

ARTICLE III	ASSOCIATION	6
	Section 1	ORGANIZATION 6
	Section 2	MEMBERSHIP 6
		(a) Qualifications 6
		(b) Membership Rights and Duties 7
		(c) Transfer of Membership 7
	Section 3	VOTING 7
		(a) Number of Votes 7
		(b) Commencement of Voting Rights 8
		(c) Joint Owners Disputes 8
		(d) Approval by Each Class of Members 8
		(e) Election and Removal of Board of Directors Cumulative Voting Features 8
		(f) Special Procedure 9
	Section 4	DUTIES OF THE ASSOCIATION 9
		(a) Maintenance and Management of the Common Area 9
		(b) Rubbish Collection 9
		(c) Water and Other Utilities 10
		(d) Insurance 10
		(e) Rule Making 10

	(f) Environmental Control Committee	10
	(g) Enforcement of Restrictions and Rules	11
	(h) Budgets and Financial Statements	11
	(i) Sierra Club Settlement Agreement	12
Section 5	POWERS AND AUTHORITY OF THE ASSOCIATION	12
	(a) Assessments	13
	(b) Right of Entry and Enforcement	13
	(c) Employment of Agents	13
	(d) Employment of Professional Advisors	13
	(e) Borrowing of Money	14
	(f) Hold Title and Make Conveyances	14
	(g) Services	14
	(h) Signs	14
	(i) Easements	14
	(j) Sierra Club Settlement Agreement	14
Section 6	LIMITATIONS ON POWER OF THE BOARD	14
Section 7	THE ASSOCIATION RULES	15

	Section 8	PERSONAL LIABILITY	16
ARTICLE IV	ASSESSMENTS		16
	Section 1	CREATION OF THE LIEN AND PERSONAL OBLIGATION FOR ASSESSMENTS	16
	Section 2	PURPOSES OF ASSESSMENTS	17
	Section 3	OPERATING FUND	17
	Section 4	ANNUAL ASSESSMENTS	17
		(a) Levy and Enforcement of Annual Assessments	17
		(b) Amount of Assessment	18
		(c) Commencement Date for Annual Assessments	18
		(d) Increase of Annual Assessments	18
		(e) Reserve Fund	18
	Section 5	ASSESSMENT ROLE	19
	Section 6	SPECIAL ASSESSMENTS FOR CAPITAL IMPROVEMENTS	19
	Section 7	EMERGENCY ASSESSMENTS	20
	Section 8	NOTICE AND QUORUM FOR ANY ACTION AUTHORIZED UNDER SECTIONS 4, 6 AND 7	20
	Section 9	REMEDIAL ASSESSMENTS	20
	Section 10	DUE DATE OF ASSESSMENTS; CERTIFICATE REGARDING ASSESSMENTS:	21

Section 11	EFFECT OF NONPAYMENT OF ASSESSMENTS; REMEDIES OF THE ASSOCIATION	21
	(1) Suspension of Rights; Late Charges	21
	(2) Enforcement by Suit	22
	(3) Enforcement by Lien	22
Section 12	ASSIGNMENT OF RENTS	24
Section 13	SUBORDINATION TO CERTAIN TRUST DEEDS	24
Section 14	INCOME TAX ELECTIONS	25
Section 15	UNCOMPLETED RESIDENCE EXEMPTION	25
ARTICLE V	COVENANTS AND USE RESTRICTIONS	25
Section 1	RESIDENTIAL USE	25
Section 2	PARTITION OF COMMON AREA	26
Section 3	MAINTENANCE BY OWNER	26
Section 4	COMMON AREA	27
Section 5	SIGNS	27
Section 6	OBNOXIOUS AND OFFENSIVE ACTIVITIES	28
Section 7	ANIMALS	28
Section 8	VEHICLES	28
Section 9	DEBRIS AND OUTSIDE STORAGE	28
Section 10	TAXES AND UTILITY CHARGES	29

Section 11	PARKING	29
Section 12	ALTERATIONS AND IMPROVEMENTS	29
Section 13	RESTRICTIVE AGREEMENTS	29
Section 14	PESTS	29
Section 15	ANTENNAE AND EXTERIOR APPLIANCES	29
Section 16	COMPLIANCE WITH LAWS	30
Section 17	EXTRACTION OF MINERALS	30
Section 18	DRAINAGE	30
Section 19	WATER SOFTENERS	30
Section 20	VIEW RESTRICTION	31
Section 21	EXCEPTIONS	31
ARTICLE VI	ENVIRONMENTAL CONTROL COMMITTEE	32
Section 1	ESTABLISHMENT OF COMMITTEE; MEMBERSHIP	32
	(a) Establishment of Committee	32
	(b) Initial Members	32
	(c) Term of Office	32
	(d) Appointment, Removal and Resignation	33
	(e) Vacancies	33
	(f) Notice of Membership on Committee	33
Section 2	MEETINGS AND COMPENSATION	34

	Section 3	DUTIES	34
	Section 4	OPERATION OF COMMITTEE	34
	Section 5	ACCESS TO PROPERTY	36
	Section 6	WAIVER	36
	Section 7	LIABILITY	37
ARTICLE VII		DAMAGE OR DESTRUCTION OF COMMON AREA	37
	Section 1	REPAIR OR RECONSTRUCTION WITHOUT ELECTION BY OWNERS	37
	Section 2	REPAIR OR RECONSTRUCTION BY CONSENT OF OWNERS	37
	Section 3	ASSESSMENTS	38
	Section 4	OBLIGATION OF BOARD	38
	Section 5	DETERMINATION NOT TO REBUILD	38
	Section 6	DAMAGE TO LOT	38
ARTICLE VIII		CONDEMNATION	39
	Section 1	TAKING OF ENTIRE COMMON AREA	39
	Section 2	PARTIAL TAKING OF COMMON AREA	39
	Section 3	PARTIAL TAKING OF COMMON AREA AND LOTS	39
ARTICLE IX		EASEMENTS	40
	Section 1	STREETS AND UTILITIES	40
	Section 2	ENCROACHMENTS	40
	Section 3	USE OF THE COMMON AREA, STREETS AND DRIVES	40

	Section 4	UTILITY EASEMENTS TO OWNERS	41
	Section 5	EASEMENTS RESERVED BY DECLARANT	41
	Section 6	TO THE ASSOCIATION	41
	Section 7	COVENANTS RUNNING WITH THE LAND	42
ARTICLE X	ENFORCEMENT		42
ARTICLE XI	GENERAL PROVISIONS		43
	Section 1	AMENDMENTS	43
	Section 2	NOTICES	44
	Section 3	SEVERABILITY	45
	Section 4	CONSTRUCTION	45
	Section 5	INAPPLICABILITY TO PROPERTY OF PUBLIC ENTITY	45
	Section 6	VIOLATION AND NUISANCE	45
	Section 7	VIOLATION OF LAW	45
	Section 8	NOTIFICATION OF SALE OF PROPERTY	45
	Section 9	BREACH	46
	Section 10	APPLICABLE LAW	46
	Section 11	SPECIAL MORTGAGEE REQUIRE- MENTS	46
	Section 12	GENERAL MORTGAGEE PROVISIONS	48
	Section 13	TERMS	49
	Section 14	PLURALS; GENDER	49

	Section 15	HEADINGS	49
	Section 16	LEASES OF LOTS	50
	Section 17	VEGETATION AND TRAIL MAINTENANCE	50
	Section 18	ENFORCEMENT OF BOND	50
ARTICLE XII	ANNEXATION		51
	Section 1	ANNEXATION BY DECLARANT	51
	Section 2	ANNEXATION BY CONSENT OF MEMBERS	51
	Section 3	ANNEXATION PROCEDURES	52

DECLARATION OF
COVENANTS, CONDITIONS, AND RESTRICTIONS

THIS DECLARATION made this 22 day of January, 1987, by WATT PACIFIC, INC., a California corporation, hereinafter referred to as Declarant, is as follows:

WITNESSETH:

WHEREAS, Declarant is the owner of that certain real property located in the County of Los Angeles, State of California, more particularly described in Exhibit "A" attached hereto and made a part hereof and is now, or may in the future be, the owner of certain other real property in said county and state, which other real property is more particularly described in Exhibit "B" attached hereto and made a part hereof; and

WHEREAS, Declarant intends to and does hereby establish for its own benefit and for the mutual benefit of all future Owners (as hereinafter defined) or occupants of said real property described in Exhibit "A", and each part thereof, certain easements and rights in, over and upon said real property, and certain mutually beneficial covenants, conditions, restrictions and obligations with respect to the proper use, conduct and maintenance thereof; and

WHEREAS, Declarant intends that the Owners, Mortgagees, occupants and all other persons hereafter acquiring any interest in said real property described in Exhibit "A" or any part thereof, shall at all times enjoy the benefits of, and shall hold, sell and convey their interests subject to the rights, easements, covenants, conditions, restrictions, and obligations hereinafter set forth, all of which are hereby declared to be in furtherance of a general plan to promote and protect the cooperative aspect of such development and are established for the purpose of enhancing and perfecting the value, desirability and attractiveness of the said real property;

NOW, THEREFORE, Declarant as owner of the real property described in Exhibit "A" hereto and for the purposes above set forth, hereby declares that all of said real property described in Exhibit "A" and each part thereof, and such of the real property described in Exhibit "B", as may hereafter be annexed as provided in Article XII hereof (the "Property") shall be held, sold and conveyed subject to the following covenants, conditions, restrictions and easements, which are for the purpose of protecting the value and desirability of, and which shall

constitute equitable servitudes on the Property and which shall run with the Property and be binding on and inure to the benefit of all parties having any right, title or interest therein, or in any part thereof, their heirs, successors and assigns.

ARTICLE I

DEFINITIONS

As used herein, unless otherwise specified or unless the context otherwise requires:

"Additional Property" shall mean that certain property, or any portion thereof, described in Exhibit "B" attached hereto and made a part thereof.

"Articles" shall mean the Articles of Incorporation of the Association, which are, or shall be, filed in the Office of the Secretary of State of California, as said Articles may be amended from time to time.

"Association" shall mean that certain California nonprofit mutual benefit corporation, which consists or shall consist of Owners of Lots in the Property.

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

"Bylaws" shall mean the Bylaws of the Association as such Bylaws may be amended from time to time.

"Common Area" shall mean that portion of the Property described in Exhibit "C" attached hereto and made a part hereof.

"County" shall mean the County of Los Angeles.

"Declaration" shall mean this instrument by which the Property is established to be a planned development, as this Declaration may be amended from time to time.

"Declarant" shall mean Watt Pacific, Inc., a California corporation, its successors and assigns, if such successors and assigns should acquire any portion of the Property from Watt Pacific, Inc., for the purpose of development and are designated by Watt Pacific, Inc. as the Declarant for the purpose hereof by a duly recorded written instrument.

"Improvements" shall mean buildings, garages, streets, roads, driveways, walkways, parking areas, fences, walls, hedges, plantings, planted trees and shrubs, and all other structures or landscaping improvements of every kind, nature or description.

"Lien" shall mean both voluntary and involuntary liens.

"Lot" shall mean each parcel of real property located within the Property exclusive of the Common Area.

"Manager" shall mean that person or entity (if there is one) employed from time to time by the Board to manage the affairs of the Association.

"Member" shall mean every person or entity who holds membership in the Association.

"Mortgagee" shall mean the beneficiary of a recorded deed of trust or the holder of a recorded mortgage.

"Owner" shall mean the person or persons whose estates or interests, individually or collectively, aggregate fee simple ownership of a Lot, but excluding those having an interest merely as security for the performance of an obligation.

"Plot Plan" shall mean that certain plot plan covering the Property which is attached hereto as Exhibit "D" and made a part hereof.

"Private Park" shall mean that portion of the Common Area designated as "Private Park" on the Plot Plan.

"Property" or "Project" shall mean all of the real property described in Exhibit "A" attached hereto, including Improvements constructed or to be constructed thereon.

"Residence" shall mean the residential building which is located on a Lot within the Project.

"Ridgeline Trail" shall mean that portion of the Common Area designated as "Ridgeline Trail" on the Plot Plan.

"Shall" is mandatory and not merely directory.

"Sierra Club" shall mean the Sierra Club, a California nonprofit corporation, and its successors and assigns.

"Sierra Club Settlement Agreement" shall mean that certain Agreement dated July 23, 1985, by and between M&K Investments, a California general partnership and the Sierra Club, a California nonprofit corporation, which is attached hereto as Exhibit "E" and made a part hereof.

"Slope Areas" shall mean that portion of the property described in Exhibit "F" attached hereto and made a part hereof,

including both portions of the common area and portions of certain Lots.

"State" shall mean the State of California.

ARTICLE II

DESCRIPTION OF LAND AND IMPROVEMENTS

AND INTERESTS THEREIN

Section 1. LOTS:

There will be 127 Lots within the Property. Each Lot shall contain a Residence. An Owner's use of his Lot shall be subject to the provisions of this Declaration. The Owner of a Lot shall automatically become a Member of the Association. Subject to the approval of the Environmental Committee as provided in Article VI hereof, the Owner of a Lot shall, within ninety (90) days after conveyance of title to the Lot to such Owner, install landscaping on such Lot.

Section 2. COMMON AREA PROPERTY:

The Declarant shall convey fee simple title to the Common Area described in Exhibit "C" to this Declaration (free and clear of all encumbrances and liens except covenants, conditions, restrictions, easements and reservations then of record) to the Association before the conveyance of the first Lot to a third party. All Owners of the Lots, their guests, family members, servants, tenants and invitees to the extent permitted by such Owners, shall have a non-exclusive easement of access to, use and enjoyment of, and ingress and egress through, the Common Area. The foregoing easements shall be subject to the following limitations and provisions:

(a) The right of the Board to establish uniform rules and regulations on behalf of the Association pertaining to the use of the Common Area;

(b) The right of the Association to dedicate or transfer all or any part of the Common Area to any public agency, authority or utility subject to such conditions as may be agreed to by the Association; provided, however, that no such dedication or transfer shall be effective unless an instrument agreeing to such dedication or transfer signed by two-thirds (2/3) of each class of Members has been recorded, except for the dedication described in Section 3 (c) of this Article II.

Section 3. SPECIAL PROVISIONS FOR CERTAIN PORTIONS OF THE COMMON AREA:

Notwithstanding anything to the contrary contained in this Declaration, the following provisions shall apply to the use of certain designated portions of the Common Area:

(a) The Ridgeline Trail:

The Ridgeline Trail shall be open to Owners and the public for equestrian riding and hiking purposes only. In addition to other easements granted herein, the Declarant hereby reserves for itself and hereby grants to the public a non-exclusive easement for access to, use and enjoyment of, and ingress and egress through the Ridgeline Trail.

(b) The Private Park:

The Private Park shall be used for park and recreation purposes only and cannot be deleted or eliminated without the prior written consent of the County of Los Angeles Department of Parks and Recreation.

The right to use the Ridgeline Trail and the Private Park shall be subject to the additional limitations and provisions contained in Paragraphs (a) and (b) of Section 2 of this Article II.

(c) Offer of Dedication to the National Park Service

The two trails on the northern portion of the property, described in Exhibit "G" attached hereto and made a part hereof, have been offered to the National Park Service. This offer shall remain open until July 23, 1990 under the terms of the Sierra Club Settlement Agreement.

Section 4. EASEMENTS FOR CONSTRUCTION, SALES, REALES, CUSTOMER SERVICE AND RELATED PURPOSES:

Declarant, on behalf of itself, its agents, employees, contractors, subcontractors, invitees, successors, assigns and other authorized personnel, reserves onto itself for a period of time extending until the closing of the sale of all of the Lots within the Property, non-exclusive easements in, over, under and through each and every part of the Common Area together with the right to transfer and grant the same without the consent of any other person or entity for the following purposes:

(a) Completion of original development of all portions of the Property including, without limitation, Residences, garages and fences;

(b) Marketing, selling Lots and Improvements thereon;

(c) Customer relations providing post-sale customer service to Owners.

In connection with each of the foregoing purposes the Declarant shall have the right: (i) to perform any and all architectural, engineering, construction, excavation, landscaping or related work and activities; (ii) to store and use materials, equipment, vehicles, tools and machines which may be necessary or desirable in connection with such construction; (iii) to display signs and erect, maintain and operate, for sales and administrative purposes, model residences and a fully staffed customer relations services and sales office complex within the property; and (iv) to perform maintenance, repair and replacement work on, and to make custom improvements, alterations and additions to uncompleted Improvements. No such activity shall be deemed to be a nuisance. No Owner (other than Declarant) shall enter any construction area or cross any fence or other barricade constructed to prevent such entry or otherwise impede or interfere with such development and construction. The use of the Common Area by the Declarant shall not unreasonably interfere with the use thereof by the Members of the Association.

ARTICLE III

ASSOCIATION

Section 1. ORGANIZATION:

The Association is a California nonprofit mutual benefit corporation, which corporation shall be the governing body for all of the Owners for the maintenance, repair, replacement, administration and operation of the Common Area and all other property it is required or permitted to maintain pursuant to this Declaration, and shall have the duties and powers prescribed by law and set forth in the Articles, Bylaws and this Declaration. Neither the Articles nor the Bylaws shall for any reason be amended or otherwise changed or interpreted so as to be inconsistent with this Declaration. In the event of any such inconsistency, the provisions of this Declaration shall prevail.

Section 2. MEMBERSHIP:

(a) Qualifications:

Each Owner of a Lot, including Declarant, but excluding persons or entities who hold an interest merely as security for the performance of an obligation, shall automatically, upon becoming an Owner, become a Member of the Association and shall remain a Member until he ceases to own a Lot.

(b) Membership Rights and Duties:

Each Member shall have the rights, duties and obligations set forth in this Declaration, the Articles, the Bylaws, the Association Rules which are adopted pursuant to this Declaration, and such rules and/or guidelines, as are adopted by the Environmental Control Committee pursuant to Article VI hereof, as said documents may be amended from time to time.

(c) Transfer of Membership:

The Association membership of each Owner (including Declarant) shall be appurtenant to the Lot giving rise to such membership, and shall not be assigned, transferred, pledged, conveyed or alienated in any way except upon the transfer of title to said Lot, and then only to the transferee of title to said Lot. Any attempt to make a prohibited transfer shall be void. Any transfer of title to a Lot shall operate automatically to transfer the membership in the Association appurtenant thereto the new Owner thereof.

Section 3. VOTING:

(a) Number of Votes:

The Association shall have two classes of voting membership:

Class A. Class A Members shall be all Owners, except Declarant as long as Class B exists, and shall be entitled to one (1) vote for each Lot owned. When more than one (1) person is the Owner of a Lot, all such persons shall be Members. 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 Lot.

Class B. The Class B Member shall be the Declarant who shall be entitled to three (3) votes for each Lot owned. Class B membership shall cease and be converted to Class A membership on the happening of the earlier of the following events:

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

(2) Two (2) years from the date of the original issuance of the most recently issued Final Subdivision Public Report for a phase of the Project; or

(3) Four (4) years from the date of the original issuance of the Final Subdivision Public Report for the first phase of Project.

(b) Commencement of Voting Rights:

Except for Lots owned by the Declarant, voting rights attributable to the Lots shall not vest until assessments have been levied in accordance with the provisions of Article IV, Section 3 hereof.

(c) Joint Owners Disputes:

The vote for each such Lot must be cast as a unit, and fractional votes shall not be allowed. In the event that the joint Owners are unable to agree among themselves as to how their one vote shall be cast, they shall lose their right to vote on the matter in question. If any Owner or Owners cast a vote representing a Lot, it will thereafter be conclusively presumed for all purposes that he or they were acting with the authority and consent of all other Owners of the same Lot. In the event more than one (1) vote is cast for a particular Lot, none of said votes shall be counted and said votes shall be deemed void.

(d) Approval by Each Class of Members:

Any provision of the Articles, Bylaws, this Declaration, or the Association Rules which expressly requires the approval of a specified percentage of the voting power of the Association before being undertaken, except provisions which relate to the enforcement of the obligations of Declarant under any completion bond, shall require the approval of said specified percentage of the Class A membership and the Class B membership.

(e) Election and Removal of Board of Directors
Cumulative Voting Features:

Every Owner entitled to vote at any election of the Board may cumulate his votes and give one candidate a number of votes equal to the number of Directors to be elected multiplied by the number of votes to which his Lot(s) is(are) entitled, or may distribute his votes on the same principle among as many candidates as he desires, provided that the procedural prerequisites to cumulative voting set forth in Section 7615(b) of the California Corporations Code are satisfied. The entire Board or any individual Director may be removed from office with or without cause by vote of the majority of the voting power of the Members; provided, however, a Director who has been elected to office solely by the vote of Members other than Declarant, may be removed from office prior to the expiration of his term of office only by the vote of at least a simple majority of the voting power residing in Members other than Declarant and provided, further, in

all events, unless the entire Board is removed, an individual Director shall not be removed prior to the expiration of his term of office, if the number of votes against the resolution for his removal or not consenting in writing to such removal would be sufficient to elect the Director if voted cumulatively at an election at which the same number of votes were cast and the entire number of Directors authorized at the time of the most recent election of the Director were then being elected. If any or all of the Directors are so removed, new Directors may be elected at the same meeting. Each Director must be a Member of the Association or a representative of Declarant designated by Declarant.

(f) Special Procedure

To assure resident Owners' representation on the Board, at least twenty percent (20%) of the Directors on the Board shall have been elected solely by the vote of the Members, other than Declarant, for so long as a majority of the voting power of the Association resides in Declarant.

Section 4. DUTIES OF THE ASSOCIATION:

In addition to the powers delegated to it by its Articles and Bylaws and without limiting the generality thereof, the Association shall have the obligation to perform each of the following duties:

(a) Maintenance and Management of Common Area:

To maintain in a safe and first class condition, manage and preserve all of the Common Area, and all Improvements presently or hereafter located thereon and thereunder, including without limitation, maintenance of the Ridgeline Trail in accordance with the Sierra Club Settlement Agreement and maintenance of the Private Park in a neat and attractive condition, including replacement and repair, when necessary, of the trees, grass, plants, other vegetation and Improvements thereon; all easements for operation and maintenance purposes over the Common Area; all easements for the benefit of the Members within the Common Area; and such property as the Members by a vote of fifty-one percent (51%) of the voting power allocated to the Members elect to maintain.

(b) Rubbish Collection:

To provide refuse pickup and garbage disposal for the Common Area, and for the Lots if such service for the Lots is deemed appropriate by the Board.

(c) Water and Other Utilities:

To acquire, provide and/or pay for water, gas, sewer, electrical and telephone and other necessary utility services for the Common Area.

(d) Insurance:

To obtain and maintain in force the following policies of insurance:

(1) Fire and extended coverage insurance on the Common Area in form and amounts satisfactory to Mortgagees holding first deeds of trust encumbering Lots, the amount of such insurance to be not less than one hundred percent (100%) of the aggregate full insurable value.

(2) General comprehensive public liability insurance against claims for personal or bodily injury, death or property damage with limits with regard to injury or death of not less than \$1,000,000 per person and \$1,000,000 per occurrence; and with limits of not less than \$500,000 per occurrence in respect of property damage, insuring against liability for bodily injury, death and property damage arising from the activities of each Owner with regard to ownership, maintenance and use of the Common Area and the Recreational Common Area, and arising from the activities of the Association or with respect to property under its jurisdiction. Said liability insurance shall name and separately protect as insureds each Owner, Declarant, the Association, the Board and their representatives, members and employees, and the Association Members (as a class), with respect to any liability arising out of the maintenance or use of the Property or other property under the jurisdiction of the Association.

(3) Such other insurance, including worker's compensation liability insurance to the extent necessary to comply with any applicable law, and any bonds as the Board shall deem necessary or expedient to carry out the Association's functions.

(e) Rule Making:

To make, establish, promulgate, amend and repeal the Association Rules.

(f) Environmental Control Committee:

To appoint and remove members of the Environmental Control Committee subject to the provisions of this Declaration.

(g) Enforcement of Restrictions and Rules:

To perform such other acts, whether or not expressly authorized by this Declaration, as may be reasonably necessary to enforce any of the provisions of this Declaration and the Association Rules.

(h) Budgets and Financial Statements:

The Board shall cause financial statements for the Association to be regularly prepared and copies to be distributed to each Member as follows:

(1) A pro forma operating statement (budget) for each accounting year shall be distributed not less than forty-five (45) days and not more than sixty (60) days before the beginning of each accounting year of the Association. The budget shall contain the following:

(i) The estimated revenues and expenses on an accrual basis.

(ii) The identification of the total cash reserves currently set aside.

(iii) The identification of the estimated remaining life of, and the methods of funding used to defray the future repair, replacement, or additions to, those major components which the Association is obligated to maintain.

(iv) A general statement addressing the procedures used for the calculation and establishment of those reserves to defray the future repair, replacement, or additions to those major components that the Association is obligated to maintain.

(2) A balance sheet as of an accounting date which is the last day of the month closest in time to six months from the date of recordation of the deed for the first sale of a Lot to an Owner other than Declarant and an operating statement for the period from the date of recordation of the deed for such first sale to such accounting date, shall be distributed within sixty (60) days after the accounting date. The operating statement shall include a schedule of assessments received and receivable identified by the description of the Lot and the name of the person or entity assessed.

(3) An annual report consisting of the following shall be distributed within one hundred twenty (120) days after the close of the accounting year.

(i) A balance sheet as of the end of the accounting year.

(ii) An operating (income) statement for the accounting year.

(iii) A statement of changes in financial position for the accounting year.

(iv) Any information required to be reported under Section 8322 of the California Corporations Code.

The annual report referred to in paragraph (3) above shall be prepared by a licensee of the California State Board of Accountancy in accordance with generally accepted accounting principles for any accounting year in which the gross income to the Association exceeds \$75,000.

If the annual report referred to in Paragraph (3) above is not prepared by an independent accountant, it shall be accompanied by the certificate of an authorized Officer of the Association that the statements were prepared without audit from the books and records of the Association.

(4) A statement describing the Association's policies and practices in enforcing lien rights or other legal remedies for default in payment of assessments against an Owner as provided in Article IV hereof shall be distributed annually to all Members within the sixty (60) day period preceding the Association's accounting year.

(i) Sierra Club Settlement Agreement:

To fulfill all obligations of the Association pursuant to and in accordance with the Sierra Club Settlement Agreement as provided in Section 17 of Article XI hereof.

Section 5. POWERS AND AUTHORITY OF THE ASSOCIATION:

The Association shall have all the powers of a nonprofit corporation organized under the Nonprofit Mutual Benefit Corporation Law of the State of California, subject only to such limitations upon the exercise of such powers as are expressly set forth in the Articles, the Bylaws or this Declaration. It shall have the power to do any and all lawful things which may be authorized, required or permitted to be done by the Association by this Declaration, the Articles and the Bylaws, and to do and perform any and all acts which may be necessary or proper for or incidental to the exercise of any of the express powers of the Association, including without limitation:

(a) Assessments:

To levy assessments against Lots and to enforce payment of such assessments, all in accordance with the provisions of Article IV hereof.

(b) Right of Entry and Enforcement:

To enter onto any Lot or any Common Area for the purpose of ascertaining whether the provisions of this Declaration have been or are being complied with, for the purpose of enforcing by peaceful means any of the provisions of this Declaration and the Association Rules or for the purpose of maintaining or repairing any such area as required by this Declaration. Such entrance shall be after twenty-four (24) hours prior written notice to the Owner, or such greater notice as may be required by any provision hereof; provided, however, that such entrance shall be permitted without any prior notice whatsoever in the event of an emergency. The Association shall also have the power and authority from time to time in its own name, on its own behalf or on behalf of any Owner or Owners who consent thereto, to commence and maintain actions and suits to restrain and enjoin any breach or threatened breach of this Declaration and the Association Rules and to enforce, by mandatory injunction or otherwise, all of the provisions hereof. In addition, or as an alternative method of enforcing this Declaration and the Association Rules, the Board may impose monetary penalties, temporary suspensions of an Owner's rights as a Member of the Association or other appropriate discipline for failure to comply with the provisions of this Declaration or the Association Rules; provided that the procedures for notice and hearing satisfying the minimum requirements of Section 7341 of the California Corporations Code are given to the accused Member before a decision to impose discipline is reached.

(c) Employment of Agents:

To employ the services of any person or corporation as managers, or other employees, to, as may be directed by the Board, manage, conduct, and perform the business, obligations and duties of the Association, and enter into contracts for such purpose. Such agents shall have the right to ingress and egress over such portion(s) of the Project as is (are) necessary for the performance of such business, duties and obligations.

(d) Employment of Professional Advisors:

To employ professional counsel and obtain advice from such persons or firms or corporations such as, but not limited to, landscape architects, recreation experts, architects, planners, lawyers and accountants.

(e) Borrowing of Money:

To borrow and repay monies for the purpose of maintaining and improving the Common Area, the Recreational Common Area and to encumber property of the Association as security for the repayment of such borrowed money.

(f) Hold Title and Make Conveyances:

To acquire, hold title to and convey, with or without consideration, real and personal property and interests therein, including but not limited to easements.

(g) Services:

To contract for or otherwise provide for all services necessary or convenient to the management, maintenance and operation of the Common Area. To cooperate with the City and take whatever steps may be necessary in order to provide for the maintenance of all or any portion of the Common Area by a landscape maintenance district.

(h) Signs:

To post signs in the Common Area in compliance with any statute, regulation or guideline of a governmental entity or agency.

(i) Easements:

To grant public easements where necessary in order to serve the Common Area.

(j) Sierra Club Settlement Agreement:

To take any and all necessary or appropriate action to fulfill the Association's obligations pursuant to and in accordance with the Sierra Club Settlement Agreement, including without limitation, entering into a contract with Dr. Klaus Radtke for the implementation of the "Radtke 'How To' Plan" attached hereto as Exhibit "H" and made a part hereof, (as such term is defined in the Sierra Club Settlement Agreement) for a term of three (3) years, notwithstanding the limitation contained in paragraph (i) of Section 6 of this Article III; offering and dedicating the trails described in Exhibit "G" on the National Park Services, and maintaining the "Radtke 'How To' Plan".

Section 6. LIMITATIONS ON POWERS OF THE BOARD:

Notwithstanding the powers of the Association as set forth in Section 5 hereof, the Board shall not take any of the following actions without the prior vote or written consent

of (1) Declarant and a majority of the votes of the Class A and B Members entitled to vote while there is a Class B membership, or (2) a majority of the voting power of Members of the Association entitled to vote, including a majority of the voting power of the Association held by Members other than Declarant, after there is no longer a Class B membership:

(i) Enter into a contract with a third person or entity wherein such person or entity will furnish goods or services for the Common Area, or the Association for a term longer than one year with the following exceptions:

(1) A contract with a public utility company if the rates charged for the materials or services are regulated by the Public Utilities Commission; provided, however, that the term of the contract shall not exceed the shortest term for which the supplier will contract at the regulated rate.

(2) Prepaid casualty and/or liability insurance policies not to exceed three (3) years duration provided that the policy permits short rate cancellation by the insured.

(3) Agreements for cable television services and equipment not to exceed five (5) years duration provided that the supplier is not an entity in which the subdivider has a direct or indirect ownership interest of ten percent (10%) or more.

(ii) Incur aggregate expenditures for capital improvements to the Common Area in any accounting year in excess of five percent (5%) of the budgeted gross expenses of the Association for that accounting year.

(iii) Pay compensation to members of the Board or to Officers of the Association for services performed in the conduct of the Association's business; provided, however, the Board may cause a Director or an Officer to be reimbursed for expenses incurred in carrying on the business of the Association.

(iv) Sell during any accounting year property of the Association having an aggregate fair market value greater than five percent (5%) of the budgeted gross expenses of the Association for that accounting year.

(v) Fill any vacancy on the Board created by the removal of a member of Board.

Section 7. THE ASSOCIATION RULES:

By a majority vote of the Board, the Association may, from time to time, adopt, amend, and repeal such rules and regulations as it may deem reasonable (the "Association Rules"). The Association Rules shall govern the use of the Common Area and

Recreational Common Area by any Owner, by any guest, invitee, licensee or lessee of such Owner, or by the family of such Owner; provided, however, that the Association Rules may not discriminate among Owners and shall not be inconsistent with this Declaration, the Articles or the Bylaws. A copy of the Association Rules as they may from time to time be amended, adopted or repealed, shall be mailed or otherwise delivered to each Owner. Upon such mailing or delivery, said Association Rules shall have the same force and effect as if they were set forth in and were a part of this Declaration. In the event of any conflict between any such Association Rules and any of the other provisions of this Declaration, or the Articles or the Bylaws, the provisions of such Association Rules shall be deemed to be superseded by the provisions of this Declaration, the Articles or the Bylaws to the extent of such inconsistency. In the event of any conflict between the provisions of this Declaration and provisions of the Bylaws or Articles, the provisions of this Declaration shall prevail.

Section 8. PERSONAL LIABILITY:

No member of the Board or the Environmental Control Committee or any Officer of the Association, or Declarant, or the manager, shall be personally liable to any Owner, or to any other party, including the Association, for any damage, loss or prejudice suffered or claimed on account of any act, omission, error or negligence of the Association, the Board, the Environmental Control Committee, the manager or any other representative or employee of the Association, Declarant, or any Officer of the Association; provided that such person has, upon the basis of such information as may be possessed by him, acted in good faith, and without willful or intentional misconduct.

ARTICLE IV

ASSESSMENTS

Section 1. CREATION OF THE LIEN AND PERSONAL OBLIGATION FOR ASSESSMENTS:

Declarant, for each Lot owned hereby covenants, and each Owner of any Lot by acceptance of a deed therefor, whether or not it shall be so expressed in such deed, is deemed to covenant and agree, for each Lot owned, to pay to the Association Annual Assessments, Special Assessments, Emergency Assessments, Remedial Assessments and any other assessments provided for herein, all of which shall be established and collected as hereinafter provided. The Annual, Special, and Emergency Assessments, together with interest, costs, reasonable late payments charges imposed pursuant to the Bylaws for delinquency in payment of such assessments, and reasonable attorneys' fees, shall, when perfected in the manner hereinafter provided, be a charge on the Lot and shall be a

continuing lien upon the Lot against which such assessment is made. Each such assessment, including Remedial Assessments, together with interest, costs, late payment charges and reasonable attorneys' fees, shall also be a personal obligation of the person who is the Owner of such Lot at the time when the assessment becomes due and payable. The personal obligation for delinquent assessments shall not pass to his successors in title unless expressly assumed by them; however, all perfected liens shall be liens on the interests of successive Owners of the Lot subject thereto. No Owner may waive or otherwise escape liability for the assessments provided for in this Declaration by non-use of the Common Area, or any part thereof, or abandonment of his Lot.

Section 2. PURPOSES OF ASSESSMENTS:

Assessments levied shall be used exclusively to promote the recreation, health, safety and welfare of the residents of the Project, the improvement, operation and maintenance of the Common Area and Recreational Common Area, and the performance of the duties of the Association as set forth in this Declaration.

Section 3. OPERATING FUND:

There shall be an operating fund, into which the Association shall deposit all monies paid to it as:

- (a) Annual Assessments;
- (b) Special Assessments;
- (c) Emergency Assessments;
- (d) Remedial Assessments;
- (e) Miscellaneous fees;
- (f) Income attributable to the operating fund;

and from which the Association shall make disbursements in performing the functions for which the foregoing assessments are levied.

Section 4. ANNUAL ASSESSMENTS:

- (a) Levy and Enforcement of Annual Assessments:

Subject to any maintenance or subsidy program established by the Declarant, Annual Assessments shall be made, and enforced, by the Board in the manner provided in this Declaration against the Owners of all Lots, including Declarant. The operation, management and maintenance of the Common Area and Recreational Common Area, together with the rights, duties and

obligations of the Association as set forth in this Declaration, shall be the exclusive obligation of the Association.

(b) Amount of Assessments:

Beginning with the accounting year of the Association in which the Initial Commencement Date (as that term is defined in Section 4(c) below) occurs, the amount of the total Annual Assessments for all the Lots shall be determined by the Board at least thirty (30) days prior to the commencement of each accounting year based on the budget for such accounting year called for by Section 4(h) of Article III above. The Annual Assessments and any Special or Emergency Assessment shall be assessed equally against all of the Lots. The initial monthly installment for Annual Assessments is estimated to be approximately \$121.19.

(c) Commencement Date for Annual Assessments:

Subject to any maintenance or subsidy program established by Declarant, the Annual Assessment hereunder shall commence to accrue on all Lots initially subject to this Declaration on the date (the "Initial Commencement Date") which is the first day of the first month following the recordation of the deed for the sale of the first Lot to an Owner other than Declarant.

(d) Increase of Annual Assessments:

The Annual Assessments for each accounting year may be increased by the Board for next year without a vote of the Members by an amount which shall not exceed ten percent (10%) of the Annual Assessments for the immediately preceding accounting year. Any increase in the Annual Assessments which exceeds ten percent (10%) of the preceding year's Annual Assessments shall be made only upon the affirmative vote or written consent of the Members as set forth in Section 8 below.

(e) Reserve Fund:

For purposes of creating reserves to ensure payment when due of the cost of capital expenditures relating to the repair and replacement of the Common Area, a portion of the Annual Assessments, not to exceed twenty percent (20%) of the Annual Assessments collected in each accounting year, shall constitute a capital contribution to the Owner's equities in the Association. The specific items for which such capital contributions shall be made and the amount of such contribution in respect of each such item shall be determined by the Board, acting in its sole discretion, at the time it adopts the budget for the Annual Assessments in accordance with Section 4(h) of Article III, hereof. All such capital contributions shall be collected in



equal monthly installments as provided in Section 10 hereof, shall be accounted for separately and shall be held in trust and used to pay for each specific capital expenditure in such manner and at such times as the Board, acting in its sole discretion, shall determine. Immediately upon receipt, all such capital contributions shall be deposited in a separate interest-bearing account or accounts, denominated Trustee Capital Account(s), in any savings and loan association, bank or trust company under the supervision of the California Superintendent of Banks, the California Commissioner of Savings and Loan Associations, the Federal Home Loan Bank Board or the United States Controller of the Currency as may be determined by the Board by resolution or invested in certificates of deposit issued by a bank or financial institution having assets in excess of Five Hundred Million Dollars (\$500,000,000).

