

## **Government Code 12956.1 Discriminatory Language in Governing Documents**

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

FIRST AMENDMENT TO AND RESTATEMENT OF  
DECLARATION OF  
COVENANTS, CONDITIONS AND RESTRICTIONS FOR  
ANAHEIM HILLS ESTATES COMMUNITY ASSOCIATION

TRACT 7918

RECORDED AT REQUEST OF  
CHICAGO TITLE INS. CO.  
IN OFFICIAL RECORDS OF  
ORANGE COUNTY, CALIF.  
8:00 AM JUN 4 1976  
J. WYLIE DARLYLE, County Recorder

211/6116 383

THIS AMENDMENT to and restatement of the Declaration of Covenants, Conditions and Restrictions of Anaheim Hills Estates ("Declaration") executed by Woodbine Corporation, as Declarant on June 11, 1975, and recorded in the Office of the County Recorder of Orange County, California, on June 11, 1975, in Book 11427, Page 7502. is made this First day of April, 1976, by S & S Construction Company as the only member of the Anaheim Hills Estates Community Association pursuant to said Declaration.

1. The Declaration is hereby amended, modified and restated in its entirety to read as hereinafter set forth. Upon recordation in the Office of the Orange County Recorder of this Amendment and Restatement, the provisions contained in the Declaration as recorded and restatement shall abrogate or change any obligations incurred under the original Declaration prior to the recordation of this Amendment and Restatement.

DECLARATION OF  
COVENANTS, CONDITIONS AND RESTRICTIONS  
FOR  
ANAHEIM HILLS ESTATES COMMUNITY ASSOCIATION

THIS DECLARATION is made this 5th day of May, 1976, by S & S CONSTRUCTION COMPANY, a California corporation. S & S CONSTRUCTION COMPANY shall be referred to hereinafter as "Declarant".

WITNESSETH

WHEREAS, Declarant was required by the City of Anaheim to form a Community Association in order to obtain approval of the Grading Plans for Tract 7918; and

WHEREAS, Declarant is the owner of certain real property located in the County of Orange, State of California, more particularly described on Exhibit "A" attached hereto and incorporated herein by this reference (the "Property"); and

WHEREAS, Declarant desires to create on the Property and such additions thereto as may be made pursuant to Article II hereof ("Additions") a residential community composed of residential dwellings and private recreational facilities for the benefit of the community; and

WHEREAS, Declarant has deemed it desirable to impose a general plan for the protection, maintenance, improvement, development, use, occupancy and enjoyment of the Property and Additions, and to adopt and establish covenants, conditions and restrictions upon the Property and Additions for the purpose of enforcing and protecting the value, desirability and attractiveness thereof; and

WHEREAS, Declarant has deemed it desirable for the efficient preservation of the value, desirability and attractiveness of the Property and Additions to create a corporation to which

should be delegated and assigned the powers of administering and enforcing the covenants, conditions and restrictions; and

WHEREAS, Anaheim Hills Estates Community Association, a nonprofit corporation, has been or will be incorporated under the laws of the State of California for the purpose of exercising the powers and functions as aforesaid; and

WHEREAS, Declarant intends to convey all of the Property and Additions subject to certain protective covenants, conditions and restrictions as hereinafter set forth.

NOW, THEREFORE, Declarant hereby certifies, agrees and declares that it has established, and does hereby establish, a General Plan for the protection, maintenance, improvements, development, use occupancy and enjoyment of the Property and Additions and has fixed, and does hereby fix, the covenants, conditions, restrictions, easements, reservations, liens and charges upon and subject to which all of the Property and Additions and each portion thereof shall be held, used, leased, sold and conveyed, and each and all of which is and are declared hereby to be for the benefit of all the Property and Additions and each portion thereof and each present and each future owner (as hereinafter defined) thereof and Declarant. These covenants, conditions, restrictions, easements, reservations, liens and charges shall run with the Property and Additions and shall be binding upon all parties having or acquiring any right, title or interest in the Property or Additions or any portion thereof and shall inure to the benefit of and bind each owner thereof and their respective successors in interest, and are imposed upon the Property and Additions in favor of the Property and Additions and each and every portion thereof as the dominant tenement or tenements, all as follows to wit:

## ARTICLE I

### Definitions

Section 1. "Articles and By-Laws" shall mean and refer to the Articles of Incorporation and By-Laws of the Association as the same may from time to time be amended.

Section 2. "Assessment" shall refer to any or all of the assessments hereinafter defined:

(a) "Capital Improvement Assessment" shall mean a charge against each Owner and his Lot representing a portion of the cost to the Association for the installation or construction of any capital improvements on any Slope Area as provided for in this Declaration.

(b) "Reconstruction Assessment" shall mean a charge against each Owner and his Lot representing a portion of the cost to the Association for the reconstruction of any portion or portions of the Slope Area or Lots as provided for in this Declaration.

(c) "Regular Assessment" shall mean a charge against each Lot Owner and his Lot representing that portion of the Slope Expenses attributable to such Owner and his Lot as provided for in this Declaration.

(d) "Special Assessment" shall mean a charge against a particular Owner and his Lot, directly attributable to such Owner, for certain costs incurred by the Association or Declarant as provided for in this declaration.

Section 3. "Association" shall mean and refer to Anaheim Hills Estates Community Association, a nonprofit corporation, incorporated under the laws of the State of California, its successors and assigns.

Section 4. "Association Rules" shall mean rules adopted by the Association pursuant to the Article of this Declaration entitled "Duties and Powers of the Association."

Section 5. "Anaheim Hills Estates" and the "Project" shall mean and refer to Phase I together with such additions thereto as may become subject to this Declaration or any Supplementary Declaration of Covenants, Conditions and Restrictions pursuant to the provisions of Article II hereof. Declarant estimates that it shall develop the Project in Two (2) phases. The phrase "Phase of the Project" shall mean and refer to the property subject to a particular Supplementary Declaration recorded as provided herein. Declarant estimates that the total number of Lots within the Project will be One Hundred Twelve (112). Additional phases may be annexed pursuant to the requirements of Article II hereof and shall consist of Lots and Slope Area as same are defined herein within the area described in Exhibit "B" hereto. Declarant shall have the right to make modifications in this phased development plan and such changes shall be disclosed to the California Department of Real Estate ("DRE").

Section 6. "Board" shall mean and refer to the Board of Directors of the Association.

Section 7. "Slope Area" shall mean and refer to easements as shown on Exhibit "C" hereto and any other property, including property which may be added pursuant to Article II hereof, and all facilities and improvements thereon, if any, owned or leased by the Association, or in which the Association has a possessory interest, for the common use and enjoyment of the Owners within the Project.

Section 8. "Slope Expenses" shall mean and refer to the actual and estimated costs of: maintenance, management, operation, repair and replacement of the Slope Area (unless the cost of such repair and replacement is otherwise provided for in the Article hereof entitled "Destruction of Slope Area Improvements") and Maintenance Area; unpaid assessments; management and administration of the Association, including but not limited to compensation paid by the Association to managers, accountants, attorneys and other employees; utilities, trash pick-up and disposal, gardening and other services benefiting the Slope Maintenance Area; fire, casualty, liability, workmen's compensation and other insurance covering the Slope Area; reasonable reserves as appropriate; bonding of the members of the management body; taxes paid by the Association; amounts paid by the Association for the discharge of any lien or encumbrance levied against the Slope Area or portions thereof; amounts paid or incurred by the Association in

collecting Assessments pursuant to Section 1 of Article VI hereof, including amounts expended to purchase a Lot in connection with the foreclosure of an Assessment lien against such Lot; and expenses incurred by the Association for any reason whatsoever in connection with the Slope Area, this Declaration or any Supplementary Declaration of Covenants, Conditions and Restrictions recorded in accordance with Article II of this Declaration, the Articles or By-Laws or in furtherance of the purposes of the Association or in the discharge of any obligations imposed on the Association or the Board by this Declaration or any such Supplementary Declaration.

Section 9. "Declarant" shall mean and refer to S & S Construction Company, a California corporation ("S&S") and such of its successors as shall acquire S & S's entire fee interest in the Project as of the date of acquisition thereof. Persons or entities who acquire less than all of such fee interest (including, without limitation, those acquiring less than all of the Lots owned by S & S for purposes of development or residential use) shall not be successors of S & S for purposes of this Declaration, but rather shall be Owners. However, nothing herein contained shall be deemed to preclude Declarant from assigning any of its rights or duties to anyone as provided in Article XVI, Section 16 hereof.

Section 10. "Declaration" as the same may be amended, supplemented, changed or modified from time to time, shall mean this Declaration of Covenants, Conditions and Restrictions for the Project.

Section 11. "Deed of Trust" when referred to in this Declaration shall be deemed to include a mortgage; "Beneficiary" shall be deemed to include the mortgagee of the mortgage and "Trustor" shall be deemed to include the mortgagor of the mortgage.

Section 12. "Family" shall mean one or more persons related to each other by blood, marriage or legal adoption, or a group of not more than three persons not so related, together with his or their domestic servants, maintaining a common household on a Lot.

Section 13. "First Beneficiary" shall mean and refer to the first beneficiary under a deed of trust of record or the first mortgagee under a mortgage of record covering a Lot or Lots in the Project.

Section 14. "Lot" shall mean and refer to any numbered or lettered plot of land shown upon any recorded subdivision map of the Project, or any portion thereof, with the exception of the Slope Area as hereinabove defined.

Section 15. "Slope Area" shall mean and refer to any area within or outside of the Project which the Association is required to maintain by this Declaration or any Supplementary Declaration of Covenants, Conditions and Restrictions recorded in accordance with Article II hereof.

Section 16. "Member" shall mean and refer to every person or entity who holds membership in the Association as provided in Article III, Section 1 hereof.

Section 17. "Owner" shall mean and refer to one or more persons or entities who are the record owner, including Declarant or the record vendee of a Lot under an installment sales contract, of the fee simple title to any Lot, but shall not mean or refer to those having such interest merely as security for the performance of an obligation.

Section 18. "Phase 1" shall mean and refer to that certain real property more particularly described in Exhibit "A".

Section 19. "Unit" shall mean and refer to any one-family residential dwelling located on a Lot and designed for occupation by not more than one family.

## ARTICLE II

### Property Subject to This Declaration And Additions Thereto

Section 1. Phase 1. The real property which shall be held, used, leased, sold and conveyed subject to this Declaration is the property referred to herein as Phase 1.

