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**DECLARATION OF RESTRICTIONS**  
**FOR**  
**BRIDLEVALE**

4/28/92

*Del - SFS - May 11*

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## SUBORDINATION AGREEMENT(S)

**DECLARATION OF RESTRICTIONS**

THIS DECLARATION OF RESTRICTIONS, made this 18th day of February, 1992, by THE PRESLEY COMPANIES, a California corporation (hereinafter called "Declarant");

**W I T N E S S E T H:**

A. Declarant is the owner of that certain real property situated in the City of Temecula, County of Riverside, State of California, which is more particularly described as:

Lots 9 through 12, inclusive, and lots 42 through 52, inclusive, of TRACT NO. 23267-1, as shown by map on file in Book 235, Pages 29 through 33, inclusive, of Maps, Records of Riverside County, California,

which real property is referred to herein as "Phase 1".

B. Phase 1 is the first Phase of real property owned by Declarant and described on Exhibit "A" attached hereto (the "Properties"). Declarant intends to develop the Properties in approximately thirty (30) Phases, with the approximate phasing shown on Exhibit "B" attached hereto. Declarant shall have the right, however, to change such phasing without amending this Declaration; provided, however, Declarant shall have such right to change the phasing only of those Phases in which no escrow has closed for sale of a Lot to an Owner ("Owner" does not refer to a successive Declarant). There is no guarantee that all Phases will be developed or annexed to this Declaration or developed or annexed in any particular order, and some Phases may be developed concurrently.

C. The Common Area lots will be owned and maintained by BRIDLEVALE HOMEOWNERS ASSOCIATION, a California nonprofit mutual benefit corporation ("Association"), the members of which will be the Owners of Lots. No Common Area is planned for the Project unless and until (i) annexation of Phase 4 of the Project and (ii) close of escrow for the sale of a Lot in Phase 4. Declarant currently plans to improve portions of the Common Area with a swimming pool, cabana, wading pool, spa and hiking trails. The Association will also maintain any Common Maintenance Area, being portions of those Lots, if any, upon which Common Maintenance Area easements have been granted to the Association.

D. This Declaration will initially affect and encumber only Phase 1 described above.

E. This project is a planned development common interest development.

F. Before selling any of the Lots, Declarant wishes to impose on each Lot within Phase 1 and each other Lot which becomes annexed hereto the following plan of covenants and restrictions.

NOW, THEREFORE, Declarant hereby certifies and declares and does hereby establish the following general plan for the protection and benefit of the Properties and has fixed and does hereby fix the following protective covenants and restrictions upon each and every ownership interest in Phase 1, and each additional Phase which becomes annexed hereto, under which said covenants and restrictions each ownership interest therein shall be hereafter held, used, occupied, leased, sold, encumbered, conveyed and/or transferred. Each and all of said covenants and restrictions are for the purpose of protecting the value and desirability of and shall inure to the benefit of the Properties and shall run with and be binding upon and pass with Phase 1, and each additional Phase which becomes annexed hereto, and each and every ownership interest therein and shall inure to the benefit of, apply to and bind the respective successors in title or interest of Declarant. The covenants and restrictions herein set forth are enforceable equitable servitudes as described in California Civil Code Section 1354.

## **ARTICLE I**

### **DEFINITIONS**

**Section 1.** "ARC" means and refers to the Architectural Review Committee appointed pursuant to the Article herein entitled "Architectural Review Committee".

**Section 2.** "Articles" shall mean and refer to the Articles of Incorporation of the Association as they may from time to time be amended.

**Section 3.** "Association" shall mean and refer to BRIDLEVALE HOMEOWNERS ASSOCIATION, a California Nonprofit Mutual Benefit Corporation, its successors and assigns.

**Section 4.** "Board" shall mean and refer to the Board of Directors of the Association.

**Section 5.** "Bylaws" shall mean and refer to the Bylaws of the Association as they may from time to time be amended.

**Section 6.** "Common Area" shall mean all real property (including improvements thereon) owned by the Association for the common use and enjoyment of the Owners. No Common Area will be owned by the Association at the time of conveyances of Lots in Phase 1. Declarant presently plans to convey:

SOUTHERLY LINE OF PARCEL B; THENCE LEAVING SAID SOUTHERLY LINE OF PARCEL B ALONG SAID EASTERLY LINE OF SAID PARCEL 2, SOUTH 21°15'55" EAST 551.68 FEET TO THE MOST NORTHERLY CORNER OF SAID PARCEL 3 OF PARCEL MAP NO. 18993; THENCE ALONG THE SOUTHERLY LINE OF SAID PARCEL 2 SOUTH 73°23'17" WEST 2117.49 FEET; THENCE CONTINUING ALONG SAID SOUTHERLY LINE NORTH 44°16'01" WEST 82.38 FEET; THENCE CONTINUING ALONG SAID SOUTHERLY LINE SOUTH 45°43'59" WEST 100.00 FEET; THENCE CONTINUING ALONG SAID SOUTHERLY LINE SOUTH 44°16'01" EAST 29.98 FEET; THENCE CONTINUING ALONG SAID SOUTHERLY LINE SOUTH 73°23'17" WEST 399.21 FEET TO THE MOST SOUTHERLY CORNER OF SAID PARCEL 2, BEING ALSO THE MOST EASTERLY CORNER OF SAID PARCEL 1 OF PARCEL MAP NO. 18993; THENCE ALONG THE SOUTHERLY LINE OF SAID PARCEL 1 SOUTH 73°23'17" WEST 183.00 FEET TO THE MOST SOUTHERLY CORNER OF SAID PARCEL 1; THENCE ALONG THE SOUTHWESTERLY LINE OF SAID PARCEL 1, NORTH 16°36'43" WEST 630.00 FEET TO AN ANGLE POINT IN THE BOUNDARY OF SAID PARCEL A OF SAID INSTRUMENT NO. 382851, SAID POINT ALSO BEING IN SAID NORTHERLY RIGHT-OF-WAY LINE OF TEMECULA CREEK CHANNEL, SAID POINT ALSO BEING ON A NON-TANGENT 4695.00 FOOT RADIUS CURVE CONCAVE NORTHERLY, A RADIAL LINE TO SAID CURVE BEARS SOUTH 16°36'43" EAST; THENCE LEAVING SAID SOUTHWESTERLY LINE OF SAID PARCEL 1 AND EASTERLY ALONG SAID BOUNDARY OF SAID PARCEL A AND ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 3°40'52" AND AN ARC DISTANCE OF 301.64 FEET; THENCE LEAVING SAID CURVE AND CONTINUING ALONG SAID BOUNDARY OF PARCEL A NORTH 20°55'00" WEST 201.61 FEET TO THE BEGINNING OF A TANGENT 1650.00 FOOT RADIUS CURVE CONCAVE EASTERLY; THENCE CONTINUING ALONG SAID BOUNDARY OF PARCEL A AND NORTHERLY ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 4°18'17" AND AN ARC DISTANCE OF 123.97 FEET; THENCE CONTINUING ALONG SAID BOUNDARY OF PARCEL A NORTH 16°36'43" WEST 676.74 FEET; THENCE CONTINUING ALONG SAID BOUNDARY OF PARCEL A NORTH 61°36'43" WEST 20.00 FEET TO THE TRUE POINT OF BEGINNING.



lots 210, 211 and 213 of TRACT NO. 23267-3, as shown by map on file in Book \_\_\_\_\_, Pages \_\_\_\_\_ through \_\_\_\_\_, inclusive, of Maps, Recorder of Riverside County, California [the blanks will not have been completed in this description if TRACT NO. 23267-3 has not recorded as of the date this Declaration is recorded]

to the Association prior to or at the time of the first conveyance of a Lot in Phase 4 of the Properties.

**Section 7.** "Common Maintenance Area" shall mean and refer to portions of those Lots, if any, upon which easements for maintenance are conveyed to the Association. Present plans do not include any Common Maintenance Area in Phase 1 but do envision certain slope easements (for landscaping, drainage and slope stabilization) to exist over portions of Lots 28 through 37 of Tract 23267-1 and Lots 1 and 4 through 10 of Tract 23267-3. Additional Common Maintenance Areas may be established in the Properties for slope maintenance, perimeter wall maintenance, entryway maintenance and other purposes.

**Section 8.** "Declarant" shall mean and refer to THE PRESLEY COMPANIES, a California corporation, and its successors and assigns, if Declarant assigns to such successors the rights of Declarant under this Declaration and if such successors assume any obligations of Declarant hereunder. Such assignment of rights need not include all of the original Declarant's rights. Any such assignment and assumption may result in there being more than one Declarant.

**Section 9.** "Declaration" shall mean and refer to this enabling Declaration of Restrictions as it may from time to time be amended.

**Section 10.** "First Mortgagee" shall mean and refer to any person who holds a Mortgage which is not inferior in priority to any other Mortgage.

**Section 11.** "Lot" shall mean and refer to any plot of land which is or has been made subject to this Declaration or another Declaration which requires the Lot Owner to be a member of the Association and is shown upon any recorded subdivision map of the Properties. Lot shall not refer to Common Area.

**Section 12.** "Mortgage" shall mean and refer to a deed of trust as well as a mortgage encumbering a Lot.

**Section 13.** "Mortgagee" shall mean and refer to the beneficiary of a deed of trust as well as the mortgagee of a mortgage encumbering a Lot.

**Section 14.** "Owner" shall mean and refer to the record owner, whether one (1) or more persons or entities, of fee simple title to any Lot which is a part of the Properties, including contract purchasers who have a possessory interest pursuant to their contract to

purchase, and excluding contract sellers having such interest merely as security for the performance of an obligation.

**Section 15.** "Phase" shall mean and refer to those portions of the Properties which are covered by a separate Final Subdivision Public Report issued by the California Department of Real Estate. More than one Phase may be developed and/or sold concurrently.

**Section 16.** "Properties" shall mean and refer to that certain real property located in the City of Temecula, County of Riverside, State of California, referred to on the first page hereof and described on Exhibit "A" attached hereto.

