction and all initial sales.

3.14 Trash Disposal. Trash, garbage or other waste shall be kept only in sanitary containers. No Owner shall permit or cause any trash or refuse to be kept on any portion of the Project other than in the receptacles customarily used for it, which shall be located only in places specifically designated for such purpose except on the scheduled day for trash pickup.

3.15 Insurance Rates and Compliance With Laws. Nothing shall be done or kept within any unit or in the Common Area that might increase the rate of, or cause the cancellation of, insurance for the Project, or any portion of the Project, without the prior written consent of the Association. No Owner shall permit anything to be done or kept within his unit that

violates any law, ordinance, statute, rule or regulation of any local, county, state or federal body. No Owner shall allow his furniture, furnishings, or other personalty to remain within any portion of the Common Area except as may be permitted by the Association.

3.16 Indemnification. Each Owner shall be liable to the remaining Owners and the Association for any damage to the Common Area that may be sustained by reason of the negligence of that Owner, members of his family, his contract purchasers, tenants, guests or invitees, but only to the extent that any such damage is not covered by casualty insurance in favor of the Association or other Owner. Each Owner, by acceptance of his deed, agrees for himself and for the members of his family, his contract purchasers, tenants, guests or invitees, to indemnify each and every other Owner and the Association, and to hold them harmless from, and to defend them against, any claim of any person for personal injury or property damage occurring within the unit of that particular Owner, except to the extent (i) that such injury or damage is covered by liability insurance in favor of the Association or other Owner or (ii) the injury or damage occurred by reason of the willful or negligent act or omission of the Association or another Owner or person temporarily visiting in said unit.

3.17 Owner's Obligation For Taxes. To the extent allowed by law, all condominiums, including their pro rata undivided interest in the Common Area and the membership of an Owner in the Association, shall be separately assessed and taxed so that all taxes, assessments and charges which may become liens prior to first mortgages under local law shall relate only to the individual condominiums and not to the Project as a whole. Each Owner shall be obligated to pay any taxes or assessments assessed by the county assessor of the County against his condominium and against his personal property.

3.18 Future Construction. Nothing in this Declaration shall limit the right of Declarant, its successors and assigns, to complete construction of improvements to the Common Area and to condominiums owned by Declarant or to alter them or to construct additional improvements as Declarant deems advisable before completion and sale of the entire Project. The rights of Declarant in this Declaration may be assigned by Declarant to any successor to all or any part of any Declarant's interest in the Project, as developer, by an express assignment incorporated in a recorded deed that transfers any such interest to a successor or in any other recorded instrument.

3.19 Enforcement. The failure of any Owner to comply with any provision of this Declaration or the Articles or Bylaws, Association Rules or Board resolutions shall give rise to a cause of action in the Association and any aggrieved Owner for the recovery of damages or for injunctive relief, or both.

3.20 Compliance with Master Declaration. The provisions of the Master Declaration are hereby incorporated by reference into this Declaration and the Association and each Owner may enforce and shall comply with the provisions of the Master Declaration to the extent that it applies to the Association or to such Owner, or to the condominium of such Owner. Wherever possible the provisions of this Declaration and of the Master Declaration shall be construed to be consistent with one another; however, in the event of an irreconcilable conflict between this Declaration and the Master Declaration, the terms of the Master Declaration shall control.

4. THE ASSOCIATION

4.1 Formation. The Association is a nonprofit mutual benefit corporation formed under the laws of California. On the close and recording of the first condominium sale to an Owner, the Association shall be charged with the duties and vested with the powers set forth in the Articles, the Bylaws and this Declaration, including, but not limited to, control and maintenance of the Common Area and any facilities on the Common Area.

4.2 Association Action; Board of Directors and Officers; Members' or Owners' Approval. Except as to matters requiring the approval of Owners or members as set forth in this Declaration, the Articles, or the Bylaws, the affairs of the Association shall be conducted by the Board and such officers as the Board may elect or appoint. Such election or appointment shall be in accordance with this Declaration or the Bylaws. Except as otherwise provided in this Declaration, including Section 5.2.1, the Articles or the Bylaws, all matters requiring the approval of members or Owners shall be deemed approved if members or Owners holding a majority of the total voting rights assent to them by written consent as provided in the Bylaws or if approved by a majority vote of a quorum of members or Owners at any regular or special meeting held in accordance with the Bylaws.

4.3 Powers and Duties of Association.

4.3.1 Powers. The Association shall have all the powers of a nonprofit mutual benefit corporation organized

under the General Nonprofit Mutual Benefit Corporation Law of California subject only to such limitations on the exercise of such powers as are set forth in the Articles, the Bylaws this Declaration and the Master Declaration. It shall have the power to do any lawful thing that may be authorized, required, or permitted to be done by the Association under the Master Declaration, this Declaration, the Articles and the Bylaws, and to do and perform any act that may be necessary or proper for or incidental to, the exercise of any of the express powers of the Association, including, without limitation, the following:

4.3.1.1 Assessments. The Association shall have the power to establish, fix, and levy assessments against the Owners and to enforce payment of such assessments, in accordance with the provisions of this Declaration.

4.3.1.2 Right of Enforcement. The Association in its own name and on its own behalf, or on behalf of any Owner who consents, can commence and maintain actions to collect monetary obligations, for damages or to restrain and enjoin any actual or threatened breach of any provision of the Master Declaration, this Declaration or of the Articles or Bylaws, or of the Association Rules or any resolutions of the Board, and to enforce by mandatory injunction, or otherwise, all of these provisions. In addition, the Association can suspend the voting rights, can suspend use privileges of the Common Area or can assess monetary penalties against any Owner or other person entitled to exercise such rights or privileges for any violation of the Master Declaration, this Declaration or the Articles, Bylaws, Association Rules, or Board resolutions. However, any suspension of use privileges cannot exceed a period of thirty (30) days for any one violation (except that if such suspension is due to the failure to pay assessments, the suspension may continue until payment is made), and any monetary penalty cannot exceed Fifty Dollars (\$50) for any one violation, and no suspension or fine can be imposed unless accomplished in the manner provided for in the Bylaws. Except as provided in this section, the Association does not have the power or authority to cause a forfeiture or abridgement of an Owner's right to the full use and enjoyment of his condominium if the Owner does not comply with provisions of this Declaration or of the Articles or Bylaws or the Association Rules or Board resolutions, except by judgment of a court or a decision arising out of arbitration or on account of a foreclosure or sale under a power of sale based on the failure of the Owner to pay assessments duly levied by the Association.

4.3.1.3 Delegation of Powers; Professional Management. The Association acting by and through the Board can delegate its powers, duties, and responsibilities to committees or employees, including a professional managing agent subject to the provisions of Sections 4.3.3 and 14.16.

4.3.1.4 Association Rules. The Board shall have the power to adopt, amend and repeal the Association Rules as it deems reasonable. The Association Rules shall, inter alia, govern the use of the Common Area by all Owners and tenants, and their respective family members, guests or invitees. However, the Association Rules shall not be inconsistent with or materially alter any provisions of this Declaration, the Articles or the Bylaws. A copy of the Association Rules as adopted, amended or repealed, shall be mailed or otherwise delivered to each Owner and a copy shall be posted in a conspicuous place within the Project. In case of any conflict between any of the Association Rules and any other provisions of this Declaration, the Articles, or Bylaws, the conflicting Association Rule shall be deemed to be superseded by the provisions of this Declaration, the Articles or the Bylaws to the extent of any such inconsistency.

4.3.2 Duties of the Association. In addition to the powers delegated to it by its Articles or the Bylaws, and without limiting their generality, the Association, acting by and through the Board, or persons or entities described in Section 4.3.1.3, has the obligation to conduct all business affairs of common interest to all Owners and to perform each of the following duties:

4.3.2.1 Operation and Maintenance of Common Area. To operate, maintain and otherwise manage the Common Area in first-class condition and in a good state of repair, or provide for its operation, maintenance and management, including all its facilities, amenities, fences, exterior walls abutting or fronting public or private streets, retaining walls, improvements, slopes, landscaping, private driveways, private streets, parking facilities, exterior lighting, drainage devices or facilities, sewer laterals and connections, water, gas or electrical supply lines, and any other property acquired by or subject to the control of the Association, including personal property.

4.3.2.2 Association Contracts. To enter into contracts for services or materials for the benefit of the Association or the Common Area, including contracts with Declarant, subject to Sections 4.3.3.4 and 14.16.

4.3.2.3 Taxes and Assessments. To pay all real and personal property taxes and assessments and all other taxes levied against the Common Area, personal property owned by the Association or against the Association. Such taxes and assessments may be contested or compromised by the Association; provided, that they are paid or that a bond insuring payment is posted before the sale or the disposition of any property to satisfy the payment of such taxes.

4.3.2.4 Other Utilities. To acquire, provide and pay for sewer, garbage disposal, refuse and rubbish collection, electrical, telephone, gas and other necessary utility services for the Common Area, and for condominiums when the condominium Owners are not separately billed.

4.3.2.5 Insurance. To obtain, from reputable insurance companies, and maintain the insurance described in Section 8.

4.3.2.6 Enforcement of Restrictions and Rules. To perform such other acts, whether or not expressly authorized by this Declaration, that may be reasonably necessary to enforce any of the provisions of the Master Declaration, this Declaration, the Articles and Bylaws, and the Association Rules and Board resolutions.

4.3.2.7 Bonded Obligations.

(a) Enforcement. If the Association is the obligee under a bond or other arrangement ("bond") to secure performance of a commitment of the Declarant or its successors or assigns to complete Common Area or other improvements in the Project, not completed at the time the California Commissioner of Real Estate issues a final subdivision public report for the latest phase of the Project, the Board shall consider and vote on the question of action by the Association to enforce the obligations under the bond with respect to any improvement for which a notice of completion has not been filed within sixty (60) days after the completion date specified for that improvement in the "planned construction statement" appended to the bond. However, if the Association has given an extension in writing for the completion of any Common Area improvement, the Board shall consider and vote on the action to enforce the obligations under the bond only if a notice of completion has not been filed within thirty (30) days after the expiration of the extension. If the Board fails to consider and vote on the action to enforce the obligations under the bond, or if the Board decides not to

initiate action to enforce the obligations under the bond, then on the petition in writing to the Board signed by members of the association representing not less than five percent (5%) of the total voting power of the Association, the Board shall call a special meeting of members for the purpose of voting to override the decision of the Board not to initiate action or to compel the Board to take action to enforce the obligations under the bond. The meeting shall be called by the Board by fixing a date not less than thirty-five (35) days nor more than forty-five (45) days after receipt by the Board of said petition and by giving written notice to all Owners entitled to vote in the manner provided in this Declaration or in the Bylaws for notices of special meetings of members of the Association. At the meeting, the vote in person or by proxy of a majority of the Owners entitled to vote (other than Declarant) in favor of taking action to enforce the obligations under the bond shall be deemed to be the decision of the Association and the Board shall then implement this decision by initiating and pursuing appropriate action in the name of the Association.

(b) Exoneration. The Association shall act in a reasonably prompt manner to exonerate Declarant and its surety under any bond in favor of the Association, provided such exoneration is appropriate.

4.3.2.8 Delivery of Project Documents. To provide to any Owner or mortgagee or prospective purchaser (evidenced by a copy of a signed agreement of purchase or by a copy of signed escrow instructions) within ten (10) days of the mailing or delivery of a written request by such Owner or mortgagee or prospective purchaser a copy of the Declaration, the Articles of Incorporation, the Bylaws, the Association Rules, the most recent annual report prepared pursuant to Section 4.7, the current pro forma operating statement or budget prepared pursuant to Section 6.4.1 and a true statement in writing as to the amount of any delinquent assessments, penalties, attorney's fees or other charges owing by Owners in the Project as of the date of the request. The Association may impose a fee for providing such documents and statements, but in no event shall the fee exceed the reasonable cost to prepare and reproduce the requested documents and statements.

4.3.3 Limitations on Authority. Except with the vote or written assent of members of the Association holding (i) fifty-one percent (51%) of the voting rights of each class of members, if two classes exist, or (ii) fifty-one percent (51%) of the voting rights of all members and 51% of the voting rights

of members other than Declarant, if only one class exists, the Board acting on behalf of the Association shall not take any of the following actions:

4.3.3.1 Incur aggregate expenditures for capital improvements to the Common Area in any fiscal year in excess of five percent (5%) of the budgeted gross expenses of the Association for that fiscal year; or

4.3.3.2 Sell during any fiscal year property of the Association having an aggregate fair market value greater than five percent (5%) of the budgeted gross expenses of the Association for that fiscal year; or

4.3.3.3 Pay compensation to members of the Board or to officers of the Association for services performed in the conduct of the Association's business. However, the Board may cause a member of the Board or an officer to be reimbursed for expenses incurred in carrying on the business of the Association.

4.3.3.4 Enter into a contract with a third person wherein the third person will furnish goods or services for the Common Area or the Association for a term longer than one year with the following exceptions:

(a) A management contract, the terms of which have been approved by the Federal Housing Administration or Veterans Administration.

(b) 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.

(c) Prepaid casualty and/or liability insurance policies of not to exceed three years duration provided that the policy permits for short rate cancellation by the insured.

(d) Lease agreements for laundry room fixtures and equipment or agreements for cable television services of not to exceed five years duration, provided that the lessor or supplier under the agreement is not an entity in which the Declarant has a direct or indirect ownership interest of ten percent (10%) or more.

4.4 Personal Liability. No member of the Board, or of any committee of the Association, or any officer of the Association, or Declarant, or any agent of Declarant, shall be personally liable to any Owner, or to any other party, including the Association, for any damage, loss or prejudice suffered or claimed on account of any act, omission, error or negligence of any such person or entity if such person or entity has, on the basis of such information as may be possessed by him or it, acted in good faith without wilful or intentional misconduct.

4.5 Organizational Meeting. An organizational meeting or action by written consent in lieu thereof shall occur as soon as practicable after incorporation of the Association, and the directors selected then shall hold office until the first annual meeting. All offices of the Board of Directors shall be filled at the organizational meeting or by such written consent.

