

ATTACHMENT

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“IF THIS DOCUMENT CONTAINS ANY RESTRICTION BASED ON RACE, COLOR, RELIGION, SEX, FAMILIAL STATUS, MARITAL STATUS, DISABILITY, NATIONAL ORIGIN, OR ANCESTRY, THAT RESTRICTION VIOLATES STATE AND FEDERAL FAIR HOUSING LAWS AND IS VOID, AND MAY BE REMOVED PURSUANT TO SECTION 12956.1 OF THE GOVERNMENT CODE. LAWFUL RESTRICTIONS UNDER STATE AND FEDERAL LAW ON THE AGE OF OCCUPANTS IN SENIOR HOUSING OR HOUSING FOR OLDER PERSONS SHALL NOT BE CONSTRUED AS RESTRICTIONS BASED ON FAMILIAL STATUS.”

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WAS RECORDED ON SEP 05, 2003
DOCUMENT NUMBER 2003-1084630
GREGORY J. SMITH, COUNTY RECORDER
SAN DIEGO COUNTY RECORDER'S OFFICE
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RECORDING REQUESTED BY:

WHEN RECORDED MAIL TO:

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Above Space for Recorder's Use

DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS

OF

WANIS VIEW ESTATES

**SECTION 17.4 OF THIS DECLARATION CONTAINS (I) A BINDING
ARBITRATION PROVISION IN ACCORDANCE WITH THE FEDERAL
ARBITRATION ACT AND (II) A WAIVER OF THE CONSTITUTIONAL RIGHT TO
A JURY. YOU SHOULD CONSULT LEGAL COUNSEL WITH ANY QUESTIONS
ON THESE OR OTHER PROVISIONS OF THIS DECLARATION.**

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DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS
OF
WANIS VIEW ESTATES

This DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS OF WANIS VIEW ESTATES ("Declaration") is made this 6th day of August, 2003 by KB HOME Coastal Inc., a California corporation ("Declarant") with reference to the facts set forth in the Article entitled "Recitals."

ARTICLE 1

RECITALS

1.1 PROPERTY OWNED BY DECLARANT. Declarant is the owner in fee simple of that certain real property (the "Property") situated in the City of Oceanside, County of San Diego, State of California, more particularly described in Exhibit "A" attached hereto and incorporated herein.

1.2 RIGHT TO ANNEX. Declarant may add all or any of the real property described on Exhibit "B" attached hereto and incorporated herein ("Additional Property") and said Additional Property so annexed will thereupon be subject to this Declaration and become a part of the Property.

1.3 NATURE OF PROJECT. Declarant intends to establish a plan of planned unit development ownership and to develop the Property, as a planned development project within the meaning of California Business and Professions Code Section 11004.5(c) and California Civil Code Section 1351(k), to conform with the provisions of the California Subdivided Lands Law (California Business and Professions Code Section 11000, et seq.) and to subject the Property to certain limitations, restrictions, conditions and covenants as hereinafter set forth, in accordance with the provisions of California Civil Code Sections 1350 et seq. and any successor statutes or laws. To that objective, Declarant desires and intends to impose on the Property mutually beneficial restrictions, limitations, easements, assessments and liens under a comprehensive plan of improvement and development for the benefit of all of the Owners and the Residential Lots and the future Owners of said Residential Lots.

1.4 DESCRIPTION OF PROJECT. Declarant intends to develop the Project in phases. The first Phase is planned to consist of sixteen (16) Residential Lots. If developed as planned, the Project (as hereinafter defined) will ultimately contain two hundred ninety-nine (299) Residential Lots but Declarant makes no guarantee that the Project (as hereinafter defined) will be constructed as presently proposed. Each Residential Lot shall have appurtenant to it a membership in the Wanis View Estates Homeowners Association, a California nonprofit mutual benefit corporation ("Association").

DECLARATION

Declarant declares that the Property is, and shall be, held, conveyed, hypothecated, encumbered, leased, rented, used and occupied subject to the following limitations, restrictions, easements, covenants, conditions, liens and charges, all of which are declared and agreed to be in furtherance of a plan of ownership as described in California Civil Code Section 1350 et seq. or any successor statutes or laws for the subdivision, improvement, protection, maintenance, and sale of planned unit developments within the Property, and all of which are declared and agreed to be for the purpose of enhancing, maintaining and protecting the value and attractiveness of the Property. All of the limitations, restrictions, easements, covenants, conditions, liens and charges shall run with the land, shall be binding on and inure to the benefit of all parties having or acquiring any right, title or interest in the Property, shall be enforceable equitable servitudes and shall be binding on and inure to the benefit of the successors-in-interest of such parties. Declarant further declares that it is the express intent that this Declaration satisfy the requirements of California Civil Code Section 1354 and any successor statutes or laws.

ARTICLE 2

DEFINITIONS

Unless the context otherwise specifies or requires, the terms defined in this Article shall, for all purposes of this Declaration, have the meanings herein specified.

2.1 ADDITIONAL CHARGES. The term "Additional Charges" means costs, fees, charges and expenditures, including without limitation, attorneys' fees, late charges, interest and recording and filing fees actually incurred by the Association in collecting and/or enforcing payment of assessments, fines and/or penalties.

2.2 ADDITIONAL PROPERTY. The term "Additional Property" means all of the real property described on Exhibit "B" attached hereto and incorporated herein.

2.3 ADJACENT ASSOCIATION MAINTENANCE AREA. The term "Adjacent Association Maintenance Area" refers to the portion of the Additional Property required to be maintained by the California Brisas Homeowners Association pursuant to the terms of the California Brisas Easement Agreement.

2.4 ANNEXATION. The term "Annexation" means the process by which the Additional Property described in Exhibit "B" attached hereto may be made subject to this Declaration as set forth in Article 16 hereof entitled "Annexation of Additional Property."

2.5 ARCHITECTURAL COMMITTEE. The term "Architectural Committee" means the committee which may be created pursuant to Article 9 hereof entitled "Architectural Committee."

2.6 ARCHITECTURAL GUIDELINES. The term “Architectural Guidelines” means the design criteria adopted by the Board pursuant to the provisions of Article 9 of this Declaration.

2.7 ARTICLES. The term “Articles” means the Articles of Incorporation of the Association as they may from time to time be amended which are or shall be filed in the Office of the Secretary of State for the State of California.

2.8 ASSOCIATION. The term “Association” means the Wanis View Estates Homeowners Association, a California nonprofit mutual benefit corporation, its successors and assigns.

2.9 ASSOCIATION’S MAINTENANCE GUIDE. The term “Association’s Maintenance Guide” means the manual which may be prepared by Declarant or its agents and provided to the Association, specifying obligations for maintenance of the Association Property by the Association, as updated and amended from time to time.

2.10 ASSOCIATION PROPERTY. The term “Association Property” means all the real property owned in fee title, from time-to-time, by the Association. The Association Property in the first Phase of the Project shall consist of the real property identified as Association Property on Exhibit “A”.

2.11 ASSOCIATION RULES. The term “Association Rules” means the rules and regulations adopted by the Board from time to time.

2.12 BOARD. The term “Board” means the Board of Directors of the Association.

2.13 BRUSH AREAS. The term “Brush Areas” means certain areas within the Project, including Residential Lots designated as brush management zones, which areas shall be subject to certain restrictions and maintenance obligations pursuant to this Declaration. The Brush Areas included within the Property are shown and described on Exhibit “C” attached hereto and incorporated herein. The areas designated as Brush Areas may be modified or supplemented in a Supplementary Declaration.

2.14 BRUSH MANAGEMENT PLAN. The term “Brush Management Plan” means the Oceanside Fire Department Brush Clearance Standards, as the same may be revised or amended by the City. A copy of the Brush Management Plan can be obtained from the City.

2.15 BUDGET. The term “Budget” means the budget for the Association which sets forth all the Common Expenses to be allocated among all the Owners.

2.16 BYLAWS. The term “Bylaws” means the Bylaws of the Association, as they may from time to time be amended, which are or shall be adopted by the Board.

2.17 CALIFORNIA BRISAS EASEMENT AGREEMENT. The term "California Brisas Easement Agreement" refers to the Easement Agreement entered into by Kaufman & Broad of San Diego, Inc., a California corporation, predecessor in interest to Declarant and the Deutch Company, a California corporation and recorded in the Office of the City Recorder of San Diego County on May 4, 1993 as Document No. 1993-02763660 which was subsequently assigned to and owned by California Brisas Homeowners Association, a California non-profit mutual benefit corporation regarding the maintenance of the Adjacent Association Maintenance Area.

2.18 CAPITAL IMPROVEMENT ASSESSMENTS. The term "Capital Improvement Assessments" means the assessments which are levied pursuant to the provisions of Section 6.6 of this Declaration.

2.19 CITY. The term "City" means the City of Oceanside, California.

2.20 COMMON EXPENSES. The term "Common Expenses" means the actual and estimated costs and expenses incurred or to be incurred by the Association, the Board or the Architectural Committee, including, but not limited to, the following:

2.20.1 maintenance, management, operation, repair and replacement of the Association Property, and Slope Maintenance Areas, and all other areas within the Property which are maintained by the Association;

2.20.2 due but unpaid Assessments (as hereinafter defined);

2.20.3 maintenance by the Association of areas within the public right-of-way of public streets in the vicinity of the Property as provided in this Declaration or pursuant to agreements with the City;

2.20.4 costs of management and administration of the Association, including, but not limited to, compensation paid by the Association to managers, accountants, attorneys, architects and employees;

2.20.5 the costs of any utilities, landscaping and other services benefiting the Owners and their Residential Lots to the extent such services are paid for by the Association;

2.20.6 the costs of fire, casualty, liability, worker's compensation and other insurance covering the Association Property and activities of the Association or obtained by the Association pursuant to the provisions of this Declaration;

2.20.7 reasonable reserves as deemed appropriate by the Board or otherwise required pursuant to the Governing Documents;

2.20.8 the costs of bonding of the members of the Board, the Architectural Committee, any professional managing agent or any other person handling the funds of the Association, if appointed;

2.20.9 taxes paid by the Association;

2.20.10 amounts paid by the Association for the discharge of any lien or encumbrance levied against the Association Property or portions thereof;

2.20.11 costs incurred by the Architectural Committee or other committees of the Association;

2.20.12 costs incurred by the Association under the Conservation Maintenance Agreements; and

2.20.13 the costs of any other item or items designated by, or in accordance with other expenses incurred by the Association for any reason whatsoever in connection with the operation and/or maintenance of the Association Property and Slope Maintenance Areas, or in furtherance of the purposes or the discharge of any obligations imposed on the Association by the Governing Documents.

2.21 CONDITIONS OF APPROVAL. The term "Conditions of Approval" refers to Resolution No. 2001-P19 adopted by the City of Oceanside, attached hereto as Exhibit "D" and incorporated herein.

2.22 CONSERVATION EASEMENT AREA. The term "Conservation Easement Area" means the portion of the Association Property described in Exhibit "E" attached hereto over which an easement has been or will be granted to the State of California for the maintenance of the Conservation Easement Area in a natural condition.

2.23 CONSERVATION MAINTENANCE AGREEMENTS. The term "Conservation Maintenance Agreement" refers to the maintenance agreement or agreements entered into with The Environmental Trust, Inc., a California non-profit mutual public benefit corporation, pursuant to the terms of what the Association will be obligated to pay for to maintain the Conservation Easement Areas and Foss Lake Conservation Areas.

2.24 COUNTY. The term "County" means the County of San Diego, California.

2.25 CROSS-LOT DRAINAGE IMPROVEMENTS. The term "Cross-Lot Drainage Improvements" means those certain cross-lot drainage facilities installed by Declarant located on those certain Residential Lots depicted on Exhibit "F" attached hereto and incorporated herein and any Residential Lots designated in a Supplementary Declaration.

2.26 DECLARANT. The term "Declarant" means KB HOME Coastal Inc., a California corporation, and its successors and assigns, if such successors and assigns acquire any or all of Declarant's interest in the Property for the purpose of purchase or sale, and Declarant has expressly transferred or assigned to such successors or assigns its rights and duties as Declarant to a portion or all of the Project. For any successor or assignee of "Declarant" to be deemed a Declarant under the terms of this Declaration, Declarant shall record in the County a certificate so designating said successor or assignee as Declarant. A successor Declarant shall also be deemed to include the beneficiary under any deed of trust securing an obligation from a then existing Declarant encumbering all or any portion of the Property, which beneficiary has acquired any such property by foreclosure, power of sale or deed in lieu of such foreclosure or sale.

2.27 DECLARATION. The term "Declaration" means this Declaration of Covenants, Conditions and Restrictions of Wanis View Estates, as said Declaration may from time to time be amended, modified or supplemented.

2.28 DRE. The term "DRE" means the California Department of Real Estate or any successor agency that is responsible for administering the sale of subdivided lands pursuant to Sections 11000, et. seq., of the California Business and Professions Code, or any similar statute hereinafter enacted.

2.29 ELIGIBLE HOLDER. The term "Eligible Holder" means any First Mortgagee who has given written notice to the Association specifying its name, address and the Residential Lot number or address of the Residential Lot by the Mortgagee and requesting written notice of any or all of the events specified in this Declaration.

2.30 ENFORCEMENT ASSESSMENTS. The term "Enforcement Assessments" means the assessments which are levied pursuant to the provisions of Section 6.7 of this Declaration.

2.31 EXTREMELY SENSITIVE CULTURAL AREAS. The term "Extremely Sensitive Areas" refers to the real property described in Exhibit "G" attached hereto and incorporated hereby which shall be owned by the Foundation (as described below) but which the Association is obligated to maintain in accordance with the requirements set forth in Sections 7.29 and 8.4.4 of this Declaration.

2.32 EXTREMELY CULTURALLY SENSITIVE AREA PRESERVATION AND MAINTENANCE AGREEMENT. The term "Extremely Culturally Sensitive Area Preservation and Maintenance Agreement" refers to that certain agreement entered into or to be entered into by the Declarant, Association and the Foundation (as described below) recorded or to be recorded regarding the Extremely Sensitive Cultural Area pursuant to the terms of which the Association shall conduct regular maintenance for the Extremely Sensitive Cultural Area.

- 2.33 FHA. The term "FHA" means the Federal Housing Administration of the United States Department of Housing and Urban Development and any department or agency of the United States government which succeeds to FHA's function of insuring notes secured by Mortgages on residential real estate
- 2.34 FHLMC. The term "FHLMC" means the Federal Home Loan Mortgage Corporation created by Title II of the Emergency Home Finance Act of 1970, and its successors.
- 2.35 FINAL MAP. The term "Final Map" means the final subdivision map covering the Project.
- 2.36 FIRST MORTGAGE. The term "First Mortgage" means a Mortgage which has priority under the recording statutes of the State of California over all other Mortgages encumbering a specific Residential Lot in the Project.
- 2.37 FIRST MORTGAGEE. The term "First Mortgagee" means the Mortgagee of a First Mortgage.
- 2.38 FISCAL YEAR. The term "Fiscal Year" means the fiscal accounting and reporting period of the Association selected by the Board.
- 2.39 FNMA. The term "FNMA" means the Federal National Mortgage Association, a government-sponsored private corporation established pursuant to Title VIII of the Housing and Urban Development Act of 1968, and its successors.
- 2.40 FOSS LAKE CONSERVATION AREA. The term "Foss Lake Conservation Area" refers to the area designated in Exhibit "H" attached hereto and incorporated herein.
- 2.41 FOUNDATION. The term "Foundation" means the San Luis Rey Mission Indian Foundation who owns or shall own Lot A-1 of Wanis View Estates Unit 1 Map to be recorded.
- 2.42 GNMA. The term "GNMA" means the Government National Mortgage Association administered by the United States Department of Housing and Urban Development, and its successors.
- 2.43 GOVERNING DOCUMENTS. The term "Governing Documents" refers collectively to this Declaration, the Bylaws, Articles, Association Rules and Architectural Guidelines.
- 2.44 HOMEOWNER MAINTENANCE GUIDE. The term "Homeowner Maintenance Guide" means the guide which may be prepared by the Declarant or its agents and provided to each Owner specifying obligations for maintenance of the Residential Lots and Residences by the Owners, as updated and amended from time to time.

2.45 IMPROVEMENTS. The term "Improvement" or "Improvements" means all structures and appurtenances thereto of every type and kind in the Property, including but not limited to, Residences and other buildings, outbuildings, guardhouses, walkways, bicycle trails, utility installations, swimming pools, and other recreational facilities, garages, carports, roads, sidewalks, walkways, driveways, parking areas, fences, screening walls, block walls, retaining walls, awnings, patio and balcony covers, stairs, decks, landscaping, hedges, slopes, windbreaks, the exterior surfaces of any visible structure, paintings, planted trees and shrubs, irrigation systems, antennae, poles, signs, solar or wind powered energy systems or equipment, and water softener, heater or air conditioning and heating fixtures or equipment; the demolition or destruction by voluntary action of any structure or appurtenance thereto of every type and kind; the grading, excavation, filling or similar disturbance to the surface of the land including, without limitation, change of grade, change of ground level, change of drainage pattern or change of stream bed; landscaping, planting, clearing or removing of trees, shrubs, grass or plants; and any change or alteration of any previously approved Improvement, including any change of exterior appearance, color or texture.

2.46 INSTITUTIONAL MORTGAGEE. The term "Institutional Mortgagee" means a First Mortgagee that is (i) a bank, savings and loan association, insurance or mortgage company or other entity or institution chartered under federal and/or state law; (ii) an insurer or governmental guarantor of a First Mortgage; (iii) any Federal or State Agency; (iv) the State of California as the vendor under an installment land sales contract covering a Residential Lot; or (v) any other institution specified by the Board in a recorded instrument, who is the Mortgagee of a Mortgage or the beneficiary of a Deed of Trust encumbering a Residential Lot.

2.47 INVITEE. The term "Invitee" means any person whose presence within the Project is approved by or is at the request of a particular Owner, including, but not limited to, lessees, tenants and the family, guests, employees, licensees or invitees of Owners, tenants or lessees.

2.48 LOTS. The term "Lot" refers to a lot shown on a recorded final subdivision map covering the Property and the Additional Property, recorded in the Office of the County Recorder.

2.49 MAINTENANCE OBLIGATIONS. The term "Maintenance Obligations" means each Owner's obligations and the Association's obligations to perform (i) all reasonable maintenance consistent with the terms of the Homeowner Maintenance Guide and the Association's Maintenance Guide, respectively, any maintenance obligations and schedules in any warranty offered by Declarant or any manufacturer, and any maintenance obligations and schedules otherwise provided by Declarant or any manufacturer; and (ii) all commonly accepted maintenance practices to prolong the life of the materials and construction in the Residential Lot, Residence and Association Property, as applicable, as updated and amended from time to time.

2.50 MEMBER. The term "Member" means every person or entity who holds a membership in the Association. Membership shall be appurtenant to and may not be separated from ownership of a Residential Lot.

2.51 MORTGAGE. The term "Mortgage" means any duly recorded mortgage or deed of trust encumbering a Residential Lot in the Project.

2.52 MORTGAGEE. The term "Mortgagee" means a mortgagee under a Mortgage as well as a beneficiary under a deed of trust.

2.53 NOTICE AND HEARING. The term "Notice and Hearing" means the procedure which gives an Owner notice of an alleged violation of the Project and the opportunity for a hearing before the Board.

2.54 OWNER. The term "Owner" means the record owner, whether one or more persons or entities, including Declarant, of any Residential Lot excluding those having such interest merely as security for the performance of an obligation. A contract purchaser under a recorded installment land sales contract shall be included as an Owner but those merely having an interest as security for the performance of an obligation shall not be Owners.

2.55 PERSON. The term "Person" means a natural individual or any legal entity recognized under California law. When the word "person" is not capitalized, the word refers only to natural persons.

2.56 PHASE. The term "Phase" means that portion of the Property which is the subject of a separate Public Report issued by the California Department of Real Estate and which has been made subject hereto (i.e., by annexation with respect to Phases subsequent to the first Phase).

2.57 PROJECT. The term "Project" means all of the real property described on Exhibit "A" together with all Improvements situated thereon and any Additional Property which is hereafter annexed pursuant to a Supplementary Declaration.

2.58 PROPERTY. The term "Property" means all of the real property described in Exhibit "A" of this Declaration, and such Additional Property as may hereafter be brought within the jurisdiction of the Association together with all Improvements situated thereon pursuant to a Supplementary Declaration.

2.59 PUBLIC REPORT. The term "Public Report" means the Final Subdivision Public Report issued by the California Department of Real Estate for a Phase in the Project and any amendments to such Public Report.

2.60 REGULAR ASSESSMENTS. The term "Regular Assessments" means the assessments that are levied pursuant to the provisions of Section 6.4 of this Declaration.

2.61 RESIDENCE. The term "Residence" means each residential dwelling situated within a Residential Lot.

2.62 RESIDENTIAL LOT. The term "Residential Lot" means each legally subdivided lot upon which a Residence has been or is permitted to be constructed.

2.63 SENSITIVE CULTURAL AREA. The term "Sensitive Cultural Area" refers to the portion of the Project designated as Sensitive Cultural Areas on Exhibit "I" attached hereto and incorporated herein upon which there are certain restrictions imposed to prevent any cultural items from being destroyed or removed as set forth in the Section 7.29 of this Declaration.

2.64 SHARED DRIVEWAYS. The term "Shared Driveways" refers to certain shared driveways providing access to two or more adjacent Residential Lots. The Shared Driveways in the first Phase are described on Exhibit "J" attached hereto and Shared Driveways in a subsequent Phase shall be described in a Supplementary Declaration.

2.65 SLOPE MAINTENANCE AREAS. The term "Slope Maintenance Areas" means those portions of certain Residential Lots over which the Association shall be granted easements for maintenance purposes as provided in this Declaration. The Slope Maintenance Areas are shown on Exhibit "K" attached hereto and incorporated herein and may be supplemented or amended by a Supplementary Declaration.

2.66 SPECIAL ASSESSMENTS. The term "Special Assessments" means the assessments that are levied pursuant to the provisions of Section 6.5 of this Declaration.

2.67 SUPPLEMENTARY DECLARATION. The term "Supplementary Declaration" means those certain declarations of covenants, conditions and restrictions, or similar instruments, (a) designate Residential Lots as a Phase, (b) identifying areas referenced in this Declaration to be maintained by the Association, (c) describing certain areas within the Property that are to be maintained by the Association, (d) making such other complementary additions and modifications as are provided in Sections 16.1 and 16.4 of this Declaration, and/or (e) making minor or technical correction to the provisions of this Declaration or previously recorded Supplementary Declaration.

2.68 TRAILS. The term "Trails" means those trails included within the Association Property located within the boundaries of the Project which shall be open for public use as shown on Exhibit "L" attached hereto and incorporated herein.

2.69 VOTING POWER. The term "Voting Power" means the total number of votes allocated to Residential Lots as set forth in Section 5.2 of this Declaration.

ARTICLE 3

OWNERSHIP AND EASEMENTS

3.1 OWNERSHIP OF RESIDENTIAL LOTS. Title to each Residential Lot in the Project shall be conveyed in fee to an Owner. Ownership of each Residential Lot within the Project shall include (a) a membership in the Association, (b) any exclusive or non-exclusive easement or easements appurtenant to such Residential Lot as described in this Declaration and the deed to the Residential Lot, and (c) Owners of Residential Lots which border the Shared Driveways shall have a non-exclusive easement over the Shared Driveways adjacent to their Residential Lot. Anything in Article 15 hereof entitled "Amendments" to the contrary notwithstanding, this Article shall not be amended, modified or rescinded until Declarant has conveyed the last Residential Lot within the Project without (i) the prior written consent of Declarant and (ii) the recording of said written consent in the Office of the County Recorder. Notwithstanding anything to the contrary, in no event shall any Owner have the right to enter onto the Conservation Lots.

3.2 NO SEPARATE CONVEYANCE. The interest of each Owner in the use and benefit of the Association Property shall be appurtenant to the Residential Lot. Anything in Article 14 hereof to the contrary notwithstanding, this Article shall not be amended, modified or rescinded until Declarant has conveyed the last Residential Lot within the Project, including any Phase which may be annexed to and made a part of the Project pursuant to the Article hereof entitled "Annexation of Additional Property" without (i) the prior written consent of Declarant and (ii) the recording of said written consent in the Office of the County Recorder.

3.3 EASEMENTS. The ownership interests in the Residential Lots described in this Article are subject to the easements granted and reserved in this Declaration. Each of the easements reserved or granted herein shall be deemed to be established upon the recordation of this Declaration and shall henceforth be deemed to be covenants running with the land for the use and benefit of the Owners and their Residential Lots, the Association, and the Declarant and its Residential Lots, superior to all other encumbrances applied against or in favor of any portion of the Project. Individual grant deeds to Residential Lots may, but shall not be required to, set forth the easements specified in this Article.

3.3.1 Easements for Association Property. Subject to the provisions of this Declaration and any restrictions imposed under the Final Map, each Owner shall have, for himself or herself and such Owner's Invitees, a non-exclusive easement for access, ingress and egress of, in, to and over the Association Property (except the Conservation Lots) and such easements shall be appurtenant to and shall pass with title to every Residential Lot in the Project. The Board may adopt reasonable restrictions on the access rights of Owners within the Association Property.

3.3.2 Suspend Rights of Members. The Board shall have the right, after Notice and Hearing, to temporarily suspend certain rights of an Owner pursuant to the terms of the Governing Documents.

3.3.3 Control Parking. The Association shall have the right to promulgate rules and regulations to control parking in a manner consistent with this Declaration.

3.3.4 Adopt and Enforce Association Rules. The Association shall have the right to adopt and enforce the Association Rules as provided in this Declaration.

3.3.5 Entry by Association. The Association and the Association's agents and employees shall have the right to enter (i) upon the Residential Lot (other than the interior of the Residence situated thereon) to effect emergency repairs in accordance with the provisions of this Declaration or to perform its obligations under this Declaration, and/or (ii) upon any portion of the Project to inspect the established system of drainage to ensure water is draining properly throughout the Project.

3.3.6 Perform Association Functions. Declarant and its duly authorized agents and representatives and the Association and its duly authorized agents and representatives shall have such easements as are necessary to perform the duties and obligations of the Association as are set forth in this Declaration or the other Governing Documents including, but not limited to, easements over portions of each Residential Lot (other than the interior of the Residence), for performing repairs or maintenance not performed by the Owner pursuant to the terms of this Declaration. Subject to a concomitant obligation to restore, Declarant and its sales agents, employees and independent contractors shall also have the easements described in Article 11 entitled "Development Rights."

3.3.7 Easement To Declarant For Additional Property. Declarant shall have and hereby expressly reserves a non-exclusive easement over and across the Association Property and the pathways, to the Additional Property until all of said Additional Property is annexed to the Project and the Residences are constructed thereon.

3.3.8 Declaration Subject to Easements. Notwithstanding anything herein expressly or impliedly to the contrary, this Declaration shall be subject to all easements heretofore or hereafter granted by Declarant for the installation and maintenance of utilities and drainage facilities that are necessary for the Project.

3.3.9 Utilities. There are reserved and granted for the benefit of each Residential Lot, as dominant tenement, over, under, across and through the Project (including the Association Property and each other Residential Lot) as the servient tenement, non-exclusive easements for utility services.

3.3.10 Encroachment. There are hereby reserved and granted for the benefit of each Residential Lot, as dominant tenement, over, under and across each other Residential Lot

as servient tenements, non-exclusive easements for encroachment, support, occupancy and use of such portions of Residential Lots as are encroached upon, used and occupied by the dominant tenement as a result of any original construction design, accretion, erosion, addition, deterioration, decay, errors in original construction, movement, settlement, shifting or subsidence of any building, structure, or other improvements or any portion thereof, or any other cause. In the event any portion of the Project is partially or totally destroyed, the encroachment easement shall exist for any replacement structure which is rebuilt pursuant to the original construction design. The easement for the maintenance of the encroaching improvement shall exist for as long as the encroachment exists; provided, however, that no valid easement of encroachment shall be created due to the willful misconduct of the Association or any Owner. Any easement of encroachment may, but need not be, cured by repair and restoration of the structure.

3.3.11 Declarant's Non-Exclusive Easements. Subject to a concomitant obligation to restore, Declarant and its sales agents, employees and independent contractors shall have the easements described in Article 11 hereof entitled "Development Rights."

3.3.12 Cross-Lot Drainage Improvements. There is hereby reserved by Declarant and granted to the Owners of certain Residential Lots, a non-exclusive reciprocal easement over these portions of certain other Residential Lots designated in this Declaration or a Supplementary Declaration as having Cross-Lot Drainage Improvements for the purpose of drainage through the Cross-Lot Drainage Improvements.

3.3.13 Slope Maintenance Area Easements. There is hereby reserved by Declarant and granted to the Association and its duly authorized agents and representatives such easements as are necessary over the Residential Lots upon which Slope Maintenance Areas are located, for the installation, maintenance, irrigation, replacement and repair of the landscaping and other Improvements installed within such areas.

3.3.14 Reciprocal Easement for Shared Driveway. There is hereby reserved and granted for the benefit of those Residential Lots which are adjacent to a Shared Driveway an easement for access, ingress, egress, use and enjoyment of, in, to and over the portion of the Shared Driveway located adjacent to such Owner's Residential Lot, which easement shall be appurtenant to and shall pass with title to the affected Residential Lots.

3.3.15 Final Map Easements. The Residential Lots are subject to any easements created or reserved under the Final Map, including any restrictions and easements contained thereon.

ARTICLE 4

THE ASSOCIATION

4.1 THE ORGANIZATION. The Association is a non-profit mutual benefit corporation formed under the laws of the State of California to operate and maintain the Property for the benefit of the Owners. The Association is charged with the duties and is given the powers set forth in this Article and its affairs shall be governed by the Governing Documents. In the event that the Association as a corporate entity is dissolved, a non-profit unincorporated association shall forthwith and without further action or notice be formed to succeed to all of the rights and duties of said Association hereunder. The affairs of such unincorporated association shall be governed by the Bylaws and this Declaration as if they were created for the purpose of governing the affairs of an unincorporated association. Except for those acts which are expressly reserved to the vote of the membership of Owners in this Declaration, any duty, obligation or authority vested or required to be performed and any power or privilege which may be exercised by the Association pursuant to this Declaration shall be performed or exercised only by the Board or its authorized delegates, agents and servants, and any power, duty, obligation or authority vested or conferred on the Board by this Declaration shall be deemed a power, duty, obligation or authority of the Association. The Board shall conduct its affairs as provided for in the Bylaws.

4.2 ASSOCIATION ACTION; BOARD OF DIRECTORS AND OFFICERS; MEMBERS' APPROVAL. Except as to matters requiring the approval of Members as set forth in this Declaration, the Articles, or the Bylaws, the affairs of the Association shall be conducted by the Board and such officers as the Board may elect or appoint. Such election or appointment shall be in accordance with this Declaration and the Bylaws. Except as otherwise provided in this Declaration, the Articles and the Bylaws, all matters requiring the approval of Members shall be deemed approved if Members holding a majority of the total voting rights assent to them by written consent as provided in the Bylaws or if approved by a majority vote of a quorum of Members at any regular or special meeting held in accordance with the Bylaws or, in certain situations set forth in Section 4.5 of this Declaration, by written ballot without a meeting pursuant to California Corporations Code Section 7513 and any successor statutes or laws of a simple majority of the Members, other than Declarant, constituting a quorum consisting of a majority of the Voting Power of the Association residing in Members other than the Declarant.

4.3 POWERS OF ASSOCIATION. The Association shall have all the powers of a nonprofit corporation organized under the Nonprofit Mutual Benefit Corporation Law of California subject only to such limitations on the exercise of such powers as are set forth in the Articles, the Bylaws and this Declaration. It shall have the power to do any lawful thing that may be authorized, required, or permitted to be done by the Association under the Governing Documents, and to do and perform any act that may be necessary or proper for or incidental to, the exercise of any of the express powers of the Association, including, without limitation, the

powers set forth below. Notwithstanding the foregoing, the Association shall not undertake any of the activities described in Section 4.5 below.

4.3.1 Performance of Duties. The Association shall have the power to undertake all of the express duties required under the section below entitled "Duties of the Association" to be done by the Association.

4.3.2 Right of Enforcement and Notice and Hearing.

(a) Enforcement Actions. The Association in its own name and on its own behalf, or on behalf of any Owner who consents, can commence and maintain actions for damages or to restrain and enjoin any actual or threatened breach of any provision of the Governing Documents or any resolutions of the Board, and to enforce by mandatory injunction, or otherwise, all of these provisions. In addition, the Association can temporarily suspend the membership rights and privileges or can assess monetary penalties against any Owner or other person entitled to exercise such rights or privileges for any violation of the Governing Documents or Board resolutions.

(b) Notice Requirements. Before a decision to impose such a suspension or monetary penalties is reached by the Board, the aggrieved Owner shall be provided with an opportunity to be heard by the Board, orally or in writing, and shall be provided with at least fifteen (15) days written notice of such hearing, or any such longer period as may be required under California Corporations Code Section 7341, or any successor statute or law. Additionally, before the Board shall provide written notice of any sanctions to be imposed and the reasons for such sanctions, not more than fifteen (15) days following the Board action. For the purposes of this Subsection, notice shall be given by any method reasonably calculated to provide actual notice. Notice may be hand-delivered to the Owner or sent by first class registered or certified mail, return receipt requested or overnight courier delivery and addressed to the Owner at the last address of the Owner shown on the Association's records, or any other method deemed reasonable by the Board for delivering notices.

4.3.3 Delegation of Powers; Professional Management. The Association, acting by and through the Board, can delegate its powers, duties, and responsibilities to committees or employees, including a professional managing agent ("Manager"), subject to the requirements of the Governing Documents.

4.3.4 Association Rules. The Board shall have the power to adopt, amend and repeal the Association Rules as it deems reasonable. The Association Rules shall not be inconsistent with or materially alter any provisions of the Governing Documents. A copy of the Association Rules as adopted, amended or repealed, shall be mailed or otherwise delivered to each Owner. In case of any conflict between any of the Association Rules and any other provisions of the Governing Documents, the conflicting Association Rule shall be deemed to be superseded by the provisions of the Governing Documents.

4.3.5 Right of Entry and Enforcement. Except in the case of emergencies in which case no prior notice need be given, the Board or any authorized representative thereof shall have the right, upon forty-eight (48) hours prior notice and during reasonable hours, to enter upon a Residential Lot (but not the Residence situated thereon) for the purpose of construction, maintenance or emergency of the Slope Maintenance Areas. Such persons shall not be deemed guilty of trespass by reason of such entry. Subject to the provisions of Article 6 hereof, the Association shall also have the power and authority from time to time in its own name, on its own behalf or on the behalf of any Owner or Owners who consent thereto, to commence and maintain actions and suits to restrain and enjoin any breach or threatened breach of this Declaration and to enforce, by mandatory injunction or otherwise, all of the provisions of said Declaration. The costs of any such action or suit, including reasonable attorneys' fees, shall be paid to the prevailing party.

4.3.6 Easements and Rights of Way. The Association may grant and convey to any third party easements and licenses for use and rights of way in, on, over or under any Association Property conveyed or otherwise transferred to said Association or under its jurisdiction in accordance with the provisions of this Declaration.

4.3.7 Dedication. The Association may dedicate any of its property to an appropriate public authority for public use as provided for in this Declaration.

4.3.8 Capital Improvements. The Board may, approve the construction, installation or acquisition of a particular capital improvement to the Association Property.

4.3.9 Other Property. The Association may acquire and hold, as trustee for the benefit of its Members, tangible and intangible personal property and to dispose of the same by sale or otherwise, subject to the limitations set forth in Section 4.5 of this Declaration.

4.3.10 Enter Into Maintenance Agreements. The Association shall have the power to enter into maintenance or subsidy agreements with Declarant for the repair and maintenance of the Association Property and Slope Maintenance Areas and for the undertaking by Declarant of any other maintenance responsibilities of the Association pursuant to the provisions of this Declaration.

4.3.11 Contract for Goods and Services. The Association shall have the power to contract for goods and services for the benefit of the Project necessary for the Association to perform its duties and obligations hereunder, subject to the limitations set forth in Section 4.5 of this Declaration.

4.3.12 Borrow Funds. The Association shall have the right to borrow money to improve, repair or maintain the Association Property and Slope Maintenance Areas required to be maintained by the Association to hypothecate any or all real or personal property owned by the Association, including pledging as collateral the assessment liens levied thereon provided

that, the borrowing of any money or hypothecation of any real or personal property in excess of five percent (5%) of the budgeted gross expenses of the Association shall require the approval by written ballot of a majority of each class of Members. Notwithstanding the foregoing, the Association shall have the right to borrow money from any public or governmental agency in excess of five percent (5%) of the budgeted gross expenses of the Association without the consent of the Owners, if such loans are below the then current market rates offered by commercial or private sector lenders.

4.3.13 Claims and Actions. Subject to the provisions of this Declaration, the Association shall have the power, but not the duty, to initiate, defend, settle or intervene in mediation, arbitration, judicial or administrative proceedings on behalf of the Association in matters pertaining to the application or enforcement of this Declaration and (b) damage to the Association Property or the Common Area; provided, however that no representative of Declarant on the Board shall vote on the initiation of any claim under California Civil Code Section 895 et seq., such that from and after the first annual meeting of the Association, Declarant shall relinquish control over the Association's ability to decide whether to initiate a claim under such statutory provisions and in the event of such a vote, the affirmative vote of the two non-Declarant representatives on the Board shall be binding so long as a quorum of the Board is present at any meeting where such vote is taken. The Association and not the individual Members shall have the power to pursue any claims or other actions using the non-adversarial proceedings for construction defects in Association Property or the Common Area pursuant to Civil Code Section 895 et seq., and any successor statutes or laws. The Association shall comply with such non-adversarial procedures in bringing any such actions or claims. Any recovery by the Association with respect to any damage to or defect in the Association Property shall be utilized solely for the purpose of paying for the actual and reasonable costs of obtaining the recovery and for correcting such damage or defect.

4.3.14 Personnel. The Association shall have the power to contract with persons necessary for the effective operation and maintenance of the Association including legal, management and accounting services.

4.4 DUTIES OF THE ASSOCIATION. In addition to the powers delegated to it by its Articles and Bylaws, and without limiting their generality, the Association, acting by and through the Board, has the obligation to conduct all business affairs of common interest to all Owners and to perform each of the duties set forth below.

4.4.1 Association Property. The Association shall accept any Association Property and Improvements situated thereon conveyed by the Declarant and/or created under this Declaration and shall maintain, operate, and otherwise manage all of the Improvements situated on the Association Property, and all personal property acquired by the Association in accordance with the terms and provisions of this Declaration. The Board shall periodically review the nature and scope of the operations of the Association to assure such operations are in satisfactory compliance with the requirements of the Governing Documents.

4.4.2 Taxes and Assessments. The Association shall pay all real and personal property taxes and assessments and all other taxes levied against the Association Property, the personal property owned by the Association or against the Association. Such taxes and assessments may be contested or compromised by the Association ; provided, that they are paid or that a bond insuring payment is posted before the sale or the disposition of any property to satisfy the payment of such taxes.

4.4.3 Water and Other Utilities. The Association shall provide and pay for necessary utility and other services for the Association Property and Slope Maintenance Area.

4.4.4 Maintenance of Project. The Association shall maintain and repair the Association Property and Slope Maintenance Areas and any other portions of the Project required to be maintained by the Association pursuant to the provisions of the Governing Documents.

4.4.5 Architectural Control. The Association shall maintain architectural control over the Property and promulgate Architectural Guidelines in connection therewith in accordance with the provisions of Article 9 of this Declaration.

4.4.6 Maintenance Guides. The Association shall maintain at the offices of the Association a copy of the Homeowner Maintenance Guide provided by Declarant to the Owners and shall make available to every Owner upon request a copy, a copy of the Homeowner Maintenance Guide for the Owners' Residential Lot. The Association shall also comply with provisions of the Association's Maintenance Guide provided by Declarant to the Association. The Board shall, from time to time, make appropriate revisions to the Association's Maintenance Guide based on the Board's review thereof, to update such guide to provide for maintenance according to current industry practices so long as such changes do not reduce the useful life or functionality of the items being maintained.

4.4.7 Insurance. The Association shall obtain, from reputable insurance companies and maintain the insurance described in the Article hereof entitled "Insurance."

4.4.8 Members' Approval of Certain Actions. In the event that any claim or other actions brought by the Association against Declarant, including but not limited to claims brought under California Civil Code Section 895 et seq., and any successor statutes or laws, involving allegations of construction defects relating to the Association Property or the Common Area is not resolved pursuant to the non-adversarial procedures set forth in California Civil Code Sections 910 through 938 and any successor statutes or laws, the Association shall not initiate a further action or arbitration proceeding under Section 17.5 or otherwise without first obtaining the consent of the Owners other than Declarant, constituting a quorum of more than fifty percent (50%) of the Owners of the Association casting a majority of the votes at a meeting or election of the Association conducted in accordance with the provisions of California Corporations Code Sections 7510 et. seq. and 7613 and any successor statutes or laws.

4.4.9 Liens and Charges. The Association shall pay any amount necessary to discharge any lien or encumbrance upon any property or interest of the Association. Where one or more Owners are jointly responsible for the existence of such lien, they shall be jointly and severally liable for the cost of discharging it, and any costs incurred by the Association by reason of said lien or liens shall be specially assessed to said Owner(s).

4.4.10 Association Rules. The Association shall adopt, amend, and repeal such rules and regulations as it deems reasonable. The Association Rules shall govern such matters in furtherance of the purposes of the Association, including, without limitation, the use of the Association Property. In the event of any conflict between any such Association Rules and any other provisions of the other Governing Documents, the provisions of the Association Rules shall be deemed to be superseded by the provisions of the other Governing Documents to the extent of any such inconsistency.

4.4.11 Reserves. The Association shall establish and maintain a working capital and contingency fund as required under the Governing Documents.

4.4.12 Notice Prior to Litigation. The Association shall use its good faith efforts to notify all Owners of any litigation filed for or on behalf of the Association pursuant to the provisions of Section 17.3 of this Declaration.

4.4.13 Financial Matters. The Association shall have the duty to prepare annual budgets, reports, balance sheets and operating statements for the Association as required under this Declaration and the Bylaws.

4.4.14 Use of Proceeds to Repair. In the event the Association receives, on its own behalf or for the benefit of the Owners, any proceeds as a result of any construction defect or other claims brought by the Association relating to repair or maintenance obligations of the Association, then the Association shall apply such proceeds first for the purpose of repairing such defects or replacing reserve funds previously utilized by the Association to cause such repairs and then to the costs of such litigation. Any excess proceeds shall be applied as determined by the Board, subject to any requirements established by the non-profit mutual benefit laws of the State of California and any other applicable laws.

4.4.15 Sensitive Cultural Area and Extremely Sensitive Cultural Area. The Association and Owners shall comply with all requirements imposed by the City and any other applicable governmental agency regarding the use of the Sensitive Cultural Area and Extremely Sensitive Cultural Area, including, without limitation, the restrictions on excavation set forth in Section 7.29 of this Declaration and the restrictions and guidelines set forth in the Extremely Sensitive Cultural Area Preservation and Maintenance Agreement.

4.4.16 Conservation Maintenance Agreements. The Association shall comply with the terms of the Conservation Maintenance Agreements and shall pay all fees payable under

the Conservation Maintenance Agreements. The Association shall indemnify, protect, defend and hold Declarant harmless as a result of any costs, fees and expenses, including without limitation, attorneys fees and costs arising from or attributable to a breach by the Association of its obligations under the Conservation Maintenance Agreements.

4.4.17 California Brisas Easement Agreement. The Agreement shall enforce the obligations under the California Brisas Easement Agreement.

4.5 LIMITATIONS ON AUTHORITY OF BOARD. The Board shall not take any of the actions listed below except with the vote or approval by written ballot of: (a) a majority of the Members of each of Class A and Class B during the time the two-class voting structure set forth in Section 5.2 of this Declaration is in effect; or (b) except with the vote at a meeting of the Association or by written ballot without a meeting pursuant to Corporations Code Section 7513 and any successor statutes or laws of at least a majority of the Members of the Association including at least fifty-one percent (51%) of Association Members other than Declarant after conversion to a single Class A voting membership.

4.5.1 Limit on Capital Improvements. The Board shall not, without obtaining the consent of the Members as set forth above, incur aggregate expenditures for capital improvements to the Association Property in any fiscal year in excess of five percent (5%) of the budgeted gross expenses of the Association for that fiscal year.

4.5.2 Limit on Sales of Association Interests. The Board shall not, without obtaining the consent of the Members as set forth above, sell during any fiscal year property of the Association having an aggregate fair market value greater than five percent (5%) of the budgeted gross expenses of the Association for that fiscal year.

4.5.3 Limit on Compensation. The Board shall not, without obtaining the consent of the Members as set forth above, pay compensation to directors or to officers of the Association for services performed in the conduct of the Association's business. However, the Board may cause a director or an officer to be reimbursed for expenses incurred in carrying on the business of the Association.

4.5.4 Warranties. The Board shall comply with the terms of any warranty in favor of the Association for any equipment or facilities within the Association Property. The Association acknowledges that certain warranties require the Association to maintain certain maintenance contracts in effect and, to the extent the Board discontinues such maintenance contracts, the effectiveness of the warranty may be impaired or eliminated.

4.5.5 Limit on Third Person Contracts. The Board shall not, without obtaining the consent of the Members as set forth above, enter into a contract with a third person wherein the third person will furnish goods or services for the Association Property and Slope Maintenance Areas, a term longer than one year with the following exceptions:

(a) A management contract, the terms of which have been approved by the Federal Housing Contracts Administration or Veterans Administration;

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

(c) A prepaid casualty and/or liability insurance policy not to exceed three (3) years duration; provided that the policy permits for short-rate cancellation by the insured;

(d) A contract for a term not to exceed three (3) years that is terminable by the Association after no longer than one year without cause, penalty or other obligations upon ninety (90) days written notice of termination to the other party; and

(e) A contract approved by the DRE.

4.6 TERMINATION OF CONTRACTS AND AGREEMENTS.

4.6.1 Contracts or Leases. Any contract or lease, including any contract providing for the services of Declarant, entered into by the Association while Declarant controls the Association shall not exceed three (3) years and shall provide that the Association has the right to terminate such contract or lease without cause upon thirty (30) days prior written notice and without penalty or the payment of a termination fee at any time after the transfer of control of the Association from Declarant upon not more than ninety (90) days notice to the other party. For purposes of this Section, the term "control" shall mean the right of Declarant to exercise unilateral control over the Association, the Board, the Project or the Owners in any manner other than by Declarant's exercise of votes allocated to Declarant on the same basis as votes are allocated to other Owners.

4.6.2 Professional Management Contracts. Any agreement for professional management of the Project or any agreement providing for services of the Declarant shall be for a term not to exceed one (1) year without the consent of fifty-one percent (51%) of each class of Members; provided, however, that in no event shall such an agreement exceed a term of three (3) years. Any such agreement shall provide that the agreement may be terminated by either party without cause and without payment of a termination fee upon not more than ninety (90) days written notice.

4.7 COMPENSATION. The Association shall not pay compensation to the directors or officers of the Association for services performed in the conduct of the Association's business; provided, however, that the Board may cause a director or officer or a member of the Architectural Committee to be reimbursed for expenses approved by the Board and incurred in carrying on the business of the Association. Nothing contained herein shall limit the Association

from paying compensation to any members of any committees appointed by the Board or consultants to such committees, including any Architectural Committee which may be appointed by the Board.

