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DECLARATION OF COVENANTS, CONDITIONS & RESTRICTIONS  
(NORTHLAKE)

DECLARATION OF COVENANTS, CONDITIONS & RESTRICTIONS  
(NORTHLAKE)

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**DECLARATION OF  
COVENANTS, CONDITIONS AND RESTRICTIONS  
(NORTHLAKE)**

THIS DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS (NORTHLAKE) (this "Declaration") is made this 10th day of December, 1998, by NORTHLAKE LLC, a Delaware limited liability company ("Declarant").

RECITALS:

A. Declarant is the fee owner of the real property described in Exhibit "A" to this Declaration (the "Initial Property"), and is now or may in the future, along with any "Merchant Builders" (as hereinafter defined), be the fee owner of certain other real property which may from time to time be annexed pursuant to this Declaration.

B. The Initial Property is a portion of a master planned development (the "Development") being developed by Declarant.

C. Declarant has deemed it desirable to establish covenants, conditions and restrictions upon the "Covered Property" (as hereinafter defined), including the Initial Property, and each and every portion thereof, which will constitute a general scheme for the management of the Covered Property, and for the use, occupancy and enjoyment thereof, all for the purpose of enhancing and protecting the value, desirability and attractiveness of the Covered Property and enhancing the quality of life within the Covered Property.

D. The Covered Property will be developed as a "Common Interest Development," as defined in California Civil Code Section 1351(c) and as a "Planned Development," as defined in California Civil Code Section 1351(k).

E. It is desirable for the efficient management of the Covered Property and the preservation of the value, desirability and attractiveness of the Covered Property to create a nonprofit mutual benefit corporation to which should be delegated and assigned the powers of managing the Covered Property, maintaining and administering the "Common Areas" (as hereinafter defined) and administering and enforcing these covenants, conditions and restrictions and collecting and disbursing funds pursuant to the "Assessment(s)" (as hereinafter defined) and charges hereinafter created and referred to and to perform such other acts as shall generally benefit the Covered Property.

F. The Northlake Homeowners Association, a California nonprofit mutual benefit corporation, has been or shall be incorporated under the laws of the State of California for the purpose of exercising the powers and functions aforesaid.

G. Declarant and any Merchant Builders will hereafter hold and convey title to all of the Covered Property subject to certain protective covenants, conditions and restrictions hereafter set forth.



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

#### ARTICLE I

**DEFINITIONS** Unless the context clearly indicates otherwise, the following terms used in this Declaration are defined as follows:

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

Section 1.2 "Architectural Committee" shall mean and refer to the committee or committees provided for in the Article hereof entitled "Architectural Control."

Section 1.3 "Articles" and "Bylaws" shall mean and refer to the Articles of Incorporation and Bylaws of the Association as the same may from time to time be duly amended.

Section 1.4 "Assessments" The following meanings shall be given to the Assessments hereinafter defined:

Section 1.4.1 "Capital Improvement Assessment" shall mean a charge against each Owner and such Owner's Lot, representing a portion of the cost to the Association for installation or construction of any capital improvements on any of the Common Areas which the Association may from time to time authorize pursuant to the provisions of this Declaration.

Section 1.4.2 "Phase of Development Assessments" shall mean those Assessments charged to and collected from certain Owners in accordance with Sections 3.11 and 6.9 of this Declaration, for the purpose of financing the expenses incurred or to be incurred in connection with certain special services and/or facilities for such Owners.

Section 1.4.3 "Reconstruction Assessment" shall mean a charge against each Owner and such Owner's Lot representing a portion of the cost to the Association for reconstruction of any portion or portions of the Common Areas pursuant to the provisions of this Declaration.

Section 1.4.4 "Regular Assessment" shall mean the amount which is to be paid by each Member to the Association for Common Expenses.

Section 1.4.5 "Reimbursement Assessment" shall mean any charge designated as a Reimbursement Assessment in this Declaration, the Articles, Bylaws or Association Rules.

Section 1.4.6 "Remedial Assessment" shall mean any charges and/or fines levied by the Association against a particular Owner who fails to comply with this Declaration, the Articles, Bylaws or Association Rules, together with attorneys' fees and other charges payable by such Owner, pursuant to the provisions of this Declaration, plus interest thereon as provided for in this Declaration.

Section 1.4.7 "Special Assessment" shall mean any charge designated as a Special Assessment in this Declaration, the Articles, Bylaws or Association Rules.

Section 1.5 "Association" shall mean and refer to Northlake Homeowners Association, a California nonprofit mutual benefit corporation, incorporated under the laws of the State of California, its successors and assigns.

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

Section 1.7 "Board" shall mean the Board of Directors of the Association.

Section 1.8 "Common Areas" shall mean all real property and the improvements thereon owned or leased from time to time by the Association or over which the Association has an easement for maintenance and the common use and enjoyment of the Members. Common Areas may include any District Facility at such time (if ever) that such District Facility is no longer maintained and/or owned by the District or any successor entity. In such case, the Association shall undertake all necessary steps including without limitation, acquisition and assumed maintenance, in order to ensure that such District Facility remains available for access and use by Members. Upon the Initial Sale Date, the Common Areas shall be that certain property described on Exhibit "C." Any real property denominated as "Common Areas" in a Supplementary Declaration shall be conveyed to the Association (or the Association shall be provided with an easement over such Common Areas) prior to or concurrently with the first conveyance of a Lot located within the Phase of Development which is annexed to the coverage hereof by such Supplementary Declaration except as otherwise provided herein or in said Supplementary Declaration. The Common Areas shall be conveyed to the Association free of all liens and encumbrances except current real property taxes (which taxes shall be prorated as of the date of conveyance), title exceptions of record and the covenants, conditions, restrictions and reservations contained in this Declaration, any Supplementary Declaration and the instrument which conveys the Common Areas (or an easement over the Common Areas) to the Association.

Section 1.9 "Common Expenses" shall mean and refer to the actual and estimated costs of:

- (a) maintenance, management, operation, repair and replacement of the Common Areas and all other areas on the Covered Property which are maintained by the Association;
- (b) unpaid Assessments;
- (c) maintenance by the Association of areas within the public right-of-way of public streets in the vicinity of the Covered Property as provided in this Declaration or pursuant to agreements with the County;

- (d) costs of management and administration of the Association, including, but not limited to, compensation paid by the Association to managers, accountants, attorneys and employees;
- (e) the costs of utilities, trash pickup and disposal, gardening and other services which generally benefit and enhance the value and desirability of the Common Areas;
- (f) the costs of fire, casualty, liability, workmen's compensation and other insurance covering the Common Areas;
- (g) the costs of any other insurance obtained by the Association;
- (h) reasonable reserves as deemed appropriate by the Board, and the cost of any reserve study pursuant to California Civil Code Section 1365.5(e);
- (i) the costs of bonding of the members of the Board, any professional managing agent or any other person handling the funds of the Association;
- (j) taxes paid by the Association;
- (k) amounts paid by the Association for discharge of any lien or encumbrance levied against the Common Areas or portions thereof;
- (l) costs incurred by the Architectural Committee or other committee established by the Board; and
- (m) other expenses incurred by the Association for any reason whatsoever in connection with the Common Areas, or the costs of any other item or items designated by this Declaration, the Articles, Bylaws or Association Rules, or in furtherance of the purposes of the Association or in the discharge of any duties or powers of the Association.

Section 1.10 "County" shall mean and refer to the County of Los Angeles, State of California.

Section 1.11 "Covered Property" shall mean and refer to the Initial Property and, subsequent to the annexation thereof pursuant to the Article of this Declaration entitled "Integrated Nature of the Covered Property," any real property which shall become subject to this Declaration.

Section 1.12 "Declarant" shall mean and refer to Northlake LLC, a Delaware limited liability company, its successors and assigns by merger, consolidation or by purchase of all or substantially all of its assets.

Section 1.13 "Developer Lots" shall mean all of the separate residential interests proposed for the Development that have not yet been conveyed to Retail Purchasers and are owned by the Declarant or a Merchant Builder. For purposes of this Section only and in no way limiting the rights of Declarant to modify the Development or the actual number of Lots within the

Development, the total number of projected Developer Lots for the Development as of the date of this Declaration is Four Thousand (4,000).

Section 1.14 "Developer Party(ies)" shall mean the Declarant, each Merchant Builder and their directors, officers, members, partners, employees, contractors, subcontractors, consultants, agents, successors and assigns.

Section 1.15 "Development" shall mean and refer to the real property described on Exhibits "A," "B" and "C" and commonly known as Northlake.

Section 1.16 "DRE Approved Budget" shall mean and refer to that certain budget or budgets which have been or will be submitted to and approved by the California Department of Real Estate ("DRE") by Declarant and/or a Merchant Builder which provides for a range in the amount of the Regular Assessments over the course of the development of Northlake.

Section 1.17 "District" shall mean a community services district and/or any other district(s) which may be established for the purpose of maintaining designated areas and facilities within the Project.

Section 1.18 "District Facility(ies)" shall mean the areas and facilities owned and/or maintained by the District. Pursuant to Article XVI herein, Declarant has the power to cause the transfer of certain Common Areas to the District in which case such Common Areas shall no longer be Common Areas within the scope of this Declaration and shall constitute District Facilities. Notwithstanding any provision in this Declaration to the contrary, the District Facilities shall not be subject to this Declaration unless and until the Association has assumed maintenance of the District Facilities in accordance with this Declaration.

Section 1.19 "Exclusive Use Common Areas" shall mean and refer to those portions of the Common Areas delineated on Exhibit "D" attached hereto and made a part hereof or on a Supplementary Declaration in, over, under and through which, Declarant, and/or any Merchant Builder and/or the Association have conveyed or may convey easement(s) for the exclusive use of specific Owners, which easement(s) shall be appurtenant to such Owner's separate interest.

Section 1.20 "Exhibit" shall mean and refer to those documents so designated herein and attached hereto (as such Exhibits may be amended pursuant to Section 17.20 herein) and each of such Exhibits is by this reference incorporated in this Declaration. As additional property is annexed pursuant to the Article entitled "Integrated Nature of the Covered Property" of this Declaration, exhibits similar to the exhibits attached to this Declaration may be attached to such Supplementary Declarations pertaining to the annexed property, and each of such exhibits shall thereby be incorporated in this Declaration.

Section 1.21 "Federal Agencies" shall mean and refer to collectively one or more of the following agencies and the following letter designation of such agencies shall mean and refer to respectively the agency specified within the parentheses following such letter designation: VA (Department of Veterans Affairs), FHLMC (Federal Home Loan Mortgage Corporation), FNMA (Federal National Mortgage Association), and GNMA (Government National Mortgage Association).

Section 1.22 "Final Subdivision Public Report" shall refer to that report issued by the DRE pursuant to California Business and Professions Code Section 11018.2 or any similar statute hereafter enacted. 13

Section 1.23 "Initial Sale Date" shall mean the date of the close of escrow of the first Lot in the Initial Property to a Retail Purchaser.

Section 1.24 "Institutional Mortgagee" shall mean and refer to a First Mortgagee which is a bank or savings and loan association or established mortgage company, or other entity chartered under federal or state laws, any corporation or insurance company, any federal or state agency, or any other institution regulated by federal or state law.

Section 1.25 "Lot" shall mean and refer to a lot shown on any final map filed for record or a parcel shown on any parcel map filed for record to the extent such lots or parcels are part of the Covered Property. Lot shall also include any condominium, as defined in California Civil Code Section 1351(f), which is annexed to and becomes subject to this Declaration.

Section 1.26 "Member" shall mean and refer to every person or entity who qualifies for membership pursuant to the Article of this Declaration entitled "Membership," including Declarant so long as Declarant qualifies for membership pursuant to said Article.

Section 1.27 "Merchant Builder" shall mean and refer to any person or entity, which has or will acquire from Declarant a portion of the Covered Property for the purpose of improving such property in accordance with certain development requirements imposed by Declarant.

Section 1.28 "Mortgage" shall mean and refer to any duly recorded mortgage or deed of trust encumbering a Lot. A "First Mortgage" shall refer to a Mortgage which has priority over all other Mortgages encumbering a specific Lot.

Section 1.29 "Mortgagee" shall mean and refer to the mortgagee or beneficiary under any Mortgage. A "First Mortgagee" shall mean the holder of a First Mortgage.

Section 1.30 "Owner" shall mean and refer to one or more persons or entities who are alone or collectively the record owner of a fee simple title to a Lot, including Declarant, and any Merchant Builder, or the vendee under an installment land sales contract, but excluding those having any such interest merely as security for the performance of an obligation. If a Lot is leased by Declarant for a term in excess of twenty (20) years and the lease or memorandum thereof is recorded, the lessee or transferee of the leasehold interest and not the Declarant shall be deemed to be the Owner. If fee title to a Lot is owned other than by Declarant, the Owner of the fee title and not the lessee or transferee of such Lot shall be deemed the Owner regardless of the term of the lease.

Section 1.31 "Phase of Development" shall mean any portion of the Development subject to a Final Subdivision Public Report issued by the DRE and annexed (or otherwise subject) to this Declaration.

Section 1.32 "Project" shall mean an area of the Development developed as a condominium project or planned development and for which a Project Declaration is recorded.

Section 1.33 "Project Association" shall mean any California nonprofit mutual benefit corporation, or unincorporated association, or its successor in interest, organized and established or authorized pursuant to or in connection with a Project Declaration, and of which the membership is composed of Owners of Lots within a condominium project or planned development located within the Development.

Section 1.34 "Project Common Area" shall mean any portion of the Development designated in a Project Declaration as "Common Area" for the primary benefit of or maintenance by the Owners of Lots within a particular Project, which is to be owned in common by such Owners or by a Project Association in which all such Owners shall be entitled to membership.

Section 1.35 "Project Declaration" shall mean any declaration of covenants, conditions and restrictions, or similar document, which encumbers solely a condominium project or planned development located within the Development.

Section 1.36 "Retail Purchaser" shall mean any Owner of a Lot other than Declarant or a Merchant Builder.

Section 1.37 "Special Maintenance Areas" shall mean those areas delineated on Exhibit "E" attached hereto and made a part hereof (as such Exhibit may be amended, from time to time pursuant to Section 17.20 herein) or on a Supplementary Declaration, which areas include, without limitation: (1) those areas which will be maintained by the Association (the "Association Maintenance Areas") and (2) those areas which will be maintained by individual Owners (the "Homeowner Maintenance Areas") which areas shall include, without limitation, Exclusive Use Common Areas.

Section 1.38 "Supplementary Declaration" shall mean those certain declarations of covenants, conditions and restrictions or similar instruments, annexing additional property and extending the plan of this Declaration to such additional property as provided in the Article of this Declaration entitled "Integrated Nature of the Covered Property."

Section 1.39 "VA" shall mean the United States Department of Veterans Affairs.

## **ARTICLE II**

### **MEMBERSHIP**

Section 2.1 - Membership. Every Owner shall be a Member. The terms and provisions set forth in this Declaration, which are binding upon all Owners, are not exclusive, as Owners shall, in addition, be subject to the terms and provisions of the Articles, Bylaws and Association Rules to the extent the provisions thereof are not in conflict with this Declaration. Membership of Owners shall be appurtenant to and may not be separated from the interest of such Owner in any Lot. Ownership of a Lot shall be the sole qualification for membership; provided, however, a Member's voting rights or privileges in the Common Areas, or both may be regulated or suspended as provided in this Declaration, the Bylaws or the Association Rules. Except for the

Class B Member (Declarant), not more than one membership shall exist based upon ownership of a single Lot. 15

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

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

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

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

(b) Class B. The Class B Member shall be Declarant. Declarant shall be entitled to three (3) votes for each Developer Lot in the Development; provided, that solely for the purpose of counting votes in order to determine when Class B membership shall cease and convert to Class A membership as provided in subparagraph (i) below, Declarant shall be entitled to five (5) votes for each Developer Lot.

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

(i) when the total votes outstanding in the Class A membership equals the total votes outstanding in the Class B membership; or

(ii) ten (10) years from the date of issuance of the most recent Final Subdivision Public Report with respect to any part of the Covered Property (including the Annexation Property) (the "Conversion Date"); provided that if at the time of the Conversion Date less than seventy five percent (75%) of the projected Lots for the Development are sold, the Conversion Date shall be extended for two (2) additional years; or

(iii) twenty-five (25) years after the Initial Sale Date.

(c) Class C. The Class C Member shall be Declarant. The Class C Member shall be entitled to solely elect a majority of the members of the Board. With the exception of the election of directors hereunder, the Class C membership shall not be considered a part of the voting power of the Association. The Class C membership shall terminate on the fourth (4th)

anniversary of the original issuance of the Final Subdivision Public Report for the first Phase of Development (the "Termination Date"); provided, however that if at the time of the Termination Date less than seventy-five percent (75%) of the projected Lots for the Development are sold, the Termination Date shall be extended for two (2) additional years.

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

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

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

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

Section 2.7 - Special Declarant Representation Rights. Notwithstanding the provisions of this Article, until such time as ninety percent (90%) of the total number of Lots in the Development have been sold to Retail Purchasers, Declarant shall have the absolute authority to elect at least twenty percent (20%) of the total number of directors on the Board.

### **ARTICLE III**

#### **COVENANT FOR MAINTENANCE ASSESSMENTS**

Section 3.1 - Creation of the Lien and Personal Obligation of Assessments. Each Owner including the Declarant and any Merchant Builder to the extent Declarant or such Merchant Builder is an Owner as defined herein, of any Lot by acceptance of a deed or other conveyance, creating in such Owner the interest required to be deemed an Owner, whether or not it shall be so expressed in any such deed or other conveyance, is deemed to covenant and agree to pay to the Association: Regular Assessments, Special Assessments, Reimbursement Assessments, Capital Improvement Assessments, Remedial Assessments, Reconstruction Assessments, and Phase of Development Assessments. Each Project Association is also deemed to covenant and agree to pay Reimbursement Assessments to the Association, as such Assessments may be levied against a Project Association pursuant to the provisions of this Declaration. Such Assessments shall be fixed, established and collected from time to time as provided in this Declaration. The Regular, Special, Reimbursement, Capital Improvement, Reconstruction and Phase of Development



Assessments, together with interest thereon, late charges, attorneys' fees and court costs, and other costs of collection thereof, as hereinafter provided, shall be a charge upon the Lot against which each such Assessment is made. Each such Assessment, including Remedial Assessments, together with such interest, late charges, costs and attorneys' fees, shall also be the personal obligation of the Owner of such Lot or Project Association at the time when the Assessment becomes due. The personal obligation for delinquent Assessments shall not pass to the successors in title of an Owner or Project Association unless expressly assumed by such successors. No Owner may waive or otherwise escape liability for Assessments by nonuse of the Common Areas or any part thereof, or abandonment of his or her Lot.