4.6 Regular Meetings of Members and Notice; Specially Elected Directors.

4.6.1 The first annual meeting of Owners of the Association shall be held within forty-five (45) days after the closing of the sale of the condominium that represents the fifty-first (51st) percentile interest authorized for sale under the first Final Subdivision Public report issued for the Project by the California Commissioner of Real Estate, but in no case later than six (6) months after the closing and recording of the sale of the first condominium. Thereafter, a regular annual meeting of Owners of the Association shall be held once in each year at a time and place within the Project as prescribed in the Bylaws or as selected by the Board. Special meetings may be called as provided for in the Bylaws. Notice of all Owners' meetings, regular or special, shall be given by regular mail, personal delivery or telegram to all Owners and to any mortgagee who has requested in writing that such notice be sent to it and shall be given not less than ten (10) days nor more than ninety (90) days before the time of the meeting and shall set forth the place, date, and hour of the meeting, and the nature of the business to be undertaken. Any mortgagee, through its designated representative, shall be entitled to attend any such meeting but shall not be entitled to vote at the meeting. The presence at any meeting in person or by proxy of Owners entitled to cast at least fifty percent (50%) of the total votes of all Owners of the Association shall constitute a quorum. If any meeting cannot be held because a quorum is not present, Owners representing a majority of the votes present, either in person or by proxy, may adjourn the meeting to a time not less than five (5) days nor more than thirty (30) days from the date the

original meeting was called, at which adjourned meeting the quorum requirement shall be at least twenty-five percent (25%) of the total votes. If a time and place for the adjourned meeting is not fixed by those in attendance at the original meeting or if for any reason a new date is fixed for the adjourned meeting after adjournment, notice of the time and place of the adjourned meeting shall be given to Owners in the manner prescribed for regular meetings. Any meeting of Owners at which a quorum is present may be adjourned for any reason to a time not less than forty-eight (48) hours nor more than thirty (30) days from the time of such meeting by Owners representing a majority of the votes present in person or by proxy.

4.6.2 As long as a majority of the voting power of the Association resides in the Declarant, or as long as there are two outstanding classes of Ownership in the Association, the election of twenty percent (20%) of the directors (the "specially elected directors") shall be determined at a special election held immediately before the regular election of directors (except in the case of the election of a specially elected director following removal, death or resignation of his predecessor). At the duly constituted meeting of Owners, nominations for the specially elected director shall be made from the floor. When nominations have been closed, the special election shall take place. Declarant shall not have the right to participate in or vote in such special election (although Declarant or Declarant's representatives may be present), and the candidates receiving the highest number of votes up to the number of specially elected directors to be elected shall be deemed to be the specially elected directors, and their term shall be the same as that of any other director. Unless Owners (excluding Declarant) holding a majority of all voting rights (excluding any voting rights held by Declarant) assent by vote or written consent, such specially elected directors cannot be removed. In case of the death, resignation, or removal of a specially elected director, his successor shall be elected at a special meeting of Owners, and the provisions set forth in this Section respecting the election of a specially elected director shall apply as to the election of a successor. Except as otherwise provided in this Declaration, the provisions of this Declaration and of the Articles and Bylaws applicable to directors, including their election and removal, shall apply to a specially elected director.

4.7 Financial Statements of the Association.

4.7.1 The Association shall prepare, or cause to be prepared, a balance sheet and operating statement for the Association. The balance sheet shall be rendered as of the last

day of the month closest in time to six (6) months from the date of closing of the first sale of a condominium. The operating statement shall be rendered for the period commencing with the date of closing of the first sale of a condominium and ending on the balance sheet date. Said operating statement shall include a schedule of assessments received or receivable, itemized by unit number and by the name of the person or entity assessed. The balance sheet and operating statement shall be distributed to each Owner within sixty (60) days after the date they are rendered.

4.7.2 The Association shall prepare, or cause to be prepared, for each fiscal year subsequent to the six (6) months accounting period described in Section 4.7.1, an annual report. The annual report shall consist of a balance sheet rendered as of the last day of each fiscal year, an operating statement and statement of changes in financial position rendered for the fiscal year they cover, and any information required to be reported under Section 8322 of the California Corporations Code. The annual report shall be distributed to all Owners within one hundred twenty (120) days after the close of the fiscal year. In any fiscal year in which the gross income of the Association exceeds seventy five thousand dollars (\$75,000.00), the annual report shall be prepared in accordance with generally accepted accounting principles and reviewed in writing by an independent public accountant licensed by the California State Board of Accountancy, a copy of which review shall be included with the annual report distributed to Owners. If not reviewed by an independent public accountant, the report shall be accompanied by the certificate of an authorized officer of the Association that the report was prepared without independent audit or review from the books and records of the Association.

4.7.3 A pro forma operating statement or budget and statement of enforcement policies and practices shall be prepared and distributed in accordance with Section 6.4.1.

4.7.4 Copies of each of the above financial statements for the Association shall be mailed to any mortgagee who has requested their receipt in writing.

4.8 Inspection of Association Books and Records.

4.8.1 Any membership register, books of account and minutes of meetings of the Owners, the Board and committees of the Board of the Association, shall be made available for inspection and copying by any Owner or his duly-appointed representative, or any mortgagee, at any reasonable time and for

a purpose reasonably related to his interest as an Owner, at the office of the Association or at such other place within the Project as the Board prescribes.

4.8.2 The Association shall establish by resolution of the Board reasonable rules with respect to:

4.8.2.1 Notice to be given to the custodian of the records of the Association by the Owner, representative or mortgagee desiring to make an inspection.

4.8.2.2 Hours and days of the week when an inspection may be made.

4.8.2.3 Payment of the cost of reproducing copies of documents requested by an Owner or by a representative or mortgagee.

4.8.3 Every director of the Association shall have the absolute right at any reasonable time to inspect all books, records and documents of the Association and the physical properties owned or controlled by the Association. The right of inspection by a director includes the right to make extracts and copies of documents.

5. MEMBERSHIP AND VOTING RIGHTS

5.1 Membership.

5.1.1 Qualifications. Each Owner including Declarant, shall be a member of the Association. No Owner shall hold more than one membership in the Association even though such Owner may own, or own an interest in, more than one condominium. Ownership of a condominium or interest in it shall be the sole qualification for membership in the Association. Each Owner shall remain a member of the Association until his ownership or ownership interest in all condominiums in the Project ceases at which time his membership in the Association shall automatically cease. Persons or entities who hold an interest in a condominium merely as security for performance of an obligation are not to be regarded as members.

5.1.2 Members' Rights and Duties. As a member, each Owner shall have the rights, duties, and obligations set forth in this Declaration, the Articles, the Bylaws and the Association Rules.

5.1.3 Transfer of Membership. The Association membership of each person or entity who owns, or owns an

interest in, one or more condominiums shall be appurtenant to each such condominium, and shall not be assigned, transferred, pledged, hypothecated, conveyed or alienated in any way except on a transfer of title to each such condominium or interest in it and then only to the transferee. Any attempt to make a prohibited transfer shall be void. Any transfer of title to a condominium or interest in it shall operate automatically to transfer the appurtenant membership rights in the Association to the new Owner.

5.2 Voting.

5.2.1 Number of Votes. The Association shall have two (2) classes of voting membership:

Class A: Class A members are all Owners, with the exception of Declarant. Each Class A member shall be entitled to one (1) vote for each condominium in which he owns an interest. However, when more than one Class A member owns an interest in a condominium, the vote for such condominium shall be exercised as they themselves determine, but in no case shall more than one (1) vote be cast with respect to any one condominium.

Class B: The Class B member shall be the Declarant who shall be entitled to three (3) votes for each condominium owned in any phase of the Project including the first phase which has been annexed to this Declaration and with respect to which either a subsidization plan has been approved by the California Department of Real Estate or assessments are then being levied by the Association. The Class B membership shall cease and be converted to Class A membership on the happening of one of the following events, whichever occurs earlier:

5.2.1.1 When the total votes outstanding in the Class A membership equal the total votes outstanding in the Class B membership; or

5.2.1.2 On the second anniversary of the original issuance of the most-recently-issued final subdivision public report for the Project by the Commissioner of Real Estate of the State of California for a phase of the Project; or

5.2.1.3 On the fourth anniversary of the original issuance of the final subdivision public report for the first phase of the Project.

As long as two classes of members in the Association exist, no action by the Association that must have the prior approval of the Association Owners or members shall be deemed approved by the Owners or members unless approved by the appropriate percentage of both classes of Owner or members, except as provided in Section 4.3.2.7 of this Declaration.

5.2.2 Joint Owner Votes. The voting rights for each condominium may not be cast on a fractional basis. If the joint Owners of a condominium are unable to agree among themselves as to how their voting rights shall be cast, they shall forfeit the vote on the matter in question. If any Owner exercises the voting rights of a particular condominium, it will be conclusively presumed for all purposes that he was acting with the authority and consent of all other Owners of the same condominium. If more than one (1) person or entity exercises the voting rights for a particular condominium, their votes shall not be counted and shall be deemed void.

5.2.3 Cumulative Voting. Election to and removal from the Board shall be by cumulative voting, as defined in California Corporations Code, Section 7615, provided, however, that as to election, an Owner shall be entitled to cumulate his votes for one or more candidates for the Board only if the candidate's name has been placed in nomination prior to voting, and if the Owner has given notice at the meeting prior to the voting of his intention to cumulate votes. If any Owner has given such notice, then all Owners shall have the right to cumulate votes as herein provided. If cumulative voting is elected, each Owner shall be entitled to vote, in person or by proxy, as many votes as such Owner is entitled to exercise as provided in this Declaration multiplied by the number of directors to be elected or removed, and he may cast all of such votes for or against a single candidate or director, or he may distribute them among the number of candidates or directors to be elected or removed, or any two or more of them. The candidates receiving the highest number of votes up to the number of Board members to be elected shall be deemed elected. As to removal, unless the entire Board is removed by a vote of Association members an individual director shall not be removed unless the number of votes in favor of removal satisfies the requirements of California Corporations Code, Section 7222(b)(1). However, the foregoing provisions do not apply to specially elected directors, whose election is governed by Section 4.6.2 hereof.

5.2.4 Voting Procedures. All matters permitted or required under this Declaration to be decided upon the vote of the members or of the Owners may be decided at any annual or

special meeting of the members of the Association (which shall also be deemed to be a meeting of Owners) called, noticed and conducted as provided in the Bylaws, except to the extent that a different procedure is specified in this Declaration.

5.3 Election of Master Association Delegate. The Project, which comprises Delegate District No. 1 of the Master Association, shall be represented at meetings of Delegates of the Master Association by a Delegate. The Delegate shall receive no salary or compensation for services as Delegate, provided that (i) nothing herein shall be construed to preclude any Delegate from serving the Association in some other capacity and receiving compensation therefor, and (ii) any Delegate may be reimbursed for actual expenses incurred in the performance of duties as Delegate. The Delegate and one (1) alternate Delegate, who shall act as Delegate in the absence or unavailability of the primary Delegate, shall be elected at the annual meeting of the Owners and shall serve a term of one (1) year or until a successor has been elected and qualified. Any person serving as Delegate may be re-elected and there shall be no limitation on the number of terms such person may serve. A vacancy in the office of Delegate shall be deemed to exist in case of death, resignation, removal or judicial adjudication of mental incompetence of the primary Delegate, notwithstanding that the alternate Delegate may be available and shall act as Delegate. Any vacancy caused by reason other than removal shall be filled by the vote of the Owners at a meeting of the Owners called for such purpose. The Delegate shall be elected and removed by a majority of a quorum of both classes of the Owners; provided, that in no event shall the Delegate be removed unless the votes cast in favor of such removal equal the lesser of (i) the number of votes which elected such Delegate to his current term, or (ii) a majority of each class of the total voting power of the Association. If a Delegate is so removed by vote of the Owners, the Owners shall elect a new Delegate at the same meeting. The term of office of any Delegate elected to fill a vacancy shall be the balance of the unexpired term of his predecessor. It shall be the duty of the Secretary to give written notice to the Secretary of the Master Association of the election of a Delegate or of a vacancy in the office of Delegate within ten (10) days of such election or vacancy.

6. ASSESSMENTS

6.1 Agreement to Pay. The Declarant, for each condominium owned by it in the Project that is expressly made subject to assessment as set forth in this Declaration, covenants and agrees, and each purchaser of a condominium by his acceptance of a deed covenants and agrees, for each condominium

owned, to pay to the Association regular assessments and special assessments, such assessments to be established, made and collected as provided in this Declaration. Assessments under this Declaration shall be in addition to and independent of any assessments levied by the Master Association under the Master Declaration.

6.2 Personal Obligations. Each assessment or installment, together with any late charge, interest, collection costs and reasonable attorneys' fees, shall be the personal obligation of the person or entity who was an Owner at the time such assessment, or installment became due and payable. If more than one person or entity was the Owner of a condominium, the personal obligation to pay such assessment, or installment respecting such condominium shall be both joint and several. The personal obligation for delinquent assessments, or delinquent installments and other such sums, shall not pass to an Owner's successors in interest unless expressly assumed by them. No Owner may exempt himself from payment of assessments, or installments, by waiver of the use or enjoyment of all or any portion of the Common Area or by waiver of the use or enjoyment of, or by abandonment of, his condominium.

6.3 Purpose of Assessments. The assessments levied by the Association shall be used exclusively to promote the recreation, health, safety, and welfare of the members of the association, the improvement, replacement, repair, operation and maintenance of the Common Area and the performance of the duties of the Association as set forth in this Declaration.

6.4 Types of Assessments.

6.4.1 Regular Assessments; Annual Budget.

6.4.1.1 Not less than ninety (90) days before the beginning of each fiscal year of the Association, the Association shall prepare or cause to be prepared, and distribute to each Owner, a proposed pro forma operating statement or budget for the forthcoming fiscal year. Any Owner or mortgagee may make written comments to the Association with respect to said pro forma operating statement. The pro forma operating statement shall be prepared consistently with the prior fiscal year's operating statement and shall include adequate reserves for contingencies and for deferred maintenance, repair, replacement or additions to major components of the Common Area improvements and other improvements, facilities or personal property for which the Association is responsible, which reserves shall be sufficient to satisfy the requirements of any institutional mortgagee. The

pro forma operating statement shall include an estimate of all revenue and expenses for the forthcoming fiscal year prepared on an accrual basis and a statement of the reserves of the Association, which shall include (i) the amount of the total cash reserves of the Association currently available for the purposes described above, (ii) an itemized estimate of the remaining life of, and the methods of funding to defray, any such deferred maintenance, repair, replacement or additions, and (iii) a general statement setting forth the procedures used by the Association in the calculation and establishment of such reserves.

6.4.1.2 Not more than sixty (60) days nor less than forty-five (45) days before the beginning of each fiscal year of the Association, the Board shall meet for the purpose of establishing the regular annual assessment for the forthcoming fiscal year. At such meeting the Board shall review the proposed pro forma operating statement or budget, and written comments received and any other information available to it and, after making any adjustments that the Board deems appropriate, without a vote of the Owners, shall establish the regular assessment for the forthcoming fiscal year; provided, however, that the Board may not establish a regular assessment for any fiscal year of the Association which is more than one hundred twenty percent (120%) of the regular assessment of the prior fiscal year of the Association (except the first such fiscal year of the Association if it should be less than twelve [12] months) without the approval by vote or written consent of (i) Owners holding fifty-one (51%) percent of the voting rights of each class of members, if two classes exist, or (ii) Owners holding fifty-one (51%) percent of the voting rights of all members and fifty-one (51%) percent of the voting rights of Owners other than Declarant, if only one class exists. Not less than forty-five (45) days nor more than sixty (60) days before the beginning of each fiscal year of the Association, the Association shall distribute to each Owner a final copy of the pro forma operating statement or budget for the forthcoming fiscal year, together with a statement of the Association's policies and practices in enforcing its remedies against Owners for defaults in the payment of regular and special assessments, including the recording and foreclosing of liens against Owners' condominiums.