4.8 PERSONAL LIABILITY. No member of the Board, or of any committee of the Association, or any officer of the Association, or any manager, or Declarant, or any agent of Declarant, shall be personally liable to any Owner, or to any other party, including the Association, for any error or omission of the Association, the Board, its authorized agents or employees or, if appointed, the Architectural Committee, if such person or entity has, on the basis of such information as may be possessed by him or her, acted in good faith without willful or intentional misconduct. In addition to the foregoing, as more particularly specified in California Civil Code Section 1365.7 and any successor statute or law, any person who suffers bodily injury, including, but not limited to, emotional distress or wrongful death as a result of the tortuous act or omission of a member of the Board who resides in the Project either as a tenant or as an Owner of no more than two (2) Residential Lots, and who, at the time of the act or omission, was a "volunteer" as defined in California Civil Code Section 1365.7 or any successor statutes or laws, shall not recover damages from such Board member, if such Board member committed the act or omission within the scope of his or her Association duties, while acting in good faith and without acting in a willful, wanton or grossly negligent manner, provided that all of the requirements of California Civil Code Section 1365.7 and any successor statutes or laws have been satisfied.

4.9 ADDITIONAL PROVISIONS. Notwithstanding the provisions of this Declaration, by accepting a deed for a portion of the Property, the Association and the Owners acknowledge and agree that there may be certain laws and regulations that may be applicable to the operation of the Association and the Property by the Association, including, without limitation, the Davis-Stirling Common Interest Development Act of Section 1350 et seq. of the California Civil Code and the Association and Owners shall comply with such provisions to the extent required by such laws and regulations.

ARTICLE 5

MEMBERSHIP AND VOTING RIGHTS IN ASSOCIATION

5.1 MEMBERSHIP.

5.1.1 Qualifications. Each Owner of a Residential Lot which is subject to assessment, including Declarant, shall be a Member of the Association. Ownership of a Residential Lot or interest in it shall be the sole qualification for membership in the Association. Each Owner shall remain a Member of the Association until his or her ownership or ownership interest in all Residential Lots in the Project ceases at which time his or her membership in the

Association shall automatically cease. Persons or entities who hold an interest in a Residential Lot merely as security for performance of an obligation are not to be regarded as Members.

5.1.2 Members' Rights and Duties. Each Member shall have the rights, duties, and obligations set forth in this Declaration and the Governing Documents as the same may from time to time be amended.

5.1.3 Transfer of Membership. The Association membership of each person or entity who owns, or owns an interest in, one or more Residential Lots shall be appurtenant to each such Residential Lot, and shall not be assigned, transferred, pledged, hypothecated, conveyed or alienated in any way except on a transfer of title to each such Residential Lot or interest in it and then only to the transferee. Any attempt to make a prohibited transfer shall be void. Any transfer of title to a Residential Lot or interest in it shall operate automatically to transfer the appurtenant membership right in the Association to the new Owner. Notwithstanding the foregoing, Declarant's Class C membership may not be transferred except to a successor to Declarant's rights to all or a portion of the Project. Transfer of Declarant's Class C membership shall be evidenced by the recordation in the Office of the County Recorder of Riverside County of an Assignment of Declarant's Rights which specifically assigns such Declarant's Class C membership rights.

5.1.4 Commencement of Voting Rights. An Owner's right to vote, including Declarant, shall not vest until Regular Assessments have been levied upon such Owner's Residential Lot as provided in this Declaration. All voting rights shall be subject to the restrictions and limitations provided for herein and in the other Governing Documents.

5.2 NUMBER OF VOTES. The Association shall have three (3) classes of voting membership which are described below.

5.2.1 Class A Members. Class A Members shall be all Owners, with the exception of Declarant, and shall be entitled to one (1) vote for each Residential Lot owned. When more than one (1) person holds an interest in any Residential Lot, all such persons shall be Members. The vote for such Residential 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 Residential Lot.

5.2.2 Class B Members. Class B Member(s) shall be Declarant who shall be entitled to three (3) votes for each Residential Lot owned by Declarant in a Phase for which Assessments have commenced. The Class B membership shall cease and be converted to Class A membership on the happening of the earliest of the following to occur:

(a) On the second anniversary of the first close of escrow of a Residential Lot in a Phase covered by the most recently issued Public Report for any Phase of the Project; or

(b) The fourth anniversary of the first close of escrow of a Residential Lot covered by the original Public Report for the first Phase of the Project.

As long as there exists a Class B Membership in the Association exist, no action by the Association that must have the prior approval of the Association Members shall be deemed approved by the Members unless approved by the appropriate percentage of both Class A and Class B Members, except as set forth in Section 4.4.8 of this Declaration. Upon conversion to a single Class A voting membership, any action by the Association that must have the prior approval of the Members will require approval by at least a majority of the Members of the Association including at least a majority of Members other than Declarant.

5.2.3 Class C Member. The Class C Member shall be Declarant (whether or not Declarant is an Owner). The Class C membership shall not be considered a part of the voting power of the Association and Declarant shall not be entitled to exercise any Class C votes except for the purpose of electing a majority of the members of the Board pursuant to the provisions set forth in the Bylaws. The Class C Member shall be solely entitled to elect a majority of the members of the Board until the day after the first annual meeting of the Members of the Association as further provided in the Bylaws; provided that during the initial three-year terms of the Board members elected by the Class C Member, the Class C member shall be entitled to replace any Member of the Board initially elected by Declarant using its Class C membership upon the death, resignation or removal of any such Board member.

5.2.4 Joint Owner Votes. The voting rights for each Residential Lot may not be cast on a fractional basis. If the joint Owners of a Residential Lot are unable to agree among themselves as to how their voting rights shall be cast, they shall forfeit the vote on the matter in question. If any Owner exercises the voting rights of a particular Residential Lot, it will be conclusively presumed for all purposes that such Owner was acting with the authority and consent of all other Owners of the same Residential Lot. If more than one (1) person or entity exercises the voting rights for a particular Residential Lot, their votes shall not be counted and shall be deemed void.

5.2.5 Accrual of Voting Rights. No voting rights shall accrue to any Owner until Regular Assessments have first commenced for such Owner's Residential Lot.

ARTICLE 6

ASSESSMENTS AND DUES

6.1 CREATION OF LIEN AND PERSONAL OBLIGATION FOR ASSESSMENTS. Declarant, for each Residential Lot owned within the Property, hereby covenants, and each Owner of a Residential Lot by acceptance of a deed therefore, whether or not it shall be so expressed in such deed, is deemed to covenant and agrees to pay to the Association all assessments levied pursuant to the provisions of this Declaration. All

assessments levied hereunder, together with interest, costs and reasonable attorneys' fees assessed hereunder, shall be a charge on the land and shall be a continuing lien upon the Residential Lot against which each such assessment is made, the lien to be effective upon recordation of a notice of delinquent assessments. Each such assessment, together with interest, costs and reasonable attorneys' fees, shall also be the personal obligation of the person who was the Owner of such Residential Lot at the time when the assessment fell due and shall bind his or her heirs, devisees, personal representatives and assigns. Unlike the lien for non-delinquent assessments, the personal obligation for delinquent assessments shall not pass to successive Owners, unless expressly assumed by such successive Owner. No such assumption of personal liability by a successive Owner (including a contract purchaser under an installment land contract) shall relieve any Owner from personal liability for delinquent assessments. If more than one person or entity was the Owner of a Residential Lot, the personal obligation to pay such assessment or installment respecting such Residential Lot shall be both joint and several.

6.2 FUNDS HELD IN TRUST. The assessments collected by the Association shall be held by the Association for and on behalf of each Owner and shall be used solely for the operation, care and maintenance of the Project as provided in this Declaration. Upon the sale or transfer of any Residential Lot, the Owner's interest in the funds shall be deemed automatically transferred to the successor in interest of such Owner.

6.3 PURPOSE OF ASSESSMENTS. The assessments levied by the Association shall be used exclusively to perform the obligations and duties of the Association, including, but not limited to, the improvement and maintenance of the Association Property and for any other maintenance responsibilities of the Association, and to reimburse the Association for the costs incurred in bringing an Owner into compliance with the Governing Documents. The Association shall not impose or collect any assessment, penalty or fee that exceeds the amount necessary for the purpose or purposes for which it is levied.

6.4 REGULAR ASSESSMENTS.

6.4.1 Payment of Regular Assessments. Regular Assessments for each fiscal year shall be established when the Board approves the budget for that fiscal year, which budget shall be prepared in accordance with the provisions of this Declaration. Regular Assessments shall be levied on a fiscal year basis. Unless otherwise specified by the Board, Regular Assessments shall be due and payable in monthly installments on the first day of each month during the term of this Declaration.

6.4.2 Budgeting. Regardless of the number of Members or the amount of assets of the Association, each year the Board shall prepare, approve and make available to each Member a budget as described in the Article of the Bylaws entitled "Budget and Financial Statements," not less than forty-five (45) days nor more than sixty (60) days prior to the beginning of the fiscal year or as otherwise required.

6.4.3 Restrictions for Tax Exemption. As long as the Association seeks to qualify and be considered as an organization exempt from federal and state income taxes pursuant to Internal Revenue Code Section 528 and California Revenue and Taxation Code Section 23701t and any amendments thereto, then the Board shall prepare its annual budget and otherwise conduct the business of the Association in such a manner consistent with federal and state requirements to qualify for such status.

6.4.4 Assessments after Conveyance of a Residential Lot in a Phase.

(a) Reallocation of Assessments. After the conveyance of a Phase, the assessment in the budget shall be reallocated among all Residential Lots in the Project, including those in the Phase, in the same manner as described above.

(b) Revision of Budget. Declarant shall give notice to the Association of the recordation of a Supplementary Declaration for the Phase and shall give the Association a copy of the budget submitted to the Department of Real Estate in connection with the Public Report for that Phase. Notice of the new Regular Assessment to be levied against each Residential Lot in the Project shall be delivered by the Association to the Owners and Declarant within sixty (60) days after the close of escrow for the first Residential Lot conveyed in the new Phase.

6.4.5 Non-Waiver of Assessments. If before the expiration of any fiscal year the Association fails to fix Regular Assessments for the next fiscal year, the Regular Assessment established for the preceding year shall continue until a new Regular Assessment is fixed.

6.5 SPECIAL ASSESSMENTS. If the Board determines that the estimated total amount of funds necessary to defray the common expenses of the Association for a given fiscal year is or will become inadequate to meet expenses for any reason, including, but not limited to, unanticipated delinquencies, costs of construction, unexpected repairs or replacements of capital improvements on, damage and destruction or condemnation of, the Association Property, the Board shall determine the approximate amount necessary to defray such expenses, and if the amount is approved by a majority vote of the Board and does not exceed five percent (5%) of the budgeted gross expenses of the Association, it shall become a Special Assessment; provided, however, that such limitation shall not apply to Special Assessments levied by the Board to replenish the Association's reserve account as provided in Section 9.3 of the Bylaws. Except for Special Assessments levied pursuant to Section 9.3 of the Bylaws, any Special Assessment in excess of five percent (5%) of the budgeted gross expenses of the Association shall be subject to the limitations set forth in Section 6.8 below. The Board may, in its discretion, prorate such Special Assessment over the remaining months of the fiscal year or levy the assessment immediately against each Residential Lot. Unless exempt from federal or state income taxation, all proceeds from any Special Assessment shall be segregated and deposited into a special account and shall be used solely for the purpose or purposes for which it was levied or it shall be

otherwise handled and used in a manner authorized by law or regulations of the Internal Revenue Service or the California Franchise Tax Board in order to avoid, if possible, its taxation as income of the Association.

6.6 CAPITAL IMPROVEMENT ASSESSMENT. In addition to any other assessments provided for hereunder, the Association may levy a Capital Improvement Assessment for the purpose of defraying, in whole or in part, the cost of any construction or replacement of a capital improvement in accordance with the provisions of Section 4.3.8. Capital Improvement Assessments shall be due and payable by all Owners in such installments and during such period or periods as the Board shall designate. Increases in Capital Improvement Assessments shall be subject to the limitations set forth in Section 6.8 below.

6.7 ENFORCEMENT ASSESSMENTS. The Association may levy an Enforcement Assessment against any Owner who causes damage to the Association Property or for bringing an Owner or his or her Residential Lot into compliance with the provisions of the Governing Documents and/or any other charge designated an Enforcement Assessment in the Governing Documents, together with attorneys' fees, interest and other charges related thereto as provided in this Declaration. In the event the Association undertakes to provide materials or services that benefit individual Owners, then such Owners in accepting such materials or services agree that the costs thereof shall be an Enforcement Assessment. The Board shall have the authority to adopt a reasonable schedule of Enforcement Assessments for any violation of the Governing Documents. If, after Notice and Hearing as required by this Declaration and that satisfies California Corporations Code Section 7341 and any successor statutes and laws, the Owner fails to cure or continues such violation, the Association may impose an additional fine each time the violation is repeated, and may assess such Owner and enforce the Enforcement Assessment as herein provided for nonpayment of an assessment. A hearing committee may be established by the Board to administer the foregoing. Notwithstanding any other provision in this Declaration to the contrary, except as provided in Section 6.13 of this Declaration, Enforcement Assessments are assessments but they may not become a lien against the Owner's Residential Lot that is enforceable by a power of sale under Civil Code Sections 2924, 2924b and 2924c and any successor statutes or laws. This restriction on enforcement is not applicable to late payment penalties for delinquent assessments or charges imposed to reimburse the Association for loss of interest or for collection costs, including reasonable attorneys' fees, for delinquent assessments.

6.8 CHANGES TO ASSESSMENTS.

6.8.1 Limitation on Assessments. From and after January 1st of the year immediately following the conveyance of the first Residential Lot to an Owner, other than Declarant, the maximum annual Regular Assessment may not, except in the case of an Emergency (as hereinafter defined), be increased by an amount greater than twenty percent (20%) of the Regular Assessments for the preceding fiscal year and Special Assessments and Capital Improvement Assessments shall not be imposed that in the aggregate exceed five percent (5%) of the budgeted gross expenses of the Association for that fiscal year, without the consent

of the Owners, constituting a quorum and casting a majority of the votes at a meeting or election of the Association conducted in accordance with the provisions of California Corporations Code Sections 7510 et seq. and 7613 and any successor statutes or laws. The Board may not increase the Regular Assessments for any fiscal year unless it has complied with California Civil Code Section 1365.5 and any successor statutes or laws. For the purpose of this Section, a quorum shall mean more than fifty percent (50%) of the Owners of the Association and an Emergency shall mean 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 Property or any part of the Project which is the responsibility of the Association to maintain where a threat to personal safety on the Project is discovered; or
- (c) an extraordinary expense necessary to repair or maintain the Association Property or any part of the Project which the Association is responsible to maintain that could not have been reasonably foreseen by the Board in preparing and distributing the Budget required under this Declaration and the Bylaws. However, prior to the imposition or collection of an assessment under this Section, the Board shall pass a resolution containing written findings as to the necessity of the extraordinary expense which is 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 with the notice of Regular Assessment. For the purpose of calculating whether an increase to Regular Assessments exceeds twenty percent (20%), the term "Regular Assessments" shall be deemed to include the amount assessed against each Residential Lot by the Association as a Regular Assessment plus any amount paid by the Declarant as a subsidy pursuant to any subsidy agreements, to the extent such subsidy payments offset any amount which would otherwise be paid by Owners as Regular Assessments. Any increases authorized by this Section shall not be imposed unless the Board has complied with the budgetary requirements set forth in the Bylaws with respect to the fiscal year for which an assessment is being levied.

6.8.2 Automatic Assessment Increases. Notwithstanding any other provisions of this Section 6.8, upon the conveyance of a Residential Lot in a Phase, the Regular Assessment shall be automatically increased by the additional amount, if any, necessary to maintain the Association Property to perform the Association's obligations hereunder in accordance with the standards prescribed by the then current California Department of Real Estate ("DRE") Operating Cost Manual, or if the Operating Cost Manual is no longer maintained by the DRE, pursuant to standards prescribed by comparable maintenance cost guidelines prepared in accordance with prudent property management practices.

6.8.3 Notice to Owners. The Association shall provide notice by first class mail to the Owners of any increase in the Regular Assessments or Special of the Association, not

less than thirty (30) days and not more than sixty (60) days prior to the increased assessment becoming due and payable.

6.9 LEVEL ASSESSMENTS. Declarant has submitted to the DRE a budget which provides for a "level assessments" program for certain Phases within the Project ("DRE Approved Budget"). During the time that the level assessment budgeting program is in effect, the Board shall establish and follow fiscal controls with respect to the "Cumulative Surplus" fund of the budget, which shall include, but not be limited to:

6.9.1 The establishment of a separate account for Cumulative Surplus funds;

6.9.2 The separate account established for the Cumulative Surplus will be used only for funding of Regular Assessments in a given fiscal year; and

6.9.3 The Association's annual report referenced in the Bylaws will include a review or test of the Level Assessments program set forth in the budget to insure that adequate Regular Assessments are being collected.

6.10 UNIFORM RATE OF ASSESSMENT. Regular and Special Assessments and Capital Improvements Assessments shall be fixed at a uniform rate for all Residential Lots and may be collected on a monthly basis and shall be determined by dividing the amount of the assessment by the total number of Residential Lots then within the Project and subject to assessment. Enforcement Assessments shall be levied directly to the individual Residential Lots.

6.11 DATE OF COMMENCEMENT OF REGULAR ASSESSMENTS; DUE DATES. The Regular Assessments provided for herein shall commence as to all Residential Lots in a Phase subject to this Declaration on the first day of the month following the conveyance of the first Residential Lot within such Phase to an Owner under authority of a Public Report. As to any Annexable Property which is thereafter annexed into the Project pursuant to a Supplementary Declaration, the Regular Assessments shall commence as to all of the Residential Lots within such Phase upon the first day of the first month following the closing of the sale of the first Residential Lot in such Phase or such earlier date as may be selected by Declarant for the commencement of assessments in such Phase.

6.12 NOTICE AND ASSESSMENT INSTALLMENT DUE DATES. A single ten (10) day prior written notice of each Special Assessment and Capital Improvement Assessment shall be given to each Owner. The due dates for the payment of installments normally shall be the first day of each month unless some other due date is established by the Board. Each installment of Regular Assessments, Special Assessments and Capital Improvement Assessments shall become delinquent if not paid within fifteen (15) days after its due date. There shall accrue with each delinquent installment a late charge, interest charge to be set by the Board and reasonable costs of collection, including attorneys' fees, but which shall not, in any event, exceed

the maximum rates permitted under California Civil Code Section 1366 and any successor statutes or laws.

6.13 ESTOPPEL CERTIFICATE. The Board on not less than ten (10) days prior written request shall execute, acknowledge and deliver to the party making such request a statement in writing stating whether or not to the knowledge of the Association, a particular Owner is in default as to such Owner's Residential Lot under the provisions of this Declaration and further stating the dates to which installments of assessments, regular or special, have been paid as to such Residential Lot. Any such statement may be relied on by any prospective purchaser or Mortgagee of the Residential Lot, but reliance on such statement may not extend to any default not involving the payment of assessments of which the signer had no actual knowledge.

6.14 COLLECTION OF ASSESSMENTS; LIENS.

6.14.1 Right to Enforce. The right to collect and enforce assessments is vested in the Board acting for and on behalf of the Association. The Board or its authorized representative, can enforce the obligations of the Owners to pay assessments provided for in this Declaration by commencement and maintenance of a suit at law or in equity, or the Board may foreclose by judicial proceedings or through the exercise of the power of sale pursuant to Section 6.14.2 enforce the lien rights created. Suit to recover a money judgment for unpaid assessments together with all other Additional Charges described in Section 6.15 shall be maintainable without foreclosing or waiving the lien rights. Notwithstanding anything else to the contrary herein, except for monetary penalties imposed by the Association to reimburse the Association for costs incurred by the Association in the repair of damage to Association Property and facilities for which the Member or the Member's invitees were responsible, which may become a lien on the Owner's Residential Lot, a monetary penalty imposed by the Association as a disciplinary measure for failure of a Member to comply with the Governing Documents or in bringing the Member and his or her Residential Lot into compliance with the Governing Documents of the Association may not be characterized nor treated as an assessment that may become a lien against the Member's Residential Lot enforceable by a sale of the interest hereunder. The limitation in the preceding sentence however, does not apply to any Additional Charges.

6.14.2 Notice of Assessments and Foreclosure. The Association shall distribute a written notice regarding assessments and foreclosure as set forth in California Civil Code Section 1365.1 during the sixty (60) day period immediately preceding the beginning of the Association's fiscal year.

6.14.3 Delinquent Assessments. The Association shall comply with the requirements of California Civil Code Section 1367.1 and any successor statutes or laws when collecting delinquent assessments. The Board or its authorized representative must send to the delinquent Owner or Owners, at least thirty (30) days prior to the recordation of a lien against the

delinquent Owner's Residential Lot (as set forth in Section 6.14.4), a written notice by certified mail, which notice shall contain all of the information specified in California Civil Code Section 1367.1 and any successor statutes or laws ("Initial Notice"). The delinquent Owner may dispute the debt noticed pursuant to the Initial Notice by submitting to the Board a written explanation of the reasons for the delinquent Owner's dispute ("Owner Explanation"). The Board shall respond to the Owner Explanation in writing to the delinquent Owner within the time frame set forth in California Civil Code Section 1367.1 and any successor laws or statutes. The delinquent Owner may submit a written request to the Board to meet with the Board to discuss a payment plan for the debt noticed in the Initial Notice. The Board shall meet with the delinquent Owner in executive session within the time frame set forth in California Civil Code Section 1367.1 and any successor laws or statutes. The Association shall provide the Owners the standards for payment plans if any exists.

6.14.4 Creation of Lien. If there is a delinquency in the payment of any assessment, or installment on a Residential Lot any amounts that are delinquent, together with the late charge described in California Civil Code Section 1366 and any successor statutes or laws, interest at the rate permitted in such Section, and all costs that are incurred by the Board or its authorized representative in the collection of the amounts, including reasonable attorneys' fees, shall be a lien against such Residential Lot upon the recordation in the Office of the County Recorder of a notice of delinquent assessment ("Notice of Delinquent Assessment") as provided in California Civil Code Section 1367.1 and any successor statutes or laws. After its recordation, the Notice of Delinquent Assessment shall be mailed to all Owners of record as provided in California Civil Code Section 1367.1 and any successor statutes or laws.

6.14.5 Assignment. The Association may not voluntarily assign or pledge the Association's right to collect payments or assessments, or to enforce or foreclose a lien to a third party except where provided under California Civil Code Section 1367.1(g) and any successor statutes or laws.

6.14.6 Notice of Default; Foreclosure. The Board or its authorized representative can record a notice of default and can cause the Residential Lot with respect to which a notice of default has been recorded to be sold in the same manner as a sale is conducted under California Civil Code Sections 2924, 2924b and 2924c and any successor statutes or laws, or through judicial foreclosure, and as provided in California Civil Code Section 1367.1 and any successor statutes or laws. However, as a condition precedent to the holding of any such sale under Section 2924c, appropriate publication shall be made. In connection with any sale under Section 2924c, the Board is authorized to appoint its attorney, any officer or director, or any title insurance company authorized to do business in California as trustee for purposes of conducting the sale. The fee of the trustee shall not exceed the amounts prescribed in California Civil Code Sections 2924c and 2924d. If (a) a delinquency is cured before sale, or before completing a judicial foreclosure, or (b) if it is determined that a lien previously recorded against a Residential Lot was recorded in error, the Board or its authorized representative, within the time frame set forth in California Civil Code Section 1367.1 and any successor statutes or laws, shall cause to

be recorded in the office of the County Recorder a certificate setting forth the satisfaction or rescission of such claim and release of such lien upon payment of actual expenses incurred, including reasonable attorneys' fees by any delinquent Owner. If the lien was satisfied, the Association shall provide the delinquent Owner a copy of the lien release or notice that the delinquent assessment has been satisfied and if the Association filed a rescission of the lien, then the Association shall provide such Owner with a declaration that the lien filing or recording was in error and a copy of the lien release or notice of rescission. Any payments made on delinquent assessments shall be applied in accordance with California Civil Code Section 1367.1 and any successor statutes or laws. On becoming delinquent in the payment of any assessments, or installments each delinquent Owner shall be deemed to have absolutely assigned all rent, issues and profits of his or her Residential Lot to the Association and shall further be deemed to have consented to the appointment of a receiver (which appointment may, at the election of the Association, be enforced by the Association through specific performance). The Association, acting on behalf of the Owners, shall have the power to bid upon the Residential Lot at foreclosure sale and to acquire, hold, lease, mortgage and convey the Residential Lot and vote as an Owner of the Residential Lot.

6.14.7 Payments Under Protest. Notwithstanding any other provisions set forth in this Section 6.14, the Owners shall have the right to make certain payments under protest and be entitled to alternative dispute resolution as provided in California Civil Code Sections 1354, 1366.3, 1367.1, and any successor statutes or laws, as provided in Section 17.2 of this Declaration.

6.14.8 Payment of Assessments. Any payments of sums due under this Article shall first be applied to assessments owed, and only after assessments owed have been paid in full shall the payments be applied to the fees and costs of collections, attorney's fees, late charges or interest. If an Owner requests a receipt after payment of a delinquent assessment, the Association shall provide a receipt which sets forth the date of payment and the individual who received such payment.

6.15 ADDITIONAL CHARGES. In addition to any other amounts due or any other relief or remedy obtained against an Owner who is delinquent in the payment of any assessments, each Owner agrees to pay Additional Charges incurred or levied by the Board including such additional costs, fees, charges and expenditures as the Association may incur or levy in the process of collecting from that Owner monies due and delinquent subject to California Civil Code Section 1362.1(j). Additional Charges shall include, but not be limited to, the following:

6.15.1 Attorneys' Fees. Reasonable and actual attorneys' fees and costs incurred in the event an attorney(s) is employed to collect any assessment or sum due, whether by suit or otherwise;

6.15.2 Late Charges. A late charge in an amount to be fixed by the Board in accordance with Civil Code Section 1366, or any successor statute or law, to compensate the Association for additional collection costs incurred in the event any assessment or other sum is not paid when due or within any "grace" period established by law;

6.15.3 Costs of Suit. Costs of suit and court costs incurred as are allowed by the court;

6.15.4 Interest. Interest to the extent permitted by law; and

6.15.5 Other. Any such other additional costs that the Association may incur in the process of collecting delinquent assessments or sums.

6.16 WAIVER OF EXEMPTIONS. Each Owner, to the extent permitted by law, waives, to the extent of any liens created pursuant to this Article, the benefit of any homestead or exemption laws of California in effect at the time any assessment or installment becomes delinquent or any lien is imposed.

6.17 SUBORDINATION OF LIEN TO FIRST MORTGAGES. When a Notice of Delinquent Assessment has been recorded, such assessment shall constitute a lien on such delinquent Owner's Residential Lot prior and superior to all other liens, except, (a) all taxes, (b) bonds, assessments and other levies which, by law, would be superior thereto, and (c) any First Mortgage now or hereafter placed upon any Residential Lot subject to assessment. The sale or transfer of any Residential Lot pursuant to judicial or nonjudicial foreclosure (excluding a transfer by a deed in lieu of 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 Residential Lot from any assessments thereafter becoming due or from the lien of any subsequent assessment. Where the Mortgagee of a First Mortgage or other purchaser of a Residential Lot obtains title to the same as a result of foreclosure (excluding a transfer by a deed in lieu of foreclosure), such acquiror of title, his or her successors and assigns, shall not be liable for the share of the common expenses or assessments by the Association chargeable to such Residential Lot that became due prior to the acquisition of title to such Residential Lot by such acquiror, except for a share of such charges or assessments resulting from a reallocation of such charges or assessments which are made against all Residential Lots.

6.18 NO OFFSETS. All assessments shall be payable in the amounts specified by the particular assessment and no offsets against such amount shall be permitted for any reasons, including, without limitation, a claim that the Association is not properly exercising its duties of maintenance, operation or enforcement.

6.19 PERSONAL LIABILITY OF OWNER. No Owner may exempt himself or herself from personal liability for assessments, nor any part thereof, levied by the Association, nor release the Residential Lot owned by him or her from the liens and charges hereof by waiver

of the use and enjoyment of the Association Property and facilities thereof, or by abandonment of such Owner's Residential Lot.

6.20 TRANSFER OF PROPERTY. After transfer or sale of property within the Project, the selling Owner or Owners shall not be liable for any assessment levied on such Owner or Owner's Residential Lot after the date of such transfer of ownership if written notice of such transfer is delivered to the Association. The selling Owner shall still be responsible for all assessments and charges levied on his or her property prior to any such transfer.

6.21 FAILURE TO FIX ASSESSMENTS. The omission by the Board to fix the assessments hereunder before the expiration of any year, for that or the next year, shall not be deemed either a waiver or modification in any respect of the provisions of this Declaration or a release of the Owner from the obligation to pay the assessments or any installment thereof for that or any subsequent year, but the assessment fixed for the preceding year shall continue until a new assessment is fixed.

6.22 PROPERTY EXEMPT FROM ASSESSMENTS. The Association Property subject to this Declaration shall be exempt from the assessments, charges and liens created herein. Although no land or improvements devoted to dwelling use shall be exempt from Assessments by the Association, Declarant and the Owners shall be exempt from paying any portion of Regular Assessments which is for the purpose of defraying expenses and reserves directly attributable to the existence of any Improvements on the Association Property located thereon which are not complete at the time assessments commence, which exemption shall be in effect only until the earlier to occur of the following: (i) a notice of completion for the subject Association Property has been recorded, or (ii) the subject Association Property has been placed into use.

6.23 INITIAL CAPITAL CONTRIBUTION. Upon acquisition of record title to a Residential Lot from Declarant, each Owner shall contribute to the capital of the Association an amount equal to One Hundred Dollars (\$100.00). This amount shall be deposited by the Owner into the purchase and sale escrow for his or her Residential Lot and disbursed therefrom to the Association.

ARTICLE 7

USE RESTRICTIONS

7.1 RESIDENTIAL USE. All Residential Lots within the Project shall be improved and used solely for single-family residential use; provided, however, that this provision shall not preclude any Owner from renting or leasing all of his or her Residential Lot by means of a written lease or rental agreement, which requires the lessee to comply with the provision of this Declaration and the Association Rules adopted by the Board. No Residential Lot shall be used or caused to be used or allowed or authorized to be used in any way, directly or indirectly, for

any business, commercial, manufacturing, mercantile, storage, vending or other non-residential purposes; except Residential Lots may be used for model home sites, construction offices, a design center, and display and sales office purposes during the construction and sales period. The provisions of this Section shall not preclude professional or administrative occupations without external evidence thereof, for so long as such occupations (i) are conducted in conformance with all applicable governmental ordinances, (ii) are merely incidental to the use of the Residential Lot as a residence, and (iii) the patrons or clientele of such professional or administrative occupation do not regularly visit or conduct business on the Residential Lot. Declarant may use any of the Residences owned by Declarant as model homes, sales offices, construction offices or storage for the Project during that period of time commencing when the Residences are first sold or offered for sale to the public and ending when (x) all the Residences in the Project are sold and conveyed by Declarant to separate owners thereof, or (y) seven (7) years after the first close of escrow of a Residence in the Project, whichever shall first occur.

7.2 COMMERCIAL USE. Except as otherwise provided in this Declaration, including without limitation Section 7.1 above, no part of the Project shall be used or caused, allowed, or authorized to be used in any way, directly or indirectly, for any business, commercial, manufacturing, mercantile, storing, vending, or other such non-residential purpose.

7.3 RENTAL OF RESIDENTIAL LOTS. An Owner shall be entitled to rent the Owner's entire Residential Lot (but not a portion thereof) subject to the restrictions contained in this Declaration. Any lease agreement shall be in writing, shall provide that the lease is subject to this Declaration, the Bylaws, Articles and the Association Rules, and shall provide that any failure to comply with any provision of the Governing Documents shall be a default under the terms of the lease agreement. A copy of this Declaration shall be made available to each tenant by the Owner so renting. The Owner shall, at all times, be responsible for his or her tenant's compliance with all of the provisions of this Declaration pursuant to the occupancy and use of the Residential Lot. A tenant shall have no obligation to the Association to pay assessments imposed by the Association nor shall any tenant have any voting rights in the Association. No Owner may rent a Residential Lot situated thereon for hotel, motel or transient purposes or any other purpose inconsistent with the provisions of this Declaration. Any lease which is either for a period of fewer than thirty (30) days or pursuant to which the Owner provides any services normally associated with a hotel shall be deemed to be for transient or hotel purposes.

7.4 ANIMALS. No livestock or poultry shall be kept, maintained, or bred in any Residential Lot or elsewhere within the Project. Domestic reptiles, birds, rodents and fish shall be permitted so long as such animals are kept in the interior of a Residential Lot and are (a) kept as household pets, (b) are not so excessively noisy as to disturb the quiet enjoyment by each Owner of his or her Residential Unit, (c) are not kept, bred or raised for commercial purposes or, as determined by the Board, in unreasonable numbers, and (d) do not constitute a nuisance or threat to the personal safety of other Owners and their Invitees in the Project. Notwithstanding the foregoing, the Association Rules may further limit or restrict the keeping of such pets. The Board shall specifically have the power to prohibit the keeping or maintenance of any animal,

which, in the opinion of the Board, after Notice and Hearing, is deemed by the Board to constitute a nuisance to any other Owner in the sole and exclusive opinion of the Board. Each person bringing or keeping a pet within the Project shall be absolutely liable to other Owners and their Invitees for any damage to persons or property caused by any pet brought upon or kept upon the Project by such person or by members of his or her family, his or her guests or Invitees. Each Owner shall clean up after such animals that have deposited droppings or otherwise used any portion of the Project or public street abutting or visible from the Property. Animals belonging to Owners or Invitees of any Owner must be kept within an enclosure or on a leash held by a person capable of controlling the animal.

7.5 ANTENNA RESTRICTIONS. No Person may install on the exterior of any Residence or in a yard any antenna or over-the-air receiving device except for an "Authorized Antenna." An Authorized Antenna is (i) an antenna designed to receive direct broadcast satellite service, including direct-to-home satellite service, that is one meter or less in diameter, or (ii) an antenna designed to receive video programming service, including multichannel multipoint distribution service, instructional television fixed service, and local multipoint distribution service, and is one meter or less in diameter or diagonal measurement, (iii) an antenna designed to receive television broadcast signals, or (iv) an antenna used to receive and transmit fixed wireless signals. An Authorized Antenna may be mounted on a mast to reach the height needed to receive an acceptable quality signal, subject to local governmental agency permitting requirements for safety purposes.

7.5.1 Restrictions on Installation. The Board, if appointed, Architectural Committee may adopt reasonable restrictions on installation and use of an Authorized Antenna as part of its Architectural Guidelines in order to minimize visibility of the Authorized Antenna from other Lots. Such restrictions may designate one or more preferred installation locations, or require camouflage such as paint (subject to the antenna manufacturer's recommendations) or screening vegetation or other Improvements. However, no restriction imposed by the Board, if appointed, Architectural Committee may (i) unreasonably delay or prevent the installation, maintenance or use of an Authorized Antenna, (ii) unreasonably increase the cost of installation, maintenance or use of an Authorized Antenna, or (iii) preclude acceptable quality reception.

7.5.2 Prohibitions on Installation. The Board, if appointed, Architectural Committee may prohibit the installation of an Authorized Antenna in a particular location if, in the Architectural Committee's opinion, the installation, location or maintenance of such Authorized Antenna unreasonably affects the safety of the Owners or any other Person, or for any other safety-related reason established by the Architectural Committee. The Board, if appointed, Architectural Committee may also prohibit an Owner from installing an Authorized Antenna on any real property which such Owner does not own or is not entitled to exclusively use or control under the Declaration. The Board, if appointed, Architectural Committee also has the power to prohibit or restrict the installation of any antenna or other over-the-air receiving device that does not meet the definition of an Authorized Antenna above.

7.5.3 Review after Installation. The Board, if appointed, Architectural Committee may review the location and installation of an Authorized Antenna after it is installed. After its review, the Architectural Committee may require that the Authorized Antenna be moved to a preferred location (if one has been designated) for safety reasons or to comply with reasonable restrictions subject to this Section and applicable law.

7.6 SIGNS. Subject to Civil Code Sections 712 and 713, no sign, advertising device or other display of any kind shall be displayed in the Project or on any public street in or abutting the Project except for the following signs, so long as they comply with law:

7.6.1 entry monuments, community identification signs, and traffic or parking control signs maintained by the Association;

7.6.2 for each Residential Lot, one (1) nameplate or similar Owner name or address identification sign which complies with any of the Architectural Guidelines;

7.6.3 for each Residential Lot, one (1) sign advising of the existence of security services protecting a Residential Lot which complies with the Architectural Guidelines;

7.6.4 for each Residential Lot, one (1) sign advertising the Condominium for sale or lease that complies with the following requirements:

(a) the sign is not larger than eighteen inches (18") by thirty inches (30") in size;

(b) the sign is of a color and style authorized by the Architectural Committee; and

7.6.5 other signs or displays authorized by the Board, if appointed, Architectural Committee.

7.7 PARKING AND VEHICULAR RESTRICTIONS.

7.7.1 Authorized Vehicles. The following vehicles are "Authorized Vehicles": standard passenger vehicles including automobiles, passenger vans designed to accommodate ten (10) or fewer people, motorcycles, and pick-up trucks having a manufacturer's rating or payload capacity of one (1) ton or less. Authorized Vehicles may be parked in any portion of the Project intended for parking of motorized vehicles; however, no Owner may park a vehicle in a manner which the Association determines either restricts the passage of pedestrians or vehicles over driveways, streets or sidewalks in the Property or extends beyond the limits of the space where the vehicle is parked. The Association has the power to identify additional vehicles as Authorized Vehicles in the Association Rules and to adapt this restriction to other types of vehicles.

7.7.2 Prohibited Vehicles. The following vehicles are "Prohibited Vehicles": (a) recreational vehicles (e.g., motorhomes, travel trailers, camper vans and boats), (b) commercial-type vehicles (e.g., stakebed trucks, tank trucks, dump trucks, step vans, concrete trucks and limousines), (c) buses or vans designed to accommodate more than ten (10) people, (d) vehicles having more than two (2) axles, (e) trailers, (f) inoperable vehicles or parts of vehicles, (g) aircraft, (h) any vehicle or vehicular equipment deemed a nuisance by the Board, and (i) any other vehicle not classified as an Authorized Vehicle. Prohibited Vehicles may not be parked, stored or kept on any public or private street in, adjacent to or visible from the Property or any other Common Area parking area except for brief periods for loading, unloading, making deliveries or emergency repairs. If a vehicle qualifies as both an Authorized Vehicle and a Prohibited Vehicle, then the vehicle is presumed to be a Prohibited Vehicle, unless the vehicle is expressly classified as an Authorized Vehicle in writing by the Board. Prohibited Vehicles may only be parked in an Owner's fully enclosed garage with the door closed so long as their presence on the Property does not otherwise violate this Declaration.

7.7.3 General Restrictions. Subject to the restriction on Prohibited Vehicles, all vehicles owned or operated by or under the control of an Owner or a resident of an Owner's Residential Lot and kept in the Property must be parked in the assigned garage of that Owner to the extent of the space available; provided that each Owner shall ensure that any such garage accommodates at least the number of Authorized Vehicles for which it was originally constructed by Declarant.

7.7.4 Parking Regulations. The Board may establish additional regulations regarding any parking areas not assigned to individual Lots, including designating "parking," "guest parking," and "no parking" areas. The Board may take all actions necessary to enforce all parking and vehicle use regulations for the Property including removing violating vehicles from the Property pursuant to California Vehicle Code Section 22658.2 or other applicable law. If the Board fails to enforce any of the parking or vehicle use regulations, the City may enforce such regulations.

7.7.5 Garage Use. The garages shall be used for parking vehicles only and shall not be converted for living, recreational activities, business or storage that would prevent the ability of an Owner, tenant or lessee to park the number of vehicles in the garage that the garage was designed for. Doors to garages shall be kept closed except during the removal or entry of vehicles therefrom or thereto.

7.7.6 Parking in Shared Driveways. Parking shall not be permitted in Shared Driveways. In no event shall parked automobiles or other uses or structures or other items block access to the Shared Driveways or restrict ingress or egress on, over, through and across the Shared Driveways by the Owners benefited by such Shared Driveways.

7.8 TRASH. No trash may be kept or permitted upon the Property or on any public street abutting or visible from the Property except in containers located in appropriate areas

screened from view. Such containers may be exposed to the view of neighboring Residential Lots only when set out at a location approved by the Architectural Committee for a reasonable period of time (not to exceed twelve (12) hours before and after scheduled trash collection hours, except where a longer time period is authorized by the Architectural Committee).

7.9 FENCES, ETC. No fences, awnings, ornamental screens, screen doors, sunshades or walls of any nature shall be erected or maintained on or around any portion of any structure or elsewhere within the Project except those that are installed in accordance with the original construction of the Project or as are authorized and approved in accordance with Article 9. All fencing must comply with the Brush Management Plan and the laws, regulations and ordinances of the City.

7.10 PAINTING. No Owner shall paint the exterior of the Owner's Residence or any other exterior improvements within a Residential Lot without prior approval in accordance with Article 9 of this Declaration, except that no consent shall be required if an Owner repaints the exterior with the same color.

7.11 BASKETBALL STANDARDS. No basketball standards or fixed sports apparatus shall be attached to any Residence except as approved in accordance with Article 9 of this Declaration.

7.12 OIL DRILLING. No oil drilling, oil operations, oil refining, quarrying, or mining operations of any kind shall be permitted on or in the Project, and no oil wells, tanks, tunnels or mineral excavations or shafts shall be permitted on the surface of the Project or within five hundred (500) feet below the surface of the Project. No derrick or other structure designed for use in boring for water, oil or natural gas shall be erected, maintained or permitted within the Project.

7.13 INSTALLATIONS.

7.13.1 Generally. This Section does not apply to Improvements installed (a) by Declarant, (b) by the Association, or (c) with the approval of the Board, or if appointed, Architectural Committee. No Owner may cause or permit any mechanic's lien to be filed against the Project for labor or materials alleged to have been furnished or delivered to the Project or any Residential Lot for such Owner, and any Owner who does so shall immediately cause the lien to be discharged within five (5) days after notice to the Owner from the Board. If any Owner fails to remove such mechanic's lien, the Board may, discharge the lien and charge the Owner a Special Assessment for such cost of discharge.

7.13.2 Outside Installations. The following items are prohibited: (a) outside installations, including clotheslines, balcony, patio or deck covers, wiring, air conditioning equipment (except as installed by Declarant), water softeners, other machines and other

Improvements, (b) Improvements to deck or balcony railings, and (c) other exterior additions or alterations, including, but not limited to patio covers and room additions to any Residential Lot.

7.13.3 Outside Drying and Laundering. No exterior clothesline shall be erected or maintained within the Project and there shall be no exterior drying or laundering of clothes within any yard areas of the Residential Lot.

7.13.4 Basketball Standards. No basketball standards or fixed sports apparatus shall be attached to any Residence except as approved by the Board. Portable basketball apparatus shall be permitted so long as such apparatus is moved into the interior of the garage by 9:00 P.M. The Association Rules may further limit the use or placement of portable basketball apparatus.

7.13.5 Exterior Lighting. Any exterior electrical, gas or other artificial lighting installed on any Residential Lot shall be positioned, screened, or otherwise directed or situated and of such controlled focus and intensity so as not to unreasonably disturb the residents of any other Residential Lot(s). Further rules regarding exterior lighting may be promulgated by the Board.

7.13.6 Outside Drying and Laundering. No exterior clothesline shall be erected or maintained within the Project and there shall be no exterior drying or laundering of clothes on any Residential Lot.

7.14 MINERAL EXPLORATION. No Property within the Project shall be used in any manner to explore for or to remove any water, oil or other hydrocarbons, minerals of any kind, gravel, earth or any earth substance or other mineral of any kind. No well for the production of, or from which there is produced, water, oil or gas shall be operated within the Project, nor shall any machinery, appliance or structure be placed, operated or maintained thereon for use in connection with any trading, manufacturing or repairing business. No slant drilling shall be permitted.

7.15 OFFENSIVE CONDUCT, NUISANCES. No noxious or offensive activities shall be conducted within the Project. Nothing shall be done on or within the Project that may be or may become an annoyance or nuisance to the residents of the Project, or that in any way interferes or may interfere with the quiet enjoyment of occupants of Residential Lots.

7.16 VIEW IMPAIRMENT. There is no representation that any view exists from any Residential Lot. Each Owner, by accepting a deed to a Residential Lot, acknowledges that grading of, construction on or installation of Improvements, including landscaping, on other Residential Lots within the Property and on surrounding real property may impair whatever view may exist from the Owner's Residential Lot and each Owner consents to such impairment and waives any claim for view impairment.

7.17 COMPLIANCE WITH LAWS, ETC. Nothing shall be done or kept in any Residential Lot or on the Association Property that might increase the rate of, or cause the cancellation of, insurance for the Project, or any portion of the Project. No Owner shall permit anything to be done or kept in his or her Residential Lot that violates the Brush Management Plan, any law, ordinance, statute, rule or regulation of any local, county, state or federal body, including any laws, ordinances or statutes pertaining to the use or storage of any hazardous, contaminated or toxic materials.

7.18 LANDSCAPING. Each Owner shall, not later than one hundred eighty (180) days after the Residence is conveyed by Declarant to any Owner, prepare and submit in accordance with the provisions of Article 9 of this Declaration a landscaping plan for the side and rear yard and all other areas of such Owner's Residential Lot not landscaped by Declarant or not included within any Slope Maintenance Area or Parkway Landscape Areas. If such plan is disapproved, a revised plan(s) shall be submitted seven (7) days after such disapproval, until a plan has been approved in accordance with the provisions of Article 9. Each Owner shall install the landscaping in the side and rear yards after the Residence is conveyed by Declarant to such Owner within nine (9) months after the Residence is conveyed by Declarant to such Owner. As provided in Section 7.25 below, an Owner shall not install any landscaping which interferes with the established drainage pattern over the Property. All landscaping and irrigation installed on a Residential Lot shall conform to the applicable provisions of the Brush Management Plan and shall thereafter be maintained in accordance with the Brush Management Plan.

7.19 WINDOW COVERINGS. Temporary window coverings ("Temporary Window Coverings") in a design and color that does not conflict with the surrounding Improvements (but excluding aluminum foil, newspapers, or any other contrasting material) shall be permitted for a maximum period of sixty (60) days from the date that a Residential Lot is conveyed to an Owner by Declarant. Except as specifically provided above, no Temporary Window Coverings shall be used to cover any door or window of any Residence. All window coverings (including Temporary Window Coverings) shall be of a neutral color harmonious with and not conflict with the color scheme of the exterior wall surface of the Residential Lot.

7.20 EXTERIOR LIGHTING. Any exterior electrical, gas or other artificial lighting installed on any Residential Lot shall be positioned, screened, or otherwise directed or situated and of such controlled focus and intensity so as not to unreasonably disturb the residents of any other Residential Lot(s). Further rules regarding exterior lighting may be promulgated by the Board or, if appointed, Architectural Committee.

7.21 DRAINAGE. There shall be no interference with the established drainage pattern over the Property, unless an adequate alternative provision is made for proper drainage with the prior written approval of the Board or, if appointed, the Architectural Committee. For the purpose hereof, "established" drainage in any Phase is defined as the drainage that exists at the time of the first close of escrow for the sale of a Residential Lot in such Phase, or that is shown on any plans approved by the Board or, if appointed, the Architectural Committee. Each Owner

shall maintain the drainage situated within any Residential Lot (including any Cross-Lot Drainage Improvements located within a Residential Lot) free of debris and any other material that may impede the flow of water. If such Owner fails to maintain such drainage (including any Cross-Lot Drainage Improvements located within a Residential Lot) and, as a result, imminent danger to person or property may result then the Association shall have the right of access onto the Residential Lot for the purpose of clearing debris and other material so as to not impede the flow of water. This right of access shall be exercised only for the purpose of preventing damage to persons and property and the entering party ("Entering Party") shall use reasonable care so as to not cause any damage to the Residential Lot. The Owner shall reimburse the Association for any costs and expenses incurred in clearing such debris pursuant to Section 4.3.5 of this Declaration. Each Owner shall be prohibited from damaging, altering, modifying or interfering with any Cross-Lot Drainage Improvements or such Owner's Residential Lot.

