

RECORDING
REQUESTED BY

05-30225
CALIFORNIA LAND TITLE CO.

BOOK 9769 PAGE 983

Recording requested by, and
when recorded mail to:
BASKIN DEVELOPMENT CORPORATION
c/o Weinstock Companies
12301 Wilshire Boulevard
Los Angeles, Ca. 90025

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RECORDED IN OFFICIAL RECORDS
SEP 12 1979 AT 8:30 A.M.
SAN BERNARDINO COUNTY, CALIF.

DECLARATION OF
COVENANTS, CONDITIONS AND RESTRICTIONS
ESTABLISHING A
PLANNED DEVELOPMENT

THIS DECLARATION is made as of the date set forth
below by Declarant (as defined hereinbelow).

W I T N E S S E T H:

WHEREAS, Declarant is the owner of certain real property
(the "Property") located in unincorporated area , County
of San Bernardino (hereinafter referred to as "said County");
State of California, and more particularly described in Exhibit
"A" attached hereto and incorporated herein by this reference;

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

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

WHEREAS, Declarant has deemed it desirable for the

643

efficient preservation of the value, desirability and attractiveness of the Property and Additions to create a corporation to which should be delegated and assigned the powers of administering and enforcing these covenants, conditions and restrictions;

WHEREAS, the Association (as defined hereinbelow), a nonprofit corporation, has been incorporated under the laws of the State of California for the purpose of exercising the powers and functions as aforesaid; and

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

NOW, THEREFORE, Declarant hereby certifies, agrees and declares that it has established, and does hereby establish, a General Plan for the protection, maintenance, improvement, development, use, occupancy and enjoyment of the Property and Additions and has fixed, and does hereby fix, the covenants, conditions, restrictions, easements, reservations, liens and charges upon and subject to which all of the Property and Additions and each portion thereof shall be held, used, leased, sold and conveyed, and each and all of which is and are declared hereby to be for the benefit of all the Property and Additions and each portion thereof and each present and each future Owner (as hereinbelow defined) thereof and Declarant. These covenants, conditions, restrictions, easements, reservations, liens and charges shall run with the Property and Additions and shall be binding upon all parties having or acquiring any right, title or interest in the Property or Additions or any portion thereof

643

and shall inure to the benefit of and bind each owner thereof and his respective successors in interest, and are imposed upon the Property and Additions in favor of the Property and Additions and each and every portion thereof as a servitude in favor of the Property and Additions and each and every portion thereof as the dominant tenement or tenements, all as follows to wit:

ARTICLE I

Definitions

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

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

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

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

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

(d) "Reconstruction Assessment" shall mean a charge against each Owner and his Lot representing a portion

643

of the cost to the Association for the reconstruction of all or any portion or portions of the Common Area as provided for in this Declaration.

Section 3. "Association" shall mean and refer to TANGLEWOOD TRAILS HOMEOWNERS ASSOCIATION, a nonprofit corporation, incorporated under the laws of the State of California, its successors and assigns.

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

Section 5. "Board" shall mean and refer to the Board of Directors of the Association.

Section 6. "Common Area" shall mean and refer to any property and interests therein, and all facilities and improvements thereon, if any, owned or leased by the Association, or in which the Association has a possessory interest, for the common use and enjoyment of the Owners within the Development. The Common Area to be owned by the Association at the time of conveyance of the first Lot is more specifically described in Exhibit "B" attached hereto and incorporated herein by this reference.

Section 7. "Common Expenses" shall mean and refer to the actual and estimated costs of: maintenance, management, operation, repair and replacement of the Common Area (unless the cost of such repair and replacement is otherwise provided for in Article XIII hereof entitled "Destruction of Improvements"); unpaid Assessments; management and administration of the Association, including but not limited to compensation paid to man-

643

agers, accountants, attorneys and other employees; utilities, irrigation, trash pickup and disposal, gardening and other services benefiting the Common Area; fire, casualty, liability, workmer's compensation and other insurance covering the Common Area; reasonable reserves as appropriate; bonding of the members of the management body; taxes paid by the Association; amounts paid by the Association for the discharge of any lien or encumbrance levied against the Common Area or any portion thereof; amounts paid or incurred by the Association in collecting Assessments pursuant to Article V and Article VI hereof, including amounts expended to purchase a Lot in connection with the foreclosure of a lien against such Lot; other expenses incurred by the Association for any reason whatsoever in connection with the Common Area, this Declaration, the Articles or By-Laws or in furtherance of the purposes of the Association or in the discharge of any obligations imposed on the Association or the Board by this Declaration.

Section 8. "Declarant shall mean and refer to BASKIN DEVELOPMENT CORPORATION, a California corporation, (in this Section referred to as the "Original Declarant") and such of the Original Declarant's successors as shall be designated a "Declarant" in a recorded written instrument executed by the Original Declarant pursuant to an assignment made in accordance with Article XV, Section 14 hereinbelow.

Section 9. "Declaration" shall mean and refer to this Declaration of Covenants, Conditions and Restrictions,

643

as the same may be amended, supplemented, changed or modified from time to time.

Section 10. "Development" shall mean and refer to the Property together with such additions thereto as may become subject to this Declaration or any Supplementary Declaration of Covenants, Conditions and Restrictions pursuant to the provisions of Article II hereof.

Section 11. "Deed of Trust" when referred to in this Declaration shall be deemed to include a mortgage, and vice versa; "beneficiary" shall be deemed to include the mortgagee of the mortgage, and vice versa; and "trustor" shall be deemed to include the mortgagor of the mortgage, and vice versa.

Section 12. "Family" shall mean and refer to one or more persons related to each other by blood, marriage or legal adoption, or a group of not more than three (3) persons not so related, together with his or their domestic servants, maintaining a common household on a Lot.

Section 13. "Lot" shall mean and refer to any numbered or lettered plot of land shown upon any recorded subdivision map or parcel map of the Development or any portion thereof excepting therefrom the Common Area as herein defined.

Section 14. "Member" shall mean and refer to every person or entity who holds membership in the Association as provided in Article III, Section 1 hereinbelow.

643

Section 15. "Owner" shall mean and refer to one or more persons or entities who are collectively the record owner of a Lot, including Declarant, or the record vendee of a Lot under an installment sales contract respecting a Lot, but shall not mean or refer to those having such interest merely as security for the performance of an obligation.

Section 16. "Phase of Development" shall mean and refer to all real property and improvements thereon made subject to this Declaration by the recording of a Supplementary Declaration of Covenants, Conditions and Restrictions pursuant to Article II hereof, excepting that the First Phase of Development shall mean and refer to the Property.

ARTICLE II

Property Subject to this Declaration

And Additions Thereto

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

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

(a) Additions by Declarant. If Declarant shall develop, or cause to be developed, additional real property within

643

the area described in Exhibit "C" attached hereto and incorporated herein by this reference, Declarant shall have the right from time to time to annex such additional real property or any portion or portions thereof, including improved and/or unimproved Common Area, to the Development and to bring such real property within the general plan and scheme of this Declaration without the approval of the Association, the Board or the Members; provided that said right of Declarant shall terminate three (3) years after the date of original issuance by the California Department of Real Estate of the then latest Final Subdivision Public Report covering a Phase of Development; provided, further, that such right of Declarant may only be exercised if the real property to be annexed is to be developed in accordance with a broad overall general development plan and any amendments or supplements thereto previously described in connection with an application for a Subdivision Public Report for all or a portion of the Development filed with the California Department of Real Estate. Issuance by the California Department of Real Estate of a Final Subdivision Public Report covering the annexed property shall operate as a conclusive presumption that these requirements have been met.

(b) Other Additions. In addition to the provision for annexation specified in Section 2(a) hereinabove, additional real property may be annexed to the Development and brought within the general plan and scheme of this Declaration upon the approval by vote or written consent of a group of Members entitled to exercise not less than sixty-six and two-thirds percent (66-2/3%) of the total voting power, which group of Members shall, in any event, include a subgroup of Members (excluding Declarant) entitled

to exercise not less than sixty-six and two-thirds percent (66-2/3%) of the total voting power (excluding all voting power held by Declarant); provided, however, if approval of such annexation is sought at any time when two classes of membership are still in effect, then, and in that event, such annexation shall instead require the vote or written consent of Members entitled to exercise not less than sixty-six and two-thirds (66-2/3%) of the voting power of each class of membership. Upon obtaining the requisite approval pursuant to this Section 2(b), the owner of any real property who desires to annex it to the Development and add it to the general plan and scheme of this Declaration and subject it to the jurisdiction of the Association shall file or record a Supplementary Declaration of Covenants, Conditions and Restrictions, as more particularly described in Section 2(d) hereinbelow.