Section 5. ASSESSMENT ROLE:

An assessment role shall be accurately maintained and available in the office of the Association for inspection at all reasonable times by any Owner or his duly authorized representative. Said assessment role shall indicate for each Lot, the name and address of the Owner thereof, all assessments levied against each Owner and his Lot, and the amount of said assessments paid and unpaid. A certificate executed and acknowledged by the Secretary or Chief Financial Officer of the Association stating the indebtedness secured by any lien created hereby upon any such Lot, shall be conclusive upon the Association and the Owner of such Lot as to the amount of such indebtedness as of the date of such certificate, in favor of all persons who rely thereon in good faith, and such a certificate shall be furnished by the Association to any Owner or to any Mortgagee under a mortgage encumbering a Lot upon written request therefor at a reasonable fee payable to the Association.

Section 6. SPECIAL ASSESSMENTS FOR CAPITAL IMPROVEMENTS:

In addition to the Annual Assessments authorized above, the Board may levy during any accounting year, a special assessment ("Special Assessment") applicable to that accounting year only for the purpose of defraying, in whole or in part, the cost of any construction, reconstruction or unexpected repair or replacement of a capital improvement upon the Common Area, including the necessary fixtures and personal property related thereto. Special Assessments, which in the aggregate in any accounting year exceed an amount equal to five percent (5%) of the budgeted gross expenses of the Association for the accounting year, may be levied only upon vote or written consent of the members as provided in Section 8 of this Article.

Section 7. EMERGENCY ASSESSMENTS:

If the ASSESSMENTS levied are, or will become, inadequate to meet all expenses incurred hereunder for any reason, including nonpayment of any Owner's assessments on a current basis, the Board shall immediately determine the approximate amount of such inadequacy and issue a supplemental budget, noted as to the reason therefor, and levy an emergency assessment for the amount required to meet all such expenses on a current basis ("Emergency Assessment") against the Owners of each of the Lots. Emergency Assessments which in the aggregate in any accounting year exceed an amount equal to five percent (5%) of the budgeted gross expenses of the Association for the accounting year may be levied only upon vote or written consent of the Members as provided in Section 8 hereof.

Section 8. NOTICE AND QUORUM FOR ANY ACTION AUTHORIZED UNDER SECTIONS 4, 6 AND 7:

Any action authorized under Sections 4, 6 or 7 of this Article IV which requires the vote or written consent of the Members shall require the vote or written consent of (1) Declarant and at least a majority of the votes of the Class A Members entitled to vote while there is a Class B membership, or (2) a majority of the voting power of the Members of the Association entitled to vote, including a majority of the voting power of the Association held by Members other than Declarant, after there is no longer a Class B membership. Such vote may be taken or written approval obtained at a meeting called for that purpose, at which a quorum is present as provided in the Bylaws, written notice of which shall be sent to all Members not less than ten (10) days or more than ninety (90) days in advance of the meeting. If the proposed action is favored by a majority of the voting power of the Association present at such meeting, Members who were not present in person or by proxy may give their consent in writing within ten (10) days after the aforesaid meeting so that the required percentage of the voting power of all Members may be obtained.

Section 9. REMEDIAL ASSESSMENTS:

Pursuant to this Declaration, the Board may levy an assessment against any Lot to reimburse the Association for costs incurred in bringing such Lot and its Owner into compliance with provisions of this Declaration or the Association Rules. Remedial Assessments shall be due ten (10) days after the Board gives written notice thereof to the Owner subject thereto. The provisions of Section 8 of this Article IV with respect to approval of Special Assessments and Emergency Assessments shall not apply in the case of Remedial Assessments.

Section 10. DUE DATES OF ASSESSMENTS; CERTIFICATE REGARDING ASSESSMENTS:

The first Annual Assessment and all Special Assessments shall be adjusted according to the number of months remaining in the accounting year. The Board shall fix the amount of the Annual Assessment against each Lot at least thirty (30) days in advance of each Annual Assessment period. Written notice of all assessments shall be sent to each Owner subject thereto. The Annual Assessments and Special Assessments shall be collected on a monthly basis. The Emergency Assessments shall be due and payable at the time and in the manner specified by the Board. The Board shall, upon written request therefore from any Owner or his Mortgagee, and for a reasonable charge not to exceed Ten Dollars (\$10), furnish a certificate to such person or entity, signed by an Officer of the Association, setting forth whether all Annual, Special, Emergency and any Remedial Assessment on a specified Lot have been paid. Such certificate shall be conclusive evidence of payment of any assessment therein stated to have been paid.

Section 11. EFFECT OF NONPAYMENT OF ASSESSMENTS; REMEDIES OF THE ASSOCIATION:

In the event of a default in payment of any assessment when due, such assessment shall be deemed to be delinquent fifteen (15) days after the date on which such assessment is due. Each Owner vests in the Association or its assigns the right and power to bring all actions at law, liens, foreclosures or other remedies provided herein against the Owners for the collection of delinquent assessments; provided, the Association may not create a lien against any Owner's Lot based on nonpayment of Remedial Assessments. In the event an attorney or attorneys are employed for collection of any assessment, whether by suit or otherwise, each Owner agrees to pay reasonable attorneys' fees and costs thereby incurred in addition to any other amounts due or any other relief or remedy obtained against said Owner. In addition to any other remedies herein or by law provided, the Association may enforce the obligations of the Owners to pay the assessments provided for herein, and each of them, in any manner provided by law or in equity, and without any limitation of the foregoing by any or all of the following procedures:

(1) Suspension of Rights; Late Charges:

The Board may establish a late payment charge applicable to all Owners who are delinquent in their payment of assessments. Such late payment charge shall not exceed Ten Dollars (\$10.00) or ten percent (10%) of the delinquent assessment, whichever is greater. After a hearing by the Board (whether or not the delinquent Owner appears) conducted in accordance with the procedures set forth in the Bylaws, the Board may suspend the voting rights of any Owner and/or such Owner's

right to use the Common Area for any period during which any assessment against such Owner's Lot remains unpaid, provided that this provision shall not operate or be construed to deny or restrict ingress or egress of any Owner to his Lot.

(2) Enforcement by Suit:

By commencement and maintenance of a suit at law against an Owner or prior Owner to enforce said assessment obligation, such suit to be maintained in the name of the Association. Any judgment rendered in any such action shall include the amount of the delinquency, interest thereon at the maximum legal rate per annum from the date of the delinquency, court costs and reasonable attorneys' fees, in such amount as the court may adjudge against the delinquent Owner.

(3) Enforcement by Lien:

There is hereby created a claim of lien, with power of sale, on each and every Lot to secure payment to the Association of any and all assessments (except Remedial Assessments) levied against any and all Lots under this Declaration together with interest thereon at the maximum legal rate per annum from the date of delinquency, reasonable late payment charges imposed by the Association because of such delinquency, and all costs of collection which may be paid or incurred by the Association in connection therewith, including reasonable attorneys' fees. Any time within ninety (90) days after the occurrence of any default in payment of such assessment, the Association or any authorized representative may, but shall not be required to make a written demand for payment to the delinquent Owner. Said demand shall state the date and amount of the delinquency. Each default shall constitute a separate basis for a demand or claim of lien or a lien, but any number of defaults may be included within a single demand or claim of lien. If such delinquency is not paid within ten (10) days after delivery of such demand, or within thirty (30) days after the date of delinquency if no written demand is made, the Association may elect to file and record a notice of assessment and claim of lien on behalf of the Association against the Lot of the defaulting Owner in the Office of the County Recorder of the County. Such a notice of assessment and claim of lien shall be executed and acknowledged by any officer of the Association, and shall contain substantially the following information:

- A. the name of the delinquent Owner;
- B. the legal description of the Lot against which the claim of lien is made;

C. the total amount of the delinquency, interest thereon, reasonable late payment charges, collection costs and reasonable attorneys' fees;

D. that the notice of assessment and claim of lien is made by the Association pursuant to this Declaration;

E. the name and address of the trustee authorized by the association to enforce the lien by sale; and

F. that a lien is claimed against said Lot in an amount equal to the amount stated. Upon such recordation of a duly executed original or copy of such a notice of assessment and mailing a copy thereof to said Owner, the lien claimed therein shall immediately attach and become effective. Any such lien may be foreclosed by appropriate action in court or in the manner provided by law for the foreclosure of a deed of trust by exercise of a power of sale contained therein or in the manner provided by law for the enforcement of a judgment as the laws of the State of California may from time to time be changed or amended. The Association shall have the power to bid in at any foreclosure sale, Trustee's sale or judgment sale and to purchase, acquire, lease, hold, mortgage and convey any Lot. Reasonable attorneys' fees, court costs, title search fees, interest and all other costs and expenses shall be allowed to the extent permitted by law.

From and after the date of recording a notice of default pursuant to the aforesaid power of sale, or the commencement of other foreclosure proceedings or proceedings for enforcement of a judgment, until such time as possession of the Lot is given to the Association or the buyer at such judgment or foreclosure sale, the Lot Owner shall pay to the Association a reasonable rental for the use therefor.

The proceeds of any foreclosure, trustee's or judgment sale provided for in this Declaration shall first be paid to discharge court costs, court reporter charges, reasonable attorneys' fees, title costs and costs of the sale, and all other expenses of the proceedings and sale, and the balance of the proceeds, after satisfaction of such charges, unpaid assessments and reasonable late payment charges hereunder or any liens, shall be paid to the defaulting Owner. Any purchaser at such sale shall thereupon be entitled to a deed to the Lot and immediate possession of the Lot and shall have the right to apply to a court of competent jurisdiction for such orders as may be reasonable for the purpose of acquiring and possessing the Lot. It shall be a condition of such sale, and the deed so made shall provide, that the purchaser shall take title to the Lot sold subject to this Declaration.

Upon the timely curing of any default for which a notice or claim of lien was filed by the Association, the officers of the

Association are hereby authorized to record an appropriate release of such lien in the Office of the County Recorder of the County.

Section 12. ASSIGNMENT OF RENTS:

As security for the payment of all such liens, each Owner hereby gives to and confers upon the Association the right, power and authority, during the continuance of such ownership, to collect the rents, issues and profits of said Owner's Lot reserving unto the Owner the right, prior to any default by such Owner in performance of that Owner's obligation under this Declaration, or the Bylaws or the Articles to collect and retain such rents, issues and profits as they become due and payable. Upon any such default, the Association may, at any time, upon ten (10) days written notice to such Owner, either in person, by agent or by a receiver to be appointed by a court of competent jurisdiction, and without regard to the adequacy of any security for such indebtedness, enter upon and take possession of such Owner's Lot or any part thereof, in its own name sue for or otherwise collect such rents, issues and profits, including those past due and unpaid, and apply the same, less costs and expenses of operation and collection, including reasonable attorneys' fees, in payment of any indebtedness to the Association or in performance of any agreement hereunder, and in such order as the Association may determine. The entering upon and taking possession of said property, the collection of such rents, issues and profits and the application thereof as aforesaid, shall not cure nor waive any default hereunder or invalidate any act done pursuant to this Declaration.

The assignment of rents and powers described in the foregoing paragraph shall not affect, and shall in all respects be subordinate to, the rights and powers of the holder of any first or second mortgage on any Lot, or any part thereof, to do the same or similar acts.

Section 13. SUBORDINATION TO CERTAIN TRUST DEEDS:

The lien of the assessments shall be prior to all encumbrances made by the Owner or imposed by legal process upon any Lot except taxes, bonds, assessments and other levies, which, by law, are prior thereto, whether the notice of assessment is recorded prior or subsequent to any such encumbrances, except that the lien of the assessments shall be subordinate to the lien of any first mortgage or first deed of trust in favor of any Mortgagee; provided such first mortgage or deed of trust is made in good faith and for value and recorded in the Office of the County Recorder of the County prior to the recordation of a claim of lien for said assessments. Sale or transfer of any Lot shall not defeat or affect the assessment lien. However, the sale or transfer of any Lot which is subject to any first mortgage or deed of trust pursuant to a foreclosure under such first mortgage or

deed of trust shall extinguish the lien of such assessments as to payments thereof which became due prior to such sale or transfer. No such sale or transfer shall relieve such Lot or the purchaser thereof from liability for any assessments thereafter becoming due or from the lien thereof.

Section 14. INCOME TAX ELECTIONS:

The Board shall have the right, exercisable in its sole discretion, to elect to report the receipts, expenses, deductions and credits, if any, of the Association for income tax purposes pursuant to Section 528 of the Internal Revenue Code of 1954, as amended, Section 23701(t) of the California Revenue and Taxation Code, as amended, or any comparable statute or amendment thereto hereinafter enacted.

Section 15. UNCOMPLETED RESIDENCE EXEMPTION:

Notwithstanding any other provisions of this Declaration, the Declarant, for each Lot which the Declarant owns, shall be exempted from the payment of that portion of any assessment, or other monetary obligation under any assessment, subsidy or maintenance program, which is for the purpose of defraying expenses and reserves directly attributable to the existence of the Residence to be located on such Lot. This exemption shall include without limitation: (1) roof replacement reserves; (2) exterior painting reserves and other exterior maintenance and reserve expense; (3) cable television; (4) minor repairs; and (5) fire insurance. For each and every Lot owned by the Declarant, this exemption shall remain in effect until a notice of completion for the Residence on such Lot has been recorded.

ARTICLE V

COVENANTS AND USE RESTRICTIONS

In addition to all other covenants contained herein and subject to the exceptions provided herein, the following covenants and restrictions shall govern the use and occupancy of the Project:

Section 1. RESIDENTIAL USE:

No part of any Lot and the Improvements thereon shall be used for other than single-family residential purposes; provided, that this restriction shall in no way restrict the Declarant, any of its partners or any affiliated entity, from using any Lot (owned or leased) for the purpose of conducting sales, resales or leasing activities.

No Owner shall create undivided interests or any other interests in his/her Lot for time sharing or similar purposes, except with the prior written consent of the Declarant or the Board.

Section 2. PARTITION OF COMMON AREA:

The Common Area shall remain undivided and no Owner shall bring any action for partition, except as otherwise hereinafter provided.

Section 3. MAINTENANCE BY OWNER:

Each Owner shall be responsible for the maintenance and repair of his/her Lot and all Improvements thereon, including without limitation, the Residence. Each Owner shall maintain his/her Lot and Improvements in a clean, sanitary and attractive condition and maintain, cultivate and keep in good condition and repair all landscaping located upon his/her Lot. Without limiting the generality of the foregoing, Owners of Lots which contain planted slopes shall continually maintain landscaping on such slopes in a clean and attractive condition.

In the event an Owner shall fail to comply with the provisions of this Section, the Association shall notify such Owner in writing of such specified lack of compliance, which notice shall state that such owner has a right to a hearing before the Board with regard to the matters of noncompliance set forth in such notice and, which notice may state that from and after a specified date (which date shall be subsequent to the date of the hearing provided for herein) the Board or its authorized agents may enter the Lot for the purpose of remedying such lack of compliance. If such Owner fails to remedy such lack of compliance within five (5) days from receipt of such notice (or within such greater time period as may be specified in such notice), or, in the alternative, fails to deliver written notice to the Board within five (5) days from receipt of such notice requesting a hearing before the Board with regard to the matters of noncompliance set forth in such notice, the Association or its authorized agents shall have the right to enter onto such Owner's Lot for the purpose of remedying the matters set forth in the notice, and shall not be liable for trespass in connection with such entry. If the Owner timely requests a hearing before the Board, the Board shall schedule a hearing and shall provide the Owner with at least seven (7) days written notice as to the date, time and place thereof. At the hearing the Owner will have an opportunity to discuss with the Board the merits of the claims set forth in the Association's original notice of noncompliance, and the Board will determine what action, if any, need be taken by the Owner and the time within which it must be accomplished.

The decision of a majority of the members of the Board present at the hearing will be binding upon the Association and the Owner. If the Owner fails to so comply within the designated time period, the Association or its authorized agents shall then have the right to enter onto the Owner's Lot to perform the required acts and shall not be liable for trespass in connection therewith. The cost to the Association of remedying such Owner's failure to comply with the provisions of this Section shall be assessed to the Owner as a Remedial Assessment, enforceable in the manner provided in Article IV of this Declaration.

Section 4. COMMON AREA:

No Owner, shall remove, alter or injure in any way any portion of the Common Area, including but not limited to, all Improvements thereto and personal property located thereon, including any shrubs, trees, grass, plants or other landscaping placed upon the Common Area by Declarant or the Association. The Owner of any Lot who violates this Section shall reimburse the Association for all expenses incurred by it in remedying the damage caused by said Owner's violation of this Section. Such expense shall be assessed to the Owner as a Remedial Assessment, enforceable in the manner provided in Article IV hereof.

Section 5. SIGNS:

No sign or billboard of any kind (including but not limited to commercial or political signs) shall be displayed to the public view on any Lot, except for:

(a) directional signs established by the Declarant or the Association;

(b) such signs as may be required for legal proceedings;

(c) residential identification signs of a combined total face area of one hundred forty-four (144) square inches or less for each Lot;

(d) signs advertising Lots "for sale" or "for rent" which signs shall be of customary and reasonable dimensions and of a professional type and dignified appearance. If at the time of any such desired use, the Association is providing "for sale" or "for rent" signs for the use of Owners, the sign provided by the Association shall be used;

(e) signs, billboards and other advertising devices or structures used by Declarant in connection with the development, subdivision, advertising and sale of the Property and Lots thereon.

Section 6. OBNOXIOUS AND OFFENSIVE ACTIVITIES:

No obnoxious or offensive activity shall be carried on, in or upon any Lot and Improvements thereon or any part of the Property, nor shall anything be done thereon which may be or may become an annoyance or nuisance to the neighborhood or which may in any way interfere with the quiet enjoyment of each of the Owners of his respective Lot, or which shall in any way increase the premium rate of insurance.

Section 7. ANIMALS:

No animals, livestock, birds, fish or poultry of any kind shall be raised, bred or kept in or upon any Lot, except that not more than two (2) dogs, cats or such other household pets as may be approved by the Association may be kept in each Lot, provided such pets are not kept, bred or maintained for any commercial purposes. Notwithstanding the foregoing, the Association may, but is not obligated to, provide for the maintenance of horses on the Property in designated areas. No animal, livestock, bird or poultry may be kept which result in any annoyance or is obnoxious to residents in the vicinity, and in any event, each Owner shall be absolutely liable to each and all remaining Owners, their families, guests, and invitees, and to the Association for any and all damage to person or property caused by any pet or other animal, livestock, bird or poultry brought upon or kept upon any Lot or the Common Area by such Owner, members of his family, guests or invitees, and each Owner shall comply with such reasonable rules and regulations governing the keeping of pets which may be adopted by the Association from time to time. Upon the written request of any Owner, the Board shall conclusively determine, in its sole discretion, whether for the purposes of this Section, a particular animal is generally recognized as a household pet or yard pet, or constitutes a nuisance. Any decision rendered by the Board shall be enforceable as other restrictions contained herein.

Section 8. VEHICLES:

No mobile home, trailer of any kind, truck, camper or boat shall be kept, maintained, placed, constructed, remodeled, reconstructed, or repaired, nor shall any motor vehicle be constructed, remodeled, reconstructed or repaired, on any Lot or on any street in or on any Common Area in such a manner as will be visible from the Lots.

Section 9. DEBRIS AND OUTSIDE STORAGE:

(a) No rubbish, trash or garbage or containers therefor shall be allowed to accumulate on the Property outside the Lots except in locations specifically designated by the Board for such use, without the written permission of the Board.

(b) Trash cans and other rubbish containers shall not be allowed to be visible from any portion of any of the streets and driveways except during the days on which rubbish is collected.

(c) No exterior clothesline shall be erected or maintained and there shall be no drying or laundering of clothes in outside areas.

Section 10. TAXES AND UTILITY CHARGES:

Each Owner of a Lot shall pay all real and personal property taxes or charges assessed against his Lot, and the utility charges for said Lot.

Section 11. PARKING:

Parking of vehicles of any type whatsoever on any portion of the Common Area shall be permitted only as set forth in the Association Rules.

Section 12. ALTERATIONS AND IMPROVEMENTS:

No Improvements of any type or any structural alteration to any Improvements, or any exterior additions or modifications to any Improvements (including, but not limited to painting), shall be made, constructed or maintained upon the Property until the plans and specifications therefor showing the appearance, height, materials and color therefor, a plot plan showing the location thereof and appropriate grading plans for the site upon which any structure is to be or is located shall have been approved by the Board or the Environmental Control Committee in the manner set forth in this Declaration.

Section 13. RESTRICTIVE AGREEMENTS:

No Owner shall execute or file for record any instrument which imposes a restriction upon the sale, leasing or occupancy of his Lot on the basis of race, color or creed.

Section 14. PESTS:

No Owner shall permit any thing or condition to exist upon any portion of the Property which shall induce, breed or harbor infectious plant diseases or noxious insects or vermin.

Section 15. ANTENNAE AND EXTERIOR APPLIANCES:

(a) No towers, antennae, aerials, or other facilities for the reception or transmission of radio or television broadcasts or other means of communication shall be erected and maintained or permitted to be erected and maintained on the

Property except by installations inside of structures constructed on the Property, or by underground conduits.

(b) No wiring for electrical or telephone installations, television antennae, security systems, machines or air-conditioning units, or appliances shall be permitted on the exterior of any Improvement or that protrude through the walls or roof of any residential building except as permitted by the Environmental Control Committee pursuant to this Declaration.

(c) This Section shall not apply to, nor restrict, master antennae and head end system for a cable television system installed by Declarant or by a franchise cable television operator.

Section 16. COMPLIANCE WITH LAWS:

Each Owner shall promptly comply with all laws, statutes, ordinances, rules and regulations of Federal, State or municipal governments or authorities applicable to the Project and to use and occupancy of and construction and maintenance of any improvements.

Section 17. EXTRACTION OF MINERALS:

No oil drilling, oil development operations, oil refining, quarrying or mining operations of any kind shall be permitted on the Property, nor shall oil wells, tanks, tunnels or mineral excavations be permitted on the Property or within five hundred (500) feet below the surface of the Property and no derrick or other structure designed for use in boring for water, oil, or natural gas shall be erected, maintained or permitted upon any portion thereof, except as shall be approved in writing by the Board or the Environmental Control Committee pursuant this Declaration.

Section 18. DRAINAGE:

Neither the Association nor any Owner may interfere with or alter the grading established by Declarant or in any manner impede the drainage pattern within the Common Area which exists as of the date of the sale of the first Lot, or in any way interfere with or impede the drainage from any private patio area into the drainage system established by Declarant

Section 19. WATER SOFTENERS:

All water softeners installed in a Residence must be commercially serviced. No Owner shall deposit or dispose, or permit to be deposited or disposed, any salts or other chemicals from water softeners in the sewage systems.

Section 20. VIEW RESTRICTION:

Subject to the provisions of Article VI hereof, no trees or other vegetation or other obstruction shall be planted or maintained upon any Lot in such a manner as to unreasonably obstruct the view from any other Lot. In the event of a dispute between Owners with respect to the obstruction of a view from a Lot, such dispute shall be submitted to the Environmental Control Committee, whose decision in such matters shall be binding upon such Owners. Any such obstruction shall, upon request of the Environmental Control Committee, be removed or otherwise altered to the satisfaction of the Environmental Control Committee by the Owner of the Lot upon which the obstruction is located.

Section 21. EXCEPTIONS:

The covenants and restriction set forth in this Article V or in Article VI below shall not and do not apply to any of the following:

(a) Any act done or proposed to be done upon the Property, or any condition created thereon, by any governmental agency or entity, or the agents or employees of any governmental entity acting in the scope of their authority as such agents or employees;

(b) Any act done or proposed to be done upon the Property, or any condition created thereon, by any utility company, (including, but not limited to, companies furnishing electric, gas, water, telephone, cable television and/or sewer service to all or parts of the Property), or the agents or employees of any such company, which act could be done by such company were this Declaration not made;

(c) Any act done or proposed to be done upon the Property, or any condition created thereon, by Declarant, or its successors, assigns, agents, employees or contractors, in connection with the marketing and sales by Declarant of the Lots, or in the course of planning for, preparing the Property for and/or construction upon the Property of utilities, buildings, and all other original Improvements, or in connection with the exercise of any easement reserved to Declarant herein;

(d) Any act done or proposed to be done upon the Property, or any condition created thereon, which act or condition has been approved in advance by the Board of the Environmental Control Committee acting within its authority as set forth in this Declaration;

(e) Any act done or proposed to be done upon the Property, or any condition created thereon, by any person pursuant to court order, or the order of any public officer or public

agency; provided, however, that the orders contemplated in this subparagraph are only those which are the result of action initiated by public officers or agencies and which embody mandatory requirements with penalties for non-performance, and are not those orders which result from the application of private parties or are merely permissive.

ARTICLE VI

ENVIRONMENTAL CONTROL COMMITTEE

Section 1. ESTABLISHMENT OF COMMITTEE; MEMBERSHIP:

(a) Establishment of Committee:

The Environmental Control Committee shall consist of three (3) individuals. The terms "Environmental Control Committee" and "Committee", as used herein, shall refer to the Board, if no such separate committee has been appointed, or to such committee if the same is in existence.

(b) Initial Members:

The following persons are hereby designated as the initial members of the Environmental Control Committee established hereby:

Office No. 1. -	<u>Theodore E. Cox</u>
Office No. 2. -	<u>William H. Claus III</u>
Office No. 3. -	<u>William J. Gilmore</u>

All of the rights, powers and duties of the Environmental Control Committee as set forth in Section 2 of this Article are hereby delegated to the Environmental Control Committee as set forth in Section 2 of this Article are hereby delegated to the Environmental Control Committee established hereby. Such delegation may not be revoked except by Declarant until the first to occur of (i) expiration of five (5) years after issuance of the original Final Subdivision Public Report for the Property or (ii) sale by Declarant of ninety percent (90%) of the Lots.

(c) Term of Office:

The terms of office of the initial members listed in subparagraph (b), above, shall continue for the periods of time set forth below:

(1) The term of Office No. 1 shall expire on the first anniversary date of the issuance of the original Final Subdivision Public Report for the Property.

(2) The term of Office No. 2 and Office No. 3 shall expire on the first to occur of either the fifth anniversary date of the original issuance of the Final Subdivision Public Report for the Property or the date on which ninety percent (90%) of all the Lots have been sold.

Thereafter, the term of each Environmental Control Committee member shall be for a period of three (3) years or until the appointment of his successor. Any new member appointed to replace a member who has died, resigned or been removed shall serve such member's unexpired term. Members who have resigned, been removed or whose terms have expired, may be reappointed.

(d) Appointment, Removal and Resignation:

The right to appoint and remove all members of the Environmental Control Committee at any time, shall be and is hereby vested solely in the Board; provided, however, that no initial member of the Environmental Control Committee, nor any successor appointed by Declarant for an initial member who dies or resigns, may be removed except by Declarant prior to the expiration of his term of office pursuant to subparagraph (c) above. Any member of the Environmental Control Committee may at any time resign from the Committee by giving written notice thereof to the Declarant, if, pursuant to this subparagraph (d), Declarant has the right to appoint a successor to such member, or, if Declarant does not have the right, to the Board. All members of the Committee who are appointed by the Board shall be Members of the Association or a representative of Declarant designated by Declarant. Members of the Committee who are appointed by Declarant are not required to be Members of the Association.

(e) Vacancies:

Except as otherwise provided in subparagraphs (c) and (d), of this Section 1, vacancies on the Environmental Control Committee, however caused, shall be filled by vote of a majority of the members of the Board. A vacancy shall be deemed to exist in case of the death, resignation or removal of any member. Failure of the Board of Directors to fill any vacancy in the Committee shall not prevent: (i) the running of the thirty (30) day automatic approval period specified in Section 4(e) of this Article hereof; or (ii) action by the Committee on any matter to the extent that a majority thereof each join in and consent thereto.

(f) Notice of Membership on Committee:

The Declarant and the Board shall, upon appointing successors to the members of the Committee named herein, record written notice of such appointment in the Office of the County

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Recorder of the County. Any change in the address of the Environmental Control Committee to which notices or requests for approval are to be mailed or delivered also shall be recorded. All parties, including any title insurance company, shall be entitled to rely conclusively upon the membership and address of the Committee as established and as changed by any such recorded notice.

Section 2. MEETINGS AND COMPENSATION:

The Environmental Control Committee shall meet from time to time as necessary to perform its duties hereunder. The vote or written consent of any two (2) members, at a meeting or otherwise, shall constitute the act of the Committee and the Committee shall keep and maintain a written record of all actions taken by it at meetings or otherwise. Members of the Environmental Control Committee shall not receive any compensation for services rendered.

Section 3. DUTIES:

It shall be the duty of the Environmental Control Committee to consider and act upon any and all proposals or plans submitted to it pursuant to the terms hereof, to insure that any improvements proposed to be constructed on the Property conform to those certain architectural controls for the Property which are approved by the City (which shall be deemed to be incorporated herein), to adopt Environmental Control Committee Rules, to perform other duties delegated to it by the Declarant within the time periods set forth herein and thereafter by the Board, and to carry out all other duties imposed upon it by this Declaration. The Environmental Control Committee, in its own name or on behalf of the Association, may exercise all available legal and equitable remedies to prevent or remove any unauthorized and unapproved construction of Improvements on the Property or any portion thereof.

Section 4. OPERATION OF COMMITTEE:

The Environmental Control Committee shall function as follows:

(a) The Committee will review all required submissions to it of any or all of the following documents and such additional documents which it determines to be reasonably appropriate to the activity for which consent is requested:

- (1) a written description;
- (2) plans and specifications;
- (3) schematics;
- (4) elevations; and
- (5) a plot plan showing the location of the proposed structure or Improvements.

(b) All submissions to the Environment Control Committee shall:

- (1) show the address of the party submitting the same;
- (2) be in triplicate;
- (3) be deemed made when actually received by the Committee; and
- (4) state in writing the specific matters for which approval is sought.

(c) The Committee, before giving such approval, may require that changes be made to comply with such requirements as the Committee may, in its absolute discretion, impose as to structural features of any proposed Improvement, the type of building material used, or other features or characteristics thereof not expressly covered by any provisions of this instrument, including the location of any proposed Improvement with respect to the topography and finished ground elevation. The Committee may also require that the exterior finish and color, and the architectural style or character of any Improvement shall be such as in the discretion of the Committee shall be deemed suitable in view of the general architectural style and character of existing Improvements within the Property.

The Committee, before giving its approval, may impose conditions or require changes to be made which in its discretion are required to insure that the proposed Improvement will not detract from the appearance of the Common Area, jeopardize the structural integrity of the Improvement, or otherwise create any condition unreasonably disadvantageous to other Owners or detrimental to the Property as a whole.

(d) One of the three (3) sets of submissions to the Committee shall be retained by it. In the event the Committee approves or is deemed to approve the activity for which consent is required, the Committee shall endorse its consent on all three (3) copies and two (2) sets shall be mailed by the Committee,

postage prepaid, to the address specified by the submitting party unless such party shall elect to accept delivery thereon in person or by agent so authorized in writing.

(e) If the Committee fails to mail its certificate with regard to any material or matter submitted to it hereunder, within thirty (30) days after submission to it, it shall be conclusively presumed that the Committee has approved the specific matters as to which approval was sought in the submission. It shall thereupon be the duty of the members of the Committee, forthwith upon the request of the submitting party, to sign and acknowledge a certificate evidencing such approval.

(f) As a condition precedent to its consideration of or action upon any material or matter submitted to it hereunder, the Committee shall be entitled to receive a reasonable sum fixed by it from time to time for each set of plans, specifications, drawings or other material so submitted. Notwithstanding the provisions of Section 4(e) of this Article, until the requisite sum shall have been paid to it as provided herein, any material delivered to the Committee shall not be considered to have been submitted to it for the purposes of this Declaration.

(g) All actions of the Committee shall be noted in the minutes of the Board of Directors.

(h) No certificate of the Committee shall be recorded by the Committee or any member thereof, but the same may be recorded by the party submitting the material concerning which the certificate was made.

(i) All action by the Committee authorized in this Declaration shall be within its sole discretion.

(j) The provisions of this Article shall not apply with respect to the initial construction by Declarant of Improvements within the Property.

Section 5. ACCESS TO PROPERTY:

Each member of the Committee, or any other agent or employee of the Board, shall at all reasonable hours have the right of access to any part of the Property, and to any Improvements being built thereon, for the purpose of inspection relative to compliance with this Declaration.

Section 6. WAIVER:

The approval or disapproval by the Committee of any plans, specifications, drawings, grading plans, heights, or any other matters submitted for approval or consent shall not be deemed to be a waiver by the Committee of its right to approve,

disapprove, object or consent to any of the features or elements embodied therein when the same features or elements are embodied in other plans, specifications, drawings or other matters submitted to the Committee.

Section 7. LIABILITY:

Neither the Association, the Board, the Committee nor any of their members shall be responsible for any defects in any Improvement erected, constructed, installed, placed, altered or maintained in accordance with or pursuant to any plans and specifications, color scheme, or other material approved by the Committee or any conditions or requirements that it may have imposed with respect thereto, nor shall the Association, the Board, the Committee or any of their members have any liability for the inability of anyone to obtain a building permit or any other governmental permit necessary for the construction or alteration of any Improvement pursuant to plans and specifications approved by the Committee.

ARTICLE VII

DAMAGE OR DESTRUCTION OF COMMON AREA

Section 1. REPAIR OR RECONSTRUCTION WITHOUT ELECTION BY OWNERS:

In the event of a total or partial destruction of any portion of the Common Area and if the available proceeds of the insurance carried pursuant to this Declaration are sufficient to cover not less than ninety percent (90%) of the cost of repair, restoration or reconstruction thereof, the same shall be promptly repaired and rebuilt unless, within sixty (60) days from the date of such destruction, not less than seventy-five percent (75%) of the Members present and entitled to vote, in person or by proxy, at a duly constituted and called annual or special meeting of the Members at which a quorum is present, determine that such reconstruction shall not take place. If repair and reconstruction is to take place, the Board shall cause to be executed, acknowledged and recorded in the office of the County Recorder of the County a certificate declaring the intention of the Owners to repair and rebuild, such certificate to be executed by any officer or agent of the Association duly authorized to execute the same by the Board.

Section 2. REPAIR OR RECONSTRUCTION BY CONSENT OF OWNERS:

If the proceeds of such insurance are less than ninety percent (90%) of the costs of repair or reconstruction, such repair or reconstruction may nevertheless take place if a majority of the members present either in person or by proxy and entitled to vote at a duly noticed and called annual or special meeting of the Members at which a quorum is present elect to rebuild. In the

event of an election to repair and rebuild, a certificate as provided in this Section 1 shall be executed, acknowledged and recorded as provided for in such Section 1 hereof.

Section 3. ASSESSMENTS:

In the event of a determination to rebuild pursuant to either Sections 1 or 2, above, each Owner shall be obligated to contribute such funds as shall be necessary to pay his proportionate share of the cost of repair or reconstruction, over and above the insurance proceeds. The proportionate share of each Owner as to such assessment shall be equal to a fraction, the numerator of which is one (1) and the denominator of which is the total number of Lots in the Property, and such assessment shall be due and payable in full within thirty (30) days after written notice thereof. The assessment for repair or reconstruction shall be enforceable in the manner provided in Article IV hereof.

Section 4. OBLIGATION OF BOARD:

It shall be the obligation of the Board to take all steps necessary to assure the commencement and completion of such reconstruction at the earliest possible date.

Section 5. DETERMINATION NOT TO REBUILD:

If a certificate of intention to rebuild has not been executed, acknowledged and recorded in accordance with either Section 1 or Section 2 hereof within nine (9) months from the date of any partial or total destruction of the Common Area, or if repair and reconstruction has not actually commenced within such nine (9) month period, then any insurance proceeds available for such rebuilding shall be distributed among the Owners and the individual lenders by the Board. The proportionate interest of each Owner in said proceeds shall be equal to a fraction, the numerator of which is one (1) and the denominator of which is the total number of the Lots in the Property.

Section 6. DAMAGE TO LOT:

Any restoration and repair of any damage to a Unit shall be made by and at the individual expense of the Owner of such Unit. If an Owner fails to make such restoration or repair of his Unit, the Board in accordance with this Declaration, may take appropriate remedial action.

ARTICLE VIII

CONDEMNATION

Section 1. TAKING OF ENTIRE COMMON AREA:

In the event the entire Common Area is taken under the power of eminent domain, the amount payable shall be paid to the Association, as Trustee, for distribution to the Owners subject to (i) the rights of any Mortgagees of an Owner's Lot and (ii) all unpaid assessments of each Owner together with any interest charges or fees attributable thereto. The proportionate interest of each Owner in the condemnation award shall be the same as that set forth in Article VII, Section 5.

Section 2. PARTIAL TAKING OF COMMON AREA:

In the event of a partial taking of the Common Area, the Association shall use all amounts awarded to it on account of such taking, to acquire and improve other real or personal property to replace the property which was taken; provided, however, that the Association shall not be obligated to replace such real or personal property if seventy-five percent (75%) of the voting power of the Association elects to distribute the condemnation award in the manner provided in Section 1 hereof rather than make such replacement. If the Members do not elect, within sixty (60) days after the taking of the Common Area, to distribute the condemnation award, the Board shall proceed with such acquisition and improvement of new property and may levy a Special Assessment on the Owners in accordance with Section 6 of Article IV of this Declaration to raise any funds needed for such purpose in excess of the condemnation award. If the Members do not approve such Special Assessment the Board shall proceed with repair and restoration work and make such acquisitions as are possible with the available funds.