6.4.1.3 Unless the Association or its assessment income shall be exempt from federal or state income taxes, to the extent possible, all reserves shall be accounted for and handled as contributions to the capital of the Association and as trust funds segregated from the regular income of the Association or in such other manner authorized by law or regulations

of the Internal Revenue Service and the California Franchise Tax Board as will prevent such funds from being taxed as income of the Association.

6.4.2 Special Assessments. If the Board determines that the estimated total amount of funds necessary to defray the common expenses of the Association for a given fiscal year is or will become inadequate to meet expenses for any reason, including, but not limited to, unanticipated delinquencies, costs of construction, unexpected repairs or replacements of capital improvements on the Common Area, the Board shall determine the approximate amount necessary to defray such expenses, and if the amount is approved by a majority vote of the Board it shall become a special assessment. The Association may, in the discretion of the Board, pro rate such special assessment over the remaining months of the fiscal year or levy the assessment immediately against each condominium. As used herein the term "special assessments" shall not include charges to or obligations of an Owner or group of Owners incurred as a result of action by the Association to bring the Owner or group of Owners or their condominiums into compliance with the provisions of the Master Declaration, this Declaration, the Articles, the By Laws or the Association Rules, but such term shall include assessments levied pursuant to Section 9 (for repair or reconstruction). Unless exempt from federal or state income taxation, all proceeds from any special assessment shall be segregated and deposited into a special account and shall be used solely for the purpose or purposes for which it was levied or it shall be otherwise handled and used in a manner authorized by law or regulations of the Internal Revenue Service or the California Franchise Tax Board in order to avoid, if possible, its taxation as income of the Association.

6.4.3 Limitation Respecting Special Assessments. The foregoing notwithstanding, except for special assessments levied pursuant to Section 9 (for repair or reconstruction), any special assessment which, singly or in the aggregate with previous special assessments for the fiscal year in which such special assessment is levied, would amount in excess of five percent (5%) of the budgeted gross expense of the Association for the fiscal year, shall require approval by vote or written consent of (i) Owners holding fifty-one percent (51%) of the voting rights of each class of members, if two classes exist, or (ii) Owners holding fifty-one percent (51%) of the voting rights of all members and fifty-one percent (51%) of the voting rights of members other than Declaration, if only one class exists.

6.5 Rate of Assessments. Regular and special assessments must be fixed at a uniform rate for all

condominiums, and regular and special assessments shall be determined by dividing the total amount to be assessed by the aggregate number of condominiums then subject to assessment.

6.6 Assessment Period. The regular assessment period shall commence on January 1 of each year and shall terminate on December 31 of such year, and regular assessments shall be payable in equal monthly installments unless the Association adopts some other basis for collection. However, the initial regular assessment period as to condominiums in the first phase of the Project shall commence on the first day of the calendar month following the date on which the sale of the first condominium to a purchaser is closed and recorded and shall terminate on December 31 of the year in which the initial sale is closed and recorded. The initial regular assessment period shall commence as to all condominiums in any annexed phase of the Project on the first day of the calendar month following the date on which the sale of the first condominium in that phase is closed and recorded. The first regular assessment and all special assessments shall be adjusted according to the number of months remaining in the fiscal year and shall be payable in equal monthly installments unless the Association adopts some other basis for collection.

6.7 Notice and Assessment Installment Due Dates. A single ten (10) day prior written notice of each annual regular assessment and each special assessment shall be given to any Owner of every condominium subject to assessment in which the due dates for the payments of installments shall be specified. The due dates for the payment of installments normally shall be the first day of each month unless some other due date is established by the Association. Each installment of regular assessments and special assessments shall become delinquent if not paid within thirty (30) days after its due date. There shall accrue with each delinquent installment a late charge equal to the maximum amount permitted under California Civil Code, section 1725 (or under any successor provision of California law which limits the amount of such late charges) unless the Association by resolution of the Board establishes a lesser late charge.

6.8 Estoppel Certificate. The Board or manager, on not less than twenty (20) days prior written request, shall execute, acknowledge and deliver to the party making such request a statement in writing stating whether or not to the knowledge of the Association, a particular Owner, including Declarant, is in default as to his condominium under the provisions of this Declaration and further stating the dates to which installments of assessments, regular or special, have been

paid as to such condominium. Any such certificate may be relied on by any prospective purchaser or mortgagee of the condominium, but reliance on such certificate may not extend to any default not involving the payment of assessments of which the signer had no actual knowledge.

6.9 Capital Contributions. If required by the Veterans Administration as a condition of approval of the Project, upon conveyance of a condominium by Declarant to each Owner, each Owner shall contribute to the capital of the Association an amount equal to two (2) months installments of the then current regular assessment.

7. COLLECTION OF ASSESSMENTS: LIENS

7.1 Right to Enforce. The right to collect and enforce assessments is vested in the Association. The Association or its authorized representative, including any manager, can enforce the obligations of the Owners to pay assessments provided for in this Declaration by commencement and maintenance of a suit at law or in equity, or the Association may foreclose by judicial proceedings or through the exercise of the power of sale pursuant to Section 7.2, to enforce the lien rights created. Suit to recover a money judgment for unpaid assessments together with all other amounts described in Section 6.2 shall be maintainable without foreclosing or waiving the lien rights.

7.2 Creation of Lien. If there is a delinquency in the payment of any assessment, or installment on a condominium, as described in Section 6.7, any amounts that are delinquent, together with the late charge and interest described in that section, and all costs that are incurred by the Association or its authorized representative in the collection of the amounts, including reasonable attorneys' fees, shall be a lien against that condominium upon the recordation in the office of the County Recorder of the County of a notice of assessment as provided in California Civil Code, Section 1356. The notice of assessment shall not be recorded unless and until the Association or its authorized representative has delivered to the delinquent Owner or Owners, not less than fifteen (15) days before the recordation of the notice of assessment, a written notice of default and a demand for payment, and unless the delinquency has not been cured within said fifteen (15) day period. The lien shall expire and be void unless, within one (1) year after recordation of the notice of assessment, the Association or its authorized representative either records a notice of default as provided hereinafter or institutes judicial foreclosure proceedings with respect to the lien, or extends the

lien for one (1) year as provided by California Civil Code Section 1356.

7.3 Notice of Default; Foreclosure. Not more than one (1) year nor less than fifteen (15) days after the recording of the notice of assessment, the Association or its authorized representative can record a notice of default and can cause the condominium with respect to which a notice of default has been recorded to be sold in the same manner as a sale is conducted under California Civil Code, Sections 2924, et. seq., or through judicial foreclosure. However, as a condition precedent to the holding of any such sale under Section 2924c appropriate publication shall be made. In connection with any sale under Section 2924c the Association is authorized to appoint its attorney, any officer or director, or any title insurance company authorized to do business in California as trustee for purposes of conducting the sale. If a delinquency is cured before sale, or before completing a judicial foreclosure, the Association or its authorized representative shall cause to be recorded in the office of the County Recorder of the County a certificate setting forth the satisfaction of such claim and release of such lien upon payment of actual expenses incurred, including reasonable attorneys fees. The Association, acting on behalf of the Owners, shall have the power to bid upon the condominium at foreclosure sale and to acquire, hold, lease, mortgage and convey the condominium.

7.4 Waiver of Exemptions. Each Owner, to the extent permitted by law, waives, to the extent of any liens created pursuant to this Section 7, the benefit of any homestead or exemption laws of California in effect at the time any assessment, or installment, becomes delinquent or any lien is imposed.

8. INSURANCE

8.1 Liability Insurance. The Association shall obtain and maintain comprehensive public liability insurance insuring the Association, any manager, the Declarant and the Owners and occupants of condominiums, and their respective family members, guests, invitees, and the agents and employees of each, against any liability incident to the ownership or use of the Common Area or any other Association maintained real property and, if obtainable, against ownership or use of units. Such insurance shall include, if obtainable, a cross-liability or severability of interest endorsement insuring each insured against liability to each other insured. The limits of such insurance shall not be less than \$1,000,000 covering all claims for death, personal injury and property damage arising out of a single occurrence. Such insurance shall include coverage

against water damage liability, liability for non-owned and hired automobiles, liability for property of others and any other liability or risk customarily covered with respect to projects similar in construction, location, and use.

8.2 Fire and Extended Coverage Insurance. The Association also shall obtain and maintain a master or blanket policy of fire insurance for the full insurable value of all of the improvements within the Project. The form, content, and term of the policy and its endorsements and the issuing company must be satisfactory to all institutional first mortgagees. If more than one institutional first mortgagee has a loan of record against a condominium in the Project, the policy and endorsements shall meet the maximum standards of the various institutional first mortgagees represented in the Project. The policy shall contain an agreed amount endorsement or its equivalent, an increased cost of construction endorsement or a contingent liability from operation of building laws endorsement or their equivalent, an extended coverage endorsement, vandalism, malicious mischief coverage, a special form endorsement and a determinable cash adjustment clause or a similar clause to permit cash settlement covering full value of the improvements in case of partial destruction and a decision not to rebuild. The policy shall provide amounts of coverage as shall be determined by the Association. The policy shall name as insured the Association, the Owners and Declarant, as long as Declarant is the Owner of any condominium, and all mortgagees as their respective interests may appear, and may contain a loss payable endorsement in favor of the trustee described in Section 8.4.

8.3 Individual Fire Insurance Limited. Except as provided in this Section, no Owner shall separately insure his unit against loss by fire or other casualty covered by any insurance carried under Section 8.2. If any Owner violates this provision, any diminution in insurance proceeds otherwise payable under policies described in Section 8.2 that results from the existence of such other insurance will be chargeable to the Owner who acquired other insurance, and such Owner will be liable to the Association to the extent of any such diminution. Any improvements made by an Owner within his unit may be separately insured by the Owner, but the insurance is to be limited to the type and nature of coverage commonly known as "tenant's improvements." All such insurance that is individually carried must contain a waiver of subrogation rights by the carrier as to other Owners, the Association, Declarant and institutional first mortgagee of such condominium.

8.4 Trustee. All fire and casualty insurance proceeds payable under Section 8.2, subject to the rights of mortgagees under Section 8.8, may be paid to a trustee, to be held and expended for the benefit of the Owners, mortgagees and others, as their respective interests shall appear. Said trustee shall be a commercial bank in the County that agrees in writing to accept such trust. If repair or reconstruction is authorized, the Association shall have the duty to contract for such work as provided for in this Declaration.

8.5 Other Insurance. The Association may and, if required by any institutional first mortgagee, shall purchase and maintain demolition insurance in adequate amounts to cover demolition in case of total or partial destruction of the development and a decision not to rebuild, and a blanket policy of flood insurance. The Association also shall purchase and maintain worker's compensation insurance, to the extent that it is required by law, for all employees or uninsured contractors of the Association. The Association also shall purchase and maintain fidelity bonds or insurance covering members of the Board, officers and employees of the Association and employees of any manager, whether or not such persons are compensated for such services, naming the Association as obligee or as insured, which shall be in an amount not less than 150% of each year's estimated annual operating expenses and accumulated reserves and which shall be sufficient to meet the requirements of any institutional first mortgagee. The Association shall purchase and maintain such insurance on personal property owned by the Association, and any other insurance, that it deems necessary or that is required by any institutional first mortgagee.

8.6 Owner's Liability and Personal Property Insurance. An Owner may carry whatever personal injury liability, property damage liability and personal property casualty insurance with respect to his condominium that he desires. However, any such policy shall include a waiver of subrogation clause acceptable to the Association and to any institutional first mortgagee.

8.7 Adjustment of Losses. Subject to the provisions of Section 14.18, the Association is appointed attorney-in-fact by each Owner to negotiate and agree on the value and extent of any loss under any policy carried pursuant to Section 8.1, 8.2 and 8.5. The Association is granted full right and authority to compromise and settle any claim or enforce any claim by legal action or otherwise and to execute releases in favor of any insurer.

8.8 Distribution to Mortgagees. Subject to the provisions of Section 14.4 hereof, any mortgagee has the option to apply insurance proceeds payable thereunder in reduction of the obligation secured by the mortgage of such mortgagee.

8.9 Officer and Director Insurance. Upon and in the event of the determination by the Board to purchase such insurance, the Association shall purchase and maintain insurance in an amount up to Five Hundred Thousand Dollars (\$500,000) on behalf of any director, officer, or member of a committee of the Association (collectively the "agents") against any liability asserted against or incurred by the agent in such capacity or arising out of the agent's status as such, whether or not the Association would have the power to indemnify the agent against such liability under applicable law.

9. DESTRUCTION OF IMPROVEMENTS.

9.1 Destruction; Proceeds Exceed 85% of Reconstruction Costs. If there is a total or partial destruction of any of the improvements in the Project, and if the available proceeds of the insurance carried pursuant to Section 8 are sufficient to cover not less than eighty-five percent (85%) of the costs of repair and reconstruction, the improvements shall be promptly rebuilt unless, within ninety (90) days from the date of destruction, members then holding at least seventy-five percent (75%) of the total voting power of each class of members present and entitled to vote, in person or by proxy, at a duly constituted meeting, determine that repair and reconstruction shall not take place. If repair and reconstruction is to take place, the Association shall be required to execute, acknowledge and record in the office of the County Recorder of the County not later than one hundred twenty (120) days from the date of destruction, a certificate declaring the intention of the members to rebuild.

9.2 Destruction; Proceeds Less than 85% of Reconstruction Costs. If the proceeds of insurance carried pursuant to Section 8 are less than eighty-five percent (85%) of the costs of repair and reconstruction, repair and reconstruction shall take place unless, within ninety (90) days from the date of destruction, members then holding at least sixty-six and two-thirds percent (66 2/3%) of the total voting power of each class of members present and entitled to vote, in person or by proxy, at a duly constituted meeting, determine that repair and reconstruction shall not take place. If repair and reconstruction is to take place, the Association shall execute, acknowledge and record in the office of the County Recorder of the County not later than one hundred twenty (120) days from the

date of destruction a certificate declaring the intention of the members to rebuild.

9.3 Rebuilding Procedures. If the members determine to rebuild, pursuant to Sections 9.1 or 9.2, each Owner shall be obligated to contribute his proportionate share of the cost of repair or reconstruction over and above the available insurance proceeds. The proportionate share of each Owner shall be based upon the ratio that the square footage of the residential living area of his unit bears to the total square footage of the residential living area of all units. If any Owner fails or refuses to pay his proportionate share, the Association may levy a special assessment against the condominium of such Owner which may be enforced under the lien provisions contained in Section 7 or in any other manner provided in this Declaration.

