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**FIRST AMENDED AND RESTATED
 MASTER DECLARATION
 OF
 COVENANTS, CONDITIONS AND RESTRICTIONS
 FOR
 COUNTRY MEADOWS II
 LANDSCAPE MAINTENANCE ASSOCIATION**

**MASTER DECLARATION OF COVENANTS, CONDITIONS & RESTRICTIONS
FOR COUNTRY MEADOWS II**

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FIRST AMENDED AND RESTATED
MASTER DECLARATION
OF
COVENANTS, CONDITIONS AND RESTRICTIONS
FOR
COUNTRY MEADOWS II LANDSCAPE
MAINTENANCE ASSOCIATION

THIS FIRST AMENDED AND RESTATED MASTER DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS FOR COUNTRY MEADOWS II LANDSCAPE MAINTENANCE ASSOCIATION (this "Declaration") is made this _____ day of _____, 2002, by Forecast® PP1, LLC, a Delaware limited liability company.

RECITALS

A. On April 17, 2002, Forecast® PP1, LLC, a Delaware limited liability company ("Declarant"), executed a Declaration of Covenants, Conditions and Restrictions for Country Meadows II Landscape Maintenance Association, which was recorded on April 18, 2002, as Instrument No. 02-203495, Records of Riverside County, California (the "Original Declaration"). Said Original Declaration is binding upon all owners of lots within the neighborhood known as "Country Meadows II" (the "Neighborhood") and consists of Tracts 29861 and 29862 in the County of Riverside, State of California, as more particularly described on Exhibits "A", "B", and "C" attached hereto and made a part hereof; and

B. Subsequent to the recording of the Original Declaration, certain inaccuracies and typographical errors were discovered in the Original Declaration; and

C. Declarant is the fee owner of the real property described in Exhibit "A" to this Declaration (the "Initial Property") and is the fee owner of certain other real property (the "Annexation Property" and the "Common Areas") which may from time to time be annexed pursuant to this Declaration; and

D. Pursuant to Section 17.18 of the Original Declaration, Declarant is desirous of amending, restating in its entirety, and superceding the Original Declaration by recording this Declaration. The effect of the recordation of this Declaration shall be to supercede the Original Declaration for the purpose of correcting errors therein; and

E. The Initial Property is the first phase of development planned for the Neighborhood; and

F. Declarant deems it desirable to establish covenants, conditions and restrictions upon the Neighborhood and each and every portion thereof, which will constitute a general scheme for the management of the Neighborhood, and for the use, occupancy and enjoyment thereof, all for the purpose of enhancing and protecting the value, desirability and attractiveness of the Neighborhood and enhancing the quality of life within the Neighborhood; and

G. The Neighborhood will be developed as a "Common Interest Development" as defined in Civil Code Section 1351(c) and as a "Planned Development", as defined in Civil Code Section 1351(k); and

H. Prior to its incorporation as provided in Article III of this Declaration, the Association shall not exist in any form, either incorporated or unincorporated. After its incorporation and on the Initial Sale Date, it will be desirable for the efficient management of the Common Areas and the protection of the value, attractiveness and desirability of the Neighborhood for the Association to be a corporation to which shall be delegated and assigned the powers of maintaining and administering the Common Areas, administering and enforcing the covenants, conditions and restrictions and equitable servitudes herein, and collecting and disbursing funds pursuant to the assessments and charges hereinafter created and referred to.

NOW, THEREFORE, for the purposes above set forth, Declarant, as the owner of the Initial Property, hereby declares that the Initial Property and each part thereof, and such other real property as may hereafter be annexed as provided in Article XIII of this Declaration, shall be held, sold and conveyed subject to the following easements, equitable servitudes, restrictions, covenants and conditions in accordance with California Civil Code Section 1354, which are for the purpose of protecting the value and desirability of, and which shall constitute equitable servitudes on the Neighborhood and which shall run with the Neighborhood and be binding on and inure to the benefit of all parties having any right, title or interest therein, or in any part thereof, and their heirs, successors and assigns.

ARTICLE I **DEFINITIONS**

Unless the context clearly requires otherwise, the following terms used in this Declaration are defined as follows. Defined terms should appear throughout this Declaration with the initial letter of such term capitalized.

Section 1.1 "Annexation Property" shall mean all of the real property described in Exhibit "B" to this Declaration.

Section 1.2 "Articles of Incorporation" and "Bylaws" shall mean and refer to the Articles of Incorporation and Bylaws of the Association as the same may from time to time be duly amended, restated and/or modified.

Section 1.3 "Assessment" shall mean any of the following types of Assessment:

Section 1.3.1 "Capital Improvement Assessment" shall mean a charge against each Owner and their Lot, representing a portion of the cost to the Association for installation or construction of any capital improvements (as that terms shall be defined, in the sole discretion of the Board) on any of the Common Areas which the Association may from time to time authorize pursuant to the provisions of this Declaration.

Section 1.3.2 "Reconstruction Assessment" shall mean a charge against each Owner and their Lot representing a portion of the cost to the Association for reconstruction of any portion or portions of the Common Areas pursuant to the provisions of this Declaration.

Section 1.3.3 "Regular Assessment" shall mean the amount, which is to be paid by each Member to the Association for Common Expenses.

Section 1.3.4 "Reimbursement Assessment" shall mean any charge contained within the scope of Section 3.11 of this Declaration, or within any the provision of the Articles of Incorporation or Bylaws.

Section 1.3.5 "Remedial Assessment" shall mean any charges and/or fines levied by the Association against a particular Owner who fails to comply with this Declaration, the Articles of Incorporation or Bylaws, together with actual attorneys' fees and other charges payable by such Owner, pursuant to the provisions of this Declaration, plus interest thereon as provided for in this Declaration.

Section 1.3.6 "Special Assessment" shall mean any charge contained within the scope of Section 3.9 of this Declaration, or within any the provision of the Articles of Incorporation or Bylaws.

Section 1.4 "Association" shall mean and refer to Country Meadows II Landscape Maintenance Association, a California nonprofit mutual benefit corporation, incorporated under the laws of the State of California, its successors and assigns.

Section 1.5 "Association Management Documents" shall mean and refer to the Articles of Incorporation, Bylaws, Declaration and any Supplementary Declaration or amended declaration and the Association Rules and any amendments to any of the foregoing.

Section 1.6 "Association Rules" shall mean rules adopted by the Association pursuant to Article V of this Declaration, entitled "Duties and Powers of the Association".

Section 1.7
Association.

"Board" shall mean the Board of Directors of the

Section 1.8
described in Exhibit "C" to this Declaration and the improvements thereon owned or leased from time to time by the Association, or over which the Association has an easement for maintenance or the Members have an easement for the common use and enjoyment of the same. The Common Areas shall be conveyed to the Association free of all liens and encumbrances except current real property taxes (which taxes shall be prorated as of the date of conveyance), title exceptions of record and the covenants, conditions, restrictions and reservations contained in this Declaration and any Supplementary Declaration or amended declaration.

Section 1.9
tual and estimated costs of:

"Common Expenses" shall mean and refer to the ac-

(a) maintenance, management, operation, repair and re-
placement of the Common Areas;

tual and estimated costs of:

(b) unpaid Assessments;

(c) costs of management and administration of the Asso-
ciation, including, but not limited to, compensation paid by the Association to managers,
accountants, advisors, attorneys and employees;

(d) the costs of utilities, trash pickup and disposal (to
the extent not paid by the County), landscape maintenance and other services, which generally
benefit and enhance the value and desirability of the Common Areas;

(e) the costs of fire, casualty, liability, workmen's
compensation and other insurance covering the Neighborhood's Common Areas;

(f) the costs of any other insurance obtained by the
Association, which benefits the Neighborhood;

(g) reasonable reserves as deemed appropriate by the
Board;

(h) the costs of bonding the members of the Board, any
professional managing agent or any other person handling the funds of the Association;

(i) taxes paid by the Association;

(j) amounts paid by the Association for discharge of
any lien or encumbrance levied against the Common Areas or portions thereof;

(k) other expenses incurred by the Association for any reason whatsoever in connection with the Common Areas, or the costs of any other item or items designated by this Declaration, the Articles of Incorporation or Bylaws, or the costs incurred in the discharge of any duties or powers of the Association.

Section 1.10 "County" shall mean and refer to the Unincorporated County of Riverside, State of California.

Section 1.11 "Declarant" shall mean and refer to Forecast® PP1, LLC, a Delaware limited liability company, and its successors and assigns, whether by merger, consolidation or purchase of all or substantially all of its assets.

Section 1.12 "DRE Approved Budget" shall mean and refer to those certain budgets for the Neighborhood, which have been or will be submitted to and thereafter approved by the California Department of Real Estate ("DRE").

Section 1.13 "Exhibit" shall mean and refer to those documents so designated herein and attached hereto (as such Exhibits may be amended pursuant to Section 17.18(e) herein) and each of such Exhibits is by this reference incorporated into this Declaration.

Section 1.14 "Federal Agencies" shall mean and refer to collectively one or more of the following agencies, and the following letter designation of such agencies shall mean and refer to respectively the agency specified within the parentheses following such letter designation: VA (Department of Veterans Affairs) FHLMC (Federal Home Loan Mortgage Corporation), FNMA (Federal National Mortgage Association), FEMA (Federal Emergency Management Association), The Army Corps of Engineers (ACE) and GNMA (Government National Mortgage Association).

Section 1.15 "Final Subdivision Public Report" shall refer to that report issued by the Department of Real Estate of the State of California pursuant to Section 11018.2 of the California Business and Professions Code or any similar statute hereafter enacted.

Section 1.16 "Initial Sale Date" shall mean the date of the first close of escrow of a Lot to a Resident Owner in the Initial Property.

Section 1.17 "Institutional Mortgagee" shall mean and refer to a First Mortgagee which is a bank or savings and loan association or established mortgage company, or other entity chartered under federal or state laws, any corporation or insurance company, any federal or state agency, or any other institution regulated by federal or state law.

Section 1.18 "Lot" shall mean and refer to a lot shown on any final map filed for record, or a parcel shown on any parcel map filed for record, excluding Common Areas, to the extent such lot or parcel is part of the Neighborhood.

Section 1.19 "Member" shall mean and refer to every person or entity who qualifies for membership pursuant to Article II of this Declaration, entitled "Membership", including Declarant so long as Declarant qualifies for membership pursuant to said Article.

Section 1.20 "Mortgage" shall mean and refer to any duly recorded mortgage or deed of trust encumbering a Lot. A "First Mortgage" shall refer to a Mortgage, which has priority over all other Mortgages encumbering a specific Lot.

Section 1.21 "Mortgagee" shall mean and refer to the mortgagee or beneficiary under any Mortgage. A "First Mortgage" shall mean the holder of a First Mortgage.

Section 1.22 "Neighborhood" shall mean and refer to the Property.

Section 1.23 "Owner" shall mean and refer to one or more persons or entities who, alone or collectively, are the record owner of fee simple title to a Lot, including Declarant, but excluding those having any such interest merely as security for the performance of an obligation (e.g., a Mortgage). If a Lot has been sold under a land sale contract in which the State of California is the vendor, then the vendee shall be deemed to be the Owner of such Lot. If a Lot is leased by Declarant for a term in excess of ten (10) years and the lease or memorandum thereof is recorded, the lessee or transferee of the leasehold interest and not the Declarant shall be deemed to be the Owner. If fee title to a Lot is owned other than by Declarant, the Owner of the fee title and not the lessee of such Lot shall be deemed the Owner, unless the term of the lease is in excess of thirty-five (35) years, in which case the Lessee shall be deemed to be the Owner until such time as less than ten (10) years remains under the terms of the lease, whereupon the holder of the fee title to the Lot will be deemed to be the Owner.

Section 1.24 "Real Property" or "Property" shall mean all real property located in Riverside County, California, which is described on Exhibits "A", "B" and "C" attached hereto, together with all improvements located thereon or to be located therein and all easements, rights and appurtenances belonging, thereto, together with all other real property and improvements subsequently annexed to Real Property

Section 1.25 "Phase of Development" or "Phase" shall mean the Initial Property described in Exhibit "A" attached hereto and made a part of this Declaration and/or any portion of the Annexation Property described in Exhibit "B" subject to a Final Subdivision Public Report issued by the DRE, and any land that may later be annexed in the description of the Property, and by such made a part of and become subject to this Declaration.

Section 1.26 "Resident Owner" shall mean any Owner of a Lot who is not Declarant, and uses their Lot as their primary residence.

Section 1.27 "Supplementary Declaration" shall mean those certain declarations of covenants, conditions and restrictions or similar instruments, annexing additional property and extending the plan of this Declaration to such additional property as provided in the Article XIII of this Declaration.