Section 3. PARTIAL TAKING OF COMMON AREA AND LOTS:

In the event of a partial taking of both the Lot and the Common Area, those Owners whose Lots and Improvements are completely or partially taken shall be entitled to retain the award made to them. In accordance with the provisions of Section 2 of this Article, the Association shall either effect replacement of the Common Area or distribute the proceeds to the Owners in accordance with Article VII, Section 5 hereof. Nothing contained in this Article shall be deemed to limit the right of an Owner to pursue all available legal remedies and obtain all compensation to which he may be entitled by reason of the taking of his Lot and Improvements.

ARTICLE IX

EASEMENTS

Section 1. STREETS AND UTILITIES:

Declarant hereby reserves for itself and hereby grants to each Owner, the Association and its Members a nonexclusive easement for roadway, ingress, egress, access and for all utility purposes, incidental thereto, over and upon all of the streets presently or hereafter existing within the boundaries of the Property. The easement hereby given to each Owner shall be appurtenant to and pass with title to each Owner's Lot. The easement hereby reserved by the Declarant shall be both in gross and appurtenant to any Lot owned at any time by Declarant, and may be conveyed by Declarant to the Owners, or any of them, of any Lot on the Property.

Section 2. ENCROACHMENTS:

If any portion of the Common Area or Recreational Common Area encroaches upon any Lot or Lots, an easement for the encroachments and for the maintenance of same, so long as it stands, shall and does exist in favor of said Common Area. In the event any Lot is partially or totally destroyed, and then rebuilt, the Owners of Lots agree that minor encroachments of parts of the Common Area due to construction shall be permitted and that valid easements for said encroachment and the maintenance thereof shall exist. The Common Area is and shall always be subject to easements for minor encroachments of the Lots, Residences and garages.

Section 3. USE OF THE COMMON AREA, STREETS AND DRIVES:

Each Owner of a Lot within the Property is hereby declared to have a non-exclusive easement and equitable right of use and enjoyment in and to and throughout the Common Area; provided, however, that such non-exclusive easements and equitable rights shall be subject to the easements described in this Article. Said easements are appurtenant to and shall pass with title to every Lot. Said easements are for the benefit of the Lot, the Owners of the Lot, and each of them, their respective families and guests, invitees, tenants, contract vendees, and such other classes of persons to whom the Board may, from time to time, and subject to the Association Rules, extend the privilege of use and enjoyment of the Common Area and ingress and egress for all of the purposes and uses hereinabove set forth. In furtherance of the establishment of these easements, the individual grant deeds to the Lots may, but shall not be required to, set forth the foregoing easement. The right of Declarant and each person set forth above to use and possess the Common Area as set forth

herein, shall be subject to and governed by the provisions of this Declaration, the Articles, the Bylaws, and the Association Rules.

Section 4. UTILITY EASEMENTS TO OWNERS:

The rights and duties of the Owners of Lots within the Property with respect to sanitary sewer and water, electricity, gas and telephone lines and facilities shall be governed by the following:

(a) Wherever sanitary sewer house connections and/or water house connections or electricity, gas or telephone lines are installed within the Property, which connections or any portion thereof lie in or upon Lots owned by persons or entities other than the Owner of the Lot served by the said connections, the Association shall have the right, and is hereby granted an easement to the full extent necessary therefor, to enter upon the Lot or to have the utility companies enter upon the Lot in or upon which said connections, or any portion thereof lies, to lay, repair, replace and generally maintain said connections as and when the same may be necessary as set forth below. Such entry shall be during normal business hours, except for emergencies.

(b) Wherever sanitary sewer house connections and/or water house connections or electricity, gas or telephone lines are installed within the Property, which connections serve more than one Lot, the Owner of each Lot served by said connections shall be entitled to the full use and enjoyment of such portions of said connections as service his Lot.

(c) In the event of a dispute between Owners with respect to the repair or rebuilding of said connections, or with respect to the sharing of the cost thereof, then, upon written request of one of the Owners addressed to the Association, the matter shall be submitted to the Board who, shall decide the dispute, and the decision of the Board shall be final and conclusive on the parties.

Section 5. EASEMENT RESERVED BY DECLARANT:

Easements over the Property for the installation and maintenance of electric, telephone, water, gas and sanitary sewer lines and facilities, and for drainage facilities as required and as may hereafter be required or needed to service the Property, and for the construction of all Improvements to the Property to be made by Declarant are hereby reserved by Declarant, together with the right to grant and transfer the same.

Section 6. TO THE ASSOCIATION:

There is hereby reserved to Declarant, the Environmental Control Committee and the Association, their agents and employees,

such easements as are necessary to perform the duties and obligations of the Association and Environmental Control Committee as are set forth in this Declaration, the Bylaws, the Articles and the Association Rules, including, but not limited to, the right of access at all reasonable hours to any part of the Property, and to any Improvements being constructed or already constructed thereon, for the purpose of inspection, maintenance and repair in accordance with the provisions of this Declaration.

Section 7. COVENANTS RUNNING WITH THE LAND:

Each of the easements provided for in this Declaration shall be deemed to be established upon the recordation of this Declaration, and shall thenceforth be deemed to be covenants running with the land for the use and benefit of the Lots and the Common Area, as the case may be, superior to all other encumbrances applied against or in favor of any portion of the Property which are the subject of this Declaration. In furtherance of the easements provided for in this Declaration the individual grant deeds to the Lots may, but shall not be required to, set forth said easements.

ARTICLE X

ENFORCEMENT

In the event of any default by any Owner under the provisions of this Declaration, the Articles, Bylaws, or the Association Rules, and upon any failure of any Owner to comply with any requirement, covenant, condition or restriction set forth in this Declaration, the Association and its successors and assigns, and the Board and its agents, or any of them, shall have all the rights and remedies which may be provided for in this Declaration, the Bylaws, the Articles, the Association Rules, or which may be available at law or in equity, and may prosecute any action or other proceeding against such defaulting Owner and/or other persons for enforcement of any lien and the appointment of a receiver for the Lot and ownership interest of such Owner, or for damages or injunction or specific performance, or for judgement of payment of money and collection thereof, or the right to take possession of the Lot and to sell the same as hereinabove provided, or for any combination of remedies, or for any other relief. The Association and the Board, and the agents of each, shall have the authority to correct such default and to do whatever may be necessary for such purpose. All expenses of the Association in connection with such actions or proceedings, including court costs and attorneys' fees, and all damages, together with interest thereon at the maximum legal rate until paid, as well as late payment charges, shall be charged to such defaulting or non-complying owner, and shall be enforceable as a Remedial Assessment in the manner set forth in Article IV hereof.

When such actions or proceedings are undertaken to collect delinquent assessments, all expenses of the Association in connection with such actions or proceedings including court costs and reasonable attorneys' fees, as well as interest and late payment charges, shall also be a lien on such Owner's Lot, his interest in the Association and upon all of such Owner's additions and improvements to his Lot, which lien shall be enforceable in the manner set forth in Article IV hereof. Any and all such remedies may be exercised at any time and from time to time, cumulatively or otherwise, by the Association or the Board. The provisions of this Article are available in addition to the provisions in Article IV hereof relating to the enforcement of assessments.

Should any Member institute suit against the Association, and should the Association be successful or sustained in its position, then such Member shall be required to reimburse the Association for its legal expenses incurred, including but not limited to attorneys' fees, fees of experts, court costs and other expenses reasonably incurred by the Association, and the amount to which the Association is entitled shall be a lien against his Lot as provided in and enforceable pursuant to the provisions of Article IV hereof.

ARTICLE XI

GENERAL PROVISIONS

Section 1. AMENDMENTS:

This Declaration may be amended from time to time (1) by Declarant and fifty-one percent (51%) of the Class A Members entitled to vote while there is a Class B membership or (2) by fifty-one percent (51%) of the voting power of the Members of the Association entitled to vote, including fifty-one percent (51%) of the voting power of the Association held by Members other than Declarant, after there is not Class B membership; provided, (a) as long as the Property or any portion thereof is not part of an incorporated city, any amendment which will affect the maintenance of the Common Area, vehicular and pedestrian access rights for Owners or conditions of approval for the applicable tentative tract map(s) for the Property, including without limitation the Private Park and slope maintenance, shall require the prior written approval of the Planning Director and the Board of Supervisors of the County or their delegates, (b) the percentage of the voting power necessary to amend a specific clause or provision shall not be less than the percentage of affirmative votes required for action to be taken under such clause or provision, (c) Declarant shall have the unilateral right to amend this Declaration in order to comply with any requirement(s) of the California Department of Real Estate or other governmental agency which has jurisdiction over the Project and (d) any amendment

which will affect the terms and conditions of the Sierra Club Settlement Agreement shall require the prior written approval of the Sierra Club as provided in Section 17 of this Article XI. Any amendment must be recorded prior to becoming effective.

Notwithstanding any other provision herein other than (a) and (d) above, the Declarant reserves the right to unilaterally amend this Declaration for a period of one year following the date on which this Declaration is recorded.

Section 2. NOTICES:

Notices provided for in this Declaration shall be in writing and shall be addressed to the person intended to receive the same, at the following address:

Association:

Watt Pacific, Inc.
1666 Ninth Street
Santa Monica, California 90404

Declarant:

Watt Pacific, Inc.
1666 Ninth Street
Santa Monica, California 90404

Environmental Control Committee:

c/o Watt Pacific, Inc.
1666 Ninth Street
Santa Monica, California 90404

Owner:

At the address of the Residence owned by him, or such other address as may be designated herein.

Declarant, the Association and the Environmental Control Committee may designate a different address or addresses for notices to it giving written notice of such change of address to all Members of the Association. Any Owner may designate a different address or addresses for notices to him by giving written notice of such change of address to the Association. Notice addressed as above provided shall be deemed delivered when mailed by United States Mail, return receipt requested, or when delivered in person with written acknowledgement of the receipt thereof.

Upon written request, any Mortgagee shall be given a copy of all notices permitted or required by this Declaration to be given to the Owner or Owners whose property is subject to such recorded mortgage or deed of trust.

Section 3. SEVERABILITY:

If any provision of this Declaration, the Articles, the Bylaws, or any section, sentence, clause, phrase or word, or the application thereof in any circumstance, is held invalid, the validity of the remainder of the Declaration, the Articles and Bylaws, and of the application of any such section, sentence, clause, phrase, or word in any other circumstances shall not be affected thereby.

Section 4. CONSTRUCTION:

The provisions of this Declaration shall be liberally construed to effectuate its purpose of creating a uniform plan for the development of a residential community and for the maintenance of the Common Area.

Section 5. INAPPLICABILITY TO PROPERTY OF PUBLIC ENTITY:

The provisions hereof shall be inapplicable to any property now owned or hereafter acquired by the State of California or a political subdivision thereof.

Section 6. VIOLATION AND NUISANCE:

Every act or omission whereby any provision of this Declaration is violated in whole or in part is hereby declared to be a nuisance and may be enjoined or abated, whether or not the relief sought is for negative or affirmative action, by Declarant, the Association or any Owner or Owners.

Section 7. VIOLATION OF LAW:

Any violation of any state, municipal or local law, ordinance or regulations, pertaining to the ownership, occupancy or use of any of the Property is hereby declared to be a violation of this Declaration and subject to any or all of the enforcement procedures set forth herein.

Section 8. NOTIFICATION OF SALE OF PROPERTY:

(a) Concurrently with the execution of any escrow instructions, deposit receipt, or other agreement for the sale or transfer of a Lot, under circumstances whereby the transferee will become the Owner thereof, the transferor shall notify the Association in writing of such. Such written notification shall set forth:

- (1) the name of the transferee and his transferor;
- (2) the street address of the Lot purchased by the transferee;
- (3) the transferee's mailing address;
- (4) the name and address of the escrow holder, if any, for such sale and the escrow number; and
- (5) the date of sale or transfer.

Concurrently with the consummation of such sale of any Lot, or within five (5) business days thereafter, the transferor shall notify the Association of consummation of such sale by written notice. Such notification shall set forth the information called for above.

Prior to receipt of any such notification, any and all communications required or permitted to be given by the Association, the Board or the Environmental Control Committee shall be deemed to be duly given and made to the transferee if duly and timely made and given to said transferee's transferor.

Section 9. BREACH:

No breach of the covenants, conditions or restrictions herein contained, nor the enforcement of any lien provisions herein, shall defeat or render invalid the lien of any first mortgage or first deed of trust made in good faith and for value, 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.

Section 10. APPLICABLE LAW:

This Declaration shall be construed in accordance with the laws of the State of California.

Section 11. SPECIAL MORTGAGEE REQUIREMENTS:

(a) A first Mortgagee at its request is entitled to written notification from the Association of any default by the Owner of the Lot which is subject to a mortgage of deed of trust in favor of said Mortgagee of such Owner's obligations under the Lot documents which is not cured within sixty (60) days.

(b) Any first Mortgagee who comes into possession of a Lot pursuant to the remedies provided in the mortgage, or foreclosure of the mortgage, or deed (or assignment) in lieu of

foreclosure, or who desires to sell or lease such a Lot, shall be exempt from any "right of first refusal".

(c) Any first Mortgagee who comes into possession of a Lot pursuant to the remedies provided in the mortgage or deed of trust or foreclosure of the mortgage or deed of trust shall take such Lot free from any claims for unpaid assessments or charges against the encumbered Lot which accrue prior to the time such Mortgagee comes into possession of the Lot.

(d) First Mortgagees shall have the right to examine the books and records of the Association.

(e) An adequate reserve fund for replacement of the Common Area improvements must be established and must be funded by regular monthly payments rather than by Special Assessments.

(f) All taxes, assessments and charges which may become liens prior to the first mortgage under local law shall relate only to the individual Lots and not to the Property as a whole.

(g) Notwithstanding anything to the contrary which may be set forth in this Declaration, the Articles or the Bylaws, except as provided by statute, in case of substantial loss to the Lots and/or Common Area of the Property, unless at least seventy-five percent (75%) of the first Mortgagees (based upon one (1) vote for each first mortgage owned) have given their prior written approval, the Association shall not;

(1) by act or omission, seek to abandon or terminate the Lot regime;

(2) change the pro-rata interest or obligation of any Lot for the purposes of levying assessments or charges or allocating distribution of hazard insurance proceeds or condemnation awards.

(3) partition or subdivide any Lot;

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

(5) use hazard insurance proceeds for losses to any portion of the Property (whether to Lot or to the Common Area) for other than the repair, replacement or reconstruction of such improvements;

(6) amend this Declaration so as to defeat the obligations of the Association to maintain the Common Area in a first-class condition and good state of repair, or which would defeat the assessment procedures which assure the collection of funds for such maintenance;

(7) amend any part of this Section 11.

(h) The Association shall give the Federal National Mortgage Association ("FNMA") or the Federal Home Loan Mortgage Corporation ("FHLMC") notice in writing of any loss to, or taking of, the Property if such loss or taking exceeds Ten Thousand Dollars (\$10,000.00), or if damage to a Lot or any Improvements thereon covered by a mortgage purchased in whole or in part by FHLMC or FNMA exceeds One Thousand Dollars (\$1,000.00).

(i) In addition to the consent of the Owners, the approval from eligible mortgage holders representing at least 51% of the votes of units estates that are subject to eligible mortgages must be obtained for material amendments to the Project documents. A change to any of the following would be considered as material: (1) voting, (2) assessments, assessment liens, or subordination of such liens, (3) reserves for maintenance, repair, and replacement of the Common Areas or Slope Areas, (4) insurance or fidelity bonds, (5) rights to use the Common Areas, (6) responsibility for maintenance and repair of the Project, (7) expansion or contraction of the Project on the addition, annexation, or withdrawal of property to or from the regime, (8) boundaries of any Unit, (9) the interests in the Common Areas, (10) convertibility of Lots into Common Area or of Common Areas into Lots, (11) leasing of Lots, (12) imposition of any right of first refusal or similar restriction on the right of any Owner to sell, transfer, or otherwise convert his or her Lot, or (13) any provision that expressly benefit mortgage holders, insurers or guarantors.

Section 12. GENERAL MORTGAGEE PROVISIONS:

(a) Any Owner may encumber his Lot by deed of trust or mortgage.

(b) A Mortgagee who acquires title by foreclosure or deed in lieu of foreclosure shall not be obligated to cure any breach of this Declaration which is noncurable or of a type which is not feasible to cure or which is not practical to cure and does not materially affect the Association or any other Owners.

(c) It is intended that any loan to facilitate the resale of any Lot after foreclosure or deed in lieu of foreclosure is a loan made in good faith and for value and entitled to all of the rights and protections afforded to Mortgagees hereunder.

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(d) No amendment to this Section 12 shall affect the rights of the Mortgagee under any mortgage or trust deed recorded prior to recordation of such amendment who does not join in the execution thereof.

(e) Because of its financial interest in a Lot, a Mortgagee may appear (but may not vote) at meetings of the Owners and the Board to draw attention to violations of this Declaration which have not been corrected or made the subject of remedial proceedings or assessments.

(f) A Mortgagee is authorized to furnish information to the Board concerning the status of any loan encumbering a Lot.

(g) The Board shall immediately give written notice to any Mortgagee who has requested such notice in writing, when the Owner of the Lot encumbered in favor of such Mortgagee has been in default under the terms hereof for a period of sixty (60) days.

Section 13. TERMS:

This Declaration and the covenants, conditions and restrictions contained herein, as amended from time to time, shall be and remain in full force and effect for a term of sixty (60) years from the date this Declaration is recorded, after which time said Declaration shall be automatically extended for successive periods of ten (10) years, unless an instrument in writing signed by those Members then holding a majority of the total votes in the Association has been recorded with the County Recorder of the County within one (1) year prior to the expiration of the initial sixty (60) year period or within one (1) year prior to the expiration of any successive ten (10) year period, agreeing to terminate said covenants, conditions, and restrictions in whole or in part.

Section 14. PLURALS; GENDER:

Whenever the context so requires, the use of the singular shall include and be construed as including the plural, and the masculine shall include the feminine.

Section 15. 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 16. 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 between an Owner and a lessee shall provide that the terms of the lease shall be subject in all respects to the provisions of this Declaration, the Articles and Bylaws, 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 17. VEGETATION AND TRAIL MAINTENANCE:

The Association shall be responsible for performing all the conditions and obligations of Declarant under and pursuant to the terms of the Sierra Club Settlement Agreement. The obligation of the Owners and each of them, as well as the Association, and the obligations hereunder shall run with the land. Notwithstanding any provisions herein permitting the Association or the Members of the Association to amend this Declaration, the conditions of this Section 17 shall never be amended without the prior written consent and approval of the Sierra Club. In this regard, the Sierra Club shall have all of the rights of a third party beneficiary to enforce all of the terms and conditions of the Sierra Club Settlement Agreement against the Association and the individual Members.

Section 18. ENFORCEMENT OF BOND:

In the event that the Improvements to be installed by Declarant to the Common Area have not been completed prior to the issuance by the California Department of Real Estate of a Final Subdivision Public Report covering the Project, and in the further event that the Association is the obligee under a bond to secure performance by the Declarant to complete such Improvements, then;

(a) if such Improvements have not been completed and a notice of completion filed within sixty (60) days after the completion date specified in the Planned Construction Statement appended to the bond, the Board shall consider and vote upon the question of whether or not to bring action to enforce the obligations under the bond. If the Association has given an extension in writing for the completion of any such Improvement, then the Board shall consider and vote on said question if such Improvements have not been completed and a notice of completion filed within thirty (30) days after the expiration of the extension period.

(b) In the event that the Board determines not to take action to enforce the obligations secured by the bond, or does not vote on the question as above provided, then, in either such event, upon petition signed by Members representing not less than five percent (5%) of the total voting power of the Association, the Board shall call a special meeting of the Members of the Association to consider the question of overriding the decision of the Board or of requiring the Board to take action on the question of enforcing the obligations secured by the bond. Said meeting of Members shall be held not less than thirty-five (35) days nor more than forty-five (45) days following receipt of the petition.

(c) At said meeting a vote of a majority of the voting power of the Members of the Association, excluding the vote of Declarant, to take action to enforce the obligations under the bond shall be deemed to be the decision of the Association, and the Board shall thereafter implement the decision by initiating and pursuing appropriate action in the name of the Association.

ARTICLE XII

ANNEXATION

Section 1. ANNEXATION BY DECLARANT

All or any part of the Additional Property may be annexed by Declarant from time to time without the consent of the Members, within three (3) years after the date of original issuance by the California Department of Real Estate of the most recently issued Final Subdivision Public Report for a Phase of Development. Upon such annexation and at all times thereafter, this Declaration shall govern the ownership, use and transfer of all of the Lots and Common Area designated in the Declaration of Annexation for the annexed portion of the Additional Property. Assessments on annexed property shall commence on the first day of the first full calendar month following the month of conveyance of the first Lot in the annexed property to an Owner other than Declarant. Notwithstanding anything to the contrary in this Declaration, the Association shall not be obligated to furnish maintenance or other services to annexed property until assessments thereon are commenced or Declarant pays to the Association the cost of specific services performed.

Section 2. ANNEXATION BY CONSENT OF MEMBERS:

Upon approval in writing of the Association, pursuant to the affirmation vote or written consent of (1) Declarant and at least sixty-six and two-thirds percent (66-2/3%) of Class A Members entitled to vote while there is a Class B membership, or (2) at least sixty-six and two-thirds percent (66-2/3%) of the voting power of Members of the Association entitled to vote,.

including at least sixty-six and two-thirds percent (66-2/3%) of the voting power of the Association held by Members other than Declarant, after there is no longer a Class B membership, the owner of any property who desired to add it to the scheme of this Declaration and to subject it to the jurisdiction of the Association, may cause the same to be done as hereinafter provided in this Article XIII or in any other manner permitted by-law. However, no annexation may take place more than seven (7) years from the date of recordation of this Declaration.

Section 3. ANNEXATION PROCEDURES

Any annexation authorized by Sections 1 or 2 hereof shall be made by recording in the Office of the County Recorder a declaration of annexation with respect to the property to be annexed, which shall extend the scheme of this Declaration to the property to be annexed. The declaration of annexation shall contain at least the following:

(a) A legal description of the annexed property; the names and addresses of the record owner or owners of said annexed property; the names and addresses of the beneficiaries and trustees of all mortgages and trust deeds which constitute liens against the annexed property as of the date said declaration of annexation is so recorded; and

(b) A statement submitting the annexed property to this Declaration, which Declaration shall be referred to by title and date and instrument number of recording; and

(c) A statement of the use restrictions imposed upon the annexed property as part of the general plan for the Property, which restrictions may be the same as or different than those set forth hereof; or a statement that there are no use restrictions; and

(d) A statement submitting the annexed property to the control of the Environmental Control Committee established herein in Article VI hereof

Such declaration of annexation may contain such additions and modifications of the covenants, conditions and restrictions contained herein as may be necessary to reflect the different character, if any, of the annexed property, and as are not inconsistent with the scheme of this Declaration. In no event, however, shall any such declaration of annexation revoke, modify, or add to the covenants, conditions or restrictions established by this Declaration with respect to the property described in Exhibit "A" hereto.

IN WITNESS WHEREOF, Declarant has executed this Declaration the day and year first above written.

WATT PACIFIC, INC., a California Corporation

By: Theodore E. Cox
Its: PRESIDENT

By: William H. Claus III
Its: Vice President

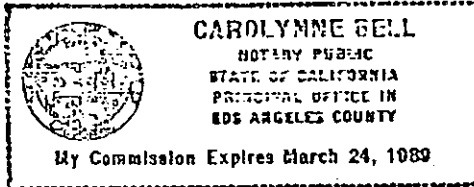
STATE OF CALIFORNIA
COUNTY OF Los Angeles ss.

On January 22, 1987, before me, the undersigned, a Notary Public in and for said State, personally appeared Theodore E. Cox and William H. Claus III, personally known to me (or proved to me on the basis of satisfactory evidence) to be the persons who executed the within instrument as President and Vice Presidents on behalf of Watt Pacific, Inc.

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 Carolynne Bell



(This area for official notarial seal)

LIST OF EXHIBITS

Exhibits

- A. Description of Property
- B Additional Property
- C Description of Common Area
- D Plot Plan
- E Sierra Club Settlement Agreement
- F Slope Areas
- G Trails
- H Radtke "How To" Plan

EXHIBIT A

Lots 1 through 76, inclusive, lots 87 through 96, inclusive, and lots 103 through 155, inclusive, of Tract No. 33064, in the unincorporated area in the County of Los Angeles, State of California, as per map recorded in Book 1060, Pages 64 through 69, inclusive of Maps, in the office of the County Recorder of said County.

EXHIBIT B

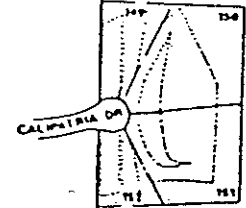
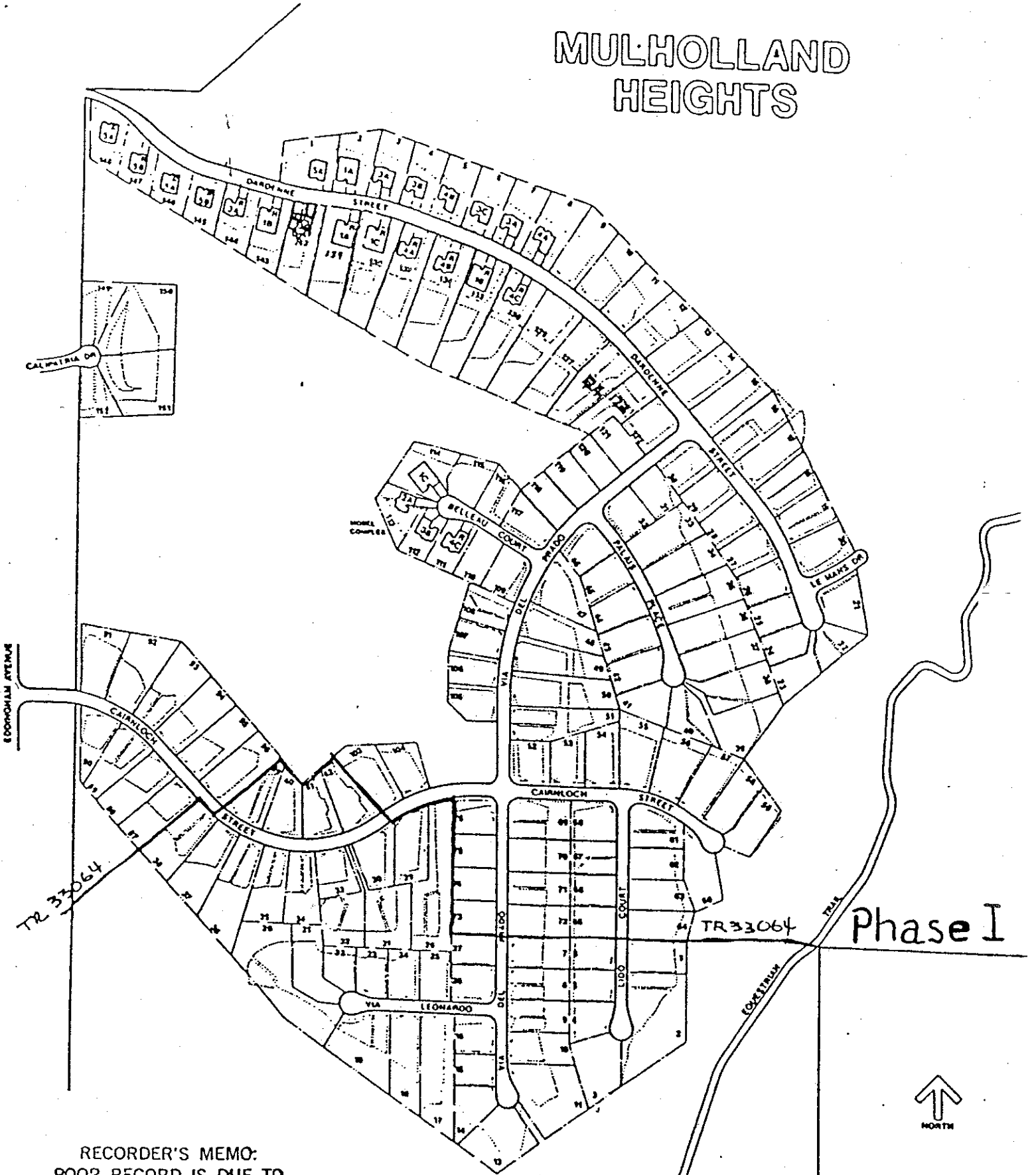
Lots 77 through 86, inclusive, and of lots 97 through 102, inclusive, and portions of Cairnloch Street, all in Tract 33064 as per map filed in Book 1060, Pages 64 through 69, inclusive, of maps in the office of the Recorder of said County, and a portion of the Northeast 1/4 of Section 36, Township 1 North, Range 17 West, San Bernadino Meridian.

EXHIBIT C

Lots 153 through 155, inclusive, of Tract 33064, in the unincorporated area of the County of Los Angeles, State of California, as per map recorded in Book 1060, Pages 64 through 69, inclusive of maps, in the office of the County Recorder of said County.

EXHIBIT D

MULHOLLAND HEIGHTS



RECORDER'S MEMO:
 POOR RECORD IS DUE TO
 QUALITY OF ORIGINAL DOCUMENT

Phase II

EXHIBIT E

AGREEMENT

This Agreement is made and entered into this 23rd day of July, 1985 by and between M & K Investments, a California General Partnership (M & K) and the Sierra Club, a Non-Profit Corporation (Club).

RECITALS

A. WHEREAS, M & K's predecessor in interest, Sunnyglen Corporation, owned an undeveloped parcel of real property consisting of approximately 154 acres located in the County of Los Angeles and on which the Board of Supervisors of said County had approved a subdivision of approximately 152 dwelling units pursuant to Tentative Tract Map No. 33064. Sunnyglen also owned an adjoining parcel of property of approximately 60 acres for which the Board of Supervisors approved a subdivision of an additional 27 dwelling units pursuant to Tentative Tract Map No. 40932. All of the foregoing will hereinafter be referred to as "The Property".

B WHEREAS, the Club caused to be instituted, litigation with respect to Tentative Tract Map No. 33064

being the case of Sierra Club vs. Board of Supervisors of Los Angeles County (Sunnyglenn Corporation, real party in interest) Civ. No. C-319067 ("The Litigation"). Pursuant to the Litigation, the Club had a lis pendens filed on Tract 33064 and the court caused to be issued an injunction prohibiting development of the tract until further order of court.

C. WHEREAS, The parties have settled the Litigation. Said settlement includes certain promises by M & K relating to the development of the property. Specifically it provides for the development of a ridgeline trail ("The Ridgeline Trail") for hiking and equestrian purposes only, the revegetation of the trail after grading has been completed, and for the replanting of oak trees in mitigation of the loss of oak trees which could not be transplanted prior to the grading. The settlement also includes the development of a Revegetation Plan and Oak Tree Plan by Dr. Klaus Radtke ("The Radtke Landscape Plan") and the development of procedures for the ongoing maintenance of the revegetation and oak trees ("The Radtke How-To Plan"). Further the settlement provides for the offering of easements of other trails to the National Park Service and for other items as

specifically set out hereinafter. The parties now wish to effectuate said settlement by the execution of this Settlement Agreement.

D. WHEREAS, M & K is desirous of assuming the obligations to the Club as more specifically set out herein upon condition that the Club release M & K of such obligation upon M & K's transfer of the Property to a third party and the resultant third party assumption of said obligations as set out hereinafter.

E. The Club desires that the obligations contemplated by said Settlement and more specifically set out below be of public record and binding on all future owners of the land. M & K is willing to cause the recordation of a Covenant Running With the Land and to so bind itself and its successors in interest to the obligations set out in this Settlement Agreement on condition that upon M & K's and its successors in interests' transfer of the Property or any portion thereof to a successor owner, said transfer automatically releases all prior owners of any further duties or obligations to the Club with reference to the obligations set out below. Further the Club will restrict its enforcement proceedings with reference to said duties

and obligations to the then owner of the property. For purposes of this Agreement M & K and its successors in interest in the property are referred to as "Owner".

NOW THEREFORE, for valuable consideration, the parties agree as follows:

1. The Owner of the Property, promises to perform the following:

a. After the completion of grading on the Property, to cause the replanting of oak trees, the revegetation of the flora and fauna, and to maintain same all in accordance with the Radtke Landscape Plan. A copy of said Plan is attached hereto marked Exhibit "1" and made a part hereof.

b. After completion of the grading to also perform the maintenance of said oak trees and revegetation. Said Maintenance Program is set out in Exhibit "1" and Exhibit "1" is controlling as to the cost of Said Maintenance Program. In addition to Exhibit "1" Dr. Radtke has been retained to prepare a program to implement the maintenance portion of the Radtke Landscape Plan. This Plan is referred to herein as the Radtke "How To" Plan. Upon

completion of the Radtke "How To", the said "How To" Plan shall be signed by the parties, and shall be attached as a supplement to Exhibit "1". Upon that occurrence Exhibit "1" will contain the Radtke Landscape Plan and the Radtke "How To" Plan and M & K and its successors in interest agree to diligently perform all the duties set forth therein.

c. In the event that the Radtke Landscape Plan must be slightly modified after the completion of the grading, then Owner promises to plant the oak trees and revegetation in accordance with the modified Radtke Plan upon condition that such modification does not increase the cost of such planting and maintenance.

d. To offer the two trails identified on Exhibit "2" attached hereto and made a part hereof, to the National Park Service and to hold said offer open for a period of five (5) years. In the event the property upon which said trails are located is subdivided and transferred to a homeowner's association prior to the expiration of said five year period, Owner agrees to cause the CC&R's recorded as part of the subdivision process to impose upon the homeowner's association the obligation to continue said offer for the five year period and also to provide that such promise may be enforced by the Club.

e. To cause the location of the development of the Ridgeline Trail to be strictly in accordance with the provisions of Tentative Tracts No. 33064 and 40932 and to ensure that the dedication of the Ridgeline Trail to the County will be for equestrian and hiking purposes only.

2. Owner's obligations to perform under the Radtke Landscape Plan and the "How-To" Plan shall continue until the occurrence of both of the following events:

a. The acceptance and approval by the County of Los Angeles that the planting and maintenance has been performed in accordance with the Conditional Use Permit granted as part of the entitlement process, and

b. The delegation of the maintenance responsibilities to the homeowner's association to be formed by Owner as part of its subdivision development program.

3. Owner agrees that the CC&R's creating the homeowner's association will include the provision that, upon delegation to the homeowner's association of the duty of maintenance of the Ridgeline Trail, the homeowner's association shall perform such maintenance in accordance with the Radtke "How-To" Plan and further to pay to Radtke (or his successor as designated by the Club in the event

Radtke is unwilling or unable to perform said duties), the fees owing to Radtke. Said fees are to be paid for a period of three (3) years commencing at the end of the fourth month following the completion of the planting of the oak trees and vegetation. Said fees are in the sum of \$1,000.00 per month payable on the first day of each month. (By separate agreement the Club has promised to pay Radtke said fees until such time as said duty is delegated to the homeowner's association.) In order to accomplish the foregoing, owner promises to include in their CC&R's the following provision:

"Vegetation and Trail Maintenance

The Association shall be responsible for performing all of the conditions and obligations of declarant under and pursuant to the terms of that certain agreement dated July 23, 1985, a copy of which is attached hereto as an Exhibit and made a part hereof by this reference. The obligation to perform said conditions shall be the obligation of all the individual owners as well as the Association and the obligations hereunder shall run with the land. Notwithstanding any provisions herein permitting the Association or the members of the Association to amend these CC&R's, the conditions of this paragraph shall never be amended without the prior written consent and approval of the Sierra Club, a Non-Profit Corporation or its successor in interest. In this regard, the Sierra Club shall have all of the rights of a third party beneficiary to enforce all

the terms and conditions of Said Agreement against the Association and the individual members."

4. The promises of the Owner shall be secured by the imposition of a duly recorded Covenant Running With The Land. Said Covenant Running With The Land will dissolve upon the recording of the CC&R's and upon the delegation of such duties to the homeowner's association. A copy of said Covenant Running With The Land is attached hereto as Exhibit "3".

5. Attached as Exhibit "4" is a Release Agreement whereupon the Club releases M & K from the duties and obligations set out in this Agreement upon M & K's transfer of the property to a third party. Said fully executed Release Agreement will be held in trust by Mr. Carlyle Hall, Esq., attorney for the Club, until the Property is transferred to a third party and the monies owing to the Club by way of Stipulated Judgment entered into concurrently with the execution of this Agreement have been paid. Upon notice to Mr. Hall of the occurrence of such events, the executed copy of this Release Agreement will be delivered and transmitted to Mr. J. B. Mirassou, attorney for M & K whereupon said Release Agreement shall become fully effective.

6. In the event of a breach of this Agreement by any of the parties hereto or by their successors in interest, which breach results in litigation, then the prevailing party shall have a right to its reasonable attorneys fees incurred in causing the performance of the duties and obligations set forth in this Agreement.


7. The undersigned, Carlyle W. Hall, Jr., warrants that he is the attorney for the Plaintiff The Sierra Club and that he has fully explained the contents of this agreement to his client and that he believes that his client is fully aware of and understands all the terms of the Agreement and the legal consequences thereof and that he has been authorized by his client to execute this agreement on their behalf.

IN WITNESS WHEREOF the parties have caused this Agreement to be executed at the place and date next to their signatures.