7.22 POST TENSION SLABS. The concrete slab for the Residences in the Project may be reinforced with a grid of steel cables that were installed in the concrete and then tightened to create very high tension. This type of slab is commonly known as a "Post Tension Slab." Cutting into a Post Tension Slab for any reason (e.g. to install a floor safe, to remodel plumbing, etc.) is very hazardous and may result in serious damage to the Residence and/or personal injury. By accepting a grant deed to a Residence in the Project, each Owner specifically covenants and agrees that: (1) such Owner shall not cut into or otherwise tamper with the Post Tension Slab; (2) such Owner shall not knowingly permit or allow any person to cut into or tamper with the Post Tension Slab so long as such Owner owns any interest in the Residence; (3) such Owner shall disclose the existence of the Post Tension Slab to any tenant, lessee or subsequent purchaser of the Residence; and (4) such Owner shall indemnify, protect, defend and hold Declarant and its respective officers, employees, contractors and agents, free and harmless from and against any and all claims, damages, losses, or other liability (including, without limitation, attorneys' fees) arising from any breach of this Section.

7.23 ANTI-GRAFFITI PROGRAM. The Association and each of the Owners shall comply with requirements of the City's anti-graffiti program for wall treatments. All Owners and their Invitees including, without limitation, tenants of any Residence shall have the obligation to remove or cover with matching paint all graffiti located on such Owner's Residential Lot with twenty-four (24) hours of such graffiti's appearance.

7.24 BRUSH AREAS. Certain Residential Lots within the Project are included within the Brush Areas, for which there are certain guidelines and regulations of the City with respect to the use and maintenance thereof by the Owners, as set forth in the Brush Management Plan. Each Owner whose Residential Lot that is within a Brush Area shall be required to comply with the requirements set forth in the Brush Management Plan and such guidelines or regulations as may be adopted by the City, the County, or other governmental agencies from time to time.

7.25 SLOPE CONTROL, USE AND MAINTENANCE. Each Owner shall keep, maintain, water, plant and replant all slopes located on such Owner's Residential Lot, so as to

prevent erosion and to create an attractive appearance, except for the Slope Maintenance Areas, which are to be maintained by the Association as provided herein. It shall be the duty of all Owners to conduct all construction and installation of improvements on such slopes in accordance with any guidelines or rules adopted by the Board for maintenance of such slopes. Thereafter each Owner shall keep, maintain, water, and replant all slopes not included in the Slope Maintenance Areas in such a manner as to protect the integrity of such Owner's Residential Lot and all adjoining Residential Lots and the structural improvements thereon. No structure, planting or other material shall be placed or permitted to remain or other activities undertaken on such slopes that may damage or interfere with established slope ratios, create erosion or sliding problems, or that may change the direction of flow of drainage channels or obstruct or retard the flow of water through drainage channels. The Association, acting through its Board of Directors, shall have the right, after providing an Owner with reasonable notice and an opportunity to be heard before the Board, to perform slope maintenance and repairs with respect to any slopes on a Residential Lot to be maintained by the Owner thereof after a determination by the Board that such action is necessary in order to protect the integrity of any Residential Lot or structural Improvement within the Project. The Board may only initiate such action after providing an affected Owner with reasonable notice together with an opportunity to be heard by the Board. The costs of any such remedial work performed by the Association on behalf of an affected Owner may be collected by the Association as a reimbursement assessment as provided in this Declaration. No Owner of a Residential Lot upon which a Slope Maintenance Area is located shall alter or modify the landscaping, irrigation or other Improvements located within such Slope Maintenance Area, shall not install Improvements of any kind within Slope Maintenance Area and shall enter such Slope Maintenance Area only as is reasonably necessary to maintain, construct or repair Improvements on the portion of such Owner's Residential Lot located adjacent to such Slope Maintenance Area.

7.26 SLOPE MAINTENANCE AREAS. Each Owner shall be prohibited from placing, maintaining, constructing, or planting any Improvements, landscaping or other items, including without limitation, decks, stairs, walls, irrigation systems, trees or any vegetation on any Slope Maintenance Area. No structure, planting or other material shall be placed or permitted to remain or other activities undertaken on any slope that may damage or interfere with established slope ratios, create erosion or sliding problems, or that may change the direction of flow of drainage channels or obstruct or retard the flow of water through drainage channels. Additionally, each Owner shall be prohibited from altering or modifying the Slope Maintenance Area in any way; provided that each Owner shall have the right to access any Slope Maintenance Area that exists on such Owner's Residential Lot as may be necessary to maintain such Owner's Residential Lot.

7.27 TRAILS. The trails located within the boundary of the Project shall be used for pedestrian traffic only and shall be maintained by the Association, except for any trails located in the Adjacent Association Maintenance Area.

7.28 COMPLIANCE WITH REQUIREMENTS REGARDING PROJECT STORM WATER POLLUTION. Each Owner acknowledges that water that enters a storm drain flows directly to natural sources of water, including waterways, creeks, drains, rivers, lakes and that erosion has an impact on the environment. Unlike the water in the sewer system in the Residence which is being purchased by Owner, which flows to wastewater treatment plants, water that enters a storm drain flows directly, without any treatment, to waterways, creeks, streams, rivers, lakes and/or oceans. Accordingly, the National Pollutant Discharge Elimination System ("NPDES"), the Federal Clean Water Act, and the policies and ordinances of the City prohibit discharging anything other than natural rain water into storm drainage systems, including gutters and streets which drain into storm drains. Toxic chemicals or hydrocarbon compounds such as gasoline, motor oil, antifreeze, solvents, paints, paint thinners, wood preservatives, fertilizers, lawn clippings, yard waste, detergents, pet waste, paints and other such materials and pollutants shall not be discharged into any street, public or private, gutters, or into storm drains or storm water conveyance systems. Owner further acknowledges that the disposal of such pollutants and materials into a storm drain system may result in significant penalties and fines and that such Owner may be responsible for any activities by Owner's contractors (e.g., painters, landscapers, etc.) who dispose of such pollutants from an Owner's Residential Lot into a storm drain system. Use and disposal of pesticides, fungicides, herbicides, insecticides, fertilizers, and other such chemicals shall meet all federal, state, and City requirements and requirements of any other governmental agencies having jurisdiction over the Property. All Owners within the Project are required to comply with such restrictions. Owners are encouraged to consult with the City, and other governmental authorities, concerning the proper disposal of any toxic or hazardous materials. Dumping any such materials into sewers, gutters or storm drains is against the law.

7.28.1 Storm Water Pollution Prevention Best Management Practices. To comply with the requirements of the City in connection with the storm water pollution prevention best management practices, each Owner and the Association agrees that it will, at all times, maintain all Improvements located on a Residential Lot, or in the case of the Association, within the Association Property, in a clean, safe and attractive condition, free and clear of any and all debris. All landscaping shall be maintained by an Owner in a manner that will prevent soil erosion and minimize sediment transport. To the extent that the Declarant has installed any erosion protection devices (e.g., sandbags), an Owner shall not remove such devices unless and until all landscaping has been installed on a Lot, and has been sufficiently grown so as to prevent soil erosion and transport of any sediment. All trash receptacles on an Owner's Residential Lot shall be covered and closed at all times. The Association and the Owners shall comply with all applicable Best Management Practices ("BMP") and perform all maintenance that may be imposed by any water quality management plan that may affect the Property. The costs of the Association's portion of such maintenance, if any, shall be treated as Common Expenses.

7.28.2 Liability to Declarant. So long as Declarant owns any Residential Lot within the Project, if an Owner or the Association is not in compliance with the provisions of this Section and as a result, Declarant may incur any liability, Declarant shall have the right but not

the obligation to enter upon the Residential Lot to correct such violation. Any Owner who violates the requirements of this Section and the Association shall indemnify, protect, defend and hold Declarant and Declarant's officers, directors, successors and assigns entirely free and harmless from and against any liabilities, penalties, costs, expenses and actions, including, without limitation, attorneys' fees and costs arising from or attributed to a violation of the provisions of this Section and shall, within fifteen (15) days after request from Declarant, reimburse Declarant for any costs and expenses incurred by Declarant in correcting any violation by any Owner of this Section.

7.29 SENSITIVE CULTURAL AREA AND EXTREMELY SENSITIVE CULTURAL AREAS. In order to insure that the subsurface portions of the Sensitive Cultural Areas and Extremely Sensitive Cultural Areas are not inadvertently disturbed, the Association and Owners of Lots 1, 36 through 42 and 66 through 78 are prohibited from excavating for pools, spas, large trees, irrigation in excess of one (1) foot in depth within the Sensitive Cultural Areas and Extremely Sensitive Cultural Areas. Any Owners desiring to make any excavations must obtain the approvals required under this Section 7.29 and the approval of the City of Oceanside and must comply with all requirements imposed by the City of Oceanside, which requirements include having an archeologist and a Native American on-site to monitor all excavations in excess of one (1) foot in depth. The Foundation, shall not be subject to the obligations, restrictions or assessments set forth in this Declaration. The Foundation shall comply with those restrictions set forth in the conveyance grant deed and the Extremely Sensitive Cultural Area Preservation and Maintenance Agreement.

7.30 CONDITIONS OF APPROVAL. Each Owner and the Association acknowledges that the Project is subject to the Conditions of Approval.

ARTICLE 8

MAINTENANCE OBLIGATIONS

8.1 MAINTENANCE OBLIGATIONS OF OWNERS.

8.1.1 Maintenance of Residential Lots. Subject to any provisions of the Governing Documents and the Homeowner's Maintenance Guide, each Owner shall maintain, repair and otherwise care for the maintenance, repair and replacement of the Owner's Residence and all Improvements situated within the Residential Lot and Cross-Lot Drainage Improvements in a good condition of maintenance and repair, except for any Slope Maintenance Areas therein which shall be maintained by the Association as provided below. The Owner of each Residential Lot shall water, weed, maintain and care for the landscaping located on his or her Residential Lot, so that the same presents a neat and attractive appearance, free from weeds, trash and debris or erosion. No Owner shall interfere with or impede Declarant or the Association in connection with the maintenance of the Slope Maintenance Areas.

8.1.2 Performance of the Maintenance Obligations By Owner. Each Owner will perform the Maintenance Obligations and each Owner is further obligated to provide a copy of the Homeowner Maintenance Guide and other materials describing the Maintenance Obligations to any successors in interest and/or subsequent purchasers of such Owner's Residential Lot.

8.1.3 Shared Driveways. The Owners of each Shared Driveway shall be responsible for keeping the portion thereof located on each Owner's respective Residential Lot free of debris and maintaining in good condition the Improvements constructed thereon, including, without limitation, all paving, curbs and gutters and landscaping. The Owners of each Shared Driveway shall also maintain all portions of each Owner's respective Residential Lot, including those portions of such Residential Lot across from any Shared Driveway. If, in addition to regular maintenance, it is necessary to repair or restore the Shared Driveway, any Owner shall have the right to give a thirty (30) day advance written notice to the other Owners of that Shared Driveway requesting participation on a pro rata basis in repairing or restoring the Shared Driveway. The repairs or restoration shall take place in accordance with the terms and provisions set forth below. Each Owner shall obtain and maintain at all times a homeowner's insurance policy insuring against death of or injury to persons and damage to or loss of property arising out of, resulting from or relating to the use of the Shared Driveway by that Owner and its respective successors in interest, assigns, contractors, and invitees, in an amount reasonably adequate to cover such Owner's responsibilities hereunder.

(a) Bids from Contractors. The notice of the need to repair or restore the Shared Driveway shall be accompanied by a bid ("First Bid") from a licensed contractor specifying the work to be completed and the cost of such work. In the event that the bid is not acceptable to one or more of the other Owners, then such Owner(s) shall have the right to obtain a bid ("Alternative Bid") within thirty (30) days of receipt of the First Bid from a licensed contractor for the same work and the lowest bid shall be accepted by the Owners. In the event the other Owner(s) fails to obtain an Alternative Bid and submit a copy thereof to the Owner submitting the First Bid within said thirty (30) day period, then the contractor submitting the First Bid shall be used by the parties. As soon thereafter as possible, the licensed contractor shall begin and complete the work. All repairs and restoration work shall be at least to the same standard and quality as the original Improvements.

(b) Obstruction of Access. In no event shall access to any of the Residential Lots with Shared Driveways be totally obstructed as a result of any repair or restoration, unless the Owner of the obstructed Residential Lots with Shared Driveways is notified twenty-four (24) hours in advance of such obstruction.

(c) Payment for Repairs or Restoration. The Owners shall bear an equal share of the cost of any repairs or restoration of the applicable Shared Driveway required to be conducted by the Owners hereunder. Each Owner shall pay its proportionate share of such costs directly to the contractor in accordance with the construction contract. If any Owner fails

to pay such portion of the costs in the manner required, the other Owners may, but shall not be required to, pay such portion and thereafter seek reimbursement. If any Owner pays said portion of the costs on behalf of another Owner, said Owner shall be entitled to collect from the delinquent Owner interest on said payment at the maximum rate permitted by law.

(d) Contractor's Insurance. Any contractor selected to make improvements or repairs hereunder shall be required to have worker's compensation in the amount required by law and sufficient liability insurance to protect against personal injury or property damage arising from the work.

8.1.4 Cross-Lot Drainage Improvements. The Owners of any Residential Lot upon which Cross-Lot Drainage Improvements are located excepting any Cross-Lot Drainage Improvements within any areas on a Residential Lot which are being maintained by the Association shall be required to maintain (including keeping in a clean condition, free of blockages) the Cross-Lot Drainage Improvements situated on the Owner's Residential Lots.

8.1.5 Brush Areas. Any Brush Areas located within a Residential Lot shall be maintained by the Owner of such Residential Lot in a good condition of maintenance and repair in accordance with the requirements set forth in the Brush Management Plan.

8.2 MAINTENANCE OF FENCES AND WALLS.

8.2.1 Tubular Steel on Blockwall Fencing. The Association shall be obligated to maintain, repair and replace any tubular steel and/or wrought iron fencing, excluding the Predation Fence set forth below in Section 8.2.3.

8.2.2 Blockwall and Pilaster. The Association shall be obligated to maintain the exterior of any blockwall and to pilaster fencing and shall have the obligation to repair and replace such blockwall and pilasters. The Owners shall be obligated to maintain the interior of the blockwall.

8.2.3 Predation Fence. The Owners shall be obligated to maintain, including the painting of both sides, of the predation fence situated in such Owner's Residential Lot. As used herein the predation fence is the approximate 6 foot high tubular steel fence with four inch spacing. The Association shall be responsible for the repair and replacement of the predation fence.

8.2.4 Party Fencing. For any fencing that separates two (2) Residential Lots ("Party Fencing"), each Owner shall have the obligation to maintain the interior of the Party Fencing and the Owners shall share, on an equitable basis, the cost of replacing the Party Fencing. If the Party Fencing separates two (2) Residential Lots, the Owner of each affected portion of the Property upon which Party Fencing is located shall have a reciprocal non-exclusive easement to the Property immediately adjacent to the Party Fencing for the limited purpose of maintaining the Party Fencing.

8.2.5 Redwood Fencing Adjacent to Common Area. The Association shall be obligated to maintain those portions of redwood fence facing the Common Area and shall paint those exterior painted surfaces and repair and replace. The Owners shall be obligated to maintain the interior of the fence.

8.2.6 Fencing Adjacent to Extremely Sensitive Cultural Areas. The Owners of any Residential Lot whose fencing borders the Extremely Sensitive Cultural Areas shall maintain the interior of such fencing and the Association shall maintain the exterior and shall repair and replace such fencing, if necessary.

8.2.7 Other Fencing. All other fencing located on an Owner's Residential Lot which is not the responsibility of the Association to maintain, repair and/or replace under this Section 8.2, shall be maintained, repaired and replaced by such Owner.

8.2.8 Liability for Damage. Notwithstanding any other provision of this Section 8.2, an Owner who by his or her negligent or willful act causes a wall or fence within the Project to be damaged shall bear the whole cost of repairing such damage.

8.3 FAILURE TO MAINTAIN. In the event an Owner fails to maintain the areas and items as provided above including, but not limited to the Cross-Lot Drainage Improvements, or make repairs thereto in such manner as shall be deemed necessary in the judgment of the Board to preserve the attractive appearance thereof and protect the value thereof,, the Board shall give written notice to such Owner, stating with particularity the work of maintenance or repair which the Board finds to be required and requesting that the same be carried out within a period of thirty (30) days from the giving of such notice. In the event the Owner fails to carry out such maintenance or repair within the period specified by the notice, the Board shall cause such work to be completed and shall assess the cost thereof to such Owner as an Enforcement Assessment in accordance with the procedures set forth in this Declaration.

8.4 MAINTENANCE OBLIGATIONS OF ASSOCIATION.

8.4.1 Maintenance of the Association Property and Slope Maintenance Areas. The Association shall maintain, repair, replace and otherwise care for the Association Property excluding the Adjacent Association Maintenance Areas and any areas being maintained by The Environmental Trust under the Conservation Maintenance Agreement, and Slope Maintenance Areas in a good condition of maintenance and repair, including, without limitation, all landscaped and slope areas, and entry monuments situated within such areas. The Association shall keep such Association Property in good condition and repair, provide for all necessary maintenance services and cause all acts to be done which may be necessary or proper to assure the maintenance of such

Association Property in good condition in accordance with the obligations and schedules set forth in the Association's Maintenance Manual.

8.4.2 Association's Compliance with Maintenance Obligations. The Association will comply with the Maintenance Obligations.

8.4.3 Maintenance of Brush Areas. The Association shall maintain the Brush Areas situated within any Association Property in a good condition of maintenance and repair in accordance with the requirements set forth in the Brush Management Plan.

8.4.4 Extremely Sensitive Cultural Areas. The Association shall maintain the Extremely Sensitive Cultural Areas in accordance with the requirements of the Extremely Sensitive Cultural Preservation and Maintenance Agreement. The Association shall irrigate the Extremely Sensitive Cultural Area for the first year after the landscaping is completed and shall not irrigate the Extremely Sensitive Cultural Area after the first year. The Association shall, however, be obligated to conduct weed control, trash pick up and other regular maintenance within the Extremely Sensitive Cultural Areas as set forth in the Extremely Sensitive Cultural Preservation and Maintenance Agreement. The Association is prohibited from conducting any maintenance or other activities beyond those set forth in the Extremely Sensitive Cultural Preservation and Maintenance Agreement in the Extremely Sensitive Cultural Areas without the written permission of the Foundation.

8.5 FAILURE OF MAINTENANCE BY THE ENVIRONMENTAL TRUST. If the Environmental Trust fails to maintain the Conservation Lots pursuant to the Conservation Agreement, the Association is responsible for locating another environmentally approved maintenance company to maintain the Conservation Lots or the Association shall be responsible for such maintenance if an approved maintenance company cannot be located.

8.6 LANDSCAPE, IRRIGATION AND DRAINAGE MAINTENANCE. The Association shall regularly inspect, maintain and repair the landscaping, irrigation and drainage systems serving or within and any Improvements constructed within the Association Property, Slope Maintenance Areas and Cross-Lot Drainage Improvements. The Association shall also inspect for any misaligned sprinklers or blocked drainage systems that could cause water damage to the Project. In the event the Declarant provides any maintenance manuals to the Association, the Association shall comply with the requirements and any recommendations of any such maintenance manuals. The Association shall employ the services of a professional landscape architect, maintenance contractor or other such professional person to assist the Association in performing its duties hereunder. The Board shall, from time to time, make appropriate revisions to any maintenance manuals, based on the Board's review thereof on at least an annual basis. The inspections required to be conducted by the Board under this Section 8.6 shall take place at least annually. The inspectors shall provide written reports of their inspector to the Association and, if requested by the Declarant, to the Declarant promptly following completion thereof. The written reports shall identify any items of maintenance or repair which either require current action by the Association or will need further review and analysis. Such written reports shall

specifically include a review of all irrigation and drainage systems on the Project. The Board shall report the contents of such written reports to Declarant (if not already provided by the inspector directly) so requested by Declarant and to the Members of the Association at the next meeting of the Members following receipt of such written reports or as soon thereafter as reasonably practicable and shall include such written reports in the minutes of the Association. The Board shall promptly cause all matters identified as requiring attention to be maintained, repaired, or otherwise pursued in accordance with prudent business practices and the recommendations of the inspectors and shall keep a record of all such matters in the Board minutes. Should such inspection require the inspection of any Residential Lot, there is hereby created a nonexclusive easement in favor of the Association, and its officers, agents, employees and independent contractors, to conduct such inspections and to provide such maintenance, repair and replacement, provided that entrance is made at reasonable hours and with at least three (3) days advance notice to the Owner, except in case of emergency. Any damage to any structure, landscaping or other improvements caused by the Association, or any of its officers, agents, employees or independent contractors, while performing such maintenance, repair or replacement work shall be repaired by the Association at its sole cost and expense.

8.7 FUTURE CONSTRUCTION. Nothing in this Declaration shall limit the right of a Declarant to complete construction of improvements to Residences owned by Declarant or to alter them or to construct additional Improvements as Declarant deems advisable before completion and sale of the entire Project.

8.8 APPROVAL OF CITY. The Association shall not relinquish responsibility for the maintenance of any Association Property without the specific approval of the City.

8.9 ENFORCEMENT BY THE CITY. In the event any Owner or the Association fails to perform its obligations under this Declaration, the City shall have the right to enforce such obligations including, without limitation, the right to issue any citations and/or to enter into the Property and perform the repair and charge the Owner or the Association for any costs incurred by the City.

ARTICLE 9

ARCHITECTURAL REVIEW

9.1 NON-APPLICABILITY TO DECLARANT. The provisions of this Article shall not apply to any Improvements installed by the Declarant, and neither the Board nor, if appointed, the Architectural Committee shall have any rights of review or approval with respect thereto.

9.2 AMENDMENTS. Notwithstanding the Article of this Declaration entitled "Amendments," no amendment, verification or rescission of this Article may be made, nor shall Declarant, or any successor thereof, be prohibited from completing the construction of the

Project prior to the conveyance by Declarant, or its successor, of the last Residential Lot without the (i) written consent of Declarant, and the (ii) recording of such consent in the Office of the County Recorder. Such written consent shall not be required after the conveyance by Declarant (or its successors) of all the Residential Lots.

9.3 SCOPE. To the extent that an Owner is entitled under this Declaration to modify his Residential Lot in any manner following review and approval by the Board, no Improvements of any kind whatsoever shall be commenced, erected, placed or altered upon or around any Residential Lot until the location and the complete plans and specifications showing the nature, kind, shape, height and materials, including the color ("Plans and Specifications"), have been submitted to and approved in writing as to harmony of external design and location to surrounding structures and topography by the Board. In addition, the grade, level or drainage characteristics of the Residential Lot or any portion thereof shall not be altered without the prior written consent of the Board.

9.4 ARCHITECTURAL GUIDELINES. The Board may, from time to time and in its sole discretion, adopt, amend and repeal, by unanimous vote, rules and regulations to be known as "Architectural Guidelines." The Architectural Guidelines shall interpret and implement the provisions hereof by setting forth the standards and procedures for Board review and guidelines for architectural design of Improvements, placement of Improvements, color schemes, exterior finishes and materials and similar features which are recommended for use in the Project; provided, however, that said rules shall not be in derogation of the standards required by this Declaration.

9.5 APPROVAL OF PLANS AND SPECIFICATIONS. Any Owner proposing to construct Improvements or take other actions requiring the prior approval of the Board pursuant to this Declaration shall first apply to the Board for preliminary approval by submission of preliminary plans and specifications and any other materials required by the Board to show the nature, kind, shape, height, or other aspects of the proposed change "Plans and Specifications" in accordance with the Architectural Guidelines, if any. The purpose of the preliminary approval procedure is to allow an Owner proposing to construct Improvements an opportunity to obtain guidance concerning design considerations before expending substantial sums for plans and other exhibits required to apply for final approval. Applications for preliminary approval shall be considered and disposed of as set forth in the Architectural Guidelines after preliminary approval, of Owner.

9.5.1 Final Approval. Any application for final approval that consists of proposed Improvements in accordance with the provisions of the preliminary approval, and is otherwise acceptable under the terms of this Declaration and the Architectural Guidelines, shall be submitted to the Board in accordance with the procedures set forth in the Architectural Guidelines.

9.5.2 Approval of Solar Energy Systems. Any Owner proposing to install or use a solar energy system, as defined in Civil Code Section 801.5 and any successor statutes or laws, shall be subject to the same review and approval process as any owner proposing to construct any Improvements or other actions requiring the approval of the Board pursuant to this Declaration. However, only reasonable restrictions on the installation and use of a solar energy system shall be permitted. Reasonable restrictions on a solar energy system are those restrictions that do not significantly increase the cost of the system or significantly its sufficiency or specified performance, or which allow for an alternative system of comparable costs, efficiency, and energy conservation benefits.

9.6 INSPECTION AND CORRECTION OF WORK. Inspection of work and correction of defects therein shall proceed as follows:

9.6.1 Right of Inspection During Course of Construction. The Board or its duly authorized representative may enter into any Residential Lot, from time to time, as provided below during the course of construction or installation of any Improvements for the purpose of inspecting the construction or installation. If the Board determines that such construction and/or installation is not being done in substantial compliance with the approved Plans and Specifications, it shall notify the Owner of the Residence of such noncompliance. The Board may not enter into a Residence without obtaining the prior permission of the Owner or occupant of such Residential Lot; provided, however, that such prior provisions shall not be unreasonably withheld and shall be given for entry by the Board during the daylight hours within forty-eight (48) hours of the request for entry.

9.6.2 Notice of Completion. Upon the completion of any construction or reconstruction or the alteration or refinishing of any Improvements, or upon the completion of any other work for which approved Plans and Specifications are required under this Article, the Owner shall give written notice of completion thereof to the Board.

9.6.3 Inspection. Within thirty (30) days after receiving notice of completion, the Board, or its duly authorized representative, shall have the right to enter into a Residential Lot (but not the interior of the Residence situated therein), as provided in Section 9.6.1 above, to inspect the Improvements to determine whether they were constructed or installed to substantial compliance with the approved Plans and Specifications. If the Board finds that such construction or installation, was not done in substantial compliance with the approved Plans and Specifications, it shall notify the Owner in writing of such non-compliance within such thirty (30) day period, specifying particulars of non-compliance, and shall require the Owner to remedy such non-compliance.

9.6.4 Non-Compliance. If, upon the expiration of thirty (30) days from the date of such notification, the Owner shall have failed to remedy such non-compliance, the Board, after affording the Owner Notice and Hearing, shall determine whether there is a non-compliance, and if so, the nature thereof and the estimated cost of correcting or removing

the same. If non-compliance exists, the Board shall require the Owner to remedy or remove the same within a period of not more than thirty (30) days from the date of the Board ruling. If the Owner does not comply with the Board ruling within such period or within any extension of such period as the Board, in its discretion, may grant, the Board, at its option, may either remove the non-complying Improvement or remedy the non-compliance and the Owner shall reimburse the Association for all expenses incurred in connection therewith upon demand. If such expenses are not promptly repaid by the Owner to the Association, the Board shall levy an Enforcement Assessment against such Owner for reimbursement.

9.6.5 Failure to Notify. If for any reason the Board fails to notify the Owner of any non-compliance within sixty (60) days after receipt of said notice of completion from the Owner, the Improvement shall be deemed to be in accordance with said approved Plans and Specifications.

9.6.6 Government Regulations. In the event there is any conflict between the requirements or actions of the Board and the mandatory regulations, ordinances or rules of any governmental entity relating to the Property, the government regulations, ordinances or rules, to the extent that such regulations, ordinances or rules are more restrictive, shall control, and the Board shall modify its requirements or actions to conform to the government regulations, ordinances or rules; provided, however, that if the governmental regulations, ordinances or rules are less restrictive, the provisions of this Declaration shall nonetheless apply. The application to and the review and approval by the Board of any Plans and Specifications or other submittals by an Owner shall in no way be deemed to be satisfaction or compliance with any building permit process or other applicable statute or law, or governmental regulation, ordinance or rule or public utility requirements (hereinafter collectively referred to as "Additional Requirements") the responsibility for which shall lie solely with the Owner; provided, however, if the Additional Requirements are less restrictive than the provisions of this Declaration, the provisions of this Declaration shall nonetheless apply.

9.7 DILIGENCE IN CONSTRUCTION. Upon approval by the Board of any Plans and Specifications, the Owners shall promptly commence construction and diligently pursue the same to completion.

9.8 FEE FOR REVIEW. The Board shall have the right to establish a fee for the review and approval of Plans and Specifications that must be submitted to the Board pursuant to the provisions of this Article.

9.9 INTERPRETATION. All questions of interpretation or construction of any of the terms or conditions herein shall be resolved by the Board, and its decision shall be final, binding and conclusive on all of the parties affected. Notwithstanding the foregoing, in the event an Architectural Committee is appointed and the Architectural Committee disapproves any Plans and Specifications submitted by an Owner pursuant to this Article, the party or parties making such submission may appeal in writing to the Board. The Board must receive the written request

not more than thirty (30) days following the final decision of the Architectural Committee. Within thirty (30) days following receipt of the written request for appeal, the Board shall render its written decision. The failure of the Board to render a decision within the thirty (30) day period shall be deemed a decision against the Owner.

9.10 WAIVER. The approval by the Board of any Plans and Specifications for any work done or proposed, or for any other matter requiring the approval of the Board under this Declaration, shall not be deemed to constitute a waiver of any right to withhold approval of any similar Plans and Specifications or matter subsequently submitted for approval.

9.11 ESTOPPEL CERTIFICATE. Within thirty (30) days after written demand is delivered to the Board by any Owner, and upon payment to the Association of a reasonable fee (as fixed from time to time by the Association), the Board shall record an estoppel certificate, executed a majority of its members, certifying (with respect to any Residential Lot of said Owner) that as of the date thereof, either: (a) all Improvements made and other work completed by said Owner comply with this Declaration, or (b) such Improvements or work do not so comply, in which event the certificate shall also identify the non-complying Improvements or work and set forth with particularity the basis of such non-compliance. Any purchaser from the Owner, or from anyone deriving any interest in said Residential Lot through the Owner, shall be entitled to rely on said certificate with respect to the matters therein set forth, such matters being conclusive as between the Association, Declarant and all Owners and such persons deriving any interest through them.

9.12 LIABILITY. Neither the Board, nor any member thereof shall be liable to the Association or to any Owner for any damage, loss or prejudice suffered or claimed on account of: (a) the approval or disapproval of any Plans and Specifications, whether or not defective; (b) the construction or performance of any work, whether or not pursuant to approved Plans and Specifications; (c) the Project of any property within the Project; or (d) the execution and filing of an estoppel certificate pursuant to Section 9.11, whether or not the facts therein are correct; provided, however, that the member has acted in good faith on the basis of such information as may be possessed by him. Without in any way limiting the generality of the foregoing, the Board, or any member thereof, may, but is not required to, consult with or hear the views of the Association or any Owner with respect to any Plans and Specifications or any other proposal submitted to the Board.

9.13 VARIANCES. The Board may authorize variances from compliance with any of the architectural provisions of this Declaration, including, without limitation, restrictions upon height, size, floor area or placement of Improvements or other similar restrictions, when circumstances such as topography, natural obstructions, aesthetic or environmental considerations may require. Such variances may be evidenced in writing, must be signed by at least two (2) members of the Board and shall become effective upon recordation in the Office of the County Recorder. If such variances are granted, no violation of the covenants, conditions and restrictions contained in this Declaration shall be deemed to have occurred with respect to

the matter for which the variance was granted. The granting of such a variance shall not operate to waive any of the terms and provisions of this Declaration for any purpose except as to the particular Residential Lot and particular provision hereof covered by the variance, nor shall it affect in anyway the Owner's obligation to comply with all governmental laws and regulations affecting its use of the Residential Lot, including, but not limited to, zoning ordinances and lot setback lines or requirements imposed by the City or any other governmental authority.

9.14 APPOINTMENT OF ARCHITECTURAL COMMITTEE. The Board shall have the right to delegate its review and approval rights under this Article 9 to an Architectural Committee. If the Board so elects, the Architectural Committee shall consist of three (3) members. One (1) alternate member may be designated by the Board to act as a substitute on the Architectural Committee in the event of absence or disability of any member. In the event the Board appoints an Architectural Committee, all rights hereunder shall apply to the Architectural Committee and all references to the Board shall be deemed to refer to the Architectural Committee.

ARTICLE 10

DISCLOSURE

The following disclosures have been made in accordance with the requirements of the City. The disclosures are in addition to any other disclosures provided by Declarant to an Owner or by an Owner to a successive Owner. Because much of the information included in this Article (a) was obtained from other sources (e.g., governmental and other public agencies and public records) and (b) is subject to change for reasons beyond the control of Declarant, and the Association, Declarant, and the Association do not guarantee the accuracy or completeness of any of the information in this Article. Neither the Association nor the Declarant has undertaken to update or confirm any Owner of any changes affecting the disclosures in this Article. All Owners should make specific inquiries or investigations to determine the current status of the following information.

10.1 Camp Pendleton. Each Owner acknowledges that the Project is in close proximity to the Marine Corps Base, Camp Pendleton, an active year round training facility. Due to the location of the Project, Owners and their Invitees will experience noise and visual impacts and can frequently expect to see and hear aircraft, ordnance, and troops. Additionally, noise impacts from live fire ranges located at the Marine Corps Base may be amplified by weather conditions, such as low clouds or Santa Ana winds. As an active training facility, the Marine Corps Base has the potential to operate 24 hours a day, 7 days a week. In most cases, however, night of firing of artillery or aerial bombing is restricted after 10 o'clock in the evening by a self-imposed curfew. There are exceptions, however, when it is necessary to operate at night after this time in order to meet operational requirements on in support of critical training events.

10.2 Biologically Sensitive Area. Each Owner acknowledges that the Project is adjacent to a biologically sensitive area and that the Owners may be subject to mosquitoes or other nuisances inherent from the location adjacent to these biologically sensitive areas and that each Owner assumes the liability for the Owner and the Owner's Invitees from those nuisances and shall not object to any reasonable action necessary to maintain the viability of these sensitive areas.

10.3 Oceanside Airport. Each Owner acknowledges the Project is adjacent to the Oceanside Municipal Airport and that each Owner and the Owner's Invitees may be subject to the effects, noise and conditions inherent in airport operations and no Owner shall object to the airport operations, nor seek to eliminate it, so long as the airport operations are conducted in a lawful manner.

ARTICLE 11

DEVELOPMENT RIGHTS

11.1 LIMITATIONS OF RESTRICTIONS. Declarant is undertaking the work of developing Residential Lots and other Improvements within the Project. The completion of the development work and the marketing and sale, rental and other disposition of the Residential Lots is essential to the establishment and welfare of the Property and the Additional Property as a first-class residential community. In order that the work may be completed and the Project be established as a fully occupied residential community as rapidly as possible, nothing in this Declaration shall be interpreted to deny Declarant the rights set forth in this Article.

11.2 RIGHTS OF ACCESS AND COMPLETION OF CONSTRUCTION. Until the fifth (5th) anniversary of the original issuance of a Public Report for the most recent Phase, Declarant, its contractors and subcontractors shall have the rights set forth below.

11.2.1 Access. Declarant, its contractors and subcontractors shall have the right to obtain reasonable access over and across the Project or do within any Residential Lot owned by it whatever is reasonably necessary or advisable in connection with the completion of the Project and the marketing and maintenance thereof.

11.2.2 Construct Improvements. Declarant, its contractors and subcontractors shall have the right to erect, construct and maintain within any Residential Lot owned by it such structures or Improvements, including, but not limited to, sales offices, flags, balloons, banners and signs, as may be reasonably necessary for the conduct of its business to complete the work, establish the Project as a residential community and dispose of the Project in parcels by sale, lease or otherwise, as determined by Declarant in its sole discretion.

11.2.3 Grant Easements. Declarant, its contractors and subcontractors shall have the right to establish and/or grant over and across said Association Property such easements

and rights of way on, over, under or across all or any part thereof to or for the benefit of the State of California, the City or County or any other political subdivision or public organization, or any public utility entity or cable television provider, for the purpose of constructing, erecting, operating and maintaining facilities and Improvements thereon, therein or thereunder at that time or at any time in the future, including: (i) poles, wires and conduits for transmission of electricity, providing telephone service and cable television service to the Project and for the necessary attachments in connection therewith; and (ii) public and private sewers, sewage disposal systems, storm water drains, land drains and pipes, water systems, sprinkling systems, water, heating and gas lines or pipes and any and all equipment in connection therewith. The Association Property shall be subject to any dedication stated in the Subdivision Map for the Project of an easement for public use for installation, maintenance and operation of facilities for public utilities over all of the Association Property. Said public utilities easement shall inure and run to all franchised utility companies and to the City or County and shall include the right of ingress and egress over the Association Property by vehicles of the City or County and such utility companies to properly install, maintain, repair, replace and otherwise service such utility facilities. The grant of said public utility easement shall not be interpreted to imply any obligation or responsibility of any such utility company or the City or County for maintenance or operation of any of the Association Property or the facilities located thereon or the repair, replacement or reconstruction thereof except as occasioned by such utility companies or City or County of the utility facilities for which they are responsible. The Association Property shall also be subject to any easements granted by the Declarant to any public or private entity for cellular, cable or other similar transmission lines. Except for lawful and proper fences, structures and facilities placed upon the Association Property by utility companies, the Association Property subject to the public utility easement shall be kept open and free from buildings and structures. The City and County furthermore are granted an easement across the Association Property and any Private Streets for ingress and egress for use by emergency vehicles of the City or County.

11.3 SIZE AND APPEARANCE OF PROJECT. Declarant shall not be prevented from increasing or decreasing the number of Residential Lots that may be annexed to the Project or from changing the exterior appearance of Improvements, landscaping or any other matter directly or indirectly connected with the Project in any manner deemed desirable by Declarant, if Declarant obtains governmental consents required by law.

11.4 MARKETING RIGHTS. Subject to the limitations of this Declaration, Declarant shall have the right to: (i) maintain model homes, sales offices, storage areas and related facilities in any unsold Residential Lots or Association Property within the Project as are necessary or reasonable, in the opinion of Declarant, for the sale or disposition of the Residential Lots; (ii) make reasonable use of the Association Property and facilities for the sale of Residential Lots; (iii) post flags, banners and signs in connection with the marketing of the Residential Lots; and (iv) conduct its business of disposing of Residential Lots by sale, lease or otherwise.

11.5 AGREEMENT FOR EXTENDED USE. If, following the fifth (5th) anniversary of the original issuance of a Public Report for the Project, Declarant requires exclusive use of any portion of the Association Property for marketing purposes, Declarant may use the Association Property only if an agreement is entered into between Declarant and the Association. The agreement must specifically provide for a limited duration for such use and must provide for a specific reasonable rate of compensation to the Association by Declarant. Compensation shall be commensurate with the nature, extent and duration of the use proposed by Declarant.

11.6 ALTERATIONS TO MAP. At anytime within three (3) years from the date that the first Residential Lot in a Phase is conveyed to an Owner other than Declarant, the boundaries of any Residential Lot in that Phase may be altered by a lot line adjustment or other change reflected on a subsequently recorded Record of Survey, parcel map, final map or amended final map, provided that the altered boundaries are approved by Declarant and all owners of the Property involved in the boundary adjustment (the Board, with respect to property owned by the Association). Any alteration approved by Declarant may make minor changes to the number of Residential Lots in the Project. An alteration shall be effective upon recordation of the Record of Survey or map and, upon such recordation, the boundaries of the altered Residential Lot or Common Area shall be altered for purposes of this Declaration to conform to the boundaries as shown on the Record of Survey or map.

11.7 TITLE RIGHTS. This Declaration shall not be construed to impose any obligation on Declarant or any other person or entity to improve, develop or annex any portion of the Additional Property. The rights of Declarant under this Declaration may be assigned to any successor(s) by an express assignment in a recorded instrument, including without limitation, a deed, option or lease. This Declaration shall not be construed to limit the right of Declarant at any time prior to such an assignment to establish additional licenses, reservations and rights-of-way to itself, to utility companies to the City, to the County, to the State, or to others as may be reasonably necessary to the proper development and disposal of property owned by Declarant.

11.8 AMENDMENT. The provisions of this Article may not be amended without the consent of Declarant until all of the Additional Property has been annexed to the Project and all of the Residential Lots in the Project owned by Declarant have been conveyed.

ARTICLE 12

INSURANCE

12.1 LIABILITY INSURANCE. The Association shall obtain and maintain comprehensive public liability insurance insuring the Association, the Board, the Architectural Committee, if appointed any manager, the Declarant and the Owners and occupants of Residential Lots and their Invitees against any liability incident to the maintenance or use of the Association Property, Slope Maintenance Areas and Parkway Maintenance Areas and the

performance by the Association of its duties under this Declaration. Such policy shall include, if obtainable, a cross-liability or severability of interest endorsement insuring each insured against liability to each other insured. The limits of such insurance shall not be less than Two Million Dollars (\$2,000,000) insurance shall cover all claims for death, personal injury and property damage arising out of a single occurrence. Such insurance shall include coverage against water damage liability, property of others and any other liability or risk customarily covered with respect to projects similar in construction, location, and use.

12.1.1 Insurance to Satisfy Civil Code. California Civil Code Section 1365.7 provides for a partial limitation on the liability of volunteer officers and directors of the Association, provided that certain requirements, as set forth in Section 1365.7 are satisfied. The requirements include that general liability insurance and officers' and directors' liability insurance be carried by the Association in specified amounts. The Association shall maintain general liability insurance and officers' and directors' liability insurance in amounts that satisfy the requirements of the California Civil Code Section 1365.7 and any successor statutes or laws to limit the liability of volunteer officers and directors of the Association.

12.2 PROPERTY INSURANCE. The Association shall keep (i) any landscaping and other Improvements, if any, within the Association Property, Slope Maintenance Areas or Parkway Maintenance Areas maintained by the Association insured against loss by fire and the risks covered by a "Standard All-Risk of Loss or Perils" insurance policy under an extended coverage casualty policy in the amount of the maximum insurable replacement value thereof and (ii) all personal property owned by the Association insured with coverage in the maximum insurable fair market value of such personal property as determined annually by an insurance carrier selected by the Association. Insurance proceeds for Improvements in the Association Property, Slope Maintenance Areas or Parkway Maintenance Areas or and personal property owned by the Association shall be payable to the Association. In the event of any loss, damage or destruction to the Association Property, Slope Maintenance Areas or Parkway Maintenance Areas, the Association shall cause the same to be replaced, repaired or rebuilt in accordance with the provisions of this Declaration.

12.2.1 Description of Policy Coverages. The policy shall cover the following real and personal property:

(a) Association Property. All Improvements, if any, within the Association Property; but excluding land, foundations, excavations, and other items typically excluded from property insurance coverage;

(b) Landscaping. Lawn, trees, shrubs and plants located in the Association Property, Slope Maintenance Areas and Parkway Maintenance Areas.

(c) Covered Cause of Loss. The policy shall provide coverage against losses caused by fire and all other hazards normally covered by a "special form" policy or its equivalent.

12.2.2 Primary. The policy shall be primary and noncontributing with any other insurance policy covering the same loss.

12.2.3 Endorsements. The policy shall contain the following endorsements or their equivalents: agreed amount, boiler and machinery (to the extent applicable), inflation guard, ordinance or law, and replacement cost and such other endorsements as the Board in its discretion shall elect.

12.2.4 Waiver of Subrogation. All rights of subrogation between the Association and the Owners and their Invitees and First Mortgagees are waived. All insurance policies obtained by the Association shall include a waiver of all subrogation rights against any Owner and their Invitees and First Mortgagees; provided, however, that any failure or inability to obtain such a waiver shall not defeat or impair the foregoing waiver between the Association and the Owners and their Invitees and First Mortgagees set forth herein. Insurance proceeds for Improvements in the Slope Maintenance Areas and Parkway Maintenance Areas and personality owned by the Association shall be payable to the Association.

12.3 INDIVIDUAL INSURANCE. Each Owner shall maintain property insurance against losses to real and personal property located within the Residential Lot covering the full replacement cost thereof, including the Residence, and to any upgrades or Improvements located within the Residential Lot and liability insurance against any liability resulting from any injury or damage occurring within the Residential Lot. The Association's insurance policies will not provide coverage against any of the foregoing or any other loss associated with the Residential Lots and the Association shall not have any obligation to monitor Insurance carried by Owners. All rights of subrogation between the Owners and the Association are waived. Any insurance maintained by an Owner must contain a waiver of subrogation rights by the insurer as to the Association; provided, however, that an Owner's inability or failure to obtain such a waiver shall not defeat or impair the waiver of subrogation as between such parties contained herein. No Owner shall separately insure any property covered by the Association's property insurance policy as described above. If any Owner violates this provision and, as a result, there is a diminution in insurance proceeds otherwise payable to the Association, the Owner will be liable to the Association to the extent of the diminution. The Association may levy a reimbursement assessment against the Owner's Residential Lot to collect the amount of the diminution.

12.4 FIDELITY BOND. The Association shall maintain a fidelity bond in an amount equal to at least the estimated maximum of funds, including reserves, in the custody of the Association or a management agent at any given time during the term of the fidelity bond; provided, however, that the bond shall not be less than a sum equal to three (3) months aggregate of the Regular Assessments on all Residential Lots plus reserve funds of the annual assessments

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.

12.5 WORKER'S COMPENSATION INSURANCE. The Association shall maintain worker's compensation insurance to the extent necessary to comply with all applicable laws of the State of California or the regulations of any governmental body or authority having jurisdiction over the Project.

12.6 OTHER INSURANCE. The Association shall maintain other types of insurance as the Board determines to be necessary to fully protect the interests of the Owners.

12.7 COPIES OF 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 reasonable times. All such insurance policies shall (i) provide that they shall not be cancelable or substantially modified 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 and First Mortgagees, Board and Owners. In addition to the foregoing, the Association shall provide such information regarding the insurance of the Association as may be required by applicable law or under the Bylaws.

12.8 REVIEW OF INSURANCE. The Board shall review the adequacy of all insurance at least once every year. The review shall include a replacement cost appraisal of all insurable Improvements within the Slope Maintenance Areas and Parkway Maintenance Areas without respect to depreciation, if any. The Board shall adjust and modify the policies to provide coverage and protection that is customarily carried by and reasonably available to prudent owners of similar property in the area in which the Project is situated.

12.9 BOARD'S AUTHORITY TO REVISE INSURANCE COVERAGE. Subject to the provisions of Section 12.6 and the requirements regarding insurance set forth in the Bylaws, the Board shall have the power and right to deviate from the insurance requirements contained in this Article 12 in any manner that the Board, in its reasonable business discretion, considers to be in the best interests of the Association. If the Board elects to materially reduce the coverage from the coverage required in this Article 12, the Board shall make all reasonable efforts to notify the Members of the reduction in coverage and the reasons therefore at least thirty (30) days prior to the effective date of the reduction. The Association, and its directors and officers, shall have no liability to any Owner or Mortgagee if, after a good faith effort, the Association is unable to obtain any insurance required hereunder because the insurance is no longer available; or, if available, the insurance can be obtained only at a cost that the Board, in its sole discretion, determines is unreasonable under the circumstances; or the Members fail to approve any assessment increase needed to fund the insurance premiums.

12.10 ADJUSTMENT OF LOSSES. The Board is appointed attorney-in-fact by each Owner, to negotiate and agree on the value and extent of any loss under any policy carried by the Association pursuant to Sections 12.1 and 12.2. The Board is granted full right and authority to compromise and settle any claim or enforce any claim by legal action or otherwise and to execute releases in favor of any insurer.

12.11 DISTRIBUTION TO MORTGAGEES. Any Mortgagee has the option to apply insurance proceeds payable directly to an Owner on account of a Residential Lot as provided in this Declaration in reduction of the obligation secured by the Mortgage of such Mortgagee.