ARTICLE II **MEMBERSHIP**

Section 2.1 - Membership. Every Owner shall be a Member. The terms and provisions set forth in this Declaration, which are binding upon all Owners, are not exclusive, as Owners shall, in addition, be subject to the terms and provisions of the Articles of Incorporation, Bylaws and Association Rules, to the extent the provisions thereof are not in conflict with this Declaration. To the extent of any conflict between the terms and provisions of this Declaration and those in the Articles of Incorporation, Bylaws, and/or Association Rules, those of this Declaration will control. Membership of Owners shall be appurtenant to and may not be separated from the interest of such Owner in any Lot. Ownership of a Lot shall be the sole qualification for membership; provided, however, a Member's voting rights or privileges in the Common Areas may be regulated or suspended as provided in this Declaration, or the Bylaws or the Association Rules. Except for the Declarant's Class B membership, not more than one membership shall exist based upon ownership of a single Lot.

Section 2.2 - Transfer. The membership held by any Owner shall not be transferred, pledged or alienated in any way, except that such membership shall automatically be transferred to the Owner of any interest in a Lot. Any attempt to effect a prohibited transfer shall be void, will not be reflected upon the books and records of the Association, and will not be binding upon the Association or any Member of the Association. The Association shall have the right to record an authorized and lawful transfer upon the books of the Association without any further action or consent by the transferring Owner.

Section 2.3 - Voting Rights. Except for Declarant, an Owner's right to vote shall not vest until the date Regular Assessments upon such Owner's Lot have been levied, as provided for in this Declaration. All voting rights shall be subject to the restrictions and limitations provided herein and in the Articles of Incorporation, Bylaws and Association Rules.

Section 2.4 - Classes of Voting Membership. The Association shall have two classes of voting membership:

Class A. Class A Members shall be all Owners except Declarant. Each Class A Member shall be entitled to one vote for each Lot owned. When more than one person owns a Lot, each such person shall be a Member and the vote for such Lot shall be exercised as they among themselves shall determine; provided that in no event shall more than one (1) vote be cast with respect to any Lot.

Class B. The Class B Member shall be Declarant. Declarant shall be entitled to three (3) votes for each Lot, which it owns in the Neighborhood.

Class B membership shall cease and be converted to Class A membership on the happening of the following events:

(1) Two (2) years after the date of the first conveyance of a Lot within the most recent Phase of Development within the Neighborhood; or

(2) Four (4) years after the date of the first conveyance of a Lot within the first Phase of Development within the Neighborhood.

Whenever this Declaration, the Bylaws or the Articles of Incorporation require the vote, assent or presence of a stated number of Owners or Members entitled to vote on a matter or at a meeting with regard to the taking of any action or any other matter whatsoever, the provisions of this Article II and Section 2.4 shall govern as to the total number of available votes, the number of votes an Owner is entitled to cast at the meeting, and the manner in which the vote attributable to a Lot having more than one Owner shall be cast.

Section 2.5 - Special Class A Voting Rights. Notwithstanding the provisions of this Article, if the Class A Members do not have sufficient voting power pursuant to the voting rights set forth in this Declaration and the Bylaws to elect at least twenty percent (20%) of the total number of Directors on the Board, at any meeting of Members at which Directors are to be elected, then such Class A Members shall, by majority vote, among themselves, elect the number of Directors required to equal twenty percent (20%) of the total number of Directors on the Board. In the event twenty percent (20%) of the total number of Directors is equal to any fractional number, the number of Directors to be elected pursuant to the special Class A voting right shall be rounded to the next lowest whole number.

Section 2.6 - Approval of Members. Unless elsewhere otherwise specifically provided for in this Declaration or the Bylaws, any provision of this Declaration or the Bylaws which requires the vote or written assent of the voting power of the Association or any class or classes of membership shall be deemed satisfied by either of the following:

(a) the vote, in person or by proxy, of the Owners constituting a quorum of each class of Members, if voting by class is applicable, casting a majority of the votes at a meeting duly called and noticed pursuant to the provisions of the Bylaws dealing with annual or special meetings of the Members; or

(b) written consents signed by the Owners constituting a quorum casting a majority of the votes.

Section 2.7 - Special Declarant Representation Rights. Notwithstanding the provisions of this Article, until such time as ninety percent (90%) of the total number of Lots in

the Property have been sold to Resident Owners, Declarant shall have the absolute authority to elect at least twenty percent (20%) of the total number of Directors on the Board.

ARTICLE III

COVENANT FOR MAINTENANCE ASSESSMENTS

Section 3.1 - Creation of the Lien and Personal Obligation of Assessments. Each Owner, including the Declarant, of any Lot, by acceptance of a deed or other conveyance, creating in such Owner the interest required to be deemed an Owner, whether or not it shall be so expressed in any such deed or other conveyance, is deemed to covenant and agree to pay to the Association: Regular Assessments, Special Assessments, Reimbursement Assessments, Capital Improvement Assessments, Remedial Assessments and Reconstruction Assessments. Such Assessments shall be fixed, established and collected from time to time as provided in this Declaration. The Regular, Special, Reimbursement, Capital Improvement and Reconstruction Assessments, together with interest thereon, late charges, attorneys' fees and court costs, and other costs of collection thereof, shall be a charge upon the Lot against which each such Assessment is made. Each such Assessment, including Remedial Assessments, together with such interest, late charges, costs and attorneys' fees, shall also be the personal obligation of the Owner of such Lot at the time when the Assessment becomes due. The personal obligation for delinquent Assessments shall not pass to the successors in title of an Owner unless expressly assumed by such successors. No Owner may waive or otherwise escape liability for Assessments by non-use of the Common Areas or any part thereof, or abandonment of their Lot.

Section 3.2 - Purpose of Assessments. The Assessments levied by the Association shall be used exclusively for the purposes of promoting the management of the Common Areas, enhancing the value of the Neighborhood, including, without limitation, the improvement and maintenance of the properties, services and facilities devoted to this purpose and related to the use and enjoyment of the Common Areas, or in furtherance of any other duty or power of the Association. The Association shall not impose or collect an assessment, penalty or fee that exceeds the amount necessary for the purpose or purposes for which it is levied.

Section 3.3 - Regular Assessments. The Board shall determine the amount of the Regular Assessment to be paid by each Member. Each Member shall thereafter pay to the Association their Regular Assessment in installments as established by the Board. Each such installment shall be due and payable on a date established by the Board in the written notice sent to Members. In the event the Board shall determine that the estimate of total charges for the current year is, or will become inadequate to meet all Common Expenses for any reason, it shall then immediately determine the approximate amount of such inadequacy and issue a supplemental estimate of the Common Expenses and determine the revised amount of Regular Assessment against each Member, and the date or dates when due. After the Association's first accounting year of operation, it shall comply with the provisions of Section 1366 of the Civil Code, prior to any increase in Regular Assessments. In the event the amount budgeted to meet Common Expenses for the then current year proves to be excessive in light of the actual Common

Expenses, the Board, in its discretion, may either reduce the amount of the Regular Assessment or abate collection of Regular Assessments, whichever it deems appropriate. Until such time as the Class B Membership has ceased and been converted into Class A Membership, Regular Assessments may not be reduced without the prior written consent of Declarant, if in Declarant's sole judgment, such reduction would diminish the quantity or quality of services provided by the Association. Notwithstanding the foregoing, Regular Assessment increases shall not be limited in the case of "emergency situations" as provided in Section 1366 of the Civil Code.

Notwithstanding any other provisions of this Declaration, until the earlier to occur of (1) the recordation of a Notice of Completion of an improvement on the Common Areas, or (2) the placement of such improvement into use, each Owner (including Declarant) shall be exempt from paying that portion of any Regular Assessment which is for the purpose of defraying expenses and reserves directly attributable to the existence and use of such improvement.

Section 3.4 - Capital Improvement Assessments. In addition to the Regular Assessments, the Association may levy in any calendar year, a Capital Improvement Assessment applicable to that year only, for the purpose of defraying, in whole or in part, the cost of any construction or replacement (that is not otherwise covered by Section 6.4 of this Declaration) of a described capital improvement upon the Common Areas including the necessary fixtures and personal property related thereto. The Association shall not impose a Capital Improvement Assessment, the total amount of which exceeds five percent (5%) of the estimated Common Expenses as set forth in Section 3.3 of this Declaration, without the approval of not less than seventy-five percent (75%) of the voting power of the Association. Any reserves collected by the Association for the future maintenance and repair of the Common Areas, or any portion thereof, shall not be included in determining said annual Capital Improvement Assessment limitation. All amounts collected as Capital Improvement Assessments may only be used for capital improvements and shall be deposited by the Board in a separate bank account to be held in trust for such purposes. Said funds shall not be commingled with any other funds of the Association and shall be deemed a contribution to the capital account of the Association by the Members. The Association shall provide notice to all Owners, by first-class mail, of any decision by the Association to levy a Capital Improvement Assessment, not less than thirty (30), nor more than sixty (60), days prior to the due date for such Assessment.

Section 3.5 - Intentionally Omitted.

Section 3.6 - Uniform Assessment. Regular, Reconstruction and Capital Improvement Assessments shall be fixed at an equal amount for each Lot and may be collected at intervals determined by the Board.

Section 3.7 - Certificate of Payment. The Association shall, upon demand, furnish to any Member liable for Assessments, a certificate in writing signed by an officer or authorized agent of the Association, setting forth whether the Assessments on a specified Lot have been paid, and the amount of delinquency, if any. A reasonable charge not to exceed Twenty-Five Dollars

(\$25.00) may be collected by the Board for the issuance of these certificates. Such certificates shall be conclusive evidence of payment of any Assessment therein stated to have been paid.

Section 3.8 - Exempt Property. All properties dedicated to and accepted by, or otherwise owned or acquired by, a public authority shall be exempt from the Assessments created herein.

Section 3.9 - Special Assessment. Special Assessments may be levied by the Association to fund any budgetary shortfall or to restore any funds transferred from the Association's reserve account. Special Assessments shall also be levied by the Board against an Owner and their Lot to reimburse the Association for any other charge designated as a Special Assessment in this Declaration, the Articles of Incorporation, Bylaws or Association Rules. Notwithstanding the foregoing, the Board shall not impose Special Assessments without complying with the provisions of Section 1366 of the Civil Code. The foregoing limitation shall be subject to the exception as provided in Section 3.3 above.

Section 3.10 - Remedial Assessment. In the event the Board levies any fines or charges against an Owner who fails to comply with this Declaration, the Articles of Incorporation, Bylaws or the Association Rules, such fines or charges shall be deemed to be Remedial Assessments.

Section 3.11 - Reimbursement Assessment. Reimbursement Assessments may be levied by the Association to reimburse the Association for materials or services provided by the Association which benefit individual Lots. Reimbursement Assessments shall also be levied by the Board against an Owner (and their Lot) to reimburse the Association for any other charge designated as a Reimbursement Assessment in this Declaration, the Articles of Incorporation, Bylaws or Association Rules. The Association shall provide notice by first-class mail to the Owners subject to a Reimbursement Assessment of any decision to levy such Reimbursement Assessment, not less than thirty (30), nor more than sixty (60) days prior to the Reimbursement Assessment becoming due.

Section 3.12 - Date of Commencement of Regular Assessments. Subject to any assessment maintenance or subsidy program established by the Declarant, the Regular Assessments for a particular Phase of Development hereunder shall commence on the date (the "Initial Assessment Commencement Date") of the first day of the month following the month of the first close of escrow for the sale of a Lot by Declarant to a Resident Owner within a particular Phase of Development. In the event the amount budgeted to meet Common Expenses for the then current year proves to be excessive in light of the actual Common Expenses, the Board in its discretion may either reduce the amount of the Regular Assessment or may abate collection of Regular Assessments, as it deems appropriate. Until such time as the Class B Membership has ceased and been converted into Class A Membership, in no event shall a reduction in the amount or the abatement in the collection of Regular Assessments pursuant to this Section result in a diminishing of the quantity or quality of services upon which the Common Expense budget for the year in question is based, without the prior written consent of Declarant.

Section 3.13 - No Offsets. All Assessments shall be payable in the amount specified by the Association, and no offsets against such amount shall be permitted for any reason, including, without limitation, a claim that (i) the Association is not properly exercising its duties and powers as provided in this Declaration; (ii) a Member has made or elects to make no use of the Common Areas; or (iii) any construction or maintenance performed pursuant to the Section entitled "Assumption of Maintenance Obligations" of Section 6.4 of this Declaration shall in any way postpone Assessments or entitle a Member to claim any such offset or reduction.

Section 3.14 - Homestead Waiver. Each Owner, to the extent permitted by law, does hereby waive, to the extent of any liens created pursuant to this Declaration, and whether such liens are now in existence or are created at any time in the future, the benefit of any homestead or exemption laws of the State of California now in effect, or in effect from time to time hereafter.

Section 3.15 - Reserves. The Regular Assessments shall include reasonable amounts as determined by the Board collected as reserves for the future periodic maintenance, repair or replacement of all or a portion of the Common Areas, or any other purpose as determined by, and in the sole discretion of, the Board. All amounts collected as reserves, whether pursuant to this Section or otherwise, shall be deposited by the Board in a separate bank account to be held in trust for the purposes for which they are collected and are to be segregated from and not commingled with any other funds of the Association. Such reserves shall be deemed a contribution to the capital account of the Association by the Members. The Board shall not expend funds designated as reserve funds for any purpose other than those purposes set forth in Section 1365.5 of the Civil Code.