Section 2. Additions to Phase 1. Additional real property may be annexed to Phase 1 and become subject to this Declaration by any of the methods set forth hereinafter.

(a) Additions by Declarant. If Declarant shall develop, or cause to be developed, additional real property within the area described in Exhibit "B", attached hereto and incorporated herein by this reference, Declarant shall have the right to annex such additional real property to Phase 1 in accordance with the plan of development referenced in Article I, Section 5, and to bring such real property within the general plan and scheme of this Declaration without the approval of the Association, its Board of Directors or Members; provided that said right of Declarant to annex additional real property pursuant to this provision shall terminate on the third anniversary of the original issuance by the DRE of the most recently issued public report ("Public Report") for a phase of the Project.

(b) Other Additions. In addition to the provision for annexation specified in Section 2(a) hereinabove, additional real property may be annexed to Phase 1 and brought within the general plan and scheme of this Declaration upon the approval by vote or written consent of not less than two-thirds (2/3) of the Class A Members of the Association, excluding Declarant if the Class B membership rights have terminated as provided herein. Upon obtaining the requisite approval pursuant to this Section 2(b), the owner of any real property who desires to annex it to Phase 1 and add it to the general plan and scheme of this Declaration and subject it to the jurisdiction of the Association, shall file of record a Supplementary Declaration of Covenants, Conditions and Restrictions, as more particularly described in Section 2(d) hereinbelow.

(c) Conveyances of Slope Area Easements. Prior to the conveyance of any Lot improved with a Unit within the real property annexed from the area described in Exhibit "B" attached hereto, to the purchaser thereof for residential purposes, non-exclusive easement to the Slope Area within said annexed real property, if any, shall be conveyed to the Association.

(d) Supplementary Declaration. The additions authorized under Sections 2(a) and 2(b) of this Article II shall be made by filing of record a Supplementary Declaration of Covenants, Conditions and Restrictions, or other similar instrument, with respect to the additional real property which shall be executed by Declarant or the owner thereof and shall extend the general plan and scheme of this Declaration to such real property. The filing of record of said Supplementary Declaration shall constitute and effectuate the annexation of the additional real property described therein, and thereupon said real property shall become and constitute a part of the Project, become subject to this Declaration and encompassed within the general plan and scheme of the covenants, conditions and restrictions contained herein, and become subject to assessment by the Association and to the functions, powers and jurisdiction of the Association, and the Owners of Lots in said real property shall automatically become Members of the Association. Such Supplementary Declaration may contain such additions and modifications of the covenants, conditions and restrictions contained in this Declaration as may be necessary to reflect the different character, if any, of the added real property, or as Declarant may deem appropriate in the development of such real property, and as are not inconsistent with the general plan and scheme of this Declaration. In no event, however, shall such Supplementary Declaration revoke, modify or add to the covenants, conditions and restrictions established by this Declaration as the same pertain to Phase I, except as hereinafter may be provided.

### ARTICLE III

#### Membership and Voting Rights in the Association

Section 1. Membership. Every person or entity who is an Owner of a Lot which is subject by these covenants to assessment by the Association shall be a Member of the Association. Membership and the right to vote shall be appurtenant to and may not be separated from the fee ownership of any Lot which is subject to the sole qualification for membership.

Section 2. Transfer. The membership held by any Owner of a Lot shall not be transferred, pledged or alienated in any way, except upon the sale of such Lot and then only to the purchaser thereof. Any attempt to make a prohibited transfer is void and will not

be reflected upon the books or records of the Association. In the event any Owner shall fail or refuse to transfer the membership registered in his name to the purchaser of his Lot, the Association shall have the right to record the transfer upon the books of the Association.

Section 3. Voting Rights. The Association shall have two classes of voting membership:

(a) Class A. Class A Members shall be all those Lot Owners entitled to membership as defined in Section 1 of this Article III, with the exception of Declarant. Class A Members shall be entitled to one (1) vote for each Lot in which they hold the interest required for membership by Section 1. When more than one person holds such interest in any Lot, all such persons shall be Members, and the vote for such Lot shall be exercised as they among themselves determine, but in no event shall more than one vote be cast with respect to any such Lot. Any votes cast with regard to any such Lot in violation of this provision shall be null and void.

(b) Class B. The Class B Member shall be the Declarant. The Class B Member shall be entitled to three (3) votes for each Lot in which it holds the interest required for membership by Section 1; provided that the Class B membership shall cease and become converted to Class A membership on the happening of any of the following events, whichever occurs earliest:

(i) When the total votes outstanding in the Class A membership equal the total votes outstanding in the Class B membership; or

(ii) On the second anniversary of the original issuance by the DRE of the most recently issued Public Report for a phase of the Project; or

(iii) A date not later than the fourth anniversary of the original issuance of the Public Report for Phase I.

From and after the happening of either of these events, whichever occurs earliest, the Class B Member shall be deemed to be a Class A Member entitled to one (1) vote for each Lot in which it holds the interest required for membership under Section 1.

(c) The voting rights of all the classes of membership shall be subject to the restrictions and limitations provided in this Declaration and in the Articles and By-Laws.



## ARTICLE IV

Property Rights in the Slope Area

Section 1. Members' Easements of Enjoyment. Subject to the provisions of Section 3 hereinafter, every Member shall have a right and easement of access, use and enjoyment in and to the Slope Area and such easement shall be appurtenant to and shall pass with the title to every Lot subject to assessment.

Section 2. Title to Slope Area. At any time prior to the conveyance of the first Lot in Phase 1 which is improved with a Unit, Declarant shall convey to the Association a non-exclusive easement, to the Slope Area within Phase 1.

Section 3. Extent of Members' Easements. The rights and easements of access, use and enjoyment created hereby shall be subject to the following:

(a) The right of the Association, in accordance with its Articles and By-Laws, to borrow money for the purpose of improving the Slope Area and facilities thereon, if any, and in aid thereof, to deed in trust said Slope Area; provided, however, that the rights of any beneficiary under such deed of trust shall be subordinate to the rights of the Members; and

(b) The right of the Association to take such steps as are reasonably necessary to protect the Slope Area against foreclosure; and

(c) The right of the Association, as provided in its By-Laws to suspend the voting rights and/or the use or enjoyment rights within the Slope Area of any Member for any period during which any Assessment against his Lot remains unpaid and delinquent, and for a period not to exceed thirty (30) days for any infraction of the Association Rules; provided that any suspension of such right to use or enjoy said facilities, except for failure to pay Assessments, shall be made only by the Association or a duly appointed committee thereof after notice given and hearing held in accordance with the By-Laws; and

(d) The right of the Association to dedicate or transfer all or any part of the Slope Area to any public agency, authority or utility or any other entity for such purposes and subject to such conditions as may be agreed to by the Members; provided, that no such dedication or transfer shall be effective unless approved by the vote or written consent of Members entitled to exercise not less than two-thirds (2/3) of the voting power of the membership and an instrument in writing is recorded and signed by the Secretary of the Association certifying that such dedication or transfer has been approved by the required vote and/or written consent; provided, further, the granting of easements for public utilities or for other public purposes consistent with the intended use of the Slope Area shall not require the prior written consent of Members; and

(e) The right of the Association to establish and enforce reasonable rules and regulations pertaining to the use and enjoyment of the Slope Area and the facilities thereon; and

(f) The right of the Association to limit the number of guests of Members and to limit the use of the Slope Area by persons not in possession of a Lot, but owning a portion of the interest in a Lot required for membership; and

(g) The right of the Association to charge reasonable admission and other fees for the use of any facility situated upon the Slope Area; and

(h) The right of the Association to perform its duties and exercise its powers under Article IX hereof, including the power to grant easements on the Slope Area as provided in said Article; and

(i) Other rights of the Association, the Architectural Committee, the Board, the Owners and Declarant with respect to the Slope Area as may be provided for in this Declaration; and

(j) Any limitations, restrictions or conditions affecting the use, enjoyment or maintenance of Slope Area imposed by Declarant or by any governmental agency having jurisdiction to impose any such limitations, restrictions or conditions, and whether by agreement with the Association or Declarant or otherwise.

Section 4. Delegation of Use. Subject to the limitations of Section 3 of this Article IV, any Member may delegate, in accordance with the By-Laws, his right of use and enjoyment to the Slope Area and facilities to the members of his Family, his tenants and contract purchasers who reside on his Lot.

## ARTICLE V

### Covenant for Assessments

Section 1. Creation of the Lien and Personal Obligation of Assessments. Declarant for each Lot owned by it within the Project hereby covenants, and each Owner of any Lot within the Project by acceptance of a deed or other conveyance therefor, whether or not it shall be so expressed in any such deed or other conveyance, is and shall be deemed to covenant and agree to pay to the Association: (a) Regular Assessments, (b) Special Assessments, (c) Capital Improvement Assessments and (d) Reconstruction Assessments, such Assessments to be fixed, established, and collected from time to time as hereinafter provided. The Assessments, together with such interest thereon and costs of collection thereof as provided hereinbelow in Section 1 of Article VI, shall be a charge on the land and shall be a continuing lien upon the Lot against which each such Assessment is made. The lien shall become effective upon recordation of a notice of claim of lien in accordance with Section 2 of Article VI of this Declaration. Each such Assessment, together with such interest and costs, shall also be the personal obligation of the person or entity who was the Owner of

such Lot at the time when the Assessment, or any portion thereof, fell due and shall bind his heirs, devisees, personal representatives, successors and assigns. However, the personal obligation shall not pass to his successors in title unless expressly assumed by them.

Section 2. Purpose of Assessments. The Regular Assessments levied by the Association shall be collected, accumulated and used exclusively for the purpose of providing for and promoting the pleasure, recreation, health, safety and social welfare of the Members of the Association, including the enhancement of the value, desirability and attractiveness of the Project, the improvement and maintenance of the Slope Area and facilities thereon, the improvement and maintenance of Maintenance Areas and the discharge of any obligations or duties imposed on the Association or the Board by this Declaration. Special, Capital Improvement and Reconstruction Assessments shall be used exclusively for the purposes for which such Assessments were levied as provided for in this Declaration.

Section 3. Regular Assessments.