(c) Conveyances of Common Area. Prior to the conveyance of any improved Lot within the annexed real property to the purchaser thereof, fee simple or other fee or leasehold title to, or an easement or license in, the Common Area within said annexed real property, if any, shall be conveyed to the Association, free and clear of any and all encumbrances and liens, except current real property taxes, which taxes shall be prorated to the date of transfer, and reservations, exceptions, easements, covenants, conditions and restrictions then of record, including those set forth in this Declaration.

(d) Supplementary Declaration. The additions authorized under Sections 2(a) and 2(b) of this Article II shall be made by filing of record a Supplementary Declaration of Covenants, Conditions and Restrictions. or other similar instrument,

with respect to the annexed real property which shall be executed by the owner thereof and shall extend the general plan and scheme of this Declaration to such real property. The filing of record of said Supplementary Declaration shall constitute and effectuate the annexation of the annexed real property described therein, and thereupon said real property shall become and constitute a part of the Development and become encompassed within the general plan and scheme of the covenants, conditions and restrictions contained herein, and become subject to the functions, powers and jurisdiction of the Association, and the Owners of Lots in the annexed real property shall automatically become Members of the Association; provided, however, that (i) any such Supplementary Declaration may be amended or revoked by the record owner or owners of the real property covered thereby prior to the closing of the sale of the first Lot therein, and (ii) assessments and voting rights shall not commence as to the Lots within the real property covered thereby until the first day of the month following the closing of the sale of the first Lot therein. Such Supplementary Declaration may contain such additions and modifications of the covenants, conditions and restrictions contained in this Declaration as may be necessary to reflect the different character, if any, of the annexed real property, or as the owner thereof may deem appropriate in connection with the development of such real property, and as are not inconsistent with the general plan and scheme of this Declaration. In no event, however, shall such Supplementary Declaration revoke, modify or add to the covenants, conditions and restrictions established by this Declaration as the same pertain to First Phase of Development or any other previously annexed Phase of Development.

643

(e) No Obligation to Annex. Notwithstanding any provisions of this Declaration expressly or impliedly to the contrary, neither Declarant nor any other person or entity shall have any obligation whatsoever to annex any real property hereto including, without limitation, the real property described in Exhibit "C."

ARTICLE III

Membership and Voting

Rights in the Association

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

Section 2. Transfer. The membership held by any Owner of a Lot shall not be transferred, pledged or alienated in any way, except upon the sale of such Lot and then only to the purchaser thereof. Any attempt to make a prohibited transfer is void and will not be reflected upon the books or records of the Association. In the event any Owner shall fail or refuse to transfer the membership registered in his name to the purchaser of his Lot, the Association shall have the right to record the transfer upon the books of the Association.

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

(a) Class A. Class A Members shall be all those

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

(b) Class B. The Class B Member shall be the Declarant. The Class B Member shall be entitled to three (3) votes for each Lot in which it holds the interest required for membership by Section 1 (except in the limited case of cumulative voting as described in the By-Laws); provided that the Class B membership shall cease and become converted into Class A membership on the happening of any of the following events, whichever occurs earlier:

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

(ii) On the second anniversary of the original issuance by the California Department of Real Estate of the then latest Final Subdivision Public Report covering a Phase of Development; or

(iii) On the fourth anniversary of the original issuance by the California Department of Real Estate of the Final Subdivision Public Report for the First Phase of Development.

643

From and after the happening of any of these events, whichever occurs earlier, the Class B Member shall be deemed to be a Class A Member entitled to one (1) vote for each Lot in which it holds the interest required for membership by Section 1 (except in the limited case of cumulative voting as described in the By-Laws).

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

ARTICLE IV

Property Rights in the Common Area

Section 1. Members' Easements of Enjoyment in the Common Area. Subject to the provisions of Section 2 hereinbelow, every Member shall have a right and easement of use and enjoyment in and to the Common Area and such easement shall be appurtenant to and shall pass with the title to every Lot subject to assessment.

Section 2. Extent of Members' Easements in the Common Area. The rights and easements of use and enjoyment created hereby in the Common Area shall be subject to the following:

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

(b) The right of the Association to take such steps as are reasonably necessary to protect the Common Area

643

against foreclosure; and

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

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

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

643

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

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

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

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

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

Section 3. Delegation of Use. Subject to the limitations of Section 2 of this Article IV, any Member may delegate, in accordance with the By-Laws, his right of use and enjoyment to the Common Area and facilities to the members of his Family and tenants who reside on his Lot.

ARTICLE V

Covenants for Assessments

Section 1. Creation of the Lien and Personal Obligation for Assessments. Declarant for each Lot owned within

643

the Development hereby covenants, and each Owner of any Lot within the Development by acceptance of a deed or other conveyance therefor, whether or not it shall be so expressed in any such deed or other conveyance, is and shall be deemed to covenant and agree to pay to the Association: (a) Regular Assessments, (b) Special Assessments, (c) Capital Improvement Assessments, and (d) Reconstruction Assessments, such Assessments to be fixed, established, and collected from time to time as hereinbelow provided. The Assessments, together with such interest thereon and costs of collection thereof as provided hereinbelow in Section 1 of Article VI, shall be a charge on the land and shall become a lien upon the Lot against which each such Assessment is made in accordance with the procedures set forth in Article VI hereinbelow. Each such Assessment, together with such interest and costs, shall also be the personal obligation of the person or entity who was the Owner of such Lot at the time when the Assessment, or any portion thereof, fell due and shall bind his heirs, devisees, personal representatives, successors and assigns. However, the personal obligation shall not pass to his successors in title unless expressly assumed by them.

643

Section 2. Purpose of Assessments. The Regular Assessments levied by the Association, together with any contribution, if any, paid to the Association by an Owner in connection with the acquisition of his Lot, or otherwise, shall be collected, accumulated and used exclusively for the purpose of providing for and promoting the pleasure, recreation, health, safety and social welfare of the Members, including the enhancement of the value, desirability and attractiveness of the Development, the improvement and maintenance of the Common Area and facilities

thereon, and the discharge of any obligations or duties imposed on the Association or the Board by this Declaration, the Articles and By-Laws and any rules promulgated pursuant thereto. Special, Capital Improvement and Reconstruction Assessments shall be used exclusively for the purposes for which such Assessments were levied as provided for in this Declaration.

Section 3. Regular Assessments.

(a) Amount and Time of Payment. Regular Assessments shall be levied on a calendar or fiscal year basis ("Assessment Period") as determined by the Board and the amount and time of payment of Regular Assessments shall be determined by the Board after giving due consideration to the Common Expenses of the Association. In the event the amount budgeted to meet Common Expenses for an Assessment Period proves to be excessive in light of the actual Common Expenses, the Board in its discretion may, by resolution, reduce the amount of the Regular Assessments; provided, however, so long as Declarant owns twenty-five percent (25%) or more of the Lots within the Development, any such reduction shall be first approved by the California Department of Real Estate.

(b) Date of Commencement of Regular Assessments. The Regular Assessments provided for herein shall commence as to all Lots in the First Phase of Development on the first day of the month following the conveyance of the first Lot therein to an Owner to whom none of Declarant's rights or duties have not been assigned as provided in Article XV, Section 14 hereof. The Regular Assessments for any Lots annexed hereafter, if any, pursuant to Article II hereof shall commence as provided in said Article II.

(c) Assessment Procedures. At least ninety (90) days in advance of each Assessment Period, the Board shall estimate the total Common Expenses to be incurred by the Association for such forthcoming Assessment Period and shall at that time determine and fix the amount of the Regular Assessment against each Lot subject thereto for such Assessment Period. Written notice of the Regular Assessment shall be sent to every Owner subject thereto at least sixty (60) days in advance of each Assessment Period. In the event the Board shall determine at any time that the Regular Assessment levied for a current Assessment Period is, or will become, inadequate to meet all Common Expenses for any reason, it shall immediately determine the approximate amount of such inadequacy, issue a supplemental estimate of the total Common Expenses and revise and fix the amount of Regular Assessment against each Lot. The foregoing notwithstanding, at no time shall the Board (a) increase the Regular Assessment levied during a current Assessment Period by more than twenty percent (20%) or (b) fix the Regular Assessment for a forthcoming Assessment Period in an amount in excess of one hundred twenty percent (120%) of the Regular Assessment levied for the immediately preceding Assessment Period without the approval of Members.