Withdrawal of funds from the Association's reserve account shall require the signatures of either (a) two (2) Members of the Board; or (b) one (1) member of the Board and an officer of the Association who is not also a member of the Board. In addition, the minutes of the meeting of the Board at which any such withdrawal of funds was authorized shall reflect such authorization and the reasons therefor.

ARTICLE IV

NONPAYMENT OF ASSESSMENTS

Section 4.1. - Effect of Nonpayment of Assessments; Remedies of the Association. In the event any Assessment is not paid when due, such Assessment shall be deemed to be delinquent and in default. Each Owner vests in the Association, or its assigns, the right and power to bring all actions at law and in equity, and to exercise such other remedies provided for herein against such Owner for the collection of delinquent Assessments. In the event any attorneys are employed for collection of any Assessment, whether by suit or otherwise, each Owner agrees to pay actual attorneys' fees and costs thereby incurred, in addition to any other amounts due or any other relief or remedy obtained against such Owner. In addition to any other

remedies herein or by law provided, the Association may enforce the obligations of the Owners to pay the Assessments in any manner provided by law or in equity, and, without any limitation of the foregoing, by any or all of the following procedures:

(a) Suspension of Rights; Monetary Penalties. After a hearing by the Board (whether or not the delinquent Owner appears), upon no less than ten (10) days prior written notice to the delinquent Owner, the Board may (i) suspend the voting rights of any Owner, (ii) impose reasonable monetary penalties pursuant to a monetary penalty schedule established and posted by the Board, and/or (iii) suspend such Owner's right to use the Common Areas for any period during which any Assessment against such Owner's Lot remains unpaid; provided, that these provisions shall not operate or be construed to deny or restrict ingress or egress of any Owner to and from such Owner's Lot.

(b) Enforcement by Suit. By commencement and maintenance of a suit at law or equity against any Owner, or prior Owner, to enforce the Assessment obligation, such suit to be maintained in the name of the Association. Any judgment rendered in any such action may include the amount of the delinquency, interest thereon at the maximum legal rate per annum from the date of the delinquency, court costs and actual attorneys' fees.

(c) Enforcement by Lien. There is hereby created a "Claim of Lien", with power of sale, on each and every Lot to secure payment to the Association of any and all Assessments charged against any and all Lots pursuant to this Declaration (except Remedial Assessments), together with interest thereon at the maximum legal rate per annum from the date of delinquency, and all costs of collection which may be paid or incurred by the Association in connection therewith, including actual attorneys' fees. At any time after the delinquency, the Association may elect to file and record a Claim of Lien against the Lot of the defaulting Owner. Such Claim of Lien shall be executed and acknowledged by any officer of the Association, and shall contain substantially the following information:

- (i) the name of the delinquent Owner;
- (ii) the legal description of the Lot against which the Claim of Lien is made;
- (iii) the total amount of the delinquency, interest thereon, collection costs and actual attorneys' fees if then known (with any proper offset allowed);
- (iv) a statement that the Claim of Lien is made by the Association pursuant to this Declaration and that a lien is claimed against said Lot in an amount equal to the amount stated; and

(v) the name and address of the trustee authorized by the Association to enforce the Claim of Lien by sale.

Upon such recordation of a duly executed original or copy of such Claim of Lien, and the mailing a copy thereof to said Owner, the lien claimed therein shall immediately attach and become effective. Any such lien may be foreclosed by appropriate court action, or in the manner provided by law for the foreclosure of a deed of trust by exercise of a power of sale contained therein, or in the manner provided by law for the enforcement of a judgment as the laws of the State of California may from time to time permit. The Association shall have the power to bid in at any foreclosure sale, trustee's sale or judgment sale and to purchase, acquire, lease, hold, mortgage and convey any Lot so acquired. Actual attorneys' fees, court costs, title search fees, interest and all other costs and expenses incurred by the Association in perfecting its rights under such lien shall be allowed to the fullest extent permitted by law.

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

Upon the timely curing of any default for which a Claim of Lien was filed by the Association, the officers of the Association are hereby authorized to record an appropriate release of such lien in the Office of the Riverside County Recorder.

Section 4.2 - Assignment of Rents. As security for the payment of all such liens, each Owner hereby gives to and confers upon the Association the right, power and authority, during the continuance of such ownership, to collect the rents, issues and profits of the Owner's Lot, reserving unto the Owner the right, prior to any default by such Owner in performance of such Owner's obligation under this Declaration or the Bylaws or Articles of Incorporation, to collect and retain such rents, issues and profits as they become due and payable. Upon any such default, the Association may, at any time, upon not less than ten (10) days' written notice to such Owner, either in person, by agent or by a receiver to be appointed by a court of competent jurisdiction, and without regard to the adequacy of any security for such indebtedness, enter upon and take possession of such Owner's Lot or any part thereof, and then, in its own name sue for or otherwise collect such rents, issues and profits, including those past due and unpaid. Upon such collection, the Association (or its authorized representative) shall apply the collected sums less all costs and expenses of operation and collection, including actual attorneys' fees, to the payment of any indebtedness owing to the Association or in performance of any agreement hereunder. The application of such collected sum shall be allocated in such order as the Association may, in its sole discretion, determine, to be appropriate. The entering upon and taking possession of said

Lot, the collection of such rents, issues and profits and the application thereof as aforesaid, shall not cure nor waive any default hereunder or invalidate any act done pursuant to this Declaration.

The assignment of rents and powers described in the foregoing paragraph shall not affect, and shall in all respects be subordinate to, the rights and powers of the holder or beneficiary of any First Mortgage or deed of trust on any Lot, and any second Mortgage or deed of trust on any Lot (if the holder or beneficiary of such second Mortgage or deed of trust is Declarant) to do the same or similar acts.

ARTICLE V

DUTIES AND POWERS OF THE ASSOCIATION

Section 5.1 - General Duties and Powers. In addition to the duties and powers enumerated in its Articles of Incorporation and Bylaws, or elsewhere provided for herein, and without limiting the generality thereof, the Association shall have the specific duties and powers specified in this Article.

Section 5.2 - General Duties of the Association. The Association through the Board shall have the duty and obligation to:

(a) enforce the provisions of this Declaration, the Articles of Incorporation, Bylaws and Association Rules, by appropriate means and carry out the obligations of the Association hereunder;

(b) maintain and otherwise manage the following:

(i) the Common Areas;

(ii) all personal property in which the Association holds an interest, subject to the terms of any instrument transferring such interest to the Association; and

(iii) all property, real or personal, which the Association is obligated to repair or maintain pursuant to this Declaration, including, without limitation, Article VI of this Declaration.

(c) pay any real and personal property taxes and other charges assessed to or payable by the Association;

(d) obtain, for the benefit of the Common Areas, water, gas, electric, refuse collection and other services;

(e) upon the request of the Declarant or a majority of the voting power of the membership, establish the special tax assessment district referred to in

Subsection 11.1(d) of this Declaration and cause the Association to convey the Common Areas to such district; and

(f) make available, upon at least forty-eight (48) hours' prior written notice, the books, records and financial statements of the Association for inspection by Owners and First Mortgagees during normal business hours.

Section 5.3 - General Powers of the Association. The Association through the Board, shall have the power, but not the obligation, to:

(a) employ a manager or other persons, and contract with independent contractors or managing agents to perform all or any part of the duties and responsibilities of the Association, provided that, any contract with a person or firm appointed as a manager or managing agent shall provide for (i) a term of not more than one (1) year with successive one (1) year renewal periods upon mutual agreement of the parties, and (ii) shall provide for the right to terminate without cause or penalty upon at least twenty (20) days prior written notice;

(b) establish and maintain a working capital and contingency fund in an amount to be determined by the Board. Such resulting contributions shall be a Common Expense and shall be used by the Board as it deems fit to carry out the objectives and purposes of the Association; and

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

(d) upon a merger or consolidation of the Association with another association, which merger or consolidation must be approved by at least seventy-five percent (75%) of each class of Members, the Association's properties, rights and obligations may, by operation of law, be transferred to the surviving or consolidated association, or, alternatively, the properties, rights and obligations of another association may, by operation of the law, be added to the properties, rights and obligations of the Association as a surviving corporation pursuant to a merger. The surviving or consolidated association may administer the covenants, conditions and restrictions established by this Declaration within the Neighborhood, together with the covenants, conditions and restrictions established upon any other property as one plan.

Section 5.4 - General Limitations and Restrictions on the Powers of the Board. In addition to the limitations and restrictions enumerated in the Articles of Incorporation and Bylaws or elsewhere provided for herein, and without limiting the generality thereof, the Board shall be prohibited from taking any of the following actions without the approval of seventy-five percent (75%) of the voting power of the Association and, until the Class B membership has converted to Class A membership, a majority of a quorum of the votes of Members other than the Declarant:

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

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

(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;

(iii) management contracts, the terms of which have been approved by the Federal Housing Administration or VA, or which contract provides that the Association may terminate the contract without cause, penalty or other obligation upon ninety (90) days prior written notice;

(iv) agreements with a term not exceeding three (3) years that are terminable by the Association after no longer than one (1) year, without cause, penalty or other obligation, upon not more than ninety (90) days prior written notice of termination to the other party.

(b) sell any real or personal property of the Association having an aggregate fair market value in excess of twenty percent (20%) of the estimated Common Expenses during any accounting year;

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

(d) incur aggregate indebtedness in excess of twenty percent (20%) of the then existing estimated annual Common Expenses;

(e) fill any vacancy on the Board created by the removal of a member of the Board.

Section 5.5 - Association Rules. The Board shall also have the exclusive power to adopt, amend, and repeal such rules and regulations as it deems reasonable which may include the establishment of a system of fines and penalties enforceable as Remedial Assessments, all as provided in the Bylaws. The Association Rules shall govern such matters in furtherance of the purposes of the Association, including, without limitation, the use of the Common Areas; provided, however, that the Association Rules may not discriminate among Owners, and shall not be inconsistent with this Declaration, the Articles of Incorporation or Bylaws. A copy of the Association Rules as they may from time to time be adopted, amended or repealed or a notice

setting forth the adoption, amendment or repeal of specific portions of the Association Rules shall be delivered to each Owner in the same manner established in this Declaration for the delivery of notices. Upon completion of the notice requirements, said Association Rules shall have the same force and effect as if they were set forth in and were a part of this Declaration and shall be binding on the Owners and their successors in interest whether or not actually received thereby. The Association Rules, as adopted, amended or repealed, shall be available at the principal office of the Association to each Owner and Institutional Mortgagee upon no less than forty-eight (48) hours prior written request. In the event of any conflict between any such Association Rules and any other provisions of this Declaration, or the Articles of Incorporation and Bylaws, the provisions of the Association Rules shall be deemed to be superseded by the provisions of this Declaration, the Articles of Incorporation or the Bylaws to the extent of any such conflict.

Section 5.6 - Delegation of Powers. The Association shall have the right, according to law, to delegate to committees, Officers, employees or agents any of its duties and powers under this Declaration, the Articles of Incorporation and Bylaws; provided, however, no such delegation to a professional management company, an Architectural Committee, if any, or otherwise, shall relieve the Association of its obligation to perform such delegated duty.

Section 5.7 - Pledge of Assessment Rights. The Association shall have the power to pledge the right to exercise its Assessment powers in connection with obtaining funds to repay a debt of the Association; provided, however, any such pledge shall require the prior affirmative vote or written assent of not less than seventy-five percent (75%) of the voting power present in person or by proxy at a duly and validly held meeting of the Members, or by written consent as set forth in the Bylaws. Said power shall include, but not be limited to, the ability to make an assignment of Assessments which are then payable, or which will become payable, to the Association; which assignment may be then presently effective but allow for said Assessments to continue to be paid to and used by the Association as set forth in this Declaration, unless and until the Association shall default on the repayment of the debt which is secured by said assignment. The Association may levy Special Assessments against the Members to obtain such funds. Upon the failure of any Member to pay said Special Assessment when due, the Association may exercise all its rights, including, without limitation, the right to foreclose its lien, pursuant to the Article IV hereof. Without limiting the generality of the foregoing, any pledge of Assessment rights in excess of an amount equal to twenty-five percent (25%) of the total Regular Assessments collected by the Association in the then preceding accounting year, shall require the prior written approval of seventy-five percent (75%) of the Institutional Mortgagees, based on one (1) vote for each First Mortgage held.

ARTICLE VI

REPAIR AND MAINTENANCE

Section 6.1 - Repair and Maintenance by Association. Except to the extent that an Owner may be obligated to maintain and repair any portion of the Neighborhood, as provided in this Declaration, the Articles of Incorporation, Bylaws or Association Rules, the Association shall have the duty to maintain, repair, restore, replace and make necessary improvements to the

Common Areas in such manner and at such times as the Board shall prescribe. The costs of any such maintenance and repair pursuant to this Section shall be paid out of the general funds of the Association, except as otherwise herein specified as being payable by the specified Owners.

Section 6.2 - Right of Entry. The Association shall have the right to enter upon any Lot in connection with any maintenance, repair or construction, in the exercise of the powers and duties of the Association. Any damage caused by such entry by the entering party, to the extent that the damage caused was unnecessary under the circumstances to carry out the Association's rights and obligations, shall be repaired by the entering party at its sole cost and expense.