9.4 Rebuilding Contract. If the members determine to rebuild, the Association or its authorized representative shall obtain bids from at least two reputable contractors and shall award the repair and reconstruction work to the lowest bidder. The Association shall have the authority to enter into a written contract with the contractor for the repair and reconstruction, and the insurance proceeds held by the trustee shall be disbursed to the contractor according to the terms of the contract. It shall be the obligation of the Association to take all steps necessary to assure the commencement and completion of authorized repair and reconstruction at the earliest possible date.

9.5 Rebuilding Not Authorized. If the members determine not to rebuild, then any insurance proceeds then available for rebuilding shall be used or distributed as follows:

9.5.1 Purchase by Association.

9.5.1.1 If, prior to the expiration of one hundred twenty (120) days from the date of destruction, seventy-five percent (75%) of all Owners and institutional first mortgagees with mortgages encumbering condominiums in the Project consent by vote or in writing, the Board acting on behalf of the Association shall have the right to purchase the condominiums of which residential improvements were rendered uninhabitable by such damage or destruction at the fair market value thereof immediately prior to the damage or destruction (as determined pursuant to Section 9.7), using the available proceeds of insurance for such purpose. The Board's decision as to whether or not a unit's residential improvements are uninhabitable shall be final and binding on all parties. Any

payment of the purchase price shall be made jointly to the selling Owner and all mortgagees of his condominium and each Owner by accepting a deed to a condominium agrees to be bound by these provisions and to sell and to convey his condominium by grant deed to the Association as provided herein. Concurrently with such purchase, the Association, acting as attorney-in-fact of all Owners (subject to the provisions of Section 14.18) shall amend the condominium plan, the Tract Map (if necessary) and this Declaration to eliminate from the Project the condominiums so purchased and to adjust the undivided ownership interest of the remaining Owners to reflect the reduced number of condominiums in the Project and the Association shall convey to each remaining Owner a proportionate share of the undivided interests in the Common Area represented by the condominiums purchased, which proportion shall be in the ratio that each remaining Owner's undivided interest in the Common Area bears to all remaining Owners' undivided interest in the Common Area.

9.5.1.2 Notwithstanding the determination not to rebuild pursuant to Sections 9.1 or 9.2, any residential improvements which are not rendered uninhabitable shall be repaired and reconstructed to a condition as near as possible to their condition immediately before such damage or destruction. Such repair and reconstruction shall be paid for, first, from the insurance proceeds remaining after the purchase of condominiums pursuant to Section 9.5.1.1, if any, and, second, from a special assessment levied against all remaining Owners in the Project in the manner described in Section 9.3 (but without the consent or approval of members, despite any contrary provisions in the Declaration).

9.5.2 Procedure if Purchase Not Authorized. If the required seventy-five percent (75%) of all Owners and institutional first mortgagees do not consent to purchase of the condominiums of which residential improvements were rendered uninhabitable, the proceeds of insurance shall be apportioned among all Owners, and their respective mortgagees, in proportion to the relative fair market values of their condominiums determined pursuant to Section 9.7. The Association shall have the duty, within one hundred twenty (120) days from the date of destruction, to execute, acknowledge and record in the office of the County Recorder of the County, a certificate declaring the intention of the members not to rebuild. On recordation of the certificate, the right of any Owner to partition through legal action as described in Section 11 shall revive immediately.

9.6 Minor Repair and Reconstruction. The Association shall have the duty to repair and reconstruct improvements, without the consent of members and irrespective of the amount of available insurance proceeds, in all cases of partial destruction when the estimated cost of repair and reconstruction does not exceed Two Thousand Dollars (\$2,000) in the case of improvements within a unit and Twenty Thousand Dollars (\$20,000) in the case of Common Area improvements. The Association is expressly empowered to levy a special assessment for the cost of repairing and reconstructing improvements to the extent insurance proceeds are unavailable, such assessment to be levied as described in Section 9.3 (but without the consent or approval of members, despite any contrary provisions in this Declaration).

9.7 Fair Market Value. Wherever in this Section 9 reference is made to a determination of the relative fair market value of one or more condominiums, it shall mean the relative fair market value of each such condominium as of a date immediately prior to any damage or destruction as determined by an appraisal by an independent appraiser selected by the Association, who shall be a member of the Society of Real Estate Appraisers or other nationally recognized appraiser organization and who shall apply its or such other organization's standards in determining the relative fair market value of each such condominium. The cost of such appraisal shall be paid from the insurance proceeds.

10. CONDEMNATION

10.1 Sale by Unanimous Consent or Taking. If an action for condemnation of all or a portion of the Project is proposed or threatened by any governmental agency having the right of eminent domain, then, on unanimous written consent of all of the Owners and all institutional mortgagees, the Project, or a portion of it may be sold and conveyed to the condemning authority by the Association or its designees acting as the attorney-in-fact of all Owners (subject to the provisions of Section 14.18) under an irrevocable power of attorney, which each Owner by accepting a deed to a condominium in the Project hereby grants and which shall be coupled with the interest of all other Owners, for a price deemed fair and equitable by the Board. If the requisite number of Owners or institutional mortgagees do not consent to a sale of all or a portion of the Project, and the condemning authority institutes condemnation proceedings, the court shall fix and determine the condemnation award.

10.2 Distribution of Sale Proceeds or
Condemnation Award.

10.2.1 Total Sale or Taking. In the event of a total sale or taking of the Project, meaning a sale or taking (i) that renders more than fifty percent (50%) of the residential improvements within the units uninhabitable (such determination to be made by the Board in the case of a sale and by the court in the case of a taking) or (ii) that renders the Project as a whole uneconomic as determined by the vote or written consent of sixty six and two-thirds percent (66 2/3%) of those Owners and their respective institutional mortgagees whose unit residential improvements will remain habitable after the taking; the right of any Owner to partition through legal action as described in Section 11 shall revive immediately. However, any determination that a sale or taking is total must be made before the proceeds from any sale or award are distributed. The proceeds of any such total sale or taking of the Project, together with the proceeds of any sale pursuant to a partition action, after payment of all expenses relating to the sale, taking or partition action, shall be paid to all Owners and to their respective mortgagees in the proportion that the fair market value of each condominium bears to the fair market value of all condominiums in the Project. The fair market value of condominiums shall be determined pursuant to Section 10.3.

10.2.2 Partial Sale or Taking. In the event of a partial sale or taking of the Project, meaning a sale or taking that is not a total taking as described in Section 10.2.1, the proceeds from the sale or taking shall be paid or applied in the following order of priority and any judgment of condemnation shall include the following provisions as part of its terms:

10.2.2.1 To the payment of expenses of the Association in effecting the sale or to any prevailing party in any condemnation action to whom such expenses are awarded by the Court to be paid from the amount awarded; then

10.2.2.2 To Owners and to their respective mortgagees, as their interests may appear, of condominiums in the Project whose units have been sold or taken, an amount up to the aggregate fair market value of each such condominium as determined pursuant to Section 10.3, less such Owners' share of expenses paid pursuant to section 10.2.2.1 (which share shall be in proportion to each Owner's undivided interest in the Common Area). After such payment, the recipient shall no longer be deemed an Owner and the Association or individuals authorized by the Association, acting as attorney-in-fact of all Owners (subject to the provisions of Section 14.18) shall amend the

condominium plan, the Tract Map (if necessary) and this Declaration to eliminate from the Project the condominiums so sold or taken and to adjust the undivided ownership interest of the remaining Owners in the Common Area based upon the ratio that each remaining Owners undivided interest bears to all the remaining Owners' undivided interest in the Common Area; then

10.2.2.3 To any remaining Owner and to his mortgagees, as their interest may appear, whose condominium has been diminished in fair market value as a result of the sale or taking disproportionate to any diminution in fair market value of all condominiums, as determined pursuant to Section 10.3, but as of a date immediately after any announcement of condemnation, an amount up to the total diminution in value; then

10.2.2.4 To all remaining Owners and to their respective mortgagees, as their interest may appear, the balance of the sale proceeds or award in proportion to the ratio that the fair market value of each remaining Owner's condominium bears to the fair market value of all remaining Owners' condominiums as determined pursuant to Section 10.3.

10.3 Fair Market Value. Wherever in this Section 10 reference is made to a determination of the relative fair market value of one or more condominiums, it shall mean the relative fair market value of each such condominium as of a date immediately prior to any announcement of condemnation as determined by an appraisal by an independent appraiser selected by the Association, who shall be a member of the Society of Real Estate Appraisers or other nationally recognized appraiser organization and who shall apply its or such other organization's standards in determining the value or fair market value of each such condominium. The cost of such appraisal shall be paid from the sale proceeds.

11. PARTITION.

11.1 Suspension. Except as expressly provided herein, an Owner shall have no right to partition or divide his ownership of the Common Area. Partition of the Common Area can be had on a showing that the conditions to such partition as stated in Section 9.5.2 (relating to damage or destruction) or in Section 10.2.1 (relating to condemnation) or in Civil Code, Section 1354(b) have been met. Nothing in this Declaration shall prevent partition of a cotenancy in a condominium.

11.2 Distribution of Proceeds. Proceeds or property resulting from a partition shall be distributed to and among the respective Owners and their mortgagees, as their interests may

appear, in proportion to the ratio that the fair market value of each Owner's condominium bears to the fair market value of all Owners' condominiums determined as provided in Section 10.3, but as of a date immediately prior to the event giving rise to the right of Owners to partition the Common Area.

11.3 Power of Attorney. Pursuant to California Civil Code, Section 1355(b)(9), each of the Owners hereby irrevocably appoints the Association as attorney in fact and irrevocably grants to the Association full power in the name and stead of such Owner to sell the entire Project, and to execute deeds and conveyances thereto, in one or more transactions, for the benefit of all Owners when partition of the Project may be had under Section 1354 of the Civil Code and under the circumstances authorizing partition under this Declaration. Said power of attorney shall (i) be binding upon all Owners, whether they assume the obligations under this Declaration or not; (ii) be exercisable by a majority of the Board acting on behalf of the Association, subject to obtaining the prior approval by vote or written consent of 75% of the Owners and 75% of all institutional first mortgagees; and (iii) be exercisable only after recordation with the County recorder of a certificate executed by those who have power to exercise said power of attorney that said power of attorney is properly exercisable under said Section 1355(b)(9) of the Civil Code, which certificate shall be conclusive evidence of proper exercise in favor of any person relying thereon in good faith.

12. NON-SEVERABILITY OF COMPONENT INTERESTS IN A CONDOMINIUM

12.1 Prohibition Against Severance. An Owner shall not be entitled to sever his unit in any condominium from his membership in the Association, and shall not be entitled to sever his unit and his membership from his undivided interest in the Common Area for any purpose. None of the component interests in a condominium can be severally sold, conveyed, encumbered, hypothecated or otherwise dealt with, and any violation or attempted violation of this provision shall be void. Similarly, no Owner can sever any easement appurtenant to his unit over the Common Area from his condominium, and any attempt to do so shall be void. The suspension of such right of severability will not extend beyond the period set forth in Section 11 respecting the suspension of partition. It is intended hereby to restrict severability pursuant to California Civil Code, Section 1355(g).

12.2 Conveyances. After the initial sales of the condominiums, any conveyance of a condominium by an Owner shall

be presumed to convey the entire condominium. However, nothing contained in this section shall preclude the Owner of any condominium from creating a cotenancy or joint tenancy in the ownership of the condominium with any other person or persons.

13. TERM OF DECLARATION

This Declaration shall continue in full force and effect until the Project is partitioned as authorized in Section 11 hereof, or until this Declaration is revoked pursuant to Section 15, hereof.

14. PROTECTION OF MORTGAGEES

14.1 Mortgage Permitted. Any Owner may encumber his condominium with a mortgage.

14.2 Subordination. Any lien created or claimed under the provisions of this Declaration is expressly made subject and subordinate to the rights of any first mortgage that encumbers all or a portion of the Project, or any condominium, made in good faith and for value, and no such lien shall in any way defeat, invalidate, or impair the obligation or priority of such mortgage unless the mortgagee expressly subordinates his interest, in writing, to such lien. If any condominium is encumbered by a first mortgage made in good faith and for value, the foreclosure of any lien created by any provision set forth in this Declaration for assessments, or installments of assessments, shall not operate to affect or impair the lien of the mortgage. On foreclosure of the mortgage, the lien for assessments, or installments, that has accrued up to the time of foreclosure shall be subordinate to the lien of the mortgage, with the foreclosure-purchaser taking title to the condominium free of the lien for assessments, or installments, that has accrued up to the time of the foreclosure sale. On taking title to the condominium the foreclosure-purchaser shall only be obligated to pay assessments or other charges levied or assessed by the Association after the foreclosure-purchaser acquired title to the condominium. The subsequently levied assessments or other charges may include previously unpaid assessments provided all Owners, including the foreclosure-purchaser, and his successors and assigns are required to pay their proportionate share as provided in this Section.

14.3 Amendment or Revocation. In addition to the requirements of Section 15 and unless a greater percentage is expressly required by this Declaration, the Articles, the Bylaws or by law, the written consent (or deemed consent as provided hereinafter) of the holders of at least fifty-one percent (51%)

of first mortgages of condominiums shall be required to add or amend any material provisions of the Declaration, the Articles, the Bylaws, the Condominium Plan or the Tract Map, which establish, provide for, govern or regulate any of the following:

- 14.3.1 Voting;
- 14.3.2 Assessments, collection of assessments, assessment liens or subordination of such liens;
- 14.3.3 Reserves for maintenance, repair and replacement of Common Area or improvements thereon;
- 14.3.4 Casualty and liability insurance or fidelity bonds;
- 14.3.5 Rights to use the Common Area;
- 14.3.6 Responsibility for maintenance and repair of condominiums and Common Area and the improvements thereon;
- 14.3.7 Expansion or contraction of the Project or the addition, annexation or withdrawal of real property to or from the Project;
- 14.3.8 Boundaries of any condominium;
- 14.3.9 The interest or rights of the Association or Owners in and to the Common Area;
- 14.3.10 The convertibility of condominiums into Common Area or of Common Area into condominiums;
- 14.3.11 The leasing of condominiums;
- 14.3.12 Imposition of any right of first refusal or similar restriction on the right of an Owner to sell, transfer or otherwise convey his or her condominium; or
- 14.3.13 Any provisions which are for the express benefit of first mortgagees or insurers or governmental guarantors of first mortgages.

For purposes of this Section, an addition or amendment shall not be considered material if it is for the purpose of correcting technical errors, or for clarification only. Any first mortgagee who receives a written request to consent to additions

or amendments requiring consent under this Section who does not deliver or post to the requesting party a negative response within thirty (30) days after such receipt shall be deemed to have consented to such request.