Section 4. Capital Improvements Assessments. In addition to Regular Assessments, the Association may levy for any Assessment Period Capital Improvement Assessments applicable to that Assessment Period only for the purpose of defraying, in whole or in part, the cost of any construction or reconstruction, unexpected repair or replacement of a described capital improvement upon the Common Area, to the extent the same is not covered by the provisions for Reconstruction Assessments herein;

provided that any such Capital Improvement Assessment in excess of five percent (5%) of the budgeted Common Expenses for the current Assessment Period in which such Capital Improvement Assessment is to be levied shall require approval by vote or written consent of a group of Members holding a majority of the total voting power, which group of Members shall, in any event, include a subgroup of Members (excluding Declarant) holding not less than a majority of the total voting power (excluding all voting power held by Declarant); excepting, however, that if the Association seeks to levy a Capital Improvement Assessment in excess of the abovedescribed limitation at any time when there are two classes of Members still in effect, then, and in that event, such Capital Improvement Assessment shall instead require approval by vote or written consent of Members holding not less than a majority of the Class A voting power and Members holding not less than a majority of the Class B voting power. Capital Improvement Assessments shall be due and payable at the time and in the amounts fixed by the Board.

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

Section 6. Certificate of Payment. Upon demand, the Association shall furnish to any Owner liable for Assessments

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

Section 7. Assessment of Lots Owned by Declarant.

Without exception, each Lot owned by Declarant shall be subject to assessment to the same extent and in the same manner as any other Lot owned by any Owner within the same Phase of Development.

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

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

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

Section 11. Offsets. All Assessments shall be payable in the amount specified in the Assessment levied by the Association or Declarant and no offsets against such amount shall be

643

permitted for any reason, including, without limitation, a claim that the Association is not properly exercising its duties of maintenance or enforcement.

ARTICLE VI

Non-Payment of Assessments

Section 1. Delinquency and Remedies of Association.

If any Assessment or any portion thereof is not paid on the date when due, then such Assessment or portion thereof shall become delinquent and shall, together with interest and costs of collection as provided hereinbelow, be and become a lien on the Lot against which such Assessment was made upon the recording of a Notice of Delinquent Assessment as provided in Section 2 hereinbelow. If the Assessment or any portion thereof is not paid within thirty (30) days after the delinquency date, a late charge of Five Dollars (\$5.00) or six percent (6%) of the delinquency, whichever is greater, may be levied by the Board and the Assessment shall bear interest from the date of delinquency at the then maximum legal rate, and, in addition to all other legal and equitable rights or remedies, the Association may, at its option, bring an action at law against the Owner personally obligated to pay the same and/or upon compliance with the notice provisions set forth in Section 2 hereinbelow, foreclose the lien against the Lot, and there shall be added to the amount of such Assessment, or any portion thereof, and interest thereon, the late charge and all costs and expenses, including reasonable attorneys' fees, incurred by the Association in collecting the delinquent Assessment. Each Owner vests in the Board or its authorized representative, acting on behalf of the Association, the right and power to bring all actions at law or lien foreclo-

643

suers in the name of and on behalf of the Association against such Owner for purposes of collecting delinquent Assessments. In lieu of judicially foreclosing the lien, the Association, at its option, may foreclose such lien by proceeding under a power of sale as provided hereinbelow in Section 3, such a power of sale being given to the Association as to each and every Lot for the purpose of collecting delinquent Assessments.

Section 2. Creation of Lien. If any Assessment or any portion thereof becomes delinquent, such amounts as may be delinquent, together with interest, costs of collection and the late charge, all as described in Section 1 hereinabove, shall be and become a lien on the Lot against which such Assessment was made upon the recordation in the office of the County Recorder of said County of a Notice of Delinquent Assessment pursuant to Section 11003.3 of the California Business and Professions Code or any successor statutory section. The Notice of Delinquent Assessment shall not be recorded unless and until the Board or its authorized representative has delivered to the delinquent Owner of such Lot, not less than fifteen (15) days prior to the recordation of said Notice of Delinquent Assessment, a written notice of default and a demand for payment, and such delinquency has not been cured within fifteen (15) days after delivery thereof. Said lien shall expire and be null and void unless, not less than ten (10) days nor more than (1) year after recordation of said Notice of Delinquent Assessment, the Board or its authorized representative records a Notice of Default as hereinafter provided or institutes a judicial foreclosure proceeding.

643

Section 3. Notice of Default; Foreclosure. Not less than ten (10) days nor more than one (1) year after the record-

ing of said Notice of Delinquent Assessment, the Board or its authorized representative may record a Notice of Default and thereafter may cause such Lot to be sold in the same manner as a sale is conducted as provided by Sections 2924 et seq. of the California Civil Code, or through judicial foreclosure; provided, however, that in connection with any sale pursuant thereto the Board is hereby authorized to appoint its attorney, any officer or director, or any title insurance company authorized to do business in California, as trustee for purposes of conducting such sale. The Association shall have the power to purchase the Lot at foreclosure sale and to hold, lease, mortgage and convey the same.

Section 4. Curing of Default. If any such delinquency is cured prior to sale, or prior to completing a foreclosure, the Board or its authorized representative shall cause to be recorded in the office of the County Recorder of said County a certificate setting forth the satisfaction of such claim and release of such lien upon payment of actual expenses incurred, including reasonable attorneys fees, by such delinquent Owner.

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

Section 6. Subordination of the Lien to Deeds of Trust. The lien of the Assessments provided for herein shall be subordinate to the lien of any deed of trust now or hereafter placed upon any Lot or Lots within the Development subject to Assessment; provided, however, that such subordination shall

643

apply only to the Assessments which have become due and payable prior to a sale or transfer of such Lot pursuant to a decree of foreclosure respecting such deed of trust or sale under a power of sale included in any such deed of trust. Such sale or transfer shall not relieve such Lot from liability for any Assessments thereafter becoming due, or from the lien of any such subsequent Assessments. Nothing in this section shall be construed to release any Owner from his personal obligation to pay for any Assessment which Assessment was levied pursuant to this Declaration during the period of ownership of his Lot.

ARTICLE VII

Architectural and Landscaping Control

Section 1. Architectural Approval. No building, fence, wall, sign or other structure, or exterior addition to or change or alteration thereof (including painting) or landscaping shall be commenced, constructed, erected, placed, altered, maintained or permitted to remain on the Development, or any portion thereof, until plans and specifications shall have been submitted to and approved in writing by an architectural committee, initially to be appointed by Declarant ("Architectural Committee"). The Architectural Committee shall consist of three (3) persons. Said plans and specifications shall include, where appropriate, the following: (a) plot plans, showing the location of all structures and showing grade elevations and drainage (b) building plans, including floor, foundation and roof plans, with all materials therefor; (c) exterior elevations and surfaces, and

643

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

643

Committee reasonably believes impedes the view of any Lot.

Section 2. Exclusive Appointment Period. During the period of time ending on the first anniversary of the date of original issuance by the California Department of Real Estate of a Final Subdivision Public Report covering the Property exclusive of any Additions thereto made pursuant to Article II hereof (the "Exclusive Appointment Period"), Declarant shall have the exclusive right to appoint members to, remove members and their successors from, and fill vacancies on, the Architectural Committee. In furtherance thereof, Declarant hereby appoints the following persons to the Architectural Committee during the Exclusive Appointment Period:

ROBERT C. BASKIN

BRIAN WEINSTOCK

PHILIP R. GUSTLIN

Section 3. Non-Exclusive Appointment Period. Upon expiration of the Exclusive Appointment Period, and during the period ending upon the happening of whichever of the following is first in time (the "Non-Exclusive Period"):

(a) when sales of ninety percent (90%) of the Lots within the Development and the real property described in Exhibit "C" have been closed; or

(b) on the fifth anniversary of the date of original issuance by the California Department of Real Estate of a Final Subdivision Public Report covering the Property exclusive of any Additions thereto made pursuant to Article II hereof; or

(c) upon recordation by Declarant with the office of the County Recorder of said County of an instrument relinquishing its rights of appointment during the Non-Exclusive Appointment Period,

643

Declarant shall have the right to appoint two (2) members to, remove said two (2) members and their successors from, and fill vacancies created by said two (2) members and their successors on, the Architectural Committee. In furtherance thereof, Declarant hereby appoints the following persons to the Architectural Committee during the Non-Exclusive Appointment Period:

ROBERT C. BASKIN

BRIAN WEINSTOCK

The third member of the Architectural Committee who shall serve during the Non-Exclusive Appointment Period shall be appointed by the Board.

Section 4. Expiration of Non-Exclusive Appointment Period. Upon expiration of the Non-Exclusive Appointment Period, the Board shall appoint all three (3) members of the Architectural Committee.

Section 5. Membership. Persons appointed to the Architectural Committee by Declarant need not be Members or possess any other particular qualifications, and persons appointed to the Architectural Committee by the Board must be Members.

Section 6. Appointment and Resignation. No appointment to or resignation from the Architectural Committee shall become effective until an instrument evidencing same has been recorded with the office of the County Recorder of said County; provided, however, the third above named appointee of Declarant during the Exclusive Appointment, or his successor appointed by Declarant, shall automatically cease to be a member of the Architectural Committee upon expiration of the Exclusive Appointment Period; and provided, further, all appointees of Declarant during the Non-Exclusive Appointment Period shall automatically

643

cease to be members of the Architectural Committee upon expiration of the Non-Exclusive Appointment Period.