**Section 17.** "VA" shall mean and refer to the United States Department of Veterans Affairs.

## **ARTICLE II**

### **PROPERTY RIGHTS IN COMMON AREA**

**Section 1. Title to the Common Area.** Declarant will convey fee simple title to any Common Area which is to be included in a Phase of the Properties to the Association prior to the first conveyance of a Lot in that Phase to an Owner other than Declarant free and clear of all encumbrances and liens, except real property taxes which may be due but are not delinquent and easements, covenants, conditions and reservations then of record, including those set forth on the applicable Tract map and in this Declaration. The Association shall not sell or transfer title to the Common Area or any portion of the Common Area without the prior written consent of the Planning Director of the City of Temecula.

**Section 2. Owner's Easements of Enjoyment.** The Common Area will generally consist of open space private park areas. No other active recreational use of the Common Area by Owners is currently contemplated. Use of the Common Area will be subject to the following provisions:

(a) The right of the Association to charge reasonable admission and other fees for the use of any recreational facility or parking area situated upon the Common Area (no such improvements are currently planned);

(b) Pursuant to the procedures set forth in the Association's Bylaws, the right of the Association to suspend the voting rights and right to use of the recreational facilities, if any, by an Owner for any period during which any assessment by the Association against his Lot remains unpaid; and for a period not to exceed thirty (30) days for any infraction of its published rules and regulations after reasonable written notice and an opportunity for a hearing before the Board as specified in the Bylaws;

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

(d) The right of the Association to dedicate or transfer all or substantially all of its assets, including all or any part of the Common Area to any public agency, authority or utility for such purposes and subject to such conditions as may be agreed to by a majority of each class of members. The granting of easements for utilities and sewer facilities to serve the project shall not require the consent of the members;

(e) The right of the Association to limit the number of guests of members and to limit or prevent the use of the Common Area by persons not in possession of a Lot;

(f) The right of the Association to grant exclusive use easements to Owners over, under, upon and across portions of the Common Area, and/or to adjust boundaries between the Common Area and one or more of the Lots, provided that the areas covered by an easement or boundary adjustment (i) adjoin the Owner's Lot and (ii) in the Board's opinion would not be used by other Owners;

(g) All open space easements and other easements dedicated or granted to the City of Temecula, Temecula Community Service District or any other public or private entity.

(h) Subject to a concomitant obligation to restore, Declarant and its sales agents, employees and independent contractors shall have:

(i) a non-exclusive easement over the Common Area for the purpose of making repairs to the Common Area or to residences on the Lots it owns, provided access thereto is otherwise not reasonably available, and for the purpose of constructing, marketing and maintaining the project, including residences on the Lots it owns and the Common Area;

(ii) the easements referred to herein, including those set forth in Sections 7 and 8 of the Article herein entitled "GENERAL PROVISIONS".

**Section 3. Delegation of Use.** Subject to Section 1 above, any Owner may delegate, in accordance with the Bylaws, his right of enjoyment to the Common Area and facilities to the members of his family, his tenants or contract purchasers who reside on his Lot.

**Section 4. Transfer of Common Area.** The Common Area will be transferred to the Association subject to all covenants, conditions, restrictions, reservations, dedications and easements of record at the time of transfer.

### **ARTICLE III**

#### **MEMBERSHIP AND VOTING RIGHTS IN ASSOCIATION**

**Section 1. Membership in Association.** Every Owner of a Lot which is subject to assessment shall be a member of the Association. Membership shall be appurtenant to and may not be separated from ownership of a Lot which is subject to assessment.

**Section 2. Classes of Membership.** The Association shall have two (2) classes of voting membership:

**Class A.** Class A members shall be all Owners, with the exception of the Declarant, and shall be entitled to one (1) vote for each Lot owned. When more than one (1) person holds an interest in any one (1) Lot, all such persons shall be members. The vote for such Lot shall be exercised as they among themselves determine, but in no event shall more than one (1) vote be cast with respect to any Lot.

**Class B.** The Class B member(s) shall be the Declarant and shall be entitled to three (3) votes for each Lot owned. The Class B membership shall cease and be converted to Class A membership on the happening of any of the following events, whichever is the earliest to occur:

(i) Two (2) years following the original date of issuance by the California Department of Real Estate of the most recently issued final subdivision public report covering a Phase of the Properties; or

(ii) Four (4) years following the date of the original issuance by the California Department of Real Estate of the final subdivision public report covering Phase 1 of the Properties.

Notwithstanding anything herein stated to the contrary, no voting rights shall be attributable to a Lot unless the Association's annual assessments have commenced against the Lot.

### **ARTICLE IV**

#### **COVENANT FOR MAINTENANCE ASSESSMENTS TO ASSOCIATION**

**Section 1. Creation of the Lien and Personal Obligation of Assessments.** The Declarant, for each Lot owned within the Properties, hereby covenants, and each Owner of a Lot by acceptance of a deed therefor, whether or not it shall be so expressed in such deed, is deemed to covenant and agrees to pay to the Association: (a) annual assessments or charges, and (b) special assessments for capital improvements, such assessments to be established and collected as hereinafter provided. The annual and special assessments, together with interest, costs, late charges and reasonable attorney's fees, shall be a charge on the land and shall be a continuing lien upon the property against which each such

assessment is made. Each such assessment, together with interest, costs, late charges and reasonable attorney's fees, shall also be the personal obligation of the person who was the Owner of such Lot at the time when the assessment fell due. The personal obligation for delinquent assessments shall not pass to his successors in title unless expressly assumed by them.

**Section 2. Purpose of Assessments.** The assessments levied by the Association shall be used exclusively to promote the recreation, health, safety and welfare of its members and for the improvement and maintenance of the Common Maintenance Area and the Common Area.

**Section 3. Maximum Annual and Special Assessments.** The Board shall levy annual and special assessments sufficient to perform the obligations of the Association as provided in this Declaration and Bylaws. However, the Board shall not increase the assessments during any fiscal year unless the Board has complied with the requirements of Section 3 of the Article in the Bylaws entitled "MISCELLANEOUS" or unless the Board has obtained the approval of Owners casting a majority of the votes at a meeting or election of the Association conducted in accordance with Chapter 5 (commencing with §7510) of Part 3 of Division 2 of Title 1 of the California Corporations Code and §7613 of the California Corporations Code at which a quorum was present or participated. For purposes of this Section, "quorum" means more than fifty percent (50%) of the Owners.

Except for assessment increases necessary for emergency situations, the Board may not impose an annual assessment that is more than twenty percent (20%) greater than the annual assessment for the Association's preceding fiscal year nor special assessments which in the aggregate exceed five percent (5%) of the budgeted gross expense of the Association for the fiscal year, without the approval of Owners casting a majority of the votes at a meeting or election of the Association conducted in accordance with Chapter 5 (commencing with §7510) of Part 3 of Division 2 of Title 1 of the California Corporations Code and §7613 of the California Corporations Code at which a quorum was present or participated. For purposes of this Section, "quorum" means more than fifty percent (50%) of the Owners. An emergency situation is any one of the following:

- (a) An extraordinary expense required by an order of a court;
- (b) An extraordinary expense necessary to repair or maintain the Properties or any part of it for which the Association is responsible where a threat to personal safety on the Properties is discovered;
- (c) An extraordinary expense necessary to repair or maintain the Properties or any part of it for which the Association is responsible that could not have been reasonably foreseen by the Board in preparing and distributing the proforma operating budget under Section 1365 of the California Civil Code. However, prior to the imposition or collection of an assessment under this Subsection (c), the Board shall pass a resolution containing written findings as to the necessity of the extraordinary expense involved and why the expense was not or could not have been reasonably foreseen in the budgeting process, and

the resolution shall be distributed to the members of the Association with the notice of assessment.

Notwithstanding the above stated limitation against increases in annual assessments, the Board may increase annual assessments more than 20% if such increase was shown on an Association budget approved by the California Department of Real Estate and if such increase is allowed by California law.

Notwithstanding the above stated limitation against increases in special assessments, the Board may levy special assessments pursuant to the Section in the Bylaws entitled "Limitation on Expenditure of Reserve Funds".

Written notice of the regular assessment shall be sent to every Owner subject thereto. The due dates shall be established by the Board. The Association shall, upon demand and for a reasonable charge, furnish a certificate signed by an officer of the Association setting forth whether the assessments on a specified Lot have been paid. If a certificate states an assessment has been paid, such certificate shall be conclusive evidence of such payment.

**Section 4. Special Assessments for Capital Improvements.** In addition to the annual assessments authorized above and subject to the limitations stated above, the Association may levy, in any assessment year, a special assessment applicable to that year only for the purpose of defraying, in whole or in part, the cost of any construction, reconstruction, repair or replacement of a capital improvement upon the Common Maintenance Area and/or the Common Area, including fixtures and personal property related thereto.

**Section 5. Non-Lien Assessments to Reimburse Association.** The Board may impose non-lien assessments against individual Owners to reimburse the Association for costs and expenses incurred in enforcing compliance by such Owner of his Lot with the provisions of this Declaration, the Articles and Bylaws of the Association, and the rules and regulations adopted by the Board, which assessment may be imposed upon the vote of the Board after notice and an opportunity for a hearing which satisfies the requirements of Section 7341 of the California Corporations Code, as set forth in the Bylaws.

**Section 6. Uniform Rate of Assessment.** Both annual and special assessments (other than the special assessments referred to in Section 5 above) must be fixed at a uniform rate for all Lots and may be collected on a monthly basis, and the Owner of each Lot shall pay the same assessment amounts.