14.4 Restrictions on Certain Changes. Unless the holders of at least sixty-seven percent (67%) of first mortgages of condominiums have given their prior written approval, neither the Association nor the Owners shall be entitled:

14.4.1 By act or omission to seek to abandon or terminate the condominium Project, except for abandonment provided by statute in case of substantial loss to the units and Common Area;

14.4.2 To change the method of determining the obligations, assessments, dues or other charges which may be levied against an Owner, or except as provided in Section 6.5.3. to change the pro rata interest or obligations of any condominium for purposes of levying assessments or charges or allocating distributions of hazard insurance proceeds or condemnation awards or for determining the pro rata share of ownership of each Owner in the Common Area;

14.4.3 To partition or subdivide any unit;

14.4.4 By act or omission to seek to abandon, partition, subdivide, encumber, sell or transfer the Common Area. The granting of easements for public utilities or for other public purposes consistent with the intended use of the Common Area by the Association or the Owners shall not be deemed to be a transfer within the meaning of this clause;

14.4.5 To use hazard insurance proceeds for losses to units or Common Area improvements in the development or to any other Association owned real property, for other than the repair, replacement or reconstruction of such improvements or property;

14.4.6 By act or omission to change, waive or abandon the provisions of this Declaration, or the enforcement thereof, pertaining to architectural design or control of the exterior appearance of structures in the development, the maintenance of the Common Area, walks or fences and driveways, or the upkeep of lawns and plantings in the development.

14.4.7 To fail to maintain fire and extended coverage insurance on insurable Association property, including any Association owned Common Area improvements, on a current

85-329410

replacement cost basis in an amount not less than one hundred percent (100%) of the insurable value (based on current replacement cost).

14.5 Right to Examine Books and Records. Institutional first mortgagees can examine the books and records of the Association or the Project and can require the submission of financial data concerning the Association or the Project, including annual audit reports and operating statements as furnished to the Owners.

14.6 Distribution of Insurance and Condemnation Proceeds. No Owner, or any other party, shall have priority over any right of institutional first mortgagees of condominiums pursuant to their mortgages in case of a distribution to Owners of insurance proceeds or condemnation awards for losses to or a taking of units or Common Area. Any provision to the contrary in this Declaration or in the Bylaws or other documents relating to the Project is to such extent void. All applicable fire and all physical loss or extended coverage insurance policies shall contain loss payable clauses acceptable to the affected institutional first mortgagees naming the mortgagees, as their interests may appear.

14.7 Amenities. All amenities (such as parking and service areas) and Common Area shall be available for use by Owners and all such amenities with respect to which regular or special assessments for maintenance or other uses may be levied shall constitute Common Area. All such amenities shall be owned (i) in fee by the Owners in undivided interests or (ii) by the Association free of encumbrances except for any easements granted for public utilities or for other public purposes consistent with the intended use of such property by the Owners or by the Association.

14.8 Notices to Mortgagees of Record. If any Owner is in default under any provision of this Declaration or under any provision of the Bylaws or the Association Rules, which default is not cured within thirty (30) days after written notice to that Owner, the Association shall give to the mortgagee of record of such Owner written notice of such default and of the fact that said thirty (30) day period has expired.

14.9 Payments by Mortgagees. Mortgagees of condominiums may, jointly or singularly, pay taxes or other charges which are in default and which may or have become a charge against the Common Area and may pay overdue premiums on hazard insurance policies, or secure new hazard insurance coverage on the lapse of a policy, covering any Common Area improvements or

other insured property of the Association and, upon making any such payments, such mortgagees shall be owed immediate reimbursement therefor from the Association. This provision shall constitute an agreement by the Association for the express benefit of all mortgagees and upon request of any mortgagee the Association shall execute and deliver to such mortgagee a separate written agreement embodying the provisions of this Section 14.9.

14.10 Effect of Breach. No breach of any provision of this Declaration shall invalidate the lien of any mortgage in good faith and for value, but all of the covenants, conditions and restrictions shall be binding on any Owner whose title is derived through foreclosure sale, trustee's sale, or otherwise.

14.11 Non-Curable Breach. Any mortgagee who acquires title to a condominium by foreclosure or by deed in lieu of foreclosure or assignment-in-lieu of foreclosure shall not be obligated to cure any breach of this Declaration that is non-curable or of a type that is not practical or feasible to cure.

14.12 Loan to Facilitate. Any first mortgage given to secure a loan to facilitate the resale of a condominium after acquisition by foreclosure or by a deed-in-lieu of foreclosure or by an assignment-in-lieu of foreclosure shall be deemed to be a loan made in good faith and for value and entitled to all of the rights and protections of this Section 14.

14.13 Appearance at Meetings. Because of its financial interest in the Project, any mortgagee may appear (but cannot vote) at meetings of the members and the Board to draw attention to violations of this Declaration that have not been corrected or made the subject of remedial proceedings or assessments.

14.14 Right to Furnish Information. Any mortgagee can furnish information to the Board concerning the status of any mortgage.

14.15 Inapplicability of Right of First Refusal to Mortgagee. No right of first refusal or similar restriction on the right of an Owner to sell, transfer or otherwise convey the Owner's condominium shall be granted to the Association without the written consent of any mortgagee of the condominium. Any right of first refusal or option to purchase a unit that may be granted to the Association (or other person, firm or entity) shall not apply to any conveyance or transfer of title to such condominium, whether voluntary or involuntary, to a mortgagee which acquires title to or ownership of the unit pursuant to the

remedies provided in its mortgage or by reason of foreclosure of the mortgage or deed or assignment in lieu of foreclosure.

14.16 Contracts with Declarant and Managers. Any agreement between the Association and Declarant pursuant to which the Declarant agrees to provide services, and any agreement for professional management by a manager shall provide for termination by either party without cause or payment of a termination fee on thirty (30) days written notice and shall have a maximum contract term of one (1) year; provided that the Board can renew any such contract on a year-to-year basis. If the Project is professionally maintained or managed, the Board shall not terminate professional management and assume self-management without the consent of sixty-seven percent (67%) of the voting rights of each class of members, or of all members if only one class exists, and of fifty-one percent (51%) of first mortgagees.

14.17 Veterans Administration Approval. So long as there is Class B membership, the following actions require prior approval of the Veterans Administration: annexation of additional properties; dedication, mortgage or sale of Common Area; special assessments; and amendment of the Declaration. In addition, the right of the Association under Sections 8.7, 9.5.1, 10.1 and 10.2.2.2 to act as attorney-in-fact on behalf of any Owner whose condominium is encumbered by a mortgage guaranteed by the Veterans Administration is expressly made subject to the Association first obtaining the prior written approval of the Veterans Administration to the action to be taken or document to be executed by the Association as such attorney-in-fact.

15. AMENDMENT OR REVOCATION

15.1 Before Close of First Sale. Before the close of the first sale of a condominium in the Project to a purchaser other than Declarant, this Declaration and any amendments to it may be amended in any respect or revoked by the execution of an instrument amending or revoking the Declaration by Declarant and any mortgagee of record. Before the close of the first sale of a condominium in a second or subsequent phase of the Project to a purchaser other than Declarant, any Supplement recorded pursuant to Section 16 with respect to such phase may be amended in any respect or revoked by the execution of an instrument amending or revoking the Supplement by Declarant and any mortgagee of record of the Property, described in the Supplement. The amending or revoking instrument shall make appropriate reference to this Declaration and its amendments or

the Supplement and shall be acknowledged and recorded in the office of the County Recorder of the County.

15.2 After Close of First Sale. After the close of the first sale of a condominium in the Project to a purchaser other than Declarant, this Declaration or any Supplement may be amended in any respect or revoked by the vote or written consent of the holders of not less than seventy-five percent (75%) of the voting rights of each class of Owners, or if a single class of Owners is then in effect, by the vote or written consent of not less than (i) seventy-five percent (75%) of all the votes including Declarant and (ii) 51% of the votes excluding Declarant. However, if any provision of this Declaration requires a greater or lesser percentage of the voting rights of any class of Owners in order to take affirmative or negative action under such provision, the same percentage of such class or classes of Owners shall be required to amend or revoke such provision. Also, if the consent or approval of any governmental authority, mortgagee or other person, firm, agency or entity is required under this Declaration with respect to any amendment or revocation of any provision of this Declaration, no such amendment or revocation shall become effective unless such consent or approval is obtained. Any amendment or revocation subsequent to the close of such first sale shall be evidenced by an instrument certified by the Secretary or other duly authorized officer of the Association and shall make appropriate reference to this Declaration and its amendments and shall be acknowledged and recorded in the office of the County Recorder of the County.

15.3 Conflict with Section 14 or Other Provisions of this Declaration. To the extent any provisions of this Section 15 conflict with the provisions of Section 14 or any other provision of this Declaration, except those contained in Section 15.4, the provisions of Section 14 or the other provisions shall control.

15.4 Business and Professions Code Section 11018.7. All amendments or revocations of this Declaration shall comply with the provisions of California Business and Professions Code, Section 11018.7 to the extent said Section is applicable.

15.5 Reliance on Amendments or Revocation. Any amendments or revocation made in accordance with the terms of this Declaration shall be presumed valid by anyone relying on them in good faith.

15.6 Amendments to Conform with Mortgagee Requirements. It is the intent of Declarant that this Declaration and

the Articles and Bylaws of the association, and the Project in general, shall now and in the future meet all requirements necessary to purchase, guarantee, insure or subsidize any mortgage of a condominium in the Project by the Federal Home Loan Mortgage Corporation, the Federal National Mortgage Association, the Federal Housing Administration and the Veterans' Administration. The Association and each Owner shall take any action or shall adopt any resolutions required by Declarant or any mortgagee to conform this Declaration or the Project to the requirements of any of said entities or agencies.

16. ANNEXATION OF ADDITIONAL PROPERTY

The real property described in Exhibit "C" or any portion thereof may be annexed to the Project and made subject to this Declaration and to the Master Declaration at the written election of the Declarant (or by the successors in title to such real property) made at any time and from time to time within three (3) years following the original issuance of a final subdivision public report by the California Commissioner of Real Estate for the most recent phase of the Project. Such election shall be made by the recording of a supplement to this Declaration and to the Master Declaration, which may be a single instrument (the "Supplement"). The Supplement shall include the information required by the Master Declaration and shall describe the real property to be annexed, shall state that it is being effected pursuant to the terms of this Declaration and the Master Declaration for the purpose of annexing the property described in the Supplement to the Project. Any Supplement recorded in accordance with the terms of this Section shall be conclusive in favor of all persons who relied on it in good faith. Upon filing the Supplement in accordance with the provisions of this Declaration, the real property described in the Supplement shall be part of the Project and subject to the provisions of this Declaration and the Master Declaration, and to the rights and powers of the Association and the Master Association pursuant to the terms of the Master Declaration, this Declaration, the Articles and the Bylaws, and thereafter all of the Owners of condominiums constituting a portion of said annexed real property shall automatically be members of the Association and the Master Association, with voting rights commencing on the date regular assessments commence. Regular and special assessments with respect to said annexed real property shall commence at the time and to the extent described in Sections 6.5 and 6.6 hereof, unless a different time of commencement is specified in the Supplement. Declarant in such Supplement shall expressly reserve for the benefit of all property which may from time to time be covered by this Declaration, reciprocal easements of use, enjoyment, access,

ingress and egress. Such easements may be used by Declarant, its successors, purchasers and all Owners of condominiums, their guests, tenants and invitees for sidewalks, walkways, vehicular access and such other purposes reasonably necessary to the use and enjoyment of all condominiums in the Project. The Supplement may contain such complementary additions, amendments and modifications to this Declaration as may be necessary to reflect the different character, if any, of the real property being annexed as are not inconsistent with the general scheme of this Declaration or which are required by any institutional first mortgagee to make condominiums in the Project eligible for mortgage purchase, guarantee or insurance as described in Section 15.6. Notwithstanding the foregoing, unless approved by the California Department of Real Estate, no Supplement may (a) cause a substantial increase in the Common Area costs and expenses then being borne by Owners which was not disclosed in the final subdivision public report for the phase of the development in which an Owner purchased his condominium, or (b) otherwise materially adversely affect the rights of Owners, without the prior affirmative vote or written consent of at least sixty-six and two-thirds percent (66-2/3%) of each class of Owners entitled to vote and their first mortgagees. Prior to any annexation under this Section, detailed plans for the development of said annexed real property must be submitted to the Veterans Administration and the Veterans Administration must determine that such detailed plans are in accordance with a general plan of development of such real property previously or concurrently approved by the Veterans Administration.

17. ARCHITECTURAL CONTROL

17.1 Architectural Approval. Except as to construction of improvements by Declarant in any phase of the Project, no building, fence, wall or other structure shall be commenced, erected or maintained on the Property, nor shall any exterior addition to or change or alteration in any such structures or the Property, including solar heating systems, pools, spas, ponds, fountains, landscaping, stonework, concrete work or related mechanical plumbing or electrical facilities, awnings or antennae, be made until the plans and specifications showing the nature, kind, shape, materials and location of the same have been submitted to and approved in writing as to harmony of design and location in relation to surrounding structures and topography by the Architectural Committee provided for in Section 17.2 and, if required, by the separate Architectural Committee provided for in Article IX of the Master Declaration. Whenever in this Declaration the prior consent or approval of the Association is required as a condition to any action by an Owner affecting any alterations, changes, additions or

modifications of the Common Area, or such Owner's unit, the Association through the Board may delegate to the Architectural Committee the right and duty to grant or withhold such consent or approval. The Architectural Committee shall from time to time establish and distribute to Owners written standards and policies relating to landscaping and maintenance of structures or other improvements within units, including plantings, equipment, mechanical or electrical systems, walls, roofs, windows and doors, as well as procedures and schedules for meetings and hearings concerning such standards and policies or the enforcement thereof. In the event the Architectural Committee or its designated representatives fails to approve or disapprove such design and location within thirty (30) days after said plans and specifications have been submitted to it, approval will not be required, and this Section will be deemed to have been complied with in full. No such deemed approval shall constitute approval of the Architectural Committee under the Master Declaration.

17.2 Appointment of Architectural Committee. The Declarant shall appoint all of the original members of the Architectural Committee, consisting of not less than three (3) nor more than five (5) persons who need not be Owners, and any replacements thereof. The number of members initially appointed shall constitute the number of authorized members of the Committee until increased or decreased by the vote or written consent of the holders of at least fifty-one percent (51%) of the voting rights of each class of Owners. The initial appointees (and any replacements) shall hold office until the first anniversary of the original issuance of a Final Subdivision Public Report for the first phase of the Project by the California Commissioner of Real Estate. Thereafter, Declarant may appoint a majority of the members of the Architectural Committee, and any replacements thereof, until ninety percent (90%) of the condominiums in all phases of the Project have been sold and deeds thereto recorded in favor of Owners or until the fifth anniversary of the original issuance of a Final Subdivision Public Report for the first phase of the Project, whichever shall first occur. After one (1) year from the date of the original issuance of a Final Subdivision Public Report for the first phase, the Board shall have the power to appoint one member of the Architectural Committee, which power shall continue until ninety percent (90%) of the condominiums have been sold and deeds thereto recorded in favor of Owners or until the fifth anniversary of the original issuance of a Final Subdivision Public Report for the first phase of the Project. Thereafter the Board shall have the power to appoint all of the members of the Architectural Committee. Members appointed to the Architectural Committee by the Board shall be Owners.