Section 7. Failure to Approve or Disapprove Plans and Specifications. In the event the Architectural Committee, or its representatives designated in accordance with Section 12 hereinbelow, fails to either approve or disapprove plans and specifications within thirty (30) days after the same have been submitted to it, it shall be conclusively presumed that the Architectural Committee has approved such plans and specifications. All improvement work approved by the Architectural Committee shall be diligently completed and constructed in accordance with the approved plans and specifications.

Section 8. No Liability. Neither Declarant, the Association, the Board, the Architectural Committee nor the members or designated representatives thereof shall be liable in damages to anyone submitting plans or specifications to them for approval, or to any Owner of property in the Development affected by this Declaration by reason of mistake in judgment, negligence, or nonfeasance arising out of or in connection with the approval or disapproval or failure to approve or disapprove any such plans or specifications or for any defect in any structure constructed from such plans and specifications. Such plans and specifications are not approved for engineering design. Every person who submits plans or specifications to the Architectural Committee for approval agrees, by submission of such plans and specifications, and every Owner within the Development agrees, that he will not bring any action or suit against Declarant, the Association, the Architectural Committee or any of the members or designated representatives thereof to recover any such damages.

643

Section 9. Notice of Noncompliance or Noncompletion.

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

Section 10. Rules and Regulations. The Architectural Committee, by the vote or written consent of a majority of the members thereof, may from time to time, in its sole discretion, adopt, amend and repeal reasonable rules and regulations interpreting and implementing the provisions hereof and establishing reasonable architectural standards for the Development.

Section 11. Variances. Where circumstances such as topography, location of property lines, location of trees, configuration of Lots, or other matters require, the Architectural Committee, by the vote or written consent of a majority of the members thereof, may allow reasonable variances as to any of the covenants, conditions or restrictions contained in this Declaration under the jurisdiction of such Committee, on such terms and conditions as it shall require; provided, however that all such variances shall be in keeping with the general plan for the improvement of the Development.

643

Section 12. Appointment and Designation. The Architectural Committee may from time to time, by a majority of the members thereof, delegate any of its rights or responsibilities hereunder to one or more duly licensed architects who shall have full authority to act on behalf of the Architectural Committee in all matters delegated.

Section 13. Review Fee and Address. All plans and specifications required by Section 1 hereof shall be submitted in writing for approval together with a reasonable processing fee not to exceed One Hundred Dollars (\$100.00). The address of the Architectural Committee is as follows: BASKIN DEVELOPMENT CORPORATION, c/o Weinstock Companies, 12301 Wilshire Boulevard, Suite 402, Los Angeles, California 90025, or such other place as may from time to time be designated by the Architectural Committee by a written instrument recorded in the office of the County Recorder of said County; and the last instrument so recorded shall be deemed the Architectural Committee's proper address. Such address shall be the place for the submittal of plans and specifications and the place where the current rules and regulations, if any, of the Architectural Committee shall be kept.

Section 14. Inspection. Any member or agent of the Architectural Committee may from time to time at any reasonable hour or hours and upon reasonable notice enter and inspect any property subject to the jurisdiction of said Architectural Committee as to its improvement or maintenance in compliance with the provisions hereof, and no person gaining entry pursuant hereto shall be deemed guilty of trespass by reason thereof.

643

ARTICLE VIII

General Restrictions

Section 1. Except as provided in Section 10 of Article XV hereof, no building, structure or improvement shall be constructed, erected, altered, placed or permitted to remain on any Lot within the Development other than a residential structure and related improvements designed for occupation by not more than one Family.

Section 2. Neither the Development nor any portion thereof, shall be used for any purpose tending to injure the reputation thereof, or to disturb the neighborhood or occupants of adjoining property, or to constitute a nuisance, or in violation of any public law, ordinance, or regulation in anywise applicable thereto. Nothing herein, however, shall be construed as preventing the use and maintenance of alarm systems of all kinds.

Section 3. None of the Lots shall be used or caused to be used or allowed or authorized in any way, directly or indirectly, for any business, commercial, manufacturing, mercantile, storing, vending or other such nonresidential purposes. Nothing herein, however, shall be construed as preventing the use and maintenance of vending machines within the Common Area if same are approved by the Board.

Section 4. Subject to the provisions of Section 2 of Article IV, the Common Area shall be used for recreational, social, private streets and other purposes authorized under this Declaration.

Section 5. No projections of any type shall be placed or permitted to remain above the roof of any building with the exception of one or more chimneys and one or more vent stacks. No outside television or radio pole or antenna shall be constructed, erected or maintained on any building or on any

643

property within the Development or connected in such manner as to be visible from the outside of any such building unless and until the same shall have been approved by the Architectural Committee.

Section 6. No shed, tent or temporary building shall be erected, maintained or used on any property within the Development; provided, however, that temporary buildings and trailers for use and used only for purposes incidental to the initial construction and incidental to initial sales within the Development may be erected, maintained and used and provided, further, that said temporary buildings shall be promptly removed upon the completion of all such construction work and the closing of all such sales.

Section 7. Garage doors shall be closed except when entering or exiting a garage or cleaning a garage. Garages shall be used only for purposes of parking automobiles, bicycles and other motorized vehicles, storing an Owner's household goods and such other purposes as may be permitted by the Board. No open carport, if any, shall be used for the storage of any item other than an automobile.

Section 8. Except as provided in Section 6 hereinabove, no mobile home, boat, truck, trailer or recreational vehicle of any kind shall be kept, stored, parked (other than temporarily), maintained, constructed or repaired, on any property within the Development in such a manner as to be visible from any neighboring property unless such activity is first approved by the Board; provided, however, that the provisions of this Section shall not apply to emergency vehicle repairs. Temporary parking shall mean parking of vehicles belonging to

643

guests of Owners, delivery trucks, service vehicles and other commercial vehicles being used in the furnishing of services to the Association or the Owners and parking of vehicles belonging to or being used by Owners for loading or unloading purposes.

Section 9. No animals, fowl, reptiles or poultry shall be kept within the Development, except that domestic dogs, cats, birds and fish may be kept as household pets upon said property provided that they are not kept, bred or raised thereon for commercial purposes or in unreasonable quantities. For purposes hereof, "unreasonable quantities" shall be construed as more than any of the following: two (2) dogs per Lot, two (2) cats per Lot, or one (1) dog and (1) cat per Lot. All animals permitted to be kept by this Section shall be kept on a leash within the Development when not within an enclosed area of a Lot. In any event, the Association shall have the right to prohibit maintenance of any animal within the Development which constitutes, in the sole and exclusive opinion of the board, a private nuisance to any other person. Each person bringing a pet upon or keeping a pet within the Development shall be absolutely liable to each and all persons for any injury or damage to persons or property caused by such pet.

Section 10. Except for a sign of customary and reasonable dimensions advertising a Lot for sale or for rent, such sign to be located on such Lot, no sign or other advertising device of any character shall be erected, maintained, or displayed upon any portion of the Development; provided, however, that Declarant, its agents and designees, may erect and maintain such signs and other advertising devices or structures as are deemed necessary or proper in connection with the development,

643

improvement, subdivision and sale of the Lots within the Development and within the real property described in Exhibit "C" hereof.

Section 11. No weeds, rubbish, debris, objects or materials of any kind shall be placed or permitted to accumulate upon any property within the Development which render such portion unsanitary, unsightly, offensive or detrimental to any property in the vicinity thereof or to the occupants of any such property in such vicinity. Trash, garbage, rubbish and other waste shall be kept only in sanitary containers. All service yards or service areas, clothesline areas, sanitary containers, and storage piles on any property within the Development shall be enclosed in such a manner that such yards, areas, containers and piles will not be visible from any neighboring property or street unless otherwise approved by the Architectural Committee. Sanitary containers may be set out for a reasonable period of time not in excess of twenty-four (24) hours before and after scheduled trash pick-up times.

Section 12. No plants or seeds infected with noxious insects or plant diseases shall be brought upon, grown or maintained upon any property within the Development.

Section 13. All buildings and other structures upon the Development and each portion thereof shall at all times be maintained in good condition and repair and well and properly painted by the Owner thereof in accordance with colors required by Article VII hereof. No windows shall be covered with aluminum foil or similar material, but shall be draped or covered in colors visible from the exterior compatible with the exterior colors of structures.

643

Section 14. No Owner shall place or permit to remain within the Common Area any structure, improvement planting or other material or item. Area drains, drainage facilities and systems and walls within a Lot shall be maintained by the Owner thereof at his sole cost and expense in a neat, orderly, safe and functional condition.