Section 6.3 - Maintenance of Public Utilities. Nothing contained herein shall require or obligate the Association to maintain, replace or restore the facilities of public utilities which are located within easements in the Common Areas which are owned by such public utilities. However, the Association shall take such steps as are necessary or convenient to ensure that such facilities are properly maintained, replaced or restored by such public utilities.

Section 6.4 - Assumption of Maintenance Obligations. Declarant, and its assigns, subcontractors, agent and employees, shall have the right to enter upon the Common Areas to complete the construction of any landscaping or other improvements to be installed in, or associated with the Common Areas, as provided for in this Declaration. If any excess Assessments are collected over actual Common Expenses incurred by the Association, and such excess are caused by reason of construction or maintenance pursuant to this Declaration, such excess shall be placed in reserve to offset future expenses of the Association in any manner designated by the Board.

Section 6.5 - Commencement of Obligations. The Association's obligation to maintain the Common Areas in any Phase that includes Lots, commences on the date Annual Assessments commence on Lots in the Phase.

ARTICLE VII **INSURANCE**

Section 7.1 - Types. The Association, to the extent available, shall obtain and continue in effect, in its own name, the following types of insurance, with such deductibles provisions as may be appropriate, so long as such amounts or type of insurance coverages are not, in the good faith judgment of the Board, prohibitively expensive or no longer necessary or appropriate for the protection of the Neighborhood, the Association and the Members:

(a) a comprehensive policy of public liability insurance covering the Common Areas with a limit of not less than One Million Dollars (\$1,000,000) for claims for personal injury and/or property damage arising out of a single occurrence, such coverage to include liability for property of others, and such other risks as shall customarily be covered with respect to similar planned unit developments in the area of the Neighborhood, and

shall contain a "severability of interest" endorsement or the equivalent which shall preclude the insurer from denying the claim of an Owner because of negligent acts or omissions of the Association, its Board, officers, directors, employees, agents and representatives, acting in such capacity and other Owners; and

(b) a policy of fire and casualty insurance (all-risk), with extended coverage for the full replacement value of the Common Areas (including all service equipment and the like), without deduction for depreciation, and with an "agreed amount endorsement", or its equivalent, and clauses waiving subrogation against Members and the Association and persons within the Neighborhood with the permission of a Member. Such insurance shall also afford protection against loss or damage by fire and other hazards covered by the standard extended coverage endorsement, and shall include debris removal, cost of demolition, vandalism, malicious mischief, windstorm and water damage. Any earthquake or flood coverage shall be provided or omitted, at the sole discretion of the Board.

Section 7.2 - Waiver by Members. All insurance obtained by the Association shall be maintained by the Association for the benefit of the Association, the Owners, and the Mortgagees, as their interests may appear of record. As to each of said policies, which will not be voided or impaired thereby, the Owners hereby waive and release all claims against the Association, the Board, other Owners, the Declarant and agents and employees of each of the foregoing, with respect to any loss covered by such insurance, whether or not caused by the negligence or breach of any agreement by said persons, but to the extent of insurance proceeds received in compensation for such loss only.

Section 7.3 - Other Insurance. The Board may purchase and maintain such other insurance as it deems necessary.

Section 7.4 - Premiums, Proceeds and Settlement. Insurance premiums for any such blanket insurance coverage obtained by the Association, and any other insurance deemed necessary by the Association, shall be a Common Expense to be included in the Regular Assessments levied by the Association. Casualty insurance proceeds shall be used by the Association for the repair or replacement of the property for which the insurance was carried, or otherwise disposed of, as provided in Article VIII. The Association is hereby granted the authority to negotiate loss settlements with the appropriate insurance carriers, should a claim arise under this Article VII. Any two (2) Directors of the Association may sign a loss claim form and/or release form in connection with the settlement of a loss claim, and such signatures shall be binding on the Members.

Section 7.5 - Annual Insurance Review. Annually, the Board shall determine whether the amounts and types of insurance it has obtained provide adequate coverage for the Neighborhood in light of increased construction costs, inflation, practice in the area in which the Neighborhood is located, and any other factors which tend to indicate that either additional or fewer insurance policies, or increased or decreased coverage under existing policies, are necessary or desirable to protect the interests of the Owners and the Association. If the Board

determines that increased or decreased coverage is appropriate, it shall act in furtherance of that determination.

Section 7.6 - Notice of Expiration Requirements. If available, each of the policies of insurance maintained by the Association shall contain a provision that said policy shall not be canceled, terminated, materially modified or allowed to expire by its terms, without twenty (20) days prior written notice to the Board and Declarant, and to each Owner and Mortgagee, insurer and guarantor of a First Mortgage who has filed a written request with the carrier for such notice, and every other person in interest who had, in writing, requested such notice from the insurer.

Section 7.7 - Federal Requirements. Notwithstanding the foregoing provisions of this Article, the Association shall continuously maintain in effect such casualty, flood and liability insurance, required to be carried, and/or a fidelity bond meeting the insurance and fidelity bond requirements for planned unit development projects established by any of the Federal Agencies, so long as either is available or has not been waived, in writing, by such Federal Agencies.

ARTICLE VIII

DESTRUCTION OF IMPROVEMENTS

Section 8.1 - Duty of Association. In the event of the partial or total destruction of improvements upon the Common Areas, it shall be the duty of the Association to restore and repair same as promptly as practical, in keeping with the terms of this Article. The proceeds of any casualty insurance maintained pursuant to this Declaration shall be used for such purpose, subject to the prior rights of Mortgagees whose interest may be protected by said policies.

Section 8.2 - Excess Insurance Proceeds. In the event any excess insurance proceeds remain, after any reconstruction by the Association pursuant to this Article, the Board, in its sole discretion, shall distribute such sums equally, on a pro rata basis, to the Owners subject to the prior rights of Mortgagees whose interest may be protected by insurance policies carried by the Association. In the absence of such prior rights, the rights of an Owner, and the Mortgagee of that Lot, to receive such pro rata distribution shall be governed by the provisions of the Mortgage encumbering such Lot.

Section 8.3 - Use of Reconstruction Assessments. All amounts collected as Reconstruction Assessments shall only be used for the purposes set forth in this Article and shall be deposited by the Board in a separate bank account to be held in trust for such purposes. Such funds shall not be commingled with any other funds of the Association and shall be deemed a contribution to the capital account of the Association by the Members. Any excess amounts, which are so collected, shall be treated in the same manner as set forth in Section 8.2 above.

ARTICLE IX
EMINENT DOMAIN

Section 9.1 - Definition of Taking . The term "taking" as used in this Article shall mean condemnation of the Common Areas (in whole or in part) by eminent domain, or the sale of the Common Areas (in whole or in part) under threat of condemnation.

Section 9.2 - Representation by Board in Condemnation Proceedings. In the event of a threatened taking of all or any portion of the Common Areas, 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 offered or made in connection with the taking, and shall be entitled to make a voluntary sale to the condemner in lieu of engaging in a condemnation action.

Section 9.3 - Inverse Condemnation. The Board is authorized to bring an action in inverse condemnation. In such event, the provisions of this Article shall apply with equal force.

Section 9.4 - Award for Common Areas. Any awards received on account of the taking of Common Areas shall be paid to the Association. The Board may in its sole discretion retain any award in the general funds of the Association or distribute all or a portion thereof to the Members in equal pro rata portions. The rights of an Owner and the Mortgagee of a Lot to receive any pro rata distribution shall be governed by the provisions of the Mortgage encumbering such Lot.

ARTICLE X
SIGNS

Section 10.1 - Signs. No sign or billboard, of any kind, shall be displayed to the public view on any portion of the Neighborhood; except such signs as may be used by Declarant or its sales agents in connection with the development of the Neighborhood and sale of the Lots; provided, however, that a Member may display on their Lot one (1) nameplate or similar Member identification sign and one (1) sign advertising the sale or lease of the Lot, so long as such nameplate and signs shall comply with any customary and reasonable standards promulgated by the Board as to the size, color, shape or other qualification for permitted signs. Notwithstanding the restrictions set forth in this Article, Owners may install a maximum of one (1) sign, which discloses that the Lot is protected by a security system. Such security sign may be placed on or around the Lot; provided, however, that such sign does not exceed customary dimensions.

ARTICLE XI
RIGHTS OF ENJOYMENT

Section 11.1 - Members' Right of Enjoyment. Every Member shall have a nonexclusive easement for the use and enjoyment of the Common Areas. Such right shall be appurtenant, to and shall pass with, the interest of every Lot, subject to all of the easements, covenants, conditions, restrictions and other provisions of record or contained in this Declaration, including, without limitation, any conditions contained in any recorded map affecting the Common Areas, and the following provisions:

(a) the right of the Association to establish the Association Rules, and other such reasonable rules and regulations pertaining to the Common Areas;

(b) the right of the Association to borrow money for purposes of improving, replacing and/or restoring the Common Areas, and/or in aid thereof to mortgage said property; provided, that in the case of such mortgaging, the prior affirmative vote or written approval of at least seventy-five percent (75%) of each of the Class A and Class B Members has been obtained, and the rights of the Mortgagee thereunder shall be subordinated to the rights of the Members;

(c) the rights of the Association to suspend the right of a Member to use the Common Areas, or any portion thereof designated by the Board, shall arise only during a time in which any Assessment against an Owner's Lot remains unpaid and delinquent for a period not less than thirty (30) days for any single infraction of the rules and regulations of the Association. Any suspension of such right to use all or part of the Common Areas shall be made by the Association, or a duly appointed committee thereof, only after written notice and the holding of a hearing in accordance with the Bylaws. Notwithstanding the foregoing, the Association shall not have the right hereunder to suspend any Member's right to use any portion of the Neighborhood necessary for such Member to gain access to their Lot;

(d) the right of the Association to establish, in cooperation with the County of Riverside, a special tax assessment district for the performance of all or a portion of the maintenance and other functions now within the responsibility of the Association. This right shall carry with it the right to convey, lease or otherwise transfer (subject to the provisions of this Section) all or any portion of the Common Areas to said district, and this Declaration shall terminate upon acceptance by said district. In the event of such a transfer of interest to the County of Riverside, this Declaration shall immediately terminate upon acceptance of the transfer by the County, all maintenance and other functions within the Association relating to the Common Areas.

Section 11.2 - Delegation of Use. Any Member may delegate their right of enjoyment to the Common Areas to the members of their family or their tenants who reside on their Lot, or to their guests, subject to rules and regulations adopted by the Board. In the event

and for so long as an Owner delegates said rights of enjoyment to their tenants, said Owner shall not be entitled to exercise or enforce said rights.

Section 11.3 - Waiver of Use. No Member may exempt themselves from personal liability for Assessments duly levied by the Association, nor release the Lot owned by them from the liens, charges or other provisions of this Declaration, the Articles of Incorporation, Bylaws and Association Rules, by waiver of the use and enjoyment of the Common Areas, or the abandonment of their Lot.

ARTICLE XII **EASEMENTS**

Section 12.1 - Amendment to Eliminate Easements. This Declaration cannot be amended to modify or eliminate the easements reserved to Declarant without the prior written approval of Declarant (which may be granted or withheld in the sole discretion of Declarant), and any attempt to do so shall have no force or effect upon this Declaration or any rights and obligations contained therein. Any attempt to modify or eliminate this Section shall likewise require the prior written approval of Declarant (which may be granted or withheld in the sole discretion of Declarant).

Section 12.2 - Nature of Easements. Unless otherwise set forth herein, any easement reserved to Declarant herein shall be nonexclusive.

Section 12.3 - Certain Rights and Easements Reserved to Declarant.

(a) Utilities. Easements over the Neighborhood for the installation, maintenance, repair and replacement of electric, telephone, cable television, water, gas, sanitary sewer lines and drainage facilities as are needed to service the Common Areas, and/or the Neighborhood, are hereby expressly reserved by Declarant, together with the right to grant and transfer the same; provided, however, such easements shall not unreasonably interfere with the reasonable use and enjoyment by the Members of their Lots or the Common Areas.

(b) Cable Television. There is hereby reserved to Declarant over the Neighborhood, together with the right to grant and transfer the same, the right to place on, under or across the Neighborhood transmission lines and other facilities for a community antenna television system and thereafter to own and convey such lines and facilities as it deems appropriate, along with the right to enter upon the Neighborhood to service, maintain, repair, reconstruct and replace said lines or facilities; provided, however, that the exercise of such rights shall not unreasonably interfere with any Owner's reasonable use and enjoyment of their Lot.

(c) Water Rights. There is hereby reserved to Declarant, the right and power, to transfer or assign to others or to use or utilize on any other property owned or leased by Declarant, any and all water rights or interests in water rights no matter how

acquired by Declarant, and owned or used by Declarant in connection with or with respect to the Neighborhood, whether such water rights shall be riparian, overlying, appropriative, percolating, prescriptive or contractual; provided, however, that the reservation made herein shall not reserve to or for the benefit of Declarant any right to enter upon the surface of the Neighborhood in the exercise of such rights.