(a) Amount and Time of Payment. Regular Assessments shall be levied on a calendar or fiscal year basis ("Assessment Period") as determined by the Board and the amount of said Regular Assessments shall be determined by the Board after giving due consideration to the Slope Expenses of the Association. Notwithstanding the foregoing, the Board shall not increase the amount of Regular Assessments for any fiscal year by an amount greater than the percentage increase in the amount of the Regular Assessment rate for the preceding year. The Board shall have the power of the Member, in exercising its power of the Member, to reduce the amount of Regular Assessments thereon the Declarant. The Regular Assessments shall be paid on a monthly basis. In the event the amount budgeted to meet Slope Expenses for an Assessment Period proves to be excessive in light of the actual Slope Expenses, the Board in its discretion may, by resolution, reduce pro rata the amount of the Regular Assessments.

(b) Date of Commencement of Regular Assessments. The Regular Assessments provided for herein shall commence as to all Lots in Phase I on the first day of the month following the conveyance of the first Lot within Phase I to an Owner. The Regular Assessments for Lots added hereafter to Phase I, provided said Lots have become subject to assessments by the Association, shall commence with respect to all Lots within such added property on the first day of the month following the conveyance of the first Lot within property added from the area described in Exhibit "B" attached hereto, to an Owner for residential purposes; provided, however, that the Association, by a majority vote of its Board, may extend the commencement date of Regular Assessments for Phase I and the commencement date of Regular Assessments for any added property to a date ("Extension Date") not later than four months following the completion of all improvements to and landscaping of the Slope Area within Phase I and any Slope Area within any added property, respectively, if Declarant, by a written agreement with the Association, commits to maintain such Slope Area within Phase I or

Slope Area within any added property, respectively, until such Extension Date.

(c) Assessment Procedures. At least thirty (30) days in advance of each Assessment Period, the Board shall estimate the total Slope Expenses to be incurred by the Association for such forthcoming Assessment Period and shall at that time determine and fix the amount of the Regular Assessment against each Lot subject thereto for such Assessment Period. Written notice of such Regular Assessment shall be sent to every Owner subject thereto at least fifteen (15) days in advance of each Assessment Period. Each Owner shall thereafter pay to the Association his Regular Assessment in installments as established by the Board. In the event the Board shall determine at any time that the Regular Assessments levied for a current Assessment Period are, or will become, inadequate to meet all Slope Expenses for any reason, it shall immediately determine the approximate amount of such inadequacy, issue a supplemental estimate of the total Slope Expenses and revise and fix the amount of Regular Assessments against each Owner.

Section 4. Capital Improvement Assessments. In addition to the Regular Assessments, the Association may levy for any Assessment Period Capital Improvement Assessments applicable to that Assessment Period only for the purpose of defraying, in whole or in part, the cost of any construction or reconstruction, unexpected repair or replacement of a described capital improvement upon the Slope Area, to the extent the same is not covered by the provisions for Reconstruction Assessments herein, or any unexpected improvement to or maintenance of any Maintenance Area and such similar areas as may exist in any real property annexed to Phase 1 pursuant to Article II hereof, including the necessary fixtures and personal property related thereto; provided that any such Capital Improvement Assessment in excess of five percent (5%) of the Slope Expenses for the current fiscal year shall have the approval by the vote or written assent of not less than a majority of the voting power of the Association, excluding therefrom the Declarant. Capital Improvement Assessments shall be due and payable at the times and in the amounts fixed by the Board.

Section 5. Special Assessments. Special Assessments may be levied (a) by the Board from time to time against Lots with respect to which particular costs or expenses have been incurred by the Association for materials or services furnished at the request, or with the consent, of any Owner of such Lot, (b) in accordance with Sections 2 and 5 of Article IX hereof or (c) by Declarant and/or the Association in accordance with Section 4 of Article XVI hereinbelow. Special Assessments levied by the Association shall be due and payable at the times and in the amounts fixed by the Board. Special Assessments levied by the Declarant shall be due and payable at the times and in the amounts which Declarant establishes.

Section 6. Certificate of Payment. Upon demand, the Association shall furnish to any Owner liable for Assessments a certificate in writing signed by an officer or authorized agent of the Association setting forth whether said Assessments or any portions thereof have been paid. Such certificate shall be conclusive evidence of payment of any Assessments or portions thereof therein stated to have been paid. A reasonable charge may be made by the Board for the issuance of any such certificate.

Section 7. Assessment of Lots Owned by Declarant. Without exception, each Lot owned by Declarant shall be subject to assessment to the same extent and in the same manner as any other Lot owned by any Owner.

Section 8. Nonuse and Abandonment. No Owner may waive or otherwise escape personal liability for the Assessments provided for herein, nor release the Lot owned by him from the liens and charges hereof, by nonuse of the Slope Area or abandonment of his Lot.

Section 9. Uniform Rate of Assessment. All Regular, Capital Improvement, and Reconstruction Assessments shall be fixed at a uniform rate for all Lots.

Section 10. Exempt Property. The following property subject to this Declaration shall be exempt from the Assessments charges and liens created herein: (a) all properties dedicated to and accepted by a public authority; (b) all Slope Area; and (c) all properties exempted from taxation by the laws of the State of California, upon the terms and to the extent of such legal exemption. Notwithstanding any provision in this Section, no real property or improvements devoted to residential dwelling use shall be exempt from said Assessments, charges or liens.

Section 11. Offsets. All Assessments shall be payable in the amount specified in the Assessment levied by the Association or Declarant and no offsets against such amount shall be permitted for any reason, including, without limitation, a claim that the Association is not properly exercising its duties of maintenance or enforcement.

## ARTICLE VI

### Non-Payment of Assessments

Section 1. Delinquency and Remedies of Association. If any Assessment or any Assessment or any portion thereof is not paid on the date when due, then such Assessment or portion thereof shall become delinquent and shall, together with interest and costs of collection as provided hereinbelow, thereupon become a continuing lien on the Lot against which such Assessment was made as more particularly described in Section I of Article V hereinabove. If the Assessment or any portion thereof is not paid within thirty (30) days after the delinquency date, a late charge of Ten Dollars (\$10.00) may be levied by the Board and the Assessment shall bear interest from the date of delinquency at the then legal rate, and, in addition to all other legal and equitable rights or remedies, the Association may, at its option, bring an action at law against the Owner personally obligated to pay the same, and/or upon compliance with the notice provisions set forth in Section 2 hereinbelow, to foreclose the lien against the Lot, and there shall be added to the amount of such Assessment or any portion thereof, and interest thereon, the late charge and all costs and expenses, including reasonable attorneys' fees, incurred by the Association in collecting the delinquent

Assessment. Each Owner of Lots in the Association, its successors or assigns, the right and power to bring all actions at law or lien foreclosure against such Owner or other Owners for purposes of collecting delinquent Assessments. In lieu of judicially foreclosing the lien, the Association, at its option, may foreclose such lien by proceeding under a power of sale as provided hereinbelow in Section 3, such a power of sale being given to the Association as to each and every Lot for the purpose of collecting delinquent Assessments.

Section 2. Notice of Claim of Lien. No action shall be brought to foreclose the lien, or to proceed under the power of sale, sooner than thirty (30) days after the date that a notice of claim of lien, executed by a duly authorized representative of the Association, is recorded with the Orange County Recorder, said notice stating the amount claimed (which may include the late charge, interest and costs of collection including reasonable attorneys' fees), a good and sufficient legal description of the Lot being assessed, the name and address of the Association as claimant, and the name of the record owner or reputed owner thereof. A copy of said notice of claim shall be deposited in the United States mail, certified or registered and postage prepaid to the owner of the Lot.

Section 3. Foreclosure Sale. Any such sale provided for above shall be conducted in accordance with the provisions of Sections 2924, 2924b, and 2924c of the Civil Code of the State of California, applicable to the exercise of powers of sale in deeds of trust, or in any other manner permitted or provided by law. The Association, through its duly authorized agents, shall have the power to bid on the Lot at foreclosure sale, using Association funds or funds borrowed for such purpose, and to acquire and hold, lease, mortgage and convey the same.

Section 4. Curing of Default. Upon the timely curing of any default for which a notice of claim of lien was recorded by the Association, any officer of the Association is hereby authorized to file or record, as the case may be, an appropriate release of such notice, upon payment by the defaulting Owner of a fee to be determined by the Association, but not to exceed a reasonable fee, to cover the costs of preparing and filing or recording such release together with the payment of such other charges, costs, interest or fees as shall have been incurred.

Section 5. Cumulative Remedies. The Assessment lien and the rights to foreclosure and sale thereunder shall be in addition to and not in substitution for all other rights and remedies which the Association and its successors and assigns may have hereunder and by law.

## ARTICLE VII

### Architectural and Landscaping Control

Section 1. Architectural Approval. No building, fence, wall, sign or other structure, or exterior addition to or change or alteration thereof (including painting) or landscaping

shall be commenced, constructed, erected, placed, altered, maintained or permitted to remain on the Project, or any portion thereof until plans and specifications shall have been submitted to and approved in writing by an architectural committee consisting of three (3) members, initially to be appointed by Declarant ("Architectural Committee"). Said plans and specifications shall be prepared by a duly licensed architect or other person approved by the Architectural Committee and shall include, where appropriate, the following:

(a) plot plans, showing the location of all structures and showing grade elevations and drainage; (b) building materials therefor; (c) exterior elevations, surfaces and sections, structural design and salient exterior details; (d) general exterior color schemes; and (e) landscaping plans showing type, location and elevation of trees, bushes, shrubs, plants, hedges and fences. Provided, however, that Declarant shall not be required to comply with any of the provisions of this Section 1. All such plans and specifications shall be submitted in writing over the signature of the owner of the property or such owner's authorized agent. Approval shall be based, among other things, on adequacy of site dimensions; adequacy of structural design and material; conformity and harmony of external design with neighboring structures; effect of location and use of improvements and landscaping on neighboring property, improvements, landscaping, operations and uses; relation of topography, grade and finished ground elevation of the property being improved to that of neighboring property; proper facing of main elevations with respect to nearby streets; preservation of view and aesthetic beauty; with respect to fences, walls and landscaping, assurance of adequate access to the Association in connection with the performance of its duties and the exercise of its powers hereunder; conformity with such rules and regulations as may be adopted by the Architectural Committee in accordance with this Article; and conformity of the plans and specifications to the purpose and general plan and intent of this Declaration. The Architectural Committee shall have the right, but not the obligation, to require any Member to remove, trim, top or prune any shrub, tree, bush, plant or hedge which such Committee reasonably believes impedes the view of any Lot.