**Section 7. Date of Commencement of Annual Assessments: Due Dates.** The annual assessments provided for herein shall commence as to all Lots within Phase 1 on the first day of the month following the close of sale of any such Lot by Declarant. The annual assessments provided for herein shall commence as to all Lots within subsequent Phases, respectively, on the first day of the month following the conveyance of the first Lot in each respective Phase to an Owner or on the first day of the month following conveyance of the

## EXHIBIT "B"

Approximate Phasing

Phase No.	Tract No.	Residential Lot Nos.	Common Area Lots	Number of Residential Lots
1	23267-1	9-12, 42-52	NONE	15
2	23267-2	146-160	NONE	15
3	23267-1	1-3, 13-21, 54-56	NONE	15
4	23267-3	4-19	210, 211, 213	16
5	23267-1	4-8, 53	NONE	15
	23267-3	107-115	NONE	
6	23267-3	1-3, 30, 198-208	NONE	15
7	23267-2	1-8, 81-87	NONE	15
8	23267-3	20-29, 31-32, 195-197	NONE	15
9	23267-3	101-106, 116-124	NONE	15
10	23267-2	9-18, 88-92	NONE	15
11	23267-3	33-41, 189-194	NONE	15
12	23267-3	93-100, 125-131	NONE	15
13	23267-3	42-51, 184-188	NONE	15
14	23267-2	95-109	NONE	15
15	23267-3	52-59, 177-183	NONE	15
16	23267-3	134-148	NONE	15
17	23267-2	19-26, 93-94, 110-114	NONE	15
18	23267-3	60-67, 169-176	NONE	16
19	23267-3	88-92, 132-133, 149-155	NONE	14

Common Area in such Phase to the Association, whichever shall first occur. The first annual assessment shall be adjusted according to the number of months remaining in the calendar year. The Board shall fix the amount of the annual assessment against each Lot at least thirty (30) days in advance of each annual assessment period, but the Board may adjust the annual assessments at anytime during the annual assessment period. Written notice of changes in the annual assessment shall be sent by first class mail to every Owner subject thereto not less than 30 nor more than 60 days prior to the change in assessment becoming due. Although the amount of assessments (other than special assessments) shall be determined annually, such assessments shall be due and payable on a monthly basis on the first day of each calendar month, unless the Board determines otherwise. No notice of annual assessments shall be required except for notices of changes in assessment amount or changes in due dates. Commencement of annual assessments against an additional Phase during the marketing period may cause the annual assessment amounts to change.

**Section 8. Effect of Nonpayment of Assessments: Remedies of the Association.**

Any assessment made in accordance with this Declaration shall be a debt of the Owner of a Lot at the time the assessment is made. Any assessment not paid within thirty (30) days after the due date shall bear interest from the due date at the rate of twelve percent (12%) per annum and the Association may impose late charges not exceeding the maximum amount allowed by California law for any assessment not paid within fifteen (15) days of its due date. The Association may bring an action at law against the Owner personally obligated to pay the same, and in addition thereto or in lieu thereof, except for assessments imposed pursuant to Section 5 above, the Association may foreclose the lien of a regular or special assessment against the Lot. No Owner may waive or otherwise escape liability for the assessments provided for herein by nonuse of the Common Area or abandonment of his Lot.

Any assessment not paid within fifteen (15) days after the due date shall be delinquent. Except for assessments imposed pursuant to Section 5 above, the amount of any such delinquent regular or special assessment, plus any other charges thereof, as provided for in this Declaration, shall be and become a lien upon the Lot when the Association causes to be recorded with the County Recorder of the County of Riverside, a Notice of Delinquent Assessment, which shall state the amount of such delinquent assessment and such other charges thereon as may be authorized by this Declaration, a description of the Lot against which the same has been assessed and the name of the record owner thereof. In addition, in order for such lien to be non-judicially foreclosed, the notice shall state the name and address of the trustee authorized by the Association to enforce the lien by sale. Such notice shall be signed by any officer of the Association. Upon payment of such delinquent assessment and charges in connection with which such notice has been so recorded, or other satisfaction thereof, the Association shall cause to be recorded a further notice stating the satisfaction and the release of the lien thereof.

Unless sooner satisfied and released, or the enforcement thereof initiated as hereinafter provided, such lien shall expire and be of no further force and effect one (1) year from the date of recordation of the Notice of Delinquent Assessment. The one (1) year



Phase No.	Tract No.	Residential Lot Nos.	Common Area Lots	Number of Residential Lots
20	23267-3	68-79, 165-168	NONE	16
21	23267-2	161-179	NONE	19
22	23267-3	80-87, 156-164	NONE	17
23	23267-2	51-65, 135	NONE	16
24	23267-2	27-34, 115-121	NONE	15
25	23267-1	35-37	NONE	3
26	23267-2	66-70, 136-145	NONE	15
27	23267-2	35-39, 122-131	NONE	16
	23267-3	215	NONE	
28	23267-2	71-80, 180-183, 185, 186	NONE	16
29	23267-2	40-50, 132-134	NONE	14
30	23267-1	22-34, 38-41	NONE	17

TOTAL: 450

**SUBORDINATION AGREEMENT**

SECURITY PACIFIC NATIONAL BANK, a national banking association, for itself and as agent for SECURITY PACIFIC NATIONAL BANK, a national banking association, FIRST INTERSTATE BANK OF CALIFORNIA, a California state bank, CALIFORNIA FEDERAL BANK, A FEDERAL SAVINGS BANK, a federally chartered savings bank, THE BANK OF CALIFORNIA, N.A., a national banking association, and CONTINENTAL BANK N.A., a national banking association, being the beneficiary under that certain deed of trust recorded April 7, 1989 as Instrument No. 110970, with the Office of the County Recorder of the County of Riverside, California, as modified by instrument recorded December 21, 1989 as Instrument No. 446797, with the Office of the County Recorder of the County of Riverside, California, hereby declares that the lien and charge of said deed of trust are and shall be subordinate and inferior to the Declaration of Restrictions to which this Subordination Agreement is attached.

SECURITY PACIFIC NATIONAL BANK, a national banking association, for itself and as agent for SECURITY PACIFIC NATIONAL BANK, a national banking association, FIRST INTERSTATE BANK OF CALIFORNIA, a California state bank, CALIFORNIA FEDERAL BANK, A FEDERAL SAVINGS BANK, a federally chartered savings bank, THE BANK OF CALIFORNIA, N.A., a national banking association, and CONTINENTAL BANK N.A., a national banking association

By Mark Egan  
Title VICE PRESIDENT

By Greg L. Hunt  
Title VICE PRESIDENT

STATE OF CALIFORNIA )  
                                  ORANGE ) ss.  
COUNTY OF ~~SAN DIEGO~~ )

156748

On February 27, 1992, before me, Suzan Kolach, Notary Public, personally appeared  
Mark E. James and Mary A. Arnett

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 instrument.

WITNESS my hand and official seal.

Signature

Suzan Kolach



period may be extended by the Association for not to exceed one (1) additional year by recording a written extension thereof.

Such lien may be enforced by sale by the Association, its attorney or other person authorized to make the sale, after failure of the Owner to pay such assessment in accordance with its terms, such sale to be conducted in accordance with the provisions of Sections 2924, 2924(b) and 2924(c) of the Civil Code, applicable to the exercise of powers of sale in Mortgages, or in any other manner permitted by law. The Association shall have the power to purchase the Lot at foreclosure sale and to hold, lease, mortgage and convey the same.

**Section 9. Capitalization of Association.** Upon acquisition of record title to a Lot in Phase 1 from Declarant, the Owner shall contribute to the capital of the Association an amount equal to one-sixth (1/6) the amount of the then annual assessment for that Lot as determined by the Board. This amount shall be deposited by the buyer into the purchase and sale escrow and disbursed from the escrow to the Association. This Section applies only to sales from Declarant and does not apply to any resales of Lots. This Section applies only to the Lots within Phase 1 and does not apply to any other Phase of the Properties. The payments required under this Section are in addition to and not in lieu of annual and special assessments of the Association.

**Section 10. Subordination of the Lien to First Mortgages.** The lien of the assessments provided for herein, together with any interest, costs, late charges or fines pertaining thereto, shall be subordinate to the lien of any First Mortgage. However, the lien of assessments set forth in a recorded Notice of Delinquent Assessment shall be prior to all other liens recorded subsequent to the recording of the Notice of Delinquent Assessment. Sale or transfer of any Lot shall not affect the assessment lien. However, the sale or transfer of any Lot pursuant to foreclosure of a First Mortgage shall extinguish the lien of such assessments as to payments which became due prior to such sale or transfer. No sale or transfer shall relieve such Lot from liability for any assessments thereafter becoming due or from the lien thereon.

## **ARTICLE V**

### **ARCHITECTURAL REVIEW COMMITTEE**

**Section 1. The ARC.** There shall be an initial ARC consisting of three (3) persons, each appointed by Declarant. Members of the Board may be appointed as ARC members but ARC members need not be Board members. Upon appointment or replacement of an ARC member, a notice thereof may be filed in the Official Records of the County of Riverside. Until one (1) year following the date of original issuance by the California Department of Real Estate of the Final Subdivision Public Report covering Phase 1 of the Properties, each ARC member shall be subject to removal at the direction of Declarant at any time and from time to time, and all vacancies on the ARC shall be filled by appointment of Declarant. Commencing one (1) year following the date of issuance of such Public Report and ending on the fifth (5th) anniversary of the date of issuance of such Public Report, or

on the date ninety percent (90%) of the aggregate number of the Lots within the Properties have been sold and escrow closed by Declarant to retail purchasers thereof, whichever shall first occur, Declarant shall have the power to appoint two (2) of the members of the ARC and the Board shall have the power to appoint one (1) member thereof. Thereafter, the Board shall have the power to appoint all of the members of the ARC. Members of the ARC appointed by the Board shall be members of the Association. Members of the ARC appointed by Declarant need not be members of the Association. A majority of the ARC may designate a representative to act for it. Any member of the ARC may at any time resign therefrom by recording a resignation with the Office of the County Recorder of the County of Riverside.

**Section 2. No Improvement Without Approval.** No building or other structure or improvement, including, but not limited to, landscaping, grading and fencing, shall be erected, placed or altered upon any Lot until the location and the complete plans and specifications thereof (including the color scheme of each building, fence and/or wall to be erected) have been approved in writing by the ARC. No alteration shall be made in the exterior of any structure (including, but not limited to, color, design or openings of any building or other construction) unless written approval of said alteration shall have been obtained from the ARC. The grade, level or drainage characteristics of any Lot or portion thereof, shall not be altered without the prior written consent of the ARC.