Section 15. All landscaping within a Lot of every kind and character, including shrubs, trees, grass and other plants, shall be neatly trimmed, properly cultivated and maintained continuously by the Owner thereof at his sole cost and expense. Any Lot acquired with a yard area which is partially or wholly unlandscaped at the time of acquisition must be fully landscaped by the Owner thereof at his sole cost and expense within one hundred twenty (120) days after initial occupancy or acquisition of title, whichever one hundred twenty (120) day period ends the earliest (unless said period is extended by the Architectural Committee).

Section 16. During reasonable hours and after reasonable notice, Declarant or any agent thereof, so long as Declarant is an Owner of any Lot, or any member of the Architectural Committee or the Board, or any agent thereof, shall have the right to enter upon and inspect the Development or any portion thereof and the improvements thereon for the purpose of ascertaining whether or not the provisions of this Declaration are being complied with, and no person gaining entry pursuant hereto shall be deemed guilty of trespass by reason thereof.

Section 17. Each Member shall be liable to the Association for any damage to the Common Area or to any of the equipment or improvements thereon which may be sustained by reason

of the negligence or willful misconduct of said Member or of his Family, relatives, guests or invitees, both minor and adult.

Section 18. No portion of the surface or subsurface to a depth of five hundred (500) feet below the surface of any property within the Development shall be used in any manner to explore for or to remove any water, oil or other hydrocarbons, minerals of any kind, gravel, earth or any earth substance or other mineral of any kind. No machinery or equipment of any kind shall be placed, operated or maintained upon any Lot, except such machinery or equipment as is usual and customary in connection with the use and maintenance of a private residence.

Section 19. No building, structure, improvement, addition or modification thereof shall be constructed, erected, altered, placed, or permitted to remain on any Lot within the Development without prior consent of the Architectural Committee.

Section 20. No transmitting devices other than garage door control devices, including amateur radio and citizens band transmitters, may be operated within the Development except with the consent of the Board.

Section 21. No Lot may be further divided or regraded unless and until the same shall have been approved by the Architectural Committee and the Board.

Section 22. Notwithstanding any provisions to the contrary appearing elsewhere in this Declaration, the Association shall be under no duty or obligation to perform any maintenance or repairs in, on or about any Lot, other than the Common Area, or any improvement thereon.

Section 23. None of the restrictions contained within this Article VIII shall limit or be deemed to limit the easements and rights of Declarant provided for in Section 2 of Article XI hereof and Sections 10 and 14 of Article XV hereinbelow.

ARTICLE IX

Duties and Powers of the Association

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

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

(b) Own, lease, control, maintain and manage, or cause to be managed by contracting with a management agent or otherwise, in a neat, safe, attractive, sanitary and orderly condition, the Common Area and all facilities, improvements and landscaping thereon and thereunder, including the reconstruction, repair or replacement thereof when necessary or appropriate, and all other real or personal property

643

acquired by the Association;

(c) Obtain and pay for the benefit of the Common Area all required water, gas, electric, snow removal and refuse services;

(d) Pay any real and personal property taxes and other charges assessed against the Common Area unless separately assessed to the Owners;

(e) Grant easements where necessary for all utilities, sewer facilities, cable television facilities, telephone facilities and other purposes over and under the Common Area as above described to serve the Development;

(f) Obtain and/or pay for the benefit of the Lots all trash pick-up service (if the Lots are not individually provided with same and/or billed therefor);

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

(h) Establish and maintain working capital and contingency funds and asset replacement accounts in amounts determined by the Board; and

(i) Maintain all private roads with the Development and make reasonable rules regulating parking thereon consistent with local ordinances.

Section 2. Additional Maintenance and Services.

(a) To the extent not covered by insurance carried by the Association or Owners, the costs of any maintenance or other services required to be performed by the Association which are caused by ordinary wear, tear, deterioration or the

643

negligent or willful misconduct of the Association or its agents, by earthquake, fire, acts of God, riot, civil insurrection, or by any other cause, except the negligence or willful misconduct of any Owner, shall be borne by the Association and shall be funded by Regular Assessments revised, if necessary, to meet such costs.

(b) The costs of any maintenance or other services required to be performed by the Association which are caused by the negligence or willful misconduct of any Owner, or his family, relatives, guests or invitees, both minor and adult, shall be borne entirely by such Owner.

(c) Any of the costs required to be paid by an Owner hereunder, if not timely paid, shall be a Special Assessment.

Section 3. Limitations. The Board shall be prohibited from taking any of the following actions except with the approval by vote or written consent of a group of Members holding a majority of the total voting power, which group of Members shall, in any event, include a subgroup of Members (excluding Declarant) holding not less than a majority of the total voting power (excluding all voting power held by Declarant); provided, however, that if the approval of any such actions is sought at any time when there are two classes of Members still in effect, then, and in that event, same shall instead require approval by vote or written consent of Members holding not less than a majority of the Class A voting power and Members holding not less than a majority of the Class B voting power:

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

643

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

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

(b) incurring aggregate expenditures for capital improvements to the Common Area in any fiscal year in excess of five percent (5%) of the estimated Common Expenses for such fiscal year.

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

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

643

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

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

ARTICLE X

Easements

Section 1. Association and Declarant. Easements over the Lots are hereby reserved to the Association and Declarant and their agents to exercise all of their rights and to perform all of their obligations under this Declaration.

Section 2. Encroachment. Each Lot within the Development is hereby declared to have an easement over all adjoining property (including Lots and the Common Area) for the purpose of accommodating any encroachment due to or resulting from original engineering and surveying errors, original construction

(including, but not limited, to roofs, eaves, overhanging portions of structures and outcropping of structures), repair and replacement of such original construction, the settlement or shifting of buildings or other structures, and for the purpose of maintaining such encroachments.

ARTICLE XI

Reservation of Easements by Declarant

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

Section 2. Declarant's Rights. There are hereby reserved by Declarant, together with the right in Declarant to grant, assign and transfer same, all rights and easements over Lots and the Common Area necessary or required to effectuate the provisions of Sections 10 and 14 of Article XV hereinbelow.

Section 3. Discharge of Rights and Obligations. There are hereby reserved all rights and easements over the Development necessary or required for the purpose of permitting the Association, the Board, the Architectural Committee, Declarant, the Owners and others to discharge their rights and obligations and effectuate all terms and provisions of this Declaration.

643

ARTICLE XII

Insurance

Section 1. Types. The Association shall obtain, if available, and continue in effect full coverage blanket public liability insurance (with cross-liability endorsement), casualty

insurance and fire insurance with extended coverage endorsement, including vandalism and malicious mischief coverage, in an amount equal to one hundred percent (100%) of the full insurable replacement value (replacement cost new, including debris removal and demolition) of any building or other improvement that may be constructed on the Common Area, and with clauses waiving subrogation against Owners and the Association and persons upon the Development with the permission of the Association or a Member. Such insurance shall be maintained by the Association for the benefit of the Members. As to each of said policies which will not be voided or impaired thereby, the Owners hereby waive and release all claims against the Association, the Board, Declarant and agents and employees of each of the foregoing, with respect to any loss covered by such insurance, whether or not caused by negligence of or breach of any agreement by said persons, but to the extent of insurance proceeds received in compensation for such loss only. The Association may purchase such other insurance as it may deem necessary, including but not limited to fidelity bonds, workmen's compensation and officers' and directors' errors and omissions insurance. The Board shall annually determine whether the amounts and types of insurance it has obtained provide adequate coverage as required hereunder.

Section 2. Premiums and Proceeds. Insurance premiums for any such blanket insurance coverage obtained by the Association and any other insurance deemed necessary by the Association shall be a Common Expense to be included in the Regular Assessments levied by the Association. Insurance proceeds shall be used by the Association for the repair or replacement of the property for which the insurance was carried, or otherwise dis-

643

posed of as provided in Article XIII. The Board is hereby granted the authority to negotiate loss settlements with the appropriate insurance carriers. A majority of the Board may sign a loss claim form and release form in connection with the settlement of a loss claim, and such signatures shall be binding on the Association and the Members.

Section 3. Lot Insurance. Each Owner shall maintain fire insurance with extended coverage insuring each Owner's Lot, together with the improvements thereon, in an amount equal to eighty percent (80%) of the full insurable value thereof, or more, keeping said insurance in full force and effect at all times. Each Owner shall promptly upon request furnish to the Association a certificate from such Owner's insurance carrier certifying that such insurance coverage is in existence and in full force and effect and that it is evidenced by a policy with premiums payable at not less than annual intervals and further certifying that such insurance coverage cannot be cancelled without ten (10) days' prior written notice to the Association.

643

ARTICLE XIII

Destruction ofCommon Area and Lot ImprovementsSection 1. Destruction of Common Area Improvements.