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

Section 3.3 - Regular Assessments. The Board shall determine the amount of the Regular Assessment to be paid by each Member. The Association shall provide written notice to all Owners of any change in Regular Assessments or the due dates therefore not less than thirty (30) nor more than sixty (60) days prior to the due date for such Regular Assessments. Each Member shall thereafter pay to the Association his or her Regular Assessment in installments by the due date established by the Board. In the event the Board shall determine that the estimate of total charges for the current year is, or will become inadequate to meet all Common Expenses for any reason, it shall then immediately determine the approximate amount of such inadequacy and issue a supplemental estimate of the Common Expenses and determine the revised amount of Regular Assessment against each Member, and the date or dates when due. After the Association's first accounting year of operation, it shall comply with the provisions of California Civil Code Section 1366, prior to any increase in Regular Assessments. In the event the amount budgeted to meet Common Expenses for the then current year proves to be excessive in light of the actual Common Expenses, the Board in its discretion may either reduce the amount of the Regular Assessment or may abate collection of Regular Assessments as it deems appropriate. Until such time as the Class B Membership has ceased and been converted into Class A Membership, Regular Assessments may not be reduced if such reduction would diminish the quantity or quality of services provided by the Association. Notwithstanding the foregoing, Regular Assessment increases shall not be limited in the case of "emergency situations" as provided in California Civil Code Section 1366. Notwithstanding the foregoing, Regular Assessments to be paid by Declarant and/or any Merchant Builder may be reduced or abated pursuant to the terms of any maintenance agreement or similar document.

Notwithstanding any other provisions of this Declaration, until the earlier to occur of (1) the recordation of a notice of completion of an improvement on the Common Areas, or (2) the placement of such improvement into use, each Owner (including Declarant and any Merchant Builders) shall be exempt from paying that portion of any Regular Assessment which is for the

purpose of defraying expenses and reserves directly attributable to the existence and use of such improvement.

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

Section 3.5 - Uniform Assessment. Regular, Reconstruction and Capital Improvement Assessments shall be fixed at an equal amount for each Lot and may be collected at intervals selected by the Board. Phase of Development Assessments shall be fixed at an equal amount for each Lot subject to such Phase of Development Assessment and may be collected at intervals selected by the Board.

Section 3.6 - Certificate of Payment. The Association shall, upon demand, furnish to any Member liable for Assessments, a certificate in writing signed by an officer or authorized agent of the Association, setting forth whether the Assessments on a specified Lot have been paid, and the amount of delinquency, if any. A reasonable charge not to exceed Fifteen Dollars (\$15.00) may be collected by the Board for the issuance of these certificates. Such certificates shall be conclusive evidence of payment of any Assessment therein stated to have been paid.

Section 3.7 - Exempt Property. All properties dedicated to and accepted by, or otherwise owned or acquired by, a public authority shall be exempt from the Assessments created herein.

Section 3.8 - Special Assessment. Special Assessments may be levied by the Association to fund any budgetary shortfall or to restore any funds transferred from the Association's reserve account. Special Assessments shall also be levied by the Board against an Owner and his or her Lot to reimburse the Association for any other charge designated as a Special Assessment in this Declaration, the Articles, Bylaws or Association Rules. Notwithstanding the foregoing, the Board shall not impose Special Assessments without first complying with the provisions of California Civil Code Section 1366. The foregoing limitation shall be subject to the exception of "emergency situations" as provided in Section 3.3 above.

Section 3.9 - Remedial Assessment. In the event the Board levies any fines or charges against an Owner who fails to comply with this Declaration, the Articles, Bylaws or the Association Rules, such fines or charges shall be Remedial Assessments.

Section 3.10 - Reimbursement Assessment. Reimbursement Assessments may be levied by the Association to reimburse the Association for materials or services provided by the Association which benefit individual Lots and/or Project Common Areas. Reimbursement Assessments shall also be levied by the Board against an Owner (and his or her Lot) or a Project Association to reimburse the Association for any other charge designated as a Reimbursement Assessment in this Declaration, the Articles, Bylaws or Association Rules. In the event the Association levies a Reimbursement Assessment against a Project Association, the Association may elect to collect a pro-rata portion of such Reimbursement Assessment from each Owner within such Project. The Association shall provide notice by first-class mail to the Owners subject to a Reimbursement Assessment of any decision to levy such Reimbursement Assessment, not less than thirty (30) nor more than sixty (60) days prior to the Reimbursement Assessment becoming due.

Section 3.11 - Phase of Development Assessments. Pursuant to this Declaration, the Association shall charge and collect the Phase of Development Assessments in order to finance the cost and operation of any additional service or facility located within a particular Phase of Development or benefitting solely Owners within a particular Phase of Development.

Section 3.12 - Date of Commencement of Regular Assessments. Subject to any assessment maintenance or subsidy program established by the Declarant, the Regular Assessments for a particular Phase of Development hereunder shall commence on the first day of the month following the close of the first escrow for the sale of a Lot by Declarant or a Merchant Builder to a Retail Purchaser within a particular Phase of Development.

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

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

Section 3.15 - Reserves. The Regular Assessments shall include reasonable amounts as determined by the Board collected as reserves for the future periodic maintenance, repair or replacement of all or a portion of the Common Areas, or any other purpose as determined by the Board. All amounts collected as reserves, whether pursuant to this Section or otherwise, shall be deposited by the Board in a separate bank account to be held in trust for the purposes for which

they are collected and are to be segregated from and not commingled with any other funds of the Association. Such reserves shall be deemed a contribution to the capital account of the Association by the Members. The Board shall not expend funds designated as reserve funds for any purpose other than those purposes set forth in California Civil Code Section 1365.5. Withdrawal of funds from the Association's reserve account shall require the signatures of either (a) two (2) members of the Board; or (b) one (1) member of the Board and an officer of the Association who is not also a member of the Board.

Section 3.16 - Automatic Assessment Increases. Notwithstanding any other provisions of this Declaration, upon the annexation of additional Phases of Development, the Regular Assessments shall be automatically increased by the amount, if any, necessary to maintain the Common Areas located within such additional Phases of Development in accordance with the standards prescribed by the then current 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 for "common interest developments" (as defined in California Civil Code Section 1351(c)) consistently applied throughout the geographic region in which the Development is located. However, such increase shall occur only if (i) the annexation of such additional Phases of Development is permitted by the DRE, and (ii) the amount of such increase is within the range of assessments approved by the DRE pursuant to the DRE Approved Budgets, increased at a rate of twenty percent (20%) compounded annually. If annexation of Common Areas results in an increase in the Regular Assessments which is permissible under the requirements of the preceding sentence, then the Association shall be obligated to collect such increased Regular Assessment. To facilitate the orderly payment of Regular Assessments during the development of the Development, the Board may establish and levy a median monthly Regular Assessment at an amount sufficient to defray the Common Expenses of the Association during the development of the Development. By accepting title to a Lot, each Owner consents to the Regular Assessment increases specified in this Section.

#### **ARTICLE IV** **NONPAYMENT OF ASSESSMENTS**

Section 4.1 - Effect of Nonpayment of Assessments; Remedies of the Association. In the event any Assessment is not paid when due, such Assessment shall be deemed to be delinquent and in default. Each Owner and Project Association vests in the Association or its assigns the right and power to bring all actions at law and in equity and exercise such other remedies provided herein against such Owner or Project Association for the collection of delinquent Assessments. In the event an attorney or attorneys are employed for collection of any Assessment, whether by suit or otherwise, each Owner and Project Association agrees to pay reasonable attorneys' fees and costs thereby incurred in addition to any other amounts due or any other relief or remedy obtained against such Owner or Project Association. In addition to any other remedies herein or by law provided, the Association may enforce the obligations of the Owners and Project Associations to pay the Assessments in any manner provided by law or in equity, and without any limitation of the foregoing, by any or all of the following procedures:

(a) Suspension of Rights; Monetary Penalties. After a hearing by the Board (whether or not the delinquent Owner appears), upon ten (10) days prior written notice to the delinquent Owner, the Board may (a) suspend the voting rights of any Owner, (b) impose reasonable monetary penalties pursuant to a monetary penalty schedule established and posted by the Board, and/or (c) suspend such Owner's right to use the Common Areas for any period during which any Assessment against such Owner's Lot remains unpaid; provided, that these provisions shall not operate or be construed to deny or restrict ingress or egress of any Owner to and from such Owner's Lot.

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

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

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

Upon such recordation of a duly executed original or copy of such Claim of Lien and mailing a copy thereof to said Owner, the lien claimed therein shall immediately attach and become effective. Any such lien may be foreclosed by appropriate action in court or in the manner provided by law for the foreclosure of a deed of trust by exercise of a power of sale contained therein or in the manner provided by law for the enforcement of a judgment as the laws of the State of California may from time to time be changed or amended. The Association shall have the power to bid in at any foreclosure sale, trustee's sale or judgment sale and to

purchase, acquire, lease, hold, mortgage and convey any Lot. Reasonable attorneys' fees, court costs, title search fees, interest and all other costs and expenses shall be allowed to the extent permitted by law.

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

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

Section 4.2 - Assignment of Rents. As security for the payment of all such liens, each Owner hereby gives to and confers upon the Association the right, power and authority, during the continuance of such ownership, to collect the rents, issues and profits of the Owner's Lot, reserving unto the Owner the right, prior to any default by such Owner in performance of such Owner's obligation under this Declaration, or the Bylaws or the Articles, to collect and retain such rents, issues and profits as they become due and payable. Upon any such default, the Association may, at any time, upon ten (10) days written notice to such Owner, then either in person, by agent or by a receiver to be appointed by a court of competent jurisdiction, and without regard to the adequacy of any security for such indebtedness, enter upon and take possession of such Owner's Lot or any part thereof, in its own name sue for or otherwise collect such rents, issues and profits, including those past due and unpaid, and apply the same, less costs and expenses of operation and collection, including reasonable attorneys' fees, in payment of any indebtedness to the Association or in performance of any agreement hereunder, and in such order as the Association may determine. The entering upon and taking possession of said property, the collection of such rents, issues and profits and the application thereof as aforesaid, shall not cure nor waive any default hereunder or invalidate any act done pursuant to this Declaration.

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

**ARTICLE V**  
**ARCHITECTURAL CONTROL**

Section 5.1 - Appointment of Architectural Committee. The Architectural Committee shall consist of not less than three (3) nor more than five (5) persons as fixed from time to time by resolution of the Board. The Declarant shall initially appoint the Architectural Committee. The Declarant shall retain the right to appoint, augment or replace all members of the Architectural Committee until one (1) year after the Initial Sale Date. Thereafter, the Declarant shall retain the right to appoint, augment or replace a majority of the members of the Architectural Committee until five (5) years after the close of escrow of the first Lot within the last Phase of Development, or until ninety percent (90%) of the Lots within the Development have been conveyed to Retail Purchasers, whichever shall last occur.

Section 5.2 - General Provisions.

(a) The Architectural Committee may establish reasonable procedural rules and may assess a fee not to exceed Fifty Dollars (\$50.00) per submission of plans in connection with review of plans and specifications including, without limitation, the number of sets of plans to be submitted; however, the Architectural Committee may delegate its plan review responsibilities to one or more members of such Architectural Committee. Upon such delegation, the approval or disapproval of plans and specifications by such persons shall be equivalent to approval or disapproval by the entire Architectural Committee. Unless any such rules are complied with, such plans and specifications shall be deemed not submitted.

(b) The address of the Architectural Committee shall be the address established for giving notice to the Association. Such address shall be the place for the submittal of plans and specifications and the place where the current "Architectural Standards" (as hereinafter defined) shall be kept.

(c) The establishment of the Architectural Committee and the systems herein for architectural approval shall not be construed as changing any rights or restrictions upon Owners to maintain, repair, alter or modify or otherwise have control over the Lots as may otherwise be specified in this Declaration, in the Bylaws or in any Association Rules.

(d) In the event the Architectural Committee fails to approve or disapprove such plans and specifications within sixty (60) days after the same have been duly submitted in accordance with any rules regarding such submission adopted by the Architectural Committee, such plans and specifications will be deemed approved, but shall still be subject to the Architectural Standards.

Section 5.3 - Approval and Conformity of Plans. No building, fence, wall, structure, landscaping improvements that consist of predominantly hardscape material(s) (including but not limited to cement, rock and gravel) which hardscaping material(s) are located within the yard of any Lot visible from any street, adjoining Lot or Common Areas, shall be commenced, erected, maintained upon or removed from the Covered Property, nor shall there be any addition to or change in the exterior of any Lot, building, fence, wall, structure, the painting (other than painting with the same color of paint as previously existed) of exterior walls, patio covers and

solar and other energy saving devices, except in compliance with plans and specifications therefor which have been submitted to and approved by the Architectural Committee as to harmony of external design and location in relation to surrounding structures and topography. The Declarant may, from time to time, adopt and promulgate architectural standards (the "Architectural Standards") to be administered through the Architectural Committee. The Architectural Standards shall not be amended, modified, changed or waived in any manner without the prior written approval of the Declarant. The Architectural Standards may be different for each Phase of Development to accommodate the unique nature or revised development plans for such Phase of Development. The Architectural Standards may include among other things those restrictions and limitations upon the Owners set forth below:

(a) time limitations for the completion of the architectural improvements for which approval is required pursuant to the Architectural Standards;

(b) conformity of completed architectural improvements to plans and specifications approved by the Architectural Committee; provided, however, as to purchasers and encumbrancers in good faith and for value, unless notice of noncompletion or nonconformance identifying the violating Lot and its Owner and specifying the reason for the notice, executed by the Architectural Committee, shall be filed of record in the Office of the County Recorder of the County, and given to such Owner within one (1) year of the expiration of the time limitation described in subsection (a) above, or unless legal proceedings shall have been instituted to enforce compliance or completion within said one (1) year period, the completed architectural improvements shall be deemed to be in compliance with plans and specifications approved by the Architectural Committee and in compliance with the Architectural Standards of the Association, but only with respect to purchasers and encumbrancers in good faith and for value;

(c) such other limitations and restrictions as the Declarant in its reasonable discretion shall adopt, including, without limitation, the regulation of the following: construction, reconstruction, exterior addition, change or alteration to or maintenance of any building, structure, wall or fence, including, without limitation, the nature, kind, shape, height, materials, exterior color and surface and location of such dwelling structure; and

(d) a description of the types of such construction, reconstruction, additions, alterations or maintenance which, if completed in conformity with the Architectural Standards, do not require the approval of the Architectural Committee.

Section 5.4 - Nonliability for Approval of Plans. Each Owner shall be solely responsible for any violation of this Declaration, the Architectural Standards or any applicable instrument, law or regulation, caused by an improvement made by such Owner even though same is approved by the Architectural Committee. Plans and specifications shall be approved by the Architectural Committee as to style, exterior design, appearance and location, and are not approved for engineering design or for compliance with zoning and building ordinances, this Declaration, easements, deed restrictions and other rights and obligations affecting the Covered Property, and by approving such plans and specifications neither the Architectural Committee, the members thereof, the Association, the Members, the Board nor Declarant assumes liability or responsibility therefor, or for any defect in any structure constructed from such plans and specifications. The Architectural Committee shall have the right to require, as a condition of



approval, that an Owner provide indemnification on terms and conditions satisfactory to the Architectural Committee. 25

Section 5.5 - Appeal. In the event plans and specifications submitted to the Architectural Committee are disapproved thereby, the party or parties making such submission may appeal in writing to the Board. The written request must be received by the Board not more than fifteen (15) days following the final decision of the Architectural Committee. The Board shall submit such request to the Architectural Committee for review, whose written recommendations will be submitted to the Board. Within forty-five (45) days following receipt of the request for appeal, the Board shall render its written decision. The failure of the Board to render a decision within said forty-five (45) day period shall be deemed a decision in favor of the appellant; provided, however, that the submitted plans and specifications shall still be subject to the Architectural Standards.

Section 5.6 - Inspection and Recording of Approval. Any member of the Architectural Committee or any officer, director, employee or agent of the Association may at any reasonable time enter, without being deemed guilty of trespass, upon any Lot after notice to the Owner in order to inspect improvements constructed or being constructed on such Lot to ascertain that such improvements have been or are being built in compliance with plans and specifications approved by the Architectural Committee and in accordance with the Architectural Standards. The Architectural Committee shall cause such an inspection to be undertaken within thirty (30) days of a request therefor from any Owner as to his Lot, and if such inspection reveals that the improvements located on such Lot have been completed in compliance with this Article, the President and the Secretary of the Association shall provide to such Owner a notice of such approval in recordable form, which, when recorded, shall be conclusive evidence of compliance with the provisions of this Article as to the improvements described in such recorded notice, but as to such improvements only.

Section 5.7 - Applicability of Article to Project Common Areas. The provisions of this Article shall also apply to any addition to or change in any Project Common Areas after such Project Common Areas have been originally constructed.

## **ARTICLE VI**

### **DUTIES AND POWERS OF THE ASSOCIATION**

Section 6.1 - General Duties and Powers. In addition to the duties and powers enumerated in its Articles and Bylaws, or elsewhere provided for herein, and without limiting the generality thereof, the Association shall have the specific duties and powers specified in this Article.

Section 6.2 - General Duties of the Association. The Association through the Board shall have the duty and obligation to:

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

- (b) maintain and otherwise manage the following:
- (i) all easements and real property and all facilities, improvements and landscaping thereon in which the Association holds an interest, subject to the terms of any instrument transferring such interest to the Association;
  - (ii) all personal property in which the Association holds an interest, subject to the terms of any instrument transferring such interest to the Association; and
  - (iii) all property, real or personal, which the Association is obligated to repair or maintain pursuant to this Declaration, including, without limitation, the Article of this Declaration entitled "Repair and Maintenance";
- (c) pay any real and personal property taxes and other charges assessed to or payable by the Association;
- (d) obtain, for the benefit of the Common Areas, water, gas and electric, refuse collections and other services; and
- (e) make available the books, records and financial statements of the Association for inspection by Owners and First Mortgagees during normal business hours.