Any such approval may be made subject to conditions imposed by the ARC. Such plans and specifications shall, at the request of the ARC, include an analysis of whether the proposed improvements or landscaping would impair any view from another residence or Lot within the Properties. Although the ARC may consider view impairment, the ARC shall have the right to balance view considerations with other factors in rendering its decisions and the ARC shall have the right to approve improvements which adversely affect views.

It is not intended that the ARC have jurisdiction concerning any changes to the interior portions of any of the residences within the Properties. Reconstruction shall be subject to ARC approval and generally any structures which are reconstructed shall be of the same size, configuration and architectural theme as the original structure.

The ARC may, in its discretion, establish categorical exemptions from its review. For example, the ARC may decide to make front yard landscaping, or certain types of front yard landscaping, categorically exempt from review. Any such categorical exemptions may be changed from time to time but no such change shall be applied retroactively to improvements installed by an Owner.

The ARC may, in its discretion, consult with architects, engineers and other professionals to assist it in rendering its decision. The reasonable cost of such consultations shall be borne by the Owner-applicant. The reasonable cost of such consultations shall be borne by the Owner-applicant. Each Owner shall, at the ARC's request, deposit the ARC's estimate of such costs. The ARC may condition its review on receiving such deposit.

The ARC shall provide guidelines for the submission of plans and specifications which may be amended by the ARC from time to time. Failure to comply with the requirements for ARC approval shall be deemed sufficient basis for the ARC to refuse to review the submission. No improvement shall be made which interferes with any easement encumbering any Lot. The ARC may also provide additional guidelines covering setting forth various criteria regarding improvements.

In the event the ARC fails to approve or disapprove the location, plans and specifications or other request made of it within sixty (60) days after the submission thereof to it, then such approval will not be required, provided any improvement so made conforms to all other conditions and restrictions herein contained and is in harmony with similar improvements erected within the Properties. When the ARC issues an approval as provided for herein, a copy of the plans and specifications shall be returned to the ARC for permanent record.

Nothing herein stated is intended to give the ARC architectural control over portions of the Common Maintenance Area or Common Area. The Common Maintenance Area and Common Area shall be managed and controlled by the Association and no improvements shall be built thereon or no changes made thereto without the prior written consent of the Board.

**Section 3. Interpretations.** All questions of interpretation or construction of any of the terms or conditions in this Article shall be resolved by the ARC, and its decision shall be final, binding and conclusive on all of the parties affected.

**Section 4. Failure to Comply.** In the event of the failure of any individual Owner to comply with a written directive or order from the ARC, then, in such event, the ARC shall have the right and authority to perform the subject matter of such directive or order, including, if necessary, the right to enter upon the Lot, and the cost of such performance shall be charged to the Owner of the Lot in question, which cost shall be due within five (5) days after receipt of written demand therefor, and may be recovered by the ARC in an action at law against such individual Owner.

**Section 5. Drainage; Cleaning Construction Site.** Each Owner shall take reasonable steps to insure that the construction site on his or her Lot during the course of construction will be maintained reasonably free of debris at the end of each working day and that the construction will be completed and the Lot drainage swales and structures will correctly drain surplus water to the street or other approved locations. These requirements apply regardless of whether the improvements being constructed or installed are subject to ARC approval. In the event of a violation of this restriction, the ARC may give written notice thereof to the Owner of the Lot in question that if such violation is not cured or work commenced to cure the same within forty-eight (48) hours after the mailing of such notice, the ARC may bring action to correct or cause to be corrected said violation and the cost of such action and such corrective work shall be borne by the Owner.

**Section 6. No Waiver.** The approval of the ARC to any proposals or plans and specifications or drawings for any work done or proposed or in connection with any other matter requiring the approval and consent of the ARC, shall not be deemed to constitute a waiver of any right to withhold approval or consent as to any similar proposals, plans and specifications, drawings or matter whatsoever subsequently or additionally submitted for approval or consent.

**Section 7. No Compensation.** The members of the ARC shall receive no compensation for services rendered, other than reimbursement by the Association for expenses incurred by them in the performance of their duties hereunder.

**Section 8. Painting.** All buildings and fences on any Lot which are of frame construction shall be painted or stained with at least two (2) coats upon completion, unless otherwise approved in writing by the ARC.

**Section 9. No Move-Ons.** No structure of any kind shall be moved from any other place onto any Lot without the prior written permission of the ARC.

**Section 10. No Liability.** Neither Declarant nor the ARC, nor any member thereof, nor their duly authorized representatives shall be liable to the Association or to any Owner for any loss, damage or injury arising out of or in any way connected with the performance of the ARC's duties hereunder, unless due to the willful misconduct or bad faith of the ARC. The ARC shall review and approve or disapprove all plans submitted to it for any proposed improvement, alteration or addition, solely on the basis of aesthetic considerations and the overall benefit or detriment which would result to the immediate vicinity and the Properties generally. The ARC shall take into consideration the aesthetic aspects of the architectural designs, placement of buildings, topography, landscaping, color schemes, exterior finishes and materials and similar features, but shall not be responsible for reviewing, nor shall its approval of any plan or design be deemed approval of, any plan or design from the standpoint of structural safety or conformance with building or other codes.

**Section 11. Neighborhood ARCs.** Separate ARCs ("Neighborhood ARCs") may be established pursuant to this Section to cover particular Lots.

One or more Neighborhood ARCs may be established or changed by Declarant during the period in which Declarant has the right to appoint two or more ARC members pursuant to Section 1 of this Article; thereafter, the Board will have the right to establish or change jurisdiction of the Neighborhood ARCs.

A Neighborhood ARC, if so established, shall have exclusive jurisdiction to perform all the ARC functions provided for in this Declaration for those Lots designated (by Declarant, or the Board, as applicable) as being within the Neighborhood ARC. The members of each Neighborhood ARC shall be appointed pursuant to Section 1 of this Article.

## **ARTICLE VI**

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### **DECLARANT EXEMPTION**

Declarant is exempt from the requirements of the preceding Article entitled "ARCHITECTURAL REVIEW COMMITTEE". Furthermore, nothing in this Declaration shall be understood or construed to:

(a) Prevent Declarant, or its contractors or subcontractors, from doing on any of the Properties owned or controlled by Declarant whatever they determine to be necessary or advisable in connection with the completion of a residential project, including, without limitation, the alteration of construction plans and designs as Declarant deems advisable in the course of development; or

(b) Prevent Declarant, or its representatives, from erecting, constructing and maintaining on any of the Properties owned or controlled by Declarant, or its contractors or subcontractors, such structures as may be reasonably necessary for the conduct of its or their business of completing a and establishing the Properties as a residential community and disposing of the same by sale, lease or otherwise; or

(c) Prevent Declarant, or its contractors or subcontractors, from conducting on any land owned or controlled by Declarant, its or their business of developing, subdividing, grading and constructing dwelling units and other improvements on the Properties as a residential community and of disposing of dwelling units thereon by sale, lease or otherwise; or

(d) Prevent Declarant, its contractors or subcontractors, from maintaining such sign or signs on any land owned or controlled by any of them as may be necessary in connection with the sale, lease or other marketing of Lots or dwelling units on the Properties; or

(e) Prevent Declarant, at any time prior to acquisition of title to a Lot by a purchaser from Declarant, to establish on that Lot additional licenses, reservations and rights of way to itself, to utility companies, or to others as may from time to time be reasonably necessary to the proper development and disposal of the Properties; or

(f) Prevent Declarant from using any Lot owned or leased by it for model home display purposes or for real estate sales purposes during the period of time described in Section 1 of the Article herein entitled "USE RESTRICTIONS"; or

(g) Limit or interfere with the right of Declarant to subdivide or resubdivide any portion of the Properties owned by Declarant nor to complete improvements to the Common Maintenance Area or Common Area nor to any Lot owned by Declarant nor, during the time period described in Section 1 of Article VII below, to construct additional improvements as Declarant deems advisable in the course of selling the Properties, including constructing and maintaining on the Properties such structures and displays as may be



reasonably necessary for the conduct of its business of completing the work of development of the Properties and disposing of the same by sale, lease or otherwise; or

(h) Require Declarant to seek or obtain ARC approval of any improvement constructed or placed by Declarant on any portion of the Properties owned by Declarant; or

(i) Limit the right of Declarant to non-exclusive use of the Common Area; provided, however, that such use shall not unreasonably interfere with the rights of enjoyment of the other Owners as provided herein.

(j) The rights of Declarant provided under paragraphs (a) through (i) above shall expire at such time as Declarant owns fewer than two (2) Lots within the Properties.

Anything herein stated to the contrary notwithstanding, Declarant in exercising its rights under this Article shall not unreasonably interfere with the use of the Common Area by any Owner, and Declarant shall not unreasonably interfere with the use by an Owner of his or her Lot.

## **ARTICLE VII**

### **USE RESTRICTIONS**

**Section 1. Residential Purposes Only.** No Lot shall be used, except for residential purposes; provided, however, Declarant may use any of the Lots owned by it for model homes and sales office purposes until the sale by Declarant to Owners of all Lots or until seven (7) years after the first close of escrow for sale of a Lot to an Owner other than a successive Declarant, whichever shall first occur.

**Section 2. New Building Only.** No building of any kind shall be moved from any other place onto any Lot, nor from one Lot to another Lot, without the prior written permission of the Board or the ARC.

**Section 3. Balconies and Decks.** No balcony or deck shall be higher above the ground than the highest dwelling floor level, except with the written approval of the Board or the ARC. No balcony or deck shall at any time be used for storage purposes and each shall at all times be kept in a neat and clean appearance and in good repair.