12.12 COMPLIANCE WITH FEDERAL REGULATIONS. Notwithstanding any other provisions contained herein, the Association shall continuously maintain in effect such casualty, flood and liability insurance and a fidelity bond meeting the insurance and fidelity bond requirements established by the Federal National Mortgage Association ("FNMA"), the Government National Mortgage Association ("GNMA"), and the Federal Home Loan Mortgage Corporation ("FHLMC"), so long as any of the above is a Mortgagee or an Owner of a Residential Lot, except to the extent such coverage is not available or has been waived in writing by the FNMA, FRDMC, GNMA, and FHLMC as applicable. If the FNMA or FHLMC requirements conflict, the more stringent requirements shall be met.

ARTICLE 13

DESTRUCTION OF IMPROVEMENTS AND CONDEMNATION

13.1 RESTORATION DEFINED. As used in this Article 13, the term "restore" shall mean repairing, rebuilding or reconstructing damaged Improvements to substantially the same condition and appearance in which it existed prior to fire or other casualty damage.

13.2 INSURED CASUALTY. If any Improvement required to be maintained by the Association is damaged or destroyed from a risk covered by the insurance required to be maintained by the Association then the Association shall, to the extent permitted under existing laws, restore the Improvement to the same condition as it was in immediately prior to the damage or destruction. The Association shall proceed with the filing and adjustment of all claims arising under the existing insurance policies. The Association shall restore the Improvements within the Slope Maintenance Areas and the Parkway Maintenance Areas.

13.3 RESTORATION PROCEEDS. The costs of restoration of the damaged Improvement shall be paid first from any insurance proceeds paid to the Association under existing insurance policies. If the insurance proceeds exceed the costs of restoration, the excess proceeds shall be paid into reserves and held for the benefit of the Association. If the insurance proceeds are insufficient to restore the damaged Improvement, the Board shall then add to the insurance proceeds all reserve account funds designated for the repair or replacement of the damaged Improvement. If the total funds then available are sufficient to restore the damaged

Improvement, the Improvement shall be restored. If the aggregate amount of insurance proceeds and such reserve account funds are insufficient to pay the total costs of restoration, the Improvement shall be restored and the Board first shall impose a Reconstruction Assessment for the cost of repairing and reconstructing Improvements to the extent insurance proceeds are unavailable, such assessment to be levied as described above (but without the consent or approval of Members, despite any contrary provisions in this Declaration).

13.4 REBUILDING CONTRACT. The Board or its authorized representative shall obtain bids from at least two (2) licensed and reputable contractors and shall accept the restoration work from whomever the Board determines to be in the best interests of the Members. The Board shall have the authority to enter into a written contract with the contractor for such restoration and the insurance proceeds shall be disbursed to the contractor according to the terms of the contract. The Board shall take all steps necessary to assure the commencement and completion of authorized restoration at the earliest possible date. Such restoration shall be commenced no later than one hundred eighty (180) days after the event requiring reconstruction and shall thereafter be diligently prosecuted to completion. Such restoration shall return the damaged Improvements to substantially the same condition and appearance in which it existed prior to the damage or destruction.

13.5 INSURANCE TRUSTEE. All property insurance proceeds payable to the Association under the policy described in Section 12.2, subject to the rights of Mortgagees under Article 14, may be paid to a trustee as designated by the Board to be held and expended for the benefit of the Owners and Mortgagees, as their respective interests shall appear. The trustee shall be a commercial bank or other financial institution with trust powers in the country in which the project is located that agrees in writing to accept such trust. If repair or reconstruction is authorized, the Association will have the duty to contract for such work as provided for in this Declaration.

13.6 CONDEMNATION OF ASSOCIATION PROPERTY. If at any time all or any portion of any Association Property, or any interest therein, is taken for any public or quasi-public use, under any statute, by right of eminent domain or by private purchase in lieu of eminent domain, the entire award in condemnation shall be paid to the Association and shall be used for restoring the balance of the Association Property. To the extent the Association is not permitted by the governmental agency to rebuild, then such award shall be apportioned among the Owners by court judgment or by agreement between the condemning authority and each of the affected Owners, the Association and their respective Mortgagees to such area as their interests may appear according to the fair market values of each Residential Lot at the time of destruction, as determined by independent appraisal. The appraisal shall be made by a qualified real estate appraiser with an MAI certificate or the equivalent, which appraiser shall be selected by the Board. Any such award to the Association shall be deposited into the maintenance and operation account of the Association. The Association shall represent the interests of all Owners in any proceeding relating to such condemnation.

13.7 DAMAGE TO RESIDENCES. Restoration of any damage to the Residential Lots (except for the Slope Maintenance Areas) shall be made by and at the individual expense of the Owner of the Residence so damaged. In the event of a determination by an Owner not to restore the Residence, the Residential Lot shall be landscaped and maintained in an attractive and well-kept condition by the Owner thereof. All such repair and restoration shall be completed as promptly as practical and in a lawful and workmanlike manner, in accordance with plans approved by the Board as provided herein.

13.8 CONDEMNATION OF A RESIDENCE. In the event of any taking of a Residential Lot the Owner (and such Owner's Mortgagees as their interests may appear) of the Residential Lot shall be entitled to receive the award for such taking and after acceptance thereof such Owner and such Owner's Mortgagee shall be divested of all further interest in the Residential Lot and membership in the Association if such Owner shall vacate such Owner's Residential Lot as a result of such taking.

ARTICLE 14

RIGHTS OF MORTGAGEES

14.1 CONFLICT. Notwithstanding any contrary provision contained elsewhere in the Governing Documents, the provisions of this Article shall control with respect to the rights and obligations of Mortgagees as specified herein.

14.2 LIABILITY FOR UNPAID ASSESSMENTS. Any Institutional Mortgagee who obtains title to a Residential Lot pursuant to the remedies provided in the First Mortgage (except upon a voluntary conveyance to the Institutional Mortgagee) or by foreclosure of the First Mortgage shall take the property free of any claims for unpaid assessments or charges against the Residential Lot which accrue prior to the acquisition of title to the Residential Lot by the Institutional Mortgagee.

14.3 PAYMENT OF TAXES AND INSURANCE. Institutional Mortgagees may, jointly or singly, pay taxes or other charges that are in default and that may or have become a charge against any Residential Lot or the Association Property or Improvements situated thereon and may pay overdue premiums on hazard insurance policies or secure new hazard insurance coverage on the lapse of such policy for the Association Property. Institutional Mortgagees making such payments shall be owed immediate reimbursement for such expenditures from the Association and, on demand, the Association shall execute an agreement in favor of all Institutional Mortgagees reflecting entitlement to reimbursement.

14.4 NOTICE TO ELIGIBLE HOLDERS. An Eligible Holder is entitled to timely written notice of the following events:

14.4.1 Any condemnation loss or casualty loss that affects either a material portion of the Project or the Residential Lot on which the Eligible Holder holds a First Mortgage;

14.4.2 Any delinquency in the payment of assessments or charges owed by the Owner of a Residential Lot that is subject to a First Mortgage held by the Eligible Holder if the delinquency is not cured within sixty (60) days after its due date;

14.4.3 Any lapse, cancellation or material modification of any insurance policy or fidelity bond maintained by the Association;

14.4.4 Any proposal to take any action specified in this Article or in Article 12 hereof entitled "Destruction of Improvements and Condemnation";

14.4.5 Any default by the Owner-Mortgagor of a Residential Lot that is subject to a First Mortgage held by the Eligible Holder in the performance of his or her obligations under this Declaration or the Bylaws which is not cured within sixty (60) days; or

14.4.6 Any proposed action that requires the consent of a specified percentage of the Eligible Holders.

14.5 RESERVE FUND. The Association shall maintain as a reserve fund a reserve account fund sufficient to pay for maintenance, repair and periodic replacement of Improvements within the Association Property, Slope Maintenance Areas and the Parkway Maintenance Areas that the Association is obligated to maintain. This reserve fund shall be funded by Regular Assessments of Owners that are payable in installments rather than by Special Assessment; provided, however, that this provision shall not be deemed to limit the power of the Association to levy any other type of assessment or charge authorized by this Declaration.

14.6 INSPECTION OF BOOKS AND RECORDS. Upon request, any Owner or First Mortgagee shall be entitled to inspect the books, records and financial statements of the Association, the Governing Documents and any amendments thereto during normal business hours or under other reasonable circumstances.

14.7 FINANCIAL STATEMENTS. The Association, at its expense, shall prepare an audited financial statement for the immediately preceding fiscal year and furnish the same within one hundred twenty (120) days after written request from any Institutional Mortgagee.

14.8 VOTING RIGHTS OF MORTGAGEES. For purpose of this Section a Mortgagee shall be entitled to one (1) vote for each First Mortgage owned.

14.9 ACTIONS REQUIRING ELIGIBLE HOLDER APPROVAL. Unless at least sixty-seven percent (67%) of the Eligible Holders and sixty-seven percent (67%) of the Owners other than Declarant have given their prior written approval, the Association shall not be entitled to:

14.9.1 By act or omission, seek to abandon or terminate the Project;

14.9.2 By act or omission abandon, partition, subdivide, encumber, sell or transfer any property or improvements owned, directly or indirectly, by the Association for the benefit of the Residential Lots and the Owners. (The granting of easements for public utilities or for other public purposes consistent with the intended use of the Project by the Association and Owners shall not be deemed a transfer within the meaning of this Section);

14.9.3 By act or omission change, waive or abandon any scheme of regulations, or enforcement thereof, pertaining to architectural design or exterior appearance of Residential Lots, the exterior maintenance of Residential Lots, or the upkeep of lawns, plantings or other landscaping in the Project;

14.9.4 By act or omission change the method of determining the obligations, assessments, dues or other charges that may be levied against an Owner;

14.9.5 Fail to maintain fire and extended coverage insurance on insurable portions of the Association Property 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; and

14.9.6 Use hazard insurance proceeds for losses to any property or Improvements owned by the Association other than for the repair, replacement or reconstruction of such property and Improvements.

14.10 SELF-MANAGEMENT. The vote or approval by written ballot of sixty-seven percent (67%) of the total voting power of the Association and fifty-one percent (51%) of the Eligible Holders shall be required to assume self-management of the Project if professional management of the Project has been required by an Eligible Holder at any time.

14.11 MORTGAGEE PROTECTION. A breach of any of the conditions contained in this Declaration shall not defeat nor render invalid the lien of any First Mortgage made in good faith and for value as to any Residential Lot in the Project; provided, however, that the conditions contained in this Declaration shall be binding upon and effective against any Owner of a Residential Lot if the Residential Lot is acquired by foreclosure, trustee's sale or otherwise.

14.12 SUBORDINATION. The lien of the assessments, including interest, costs (including attorneys' fees), and late charges subject to the limitations of California Civil Code Section 1367 and any successor statutes or laws provided for herein shall be subordinate to the lien of any First Mortgage with respect to any Residential Lots. Sale or transfer of any Residential Lot shall not effect the assessment lien.

14.13 DISTRIBUTION OF INSURANCE AND CONDEMNATION PROCEEDS. No Owner, or any other party, shall have priority over any right of Institutional Mortgagees of Residential Lots pursuant to their Mortgages in case of a distribution to Owners of insurance

proceeds or condemnation awards for losses to or a taking of Residential Lots. Any provision to the contrary in this Declaration or in the Bylaws or other documents relating to the Project is to such extent void. All applicable fire and all physical loss or extended coverage insurance policies shall contain loss payable clauses acceptable to the affected Institutional Mortgagees naming the Mortgagees, as their interests may appear.

14.14 VOTING RIGHTS ON DEFAULT. In case of default by any Owner in any payment due under the terms of any Institutional Mortgage encumbering such Owner's Residential Lot, or the promissory note secured by the Mortgage, the Mortgagee or his or her representative, on giving written notice to such defaulting Owner or Owners, and placing of record a notice of default, is hereby granted a proxy and can exercise the voting rights of such defaulting Owner attributable to such Residential Lot at any regular or special meeting of the Members held during such time as such default may continue.

14.15 FORECLOSURE. If any Residential Lot is encumbered by a First Mortgage made in good faith and for value, the foreclosure of any lien created by any provision set forth in this Declaration for assessments, or installments of assessments, shall not affect or impair the lien of the Mortgage. On foreclosure of the Mortgage, the lien for assessments, or installments, that has accrued up to the time of foreclosure shall be subordinate to the lien of the Mortgage, with the foreclosure-purchaser taking title to the Residential Lot free of the lien for assessments, or installments, that has accrued up to the time of the foreclosure sale. On taking title to the Residential Lot the foreclosure-purchaser shall only be obligated to pay assessments or other charges levied or assessed by the Association after the foreclosure-purchaser acquired title to the Residential Lot. The subsequently accrued assessments or other charges may include previously unpaid assessments provided all Owners, including the foreclosure-purchaser, and his or her successors and assigns are required to pay their proportionate share as provided in this Section.

14.16 NON-CURABLE BREACH. Any Mortgagee who acquires title to a Residential Lot by foreclosure or by deed in lieu of foreclosure or assignment-in-lieu of foreclosure shall not be obligated to cure any breach of this Declaration that is non-curable or that is not practical or feasible to cure.

14.17 LOAN TO FACILITATE. Any Mortgage given to secure a loan to facilitate the resale of a Residential Lot after acquisition by foreclosure or by a deed-in-lieu of foreclosure or by an assignment-in-lieu of foreclosure shall be deemed to be a loan made in good faith and for value and entitled to all of the rights and protections of this Article.

14.18 APPEARANCE AT MEETINGS. Because of its financial interest in the Project, any Mortgagee may appear (but cannot vote except as may be provided for herein) at meetings of the Members and the Board to draw attention to violations of this Declaration that have not been corrected or made the subject of remedial proceedings or assessments.

14.19 RIGHT TO FURNISH INFORMATION. Any Mortgagee can furnish information to the Board concerning the status of any Mortgage.

14.20 INAPPLICABILITY OF RIGHT OF FIRST REFUSAL TO MORTGAGEE. No right of first refusal or similar restriction on the right of an Owner to sell, transfer or otherwise convey the Owner's Residential Lot shall be granted to the Association without the written consent of any Mortgagee of the Residential Lot. Any right of first refusal or option to purchase a Residential Lot that may be granted to the Association (or other person, firm or entity) shall not apply to any conveyance or transfer of title to such Residential Lot, whether voluntary or involuntary, to a Mortgagee which acquires title to or ownership of the Residential Lot pursuant to the remedies provided in its Mortgage or by reason of foreclosure of the Mortgage or deed or assignment in lieu of foreclosure.

ARTICLE 15

AMENDMENTS

15.1 AMENDMENT BEFORE THE CLOSE OF FIRST SALE. Before the close of the first sale of a Residential Lot to a purchaser other than Declarant, this Declaration and any amendments to it may be amended in any respect or revoked by the execution by Declarant and any Mortgagee of record of an instrument amending or revoking the Declaration. The amending or revoking instrument shall make appropriate reference to this Declaration and its amendments and shall be acknowledged and recorded in the office of the County Recorder.

15.2 AMENDMENTS AFTER THE CLOSE OF FIRST SALE. Except as may otherwise be stated in this Declaration, after the close of the first sale of a Residential Lot in the Project to an Owner other than Declarant and during the period of time prior to conversion of the Class B membership in the Association to Class A membership, this Declaration may be amended at any time and from time to time provided that the vote or approval by written ballot of at least sixty-seven percent (67%) of the voting power of each class of Members of the Association has been obtained. After conversion of the Class B membership in the Association to Class A membership, the Declaration may be amended at any time and from time to time, provided that the vote or approval by written ballot of at least (a) sixty-seven percent (67%) of the total voting power of the Association and (b) at least sixty-seven percent (67%) of the voting power of the Members of the Association, other than Declarant, has been obtained. Such amendment shall become effective upon the recording of a Certificate of Amendment signed and acknowledged by the President or Vice President of the Association and the Secretary or Assistant Secretary of the Association certifying that such votes or approved by written ballot have been obtained. For the purposes of recording the Certificate of Amendment, the President or Vice-President and Secretary or Assistant Secretary of the Association are hereby granted an irrevocable power of attorney to act for and on behalf of each and every Owner in certifying and executing and recording the Certificate of Amendment with the Office of the County Recorder. In addition to the foregoing, in the case of any Material Amendment, as defined below, the vote

of fifty-one percent (51%) of the Eligible Holders (based on one vote for each Mortgage owned) and sixty-seven percent (67%) of the voting power of each class of Members (or sixty-seven percent (67%) of the Owners) shall also be required. "Material Amendment" shall mean, for the purposes of Section 9.2, and this Section 15.2, any amendments to provisions of this Declaration governing any of the following subjects:

15.2.1 The fundamental purpose for which the Project was created (such as a change from residential use to a different use);

15.2.2 Assessments, collection of assessments, assessment liens and subordination thereof;

15.2.3 The reserve for repair and replacement of the Association Property;

15.2.4 Property maintenance obligations;

15.2.5 Casualty and liability insurance or fidelity bond requirements;

15.2.6 Reconstruction in the event of damage or destruction;

15.2.7 Reallocation of any interests in the Common Area;

15.2.8 Rights to use the Association Property;

15.2.9 Voting;

15.2.10 Any provision that, by its terms, is specifically for the benefit of Eligible Holders, or specifically confers rights on Eligible Holders;

15.2.11 Expansion or contraction of the Project or the addition, annexation or withdrawal of property to or from the Project, other than the addition or deletion of the Additional Property described in Exhibit "B" the redefinition of Residential Lot boundaries or the conversion of a Residential Lot or Residential Lots into Association Property; and

15.2.12 Imposition of any restriction on any Owner's right to sell or transfer his or her Residential Lot.

Anything herein stated to the contrary notwithstanding, no amendment to the provisions contained in Sections 15.2.1, 15.2.5, 15.2.7, 15.2.8 and 15.2.9 may be made to this Declaration without the prior written consent of sixty-seven percent (67%) or more of the Eligible Holders (based upon (1) vote for each such Eligible Holder). Any Eligible Holder who receives written request to consent to additions or amendments requiring consent under this provision who does not deliver to the requesting party a negative response within thirty (30) days after receipt of a notice delivered by certified or registered mail, return receipt requested, shall be deemed to have

consented to such request. Any Eligible Holder who receives written request to consent to additions or amendments requiring consent under this provision who does not deliver or post to the requesting party a negative response within thirty (30) days after receipt of a notice delivered by certified or registered mail, return receipt requested, shall be deemed to have consented to such request. If any provision of this Declaration requires a greater or lesser percentage of the voting rights of any class of Members in order to take affirmative or negative action under such provision, the same percentage of such class or classes of Members shall be required to amend or revoke such provision. Also, if the consent or approval of any governmental authority, Mortgagee or other person, firm, agency or entity is required under this Declaration with respect to any amendment or revocation of any provision of this Declaration, no such amendment or revocation shall become effective unless such consent or approval is obtained. Any amendment or revocation subsequent to the close of such first sale shall be evidenced by an instrument certified by the Secretary or other duly authorized officer of the Association and shall make appropriate reference to this Declaration and its amendments and shall be acknowledged and recorded in the office of the County Recorder.

15.3 OTHER APPROVALS REQUIRED FOR AMENDMENTS. Notwithstanding anything to the contrary contained in this Declaration, Sections 2.9, 2.44, 2.49, 4.3.13, 4.4.6, 4.4.8, 5.2.3, 8.1.2, 8.4.2, 17.3, 17.4 17.5 of this Declaration shall not be amended without the vote or approval by written ballot of at least (a) ninety percent (90%) of the voting power of the Members of the Association other than Declarant, and (b) at least ninety percent (90%) of the Mortgagees.

15.4 CONFLICT WITH ARTICLE 14 OR OTHER PROVISIONS OF THIS DECLARATION. To the extent any provisions of this Article conflict with the provisions of Article 14 or any other provision of this Declaration, except those contained in Section 9.2, 15.2, the provisions of Article 14 or the other provisions shall control.

15.5 APPROVAL BY CITY OR THE FOUNDATION. Notwithstanding anything to the contrary set forth in this Declaration, including without limitation, the amendment provisions set forth in this Article 15, and the provisions of Sections 2.20, 2.21, 2.31, 2.30, 4.4.15, 4.4.16, 4.6, 7.23, 7.29, 7.30, 8.4.4, 8.8, 8.9, Article 10 and 15.5, the express consent of the City shall be required for any amendment to Articles 7, 8 and 12 of this Declaration or any other provision of this Declaration or the Conditions of Approval (attached as Exhibit D) which expressly gives to the City any approval rights or enforcement rights under this Declaration or the Conditions of Approval. In the event the consent of the City is required, then as a condition to seeking approval of the City, the consent of 100% of the Owners or First Mortgagees shall have been obtained. In addition to the foregoing, any amendments to the Declaration in which the Association relinquishes its maintenance obligations shall not be permitted without the specific approval of the City.

15.6 BUSINESS AND PROFESSIONS CODE SECTION 11018.7. All amendments or revocations of this Declaration shall comply with the provisions of California Business and

Professions Code Section 11018.7 and any successor statutes or laws, to the extent such Section is applicable.

15.7 RELIANCE ON AMENDMENTS. Any amendments made in accordance with the terms of this Declaration shall be presumed valid by anyone relying on them in good faith.

ARTICLE 16

ANNEXATION OF ADDITIONAL PROPERTY

16.1 ANNEXATION. Declarant may annex any of the Annexable Property described in Exhibit "B" by any of the methods set forth hereinafter in this Article. If Declarant does not own the portion of the Annexable Property which is being annexed, then the consent of the Owner of such portion which is being annexed will be required. To the extent there are minor boundary changes or lot line adjustments to the Annexable Property, any additional portions of land added as a result of such boundary or lot line adjustments shall be included within the Annexable Property. Declarant intends to sequentially develop the Annexable Property on a phased basis. However, Declarant may elect not to develop all or any part of the Annexable Property, to annex the Annexable Property to this Declaration in increments of any size whatsoever, or to develop more than one such increment at any given time and in any given order. Moreover, Declarant reserves the right to subject the Annexable Property to one or more separate declarations of covenants, conditions and restrictions and to subject the Annexable Property to the jurisdiction and power of a non-profit mutual benefit corporation or other entity with powers and obligations similar to the Association and which is not subject to the provisions of this Declaration. Although Declarant shall have the ability to annex the Annexable Property as provided in this Article, Declarant shall not be obligated to annex all or any portion of the Annexable Property, and the Annexable Property shall not become subject to this Declaration unless and until a Supplementary Declaration covering it has been recorded. No party other than Declarant may annex any of the Annexable Property without the consent of Declarant.

16.2 ANNEXATION WITHOUT APPROVAL. All or any part of the Additional Property may be annexed to and become subject to this Declaration and subject to the jurisdiction of the Association without the approval, assent or vote of the Association or its Members, provided that:

16.2.1 The proposed Annexation will not result in a substantial and material overburdening of the common interests of the then existing Owners;

16.2.2 The proposed Annexation will not cause a substantial increase in assessments against existing Owners that was not disclosed in the Public Reports under which pre-existing Owners purchased their interests;

16.2.3 For each Residential Lot in the Project to be annexed for which a rental program has been in effect previous to the Annexation by the Owner for a period of at least one (1) year as of the date of closing of the escrow for the first sale of a Residential Lot in the annexed Phase, the Owner shall pay to the Association, before or concurrently with the first close of escrow for the sale of a Residential Lot within the annexed Phase, an amount for each month or portion thereof during which the Residential Lot was occupied under such rental program that shall be established by the Board for reserves for replacement or deferred maintenance of Improvements within the Slope Maintenance Areas and or Parkway Maintenance Areas necessitated by or arising out of the use and occupancy of the Residential Lots under the rental program; and

16.2.4 Each Supplementary Declaration effecting the Annexation contemplated under this Section must be executed by Declarant.

For purposes of this Section, the issuance of a Public Report by the DRE shall conclusively be deemed to be satisfaction of the criteria set forth above.

16.3 COVENANTS RUNNING WITH THE LAND. Declarant may transfer all or any portion of the Property or the Additional Property to a builder under a grant deed wherein Declarant reserves the right to annex such property and subject it to this Declaration. The restriction on the Additional Property described in Exhibit "B" wherein it may be made subject to this Declaration upon the recordation of a Supplementary Declaration is hereby declared to be an equitable servitude upon the Additional Property in favor of the Property and any other real property owned by Declarant in the vicinity of the Project and shall run with the land and be binding on and inure to the benefit of all parties having or acquiring any right, title or interest, in such real property.

16.4 SUPPLEMENTARY DECLARATION. The Annexation authorized under the foregoing Sections shall be made by filing of record by or with the consent of Declarant, a Supplementary Declaration, or similar instrument, with respect to the Additional Property which shall extend the plan of this Declaration to such property. The Supplementary Declaration contemplated above may contain such complementary additions and modifications of the covenants, conditions and restrictions contained in this Declaration as may be necessary to reflect the different character, if any, of the Additional Property and as are not inconsistent with the plan of this Declaration. In no event, however, shall any such Supplementary Declaration or any merger or consolidation revoke, modify or add to the covenants established by this Declaration, discriminate between some Owners of such Additional Property and other Owners of any Residential Lots within the Project except as provided herein, change the general common plan created by this Declaration, or affect the provisions hereof or thereof as covenants running with the land or equitable servitudes. The express desired intention of Declarant is to establish a cohesive plan of such covenants and servitudes to be uniformly applicable to the Project, including those portions added thereto by annexation.

16.5 RIGHTS AND OBLIGATIONS OF OWNERS. After the required annexation procedures are fulfilled, Owners of such Additional Property shall thereupon be subject to this Declaration. After each Annexation, the Assessments shall be assessed in accordance with the provisions set forth in Section 6.4.4 with the Additional Property being assessed for a proportionate share of the total common expenses on the same basis as the other property in the Project.

16.6 MERGERS OR CONSOLIDATIONS. Upon a merger or consolidation of the Association with another association, the Association's properties, rights and obligations may, by operation of law, be transferred to the surviving or consolidated association, or, alternatively, the properties, right and obligations of another association may, by operation of law, be added to the properties, rights and obligations of the Association as a surviving corporation pursuant to a merger. The surviving or consolidated association may administer the covenants, conditions and restrictions established by this Declaration within the Project, together with the covenants and restrictions established upon any other property as one plan.

16.7 DE-ANNEXATION. Declarant may delete all or any portion of the annexed land from the coverage of this Declaration and rescind any Supplementary Declaration, provided that (a) Declarant is the sole Owner of all of the real property described in the Supplementary Declaration to be rescinded or obtains the consent of the fee title Owner of the real property to be de-annexed (b) Declarant has not exercised any Association vote as an Owner of any portion of the real property to be de-annexed and (c) Assessments have not commenced with respect to any portion of the real property to be de-annexed. Such deletion shall be effective upon the recordation of a written instrument signed by Declarant, in the same manner as the Supplementary Declaration to be rescinded was recorded.

ARTICLE 17

ENFORCEMENT

17.1 TERM. The covenants, conditions and restrictions of this Declaration shall run with and bind the Property and shall inure to the benefit of and be enforceable by the Association or any Member, their respective legal representatives, heirs, successors and assigns, for a term of sixty (60) years from the date this Declaration is recorded, after which time said covenants, conditions and restrictions shall be automatically extended for successive periods of ten (10) years each, unless an instrument, signed by sixty-seven percent (67%) of the then Members has been recorded, at least one (1) year prior to the end of any such period in the manner required for a conveyance of real property, in which it is agreed that this Declaration shall terminate at the end of the then applicable term.

17.2 ENFORCEMENT AND NONWAIVER.

17.2.1 Rights of Enforcement of Governing Documents. The Association or any Owner shall have a right of action against any Owner, and any Owner shall have a right of action against the Association, to enforce by proceedings at law or in equity, all covenants, conditions and restrictions, now or hereafter imposed by the provisions of the Governing Documents or any amendment thereto, including the right to prevent the violation of such covenants, conditions and restrictions, and the right to recover damages or other dues for such violation except that Owners shall not have any right of enforcement concerning Assessment Liens. The Association shall have the exclusive right to the enforcement of provisions relating to architectural control and the Association Rules, unless the Association refuses or is unable to effectuate such enforcement, in which case any Owner who otherwise has standing shall have the right to undertake such enforcement. Failure of the Association, Declarant 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.

17.2.2 Procedure for Enforcement. Notwithstanding anything to the contrary set forth in Section 17.2.1, in enforcing any action under the Governing Documents for monetary damages the parties shall comply with the provisions of California Civil Code Section 1354 and any successor statutes or laws. The Board shall annually provide to the Members a summary of the provisions of California Civil Code Section 1354 and any successor statutes or laws, which shall include the language required and shall be delivered in the manner provided in Civil Code Section 1365. The exception for disputes related to Association assessments set forth in Section 1354 shall not apply to disputes between a Member and the Association regarding assessments imposed by the Association, if the Member chooses to pay in full the Association all of the assessments as specified in California Civil Code Section 1366.3 or any successor statute or law.

17.3 NOTICE OF ACTIONS AGAINST DECLARANT. Subject to the provisions of Section 17.4 and 17.5 hereof, the Association shall comply with the provisions of Civil Code Section 1368.4, Civil Code Sections 910 through 938, and any successor statutes or laws, prior to the filing of any civil action by the Association against the Declarant or other developer of the Project for alleged damage to the Association Property or other property within the Project that the Association is obligated to maintain or repair, or alleged damage to any other portion of the Project that arises out of, or is integrally related to, such damage to the Association Property or other property within the Project that the Association is obligated to maintain or repair. Such notice shall specify all of the matters set forth in Section 1368.4 and/or Civil Code Sections 910 through 938, as applicable, and any successor statutes or laws.

17.4 NON-ADVERSARIAL PROCEDURE FOR STATUTORY CONSTRUCTION CLAIMS. Any claims or disputes for construction defects pursuant to California Civil Code Sections 895 et seq. with the exception of any claims brought under any warranty provided by Declaration shall, prior to the initiation of any mediation, arbitration or other proceeding, be

subject to the non-adversarial procedures set forth in Civil Code Sections 910 through 938 ("Non-Adversarial Procedures"). These procedures impact the legal rights of Owners with respect to the Property. According to the terms of the Civil Code, the Non-Adversarial Procedures will not apply if Declarant does not or cannot comply with the requirements set forth therein if a claim arises. If the Non-Adversarial Procedures provided in Civil Code Sections 910 through 938 fail to resolve any claim or construction defect, such claim shall be resolved in accordance with the procedures set forth below.

17.5 ALTERNATIVE DISPUTE RESOLUTION. If a dispute is not resolved under any warranties provided by Declarant or through the Non-Adversarial Procedures, or there is any other dispute which is not a construction defect dispute (individually referenced to herein as "Dispute" and collectively as "Disputes"), the parties will proceed to mediation according to the procedures set forth below. If the matter is not resolved by the mediation process, it will be decided through the arbitration procedure as set forth below. The purpose of this Section 17.5 is to provide an expedited means of resolving any Disputes that are not resolved through Declarant's warranties or the Non-Adversarial Procedures.

17.5.1 Mediation. Owner Association and Declarant agree to submit any and all Disputes to mediation before commencing arbitration. The cost of mediation shall be paid by Declarant. Each party to the mediation shall bear its own attorneys' fees and costs in connection with such mediation.

17.5.2 Arbitration. Notwithstanding California Code of Civil Procedure Section 1298.7, if a Dispute is not resolved through mediation, each Owner and Declarant shall resolve such Dispute exclusively through binding arbitration conducted in accordance with the Commercial Arbitration Rules of the American Arbitration Association ("AAA").

(a) Selection of Arbitrator. There shall be only one arbitrator who shall be selected by mutual agreement of the parties. If the parties are unable to agree on an arbitrator within ten (10) days after any party initiates the arbitration, a neutral and impartial arbitrator shall be selected by the AAA.

(b) Applicable Law and Remedies. Venue for the arbitration shall be Riverside County, unless the parties mutually agree to another venue at the time the arbitration is initiated. The arbitrator shall apply California substantive law in rendering a final decision. The arbitrator shall have the power to grant all legal and equitable remedies and award compensatory damages. The arbitration shall commence and conclude promptly, in accordance with the commercial rules of the AAA.

(c) Resolution Opportunity. When the arbitrator is prepared to make the award, the arbitrator shall first so inform the parties, who shall have ten (10) days to attempt to resolve the matter by a binding agreement between them. If the parties resolve the matter, the arbitrator shall not make any award. If the parties do not so resolve the matter within the ten (10)

day period, the arbitrator shall make the award on the eleventh day following the arbitrator's notice of being prepared to make the award.

(d) Fees and Costs. The arbitrator may award the prevailing party those costs that would be awarded to the prevailing party under California law if the matter had been resolved by court trial. In addition, to the extent permitted by law, the arbitrator may award or divide the post-initiation arbitration fees and costs to prosecute and complete the arbitration as the arbitrator finds just and reasonable, subject to the restrictions set forth in California Code of Civil Procedure Section 1284.3(a). If the arbitrator makes no award or division of such arbitration fees and costs, the parties shall divide them equally with each party bearing one-half of such fees and costs of the arbitration, to the extent permitted by law. Notwithstanding anything herein to the contrary, the parties shall each bear their own costs, expenses and attorneys' fees.

(e) Preliminary Procedures. If state or federal law requires an Owner, the Association or Declarant to take steps or procedures before commencing an action in arbitration, then the Owner, the Association or Declarant must take such steps or follow such procedures, as the case may be, before commencing the arbitration. For example, any claim or Disputes pursuant to California Civil Code Section 895 et seq., as hereafter amended may be subject to the non-adversarial procedures set forth in California Civil Code Section 910 through 938, prior to the initiation of any arbitration. In addition, nothing contained herein shall be deemed a waiver or limitation of the provisions of California Civil Code Sections 1368.4, 1375, 1375.05 or 1375.1.

(f) Participation by Other Parties. An Owner Association and Declarant, to such extent any such party is defending a claim in the arbitration, may, if it chooses, have all necessary and appropriate parties included as parties to the arbitration.

(g) Final and Binding Award. The parties agree to be bound by the decision of the arbitrator, which shall be final and non-appealable.

(h) Judgment by a Court. Judgment upon the decision rendered by the arbitrator may be entered in any court having proper jurisdiction or application may be made to such court for judicial acceptance of the award and an order of enforcement.

(i) Federal Arbitration Act. Because many of the materials and products incorporated into the home are manufactured in other states, the development and conveyance of the Property evidences a transaction involving interstate commerce and the Federal Arbitration Act (9 U.S.C. §1 et seq.) now in effect and as it may be hereafter amended will govern the interpretation and enforcement of the arbitration provisions set forth herein.

17.5.3 AGREEMENT TO ARBITRATE AND WAIVER OF JURY TRIAL.

(a) ARBITRATION OF DISPUTES. DECLARANT, EACH OWNER AND THE ASSOCIATION AGREE TO HAVE ANY DISPUTE DECIDED BY NEUTRAL ARBITRATION IN ACCORDANCE WITH THE FEDERAL ARBITRATION ACT AND THE CALIFORNIA ARBITRATION ACT, TO THE EXTENT THE CALIFORNIA ARBITRATION ACT IS CONSISTENT WITH THE FEDERAL ARBITRATION ACT, DECLARANT, EACH OWNER AND THE ASSOCIATION ARE GIVING UP ANY RIGHTS DECLARANT, EACH OWNER AND THE ASSOCIATION MIGHT POSSESS TO HAVE THE DISPUTE LITIGATED IN A COURT OR JURY TRIAL. DECLARANT, EACH OWNER AND THE ASSOCIATION ARE GIVING UP JUDICIAL RIGHTS TO DISCOVERY AND APPEAL, UNLESS THOSE RIGHTS ARE SPECIFICALLY INCLUDED IN THIS "ARBITRATION OF DISPUTES" PROVISION. IF DECLARANT, ANY OWNER OR THE ASSOCIATION REFUSES TO SUBMIT TO ARBITRATION AFTER AGREEING TO THIS PROVISION, DECLARANT OR SUCH OWNER OR THE ASSOCIATION MAY BE COMPELLED TO ARBITRATE UNDER THE AUTHORITY OF THE CALIFORNIA CODE OF CIVIL PROCEDURE. DECLARANT'S, EACH OWNER'S AND THE ASSOCIATION'S AGREEMENT TO THIS ARBITRATION PROVISION IS VOLUNTARY.

(b) WAIVER OF JURY TRIAL. IN THE EVENT THE FOREGOING ARBITRATION PROVISION IS HELD NOT TO APPLY OR IS HELD INVALID, VOID OR UNENFORCEABLE IN ITS ENTIRETY FOR ANY REASON, ALL DISPUTES SHALL BE TRIED BEFORE A JUDGE IN A COURT OF COMPETENT JURISDICTION WITHOUT A JURY. THE JUDGE IN SUCH COURT OF COMPETENT JURISDICTION SHALL HAVE THE POWER TO GRANT ALL LEGAL AND EQUITABLE REMEDIES AND AWARD COMPENSATORY DAMAGES. DECLARANT, AND THE ASSOCIATION, HEREBY WAIVE AND COVENANT NOT TO ASSERT THEIR CONSTITUTIONAL RIGHT TO TRIAL BY JURY OF ANY DISPUTES, INCLUDING, BUT NOT LIMITED TO, DISPUTES RELATING TO CONSTRUCTION DEFECTS, MISREPRESENTATION OR DECLARANT'S FAILURE TO DISCLOSE MATERIAL FACTS. THIS MUTUAL WAIVER OF JURY TRIAL SHALL BE BINDING UPON THE RESPECTIVE SUCCESSORS AND ASSIGNS OF SUCH PARTIES AND UPON ALL PERSONS AND ENTITIES ASSERTING RIGHTS OR CLAIMS OR OTHERWISE ACTING ON BEHALF OF DECLARANT, ANY OWNER OR THE ASSOCIATION AND THEIR RESPECTIVE SUCCESSORS AND ASSIGNS.

ARTICLE 18

GENERAL PROVISIONS

18.1 HEADINGS. The headings used in this Declaration are for convenience only and are not to be used to interpret the meaning of any of the provisions of this Declaration.

18.2 SEVERABILITY. The provisions of this Declaration shall be deemed independent and severable, and the invalidity or partial invalidity or unenforceability of any provision or provisions of it shall not invalidate any other provisions. In the event that any phrase, clause, sentence, paragraph, section, article or other portion of this Declaration shall become illegal, null, void, against public policy or otherwise unenforceable, for any reason, the remaining portions of this Declaration shall not be affected thereby and shall remain in force and effect to the fullest extent permissible by law.

18.3 NOTICES.

18.3.1 Any notice, claim or request for information pursuant to California Civil Code Section 895 et seq. shall be submitted to:

KB HOME
Attention: Dave Simons, Vice-President - Legal and Consumer Affairs
10990 Wilshire Boulevard, 7th Floor
Los Angeles, California 90024

This contact information is subject to change. The name and address of Declarant's agent under California Civil Code Section 912(e) is also available at the Office of the California Secretary of State. To ensure that a notice pursuant to California Civil Code Section 895 et seq. is delivered to Declarant at its correct address, Owner or the Association shall confirm the current name and address of Declarant's agent with the Secretary of State before delivering such notice. This information can be provided by a written request to:

California Secretary of State
Special Filings Unit
P.O. Box 942877
Sacramento, California 94277
or by telephone at (916) 653-3984

18.3.2 All other notices permitted or required to be delivered as provided herein shall be in writing and may be delivered either personally or by mail. If delivery is made by registered or certified mail, it shall be deemed to have been delivered three (3) business days after a copy of the same has been deposited in the United States Mail, postage prepaid. Any such notice shall be directed to the address of the party to whom intended as follows:

If to Declarant: KB Home Coastal, Inc.
12235 El Camino Real, Suite 100
San Diego, California 92130-2006

If to an Owner: To the street address of the Residence

18.4 CUMULATIVE REMEDIES. Each remedy provided for in this Declaration shall be cumulative and not exclusive. Failure to exercise any remedy provided for in this Declaration shall not, under any circumstances, be construed as a waiver.

18.5 VIOLATIONS AS NUISANCE. Every act or omission in violation of the provisions of this Declaration shall constitute a nuisance and, in addition to all other remedies herein set forth, may be abated or enjoined by any Owner, any Member of the Board, the manager, or the Association.

18.6 NO RACIAL RESTRICTION. No Owner shall execute or cause to be recorded any instrument which imposes a restriction upon the sale, leasing or occupancy of his or her Residential Lot on the basis of race, sex, color or creed.

18.7 ACCESS TO BOOKS. Declarant may, at any reasonable time and upon reasonable notice to the Board or manager cause an audit or inspection to be made of the books and financial records of the Association.

18.8 LIBERAL CONSTRUCTION. The provisions of this Declaration shall be liberally construed to effectuate its purpose. Failure to enforce any provision hereof shall not constitute a waiver of the right to enforce said provision thereafter.

18.9 NOTIFICATION OF SALE OF RESIDENTIAL LOT. Concurrently with the consummation of the sale of any Residential Lot under circumstances whereby the transferee becomes an Owner thereof, or within five (5) business days thereafter, the transferee shall notify the Board in writing of such sale. Such notification shall set forth the name of the transferee and his or her Mortgagee and transferor, the common address of the Residential Lot purchased by the transferee, the transferee's and the Mortgagee's mailing address, and the date of sale. Prior to the receipt of such notification, any and all communications required or permitted to be given by the Association, the Board or the manager shall be deemed to be duly made and given to the transferee if duly and timely made and given to said transferee's transferor. Mailing addresses may be changed at any time upon written notification to the Board. Notices shall be deemed received forty-eight (48) hours after mailing if mailed to the transferee, or to his or her transferor if the Board has received no notice of transfer as above provided, by certified mail, return receipt requested, at the mailing address above specified. Notices shall also be deemed received twenty-four (24) hours after being sent by telegram or upon personal delivery to any occupant of a Residential Lot over the age of twelve (12) years.

18.10 NUMBER; GENDER. The singular shall include the plural and the plural the singular unless the context requires the contrary, and the masculine, feminine and neuter shall each include the masculine, feminine or neuter, as the context requires.

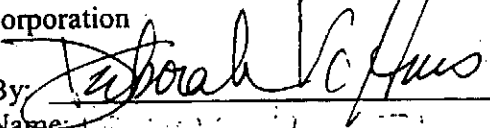
18.11 EXHIBITS. All exhibits referred to in this Declaration are attached to this Declaration and incorporated by reference.


18.12 EASEMENTS RESERVED AND GRANTED. Any easements referred to in this Declaration shall be deemed reserved or granted, or both reserved and granted, by reference to this Declaration in the first deed to any Residential Lot.

18.13 BINDING EFFECT. This Declaration shall inure to the benefit of and be binding on the successors and assigns of the Declarant, and the heirs, personal representatives, grantees, tenants, successors and assigns of the Owners.

IN WITNESS WHEREOF, Declarant has executed this instrument as of the date set forth on the first page hereof.

DECLARANT:
KB HOME COASTAL INC., a California
corporation

By: 
Name: _____
Title: _____

APPROVED AS TO FORM
OCEANSIDE CITY ATTORNEY

PAMELA J. WALLS
ASSISTANT CITY ATTORNEY

CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

State of California

County of San Diego } ss.

On August 6, 2003 before me, Nicole Kish
Date Name and Title of Officer (e.g., "Jane Doe, Notary Public")

personally appeared Deborah Van Huis
Name(s) of Signer(s)

- personally known to me
- 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.

Nicole Kish
Signature of Notary Public

OPTIONAL

Though the information below is not required by law, it may prove valuable to persons relying on the document and could prevent fraudulent removal and reattachment of this form to another document.

Description of Attached Document

Title or Type of Document: Deed

Document Date: _____ Number of Pages: _____

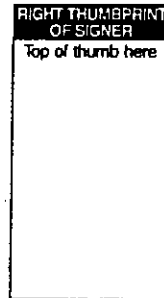
Signer(s) Other Than Named Above: _____

Capacity(ies) Claimed by Signer

Signer's Name: _____

- Individual
- Corporate Officer — Title(s): _____
- Partner — Limited General
- Attorney-in-Fact
- Trustee
- Guardian or Conservator
- Other: _____

Signer Is Representing: _____



EXHIBITS

Exhibit "A" Legal Description of the Property

Exhibit "B" Additional Property

Exhibit "C" Brush Areas

Exhibit "D" Conditions of Approval

Exhibit "E" Conservation Easement Area

Exhibit "F" Cross Lot Drainage Improvements

Exhibit "G" Extremely Sensitive Cultural Areas

Exhibit "H" Foss Lake Conservation Area

Exhibit "I" Sensitive Cultural Areas

Exhibit "J" Shared Driveways

Exhibit "K" Slope Maintenance Areas

Exhibit "L" Trails

JUL 27 2001 11:31 AM

be reviewed and approved by the City Engineer and Planning Director prior to the issuance of building permits. Landscaping shall not be installed until bonds have been posted, fees paid, and plans signed for final approval. The following special landscaping requirements shall be met:

- a) The developer shall be responsible for irrigating and landscaping all embankments within the project, and all slopes along major streets.
- b) Street/parkway trees (minimum 15 gallon) shall be planted at a minimum of one tree per unit or lot and two trees per corner lot. Approved root barriers shall be incorporated.
- c) Local street trees in parkways shall be planted at a minimum of 30 feet on center, each side of street, as a solitary planting. Approved root barriers shall be incorporated.
- d) To mitigate the loss of landmark and/or mature existing trees on site the determination of replacement shall be based on tree number, type, and caliper (caliper measured 2 1/2 feet from the base of the tree at existing grade). The total number of tree caliper lost shall be equal to the total number of caliper replaced. Replacement trees shall be a minimum of 15-gallon container stock. A field survey shall be performed under the supervision of the City Landscaping Section to evaluate the existing tree population and the replacement requirements. The existing trees to remain or proposed for removal shall be identified on the Preliminary Grading Plan, Precise Grading Plan and Landscape Plan. The existing tree type, location, and caliper shall be shown on the above plans. Replacement trees shall be identified and shown on the Landscape Plan and shall be subject to review and approval by the City Engineer and Planning Director.
- e) Crimson Lake Bougainvillea, the official City Flower, shall be used on this site. San Diego Red Bougainvillea is an acceptable alternate.
- f) Landscape areas adjacent to the San Luis Rey River shall utilize plant materials that are found to be appropriate as a riparian buffer to provide compliance with the Regional Growth Management Strategy. Plant type is subject to the review and approval of the Planning Director and City Engineer.

g) Planting of invasive plant species adjacent to sensitive biological habitat shall be prohibited.

51. All landscaping, fences, walls, etc. on the site, in medians in the public right-of-way and in any adjoining public parkways shall be permanently maintained by the owner, his assigns or any successors in interest in the property. The maintenance program shall include: normal care and irrigation of the landscaping; repair and replacement of plant materials; irrigation systems as necessary; and general cleanup of the landscaped and open areas, parking lots and walkways, walls, fences, etc. Failure to maintain landscaping shall result in the City taking all appropriate enforcement actions by all acceptable means including but not limited to citations and/or actual work with costs charged to or recorded against the owner. This condition shall be recorded with the covenant required by this Resolution.

52. Model Landscape plans and Front Yard Landscape plans, designed in compliance with Water Conservation Ordinance No. 91-15, shall be submitted as schematic drawings and shall be approved and signed by the Engineering Department and the Planning Department prior to the issuance of building permits. No bonding shall be required. Precise Grading Plans for model homes shall be prepared by a Civil Engineer and shall be approved by the City Engineer prior to the issuance of building permits. Prior to the issuance of occupancy permits, the City's Landscape Technician/Inspector shall review each unit requested for occupancy to ensure that the installation of planting and irrigation has occurred in conformance with the approved schematic drawings. The irrigation system will also be tested to ensure adequate operation and coverage.

53. A covenant or other recordable document approved by the City Attorney shall be prepared by the subdivider and recorded prior to the approval of the final map. The covenant shall provide that the property is subject to this Resolution, and shall generally list the conditions of approval.