Section 6.3 - General Powers of the Association. The Association through the Board shall have the power but not the obligation to:

- (a) employ a manager or other persons and contract with independent contractors or managing agents to perform all or any part of the duties and responsibilities of the Association, provided that any contract with a person or firm appointed as a manager or managing agent shall have (i) a term of not more than one (1) year with successive one (1) year renewal periods upon mutual agreement of the parties, and (ii) shall provide for the right to terminate without cause, and without payment of a penalty, upon no more than ninety (90) days notice;
- (b) acquire interests in real or personal property for offices or other facilities that may be necessary or convenient for the management of the Covered Property, the administration of the affairs of the Association or for the benefit or enjoyment of the Members;
- (c) borrow money in a total amount not to exceed ten percent (10%) of the then existing estimated annual Common Expenses, as may be needed in connection with the discharge by the Association of its powers and duties;
- (d) establish in cooperation with the County a special tax assessment district for the performance of all or a portion of the maintenance or other functions now within the responsibility of the Association;
- (e) convey all or a portion of the Common Areas to the district established pursuant to Subsection (d) above;

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

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

Section 6.4 - General Limitations and Restrictions on the Powers of the Board. In addition to the limitations and restrictions enumerated in the Articles and Bylaws or elsewhere provided for herein, and without limiting the generality thereof, the Board shall be prohibited from taking any of the following actions without the approval of a majority of the voting power of the Association and a majority of the votes of Members other than the Declarant:

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

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

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

(iii) management contract, the terms of which have been approved by the Federal Housing Administration or VA, which contract provides that the Association may terminate the contract without cause, and without payment of a penalty, upon no more than ninety (90) days notice;

(iv) agreements for sale or lease of burglar alarm and fire alarm equipment, installation and services of not to exceed five (5) years duration provided that the supplier or suppliers are not entities in which the Declarant has a direct or indirect ownership interest of ten percent (10%) or more; and

(v) agreements for cable television services and equipment or satellite television services and equipment of not to exceed five (5) years duration, provided that the supplier is not an entity in which the Declarant has a direct or indirect ownership interest of ten percent (10%) or more;

(b) sell any real or personal property of the Association with an aggregate fair market value in excess of five percent (5%) of said estimated Common Expenses during any accounting year;

(c) pay compensation to directors or to officers of the Association for services performed in the conduct of the Association's business; provided, however, the Board may cause

a director or officer to be reimbursed for expenses incurred in carrying on the business of the Association;

(d) incur aggregate indebtedness in excess of five percent (5%) of the then existing estimated annual Common Expenses; and

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

Section 6.5 - Association Rules. The Board shall also have the exclusive power to adopt, amend, and repeal such rules and regulations as it deems reasonable (the "Association Rules") which may include the establishment of a system of fines and penalties enforceable as Remedial Assessments, all as provided in the Bylaws. The Association Rules shall govern such matters in furtherance of the purposes of the Association, including, without limitation, the use of the Common Areas; provided, however, that the Association Rules may not discriminate among Owners, and shall not be inconsistent with this Declaration, the Articles or Bylaws. A copy of the Association Rules as they may from time to time be adopted, amended or repealed or a notice setting forth the adoption, amendment or repeal of specific portions of the Association Rules shall be delivered to each Owner in the same manner established in this Declaration for the delivery of notices. Upon completion of the notice requirements, said Association Rules shall have the same force and effect as if they were set forth in and were a part of this Declaration and shall be binding on the Owners and their successors in interest whether or not actually received thereby. The Association Rules, as adopted, amended or repealed, shall be available at the principal office of the Association to each Owner and Institutional Mortgagee upon request. In the event of any conflict between any such Association Rules and any other provisions of this Declaration, or the Articles and Bylaws, the provisions of the Association Rules shall be deemed to be superseded by the provisions of this Declaration, the Articles or the Bylaws to the extent of any such conflict.

Section 6.6 - Delegation of Powers. The Association shall have the right, according to law, to delegate to committees, officers, employees or agents any of its duties and powers under this Declaration, the Articles and Bylaws; provided, however, no such delegation to a professional management company, the Architectural Committee or otherwise shall relieve the Association of its obligation to perform such delegated duty.

Section 6.7 - Pledge of Assessment Rights. The Association shall have the power to pledge the right to exercise its Assessment powers in connection with obtaining funds to repay a debt of the Association; provided, however, any such pledge shall require the prior affirmative vote or written assent of not less than sixty-six and two-thirds percent (66-2/3%) of the voting power present in person or by proxy at a duly and validly held meeting of the Members or by written consent as set forth in the Bylaws. Said power shall include, but not be limited to, the ability to make an assignment of Assessments which are then payable to or which will become payable to the Association; which assignment may be then presently effective but shall allow said Assessments to continue to be paid to and used by the Association as set forth in this Declaration, unless and until the Association shall default on the repayment of the debt which is secured by said assignment. The Association may levy Special Assessments against the Members to obtain such funds. Upon the failure of any Member to pay said Special Assessment

when due, the Association may exercise all its rights, including, without limitation, the right to foreclose its lien, pursuant to the Article hereof entitled "Nonpayment of Assessments." Without limiting the generality of the foregoing, any pledge of Assessment rights in excess of an amount equal to twenty-five percent (25%) of the total Regular Assessments collected by the Association in the then preceding accounting year, shall require the prior written approval of seventy-five percent (75%) of the Institutional Mortgagees based on one (1) vote for each First Mortgage held.

Section 6.8 - Emergency Powers. The Association or any person authorized by the Association may enter any Lot or Project Common Area in the event of any emergency involving illness or potential danger to life or property. Such entry shall be made with as little inconvenience to the Owners as practicable, and any damage caused thereby shall be repaired by the Association (or Project Association) unless covered by insurance carried by the Owner.

Section 6.9 - Additional Services and Facilities. The purpose of this Section is to provide Declarant, any Merchant Builder or particular groups of Owners with the right to establish and maintain additional services and/or facility(ies) for a particular Phase of Development.

Notwithstanding any other provision(s) in this Declaration, Declarant, any Merchant Builder or the Owners in any Phase of Development shall have the right to establish additional service(s) (including, but not limited to, employing security guards, manned security entrance, custodian) or facility(ies) (including, but not limited to, entry driveway security mechanism) for a Phase of Development subject to the following provisions:

(a) Declarant or any Merchant Builder may establish a Phase of Development Assessment for a particular Phase of Development at any time prior to the sale of a Lot within such Phase of Development to a Retail Purchaser. Subsequent to the issuance of a Final Subdivision Public Report for a particular Phase of Development, at least sixty-six and two-thirds percent (66-2/3rds%) of all Owners within such Phase of Development must consent to the establishment and operation (including without limitation, the initial budget and the Phase of Development Assessments) of a particular service or facility for their Phase of Development. Such requisite consent must be in writing and may be obtained during a properly noticed regular or special meeting of the Association.

(b) the full cost and expense (including reserves) of any additional service or facility for a Phase of Development shall be fully paid by all of the Owners in such Phase of Development pursuant to Phase of Development Assessments levied and collected by the Association.

(c) no additional service or facility shall be established which adversely affects any existing services and facilities then being provided for the overall Development.

(d) in the event a Phase of Development Assessment is established, the Owners within such Phase of Development shall elect a committee ("Phase Committee") for their Phase of Development. The Board may establish, from time to time, fair and reasonable procedures for the election of such Phase Committee. The Phase Committee for a particular

Phase of Development shall consist of three (3) Owners in that Phase of Development or representatives of Declarant or a Merchant Builder. Each Phase Committee will be a committee of the Association, subject to the control of the Board, and each Phase Committee will meet, confer and work closely with the Board in order to coordinate the establishment and maintenance of the additional service(s) or facility(ies). Each Phase Committee will be primarily responsible for performing the necessary tasks, including such tasks established by the Board, for the proper establishment and maintenance of the additional service(s) or facility(ies), and the appropriate assessments to be established. Such tasks shall include, without limitation the preparation of budgets (which shall include sufficient start up and reserve funds) and other financial information for the additional service(s) or facility(ies).

(e) in the event any Phase of Development Assessments are established for a particular Phase of Development, such Phase of Development Assessments may not be increased by more than twenty percent (20%) from the levels of the preceding fiscal year unless a majority of a quorum of the voting power of the Association within such Phase of Development consents to such increase. Phase of Development Assessments may not be used to cover any operating expenses of the Association other than those for which the Phase of Development Assessments are being collected. The Board shall have the authority to levy Special, Reconstruction and/or Capital Improvement Assessments against the Owners within such Phase of Development which relate to the additional facilities or services provided to such Owners consistent with the provisions of Article III herein.

## ARTICLE VII REPAIR AND MAINTENANCE

Section 7.1 - Repair and Maintenance by Association. Except to the extent that an Owner or Project Association may be obligated to maintain and repair as hereinafter provided, and without limiting the generality of the statement of duties and powers contained in this Declaration, the Articles, Bylaws or Association Rules, the Association shall have the duty to accomplish the following upon the Covered Property or other land in such manner and at such times as the Board shall prescribe:

(a) maintain, repair, restore, replace and make necessary improvements to the Common Areas and the Association Maintenance Areas as shown on Exhibits "C" and "E" attached hereto and made a part hereof;

(b) maintain all other areas, facilities, equipment, services or aesthetic components of whatsoever nature as may from time to time be requested by the vote or written consent of a majority of the voting power of the Members;

(c) the costs of any such maintenance and repair pursuant to this Section shall be paid out of the general funds of the Association, except as otherwise herein specified as payable by the particular Owners; and

(d) provide for a method of continual maintenance of the open space and/or recreation lots and an adequate lighting system along all walkways to be constructed within the Covered Property.

Section 7.2 - Repair and Maintenance by Owner. Except to the extent that the Association or Project Association shall be obligated to maintain and repair as may be provided in this Declaration, every Owner shall be responsible for the following maintenance and repair:

(a) every Owner shall maintain those portions of the exterior of his Lot including, without limitation, the walls, fences (including wrought iron fencing located on the property line of a Lot) and roof of such Lot in good condition and repair and in accordance with the standards set forth by the Association;

(b) every Owner shall install and thereafter maintain in attractive condition, yard landscaping in accordance with the provisions of this Article;

(c) every Owner shall maintain in good and attractive condition all landscaping placed upon such Owner's Lot. Such maintenance shall be consistent with applicable County ordinances;

(d) every Owner shall maintain in good and attractive condition those portions of Homeowner Maintenance Areas and Exclusive Use Common Area, including any improvements constructed or existing thereon, as have been or may be conveyed to Owner by Declarant and/or any Merchant Builder; and

(e) in the event the Board shall determine that any Lot perimeter walls and fences have been damaged from within a Lot, the Owner of the Lot shall be responsible for repairing such damage in a timely manner and in accordance with such rules as the Declarant or Architectural Committee shall from time to time adopt. In the event such repair is not so accomplished by the Owner, the Association or its delegates shall have the right at reasonable times to enter the Lot to effect such repair, and the cost thereof shall be charged to the Owner of the Lot, and, if not paid in a timely manner, shall be a Reimbursement Assessment and enforceable in accordance with the provisions of this Declaration applicable thereto.

Section 7.3 - Repair and Maintenance by Project Association. Every Project Association shall be responsible for the following maintenance and repair:

(a) every Project Association shall maintain all Project Common Areas in good condition and repair;

(b) every Project Association shall maintain in attractive condition, all landscaped portions of the Project Common Areas; and

(c) every Project Association shall ensure that the Owners within such Project maintain their Lots in good and attractive condition.

Section 7.4 - Right of Association to Maintain and Install. In the event that an Owner or Project Association fails to accomplish any maintenance, repair or installation required by this Section or pay his or its share of expenses incurred in the accomplishment of the same, the Association or its delegates may, but shall not be obligated to, cause such maintenance, repair and installation to be accomplished or such payment to be made to the appropriate parties (said

maintenance, repair, installation or lack of payment shall be referred to in this Article as a "deficiency") as hereinafter set forth.

(a) Upon finding by the Board of a deficiency, the Board shall give notice of the deficiency to the violating Owner or Project Association which shall briefly describe the deficiency and set a date for the cure thereof. If the violating Owner or Project Association submits a written request to the Board for a hearing within fifteen (15) days after the mailing of such deficiency notice, the Board shall set a date for such hearing before the Board or a committee selected by the Board for such purpose. The Board may delegate its powers under this subsection to a duly appointed committee of the Association.

(b) Such hearing shall be held not less than ten (10) nor more than thirty (30) days from the date of said request for hearing.

(c) Such hearing shall be conducted according to such reasonable rules and procedures as the Board shall adopt which shall provide the Owner or Project Association with the right to present oral and written evidence and to confront and cross-examine any person offering at such hearing evidence adverse to such Owner or Project Association. If the Board or any such committee renders a decision against the Owner or Project Association, it may set another date by which the deficiency is to be corrected by the Owner or Project Association. A decision of such committee may be appealed to the Board, but a decision of the Board shall be final.

(d) If the deficiency continues to exist after the time limitation set forth in the deficiency notice or, in the event a hearing is held, the date imposed by a final decision of the Board or any such committee, the Board or such committee may cause such maintenance, repair or installation to be accomplished or such payment to be made.

(e) In the event the Board or such committee elects to cause such maintenance, repair or installation to be accomplished, it shall give written notice of such election to the violating Owner or Project Association and the following shall apply:

(i) the Owner or Project Association shall have no more than ten (10) days following the receipt thereby of said written notice of election in which to select a day or days upon which such maintenance, repair or installation work shall be accomplished;

(ii) the date which said Owner or Project Association selects shall be not less than ten (10) days nor more than thirty (30) days following the last day of the ten (10) day period specified in such notice of election;

(iii) if said Owner or Project Association does not select such day or days within the ten (10) day period specified in such notice of election, the Board or such committee may select a day or days upon which such work may be accomplished which shall be not less than twenty-five (25) nor more than fifty-five (55) days from the last day of the ten (10) day period specified in such notice of election; and



(iv) unless the Owner or Project Association and the Board otherwise agree, such maintenance or installation shall take place only during daylight hours on any day, Monday through Friday, excluding holidays.

(f) If the Association pays for all or any portion of correcting such deficiency or if an Owner or Project Association has not paid his or its share of the maintenance and repair expenses as set forth in Sections 7.2 and 7.3 of this Article regardless of whether the Association has reimbursed the appropriate parties, Owners or Project Association pursuant to this Section, such amount shall be a Reimbursement Assessment to the violating Owner and his Lot or Project Association, as applicable.

Section 7.5 - Standards for Maintenance and Installation.

(a) Maintenance of the exterior of the Lots and Project Common Areas, including without limitation walls, fences and roofs shall be accomplished in accordance with the Architectural Standards and, if required by the Architectural Standards, only after approval of the Architectural Committee.

(b) All portions of the yard of a Lot which are unimproved and visible from the street on which said Lot fronts shall be landscaped by the Owner thereof in conformance with customary landscaping material(s), primarily living plants, lawn (sod), trees and shrubs. Subject to the Section entitled "Approval and Conformity of Plans" of the Article hereof entitled "Architectural Control," landscaping of the front yard areas shall be installed within one hundred eighty (180) days from the date of the conveyance of such Lot from Declarant or a Merchant Builder to the Owner (the "Conveyance Date") and landscaping of the rear yard areas shall be installed within one year from the Conveyance Date. Thereafter, such landscaping shall be maintained by the Owner in an attractive condition and according to any rules promulgated by the Board.

Section 7.6 - Right of Entry. The Association shall have the right to enter upon any Lot or Project Common Areas in connection with any exterior maintenance, repair or construction in the exercise of the powers and duties of the Association. Any damage caused by such entry shall be repaired by the entering party to the extent that the damage caused was unnecessary under the circumstances to carry out the Association's rights and obligations.

Section 7.7 - Maintenance of Public Utility Facilities. Nothing contained herein shall require or obligate the Association to maintain, replace or restore the facilities of public utilities which are located within easements in the Common Areas owned by such public utilities. However, the Association shall take such steps as are necessary or convenient to ensure that such facilities are properly maintained, replaced or restored by such public utilities.

Section 7.8 - Assumption of Maintenance Obligations. Declarant, Declarant's assigns, its subcontractors and the agents and employees of the same shall have the right to enter upon the Common Areas to complete the construction of any landscaping or other improvement to be installed on the Common Areas as provided in this Declaration. If any excess of Assessments collected over actual Common Expenses incurred by the Association is caused by reason of

construction or maintenance pursuant to this Section, or otherwise, such excess shall be refunded on a pro rata basis to the Owners.

#### ARTICLE VIII INSURANCE

Section 8.1 - Types. The Association, to the extent available, shall obtain and continue in effect in its own name the following types of insurance with such deductible provisions as may be appropriate so long as such amounts or type of insurance coverage are not, in the good faith judgment of the Board, prohibitively expensive or no longer necessary or appropriate for the protection of the Covered Property, the Association and the Members:

(a) a comprehensive policy of public liability insurance covering the Common Areas with a limit of not less than Two Million Dollars (\$2,000,000), provided that the Development consists of one hundred (100) or fewer separate interests, for claims for personal injury and/or property damage arising out of a single occurrence, such coverage to include protection against water damage liability, liability for non-owned and hired automobile and liability for property of others, and such other risks as shall customarily be covered with respect to similar planned unit developments in the area of the Covered Property, and shall contain a "severability of interest" endorsement or the equivalent which shall preclude the insurer from denying the claim of an Owner because of negligent acts or omissions of the Association or other Owners; provided, further, that if the Development consists of more than one hundred (100) separate interests, then the minimum amount for the comprehensive policy of public liability insurance shall be Three Million Dollars (\$3,000,000).