In the event of partial or total destruction of improvements upon the Common Area, it shall be the duty of the Association to restore and repair the same to its former condition as promptly as is practical and in a lawful and workmanlike manner. The proceeds of any insurance maintained pursuant hereto shall be used for such purpose, subject to the prior rights of beneficiaries of deeds of trust whose interests may be protected by said policies. In the event that the amount available from the proceeds of such insurance policies for such restoration and repair shall be at least eighty-five percent (85%) of the estimated cost of restoration and repair, a Reconstruction Assessment, with each Owner contributing a like sum, shall be levied by the Association to provide the necessary funds for such reconstruction and repair, over and above the amount of any insurance proceeds available for such purpose. In the event that the amount available from the proceeds of such insurance policies for such restoration and repair shall be less than eighty-five

643

(85%) of the estimated cost of restoration and repair, the improvements shall not be replaced or restored unless approved by the vote or written consent of Members entitled to exercise two-thirds (2/3) of the voting power of the membership of the Association. In the event of a determination not to replace or restore any improvements constructed on the Common Area, any uncleared portion of the Common Area shall be cleared and placed in a condition for open area community use, provided, however, that there shall exist in such Common Area, if any, adequate vehicular and pedestrian right-of-ways for the Owners of Lots to insure legal access thereto, and the costs thereof shall be paid for with the insurance proceeds, and any deficiency may be raised by the levy of a Reconstruction Assessment in an amount determined by the Board. In the event any excess insurance proceeds remain, the Board shall retain such sums in the general funds of the Association.

Section 2. Destruction of Lot Improvements. In the event of total or partial destruction of any of the improvements constructed on any Lot, the Owner thereof shall reconstruct the same as soon as reasonably possible and substantially in accordance with the original plans and specifications therefor; provided, however, that said improvements shall be restored so that the exterior appearance thereof substantially resembles their appearance in form and color immediately prior to such destructions. Notwithstanding the foregoing, the Owner of such damaged improvements may request permission from the Architectural Committee to reconstruct or repair such improvements in accordance with new or changed plans and specifications. All provisions of the Article entitled "Architectural and Landscaping Control" shall apply with respect to the submission and approval (or deemed approval) of said plans and specifications.

643

ARTICLE XIV

Eminent DomainCommon Area

The term "taking" as used in this Article shall mean condemnation by eminent domain or sale under threat of condemnation. In the event of a threatened taking of all or any portion of the Common Area, the Members hereby appoint the Board and such persons as the Board may delegate to represent all of the Members in connection with the taking. The Board shall act in its sole discretion with respect to any awards being made in connection with the taking and shall be entitled to make a voluntary sale to the condemnor in lieu of engaging in a condemnation action. Any awards received on account of the taking shall be paid to the Association. In the event of a taking of less than all of the Common Area, the rules as to restoration and replacement of the Common Area and any improvements thereon shall apply as in the case of destruction of any improvements on the Common Area. In the event of a total taking, the Board shall retain any award in the general funds of the Association.

ARTICLE XV

General Provisions

Section 1. Duration. Subject to Section 2 hereinbelow, the covenants, conditions, restrictions, easements, reservations, liens and charges of this Declaration shall run with and bind the property within the Development and shall inure to the benefit of and be enforceable as provided herein by the Association, or the Owners, including Declarant, of any Lot subject to this Declaration, their respective legal representatives, heirs,

643

successors and assigns, and are imposed upon the property within the Development as a servitude in favor of each and every parcel of land therein as a dominant tenement, for a term of fifty-nine (59) years from the date of this Declaration, after which time said covenants, conditions, restrictions, easements, reservations, liens and charges shall be automatically extended for successive periods of ten (10) years, unless an instrument in writing, signed by a majority of the then Owners of the Lots, has been recorded with the County Recorder of said County agreeing to cancel said covenants, conditions and restrictions in whole or in part. In the event a Lot is owned by more than one Owner, any one of the Co-Owners may sign such instrument in writing on behalf of all Co-Owners.

Section 2. Amendment. Prior to the close of the first sale of a Lot in the First Phase of Development to a purchaser other than Declarant, this Declaration and any amendments thereto may be amended in any respect or revoked by the execution by Declarant of an instrument amending or revoking same, which instrument shall make appropriate reference to this Declaration and any amendment thereto and which instrument shall be acknowledged and recorded in the office of the County Recorder of said County. Prior to the close of the first sale of a Lot in any Phase of Development other than the First Phase of Development to a purchaser other than Declarant, any Supplementary Declaration of Covenants, Conditions and Restrictions may be amended in any respect or revoked by the execution by the then record owner or owners of the real property covered by such Supplementary Declaration of an instrument amending or revoking same, which instrument shall make appropriate reference to such Sup-

643

plementary Declaration and any amendments thereto and which instrument shall be acknowledged and recorded in the office of the County Recorder of said County. Except as otherwise herein provided, subsequent to the close of the first sale of a Lot in the Development to a purchaser other than Declarant, this Declaration and any Supplementary Declaration respecting an annexed Phase of Development in which a sale to a purchaser other than Declarant has closed, and any amendments to any of said instruments, may be amended in any respect by any group of Members entitled to vote not less than seventy-five percent (75%) of the total voting power, which group shall, in any event, include a subgroup of members (excluding Declarant) entitled to vote not less than seventy-five percent (75%) of the total voting power (excluding all voting power held by Declarant) by vote (as hereinafter described) or by their execution of an instrument amending same, which instrument shall make appropriate reference to this Declaration and any such Supplementary Declaration, and any amendments to any of said instruments, and which instrument shall be acknowledged and recorded in the office of the County Recorder of said County; provided, however, if approval of such amendment is sought at any time when two classes of membership are still in effect, then, and in that event, this Declaration and any Supplementary Declaration respecting an annexed Phase of Development in which a sale to a purchaser other than Declarant has closed, and any amendments to any of said instruments, shall instead be amended in any respect only by Members entitled to vote not less than seventy-five percent (75%) of the voting power of each class of membership by vote (as hereinafter described) or by their execution of an instrument amending

613

same, which instrument shall make appropriate reference to this Declaration and any such Supplementary Declaration, and any amendments to any of said instruments, and which instrument shall be acknowledged and recorded in the office of the County Recorder of said County. The foregoing notwithstanding, the percentage of voting power necessary to amend any specific provision or clause of this Declaration shall not, in any event, be less than the prescribed percentage of affirmative voting rights required for action to be taken under that specific provision or clause. Whenever in this Section 2 Members entitled to vote not less than a specified percentage or percentages of voting power are required to execute an instrument to be recorded in order to effectuate an amendment, then, in lieu thereof, a special meeting of Members may be held, and if Members entitled to vote not less than such specified percentage or percentages of voting power assent by vote to such amendment at such meeting, then, and in that event, the Secretary or any other officer of the Association may sign such instrument to be recorded and certify thereon that such assent by vote to such amendment was duly obtained as aforesaid from Members entitled to vote not less than such specified percentage or percentages of voting power. Any such instrument bearing such officer's certificate shall have the same effect as though executed by Members entitled to vote not less than such specified percentage or percentages of voting power. The foregoing to the contrary notwithstanding, all amendments or revocations of this Declaration or any Supplementary Declaration shall comply with the provisions of Section 11018.7 of the California Business and Professions Code to the extent said Section is applicable thereto.

643

Section 3. Notices. Any notice required to be sent to any Member or Owner under the provisions of this Declaration shall be in writing and shall be deemed to have been properly sent when delivered personally or mailed postage prepaid, to the last known address of the person who appears as Member or Owner on the records of the Association at the time of such mailing. In the case of Co-Owners, any such notice may be delivered or sent to any one of the Co-Owners.

Section 4. Enforcement.

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

(b) Should any Owner fail to comply with any provisions hereof, including the provisions of Article VIII hereinabove, and should any such failure of an Owner continue for a period of thirty (30) days following written notice of such failure from Declarant or the Association to such Owner, Declarant or the Association shall have the right, but not the duty, to correct such noncompliance, and the costs thereof shall be borne by such Owner; provided, however, that in the event such costs are not paid to Declarant or the Association, as the

643

case may be, within thirty (30) days after Declarant or the Association has furnished a statement therefor to such Owner, Declarant or the Association, as the case may be, shall have the right, but not the duty, to levy a Special Assessment against such Owner and his Lot to cover such costs of correction of such noncompliance. In this regard, Declarant or the Association, as the case may be, shall have the same remedies as the Association hereinabove to collect delinquent Special Assessments. No one or more failures or refusals by Declarant or the Association to eliminate such noncompliance shall be construed as a waiver of the right of Declarant or the Association to eliminate any noncompliance herewith at a later time as to the same or a different matter. The rights of Declarant set forth in this Section 4(b) shall terminate when Declarant no longer owns any Lots within the Development.