54. Prior to the transfer of ownership and/or operation of the site the owner shall provide a written copy of the applications, staff report and resolutions for the project to the new owner and or operator. This notification's provision shall run with the life of the project and shall be recorded as a covenant on the property.

1 55. Failure to meet any conditions of approval for this development shall constitute a violation
 2 of the Tentative Map, Development Plan and Conditional Use Permits.

3 56. Unless expressly waived, all current zoning standards and City ordinances and policies in
 4 effect at the time building permits are issued are required to be met by this project. The
 5 approval of this project constitutes the applicant's agreement with all statements in the
 6 Description and Justification and other materials and information submitted with this
 7 application, unless specifically waived by an adopted condition of approval.

8 57. All rear wood fences adjacent to public right-of-way and/or visible from the public right-
 9 of-way will be stained or otherwise finished with a waterproof material. The split-rail
 0 fencing around open space shall be of concrete or PVC covered design. Final fence types
 1 are subject to the review and approval of the Planning Director.

2 58. An association shall be formed and Covenants, Conditions and Restrictions (C.C. & R's)
 3 shall provide for the maintenance of all common open space, medians and commonly
 4 owned fences and walls and adjacent parkways. The maintenance shall include normal care
 5 and irrigation of landscaping, repair and replacement of plant material and irrigation
 6 systems as necessary, and general cleanup of the landscaped and open area, parking lots and
 7 walkways. The C.C. & R's shall be subject to the review and approval of the City Attorney
 8 prior to the approval of the final map. The C.C. & R's are required to be recorded prior to or
 9 concurrently with the final map. Any amendments to the C.C. & R's in which the
 0 association relinquishes responsibility for the maintenance of any common open space shall
 1 not be permitted without the specific approval of the City of Oceanside. Such a clause shall
 2 be a part of the C.C. & R's. The C.C. & R's shall also contain provisions for the following:

- 3 a) Prohibition of parking or storage of recreational vehicles, trailers or boats.
- 4 b) Provisions regulating individual patio covers, room additions and other
 5 appurtenances.

6 59. All street names shall be approved by the Planning Department prior to the approval of the
 7 final map for each phase of development.

8 60. Any project entrance signs shall meet the requirements of the Sign Ordinance and be
 9 approved by the Planning Director.

0 61. All panhandle access driveways shall have a minimum of 16-feet of pavement.

1 62. Panhandle accessways shall have recorded joint maintenance agreements and cross
2 easements for use.

3 63. The developer is prohibited from entering into any agreement with a cable television
4 franchisee of the City that gives such franchisee exclusive rights to install, operate, and/or
5 maintain its cable television system in the development.

6 64. This project is subject to the provisions of Chapter 14C of the City Code
7 regarding Inclusionary Housing.

8 65. This project shall comply with all provisions of the City's Affirmative Fair Housing
9 Marketing Agreement policy. Such agreement shall be submitted to and approved by the
10 Housing and Neighborhood Services Director prior to the recordation of a final map or the
11 issuance of a building permit for the project, whichever comes first.

12 66. Future floor plans and elevations are subject to the review and approval by the Planning
13 Commission. Each of the homes created by this tentative map shall meet the following
14 development standards: Lot size, 6,000 square feet; minimum unit size, 1,500 square feet;
15 3-stories (maximum), a two car garage (minimum) 5 or more bedrooms requires a three
16 car garage; front yard setback, 20 feet; side yard 5 feet; rear yard 15 feet; corner yard, 10
17 feet; maximum height 36 feet; lot coverage, 45% (maximum). Unit 2 (lot No.'s 157-301)
18 shall comply with development standards for Hillside (Section 3039 Zoning Ordinance).
19 In addition, the bulk, scale and height of the residential units shall be in direct proportion
20 with the building pad sizes and lot sizes of the subdivision.

21 67. Side and rear elevations and window treatments shall be trimmed to substantially match
22 the front elevations. A set of building plans shall be reviewed and approved by the
23 Planning Department prior to the issuance of building permits.

24 68. Future site plan, landscaping and elevations for the replacement of the Mar Lado Sewer
25 Lift Station are subject to the review and approval by the Planning Commission.

26 69. Front yard landscaping is required to be provided by the developer of each lot and shall
27 be shown on the Landscape Plans.

28 70. The applicant/owner shall obtain the appropriate avigation easement.

71. Prior to issuance of grading permits, the applicant with assistance from City staff shall
approach the Wildlife Agencies to negotiate to retain the equestrian/pedestrian spur trail

1 adjacent to Hubbert Lake, if possible. In the event that the Wildlife Agencies do not
2 allow the project trail to be an equestrian/pedestrian trail, the trail along Hubbert Lake
3 shall be provided as a pedestrian-only trail and reduced to 5-feet in width, except the area
4 from the end of the storm drain inlet at the base of Hubbert Lake to the of the storm drain
5 outlet at the central eastern location of Hubbert Lake, which shall remain 12 feet wide as
6 necessary for utility access. Based on resource agency concerns regarding equestrian use
7 adjacent to the alkali marsh habitat, this trail shall prohibit all equestrian use.

72. Prior to the approval of a final map or building permit, the applicant, as landowner, shall
8 execute and record a deed in a form and content acceptable to the City Attorney, which
9 shall provide a disclosure to be made to all purchasers the following:

- 0 a) That the owner/applicant understands that the site is in close proximity to the
1 Marine Corps Base, Camp Pendleton, an active year round training facility. Due
2 to the location of the property, owner/occupants will experience noise and visual
3 impacts and can frequently expect to see and hear aircraft, ordnance, and troops.
4 Additionally, noise impacts from live fire ranges located on base may be
5 amplified by weather conditions, such as low clouds or Santa Ana winds. As an
6 active training facility, the base has the potential to operate 24 hours a day, 7 days
7 a week. In most cases, however, night of firing of artillery or aerial bombing is
8 restricted after 10 o'clock in the evening by a self-imposed curfew. There are
9 exceptions, however, when it is necessary to operate at night after this time in
0 order to meet operational requirements on in support of critical training events.
- 1 b) That the owner/applicant understands that the site is adjacent to a biologically
2 sensitive area and that the owner may be subject to mosquitoes or other nuisances
3 inherent from the location adjacent to these biologically sensitive areas and that
4 the owner assumes the liability from those nuisances and shall not object to any
5 reasonable action necessary to maintain the viability of these sensitive areas.
- 6 c) That the site is adjacent to an active airport and that the purchaser and its
7 successor may be subject to the effects, noise and conditions inherent in airport
8 operations and the purchaser shall not object to the airport operations, nor seek to
9 eliminate it, so long as the airport operations are conducted in a lawful manner.

- d) That the owner/applicant that the City will be operating a shooting range in close proximity of the development. As such, the purchaser and its successor may be subject to the effects, noise and conditions inherent in a shooting range and the purchaser shall not object to the shooting range operations, nor seek to eliminate it, so long as the shooting range operations are conducted in a lawful manner. In addition, the owner/applicant shall also be notified that noise impacts associated with the shooting range may be amplified by weather conditions, such as low clouds or Santa Ana conditions.
73. Material and waste Best Management Practices (BMPs) during site grading and construction shall be strictly enforced.
74. Storm drains which empty into open space areas must be filtered (mechanical or otherwise) utilizing BMPs before flowing into natural areas.
75. Non-structural post-construction BMPS such as public education program (providing signage at all drainage inlets prohibiting dumping of any kind).
76. Prior to issuance of grading permits, building permits, or occupancy permits, as appropriate, the following mitigation measures shall be implemented to reduce biological resource impacts to below a level of significance.
77. Creation of alkali marsh and alkali meadow as well as the preservation/enhancement of alkali marsh and alkali meadow shall occur adjacent to an existing habitat in Hubbert Lake in accordance with permits from the US Army Corps of Engineers, US Fish & Wildlife Service and California Department of Fish and Game. Anticipated mitigation acreage requirements and ratios include the creation of 1.80 acres of alkali marsh and 0.34 acre of alkali meadow (1:1 creation ratio), as well as preservation/enhancement of 1.88 acres of alkali marsh, and 0.34 acre of alkali meadow (1:1 preservation/enhancement ratio), adjacent to existing habitat in Hubbert Lake. An additional 0.39-acre of alkali marsh will be created to mitigate for impacts to disturbed wetland areas (1:1 creation ratio). Final acreage requirements and ratios for mitigation shall be approved in accordance with permits from the US Army Corps of Engineers, US Fish & Wildlife Service and California Department of Fish and

Game.

78. Creation of southern willow scrub and freshwater marsh as well as preservation/enhancement of southern willow scrub shall occur adjacent to existing wetland habitats at the Foss Lake offsite mitigation parcel, in accordance with permits from the US Army Corps of Engineers, US Fish & Wildlife Service and California Department of Fish and Game. Anticipated mitigation acreage requirements and ratios include the creation of 2.08-acre of southern willow scrub and 0.22 acre of freshwater marsh (2:1 creation ratio), and preservation/enhancement of 1.04 acre of southern willow scrub (1:1 preservation/enhancement ratio) adjacent to existing wetland habitats at the Foss Lake off site mitigation parcel. An additional 0.26-acre of southern willow scrub will be created at Foss Lake to mitigate for impacts to tamarisk scrub (1:1 replacement ratio). This will result in an overall mitigation ratio of 3:1 for southern willow scrub, 2:1 for freshwater marsh, and 1:1 for tamarisk scrub. These mitigation measures will also mitigate impacts to the least Bell's vireo. Final acreage requirements and ratios for mitigation shall be approved in accordance with permits from the US Army Corps of Engineers, US Fish and Wildlife Service and California Department of Fish and Game.
79. Mitigation for potential noise impacts to least Bell's vireo will include avoiding grading between March 15 and September 1. Exceptions to this mitigation requirement include cases where surveys for the vireo confirm that adjacent habitat is not occupied or where noise studies confirm that noise levels are below 60 dBA hourly L_{eq} where vireos are located. If grading occurs during the breeding season and noise levels exceed this threshold, noise barriers will be constructed to reduce noise impacts to occupied habitat to below 60 dBA hourly L_{eq} .
80. Mitigation for on- and off-site impacts to coastal sage scrub will be accomplished through on-site conservation of 13.6 acres of Diegan coastal sage scrub (a ratio of 2:1). The preservation of coastal sage scrub would also mitigate any impacts to previously occupied coastal California gnatcatcher habitat. Impacts to non-native grassland will be mitigated at a 1:1 ratio and would require the conservation of 29.8 acres of equal or greater quality

- habitat. Mitigation for brush management shall require additional mitigation of 1.8 acres of coastal sage scrub preservation and 2.4 acres of preservation of habitat of equal or greater quality. The mitigation site(s) shall be approved by the City prior to the issuance of grading permits.
81. All lighting of developed areas adjacent to the open space is proposed to be shielded and directed away from undeveloped areas.
 82. In order to mitigate the indirect impact caused by the intrusion of humans, domestic animals, and illegal dumping, open space will be fenced. Currently, dumping is a major problem in wetland areas of the site. Fencing will help to eliminate illegal dumping, and will also limit the amount of human and domestic animal intrusion to the open space areas of the site.
 83. A buffer shall be located between the riparian wetland habitat in Hubbert Lake and the edge of the proposed residential lots along the northern cul-de-sac. The buffer shall be planted with native wetland and upland vegetation in accordance with landscape. Areas of the wetlands and buffer area disturbed by project grading, including manufactured slopes, shall be revegetated and enhanced with native plant species.
 84. Prior to the issuance of grading permits, the applicant shall provide a mechanism to ensure protection of onsite and offsite (mitigation site) sensitive habitat (wetlands and coastal sage scrub), including the wetlands buffer area, to maintain biological functions and values. This mechanism shall be developed in coordination with the City of Oceanside, Corps of Engineers, US Fish and Wildlife Service, and California Department of Fish and Game.
 85. Construction equipment staging areas shall not be located within 100 feet of any existing residence.
 86. Adjacent homeowners shall be notified of planned construction activities and times approximately one week prior to the start of work.
 87. A 6-foot high noise barrier (wall) shall be placed at the Foussat Road edge of the residential lots 64, 65 and 66 and should wrap around the southern boundary of lot 66, along Benet Road for a distance of approximately 30 feet. The wall shall be solid, with no openings from the ground to the top, and may be masonry, wood, Plexiglas, glass or

similar material or a combination of these materials.

88. If two story homes are constructed on lots 64, 65 and/or 66, mechanical ventilation that would allow the closing of windows for normal occupancy shall be provided for second floor habitable rooms (bedrooms, living rooms and kitchens).

89. A pre-excavation agreement shall be executed between the applicant and the San Luis Rey Band of Mission Indians, specifying the treatment of human remains and any cultural resources uncovered and requiring Native American monitoring for all ground-disturbing activities.

90. The developer shall agree to ongoing consultation with the San Luis Rey Band.

91. The core area of the significant site CA-SDI-5130 (including CA-SDI-5133/H) shall be preserved in permanent open space (designated Lot A on the Tentative Map) and capped with at least 2 ft of soil. The Army Corps of Engineers flood control project has already placed anywhere from 0 to 11 ft of soil atop the archaeological sites. The Wanis View Estates project would place several additional feet of soil across the entire southern portion of the property.

92. Negotiations shall take place between the developer and the San Luis Rey Band to ensure the permanent protection of the open space parcel (Lot A) that includes the core area of site CA-SDI-5130/5133. The San Luis Rey Band and the developer will come to a mutually acceptable agreement for the permanent preservation and protection of this area prior to the issuance of a certificate of occupancy for any residential units.

93. The open space lot in the area of the archaeological site (Lot A) shall be planted with dense native vegetation, such as coastal sage scrub species. Plant species would be chosen based on their drought tolerance, native use, and characteristics that would deter pedestrians and other trail users from wandering off the authorized trails and across the sensitive site area.

94. The trail system shall be used to direct pedestrians, bicyclists, and skateboarders away from the sensitive area of the site, the area in the open space lot (Lot A).

95. Appropriate barriers, such as wooden split rail fencing, shall be used along the trails and river walk to deter trail users from crossing the sensitive site area.

96. Scarification is necessary to assure adequate soil compaction in the development areas. This scarification shall be the minimum amount necessary to meet engineering standards for soil compaction. No scarification should be done in the open space lot.
97. An archaeological monitor shall be on-site during ground-disturbing activities, such as brushing, scarification, grading, and trenching within the boundaries of known archaeological sites due to the potential for encountering cultural features, such as human burials. The archaeologist shall be available should any additional items be found outside the boundaries of the known sites.
98. Native American monitors shall be present throughout the development during all ground-disturbing activities, such as brushing, scarification, grading, and trenching for the entire project area. The powers of the monitors and the details of their work shall be laid out in the pre-excavation agreement.
99. The archaeological monitors and Native American monitors shall have the authority to temporarily halt or redirect grading, in order to examine any finds made during the course of monitoring. The monitors shall determine the need for further studies to assess unexpected cultural material encountered during monitoring.
100. Restrictions shall be placed on the lots adjacent to the permanent open space area (Lots 58-62 and Lots 66-78) to prohibit excavation by future owners for pools, spas, large trees, irrigation, etc., in excess of 1 ft, in order to insure that subsurface portions of the site in this area are not inadvertently disturbed. If future homeowners wish to excavate for pools, etc., they must have an archaeological and a Native American monitor on-site during excavation. These restrictions shall be included in the developments CC&R's and shall be made conditions of applicable all permits. These permits include, but are not limited to grading and building permits. The restrictions shall be binding on all subsequent owners of the affected lots.
101. The same restrictions stated in the above mitigation measure shall be placed on Lot 1. these restrictions shall be included in the development's CC&R's and shall be made conditions of applicable permits. The restrictions shall be binding on all subsequent owners of Lot 1.
102. Any future excavation on or under the project streets within the known archaeological

- 1 sites shall also be monitored by an archaeologist and a Native American monitor. The
2 restrictions shall be binding on all subsequent owners.
- 3 103. The developer shall make every effort to avoid all the archaeological sites as the
4 development progresses; all known sites shall be capped to ensure that they will not be
5 disturbed.
- 6 104. There shall be no construction staging or storage areas within the boundaries of the
7 archaeological sites.
- 8 105. No sewer lines or other pipelines shall be installed on Benet Road above Lot A (the open
9 space lot, CA-SDI-5130/5133). This protection shall be verified in the final plans.
- 10 106. Prior to placement of additional fill soils on Lot 1, a geo-grid or permanent non-degrading
11 material barrier shall be placed over the existing soil.
- 12 107. Any cultural material removed from the site shall be returned to the San Luis Rey Band.
13 This provision shall be addressed in the pre-excavation agreement.
- 14 108. There shall be no press coverage of the project except as authorized by agreement among
15 the developer and authorized representatives of the San Luis Rey Band of Mission
16 Indians.
- 17 109. No party shall disclose the locations of any cultural or grave sites located on the property.
- 18 110. A comprehensive report shall be produced detailing the methods and results of the
19 preservation and monitoring program.
- 20 111. Prior to issuance of grading permits, the applicant shall confirm to the City of Oceanside
21 that a qualified paleontologist has been retained to carry out an appropriate mitigation
22 program. (A qualified paleontologist is defined as an individual with a M.S. or Ph.D. in
23 paleontology or geology who is familiar with paleontological procedures and techniques.)
24 The paleontologist shall attend pre-grade meetings to consult with grading and excavation
25 contractors.
- 26 112. A paleontological monitor shall be onsite during grading operations to evaluate the
27 presence of fossils within previously undisturbed sediments of highly sensitive geologic
28 formations (i.e., Santiago Formation) and moderately sensitive formations (river terrace
deposits) to inspect cuts for contained fossils. (A paleontological monitor is defined as an

- individual who has experience in the collection and salvage of fossil materials.) The paleontological monitor shall work under the direction of a qualified paleontologist.
113. When fossils are discovered, the paleontologist (or paleontological monitor) shall recover them. In most cases, this fossil salvage can be completed in a short period of time. However, some fossil specimens (such as a complete whale skeleton) may require an extended salvage time. In these instances, the paleontologist (or paleontological monitor) shall be allowed to temporarily direct, divert, or halt grading to allow recovery of small fossil remains such as isolated mammal teeth, it may be necessary in certain instances to set up a screen-washing operation on the site.
114. Prepared fossils along with copies of all pertinent field notes, photos, and maps shall be deposited (with the applicant's permission) in a scientific institution with paleontological collections such as the San Diego Natural History Museum. A final summary report shall be completed and distributed to the City and other interested agencies which outlines the results of the mitigation program. This report shall include discussions of the methods used, stratigraphy exposed, fossils collected, and significance of recovered fossils.

Water Utilities:

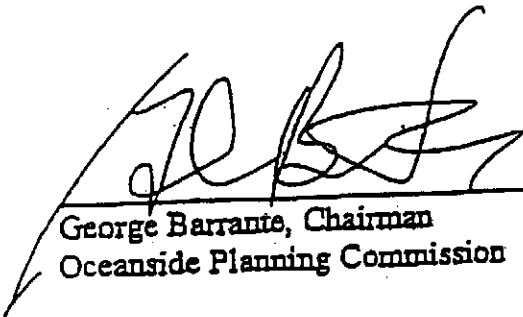
115. The developer will be responsible for developing all water and sewer facilities necessary to develop the property. Any relocation of water and/or sewer lines is the responsibility of the developer.
116. All lots with a finish pad elevation located below the elevation of the next upstream manhole cover of the public sewer shall be protected from backflow of sewage by installing an approved type backwater valve, per Section 710 of the Uniform Plumbing Code.
117. The developer shall construct a public reclamation water system that will serve each parcel that is located in the proposed project, in accordance with City of Oceanside Ordinance No. 91-P15. The proposed reclamation water system shall be located in the public streets or in a public utility easement.
118. This proposed sewer pump lift station shall be constructed per City of Oceanside standard plans and specifications.

- 119. All public water and/or sewer facilities not located within the public right-of-way shall be provided with easements sized according to the Engineers Manual Roadways shall be constructed for an all weather access.
- 120. No trees or structures shall be located within any public utility easement.
- 121. Water facilities located on private property, will be "private lines," and maintained by the property owner.
- 122. All Water Works construction shall conform to the most recent edition of the City of Oceanside Engineer's Manual.
- 123. The existing sewer pump station is to be taken off line and dismantled upon completion of proposed sewer pump station going into service.
- 124. The Wanis View sewer lift station shall be completed prior to the issuance of the first occupancy permit.


PASSED AND ADOPTED Resolution No. 2001-P19 on June 11, 2001 by the following

vote, to wit:

- AYES: Barrante, Miller, Schaffer, Chadwick, Hartley, Parker and Bockman
- NAYS: None
- ABSENT: None
- ABSTAIN: None



 George Barrante, Chairman
 Oceanside Planning Commission

ATTEST: 

 Gerald Gilbert, Secretary

I, GERALD GILBERT, Secretary of the Oceanside Planning Commission, hereby certify that this is a true and correct copy of Resolution No. 2001-P19.

Dated: June 11, 2001

EXHIBIT "E"

CONSERVATION EASEMENT AREA

SHEET 1 OF 2 SHEETS

ALL LOT AND DIMENSION LOCATIONS ARE APPROXIMATE AND FOR ILLUSTRATION PURPOSES ONLY. KB HOME RESERVES THE RIGHT TO MAKE MODIFICATIONS AND CHANGES TO THE PLAN OF DEVELOPMENT. NO WARRANTIES OR REPRESENTATIONS ARE MADE THAT THE PROJECT WILL BE DEVELOPED AS SHOWN ON THIS PLAN.

CAMP JOSEPH PENDLETON -- USMC
SE'LY LINE RANCHO SANTA
MARGARITA Y LAS FLORES



SCALE: 1" = 500'

PARCEL 1
AREA=71.300 ACRES ±

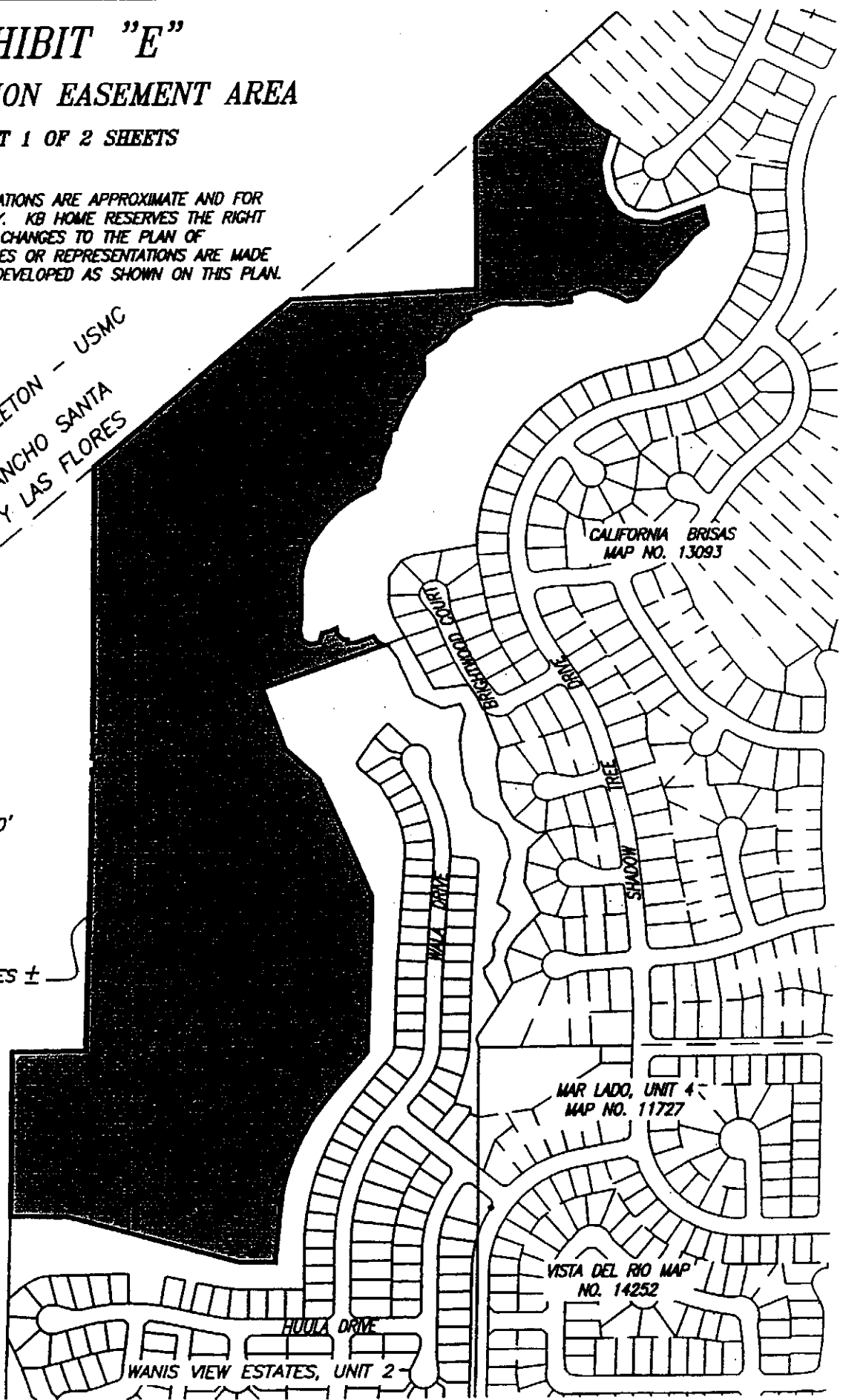


EXHIBIT "E"

CONSERVATION EASEMENT AREA

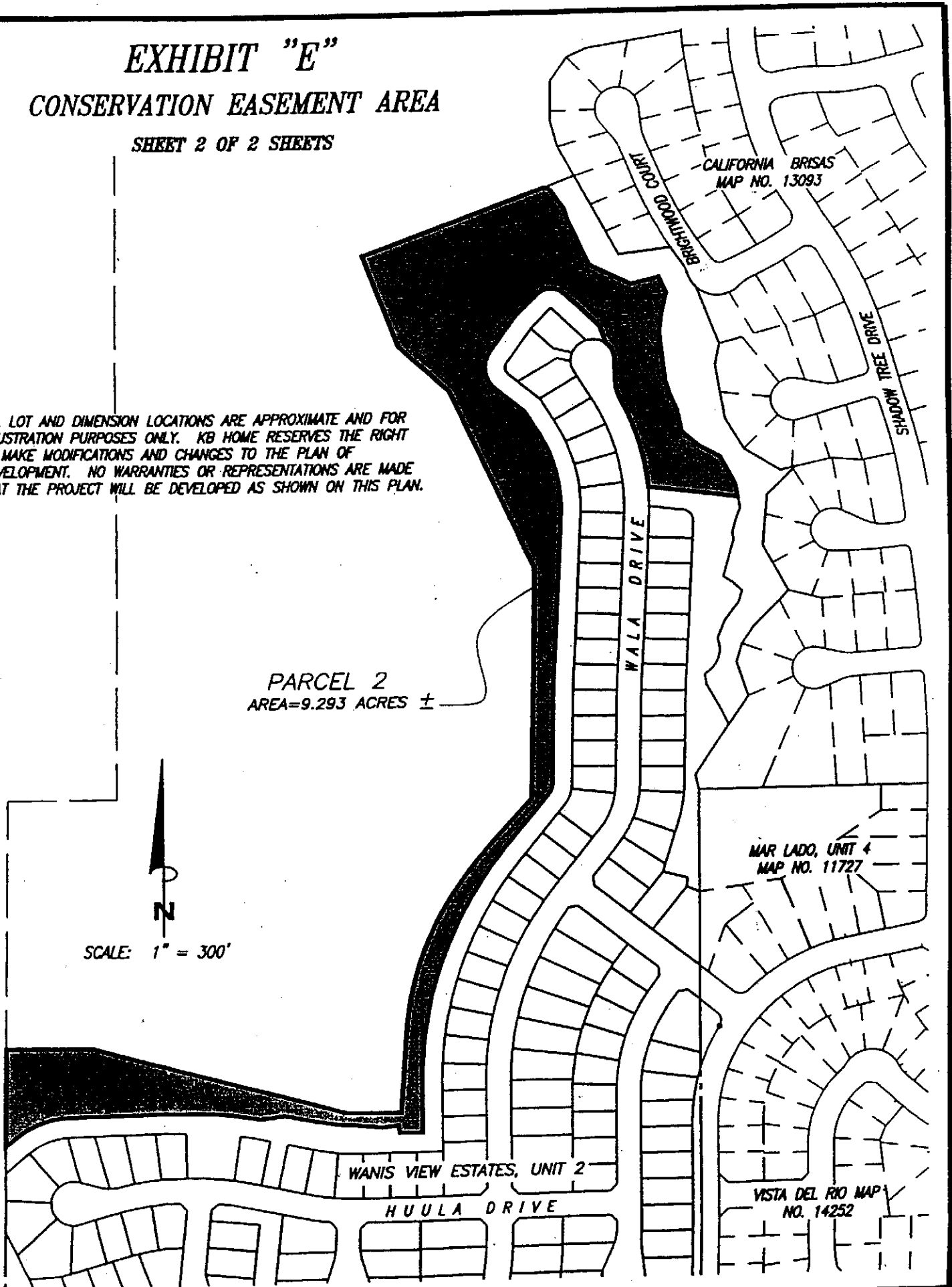
SHEET 2 OF 2 SHEETS

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PARCEL 2
AREA=9.293 ACRES ±



SCALE: 1" = 300'



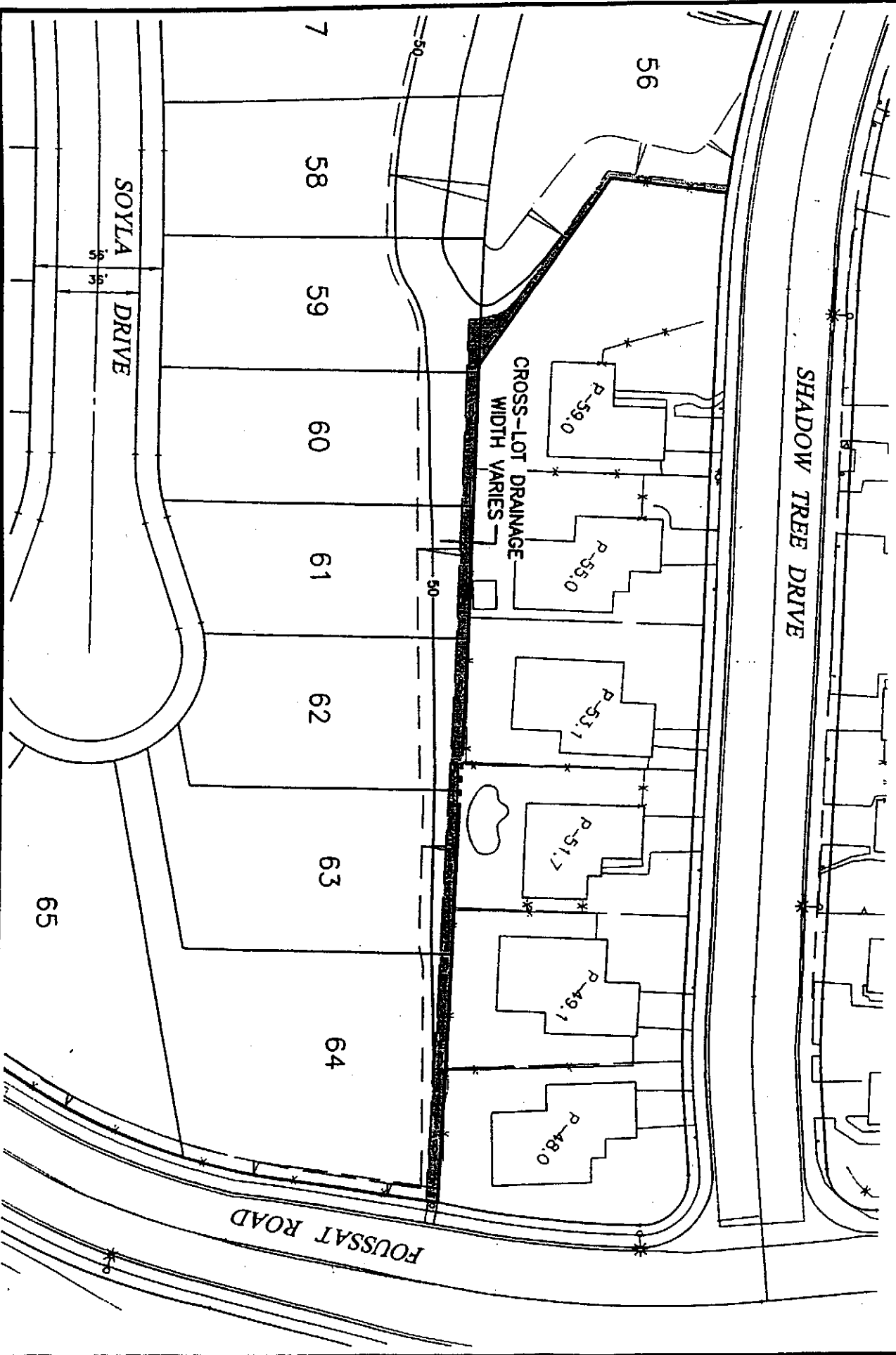
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EXHIBIT "F"

CROSS-LOT DRAINAGE IMPROVEMENTS

SHEET 1 OF 2 SHEETS

⇔ INDICATES A CONCRETE LINED DRAINAGE DITCH



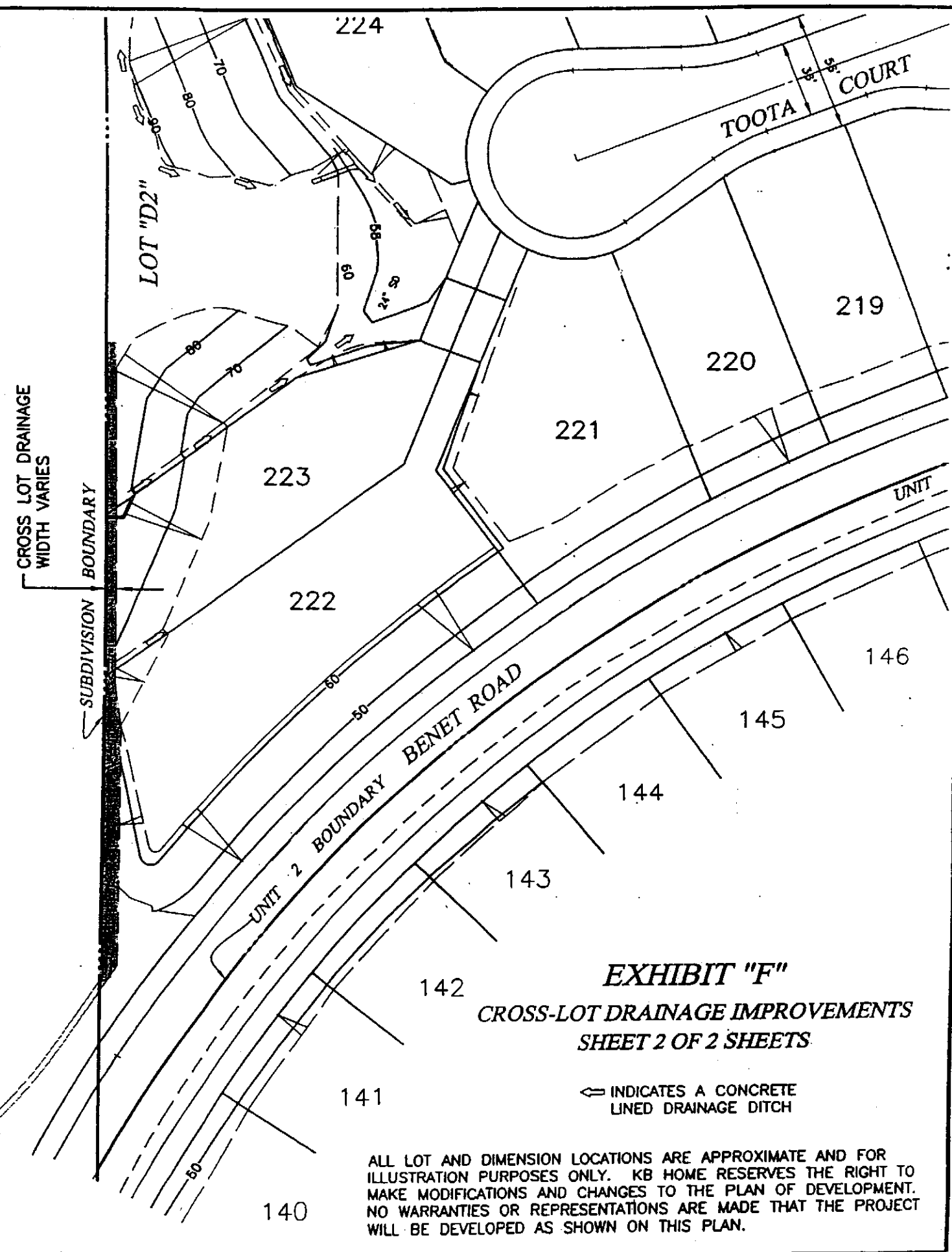



EXHIBIT "F"
CROSS-LOT DRAINAGE IMPROVEMENTS
SHEET 2 OF 2 SHEETS

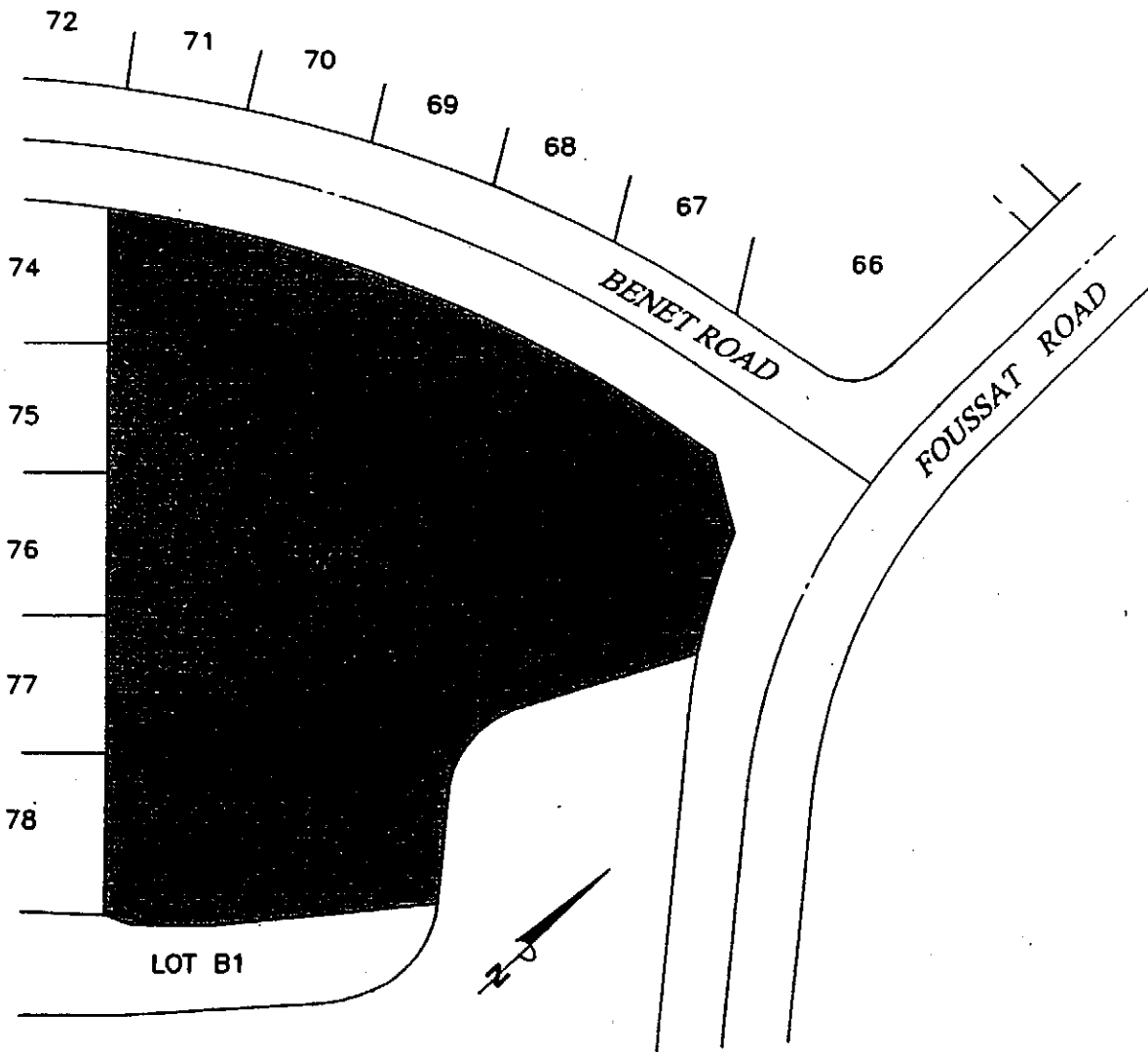
⇐ INDICATES A CONCRETE LINED DRAINAGE DITCH

ALL LOT AND DIMENSION LOCATIONS ARE APPROXIMATE AND FOR ILLUSTRATION PURPOSES ONLY. KB HOME RESERVES THE RIGHT TO MAKE MODIFICATIONS AND CHANGES TO THE PLAN OF DEVELOPMENT. NO WARRANTIES OR REPRESENTATIONS ARE MADE THAT THE PROJECT WILL BE DEVELOPED AS SHOWN ON THIS PLAN.

EXHIBIT "G"
EXTREMELY SENSITIVE CULTURAL AREA

 INDICATES THE EXTREMELY SENSITIVE CULTURAL AREA; AREA=1.610 ACRES.
(LOT A1 OF WANIS VIEW ESTATES UNIT 1)

ALL LOT AND DIMENSION LOCATIONS ARE APPROXIMATE AND FOR ILLUSTRATION PURPOSES ONLY. KB HOME RESERVES THE RIGHT TO MAKE MODIFICATIONS AND CHANGES TO THE PLAN OF DEVELOPMENT. NO WARRANTIES OR REPRESENTATIONS ARE MADE THAT THE PROJECT WILL BE DEVELOPED AS SHOWN ON THIS PLAN.



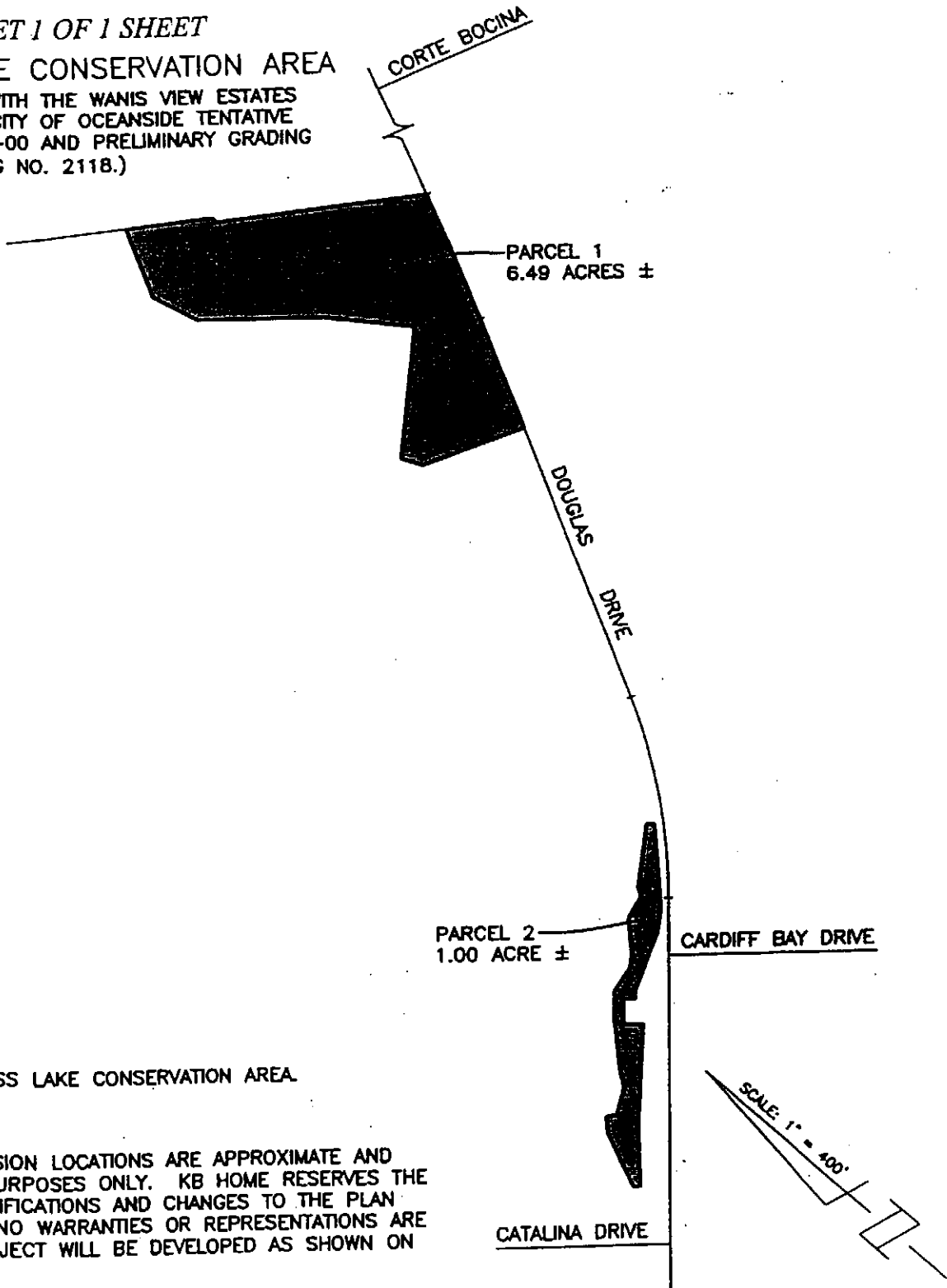
SAN LUIS REY RIVER

EXHIBIT "H"

SHEET 1 OF 1 SHEET

FOSS LAKE CONSERVATION AREA

(ASSOCIATED WITH THE WANIS VIEW ESTATES
SUBDIVISION; CITY OF OCEANSIDE TENTATIVE
MAP NO. T-4-00 AND PRELIMINARY GRADING
PLAN, DRAWING NO. 2118.)



LEGEND

 INDICATES FOSS LAKE CONSERVATION AREA.

ALL LOT AND DIMENSION LOCATIONS ARE APPROXIMATE AND FOR ILLUSTRATION PURPOSES ONLY. KB HOME RESERVES THE RIGHT TO MAKE MODIFICATIONS AND CHANGES TO THE PLAN OF DEVELOPMENT. NO WARRANTIES OR REPRESENTATIONS ARE MADE THAT THE PROJECT WILL BE DEVELOPED AS SHOWN ON THIS PLAN.

Exhibit "I"

**Sensitive Cultural Area
(Supplement to Section 2.23)**

Lots 1, 58-62 and 66-78 of Wanis View Estates, Unit 1 are affected by the following restriction, paraphrased from conditions 100 and 101 included in City of Oceanside Planning Commission Resolution No. 2001-P19 which is on file with the Planning Department of the City of Oceanside and attached as Exhibit "D" herein.

Owners of Lots 1, 58-62 and 66-78 must acquire an appropriate permit from the City of Oceanside and must have an archaeological and Native American monitor on-site during excavation in excess of 1 foot for pools, spas, large trees, irrigation, etc. to insure that subsurface cultural features are not inadvertently disturbed.