Section 2. Term and Composition of Architectural Committee Appointed by Declarant.

(a) Prior to the first anniversary of the issuance of a Public Report for the Project, Declarant may appoint the three (3) original members of the Architectural Committee and their replacements, if necessary. Declarant's appointees to the Architectural Committee need not be Members of the Association. Declarant shall retain the right to appoint a majority of the members of the Architectural Committee until the happening of any of the following events, whichever occurs earlier:

(i) When ninety percent (90%) or more of the Lots within the Project have been sold; or

(ii) Until the fifth anniversary of the issuance of the Public Report for Project 1.

(b) After one year from the date of the sale of the first Lot within Project 1, the Board shall have the right to appoint one Member to the Architectural Committee.

(c) From and after the happening of any of the events referred to in (a) (i) and (ii) herein, whichever occurs earlier, the Architectural Committee shall be composed of the Board or by three (3) or more representatives appointed by the Board.

Section 3. Failure to Approve or Disapprove Plans and Specifications. In the event the Architectural Committee, or its representatives designated in accordance with Section 8 hereinbelow, fails to either approve or disapprove such plans and specifications within thirty (30) days after the same have been submitted to it, it shall be conclusively presumed that the Architectural Committee has approved such plans and specifications. All improvement work approved by the Architectural Committee shall be diligently completed and constructed in accordance with approved plans and specifications.

Section 4. No Liability. Neither Declarant, the Association, the Architectural Committee or the members or designated representatives thereof shall be liable in damages to anyone submitting plans or specifications to them for approval, or to any owner of property affected by this Declaration by reason of mistake in judgment, negligence, or nonfeasance arising out of or in connection with the approval or disapproval or failure to approve or disapprove any such plans or specifications, or for any defect in any structure constructed from such plans and specifications. Such plans and specifications are not approved for engineering design. Every person who submits plans or specifications to the Architectural Committee for approval agrees, by submission of such plans and specifications, and every owner of any of said property agrees that he will not bring any action or suit against Declarant, the Association, the Architectural Committee or any of the members or designated representatives thereof to recover any such damages.

Section 5. Notice of Noncompliance or Noncompletion. Notwithstanding anything to the contrary contained herein, after the expiration of the later of (a) one (1) year from the date of issuance of a building permit by municipal or other governmental authority for any improvements or (b) one (1) year from the date of the commencement of construction within the Project of any improvements, said improvements shall, in favor of purchasers and encumbrancers in good faith and for value, be deemed to be in compliance with all provisions of this Article VII, unless actual notice of such noncompliance or noncompletion, executed by the Architectural Committee or its designated representatives, shall appear of record in the Office of the County Recorder of Orange County, California, or unless legal proceedings shall have been instituted to enforce compliance or completion.

Section 6. Rules and Regulations. The Architectural Committee may from time to time, in its sole discretion, adopt, amend and repeal reasonable rules and regulations interpreting and implementing the provisions hereof and establishing reasonable architectural standards over the Project.

Section 7. Variances. Where circumstances such as topography, location of property lines, location of trees, configuration of Lots, or other matters require, the Architectural Committee, by the vote or written consent of a majority of its members, may allow reasonable variances as to any of the covenants, conditions or restrictions contained in this



Declaration under the jurisdiction of such Committee, on such terms and conditions as it shall require; provided, however, that all such variances shall be in keeping with the general plan for the improvement and development of the Project.

Section 8. Appointment and Designation. The Architectural Committee may from time to time, by a majority of the members thereof, delegate any of its rights or responsibilities hereunder to one or more duly licensed architects or other qualified persons who shall have full authority to act on behalf of said Architectural Committee in all matters delegated.

Section 9. Review Fee and Address. All plans and specifications required by Section 1 and Section 3 hereof shall be submitted in writing for approval together with a reasonable processing fee. The address of the Architectural Committee is 14340 Bolsa Chica, Suite D Westminster, California, or such other place as may from time to time be designated by the Architectural Committee by a written instrument recorded in the Office of the County Recorder of Orange County; and the last instrument so recorded shall be deemed the Architectural Committee's proper address. Such address shall be the place for the submittal of plans and specifications and the place where the current rules and regulations, if any, of the Architectural Committee shall be kept.

Section 10. Inspection. Any member or agent of the Architectural Committee may from time to time at any reasonable hour or hours and upon reasonable notice enter and inspect any property subject to the jurisdiction of said Architectural Committee as to its improvement or maintenance in compliance with the provisions hereof.

## ARTICLE VIII

### General Restrictions

Section 1. Except as provided in Section 11 of Article XVI hereof, no building, structure or improvement shall be constructed, erected, altered, placed or permitted to remain on any of the Lots within Phase 1 other than a residential dwelling and customary appurtenances designed for occupation by not more than one Family.

Section 2. Neither the Project nor any portion thereof, shall be used for any purpose tending to injure the reputation of the Project, or to disturb the neighborhood or occupants of adjoining property, or to constitute a nuisance, or in violation of any public law, ordinance or regulation in anywise applicable thereto.

Section 3. None of the Lots shall be used or caused to be used or allowed or authorized in any way, directly or indirectly, for any business, commercial, manufacturing, mercantile, storing, vending or other such nonresidential purposes.

Section 4. Subject to the provisions of Section 3 of Article IV, the Slope Area shall be used for social, pedestrian and other purposes authorized under this Declaration, and such Supplementary Declarations as may be filed pursuant to the provisions of Article II hereof.

Section 5. No projections of any type shall be placed or permitted to remain above the roof of any building with the exception of one or more chimneys and one or more vent stacks. No outside television or radio pole or antenna or other electronic device shall be constructed, erected or maintained on any building or on any property within the Project or connected in such manner as to be visible from the outside of any such building unless and until the same shall have been approved by the Architectural Committee.

Section 6. No shed, tent or temporary building shall be erected, maintained or used on any property within the Project without the approval of the Architectural Committee. Temporary buildings for use and used only for purposes incidental to the initial construction of improvements and dwellings on any portion of the Project may be erected, maintained and used, provided that such erection, maintenance and use thereof has been approved by the Architectural Committee and; provided, further, that said temporary buildings shall be promptly removed upon the completion of such construction work.

Section 7. When garages are not in use, garage doors shall be closed. Garages shall be used only for the purpose of parking automobiles and storing an Owner's household goods. No open carport, if any, shall be used for the storage of any item other than an automobile.

Section 8. ~~No mobile home, boat, truck, trailer or recreational vehicle of any kind or similar equipment shall be kept, stored, parked (other than temporarily) or maintained, constructed or repaired, on any property within the Project in such a manner as to be visible from any neighboring property; provided, however, that the provisions of this Section shall not apply to emergency vehicle repairs. Temporary parking shall mean parking of vehicles belonging to guests of Owners, delivery trucks, service vehicles and other commercial vehicles being used in the furnishing of services to the Association or the Owners and parking of vehicles belonging to or being used by Owners for loading or unloading purposes.~~

Section 9. No privy shall be erected, maintained or used upon any portion of the Project, but a temporary privy may be permitted during the course of construction of a building, provided that such erection, maintenance or use is approved by the Architectural Committee. Any lavatory, toilet or water closet which shall be erected, maintained or used upon any portion of the Project shall be enclosed and located within a building permitted under this Declaration to be erected within the Project, shall be properly connected with the sewer system and shall be so constructed and operated that no offensive odor shall arise or otherwise escape therefrom.

Section 10. No animals, fowl, reptiles, insects or poultry shall be kept by Lot Owners within the Project, except that domestic dogs, cats, birds and fish may be kept as household pets upon said property. No animals shall be kept, bred or raised thereon by any Owner for commercial purposes or in unreasonable quantities. All animals permitted to be kept by this Section by Lot Owners shall be kept on a leash within the Project when not within an enclosed area of a Lot.

Section 11. Except for a sign of customary and reasonable dimensions the area of which shall not exceed four (4) square feet and advertising a Lot for sale, such sign to be located on such Lot, no sign or other advertising device of any character shall be erected, maintained, or displayed upon any portion of the Project; provided, however, that Declarant, its agents and designees, may erect and maintain such signs and other advertising devices or structures as it may deem necessary or proper in connection with the conduct of its operations for the development, improvement, subdivision and sale of the Lots within the Project.

Section 12. No weeds, rubbish, debris, objects or materials of any kind shall be placed or permitted to accumulate upon any property within the Project which render such portion unsanitary, unsightly, offensive or detrimental to any property in the vicinity thereof or to the occupants of any such property in such vicinity. Trash, garbage, rubbish and other waste shall be kept only in sanitary containers. All service yards or service areas, clothes-line areas, sanitary containers and storage piles on any property within the Project shall be enclosed or fenced in such a manner that such yards, areas, containers and piles will not be visible from any neighboring property or street. Sanitary containers may be set out for a reasonable period of time before and after scheduled trash pick-up times.

Section 13. No plants or seeds infected with noxious insects or plant diseases shall be brought upon, grown or maintained upon any property within the Project.

Section 14. No noxious or offensive activity shall be carried on upon any property within the Project, nor shall anything be done or maintained thereon which may be or become an annoyance or nuisance to the neighborhood.

Section 15. All buildings and other structures (including roofs) upon the Project and each portion thereof shall at all times be maintained (including the replacement thereof when necessary or appropriate) in good repair and in an attractive, neat, safe, sanitary and orderly condition and shall be well and properly painted by the owner thereof unless otherwise provided in this Declaration. No windows shall be covered with aluminium foil or similar material.

Section 16. Slope and landscaped areas within any Lot, including any drainage facilities located thereon, shall be maintained continuously by the Owner thereof in a neat, orderly and safe condition and in such a manner as to enhance their appearance, maintain established slope ratios, prevent erosion or sliding problems, and to facilitate the orderly discharge of water through drainage systems and patterns established by Declarant. No structure, planting or other material shall be placed or permitted to remain, or other activities undertaken on any slope area or any other area within the Project which might damage or interfere with established slope ratios, create erosion or sliding problems, or interfere with established drainage systems or patterns. Any area drains and other drainage facilities and systems not maintained by the Association shall be maintained by the owner thereof in a neat, orderly and safe condition and in such a manner as to facilitate the orderly discharge of water by means of same.