DATED: 7-22-85

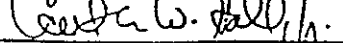
M & K INVESTMENTS,
a California General
Partnership

BY: K & L INVESTMENTS, a
California General
Partnership, Partner

BY 
Kenneth Battram
General Partner

DATED: 7/23/85

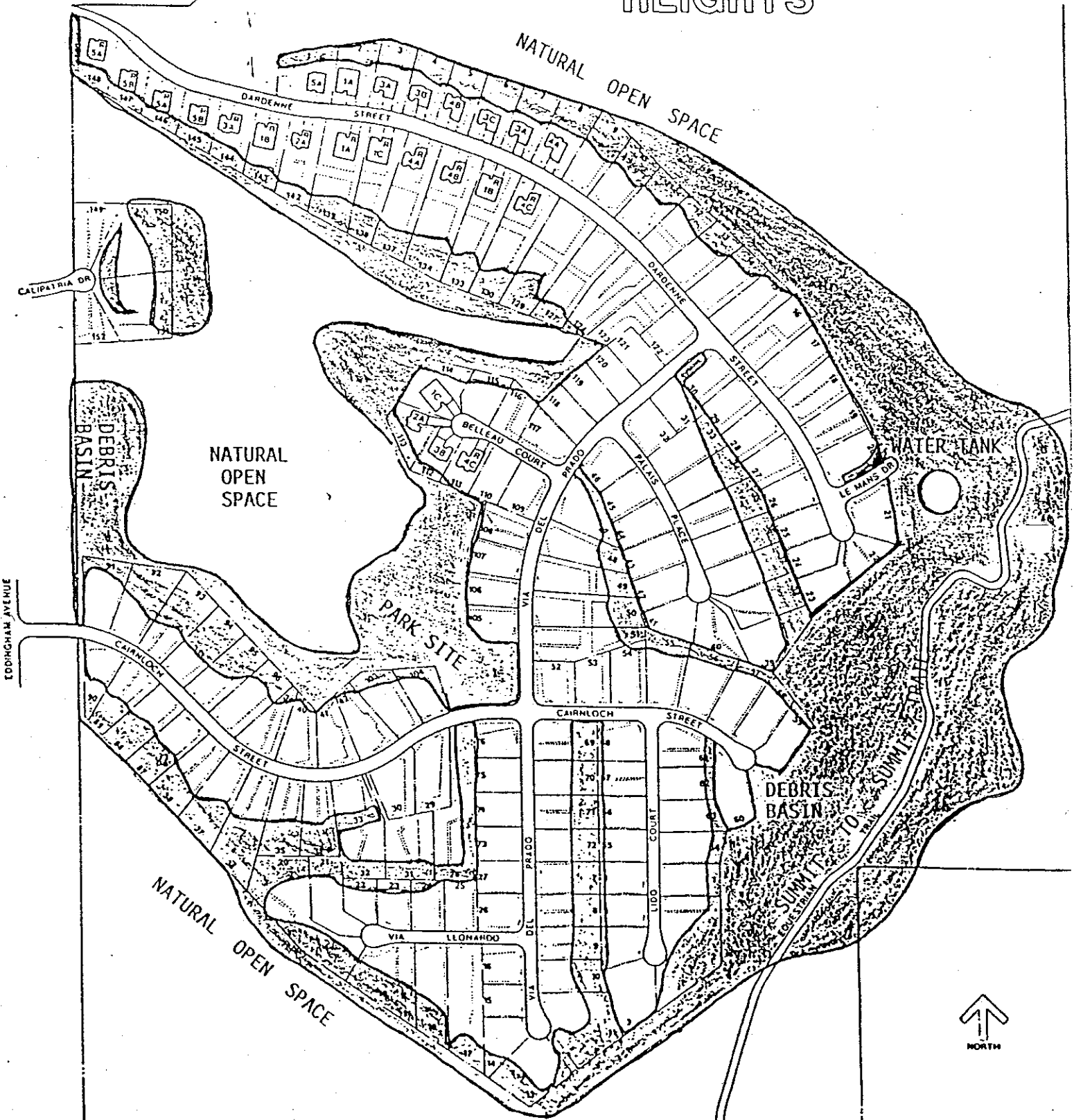
SIERRA CLUB,
a Non-Profit Corporation

BY 
Carlyle W. Hall, Jr.,
their Attorney

2/13/M&K AGREEMENT

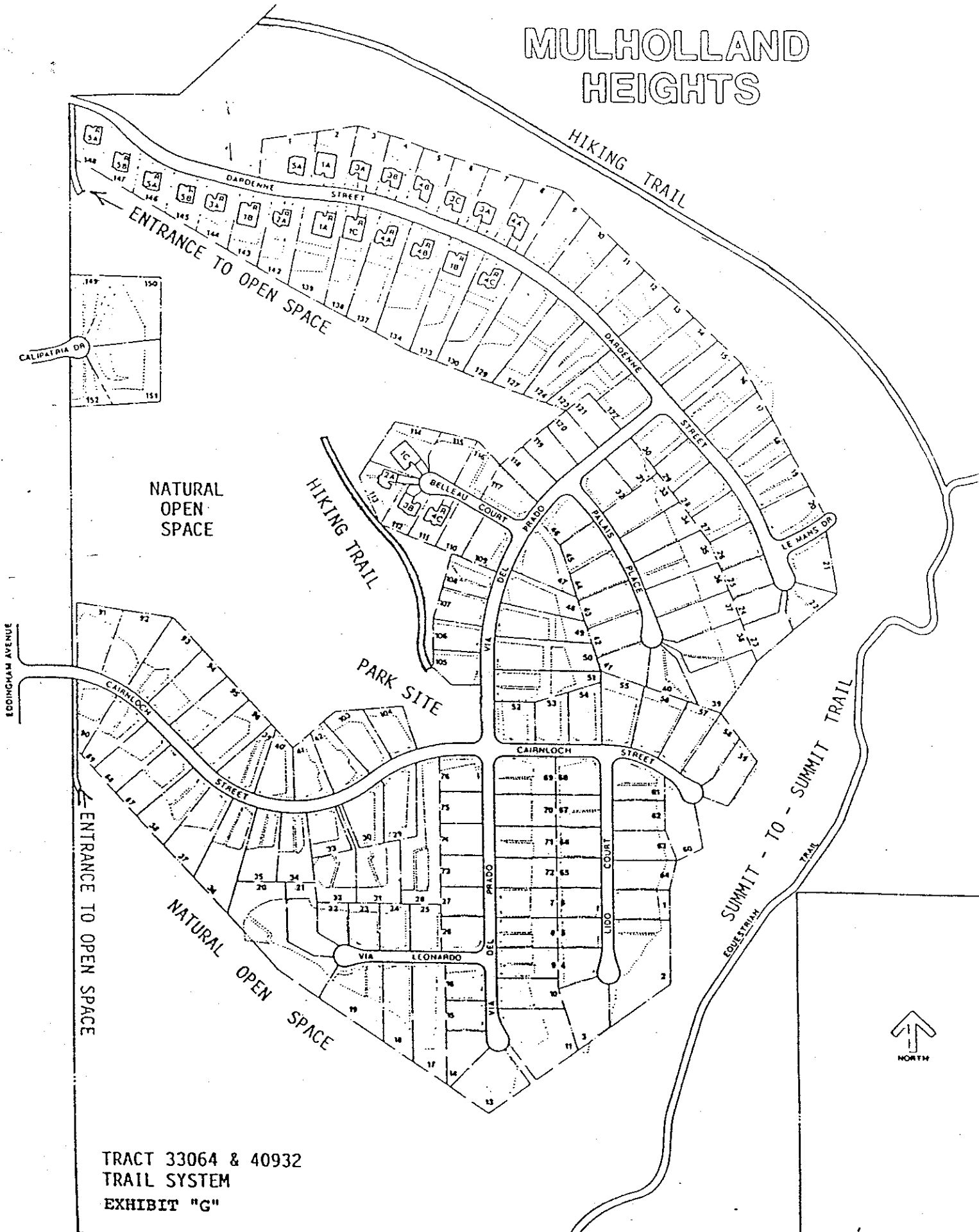
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MULHOLLAND HEIGHTS



TRACT 33064 AND 40932
SLOPE MAINTENANCE AREA
EXHIBIT "F"

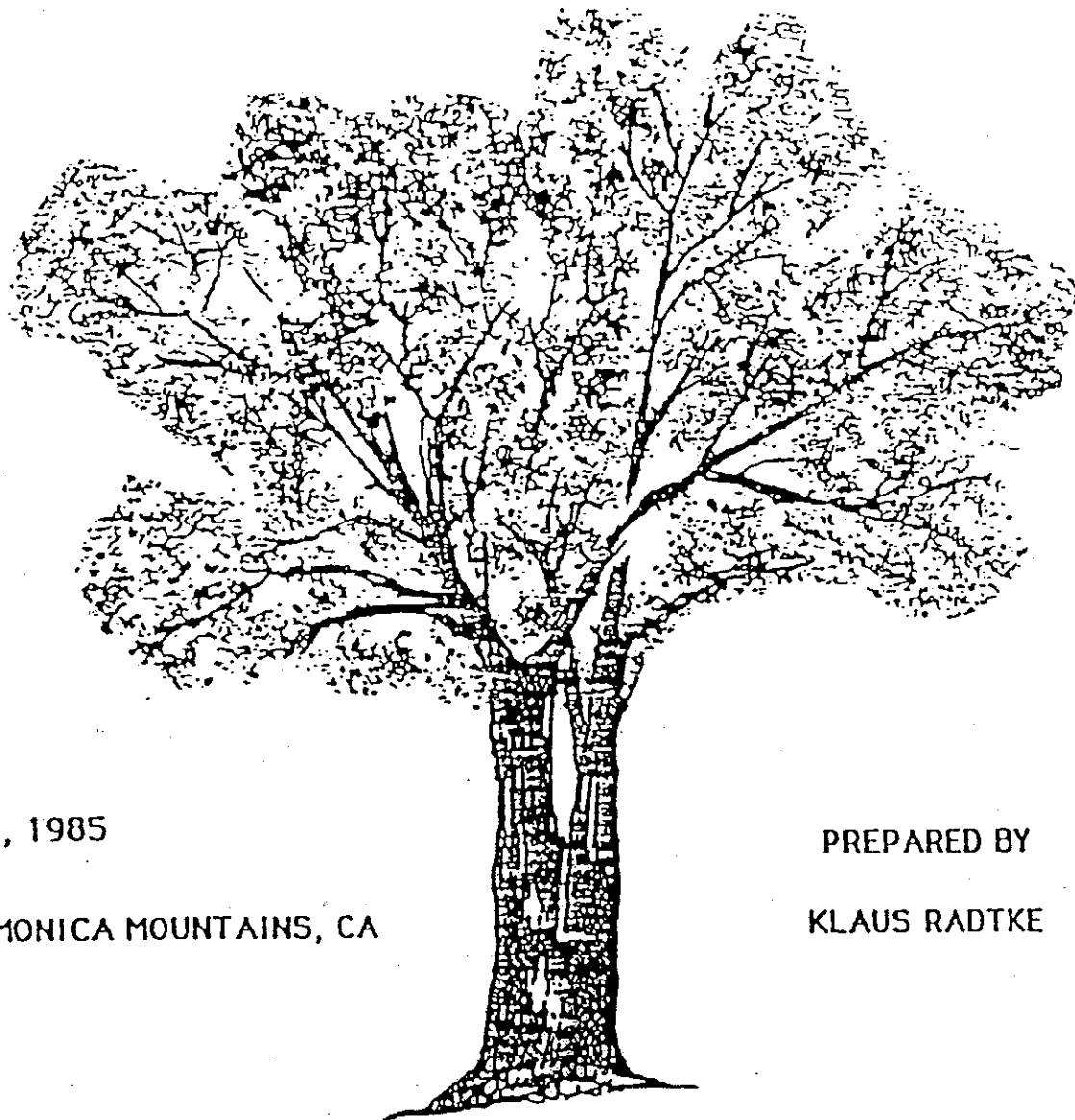
MULHOLLAND HEIGHTS



TRACT 33064 & 40932
TRAIL SYSTEM
EXHIBIT "G"

EXHIBIT H

COAST LIVE OAK MANAGEMENT GUIDE: ESTABLISHING AN OAK WOODLAND URBAN FOREST



AUGUST, 1985

SANTA MONICA MOUNTAINS, CA

PREPARED BY

KLAUS RADTKE

87 370489



GEO SAFETY, INC.

K.R.



OVERVIEW

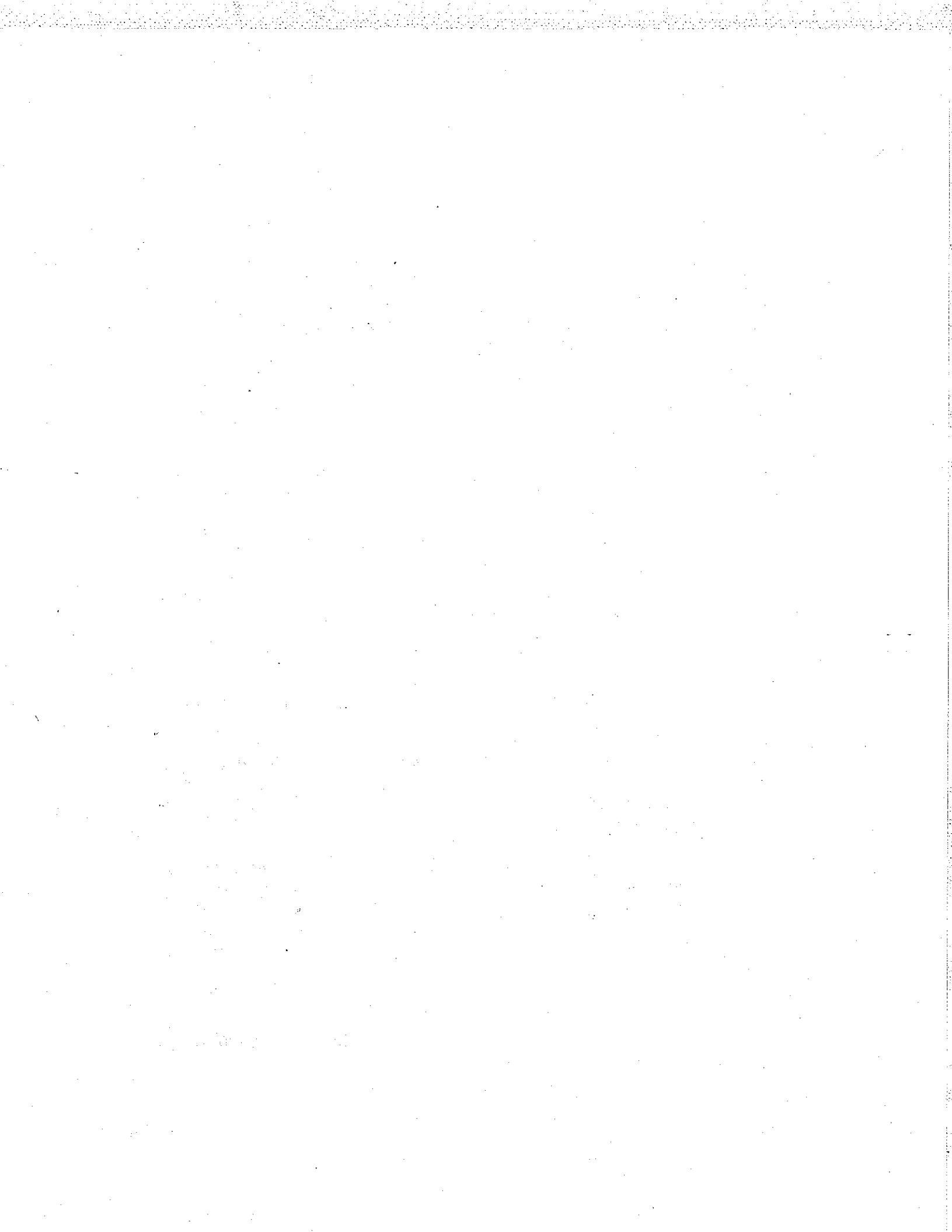
At the request of Sunnyglen Corporation, GEO Safety, Inc. reviewed the developer's planting plan for the Summit to Summit Trail section of Tract No. 33064 located in the Topanga area of the Santa Monica Mountains. Changes were proposed which focussed on the effective use of drought tolerant, fire adapted native vegetation and the need to effectively screen the development from the Summit to Summit Trail. This trail is a section of the Backbone Trail System of the Santa Monica Mountains. The planting and irrigation plan which incorporates these changes is found in the back pocket of this report.

The revised planting plan has been accepted by both Sunnyglen Corporation and the Sierra Club. It specifically calls for the establishment of an oak savannah/oak woodland urban forest. Its attached specifications give general project guidelines, list materials, and outline the installation (establishment) and maintenance of this oak woodland 'restoration' area. The Sierra Club, at whose request Sunnyglen Corp. initiated the revisions of the original planting plans, saw the need for a management/monitoring program preceded by a management plan. This program is to assure the timely establishment and longterm success of the restoration area.

The importance of a management plan became apparent as it was being prepared. This management plan focusses on site specific and effective ways of meeting the objectives of timely establishment of the oak woodland 'restoration' area and successful maintenance by the developer, its agents, or successors. As in any good forest management concept, the plan provides management and maintenance flexibility to adjust to a living, changing ecosystem.

To make the oak woodland urban forest a longterm success will require the total commitment of all parties involved. GEO Safety, Inc. will do its part by providing the necessary management expertise. This will consist of an integrated forest management approach inclusive of watershed-, fire-, vegetation management as well as insect, disease and pest control.

This report was prepared at the request of the Sierra Club by
Klaus Radtke, Ph.D.
Wildland Resource Scientist
Licensed Prof. Forester * 1583



CONTENTS

ABSTRACT	1
1. INTRODUCTION	3
SPECIES SELECTION & DESCRIPTION	3
THE OAK WOODLAND COMMUNITY	4
2. SITE SELECTION	7
THE NATURAL SITE	7
Soils	7
Evapotranspiration	8
SUMMIT TO SUMMIT PLANTING SITE	9
3. SITE PREPARATION	10
PLANTING SPECIFICATIONS	10
4. MANAGEMENT	13
ANIMAL DAMAGE	15
Root damage	15
Shoot damage	16
INSECT CONTROL	17
Oak moth	17
Tent caterpillar	17
DISEASE CONTROL	18
Seedling root rot	18
Trunk cancer	18
Oak root fungus	18
Powdery mildew	19
FIRE CONTROL	19

ABSTRACT

This project calls for establishing an oak savannah/oak woodland urban forest adjacent to a mountain development to enhance oak restoration and to screen the development from adjacent trails. This management plan outlines the steps necessary for the successful establishment of the oak savannah and its transition to an oak woodland by looking at the requirements of the native trees and shrubs. Since coast live oak is the species which will determine the success of the project, attention has been focussed on its needs.

Because of grading requiring cuts and fills the planting site will be harsh, bare and compacted when planting starts. If the plants, as selected, are to grow in such an environment, their moisture and nutrient requirements must be met. Preplanting management such as site selection, site preparation and planting is as important as post planting management. For example the exact locations for the large size planting pits will be selected during the grading operation and fitted, as far as feasible, to the geology and terrain. Planting soil must be adequately drained but must still nevertheless be high in nutrients and organic matter and must hold sufficient moisture. It will be mixed on site or can be purchased bulk according to specifications.

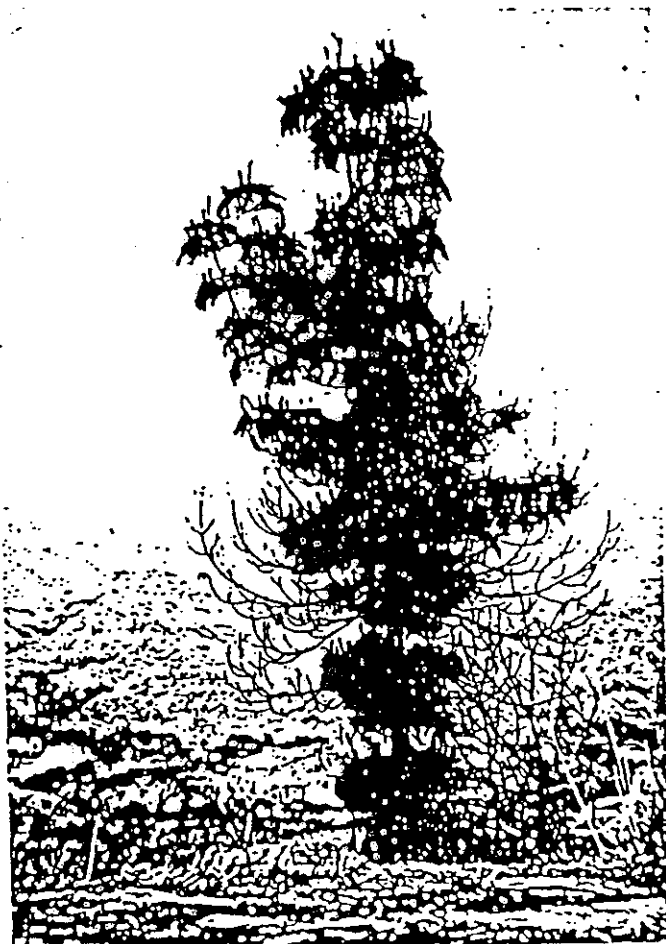
Greatest failures in postplanting management result from inadequate watering during the critical first year plant establishment period and from not adequately controlling damage from rodents and deer. Insect damage is seldom a serious problem during this period but inadequate maintenance could increase the damage from diseases such as oak root fungus. Timely fuel hazard reduction is a preventive maintenance step to eliminate or reduce the damage from fire. It is pointed out that preventive maintenance must also be practised for other potential problems which may endanger the success of this urban forest project.

Page 14, which shows the oak management flow chart, graphically depicts that initial maintenance may be high but that it will be drastically reduced as the plants become established.

PHOTO 1:
The small edible walnut
of Southern California
black walnut matures
at the end of summer.



PHOTO 2:
Canary Island pine is
the only pine adapted to
the Santa Monicas which
firesprouts as shown in
this photo taken along
Rambla Pacifico a few
years after the 1970
Wright fire.



1. INTRODUCTION

SPECIES SELECTION AND DESCRIPTION

The native coast live oak (Quercus agrifolia) was chosen as the dominant species for the urban forest. California black walnut (Juglans californica), toyon (Heteromeles arbutifolia) and other native or non-native fire adapted species, some of which are shown in photos 1-7, were selected as local dominants or co-dominants or for screening effect. For a complete species list please refer to the Planting and Irrigation Plan in the back pocket of this report.

Coast live oak is a relatively fast growing evergreen tree which sheds its leaves throughout the year. Under ideal conditions it grows about 2-3 feet per year. A 20 year old tree may have a height of 40 feet with a twenty feet spread. Mature trees may be as tall as 50 to 60 feet with a spreading crown of 40 to 80 feet. Like most chaparral species the tree is winter active and summer dormant. This means that it puts on its growth during the winter and spring months and greatly reduces its physiological functions during the hot and dry summer months.

Most of the native coast live oaks on the site are being destroyed by the development of Tract No. 33064. These oaks are well adapted to a Mediterranean environment of alternating drought, rain and wildfire cycles. The trees are fire adapted in that they readily resprout from epicormic roots and shoots. They are fire tolerant in that mature trees have a thick outer bark which protects the living cambium tissues adjacent to the inner bark from the heat of the fire. This enables the tree to gain dominance among native chaparral plant species in areas where periodic hot fires have eliminated all trees without similar characteristics or have limited them to areas with lesser burn intensity. California black walnut has fire adaptive and fire tolerant characteristics similar to Coast live oak but is smaller in stature. A mature multi-stemmed tree may grow to 35-40 feet tall with an equal crown width but is often also encountered as multi-stemmed shrub to 20 feet tall. After hot and repeated fires, the trees often reestablish themselves as multi-stemmed shrubs rather than multi-trunk trees.

THE OAK WOODLAND COMMUNITY

Oak savannah is generally defined as grassland interspersed with isolated oaks. Whenever the density of the oaks increases to more than 30 percent cover, the term oak woodland is used. An oak savannah may have about 10-15 mature trees per acre and a moderately dense oak woodland about 20-25 trees. In the coast live oak woodland community toyon may be an occasional co-dominant on northern exposures. On mesic north slopes with deep soils California black walnut may be an occasional dominant.

The successful establishment of the urban forest will be judged by the timely establishment of its major component, the coast live oak. This management plan, therefore, focusses its attention on this species.



PHOTO 3: Hollyleaf cherry, shown here in bloom along Mulholland Highway, and Catalina cherry are highly resistant to oak root fungus



PHOTO 4: Elderberry is shown here in bloom along Encinal Canyon Road. The pale blue berries are an excellent food for wildlife and are also used for making wine, jellies, and pies.

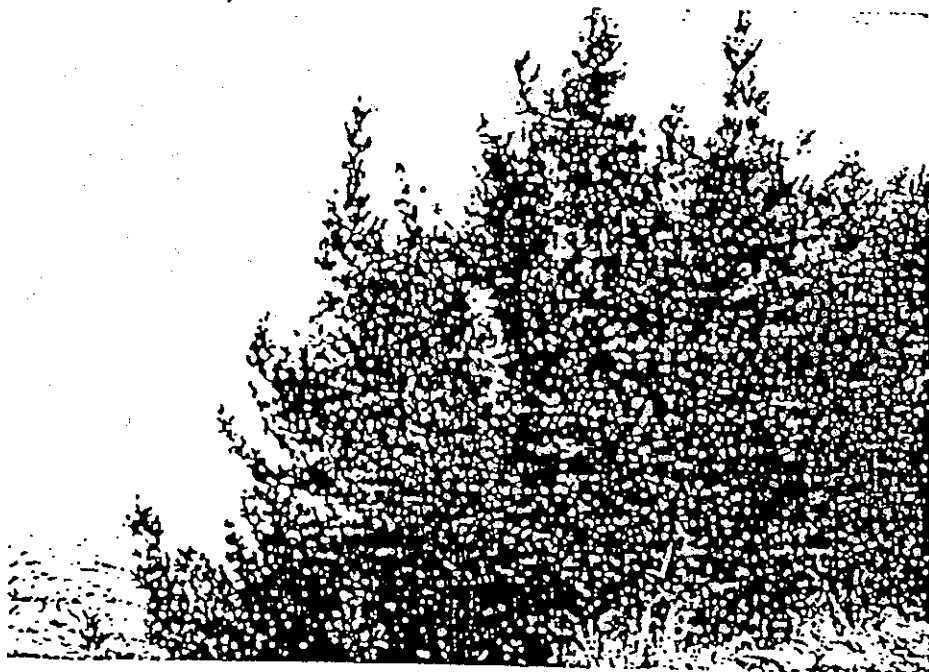


PHOTO 5: California laurel, shown here on a northern exposure, is adapted to a wide variety of site conditions. On poor soils it may be a shrub, on rich soils and moist conditions a tree.



PHOTO 6: The dark colored bark, crooked stems and urn-shaped flowers make this bigberry manzanita an attractive landscape specimen.



PHOTO 7: A large group of showy penstemon have been observed to flower along a dry wash and adjacent dry hillside along Mulholland Highway at least since the 1970 Wright Fire.

2. SITE SELECTION

THE NATURAL SITE

Soils

Chaparral plants are generally found on low fertility soils. Such soils are shallow, rocky, coarse textured and slightly acid to neutral. Soil movement on slopes is so rapid that little soil profile development takes place.

The coast live oaks which are associated with the chaparral in upland areas are more selective as to their habitat and soil requirements. They are generally found on less exposed slopes with deeper soils such as north to east exposures, along drainages where runoff water provides a more equitable moisture regime, and also in areas where nearby springs and favorable geology may provide subsurface moisture to the deeper root layers. Granites and similar igneous rocks hold little water whereas limestone and sandstone carry considerable amount of water for use by plants.

Wherever coast live oaks are naturally found, soil movement is much less rapid so that soil profile development has taken place over time with characteristic humus soils found underneath each mature tree. The addition and incorporation of organic material into the soil surface and subsurface horizons results in better aggregation, larger pore space, and greater soil depth over time. This in turn increases the infiltration rate, the percolation rate and soil moisture storage capacity so that little if any precipitation is lost to runoff and continuous infiltration rates of heavy rains approaching or even exceeding one inch/hour can be sustained. Such a high infiltration rate is maintained at its maximum by an undisturbed natural forest canopy and forest floor. It is, therefore, not surprising that the infiltration of forest soils may be in excess of ten times greater than denuded soils. After saturation and drainage, a forest floor may retain up to five times its dry weight in water.

After reforestation, infiltration of a plantation forest floor may approach that of the natural stand within 25-30 years. But it may still take many decades to build up just one inch of unincorporated organic material at the soil surface.

Evapo-transpiration

Where the water table is below the reach of the roots, the losses by transpiration, evaporation, and interception can not exceed the annual precipitation. A coast-live oak in such a natural habitat in the Santa Monica Mountains may require from 17-20 inches of annual precipitation. If the roots reach the water table, as in canyon bottoms, the oaks are not limited by the precipitation and may even use as much as 50 inches of water from May through October. Since twig elongation and leaf area of open growing trees such as oaks are closely related to the average transpiration rate, canyon bottom trees will put on more growth, have a larger crown and diameter and often larger leaves than trees on slopes.

A change of slope from level to just five degrees may change the radiant energy received to be equivalent to several hundred miles of latitudinal distance. Effect of slope exposure (S vs. N) may also be so great as to raise the minimal surface temperatures on south facing slopes above that of the maximum temperatures on north facing slopes. It is, then, not surprising that even at constant relative humidities, transpiration rates of oaks at 104 degrees F. may be in excess of five to seven times that at 68 degrees F.

Transpiration rates of oaks on slopes may be drastically reduced during the summer months as soil moisture approaches the wilting point. This is possible because of drought adaptive mechanisms such as thick, leathery leaves, reduction of exposed leaf surface (smaller leaves, shedding and rolling of leaves), and stomata (minute openings on the leaf surface) that open during the daylight for shorter periods of time. Coast live oak has the added advantage of being dormant during the summer months.

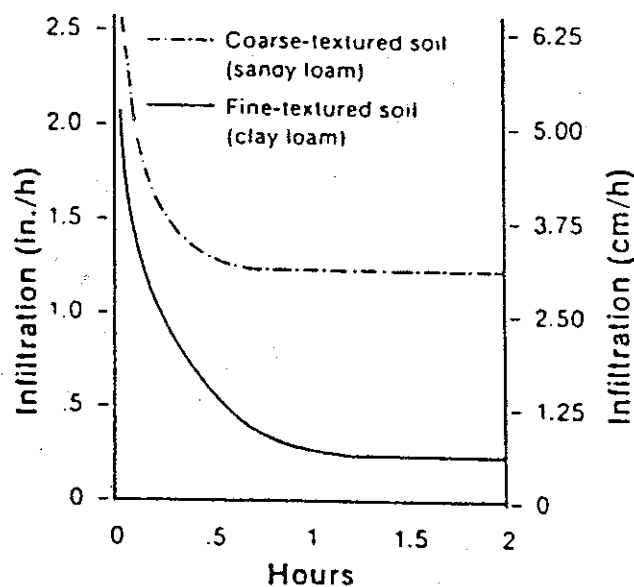
SUMMIT TO SUMMIT TRAIL PLANTING SITE

Physical Description

The exposures of the sites earmarked for planting of coast live oaks range from southwest to northwest with slopes ranging from level to 20%. The site will be graded as per plan and will consist of fill slopes compacted as per code and also of cut slopes.

The cuts and fills will be poor in nutrients and organic material and will not have a soil profile. On fill slopes soil infiltration and percolation rates are expected to be much lower than the approximate rates shown in Figure 1 for coarse and fine textured soils in a natural ecosystem. Moisture holding capacity and available moisture for plant growth will consequently also be limited. Without the proper arid region planting techniques it may be difficult for woody plant species to become established on any of the cut sites.

Figure 1 - Infiltration rates for coarse and fine textured soils



3. SITE PREPARATION

PLANTING SPECIFICATIONS

Plants live in above and below ground environments. Since the above ground environment can be more easily studied, much is known about it and planting specifications normally focus on it. This is also the case with the Summit to Summit Trail planting plan but on site inspections during grading will focus on the below ground environment so that adjustments can be made prior to planting in the soil mix and in fitting the species to the local below ground micro-environment can be done prior to planting.

Planting specifications for the Summit to Summit trail section require that all planting be done prior or in conjunction with hydroseeding between October 1 and April 1. The planting holes for coast live oaks and California black walnuts will be 60"x60" for 24" rootballs and 48" wide x 36" deep for 15 gal. root stock. The backfill mixture will consist of approximately 1 part humus, 1 part excavated soil and 1 part organic fertilizer such as nitrohumus. Upon soil test analysis of the natural soil, modifications in the planting mix may be made to approximate a nutrient rich but still well drained natural soil. It is expected that the backfill soil mixture will provide a moisture holding capacity of about 2 inches per foot of soil depth to approximate an organic and nutrient rich loam as shown in table 1.

Planting specifications also require that the plants selected will be healthy, vigorous representatives of the species and its ecotype, free of pests and disease, with well developed root systems throughout the rootball without being rootbound. The forester will evaluate the plants as to origin and will spot inspect them as to quality as specified above.

Table 1 - Soil type and available moisture in inches/feet

Soil Type	Available moisture(inches/feet)
Sand	0.25 - 0.75
Loamy sand	0.75 - 1.25
Sandy loam	1.0 - 1.5
Fine sandy loam	1.5 - 2.0
Planting mix	2.0 - 2.5
Clays	2.0 - 3.0

During grading, the subsoil and geology is continuously inspected by the developer's geologists and soils engineers. The forester, managing (monitoring) the site for the Sierra Club, will seek assistance from the developer's agents in making himself familiar with the specific site situations in order to take advantage of possible favorable geology for the placement of trees and shrubs. Planting sites for shrubs, coast live oaks and California black walnuts will thus be individually selected in the oak savannah/oak woodland restoration area set aside as shown on the approved Planting Plan of tract 33064. Each individual site will then be flagged and color coded for species and planting stock.

When there is concern about the micro-conditions of a site for plant survival and growth, the forester will inspect all plant pits which have been dug and will recommend possible adjustments in the planting methods. Of greatest concern will be a lack of adequate drainage such as the discovery of a hardpan layer beyond the depth of plant pits earmarked for coast live oaks. If the subsoil is excessively compacted, a four inch diameter core drilling may be recommended for another three feet depth and backfilled with sand and gravel. If drainage problems persist, a more suitable species will be substituted from the planting list.

After the plant pits have been dug and have been found adequate for planting, they will be backfilled to root ball depth with the moist but not wet planting mixture. The planting mix will be tamped adequately to reduce settling and the planting hole will then be filled once with water. All plants will have been watered to field capacity of the root ball the morning of planting. The rootball is then placed on moist planting mix with the root crown bearing a natural relationship with the finished grade except in the instances (as specified by the forester) where it may be desirable to place the root crown below finished grade due to topography or other site conditions. The sides of the pit will be backfilled with the planting mixture and tamped around the rootball. A catch basin at least the size of the planting hole will be constructed around the planted tree or shrub and every hole will be rewatered to field capacity of the soil at least one foot below the rootball depth (approximately 2 inches of water per foot of depth).

The hydroseed mixture will be seeded as specified preferably during or after planting.

The raptor roosts will be constructed prior to the completion of the planting and seeding operation in locations flagged by the forester at or before the completion of grading.

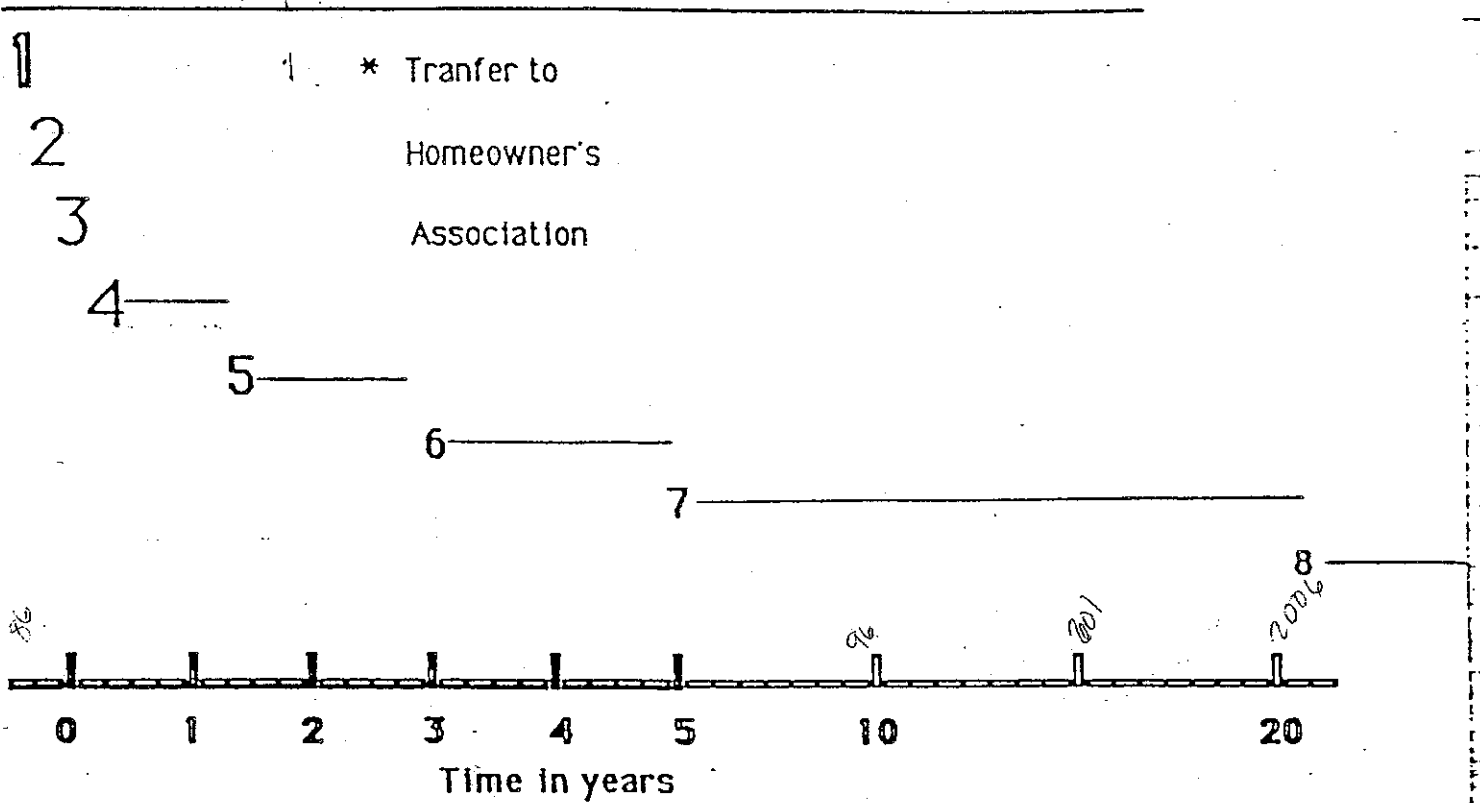
4. MANAGEMENT

After planting and hydroseeding is completed, intensive efforts will be required from the developer and its maintenance agents to make the urban forest a success. The forest manager will assist with directing these efforts towards cost-effective preventive maintenance which will assure that potential problems will be recognized, eliminated or controlled.