(d) Construction and Sales. There is hereby reserved to Declarant, together with the right to grant and transfer the same to its successors and assigns, Declarant's sales agents and representatives and prospective purchasers of Lots, over the Neighborhood, as the same may from time to time exist, easements for construction, display, maintenance, sales and exhibit purposes in connection with the erection and sale or lease of Lots within the Neighborhood; provided, however, that such use shall not be for a period beyond the earlier of (i) ten (10) years from the conveyance of the first Lot by Declarant to a Resident Owner or (ii) the sale of all Lots within the Neighborhood to Resident Owners; and provided further that no such use by or on behalf of Declarant shall otherwise unreasonably restrict the Members in the reasonable use and enjoyment of the Neighborhood.

(e) Emergency Vehicle Access. There is hereby reserved to Declarant, together with the right to grant and transfer the same to its successors and assigns, easements over the Neighborhood, including the Common Areas, for fire department and other emergency vehicle access, as needed to service the Common Areas and/or the Neighborhood; provided, however, such easements shall not unreasonably interfere with the reasonable use and enjoyment by the Members of their Lots or the Common Areas.

Section 12.4 - Certain Easements for Owners .

(a) Rights and Duties: Utilities and Cable Television. Wherever sanitary sewer house connections, water house connections, electricity, gas, telephone and cable television lines or drainage facilities are installed within the Neighborhood, the Owners of any Lot served by said connections, lines or facilities shall have the right (and under such right there is hereby reserved to Declarant, together with the right to grant and transfer the same to Owners, an easement to the full extent necessary for the full use and enjoyment of such portion of such connections which service such Owner's Lot, to enter upon Lots owned by others, or to have utility companies enter upon the Lots owned by others, in or upon which said connections, lines or facilities or any portion thereof lie, to repair, replace and generally maintain said connections as and when the same may be necessary; provided that such Owner or utility company shall promptly repair any damage to a Lot caused by such entry after completion of work thereon.

(b) Exclusive Use Common Areas. The Common Areas, both before and after transfer to the Association, are subject to the unilateral right of Declarant, or the Association, to establish easements in, over, upon, under and through the Common Areas in favor of the Owners. Declarant, or the Association, has the right, from time to time, to grant to any Owner a nonexclusive or an exclusive easement in, over, upon, under and through portions of the Common Areas consisting of unimproved areas adjacent to the specific Owner's Lot for use and enjoyment in connection with such Lot, subject to the provisions of this

Declaration. Declarant, or the Association, shall have the sole discretion to establish the size and shape of such non-exclusive or exclusive use Common Areas. The conveyance to an Owner of any portion of the Common Areas shall be subject to this Declaration and the Association's rights herein, and the Owner in each case shall be responsible for maintenance and all liability associated with the use of such easement, except as otherwise provided for in this Declaration.

(c) Rain Water Drainage Easements. There is hereby reserved to the Declarant, together with the right to transfer and grant same, easements in and over portions of Lots for the purpose of the installation and placement of drainage pipes in order to drain rainwater from roofs of Lots. No Owner shall interfere with the operation of any drainage devices, of any kind or number, installed by Declarant.

12.5. Reservation of Easements. Easements for installation and maintenance of utilities, improvements and drainage facilities, if any, are reserved as shown on any tract map for the Neighborhood ("Tract Map") or appearing in the public records of the County. Declarant hereby reserves a temporary blanket easement, subject to automatic termination as provided in this Article, (for any purpose relating to Declarant's continued development of the Neighborhood) upon, across, over, through, and under each Lot for ingress, egress, construction, installation, operation, replacement, repair, and maintenance of, including, but not limited to (by way of example only): grading and temporary relocating of fences; all utility and service lines, systems, and other devices and improvements which may be reasonably necessary or beneficial to the development, marketing and sale of the Lots within the Neighborhood, including, but not limited to, water, sewer, gas, telephone, electricity, television, cable and/or communication lines and systems, and storm and water drains and pipes (each, a "Facility"), as further provided below.

(a) Declarant shall have the power to grant and convey to any third party one or more particularly described easements and rights-of-way in, on, over, or under each Lot ("Special Easement(s)") for the purposes described above. Each Owner, in accepting a deed to a Lot, expressly consents to such easements and rights-of-way and authorizes and appoints Declarant (so long as Declarant owns one or more Lots in the Neighborhood) as attorney-in-fact of such Owner to execute any and all instruments particularly describing and conveying such easements or rights-of-way. Each such Owner specifically recognizes that more than one particularly described Special Easement may be reasonably necessary or beneficial to the development, marketing and sale of the Lots within the Neighborhood.

(b) The locations of each Special Easement shall be fixed at the earlier of: (i) recordation in the public records of the County of a document whereby the Special Easement is granted, in which case the Special Easement shall be located at the location referenced in such document; or (ii) initial construction or installation of the Facility, in which case the Special Easement shall be located at the location where the Facility is actually installed; provided, however, that such Special Easement location may be moved or altered upon reconstruction of the Facility.

(c) Within the location of each Special Easement so fixed, no structure, planting, or other material shall be placed or permitted to remain which may (i) damage or interfere with the permitted use of such Special Easement or the operation of the applicable Facility, (ii) which may be in violation of any ordinance or resolution of a governmental agency, or (iii) which may change the direction or flow of drainage channels or may obstruct or retard the flow of water through such channels; provided, however, that an Owner may install property-line fencing or walls subject to removal or destruction at the Owner's risk and expense if necessary to accommodate the purposes of this section.

(d) The easement area of each Lot, as set forth on the Tract Map or other recorded document or established herein, and all improvements on it shall be maintained continuously in good condition and repair by the Owner of said Lot, except for those improvements which a public authority or utility is responsible to maintain.

(e) The grantee of each Special Easement shall, after exercising its rights under the Special Easement, expeditiously repair, replace, and reconstruct any damage to a Lot caused by the exercise of such rights to at least the condition existing prior to such exercise.

(f) Upon Declarant's sale of the last Lot owned by Declarant in the Neighborhood, the blanket easement described in the first paragraph of this Section shall terminate and each Owner's Lot shall be subject only to the particularly described Special Easement(s) actually conveyed by Declarant prior to the close of escrow of such last Lot or as otherwise provided in this section.

(g) Encroachment Easements. Should any improvement made by Declarant or an Owner on a Lot, including walls or fences, encroach on any portion of the Neighborhood, or individual lots adjacent thereto due to engineering errors, errors in original construction, settlement or shifting of structures, or any other inadvertent cause, the Owner of the adjacent portion of the Neighborhood shall be deemed to have granted an appurtenant easement for such encroachment for so long as said improvement, as constructed or reconstructed, shall remain in a useful state; provided, however, that no valid easement for encroachment shall exist if said encroachment occurred due to negligence or willful misconduct of the Owner of the portion of the Neighborhood to be benefited thereby.

ARTICLE XIII ANNEXATION

The Annexation Property and/or any other real property may be annexed to and become subject to this Declaration by any of the methods set forth hereinafter in this Article, as follows:

Section 13.1 - Development of the Neighborhood. Declarant intends to sequentially develop the Annexation Property on a phased basis; however, Declarant may elect

not to develop all or any part of such real property, to annex such real property to this Declaration in increments of any size whatsoever, or to develop more than one such increment at any given time and in any given order. Moreover, Declarant reserves the right to subject all or any portion of the Annexation Property to the plan of this Declaration or one or more separate declarations of covenants, conditions and restrictions which subjects said property to the jurisdiction and powers of a homeowners association or other entity with powers and obligations similar to the Association and which is not subject to the provisions of this Declaration. Although Declarant shall have the ability to annex the Annexation Property as provided in this Article, Declarant shall not be obligated to annex all or any portion of such real property, and such real property shall not become subject to this Declaration unless and until a Supplementary Declaration shall have been so executed and recorded.

Section 13.2 Supplementary Declarations. A Supplementary Declaration shall be a writing in recordable form which annexes real property to the plan of this Declaration and which incorporates by reference all of the covenants, conditions, restrictions, easements and other provisions of this Declaration and shall contain such other provisions as set forth in this Declaration relating to Supplementary Declarations. Such Supplementary Declarations contemplated above may contain such complementary additions and modifications of the covenants, conditions and restrictions contained in this Declaration as may be necessary to reflect the different character, if any, of the annexed property and as are not inconsistent with the plan of this Declaration.

Section 13.3 - Annexation Without Approval and Pursuant to General Plan. All or any part of the Annexation Property may be annexed to and become subject to this Declaration and subject to the jurisdiction of the Association without the approval, assent or vote of the Association or its Members, provided that a Supplementary Declaration covering the portion of the Annexation Property to be annexed, shall be executed and recorded by Declarant. The recordation of said Supplementary Declaration shall constitute and effectuate the annexation of the said real property described therein, making said real property subject to this Declaration and subject to the functions, powers and jurisdiction of the Association, and thereafter said annexed real property shall be part of the Neighborhood and all of the Owners of Lots in said annexed real property shall automatically be Members. All Annexable Property to be developed shall be required to be annexed into the Association, prior to any such development.

Section 13.4 - Annexation Pursuant to Approval. Upon approval in writing of the Association, pursuant the affirmative vote of seventy-five percent (75%) of the voting power of the Association residing in Members other than Declarant, any person who desires to add real property, other than the Annexation Property, to the plan of this Declaration and to subject such property to the jurisdiction of the Association, may file of record a Supplementary Declaration. The provisions of this Section shall also apply to the Annexation Property subsequent to the expiration of the power of Declarant to annex such property without the approval of the Members as provided in this Article. The certificate of the President and the Secretary of the Association attached to any Supplementary Declaration recorded pursuant to this Section certifying that the required seventy-five percent (75%) of the voting power of the Association residing in Members other than Declarant has approved the recordation of such Supplementary Declaration shall be

deemed conclusive proof thereof.

Section 13.5 - Mergers or Consolidations. Upon a merger or consolidation of the Association with another association which merger or consolidation must be approved by seventy-five percent (75%) of each class of Members, the Association's properties, rights and obligations may, by operation of law, be transferred to the surviving or consolidated association, or, alternatively, the properties, rights and obligations of another association may, by operation of the law, be added to the properties, rights and obligations of the Association as a surviving corporation pursuant to a merger. The surviving or consolidated association may administer the covenants, conditions and restrictions established by this Declaration within the Neighborhood, together with the covenants, conditions and restrictions established upon any other property as one plan.

Section 13.6 - De-Annexation. Any property annexed to the Neighborhood by the Declarant, in accordance with the provisions of this Declaration, may be removed by Declarant as a portion of the Neighborhood and from the jurisdiction of this Declaration and the Association at any time by the recordation of an appropriate Declaration of Removal, provided that such removal shall take place before any Lot in the annexed parcel has been sold by Declarant to a Resident Owner. Any property, which is removed by Declarant, may be annexed, at a future date, to the Neighborhood in accordance with the provisions of this Declaration.

ARTICLE XIV **RIGHTS OF LENDERS**

Section 14.1 - Filing Notice; Notices and Approvals. A Mortgagee shall not be entitled to receive any notice, which this Declaration requires the Association to deliver to Mortgagees, unless and until such Mortgagee, or its mortgage-servicing contractor, has delivered to the Board a written notice stating that such Mortgagee is the holder of a Mortgage encumbering a Lot within the Neighborhood. Such notice need not state which Lot or Lots are encumbered by such Mortgage, but shall state whether such Mortgagee is a First Mortgagee. Wherever the approval of all or a specified percentage of Mortgagees is required pursuant to this Declaration, it shall be deemed to mean the vote or approval of all or a specified percentage only of those Mortgagees which have delivered such notice to the Board. Notwithstanding the foregoing, if any right of a Mortgagee under this Declaration is conditioned on a specific written request to the Association, in addition to having delivered the notice provided in this Section, a Mortgagee must also make such request, either in a separate writing delivered to the Association or in the notice provided above in this Section, in order to be entitled to such right. Except as provided in this Section, a Mortgagee's rights pursuant to this Declaration, including, without limitation, the priority of the lien of Mortgages over the lien of Assessments levied by the Association hereunder, shall not be affected by the failure to deliver a notice to the Board. Any notice or request delivered to the Board by a Mortgagee shall remain effective, without any further action by such Mortgagee, for so long as the facts set forth in such notice or request remain unchanged.

Section 14.2 - Priority of Mortgage Lien. No breach of the covenants, conditions or restrictions, nor the enforcement of any lien provisions, herein shall affect, impair, defeat or render invalid the lien or charge of any First Mortgage made in good faith and for value encumbering any Lot, but all of said covenants, conditions and restrictions shall be binding upon and effective against any Owner whose title is derived through foreclosure or trustee's sale (or otherwise) with respect to a Lot, except as otherwise provided in this Article.

Section 14.3 - Curing Defaults. A Mortgagee or the immediate transferee of such Mortgagee, who acquires title by judicial foreclosure, deed in lieu of foreclosure or trustee's sale, shall not be obligated to cure any breach of the provisions of this Declaration which is noncurable or of a type which is not practical or feasible to cure. The determination of the Board made in good faith as to whether a breach is noncurable, or not practical to cure shall be final and binding on all Mortgagees.