Section 17. All landscaping of every kind and character, including shrubs, trees, grass and other plantings shall be neatly trimmed, properly cultivated and maintained continuously by the owner thereof, other than such areas within a Lot maintained by the Association, in a neat and orderly condition and in a manner to enhance its appearance.

Section 18. During reasonable hours and after reasonable notice, Declarant or any agent thereof, so long as Declarant is an Owner of at least twenty-five percent (25%) of the Lots, or the Association, shall have the right to enter upon and inspect the Project or any portion thereof and the improvements thereon for the purpose of ascertaining whether or not the provisions of this Declaration are being complied with and shall not be deemed guilty of trespass by reasons thereof.

Section 19. Each Member shall be liable to the Association for any damage to the Slope Area or to any of the equipment or improvements thereon which may be sustained by reason of the negligence or willful misconduct of said Member or of his Family, relatives, guests or invitees, both minor and adult.

Section 20. No Owner of any Lot ("Adjacent Lot") within the Project which is adjacent to a structural wall, or portion thereof, of a Unit situated upon an adjoining Lot ("Adjoining Lot") shall affix an object or device of any kind to such structural wall, or portion thereof, without the prior written consent of the Owner of such wall. The Owner of the Adjoining Lot shall have the right, at reasonable times, in a reasonable manner, and upon reasonable notice to enter upon the Adjacent Lot for the purpose of maintaining, repairing or restoring said structural wall of his Unit.

Section 21. As used herein, the term "drainage pattern and system" includes, but is not necessarily limited to, underground drain pipes and patterns of drainage over Lots or Slope Area and roofs from and to adjoining properties and improvements. The Owner of each Lot or Slope Area shall have the right to use the established drainage pattern and system for the purpose of draining his Lot or Slope Area and improvements thereon; provided that such right of drainage shall not include the right to discharge noxious or offensive matter. Water from any Lot or Slope Area and the improvements thereon may drain or flow into adjacent streets. Water shall not be allowed to drain or flow on to adjacent Lots or Slope Area except to the extent provided for by the established drainage pattern and system. All slopes or terraces on any Lot or Slope Area shall be maintained as provided herein so as to prevent any erosion thereof upon adjacent streets or adjoining property.

Section 22. The Association shall periodically inspect the Units on the Lots to ascertain if they are being properly maintained in accordance with the requirements of Section 15 of this Article VIII. If not, the Association may proceed in accordance with Section 4(b) of Article XVI.

Section 23. None of the restrictions contained within this Article shall limit or be deemed to limit the rights of Declarant provided for in Section 11 of Article XVI hereof.

## ARTICLE IX

### Duties and Powers of the Association

Section 1. General. In addition to the duties and powers enumerated in its Articles and By-Laws, or elsewhere provided for herein, and without limiting the generalities thereof, the Association shall:

(a) Subject to the provisions of the Article hereof entitled "Insurance", maintain such policy or policies of insurance as the Board deems necessary or desirable in furthering the purposes of and protecting the interests of the Association and its Members.

(b) Establish and maintain a working capital and contingency fund in an amount to be determined by the Board.

(c) Enforce the provisions of this Declaration by appropriate means, including without limitation, the expenditure of funds of the Association, the employment of legal counsel, the commencement of actions, and the promulgation of the Association Rules by the Association.

(d) Slope control and otherwise manage, or cause to be managed, in a neat, safe, attractive, sanitary and orderly condition, the Slope Area and all facilities, improvements, drainage facilities, and landscaping thereon and thereunder, including (subject to the provisions of the Article hereof entitled "Destruction of Slope Area Improvements") the reconstruction, repair or replacement thereof when necessary or appropriate, and all other real or personal property acquired by the Association.

(e) Maintain, or cause to be maintained, all slope and landscaped areas within any Slope Area (including any drainage or irrigation facilities or systems located thereon) in a neat, orderly, safe and sanitary condition and in such a manner as to enhance their appearance, maintain established slope ratios, prevent erosion or sliding problems and to facilitate the orderly discharge of water through established drainage systems and patterns. Any natural slope areas within any Slope Area shall be maintained additionally in such a manner as to prevent noxious or dangerous weeds, sagebrush, chaparral or any other brush or weeds from attaining such growth as to become, when dry, a fire menace or public nuisance.

(f) Maintain, or cause to be maintained, such Slope Areas as may be established from time to time by this Declaration or by any Supplementary Declaration of

Covenants, Conditions and Restrictions recorded in accordance with Article II hereof or by contract between the Association and Declarant or any public entity, specifically including those provided for in Article X hereof.

(g) Pay any real and personal property taxes and other charges assessed against the Slope Area unless separately assessed to the Owners.

(h) Obtain, for the benefit of all of the Slope Area all water, gas, and electric services.

(i) Subject to the limitations of Section 3(d) of Article IV hereof, grant easements where necessary for utilities and sewer facilities over the Slope Area to serve the Project.

Section 2. Limitations on Association. The Board shall not be authorized to take the following actions without the vote or written assent of a majority of the voting power of the Association, excluding therefrom the Declarant:

(a) Selling during any Association fiscal year real or personal property of the Association having an aggregate fair market value greater than five percent (5%) of the Slope Expenses for such fiscal year;

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

Section 3. Use of Agent. The Board may employ a manager or other persons and may contract with independent contractors or managing agents to perform all or any part of the duties and responsibilities of the Association, provided that any contract with a person or firm appointed as a manager or managing agent shall be for each such period limited to a duration of one (1) year, except the contract may be renewable for successive one-year periods with the approval, terminable by the Association for cause upon thirty (30) days written notice thereof and shall be by vote or written consent of Members entitled to exercise not less than a majority of the voting power of the Association, excluding therefrom the Declarant.

Section 4. Association Rules. The Association shall have the power, as provided in the By-Laws, to adopt, amend and repeal Association Rules, The Association Rules shall govern such matters in furtherance of the purposes of the Association as the Board shall deem appropriate, including, without limitations, the use and enjoyment of the Slope Area and facilities thereon if any; provided, however, that the Association Rules may not discriminate among Members and shall not be inconsistent with this Declaration, the Articles or By-Laws. A copy of the Association Rules as they may from time to time be adopted, amended or repealed shall be mailed or otherwise delivered to each Owner. Upon such

mailing or delivery, the Association Rules shall have the same force and effect as if they were set forth in and were part of this Declaration. In the event of any conflict between any such Association Rules and any other provisions of this Declaration, the Articles or the By-Laws, the provisions of the Association Rules shall be deemed to be superseded by such other provisions to the extent of any such inconsistency.

Section 5. Entry and Emergency Powers. The Association or any person authorized by the Association may enter any Lot in the event of any emergency involving illness or potential danger to life or property, or in nonemergency situations, after reasonable notice and at reasonable hours, for the purpose of performing its duties and exercising its powers as set forth in this Declaration (including entry when necessary in connection with construction, maintenance, repair for the benefit of the Slope Area or the Owners in Common). Any damage caused by said entry shall be repaired at the cost of the Association.

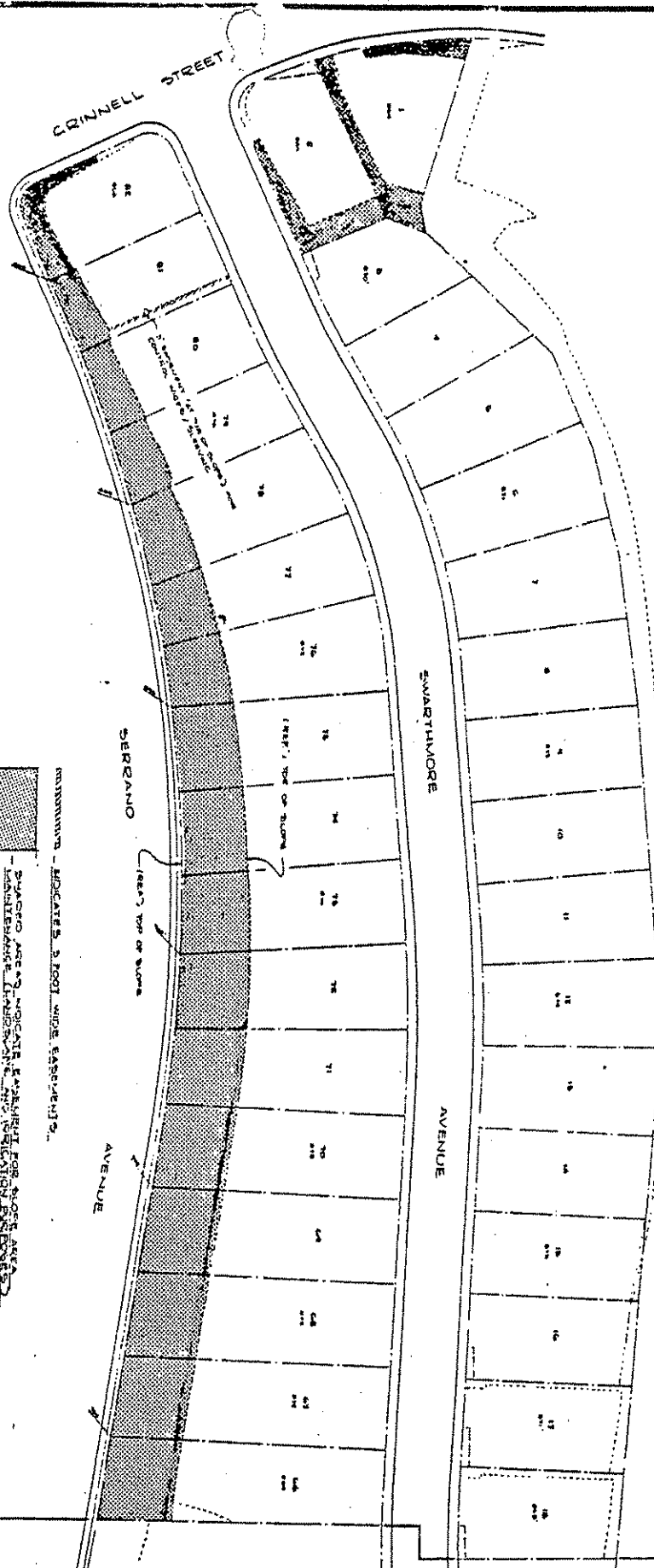
## ARTICLE X

### Easements

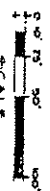
Certain Lots within the Project are hereby declared to be encumbered by a non-exclusive easement for landscape maintenance and irrigation; including, but not limited to electrical and water lines, purposes over portions of said Lots within Tract Number 7918 as shown on a map recorded in book 355, pages 27 through 30, inclusive of Miscellaneous Maps in the Office of the County Recorder and more particularly shown and described in Exhibit C attached hereto and made a part hereof by this reference.