For example, the maintenance specifications state "Maintain plants, planted area and plant supports including watering, protecting, replacing and repairing..." In outlining the maintenance of the planted stock it states "Protect plants continuously from vandalism, disease, insects, pests, rodents, deer, and fire..." "Maintain trees and shrubs by watering at least once every 15 consecutive days devoid of rainfall and whenever required to provide optimum moisture to plant root zone as well as plant pit." The specifications also require to "make prompt replacement of plants not thriving during the contract plant establishment period..."

The Summit to Summit urban forest will be established in a hostile environment. The trees, shrubs and germinating seedlings from hydromulching will be the only plants available for shelter as well as food for the local wildlife. Instead of waiting for a buildup of the wildlife population and acting in response to observed damage which then weakens the trees and predisposes them to attack by damaging insects and disease, damage potential has to be anticipated and the trees kept vigorous and healthy. The forester will assist the maintenance personnel in meeting the needs of the urban forest (such as adjusting effective and timely watering schedules to changing climatic conditions and soil requirements) and protecting it from its harsh environment (such as insect, pest, and disease identification) during the initial establishment period. Figure 2 shows the oak tree management flow chart for the Summit to Summit Trail urban forest.

FIGURE 2 - OAK MANAGEMENT FLOW CHART: ESTABLISHING THE OAK WOODLAND URBAN FOREST



ESTABLISHMENT PERIOD

PROJECTS

- | | |
|---------------------------|---|
| 1. GRADING | Study of geology & soils for microsite variation |
| 2. SITE SELECTION | Planting pits and planting mix selection |
| 3. PLANTING | Species selection, planting |
| 4. CRITICAL ESTABLISHMENT | Intensive maint. & monitoring(water, rodent, deer, +) |
| 5. ESTABLISHMENT | Regular maintenance & monitoring |
| 6. TRANSITION | Regular maintenance & monitoring |
| 7. OAK SAVANNAH PHASE | Periodic maintenance & monitoring |
| 8. OAK WOODLAND PHASE | Minimal disturbance=natural site, fuel reduction |

ANIMAL DAMAGE

Inspections of well managed tree plantations in arid regions of many parts of the world have shown that rodent damage can account for or be a contributing factor of much of the tree mortality encountered over the first five years. Effective rodent control can, therefore, be the difference between success and failure of a plantation.

Root damage

Walking through an oak savannah or an open oak/woodland, one may notice the extensive gopher activity as seen by fresh and old mounds within the dripline of the trees as well as in the open. Gophers feed primarily on smaller roots and feeder roots of the bigger trees, and in the absence of browsing and grazing, may account for one hundred percent mortality of the sprouting oak seedlings.

As mentioned earlier, the native oaks have evolved in a summer dry environment and have developed adaptive mechanisms which help them to compensate for fluctuations in available soil moisture. Coast live oak, being summer dormant as well, can readily adapt to moderate root pruning damage provided sufficient moisture is provided. The major root zone within about ten feet of the trunk of mature trees consists of buttress roots which send sinker roots often in excess of thirty feet into the soil. Lateral feeder roots branch off the sinker roots seemingly at interfaces of soil layers. Some of these (winter) feeding roots travel as much as 90 feet horizontally.

Gophers feed primarily on the feeder roots near the soil surface. The extensive vertical and lateral root systems render a mature coast live oak virtually gopherproof. This, however, is not the case with a young tree with a developing but limited root system. Damage to its feeder roots and developing buttress roots may severely restrict its ability to provide sufficient moisture for transpiration. The tree may 'suddenly' die or may be so weakened that it is predisposed to attack by insects and diseases.

While raptor roosts have been installed to keep the exploding rodent population (gophers, moles, rats, mice and ground squirrels) under control,

regular inspections, especially after rains, have to be made to assist the natural enemies through trapping. Poisons should be used sparingly (or not at all or only underground if possible) in rodent control. Whenever there is evidence of gophers or moles, traps should be set immediately.

Groundsquirrels have also accounted for heavy mortality in young oak plantations in California. An oak savannah is a natural habitat for the ground squirrel whose explosive life cycle of one to two litters a year averaging 7-8 young allows it to invade and virtually overrun an 'uninhabited' area. Within a few months after birth the young will dig their own burrows which may eventually extend into an underground network of channels 5 inches in diameter, up to four feet deep and 100 feet in length. Wherever tree roots interfere with the burrows, they may be destroyed.

Shoot damage

Coast live oaks are not a preferred browse for deer but deer will nibble on most of the planted stock if preferred food becomes sparse at the end of spring. Since it only takes one deer per acre to keep the lower crown of mature oaks pruned to deer height (as far as the deer can reach above their head) several deer could readily severely prune back the planted stock just within a few days.

The Summit to Summit Trail plantation will be the only watered site within the area. Naturalized grasses and preferred browse will be germinating as the result of the hydroseeding operation and its maintenance and will stay green and succulent longer than surrounding chaparral. Based upon observations in other mountain developments, a herd of deer is expected to include the site in its regular browsing schedule. Sprayed on deer repellents have generally been quite ineffective and individual screening of plants is time consuming. However, since thinning of the deer herd is not a viable alternative, nonconifer planted stock must be individually screened.

Thoughtless people on horseback, a loose goat or loose cattle have often been responsible for severely damaging oak plantations. While not foolproof, individual screening of plants will greatly reduce the potential of browsing and grazing damage. Rabbits, and occasionally pack rats and mice, will chew

the bark of plants. Screening will effectively prevent rabbit damage and selective use of poisons may be recommended if packrack damage should be judged serious.

INSECT CONTROL

Several insect pests attack oak trees but few are expected to cause damage to young oaks. Two of these, the oak moth and oak caterpillar are briefly discussed here. A vigorous growing and healthy tree is the first line of defense against boring insects such as the oak twig girdler.

Oak moth

The light brown adult oak moth is about an inch long and produces up to three broods in southern California. The slightly flattened white eggs are deposited in egg masses on leaves, twigs, and the trunk of trees and darken as they mature. The larvae chew the leaves and during heavy oak moth infestations they can occasionally defoliate trees. When mature, they are up to 1 1/4 inch long and can be recognized by their olive green body with black and yellow stripes running lengthwise across it. The caterpillars pupate on the tree or nearby plants. The pupae is shiny, smooth, whitish to yellowish with black markings.

Many natural enemies limit the damage done by the larvae. If spraying is necessary and larvae are recognized early enough, effective spraying can be done in spring after the new leaves have fully developed. Since spraying with the recommended insecticides also affects the natural enemies it should be done only if infestation is expected to be severe. Materials applied in spring for oak moth control will also control the tent caterpillar.

Tent caterpillar

The tent caterpillar may occasionally defoliate oaks. The tent caterpillars which damage oaks will spin a silk line as they crawl along the tree but will not form a silk tent in the crotches of twigs to congregate and rest upon as other tent caterpillars do. The mostly blackish caterpillars are quite hairy and up to 1 1/2 inch long when fully grown. There is only one brood of larvae each year which is active from early to late spring.

DISEASE CONTROL

Oak tree diseases are of limited concern under natural conditions but can become severe when mature trees are irrigated regularly throughout the year or even just in the summer months.

Seedling root rot, trunk cancer, oak root fungus and powdery mildew are the diseases most likely to affect the planted oaks and will be shortly discussed here.

Seedling root rot

The disease is most common in containerized nursery stock. Repeated watering necessary to keep the trees alive may cause the plants to become weakened. Water mold may then invade the root system and stunt or even kill the trees. Young trees may suddenly die, often during the summer months. If seedling root rot was the cause removal of the bark on the main stem will show the brown discoloration of the water mold. Control is difficult so it is best to plant the containerized oaks in soil mixes with excellent drainage and water them sparingly.

Trunk cancer

Cankers may be inconspicuous or may appear in ruptures in the bark at or near the soil line. A dark, sticky substance may exude from the wounds. Additional symptoms may include sparseness of foliage, loss of leaf color and death of smaller branches. The tree may die suddenly or linger on for a prolonged period of time. Summer watering, poor drainage and raising the soil level around the trunk may cause the disease. Eliminating these causes often helps in the tree's recovery and is therefore still the most effective treatment.

Oak root fungus

The disease is caused by the fungus Armillaria mellea and infects the tissues between the bark and wood of the roots and lower stem where it can be recognized by its white tissues. The affected wood then dies and decays. The fungal tissues produce a distinct mushroom like odor. Dark rootlike strands (rhizomorphs) on the outside of the affected roots which almost look like small rootlets, as well as mushrooms at the base of affected plants are additional indicators of the fungus. The tan to redbrown mushrooms normally appear in November-January and vary in size from one to 7 inches.

In nature the disease is not critical but in urban situations it is difficult to control. Eliminating summer irrigation and maintaining the natural soil level around oak trees is still the most effective control. Care should be taken not to plant orchards and vineyards in areas where oaks had been growing. The fungus seldom kills oak trees under natural conditions, but, if present, will readily kill these crops.

Powdery mildew

The powdery mildew fungi are favored by warm days, cool nights and irrigation, fertilization and pruning of trees. This promotes new growth during summer when the coast live oak is normally dormant. The fungi infects the new growth of plants and stimulates development of lower lateral buds. This results in a witches broom (partially developed leaves) which is then covered by the whitish powdery fungus growth. Direct leaf infestation may result in brown felt-like mildew growth on the underside of leaves. The mildews do little damage and control may not be necessary on urban trees.

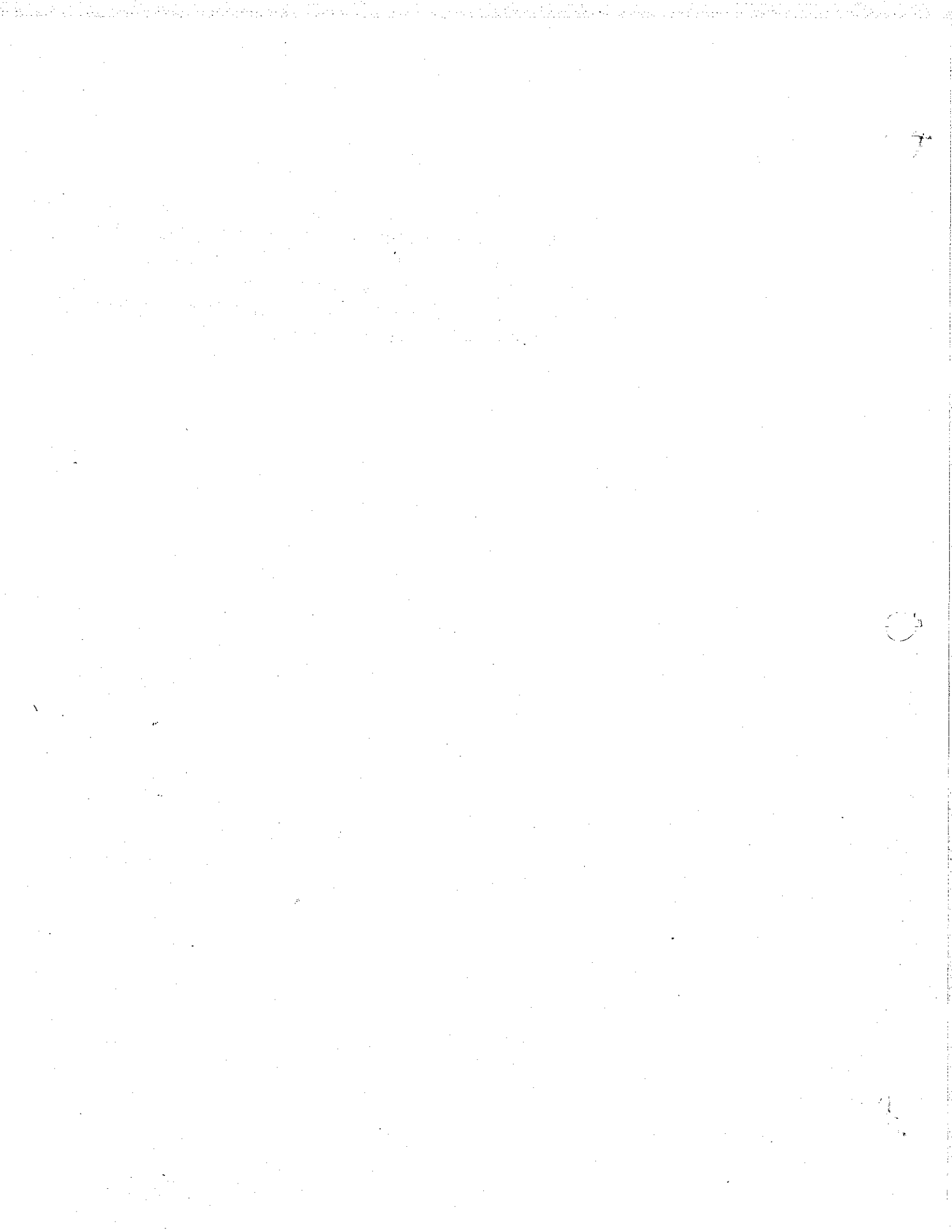
FIRE CONTROL

The planting plan states that the plants must be protected continuously from fire. It specifically directs maintenance personnel to remove flammable flash fuels to stubble within 30 feet of the property lines (of homeowners) and ten feet from trees. It also requires that accumulated woody fuels be removed from throughout the oak savannah/oak woodland area.

Virtually all species planted, with the possible exception of Bigberry manzanita (Arctostaphylos glauca), will readily resprout after fire. However, when the shrubs and trees are small, their above ground woody stem may be easily killed by a wildfire so that sprouting will take place only from the root crown. The new sprouts are readily browsed by deer.

It is important that reduction and removal of annual flash fuels is done with the onset of the fire season. The buildup of woody fuels must also be reduced periodically to lower the probability of hot burning fires. When a fire does occur, the plants must be immediately examined to make sure that no sparks are smoldering within stems or at the base of trees. This is

especially important as the trees mature. Every year many mature coast live oaks are seriously injured or killed not during but after seemingly light grass and sage fires. Within the bark or a previous fire injury a hotspot may have been smoldering and burning the heartwood for days, even weeks. During heavy winds weeks, months, even years later the tree may topple because the smoldering hotspot had robbed it of its heartwood support.



RECORDING REQUESTED BY
AND WHEN RECORDED MAIL TO:

J.M. Peters Company, Inc.
3501 Jamboree Road, Suite 200
P.O. Box 7150
Newport Beach, CA 92658-7150
Attn: Ms. Nancy Sparks

This Document is an exact copy (not prepared by the County Recorder) of a <u>FIRST AMENDMENT TO CCRS</u> which was recorded in the Office of the County Recorder of Los Angeles County, State of California on <u>Sept. 2, 1988</u> as Document No. <u>88-1409029</u> , in Book _____	
Page _____	CHICAGO TITLE INSURANCE COMPANY By <u>M. J. [Signature]</u>

(Space Above for Recorder's Use Only)

FIRST AMENDMENT TO DECLARATION OF
RESTRICTIONS, CONDITIONS AND GRANT OF EASEMENTS FOR
LOTS 52-96, INCLUSIVE, 103 AND 104 TRACT 33064
AND LOTS 1-42, INCLUSIVE, TRACT 40932
LOS ANGELES COUNTY

THIS FIRST AMENDMENT TO DECLARATION OF RESTRICTIONS,
CONDITIONS AND GRANT OF EASEMENTS FOR LOTS 52-96, INCLUSIVE, 103
AND 104 TRACT 33064 AND LOTS 1-42, INCLUSIVE, TRACT 40932, LOS
ANGELES COUNTY ("First Amendment") is made this 31st day of
August, 1988, by J.M. PETERS COMPANY, INC., a Nevada corporation
("JMP").

R E C I T A L S:

A. WHEREAS, a Declaration of Restrictions, Conditions
and Grant of Easements for Lots 52-96, inclusive, 103 and 104
Tract 33064 and Lots 1-42, inclusive, Tract 40932, Los Angeles
County has heretofore been recorded on June 10, 1988 as
Instrument No. 88-926037, Official Records of Los Angeles
County, California (the "Declaration").



B. WHEREAS, no Lots have been sold, conveyed or otherwise transferred by JMP.

C. WHEREAS, JMP now wishes to amend the Declaration.

D. WHEREAS, any paragraphs in the Declaration which are not completely redrafted in this First Amendment shall continue in full force and effect.

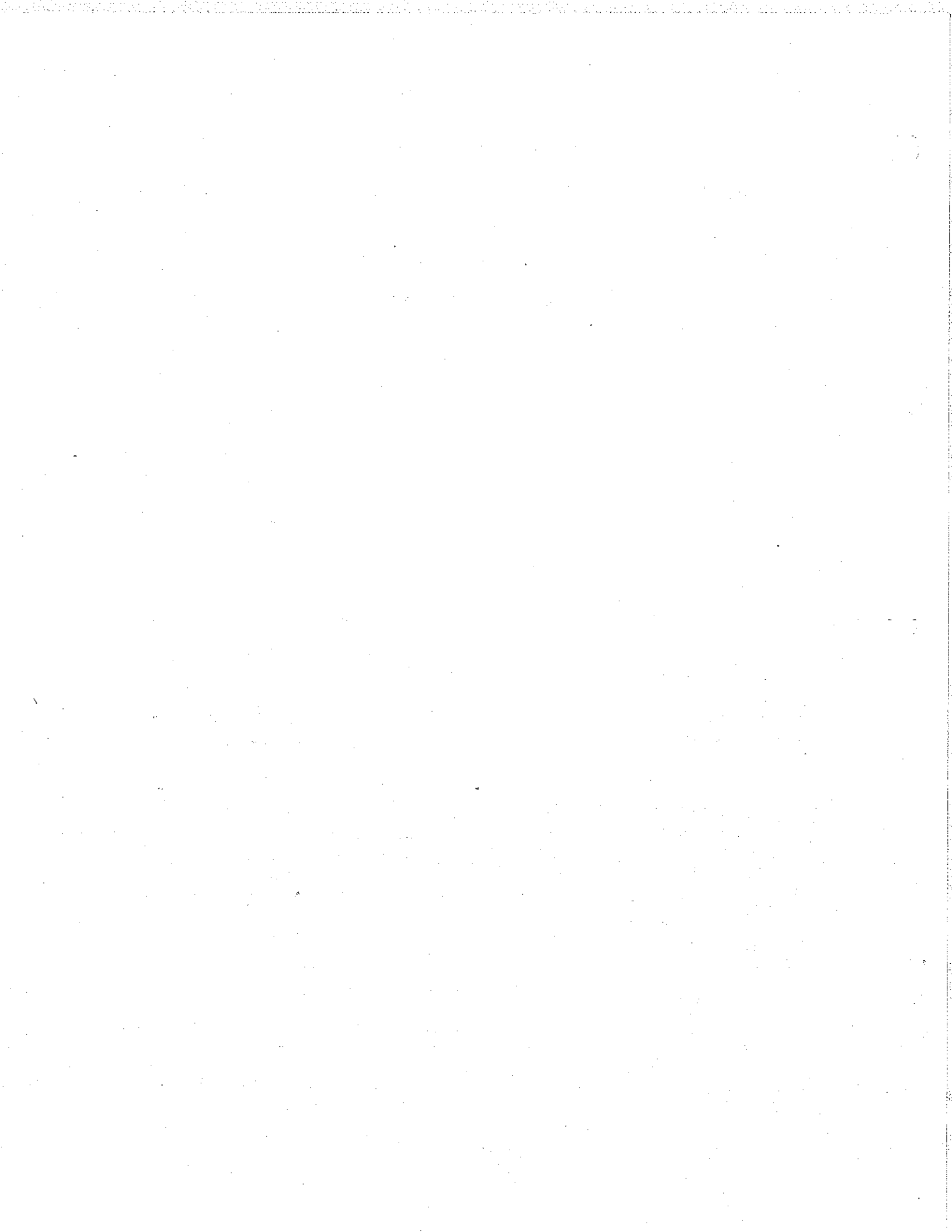
W I T N E S S E T H:

NOW, THEREFORE, the Declaration is amended as follows:

Section 1 shall be deleted in its entirety and substituted with the following:

Section 1. View Restrictions. As originally constructed, certain of the Lots have a partial view. Except for Lot 28 of Tract 40932 and Lot 60 of Tract 33064, a view is defined as that line of sight (which may include single family homes, future single family homes, landscaping, including trees, or other development) within the prolongation of the side property lines of a Lot. Except as set forth hereinbelow for Lot 28 of Tract 40932 and Lot 60 of Tract 33064, a view does not include any diagonal or side view and is restricted to that air space directly in line with the prolongation of the side property lines of a Lot. A view for Lot 28 of Tract 40932 and Lot 60 of Tract 33064 is defined as that line of sight (which may include single family homes, future single family homes, landscaping, including trees, or other development) which is depicted by cross-hatching on Schedule 1 attached hereto. Said view does not include any other view and is restricted to that air space directly in line with the south-westerly prolongation of the lines depicted on Schedule 1 as to Lot 60 and is restricted to that air space directly in line with the prolongation of the lines depicted on Schedule 1 as to Lot 28.

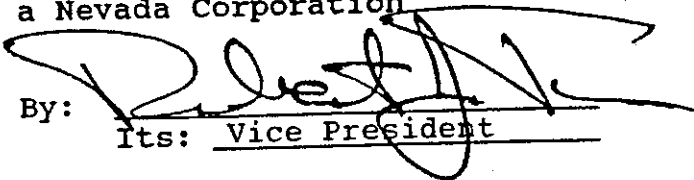
Notwithstanding the above, after the sale of the Lots by JMP to homeowners, a view may be impeded or impacted by improvements or landscaping of another Lot.



However, any alteration to the improvements of a Lot within the Lots after the initial construction of the improvements on the Lot by JMP, must be approved by the Environmental Control Committee in accordance with Article VI of the Master Declaration. No statements or assurances can be made by JMP with respect to said construction of future improvements or landscaping that may have an impact upon the view of a Lot and which improvements are approved by said Environmental Control Committee or are constructed on contiguous property (to that described on Exhibit "A") not owned by JMP. Furthermore, JMP makes no statement or assurances that views will not be impeded or impacted by landscaping on common area lots maintained by Mulholland Heights Homeowners Association.

This First Amendment to Declaration of Restrictions, Conditions and Grant of Easements, for Lots 52-96, inclusive, 103 and 104 Tract 33064 and Lots 1-42, inclusive, Tract 40932, Los Angeles County is executed as of the date written above.

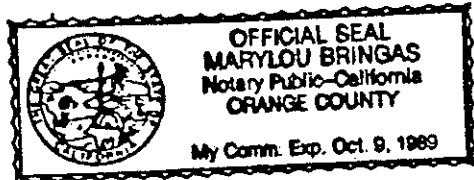
J.M. PETERS COMPANY, INC.,
a Nevada Corporation

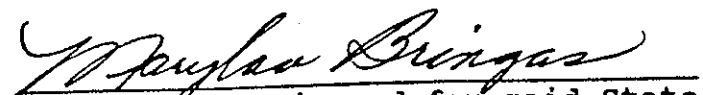
By: 
Its: Vice President

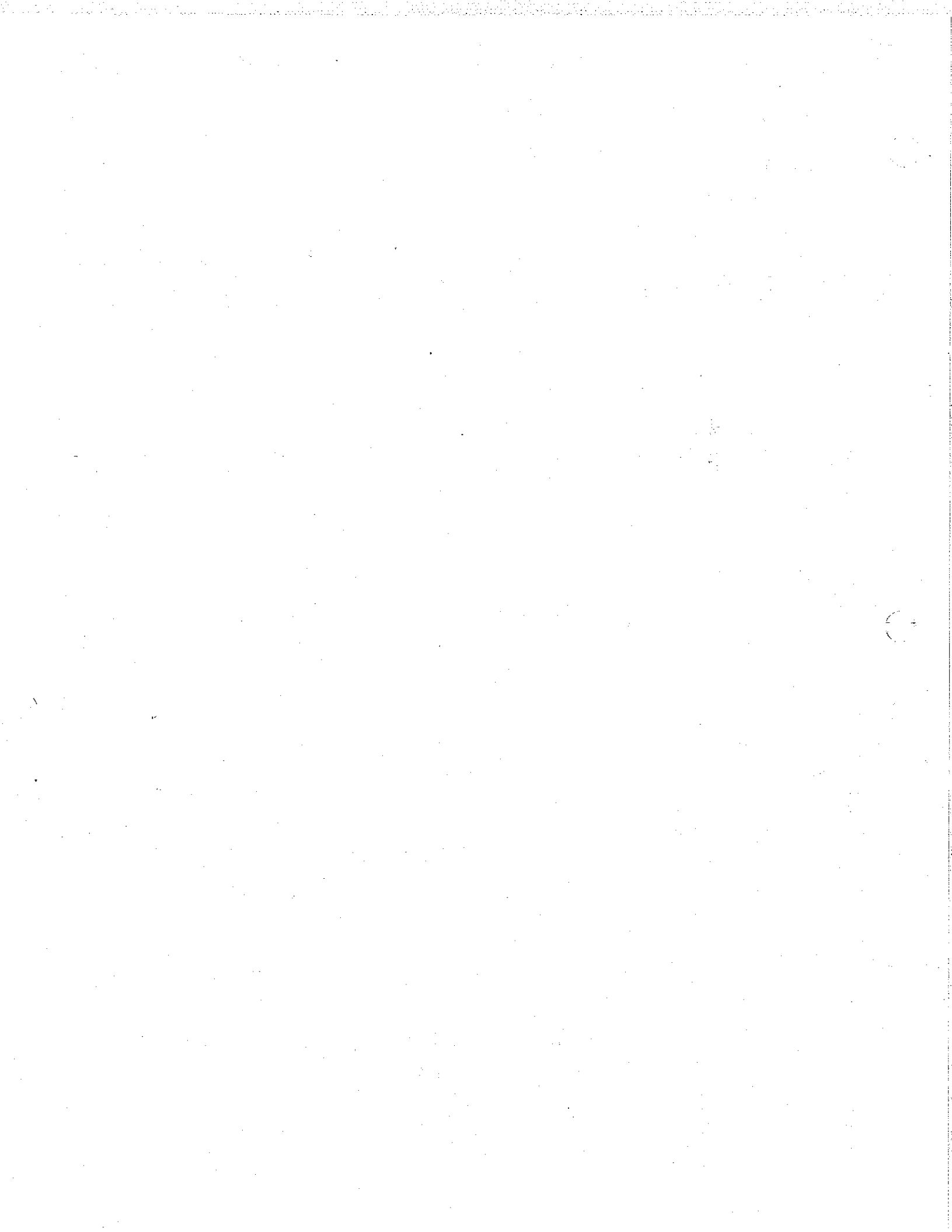
STATE OF CALIFORNIA)
) ss.
COUNTY OF ORANGE)

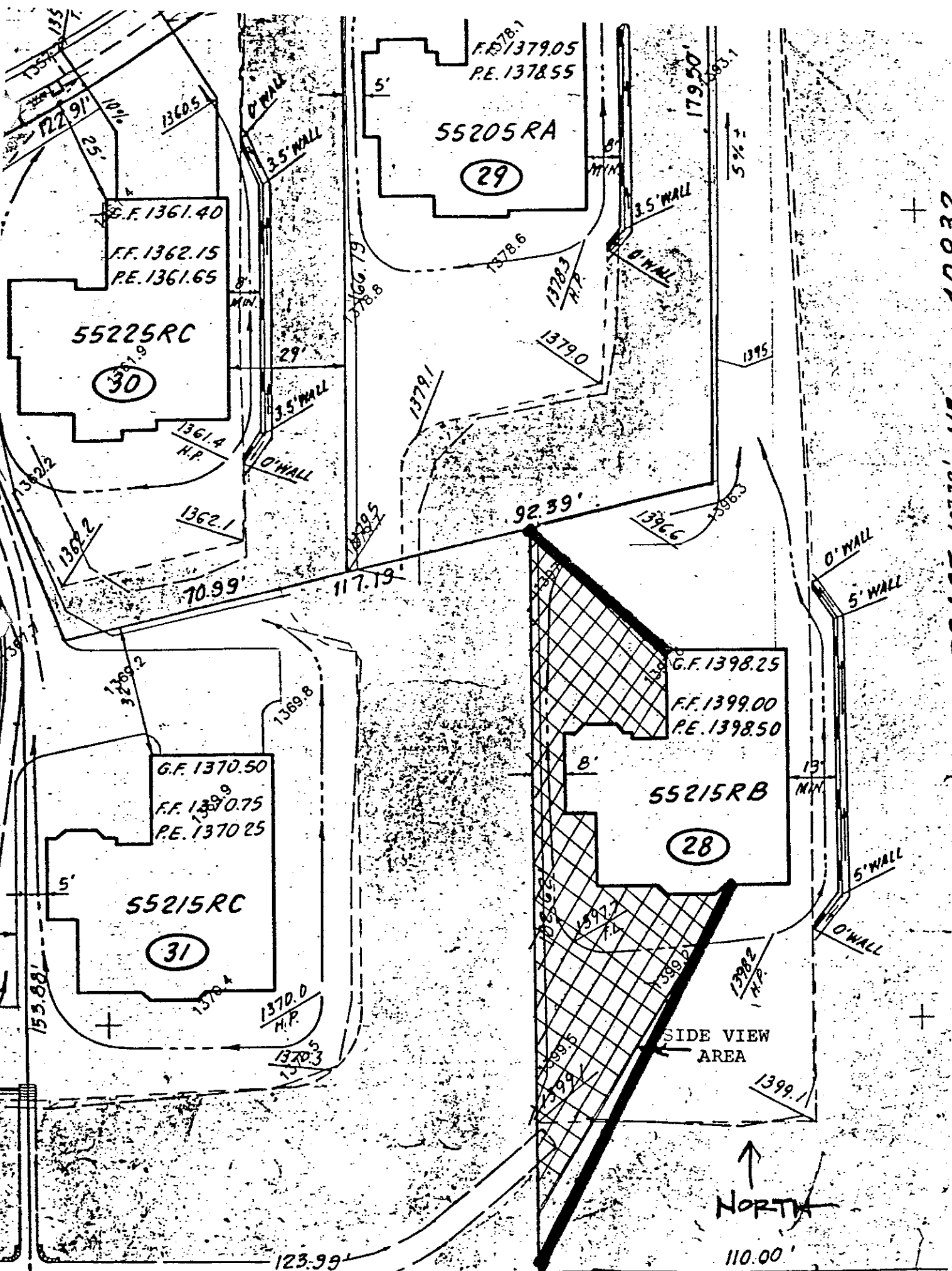
On September 1, 1988, before me, the undersigned, a Notary Public in and for said State, personally appeared Robert J. Trapp, personally known to me (or proved to me on the basis of satisfactory evidence) to be the person who executed the within instrument as Vice President on behalf of J.M. PETERS COMPANY, INC., the corporation therein named, and acknowledged to me that such corporation executed the within instrument pursuant to its bylaws or a resolution of its board of directors.

WITNESS my hand and official seal.




Notary Public in and for said State





DIV 106000 - 40932

NORTH ↑

SIDE VIEW AREA

55205 RA
 (29)

55225 RC
 (30)

55215 RC
 (31)

55215 RB
 (28)

G.F. 1361.40
 F.F. 1362.15
 P.E. 1361.65

F.F. 1378.05
 P.E. 1378.55

G.F. 1370.50
 F.F. 1370.75
 P.E. 1370.25

G.F. 1398.25
 F.F. 1399.00
 P.E. 1398.50

123.99'

110.00'

92.39'

70.99'

117.19'

179.50'

5% ±

13' MIN

8' MIN

8' MIN

1378.3
H.P.

1398.2
H.P.

1370.0
H.P.

1361.4
H.P.

1379.0

1379.1

1378.8

1378.5

1396.6

1396.3

1366.2

1369.8

1391.7
H.P.

1389.2

8'

5'

5' WALL

5' WALL

O'WALL

O'WALL

3.5' WALL

3.5' WALL

3.5' WALL

O'WALL

O'WALL

O'WALL

O'WALL

29'

25'

1360.5

135

122.91'

100%

1361.9

1361.9

1362.2

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CONSENT OF ENCUMBRANCER

The undersigned beneficiary under that certain Deed of Trust recorded on December 23, 1987 as Instrument No. 87-2043721 of Official Records of Los Angeles County, California, hereby consents to the within First Amendment to Declaration of Restrictions, Conditions and Grant of Easements for Lots 52-96, Inclusive, 103 and 104 of Tract 33064 and Lots 1-42, Inclusive, Tract 40932 and hereby subordinates the lien of said Deed of Trust to the provisions of the Declaration defined therein.