(c) Should the Association fail to perform its duties of repair and maintenance of the Common Area as specified herein, and should any such failure of the Association continue for a period of thirty (30) days following written notice of such failure from Declarant to the Association, Declarant shall have the right, but not the duty, to perform or cause to be performed all or a portion of such repair and maintenance work, and the costs thereof shall be borne by the Association; provided, however, that in the event such costs are not paid to Declarant within thirty (30) days after Declarant has furnished to the Association a statement therefor, Declarant shall have the right, but not the duty, to institute an action at law against the Association for such costs, together with all costs of collecting same, including court costs and reasonable attorneys fees.

643

No one or more failures or refusals by Declarant to perform or cause to be performed such repair and maintenance work shall be construed as a waiver of the right in Declarant to perform or cause to be performed such work at a later time as to the same or different repair and work. The rights of Declarant set forth in this Section 4(c) shall terminate when Declarant no longer owns any Lots within the Development.

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

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

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

(g) Nothing herein contained shall be deemed to require the Declarant to enforce any covenant, condition,

643

restriction, easement, reservation, lien, charge or provision hereof.

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

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

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

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

Section 9. Construction. The provisions of this Declaration shall be liberally construed to effectuate its pur-

pose of creating a uniform plan for the development of a residential community with common areas for the benefit of the community.

Section 10. Construction by Declarant. Nothing in this Declaration shall limit the right of Declarant to commence and complete construction of improvements to the Development or to alter the foregoing or the Lots or the Common Area or to construct such additional improvements as Declarant deems advisable prior to the completion and sale of the entire Development including any Additions thereto added pursuant to Article II hereof. Declarant may use any of the property within the Development owned by Declarant for model home sites and incidental parking and for any other purpose for which Declarant may use the Common Area as provided in this Section 10, including sales within the real property described in Exhibit "C" hereof. Declarant shall have the right and easement to enter upon, use and enjoy and designate and permit others (including, without limitation, Declarant's agents, employees, representatives, contractors and prospective purchasers) to enter upon, use and enjoy the Common Area for any purpose in connection with or incidental to (a) the construction, development, sale, lease or other transfer of property within or adjacent to the Development and within or adjacent to the property described in Exhibit "C" hereof (including, without limitation, the erection, construction and maintenance of displays, sales offices and incidental parking, exhibits, signs, trailers and other structures), (b) the management, operation or maintenance of the Development and/or (c) the exercise of any rights or powers granted hereunder to Declarant; provided, however, that the exercise of such rights and easements shall (a) not unreasonably preclude the use and enjoyment of the Common

643

Area by the Association or its Members for the purposes set forth in this Declaration; and (b) terminate when Declarant or an assignee of Declarant pursuant to Section 14 hereinbelow no longer owns any Lot within the Development and no longer owns any of the property described in Exhibit "C" hereof. Declarant reserves the right to alter its construction and development plans and designs as it deems appropriate. This Declaration shall not limit the right of Declarant at any time prior to acquisition of title by a purchaser from Declarant to establish on any Lot additional licenses, reservations and rights-of-way to itself, to utility companies, or to others as may from time to time be reasonably necessary for the proper development and disposal of the Development.

Section 11. Nonliability of Officials. To the fullest extent permitted by law, neither the Board, any committees of the Association nor any member thereof, shall be liable to any Member or the Association or any third party for any damage, loss or prejudice suffered or claimed on account of any decision, approval or disapproval of plans or specifications (whether or not defective), course of action, act, omission, error, negligence or the like made in good faith within which such Board, committees or persons reasonably believed to be the scope of their duties.

Section 12. Indemnification of Directors and Officers. Every director and every officer of the Association shall be, and is hereby, indemnified by the Association against all expenses and liabilities, including fees of counsel, reasonably incurred by or imposed upon such director or officer in connection with any proceeding to which he may be a party, or in which he may become involved, by reason of his being or having been a director or officer of the Association, or any settlement

thereof, whether or not he is a director or officer at the time such expenses are incurred, except in such cases wherein the director or officer is adjudged guilty of willful misfeasance or malfeasance in the performance of his duties; provided, that in the event of a settlement the indemnification herein shall apply only when the Board approves such settlement and reimbursement as being in the best interests of the Association. The foregoing right of indemnification shall be in addition to, and shall not be exclusive of, all rights to which each such director or each such officer may otherwise be entitled.

Section 13. Obligations of Owners and Members.

(a) The terms and provisions set forth in this Declaration are binding upon all Owners of all Lots, the Association, and all Members of the Association. In addition, each Member and the Lot which he owns shall be subject to the terms and provisions of the Articles and By-Laws of the Association as the same may from time to time be amended to the extent the provisions thereof are not in conflict with this Declaration.

(b) Each Member shall cause the Association to exercise all of the powers and privileges and perform all of the duties and obligations of the Association as set forth in this Declaration, the Articles and By-Laws.

(c) Any Owner who shall rent or 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. In the event any such Owner does not evict any such person or entity who has failed to comply with any or all of said covenants, conditions, restrictions, easements, reservations, liens and charges of this Declaration,

643

the Association, following fifteen (15) days written notice to such Owner, shall have the right to institute legal proceedings for and on behalf of such Owner, including unlawful detainer, to evict any such person or entity, and all costs thereof, including attorneys fees, shall be the obligation of such Owner and may be collected by Special Assessment.

Section 14. Assignment of Rights and/or Duties.

Any or all of the rights and/or duties, if any, of Declarant herein, including those set forth in Section 10 hereinabove, may be assigned to any other person or entity and upon any such assignment any such person or entity shall, to the extent of such assignment, have the same rights and/or duties as are given to and/or assumed by Declarant herein, and, thereupon, Declarant shall be relieved of the performance of any further duty, if any, hereunder to the extent set forth in such assignment.

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

643

consolidated association deems reasonable.

Section 16. Rights of Lenders. Exhibit "D" is attached hereto and incorporated herein by this reference.

Section 17. Phased Development. It is the intention that the Development be developed into a single interdependent and interrelated residential community in which the rights of all residents will be determined in substantially the same manner. Declarant contemplates that it will construct and/or cause to be constructed Development in more than one phase and annex each phase to the Development in accordance with Article II of this Declaration. Although Declarant contemplates the construction of and annexation of such additional phases, it shall in no way be obligated to construct or cause same to be constructed or annex same or cause same to be annexed.

Section 18. Waiver re Unenforceability. Each Owner, by acceptance of delivery of the deed to his Lot, shall be deemed to have agreed that Declarant shall have no liability whatsoever resulting from any term or provision hereof having been held to be unenforceable in whole or in part.

Section 19. Successors and Assigns. This Declaration shall be binding upon, and shall inure to the benefit of, the successors and assigns of Declarant as provided herein, and the heirs, personal representatives, grantees, lessees, sublessees and assignees of the Owners.

IN WITNESS WHEREOF, the undersigned, being the Declarant, has executed this instrument as of this 9th day of August, 1979.

BASKIN DEVELOPMENT CORPORATION,
a California corporation

By [Signature]

643

EXHIBIT "A"

Lots 1 to 15, inclusive, Lots 62 to 75, inclusive,
and Lots A, D, E, F and G of Tract No. 10287 in the County of
San Bernardino, as per map filed in Book 147, pages 93
to 99 of Maps, in the Office of the County Recorder of
said County.

643

EXHIBIT "B"

1. Declarant proposes to construct upon Lots 1 to 15, inclusive, Lots 62 to 74, inclusive, of said Tract No. 10287, 28 detached single-family dwellings and related improvements, all in accordance with plan and specifications therefor on file with County of San Bernardino, State of California.

2. The common area for the f phase of development (Phase "I") consists of Lots A, D, E, F and G in said Tract No. 10287. Lot A shall consist of private streets and Lots D,E,F and G shall consist of the property within Phase I excluding Lot A and the separate residential lots and said Lots D,E,F and G shall contain equestrian trails and other open areas.

3. Lot 75, after recording of the Declaration to which this Exhibit is attached, and upon request of the County of San Bernardino, shall be conveyed by Declarant to said County. Said Lot 75 shall be subject to the provisions of the Declaration, however, during such time as said Lot 75 is owned by the County or other governmental agency no assessments shall be charged to said Lot and the Owner thereof shall have no voting rights in the Association. Said property is unimproved, with the exception of an avigation beacon maintained thereon and the use of said beacon shall not be deemed prohibited by any provision to the contrary in this Declaration. In the event the County or other governmental agency desires at some future time to utilize said Lot 75 for a single-family residential site in connection with the avigation beacon, notification shall be made to the Association and all rights, privileges, and obligations shall be afforded and assumed by the

643

County or other governmental agency in the same manner as any other member of the Association.

4. Subsequent phases of the development, if any, and the common area thereof, if any, will be described in subsequently recorded Declaration(s) of Annexation, if any.