18. GENERAL PROVISIONS

18.1 Headings. The headings used in this Declaration are for convenience only and are not to be used to interpret the meaning of any of the provisions of this Declaration.

18.2 Severability. The provisions of this Declaration shall be deemed independent and severable, and the invalidity or partial invalidity or unenforceability of any provision or provisions shall not invalidate any other provisions.

18.3 Cumulative Remedies. Each remedy provided for in this Declaration shall be cumulative and not exclusive. Failure to exercise any remedy provided for in this Declaration shall not, under any circumstances, be construed as a waiver thereof.

18.4 Violations as Nuisance. Every act or omission in violation of the provisions of this Declaration shall constitute a nuisance and, in addition to all other remedies herein set forth, may be abated or enjoined by any Owner, any member of the Board, the manager, or the Association.

18.5 No Discriminatory Restriction. No Owner shall execute or cause to be recorded any instrument which imposes a restriction upon the sale, leasing or occupancy of his unit on the basis of race, sex, marital status, national ancestry, color or religion.

18.6 Access to Books. Any Owner may, at any reasonable time and upon reasonable notice to the Board or manager at his own expense, cause an audit or inspection to be made of the books and financial records of the Association.

18.7 Liberal Construction. The provisions of this Declaration shall be liberally construed to effectuate its purpose. Failure to enforce any provision hereof shall not constitute a waiver of the right to enforce said provision thereafter.

18.8 Notification of Sale. Concurrently with the consummation of the sale of any condominium under circumstances whereby the transferee becomes an Owner of the condominium, or within five (5) business days thereafter, the transferee shall notify the Association in writing of such sale. Such notification shall set forth the name of the transferee and his mortgagee and transferor, the common address of the condominium purchased by the transferee, the transferee's and the mortgagee's mailing address, and the date of sale. Prior to the receipt of such notification, any and all communications

required or permitted to be given by the Association, the Board or the manager shall be deemed to be duly made and given to the transferee if duly and timely made and given to said transferee's transferor. Mailing addresses may be changed at any time upon written notification to the Association. Notices shall be deemed received forty-eight (48) hours after mailing if mailed to the transferee, or to his transferor if the Association has received no notice of transfer as above provided, by certified mail, return receipt requested, at the mailing address above specified. Notices shall also be deemed received twenty-four (24) hours after being sent by telegram or upon personal delivery to any occupant of a condominium over the age of twelve (12) years.

18.9 Number; Gender. The singular shall include the plural and the plural the singular unless the context requires the contrary, and the masculine, feminine and neuter shall each include the masculine, feminine or neuter, as the context requires.

18.10 Exhibits. All exhibits referred to are attached to this Declaration and incorporated by reference.

18.11 Easements Reserved and Granted. Any easements referred to in this Declaration shall be deemed reserved or granted, or both reserved and granted, by reference to this Declaration in a deed to any condominium.

18.12 Binding Effect. This Declaration shall inure to the benefit of and be binding on the successors and assigns of the Declarant, and the heirs, personal representatives, grantees, tenants, successors and assigns of the Owners.

18.13 Unsegregated Real Estate Taxes. Until such time as real property taxes have been segregated by the County Assessor of the County, they shall be paid by the respective Owners of condominiums. The proportionate share of the taxes for a particular condominium shall be determined by dividing the initial sales price or offered initial sales price of the condominium by the total initial sales prices and offered initial sales prices of all condominiums within the Project (the term "offered initial sales price" means the price at which an unsold condominium is then being offered for sale by Declarant). If, and to the extent, that taxes are not paid by any Owner of a

85-329410

condominium and are allowed to become delinquent, they shall be collected from the delinquent Owner by the Association.

August 22, 1985. Declarant has executed this instrument as of

EPAC San Clemente, Inc., a
California corporation

By: 

By: Dorothy L. Linnick

CONSENT OF LIENHOLDER
AND SUBORDINATION OF LIEN

The undersigned beneficiary under that certain Deed of Trust dated March 1, 1985, recorded as Instrument No. 85-082268 in Book , page , et seq. of official records of Orange County, California, consents to all of the provisions contained in the attached Declaration of Covenants, Conditions and Restrictions and agrees that the lien of the deed of trust shall be junior and subordinate and subject to said Declaration.

Dated: August 21, 1985

First Interstate Mortgage Corporation, a California Corporation

Elizabeth A. Poindexter

By ELIZABETH A. POINDEXTER, ASST. VICE PRESIDENT

By *Michael E. Clancy*
MICHAEL E. CLANCY, SENIOR VICE PRESIDENT

STATE OF CALIFORNIA)
COUNTY OF LOS ANGELES) SS.

On August 21, 1985, before me, the undersigned, a Notary Public in and for said State, personally appeared MICHAEL E. CLANCY, personally known to me or proved to me on the basis of satisfactory evidence to be the person who executed the within instrument as the SENIOR VICE President, and ELIZABETH A. POINDEXTER personally known to me or proved to me on the basis of satisfactory evidence to be the person who executed the within instrument as the ASST. VICE PRESIDENT Secretary of the Corporation that executed the within instrument and acknowledged to me that such corporation executed the within instrument pursuant to its by-laws or a resolution of its board of directors.

Witness my hand and official seal.



Arnetta B. Jones

Notary Public in and for said County and State

CONSENT OF LIENHOLDER
AND SUBORDINATION OF LIEN

The undersigned beneficiary under that certain Deed of Trust dated March 6, 1985, recorded as Instrument No. 85-082269 ~~xxxxxx~~ of official records of Orange County, California, consents to all of the provisions contained in the attached Declaration of Covenants, Conditions and Restrictions and agrees that the lien of the deed of trust shall be junior and subordinate and subject to said Declaration.

Dated: August 16, 1985

PACIFIC SAVINGS BANK

By [Signature]
By [Signature]

STATE OF CALIFORNIA)
) SS.
COUNTY OF ORANGE)

On August 19, 1985, before me, the undersigned, a Notary Public in and for said State, personally appeared PETER L. INMAN, personally known to me or proved to me on the basis of satisfactory evidence to be the person who executed the within instrument as the EXEC. VICE President, and DOROTHY K. POTTER personally known to me or proved to me on the basis of satisfactory evidence to be the person who executed the within instrument as the Secretary of the Corporation that executed the within instrument and acknowledged to me that such corporation executed the within instrument pursuant to its by-laws or a resolution of its board of directors.

Witness my hand and official seal.



[Signature]
Notary Public in and for said
County and State

GOVERNMENT CODE 27361.7

85-329410

I certify under the penalty of perjury that the notary seal on the document to which this statement is attached reads as follows:

Name of Notary: MARY A. WEBB

Date Commission Expires: JANUARY, 18, 1989

County where bond is filed: Orange

Place of Execution: Santa Ana, California

Date: Aug. 30, 1985

John H. Faragoll
Signature (firm name, if any)
FIRST AMERICAN TITLE INSURANCE COMPANY

85-329410

EXHIBIT "A"

Condominium Plan

[Attach copy of Final Condominium Plan]

CONDOMINIUM PLAN FOR LOTS 1,3,4,A,B,C,D & E TRACT NO. 12283

IN THE CITY OF SAN CLEMENTE, COUNTY OF ORANGE
STATE OF CALIFORNIA

CONSISTING OF A DESCRIPTION OF THE LAND INCLUDED WITHIN THE PROJECT,
AND CERTIFICATE AS REQUIRED BY CALIFORNIA CIVIL CODE SECTION 1331.

CERTIFICATE UNDER CALIFORNIA CIVIL CODE SECTION 1331

WE, THE UNDERSIGNED, BEING ALL OF THE RECORD OWNERS OF, AND RECORD HOLDERS OF SECURITY INTERESTS IN, THE REAL PROPERTY HEREINAFTER DESCRIBED, DO HEREBY CERTIFY THAT WE CONSENT TO THE RECORDED OF THIS CONDOMINIUM PLAN, PURSUANT TO CHAPTER 1, TITLE VI, PART 9, DIVISION SECOND, CALIFORNIA CIVIL CODE, CONSISTING OF: (I) A DESCRIPTION AND SURVEY MAP OF THE SURFACE OF THE LAND COVERED BY THIS CONDOMINIUM PLAN; (II) THE LOCATION OF THE BUILDING CONSTRUCTED THEREON AND THE DIAGRAMMATIC FLOOR PLANS ATTACHED HERETO; AND (III) THIS CERTIFICATE.

EPAC SAN CLEMENTE, INCORPORATED
A California Corporation

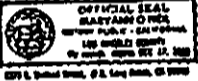
BY: [Signature] BY: [Signature]
STATE OF CALIFORNIA
COUNTY OF Los Angeles SS

ON THIS 22 DAY OF August, 1977 BEFORE ME
MONICA CHAIKIN, A NOTARY PUBLIC IN AND FOR SAID
STATE, PERSONALLY APPEARED RICK DOBERGUS AND
DOBERGUS L O W N E R PERSONALLY KNOWN TO ME (OR
PROVED TO ME ON THE BASIS OF SATISFACTORY EVIDENCE) TO BE THE
PRESIDENT AND SECRETARY,
RESPECTIVELY, OF EPAC SAN CLEMENTE, INC. THE
CORPORATION THAT EXECUTED THE WITHIN INSTRUMENT AND KNOWN TO ME
(OR PROVED TO ME ON THE BASIS OF SATISFACTORY EVIDENCE) TO BE THE
PERSONS WHO EXECUTED THE WITHIN INSTRUMENT ON BEHALF OF SAID
CORPORATION AND ACKNOWLEDGED TO ME THAT SUCH CORPORATION EXECUTED
THE SAME.

MY COMMISSION EXPIRES 12-19-95 WITNESS MY HAND AN
OFFICIAL SEAL:
Maudie D. Neil
NOTARY PUBLIC IN AND FOR SAID STATE

FIRST INTERSTATE MORTGAGE COMPANY, A CALIFORNIA CORPORATION

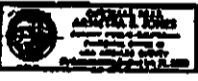
BY: [Signature]
ELIZABETH A. FOLBERGER
ASSISTANT VICE PRESIDENT
STATE OF CALIFORNIA SS
COUNTY OF Los Angeles



ON THIS 31st DAY OF August, 1975 BEFORE ME
ROBERT A. JONES, A NOTARY PUBLIC IN AND FOR SAID
STATE, PERSONALLY APPEARED ELIZABETH A. FOLBERGER AND
PERSONALLY KNOWN TO ME (OR
PROVED TO ME ON THE BASIS OF SATISFACTORY EVIDENCE) TO BE THE
ASSISTANT VICE PRESIDENT AND SECRETARY,
RESPECTIVELY, OF FIRST INTERSTATE MORTGAGE COMPANY THE
CORPORATION THAT EXECUTED THE WITHIN INSTRUMENT AND KNOWN TO ME
(OR PROVED TO ME ON THE BASIS OF SATISFACTORY EVIDENCE) TO BE THE
PERSONS WHO EXECUTED THE WITHIN INSTRUMENT ON BEHALF OF SAID
CORPORATION AND ACKNOWLEDGED TO ME THAT SUCH CORPORATION EXECUTED
THE SAME.

MY COMMISSION EXPIRES Jan 31, 1986 WITNESS MY HAND AN
OFFICIAL SEAL:
Robert A. Jones
NOTARY PUBLIC IN AND FOR SAID STATE

PACIFIC SAVINGS BANK
BY: [Signature]
PETER UHMAN
EXECUTIVE VICE PRESIDENT



STATE OF CALIFORNIA SS
COUNTY OF ORANGE

ON THIS 14th DAY OF August, 1975 BEFORE ME
MARY A. WELLS, A NOTARY PUBLIC IN AND FOR SAID
STATE, PERSONALLY APPEARED PETER UHMAN AND
PERSONALLY KNOWN TO ME (OR
PROVED TO ME ON THE BASIS OF SATISFACTORY EVIDENCE) TO BE THE
EXECUTIVE VICE PRESIDENT AND SECRETARY,
RESPECTIVELY, OF PACIFIC SAVINGS BANK THE
CORPORATION THAT EXECUTED THE WITHIN INSTRUMENT AND KNOWN TO ME
(OR PROVED TO ME ON THE BASIS OF SATISFACTORY EVIDENCE) TO BE THE
PERSONS WHO EXECUTED THE WITHIN INSTRUMENT ON BEHALF OF SAID
CORPORATION AND ACKNOWLEDGED TO ME THAT SUCH CORPORATION EXECUTE
THE SAME.

MY COMMISSION EXPIRES Jan 19, 1989 WITNESS MY HAND AN
OFFICIAL SEAL:
Mary A. Wells
NOTARY PUBLIC IN AND FOR SAID STATE



SURVEYOR'S CERTIFICATE

I HEREBY CERTIFY THAT I AM A LICENSED LAND SURVEYOR NO. 1218
OF THE STATE OF CALIFORNIA AND THIS PLAN CORRECTLY REPRESENTS
THE SURVEY OF THIS CONDOMINIUM PROJECT.

[Signature]
FRED V. MERRIFIELD L.S. 3256

NOTES AND DEFINITIONS:

1. THIS CONDOMINIUM PROJECT IS COMPOSED OF COMMON AREA AND 43 UNITS.
2. THE COMMON AREA OF THIS PROJECT IS THE LAND AND REAL PROPERTY, INCLUDING ALL IMPROVEMENTS CONSTRUCTED THEREON WITHIN THE BOUNDARY LINES OF LOTS 1,3,4 AND A,B,C,D AND E OF TRACT NO. 12283, IN THE CITY OF SAN CLEMENTE, COUNTY OF ORANGE, STATE OF CALIFORNIA, AS SHOWN ON THE MAP FILED IN BOOK 140, PAGES 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17, 18, 19, 20, 21, 22, 23, 24, 25, 26, 27, 28, 29, 30, 31, 32, 33, 34, 35, 36, 37, 38, 39, 40, 41, 42, 43 OF MISCELLANEOUS MAPS, RECORDS OF SAID COUNTY, EXCEPT THEREFROM THOSE PORTIONS SHOWN AND DEFINED HEREIN AS UNITS 1-13, 44-53 AND 54-64.
3. THIS CONDOMINIUM PLAN AND THE DIMENSIONS SHOWN HEREON ARE INTENDED TO CONFORM TO CIVIL CODE SECTION 1331 WHICH REQUIRES A THREE-DIMENSIONAL DESCRIPTION OF THE PROPERTY.
4. A "UNIT" MEANS THE ELEMENTS OF A CONDOMINIUM THAT ARE NOT OWNED IN COMMON WITH OTHER OWNERS OF CONDOMINIUMS IN THE PROJECT.

EACH UNIT IS A CUBE OF AIRSPACE IDENTIFIED ON THIS CONDOMINIUM PLAN BY A SEPARATE UNIT NUMBER AND IS DELINEATED BY THE HORIZONTAL AND VERTICAL LIMITS SHOWN ON SHEETS 2-5 HEREIN.