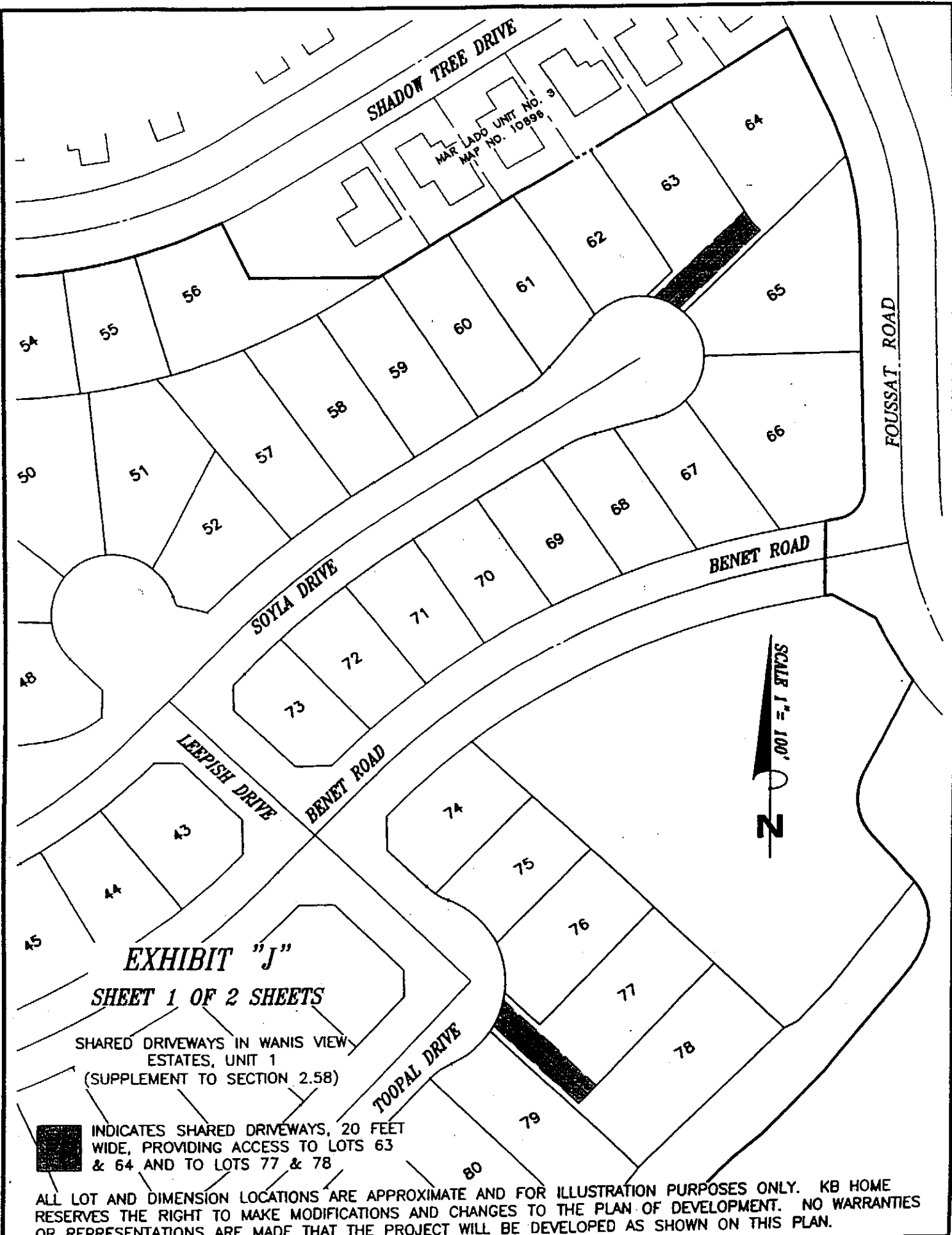


EXHIBIT "J"
SHEET 1 OF 2 SHEETS

SHARED DRIVEWAYS IN WANIS VIEW
 ESTATES, UNIT 1
 (SUPPLEMENT TO SECTION 2.58)

■ INDICATES SHARED DRIVEWAYS, 20 FEET
 WIDE, PROVIDING ACCESS TO LOTS 63
 & 64 AND TO LOTS 77 & 78

ALL LOT AND DIMENSION LOCATIONS ARE APPROXIMATE AND FOR ILLUSTRATION PURPOSES ONLY. KB HOME
 RESERVES THE RIGHT TO MAKE MODIFICATIONS AND CHANGES TO THE PLAN OF DEVELOPMENT. NO WARRANTIES
 OR REPRESENTATIONS ARE MADE THAT THE PROJECT WILL BE DEVELOPED AS SHOWN ON THIS PLAN.

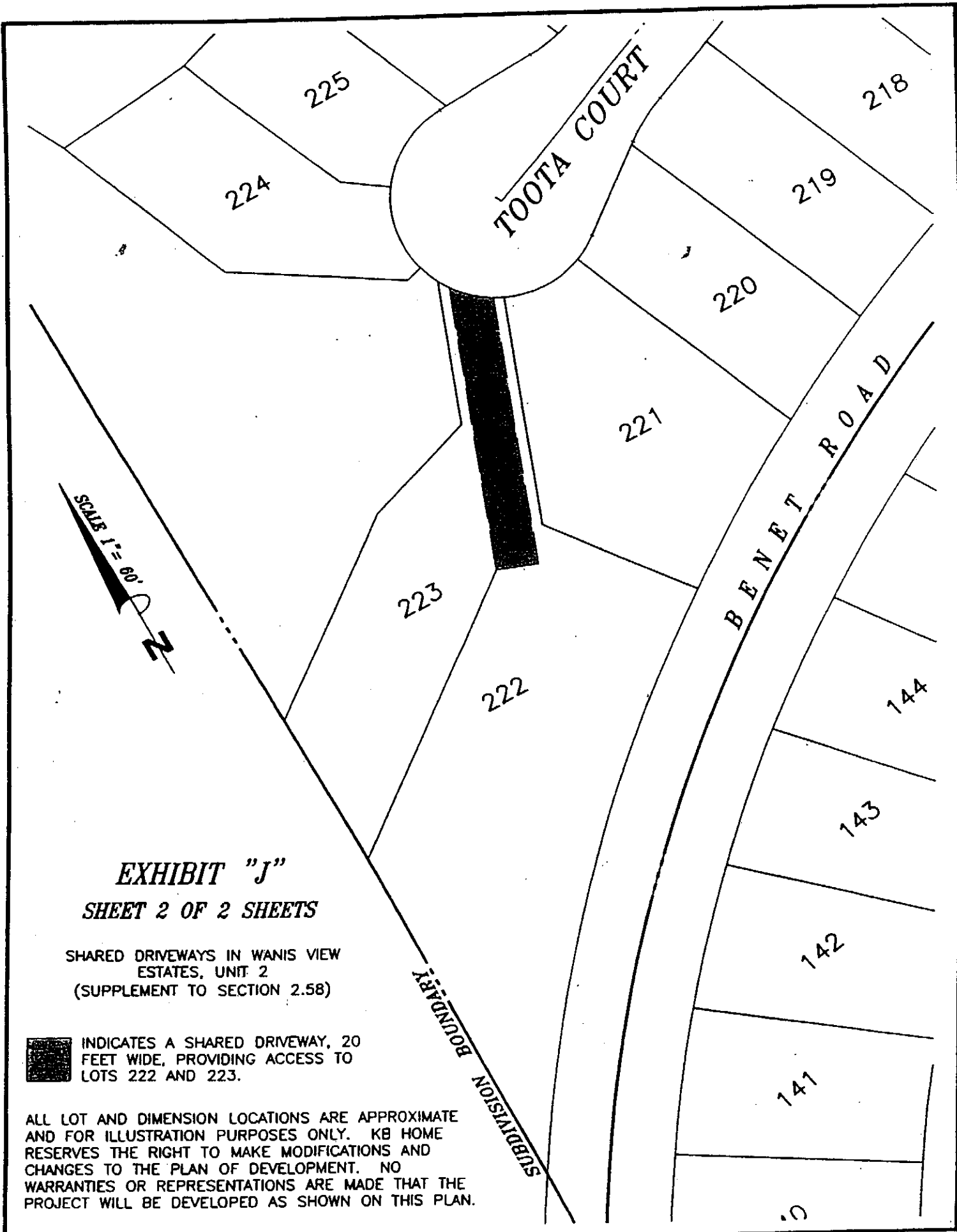


EXHIBIT "J"

SHEET 2 OF 2 SHEETS

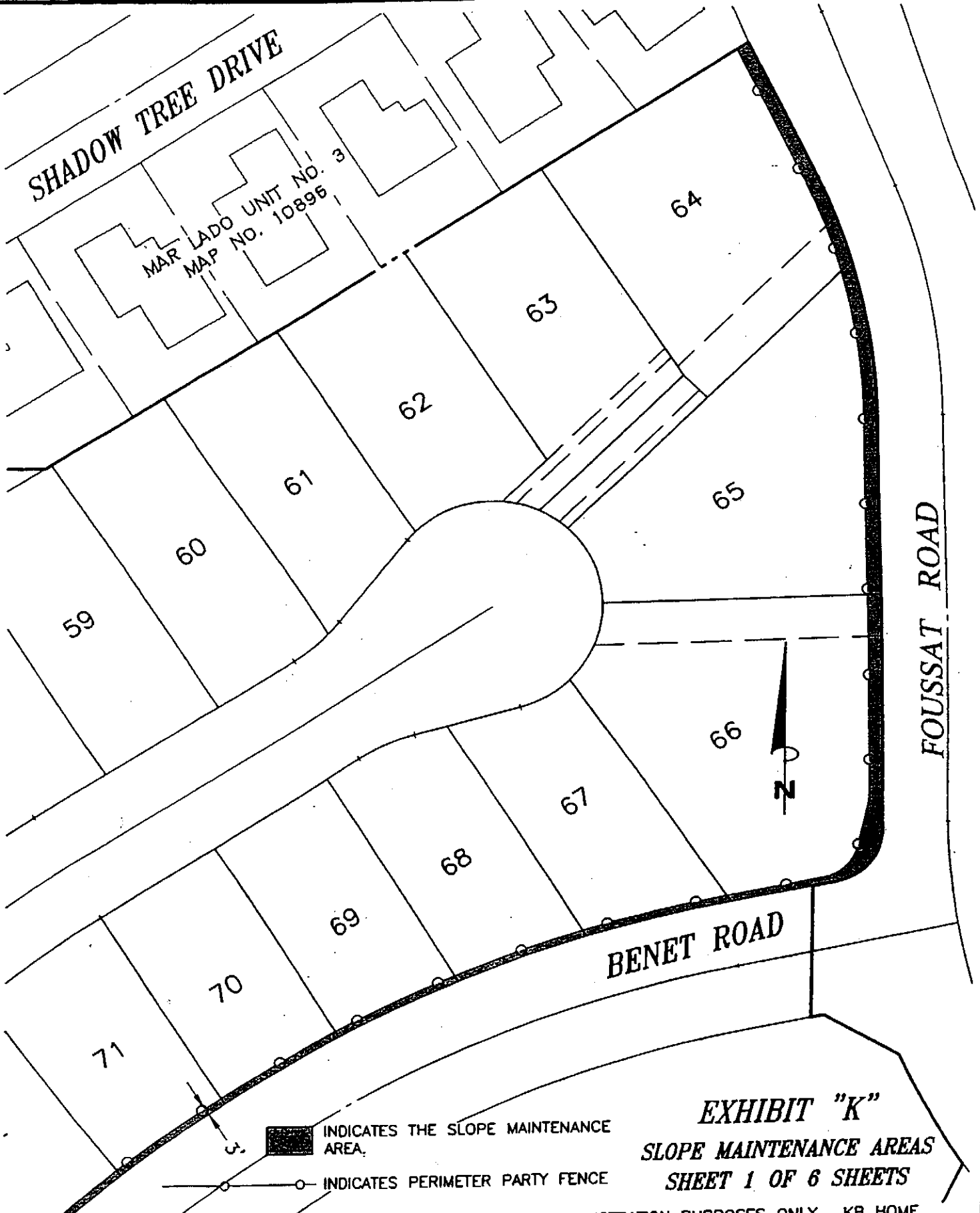
SHARED DRIVEWAYS IN WANIS VIEW
ESTATES, UNIT 2
(SUPPLEMENT TO SECTION 2.58)

 INDICATES A SHARED DRIVEWAY, 20 FEET WIDE, PROVIDING ACCESS TO LOTS 222 AND 223.

ALL LOT AND DIMENSION LOCATIONS ARE APPROXIMATE AND FOR ILLUSTRATION PURPOSES ONLY. KB HOME RESERVES THE RIGHT TO MAKE MODIFICATIONS AND CHANGES TO THE PLAN OF DEVELOPMENT. NO WARRANTIES OR REPRESENTATIONS ARE MADE THAT THE PROJECT WILL BE DEVELOPED AS SHOWN ON THIS PLAN.

SHADOW TREE DRIVE

MAR LADO UNIT NO. 3
MAP NO. 10896





 INDICATES THE SLOPE MAINTENANCE AREA.
 INDICATES PERIMETER PARTY FENCE

EXHIBIT "K"
SLOPE MAINTENANCE AREAS
SHEET 1 OF 6 SHEETS

ALL LOT AND DIMENSION LOCATIONS ARE APPROXIMATE AND FOR ILLUSTRATION PURPOSES ONLY. KB HOME RESERVES THE RIGHT TO MAKE MODIFICATIONS AND CHANGES TO THE PLAN OF DEVELOPMENT. NO WARRANTIES OR REPRESENTATIONS ARE MADE THAT THE PROJECT WILL BE DEVELOPED AS SHOWN ON THIS PLAN.

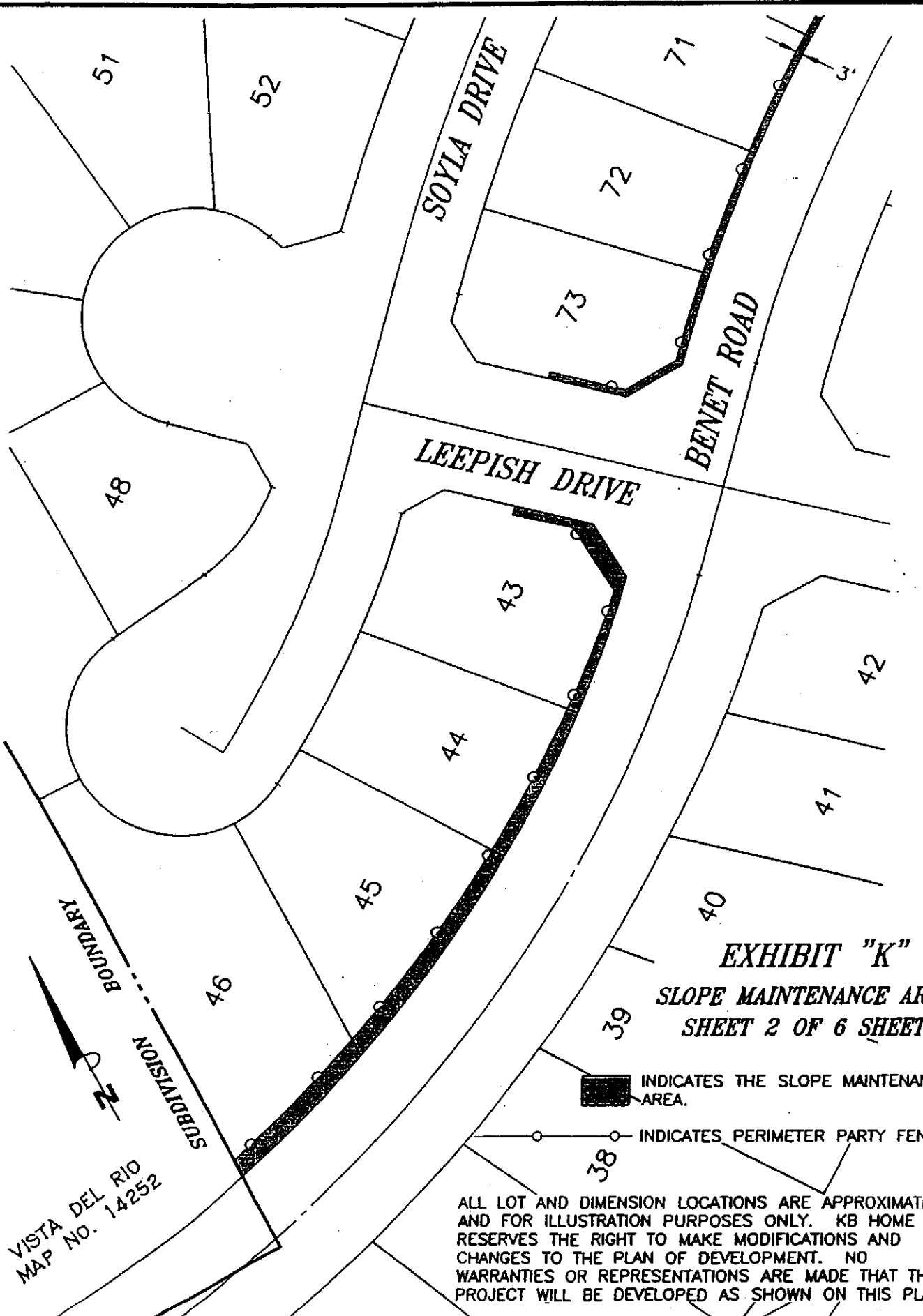



EXHIBIT "K"

**SLOPE MAINTENANCE AREAS
SHEET 2 OF 6 SHEETS**

 INDICATES THE SLOPE MAINTENANCE AREA.

 INDICATES PERIMETER PARTY FENCE

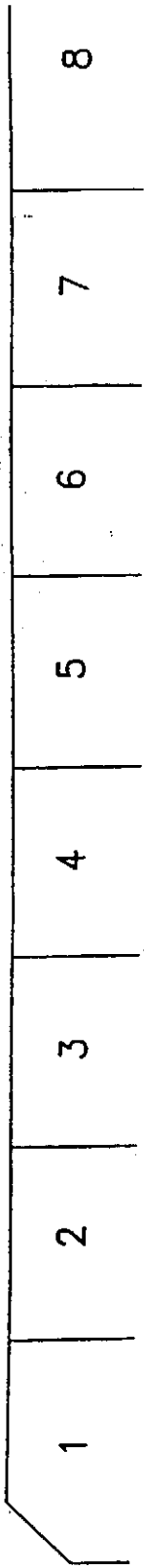
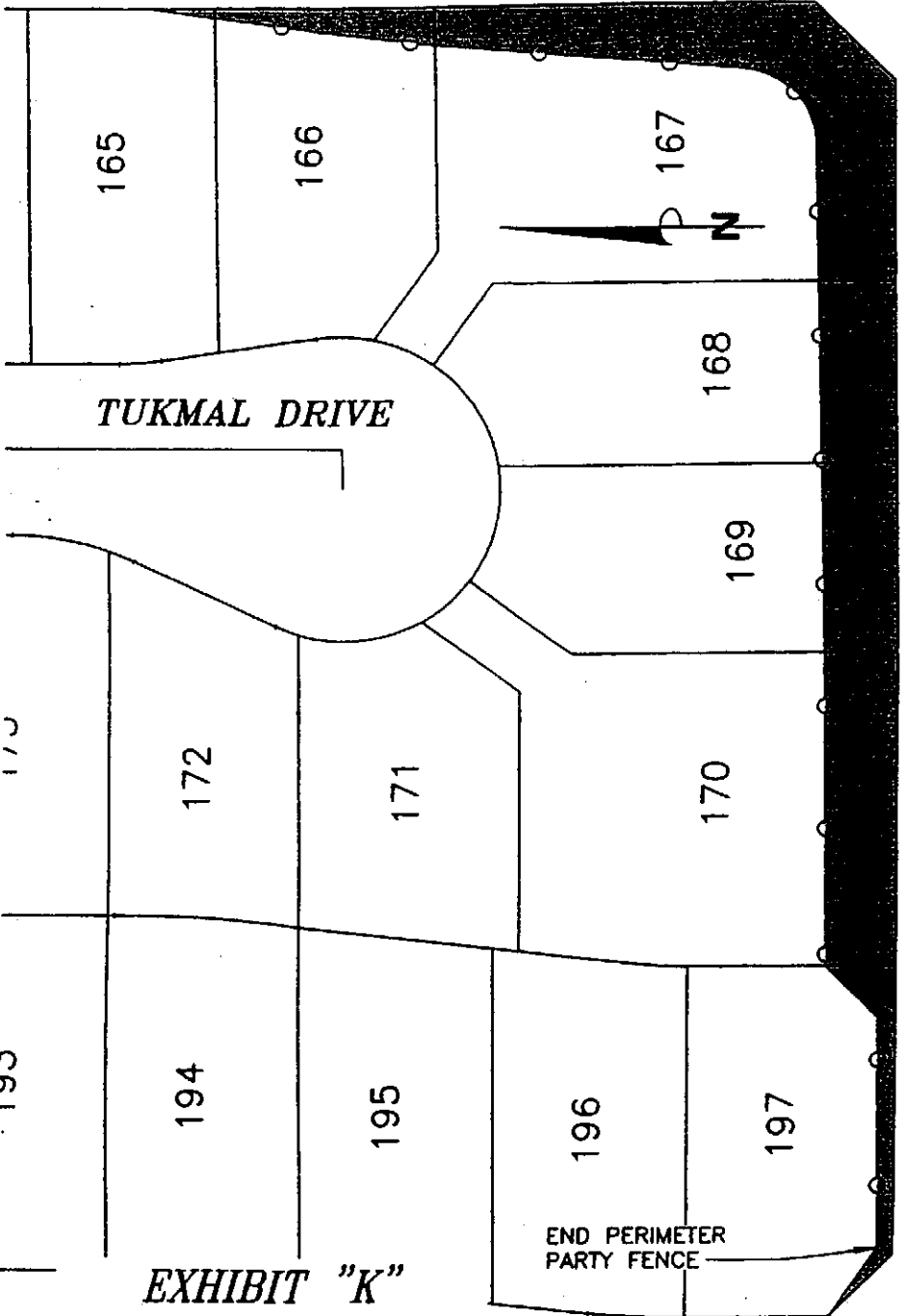
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VISTA DEL RIO
MAP NO. 14252

BOUNDARY
SUBDIVISION



CRESTWOOD DRIVE



BENET ROAD

TUKMAL DRIVE

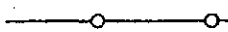
WALA DRIVE

EXHIBIT "K"

SLOPE MAINTENANCE AREAS
SHEET 3 OF 6 SHEETS



INDICATES THE SLOPE MAINTENANCE AREA.



INDICATES PERIMETER PARTY FENCE

ALL LOT AND DIMENSION LOCATIONS ARE APPROXIMATE AND FOR ILLUSTRATION PURPOSES ONLY. KB HOME RESERVES THE RIGHT TO MAKE MODIFICATIONS AND CHANGES TO THE PLAN OF DEVELOPMENT. NO WARRANTIES OR REPRESENTATIONS ARE MADE THAT THE PROJECT WILL BE DEVELOPED AS SHOWN ON THIS PLAN.

WALA DRIVE

■ INDICATES THE SLOPE MAINTENANCE AREA.

○ INDICATES PERIMETER PARTY FENCE

END PERIMETER PARTY FENCE

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200

199

198

205

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209

ANO COURT

210

BENET ROAD

155

154

153

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151

150

TOOPAL DRIVE

EXHIBIT "K"

SLOPE MAINTENANCE AREAS

SHEET 4 OF 6 SHEETS

LOT C2

LOT C1

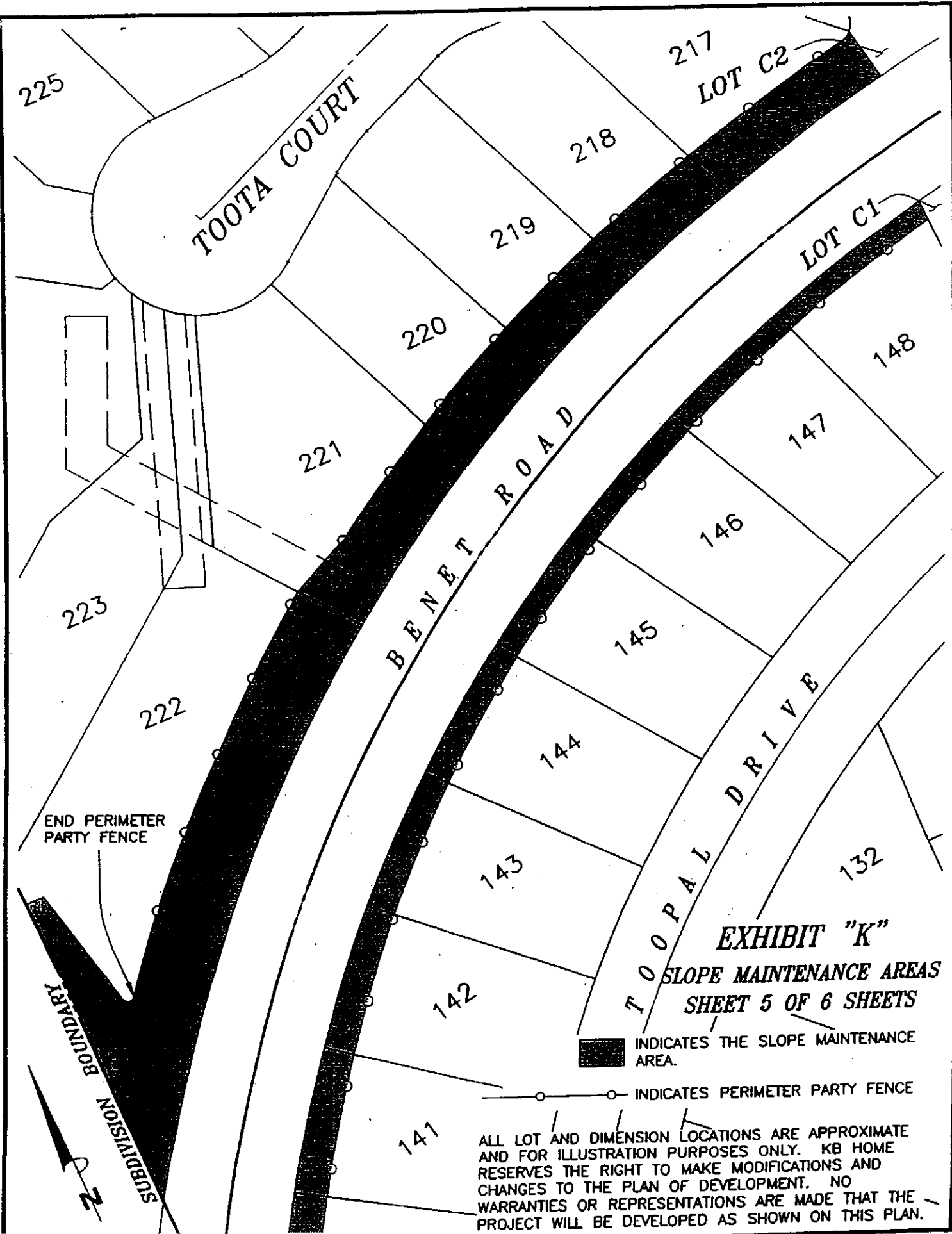


EXHIBIT "K"

**SLOPE MAINTENANCE AREAS
SHEET 5 OF 6 SHEETS**

■ INDICATES THE SLOPE MAINTENANCE AREA.

○ — ○ INDICATES PERIMETER PARTY FENCE

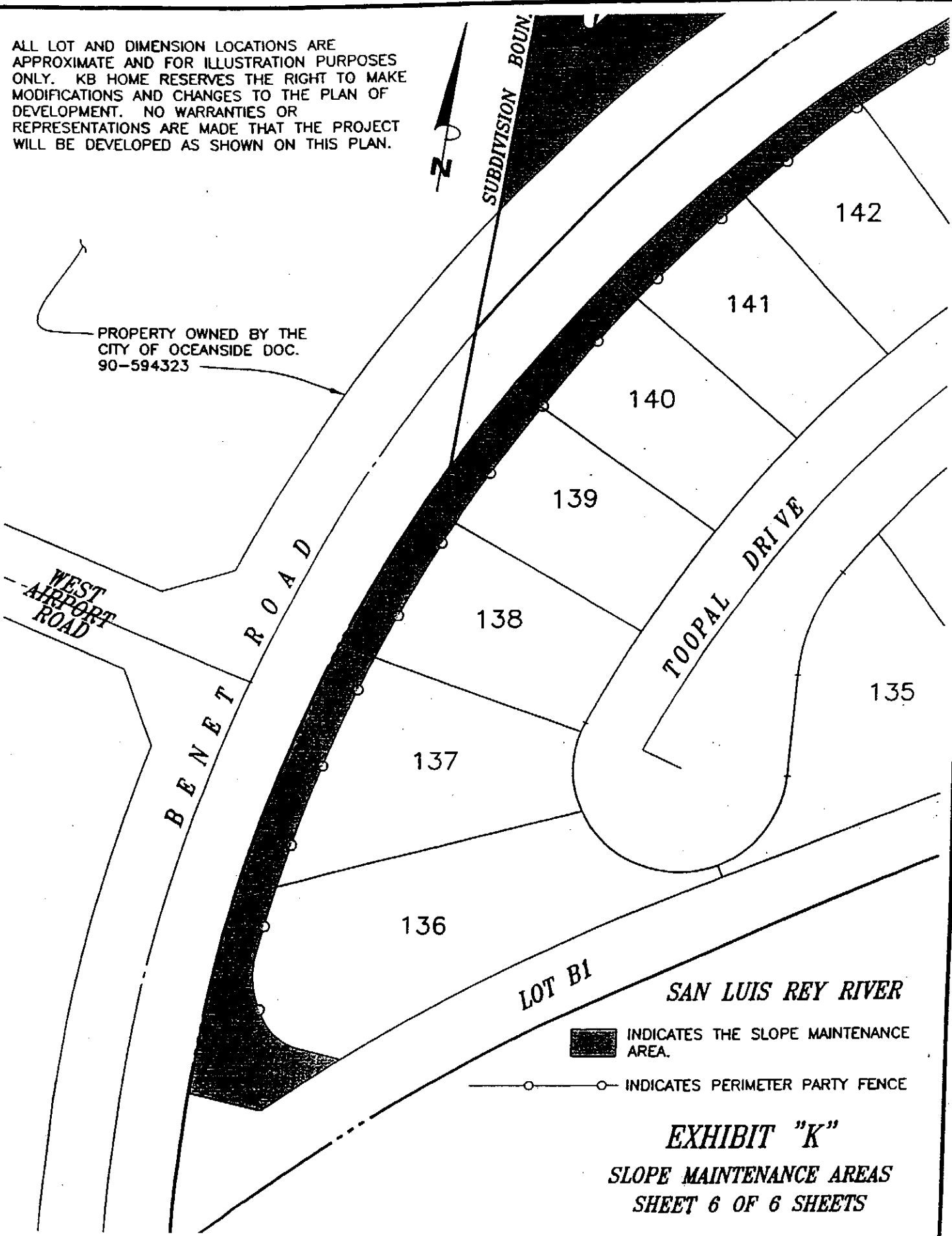
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SUBDIVISION BOUND.

PROPERTY OWNED BY THE CITY OF OCEANSIDE DOC. 90-594323



INDICATES THE SLOPE MAINTENANCE AREA.

INDICATES PERIMETER PARTY FENCE

EXHIBIT "K"
SLOPE MAINTENANCE AREAS
SHEET 6 OF 6 SHEETS

Exhibit "L"
Sheet 1 of 3

Trails
(Supplement to Section 2.62)

Those portions of the association property over which pedestrian trails shall be open for public use are shown on accompanying Sheets 2 and 3. Exhibit "L", Sheet 2 is a facsimile of a portion of sheet 3 of the Preliminary Grading Plan for Wanis View Estates which is on file in the office of the City Engineer of the City of Oceanside as drawing no. 2118; Exhibit "L" Sheet 3 is a facsimile of a portion of sheet 6.

ALL LOT AND DIMENSION LOCATIONS ARE APPROXIMATE AND FOR ILLUSTRATION PURPOSES ONLY. KB HOME RESERVES THE RIGHT TO MAKE MODIFICATIONS AND CHANGES TO THE PLAN OF DEVELOPMENT. NO WARRANTIES OR REPRESENTATIONS ARE MADE THAT THE PROJECT WILL BE DEVELOPED AS SHOWN ON THIS PLAN.

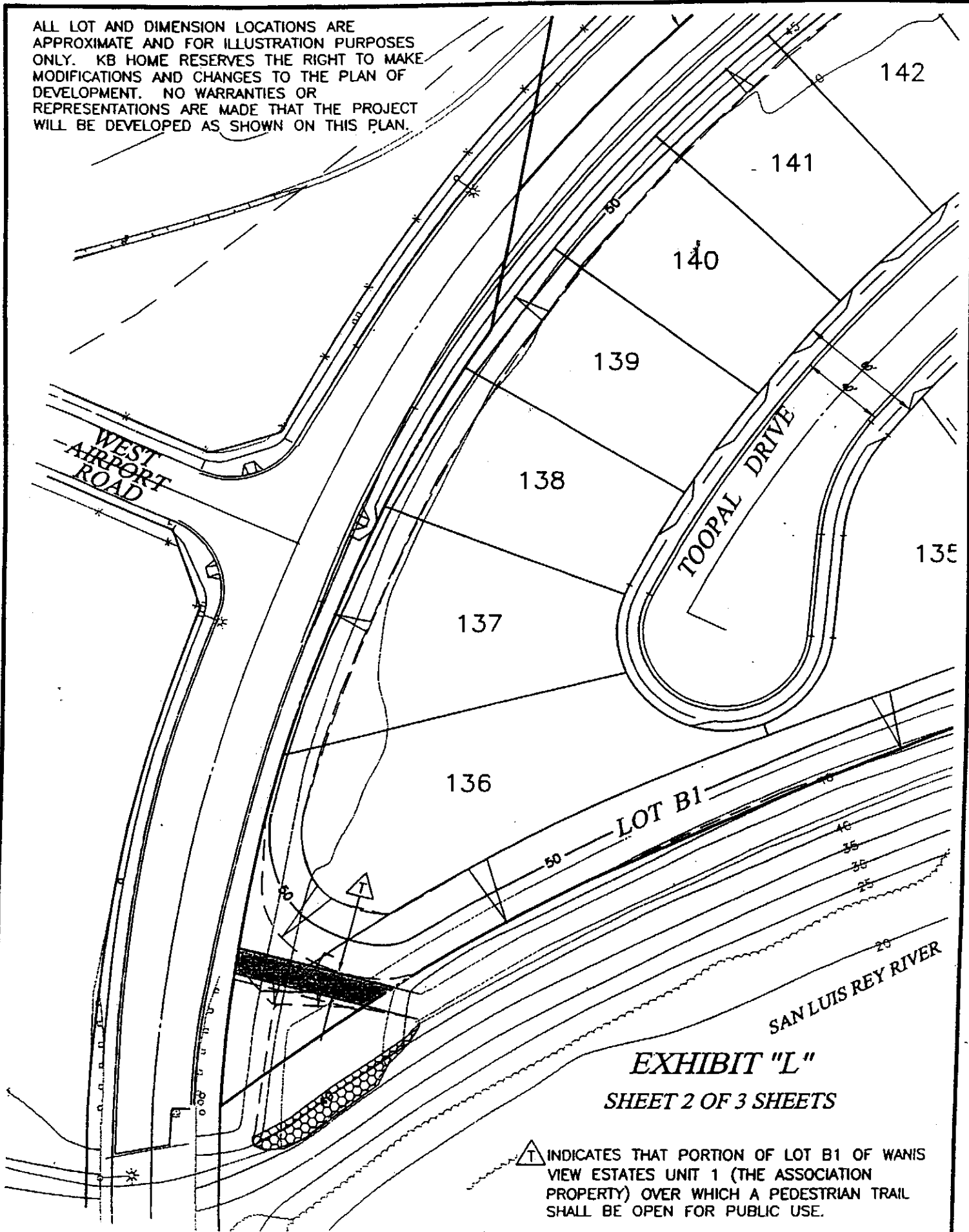


EXHIBIT "L"

SHEET 2 OF 3 SHEETS

△ INDICATES THAT PORTION OF LOT B1 OF WANIS VIEW ESTATES UNIT 1 (THE ASSOCIATION PROPERTY) OVER WHICH A PEDESTRIAN TRAIL SHALL BE OPEN FOR PUBLIC USE.

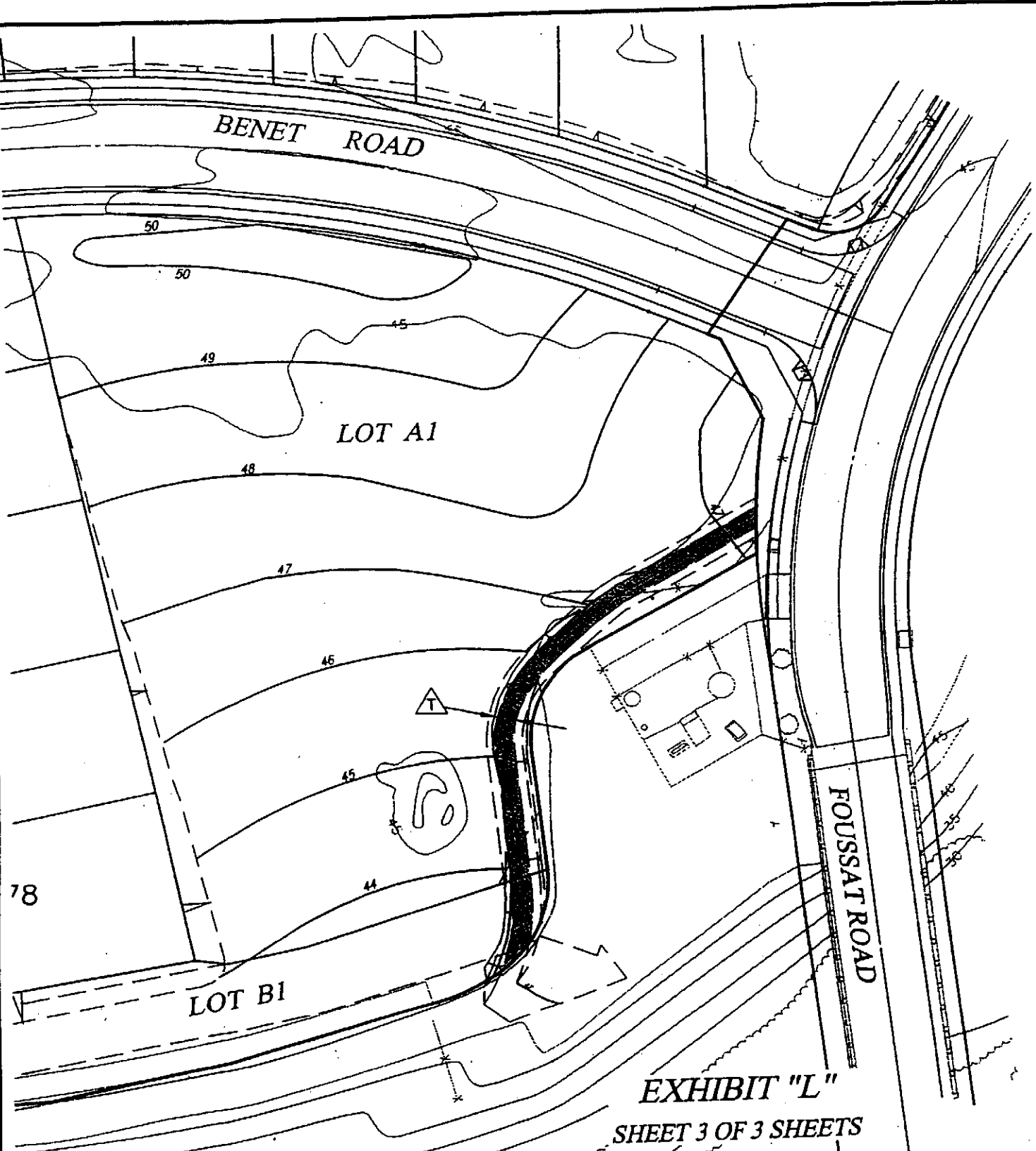


EXHIBIT "L"

SHEET 3 OF 3 SHEETS

△ INDICATES THOSE PORTIONS OF LOTS A1 AND B1 OF WANIS VIEW ESTATES UNIT 1 (THE ASSOCIATION PROPERTY) OVER WHICH A PEDESTRIAN TRAIL SHALL BE OPEN FOR PUBLIC USE.

SAN LUIS REY RIVER

ALL LOT AND DIMENSION LOCATIONS ARE APPROXIMATE AND FOR ILLUSTRATION PURPOSES ONLY. KB HOME RESERVES THE RIGHT TO MAKE MODIFICATIONS AND CHANGES TO THE PLAN OF DEVELOPMENT. NO WARRANTIES OR REPRESENTATIONS ARE MADE THAT THE PROJECT WILL BE DEVELOPED AS SHOWN ON THIS PLAN.

EXHIBIT "A"

Legal Description of the Property

LOTS 43 THROUGH 56, INCLUSIVE AND LOTS 72 AND 73 OF WANIS VIEW ESTATES UNIT 1, IN THE CITY OF OCEANSIDE, COUNTY OF SAN DIEGO, STATE OF CALIFORNIA, ACCORDING TO MAP THEREOF NO. 14539 FILED IN THE OFFICE OF THE COUNTY RECORDER OF SAN DIEGO COUNTY ON FEBRUARY 11, 2003.

EXHIBIT "B"

Additional Property

LOTS 1 THROUGH 42, INCLUSIVE, LOTS 57 THROUGH 71, INCLUSIVE, LOTS 74 THROUGH 156, INCLUSIVE AND LOTS A1, B1 AND C1 OF WANIS VIEW ESTATES UNIT 1, IN THE CITY OF OCEANSIDE, COUNTY OF SAN DIEGO, STATE OF CALIFORNIA, ACCORDING TO MAP THEREOF NO. 14539 FILED IN THE OFFICE OF THE COUNTY RECORDER OF SAN DIEGO COUNTY ON FEBRUARY 11, 2003.

LOTS 157 THROUGH 299, INCLUSIVE AND LOTS A2, C2 AND D2 OF WANIS VIEW ESTATES UNIT 2, IN THE CITY OF OCEANSIDE, COUNTY OF SAN DIEGO, STATE OF CALIFORNIA, ACCORDING TO MAP THEREOF NO. 14540 FILED IN THE OFFICE OF THE COUNTY RECORDER OF SAN DIEGO COUNTY ON FEBRUARY 11, 2003.

HUULA DRIVE

Unit2- 234

Unit2- 233

Unit2- 232

LIMIT OF ZONE 1
IRRIGATED ORNAMENTAL
LANDSCAPE

Unit2- 225

Unit2- 224

LIMIT OF ZONE 2 —
BRUSH MANAGEMENT
FUEL MODIFICATION
AREA AND SCRUB
HABITAT INTERFACE



ALL LOT AND DIMENSION
LOCATIONS ARE APPROXIMATE
AND FOR ILLUSTRATION
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PLAN.