Each Owner agrees for himself and his heirs, successors, executors, administrators and assigns and the Association agrees, for itself and its successors and assigns, that each will permit free access at reasonable times and upon reasonable notice by each Owner for whose benefit an easement is created hereunder for the purpose of exercising his rights with respect to such maintenance, repair, and/or reconstruction.

EXHIBIT "C"



NOTE: SLOPE MAINTENANCE LINE IS LOCATED AT THE TOP OF EACH LOT AND IS TO BE MAINTAINED AS SHOWN ON THIS PLAN. ALL SLOPE MAINTENANCE LINE SHALL BE MAINTAINED AS SHOWN ON THIS PLAN. ALL SLOPE MAINTENANCE LINE SHALL BE MAINTAINED AS SHOWN ON THIS PLAN.



(V)

(V)

FRANK RADMACHER ASSOCIATES  
 LANDSCAPE ARCHITECTS

SLOPE DEVELOPMENT - TRACT 7918  
 ANAHEIM HILLS - ANAHEIM, CALIF.  
 S & S CONSTRUCTION CO. - LOS ANGELES, CALIF.

SLOPE MAINTENANCE  
 PLAN



BK 11751 PG 421

EXHIBIT "C"

SERRANO AVENUE

BURQUE CIRCLE

VASSAK CIRCLE

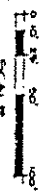
SWARTHMORE DRIVE

LEHIGH DRIVE

RUICKS DRIVE

DAVID DRIVE

LOVELY DRIVE



## ARTICLE XI

Reservation of Easements by Declarant

Section 1. Utilities. Easements over the Project for the installation, maintenance, service, repair, reconstruction and replacement of electric, telephone, cable television, water, gas, sanitary sewer lines and drainage facilities as shown on the recorded tract or parcel maps of the Project, are hereby reserved by Declarant, together with the right to grant and transfer the same.

Section 2. Slope Area. There is hereby reserved by Declarant, including without limitation its sales agents and representatives and prospective purchasers of Lots, together with the right in Declarant to grant and transfer the same, over the Slope Area as the same may from time to time exist, easements for construction, display, sales offices and incidental parking and exhibit purposes in connection with the construction, development and sale of residential dwellings and Lots within the Project and for such other purposes and subject to such limitations as may be provided in Article XVI.

Section 3. Discharge of Rights and Obligations. There is hereby reserved by Declarant, together with the right to grant and transfer the same, easements over the Project for the purpose of permitting the Association, the Board, the Architectural Committee, Declarant and others to discharge their rights and obligations as described in this Declaration.

Section 4. Recreational Easement. There is hereby reserved to Declarant, its successors and assigns, together with the right to grant and transfer the same to the Owners, a nonexclusive easement for recreational purposes over the Slope Area. Such easement when granted to Owners shall be subject to the rights of the Association with regard to the Slope Area as set forth in the Article hereof entitled "Rights in the Slope Area".

Section 5. Amendment to Easements. This Declaration cannot be amended to modify or eliminate the easements reserved to Declarant herein without the prior written approval of Declarant and any attempt to do so shall have no effect.

## ARTICLE XII

Insurance

Section 1. Types. The Association, to the extent available, shall obtain and continue in effect in its own name the following types of insurance:

- (a) A comprehensive policy of public liability insurance covering the Slope

Area and improvements thereto with a limit of not less than One Million Dollars (\$1,000,000) for claims for personal injury and/or property damage arising out of a single occurrence, such coverage to include protection against water damage liability, liability for non-owned and hired automobile and liability for property of others, and such other risks as shall customarily be covered with respect to similar planned unit developments in the area of the Project; and shall contain a "severability of interest" endorsement or the equivalent which shall preclude the insurer from denying the claim of an Owner because of negligent acts or omissions of the Association or other Owners;

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

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

Section 2. Waiver By Members. As to each of said policies which will not be voided or impaired thereby, the Members hereby waive and release all claims against the Association, the Board, the Declarant and agents and employees of each of the foregoing, with respect to any loss covered by such insurance, whether or not caused by negligence of or breach of any agreement by said persons, but to the extent of insurance proceeds received in compensation for such loss only.

Section 3. Other Insurance; Annual Review. The Association may purchase such other insurance as it may deem necessary, including but not limited to plate-glass insurance, workmen's compensation, officers' and directors' liability, and errors and omission insurance. The Board shall annually determine whether the amounts and types of insurance it has obtained provide adequate coverage for the Slope Area and other areas referenced herein in light of increased construction costs, inflation, practice in the area in which the Project is located, or any other factor which tends to indicate that either additional insurance policies or increased coverage under existing policies are necessary or desirable to protect the interests of the Association. If the Board determines that increased coverage or additional insurance is appropriate, it shall obtain the same.

Section 4. Premiums and Proceeds. Insurance premiums for any such blanket insurance coverage obtained by the Association and any other insurance deemed necessary by the Association shall be a Slope Expense to be included in the Regular Assessments levied by the Association. Insurance proceeds shall be used by the Association for the repair or replacement of the property for which the insurance was carried, or otherwise disposed of as provided in the Article entitled "Destruction of Improvements" in this Declaration. The Association is hereby granted the authority to negotiate loss settlements with the appropriate insurance carriers. Any two directors of the Association may sign a loss claim form and release form in connection with the settlement of a loss claim, and such signatures shall be binding on the Association and the Members.

Section 5. Abandonment of Replacement Cost Insurance. Unless at least seventy-five percent (75%) of the First Beneficiaries based on one (1) vote for each Deed of Trust have given their prior written approval, the Association shall not be entitled to fail to maintain the extended coverage fire and casualty insurance required by this Article on less than a one hundred percent (100%) current replacement cost basis.

Section 6. Payments of Taxes or Premiums By First Beneficiaries. First Beneficiaries may, jointly or singly, pay taxes or other charges which are in default and which may or have become a charge against the Slope Area, unless such taxes or charges are separately assessed against the Owners in which case the rights of First Beneficiaries shall be governed by the provisions of their Deeds of Trust. First Beneficiaries may, jointly or singly, also pay overdue premiums on hazard insurance policies, or secure a new hazard insurance coverage on the lapse of a policy, for the Slope Area and First Beneficiaries making such payments shall be owed immediate reimbursement therefor from the Association. Entitlement to such reimbursement shall be reflected in an agreement in favor of any First Beneficiary which requests the same to be executed by the Association.

Section 7. Requirements of FNMA, GNMA and FHLMC. Notwithstanding the foregoing provisions of this Article, the Association shall continuously maintain in effect such casualty, flood and liability insurance and a fidelity bond meeting the insurance and fidelity bond requirements for planned unit development projects established by Federal National Mortgage Association, Government National Mortgage Association and Federal Home Loan Mortgage Corporation, so long as either is a Beneficiary or Owner within the Project, except to the extent such coverage is not available or has been waived in writing by the foregoing entities.

ARTICLE XIII

Destruction of  
Slope Area Improvements

In the event of a partial or total destruction of improvements upon the Slope Area, it shall be the duty of the Association to restore and repair the same to its former condition as promptly as is practical and in a lawful and workmanlike manner. The proceeds of any insurance maintained pursuant hereto shall be used for such purpose, subject to the prior rights of beneficiaries of deeds of trust whose interests may be protected by said policies. In the event that the amount available from the proceeds of such insurance policies for such restoration and repair shall be at least eight-five percent (85%) of the estimated cost of restoration and repair, a Reconstruction Assessment, with each Owner contributing a like sum, may be levied by the Association to provide the necessary funds for such reconstruction and repair, over and above the amount of any insurance proceeds available for such purpose. In the event that the amount available from the proceeds of such insurance policies for such restoration and repair shall be less than eighty-five percent (85%) of the estimated cost of restoration and repair, the improvements shall not be replaced or restored unless approved by the vote or written consent of Members entitled to exercise two-thirds (2/3) of the voting power of the membership of the Association. Notwithstanding the foregoing, unless at least seventy-five percent (75%) of the First Beneficiaries based on one (1) vote for each Deed of Trust have given their prior written approval, the Association shall not be entitled to use hazard insurance proceeds for losses to any Slope Area for other than the repair, replacement or reconstruction of such improvements. In the event of a determination not to replace or restore the improvements on the Slope Area, and provided that in the event of such determination the Association shall obtain the additional written consent of seventy-five percent (75%) of First Beneficiaries, the Slope Area shall be cleared and landscaped for community park use; provided, however, that there shall exist in such Slope Area adequate vehicular and pedestrian right of ways for the Owners of Lots to insure legal access thereto, and the costs thereof shall be paid for with the insurance proceeds, and any deficiency may be raised by the levy of uniform Reconstruction Assessments in an amount determined by the Board. In the event any excess insurance proceeds remain, the Board shall retain such sums in the general funds of the Association. Notwithstanding anything to the contrary contained in this Article XIII, the distribution of any insurance proceeds for any damage or destruction to the Slope Area shall be subject to the prior rights of beneficiaries under deeds of trust.

ARTICLE XIV

Eminent Domain  
Slope Area

The term "taking" as used in this Article shall mean condemnation by eminent domain or sale under threat of condemnation. In the event of a threatened taking of all or any

portion of the Slope Area, the Members hereby appoint the Board and such persons as the Board may delegate to represent all of the Members in connection with the taking. The Board shall act in its sole discretion with respect to any awards being made in connection with the taking and shall be entitled to make a voluntary sale to the condemner in lieu of engaging in a condemnation action. Any awards received on account of the taking shall be paid to the Association. In the event of a taking of less than all of the Slope Area, the rules as to restoration and replacement of the Slope Area and the improvements thereon shall apply as in the case of destruction of improvements upon the Slope Area. In the event of a total taking, the Board shall retain any award in the general funds of the Association. Notwithstanding anything to the contrary in this Article XIV the distribution of any award or awards for a taking of all of any portion of the Slope Area, shall be subject to the prior rights of beneficiaries under deeds of trust.