**Section 4. No Second-Hand Materials, Painting Required.** No secondhand materials shall be used in the construction of any building or other structure on any Lot without the prior written approval of the Board or the ARC. All buildings and fences which are of frame construction shall be painted or stained upon completion with the paint or stain coverage (including the number of coats) as provided in the approval of the plans therefor by the Board or the ARC.

**Section 5. Diligence in Construction Required.** The work of constructing and erecting any building or other structure shall be prosecuted diligently from the commence-

ment thereof, and the same shall be completed within a reasonable time in accordance with the requirements herein contained. No outbuilding shall be completed prior to the completion of the dwelling, except that temporary storage and convenience facilities may be erected for workmen engaged in building a dwelling on the Lot, but such temporary facilities shall be removed as soon as the dwelling is completed.

**Section 6. No Antennae.** There shall be no outside television, radio antennae or satellite dish constructed, installed or maintained on any Lot for any purpose whatsoever without the consent of the Board or the ARC.

**Section 7. Drying Yards.** No drying yards shall be permitted unless screened from all views exterior to the Lot on which the drying yard is located by fence, hedge or shrubbery, which screening and the adequacy thereof shall be subject to the approval of the Board or the ARC.

**Section 8. No Tents, Shacks or Vehicles.** No tent, shack, recreational vehicle, trailer, basement, garage or outbuilding shall at any time be used on any Lot as a residence, either temporarily or permanently, nor shall any residence of a temporary character be constructed, placed or erected on any Lot.

**Section 9. No Signs.** No sign shall be placed or displayed on any Lot, building or other structure other than (i) one (1) sign of customary and reasonable dimensions advertising a Lot for sale or lease, (ii) one (1) sign of customary and reasonable dimensions informing the public of the existence of a burglar alarm or similar device, if any, and (iii) numerals identifying the address of the residence on the Lot. No sign of a permanent nature shall be allowed except house numbers indicating the street address of such Lots. Anything herein to the contrary notwithstanding, so long as Declarant retains ownership of any Lot, it may erect such signs as it reasonably determines is necessary for the sales promotion of such Lots.

**Section 10. No Wells.** No well for the production of, or from which there is produced, water, oil or gas shall be operated upon any Lot, nor shall any machinery, appliance or structure be placed, operated or maintained thereon for use in connection with any trading, manufacturing or repairing business without the approval of the ARC. No slant drilling shall be permitted above a plane 500 feet below the surface of the land.

**Section 11. Animal Restrictions.** No animals, fowls, reptiles, insects or poultry shall be kept by any person within the Properties which in the opinion of the Board, constitute a nuisance to any other Owner. No animals shall be kept, bred or raised within the Properties by any person for commercial purposes or in unreasonable quantities. All animals permitted herein to be kept shall be kept on a leash within the Properties when not within an enclosed area of a Lot. Each Owner of a pet shall be responsible for the removal of any waste from his pet.

**Section 12. No Commercial Activity; No Nuisance.** No commercial business disallowed by applicable City ordinances or permits shall be conducted on any of the Lots,

and nothing shall be done upon any Lot which may become an annoyance or nuisance to the neighborhood or other Lot Owners. No external speakers, bells or horns shall be permitted on any Lot. Nothing herein stated shall disallow installation of a burglar alarm system. Any Owner who has an alarm system installed shall use reasonable care to prevent false alarm occurrences.

**Section 13. Drainage.** No structure, planting or other material shall be placed or permitted to remain, or other activities undertaken on any slope area or any other area within the Properties which might damage or interfere with established slope ratios, create erosion or sliding problems, or interfere with established drainage systems or patterns. Any area drains and other drainage facilities and systems not maintained by the Association shall be maintained by the Owner thereof in a neat, orderly and safe condition and in such a manner as to facilitate the orderly discharge of water by means of same.

As used herein, the term "drainage pattern and system" includes, but is not necessarily limited to, any underground drain pipes and patterns of drainage in Lots or Common Area. The Owner of each Lot and the Association shall have the right to use the established drainage pattern and system for the purpose of draining his Lot and Common Area and improvements thereon; provided that such right of drainage shall not include the right to discharge noxious or offensive matter. Water from any Lot or Common Area and any improvements thereon may not drain or flow onto adjacent Lots or Common Area except to the extent provided for in the established drainage pattern and system. All slopes or terraces on any Lot or Common Area shall be maintained as provided herein so as to prevent any erosion thereof upon adjacent streets or adjoining property. Each Owner who grades his Lot shall provide for adequate drainage of his Lot so as not to interfere with any other Owner's use of his Lot or injure any portion of the Common Area.

**Section 14. Slope Control, Use and Maintenance.** Each Lot Owner will keep, maintain, water, plant and replant all slope banks located on such Owner's Lot so as to prevent erosion and to create an attractive appearance. No structure, planting or other material shall be placed or permitted to remain or other activities undertaken on any of said slope banks which may damage or interfere with established slope ratios, create erosion or sliding problems, or which may change the direction of flow of drainage channels or established drainage patterns and systems, or obstruct or retard the flow of water through drainage channels or established drainage patterns and systems. It is not intended that an Owner be required to maintain any Common Maintenance Area.

**Section 15. Leasing of Lots.** Each Owner shall have the right to lease his Lot, provided that all such leases must be in writing and shall provide that the lease is subject in all respects to the provisions of this Declaration and to the Articles and Bylaws and that any failure of the lessee to comply with the provisions of each such document shall constitute a default under the lease. A lessee shall have no obligation to the Association to pay assessments imposed by the Association nor shall any lessee have any voting rights in the Association. No Owner may lease his Lot or improvements thereon for hotel, motel, time share or transient purposes. Any lease which is either for a period of fewer than thirty

(30) days or pursuant to which the lessor provides any services normally associated with a hotel, shall be deemed to be for transient or hotel purposes.

**Section 16. No Garage Conversions; Garage Doors.** Each garage shall be used for purposes of vehicular storage and no garage shall be used, changed or converted in any manner which prevents the storage of the Lot occupant's vehicles. Garage doors shall be closed at all times other than when a vehicle is entering or leaving the garage.

**Section 17. No Recreational Vehicles.** No boat, camper, trailer, motorhome or other type of recreational vehicle shall be parked on any Lot, private street or other portion of the Properties unless such recreational vehicle is completely screened from view from all streets within the Properties.

**Section 18. Equipment.** No automobile or other equipment may be dismantled, repaired or serviced on any Lot except in the garage. No structure on any Lot shall be permitted to fall into disrepair and all structures shall at all times be kept in good condition and repair, and adequately painted or otherwise finished.

**Section 19. Weeds, Rubbish, Sanitary Containers, Etc.** No weeds, rubbish, debris, objects or material of any kind shall be placed or permitted to accumulate upon any Lot which render such portion unsanitary, unsightly, offensive or detrimental to any other Lot in the vicinity thereof or its occupants. Trash, garbage, rubbish and other waste shall be kept only in sanitary containers. All service yards or service areas, clothesline areas, sanitary containers and storage piles on any Lot shall be enclosed or fenced in such a manner that such yards, areas, containers and piles will not be visible from any neighboring Lot or road. Sanitary containers may be set in areas prescribed by the Board for a reasonable period of time before and after scheduled trash pick up times.

**Section 20. Plants.** No plants or seeds infected with noxious insects or plant disease shall be brought upon, grown or maintained upon any Lot.

**Section 21. Landscaping.** All landscaping of every kind and character, including shrubs, trees, grass and other plantings, within any Lot shall be neatly trimmed, properly cultivated and continuously maintained by the Owner thereof in a neat and orderly condition and in a manner to enhance its appearance. The ARC shall have the right to require any Owner to remove, trim, top or prune any shrub, tree, bush, plant or hedge which the Board or the ARC believes unreasonably impedes the view of any other Lot Owner. No Owner shall remove, damage or otherwise change any landscaping within the Common Maintenance Area.

**Section 22. Right of Entry.** During reasonable hours and after reasonable notice, Declarant or any agent thereof, so long as Declarant is an Owner of at least twenty-five percent (25%) of the Lots planned for the Properties, and the Association shall have the right to enter upon any Lot when necessary in connection with construction, maintenance or repair to the Common Area or the Common Maintenance Area or for the purpose of ascertaining whether or not the provisions of this Declaration are being complied with and

such entries shall not be deemed trespasses. Written notice deposited in the U.S. mail at least five (5) days before such entry shall be deemed to be reasonable notice. Such notice shall be sent postage prepaid and addressed to the last known address of such Owner, or if no other address is known, addressed to the Owner's Lot.

**Section 23. Liability of Owners.** Each Owner shall be liable to the Association for any damage to the Common Maintenance Area and/or Common Area or to any of the equipment or improvements thereon which may be sustained by reason of the negligence or willful misconduct of said Owner or of his family, relatives, guests or invitees, both minor or adult.

**Section 24. Street Grades, Cuts and Fills.** Declarant reserves the right to make such cuts and fills as are necessary to grade the streets or private ways within the Properties whether dedicated or not dedicated to the City of Temecula or County of Riverside or other political subdivision, in accordance with such grades as the City, County or other political subdivision may establish, and the right to provide the necessary support and protection of streets so graded, including to slope upon abutting Lots. The Declarant may assign said rights or any of them to the Association.

## **ARTICLE VIII**

### **INSURANCE; RECONSTRUCTION**

**Section 1. Liability Insurance.** The Association shall procure and keep in force public liability insurance in the name of the Association and the Owners against any liability for personal injury or property damage resulting from any occurrence in or about the Common Maintenance Area or Common Area in an amount not less than \$500,000.00 in indemnity against the claim of one (1) person in one (1) accident or event and not less than \$1,000,000.00 against the claims of two (2) or more persons in one (1) accident or event, and not less than \$100,000.00 for damage to property.

**Section 2. Fidelity Bond.** The Association shall maintain a fidelity bond in an amount equal to the amount of funds held by the Association during the term of the bond but not less than one-fourth (1/4) of the annual assessments, plus reserves, naming the Association as obligee and insuring against loss by reason of the acts of the Board, officers and employees of the Association, and any management agent and its employees, whether or not such persons are compensated for their services.