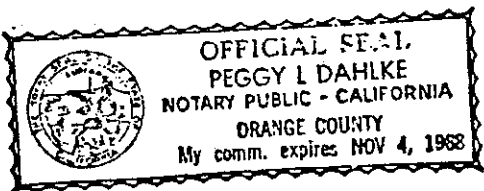
HOME FEDERAL, a corporation,
organized and existing under the
laws of the United States of America

By: William Leblanc
William Leblanc
Authorized Signor

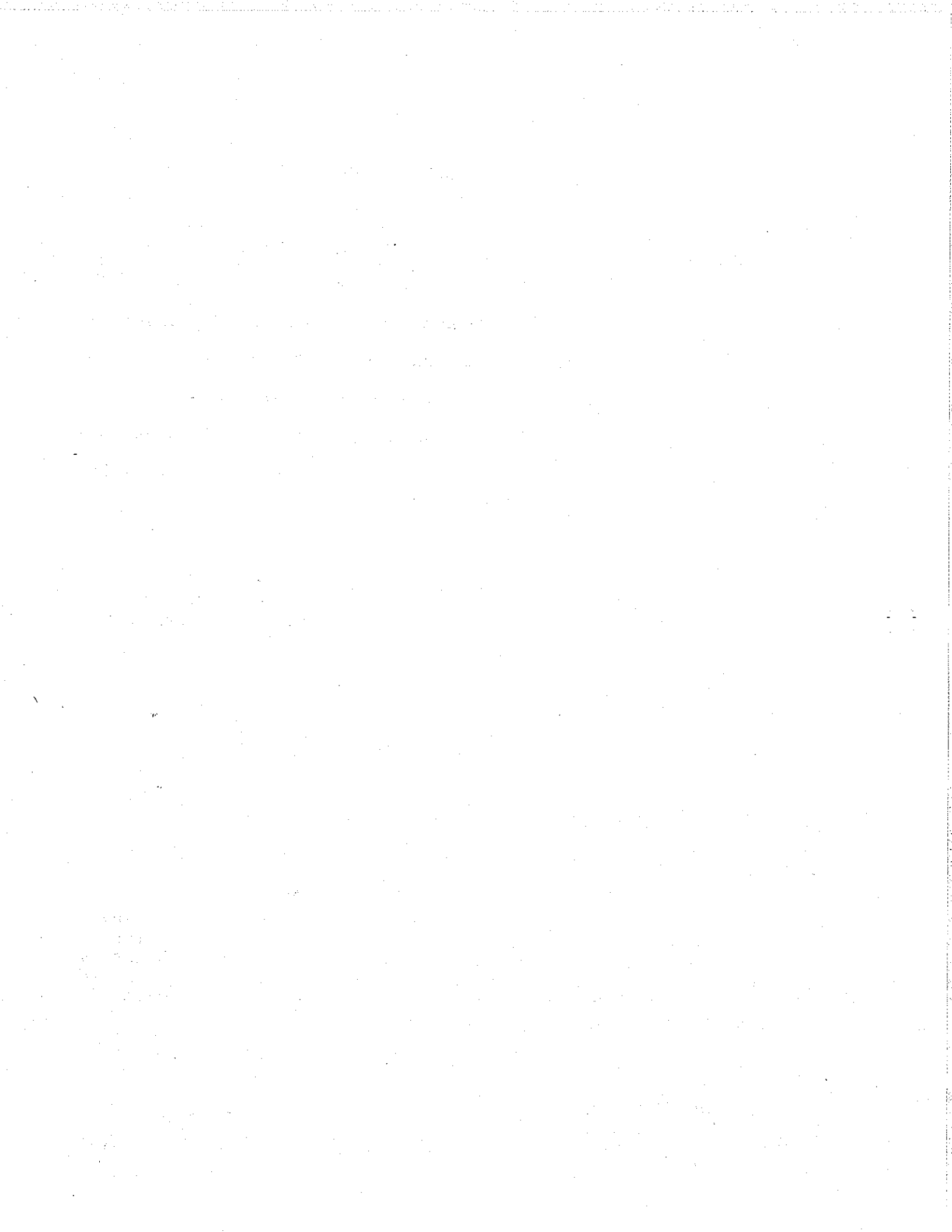
STATE OF CALIFORNIA)
) ss.
COUNTY OF ORANGE)

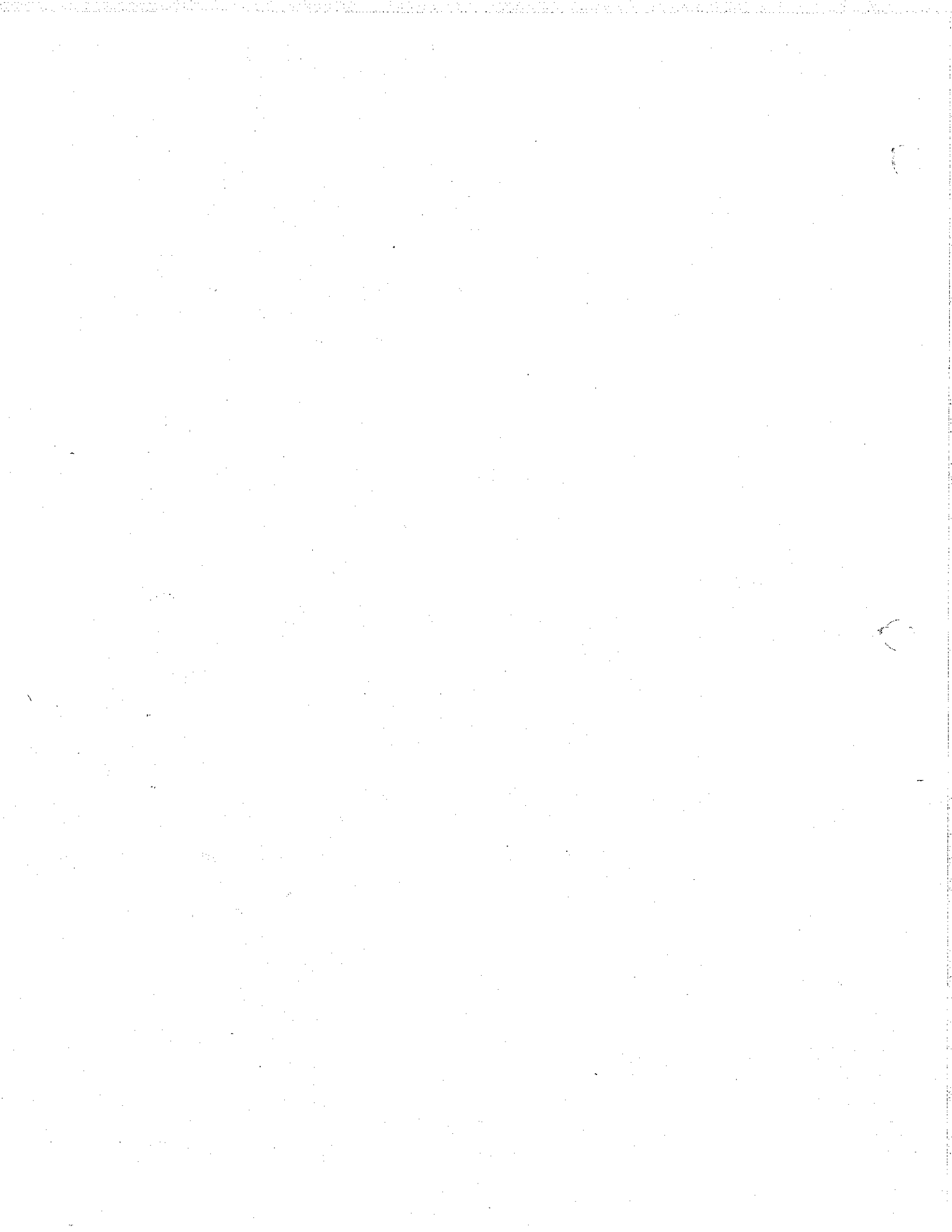
On SEPTEMBER 1, 1988, before me, the undersigned a Notary Public in and for said State, personally appeared William Leblanc personally known to me or proved to me on the basis of satisfactory evidence to be the person who executed the instrument as Authorized Signor on behalf of Home Federal, the corporation therein named, acknowledged to me that the corporation executed it.

WITNESS my hand and official seal.



Peggy I. Dahlke
Notary Public in and for said State





Notwithstanding the above, after the sale of the Lots by JMP to homeowners, a view may be impeded or impacted by improvements or landscaping of another Lot. However, any alteration to the improvements of a Lot within the Lots after the initial construction of the improvements on the Lot by JMP, must be approved by the Environmental Control Committee in accordance with Article VI of the Master Declaration. No statements or assurances can be made by JMP with respect to said construction of future improvements or landscaping that may have an impact upon the view of a Lot and which improvements are approved by said Environmental Control Committee or are constructed on contiguous property (to that described on Exhibit "A") not owned by JMP. Furthermore, JMP makes no statement or assurances that views will not be impeded or impacted by landscaping on common area lots maintained by Mulholland Heights Homeowners Association.

2. Reservation of Easement. A non-exclusive easement is hereby granted to the Mulholland Heights Homeowners Association, for the purpose of constructing and maintaining underground drainage pipes on those certain portions of Lots 7, 9, 13, 34, 35, 36, 38 and 40 of Tract 40932 and Lots 69 and 94 of Tract 33064, as more particularly described on Exhibit "B" attached hereto. Said non-exclusive easement shall include access, ingress and egress to said easement area.

3. Reciprocal Driveway Easements. The configuration of Lots 31 and 32 of Tract 40932 within the Property is such that a common driveway ("Common Driveway") is necessary to service said Lots. Said Common Driveway shall be owned by each of the Owners as their ownership interest of their Lots is shown on Exhibit "C" attached hereto. Declarant hereby establishes a reciprocal driveway easement for the convenience and benefit of future Owners of said Lots 31 and 32 of Tract 40932.

Declarant hereby grants to and for the benefit of the Owners of Lots 31 and 32 of Tract 40932 a non-exclusive appurtenant easement for common driveway purposes over, upon and across said Common Driveway as depicted on Exhibit "C" attached hereto and incorporated herein.

Said easement shall be utilized for ingress and egress only and shall not be utilized for the parking or storage of vehicles, or any other thing, at any other time. The Common Driveway shall be kept free and unobstructed at all times by an Owner entitled to use such Common Driveway.

The future Owners of Lots 31 and 32 of Tract 40932 shall share in the costs of all repairs and maintenance to the Common Driveway at all times as hereinafter set forth. Notwithstanding the foregoing, each Owner shall be responsible for repairing all damage caused by negligent or willful acts of such Owner, his family, guests and invitees.

Repairs on the Common Driveway shall be made when necessary, and either Owner may obtain three (3) bids from reputable licensed contractors to effect the necessary repairs, and, after consulting with the other Owner, shall accept the lowest responsible bid of said 3 bids and shall then initiate the repairs of the Common Driveway. The Owners shall share equally the cost of such repairs.

If either Owner shall not pay his pro rata share of costs and expenses within thirty (30) days upon receiving his bill for the same, the other Owner shall be entitled, without further notice, to institute legal action for the collection of funds advanced on behalf of such dissenting Owner and shall be entitled to recover in such action, in addition to the funds advanced, interest thereon at the rate of ten percent (10%) per annum, until paid, and all costs and disbursements of such action, including all attorneys' fees.

4. Post-Tension Concrete System. By acceptance of the Deed to the Lot, each Owner acknowledges and understands that, due to certain underlying soil conditions, His Residence has been built using a post-tension concrete system (the "System"). The System involves placing steel cables under high tension in the concrete slab foundation located beneath the Residence. Any attempt to alter or pierce the foundation and/or slab (for example, saw cutting, drilling, or installation of subterranean improvements such as new plumbing or a floor safe) could damage the integrity of the System and/or cause serious personal injury or property damage. Each Owner, by acceptance of the Deed to his Lot, hereby agrees that Declarant shall not be responsible for any damage or injury resulting from the alteration of the slab or foundation of the Owner's Residence by the Owner or any employee, agent, family member or representative of the Owner.

5. Maintenance Responsibilities Associated With Planted Slopes. As set forth in Section 6 of Article IX "Easements" in the Master Declaration, an easement has been reserved over each Owner's Lot to carry out the provisions of the Master Declaration, which include among other things the inspection, maintenance and repair of the irrigation system located on planted slopes and other areas within the Lots. Said planted slopes and other areas are depicted upon Exhibit "D" attached hereto. The Association is responsible to bear the expense of the water for said irrigation system.

Notwithstanding the foregoing, as referenced in Section 3 of Article V "Covenants and Use Restrictions" of the Master Declaration, each Owner is responsible to maintain his Lot, including the planted slopes located thereon with the exception of the irrigation system that was located on said Lot when Owner

closed escrow. However, any damage to the irrigation system as a result of an Owner's action or inaction (including but not limited to keeping the v-ditches in a free and unclogged condition) shall be repaired at the expense of said Owner. Each Owner is responsible, among other things, to weed, fertilize and replant said slopes and keep the v-ditches located thereon in a free and unclogged condition.

6. Inurement and Term. Each Owner of any Lot by acceptance of a Deed therefor whether or not it shall be so expressed in such Deed, and all successors and assigns shall be bound by this Declaration. The covenants set forth in this Declaration shall run with and bind the Lots, and shall inure to the benefit of, and be binding upon and be enforceable by the Owner of any Lot subject to this Declaration, its respective legal representatives, heirs, successors and assigns, for a term of fifty (50) years from the date this Declaration is recorded, after which time said covenants shall be automatically extended for successive periods of ten (10) years, unless an instrument, signed by a majority of the Owners of the Lots agreeing to terminate said covenants, in whole or in part, has been recorded within one (1) year prior to the termination of the initial fifty (50) year term, or within one (1) year prior to the termination of any successive ten (10) year period.

7. Amendments. This Declaration may be amended only by an affirmative vote or written consent of not less than fifty-one percent (51%) of the Owners of the Lots. This amendment provision shall not be amended to allow amendments by less than the percentages set forth hereinabove. An amendment made in accordance with the provisions set forth hereinabove shall be effective when executed by the requisite percentage of Owners in the percentages set forth hereinabove and recorded in the Office of the County Recorder for the County of Los Angeles. Upon such recordation, the amendment shall be effective and binding upon all Owners.

IN WITNESS WHEREOF, J.M. Peters Company, Inc., has executed this Declaration of Restrictions, Conditions and Grant of Easements for Lots 52-96, inclusive, 103 and 104 Tract 33064 and Lots 1-42, inclusive, Tract 40932, Los Angeles County on the day and year first written above.

J.M. PETERS COMPANY, INC.,
A Nevada corporation

By: 
Its: Vice President

By: 
Its: Vice President

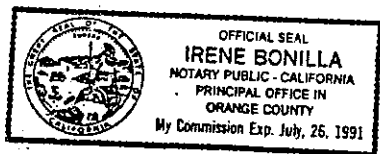
(Notaries Attached)

DECRESMULjmp9jmm05/11/1988

STATE OF CALIFORNIA)
) ss.
COUNTY OF ORANGE)

On May 16th, 1988, before me, the undersigned, a Notary Public in and for said State, personally appeared Robert J. Trapp and Robert C. Liewer, personally known to me (or proved to me on the basis of satisfactory evidence) to be the persons who executed the within instrument as Vice President and Vice President, on behalf of J.M. PETERS COMPANY, INC., 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.



Irene Bonilla
Notary Public in and for said State

EXHIBIT "A"

Lots 52-96, inclusive, 103 and 104, of Tract 33064 recorded in Book 1060, Pages 64-69, inclusive, of Maps in the Official Records of the County Recorder of Los Angeles County.

Lots 1-42, inclusive, of Tract 40932 recorded in Book 1061, Pages 95-97, inclusive, of Maps in the Official Records of the County Recorder of Los Angeles County.

CONSENT OF ENCUMBRANCER

The undersigned, beneficiary under that certain Deed of Trust recorded on May 23, 1988 as Instrument No. 88-816181 of Official Records of Los Angeles County, California, hereby consents to the within Declaration of Restrictions, Conditions and Grant of Easements for Lots 52 - 96, inclusive, 103 and 104 Tract 33064 and Lots 1 - 42, inclusive, Tract 40932 hereby subordinates the lien of said deed of trust to the provisions of the Declaration defined therein.

Home Federal, a corporation,
organized and existing under the laws
of the United States of America

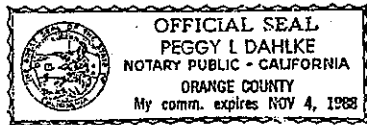
By: *William Leblanc*
William Leblanc, Authorized Signor

By: _____

STATE OF CALIFORNIA)
) SS.
COUNTY OF ORANGE)

On June 6, 1988, before me, the undersigned a Notary Public in and for said State, personally appeared WILLIAM LEBLANC ~~and~~ personally known to me or proved to me on the basis of satisfactory evidence to be the persons who executed the within instrument as AUTHORIZED SIGNOR ~~and~~ on behalf of Home Federal, the corporation therein named, acknowledged to me that the corporation executed it.

WITNESS my hand and official seal.



Peggy I Dahlke
Notary Public in and for said State

EXHIBIT 'B'

159-70
12/23/87
SH:jn

LEGAL DESCRIPTION OF
DRAINAGE EASEMENT WITHIN LOT 7
OF TRACT NO. 40932

1 BEING AN EASEMENT FOR DRAINAGE PURPOSES WITHIN LOT 7 OF TRACT
2 NO. 40932 IN THE UNINCORPORATED TERRITORY OF LOS ANGELES COUNTY
3 CALIFORNIA, AS SHOWN ON A MAP RECORDED IN BOOK 1061 PAGES
4 95 THROUGH 97 INCLUSIVE OF MAP BOOKS IN THE OFFICE OF THE
5 COUNTY RECORDER OF SAID COUNTY DESCRIBED AS FOLLOWS:

6
7 BEING THE WESTERLY 106.00 FEET OF THE NORTHERLY 5.00 FEET
8 OF SAID LOT 7.

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THIS DOCUMENT WAS PREPARED BY ME OR UNDER MY SUPERVISION.

Gary W. Dokich
GARY W. DOKICH, L.S. 4693

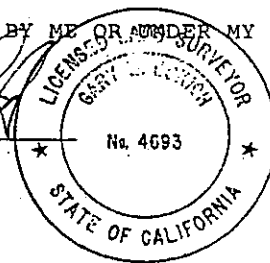
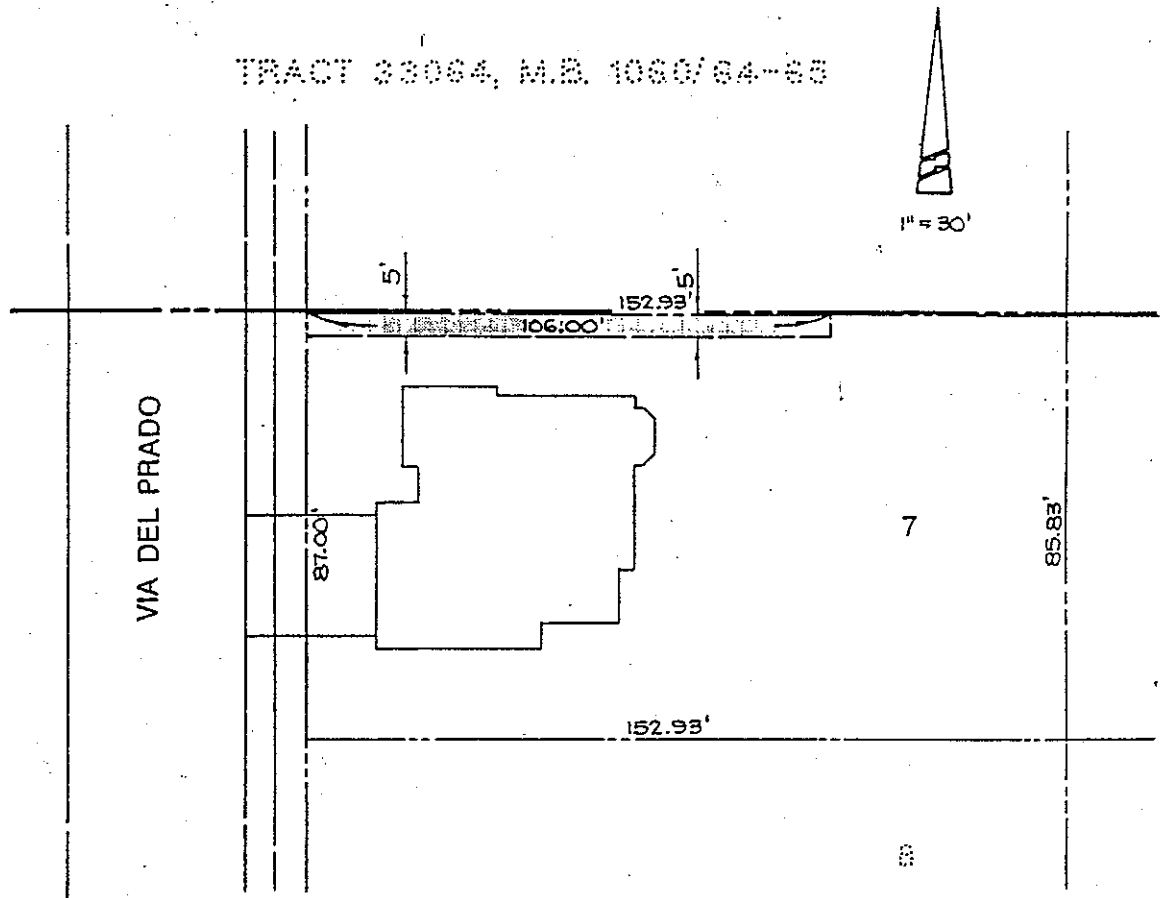


EXHIBIT B

PLAT TO ACCOMPANY LEGAL DESCRIPTION OF DRAINAGE EASEMENT



TRACT 40932, M.B. 1061/95-97



INDICATES EASEMENT BEING GRANTED

EXHIBIT 'B'

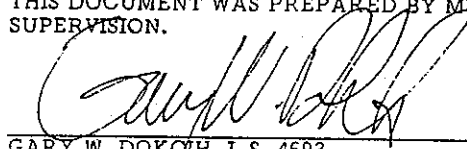
159-70
12/23/87
SH:jn

LEGAL DESCRIPTION OF
DRAINAGE EASEMENT WITHIN LOT 9
OF TRACT NO. 40932

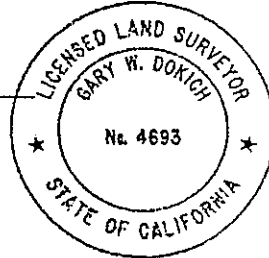
1 BEING AN EASEMENT FOR DRAINAGE PURPOSES WITHIN LOT 9 OF TRACT
2 NO. 40932 IN THE UNINCORPORATED TERRITORY OF LOS ANGELES COUNTY
3 CALIFORNIA, AS SHOWN ON A MAP
4 RECORDED IN BOOK 1061 PAGES 95 THROUGH 97 INCLUSIVE OF MAP BOOKS
5 IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY DESCRIBED
6 AS FOLLOWS:

7
8 BEING THE WESTERLY 95.00 FEET OF THE SOUTHERLY 14.00 FEET OF SAID
9 LOT 9.

10
11 THIS DOCUMENT WAS PREPARED BY ME OR UNDER MY
12 SUPERVISION.



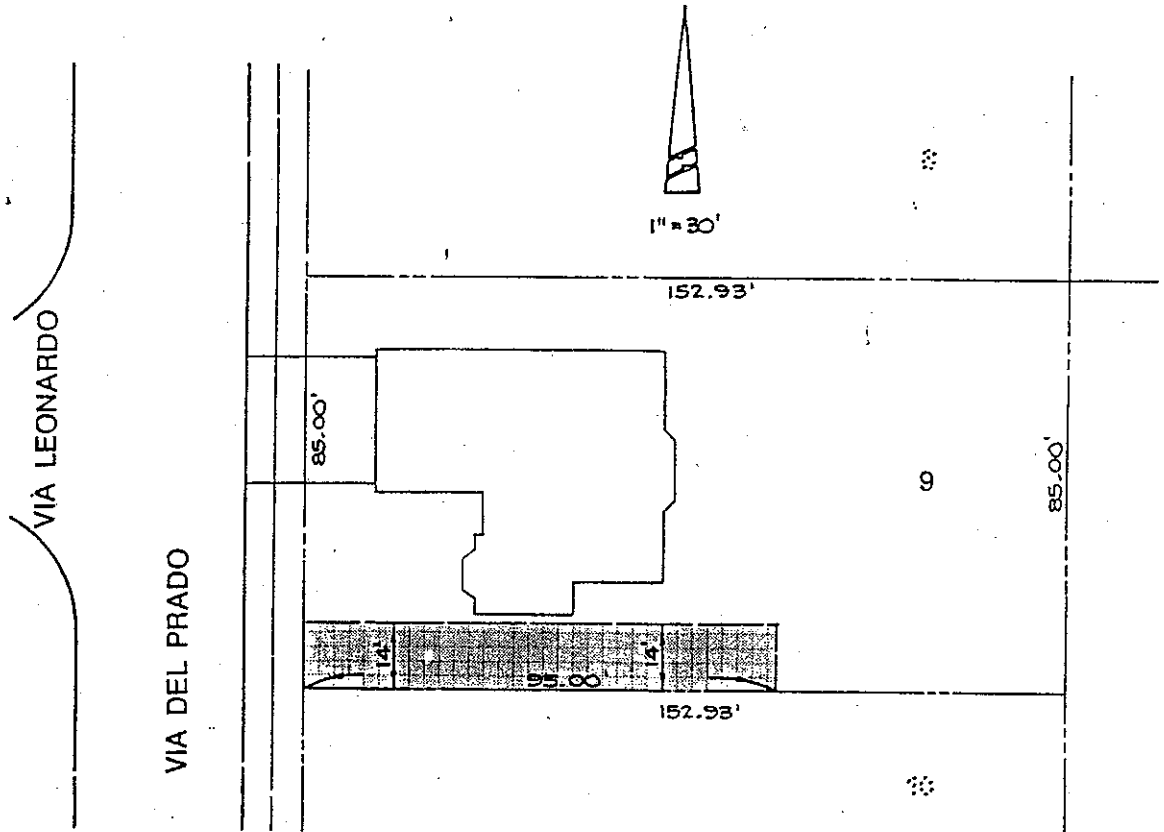
14 GARY W. DOKICH, L.S. 4693



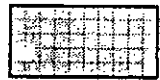
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EXHIBIT B

PLAT TO ACCOMPANY LEGAL DESCRIPTION OF DRAINAGE EASEMENT



TRACT 40932, M.B. 1061/95-97



INDICATES EASEMENT BEING GRANTED

EXHIBIT 'B'
LEGAL DESCRIPTION OF
DRAINAGE EASEMENT WITHIN LOT 13
OF TRACT NO. 40932

159-70
12/23/87
SH:jn

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BEING AN EASEMENT FOR DRAINAGE PURPOSES WITHIN LOT 13 OF TRACT
NO. 40932 IN THE UNINCORPORATED TERRITORY OF LOS ANGELES COUNTY
CALIFORNIA, AS SHOWN ON A MAP RECORDED IN BOOK 1061 PAGES
95 THROUGH 97 INCLUSIVE OF MAP BOOKS IN THE OFFICE OF THE
COUNTY RECORDER OF SAID COUNTY DESCRIBED AS FOLLOWS:

BEING THE MOST NORTHERLY 79.00 FEET OF THE NORTHWESTERLY 5.00
FEET OF SAID LOT 13.

THIS DOCUMENT WAS PREPARED BY ME OR UNDER MY
SUPERVISION.

Gary W. Dokach
GARY W. DOKACH, L.S. 4693

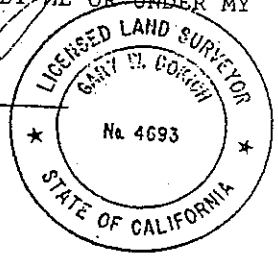
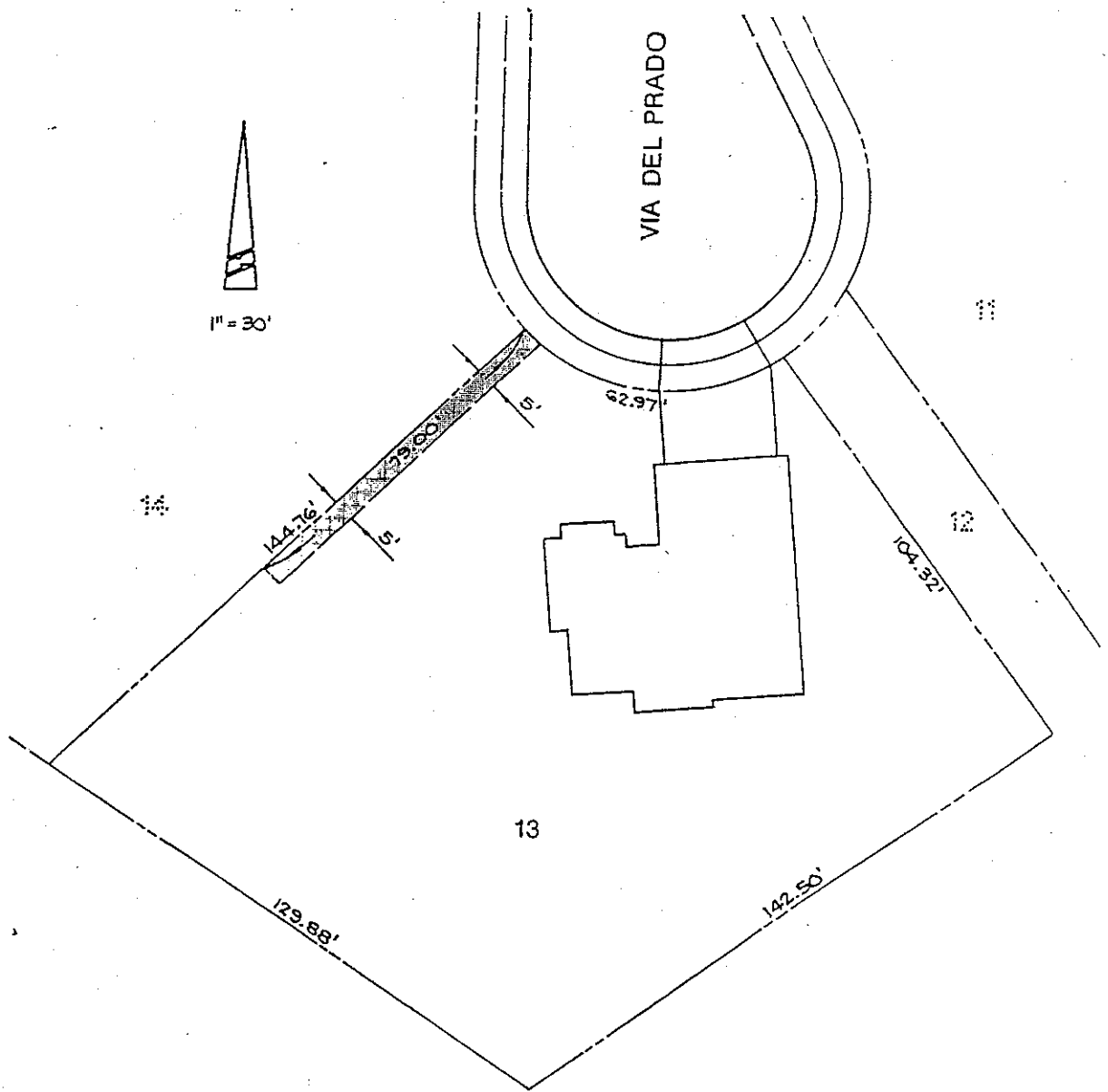


EXHIBIT B

PLAT TO ACCOMPANY LEGAL DESCRIPTION OF DRAINAGE EASEMENT



TRACT 40932, M.B. 1061/95-97



INDICATES EASEMENT BEING GRANTED

EXHIBIT 'B'
LEGAL DESCRIPTION OF
DRAINAGE EASEMENT WITHIN LOT 34
OF TRACT NO. 40932

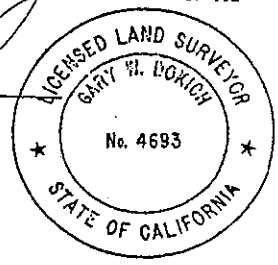
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12/23/87
SH:jn

1 BEING AN EASEMENT FOR DRAINAGE PURPOSES WITHIN LOT 34 OF TRACT
2 NO. 40932 IN THE UNINCORPORATED TERRITORY OF LOS ANGELES COUNTY
3 CALIFORNIA, AS SHOWN ON A MAP RECORDED IN BOOK 1061 PAGES
4 95 THROUGH 97 INCLUSIVE OF MAP BOOKS IN THE OFFICE OF THE
5 COUNTY RECORDER OF SAID COUNTY DESCRIBED AS FOLLOWS:

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7 BEING THE MOST NORTHERLY 105.00 FEET OF THE WESTERLY 5.00
8 FEET OF SAID LOT 34.

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11 THIS DOCUMENT WAS PREPARED BY ME OR UNDER MY
12 SUPERVISION.

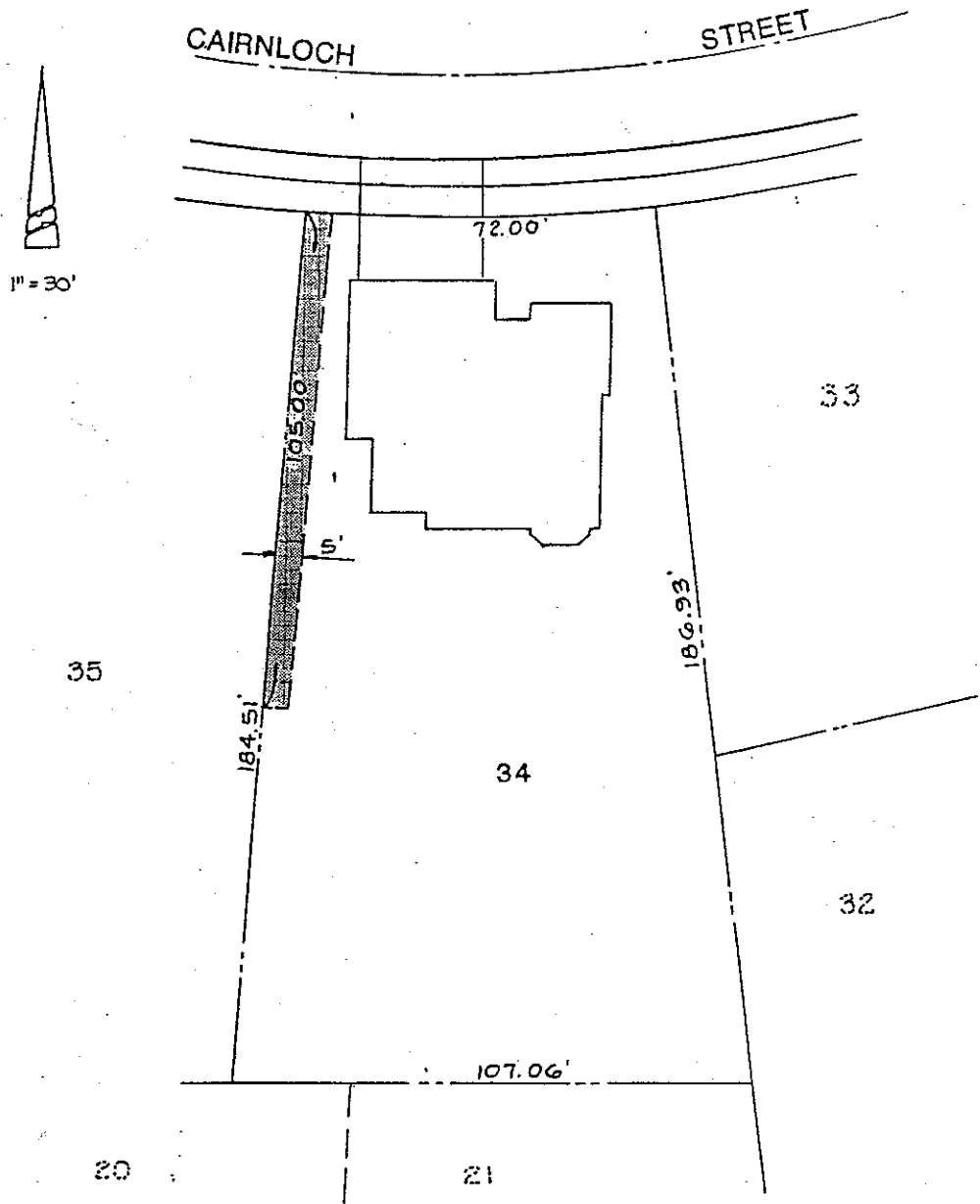
13 *Gary W. Dokich*
14 GARY W. DOKICH, L.S. 4693



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EXHIBIT B

PLAT TO ACCOMPANY LEGAL DESCRIPTION OF DRAINAGE EASEMENT



TRACT 40932, M.B. 1061/95-97



INDICATES EASEMENT BEING GRANTED

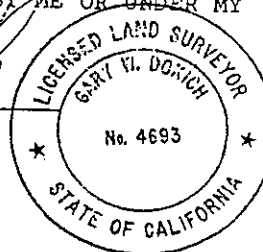
LEGAL DESCRIPTION OF
DRAINAGE EASEMENT WITHIN LOT 35
OF TRACT 40932

1 BEING AN EASEMENT FOR DRAINAGE PURPOSES WITHIN LOT 35 OF
2 TRACT NO. 40932 IN THE UNINCORPORATED TERRITORY OF LOS
3 ANGELES COUNTY CALIFORNIA, AS SHOWN ON A MAP RECORDED IN
4 BOOK 1061 PAGES 95 THROUGH 97 INCLUSIVE OF MAP BOOKS IN
5 THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY DESCRIBED
6 AS FOLLOWS:
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8 BEING THE SOUTHERLY 15.00 FEET OF THE NORTHERLY 105.00
9 FEET OF THE EASTERLY 8.00 FEET OF SAID LOT 35.
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11 THIS DOCUMENT WAS PREPARED BY ME OR UNDER MY
12 SUPERVISION.

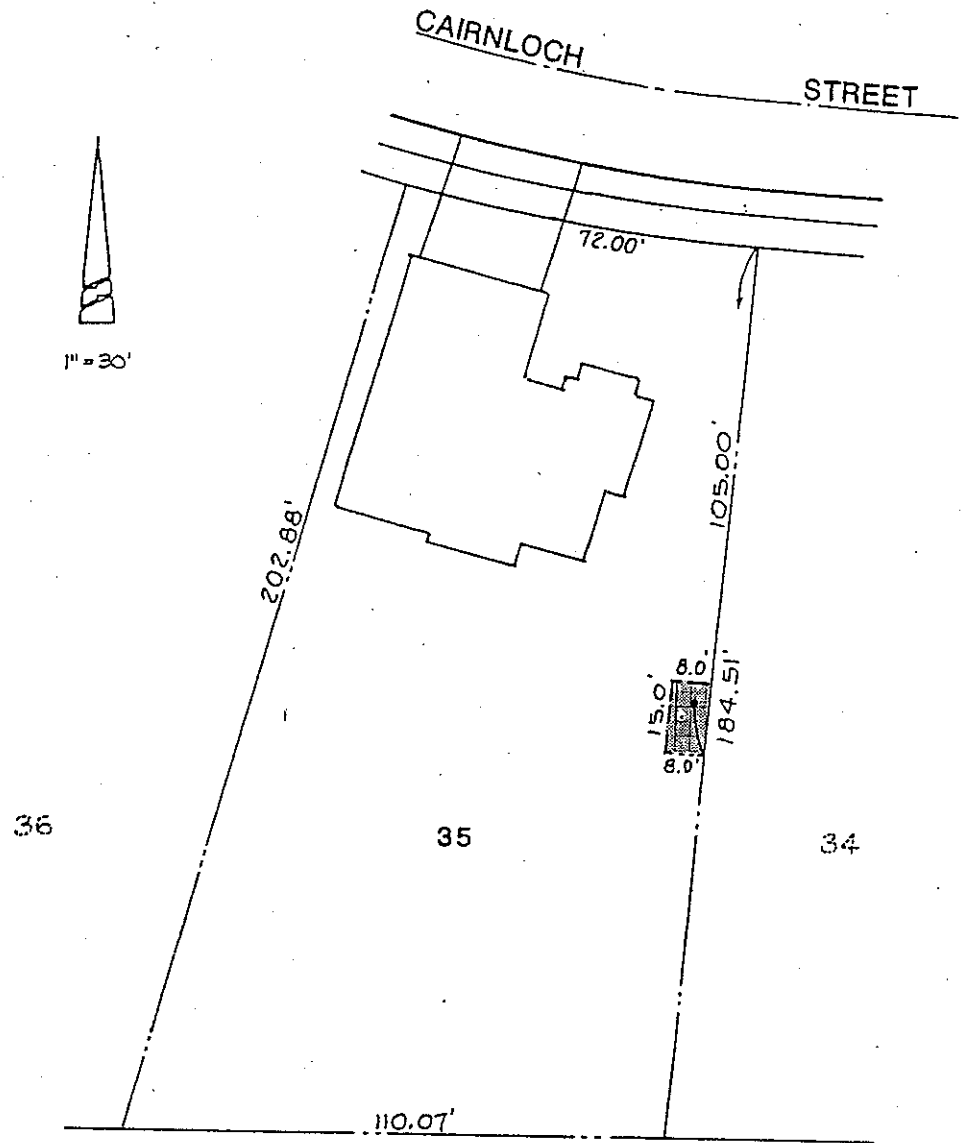
13 *Gary W. Dokich*
14 GARY W. DOKICH, L.S. 4693



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EXHIBIT B

PLAT TO ACCOMPANY LEGAL DESCRIPTION OF DRAINAGE EASEMENT



TRACT 40932, M.B. 1061/95-97



INDICATES EASEMENT BEING GRANTED

EXHIBIT 'B'

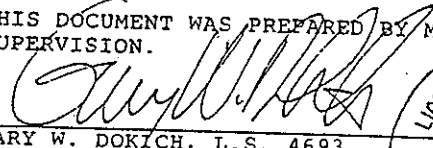
159-70
12/23/87
SH:jn

LEGAL DESCRIPTION OF
DRAINAGE EASEMENT WITHIN LOT 36
OF TRACT NO. 40932

1 BEING AN EASEMENT FOR DRAINAGE PURPOSES WITHIN LOT 36 OF
2 TRACT NO. 40932 IN THE UNINCORPORATED TERRITORY OF LOS
3 ANGELES COUNTY CALIFORNIA, AS SHOWN ON A MAP RECORDED IN
4 BOOK 1061 .PAGES 95 THROUGH 97 INCLUSIVE OF MAP BOOKS IN
5 THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY DESCRIBED
6 AS FOLLOWS:
7 BEING THE MOST NORTHERLY 130.00 FEET OF THE NORTHWESTERLY
8 5.00 FEET OF SAID LOT 36.