## ARTICLE XV

### Rights of Lenders

Section 1. Priority of Mortgage Lien. No breach of the covenants, conditions or restrictions herein contained, nor the enforcement of any lien provisions herein, shall affect, impair, defeat or render invalid the lien or charge of any Deed of Trust made in good faith and for value encumbering any Lot, but all of said covenants, conditions and restrictions shall be binding upon and effective against any Owner whose title is derived through foreclosure or trustee's sale, or otherwise, with respect to a Lot.

Section 2. Curing Defaults. A Beneficiary who acquires title by judicial foreclosure, deed in lieu of foreclosure or trustee's sale shall not be obligated to cure any breach of the provisions of this Declaration which is noncurable or of a type which is not practical or feasible to cure. The determination of the Board made in good faith as to whether a breach is noncurable or not feasible to cure shall be final and binding on all Beneficiaries.

Section 3. Resale. It is intended that any loan to facilitate the resale of any Lot after judicial foreclosure, deed in lieu of foreclosure or trustee's sale is a loan made in good faith and for value and entitled to all of the rights and protections afforded to other Beneficiaries.

### Section 4. Relationship with Assessment Liens.

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

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

(c) Any Beneficiary who obtains title to a Lot by reason of any of the Events of Foreclosure, or any purchaser at a private or judicial foreclosure sale, shall take title to such Lot free of any lien or claim for unpaid Assessments against such Lot which accrue prior to the time such Beneficiary or purchaser comes into possession of the Lot, except for liens or claims for a share of such Assessments resulting from a reallocation of such Assessments to all Lots within the Project.

(d) Nothing in this Section shall be construed to release any Owner from his obligation to pay for any assessment levied pursuant to this Declaration.

\* Section 5. Seventy-Five Percent Vote of Beneficiaries: Except upon the prior written approval of at least seventy-five percent (75%) of all Beneficiaries, based on one (1) vote for each Deed of Trust, neither the Association nor the Members shall be entitled to do any of the following:

(a) Dissolve the Association or abandon or terminate the maintenance of the Slope Area by the Association; or

(b) Amend a material provision of this Declaration, the By-Laws or the Articles; for purposes of determining what provisions are material in this Declaration, and in the By-Laws or the Articles, such provisions in these documents which are required by the rules, regulations or guidelines of programs administered by FNMA, GNMA and FHLMC shall be deemed material, but not by way of limitation, with respect to other provisions in these documents; or

\* (c) Effectuate any decision to terminate professional management and assume self-management of the Project.

Section 6. Approval Rights of First Beneficiaries. The Slope Area may not be abandoned, partitioned, sold, alienated, subdivided, released, transferred, hypothecated or otherwise encumbered without the prior approval of all First Beneficiaries; provided, however, the granting of easements for public utilities or other public purposes consistent with the intended use of the Slope Area shall not require such approval.

Section 7. Other Rights of First Beneficiaries. Any First Beneficiary shall, upon written request to the Association, be entitled to:

(a) Inspect the books and records of the Association during normal business hours; and

(b) Receive the annual audited financial statements of the Association ninety (90) days following the end of the Association's fiscal year; and

(c) Receive written notice of all annual and special meetings of the Members or of the Board, and First Beneficiaries shall further be entitled to designate a representative to attend all such meetings in order to, among other things, draw attention to violations of this Declaration which have not been corrected or made the subject of remedial action by the Association; provided, however, nothing contained in this Section shall give a First Beneficiary the right to call a meeting of the Board or of the Members for any purpose or to vote at any such meeting.

Section 8. Beneficiaries Furnishing Information. Beneficiaries are hereby authorized to furnish information to the Board concerning the status of any loan encumbering a Lot.

Section 9. Notice to First Beneficiaries of Owner Default. Any First Beneficiary shall be entitled to written notification from the Association of any default in the performance of the obligations imposed by this Declaration by the Owner whose Lot is encumbered by such Beneficiaries' Deed of Trust, which default has not been cured within sixty (60) days of a request therefor by the Association; provided, however, the Association shall only be obligated to provide such notice to First Beneficiaries who have previously requested such notice in writing.

Section 10. Right of First Refusal. In the event this Declaration is amended to provide for any right of first refusal in the Association, a Beneficiary who comes into possession of a Lot pursuant to a judicial foreclosure, a deed in lieu of foreclosure or a trustee's sale shall be exempt therefrom.

Section 11. Conflicts. In the event of any conflict between any of the provisions of this Article and any of the other provisions of this Declaration, the provisions of this Article shall control.

Section 12. Voting Rights of First Beneficiaries. In the event of a default by the Owner of any Lot in any payment due under the terms of any First Deed of Trust or the promissory note secured thereby, the First Beneficiary or his representative shall have the right, upon giving written notice to such defaulting Owner and placing of record a notice of default, to exercise the voting rights of such defaulting Owner attributable to such Lot at any regular or special meeting of the Members held during such time as such default may continue.



Section 13. Notice of Destruction or Taking. In the event that the Slope Area or any portion thereof is substantially damaged or is made the subject of any condemnation proceeding in eminent domain or is otherwise sought to be acquired by a condemning authority, the Board shall promptly notify any First Beneficiary affected by such destruction, taking or threatened taking. As used herein, "substantially damaged" shall mean damage exceeding Ten Thousand Dollars (\$10,000). If requested in writing by a First Beneficiary, the Association shall evidence its obligations under this Section in a written agreement in favor of such First Beneficiary.

## ARTICLE XVI

### General Provisions

Section 1. Duration. The covenants, conditions, restrictions, easements, reservations, liens and charges of this Declaration shall run with and bind the real property within the Project and shall inure to the benefit of and be enforceable by the Association, or the Owner, including Declarant, of any Lot subject to this Declaration, their respective legal representatives, heirs, successors and assigns, and are imposed upon the real property within the Project as a servitude in favor of each and every parcel of land therein as a dominant tenement, for a term of sixty (60) years from the date this Declaration is recorded, after which time said covenants, conditions, restrictions, easements, reservations, liens and charges shall be automatically extended for successive periods of ten (10) years, unless an instrument, signed by a majority of the then Owners of the Lots, has been recorded with the Orange County Recorder, agreeing to change said covenants, conditions and restrictions in whole or in part.

Section 2. Amendment. Subject to other provisions of this Declaration, including without limitation the rights of First Beneficiaries and/or beneficiaries pursuant to the Articles hereof entitled "Insurance" and "Rights of Lenders", this Declaration may be amended only by an instrument in writing signed by not less than the Owners of seventy-five percent (75%) of the Lots of both Class A and B Members. Any amendment must be properly recorded. In the event a Lot is owned by more than one Owner, any one of the Co-Owners may sign such instrument in writing on behalf of all Co-Owners.

Section 3. Notices. Any notice required to be sent to any Member or Owner or First Beneficiary under the provisions of this Declaration shall be in writing and shall be deemed to have been properly sent when delivered personally or mailed, postage prepaid, if to an Owner or Member, to the last known address of the person who appears as Member or Owner on the records of the Association at the time of such mailing, and if to a First Beneficiary to the address furnished to the Association by such beneficiary for purposes of notice or if no such address is furnished to any office of the First Beneficiary in the County of Orange or if no such office is located in said County, to any office of the First

Beneficiary. In the case of Co-Owners, any such notice may be delivered or sent to any one of the Co-Owners on behalf of all Co-Owners.

Section 4. Enforcement.

(a) The Association or the Owner of any Lot, including Declarant, shall have the right to enforce by proceedings at law or in equity all covenants, conditions, restrictions, easements, reservations, liens and charges now or hereafter imposed by this Declaration, as amended and supplemented, the Articles and By-Laws, including without limitation the right to prosecute a proceeding at law or in equity against the person or persons who have violated or are attempting to violate any of these covenants, conditions, restrictions, easements, reservations, liens or charges to enjoin or prevent them from doing so, to cause said violation to be remedied and/or to recover damages for said violation.

(b) Should the Association fail to perform its duties of repair and maintenance of the Slope Area as specified herein or should any Owner fail to comply with the provisions of Article VIII hereof and should any such failure of the Association or an Owner continue for a period of thirty (30) days following written notice of such failure from Declarant to the Association or from Declarant and/or the Association to the Owner, Declarant shall have the right, but not the duty, to perform all or a portion of such repair and maintenance and Declarant and/or the Association shall have the right, but not the duty, to correct any such noncompliance, and the cost thereof shall be borne by the Association or any such Owner respectively; provided, however, that in the event such costs are not paid to Declarant or the Association, as the case may be, within thirty (30) days after Declarant or the Association has furnished a statement therefor, Declarant in the case of a failure by the Association and Declarant and/or the Association in the case of a failure by an Owner, shall have the right, but not the duty, to levy a Special Assessment against each Owner on a pro-rata basis to cover such costs of maintenance and repair or against any such Owner to cover the costs of correction, if any, of such noncompliance, as the case may be. The Declarant shall have the same remedies as the Association has pursuant to Article VI hereinabove to collect delinquent Special Assessments. No one or more failures or refusals by Declarant to accomplish such repair and maintenance work or by Declarant and/or the Association to accomplish such compliance which the Association or an Owner shall have failed to perform shall be determined a waiver of the right in Declarant or the Association, as the case may be, to perform such work at a later time as to the same or different work or compliance.

(c) The result of every action or omission whereby any covenant, condition, restriction, easement, reservation, lien or charge herein contained is violated in whole or in part is hereby declared to be and to constitute a nuisance, and every remedy allowed by law or equity against an Owner, either public or private, shall be applicable against every such result and may be exercised by the Association or any Owner, including Declarant, subject to these restrictions.

(d) In any legal or equitable proceeding for the enforcement or to restrain the violation of these covenants, conditions, restrictions, easements, reservations, liens or charges or any provisions hereof, the losing party or parties shall pay the attorneys' fees of the prevailing party or parties, in such amount as may be fixed by the court in such proceedings. All remedies provided herein or at law or in equity shall be cumulative and not exclusive.

(e) Failure by the Declarant, the Association or by any Owner to enforce any covenant, condition, restriction, easement, reservation, lien or charge herein contained shall in no event be deemed a waiver of the right to do so thereafter.

(f) Nothing herein contained shall be deemed to require the Declarant to enforce any covenant, condition, restriction, easement, reservation lien, charge or provision hereof.