(b) a policy of fire and casualty insurance (all-risk) with extended coverage for the full replacement value of the Common Areas (including all building service equipment and the like), without deduction for depreciation, with an "agreed amount endorsement" or its equivalent and clauses waiving subrogation against Members and the Association and persons upon the Covered Property with the permission of a Member, such insurance to afford protection against at least loss or damage by fire and other hazards covered by the standard extended coverage endorsement, and by sprinkler leakage, debris removal, cost of demolition, vandalism, malicious mischief, windstorm, water damage, and such other risks as shall customarily be covered with respect to similar planned unit developments in the area of the Covered Property; and

(c) fidelity coverage against dishonest acts on the part of directors, officers, employees or volunteers who handle or who are responsible to handle the funds of the Association, and such fidelity bonds shall name the Association as obligee, shall be written in an amount equal to twenty-five percent (25%) of the estimated annual operating expenses of the Association, including reserves, and shall contain waivers of any defense based on the exclusion of persons who serve without compensation or from any definition of "employee" or similar expression.

Section 8.2 - Waiver by Members. All insurance obtained by the Association shall be maintained by the Association for the benefit of the Association, the Owners and the Mortgagees

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as their interests may appear. As to each of said policies which will not be voided or impaired thereby, the Owners hereby waive and release all claims against the Association, the Board, other Owners, the Developer Parties and agents and employees of each of the foregoing with respect to any loss covered by such insurance, whether or not caused by negligence of or breach of any agreement by said persons, but to the extent of insurance proceeds received in compensation for such loss only.

Section 8.3 - Other Insurance. The Board may and, if required by any Institutional Mortgagee, shall purchase and maintain in force demolition insurance in adequate amounts to cover demolition in the event of total or partial destruction and a decision not to rebuild, as well as a blanket policy of flood insurance. The Board shall also purchase and maintain workmen's compensation insurance, to the extent that the same shall be required by law, for all employees of the Association. The Board shall also purchase and maintain in effect such insurance on personal property owned by the Association, and such other insurance, as it deems necessary or as is required by an Institutional Mortgagee including, without limitation, earthquake insurance, plate-glass insurance and officers' and directors' liability insurance.

Section 8.4 - Premiums, Proceeds and Settlement. Insurance premiums for any such blanket insurance coverage obtained by the Association and any other insurance deemed necessary by the Association shall be a Common Expense to be included in the Regular Assessments levied by the Association. Casualty insurance proceeds shall be used by the Association for the repair or replacement of the property for which the insurance was carried, or otherwise disposed of as provided in the Article hereof entitled "Destruction of Improvements." The Association is hereby granted the authority to negotiate loss settlements with the appropriate insurance carriers. Any two (2) directors of the Association may sign a loss claim form and release form in connection with the settlement of a loss claim, and such signatures shall be binding on the Members.

Section 8.5 - Annual Insurance Review. The Board shall annually determine whether the amounts and types of insurance it has obtained provide adequate coverage for the Covered Property in light of increased construction costs, inflation, practice in the area in which the Covered Property is located, or any other factor which tends to indicate that either additional insurance policies or increased coverage under existing policies are necessary or desirable to protect the interests of the Owners and of the Association. If the Board determines that increased coverage or additional insurance is appropriate, it shall obtain the same.

Section 8.6 - Abandonment of Replacement Cost Insurance. Unless at least seventy-five percent (75%) of the Institutional Mortgagees based on one (1) vote for each First Mortgage held have given their prior written approval, the Association shall not be entitled to fail to maintain the extended coverage fire and casualty insurance required by this Article on less than a one hundred percent (100%) current replacement cost basis.

Section 8.7 - Notice of Expiration Requirements. If available, each of the policies of insurance maintained by the Association shall contain a provision that said policy shall not be canceled, terminated, materially modified or allowed to expire by its terms, without ten (10) days prior written notice to the Board and Declarant, and to each owner and mortgagee, insurer and guarantor of a first Mortgage who has filed a written request with the carrier for such notice and

every other person in interest who requests such notice of the insurer. In addition, fidelity bonds shall provide that they may not be canceled or substantially modified without ten (10) days prior written notice to the Association and to each FNMA servicer who has filed a written request with the carrier for such notice.

Section 8.8 - Federal Requirements. Notwithstanding the foregoing provisions of this Article, the Association shall continuously maintain in effect such casualty, flood and liability insurance and a fidelity bond meeting the insurance and fidelity bond requirements for planned unit development projects established by any of the Federal Agencies, so long as either is a Mortgagee, Owner, or insures or guarantees a Mortgage within the Covered Property, except to the extent such coverage is not available or has been waived in writing by the foregoing entities.

## **ARTICLE IX**

### **DESTRUCTION OF IMPROVEMENTS**

Section 9.1 - Duty of Association. In the event of partial or total destruction of improvements upon the Common Areas, it shall be the duty of the Association to restore and repair the same as promptly as practical pursuant to this Article. The proceeds of any casualty insurance maintained pursuant to this Declaration shall be used for such purpose, subject to the prior rights of Mortgagees whose interest may be protected by said policies.

Section 9.2 - Automatic Reconstruction. In the event that the amount available from the proceeds of such insurance policies for such restoration and repair shall be at least eighty-five percent (85%) of the estimated cost of restoration and repair, a Reconstruction Assessment, with each Owner contributing a like sum, may be levied by the Association to provide the necessary funds for such reconstruction, over and above the amount of any insurance proceeds available for such purpose, and the Board shall cause the damaged or destroyed Common Areas to be restored as closely as practical to its condition prior to the destruction or damage.

Section 9.3 - Vote of Members. In the event that the amount available from the proceeds of such insurance policies for such restoration and repair shall be less than eighty-five percent (85%) of the estimated cost of restoration and repair, the improvements shall be replaced or restored unless twenty-five percent (25%) of the voting power of the Association objects in writing to such replacement or restoration or votes against the same at a meeting duly called therefor. Such written objections or vote must include at least twenty-five percent (25%) of the Class A Members. If the Members do not disapprove such replacement or restoration, the Board shall levy a Reconstruction Assessment, with each Owner contributing a like sum, in order to provide the necessary funds for such reconstruction, over and above the amount of any insurance proceeds available for such purpose, and the Board shall cause the damaged or destroyed Common Areas to be restored as closely as practical to its former condition prior to the destruction or damage. In the event of a determination, as provided above, not to replace or restore the improvements on the Common Areas, the Common Areas shall be cleared and landscaped for community park use and the costs thereof shall be paid for with the insurance proceeds, and any deficiency may be raised by Reconstruction Assessments in an amount determined by the Board.

Section 9.4 - Excess Insurance Proceeds. In the event any excess insurance proceeds remain, after any reconstruction by the Association pursuant to this Article, the Board, in its sole discretion, shall distribute such sums pro rata equally to the Owners subject to the prior rights of Mortgagees whose interest may be protected by insurance policies carried by the Association. In the absence of such prior rights, the rights of an Owner and the Mortgagee of his Lot as to such pro rata distribution shall be governed by the provisions of the Mortgage encumbering such Lot.

Section 9.5 - Use of Reconstruction Assessments. All amounts collected as Reconstruction Assessments shall only be used for the purposes set forth in this Article and shall be deposited by the Board in a separate bank account to be held in trust for such purposes. Such funds shall not be commingled with any other funds of the Association and shall be deemed a contribution to the capital account of the Association by the Members. Any excess amounts which are so collected shall be treated in the same manner as set forth in Section 9.4 above.

## ARTICLE X EMINENT DOMAIN

Section 10.1 - Definition of Taking. The term "taking" as used in this Article shall mean condemnation by eminent domain or sale under threat of condemnation of all or any portion of the Common Areas.

Section 10.2 - Representation by Board in Condemnation Proceedings. In the event of a threatened taking of all or any portion of the Common Areas, the Members hereby appoint the Board and such persons as the Board may delegate to represent all of the Members in connection with the taking. The Board shall act in its sole discretion with respect to any awards being made in connection with the taking and shall be entitled to make a voluntary sale to the condemnor in lieu of engaging in a condemnation action.

Section 10.3 - Inverse Condemnation. The Board is authorized to bring an action in inverse condemnation. In such event, the provisions of this Article shall apply with equal force.

Section 10.4 - Award for Common Areas. Any awards received on account of the taking of Common Areas shall be paid to the Association. The Board may in its sole discretion retain any award in the general funds of the Association or distribute pro rata all or a portion thereof to the Members. The rights of an Owner and the Mortgagee of his Lot as to any pro rata distribution shall be governed by the provisions of the Mortgage encumbering such Lot.

## ARTICLE XI USE RESTRICTIONS

Section 11.1 - Commercial Use. Subject to the Section entitled "Construction and Sales" of the Article hereof entitled "Easements," no part of a Lot shall be used or caused to be used or allowed or authorized in any way, directly or indirectly, for any business, commercial, manufacturing, mercantile, storing, vending, or any nonresidential purposes; provided, however, the Association shall have the right to provide or authorize such services on the Common Areas as it deems appropriate for the enjoyment of the Common Areas or for the benefit of the

Members. Nothing in this Section shall prohibit Owners from conducting certain non-disturbing commercial activities, provided, however, such activities do not create unreasonable traffic congestion, involve advertising on the Lot, alter the appearance of a Lot or alter the aesthetics of the neighborhood, or violate any applicable laws or regulations.

Section 11.2 - Exclusive Use Common Areas.

(a) No improvements shall be constructed or installed on the Exclusive Use Common Areas, except for softscape landscaping and such other improvements for which prior approval has been obtained from the Architectural Committee. Any approval made under this Section is voidable by the Architectural Committee if Owner fails to clearly disclose that the improvements will be located on Exclusive Use Common Area.

(b) Owner shall be solely responsible for the maintenance of the Exclusive Use Common Areas.

(c) Any Owner who violates this Section shall reimburse the Association for all expenses incurred by the Association in remedying the damage caused by said Owner's violation of this Section. Such expense shall be assessed to the Owner as a Reimbursement Assessment, enforceable in the manner provided in Article III hereof.

Section 11.3 - Signs. No sign or billboard of any kind shall be displayed to the public view on any portion of the Covered Property except such signs as may be used by Declarant and/or any Merchant Builder or their sales agents in connection with the development of the Covered Property and sale of the Lots; provided, however, that a Member, or his agent may display on his Lot or that portion(s) of the Common Area approved by the Board, a sign advertising its sale or lease by him so long as such sign shall comply with any customary and reasonable standards promulgated by the Board as to the size, color, shape or other qualification for permitted signs. Notwithstanding the restrictions set forth in this Section, Owners may install a maximum of three (3) signs which disclose that the Lot is protected by a security system. Such security signs may be placed on or around the Lot; provided, however, that such signs do not exceed customary dimensions.

Section 11.4 - Nuisance. No noxious or offensive trade or activity shall be carried on upon any Lot, or any part of the Covered Property nor shall anything be done thereon which may be, or may become an annoyance or nuisance to the neighborhood, or which shall in any way interfere with the quiet enjoyment of each of the Owners of his respective Lot, or which shall in any way increase the rate of insurance.

Section 11.5 - Temporary Structures. No structure of a temporary character, trailer, basement, tent, shack, barn, storage building or shed or other outbuilding shall hereafter be used on any Lot at any time, unless such temporary structure is used on a temporary basis (less than two (2) weeks) or is approved by the Architectural Committee.

Section 11.6 - Vehicles.

(a) Only "conventional passenger vehicles" are permitted to park on the Covered Property. Except as provided in this Section, no commercial or recreational vehicles or

equipment shall be permitted to remain upon the Covered Property, including, without limitation, streets, alleys, driveways, or side and rear yards, unless parked, placed or maintained completely concealed from view. Nothing contained herein shall preclude the parking of a vehicle within the garage of a Lot. Notwithstanding the foregoing, commercial vehicles with no more than two (2) axles may be parked in front of a Member's Lot if such commercial vehicle is used by such Member in connection with his or her employment.

(b) Recreational vehicles and equipment are not permitted to be parked in front of any Lot or anywhere within the Covered Property unless prior written approval of the Board has first been obtained; provided, however, that recreational vehicles and equipment owned or rented by a Member (or owned or leased by guests temporarily visiting a Member) may be parked in front of said Member's Lot for a maximum of two (2) weeks per year.

(c) No conventional passenger vehicle, recreational vehicle or equipment or commercial vehicle or any other motorized vehicle may be dismantled, rebuilt, repaired, abandoned, stored, disabled, serviced or repainted on a Lot unless performed within a completely enclosed garage or other area located on the Lot which completely screens the sight and sound of such activity from streets, Common Areas and all neighboring Lots. For purposes of this Section, and without limiting the generality of the foregoing, a vehicle shall be deemed to be in storage if such vehicle is placed on a Lot for the primary purpose of storing such vehicle even if such vehicle is used occasionally. The foregoing restrictions shall not be deemed to prevent temporary parking for loading or unloading of vehicles or washing and polishing and those activities normally incident to washing and polishing of vehicles.

(d) As used in this Section, "conventional passenger vehicles" shall be defined to be sport utility vehicles, station wagons, family sedans, compacts, subcompacts, pick-up trucks, pick-up trucks with shell not extending above the cab level beyond one (1) foot, and passenger vans and passenger vans with extended tops not extending above the top more than six (6) inches.

(e) As used in this Section, "recreational vehicles or equipment" shall include without limitation, trailers, boats, campers, trailer coaches, buses, house cars, camp cars, motor homes (if a size larger than seven (7) feet in height and/or greater than one hundred twenty-four (124) inches in wheel base length), or any other similar type of equipment or vehicle.

(f) As used in this Section, "commercial vehicle" shall be defined as a truck of greater than one (1) ton capacity and/or any vehicle with a sign displayed on any part thereof advertising any kind of business or on which racks, materials, and/or tools are visible, or with a body type normally employed as a business vehicle whether or not a sign is displayed on any part thereof. The type of motor vehicle license plate shall not be material to the foregoing definition.

(g) Temporary parking shall mean parking of vehicles belonging to guests of Owners and commercial vehicles being used in the furnishing of services to the Association or the Owners and parking of vehicles belonging to or being used by Owners for loading and unloading purposes.

(h) The Board may adopt rules for the regulation of the admission and parking of vehicles within the Covered Property, including the assessment of charges to Owners who violate or whose invitees violate, such rules. Any charges so assessed shall be Remedial Assessments.

(i) Any fence, screen or structure required under this Section shall comply with any standards established pursuant to the Article entitled "Architectural Control" of this Declaration as to size, color, or other qualification for permitted fences, screens or other structures.

Section 11.7 - Animals. Household pets are permitted within the Covered Property provided that such pets comply with all applicable statutes and ordinances. No animals, livestock or poultry of any kind, shall be kept, bred or maintained for any commercial purpose, or in numbers deemed unreasonable by the Board. Notwithstanding the foregoing, no animals or fowl may be kept on the Lots which in the good faith judgment of the Board or a committee selected by the Board for this purpose, result in an annoyance or are obnoxious to residents in the vicinity. All animals permitted to be kept by this Section shall be kept on a leash when on any portion of the Covered Property except within a Lot. Each and every owner of any pet shall immediately clean, remove and dispose all animal waste materials and shall dispose of same on their own Lot.

Section 11.8 - Oil and Mineral Rights. No oil drilling, oil development operations, oil refining, quarrying, or mining operations of any kind shall be permitted upon or in the Covered Property nor, subsequent to the recording of this Declaration, shall oil or water wells, tanks, tunnels, or mineral excavations or shafts be installed upon the surface of the Covered Property or with respect to water wells, within fifty (50) feet below the surface of the Covered Property and with respect to all other matters, within five hundred (500) feet below the surface of such properties. No derrick or other structure designed for use in boring for water, oil or natural gas shall be erected, maintained or permitted upon the Covered Property.

Section 11.9 - Unsightly Items. All weeds, rubbish, debris, or unsightly material or objects of any kind shall be regularly removed from the Lots and shall not be allowed to accumulate thereon. All clotheslines, refuse containers, trash cans, woodpiles, storage areas, machinery and equipment shall be prohibited upon any Lot unless obscured from view of adjoining streets or portions of the Covered Property from a height of six (6) feet or less. Any fence or screen required by this Section shall comply with any standards established pursuant to the Article entitled "Architectural Control" of this Declaration as to size, color or other qualification for permitted fences or screens.

Section 11.10 - Antennae and Other Roof Structures. Subject to the provisions of California Civil Code Section 1376, no television, radio, or other electronic towers, aerials, antennae or device of any type for the reception or transmission of radio or television broadcasts or other means of communication shall hereafter be erected, constructed, placed or permitted to remain on the Covered Property unless and until the same shall have been approved in writing by the Architectural Committee, or unless the same be contained within a building or underground conduits. No appliances or installations on exterior roofs of structures shall be permitted unless they are installed in such a manner that they are not visible from streets, Common Areas or



neighboring Lots, except that attic ventilators and solar panels which are architecturally treated in conformity with guidelines contained in the Architectural Standards and which have been approved by the Architectural Committee pursuant to the provisions of the Article hereof entitled "Architectural Committee" shall be permitted.

Section 11.11 - Drainage. All drainage of water from any Lot shall drain or flow into adjacent streets or alleys and shall not be allowed to drain or flow upon, across, or under any other portion of the Covered Property unless an easement for such purpose is granted. An Owner shall not alter the drainage of water which exists pursuant to the drainage plan originally created at the time of the initial sale of his Lot by Declarant except through the use of a positive drainage device which does not materially affect the concentration or flow direction of drainage water under said drainage plan.

Section 11.12 - Window Covers. Curtains, drapes, shutters or blinds may be installed as window covers. No window shall be covered with aluminum foil, newspaper or other material not designed for use as a window cover.

Section 11.13 - Single-Family Residential. All residential zoned Lots shall only be used for the residential purposes of a household.

Section 11.14 - Maintenance by Owner. The Owner of each Lot shall maintain his Lot including the improvements which are a part thereof in a clean and attractive condition. Without limiting the generality of the foregoing, the Owner of each Lot shall: (a) keep his Lot free from rubbish, litter and noxious weeds, (b) maintain, cultivate and keep in good condition and repair, shrubs, trees including without limitation grass, lawns, plantings and other landscaping located or from time to time placed upon his Lot including those in areas between the adjacent sidewalk and the street curbs, if any, (c) maintain in good condition and repair and adequately painted or otherwise finished all improvements which are from time to time a part of his Lot, and (d) maintain all paved surfaces and keep them clean, reasonably dry and free of oil and other extraneous matter.