FOR PURPOSES HEREOF, L.E. MEANS (LOWER ELEVATION) AND U.P. MEANS (UPPER ELEVATION). THE LOWER ELEVATION AND THE UPPER ELEVATION OF EACH UNIT ARE SHOWN ON THE CONDOMINIUM PLAN AND RELATE TO THE BENCHMARK DESCRIBED BELOW. THE UPPER AND LOWER LIMITS OF SUCH ELEVATIONS ARE PLANES, EXTENDING TO THE HORIZONTAL LIMITS OF THE UNIT, WHICH PLANES, MEASURED PERPENDICULARLY, ARE APPROXIMATELY 40 FEET ABOVE AND 15 FEET BELOW THE FINISHED FLOOR ELEVATIONS OF THE LIVING AREA OF THE RESIDENTIAL STRUCTURE CONSTRUCTED OR TO BE CONSTRUCTED WITHIN SUCH UNIT.

BASIS OF BEARING:

THE BASIS OF BEARING FOR THESE CONDOMINIUM PLANS IS THE CENTERLINE OF AVENIDA PICO BEING NORTH 45 00' 18" EAST PER MAP FILED IN BOOK 100, PAGES 25 - 28 OF RECORDS OF SLOPE, RECORDS OF ORANGE COUNTY, CALIFORNIA AS REFERENCED ON THE TRACT MAP FOR SAID CONDOMINIUM PLANS.

BENCH MARK:

3Y-15-71. 1972 ADJ. ELEVATION = 131.204

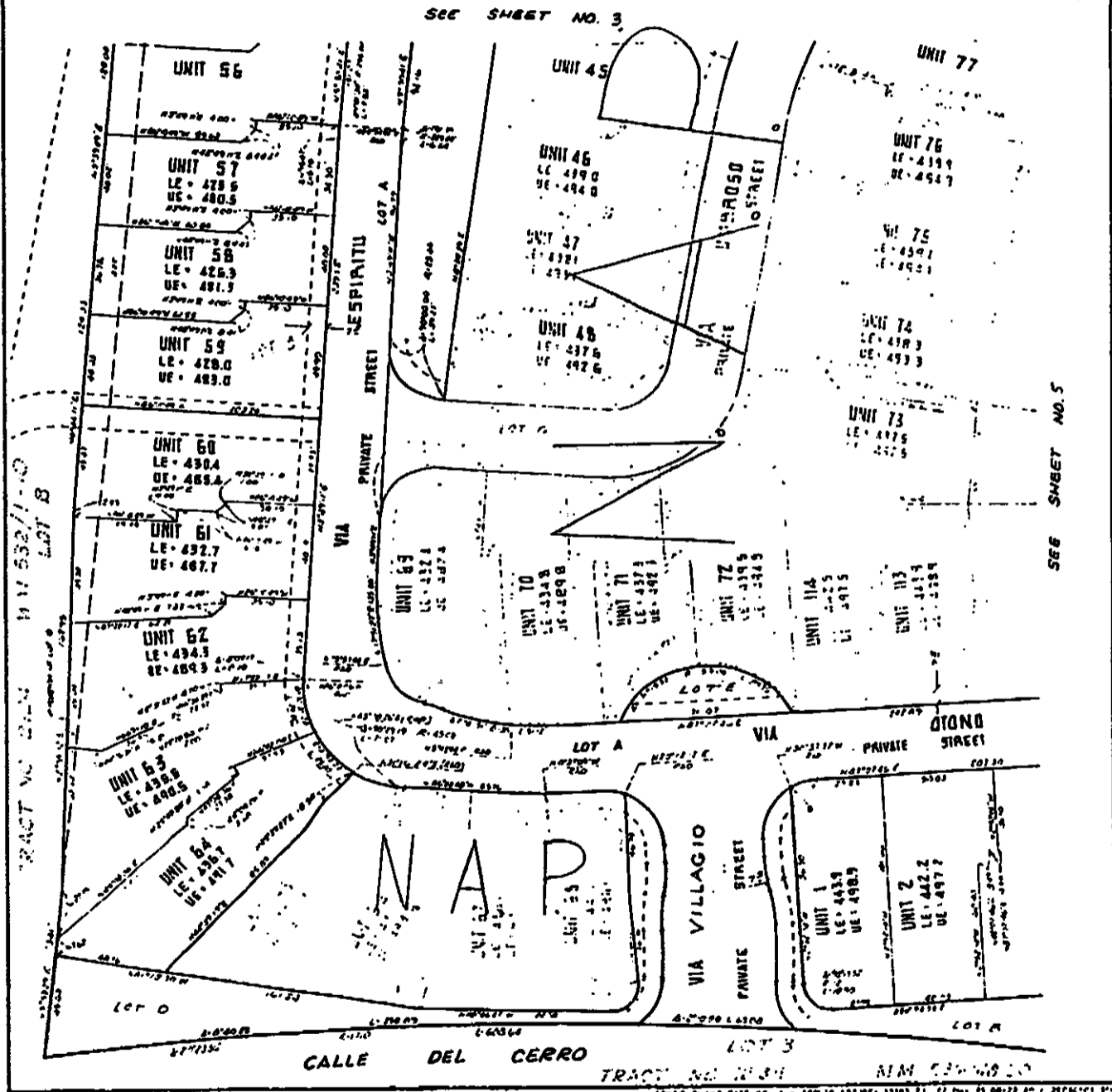
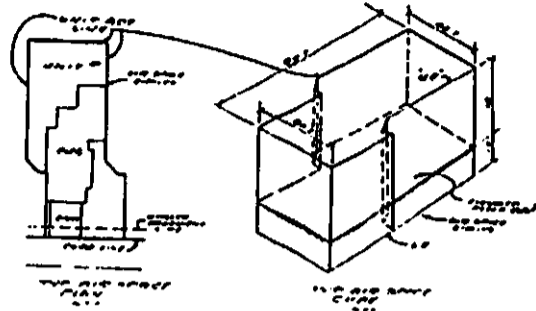
ABOUT 0.45 MILES NORTHEAST ALONG AVENIDA PICO FROM ITS INTERSECTION WITH THE SAN DIEGO FREEWAY. THE MARK IS 20 FEET SOUTHWEST FROM THE CENTERLINE OF AVENIDA PICO, 3 FEET SOUTH OF THE SOUTH END OF A 1/2" DIA. 1 FOOT DIAMETER BY A BARBED WIRE FENCE, SET IN THE TOP OF A CONCRETE POST, 1 FOOT HIGHER FROM THE ROAD.

CONDOMINIUM PLAN



DATA

NO.	DESCRIPTION	AMOUNT	CONTRIBUTOR	REMARKS
1	470 sq. ft.	140.00	4.00	3.00
2	470 sq. ft.	140.00	4.00	3.00
3	470 sq. ft.	140.00	4.00	3.00
4	470 sq. ft.	140.00	4.00	3.00
5	470 sq. ft.	140.00	4.00	3.00
6	470 sq. ft.	140.00	4.00	3.00
7	470 sq. ft.	140.00	4.00	3.00
8	470 sq. ft.	140.00	4.00	3.00
9	470 sq. ft.	140.00	4.00	3.00
10	470 sq. ft.	140.00	4.00	3.00
11	470 sq. ft.	140.00	4.00	3.00
12	470 sq. ft.	140.00	4.00	3.00
13	470 sq. ft.	140.00	4.00	3.00
14	470 sq. ft.	140.00	4.00	3.00
15	470 sq. ft.	140.00	4.00	3.00
16	470 sq. ft.	140.00	4.00	3.00
17	470 sq. ft.	140.00	4.00	3.00
18	470 sq. ft.	140.00	4.00	3.00
19	470 sq. ft.	140.00	4.00	3.00
20	470 sq. ft.	140.00	4.00	3.00
21	470 sq. ft.	140.00	4.00	3.00
22	470 sq. ft.	140.00	4.00	3.00
23	470 sq. ft.	140.00	4.00	3.00
24	470 sq. ft.	140.00	4.00	3.00
25	470 sq. ft.	140.00	4.00	3.00
26	470 sq. ft.	140.00	4.00	3.00
27	470 sq. ft.	140.00	4.00	3.00
28	470 sq. ft.	140.00	4.00	3.00
29	470 sq. ft.	140.00	4.00	3.00
30	470 sq. ft.	140.00	4.00	3.00

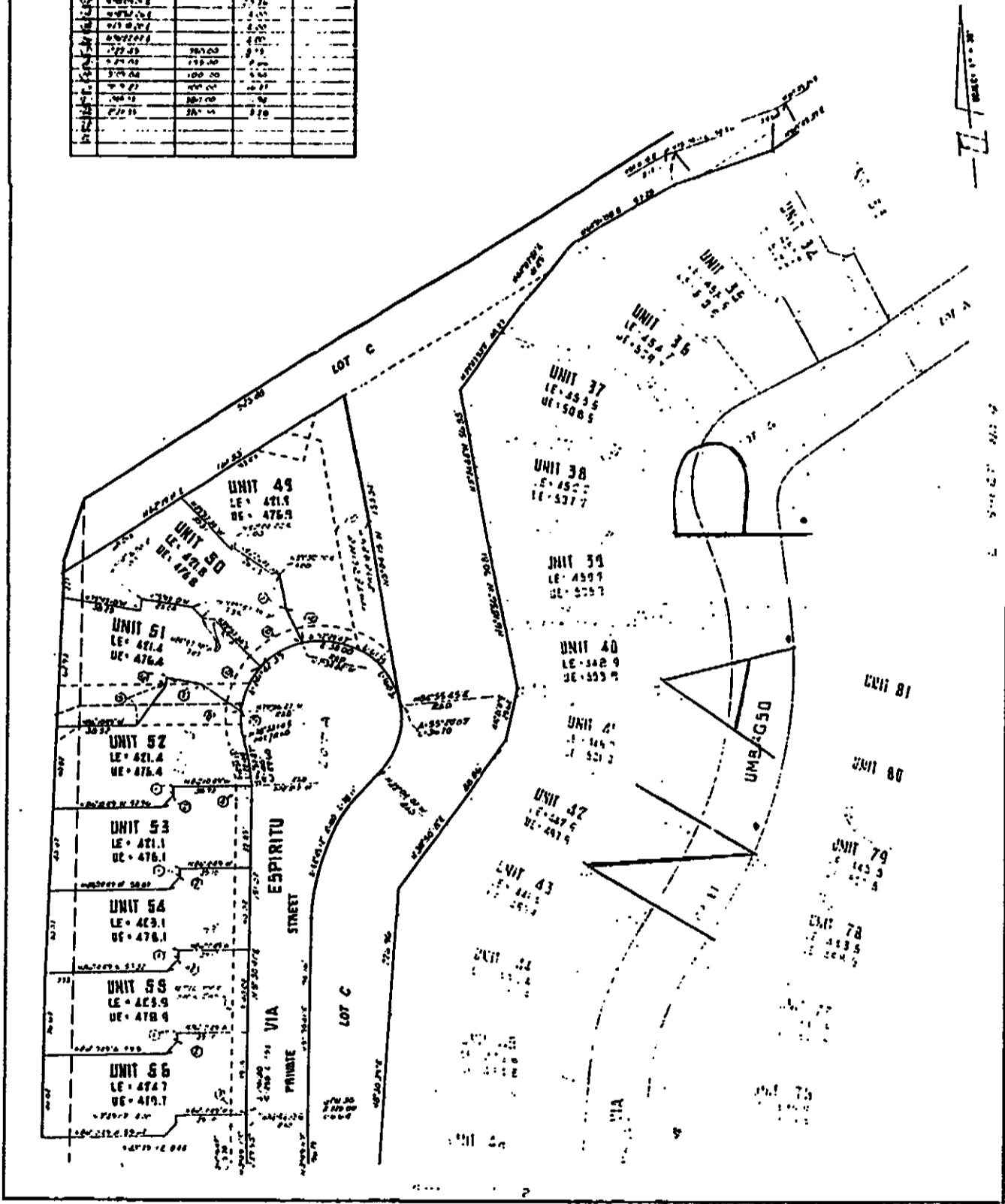


CONDOMINIUM PLAN

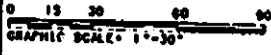
0 15 30 60 90
GRAPHIC SCALE: 1"=30'

DATA

NO.	DESCRIPTION	AMOUNT	DATE	REMARKS
1
2
3
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9
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11
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18
19
20
21
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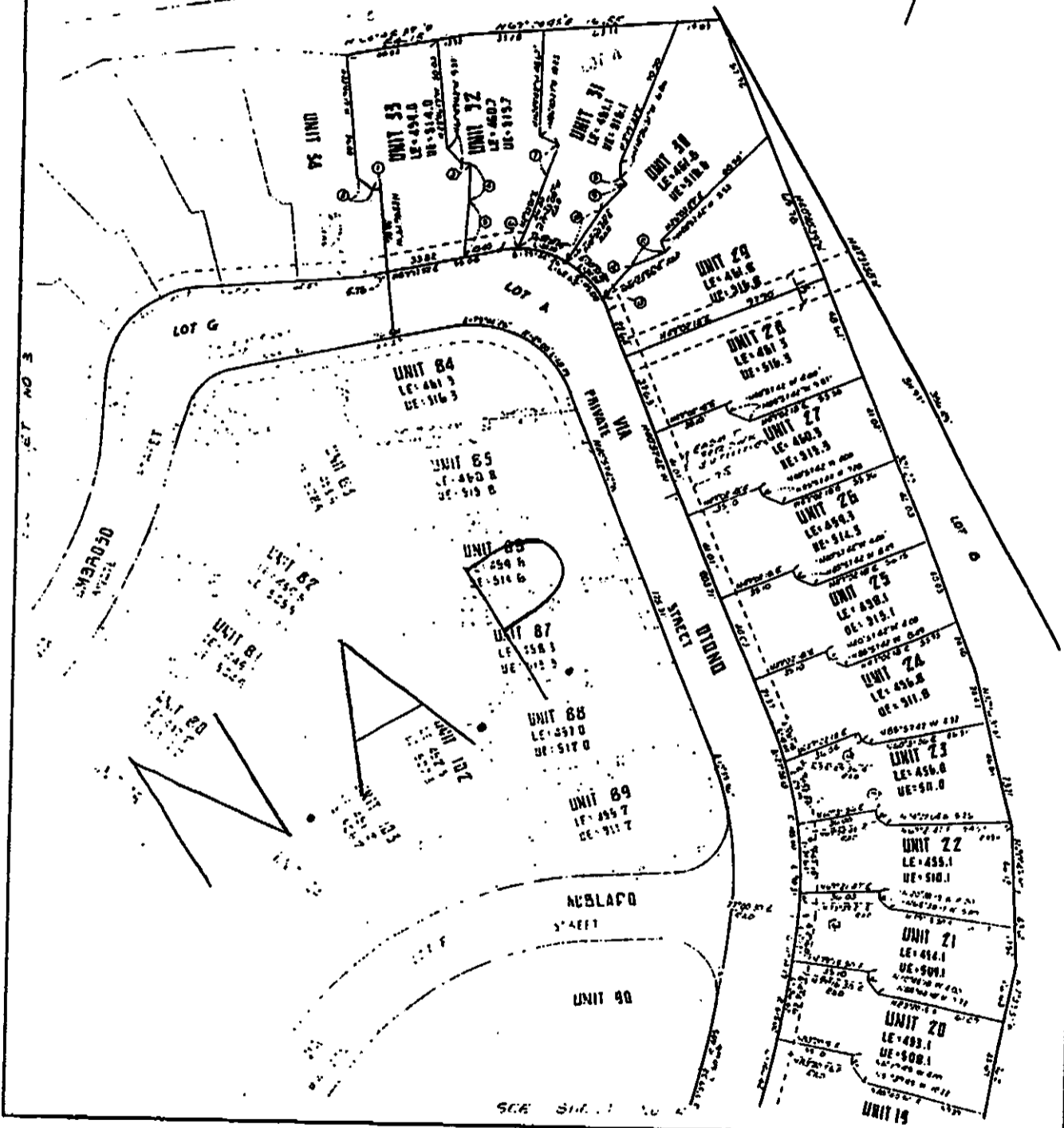