Section 14.4 - Resale. It is intended that any loan made to facilitate the resale of any Lot after judicial foreclosure, deed in lieu of foreclosure or trustee's sale, is a loan made in good faith and for value and the Mortgagee thereof is entitled to all of the rights and protections afforded to other Mortgagees.

Section 14.5 - Relationship with Assessment Liens.

(a) The lien provided for in Article IV hereof relating to the payment of Assessments (excepting Remedial Assessments) shall be subordinate to the lien, of any First Mortgage which was recorded prior to the date any such Assessment becomes due.

(b) If any Lot subject to a monetary lien created by any provision hereof shall be subject to the lien of a First Mortgage, (i) the foreclosure of any lien created by anything set forth in this Declaration shall not operate to affect or impair the lien of such First Mortgage; and (ii) the foreclosure of the lien of said First Mortgage or the acceptance of a deed in lieu thereof (each such event being hereinafter referred to as an "Event of Foreclosure") shall not operate to affect or impair the lien hereof; except that any persons who obtain an interest through an Event of Foreclosure, as well as their successors in interest, shall take title free of the lien hereof or any personal obligation for said charges as shall have accrued up to the time of the Event of Foreclosure, but subject to the lien hereof for all said charges that shall accrue subsequent to the Event of Foreclosure.

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

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

Section 14.6 - Vote of Institutional Mortgagees. Except upon the prior written approval of at least sixty-seven percent (67%) of the Institutional Mortgagees which have delivered to the Board a written notice stating that such Institutional Mortgagee is the holder of a Mortgage encumbering a Lot within the Neighborhood, and based on one (1) vote for each First Mortgage held, neither the Association nor the Members shall be entitled to do any of the following:

(a) dissolve the Association or abandon or terminate the maintenance of the Common Areas by the Association, except upon conveyance to, and acceptance by, a district in accordance with Subsection 11.1 (d) of this Declaration;

(b) amend a material provision to the Declaration or to the Bylaws of the Association; provided that "material amendment" shall mean amendments governing the following subjects:

(i) the fundamental purpose for which the Neighborhood was created (such as a change from residential use to a different use);

(ii) voting;

(iii) assessments, assessment liens, and subordination thereof;

(iv) the establishment, collection and/or enforcement of any reserve for the repair and/or replacement of the Common Areas;

(v) property maintenance obligations set out in this Declaration;

(vi) insurance obligations of the Association that are set out in this Declaration;

(vii) reconstruction in the event of damage or destruction;

(viii) rights to use the Common Areas;

(ix) annexation;

(x) any provision, which by its terms is specifically for the benefit of First Mortgagees, or specifically confers rights or imposes obligations upon First Mortgagees;

(xi) restrictions on the leasing of
Lots;

(c) Effectuate any decision to terminate professional management and assume self-management of the Neighborhood; or

(d) Abandon, partition, sell, alienate, subdivide, release, transfer, hypothecate or otherwise encumber the Common Areas (except in accordance with Section 11.1(b) of this Declaration); provided, however, the granting of easements for public utilities or other public purposes consistent with the intended use of the Common Areas shall not require such approval.

Section 14.7 - Other Rights of Institutional Mortgagees. Any Institutional Mortgagee or its mortgage-servicing contractor shall, upon no less than forty-eight (48) hours prior written request to the Association, be entitled to:

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

(b) receive the annual audited financial statement of the Association within one hundred and twenty (120) days following the end of the Association's fiscal year;

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

(d) receive written notification from the Association of any default by an Owner whose Lot is encumbered by such Institutional Mortgagees' Mortgage in the performance of the obligations imposed by this Declaration, which default has not been cured within sixty (60) days of a request therefor by the Association; provided, however, the Association shall only be obligated to provide such notice to Institutional Mortgagees who have delivered a written request therefor to the Association specifying the Lot or Lots to which such request relates.

Section 14.8 - Mortgagees Furnishing Information. Mortgagees are hereby authorized to furnish information to the Board concerning the status of any Mortgage.

Section 14.9 - Right of First Refusal. In the event this Declaration is amended to provide for any right of first refusal to purchase or lease a Lot in the Association, a Mortgagee

who comes into possession of a Lot pursuant to a judicial foreclosure, a deed in lieu of foreclosure or a trustee's sale, shall be exempt therefrom. In addition, conveyances to and from third party foreclosure purchasers and mortgage insurers and guarantors shall also be exempt.

Section 14.10 - Conflicts. In the event of any conflict between any of the provisions of this Article and any of the other provisions of this Declaration, the provisions of this Article shall control.

Section 14.11 - Voting Rights of Institutional Mortgagees. In the event of a default by an Owner in any payment due under the terms of any Institutional Mortgage held by an Institutional Mortgagee, or the promissory note secured thereby, the Institutional Mortgagee, or their representative, shall have the right, upon giving written notice to such defaulting Owner and the Association and placing of record a notice of default, to exercise the voting rights of such defaulting Owner attributable to such Lot at any regular or special meeting of the Members held during such time as such default may continue. Any such Owner's voting rights shall be restored to them at such time as such default is cured.

Section 14.12 - Notice of Destruction or Taking. In the event that the Common Areas, or any portion thereof, are substantially damaged, or are made the subject of any condemnation proceeding in eminent domain, or is otherwise sought to be acquired by a condemning authority, the Board shall promptly notify any Institutional Mortgagee affected by such destruction, taking or threatened taking; provided, such Institutional Mortgagee has delivered to the Board a written notice stating that such Institutional Mortgagee is the holder of a Mortgage encumbering a Lot within the Neighborhood pursuant to Section 14.1 above. As used herein, "substantially damaged" or "taking" shall mean, in each instance, damage or taking exceeding Ten Thousand Dollars (\$10,000). If requested in writing by an Institutional Mortgagee, the Association shall evidence its obligations under this Section in a written agreement in favor of such Institutional Mortgagee.

Section 14.13 - Payment of Taxes or Premiums by Institutional Mortgagee. Institutional Mortgagees may, jointly or individually, pay taxes or other charges which are in default and which may, or have become, a charge against the Common Areas. If such taxes or charges are separately assessed against the Owners, the rights of Institutional Mortgagees shall be governed by the provisions of their Mortgages. Institutional Mortgagees may, jointly or individually, also pay overdue premiums on hazard insurance policies, or secure new hazard insurance coverage on the lapse of a policy, for the Common Areas. Should any Institutional Mortgagee make such payments, they shall be owed immediate reimbursement therefor from the Association. Entitlement to such reimbursement shall be reflected in an agreement in favor of any Institutional Mortgagee, which requests the same to be executed by the Association.

ARTICLE XV **DISCLOSURES**

Section 15.1 - No Limitations. Neither this Declaration, nor any contract of sale, lease or other written document, nor any other means or method, shall be established or shall attempt to establish any requirement, restriction, or limitation on the Declarant, or any person, individual or entity which would operate, directly or indirectly, to prevent or preclude any other Owners or any person, individual, or entity from complying with all applicable provisions of the tentative Tract Map, the final Tract Map and/or other County ordinances, rules, policies or regulations.

Section 15.2 – Relinquishing of Obligations. The Association shall be prohibited from relinquishing its obligation to maintain the Common Areas, without the prior written consent of the Riverside County Planning Commission or County Board of Supervisors.

Section 15.3 – Modification. None of the terms of this Declaration shall be deleted or modified without the consent of the County Counsel. Further, the County shall have the right but not the obligation to enforce any of the above provisions, and in the event the County pursues legal action to enforce any of its rights, the County shall be entitled to reasonable attorneys' fees.

Section 15.4 – Receipt of Homeowner Documents. Prior to the transfer of ownership to each subsequent prospective and actual buyer ("Buyer") of any Lot or Lot(s), Declarant and Owner(s) shall provide a written copy of this Declaration and other documents set forth on Exhibit "D" to such Buyer. This notification provision shall run with the life of the Neighborhood, and shall be memorialized by the Buyer's execution of a copy of the "Receipt of Homeowner Documentation" checklist as shown in Exhibit "D" attached hereto and made a part hereof.

Section 15.5 – Graffiti Removal. Owner, transferee or other grantee shall irrevocably authorize County employees, agents or other representatives to enter upon the Lots for the purpose of removing or "painting over" graffiti from graffiti-attracting surfaces previously designated as such by the Planning Director of the County. Such authorization shall be conditioned on the giving of a notice posted on the affected property at least forty-eight (48) hours prior to entry.

Section 15.6 - Garages and Vehicles. All driveways and garages shall be maintained in a neat and orderly condition. No trailers, boats, or recreational vehicles of any type shall be kept or parked outside of a garage on any Lot, for any period of time. The intent of this limitation is for residents of a Lot to park such vehicles (excluding automobiles) in their garages, maintaining a clean and neat appearance of the Neighborhood while allowing guest and visitors to park temporarily therein. No vehicle of any type (including motorcycles), shall be parked in or upon any Lot, excluding the garage, for the purpose of accomplishing repairs thereto or the reconstruction thereof; except for emergency repairs and then only to the extent necessary to enable movement of the vehicle.

Section 15.7 – Fences. All rear wood fences adjacent to public rights-of-way and/or visible from public rights-of-way shall be stained or otherwise finished with a waterproof material.

Section 15.8 – Lot Improvements. Any individual patio covers, room additions, or other improvements to the Lot must be approved by the County. Any building materials used must be attractive and preservative of values of the Lot(s) and the Neighborhood.

ARTICLE XVI **ANNUAL INSPECTION**

Section 16.1 - Duty to Inspect . It shall be the duty of the Board to have the Common Areas inspected at least once each year.

Section 16.2 - Purpose of Inspection. The purpose of the inspection shall be to (i) determine whether the Common Areas are being maintained adequately and in accordance with the standards of maintenance established in Sections 5.2 and 6.1 hereof, (ii) identify the condition of the Common Areas and any improvements thereon, including the existence of any hazards or defects and the need for performing additional maintenance, refurbishment, replacement, or repair, and (iii) recommend preventive actions which may be taken to reduce potential maintenance costs to be incurred in the future.

Section 16.3 - Scope of Inspection. All of the Common Areas and improvements thereon shall be inspected.

Section 16.4 - Experts and Consultants. The Board may employ such experts and consultants as are necessary to perform the inspection and make the report required by this Article.

Section 16.5 - Report to Owners. The Board shall have a written report prepared of the results of the inspection of the Common Areas required by this Article. The report shall be furnished to Owners within the timeframe set forth for furnishing Owners with the budget described in Section 1365.5 of the Civil Code. The report shall include at least the following:

(a) a description of the condition of the Common Areas, including a list of items inspected, and the status of maintenance, repair and need for replacement of all such items;

(b) a description of all maintenance, repair and replacement planned for the ensuing fiscal year, which is included in the DRE Approved Budget;

(c) if any maintenance, repair or replacement is to be deferred, the reason for such deferral;

(d) a summary of all reports of inspections performed by any expert or consultant employed by the Board to perform inspections;

(e) a report of the status of compliance with the maintenance, replacement and repair needs set forth in the inspection reports for preceding years; and

(f) such other matters as the Board deems appropriate.

ARTICLE XVII

GENERAL PROVISIONS

Section 17.1 - Enforcement. The Association, or any Owner, shall have the right to enforce, by proceedings at law or in equity, all restrictions, conditions, covenants and reservations now or hereafter imposed by the provisions of this Declaration, or any amendment thereto, including the right to prevent the violation of any such restrictions, conditions, covenants, or reservations and the right to recover damages or other dues for such violation. The Association, or any Owner, shall also have the right to enforce, by proceedings at law or in equity, the provisions of the Articles of Incorporation, the Bylaws and any amendments thereto. With respect to Association Rules, the Association shall have the exclusive right to the enforcement thereof, unless the Association refuses or is unable to effectuate such enforcement, in which case any Owner who otherwise has standing shall have the right to undertake such enforcement. With respect to Assessment liens, the Association shall have the exclusive right to the enforcement thereof.

Section 17.2 - No Waiver. Failure by the Association, or by any Member, to enforce any covenant, condition, or restriction herein contained, or the Articles of Incorporation, Bylaws or Association Rules, in any certain instance or on any particular occasion, shall not be deemed a waiver of such right on any future breach of the same or any other covenant, condition or restriction.

Section 17.3 - Cumulative Remedies. All rights, options and remedies of Declarant, the Association, the Owners and Mortgagees under this Declaration are cumulative, and none of them shall be exclusive of any other. Furthermore, Declarant, the Association, the Owners and the Mortgagees shall have the right to pursue any one or all of such rights, options and remedies, as well as any other remedy or relief which may be provided by law, whether or not stated or referenced in this Declaration.

Section 17.4 - Severability. Invalidation of all or any one or a portion of these covenants, conditions or restrictions, by judgment or court order, shall in no way affect any other provisions, which shall remain in full force and effect.