**Section 3. Hazard Insurance Policy.** Should improvements be installed on the Common Area, the Association shall obtain and at all times keep in force a policy of hazard insurance with extended coverage and special form endorsements covering any buildings and other insurable improvements located on the Common Area. The proceeds from such insurance shall be paid to the Association which shall use such funds for reconstruction of the improvements which are covered by the insurance. It is not contemplated that any insurable improvements will be located on the Common Area.

**Section 4. Copies of Insurance Policies.** Copies of all such insurance policies (or certificates thereof showing the premiums thereon to have been paid) shall be retained by the Association and open for inspection by Owners at any reasonable time(s). All such insurance policies shall (i) provide that they shall not be cancelable by the insurer without first giving at least ten (10) days' prior notice in writing to the Association, and (ii) contain a waiver of subrogation by the insurer(s) against the Association, Board and Owners.

**Section 5. FNMA and FHLMC Requirements.** Anything contained herein to the contrary notwithstanding, the Association shall maintain such insurance coverage as may be required by the Federal National Mortgage Association ("FNMA") or the Federal Home Loan Mortgage Corporation ("FHLMC") so long as FNMA or FHLMC holds a Mortgage on or owns any Lot.

**Section 6. Other Insurance.** Nothing stated in this Article shall be deemed to limit the amount or type of insurance which the Board may obtain on behalf of the Association.

## **ARTICLE IX**

### **CONDEMNATION**

In the event the Common Area or any portion thereof shall be taken for public purposes by condemnation as a result of any action or proceeding in eminent domain, or shall be transferred in lieu of condemnation to any authority entitled to exercise the power of eminent domain, then the award or consideration for such taking or transfer shall be paid to and belong to the Association. No such sums shall be disbursed to the Owners (or their Mortgagees as their interests then appear) except on an equal basis. In the event the Common Area is destroyed or damaged, the Board shall cause the same to be reconstructed or repaired provided adequate insurance proceeds exist therefor; should insurance proceeds be deficient for such purposes, the Board may specially assess the Owners the amount of such deficiency provided that the requirements stated in Section 4 of Article IV hereof are met. No insurance proceeds shall be disbursed to the Owners (or their Mortgagees as their interests then appear) except on an equal basis.

## **ARTICLE X**

### **COMMON MAINTENANCE AREA AND MAINTENANCE RESPONSIBILITIES**

**Section 1. Improvement of Common Maintenance Area.** Declarant may install those landscaping, hardscaping and other improvements as Declarant deems appropriate to that portion of the Common Maintenance Area, if any, which covers each Lot which is subject to this Declaration.

**Section 2. Association Maintenance.** The Association shall, in perpetuity, manage and continuously maintain and provide for the maintenance of all the Common Area and Common Maintenance Area and all improvements thereon, including, but not limited to, any

private drainage systems, concrete terrace drains and desiltation/detention basins (if any) in good repair, appearance and working order. The Association shall provide landscaping and gardening to properly maintain and periodically replace when necessary the trees, plants, grass and other vegetation originally placed in the Common Area and Common Maintenance Area by Declarant. The Association shall have the right to enter onto any Lot (but not within the dwelling thereon) as may be necessary for the construction, maintenance or emergency repair of the Common Area or Common Maintenance Area or, if necessary, for the benefit of the Owners in common.

**Section 3. Right of City of Temecula to Maintain Common Area.**

(a) If the Association fails to manage and continuously maintain the Common Area as provided in Section 2 of Article X of this Declaration, the City of Temecula ("City") may give written notice of the deficiency to the Association which shall have twenty (20) days after the receipt of the notice to correct the deficiency. If the deficiency is not corrected within the twenty (20) day period, the City may elect to take the steps necessary to ensure adequate management and maintenance. To insure adequate management and maintenance, the City may serve a notice of its intent to enter the Common Area for this purpose. The City shall either personally serve the notice upon the Association, or mail a copy of it by certified mail to the Association's last known address, or as shown on the tax rolls, at least fifteen (15) days in advance of the date when it intends to enter the Common Area. For this purpose the City may enter upon the Common Area to perform such work as it considers reasonably necessary and proper to restore and maintain the Common Area. The City may act either through its own employees or through an independent contractor.

(b) If the City incurs costs, including administrative costs and attorney's fees, in restoring or maintaining the Common Area, following the procedures set forth in Subparagraph (a) above, the City shall make demand upon the Association for payment. If the Association fails to pay the costs incurred by the City within thirty (30) days following the date demand is made, costs shall be assessed against the Association and the Owners and members pursuant to Section 38773.5 of the Government Code, and shall be transmitted to the tax collector for collection.

(c) In the event City determines the Association has failed to perform its obligation to manage and maintain the Common Area, the City shall have the right to require the Association to post additional security in an amount not to exceed maintenance expenses for the Common Area for a one year period, to guarantee the performance of the obligations of the Association to manage and maintain the Common Area. The City may require either a cash deposit or surety bond guaranteeing performance in a form of surety satisfactory to the City. The City may, in the case of the cash bond, use the proceeds, or in the case of the surety bond, require the surety to perform the obligations of the Association. At such time, and at all times in the future, the City has the right to require this additional security, until the Association has complied with its obligations under this Declaration for a period of three years; thereafter City shall release its request for additional security.



(d) Before exercising the remedies under Paragraphs (a), (b) and/or (c) above, the City must be authorized to do so by the City Council for the City of Temecula during a hearing in which the Association has the opportunity to be heard. Such hearing shall follow a notice of hearing stating the time, date, place of meeting and reason for the hearing. Such notice shall be personally served upon the Association, or mailed by certified mail to the Association's last known address, or as shown on the tax rolls, at least ten (10) days in advance of the date of the hearing. The ten-day notice period for the notice of hearing may run concurrently with the twenty-day period referred to in Paragraph (a) above.

**Section 4. Owner Maintenance.** Each Owner shall, in perpetuity, keep and maintain in good repair and appearance all portions of his Lot and improvements thereon (other than any improvements within Common Maintenance Area), including, but not limited to, his residence, any private drainage system located within his Lot boundaries, any fence or wall and concrete terrace drains which are located on his Lot. The costs of maintenance and repair of fences and walls which are located at the boundary between Lots shall be shared equally by the Lot Owners; however, each Owner will be solely obligated to maintain the appearance of interior surfaces of such fences or walls. Each Owner shall also be solely obligated to maintain any fences or walls located between such Owner's Lot and Common Area, Common Maintenance Area or City maintained property, unless the instrument of conveyance of the Common Area, Common Maintenance Area or City maintained property states otherwise. For purposes hereof "City maintained property" refers to the City of Temecula as well as the Temecula Community Service District. Fences and walls which are installed by Declarant between Lots or between Lots and Common Area or Common Maintenance Area shall be deemed to establish the boundary line between such Lots or Lots and Common Area or Common Maintenance Area.

The Owner of each Lot shall water, weed, maintain and care for the landscaping located on his Lot (other than the Common Maintenance Area, if any, the maintenance of which is the responsibility of the Association) so that the same presents a neat and attractive appearance. The Owner of each Lot shall keep and maintain the exterior of his or her residence in good condition and appearance at all times. No Owner shall interfere with or damage the Common Area or Common Maintenance Area nor interfere with or impede Declarant or the Association in connection with the maintenance thereof as provided herein.

**Section 5. Association's Right to Repair Neglected Lots.** In addition to maintenance of the Common Area, in the event an Owner of any Lot should fail to maintain his or her Lot and improvements situated thereon in a manner satisfactory to the Board, the Association, after approval by the Board, shall have the right through its agents and employees, to enter on said Lot and to repair, maintain and restore the Lot and exterior of the building and any other improvements erected thereon; provided, however, the Association shall first obtain a court order to do so pursuant to this Section. Any such entry shall be made with as little inconvenience to the Owner as possible and any damage caused thereby shall be repaired by the Association. The Owner shall reimburse the Association for the cost of such exterior maintenance pursuant to a special non-lien assessment which the Association may assess against the Owner.



Anything herein stated to the contrary notwithstanding, no entry shall be made to any Lot without a court order (or the Owners's permission) unless such entry is necessary because of emergency or similar circumstances.

**Section 6. Transfer of Common Maintenance Area to Association.** The Common Maintenance Area, if any, over portions of the Lots shall be conveyed by easement from Declarant to the Association prior to the conveyance of record by Declarant of such Lot to an Owner.

**Section 7. Liability for Damage to City Improvements.** The Association shall be liable for any damage it or its agents may cause to City utilities which might result from the Association's repair or maintenance of the Common Area or Common Maintenance Area.

**Section 8. Adoption of Maintenance Plan.** The Association shall adopt and follow a Maintenance Plan which:

- (i) identifies specific components of the Common Area and Common Maintenance Area to be maintained by the Association;
- (ii) sets forth the periods during which such components are to be regularly inspected by the Association or its contractors; and
- (iii) describes the frequencies and types of routine maintenance of such components.

## **ARTICLE XI**

### **ANNEXATION**

**Section 1. By Association.** Additional residential property, Common Area and Common Maintenance Area may be annexed to the Properties and to the Declaration upon the vote or written assent of two-thirds (2/3) of the voting power of members of the Association, excluding the vote of Declarant. Upon such approval, the owner of the property wishing it to be annexed may file of record a Declaration of Annexation which shall extend the scheme of this Declaration to such property.