CONDOMINIUM PLAN



DATA

UNIT NO.	AREA (SQ. FT.)	NET AREA (SQ. FT.)	PERCENT
UNIT 19	450.1	450.1	100.0
UNIT 20	493.1	493.1	100.0
UNIT 21	454.1	454.1	100.0
UNIT 22	455.1	455.1	100.0
UNIT 23	456.0	456.0	100.0
UNIT 24	456.8	456.8	100.0
UNIT 25	514.3	514.3	100.0
UNIT 26	499.3	499.3	100.0
UNIT 27	460.3	460.3	100.0
UNIT 28	461.3	461.3	100.0
UNIT 29	461.8	461.8	100.0
UNIT 30	518.8	518.8	100.0
UNIT 31	461.1	461.1	100.0
UNIT 32	460.7	460.7	100.0
UNIT 33	494.0	494.0	100.0
UNIT 34	516.3	516.3	100.0
UNIT 35	460.8	460.8	100.0
UNIT 36	460.8	460.8	100.0
UNIT 37	460.8	460.8	100.0
UNIT 38	460.8	460.8	100.0
UNIT 39	460.8	460.8	100.0
UNIT 40	460.8	460.8	100.0
UNIT 41	460.8	460.8	100.0
UNIT 42	460.8	460.8	100.0
UNIT 43	460.8	460.8	100.0
UNIT 44	460.8	460.8	100.0
UNIT 45	460.8	460.8	100.0
UNIT 46	460.8	460.8	100.0
UNIT 47	460.8	460.8	100.0
UNIT 48	460.8	460.8	100.0
UNIT 49	460.8	460.8	100.0
UNIT 50	460.8	460.8	100.0
UNIT 51	460.8	460.8	100.0
UNIT 52	460.8	460.8	100.0
UNIT 53	460.8	460.8	100.0
UNIT 54	460.8	460.8	100.0
UNIT 55	460.8	460.8	100.0
UNIT 56	460.8	460.8	100.0
UNIT 57	460.8	460.8	100.0
UNIT 58	460.8	460.8	100.0
UNIT 59	460.8	460.8	100.0
UNIT 60	460.8	460.8	100.0
UNIT 61	460.8	460.8	100.0
UNIT 62	460.8	460.8	100.0
UNIT 63	460.8	460.8	100.0
UNIT 64	460.8	460.8	100.0
UNIT 65	460.8	460.8	100.0
UNIT 66	460.8	460.8	100.0
UNIT 67	460.8	460.8	100.0
UNIT 68	460.8	460.8	100.0
UNIT 69	460.8	460.8	100.0
UNIT 70	460.8	460.8	100.0
UNIT 71	460.8	460.8	100.0
UNIT 72	460.8	460.8	100.0
UNIT 73	460.8	460.8	100.0
UNIT 74	460.8	460.8	100.0
UNIT 75	460.8	460.8	100.0
UNIT 76	460.8	460.8	100.0
UNIT 77	460.8	460.8	100.0
UNIT 78	460.8	460.8	100.0
UNIT 79	460.8	460.8	100.0
UNIT 80	460.8	460.8	100.0
UNIT 81	460.8	460.8	100.0
UNIT 82	460.8	460.8	100.0
UNIT 83	460.8	460.8	100.0
UNIT 84	461.3	461.3	100.0
UNIT 85	460.8	460.8	100.0
UNIT 86	460.8	460.8	100.0
UNIT 87	460.8	460.8	100.0
UNIT 88	460.8	460.8	100.0
UNIT 89	460.8	460.8	100.0
UNIT 90	460.8	460.8	100.0



CONDO PLANS PAGE NO. 1 - 1987-1237-1237-74 00-00-00 00-00-00 00-00-00

CONDOMINIUM PLAN

0 15 30 60 90
GRAPHIC SCALE: 1"=30'

DATA

NO.	DESCRIPTION	AMOUNT	LEV. POINT	TYPED
1	576.02	345.00	570	
2	576.04	165.00	577	
3	576.05	165.00	604	
4	576.10	485.00	575.5	
5	576.10	125.00	575.5	
6	576.11	4.00		
7	576.12	4.00		
8	576.13	4.00		
9	576.14	125.00	575.5	
10	576.15	4.00		
11	576.16	11.66		
12	576.17	125.00	575.5	
13	576.18	165.00	575.5	
14	576.19	4.00		
15	576.20	4.00		
16	576.21	165.00	575.5	
17	576.22	4.00		
18	576.23	4.00		
19	576.24	4.00		
20	576.25	4.00		
21	576.26	4.00		
22	576.27	4.00		
23	576.28	4.00		
24	576.29	4.00		
25	576.30	4.00		
26	576.31	4.00		
27	576.32	4.00		
28	576.33	4.00		
29	576.34	4.00		
30	576.35	4.00		
31	576.36	4.00		
32	576.37	4.00		
33	576.38	4.00		
34	576.39	4.00		
35	576.40	4.00		
36	576.41	4.00		
37	576.42	4.00		
38	576.43	4.00		
39	576.44	4.00		
40	576.45	4.00		
41	576.46	4.00		
42	576.47	4.00		
43	576.48	4.00		
44	576.49	4.00		
45	576.50	4.00		
46	576.51	4.00		
47	576.52	4.00		
48	576.53	4.00		
49	576.54	4.00		
50	576.55	4.00		
51	576.56	4.00		
52	576.57	4.00		
53	576.58	4.00		
54	576.59	4.00		
55	576.60	4.00		
56	576.61	4.00		
57	576.62	4.00		
58	576.63	4.00		
59	576.64	4.00		
60	576.65	4.00		
61	576.66	4.00		
62	576.67	4.00		
63	576.68	4.00		
64	576.69	4.00		
65	576.70	4.00		
66	576.71	4.00		
67	576.72	4.00		
68	576.73	4.00		
69	576.74	4.00		
70	576.75	4.00		
71	576.76	4.00		
72	576.77	4.00		
73	576.78	4.00		
74	576.79	4.00		
75	576.80	4.00		
76	576.81	4.00		
77	576.82	4.00		
78	576.83	4.00		
79	576.84	4.00		
80	576.85	4.00		
81	576.86	4.00		
82	576.87	4.00		
83	576.88	4.00		
84	576.89	4.00		
85	576.90	4.00		
86	576.91	4.00		
87	576.92	4.00		
88	576.93	4.00		
89	576.94	4.00		
90	576.95	4.00		
91	576.96	4.00		
92	576.97	4.00		
93	576.98	4.00		
94	576.99	4.00		
95	577.00	4.00		
96	577.01	4.00		
97	577.02	4.00		
98	577.03	4.00		
99	577.04	4.00		
100	577.05	4.00		
101	577.06	4.00		
102	577.07	4.00		
103	577.08	4.00		
104	577.09	4.00		
105	577.10	4.00		
106	577.11	4.00		
107	577.12	4.00		
108	577.13	4.00		
109	577.14	4.00		
110	577.15	4.00		
111	577.16	4.00		
112	577.17	4.00		
113	577.18	4.00		
114	577.19	4.00		
115	577.20	4.00		
116	577.21	4.00		
117	577.22	4.00		
118	577.23	4.00		
119	577.24	4.00		
120	577.25	4.00		
121	577.26	4.00		
122	577.27	4.00		
123	577.28	4.00		
124	577.29	4.00		
125	577.30	4.00		
126	577.31	4.00		
127	577.32	4.00		
128	577.33	4.00		
129	577.34	4.00		
130	577.35	4.00		
131	577.36	4.00		
132	577.37	4.00		
133	577.38	4.00		
134	577.39	4.00		
135	577.40	4.00		
136	577.41	4.00		
137	577.42	4.00		
138	577.43	4.00		
139	577.44	4.00		
140	577.45	4.00		
141	577.46	4.00		
142	577.47	4.00		
143	577.48	4.00		
144	577.49	4.00		
145	577.50	4.00		
146	577.51	4.00		
147	577.52	4.00		
148	577.53	4.00		
149	577.54	4.00		
150	577.55	4.00		
151	577.56	4.00		
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153	577.58	4.00		
154	577.59	4.00		
155	577.60	4.00		
156	577.61	4.00		
157	577.62	4.00		
158	577.63	4.00		
159	577.64	4.00		
160	577.65	4.00		
161	577.66	4.00		
162	577.67	4.00		
163	577.68	4.00		
164	577.69	4.00		
165	577.70	4.00		
166	577.71	4.00		
167	577.72	4.00		
168	577.73	4.00		
169	577.74	4.00		
170	577.75	4.00		
171	577.76	4.00		
172	577.77	4.00		
173	577.78	4.00		
174	577.79	4.00		
175	577.80	4.00		
176	577.81	4.00		
177	577.82	4.00		
178	577.83	4.00		
179	577.84	4.00		
180	577.85	4.00		
181	577.86	4.00		
182	577.87	4.00		
183	577.88	4.00		
184	577.89	4.00		
185	577.90	4.00		
186	577.91	4.00		
187	577.92	4.00		
188	577.93	4.00		
189	577.94	4.00		
190	577.95	4.00		
191	577.96	4.00		
192	577.97	4.00		
193	577.98	4.00		
194	577.99	4.00		
195	578.00	4.00		
196	578.01	4.00		
197	578.02	4.00		
198	578.03	4.00		
199	578.04	4.00		
200	578.05	4.00		
201	578.06	4.00		
202	578.07	4.00		
203	578.08	4.00		
204	578.09	4.00		
205	578.10	4.00		
206	578.11	4.00		
207	578.12	4.00		
208	578.13	4.00		
209	578.14	4.00		
210	578.15	4.00		
211	578.16	4.00		
212	578.17	4.00		
213	578.18	4.00		
214	578.19	4.00		
215	578.20	4.00		
216	578.21	4.00		
217	578.22	4.00		
218	578.23	4.00		
219	578.24	4.00		
220	578.25	4.00		
221	578.26	4.00		
222	578.27	4.00		
223	578.28	4.00		
224	578.29	4.00		
225	578.30	4.00		
226	578.31	4.00		
227	578.32	4.00		
228	578.33	4.00		
229	578.34	4.00		
230	578.35	4.00		
231	578.36	4.00		
232	578.37	4.00		
233	578.38	4.00		
234	578.39	4.00		
235	578.40	4.00		
236	578.41	4.00		
237	578.42	4.00		
238	578.43	4.00		
239	578.44	4.00		
240	578.45	4.00		
241	578.46	4.00		
242	578.47	4.00		
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253	578.58	4.00		
254	578.59	4.00		
255	578.60	4.00		
256	578.61	4.00		
257	578.62	4.00		
258	578.63	4.00		
259	578.64	4.00		
260	578.65	4.00		
261	578.66	4.00		
262	578.67	4.00		
263	578.68	4.00		
264	578.69	4.00		
265	578.70	4.00		
266	578.71	4.00		
267	578.72	4.00		
268	578.73	4.00		
269	578.74	4.00		
270	578.75	4.00		
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272	578.77	4.00		
273	578.78	4.00		
274	578.79	4.00		
275	578.80	4.00		
276	578.81	4.00		
277	578.82	4.00		
278	578.83	4.00		
279	578.84	4.00		
280	578.85	4.00		
281	578.86	4.00		
282	578.87	4.00		
283	578.88	4.00		
284	578.89	4.00		
285	578.90	4.00		
286	578.91	4.00		
287	578.92	4.00		
288	578.93	4.00		
289	578.94	4.00		
290	578.95	4.00		
291	578.96	4.00		
292	578.97	4.00		
293	578.98	4.00		
294	578.99	4.00		
295	579.00	4.00		

EXHIBIT "B"

**Schedule of Undivided Interests
in Common Area
of Lots 1, 3, and 4 of Tract 12283**

Each Owner whose condominium unit is located within Lot 1, 3, and 4 of Tract 12283, as per Map recorded in Book 540 pages 6 through 13, inclusive of Miscellaneous Maps in the office of the County Recorder of Orange County, California, shall have the following fractional undivided interest in Lot 1 and Lot 3, and Lot 4 of Tract No. 12283:

Condominium Unit Nos.	Fractional Undivided Interest	Condominium Unit Nos.	Fractional Undivided Interest
60	1/49	10	1/49
61	1/49	11	1/49
62	1/49	12	1/49
63	1/49	13	1/49
64	1/49	14	1/49
49	1/49	15	1/49
50	1/49	16	1/49
51	1/49	17	1/49
52	1/49	18	1/49
53	1/49	19	1/49
54	1/49	20	1/49
55	1/49	21	1/49
56	1/49	22	1/49
57	1/49	23	1/49
58	1/49	24	1/49
59	1/49	25	1/49
1	1/49	26	1/49
2	1/49	27	1/49
3	1/49	28	1/49
4	1/49	29	1/49
5	1/49	30	1/49
6	1/49	31	1/49
7	1/49	32	1/49
8	1/49	33	1/49
9	1/49		
	Total:		----- 1.00

THIS SCHEDULE IS INFORMATIONAL ONLY AND IN THE EVENT OF ANY CONFLICT BETWEEN THIS SCHEDULE AND THE DEEDS INITIALLY CONVEYING CONDOMINIUMS TO THE FIRST OWNERS, THE PROVISIONS OF THE DEEDS SHALL CONTROL.

85-329410

EXHIBIT "C"

**Description of Real Property Subject
to Annexation**

1. Lot 1, Lot 3, Lot 4 and Lots A through Lot E, inclusive of Tract 12283, as per Map recorded on May 17, 1985, as Instrument 85-179348, in Book 540, pages 6 through 13, inclusive, of Miscellaneous Maps in the office of the County Recorder of Orange County, California.