Section 11.15 - Solar and Other Energy Saving Devices. No solar and other energy saving device or system which was not part of the original construction of the Lots shall be permitted to be installed without the prior written approval of the Architectural Committee.

Section 11.16 - Exceptions. The restrictions set forth in Article V and in this Article XI shall not and do not apply to any of the following:

(a) any part of the Covered Property which is owned by any public body, including, but not limited to, a school district;

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

(c) any act done or proposed to be done upon the Covered Property, or any condition created thereon, by any utility company (including, but not limited to, companies furnishing electric, gas, water, telephone, cable television and/or sewer service to all or parts of

the Covered Property), or the agents or employees of any such company, which act could be done by such company were this Declaration not made;

(d) any act done or proposed to be done upon the Covered Property, or any condition created thereon, by the Developer Parties in connection with the marketing and sales by any Merchant Builder or Declarant of the Lots, or in the course of planning for, preparing the Covered Property for and/or construction upon the Covered Property or any Lot of streets, utilities, recreational and residential buildings, and all other original improvements, or in connection with the exercise of any easement reserved to Declarant and any Merchant Builders in the Article entitled "Easements" of this Declaration or in any conveyance document; or

(e) any act done or proposed to be done upon the Covered Property, or any condition created thereon, by any person pursuant to court order, or the order of any public officer or public agency; provided, however, that the orders contemplated in this subparagraph are only those which are the result of action initiated by public officers or agencies and which embody mandatory requirements with penalties for non-performance, and are not those orders which result from the application of private parties or are merely permissive.

## ARTICLE XII RIGHTS OF ENJOYMENT

Section 12.1 - Members' Right of Enjoyment. Every Member shall have a nonexclusive easement for use and enjoyment in and to the Common Areas and such right shall be appurtenant to and shall pass with the interest of every Lot, subject to all of the easements, covenants, conditions, restrictions and other provisions of record or contained in this Declaration, including, without limitation, the following provisions:

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

(b) the right of the Association to establish reasonable rules and regulations pertaining to the use of the Common Areas;

(c) the right of the Association to borrow money for the purpose of improving, replacing, restoring or expanding the Common Areas or adding new Common Areas and in aid thereof, to mortgage said property, provided that the prior affirmative vote or written approval of a majority of each of the Class A and the Class B Members has been obtained to mortgage said property, and provided further that the rights of the lender thereunder shall be subordinated to the rights of the Members. In the event of a default upon any such mortgage of the Common Areas, the lender's rights thereunder shall be limited to a right, after taking possession of such properties, to charge admission and other fees as a condition to continued enjoyment by the Members and, if necessary, to open the enjoyment of the Common Areas to a wider public until the mortgage debt is satisfied, whereupon the possession of such properties shall be returned to the Association and all rights of the Members hereunder shall be fully restored;

(d) the rights of the Association to suspend the right of a Member to use the Common Areas or any portion thereof designated by the Board during any time in which any Assessment against his Lot remains unpaid and delinquent for a period not to exceed thirty (30) days for any single infraction of the rules and regulations of the Association; provided, that any suspension of such right to use such Common Areas, except for failure to pay Assessments, shall be made only by the Association or a duly appointed committee thereof, after notice and hearing given and held in accordance with the Bylaws. Notwithstanding the foregoing, the Association shall not have the right hereunder to suspend any Member's right to use any portion of the Covered Property necessary for such Member to gain access to his Lot;

(e) the right of the Association subject to the approval rights of Institutional Mortgagees pursuant to the Article hereof entitled "Rights of Lenders," to dedicate or transfer all or any part of the Common Areas to any public agency, authority or utility or other entity. No such dedication or transfer, including, without limitation, the conveyance, lease or other transfer of any portion of the Common Areas to a special tax assessment district or to the County, shall be effective unless an instrument signed by Members entitled to cast two-thirds (2/3) of the voting power of the membership has been recorded, agreeing to such dedication or transfer. The certificate of the President and the Secretary of the Association attached to such instrument certifying that the Members signing such instrument represent two-thirds (2/3) of the voting power of the Association shall be deemed conclusive proof thereof;

(f) the right of the Association to establish in cooperation with the County (or other appropriate governmental authority), a special tax assessment district for the performance of all or a portion of the maintenance and other functions now within the responsibility of the Association, together with the right of the Association to convey, lease or otherwise transfer, subject to the provisions of this Section, all or any portion of the Common Areas to said district; and

(g) the rights of Declarant pursuant to Article XVI herein.

Section 12.2 - Delegation of Use. Any Member may delegate his right of enjoyment to the Common Areas to the members of his family or his tenants who reside on his Lot, or to his guests, subject to this Declaration and to rules and regulations adopted by the Board. In the event and for so long as an Owner delegates said rights of enjoyment to his tenants, said Owner shall not be entitled to said rights.

Section 12.3 - Waiver of Use. No Member may exempt himself from personal liability for Assessments duly levied by the Association, nor release the Lot owned by him from the liens, charges or other provisions of this Declaration, the Articles, Bylaws and Association Rules, by waiver of the use and enjoyment of the Common Areas, or the abandonment of his Lot.

### **ARTICLE XIII EASEMENTS**

Section 13.1 - Amendment to Eliminate Easements. This Declaration cannot be amended to modify or eliminate the easements reserved to Declarant without prior written

approval of Declarant and any attempt to do so shall have no effect. Any attempt to modify or eliminate this Section shall likewise require the prior written approval of Declarant.

Section 13.2 - Nature of Easements. Unless otherwise set forth herein, any easement reserved to Declarant herein shall be nonexclusive.

Section 13.3 - Certain Rights and Easements Reserved to Declarant.

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

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

(c) Water Rights. There is hereby reserved to Declarant with full right and power, among others, to transfer or assign to others or to use or utilize on any other property owned or leased by Declarant, any and all water rights or interests in water rights no matter how acquired by Declarant, and owned or used by Declarant in connection with or with respect to the Covered Property, whether such water rights shall be riparian, overlying, appropriative, percolating, prescriptive or contractual; provided, however, that the reservation made herein shall not reserve to or for the benefit of Declarant any right to enter upon the surface of the Covered Property in the exercise of such rights.

(d) Rain Water Drainage Easements. There is hereby reserved to the Declarant easements in and over portions of Lots for the purpose of the installation and placement of drainage pipes in order to drain rain water from Lots, including roofs of Lots. No Owner shall interfere with the operation of such drainage pipes.

(e) Construction and Sales. For a period of time extending until all improvements have been completed within the Covered Property, a non-exclusive easement in, over, under and through the Covered Property for ingress and egress and for the purpose of: (1) completing the development of the Covered Property, including without limitation the transportation of development and construction related materials over any private streets, constructing, maintaining, retaining and relocating all improvements on the Covered Property now or hereafter planned to be constructed on the Covered Property by Declarant or required to be constructed on the Covered Property by any municipal or governmental agency; (2) marketing, leasing, selling and reselling the Lots therein; and (3) customer relations and providing post sale customer service to Owners; and in connection with such easement the right, but not the obligation: (a) to perform any and all architectural, engineering, grading, construction, excavation, landscaping and related work and activities; (b) to erect, maintain and

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relocate upon the Covered Property storage buildings, storage areas, temporary sewage disposal facilities, water wells and other related facilities; (c) to store and use materials, equipment, vehicles, tools and machines which may be necessary or desirable in connection with such construction; (d) to display signs and erect, maintain and operate, for sales and administrative purposes, a fully staffed customer relations, customer service and sales office complex on the Covered Property; (e) to show the Covered Property, unsold Lots and any Lots which are offered for resale to, and to arrange for the use of the Common Areas by, prospective purchasers, (f) to perform maintenance, repair and replacement work on, and to make custom improvements, alterations and additions to improvements, and (g) to construct improvements on any Lot. No such activities shall be deemed to be a nuisance. No Owner (other than a Developer Party) shall enter any construction area or cross any fence or other barricade constructed to prevent such entry or otherwise impede or interfere with such development and construction.

Section 13.4 - Certain Easements for Owners.

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

(b) Ingress, Egress and Recreational Rights. Declarant hereby reserves to itself, its successors and assigns, and hereby grants to all Owners, nonexclusive easements for ingress, egress, pedestrian walkway and general recreational purposes over and upon the Common Areas. Such easements shall be subject to the rights of the Association as set forth in the Article hereof entitled "Rights of Enjoyment."

(c) Exclusive Use Common Areas. The Common Areas, both before and after transfer to the Association, are subject to the unilateral right of Declarant or the Association to establish easements in, over, upon, under and through the Common Areas in favor of an individual Owner or Owners. Declarant or the Association has the right, from time to time, to grant to any Owner a nonexclusive or an exclusive easement in, over, upon, under and through portions of the Common Areas consisting of unimproved areas adjacent to the specific Owner's Lot for use and enjoyment in connection with such Lot, subject to Section 11.2 of Article XI entitled "Use Restrictions." Declarant or the Association shall have the sole discretion to establish the size and shape of such Exclusive Use Common Areas. The conveyance of the portion of the Common Areas to an Owner shall be subject to this Declaration and the Association's rights herein, and the Owner in each case, shall be responsible for maintenance and all liability associated with the use of such easement.

Section 13.5 - Certain Easements for Association.

(a) Association Rights. There is hereby reserved to Declarant easements over the Covered Property, which easements are hereby granted to the Association, for the purpose of permitting the Association to discharge its obligations and powers as described in this Declaration.

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

Section 13.6 - Support, Settlement and Encroachment. There is hereby reserved to Declarant and its assigns the following reciprocal easements, which easements are hereby granted to the Owners, for the purposes set forth below:

(a) an easement appurtenant to each Lot which is contiguous to another Lot or Common Areas which Lot shall be the dominant tenement and the contiguous Lot or Common Areas shall be the servient tenement;

(b) an easement appurtenant to the Common Areas contiguous to a Lot, which Common Areas shall be the dominant tenement and which contiguous Lot shall be the servient tenement;

(c) it is provided, however, that in the event Common Areas are the dominant tenement in an easement described in this Section, Declarant shall have the right to transfer said easement to the Association and not to Owners;

(d) said easements shall be for the purposes of:

(i) engineering errors, errors in original construction and support and accommodation of the natural settlement or shifting of structures;

(ii) encroachment by reason of a roof or eave overhang from a Lot and for the maintenance of such roof or eave overhang by the Owner of the dominant tenement; and

(iii) encroachment of fireplaces, doorsteps, foundation footings, garage doors, utilities and other appurtenances or fixtures and the maintenance thereof by the Owner of the dominant tenement, which, in the construction of the structures upon the dominant tenement

or from any reconstruction or modifications of such structures, project beyond the external surface of the outer walls of such structures.

Section 13.7 - Driveway Easements. Reciprocal driveway easements, are hereby established over all Lots ("Subject Lots") which contain portions of driveways which service more than one Lot for the purposes of pedestrian and vehicular ingress, egress and access, and for the backing, maneuvering and turning of vehicles, which easements shall be appurtenant to the "Dominant Tenements" and shall burden the "Servient Tenements" as shown on Exhibit "F" attached hereto and made a part hereof or on a Supplementary Declaration. Each of said easements shall be: (a) perpetual; (b) appurtenant to the Dominant Tenement as designated on said Exhibit; and (c) nonexclusive, with each Subject Lot retaining the right to use the "Easement Area" located on such Subject Lot (as shown on Exhibit "F") for the purposes of pedestrian and vehicular ingress, egress and access, for the backing, maneuvering and turning of vehicles. The easement appurtenant to each Dominant Tenement shall be granted by Declarant or Merchant Builder to the subsequent owner of such Dominant Tenement by making a reference to this Declaration in the grant deed to such Dominant Tenement and the grant deed to the Servient Tenement burdened by the easement appurtenant to such Dominant Tenement.

The Easement Areas shall be subject to the following:

(a) no improvement, automobile or other vehicle, wall, curb, fence, grade differential, barrier or physical condition or personal property, shall be constructed, stored, placed or permitted to remain in, on, or upon any Easement Area, which unreasonably interferes with ingress, egress and access, whether by the owner of the Servient Tenement or the Dominant Tenement having an easement over such Easement Area;

(b) with respect to each Easement Area, the Owner of the Servient Tenement on which such Easement Area is located and the Owners of the Dominant Tenement to which the easement over such Easement Area is appurtenant shall be jointly responsible for repairing and maintaining or causing to be repaired or maintained, such Easement Area at all times in a good, safe and usable condition. The expense of such repair and maintenance shall be shared by such parties in equal proportions. Notwithstanding the foregoing, any repair or maintenance for damage to any portion of such Easement Area, occurring due to causes not constituting normal wear and tear, shall be the sole responsibility of the party, or parties, causing such damage and said party, or parties, shall repair such damage within a reasonable time following the occurrence of such damage. The repair and maintenance required by this Paragraph shall include, but not be limited to:

(i) maintaining paved surfaces in a smooth and evenly covered condition with a type of surfacing material originally installed or a substitute equal in quality, use and durability to such original material;

(ii) removing all papers, debris, leaves, and other refuse and sweeping, or washing, to the extent necessary to maintain an orderly condition; and

(iii) the repair and reconstruction of any damage resulting from fire, earthquake or other casualty.

Section 13.8 - Right to Grant and Transfer Easements. All or any part of each easement reserved to Declarant herein may be granted or transferred by Declarant to an Owner, the Association, Merchant Builder or other party. To the extent all or any part of the easements reserved to Declarant are granted or transferred to a Merchant Builder, such easements may be transferred by such Merchant Builder to Retail Purchasers.

**ARTICLE XIV**  
**INTEGRATED NATURE OF THE COVERED PROPERTY**

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

Section 14.1 - Development of the Covered Property. Declarant intends to sequentially develop the Annexation Property on a phased basis; however, Declarant may elect not to develop all or any part of such real property, to annex such real property to this Declaration in increments of any size whatsoever, or to develop more than one such increment at any given time and in any given order. Moreover, Declarant reserves the right to subject all or any portion of the Annexation Property to the plan of this Declaration or one or more separate declarations of covenants, conditions and restrictions which subjects said property to the jurisdiction and powers of a homeowners association or other entity with powers and obligations similar to the Association and which is not subject to the provisions of this Declaration. Although Declarant shall have the ability to annex the Annexation Property as provided in this Article, Declarant shall not be obligated to annex all or any portion of such property, and such property shall not become subject to this Declaration unless and until a Supplementary Declaration shall have been so executed and recorded.

Section 14.2 - Supplementary Declarations. A Supplementary Declaration shall be a writing in recordable form which annexes real property to the plan of this Declaration and which incorporates by reference all of the covenants, conditions, restrictions, easements and other provisions of this Declaration and shall contain such other provisions as set forth in this Declaration relating to Supplementary Declarations. Such Supplementary Declarations contemplated above may contain such complementary additions and modifications of the covenants, conditions and restrictions contained in this Declaration as may be necessary (i) to reflect the different character, if any, of the Annexation Property, or (ii) as may be required by any governmental authorities, or (iii) as deemed appropriate by Declarant, or as may be appropriate, in the development of the Annexation Property.

Section 14.3 - Annexation Without Approval and Pursuant to General Plan. All or any part of the Annexation Property may be annexed to and become subject to this Declaration and subject to the jurisdiction of the Association without the approval, assent or vote of the Association or its Members, provided that a Supplementary Declaration covering the portion of the Annexation Property to be annexed, shall be executed and recorded by Declarant in the Official Records of the County. The recordation of said Supplementary Declaration shall constitute and effectuate the annexation of the said real property described therein, making said real property subject to this Declaration and subject to the functions, powers and jurisdiction of



the Association, and thereafter said annexed real property shall be part of the Covered Property and all of the Owners of Lots in said annexed real property shall automatically be Members.

Section 14.4 - Annexation Pursuant to Approval. Upon approval in writing of the Association, pursuant to a two-thirds (2/3) majority of the voting power of the Association residing in Members other than Declarant, any person who desires to add real property, other than the Annexation Property to the plan of this Declaration and to subject such property to the jurisdiction of the Association, may file of record a Supplementary Declaration. The provisions of this Section shall also apply to the Annexation Property subsequent to the expiration of the power of Declarant to annex such property without the approval of the Members as provided in this Article. The certificate of the President and the Secretary of the Association attached to any Supplementary Declaration recorded pursuant to this Section certifying that the required two-thirds (2/3) majority of the voting power of the Association residing in Members other than Declarant has approved the recordation of such Supplementary Declaration shall be deemed conclusive proof thereof.

Section 14.5 - Mergers or Consolidations. Upon a merger or consolidation of the Association with another association which merger or consolidation must be approved by two-thirds (2/3) of each class of Members, the Association's properties, rights and obligations may, by operation of law, be transferred to the surviving or consolidated association, or, alternatively, the properties, rights and obligations of another association may, by operation of the law, be added to the properties, rights and obligations of the Association as a surviving corporation pursuant to a merger. The surviving or consolidated association may administer the covenants, conditions and restrictions established by this Declaration within the Covered Property, together with the covenants, conditions and restrictions established upon any other property as one plan. Notwithstanding the foregoing, so long as there is a class B membership, any merger or consolidation of the Association shall require the prior approval of the VA; provided, however, that such approval will not be unreasonably withheld.

Section 14.6 - De-Annexation. Any property annexed to the Covered Property by the Declarant, in accordance with the provisions of this Declaration, may be removed by Declarant as a portion of the Covered Property and from the jurisdiction of this Declaration and the Association at any time by the recordation of an appropriate Declaration of Removal in the Official Records of the County, provided that such removal shall take place before any Lot in the annexed parcel has been sold by Declarant or a Merchant Builder to a Retail Purchaser and if there is a class B membership, VA approval has been obtained. Any property which is removed by Declarant may be annexed, at a future date, to the Covered Property in accordance with the provisions of this Declaration.

Section 14.7 - Annexation by Merchant Builders. Declarant may assign the annexation rights set forth in this Article to any Merchant Builder provided such Merchant Builder shall be subject to the limitations on annexation set forth herein and any other restrictions upon annexation reasonably imposed by Declarant. No Merchant Builder may annex any property, including, without limitation, any Annexation Property, without the express written consent of Declarant.