**Section 2. By Declarant.** Additional land within the Properties may be annexed as Lots and Common Area to the Declaration and to the jurisdiction of the Association, and additional Common Maintenance Area easements may be added to the Common Maintenance Area by Declarant without the consent of members of the Association or the Board at any time within three (3) years following the original issuance by the California Department of Real Estate of the most recently issued final subdivision public report for a Phase of the development of the Properties, provided that the annexation is in substantial conformance with the plan of phased development set forth in Recital B above. Such annexation need not be in the same order as set forth on Exhibit "B" nor consist of the same Lots and Common Area therein described, provided that the California Department of Real

Estate does not determine that the proposed annexation will cause a substantial increase in assessments against existing Owners which was not disclosed in final subdivision public reports under which preexisting Owners purchased their Lots. Any number of phases may be described on the same Declaration of Annexation and the inclusion of more than one phase on any Declaration of Annexation shall not result in merger of such phases. Declarant shall have the right to deannex any Phase annexed by Declarant provided such deannexation occurs prior to the time of conveyance of any Lot within such Phase. Any such deannexation will be by means of a recorded Declaration of Deannexation executed by Declarant.

## **ARTICLE XII**

### **RIGHTS OF LENDERS**

**Section 1. Payments of Taxes or Premiums by First Mortgagees.** First Mortgagees may, jointly or severally, pay taxes or other charges which are in default and which may or have become a charge against the Common Area, unless such taxes or charges are separately assessed against the Owners, in which case, the rights of First Mortgagees shall be governed by the provisions of their deeds of trust. First Mortgagees may, jointly or severally, also pay overdue premiums on casualty insurance policies, or secure a new casualty insurance coverage on the lapse of a policy for the Common Area, and First Mortgagees making such payments shall be owed immediate reimbursement thereof from the Association. Entitlement to such reimbursement shall be reflected in an agreement in favor of any First Mortgagee who requests the same to be executed by the Association.

**Section 2. Priority of Lien of Mortgage.** No breach of the covenants, conditions or restrictions herein contained 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.

**Section 3. Curing Defaults.** A 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 feasible to cure shall be final and binding on all Mortgagees.

**Section 4. Approval of First Mortgagees.** Unless at least sixty-seven percent (67%) of the First Mortgagees (based on one vote for each first Mortgage owned) have given their prior written approval, the Association shall not be entitled to:

(a) By act or omission, seek to abandon, partition, subdivide, encumber, sell or transfer the Common Area. The granting of easements pursuant to the Article above entitled "PROPERTY RIGHTS IN COMMON AREA" shall not be deemed a transfer within the meaning of this Subsection. Any restoration or repair of the Common Area after partial condemnation or damage due to an insurable event, shall be performed substantially in

accordance with this Declaration and original plans and specifications unless other action is approved by eligible holders of Mortgages on Lots which have at least fifty-one percent (51%) of the votes of Lots subject to eligible Mortgage holders. "Eligible Mortgage holder" as used in this Article, means a holder of a first Mortgage on a Lot who has requested notice from the Association of those matters described in Section 5 below.

(b) Change the method of determining the obligations, assessments, dues or other charges which may be levied against an Owner.

(c) By act or omission, change, waive or abandon any scheme of regulations, or enforcement thereof, pertaining to the architectural design or exterior appearance of residences, the exterior maintenance of residences, the maintenance of Common Area walks or common fences and driveways, or the upkeep of lawns and plantings in the Common Maintenance Area and other portions of the project.

(d) Fail to maintain fire and extended coverage insurance on any buildings within the Common Area on a current replacement cost basis in an amount not less than one hundred percent (100%) of the insurable value (based on current replacement cost).

(e) Use hazard insurance proceeds or proceeds from other third parties for losses to or claimed defects in any portion of the Common Area for other than the repair, replacement or reconstruction of such Common Area.

(f) Use hazard insurance proceeds for losses to any portion of the Common Area for other than the repair, replacement or reconstruction of such Common Area.

Anything contained in the Declaration to the contrary notwithstanding, no termination of the legal status of the Association for reasons other than substantial destruction or condemnation of the Common Area shall be permitted without the approval of Mortgagee holding first Mortgages encumbering sixty-seven percent (67%) of the Lots which are subject to Mortgages.

**Section 5. Restoration of Common Area.** Any restoration or repair of the Common Area after partial condemnation or damage due to an insurable event, shall be performed substantially in accordance with the Declaration and original plans and specifications unless other action is approved by holders of first Mortgages on Lots which have at least fifty-one percent (51%) of the votes of Lots subject to Mortgages.

**Section 6. Professional Management.** When professional management has been previously required by a first Mortgage holder, a decision to establish self-management by the Association shall require the consent of at least sixty-seven percent (67%) of the voting power of Members of the Association and the approval of holders of first Mortgages on Lots, the Owners of which have at least fifty-one percent (51%) of the votes of Lots encumbered by Mortgages.

**Section 7. Notice to Eligible Mortgagees.** Upon written request to the Association identifying the name and address of the holder and the Lot number or address, any eligible Mortgage holder will be entitled to timely written notice of:

(a) Any condemnation loss or any casualty loss which affects a material portion of the project or any Lot on which there is a First Mortgage held by such eligible Mortgage holder.

(b) Any delinquency in the payment of assessments or charges owed by an Owner subject to a First Mortgage held by such eligible holder which remains uncured for a period of sixty (60) days.

(c) Any lapse, cancellation or material modification of any insurance policy or fidelity bond maintained by the Association.

(d) Any proposed action which would require the consent of a specified percentage of eligible Mortgage holders as specified above.

**Section 8. Documents to be Available.** The Association shall make available to Owners and Mortgagees, and holders, insurers or guarantors of any First Mortgage, current copies of the Declaration, the Bylaws, other rules concerning the project and the books, records and financial statements of the Association. "Available" means available for inspection, upon request, during normal business hours or under other reasonable circumstances. The holders of fifty-one percent (51%) or more of First Mortgages shall be entitled to have an audited statement for the immediately preceding fiscal year prepared at their expense if one is not otherwise available. Any such financial statement so requested shall be furnished within a reasonable time following such request.

**Section 9. 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.

## **ARTICLE XIII**

### **GENERAL PROVISIONS**

**Section 1. Enforcement.** The Association, Declarant and any Owner shall have the right to enforce, by any proceedings at law or in equity, all restrictions, covenants and reservations now or hereafter imposed by the provisions of this Declaration. Failure by Declarant, the Association or any Owner to enforce any covenants or restrictions herein contained shall in no event be deemed a waiver of the right to do so thereafter. Enforcement shall be by proceeding at law or in equity against any person or persons violating or attempting to violate any covenant either to restrain violations and/or to recover damages. The City of Temecula shall have the right, but not the obligation, to enforce any provision of this Declaration which was required by the Conditions of Approval for Revised VTM 23267, approved by the City Council pursuant to its Resolution No. 91-47.

**Section 2. Severability.** Should any provision in this Declaration be void or become invalid or unenforceable in law or equity by judgment or court order, the remaining provisions hereof shall be and remain in full force and effect.

**Section 3. Amendments.** During the period of time prior to conversion of the Class B membership to Class A membership, this Declaration may be amended by an instrument in writing signed by the secretary of the Association certifying that at least sixty-seven percent (67%) of the voting power of each class of members of the Association have approved such amendment, which amendment shall become effective upon the recording thereof by the Office of the County Recorder of the County of Riverside, California. After conversion of the Class B membership in the Association to Class A membership, the Declaration may be amended by an instrument in writing signed by the secretary of the Association certifying that at least (i) sixty-seven percent (67%) of the total voting power of the Association, and (ii) at least sixty-seven percent (67%) of the voting power of members of the Association other than Declarant have approved such amendment. Anything contained herein to the contrary notwithstanding, no amendment material to a Mortgagee may be made to this Declaration without the prior written consent of fifty-one percent (51%) or more of the Mortgagees of First Mortgages encumbering Lots within the Properties (based upon one vote for each such Mortgagee); provided, however, that each Mortgagee has informed the Association in writing of its appropriate address. For purposes hereof, any amendments to provisions of this Declaration governing any of the following subjects, shall be deemed "material to a Mortgagee":

- (a) The fundamental purpose for which the project was created (such as a change from residential use to a different use).
- (b) Assessments, assessment liens and subordination thereof.
- (c) The reserve for repair and replacement of the Common Maintenance Area and the Common Area.
- (d) Property maintenance obligations.
- (e) Casualty and liability insurance.
- (f) Reconstruction in the event of damage or destruction.
- (g) Rights to use the Common Maintenance Area and the Common Area.
- (h) Annexation.
- (i) Voting.
- (j) Any provision which, by its terms, is specifically for the benefit of the First Mortgagees, or specifically confers rights on First Mortgagees.

Any First Mortgagee shall be deemed to have approved an amendment to this Declaration if such First Mortgagee fails to submit a written response to any written proposal for an amendment within 30 days after such First Mortgagee receives proper notice of the proposal, provided the notice was delivered by certified or registered mail, with a "return receipt" requested.

The percentage of voting power necessary to amend a specific clause or provision of this Declaration shall not be less than any percentage of affirmative votes prescribed for action to be taken under that clause.

Anything herein stated in this Declaration to the contrary notwithstanding, this Declaration may be amended by court order pursuant to Civil Code Section 1356.

**Section 4. Further Restrictions on Amendment.** Anything contained herein to the contrary notwithstanding, this Declaration shall not be terminated, "substantially" amended or property deannexed from this Declaration without the prior written consent of the Planning Director of the City of Temecula. A proposed amendment to this Declaration shall be considered "substantial" if the amendment affects the extent, usage or maintenance of the Common Area.

**Section 5. Extension of Declaration.** Each and all of these covenants, conditions and restrictions shall terminate on December 31, 2050, after which date they shall automatically be extended for successive periods of ten (10) years unless the Owners have executed and recorded at any time within six (6) months prior to December 31, 2050, or within six (6) months prior to the end of any such ten (10) year period, in the manner required for a conveyance of real property, a writing in which it is agreed that said restrictions shall terminate on December 31, 2050 or at the end of any such ten (10) year period.

**Section 6. FHA and VA Approval.** As long as there is a Class B membership in the Association, the following actions require the prior approval of the FHA and the VA: Annexation or de-annexation of additional property to the Properties, mergers or consolidations of the Association, dedications or mortgaging of Common Area, special assessments and amendment of the Declaration, a draft of which shall be submitted to and approved by the VA prior to recording.