Section 17.5 - Covenants to Run with the Land; Term. The covenants, conditions and restrictions of this Declaration shall run with and be binding upon all Lots within the Neighborhood, and shall inure to the benefit of, and be enforceable by the Association or any Owner, or their respective legal representatives, heirs, successors and assigns, for a term of sixty (60) years from the date the Original Declaration was recorded, after which time said

covenants, conditions and restrictions shall be automatically extended for successive periods of ten (10) years, unless an instrument, signed by a majority of the then Owners and at least seventy-five percent (75%) of the Institutional Mortgagees, based on the rule of one (1) vote for each First Mortgage held, has been recorded at least three (3) months prior to the end of any such period, agreeing to terminate said covenants, conditions and restrictions, in whole or in part. In the event all of the Common Areas are conveyed to a district established pursuant to the provisions of Subsection 11.1 (d) of this Declaration, this Declaration shall terminate and be of no further force or effect.

Section 17.6 - Sale or Title Transfer. Any Owner, prior to the sale or transfer of their interest, must provide their Buyer with a copy of (a) this Declaration, (b) the Bylaws, (c) the Articles of Incorporation, (d) the most recent financial statements of the Association, (e) a statement from an authorized representative of the Association stating the amount of the Association's Regular Assessments, Special Assessments, Reimbursement Assessments, Reconstruction Assessments, Capital Improvement Assessments and other fees, (f) a statement from an authorized representative of the Association listing all unpaid assessments and charges against the interest being sold, and (g) any changes in the Association's current Regular Assessments; Special Assessments Reimbursement Assessments, Reconstruction Assessments, Capital Improvement Assessments and fees which have been approved by the Board, but have not become due and payable as of the date such copies are provided pursuant to this Section.

The Association shall provide any Owner with a copy of the items listed in the preceding paragraph within ten (10) business days of receiving a written request for such information. The Association's fee for this service shall not exceed the cost of providing these items.

The Association shall not collect any fee in connection with any transfer of title, except the Association's actual costs to change its records for that Lot.

Section 17.7 - Construction. The provisions of this Declaration shall be liberally construed to effectuate its purpose of maintaining the Common Areas. The Article and Section headings have been inserted for convenience only, and shall not be considered or referred to in resolving questions of interpretation or construction.

Section 17.8 - Singular Includes Plural. Whenever the context of this Declaration requires same, the singular shall include the plural, and the masculine shall include the feminine and the neuter.

Section 17.9 - Nuisance. The result of every act or omission, whereby any provision, condition, restriction, covenant, easement, or reservation contained in this Declaration is violated, in whole or in part, is hereby declared to be, and constitutes, a nuisance, and every remedy allowed by law or equity against a nuisance, either public or private, shall be applicable against every such result, and may be exercised by the Association or any Member. Such remedies shall be deemed cumulative and not exclusive.

Section 17.10 - Attorneys' Fees. In the event action is instituted to enforce any of the provisions contained in this Declaration, the party prevailing in such action shall be entitled to recover from the other party thereto as part of the judgment, actual attorneys' fees and costs of such suit.

Section 17.11 - Notices. Any notice to be given to an Owner, the Association or a Mortgagee, or mortgage servicing contractor under the provisions of this Declaration, shall be in writing and may be delivered as follows:

(a) notice to an Owner shall be deemed to have been properly delivered when (i) delivered to the Owner's Lot, whether said Owner personally receives said notice or not, or (ii) placed in the first class United States mail, postage prepaid, to the most recent address furnished by such Owner in writing to the Association for the purpose of giving notice, or if no such address shall have been furnished, then to the street address of such Owner's Lot. Any notice so deposited in the mail within the County of Riverside shall be deemed delivered forty-eight (48) hours after such deposit. In the case of co-Owners, any such notice may be delivered or sent to any one of the co-Owners on behalf of all co-Owners and shall be deemed to have been delivered to all such co-Owners;

(b) notice shall be deemed to have been properly delivered to the Association when placed in the first class United States mail, postage pre-paid, to the address furnished by the Association or the address of its principal place of business;

(c) notice to a Mortgagee, or its mortgage servicing contractor, shall be deemed to have been properly delivered when placed in the first class United States mail, postage prepaid, to the address furnished to the Association by such Mortgagee, or such contractor, for the purposes of notice. If no such address is furnished, then delivery shall be deemed to have been perfected by placing the notice in the first-class United States mail, postage pre-paid, to any office of the Mortgagee in the County of Riverside, or if no such office is located in said County, to any office of such Mortgagee located in the United States; and

(d) the affidavit of an Officer or authorized agent of the Association declaring under penalty of perjury that a notice has been mailed to any Owner or Owners, to any Mortgagee, Mortgagees, or mortgage servicing contractor shown on the records of the Association, shall be deemed conclusive proof of such mailing, whether or not such notices are actually received.

Section 17.12 - Effect of Declaration. This Declaration is made for the purposes set forth in the Recitals to this Declaration and Declarant makes no warranties or representations, express or implied, as to the binding effect or enforceability of all or any portion of this Declaration, or as to the compliance of any of these provisions with public laws, ordinances and regulations applicable thereto.

Section 17.13 - Personal Covenant. To the extent the acceptance of a conveyance of a Lot creates a personal covenant between the Owner of such Lot and Declarant or other

Owners, such personal covenant shall terminate, and be of no further force or effect, from and after the date when a person or entity ceases to be an Owner; except to the extent this Declaration may provide otherwise with respect to the payment of moneys and/or Assessments to the Association.

Section 17.14 - Nonliability of Officials. To the fullest extent permitted by law, neither the Board, nor any committee of the Association, nor any member of such Board or committee, shall be liable to any Member of the Association for any damage, loss or prejudice suffered or claimed on account of any decision, approval or disapproval of plans or specifications (whether or not defective), course of action, act, omission, error, negligence or the like made in good faith, which such Board, committee of the Association, member of such Board or committee reasonably believed to be within the scope of their authorized duties.

Section 17.15 - Enforcement of Bonded Obligations. In the event that the improvements to the Common Areas have not been completed prior to the issuance of a Final Subdivision Public Report covering the Neighborhood, and the Association is obligee under a bond or other arrangement (hereinafter the "Bond") to secure performance of the commitment of Declarant to complete such Common Areas improvements, the following provisions shall apply:

(a) the Board shall consider and vote on the question of action by the Association to enforce the obligations under the Bond with respect to any Common Areas improvement for which a Notice of Completion has not been filed within sixty (60) days after the completion date specified for such improvements in the Planned Construction Statement appended to the Bond. If the Association has given an extension, in writing, for the completion of any Common Areas improvement, the Board shall consider and vote on the aforesaid question, if a Notice of Completion has not been filed within thirty (30) days after the expiration of such extension;

(b) in the event that the Board determines not to initiate action to enforce the obligations under the Bond, or in the event the Board fails to consider and vote on such question as provided above, the Board shall call a special meeting of the Members for the purpose of voting to override such decision or such failure to act by the Board. Such meeting shall be called according to the provisions of the Bylaws dealing with meetings of the Members, but in any event such meeting shall be held not less than thirty (30) days, nor more than ninety (90) days, after receipt by the Board of a petition for such meeting signed by Members representing five percent (5%) or more of the total voting power of the Association; and

(c) the only Members entitled to vote at such meeting of Members shall be Owners other than Declarant. A vote at such meeting of a majority of the voting power of such Members, other than Declarant, to take such action to enforce the obligations under the Bond shall be deemed to be the decision by initiating and pursuing appropriate action in the name of the Association.

Section 17.16 - Construction by Declarant. Nothing in this Declaration shall limit the right of Declarant to alter the Common Areas, or to construct such additional improvements

as Declarant deems advisable, prior to completion of improvements upon and the sale of the entire Neighborhood. Such right shall include, but shall not be limited to, erecting, constructing and maintaining within the Neighborhood such structures and displays as may be reasonably necessary for the conduct of the business of completing the work and disposing of the Lots by sale, lease or otherwise. This Declaration shall not limit the right of Declarant, at any time prior to acquisition of title of a Lot by a purchaser from Declarant, to establish within the Neighborhood additional licenses, reservations and rights-of-way to itself, utility companies, or others as Declarant may from time to time deem to be reasonably necessary to the development and interests of the Neighborhood. Declarant reserves the right to alter its construction plans and designs as it deems appropriate. All or part of Declarant's rights hereunder may be assigned to any successor or successors which successor(s) has/have an interest in the Neighborhood, by an express assignment, incorporated in a recorded deed or lease, transferring such interest to such successor(s). Declarant shall exercise its rights contained in this provision in such a way as not to unreasonably interfere with the Members' rights to use and enjoy the Neighborhood.

Section 17.17 - Right to Cure Alleged Defects. It is Declarant's intent that the Common Areas, each Lot, and all improvements constructed within the Neighborhood, be built in compliance with all applicable building codes and ordinances then in effect, and that they be of a quality that is consistent with good construction and development practices for production housing of this type. Nevertheless, due to the complex nature of construction and the subjectivity involved in evaluating such quality, disputes may arise as to whether a defect exists and Declarant's responsibility therefor. It is Declarant's intent to resolve all disputes and claims regarding Alleged Defects (as defined below) amicably, and without the necessity of time consuming and costly litigation. Accordingly, the Association, the Board and all Owners shall be bound by the following claim resolution procedure:

(a) Right to Cure. In the event that the Association, the Board or any Owner or Owners (collectively, "Claimant") claim, contend or allege that any portion of the Common Areas, any Lot, and/or any improvement constructed on the Neighborhood are defective, or that Declarant, its agents, consultants, contractors or subcontractors (collectively, "Agents") were negligent in the planning, design, engineering, grading, construction or other development thereof (collectively, an "Alleged Defect"), Declarant hereby reserves the right for itself and any successor or assign to inspect, repair and/or replace such Alleged Defect as set forth herein.

(b) Notice. In the event that a Claimant discovers any Alleged Defect, Claimant shall notify Declarant, in writing, within fifteen (15) days of discovery of the Alleged Defect, of the specific nature of such Alleged Defect ("Notice of Alleged Defect").

(c) Right to Enter, Inspect, Repair, and/or Replace. Within a reasonable time after the receipt by Declarant of a Notice of Alleged Defect, or the independent discovery of any Alleged Defect by Declarant, as part of Declarant's reservation of rights under this Declaration, Declarant shall have the right, upon reasonable notice to Claimant and during normal business hours, to enter onto or into, as applicable, the Common Areas, any Lot, including any residential dwelling unit constructed thereon, and/or any improvements, for

the purposes of inspecting and, if deemed necessary by Declarant, repairing and/or replacing such Alleged Defect. In conducting such inspection, repairs and/or replacement, Declarant shall be entitled to take any actions as it shall deem reasonable and necessary under the circumstances.

(d) Legal Actions. In the event a Claimant initiates any reference proceeding against Declarant alleging damages (1) for the costs of repairing, or the replacement of, any Alleged Defect, (2) for the diminution in value of any real or personal property resulting from such Alleged Defect, or (3) for any consequential damages resulting from such Alleged Defect, any judgment or award in connection therewith shall first be used to correct and/or repair such Alleged Defect or to reimburse the Claimant for any costs actually incurred by such Claimant in correcting and/or repairing the Alleged Defect. In the event the Claimant is the Association, the Association must provide written notice to all Members prior to initiation of any reference proceeding against Declarant which notice shall (at a minimum) include (i) a description of the Alleged Defect, (ii) a description of the attempts of Declarant to correct such Alleged Defect and the opportunities provided to Declarant to correct such Alleged Defect, (iii) the estimated cost to repair such Alleged Defect, (iv) the name and professional background of the attorney retained by the Association to pursue the claim against Declarant and a description of the relationship between such attorney and any members of the Board (if any), (v) a description of the fee arrangement between such attorney and the Association, (vi) the estimated attorneys' fees and expert fees and costs necessary to pursue the claim against Declarant and the source of the funds which will be used to pay such fees and expenses, (vii) the estimated time necessary to conclude the action against Declarant, and (viii) an affirmative statement from the Board that the action is in the best interests of the Association and its Members. Failure to provide the notice required herein shall not prejudice any reference proceeding filed by the Association. In the event the Association recovers any funds from Declarant (or any other person or entity) to repair an Alleged Defect, any excess funds remaining after repair of such Alleged Defect shall be paid into the Association's reserve fund unless at least seventy-five percent (75%) of the voting power of the Association elects to allocate or distribute the remaining funds otherwise.

(e) No Additional Obligations; Irrevocability and Waiver of Right. Nothing set forth in this Section shall be construed to impose any obligation on Declarant to inspect, repair or replace any item or Alleged Defect for which Declarant is not otherwise obligated to do so under applicable law, or any limited warranty provided by Declarant in connection with the sale of the Lots and/or the improvements constructed thereon. The right of Declarant to enter, inspect, repair, and/or replace that is reserved hereby shall be irrevocable and may not be waived or otherwise terminated, except by a writing, in recordable form, executed and recorded by Declarant in the Official Records of the County.