ARTICLE XV  
RIGHTS OF LENDERS

Section 15.1 - Filing Notice, Notices and Approvals. A Mortgagee shall not be entitled to receive any notice which this Declaration requires the Association to deliver to Mortgagees unless and until such Mortgagee, or its mortgage servicing contractor, has delivered to the Board a written notice stating that such Mortgagee is the holder of a Mortgage encumbering a Lot within the Covered Property. Such notice need not state which Lot or Lots are encumbered by such Mortgage, but shall state whether such Mortgagee is a First Mortgagee. Wherever the approval of all or a specified percentage of Mortgagees is required pursuant to this Declaration, it shall be deemed to mean the vote or approval of all or a specified percentage only of those Mortgagees which have delivered such notice to the Board. Notwithstanding the foregoing, if any right of a Mortgagee under this Declaration is conditioned on a specific written request to the Association, in addition to having delivered the notice provided in this Section, a Mortgagee must also make such request, either in a separate writing delivered to the Association or in the notice provided above in this Section, in order to be entitled to such right. Except as provided in this Section, a Mortgagee's rights pursuant to this Declaration, including, without limitation, the priority of the lien of Mortgages over the lien of Assessments levied by the Association hereunder shall not be affected by the failure to deliver a notice to the Board. Any notice or request delivered to the Board by a Mortgagee shall remain effective without any further action by such Mortgagee for so long as the facts set forth in such notice or request remain unchanged.

Section 15.2 - Priority of Mortgage Lien. No breach of the covenants, conditions or restrictions herein contained, nor the enforcement of any lien provisions herein, shall affect, impair, defeat or render invalid the lien or charge of any First Mortgage made in good faith and for value encumbering any Lot, but all of said covenants, conditions and restrictions shall be binding upon and effective against any Owner whose title is derived through foreclosure or trustee's sale, or otherwise, with respect to a Lot except as otherwise provided in this Article.

Section 15.3 - Curing Defaults. A Mortgagee or the immediate transferee of such Mortgagee, who acquires title by judicial foreclosure, deed in lieu of foreclosure or trustee's sale shall not be obligated to cure any breach of the provisions of this Declaration which is noncurable or of a type which is not practical or feasible to cure. The determination of the Board made in good faith as to whether a breach is noncurable or not feasible to cure shall be final and binding on all Mortgagees.

Section 15.4 - Resale. It is intended that any loan to facilitate the resale of any Lot after judicial foreclosure, deed in lieu of foreclosure or trustee's sale is a loan made in good faith and for value and entitled to all of the rights and protections afforded to other Mortgagees.

Section 15.5 - Relationship with Assessment Liens.

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

(b) If any Lot subject to a monetary lien created by any provision hereof shall be subject to the lien of a First Mortgage: (1) the foreclosure of any lien created by anything set forth in this Declaration shall not operate to affect or impair the lien of such First Mortgage; and (2) the foreclosure of the lien of said First Mortgage or the acceptance of a deed in lieu thereof (such events being hereinafter referred to as "Events of Foreclosure") shall not operate to affect or impair the lien hereof, except that any persons who obtain an interest through any of the Events of Foreclosure, and their successors in interest, shall take title free of the lien hereof or any personal obligation for said charges as shall have accrued up to the time of any of the Events of Foreclosure, but subject to the lien hereof for all said charges that shall accrue subsequent to the Events of Foreclosure.

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

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

Section 15.6 - Seventy-Five Percent (75%) Vote of Institutional Mortgagees. Except upon the prior written approval of at least seventy-five percent (75%) of Institutional Mortgagees, based on one (1) vote for each First Mortgage held, neither the Association nor the Members shall be entitled to do any of the following:

(a) dissolve the Association or abandon or terminate the maintenance of the Common Areas by the Association;

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

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

(ii) voting;

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

(iv) the reserve for repair and replacement of the Common Areas;

(v) property maintenance obligations;

(vi) casualty, fidelity and liability insurance;

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

- (viii) rights to use the Common Areas;
  - (ix) annexation;
  - (x) any provision, which by its terms, is specifically for the benefit of First Mortgagees, or specifically confers rights of First Mortgagees;
  - (xi) restrictions on the leasing of Lots;
- (c) Effectuate any decision to terminate professional management and assume self-management of the Covered Property; or
- (d) Abandon, partition, sell, alienate, subdivide, release, transfer, hypothecate or otherwise encumber the Common Areas; provided, however, the granting of easements for public utilities or other public purposes consistent with the intended use of the Common Areas shall not require such approval.

Section 15.7 - Other Rights of Institutional Mortgagees. Any Institutional Mortgagee or its mortgage servicing contractor, shall, upon written request to the Association, be entitled to:

- (a) inspect the books and records of the Association during normal business hours;
- (b) receive the annual audited financial statement of the Association one hundred and twenty (120) days following the end of the Association's fiscal year;
- (c) receive written notice of all annual and special meetings of the Members of the Board, and Institutional Mortgagees shall further be entitled to designate a representative to attend all such meetings in order to, among other things, draw attention to violations of this Declaration which have not been corrected or made the subject of remedial action by the Association; provided, however, nothing contained in this Section shall give an Institutional Mortgagee the right to call a meeting of the Board or of the Members for any purpose or to vote at any such meeting; and
- (d) receive written notification from the Association of any default in the performance of the obligations imposed by this Declaration by the Owner whose Lot is encumbered by such Institutional Mortgagee's Mortgage, which default has not been cured within sixty (60) days of a request therefor by the Association; provided, however, the Association shall only be obligated to provide such notice to Institutional Mortgagees who have delivered a written request therefor to the Association specifying the Lot or Lots to which such request relates.

Section 15.8 - Mortgagees Furnishing Information. Mortgagees are hereby authorized to furnish information to the Board concerning the status of any Mortgage.

Section 15.9 - Right of First Refusal. In the event this Declaration is amended to provide for any right of first refusal to purchase or lease a Lot in the Association, a Mortgagee who comes into possession of a Lot pursuant to a judicial foreclosure, a deed in lieu of foreclosure or

a trustee's sale shall be exempt therefrom. In addition conveyances to and from third party foreclosure purchasers and mortgage insurers and guarantors shall also be exempt.

Section 15.10 - Conflicts. In the event of any conflict between any of the provisions of this Article and any of the other provisions of this Declaration, the provisions of this Article shall control.

Section 15.11 - Voting Rights of Institutional Mortgagees. In the event of a default by an Owner in any payment due under the terms of any Institutional Mortgage held by an Institutional Mortgagee or the promissory note secured thereby, the Institutional Mortgagee or his representative shall have the right, upon giving written notice to such defaulting Owner and the Association and placing of record a notice of default, to exercise the voting rights of such defaulting Owner attributable to such Lot at any regular or special meeting of the Members held during such time as such default may continue. Any such Owner's voting rights shall be restored to him at such time as such default is cured.

Section 15.12 - Notice of Destruction or Taking. In the event that any Common Areas, or any portion thereof, is substantially damaged or is made the subject of any condemnation proceeding in eminent domain or is otherwise sought to be acquired by a condemning authority, the Board shall promptly notify any Institutional Mortgagee affected by such destruction, taking or threatened taking. As used herein, "substantially damaged" or "taking" shall mean damage or taking exceeding Ten Thousand Dollars (\$10,000). If requested in writing by an Institutional Mortgagee, the Association shall evidence its obligations under this Section in a written agreement in favor of such Institutional Mortgagee.

Section 15.13 - Payment of Taxes or Premiums by Institutional Mortgagees. Institutional Mortgagees may, jointly or singly, pay taxes or other charges which are in default and which may or have become a charge against the Common Areas, unless such taxes or charges are separately assessed against the Owners, in which case the rights of Institutional Mortgagees shall be governed by the provisions of their Mortgages. Institutional Mortgagees may, jointly or singly, also pay overdue premiums on hazard insurance policies, or secure new hazard insurance coverage on the lapse of a policy, for the Common Areas and Institutional Mortgagees making such payments shall be owed immediate reimbursement therefor from the Association. Entitlement to such reimbursement shall be reflected in an agreement in favor of any Institutional Mortgagee which requests the same to be executed by the Association.

## **ARTICLE XVI** **DECLARANT RIGHTS**

Section 16.1 - Power of Attorney. Each Owner (including the Association), by accepting a deed to any Lot, shall be deemed to have constituted and irrevocably appointed, for himself (itself) and each of his Mortgagees, optionees, grantees, licensees, trustees, receivers, lessees, tenants, judgment creditors, heirs, legatees, devisees, administrators, executors, legal representatives, successors and assigns, whether voluntary or involuntary, for a period of ten (10) years from the date of the recording of this Declaration, Declarant as his Attorney-in-Fact and

thereby to have conveyed a Power of Attorney coupled with an interest to Declarant as his Attorney-in-Fact to do the following:

(a) To (i) form and establish any District(s) and (ii) consent by vote or any other means to the formation, establishment and/or operation of any such District(s) for the acquisition, maintenance, repair and/or ownership of all or any portion of the Project.

(b) To take the following actions with respect to such District(s):

(i) The adoption of additional purposes or powers for such District(s);

(ii) The designation and/or redesignation of members of the Board of Directors of such District(s) upon such an office becoming vacant, and an increase in the number of members of said Board of Directors;

(iii) The incurring of bonded indebtedness by the District(s), including, without limitation, the type of bonds, amount of bonded indebtedness, area of property taxed to repay such bonded indebtedness, and the issuance of new bonds to refund any or all outstanding District bonds;

(iv) The formation of improvement districts within such District(s) and the issuance of improvement bonds therefor;

(v) Any annexation or exclusion of territory to an established improvement district within such District(s) where confirmation is required; and

(vi) The establishment and determination of zones within such District(s) of varying benefit, including the establishment of different levels of taxation for properties within such zones, the issuance of bonded indebtedness on behalf of such zones, and the annexation to or exclusion from such zones of territories within such District(s).

(c) To (i) convey or cause the conveyance of any Common Area or District Facility to a District, (ii) negotiate for the option, sale, lease, transfer or other disposition of all or any portion of any Common Area or District Facility, (iii) consummate agreements and execute and acknowledge any and all other documentation necessary or convenient to effect such transfer or disposition and (iv) receive and retain any and all direct and/or indirect consideration for such Common Area or District Facility.

(d) To prepare or cause to be prepared, execute, acknowledge, file or cause to be filed for approval and file or record or cause to be filed or recorded any map, certificate or record of survey or amendment to an existing map, certificate or record of survey required or permitted by the provisions of the Subdivision Map Act of the State of California in effect on the date of recordation of this Declaration and as thereafter amended and any ordinances, rules and regulations of any governmental entities and authorities having jurisdiction over the Project in effect on the date of recordation of this Declaration and as thereafter enacted or amended, or which may be required or permitted by any title insurer and in connection therewith, to perform all conditions, undertake any obligations and execute all agreements and documentation required or permitted by any federal, state and local governmental entities and authorities; to appear

before any such governmental entities and authorities; and execute, acknowledge and deliver any improvement agreements and bonds and post deposits securing the performance of any such conditions and obligations.

(e) To prepare or cause to be prepared, execute, acknowledge and file or cause to be filed for approval, any application for zoning or setback changes or variance or special use permits or any other permits and/or reports required or permitted by laws of the State of California in effect on the date of recordation of this Declaration and as thereafter enacted or amended and any ordinances, rules and regulations of any governmental entities and authorities having jurisdiction over the Project in effect on the date of recordation of this Declaration and as thereafter enacted or amended and, in connection therewith, to perform all conditions, undertake any obligations and execute all agreements and documentation required or permitted by any federal, state and local governmental entities and authorities; to appear before any such governmental entities and authorities; and to execute and deliver any improvement agreements and bonds and post deposits securing the performance of any such conditions and obligations.

(f) To make application for any property reports or public reports or amendments thereto or exceptions from the requirements therefor required or permitted in order to comply with federal and state statutes, rules and regulations relating to the sale, lease, transfer or other disposition of subdivided lands to the public and, in connection therewith, to perform all conditions, undertake any obligations and execute all agreements and documentation required or permitted by any federal, state and local governmental entities and authorities; to appear before any such governmental entities and authorities; and to execute and deliver any agreements and bonds securing the performance of the obligations contained therein.

(g) To deliver any public reports or property reports, or amendments thereto, obtain receipts and offer and administer rescission rights required by law.

(h) To prepare or cause to be prepared, execute, acknowledge, file or cause to be filed for approval, any registration or any application for any permit, approval, exemption, ruling or entitlement required or permitted pursuant to any law or regulation in effect as of the date of the recording of this Declaration and as thereafter enacted or amended by any federal, state and local governmental entities and authorities, and in connection therewith to perform all conditions, undertake any obligations and execute all agreements and documentation required or permitted by such governmental body and by any such laws and regulations; to appear before any such governmental bodies and to execute and deliver any agreement and bonds and post deposits securing the performance of any such conditions and obligations; and do all other things now or hereafter permitted or required by any such governmental body and any such laws and regulations.

(i) To prepare or cause to be prepared, execute, acknowledge and record or cause to be recorded any deeds, waivers, releases, reconveyances or other documentation which may be permitted or required to clear title to any Lots in the Project.

(j) To prepare or cause to be prepared, execute, acknowledge and record or cause to be recorded any deeds, waivers, releases, reconveyances or other documentation which may be permitted or required to clear title to any property conveyed as provided herein.

(k) To do any and all things necessary or desirable under the circumstances to effect and accomplish the purposes of this Article.

Section 16.2 - Mortgage Interests to Take Subject to Power of Attorney. The acceptance or creation of any Mortgage whether voluntary or involuntary, and whether or not created in good faith and whether or not given for value, shall be deemed to be accepted and/or created subject to each of the terms and conditions of the Power of Attorney described in this Article.

Section 16.3 - Power of Attorney Binding on Successors in Interest. Each and all Owners and each of their respective mortgagees, grantees, licensees, trustees, receivers, lessees, tenants, judgment creditors, heirs, legatees, devisees, administrators, executors, legal representatives, successors and assigns, whether voluntary or involuntary, shall be deemed to have expressly agreed, assented and consented to each and all of the provisions of this Declaration and shall be deemed to have constituted and irrevocably appointed Declarant as his Attorney in Fact to carry out the powers described herein, and such Power of Attorney shall be deemed to continue to be coupled with an interest.

## **ARTICLE XVII**

### **GENERAL PROVISIONS**

Section 17.1 - Enforcement. Subject to the provisions of Sections 17.21, 17.22 and 17.23 herein, the Association or any Owner shall have the right to enforce by proceedings at law or in equity, all restrictions, conditions, covenants and reservations, now or hereafter imposed by the provisions of this Declaration or any amendment thereto, including the right to prevent the violation of any such restrictions, conditions, covenants, or reservations and the right to recover damages or Assessments for such violation. The Association or any Owner shall also have the right to enforce by proceedings at law or in equity the provisions of the Articles or Bylaws and any amendments thereto. With respect to architectural control and Association Rules, the Association shall have the exclusive right to the enforcement thereof unless the Association refuses or is unable to effectuate such enforcement, in which case any Owner who otherwise has standing shall have the right to undertake such enforcement. With respect to Assessment liens, the Association shall have the exclusive right to the enforcement thereof.

In the event a Project Association fails to levy or collect Project Association assessments, or fails to duly operate and maintain the portion of the Development encumbered by the Project Declaration to the standards established herein and by the Association for the Development, the Association may elect to preempt the rights of the Project Association and may fix, levy, collect and enforce said Project Association assessments, and arrange to correct such deficient operation and maintenance (and levy Reimbursement Assessments in connection with such correction efforts). Such preemption regarding Project Association assessments and maintenance shall require a vote of not less than eighty percent (80%) of the Board. Any Project Association assessments collected under such preemption by the Association shall be used solely for the purposes stated in the Project Declaration applicable to the portion of the Development encumbered thereby. A Project Association may not levy or collect any Project Association assessments during the period in which the Association has preempted its rights to so levy or collect assessments. A resolution by the Board for any such preemption shall expire at the



beginning of the next fiscal year of the Project Association; such preemption may be re-enacted by the Board on the finding of a necessity to do so by a vote of not less than eighty percent (80%) of the Board. The Association may include in any such preempted Project Association's assessment a reasonable amount for reimbursement for direct cost of administration and collection of such preempted assessment.

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

Section 17.3 - Cumulative Remedies. All rights, options and remedies of Declarant, the Association, the Owners or Mortgagees under this Declaration are cumulative, and not one of them shall be exclusive of any other, and Declarant, the Association, the Owners and the Mortgagees shall have the right to pursue any one or all of such rights, options and remedies or any other remedy or relief which may be provided by law, whether or not stated in this Declaration.

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

Section 17.5 - Covenants to Run with the Land; Term. The covenants, conditions and restrictions of this Declaration shall run with and bind the Covered Property and shall inure to the benefit of and be enforceable by the Association or any Owner, 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, unless an instrument, signed by a majority of the then Owners and seventy-five percent (75%) of the Institutional Mortgagees, based on one (1) vote for each First Mortgage held, has been recorded at least one (1) year prior to the end of any such period, agreeing to terminate said covenants, conditions and restrictions in whole or in part.

Section 17.6 - Sale or Title Transfer. Any Owner, prior to the sale or transfer of his interest, must provide the prospective purchaser with a copy of (1) this Declaration, (2) the Bylaws, (3) the Articles, (4) the most recent financial statements, (5) a statement from an authorized representative of the Association listing all unpaid assessments and charges against the interest being sold, and (6) all other items listed in California Civil Code Section 1368.

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

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

Section 17.7 - Construction. The provisions of this Declaration shall be liberally construed to effectuate its purpose of creating a plan for the development of a residential

community or tract and for the maintenance of the Covered Property. The Article and Section headings have been inserted for convenience only, and shall not be considered or referred to in resolving questions of interpretation or construction.