**Section 7. Encroachments.** Each Lot within the Properties is hereby declared to have an easement over all adjoining property (including Lots, Common Maintenance Area and Common Area) for the purpose of:

(a) Accommodating minor encroachments due to original engineering or surveying errors, errors in original construction, errors in reconstruction or repair in accordance with plans and specifications approved by the ARC, or settlement or shifting or movement of a building or other structure.

(b) Maintaining and repairing such encroachments.

(c) Accepting water from the established drainage patterns and systems referenced herein or as otherwise allowed.

Each Owner agrees for himself and his heirs, successors, executors, administrators and assigns, and the Association agrees, for itself, its successors and assigns, that each will permit free access at reasonable times and upon reasonable notice by the party for whose benefit an easement has been created hereunder for the purpose of exercising his rights under this Section.

**Section 8. Reservations of Easements by Declarant.** Declarant hereby reserves the following easements:

(a) There is hereby reserved by Declarant, together with the right to grant and transfer the same, easements over the Properties for the installation, maintenance, service, repair, reconstruction and replacement of electric, telephone, cable television, water, gas, sanitary sewer lines and drainage facilities as shown on the recorded tract of the Properties.

(b) There is hereby reserved by Declarant, including, without limitation, its sales agents, representatives and prospective purchasers of Lots, together with the right of Declarant to grant and transfer the same, non-exclusive easements over the Common Maintenance Area and Common Area for construction, display, sales offices, incidental parking and exhibit purposes in connection with the construction, development and sale of residential Lots within the Properties and for other related purposes. Anything herein stated to the contrary notwithstanding, Declarant in exercising its rights under this Section shall not unreasonably interfere with the use of the Common Area by any Owner, and Declarant shall not unreasonably interfere with the use by an Owner of his Lot.

**Section 9. Special Responsibilities of Association.** In the event that the improvements to be installed by Declarant to the Common Area of a particular Phase have not been completed prior to the issuance by the California Department of Real Estate of a Final Subdivision Public Report covering the Phase, and in the further event that the Association is the obligee under a bond to secure performance by the Declarant to complete such improvements, then if such improvements have not been completed and a Notice of Completion filed within sixty (60) days after the completion date specified in the Planned Construction Statement appended to the bond, the Board shall consider and vote upon the question of whether or not to bring action to enforce the obligations under the bond. If the Association has given an extension in writing for the completion of any such improvement, then the Board shall consider and vote on said question if such improvements have not been completed and a Notice of Completion filed within thirty (30) days after the expiration of the extension period. In the event that the Board determines not to take action to enforce the obligations secured by the bond, or does not vote on the question as above provided, then, in either such event, upon petition signed by members representing five percent (5%) or more of the voting power of the Association (excluding the voting power of Declarant), the Board shall call a special meeting of the members of the Association to consider the question of overriding the decision of the Board or of requiring the Board to take action on the

question of enforcing the obligations secured by the bond. Said meeting of members shall be held not less than thirty-five (35) days nor more than forty-five (45) days following receipt of the petition. At said meeting a vote of a majority of the voting power of the members of the Association, excluding the vote of Declarant, to take action to enforce the obligations under the bond shall be deemed to be the decision of the Association, and the Board shall thereafter implement the decision by initiating and pursuing appropriate action in the name of the Association.

**Section 10. Litigation.** In the event the Association, Declarant or any Owner shall commence litigation to enforce any of the covenants, conditions or restrictions herein contained, the prevailing party in such litigation shall be entitled to costs of suit and such attorney's fees as the Court may adjudge reasonable and proper. The "prevailing party" shall be the party in whose favor a final judgment is entered.

**Section 11. Conflicting Provisions Among Documents.** In the event of a conflict between the provisions of this Declaration and the provisions of the Articles, Bylaws or Rules and Regulations of the Association, the provisions of this Declaration shall control.

**IN WITNESS WHEREOF**, the undersigned, being Declarant herein, has set its hand and seal as of the date first hereinabove written.

APPROVED AS TO FORM:

THE PRESLEY COMPANIES, a California corporation

Gary Thornhill  
Gary Thornhill, Planning Director

By Gerald P. Nordan  
Gerald P. Nordan  
Sr. Vice President  
Title \_\_\_\_\_

Scott F. Field  
Scott F. Field, City Attorney

By \_\_\_\_\_  
Title \_\_\_\_\_



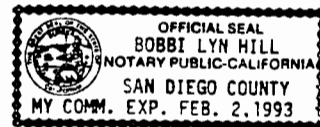
STATE OF CALIFORNIA                    )  
  ) ss.  
COUNTY OF SAN DIEGO                )

156748

On 2/18/92, before me, Bobbi Lyn Hill, Notary Public, personally appeared  
Gerald P. Nordeman

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 instrument.

WITNESS my hand and official seal.



Signature Bobbi Lyn Hill

(Seal)

**EXHIBIT "A"****The Properties**

Lots 1 through 56, inclusive, of TRACT NO. 23267-1, as shown by map on file in Book 235, Pages 29 through 33, inclusive, of Maps, Records of Riverside County, California;

Lots 1 through 183, inclusive, 185 and 186 of TRACT NO. 23267-2, as shown by map on file in Book 237, Pages 63 through 69 of Maps, Records of Riverside County, California; and

Lots 1 through 208, inclusive, 210, 211, 213 and 215 of TRACT NO. 23267-3, a map not yet recorded in the Office of the County Recorder of Riverside County, California, being a portion of that certain real property described on Exhibit A-1 attached hereto and incorporated herein by this reference.

**ADJUSTED PARCEL A**

PARCELS 3 AND 4 OF PARCEL MAP NO. 18993, IN THE CITY OF TEMECULA, COUNTY OF RIVERSIDE, STATE OF CALIFORNIA, AS RECORDED IN THE OFFICE OF THE COUNTY RECORDER OF RIVERSIDE COUNTY, IN BOOK 134 AT PAGES 13 THROUGH 18 OF PARCEL MAPS.

TOGETHER WITH THOSE PORTIONS OF PARCELS 1 AND 2 OF SAID PARCEL MAP, IN SAID CITY, COUNTY AND STATE, DESCRIBED AS FOLLOWS:

COMMENCING AT THE MOST WESTERLY CORNER OF SAID PARCEL 2; THENCE ALONG THE SOUTHERLY RIGHT-OF-WAY LINE OF STATE HIGHWAY 79, 102.00 FEET SOUTHERLY OF THE CENTERLINE OF SAID HIGHWAY 79 AS SHOWN ON SAID PARCEL MAP NO. 18993, NORTH 73°23'17" EAST 84.50 FEET TO THE NORTHWEST CORNER OF PARCEL A OF INSTRUMENT NO. 382851, RECORDED NOVEMBER 2, 1989 IN SAID OFFICE OF THE COUNTY RECORDER, SAID CORNER BEING THE TRUE POINT OF BEGINNING OF THE PROPERTY HEREIN DESCRIBED; THENCE CONTINUING ALONG SAID SOUTHERLY RIGHT-OF-WAY LINE AND THE NORTHERLY LINE OF SAID PARCEL A, NORTH 73°23'17" EAST 1366.07 FEET; THENCE LEAVING SAID NORTHERLY LINE OF SAID PARCEL A AND SAID RIGHT-OF-WAY LINE, SOUTH 16°36'43" EAST 189.40 FEET; THENCE SOUTH 26°51'50" EAST 137.19 FEET; THENCE SOUTH 16°36'43" EAST 92.40 FEET; THENCE SOUTH 10°31'32" EAST 90.51 FEET; THENCE SOUTH 16°36'43" EAST 413.91 FEET TO A POINT IN A LINE PARALLEL WITH AND DISTANT 97.00 FEET NORTHERLY MEASURED RADially OR AT RIGHT ANGLES TO THE NORTHERLY RIGHT-OF-WAY LINE OF TEMECULA CREEK CHANNEL AS DESIGNED AND DESCRIBED BY RIVERSIDE COUNTY ASSESSMENT DISTRICT 159, SAID POINT BEING ON A NON-TANGENT 5328.12 FOOT RADIUS CURVE CONCAVE SOUTHERLY, A RADIAL LINE TO SAID POINT BEARS NORTH 13°20'14" WEST; THENCE EASTERLY ALONG SAID PARALLEL LINE AND SAID CURVE THROUGH A CENTRAL ANGLE OF 4°14'00" AND AN ARC DISTANCE OF 393.67 FEET; THENCE TANGENT TO SAID CURVE, NORTH 80°53'46" EAST 288.64 FEET TO THE BEGINNING OF A TANGENT 1456.00 FOOT RADIUS CURVE CONCAVE NORTHERLY; THENCE LEAVING SAID PARALLEL LINE AND EASTERLY ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 0°07'10" AND AN ARC DISTANCE OF 3.04 FEET TO A POINT IN THE WESTERLY LINE OF PARCEL B OF SAID INSTRUMENT NO. 382851; THENCE ALONG SAID WESTERLY LINE, SOUTH 9°11'02" EAST (SOUTH 9°06'29" EAST PER SAID INSTRUMENT NO. 382851) 97.00 FEET TO A POINT IN A NON-TANGENT 2268.88 FOOT RADIUS CURVE CONCAVE NORTHERLY, A RADIAL LINE TO SAID POINT BEARS SOUTH 9°11'02" EAST (SOUTH 9°06'29" EAST PER SAID INSTRUMENT NO. 382851), SAID POINT BEING THE MOST SOUTHERLY CORNER OF SAID PARCEL B; THENCE EASTERLY ALONG SAID CURVE AND ALONG THE SOUTHERLY LINE OF SAID PARCEL B THROUGH A CENTRAL ANGLE OF 11°24'40" AND AN ARC DISTANCE OF 451.87 FEET (451.07 FEET PER SAID INSTRUMENT NO. 382851) TO A POINT IN THE EASTERLY LINE OF SAID PARCEL 2 OF SAID PARCEL MAP NO. 18993, SAID POINT ALSO BEING AN ANGLE POINT IN SAID