BRUSH MANAGEMENT FUEL MODIFICATION ZONE CORRESPONDS TO SAN DIEGO
COUNTY FIRE CHIEF'S ASSOCIATION 'WILDLAND/URBAN INTERFACE
DEVELOPMENT STANDARDS' AUGUST, 1997

EXHIBIT 'C'

BRUSH MANAGEMENT

FUEL MODIFICATION ZONES:

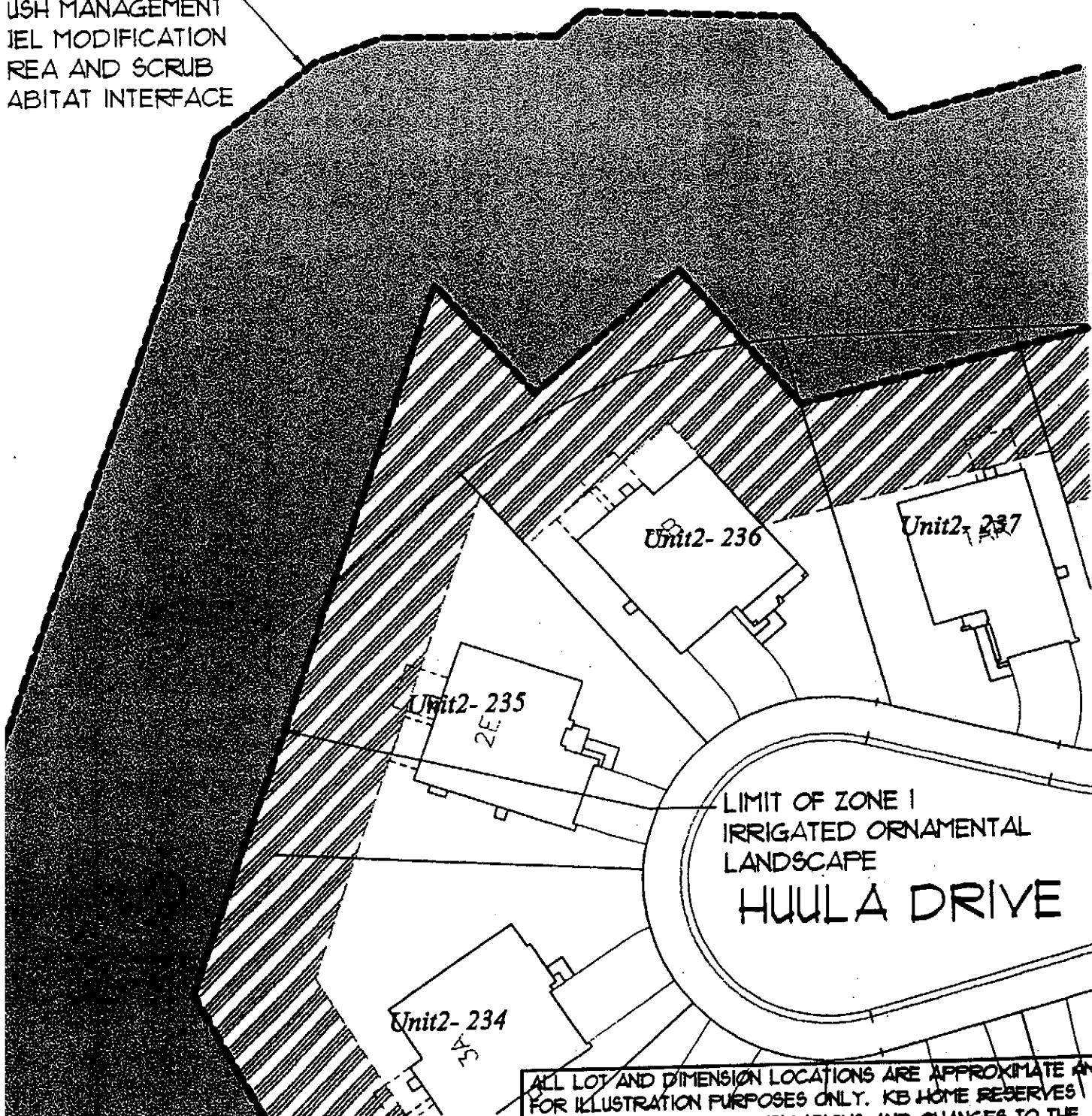
- ZONE '1' : AREA WITHIN PROPERTY LINE
(30' AVERAGE FROM STRUCTURE) 
- ZONE '2' : AREA BETWEEN PROPERTY LINE AND
ZONE LIMIT LINE AS SHOWN
(70' AVERAGE) 

SEE FUEL MODIFICATION DETAIL

SHEET 1 OF 19 SCALE: 1"=40'

BRUSH MANAGEMENT EXHIBIT 'C'

MIT OF ZONE 2
 BRUSH MANAGEMENT
 FUEL MODIFICATION
 AREA AND SCRUB
 HABITAT INTERFACE





BRUSH MANAGEMENT FUEL MODIFICATION
 ZONE 1 CORRESPONDS TO SAN DIEGO
 COUNTY FIRE CHIEF'S ASSOCIATION
 WILDLAND/URBAN INTERFACE
 DEVELOPMENT STANDARDS'
 AUGUST, 1997

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EXHIBIT 'C'
BRUSH MANAGEMENT
 SHEET 2 OF 19 SCALE: 1"=40'

FUEL MODIFICATION ZONES:

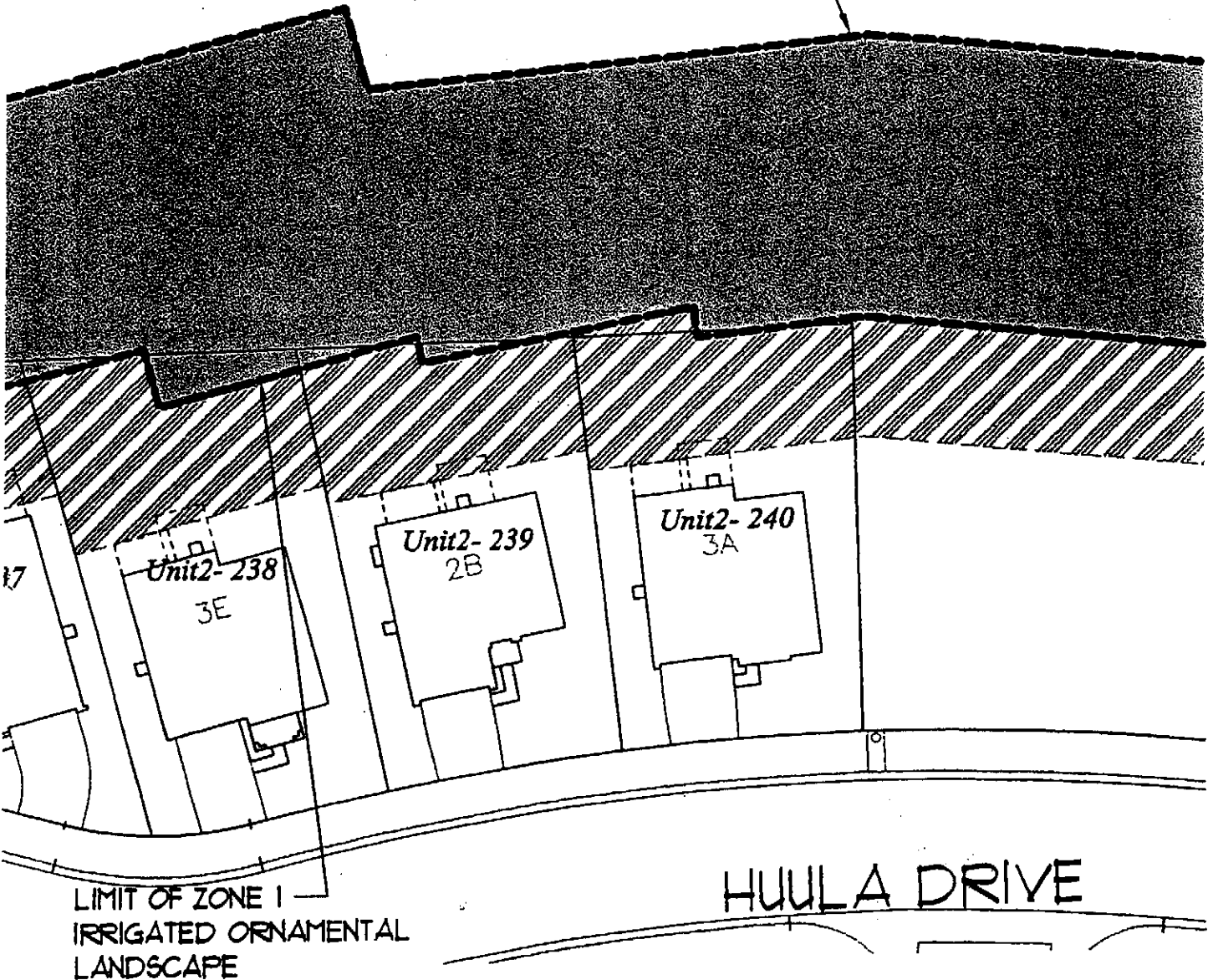
- ZONE '1' : AREA WITHIN PROPERTY LINE
 (30' AVERAGE FROM STRUCTURE) 
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 ZONE LIMIT LINE AS SHOWN
 (70' AVERAGE) 

SEE FUEL MODIFICATION DETAIL

BRUSH MANAGEMENT EXHIBIT 'C'

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LIMIT OF ZONE 2
BUSH MANAGEMENT
FUEL MODIFICATION
AREA AND SCRUB
HABITAT INTERFACE




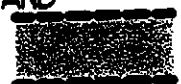
BRUSH MANAGEMENT FUEL MODIFICATION ZONE CORRESPONDS TO SAN DIEGO COUNTY FIRE CHIEF'S ASSOCIATION 'WILDLAND/URBAN INTERFACE DEVELOPMENT STANDARDS' AUGUST, 1997

EXHIBIT 'C'

BRUSH MANAGEMENT

SHEET 3 OF 19 SCALE: 1"=40'

FUEL MODIFICATION ZONES:

- ZONE '1': AREA WITHIN PROPERTY LINE (30' AVERAGE FROM STRUCTURE) 
- ZONE '2': AREA BETWEEN PROPERTY LINE AND ZONE LIMIT LINE AS SHOWN (70' AVERAGE) 

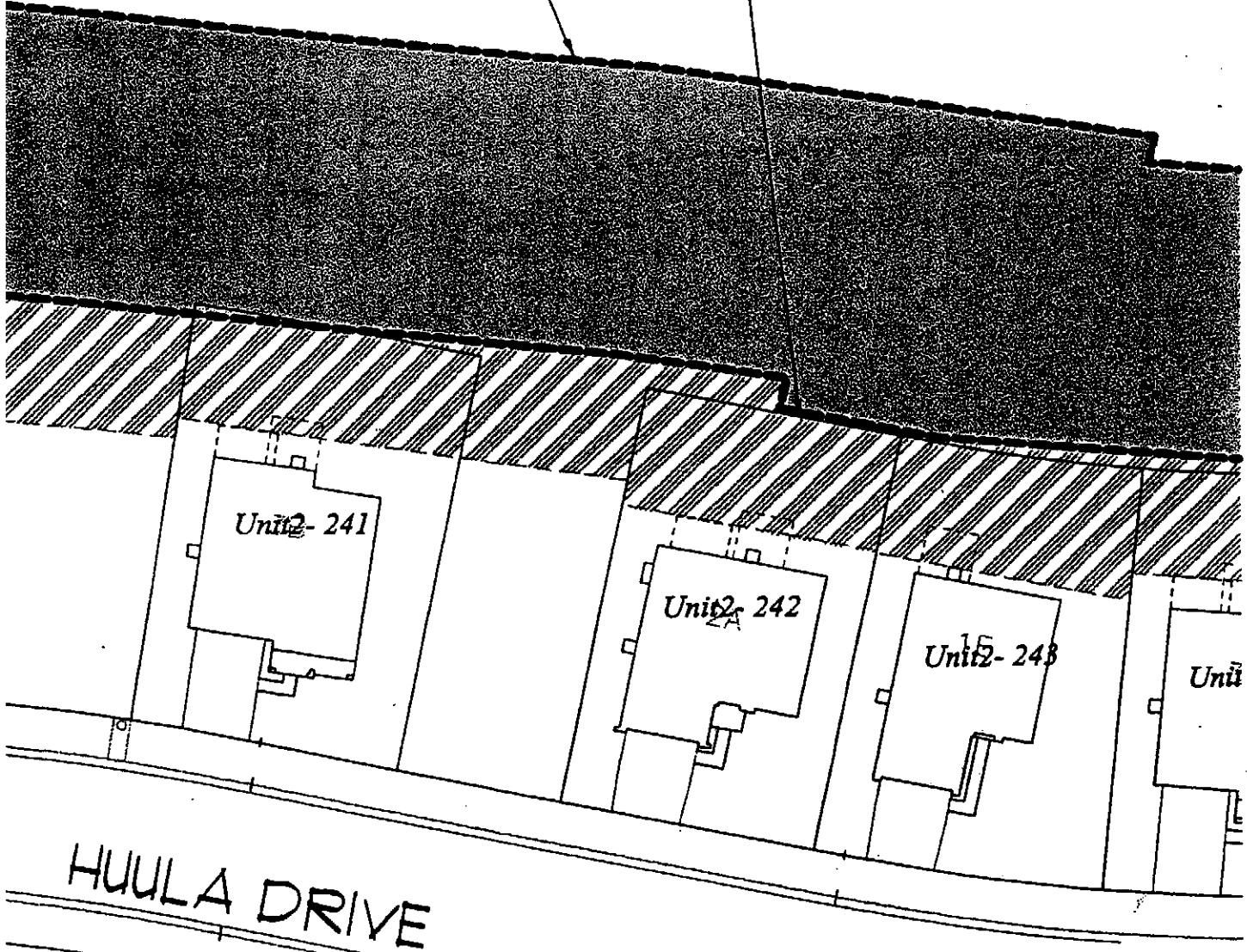
SEE FUEL MODIFICATION DETAIL

BRUSH MANAGEMENT EXHIBIT 'C'

LIMIT OF ZONE 2
 BUSH MANAGEMENT
 FUEL MODIFICATION
 AREA AND SCRUB
 HABITAT INTERFACE

ALL LOT AND DIMENSION LOCATIONS ARE APPROXIMATE AND FOR ILLUSTRATION PURPOSES ONLY. KB HOME RESERVES THE RIGHT TO MAKE MODIFICATIONS AND CHANGES TO THE PLAN OF DEVELOPMENT. NO WARRANTIES OR REPRESENTATIONS ARE MADE THAT THE PROJECT WILL BE DEVELOPED AS SHOWN ON THIS PLAN.

LIMIT OF ZONE 1
 IRRIGATED ORNAMENTAL
 LANDSCAPE




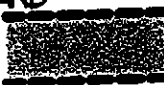
HUULA DRIVE

BRUSH MANAGEMENT FUEL MODIFICATION ZONE CORRESPONDS TO SAN DIEGO COUNTY FIRE CHIEF'S ASSOCIATION 'WILDLAND/URBAN INTERFACE DEVELOPMENT STANDARDS' AUGUST, 1997

EXHIBIT 'C'
BRUSH MANAGEMENT

SHEET 4 OF 19 SCALE: 1"=40'

FUEL MODIFICATION ZONES:

- ZONE '1' : AREA WITHIN PROPERTY LINE (30' AVERAGE FROM STRUCTURE) 
- ZONE '2' : AREA BETWEEN PROPERTY LINE AND ZONE LIMIT LINE AS SHOWN (70' AVERAGE) 

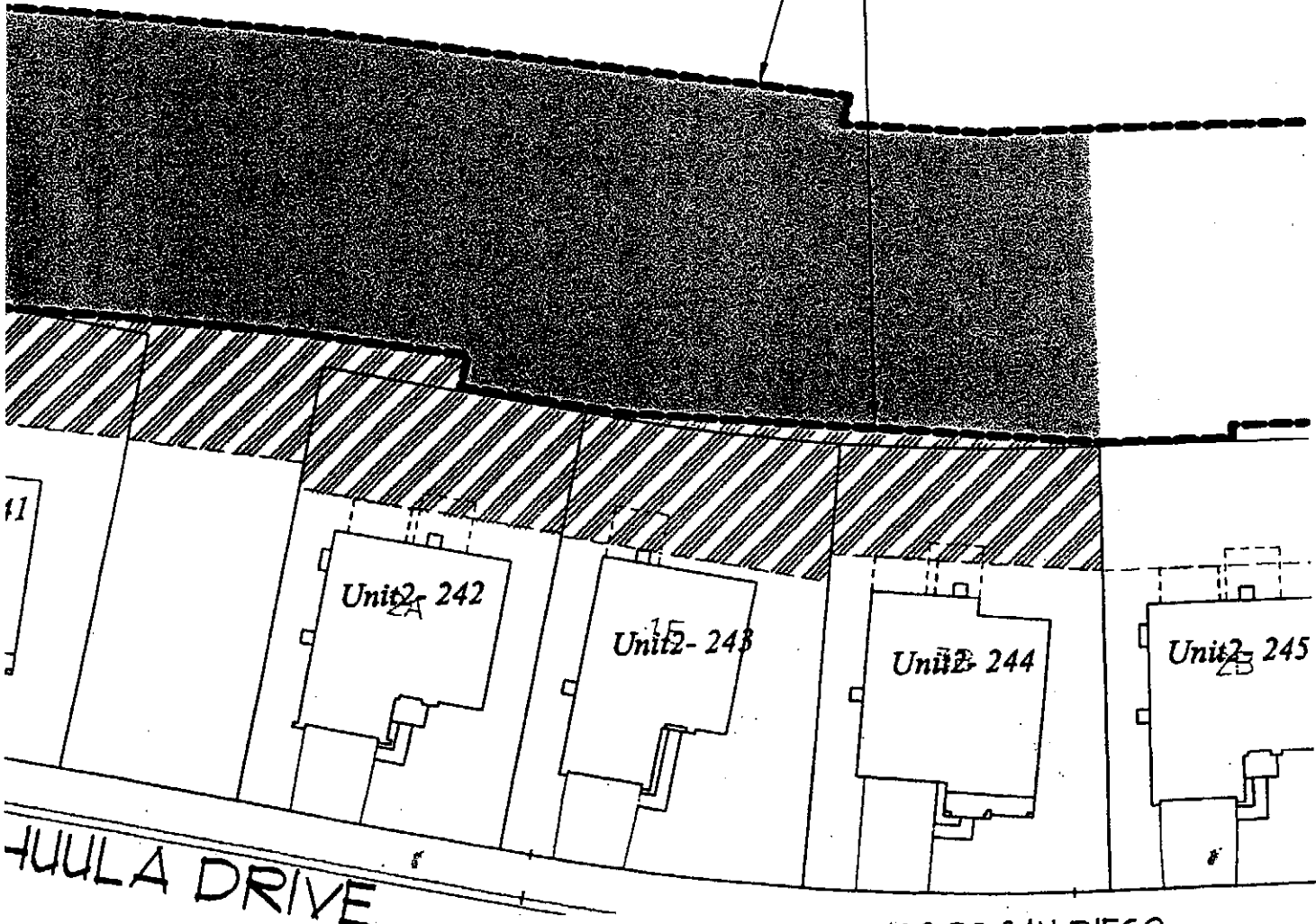
SEE FUEL MODIFICATION DETAIL

BRUSH MANAGEMENT EXHIBIT 'C'

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LIMIT OF ZONE 2
BUSH MANAGEMENT
FUEL MODIFICATION
AREA AND SCRUB
HABITAT INTERFACE

LIMIT OF ZONE 1
IRRIGATED ORNAMENTAL
LANDSCAPE





BRUSH MANAGEMENT FUEL MODIFICATION ZONE CORRESPONDS TO SAN DIEGO COUNTY FIRE CHIEF'S ASSOCIATION 'WILDLAND/URBAN INTERFACE DEVELOPMENT STANDARDS' AUGUST, 1997

EXHIBIT 'C'

BRUSH MANAGEMENT

SHEET 5 OF 19 SCALE: 1"=40'

FUEL MODIFICATION ZONES:

- ZONE '1': AREA WITHIN PROPERTY LINE (30' AVERAGE FROM STRUCTURE) 
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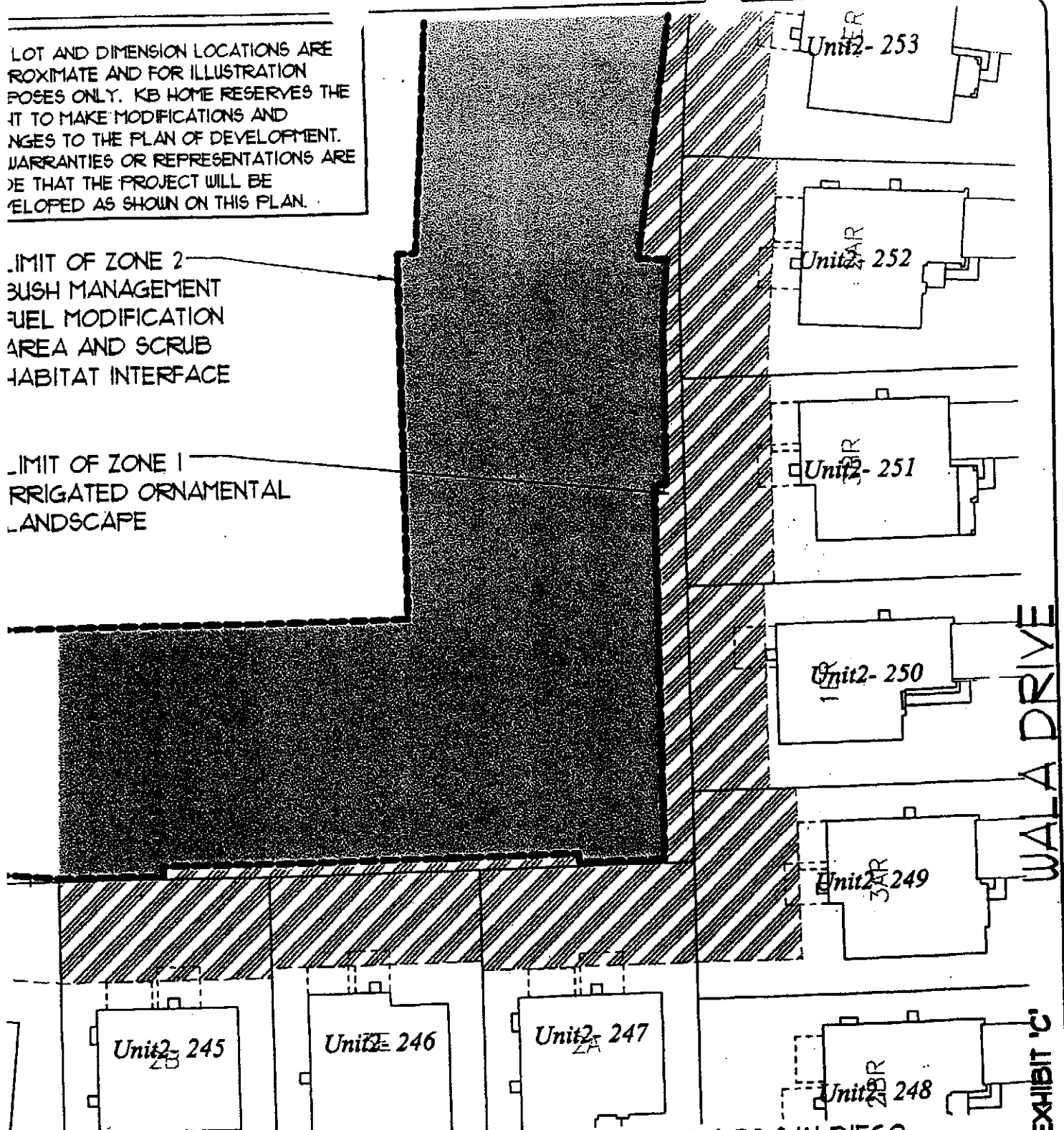
SEE FUEL MODIFICATION DETAIL

BRUSH MANAGEMENT EXHIBIT 'C'

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LIMIT OF ZONE 2
BRUSH MANAGEMENT FUEL MODIFICATION AREA AND SCRUB HABITAT INTERFACE

LIMIT OF ZONE 1
IRRIGATED ORNAMENTAL LANDSCAPE





BRUSH MANAGEMENT FUEL MODIFICATION ZONE CORRESPONDS TO SAN DIEGO COUNTY FIRE CHIEF'S ASSOCIATION 'WILDLAND/URBAN INTERFACE DEVELOPMENT STANDARDS' AUGUST, 1997

EXHIBIT 'C'

BRUSH MANAGEMENT

SHEET 6 OF 19 SCALE: 1"=40'

FUEL MODIFICATION ZONES:

- ZONE '1': AREA WITHIN PROPERTY LINE (30' AVERAGE FROM STRUCTURE) 
- ZONE '2': AREA BETWEEN PROPERTY LINE AND ZONE LIMIT LINE AS SHOWN (70' AVERAGE) 

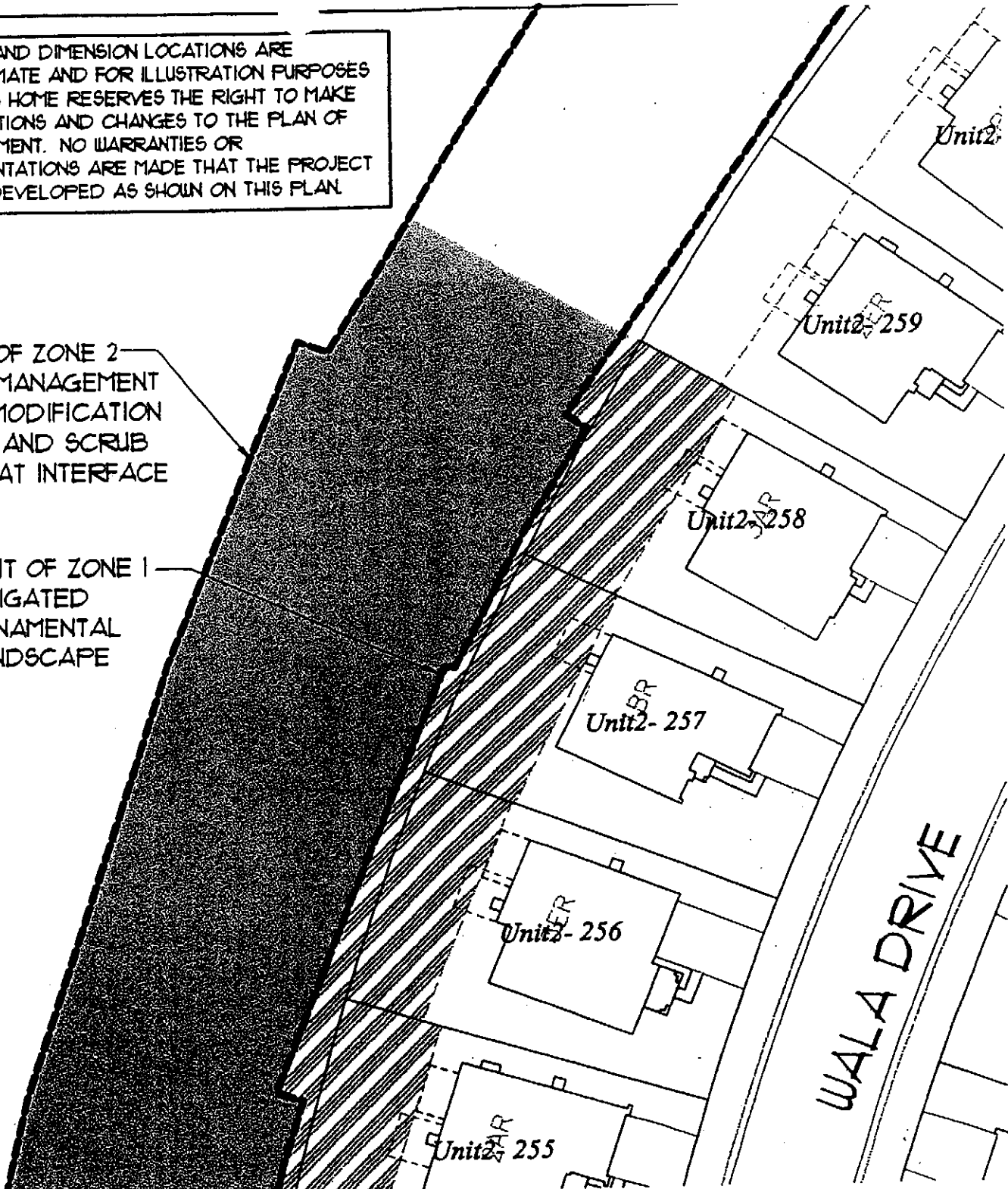
SEE FUEL MODIFICATION DETAIL

WALALA DRIVE
BRUSH MANAGEMENT EXHIBIT 'C'

ALL LOT AND DIMENSION LOCATIONS ARE APPROXIMATE AND FOR ILLUSTRATION PURPOSES ONLY. KB HOME RESERVES THE RIGHT TO MAKE MODIFICATIONS AND CHANGES TO THE PLAN OF DEVELOPMENT. NO WARRANTIES OR REPRESENTATIONS ARE MADE THAT THE PROJECT WILL BE DEVELOPED AS SHOWN ON THIS PLAN.

LIMIT OF ZONE 2
BUSH MANAGEMENT
FUEL MODIFICATION
AREA AND SCRUB
HABITAT INTERFACE

LIMIT OF ZONE 1
IRRIGATED
ORNAMENTAL
LANDSCAPE





BRUSH MANAGEMENT FUEL MODIFICATION ZONE CORRESPONDS TO SAN DIEGO COUNTY FIRE CHIEF'S ASSOCIATION 'WILDLAND/URBAN INTERFACE DEVELOPMENT STANDARDS' AUGUST, 1997

EXHIBIT 'C'

BRUSH MANAGEMENT

FUEL MODIFICATION ZONES:

- ZONE '1' : AREA WITHIN PROPERTY LINE (30' AVERAGE FROM STRUCTURE) 
- ZONE '2' : AREA BETWEEN PROPERTY LINE AND ZONE LIMIT LINE AS SHOWN (70' AVERAGE) 

SHEET 7 OF 19 SCALE: 1"=40'

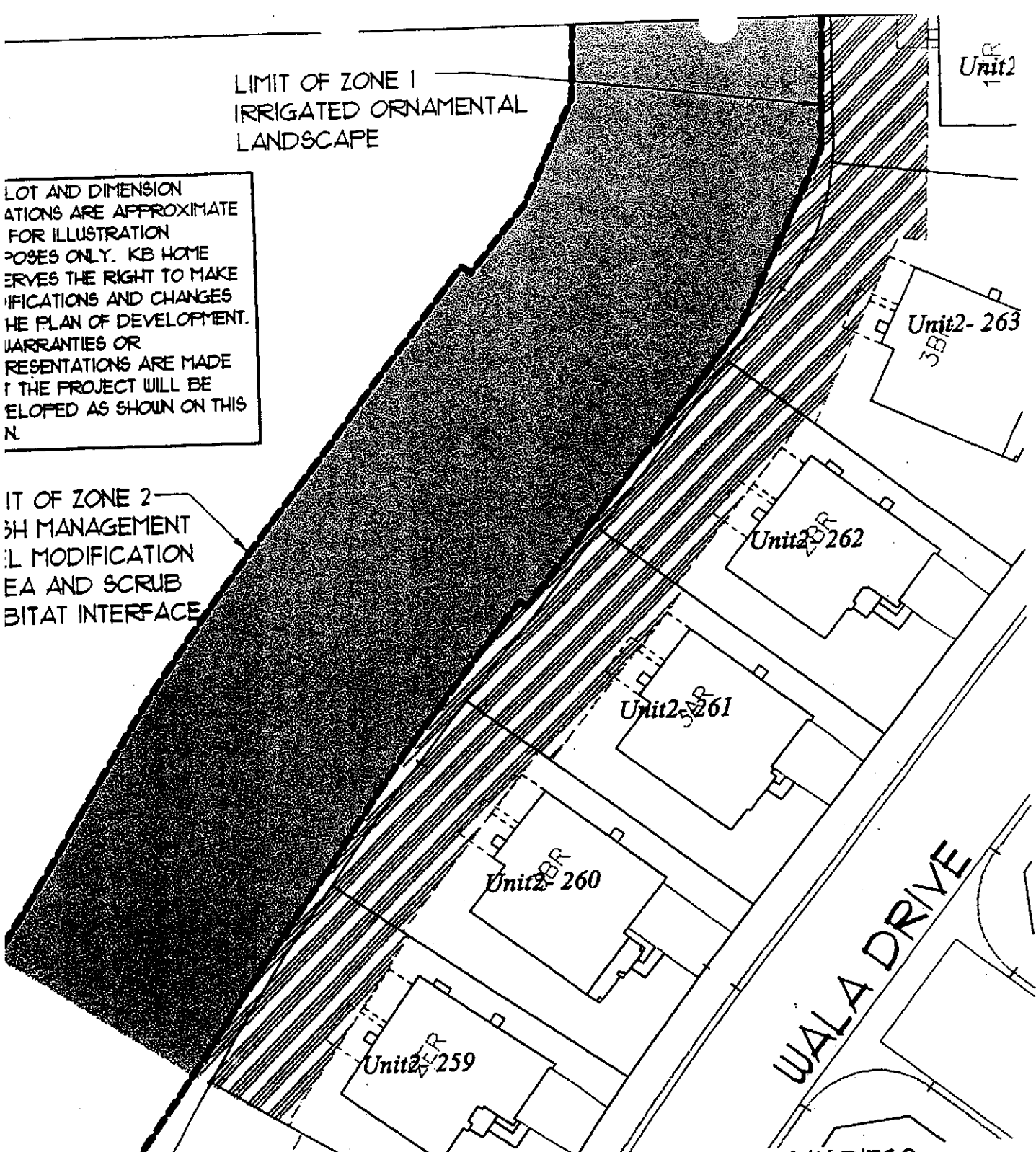
SEE FUEL MODIFICATION DETAIL

BRUSH MANAGEMENT EXHIBIT 'C'

LIMIT OF ZONE 1
IRRIGATED ORNAMENTAL
LANDSCAPE

LOT AND DIMENSION
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LIMIT OF ZONE 2
SH MANAGEMENT
IL MODIFICATION
EA AND SCRUB
BITAT INTERFACE





BRUSH MANAGEMENT FUEL MODIFICATION ZONE CORRESPONDS TO SAN DIEGO
COUNTY FIRE CHIEF'S ASSOCIATION 'WILDLAND/URBAN INTERFACE
DEVELOPMENT STANDARDS' AUGUST, 1997

EXHIBIT 'C'

BRUSH MANAGEMENT

SHEET 8 OF 19 SCALE: 1"=40'

FUEL MODIFICATION ZONES:

- ZONE '1' : AREA WITHIN PROPERTY LINE (30' AVERAGE FROM STRUCTURE) 
- ZONE '2' : AREA BETWEEN PROPERTY LINE AND ZONE LIMIT LINE AS SHOWN (70' AVERAGE) 

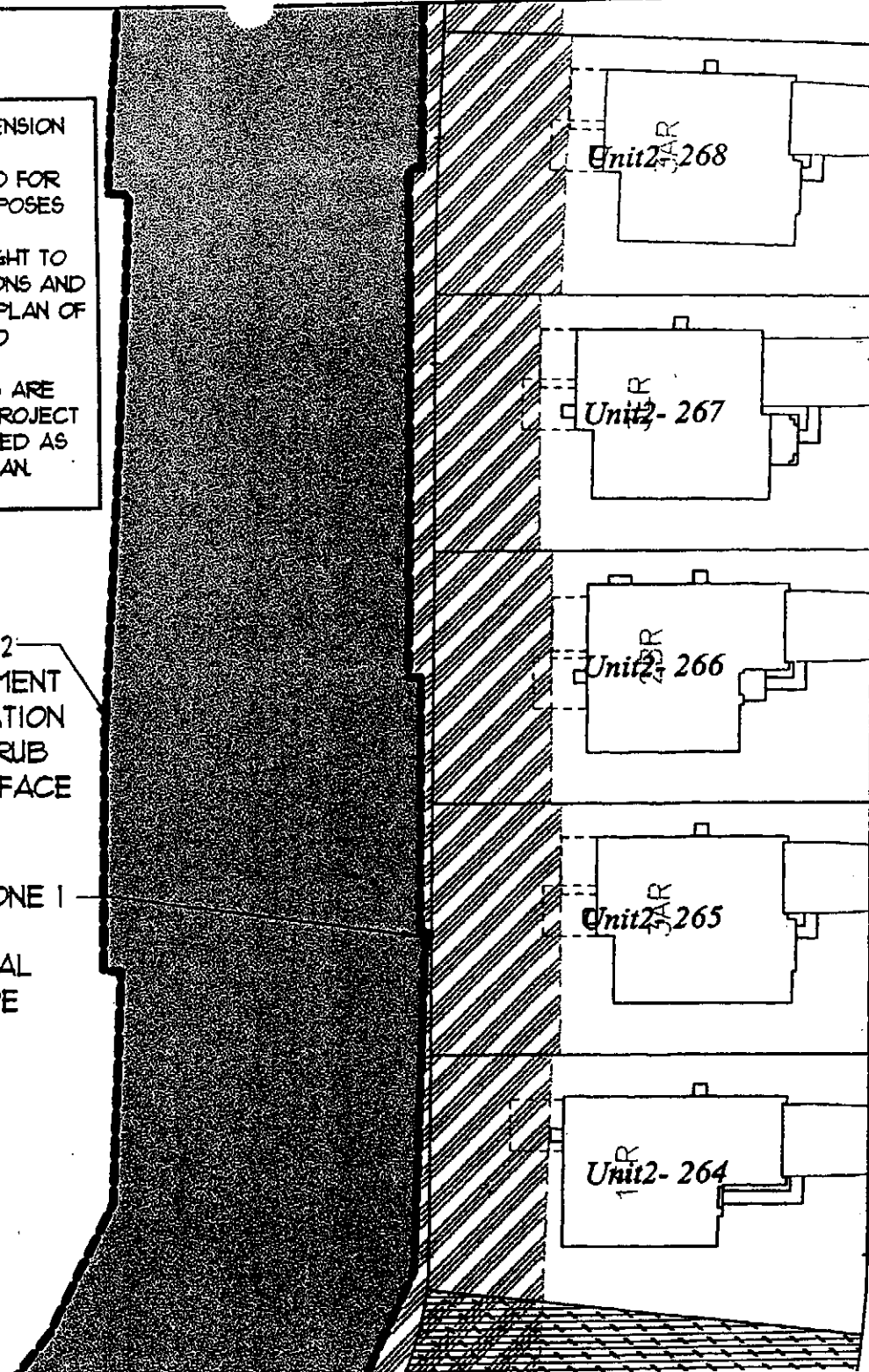
SEE FUEL MODIFICATION DETAIL

BRUSH MANAGEMENT EXHIBIT 'C'

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LIMIT OF ZONE 2
BRUSH MANAGEMENT FUEL MODIFICATION AREA AND SCRUB HABITAT INTERFACE

LIMIT OF ZONE 1
IRRIGATED ORNAMENTAL LANDSCAPE



WALA DRIVE



BRUSH MANAGEMENT FUEL MODIFICATION ZONE CORRESPONDS TO SAN DIEGO COUNTY FIRE CHIEF'S ASSOCIATION 'WILDLAND/URBAN INTERFACE DEVELOPMENT STANDARDS' AUGUST, 1997

EXHIBIT 'C'

BRUSH MANAGEMENT

SHEET 9 OF 19 SCALE: 1"=40'

FUEL MODIFICATION ZONES:

- ZONE '1' : AREA WITHIN PROPERTY LINE (30' AVERAGE FROM STRUCTURE) 
- ZONE '2' : AREA BETWEEN PROPERTY LINE AND ZONE LIMIT LINE AS SHOWN (70' AVERAGE) 

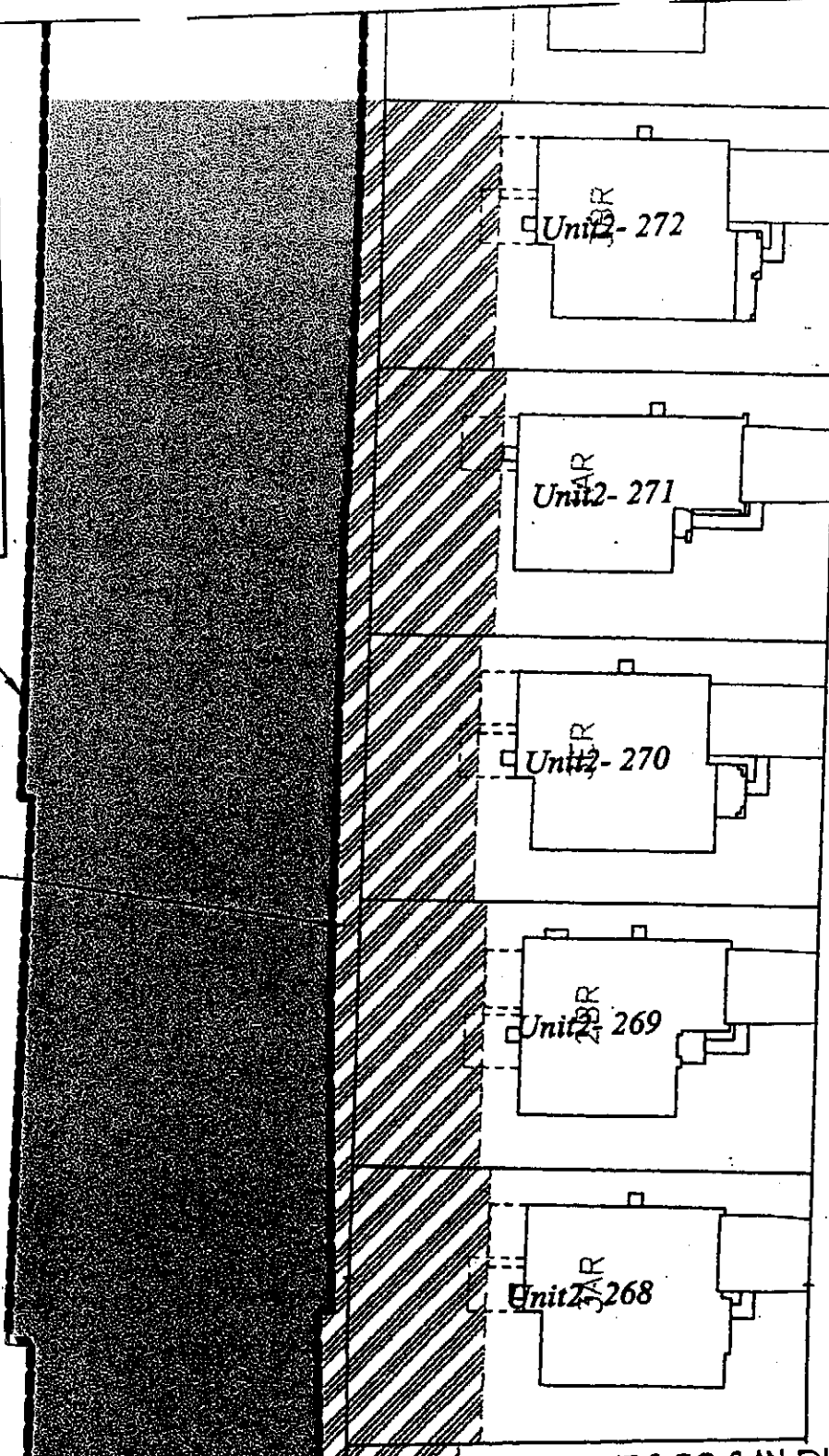
SEE FUEL MODIFICATION DETAIL

BRUSH MANAGEMENT EXHIBIT 'C'

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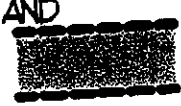


WALA DRIVE

BRUSH MANAGEMENT FUEL MODIFICATION ZONE CORRESPONDS TO SAN DIEGO
 COUNTY FIRE CHIEF'S ASSOCIATION 'WILDLAND/URBAN INTERFACE
 DEVELOPMENT STANDARDS' AUGUST, 1997

EXHIBIT 'C'
BRUSH MANAGEMENT

FUEL MODIFICATION ZONES:

- ZONE '1' : AREA WITHIN PROPERTY LINE (30' AVERAGE FROM STRUCTURE) 
- ZONE '2' : AREA BETWEEN PROPERTY LINE AND ZONE LIMIT LINE AS SHOWN (70' AVERAGE) 

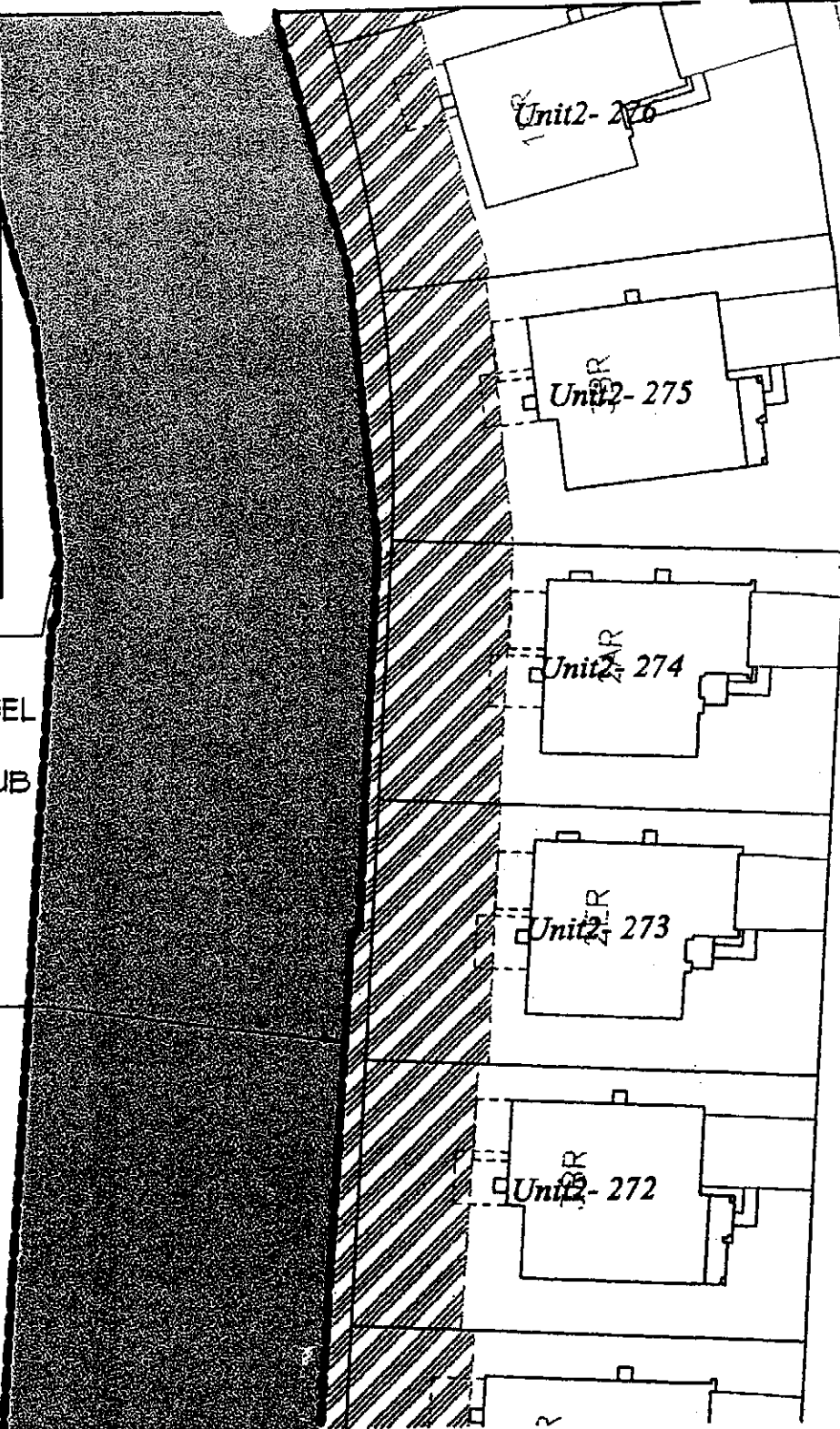
SEE FUEL MODIFICATION DETAIL

BRUSH MANAGEMENT EXHIBIT 'C'

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LIMIT OF ZONE 2
 BRUSH MANAGEMENT FUEL MODIFICATION AREA AND SCRUB HABITAT INTERFACE

LIMIT OF ZONE 1
 IRRIGATED ORNAMENTAL LANDSCAPE



WALA DRIVE



BRUSH MANAGEMENT FUEL MODIFICATION ZONE CORRESPONDS TO SAN DIEGO COUNTY FIRE CHIEF'S ASSOCIATION 'WILDLAND/URBAN INTERFACE DEVELOPMENT STANDARDS' AUGUST, 1997

EXHIBIT 'C'

BRUSH MANAGEMENT

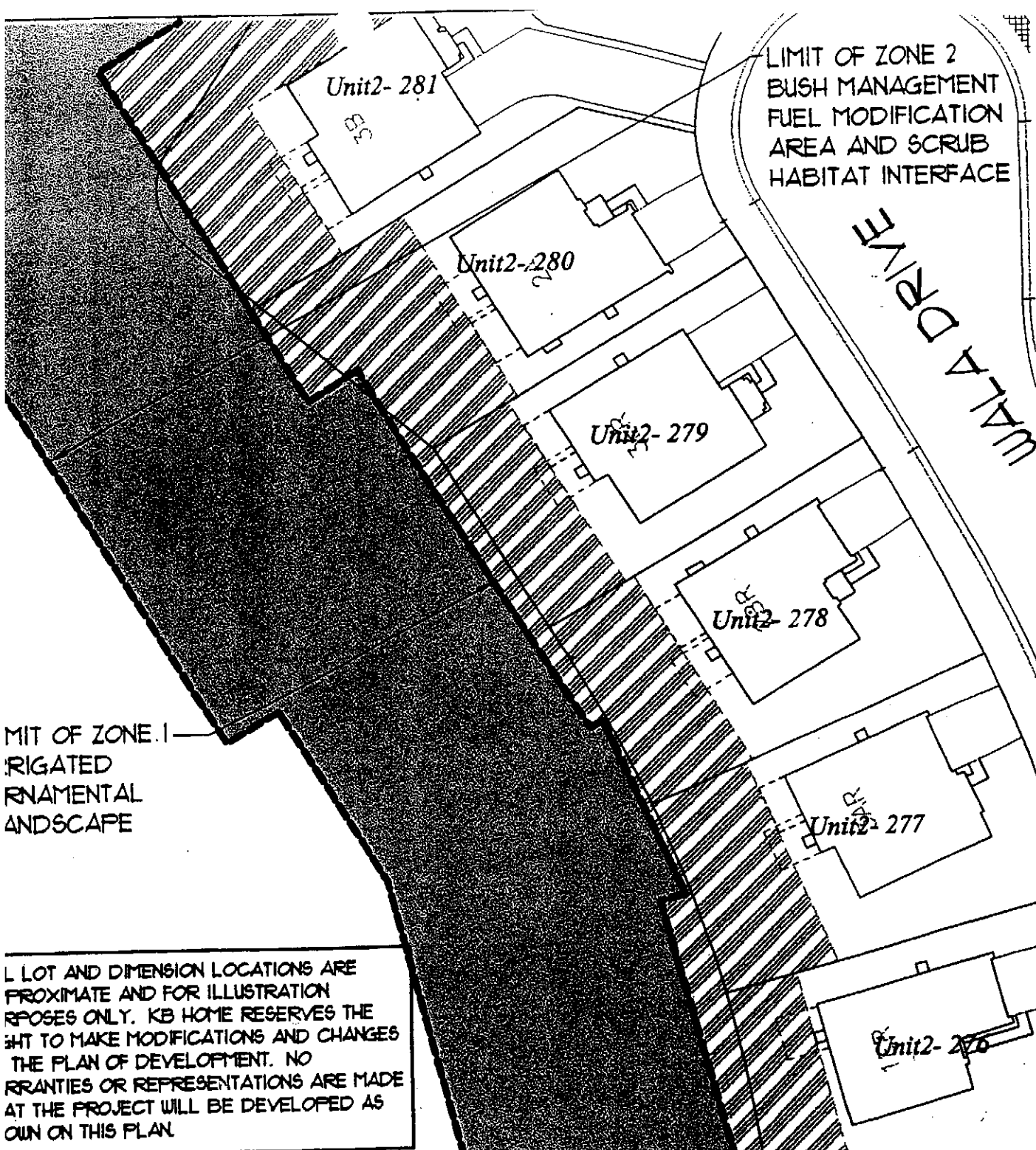
SHEET 11 OF 19 SCALE: 1"=40'

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SEE FUEL MODIFICATION DETAIL

BRUSH MANAGEMENT EXHIBIT 'C'