643

EXHIBIT "C"

Lots 16 to 61, inclusive, Lots
B, C, H, I, J, K, L, M and Lot 76 of Tract No. 10287 in the
County of San Bernardino, as per map filed in Book 147,
pages 93 to 99 of Maps, in the Office of the County
Recorder of said County.

EXHIBIT "d"RIGHTS OF LENDERS

Notwithstanding any and all provisions hereof to the contrary, there are hereby added to this Declaration the following provisions (and to the extent these added provisions conflict with any other provisions of this Declaration, these added provisions shall control):

A. A "First Mortgagee" (meaning herein a mortgagee under a mortgage or beneficiary under a deed of trust encumbering a Lot with priority over other mortgages or deeds of trust encumbering such Lot) at its request is entitled to written notification from the Association of any default by the Owner of such Lot in the performance of his obligations under the "Enabling Documents" (meaning collectively the within instrument, the Articles, By-Laws, Association Rules and Board resolutions) which is not cured within sixty (60) days.

B. Any First Mortgagee or other person who comes into title or possession of a Lot pursuant to the remedies provided in the mortgage, or by foreclosure of the mortgage, or by deed (or assignment) in lieu of foreclosure, shall be exempt from any right of first refusal contained in the Enabling Documents.

C. Any First Mortgagee or other person who comes into title or possession of a Lot pursuant to the remedies provided in the mortgage or by foreclosure of the mortgage, shall take the property free of any claims for, and shall not be liable for, unpaid assessments or charges against the mortgaged Lot

which accrued prior to the time such First Mortgagee or other person came into title or possession of the Lot (except for claims for a pro rata share of such assessments or charges resulting from a pro rata reallocation of such assessments or charges to all Lots including the mortgaged Lot).

D. Unless at least 75% of the First Mortgagees (based upon one vote for each first mortgage owned) of Lots or a group of Owners of at least 75% of the Lots within the Development, which group of Owners shall, in any event, include a subgroup of Owners (other than Declarant) owning at least 75% of the Lots within the Development (other than Lots owned by Declarant) have given their prior written approval, the Association and Owners shall not be entitled to:

(1) change the method of determining Assessments which may be levied against a Lot or the Owner or Owners thereof as provided in the Enabling Documents;

(2) except as in statute made and provided, by act or omission change, waive or abandon any scheme of regulations, or enforcement thereof, pertaining to the architectural design or the exterior appearance of all or any improvements constructed upon the Development or the exterior or other maintenance of all or any improvements constructed upon the Development as set forth in the Enabling Documents.

(3) fail to maintain fire and extended coverage on insurable portions of the Common Area on a current replacement cost basis in an amount not less than one hundred percent (100%) of the insurable value (based on current replacement cost);

(4) use hazard insurance proceeds for losses

643

to the Common Area for other than the repair, replacement or reconstruction thereof; and

(5) except as in statute made and provided, by act or omission seek to abandon, partition, subdivide, encumber, sell or transfer the Common Area, and, in this regard, the granting of easements for public utilities or for other public purposes consistent with the intended use of the Common Area by the Development shall not be deemed a transfer within the meaning of this clause.

E. First mortgagees shall have the right to examine the books and records of the Association and the Development.

F. Regular Assessments shall include an adequate reserve fund for maintenance, repairs and replacement of those elements of the Common Area maintained by the Association which must be replaced on a periodic basis and such reserve must be funded by payments of monthly installments of Regular Assessments rather than by other types of Assessments.

G. Nothing in the Enabling Documents shall be construed as giving any Owner, or any other party, priority over any rights of First Mortgagees of Lots pursuant to their mortgages in the case of a distribution to Owners of insurance proceeds or condemnation awards for losses to or a taking of all or any portion of the Common Area.

H. All amenities of the Common Area shall be available for use by Owners, subject to rights of suspension as set forth in the Enabling Documents.

I. Any agreement for professional management of the Development shall provide that the management contract may be terminated by either party without cause or the payment of

643

a termination fee on not more than ninety (90) days written notice, and the maximum term of any such contract shall not exceed three (3) years.

J. Upon being requested so to do by any Servicer under a program of financing of the Federal Home Loan Mortgage Corporation ("FHLMC"), the Association shall give FHLMC notice (c/o Servicer at Servicer's address) in writing of (i) any loss to, or taking of, all or any portion of the Common Area if such loss or taking exceeds \$10,000.00; or (ii) any loss to, or taking of, all or any portion of a Lot, if such loss or taking exceeds \$1,000.00.

K. If at any time flood insurance is required by any First Mortgagee of a Lot or by any lender who desires to become a First Mortgagee of any Lot by reason of any applicable law, ordinance, statute or the like requiring flood insurance as a condition of such first mortgagee's or lender's loan remaining or being made, the Owner or Owners of the Lot or Lots involved shall forthwith obtain such flood insurance covering such Lot or Lots; provided, however, if flood insurance is required as to the Common Area, the Association shall forthwith obtain the same and shall pay for the same by a revision of the Regular Assessments. All such flood insurance shall meet the minimum requirements of the various First Mortgagees and lenders as to amount and coverage.

L. The Association and the owners shall obtain and maintain in full force and effect all insurance coverages which may at any time and from time to time be required by FHLMC or its successors or assigns, and shall otherwise comply in all respects with all insurance requirements of FHLMC which may be in effect

643

at any time and from time to time so long as FHLMC is owner of a Lot or mortgage encumbering a Lot within the Development, or so long as an application is pending with FHLMC to purchase all or a participation in a mortgage encumbering a Lot within the Development.

M. First Mortgagees of Lots may, jointly or singly, pay taxes or other charges which are in default and which may or have become a charge against the Common Area or portion thereof and may pay overdue premiums on hazard insurance policies, or secure new hazard insurance coverage on the lapse of a policy, covering the Common Area or a portion thereof; and First Mortgagees making such payments shall be owed immediate reimbursement therefor from the Association. In this regard, the Association, acting by and through the Board, is hereby expressly empowered and authorized to enter into an agreement in favor of all First Mortgagees respecting such reimbursement, and, by the recordation of this Declaration, shall be deemed to have agreed to such reimbursement of all First Mortgagees entitled thereto.

N. As to Cal-Vet contracts, the Board is expressly authorized to adopt such resolutions as may be required in connection with such financing in order to reflect the fact that such contracts are superior in right to the assessment liens created in the within instrument in the same manner and to the same extent as mortgages and deeds of trust are superior thereto. For purposes hereof, a "Cal-Vet contract" shall mean and refer to an installment sales contract as to a Lot or other portion of the Development entered into under and pursuant to Article 3, Chapter 6, Division 4 of the California Military and Veterans

643

Code whereunder The Department of Veterans Affairs of the State of California ("DVA") is Seller.

O. Any First Mortgagee who acquires title to a Lot by foreclosure or by deed-in-lieu of foreclosure shall not be obligated to cure any breach of this Declaration which is non-curable or of a type which is not practical or feasible to cure.

P. Any mortgage given to secure a loan to facilitate the resale of a Lot after acquisition by foreclosure or by a deed-in-lieu of foreclosure shall be deemed to be a mortgage made in good faith and for value.

Q. Because of its financial interest in the Development, any First Mortgagee may appear at meetings of the Members 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.

R. Any First Mortgagee shall have the right to furnish information to the Board concerning the status of any mortgage. The Board may also delegate to any First Mortgagee the right to collect such portion of a Lot Assessment, or installment thereof, representing premiums payable for insurance coverage.

643

SUBORDINATION

The undersigned, Beneficiary under that certain Deed of Trust recorded July 24, 1979, as Instrument No. 754, Official Records, San Bernardino County, California, does hereby consent to each and all of the provisions contained in the within instrument and does hereby agree that the lien and charge of said Deed of Trust shall be, and is hereby made, subordinate to, junior to and subject to said within instrument and the entire effect thereof.

Dated: August 27, 1979

SECURITY PACIFIC NATIONAL BANK,
a national banking association

By: [Signature]
JOHN L. HOWELL, VICE PRESIDENT

By: [Signature]
DONALD P. ANDERSON, VICE PRESIDENT

(Notary Acknowledgment)

643

STATE OF CALIFORNIA

County of San Mateo

On August 27, 1979, before me Marcia M Rambeau

A Notary Public, in and for said State, personally appeared JOHN L. HOWELL and DONALD P. ANDERSON known to me to be Vice Presidents of the corporation that executed the within instrument, and also known to me to be the persons who executed it on behalf of such corporation, and acknowledged to me that such corporation executed the same, and further acknowledged to me that such corporation executed the within instrument pursuant to its by-laws or a resolution of its Board of Directors.

My commission expires 6-15-1982

Notary Public [Signature]

Marcia M Rambeau