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

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

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

Section 17.11 - Notices. Any notice to be given to an Owner, the Association or a Mortgagee or mortgage servicing contractor under the provisions of this Declaration shall be in writing and shall be deemed to have been given upon (i) hand delivery, (ii) one business day after being deposited with Federal Express or another reliable overnight courier service for next day delivery, (iii) upon facsimile transmission (except that if the date of such transmission is not a business day, then such notice shall be deemed to be given on the first business day following such transmission), or (iv) two business days after being deposited in the United States mail, registered or certified mail, postage prepaid, return receipt required, and addressed as follows:

(a) If to an Owner: to the most recent address furnished by such Owner in writing to the Association for the purpose of giving notice, or if no such address shall have been furnished, then to the street address of such Owner's Lot. In the case of co-Owners, any such notice may be delivered or sent to any one of the co-Owners on behalf of all co-Owners and shall be deemed delivery on all such co-Owners;

(b) If to the Association: to the address furnished by the Association or the address of its principal place of business;

(c) If to a Mortgagee or its mortgage servicing contractor: to the address furnished to the Association by such Mortgagee or such contractor for the purposes of notice or, if no such address is furnished, to any office of the Mortgagee in the County, or if no such office is located in the County, to any office of such Mortgagee;

(d) If to Declarant: to the following address: Northlake LLC, 33010 Ridge Route Road, Castaic, CA 91384, and/or such other address furnished by Declarant to the Association for the purpose of giving notice; and

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(e) If to a Merchant Builder: to the address furnished by such Merchant Builder in writing to the Association for the purpose of giving notice or, if no such address shall have been furnished, to the address set forth in the California Secretary of State's official records as the business address of such Merchant Builder with a copy to such Merchant Builder's registered agent for service of process.

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

Section 17.12 - Obligations of Declarant and Merchant Builders. So long as Declarant and/or any Merchant Builder owns any portion of the Development, Declarant and/or such Merchant Builder shall not be subject to the provisions of the Article entitled "Architectural Control" or the provisions of the Article entitled "Use Restrictions."

Section 17.13 - Effect of Declaration. This Declaration is made for the purposes set forth in the Recitals to this Declaration and Declarant makes no warranties or representations, express or implied, as to the binding effect or enforceability of all or any portion of this Declaration, or as to the compliance of any of these provisions with public laws, ordinances and regulations applicable thereto.

Section 17.14 - Personal Covenant. To the extent the acceptance of a conveyance of a Lot creates a personal covenant between the Owner of such Lot and Declarant or other Owners, such personal covenant shall terminate and be of no further force or effect from and after the date when a person or entity ceases to be an Owner except to the extent this Declaration may provide otherwise with respect to the payment of money to the Association.

Section 17.15 - Nonliability of Officials. To the fullest extent permitted by law, neither the Board, the Architectural Committee, any other committees of the Association or any member of such Board or committee shall be liable to any Member of the Association for any damage, loss or prejudice suffered or claimed on account of any decision, approval or disapproval of plans or specifications (whether or not defective), course of action, act, omission, error, negligence or the like made in good faith within which such Board, committees or persons reasonably believed to be the scope of their duties.

Section 17.16 - Enforcement of Bonded Obligations. In the event that the improvements to the Common Areas have not been completed prior to the issuance of a Final Subdivision Public Report covering the Covered Property, and the Association is obligee under a bond or other arrangement (hereinafter, the "Bond") to secure performance of the commitment of Declarant to complete such improvements, the following provisions shall apply:

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

improvement, the Board shall consider and vote on the aforesaid question if a Notice of Completion has not been filed within thirty (30) days after the expiration of such extension;

(b) in the event that the Board determines not to initiate action to enforce the obligations under the Bond, or in the event the Board fails to consider and vote on such question as provided above, the Board shall call a special meeting of the Members for the purpose of voting to override such decision or such failure to act by the Board. Such meeting shall be called according to the provisions of the Bylaws dealing with meetings of the Members, but in any event such meeting shall be held not less than thirty-five (35) days nor more than ninety (90) days after receipt by the Board of a petition for such meeting signed by Members representing five percent (5%) of the total voting power of the Association; and

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

Section 17.17 - Leases. Any agreement for the leasing or rental of a Lot (hereinafter in this Section referred to as a "lease") shall provide that the terms of such lease shall be subject in all respects to the provisions of this Declaration, the Articles, the Bylaws, the Association Rules and any applicable agreements between the Association and any of the Federal Agencies. Said lease shall further provide that any failure by the lessee thereunder to comply with the terms of the foregoing documents shall be a default under the lease. All leases shall be in writing. Any Owner who shall lease his Lot shall be responsible for assuring compliance by such Owner's lessee with this Declaration, the Articles, the Bylaws and the Association Rules. No Lot shall be leased for transient or hotel purposes, which shall be defined as rental for any period less than thirty (30) days or any rental whatsoever, if the occupants of the Lot are provided customary hotel services such as room service for food and beverage, maid service, furnishing laundry and linen and bellboy service.

Section 17.18 - Construction by Declarant. Nothing in this Declaration shall limit the right of Declarant to alter the Common Areas or Lots, or to construct such additional improvements as Declarant deems advisable prior to completion of improvements upon and the sale of the entire Development. Such right shall include but shall not be limited to erecting, constructing and maintaining on the Covered Property such structures and displays as may be reasonably necessary for the conduct of the business of completing the work and disposing of the same by sale, lease or otherwise. This Declaration shall not limit the right of Declarant at any time prior to acquisition of title by a purchaser from Declarant to establish on the Covered Property additional licenses, reservations and rights-of-way to itself, to utility companies, or to others as may from time to time be reasonably necessary to the proper development and disposal of the Development. Declarant reserves the right to alter its construction plans and designs as it deems appropriate. The rights of Declarant hereunder may be assigned to any successor or successors to all or part of said entity's respective interest in the Development, by an express assignment incorporated in a recorded deed, lease or other instrument, as the case may be, transferring such interest to such successor. Declarant shall exercise its rights contained in this

provision in such a way as not to unreasonably interfere with the Members' rights to use and enjoy the Covered Property.

Section 17.19 - Right to Cure Alleged Defects. It is Developer Parties' intent that the Common Area, each Lot and all improvements constructed on the Covered Property be built in compliance with all applicable building codes and ordinances and that they be of a quality that is consistent with good construction and development practices for production housing of this type. Nevertheless, due to the complex nature of construction and the subjectivity involved in evaluating such quality, disputes may arise as to whether a defect exists and Developer Parties' responsibility therefor. It is Developer Parties' intent to resolve all disputes and claims regarding "Alleged Defects" (as defined below) amicably, and without the necessity of time consuming and costly litigation. Accordingly, the Association, Board and all Owners shall be bound by the following claim resolution procedure:

(a) Right to Cure. In the event that the Association, Board or any Owner or Owners (collectively, "Claimant") claim, contend or allege that any portion of the Common Area, any Lot, and/or any improvements constructed on the Covered Property are defective or that any of the Developer Parties were negligent in the planning, design, engineering, grading, construction or other development thereof (collectively, an "Alleged Defect"), Declarant hereby reserves the right for itself and each of the Developer Parties to inspect, repair and/or replace such Alleged Defect as set forth herein.

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

(c) Right to Enter, Inspect, Repair, and/or Replace. Within a reasonable time after the receipt by a Developer Party of a Notice of Alleged Defect or the independent discovery of any Alleged Defect by a Developer Party, as part of Declarant's reservation of right, the Developer Party shall have the right, upon reasonable notice to Claimant and during normal business hours, to enter onto or into, as applicable, the Common Area, any Lot, including any residential dwelling unit constructed thereon, and/or any improvements for the purposes of inspecting and, if deemed necessary by such Developer Party, repairing and/or replacing such Alleged Defect. In conducting such inspection, repairs and/or replacement, the Developer Party shall be entitled to take any actions as it shall deem reasonable and necessary under the circumstances.

(d) Legal Actions. All legal actions initiated by a Claimant shall be brought in accordance with and subject to Sections 17.21, 17.22 and 17.23 herein. In the event a Claimant initiates any legal action, cause of action, proceeding, reference or arbitration against a Developer Party alleging damages (1) for the costs of repairing or the replacement of any Alleged Defect, (2) for the diminution in value of any real or personal property resulting from such Alleged Defect, or (3) for any consequential damages resulting from such Alleged Defect, any judgment or award in connection therewith shall first be used to correct and or repair such Alleged Defect or to reimburse the Claimant for any costs actually incurred by such Claimant in correcting and/or repairing the Alleged Defect. In the event the Claimant is the Association, the

Association must provide written notice to all Members prior to initiation of any legal action, cause of action, proceeding, reference or arbitration against a Developer Party which notice shall (at a minimum) include (1) a description of the Alleged Defect, (2) a description of the attempts of the Developer Party to correct such Alleged Defect and the opportunities provided to the Developer Party to correct such Alleged Defect, (3) a certification from an engineer licensed in the State of California that such Alleged Defect exists along with a description of the scope of work necessary to cure such Alleged Defect and a resume of such engineer, (4) the estimated cost to repair such Alleged Defect, (5) the name and professional background of the attorney retained by the Association to pursue the claim against the Developer Party and a description of the relationship between such attorney and any members of the Board (if any), (6) a description of the fee arrangement between such attorney and the Association, (7) the estimated attorneys' fees and expert fees and costs necessary to pursue the claim against the Developer Party and the source of the funds which will be used to pay such fees and expenses, (8) the estimated time necessary to conclude the action against the Developer Party and (9) an affirmative statement from the Board that the action is in the best interests of the Association and its Members. In the event the Association recovers any funds from the Developer Party (or any other person or entity) to repair an Alleged Defect, any excess funds remaining after repair of such Alleged Defect shall be paid into the Association's reserve fund.

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

(f) Scope of Duties. The duties of the Owners and the Association set forth in this Section shall be in addition to all duties imposed by California Civil Code Sections 1368.4 and 1375, as amended from time to time.

Section 17.20 - Amendments. Subject to the other provisions of this Declaration, including, without limitation, the rights of Mortgagees pursuant to the Articles hereof entitled "Insurance" and "Rights of Lenders," or otherwise, this Declaration may be amended as follows:

(a) until such time as there is a Class A membership pursuant to this Declaration, amendments or modifications shall be effective when executed by Declarant and when recorded in the Official Records of the County. Thereafter as long as there is a Class B membership, any amendments shall require the affirmative written consent or vote of a majority of a quorum of the voting power of the Association. After the Class B membership has been converted to Class A membership, amendments to this Declaration may be enacted only by the vote or written assent of Members representing both a majority of a quorum of the voting power of the Association and a majority of a quorum of the voting power of the Association residing in Members other than the Declarant;

(b) in addition to the foregoing, any amendment or modification of the Articles hereof entitled "Covenant for Maintenance Assessments," "Nonpayment of Assessments," "Architectural Control," "Repair and Maintenance," "Destruction of Improvements" and "Eminent Domain" shall additionally require the prior written approval of not less than sixty-seven percent (67%) of a quorum of the Class A Members;

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

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

(e) notwithstanding the foregoing, any amendment or modification which impacts any of the rights of Declarant or any Merchant Builder contained herein shall not be effective unless approved by Declarant;

(f) the Association, or any Owner, may petition the County superior court for an order reducing the percentage of the affirmative votes necessary to amend this Declaration. The petition shall describe the effort that has been made to solicit approval of the Association members in the manner provided in this Declaration. The Petition shall also describe the number of affirmative and negative votes actually received, the percentage of affirmative votes required to effect the amendment in accordance with this Declaration, and other matters the petitioner considers relevant to the court's determination. The petition shall also contain as exhibits thereto, copies of all of the following: (1) the governing documents, (2) a complete text of the amendment, (3) copies of solicitation and notice materials utilized in the solicitation of owner approvals, (4) a short explanation of the reason for the amendment, and (5) any other documentation relevant to the court's determination;

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

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

Declarant may unilaterally amend such Supplementary Declaration by recording a written instrument which effects the amendment and is signed and acknowledged by Declarant;

(i) notwithstanding any other provisions of this Section, for so long as Declarant owns any portion of the Covered Property, Declarant may unilaterally amend this Declaration by recording a written instrument signed by Declarant in order to conform this Declaration to the requirements of VA, DRE, FNMA, GNMA or FHLMC then in effect; and

(j) notwithstanding anything else in this Declaration to the contrary, any amendment to this Declaration must be approved by the VA so long as the Declarant controls the Association or a class of membership; provided, however, that such approval will not be unreasonably withheld.

Section 17.21 - Alternate Dispute Resolution. In the event of a dispute between or among (a) a Developer Party(ies), on the one hand, and any Owner(s) or the Association, on the other hand, or (b) any Owner and another Owner, or (c) the Association, and any Owner regarding any controversy or claim between the parties, including any claim based on contract, tort, or statute, arising out of or relating to the rights or duties of the parties under this Declaration or the design or construction of the Development (excluding disputes relating to the payment of any type of Assessments), the matter will be heard by a reference pursuant to the provisions of the California Code of Civil Procedure, Sections 638-645, inclusive.

Section 17.22 - Limitation on Expenditures. The Association shall not incur litigation expenses, including without limitation attorneys, fees, where the Association initiates legal proceedings or is joined as a plaintiff in legal proceedings without the approval of a majority of the voting power of the Association, excluding the voting power of any Owner who would be a defendant in such proceedings. Such approval shall not be necessary if the legal proceedings are initiated to (i) enforce the use restrictions contained in Article XI hereof, (ii) enforce the architectural control provisions contained in Article V hereof, or (iii) collect any unpaid assessments levied pursuant to this Declaration.

Section 17.23 - Limitation on Damages. Any judgment for money damages entered pursuant to the Sections 17.1, 17.19 and/or 17.21 of this Article shall be strictly limited to compensatory damages for injury to persons and property which compensatory damages shall exclude all damages for pain, suffering and other non-economic damages; and, in addition, under no circumstances shall punitive damages be permitted. Any provision of this Declaration to the contrary notwithstanding, no portion of this Section may be amended or deleted without the written consent of Declarant.

Section 17.24 - No Representations or Warranties. No representations or warranties of any kind, express or implied, have been given or made by any Developer Party in connection with the Covered Property, or any portion thereof, its physical condition, zoning, compliance with applicable laws, fitness for intended use, or in connection with the subdivision, sale, operation, maintenance, cost of maintenance, taxes or regulation thereof, except as specifically and expressly set forth in this Declaration.



Section 17.25 - Disclosure of Manufacturing Operations. The Covered Property is located near a brick manufacturing plant (the "Plant") operated by Castaic Brick Manufacturing Company. The Plant excavates clay which is then used for the production of bricks. It is possible that such activity may constitute an inconvenience or nuisance to an Owner and an Owner's successors and assigns. Each Owner by accepting title to his or her Lot, is hereby deemed to have read, understood, acknowledged and agreed to the foregoing disclosure.

## ARTICLE XVIII ANNUAL INSPECTION

Section 18.1 - Duty to Inspect. It shall be the duty of the Board to have the Common Areas inspected at least once each year.

Section 18.2 - Purpose of Inspection. The purpose of the inspection shall be to (i) determine whether the Common Areas are being maintained adequately in accordance with the standards of maintenance established in Sections 6.2 and 7.1 hereof, (ii) identify the condition of the Common Areas and any improvements thereon including the existence of any hazards or defects, and the need for performing additional maintenance, refurbishment, replacement, or repair, and (iii) recommend preventive actions which may be taken to reduce potential maintenance costs to be incurred in the future.

Section 18.3 - Scope of Inspection. All of the Common Areas and improvements thereon including, but not limited to, the exterior and structural integrity of all structures, gates, walls, walkways, irrigation systems, landscaping, and drainage devices shall be inspected.

Section 18.4 - Experts and Consultants. The Board may employ such experts and consultants as are necessary to perform the inspection and make the report required by this Article.

Section 18.5 - Report to Owners. The Board shall have a report of the results of the inspection of the Common Areas required by this Article prepared. The report shall be furnished to Owners within the time set forth for furnishing Owners with the budget described in California Civil Code Section 1365.5. The report shall include at least the following:

- (a) a description of the condition of the Common Areas, including a list of items inspected, and the status of maintenance, repair and need for replacement of all such items;
- (b) a description of all maintenance, repair and replacement planned for the ensuing fiscal year and included in the DRE Approved Budget;
- (c) if any maintenance, repair or replacement is to be deferred, the reason for such deferral;
- (d) a summary of all reports of inspections performed by any expert or consultant employed by the Board to perform inspections;

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

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

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

“DECLARANT”

Northlake LLC, a Delaware limited liability company

By: Genstar Northlake LLC, a Delaware limited liability company, Its Manager

By: *[Signature]*  
Its: VICE PRESIDENT

By: *[Signature]*  
Its: ASST. SECT.

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STATE OF CALIFORNIA )  
                          ) ss.  
                  SAN DIEGO )  
COUNTY OF ~~LOS ANGELES~~ )

*Leonard S. Miller*

On Dec. 10, 1998, before me, the undersigned, a Notary Public in and for said County and State, personally appeared Dennis M. Moser and, personally known to me (~~or proved to me on the basis of satisfactory evidence~~) to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the within instrument.

WITNESS my hand and official seal.



*J. J. Kamman*  
Notary Public

STATE OF CALIFORNIA )  
                          ) ss.  
COUNTY OF LOS ANGELES )

On \_\_\_\_\_, 1998, before me, the undersigned, a Notary Public in and for said County and State, personally appeared \_\_\_\_\_, personally known to me (or proved to me on the basis of satisfactory evidence) to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the within instrument.

WITNESS my hand and official seal.

\_\_\_\_\_  
Notary Public

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LIST OF EXHIBITS

<u>Exhibit</u>	<u>Description</u>
A	Legal Description of Initial Property
B	Legal Description of Annexation Property
C	Legal description of Initial Common Areas
D	Exclusive Use Common Area
E	Special Maintenance Areas
F	Driveway Easement

**EXHIBIT "A"**

**Initial Property**

Lots 23 through 38, 147 through 149, 157 through 167 and 180 through 198 of Tract 44429 as recorded in Map Book 1233 Pages 19 to 43 of Maps, as filed in the Office of the County Recorder of Los Angeles County, California

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\* PARCEL 1:

THE SOUTHEASTERLY QUARTER OF THE SOUTHEASTERLY QUARTER OF SECTION 35, TOWNSHIP 6 NORTH, RANGE 17 WEST, SAN BERNARDINO MERIDIAN, IN THE COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, ACCORDING TO THE OFFICIAL PLAT OF SAID LAND FILED IN THE DISTRICT LAND OFFICE.