LIMIT OF ZONE 1
IRRIGATED
ORNAMENTAL
LANDSCAPE

LIMIT OF ZONE 2
BUSH MANAGEMENT
FUEL MODIFICATION
AREA AND SCRUB
HABITAT INTERFACE

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BRUSH MANAGEMENT FUEL MODIFICATION ZONE CORRESPONDS TO SAN DIEGO COUNTY FIRE CHIEF'S ASSOCIATION 'WILDLAND/URBAN INTERFACE DEVELOPMENT STANDARDS' AUGUST, 1997

EXHIBIT 'C'

BRUSH MANAGEMENT

SHEET 12 OF 19 SCALE: 1"=40'

FUEL MODIFICATION ZONES:

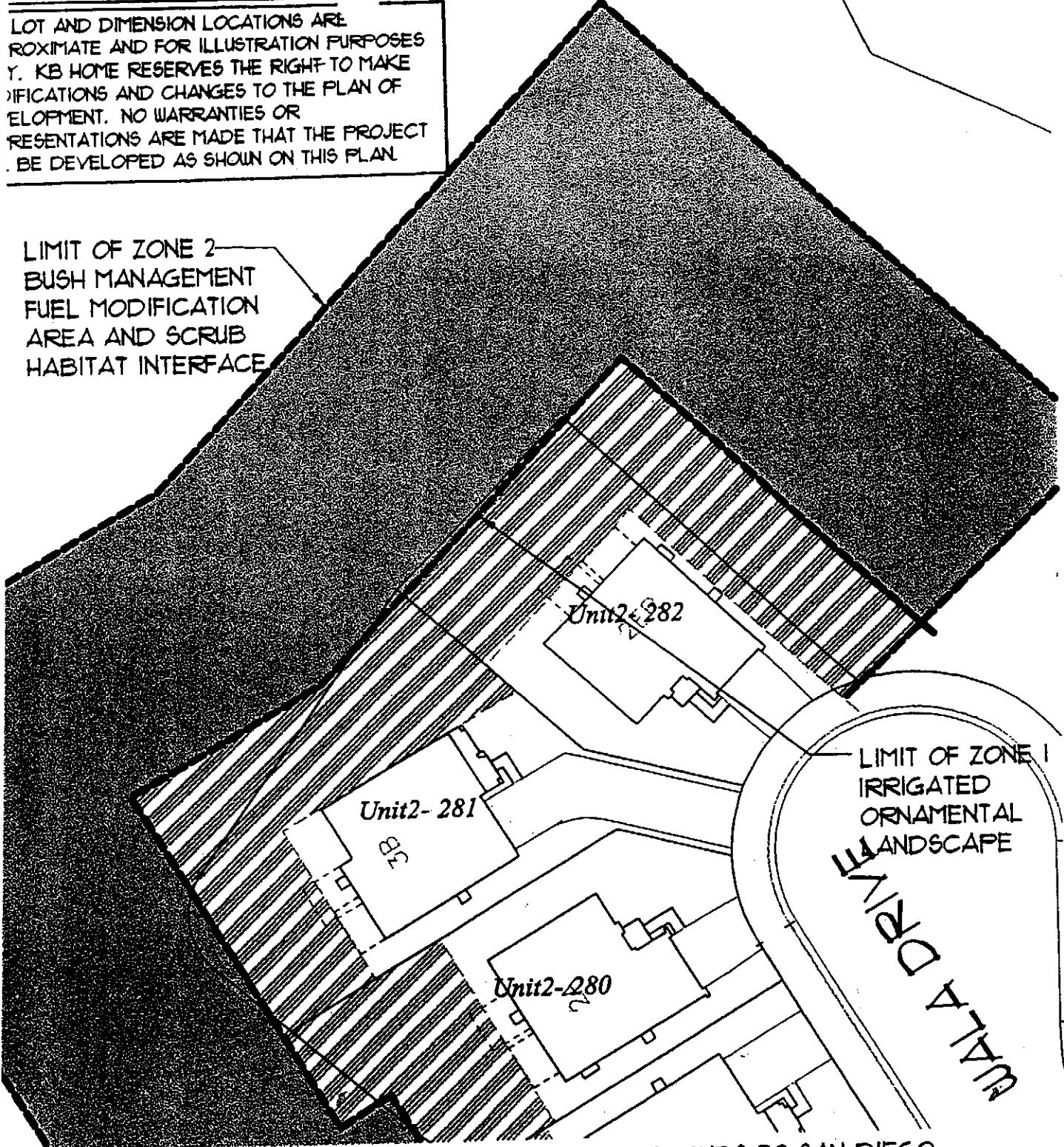
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SEE FUEL MODIFICATION DETAIL

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LIMIT OF ZONE 2
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FUEL MODIFICATION
AREA AND SCRUB
HABITAT INTERFACE




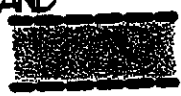
BRUSH MANAGEMENT FUEL MODIFICATION ZONE CORRESPONDS TO SAN DIEGO COUNTY FIRE CHIEF'S ASSOCIATION "WILDLAND/URBAN INTERFACE DEVELOPMENT STANDARDS" AUGUST, 1997

EXHIBIT 'C'

BRUSH MANAGEMENT

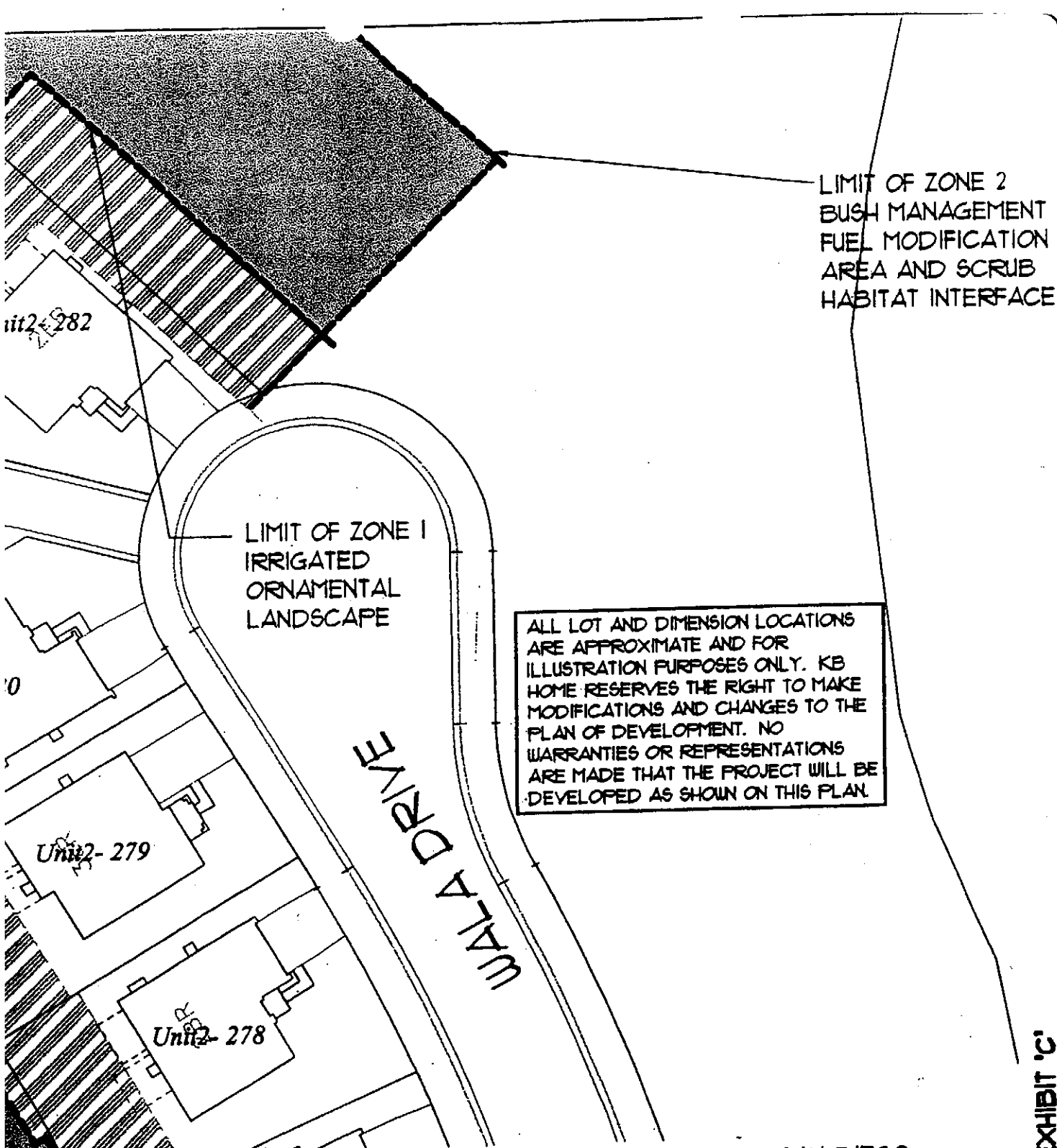
SHEET 13 OF 19 SCALE: 1"=40'

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SEE FUEL MODIFICATION DETAIL

BRUSH MANAGEMENT EXHIBIT 'C'



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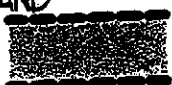
BRUSH MANAGEMENT FUEL MODIFICATION ZONE CORRESPONDS TO SAN DIEGO COUNTY FIRE CHIEF'S ASSOCIATION "WILDLAND/URBAN INTERFACE DEVELOPMENT STANDARDS" AUGUST, 1997

EXHIBIT 'C'

BRUSH MANAGEMENT

SHEET 14 OF 19 SCALE: 1"=40'

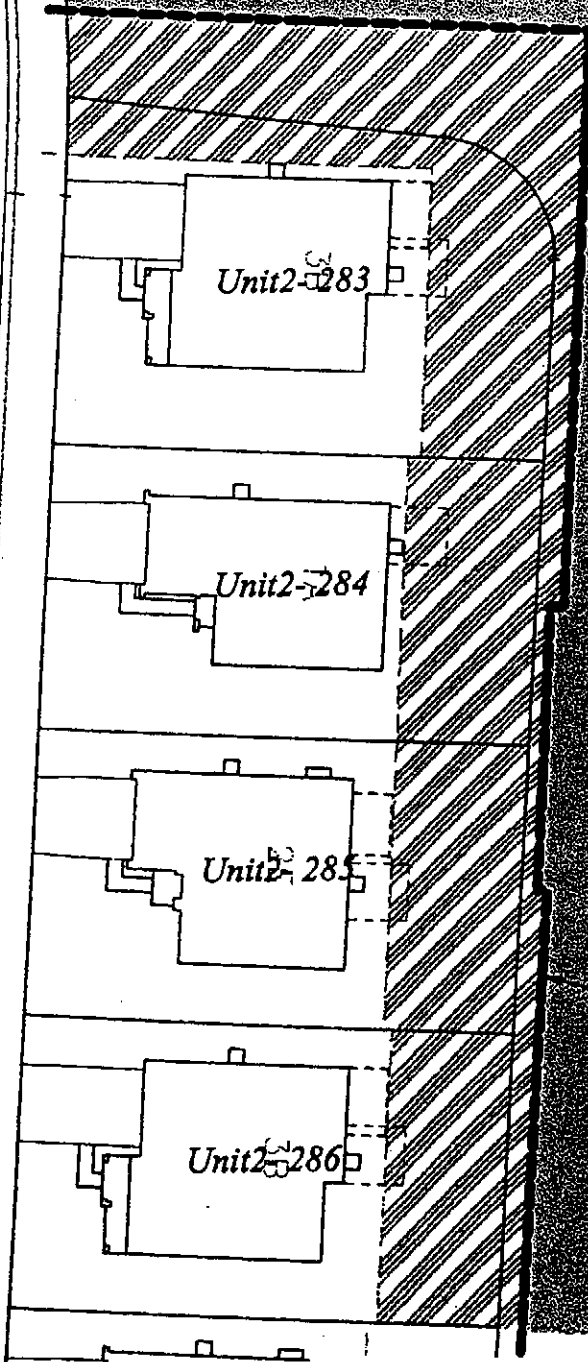
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SEE FUEL MODIFICATION DETAIL

BRUSH MANAGEMENT EXHIBIT 'C'

WALA DRIVE



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LIMIT OF ZONE 2 BUSH MANAGEMENT FUEL MODIFICATION AREA AND SCRUB HABITAT INTERFACE

LIMIT OF ZONE 1 IRRIGATED ORNAMENTAL LANDSCAPE

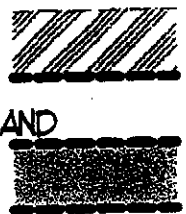
EXHIBIT 'C'
BRUSH MANAGEMENT

BRUSH MANAGEMENT EXHIBIT 'C'

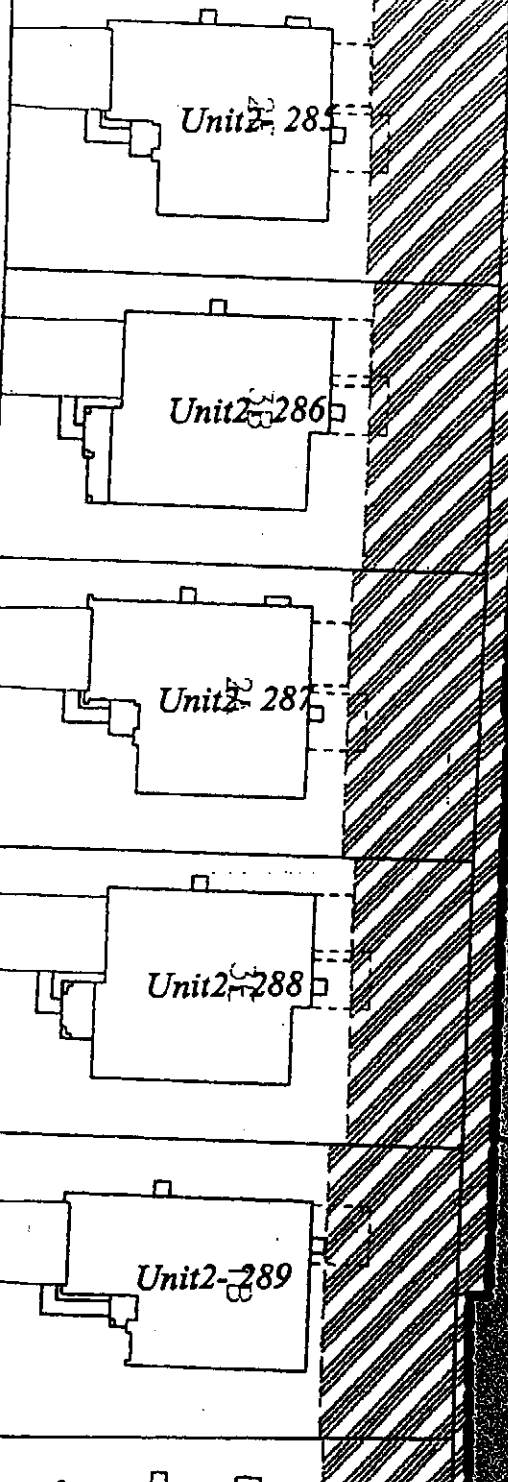
RUSH MANAGEMENT FUEL MODIFICATION ZONE CORRESPONDS TO SAN DIEGO COUNTY FIRE CHIEF'S ASSOCIATION 'WILDLAND/URBAN INTERFACE DEVELOPMENT STANDARDS' AUGUST, 1997

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WALA DRIVE





LIMIT OF ZONE 2
BUSH MANAGEMENT
FUEL MODIFICATION
AREA AND SCRUB
HABITAT INTERFACE

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LIMIT OF ZONE 1
IRRIGATED ORNAMENTAL
LANDSCAPE

BRUSH MANAGEMENT FUEL MODIFICATION ZONE CORRESPONDS TO SAN DIEGO
COUNTY FIRE CHIEF'S ASSOCIATION 'WILDLAND/URBAN INTERFACE
DEVELOPMENT STANDARDS' AUGUST, 1997

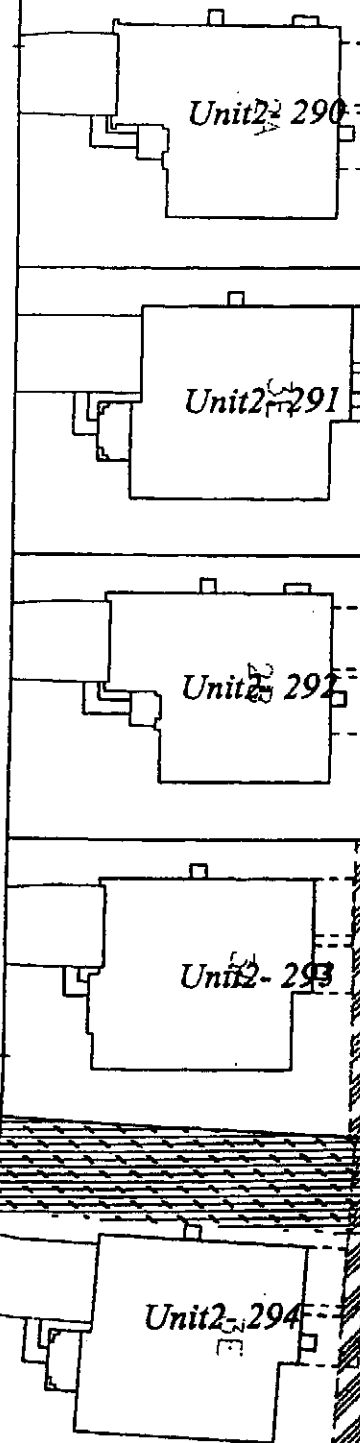
EXHIBIT 'C' BRUSH MANAGEMENT

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SEE FUEL MODIFICATION DETAIL

BRUSH MANAGEMENT EXHIBIT 'C'

WALA DRIVE



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LIMIT OF ZONE 1 IRRIGATED ORNAMENTAL LANDSCAPE

LIMIT OF ZONE 2 BUSH MANAGEMENT FUEL MODIFICATION AREA AND SCRUB HABITAT INTERFACE



BRUSH MANAGEMENT FUEL MODIFICATION ZONE CORRESPONDS TO SAN DIEGO COUNTY FIRE CHIEF'S ASSOCIATION 'WILDLAND/URBAN INTERFACE DEVELOPMENT STANDARDS' AUGUST, 1997

EXHIBIT 'C'

BRUSH MANAGEMENT

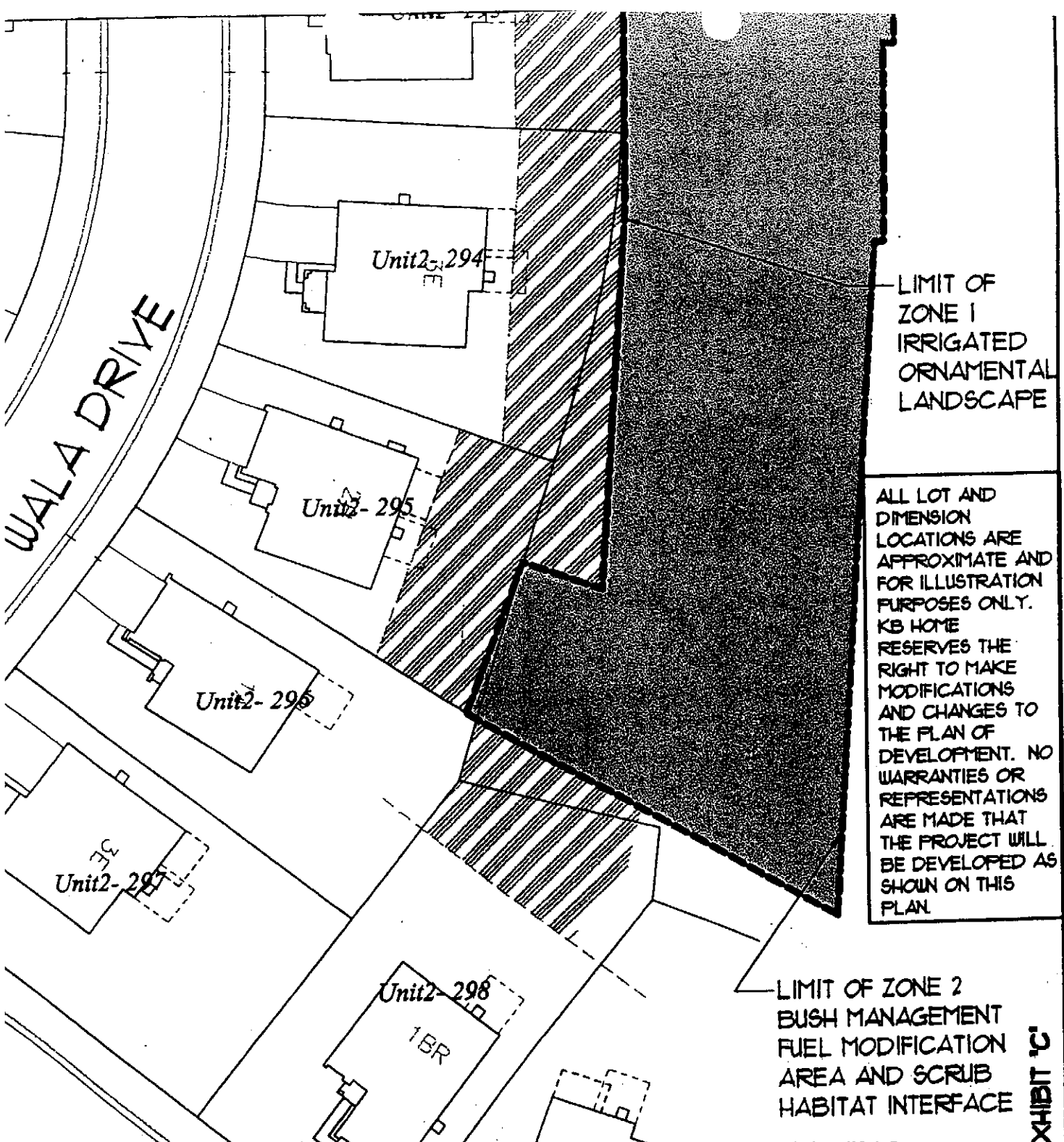
SHEET 11 OF 19 SCALE: 1"=40'

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SEE FUEL MODIFICATION DETAIL

BRUSH MANAGEMENT EXHIBIT 'C'



LIMIT OF ZONE 1
IRRIGATED
ORNAMENTAL
LANDSCAPE

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LIMIT OF ZONE 2
BUSH MANAGEMENT
FUEL MODIFICATION
AREA AND SCRUB
HABITAT INTERFACE

BUSH MANAGEMENT FUEL MODIFICATION ZONE CORRESPONDS TO SAN DIEGO
COUNTY FIRE CHIEF'S ASSOCIATION 'WILDLAND/URBAN INTERFACE
DEVELOPMENT STANDARDS' AUGUST, 1997

EXHIBIT 'C'

BRUSH MANAGEMENT

FUEL MODIFICATION ZONES:

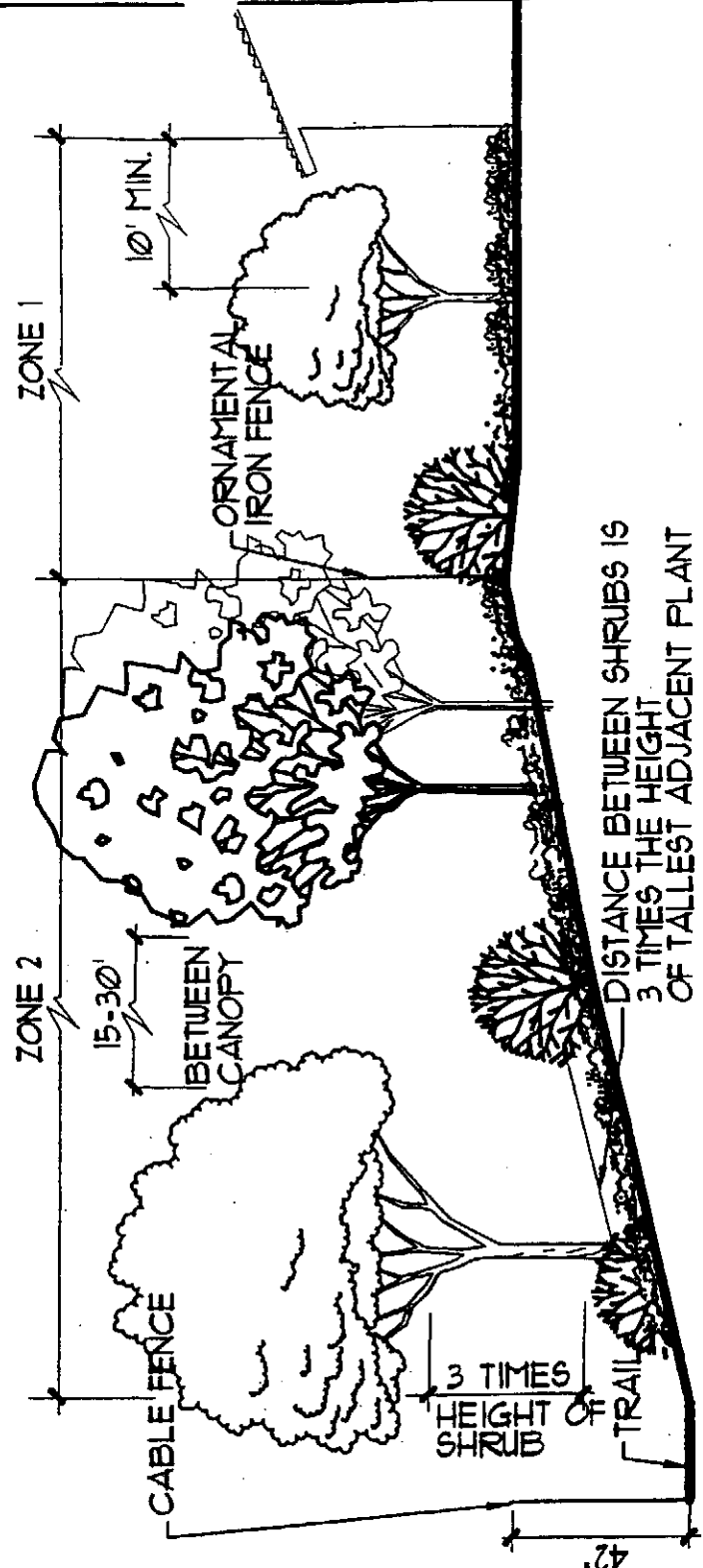
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SEE FUEL MODIFICATION DETAIL

SHEET 18 OF 19 SCALE: 1"=40'

BRUSH MANAGEMENT EXHIBIT 'C'

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- NOTE: MATURE LANDSCAPE SHOULD HAVE A MAINTAINED VERTICAL AND HORIZONTAL CLEARANCE TO PREVENT FIRE FROM ADVANCING AND TRANSMITTING TO STRUCTURES.
- REGULAR MAINTENANCE SHOULD INCLUDE REMOVING DEAD WOOD AND MAINTAINING CLEARANCES.
- PLANTING AND MAINTENANCE SHOULD FOLLOW THE DIAGRAM ABOVE.
- KEEP FLAMMABLE MATERIALS SUCH AS FIREWOOD, PICNIC TABLES, WOOD FENCES ETC. AWAY FROM ANY STRUCTURES.


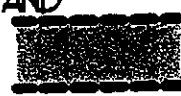
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BRUSH MANAGEMENT FUEL MODIFICATION ZONE CORRESPONDS TO SAN DIEGO COUNTY FIRE CHIEF'S ASSOCIATION 'WILDLAND/URBAN INTERFACE DEVELOPMENT STANDARDS' AUGUST 1997

EXHIBIT 'C' BRUSH MANAGEMENT

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SEE FUEL MODIFICATION DETAIL

EXHIBIT "D"

PLANNING COMMISSION RESOLUTION NO. 2001- P19

A RESOLUTION OF THE PLANNING COMMISSION OF THE CITY OF OCEANSIDE, CALIFORNIA APPROVING A TENTATIVE MAP, DEVELOPMENT PLAN AND CONDITIONAL USE PERMITS ON CERTAIN REAL PROPERTY IN THE CITY OF OCEANSIDE

APPLICATION NO:	T-4-00, D-7-00, C-41-00, C-3-01
APPLICANT:	Highpointe Communities
LOCATION:	North and south of Benet Road, east of West Airport Road, west of Fousat Road and north of the San Luis Rey River

THE PLANNING COMMISSION OF THE CITY OF OCEANSIDE, CALIFORNIA DOES RESOLVE AS FOLLOWS:

WHEREAS, there was filed with this Commission a verified petition on the forms prescribed by the Commission requesting Tentative Map, Development Plan and Conditional Use Permits under the provisions of Articles 10, 30, 40, 41 & 43 of the Zoning Ordinance of the City of Oceanside to permit the following:

301-units (308-lots) single-family residential subdivision;

on certain real property described in the project description.

WHEREAS, the Planning Commission, after giving the required notice, did on the 11th day of June, 2001 conduct a duly advertised public hearing as prescribed by law to consider said application.

WHEREAS, pursuant to the California Environmental Quality Act of 1970, and State Guidelines thereto; a mitigated Negative Declaration has been prepared stating that if the conditions of approval are implemented, there will not be a significant adverse impact upon the environment.

WHEREAS, there is hereby imposed on the subject developments project certain fees, dedications, reservations and other exactions pursuant to state law and city ordinance;

WHEREAS, pursuant to Government Code §66020(d)(1), NOTICE IS HEREBY GIVEN that the project is subject to certain fees, dedications, reservations and other exactions as provided below:

<u>Description</u>	<u>Authority for Imposition</u>	<u>Current Estimate Fee or Calculation Formula</u>
Parkland Dedication/Fee	Ordinance No. 91-10 Resolution No. R91-38	\$2,200 per unit
Drainage Fee	Ordinance No. 85-23 Resolution No. 89-231	\$6,911 per gross acre
Public Facility Fee	Ordinance No. 91-09 Resolution No. R91-39	\$1,301 per unit for residential
School Facilities Fee	Ordinance No. 91-34	\$2.05 per square foot
Traffic Signal Fee	Ordinance No. 87-19	\$78 per unit
Thoroughfare and Bridge Fee	Ordinance No. 83-01	\$1,770 per unit
Water System Buy-in Fees	Oceanside City Code §37.56.1 Resolution No. 87-96 Ordinance No. 99-21	Based on water meter size
North City Annexation Area	Ordinance No. 89-187	\$1,351.35 per unit
Wastewater System Buy-in fees	Oceanside City Code § 29.11.1 Resolution No. 87-97 Ordinance No. 99-20	Based on meter size
San Diego County Water Authority Capacity Fees	SDCWA Ordinance No. 2000-3	Based on meter size
Inclusionary housing in lieu fees—Residential only.	Chapter 14-C of the City Code	\$1,000 per development project + \$100 per unit plus \$4,007 per unit

WHEREAS, the current fees referenced above are merely fee amount estimates of the impact fees that would be required if due and payable under currently applicable ordinances and resolutions, presume the accuracy of relevant project information provided by the applicant, and are not necessarily the fee amount that will be owing when such fee becomes due and payable;

WHEREAS, unless otherwise provided by this resolution, all impact fees shall be calculated and collected at the time and in the manner provided in Chapter 32B of the Oceanside City Code and the City expressly reserves the right to amend the fees and fee calculations consistent with applicable law;

WHEREAS, the City expressly reserves the right to establish, modify or adjust any fee, dedication, reservation or other exaction to the extent permitted and as authorized by law;

WHEREAS, pursuant to Government Code §66020(d)(1), NOTICE IS FURTHER GIVEN that the 90-day period to protest the imposition of any fee, dedication, reservation, or other exaction described in this resolution begins on the effective date of this resolution and any such protest must be in a manner that complies with Section 66020;

WHEREAS, pursuant to Oceanside Zoning Ordinance §4603, this resolution becomes effective 10 days from its adoption in the absence of the filing of an appeal or call for review;

WHEREAS, studies and investigations made by this Commission and in its behalf reveal the following facts:

FINDINGS:

For the Tentative Map:

1. The proposed subdivision creates parcels that are consistent with the RS zoning designation. The subdivision map is consistent with the General Plan of the City.
2. The proposed building pads on the site will conform to the topography of the site, therefore, making it suitable for residential development. The 97.4-acre site is physically suitable to allow for the development of 301 residential units on 308 lots.
3. The subdivision complies with all other applicable ordinances, regulations and guidelines of the City of Oceanside.
4. The design of the subdivision or proposed improvements will not conflict with easements, acquired by the public at large for access through the use of property within this subdivision.
5. The subdivision complies with all other applicable ordinances, regulations and guidelines of the City of Oceanside.

For the Development Plan:

1. The site plan and physical design of the project is consistent with the Zoning Ordinance and the underlying Single-Family Residential (RS) zone.
2. The Development Plan conforms to the General Plan of the City.
3. The project site can be adequately served by existing public facilities, services and utilities.
4. The project, as proposed, is compatible with the existing and potential development on adjoining properties or in the surrounding neighborhood.
5. The site plan and physical design of the project is consistent with the policies contained within Section 1.24 and 1.25 of the Land Use Element of the General Plan.

For the Conditional Use Permit:

For the replacement of Mar Lado Sewer Lift Station:

1. The location of the sewer lift station in the OS zone is consistent with the objectives of the Zoning Ordinance. The proposed operational characteristics of the sewer lift station and the limitations imposed through the conditions, will reduce the potential impacts to surrounding uses.
2. The proposed sewer lift station will not be a detriment to properties or improvements in the vicinity or to the general welfare of the City.
3. The sewer lift station is conditioned and is required to comply with all provisions of the Zoning Ordinance. Specific conditions have been placed on the project to address the underlying open space zone.

Panhandle access:

1. That because of special circumstances or conditions applicable to the development site-including size, shape, topography, location or surroundings-strict application of the requirements of the Zoning Ordinance deprive such property of privileges enjoyed by other property in the vicinity and under identical zoning classification. The proposed use of a panhandle access design on 12-lots and the proposed location of the access on the lots are in accord with the objectives of the Zoning Ordinance and purposes of the districts in which it is located.

2. The use of panhandle access design, and the proposed conditions under which they would be established or maintained will be consistent with the General Plan; will not be detrimental to the public health, safety or welfare of persons residing or working in or adjacent to the neighborhood of such use; and will not be detrimental to properties or improvements in the vicinity or to the general welfare of the City.

For the Hillside Development Plan:

1. The project, as designed, is consistent with Hillside Development Regulations and conforms to the City of Oceanside General Plan.
2. The project is consistent with the zoning and development regulations for the Residential Single-family (RS) zone and with all other applicable ordinances regulations and guidelines of the City of Oceanside.
3. The project site can be adequately served by existing public facilities, services and utilities.

NOW, THEREFORE, BE IT RESOLVED that the Planning Commission does hereby approve the Mitigated Negative Declaration and adopt the mitigation measures provided therein, and approve Tentative Map (T-4-00), Development Plan (D-7-00) and Conditional Use Permits (C-41-00, C-3-01) subject to the following conditions:

Building:

1. Applicable Building Codes and Ordinances shall be based on the date of submittal for Building Department plan check.
2. The granting of approval under this action shall in no way relieve the applicant/project from compliance with all State and local building codes.
3. All electrical, communication, CATV, etc. service lines, within the exterior lines of the property shall be underground (City Code Sec. 6.30).
4. All outdoor lighting shall meet Chapter 39 of the City Code (Light Pollution Ordinance) and shall be shielded appropriately.
5. The developer shall monitor, supervise and control all building construction and supportive activities so as to prevent these activities from causing a public nuisance, including, but not limited to, strict adherence to the following:

- a) Building construction work hours shall be limited to between 7 a.m. and 6 p.m. Monday through Friday, and on Saturday from 7 a.m. to 6 p.m. for work that is not inherently noise-producing. Examples of work not permitted on Saturday are concrete and grout pours, roof nailing and activities of similar noise-producing nature. No work shall be permitted on Sundays and Federal Holidays (New Year's Day, Memorial Day, July 4th, Labor Day, Thanksgiving Day, Christmas Day) except as allowed for emergency work under the provisions of the Oceanside City Code Chapter 38 (Noise Ordinance).
- b) The construction site shall be kept reasonably free of construction debris as specified in Section 13.17 of the Oceanside City Code. Storage of debris in approved solid waste containers shall be considered compliance with this requirement. Small Amounts of construction debris may be stored on site in a neat, safe manner for short periods of time pending disposal.

Engineering:

6. Vehicular access rights to Benet Road shall be relinquished to the City from all abutting lots. Prior to recordation of the first final map, improvement plans for the completion of Benet Road from its existing terminus to Foussat Road shall be designed and secured. Prior to issuance of any occupancy permits, ultimate improvements to Benet Road shall be completed.
7. All right-of-way alignments, street dedications, exact geometrics and widths shall be dedicated and improved as required by the City Engineer.
8. Design and construction of all improvements shall be in accordance with standard plans, specifications of the City of Oceanside and subject to approval by the City Engineer.
9. Prior to recordation of a final map all improvement requirements, within such increment or outside of it if required by the City Engineer, shall be covered by a subdivision improvement agreement. The required improvements shall also be secured with sufficient improvement securities or bonds guaranteeing performance and payment for labor and materials, setting of monuments, and warranty against defective materials and workmanship.

10. Multiple final maps may be filed prior to the expiration of the tentative map. Prior to approval of the first final map, or issuance of any building permits, a phasing plan for the construction of all required on-site and off-site improvements shall be approved by the City Engineer. The City Engineer shall require the dedication and construction of necessary utilities, streets and other improvements outside the area of any particular final map, if such is needed for circulation, parking, access or for the welfare or safety of future occupants of the development. The boundaries of any multiple final map increment shall be subject to the approval of the City Engineer.
11. Where proposed off-site improvements, including but not limited to slopes, public-utility facilities, and drainage facilities, are to be constructed, the applicant shall, at his own expense, obtain all necessary easements or other interests in real property and shall dedicate the same to the City as required. The applicant shall provide documentary proof satisfactory to the City that such easements or other interest in real property have been obtained prior to the approval of the final map. Additionally, the City, may at its sole discretion, require that the applicant obtain at his sole expense a title policy insuring the necessary title for the easement or other interest in real property to have vested with the City of Oceanside or the applicant, as applicable.
12. Pursuant to the State Map Act, improvements shall be required at the time of development. A covenant, reviewed and approved by the City Attorney, shall be recorded attesting to these improvement conditions and a certificate setting forth the recordation shall be placed on the map.
13. The developer shall monitor, supervise and control all construction and construction-supportive activities, so as to prevent these activities from causing a public nuisance, including but not limited to, insuring strict adherence to the following:
 - a) Removal of dirt, debris and other construction material deposited on any public street no later than the end of each working day.
 - b) All grading and related site preparation and construction activities shall be limited to the hours of 7 a.m. to 6 p.m., Monday through Friday, and on Saturday from 7 a.m. to 6 p.m. for work that is not inherently noise-producing unless otherwise extended by the City and all work should utilize the latest technology

for quiet equipment. All on-site construction staging areas shall be as far as possible (minimum 100 feet) from any existing residential development. Because construction noise may still be intrusive in the evening or on holidays, the City of Oceanside Noise Ordinance also prohibits "any disturbing excessive, or offensive noise which causes discomfort or annoyance to reasonable persons of normal sensitivity."

c) The construction site shall accommodate the parking of all motor vehicles used by persons working at or providing deliveries to the site.

14. All traffic signal contributions, highway thoroughfare fees, park fees, reimbursements, and other applicable charges, fees and deposits shall be paid prior to the issuing of any building permits, in accordance with City Ordinances and policies. The subdivider or developer shall also be required to join into, contribute, or participate in any improvement, lighting, or other special district affecting or affected by this project. Approval of the tentative map shall constitute the developer's approval of such payments, and his agreement to pay for any other similar assessments or charges in effect when any increment is submitted for final map or building permit approval, and to join, contribute, and/or participate in such districts.

15. All streets shall be improved with concrete curbs and gutters, streetlights, 5-foot wide sidewalks and pavement, providing a parkway width of at least 10 feet, except where turnouts are provided and unless altered by the City Engineer. All streets shall be improved with street name signs and traffic calming and traffic control devices as directed by the City Engineer.

16. Curb return radii shall be 30 feet at all intersections with Benet Road. All other curb return radii in the project shall be a minimum of 25 feet. Curb radii at cul-de-sac turnarounds shall be at least 40 feet with minimum 50-foot radii at right-of-way lines.

17. All streets within the project shall be dedicated and improved as public streets as shown on the tentative map. The improvements are to be full-width for all new streets and half-width plus 12 feet for existing streets that are to be improved.

18. The exact alignment, width and design of all median islands, turning lanes, travel lanes, driveways, striping, and all other traffic calming and control devices and measures,

including turnouts, bike lanes, and width/length transitions and other measures shall be approved by the City Engineer at the time of final design. All streets shall be improved with street name signs and traffic calming and traffic control devices, as directed by the City Engineer.

19. Pavement sections for all streets, alleys, driveways and parking areas shall be based upon approved soil tests and traffic indices. The pavement design is to be prepared by the subdivider's soil engineer and must be approved by the City Engineer, prior to paving.

20. Sight distance requirement at all street intersections shall conform to the intersection sight distance criteria as provided by the California Department of Transportation Highway Design Manual.

21. Any existing broken pavement, concrete curb, gutter or sidewalk or any damaged during construction of the project, shall be repaired or replaced as directed by the City Engineer.

22. At the time of development, if required by NCTD and the City of Oceanside, a bus turnout and bus shelter shall be constructed adjacent to the site. Additional right of way dedication may be required. The design of the shelter shall be consistent with the design themes of the project and shall be maintained in good repair and cleanliness at all times.

23. All existing overhead utility lines either transversing the project or immediately adjacent thereto, and all new extension services for the development of the project, including but not limited to, electrical, cable and telephone, shall be constructed underground.

24. Streetlights shall be installed on all streets in the project. The system shall be designed and secured prior to the recordation of map. The subdivider shall pay all applicable fees, energy charges, and/or assessments associated with City-owned (LS-2 rate schedule) streetlights and shall also agree to the formulation of, or the annexation to, any appropriate street lighting district.

25. The developer shall comply with all the provisions of the City's cable television ordinances including those relating to notification as required by the City Engineer.

26. Grading and drainage facilities shall be designed to adequately accommodate the local storm water runoff and shall be in accordance with the City's Engineers Manual and as directed by the City Engineer.

27. The applicant shall obtain any necessary permits and clearances from the U. S. Army Corps of Engineers, California Department of Fish & Game, U. S. Fish and Wildlife Service and/or San Diego Regional Water Quality Control Board (including NPDES), San Diego County Health Department, prior to the issuance of grading permits.
28. Prior to any grading of any part of the tract or project, comprehensive soils and geologic investigation shall be conducted of the soils, slopes, and formations in the project. All necessary measures shall be taken and implemented to assure slope stability, erosion control, and soil integrity. No grading shall occur until a detailed grading plan, to be prepared in accordance with the Grading Ordinance and Zoning Ordinance, is approved by the City Engineer.
29. This project shall provide year-round erosion control including measures for the site required for the phasing of grading. Prior to the issuance of grading permit, an enhanced erosion control plan, designed for all proposed stages of construction, shall be reviewed, secured by the applicant with cash securities and approved by the City Engineer.
30. An enhanced erosion control plan and precise plan shall be prepared, reviewed, secured and approved prior to the issuance of any building permits. The plan shall reflect all pavement, flatwork, landscaped areas, special surfaces, curbs, gutters, signage, footprints of all structures, walls, drainage devices and utility services.
31. Landscaping plans, including plans for the construction of walls, fences or other structures at or near intersections, must conform to intersection sight distance requirements. Landscape and irrigation plans for disturbed areas must be submitted to the City Engineer prior to the issuance of a preliminary grading permit and approved by the City Engineer prior to the issuance of any building permits. Project fences, sound or privacy walls and monument entry walls/signs shall be designed, reviewed and constructed by the landscape plans and shown for location only on grading plans. Plantable, segmental walls shall be designed, reviewed and constructed by the grading plans and landscaped/irrigated through project landscape plans. All plans must be approved by the City Engineer and a pre-construction meeting held, prior to the start of any landscape improvements.
32. Open space areas and downsloped areas visible from a collector-level or above roadway and not readily maintained by the property owner, shall be maintained by either a

homeowners' association or other method that will insure installation and maintenance of landscaping in perpetuity. These areas shall be indicated on the final map and either reserved for an association or other means, as applicable. In either case, future buyers shall be made aware of any estimated monthly costs. The disclosure, together with the CC&R's, shall be submitted to the City Engineer for review prior to the recordation of final map.

33. All storm drain systems shall be designed and installed to the satisfaction of the City Engineer. The drainage design on the tentative is conceptual only. The final design shall be based upon a hydrologic/hydraulic study to be approved by the City Engineer during final engineering. All drainage picked up in an underground system shall remain underground until it is discharged into an approved channel, or as otherwise approved by the City Engineer. All public storm drains shall be shown on City standard plan and profile sheets. All storm drain easements shall be dedicated where required. The applicant shall be responsible for obtaining any off-site easements for storm drainage facilities.
34. Development shall be in accordance with City Floodplain Management Regulations and Stormwater Management and Discharge Regulations. A General Construction Storm Water Permit from the State Water Resources Control Board and the preparation of a Storm Water Pollution Prevention Plan are required.
35. Sediment, silt, grease, trash, debris, and/or pollutants shall be collected on-site and disposed of in accordance with all state and federal requirements, prior to stormwater discharge either off-site or into the City drainage system.
36. The applicant will construct additional storage length to the existing east bound State Route 76 (SR-76) left turn pocket to north bound Benet Road in order to accommodate increased traffic at the intersection of SR-76/Benet Road.
37. CalTrans concurs with fair share and percentages are only required for City crossroads.
38. All work within the State and/or CalTrans right-of-way shall conform to CalTrans standards.

Fire:

39. A minimum fire flow of 1,500 gallons per minute shall be provided.

- 1 40. The size of Fire hydrant outlets shall be 2 1/2" X 4.
- 2 41. The fire hydrants shall be installed and tested prior to placing any combustible materials on
- 3 the job site.
- 4 42. All-weather access roads shall be installed and made serviceable prior to and during time
- 5 of construction. Sec. 901.3 Uniform Fire Code.
- 6 43. Plans shall be submitted to the Fire Prevention Bureau for plan check review and approval
- 7 prior to the issuance of building permits.
- 8 44. All open areas that are not needed for biological resources shall be landscaped with
- 9 approved fire retardant/anti-erosion type plants with an approved permanent irrigation
- 10 system and maintenance program.
- 11 45. In accordance with the Uniform Fire Code Sec.901.4.4, Approved addresses, for
- 12 Residential Occupancies, shall be placed on the structure in such a position as to be plainly
- 13 visible and legible from the street or roadway fronting the property. Numbers shall contrast
- 14 with their background.
- 15 46. Single Family dwellings require 4" address numbers.

Planning:

- 16 47. This Tentative Map, Development Plan and Conditional Use Permits shall expire on June
- 17 11, 2003, unless a time extension is granted by the Planning Commission.
- 18 48. This Development Plan approves only a 301-unit single-family residential subdivision as
- 19 shown on the plans and exhibits presented to the Planning Commission for review and
- 20 approval. No deviation from these approved plans and exhibits shall occur without
- 21 Planning Department approval. Substantial deviations shall require a revision to the
- 22 Development Plan or a new Development Plan.
- 23 49. This Conditional Use Permit approves only a 301-unit single-family residential
- 24 subdivision as shown on the plans and exhibits presented to the Planning Commission
- 25 for review and approval. No deviation from these approved plans and exhibits shall occur
- 26 without Planning Department approval. Substantial deviations shall require a revision to
- 27 the Conditional Use Permit or a new Conditional Use Permit.
- 28 50. Landscape plans, meeting the criteria of the City's Landscape Guidelines and Water
- 29 Conservation Ordinance No. 91-15, including the maintenance of such landscaping, shall