Section 5. Severability. Invalidation of any one of these covenants, conditions, restrictions, easements, reservations, liens or charges by judgment or court order shall not in any way affect any other provisions, which shall remain in full force and effect. Declarant makes no warranties or representations, express or implied, as to the binding effect or enforceability of all or any portion of this Declaration.

Section 6. Breach of Restrictions, Easements, Conditions, Covenants and Reservations. A breach of any of the restrictions, easements, conditions, covenants, reservations, liens or charges herein contained shall not defeat or render invalid the lien of any deed of trust made in good faith and for value as to any Lot in the Project but said restrictions, easements, conditions, covenants, reservations, liens and charges shall be binding upon and effective against any Owner thereof whose title thereto is acquired by foreclosure, trustee's sale or otherwise.

Section 7. Headings. Section headings are inserted for convenience only and are not intended to be a part of this document or in any way to define, limit or describe the scope or intent of the particular section to which they refer.

Section 8. Singular Includes Plural. Whenever the context of this Declaration requires the same, the singular shall include the plural and the masculine shall include the feminine.

Section 9. Construction. The provisions of this Declaration shall be liberally construed to effectuate its purpose of creating a uniform plan for the development of a residential community with slope areas and for the maintenance of such areas.

Section 10. Phased Development. It is the intention of Declarant to develop the Project into a single interdependent residential community in which the rights of all residents will be determined in substantially the same manner. Declarant contemplates that it will construct and/or cause to be constructed the Project in several phases and annex each phase to Phase 1 in accordance with Article II of this Declaration. Although Declarant contemplates the construction of such additional phases, it shall in no way be obligated to do so.

Section 11. Construction by Declarant. Nothing in this Declaration shall limit the right of Declarant to commence and complete construction of improvements to the Project or to alter the foregoing or the Lots or Slope Area or to construct such additional improvements as Declarant deems advisable prior to the completion and sale of the entire Project. Declarant may use any of the property within the Project owned by Declarant for model home sites and incidental parking and for any other purpose for which Declarant may use the Slope Area as provided in this Section 11. Declarant shall have the right of easement to enter upon, use and enjoy and designate and permit others (including without limitation, Declarant's agents, employees, representatives, contractors and prospective purchasers) to enter upon, use and enjoy the Slope Area for any purpose in connection with or incidental to (a) the construction, development, sale, lease or other transfer of property within or adjacent to the Project (including without limitation the erection, construction and maintenance of displays, sales offices and incidental parking, exhibits, signs and other structures), (b) the management, operation or maintenance of the Project and/or (c) the exercise of any rights or powers granted hereunder to Declarant; provided, however, that the exercise of such right and easement shall not unreasonably interfere with the reasonable use and enjoyment of the Slope Area by the Members. Declarant reserves the right to alter its construction and development plans and designs as it deems appropriate. The rights of Declarant hereunder may be assigned to any successor or successors to all or part of said entity's respective interest in the Project, by an express assignment incorporated in a recorded deed or lease, as the case may be, transferring such interest to such successor. This Declaration shall not limit the right of Declarant at any time prior to acquisition of title by a purchaser from Declarant to establish on any Lot additional licenses, reservations and rights-of-way to itself, to utility companies, or to others as may from time to time be reasonably necessary to the proper development and disposal of the Project.

Section 12. Nonliability of Officials. To the fullest extent permitted by law, neither the Board, any committees of the Association nor any member thereof shall be liable to any Member or Owner or the Association for any damage, loss or prejudice suffered or claimed on account of any decision, approval or disapproval of plans or specifications (whether or not defective), course of action, act, omission, error, negligence or the like made in good faith within which such Board, committees or persons reasonably believed to be within the scope of their duties.

Section 13. Obligation of Owners and Members. The terms and provisions set forth in this Declaration are binding upon all Owners of all Lots, the Association and all Members of the Association. In addition, both the Member and the Lot owned shall be subject to the terms and provisions of the Articles and By-Laws of the Association as the same may from time to time be amended to the extent the provisions thereof are not in conflict with this Declaration. Each Member shall cause the Association to exercise all of the powers and privileges and perform all of the duties and obligations of the Association as set forth in this Declaration, the Articles and By-Laws of the Association.

Section 14. Leases of lots. Any Owner who shall lease his lot to any person or entity shall be responsible for assuring compliance by any such person or entity with all of the covenants, conditions, restrictions, easements, reservations, liens and charges of this Declaration, as amended and supplemented. Any lease agreement between an Owner and a lessee must provide that the terms of the lease shall be subject in all respects to the provisions of the Declaration, Articles and By-Laws, and that any failure by the lessee to comply with the terms of such documents shall be a default under the lease. All such leases shall be in writing.

Section 15. Mergers and Consolidations. Upon a merger or consolidation of the Association with another association as provided in the Articles, its properties, rights and obligations may be transferred to the surviving or consolidated association or, alternatively, the properties, rights and obligations of another association may be added to the properties, rights and obligations of the Association as a surviving corporation pursuant to a merger. The surviving or consolidated association may administer the covenants, conditions, restrictions, easements, reservations, liens and charges established by this Declaration, as supplemented and amended, with respect to the Project, together with the covenants, conditions, restrictions, easements, reservations, liens and charges established upon any other property, as one general plan and scheme or in such other plan of administration as the surviving or consolidated corporation deems reasonable.

Section 16. Assignment of Rights and/or Duties. Any or all of the rights and/or duties, if any, of Declarant herein may be assigned to any other person or entity and upon any such assignment any such person or entity shall, to the extent of such assignment, have the same rights and/or duties as are given to and/or assumed by Declarant herein, and thereupon, Declarant shall be relieved of the performance of any further duty, if any, hereunder.

Section 17. Successors and Assigns. This Declaration shall be binding upon, and shall inure to the benefit of, the successors and assigns of Declarant as provided herein, and the heirs, personal representatives, grantees, lessees, sublessees and assignees of the Owners.

IN WITNESS WHEREOF, the undersigned being the Declarant has hereunto set its hand and seal as of the day and year first above written.

S & S CONSTRUCTION COMPANY,  
a California corporation

By Nathan Shapell  
Its President

By Irvin Sterman  
Its Secretary

"Declarant"

TO 449 CA (5-73)  
(Corporation)

STATE OF CALIFORNIA  
COUNTY OF Los Angeles, } SS.

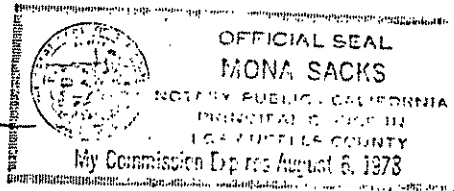


On May 26, 1976 before me, the undersigned, a Notary Public in and for said State, personally appeared Nathan Shapell known to me to be the President, and Irvin Sterman known to me to be Secretary of the corporation that executed the within Instrument, known to me to be the persons who executed the within Instrument on behalf of the corporation therein named, 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 [Handwritten Signature]

Name (Typed or Printed)



(This area for official notarial seal)

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## EXHIBIT "A"

Lots 1 to 82, inclusive, of Tract No. 7918, in the City of Anaheim, County of Orange, State of California, as shown on a map recorded in book 355, pages 27 to 30 inclusive of Miscellaneous Maps in the office of the recorder of said county.

## EXHIBIT "B"

Tentative Tract No. 9080

That portion of Section 7, 8 and 18, Township 4 South, Range 8 West, in the Rancho Santiago de Santa Ana, City of Anaheim, County of Orange, State of California, being also a portion of the land allotted to Paula Peralta de Dominquez, as described in the final decree of partition of the Rancho Santiago de Santa Ana, which was entered September 12, 1868 in book "B", page 410 of Judgements of the District Court of the 17th Judicial District, in and for Los Angeles County, described as follows:

Beginning at a point in the Northwesterly line of that certain land allotted to Benjamin and Thomas Flint and Llewellyn Bixby in the partition of the Rancho Santiago de Santa Ana, distant thereon North  $35^{\circ} 50' 38''$  East, 3341.66 feet from the Northeast corner of the land described in the deed to Santiago Farmers Association, recorded in book 98, page 544 of Deeds, in the office of the county recorder of Los Angeles County, California; thence leaving said Northwesterly line, North  $54^{\circ} 09' 22''$  West, 1534.53 feet to the Southeasterly terminus of a non-tangent curve concave Northeasterly and having a radius of 500.00 feet, a radial line of said curve bears South  $64^{\circ} 47' 16''$  West, through said point; thence Northerly along said curve through a central angle of  $25^{\circ} 38' 50''$  an arc distance of 223.81 feet; thence tangent North  $0^{\circ} 26' 06''$  East, 391.42 feet to a tangent curve concave Southwesterly and having a radius of 500.00 feet; thence Northwesterly along said curve through a central angle of  $45^{\circ} 29' 35''$  an arc distance of 397.00 feet; thence tangent North  $45^{\circ} 03' 29''$  West, 355.15 feet; thence South  $44^{\circ} 56' 31''$  West, 353.96 feet to a tangent curve concave Northwesterly and having a radius of 2000.00 feet; thence Southwesterly along said curve through a central angle of  $0^{\circ} 04' 06''$ , an arc distance of 2.38 feet thence continuing along said curve through a central angle of  $3^{\circ} 56' 35''$  an arc distance of 137.62 feet to the true point of beginning; thence South  $41^{\circ} 02' 50''$  East along the prolongation of a radial line of said curve, 40.00 feet; thence South  $9^{\circ} 36' 32''$  East, 242.41 feet; thence South  $39^{\circ} 35' 49''$  West, 548.36 feet; thence South  $6^{\circ} 17' 26''$  West, 127.77 feet; thence South  $62^{\circ} 23' 08''$  West, 537.19 feet; thence South  $46^{\circ} 15' 16''$  west, 290.68 feet; thence South  $71^{\circ} 41' 30''$  West, 143.25 feet; thence North  $61^{\circ} 25' 58''$  West, 181.70 feet; thence North  $5^{\circ} 22' 33''$  West, 376.34 feet to a point on the center line of Serrano Avenue as shown on the map of Tract No. 7918 recorded in book 355, pages 27 to 30 inclusive, of Miscellaneous Maps, records of said Orange County; thence Easterly along the center line of Serrano Avenue as shown on said map of Tract No. 7918 and as shown on the map of Tract No. 8377 recorded in book 345, pages 44 to 47, inclusive of Miscellaneous Maps, records of said Orange County, to the true point of beginning.