Section 17.18 - Amendments. Subject to the other provisions of this Declaration, including, without limitation, the rights of Mortgagees pursuant to Articles V and XIII, or otherwise, this Declaration may be amended as follows:

(a) until such time as there is a Class A membership pursuant to this Declaration, amendments or modifications shall be effective when executed by Declarant and when recorded in the Official Records of the County. Thereafter, as long as there

is a Class B membership, any amendments shall require the affirmative written consent or vote of not less than seventy-five percent (75%) of the voting power of the Association. After the Class B membership has been converted to Class A membership, amendments to this Declaration may be enacted only by the vote or written assent of Members representing both seventy-five percent (75%) of the total voting power of the Association and at least seventy-five percent (75%) of the voting power of the Association residing in Members other than the Declarant;

(b) notwithstanding the foregoing, any amendment or modification of Sections 3.4, 5.4, 5.7, 11.1 and 16.5 shall additionally require the prior written approval of not less than seventy-five percent (75%) of the Class A Members;

(c) an amendment or modification that requires the vote and written assent of the Members as hereinabove provided shall be effective when (i) executed by the President and Secretary of the Association who shall certify that the amendment or modification has been approved as hereinabove provided, and (ii) recorded in the Official Records of the County. The notarized signature of the Members shall not be required to effectuate an amendment of this Declaration;

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

(e) notwithstanding the amendment procedures set forth above, Declarant reserves the right to unilaterally make certain amendments ("Exhibit Amendments") to the exhibits attached hereto to amend said exhibits to more precisely describe the actual sizes and locations of the areas or improvements described on said exhibits. Declarant shall effect such changes by preparing or causing to be prepared, and recording or causing to be recorded, a declaration in a form selected by Declarant, or as required as part of any supplementary declaration;

(f) notwithstanding any other provisions of this Declaration, at any time prior to the first anniversary of the Initial Sale Date, Declarant may unilaterally amend this Declaration by recording a written instrument which effects the amendment and is signed and acknowledged by Declarant. Notwithstanding any other provisions of this Declaration, at any time prior to the first anniversary of the recordation of a particular Supplementary Declaration, Declarant may unilaterally amend such Supplementary Declaration by recording a written instrument which effects the amendment and is signed and acknowledged by Declarant; and

(g) notwithstanding any other provisions of this Section, and for so long as Declarant owns any portion of the Neighborhood, Declarant may unilaterally amend this Declaration by recording a written instrument signed by Declarant in order to conform

this Declaration to the requirements of VA, DRE, FNMA, GNMA, FHLMC, FEMA, or the U. S. Army Corps of Engineers then in effect.

Section 17.19 - Alternate Dispute Resolution.

(a) It is the desire and intention of the parties to agree upon a mechanism and procedure under which any controversy, breach or dispute arising out of this Declaration or the condition of the Neighborhood, including without limitation the Common Areas, (including, without limitation, any dispute between Declarant on the one hand, and any Owner, the Association or the Board on the other hand, arising over the design, specifications, surveying, planning, supervision, testing or observation of construction or construction of any Lot, including any residential dwelling unit constructed thereon and/or any improvement to, or survey of, the Neighborhood, including without limitation the Common Areas), will be resolved in a prompt and expeditious manner. Accordingly, any controversy, breach or dispute arising out of this Declaration or the condition of the Neighborhood, or relating to the interpretation of any term or provision of this Declaration, shall be heard by a referee pursuant to the provisions of the California Code of Civil Procedure, Sections 638 - 645.1, inclusive;

(b) The parties shall promptly and diligently cooperate with one another and the referee, and shall perform such acts as may be necessary to obtain a prompt and expeditious resolution of the dispute or controversy in accordance with the terms of this Declaration;

(c) The parties agree that the referee shall have the power to decide all issues of fact and law and shall report, in writing, their decision thereon, and to issue all legal and equitable relief appropriate under the circumstances of the controversy before them;

(d) The parties shall agree upon a single referee who shall then try all issues, whether of fact or law, and report a finding and judgment thereon. If the parties are unable to agree upon a referee within ten (10) days of a written request to do so by any party, then any party may seek to have a referee appointed pursuant to the California Code of Civil Procedure Sections 638 and 640;

(e) The cost of such proceeding shall be borne equally by each party to the dispute.

Notwithstanding any other provision of this Declaration, this Section 17.19 shall not be amended without the prior written consent of Declarant.

Section 17.20 – Maintenance/Assessments/Amendment/Deannexation/Conflicts.

Notwithstanding any provision in this Declaration to the contrary, the following provisions shall apply:

(a) The Association established herein shall manage and continuously maintain the Common Areas and shall not sell or transfer the Common Areas or any part thereof, absent the prior written consent of the Planning Department of the County of Riverside or the County's successor-in-interest.

(b) The Association shall have the right to assess the Owners for the reasonable cost of maintaining such Common Areas, and shall have the right to lien the property of any such Owner who defaults in the payment of a maintenance assessment. An assessment lien, once created, shall be prior to all other liens recorded subsequent to the notice of assessment or other document creating the assessment lien.

(c) This Declaration shall not be terminated, "substantially" amended, or property deannexed therefrom absent the prior written consent of the Planning Director of the County of Riverside or the County's successor-in-interest. A proposed amendment shall be considered "substantial" if it affects the extent, usage, or maintenance of the Common Areas established pursuant to the Declaration.

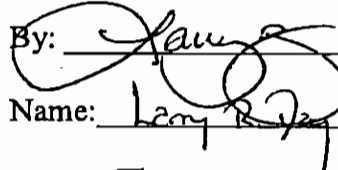
(d) In the event of any conflict between this Declaration and the Articles of Incorporation, the Bylaws, or the Association Rules, if any, this Declaration shall control.

IN WITNESS WHEREOF, Declarant has executed this instrument the day and year first hereinabove written.

"DECLARANT"

Forecast® PP1, LLC, a Delaware limited liability company

By: Inland Empire Personnel, Inc.,
A California corporation, its
Managing Member

By:  _____
Name: Larry R. Day
Title: EVP

STATE OF CALIFORNIA

) ss.

COUNTY OF SAN BERNARDINO

On 6/31 ²⁰⁰², ~~2001~~

before me, the undersigned, a Notary Public in and for said County and State, personally appeared LARRY R. DAY, personally known to me (~~or proved to me on the basis of satisfactory evidence~~) to be the person(s) whose name(s) is are subscribed to the within instrument and acknowledged to me that he ~~she~~ they executed the same in his ~~her~~ their authorized capacity(ies), and that by his ~~her~~ their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the within instrument.

WITNESS my hand and official seal.



Laurie D. La Rue
Notary Public

LIST OF EXHIBITS

- Exhibit "A" = Initial Property
- Exhibit "B" = Annexation Property
- Exhibit "C" = Common Areas
- Exhibit "D" = Receipt of Homeowner Documents

EXHIBIT "A"
(Initial Property)

LOTS 28, 29 AND 44 THROUGH 61 OF TRACT 29861, IN THE COUNTY OF RIVERSIDE, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 318, PAGES 13 THROUGH 16 INCLUSIVE, AS RECORDED IN THE COUNTY OF RIVERSIDE COUNTY, STATE OF CALIFORNIA.

EXHIBIT "B"
(Annexation Property)

PHASE 2:

LOTS 22 THROUGH 27 AND 62 THROUGH 76 OF TRACT 29861, IN THE COUNTY OF RIVERSIDE, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 318, PAGES 13 THROUGH 16 INCLUSIVE, AS RECORDED IN THE COUNTY OF RIVERSIDE COUNTY, STATE OF CALIFORNIA.

PHASE 3:

LOTS 7 THROUGH 21 AND 37 THROUGH 43 OF TRACT 29861, IN THE COUNTY OF RIVERSIDE, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 318, PAGES 13 THROUGH 16 INCLUSIVE, AS RECORDED IN THE COUNTY OF RIVERSIDE COUNTY, STATE OF CALIFORNIA.

PHASE 4:

LOTS 1 THROUGH 6, 30 THROUGH 36 AND 77 THROUGH 91 OF TRACT 29861, IN THE COUNTY OF RIVERSIDE, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 318, PAGES 13 THROUGH 16 INCLUSIVE, AS RECORDED IN THE COUNTY OF RIVERSIDE COUNTY, STATE OF CALIFORNIA.

PHASE 5:

LOTS 40 THROUGH 61 OF TRACT 29862, IN THE COUNTY OF RIVERSIDE, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK ___, PAGES ___ THROUGH ___ INCLUSIVE, AS RECORDED IN THE COUNTY OF RIVERSIDE COUNTY, STATE OF CALIFORNIA,

BEING A PORTION OF PARCELS 5 AND 6 OF PARCEL MAP 8708, IN THE COUNTY OF RIVERSIDE, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 39, PAGES 70 THROUGH 72 INCLUSIVE OF PARCEL MAPS.

PHASE 6:

LOTS 19 THROUGH 39 AND 62 THROUGH 63 OF TRACT 29862, IN THE COUNTY OF RIVERSIDE, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK ___, PAGES ___ THROUGH ___ INCLUSIVE, AS RECORDED IN THE COUNTY OF RIVERSIDE COUNTY, STATE OF CALIFORNIA,

BEING A PORTION OF PARCELS 5 AND 6 OF PARCEL MAP 8708, IN THE COUNTY OF RIVERSIDE, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 39, PAGES 70 THROUGH 72 INCLUSIVE OF PARCEL MAPS.

EXHIBIT "B"
(Annexation Property - Continued)

PHASE 7:

LOTS 14 THROUGH 18 AND 64 THROUGH 75 OF TRACT 29862, IN THE COUNTY OF RIVERSIDE, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK ___, PAGES ___ THROUGH ___ INCLUSIVE, AS RECORDED IN THE COUNTY OF RIVERSIDE COUNTY, STATE OF CALIFORNIA,

BEING A PORTION OF PARCELS 5 AND 6 OF PARCEL MAP 8708, IN THE COUNTY OF RIVERSIDE, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 39, PAGES 70 THROUGH 72 INCLUSIVE OF PARCEL MAPS.

PHASE 8:

LOTS 1 THROUGH 13 AND 76 THROUGH 82 OF TRACT 29862, IN THE COUNTY OF RIVERSIDE, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK ___, PAGES ___ THROUGH ___ INCLUSIVE, AS RECORDED IN THE COUNTY OF RIVERSIDE COUNTY, STATE OF CALIFORNIA,

BEING A PORTION OF PARCELS 5 AND 6 OF PARCEL MAP 8708, IN THE COUNTY OF RIVERSIDE, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 39, PAGES 70 THROUGH 72 INCLUSIVE OF PARCEL MAPS.

EXHIBIT "C"
(Common Areas)

LOT 92 OF TRACT 29861, IN THE COUNTY OF RIVERSIDE, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 318, PAGES 13 THROUGH 16 INCLUSIVE, AS RECORDED IN THE COUNTY OF RIVERSIDE COUNTY, STATE OF CALIFORNIA.

LOT 93 OF TRACT 29861, IN THE COUNTY OF RIVERSIDE, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 318, PAGES 13 THROUGH 16 INCLUSIVE, AS RECORDED IN THE COUNTY OF RIVERSIDE COUNTY, STATE OF CALIFORNIA.

LOT 83 OF TRACT 29862, IN THE COUNTY OF RIVERSIDE, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK _____, PAGES _____ THROUGH _____ INCLUSIVE, AS RECORDED IN THE COUNTY OF RIVERSIDE COUNTY, STATE OF CALIFORNIA,

BEING A PORTION OF PARCELS 5 AND 6 OF PARCEL MAP 8708, IN THE COUNTY OF RIVERSIDE, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 39, PAGES 70 THROUGH 72 INCLUSIVE OF PARCEL MAPS.

LOT 84 OF TRACT 29862, IN THE COUNTY OF RIVERSIDE, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK _____, PAGES _____ THROUGH _____ INCLUSIVE, AS RECORDED IN THE COUNTY OF RIVERSIDE COUNTY, STATE OF CALIFORNIA,

BEING A PORTION OF PARCELS 5 AND 6 OF PARCEL MAP 8708, IN THE COUNTY OF RIVERSIDE, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 39, PAGES 70 THROUGH 72 INCLUSIVE OF PARCEL MAPS.

EXHIBIT "D"
RECEIPT OF HOMEOWNER DOCUMENTATION

NAME _____

Phase _____

LOT: _____ TRACT: _____

I/We have received the following documentation relating to my/our purchase of the above property (please check all documents that apply):

- ___ Master Declaration of Covenants, Conditions & Restrictions
- ___ Amendment(s) to Master Declaration of Covenants, Conditions & Restrictions (if any)
- ___ By-Laws of Country Meadows II Landscape Maintenance Association, A California non-profit mutual benefit corporation
- ___ Articles of Incorporation of Country Meadows II Landscape Maintenance Association, A California non-profit mutual benefit corporation
- ___ Amendments to Articles of Incorporation and By-Laws of Country Meadows II Landscape Maintenance Association (if any)
- ___ Maintenance Agreement (if any)
- ___ Operating Budget (as approved by the Department of Real Estate)
- ___ Department of Real Estate Final Public Report
- ___ Receipt for Department of Real Estate Final Public Report (each Buyer must sign and return to Seller)
- ___ Declaration of Annexation
- ___ Amendment to Declaration of Annexation (if any)

Sign: _____ Date: _____

Print Name: _____

Sign: _____ Date: _____

Print Name: _____