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THIS DOCUMENT WAS PREPARED BY ME OR UNDER MY
SUPERVISION.



GARY W. DOKICH, L.S. 4693

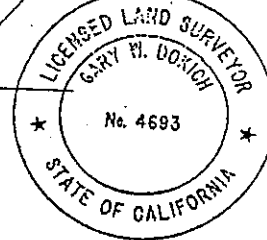
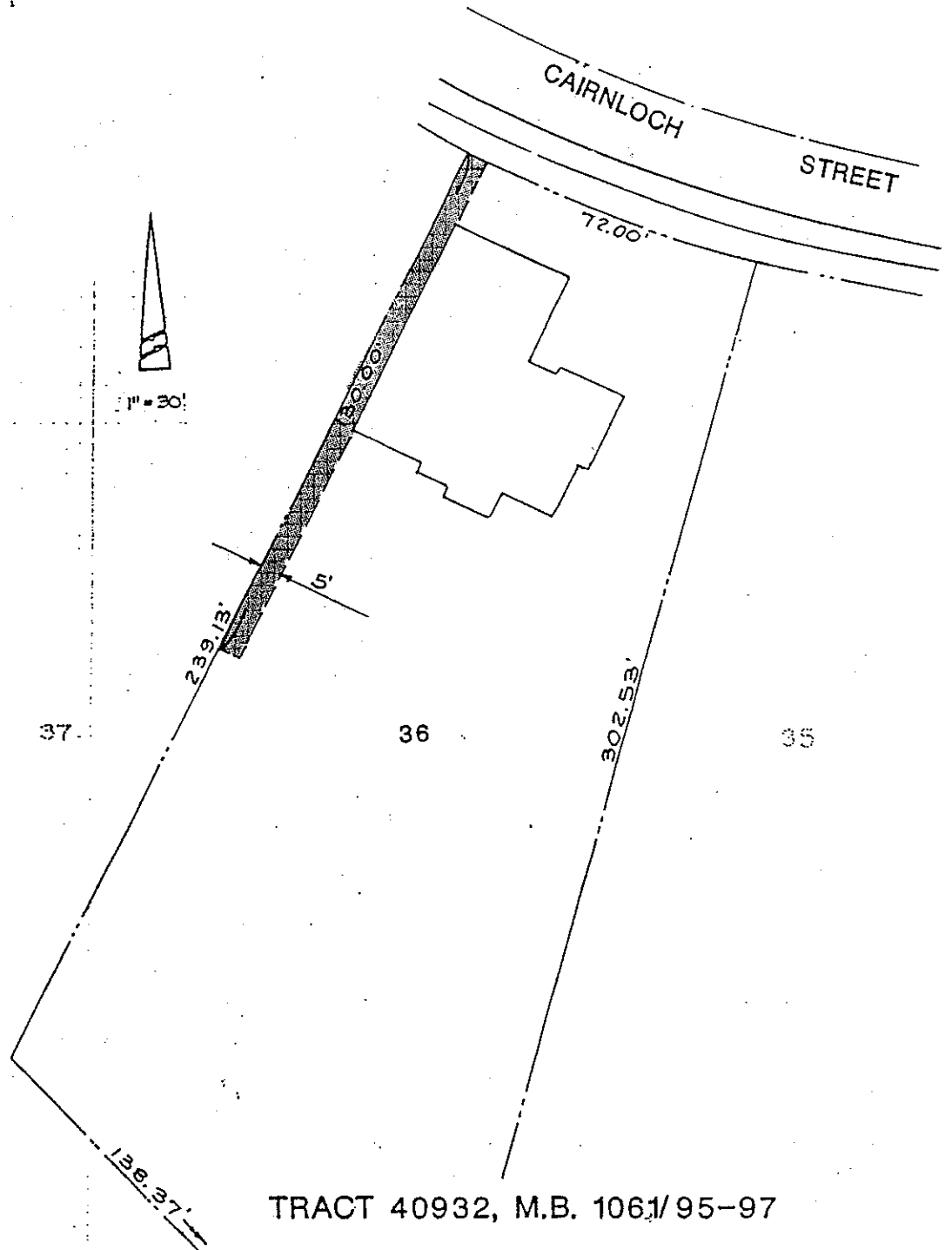


EXHIBIT B

PLAT TO ACCOMPANY LEGAL DESCRIPTION OF DRAINAGE EASEMENT



TRACT 40932, M.B. 1061/95-97



INDICATES EASEMENT BEING GRANTED

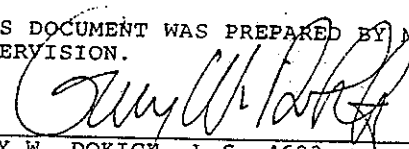
EXHIBIT 'B'
LEGAL DESCRIPTION OF
DRAINAGE EASEMENT WITHIN LOT 38
OF TRACT NO. 40932

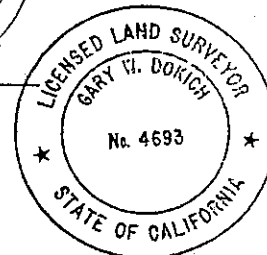
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12/23/87
SH:jn

1 BEING AN EASEMENT FOR DRAINAGE PURPOSES WITHIN LOT 38 OF TRACT
2 NO. 40932 IN THE UNINCORPORATED TERRITORY OF LOS ANGELES COUNTY
3 CALIFORNIA, AS SHOWN ON A MAP RECORDED IN BOOK 1061 PAGES
4 95 THROUGH 97 INCLUSIVE OF MAP BOOKS IN THE OFFICE OF THE
5 COUNTY RECORDER OF SAID COUNTY DESCRIBED AS FOLLOWS:

6
7 BEING THE MOST NORTHERLY 110.00 FEET OF THE NORTHWESTERLY
8 5.00 FEET OF SAID LOT 38.

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11 THIS DOCUMENT WAS PREPARED BY ME OR UNDER MY
12 SUPERVISION.

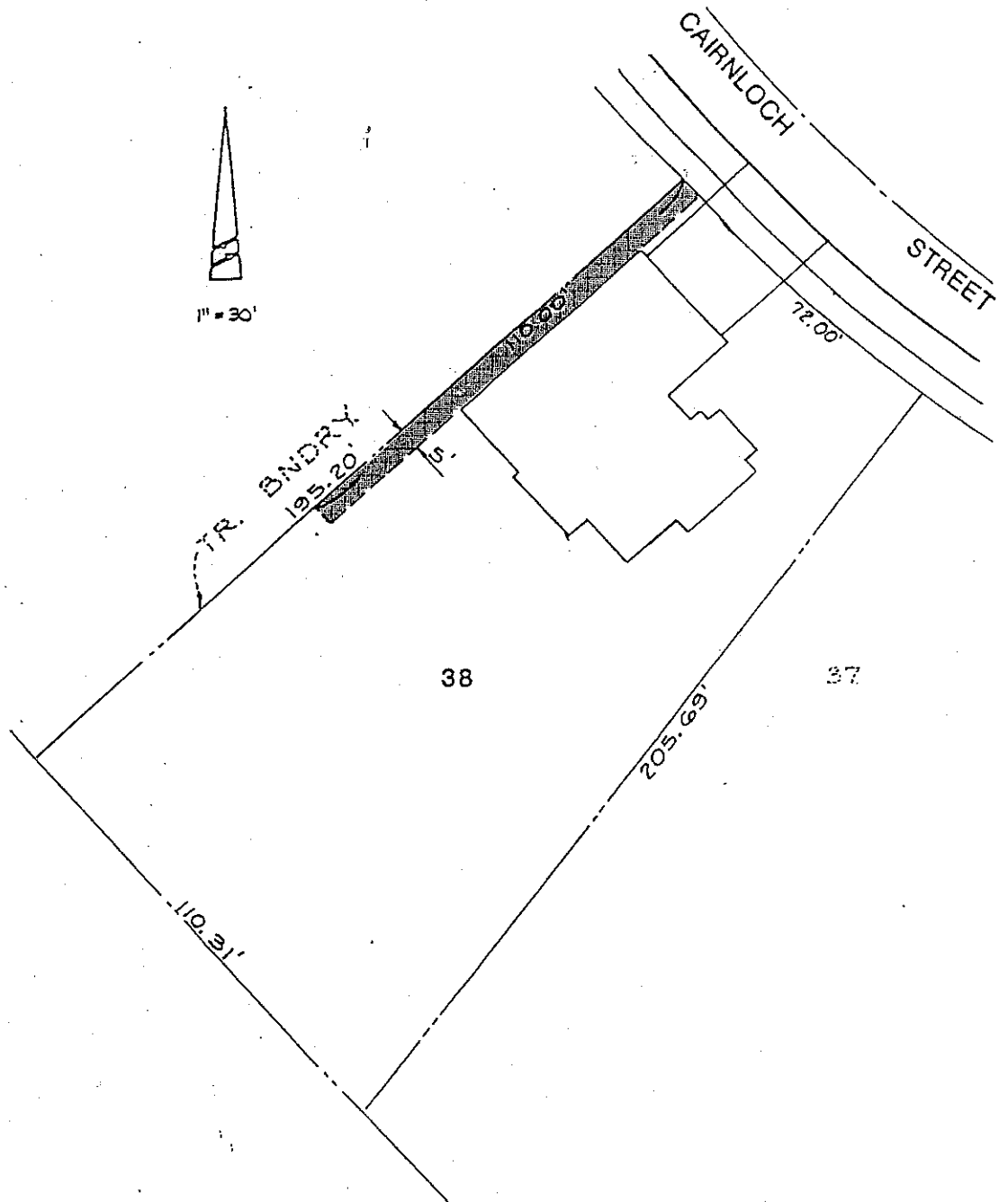
13 
14 GARY W. DOKICH, L.S. 4693



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EXHIBIT B

PLAT TO ACCOMPANY LEGAL DESCRIPTION OF DRAINAGE EASEMENT



TRACT 40932, M.B. 1061/95-97



INDICATES EASEMENT BEING GRANTED

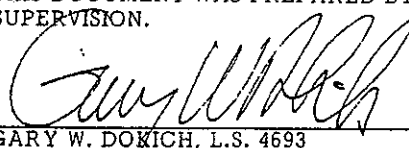
EXHIBIT 'B'
LEGAL DESCRIPTION OF
DRAINAGE EASEMENT WITHIN LOT 40
TRACT NO. 40932

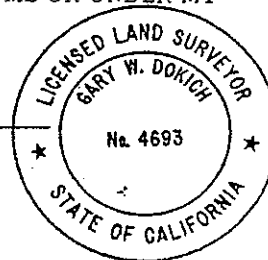
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12/23/87
SH:jn

1 BEING AN EASEMENT FOR DRAINAGE PURPOSES WITHIN LOT 40 OF TRACT NO.
2 40932 IN THE UNINCORPORATED TERRITORY OF LOS ANGELES COUNTY
3 CALIFORNIA, AS SHOWN ON A MAP RECORDED
4 IN BOOK 1061 PAGES 97 THROUGH 95 INCLUSIVE OF MAP BOOKS IN THE
5 OFFICE OF THE COUNTY RECORDED OF SAID COUNTY DESCRIBED AS
6 FOLLOWS:

7
8 BEGINNING AT THE SOUTHWEST CORNER OF SAID LOT 40; THENCE ALONG
9 THE WESTERLY BOUNDARY LINE OF SAID LOT; N 18° 26' 46" E 182.05 FEET
10 TO THE NORTHWEST CORNER OF SAID LOT; THENCE ALONG THE
11 NORTHERLY BOUNDARY LINE OF SAID LOT; S 42° 00' 00" E 15.00 FEET;
12 THENCE LEAVING SAID BOUNDARY LINE AND THROUGH A PORTION OF
13 SAID LOT; S 31° 32' 11" W 35.54 FEET TO A POINT ON A LINE, 5.00 FEET
14 EASTERLY OF, AND PARALLEL WITH THE WESTERLY BOUNDARY LINE
15 OF SAID LOT; THENCE ALONG SAID PARALLEL LINE; S 18° 26' 46" W 140.00
16 FEET TO A POINT ON THE SOUTHERLY BOUNDARY LINE OF SAID LOT;
17 SAID POINT BEING ON A CURVE, CONCAVE NORTHERLY AND HAVING A
18 RADIUS OF 320.00 FEET; A RADIAL LINE TO SAID POINT BEARS
19 S 17° 33' 03" W; THENCE WESTERLY ALONG SAID BOUNDARY LINE AND
20 SAID CURVE, THROUGH A CENTRAL ANGLE OF 0° 53' 43" AN ARC DISTANCE
21 OF 5.00 FEET TO THE POINT OF BEGINNING.
22

23 THIS DOCUMENT WAS PREPARED BY ME OR UNDER MY
24 SUPERVISION.

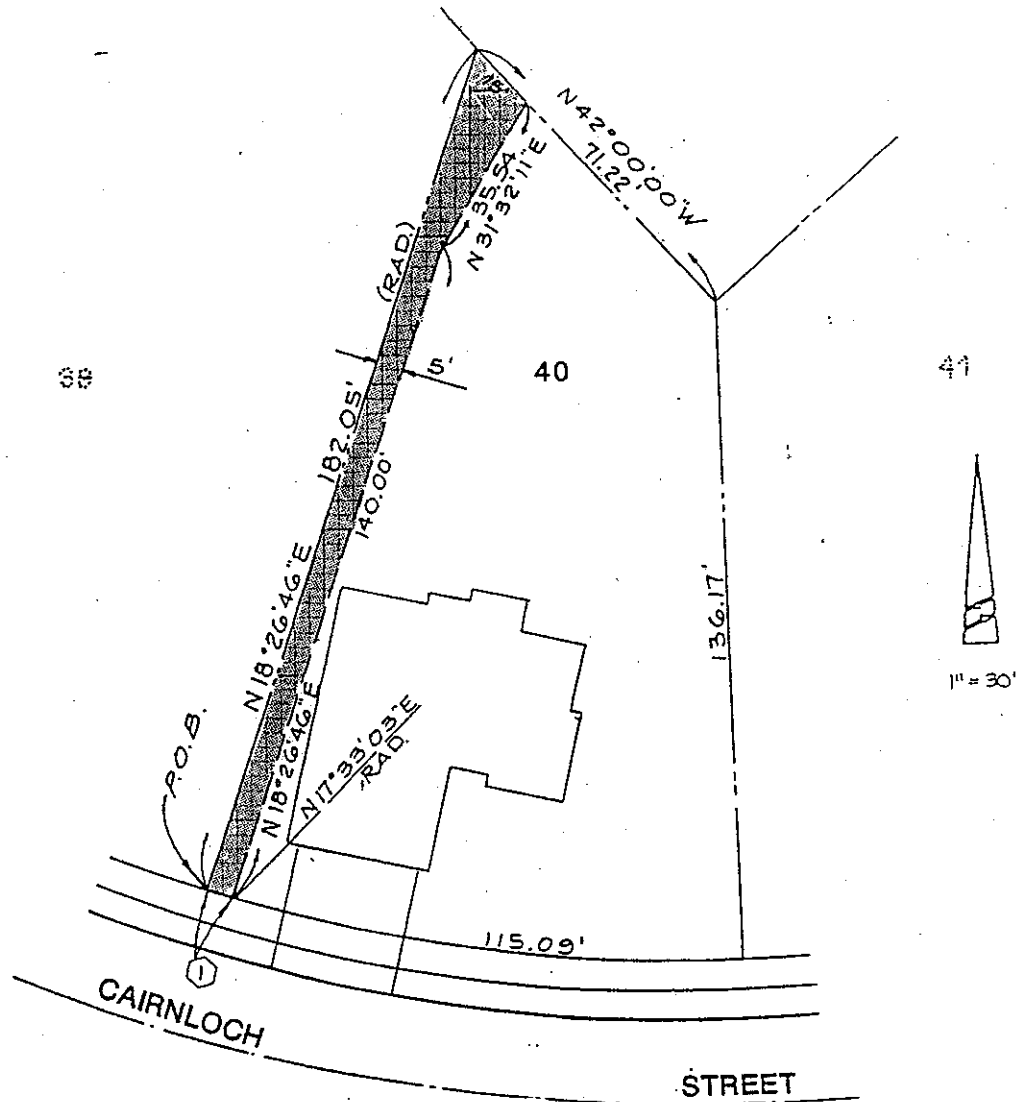
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26 
27 GARY W. DOKICH, L.S. 4693



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EXHIBIT B

PLAT TO ACCOMPANY LEGAL DESCRIPTION OF DRAINAGE EASEMENT



TRACT 40932, M.B. 1061/95-97



INDICATES EASEMENT BEING GRANTED

(1) R = 320.00', Δ = 0° 53' 43", L = 5.00'

EXHIBIT 'B'

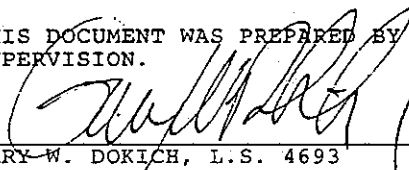
159-70
12/23/87
SH:jn

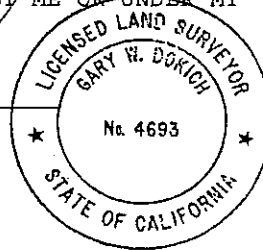
LEGAL DESCRIPTION OF
DRAINAGE EASEMENT WITHIN LOT 69
OF TRACT NO. 33064

1 BEING AN EASEMENT FOR DRAINAGE PURPOSES WITHIN LOT 69 OF TRACT
2 NO. 33064 IN THE UNINCORPORATED TERRITORY OF LOS ANGELES COUNTY
3 CALIFORNIA, AS SHOWN ON A MAP RECORDED IN BOOK 1060 PAGES
4 64 AND 65 OF MAP BOOKS IN THE OFFICE OF THE COUNTY RECORDER OF
5 SAID COUNTY DESCRIBED AS FOLLOWS:

6
7 BEING THE WESTERLY 99.00 FEET OF THE SOUTHERLY 5.00 FEET OF
8 THE NORTHERLY 17.00 FEET OF SAID LOT 69.

9
10
11 THIS DOCUMENT WAS PREPARED BY ME OR UNDER MY
12 SUPERVISION.

13 
14 GARY W. DOKICH, L.S. 4693



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EXHIBIT B

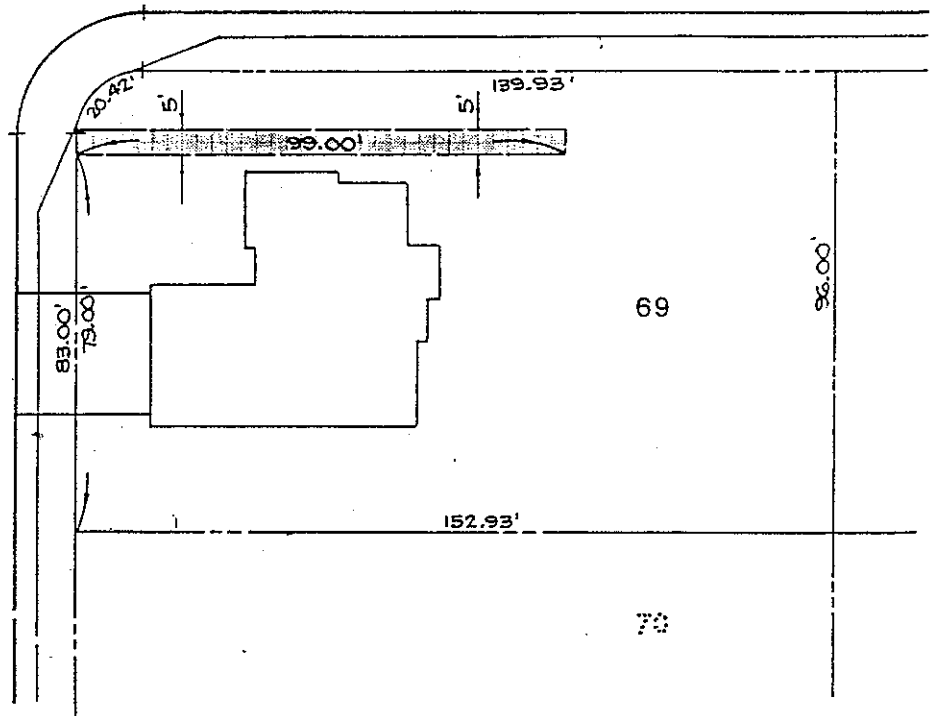
PLAT TO ACCOMPANY LEGAL DESCRIPTION OF DRAINAGE EASEMENT



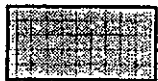
1" = 30'

CAIRNLOCH STREET

VIA DEL PRADO



TRACT 33064, M.B. 1060/64-65



INDICATES EASEMENT BEING GRANTED

MORSE CONSULTING GROUP
PLANNING • ENGINEERING • LANDSCAPE ARCHITECTURE

4860 IRVINE BOULEVARD, SUITE #201
IRVINE, CALIFORNIA 92714-3999
(714) 750-7117

EXHIBIT 'B'
LEGAL DESCRIPTION OF
DRAINAGE EASEMENT WITHIN LOT 94
OF TRACT NO. 33064

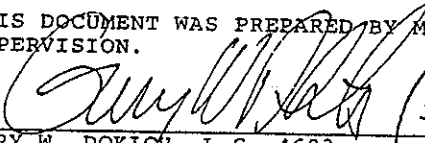
159-70
12/23/87
SH:jn

1 BEING AN EASEMENT FOR DRAINAGE PURPOSES WITHIN LOT 94 OF TRACT
2 NO. 33064 IN THE UNINCORPORATED TERRITORY OF LOS ANGELES COUNTY
3 CALIFORNIA, AS SHOWN ON A MAP RECORDED IN BOOK 1096 PAGES
4 64 THROUGH 69 INCLUSIVE OF MAP BOOKS IN THE OFFICE OF THE
5 COUNTY RECORDER OF SAID COUNTY DESCRIBED AS FOLLOWS:

6
7 BEING THE MOST SOUTHERLY 80.00 FEET OF THE NORTHWESTERLY 5.00 FEET
8 OF SAID LOT 94.

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THIS DOCUMENT WAS PREPARED BY ME OR UNDER MY
SUPERVISION.


GARY W. DOKICH, L.S. 4693

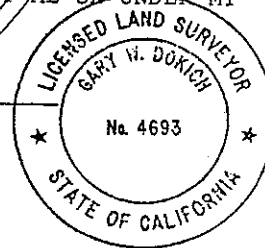
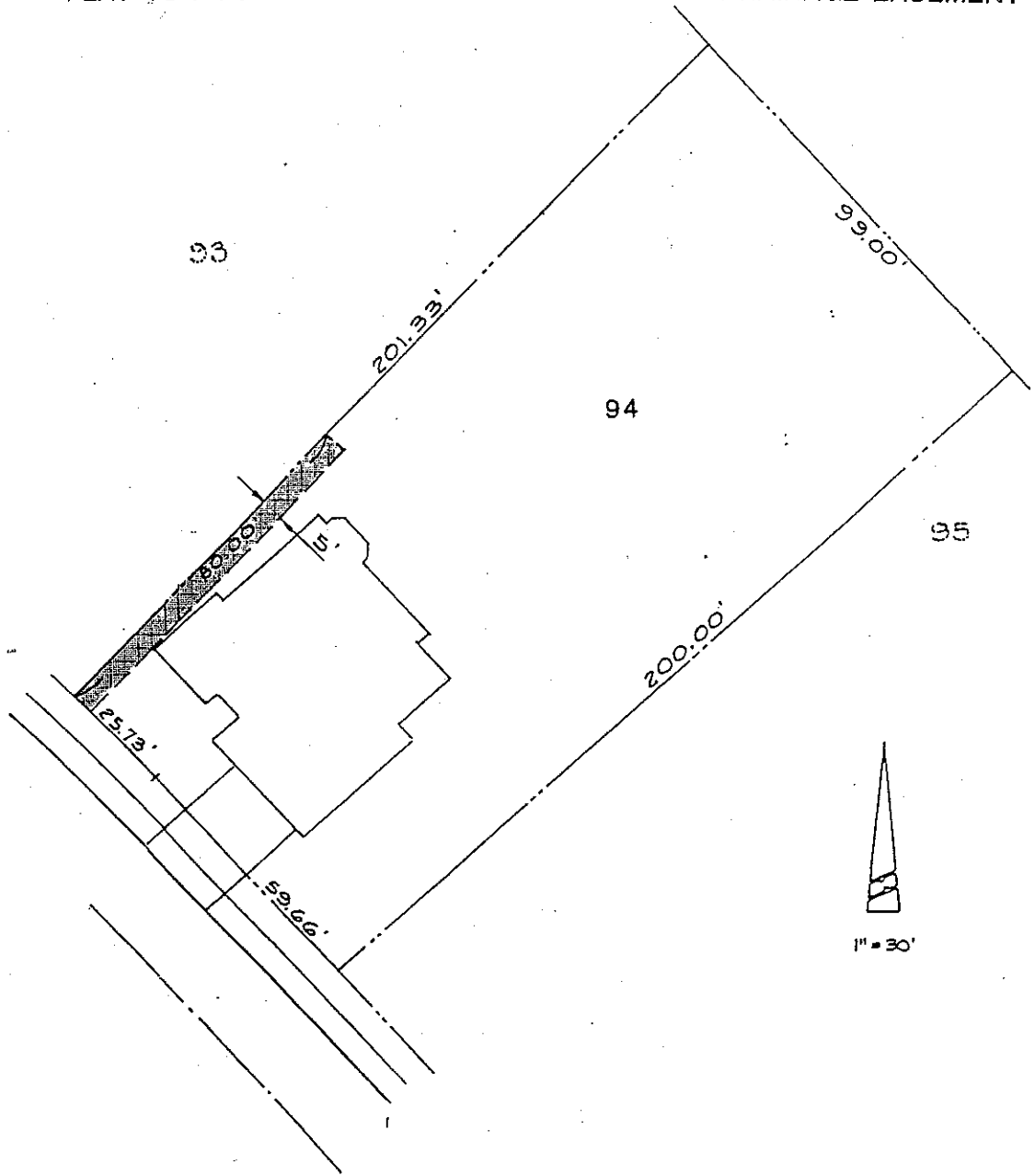


EXHIBIT B

PLAT TO ACCOMPANY LEGAL DESCRIPTION OF DRAINAGE EASEMENT



TRACT 33064, M.B. 1096/64-69



INDICATES EASEMENT BEING GRANTED

EXHIBIT 'C'

159-70

12/23/87

SH:jn

LEGAL DESCRIPTION OF
RECIPROCAL INGRESS AND EGRESS EASEMENT FOR THE USE OF LOTS 31 AND 32
OF TRACT NO. 40932

1 A 20.00 FOOT WIDE RECIPROCAL INGRESS AND EGRESS EASEMENT FOR
2 THE BENEFIT OF LOTS 31 AND 32 OF TRACT NO. 40932 IN THE
3 UNINCORPORATED TERRITORY OF LOS ANGELES COUNTY CALIFORNIA,
4 AS SHOWN ON A MAP RECORDED IN BOOK 1069 PAGES 95 THROUGH 97
5 INCLUSIVE OF MAP BOOKS IN THE OFFICE OF THE COUNTY RECORDER
6 OF SAID COUNTY DESCRIBED AS FOLLOWS:

7
8 BEGINNING AT THE MOST NORTHEASTERLY CORNER OF SAID LOT 31;
9 SAID POINT ALSO BEING THE NORTHWEST CORNER OF LOT 30 OF SAID
10 TRACT; THENCE ALONG THE COMMON BOUNDARY LINE BETWEEN LOTS
11 30 AND 31; AND THE SOUTHEASTERLY PROLONGATION THEREOF;
12 S 20° 56' 41" E 120.24 FEET TO A POINT ON A LINE, 10.00 FEET
13 EASTERLY OF, AND MEASURED AT RIGHT ANGLES TO, AND PARALLEL
14 WITH, THE WESTERLY BOUNDARY LINE OF LOT 31 OF SAID TRACT;
15 THENCE ALONG SAID PARALLEL LINE, SOUTH 28.85 FEET; THENCE
16 WEST 20.00 FEET TO A POINT ON A LINE, 10.00 FEET WESTERLY
17 OF, AND MEASURED AT RIGHT ANGLES TO AND PARALLEL WITH THE
18 EASTERLY BOUNDARY LINE OF LOT 32 OF SAID TRACT; THENCE ALONG
19 SAID PARALLEL LINE; NORTH 25.15 TO A POINT ON THE MOST
20 NORTHWESTERLY BOUNDARY LINE OF SAID LOT 32; AND A POINT ON
21 THE EASTERLY BOUNDARY LINE OF LOT 33 OF SAID TRACT; THENCE
22 ALONG SAID COMMON BOUNDARY LINE N 20° 56' 41" W 116.54 FEET
23 TO THE MOST NORTHERLY NORTHWEST CORNER OF SAID LOT 32; SAID
24 POINT BEING ON A CURVE, CONCAVE NORTHWESTERLY AND HAVING A
25 RADIUS OF 380.00 FEET; A RADIAL LINE TO SAID POINT BEARS
26 S 19° 26' 13" E; THENCE NORTHEASTERLY ALONG THE MOST NORTHERLY
27 BOUNDARY LINE OF SAID LOTS 31 AND 32 AND SAID CURVE THROUGH
28 A CENTRAL ANGLE OF 3° 00' 56" AN ARC DISTANCE OF 20.00 FEET
29 TO THE POINT OF BEGINNING.
30

31 THIS DOCUMENT WAS PREPARED BY ME OR UNDER MY
32 SUPERVISION.

GARY W. DOKICH, L.S. 4693

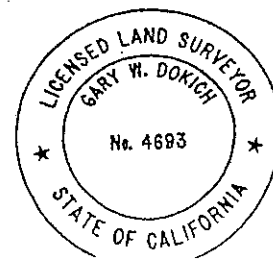
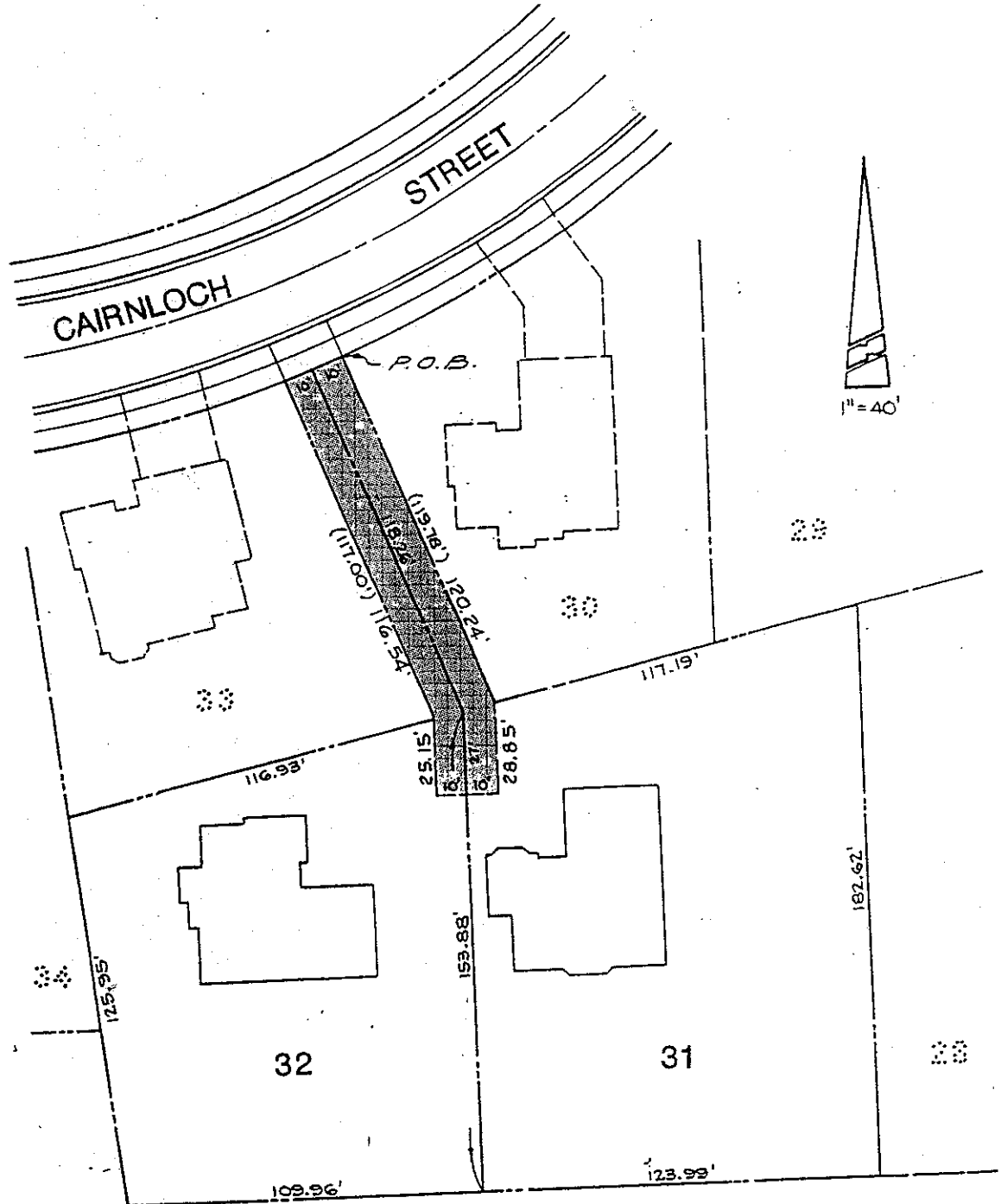



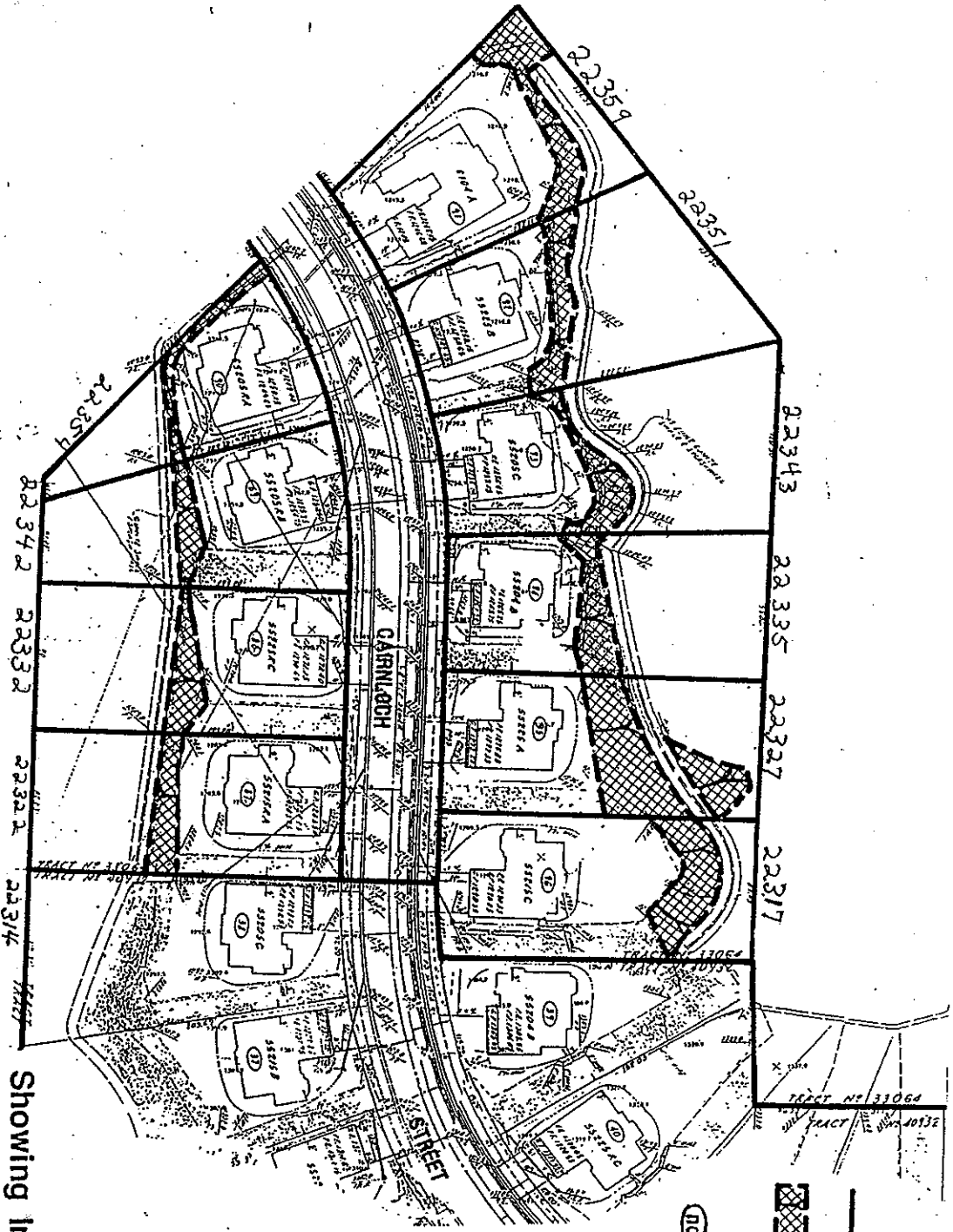
EXHIBIT 'C'

PLAT TO ACCOMPANY LEGAL DESCRIPTION OF RECIPROCAL INGRESS AND EGRESS EASEMENT FOR THE USE OF LOTS 31 AND 32.



TRACT 40932, M.B. 1061/95-97

 INDICATES EASEMENT BEING GRANTED



- LEGEND**
- Existing Lot Line
 - ▨ Irrigation Areas to be Maintained by Association
 - (NO) Existing Lot Number

EXHIBIT 'D'

Showing Irrigation Areas Maintained by Association Within Tract No. 33064

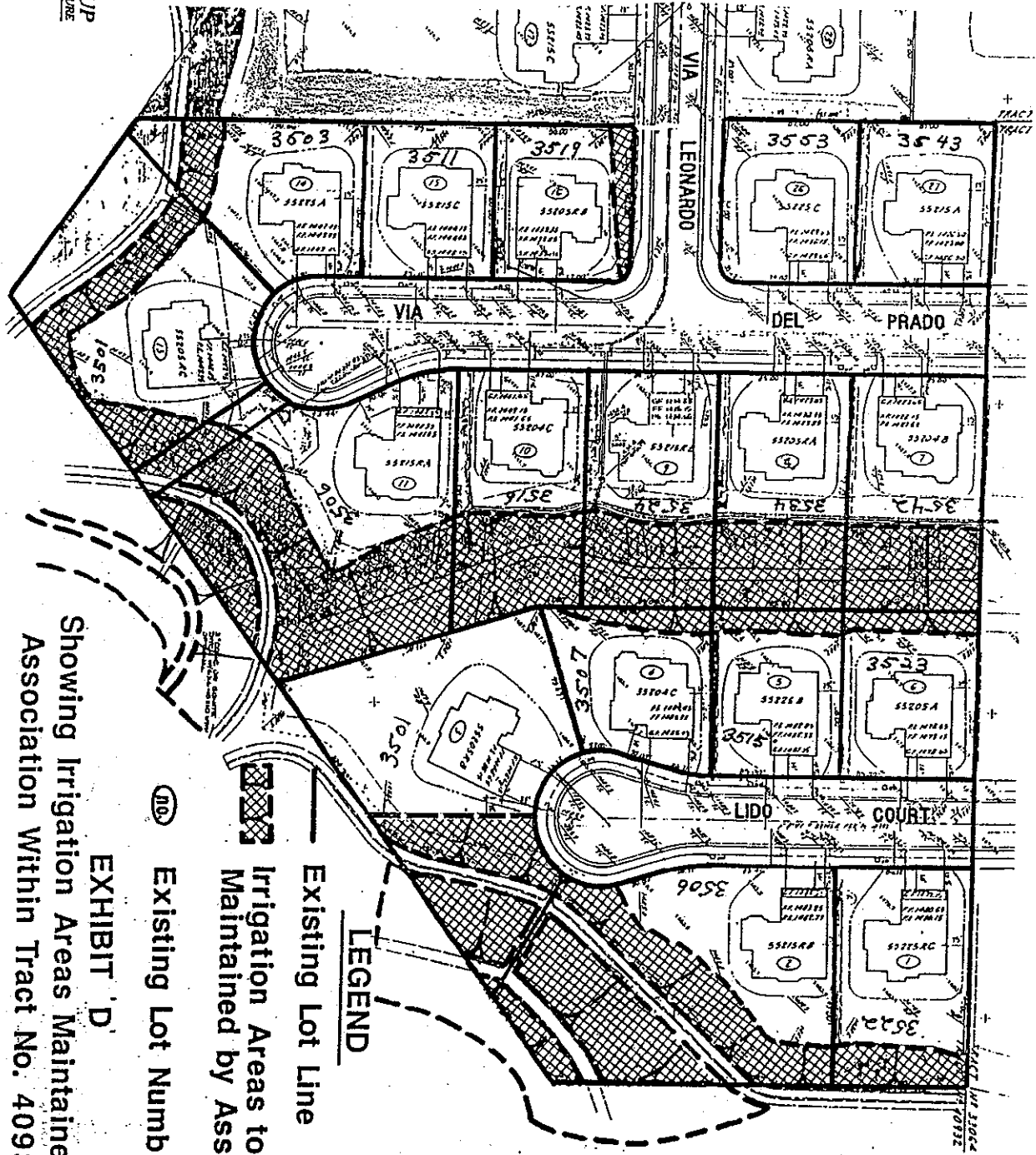






EXHIBIT 'D'
 Showing Irrigation Areas Maintained by
 Association Within Tract No. 40932

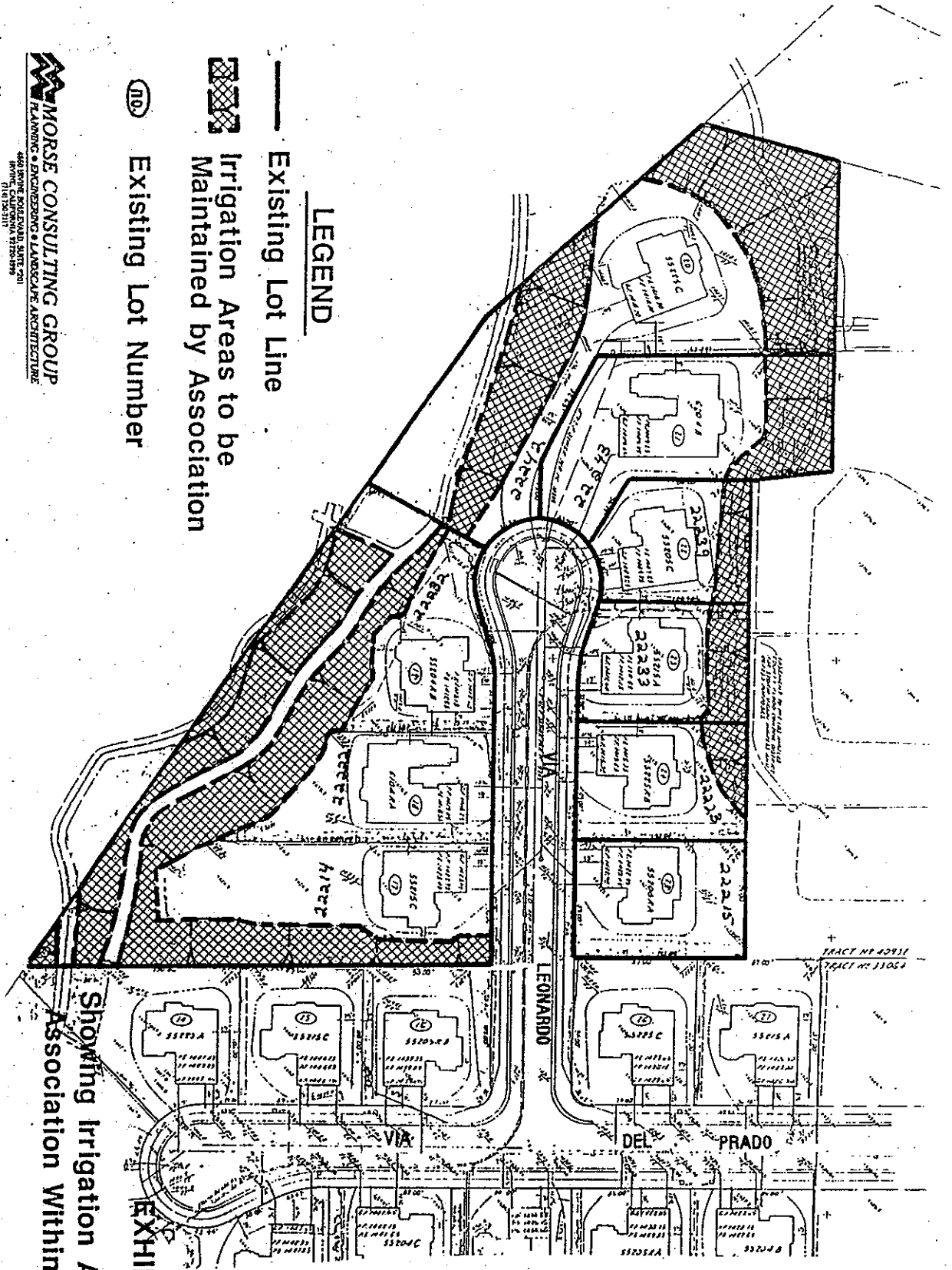
-  Irrigation Areas to be Maintained by Association
-  Existing Lot Line
-  Existing Lot Number

(NO) Existing Lot Number

 Irrigation Areas to be Maintained by Association

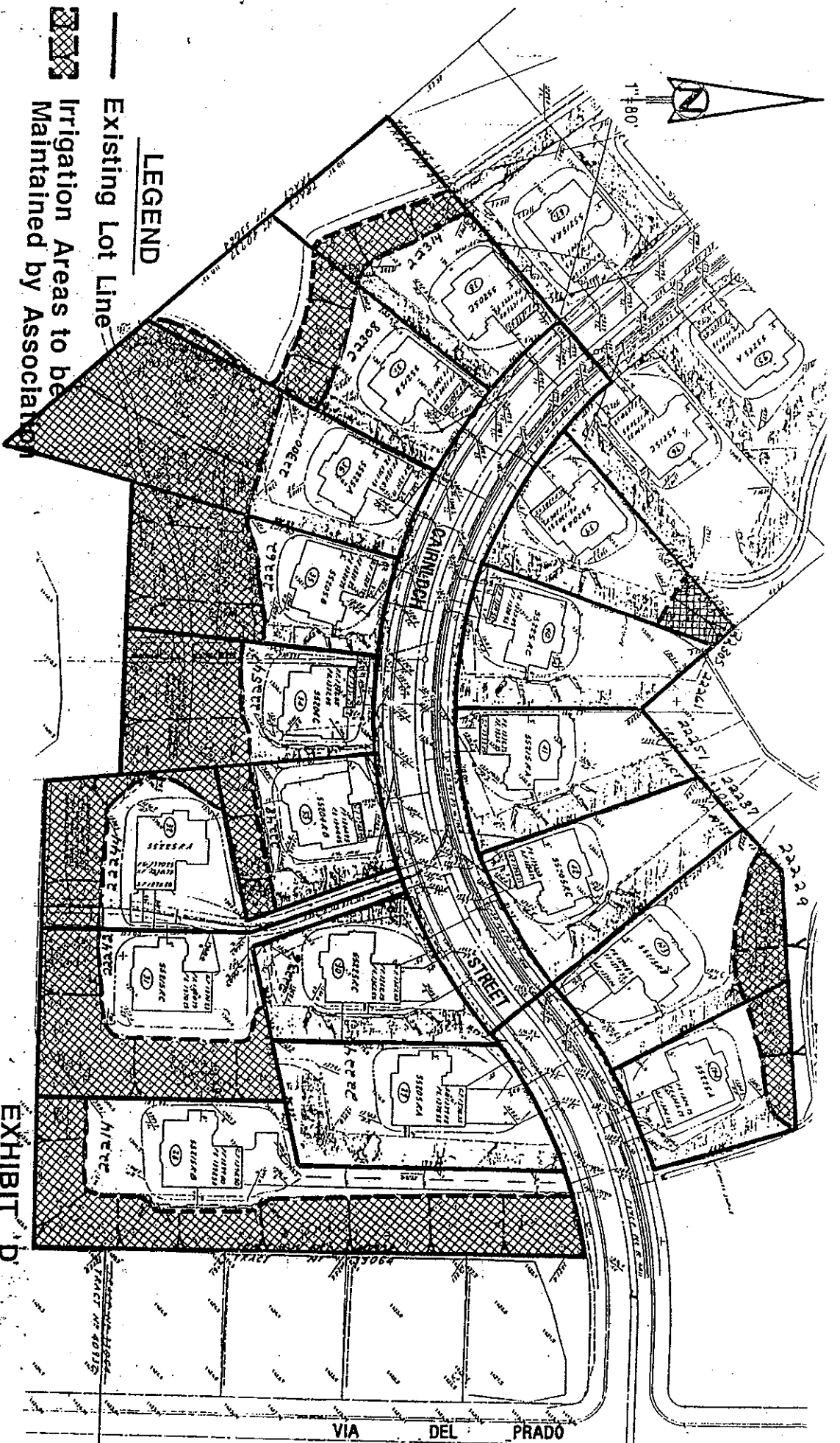
— Existing Lot Line

LEGEND



Showing Irrigation Areas Maintained by Association Within Tract No. 40932

EXHIBIT 'D'



LEGEND

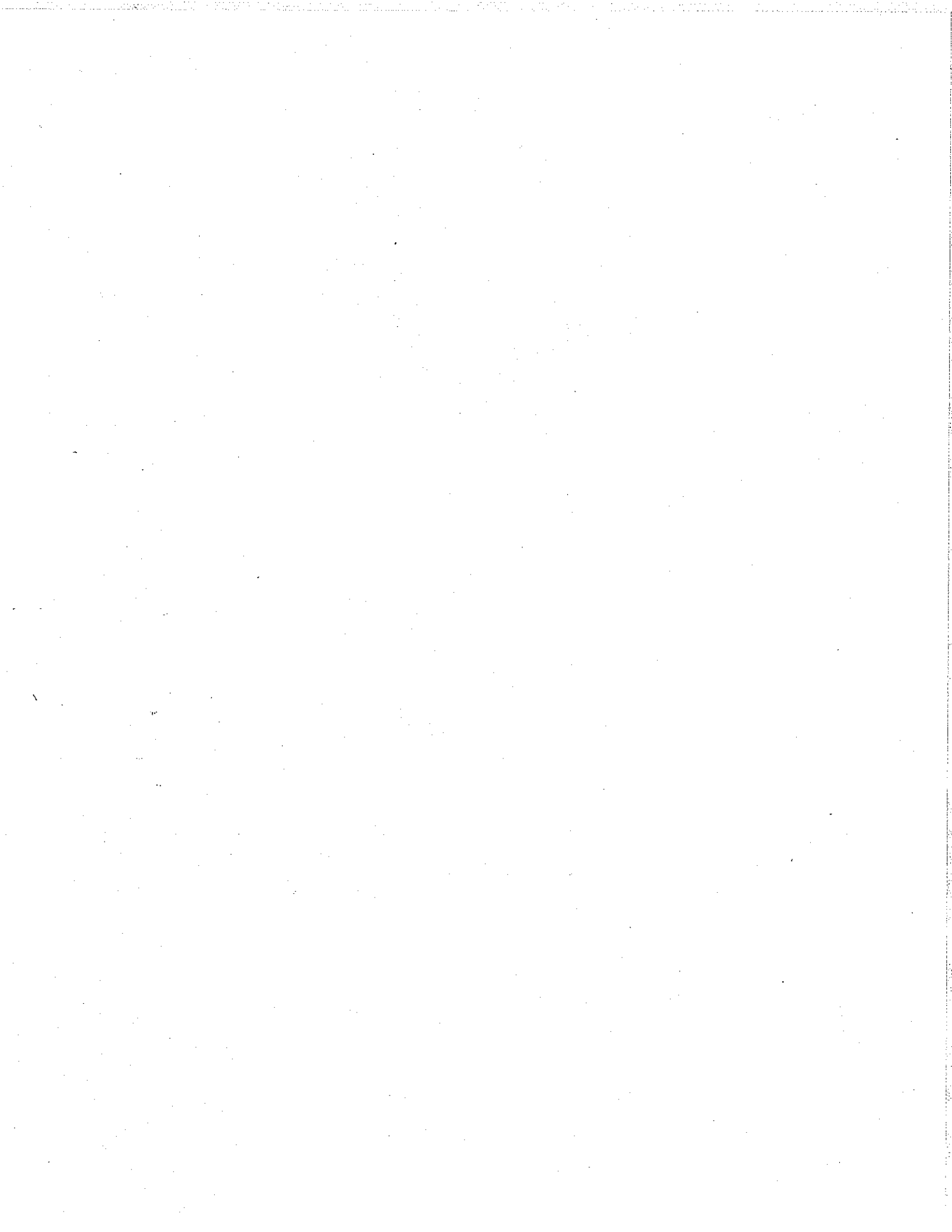
- Existing Lot Line
- ▨ Irrigation Areas to be Maintained by Association

Existing Lot Number

MORSE CONSULTING GROUP
 PLANNING • ENGINEERING • LANDSCAPE ARCHITECTURE
 4000 MORSE INDUSTRIAL SUITE 200
 11000 UNIVERSITY
 HOUSTON, TEXAS 77036

Showing Irrigation Areas Maintained by Association Within Tract No. 22266 & 22267

EXHIBIT 'D'



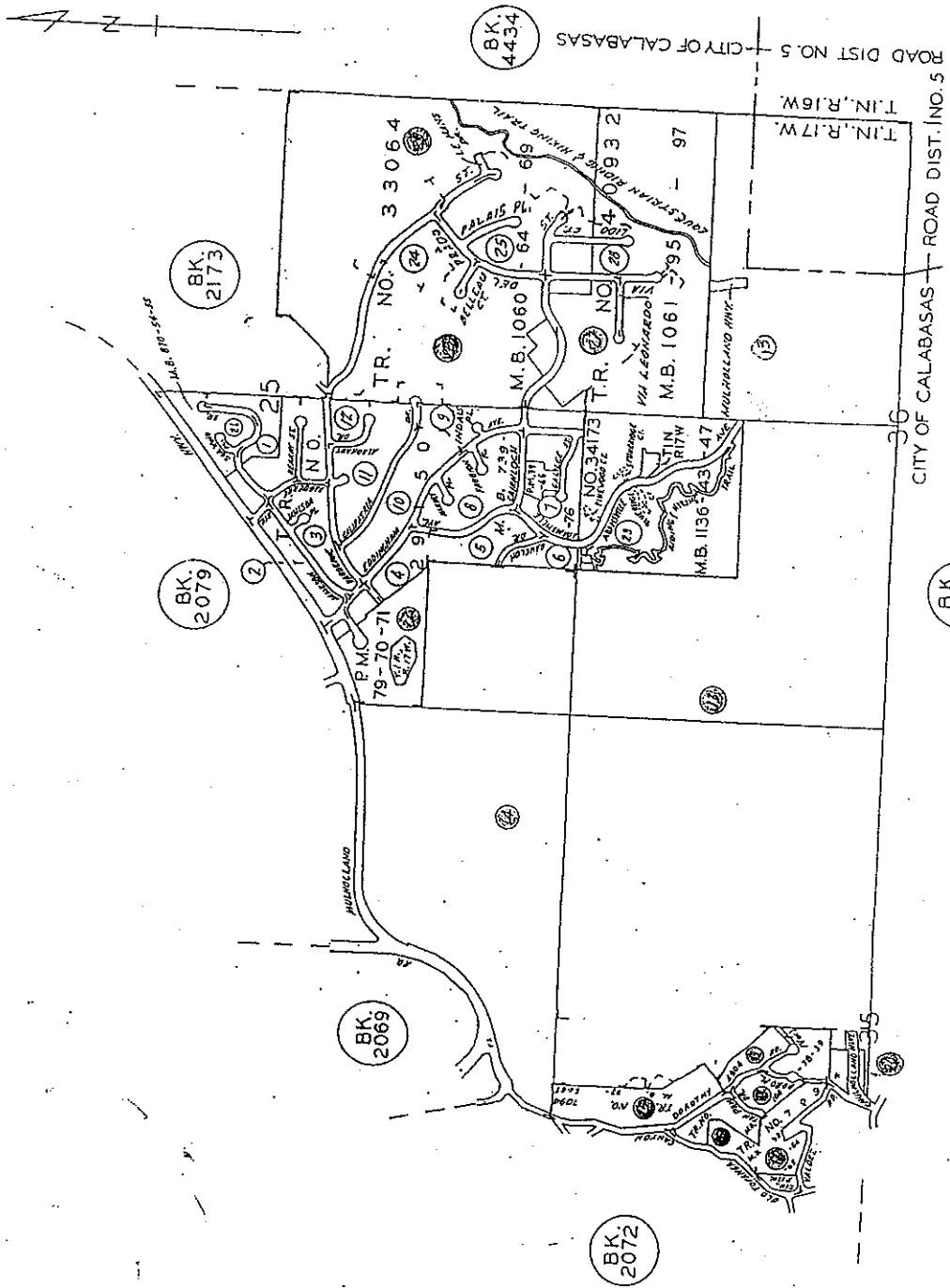
1992

MINDYEN

019

SCALE = 1000'

72,003
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 71,055
 70,581
 69,107
 68,633
 910607-639



INDEX
 BOOK 2080

BK.
 4436

BK.
 2072

BK.
 2069

BK.
 2079

BK.
 4434

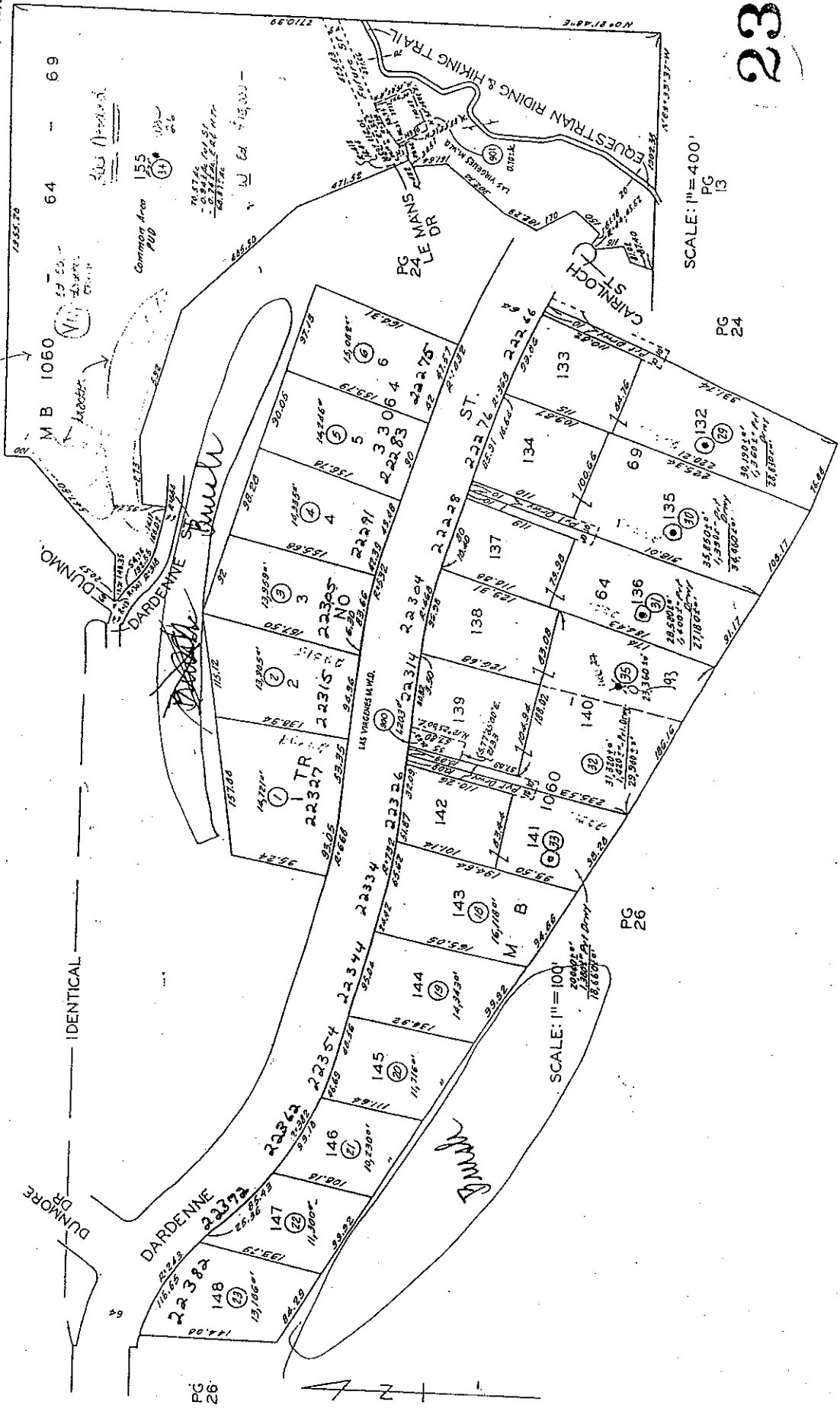
1992

10
Mulliken Lyda L&B
Real Morgan & Assoc.
Dwain Alendy
(818) 508-8608

REVISIONS
86022451-8
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860317201-86
8809120501-89
9003170302001-92
9/22/91

BK 2173
910223.0

BK 443



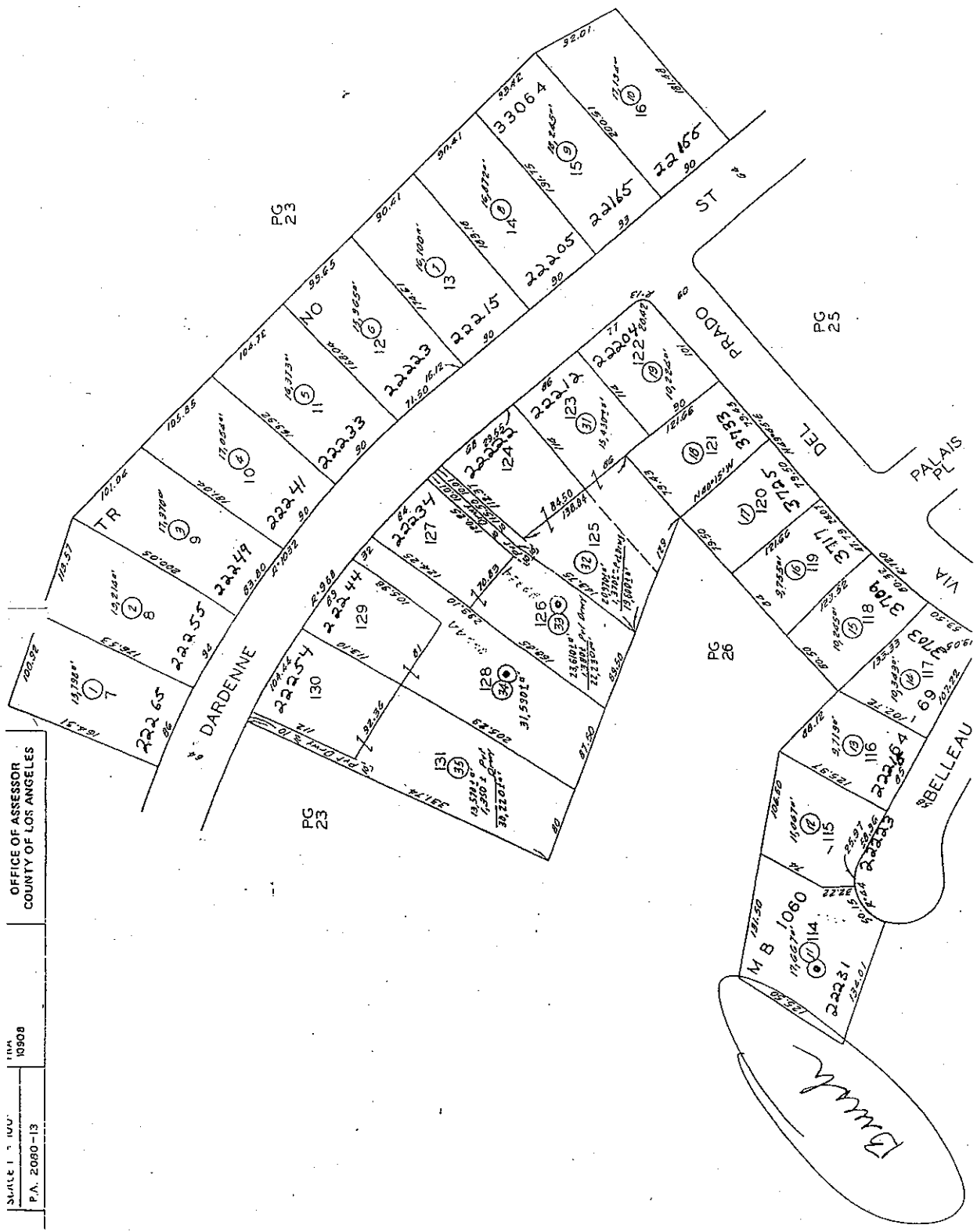
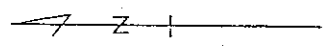
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SCALE: 1"=400'
PG 13

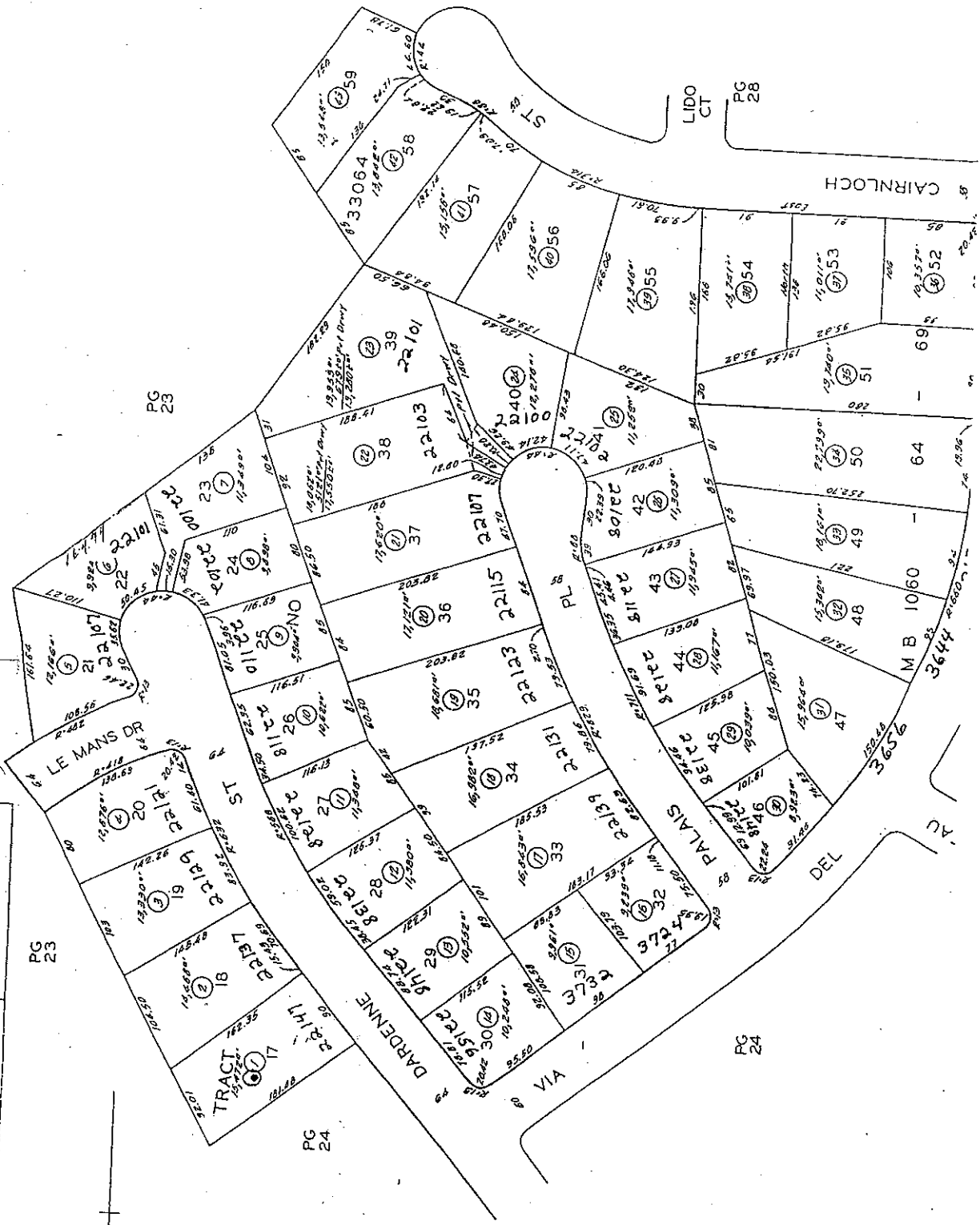
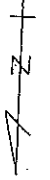
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IDENTICAL

DT
AC0224
880126-1
8804720500
910567
Blanca, R



960221517
560229-76
516687
6/2/91/2



25

2080
1992

MAPS L.I. - 100 & 400
P.A. 2080-13
OFFICE OF ASSESSOR
COUNTY OF LOS ANGELES

BK
ZITZ
DUNSFORD

8602245
860216.86
860197
910607
8/22/91



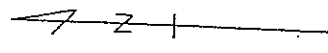
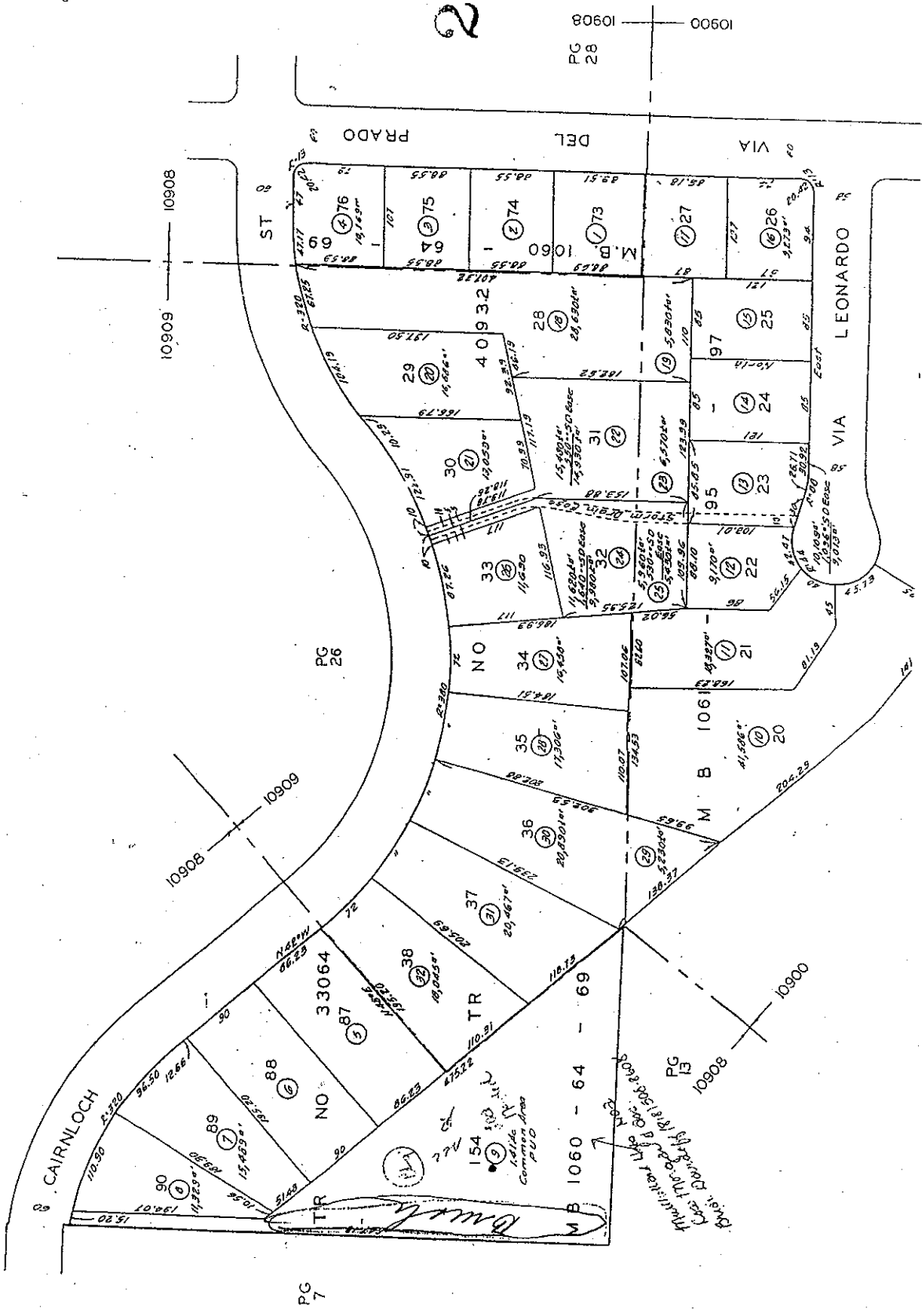
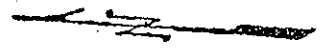
26

OFFICE OF ASSESSOR
COUNTY OF LOS ANGELES

P.A. 2080-13
10900
10908
10909

040262501
060226-45
090107-65
910660
0/2/19/12

27



MULHOLLAND HEIGHTS