EXCEPT THEREFROM SAID LAND THAT PORTION OF SAID LAND CONDEMNED TO THE CITY OF LOS ANGELES, A MUNICIPAL CORPORATION BY FINAL ORDER OF CONDEMNATION CASE NO. 878075, A CERTIFIED COPY OF WHICH WAS RECORDED JUNE 1, 1972 AS INSTRUMENT NO. 4488 IN BOOK D5480 PAGE 183, OFFICIAL RECORDS IDENTIFIED THEREIN AS PARCEL 4.

PARCEL 2:

THE SOUTH HALF OF THE SOUTHWEST QUARTER OF SECTION 36, TOWNSHIP 6 NORTH, RANGE 17 WEST SAN BERNARDINO MERIDIAN, IN THE COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, ACCORDING TO THE OFFICIAL PLAT THEREOF.

EXCEPT FROM SAID LAND THAT PORTION OF SAID LAND CONDEMNED TO THE STATE OF CALIFORNIA BY FINAL ORDER OF CONDEMNATION CASE NO. 881776, A CERTIFIED COPY OF WHICH WAS RECORDED AUGUST 4, 1971 AS INSTRUMENT NO. 1846, IN BOOK D5147 PAGE 830 OFFICIAL RECORDS OF THE COUNTY OF LOS ANGELES, DESCRIBED AS FOLLOWS:

BEGINNING AT A POINT ON THE SOUTH LINE OF SAID SECTION 36, FROM WHICH THE SOUTHWEST CORNER OF SAID SECTION BEARS NORTH 89 DEGREES 47 MINUTES 42 SECONDS WEST 2,058.36 FEET;

THENCE FROM SAID POINT OF BEGINNING, LEAVING SAID SOUTH LINE, NORTH 25 DEGREES 16 MINUTES 40 SECONDS WEST 1,146.35 FEET; THENCE NORTH 19 DEGREES 05 MINUTES 37 SECONDS EAST 302.16 FEET TO THE NORTH LINE OF SAID SOUTH HALF OF THE SOUTHWEST QUARTER; THENCE ALONG SAID NORTH LINE SOUTH 89 DEGREES 20 MINUTES 58 SECONDS EAST 847.82 FEET TO THE NORTHEAST CORNER OF SAID SOUTH HALF OF THE SOUTHWEST QUARTER; THENCE ALONG THE EAST LINE OF SAID SOUTH HALF OF THE SOUTHWEST QUARTER SOUTH 01 DEGREES 22 MINUTES 38 SECONDS WEST 1,313.61 FEET TO THE SOUTHWEST CORNER OF SAID SOUTH HALF OF THE SOUTHWEST QUARTER; THENCE ALONG THE SOUTH LINE OF SAID SECTION 36 NORTH 89 DEGREES 47 MINUTES 42 SECONDS WEST 525.54 FEET TO THE POINT OF BEGINNING.

ALSO EXCEPT THEREFROM SAID LAND THAT PORTION OF SAID LAND CONDEMNED TO THE CITY OF LOS ANGELES, A MUNICIPAL CORPORATION BY FINAL ORDER OF CONDEMNATION CASE NO. 979075, A CERTIFIED COPY OF WHICH RECORDED JUNE 1, 1972 AS INSTRUMENT NO. 4488, IN BOOK D5480 PAGE 183, OFFICIAL RECORDS IDENTIFIED THEREIN AS PARCEL 4.

PARCEL 3:

THE EAST HALF OF THE NORTH HALF OF THE WEST HALF OF THE WEST HALF OF LOT 7, IN SECTION 3, TOWNSHIP 5 NORTH, RANGE 17 WEST, SAN BERNARDINO MERIDIAN, IN THE COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, ACCORDING TO THE OFFICIAL PLAT OF SAID LAND FILED IN THE DISTRICT LAND OFFICE ON SEPTEMBER 8, 1880.

EXCEPT ALL OIL AND GAS IN SAID LAND, TOGETHER WITH THE RIGHT TO PROSPECT FOR, MINE AND REMOVE SAME, PURSUANT TO THE PROVISIONS AND LIMITATIONS OF THE ACT OF JULY 17, 1914, (38 STAT. 508), AS RESERVED IN THE PATENT FROM THE UNITED STATES OF AMERICA, RECORDED SEPTEMBER 13, 1934, IN BOOK 12982 PAGE 174, OFFICIAL RECORDS.

PARCEL 4:

THE WEST HALF OF THE SOUTH HALF OF THE WEST HALF OF THE WEST HALF OF LOT 7, IN SECTION 3, TOWNSHIP 5 NORTH, RANGE 17 WEST, SAN BERNARDINO MERIDIAN, IN THE COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, ACCORDING TO THE OFFICIAL PLAT OF SAID LAND FILED IN THE DISTRICT LAND OFFICE ON SEPTEMBER 8, 1880.

EXCEPT ALL OIL AND GAS IN SAID LAND, TOGETHER WITH THE RIGHT TO PROSPECT FOR, MINE AND REMOVE SAME, PURSUANT TO THE PROVISIONS AND LIMITATIONS OF THE ACT OF JULY 17, 1914, (38 STAT. 508), AS RESERVED IN THE PATENT FROM THE UNITED STATES OF AMERICA, RECORDED SEPTEMBER 13, 1934, IN BOOK 12982 PAGE 174, OFFICIAL RECORDS. 71

PARCEL 5:

THE WEST HALF OF THE NORTH HALF OF THE WEST HALF OF THE WEST HALF OF LOT 7, IN SECTION 3, TOWNSHIP 5 NORTH, RANGE 17 WEST, SAN BERNARDINO MERIDIAN, IN THE COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, ACCORDING TO THE OFFICIAL PLAT OF SAID LAND FILED IN THE DISTRICT LAND OFFICE ON SEPTEMBER 8, 1880.

EXCEPT ALL OIL AND GAS IN SAID LAND, TOGETHER WITH THE RIGHT TO PROSPECT FOR, MINE AND REMOVE SAME, PURSUANT TO THE PROVISIONS AND LIMITATIONS OF THE ACT OF JULY 17, 1914, (38 STAT. 508), AS RESERVED IN THE PATENT FROM THE UNITED STATES OF AMERICA, RECORDED SEPTEMBER 13, 1934, IN BOOK 12982 PAGE 174, OFFICIAL RECORDS.

PARCEL 6:

THE EAST HALF OF THE SOUTH HALF OF THE WEST HALF OF THE WEST HALF OF LOT 7, IN SECTION 3, TOWNSHIP 5 NORTH, RANGE 17 WEST, SAN BERNARDINO MERIDIAN, IN THE COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, ACCORDING TO THE OFFICIAL PLAT OF SAID LAND FILED IN THE DISTRICT LAND OFFICE ON SEPTEMBER 8, 1880.

EXCEPT ALL OIL AND GAS IN SAID LAND, TOGETHER WITH THE RIGHT TO PROSPECT FOR, MINE AND REMOVE SAME, PURSUANT TO THE PROVISIONS AND LIMITATIONS OF THE ACT OF JULY 17, 1914, (38 STAT. 509), AS RESERVED IN THE PATENT FROM THE UNITED STATES OF AMERICA, RECORDED SEPTEMBER 13, 1934, IN BOOK 12982 PAGE 174, OFFICIAL RECORDS.

PARCEL 7:

THE EAST HALF OF THE EAST HALF OF THE EAST HALF OF LOT 8, IN SECTION 3, TOWNSHIP 5 NORTH, RANGE 17 WEST, SAN BERNARDINO MERIDIAN, IN THE COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, ACCORDING TO THE OFFICIAL PLAT OF SAID LAND FILED IN THE DISTRICT LAND OFFICE ON SEPTEMBER 8, 1880.

EXCEPT ALL OIL AND GAS IN SAID LAND, TOGETHER WITH THE RIGHT TO PROSPECT FOR, MINE AND REMOVE SAME, PURSUANT TO THE PROVISIONS AND LIMITATIONS OF THE ACT OF JULY 17, 1914, (38 STAT. 508), AS RESERVED IN THE PATENT FROM THE UNITED STATES OF AMERICA, RECORDED SEPTEMBER 13, 1934, IN BOOK 12982 PAGE 174, OFFICIAL RECORDS.

PARCEL 8:

THE EAST HALF OF THE NORTH HALF OF THE EAST HALF OF THE WEST HALF OF LOT 7, IN SECTION 3, TOWNSHIP 5 NORTH, RANGE 17 WEST, SAN BERNARDINO MERIDIAN, IN THE COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, ACCORDING TO THE OFFICIAL PLAT OF SAID LAND FILED IN THE DISTRICT LAND OFFICE ON SEPTEMBER 8, 1880.

EXCEPT ALL OIL AND GAS IN SAID LAND, TOGETHER WITH THE RIGHT TO PROSPECT FOR, MINE AND REMOVE SAME, PURSUANT TO THE PROVISIONS AND LIMITATIONS OF THE ACT OF JULY 17, 1914, (38 STAT. 508), AS RESERVED IN THE PATENT FROM THE UNITED STATES OF AMERICA, RECORDED SEPTEMBER 13, 1934, IN BOOK 12982 PAGE 174, OFFICIAL RECORDS.

PARCEL 9:

THE EAST HALF OF THE SOUTH HALF OF THE EAST HALF OF THE WEST HALF OF LOT 7, IN SECTION 3, TOWNSHIP 5 NORTH, RANGE 17 WEST, SAN BERNARDINO MERIDIAN, IN THE COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, ACCORDING TO THE OFFICIAL PLAT OF SAID LAND FILED IN THE DISTRICT LAND OFFICE ON SEPTEMBER 8, 1880.

EXCEPT ALL OIL AND GAS IN SAID LAND, TOGETHER WITH THE RIGHT TO PROSPECT FOR, MINE AND REMOVE SAME, PURSUANT TO THE PROVISIONS AND LIMITATIONS OF THE ACT OF JULY 17, 1914, (38 STAT. 509), AS RESERVED IN THE PATENT FROM THE UNITED STATES OF AMERICA, RECORDED SEPTEMBER 13, 1934, IN BOOK 12982 PAGE 174, OFFICIAL RECORDS.

## PARCEL 10:

THE WEST HALF OF THE NORTH HALF OF THE EAST HALF OF THE WEST HALF OF LOT 7, IN SECTION 3, TOWNSHIP 5 NORTH, RANGE 17 WEST, SAN BERNARDINO MERIDIAN, IN THE COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, ACCORDING TO THE OFFICIAL PLAT OF SAID LAND FILED IN THE DISTRICT LAND OFFICE ON SEPTEMBER 6, 1880.

EXCEPT ALL OIL AND GAS IN SAID LAND, TOGETHER WITH THE RIGHT TO PROSPECT FOR, MINE AND REMOVE SAME, PURSUANT TO THE PROVISIONS AND LIMITATIONS OF THE ACT OF JULY 17, 1914, (38 STAT. 509), AS RESERVED IN THE PATENT FROM THE UNITED STATES OF AMERICA, RECORDED SEPTEMBER 13, 1934, IN BOOK 12982 PAGE 174, OFFICIAL RECORDS.

## PARCEL 11:

THE WEST HALF OF THE SOUTH HALF OF THE EAST HALF OF THE WEST HALF OF LOT 7, IN SECTION 3, TOWNSHIP 5 NORTH, RANGE 17 WEST, SAN BERNARDINO MERIDIAN, IN THE COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, ACCORDING TO THE OFFICIAL PLAT OF SAID LAND FILED IN THE DISTRICT LAND OFFICE ON SEPTEMBER 6, 1880.

EXCEPT ALL OIL AND GAS IN SAID LAND, TOGETHER WITH THE RIGHT TO PROSPECT FOR, MINE AND REMOVE SAME, PURSUANT TO THE PROVISIONS AND LIMITATIONS OF THE ACT OF JULY 17, 1914, (38 STAT. 509), AS RESERVED IN THE PATENT FROM THE UNITED STATES OF AMERICA, RECORDED SEPTEMBER 13, 1934, IN BOOK 12982 PAGE 174, OFFICIAL RECORDS.

## PARCEL 12:

THE WEST HALF OF THE WEST HALF OF THE EAST HALF OF LOT 8, IN SECTION 3, TOWNSHIP 5 NORTH, RANGE 17 WEST, SAN BERNARDINO MERIDIAN, IN THE COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, ACCORDING TO THE OFFICIAL PLAT OF SAID LAND FILED IN THE DISTRICT LAND OFFICE ON SEPTEMBER 6, 1880.

EXCEPT ALL OIL AND GAS IN SAID LAND, TOGETHER WITH THE RIGHT TO PROSPECT FOR, MINE AND REMOVE SAME, PURSUANT TO THE PROVISIONS AND LIMITATIONS OF THE ACT OF JULY 17, 1914, (38 STAT. 509), AS RESERVED IN THE PATENT FROM THE UNITED STATES OF AMERICA, RECORDED SEPTEMBER 13, 1934, IN BOOK 12982 PAGE 174, OFFICIAL RECORDS.

## PARCEL 13:

THE WEST HALF OF THE EAST HALF OF THE EAST HALF OF LOT 8, IN SECTION 3, TOWNSHIP 5 NORTH, RANGE 17 WEST, SAN BERNARDINO MERIDIAN, IN THE COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, ACCORDING TO THE OFFICIAL PLAT OF SAID LAND FILED IN THE DISTRICT LAND OFFICE ON SEPTEMBER 6, 1880.

EXCEPT ALL OIL AND GAS IN SAID LAND, TOGETHER WITH THE RIGHT TO PROSPECT FOR, MINE AND REMOVE SAME, PURSUANT TO THE PROVISIONS AND LIMITATIONS OF THE ACT OF JULY 17, 1914, (38 STAT. 509), AS RESERVED IN THE PATENT FROM THE UNITED STATES OF AMERICA, RECORDED SEPTEMBER 13, 1934, IN BOOK 12982 PAGE 174, OFFICIAL RECORDS.

## PARCEL 14:

THE EAST HALF OF THE WEST HALF OF THE EAST HALF OF LOT 8, IN SECTION 3, TOWNSHIP 5 NORTH, RANGE 17 WEST, SAN BERNARDINO MERIDIAN, IN THE COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, ACCORDING TO THE OFFICIAL PLAT OF SAID LAND FILED IN THE DISTRICT LAND OFFICE ON SEPTEMBER 6, 1880.

EXCEPT ALL OIL AND GAS IN SAID LAND, TOGETHER WITH THE RIGHT TO PROSPECT FOR, MINE AND REMOVE SAME, PURSUANT TO THE PROVISIONS AND LIMITATIONS OF THE ACT OF JULY 17, 1914, (38 STAT. 509), AS RESERVED IN THE PATENT FROM THE UNITED STATES OF AMERICA, RECORDED SEPTEMBER 13, 1934, IN BOOK 12982 PAGE 174, OFFICIAL RECORDS.



PARCEL 15:

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THE SOUTHWEST QUARTER OF THE NORTHEAST QUARTER, AND THE SOUTHEAST QUARTER OF THE NORTHWEST QUARTER AND THE NORTHWEST QUARTER OF THE SOUTHEAST QUARTER AND THE NORTHEAST QUARTER OF THE SOUTHWEST QUARTER OF SECTION 11, TOWNSHIP 5 NORTH, RANGE 17 WEST, SAN BERNARDINO MERIDIAN, IN THE COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, ACCORDING TO THE OFFICIAL PLAT OF SAID LAND ON FILE IN THE BUREAU OF LAND MANAGEMENT.

EXCEPT THEREFROM SAID LAND THAT PORTION OF SAID LAND CONDEMNED TO THE CITY OF LOS ANGELES BY FINAL ORDER OF CONDEMNATION IN CASE NO. 979 075 SUPERIOR COURT, A CERTIFIED COPY BEING RECORDED FEBRUARY 9, 1972 AS INSTRUMENT NO. 2359, IN BOOK 05348 PAGE 40, OFFICIAL RECORDS.

ALSO EXCEPT THAT PORTION OF SECTION 11, TOWNSHIP 5 NORTH, RANGE 17 WEST, SAN BERNARDINO MERIDIAN, IN THE UNINCORPORATED TERRITORY OF THE COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, ACCORDING TO THE OFFICIAL PLAT OF SAID LAND FILED IN THE DISTRICT LAND OFFICE SEPTEMBER 8, 1880 DESCRIBED AS FOLLOWS:

COMMENCING AT THE SOUTHEAST CORNER OF SAID SECTION; THENCE ALONG THE SOUTH LINE OF THE SOUTHEAST QUARTER OF SAID SECTION NORTH 89 DEGREES 42 MINUTES 08 SECONDS WEST 1903.44 FEET; THENCE LEAVING SAID SOUTH LINE NORTH 00 DEGREES 17 MINUTES 54 SECONDS EAST 2184.83 FEET TO THE TRUE POINT OF BEGINNING; THENCE NORTH 54 DEGREES 00 MINUTES 04 SECONDS EAST 179.50 FEET; THENCE NORTH 72 DEGREES 25 MINUTES 38 SECONDS EAST 172.40 FEET; THENCE NORTH 77 DEGREES 35 MINUTES 23 SECONDS EAST 318.23 FEET; THENCE SOUTH 59 DEGREES 28 MINUTES 18 SECONDS EAST 232.73 FEET; THENCE SOUTH 34 DEGREES 39 MINUTES 16 SECONDS EAST 158.18 FEET; THENCE SOUTH 20 DEGREES 12 MINUTES 55 SECONDS EAST 189.76 FEET; THENCE SOUTH 05 DEGREES 45 MINUTES 21 SECONDS EAST 155.28 FEET; THENCE SOUTH 32 DEGREES 52 MINUTES 00 SECONDS WEST 135.84 FEET; THENCE SOUTH 64 DEGREES 56 MINUTES 20 SECONDS WEST 140.48 FEET; THENCE SOUTH 72 DEGREES 25 MINUTES 53 SECONDS WEST 147.43 FEET; THENCE NORTH 82 DEGREES 04 MINUTES 45 SECONDS WEST 224.48 FEET; THENCE NORTH 51 DEGREES 55 MINUTES 54 SECONDS WEST 121.12 FEET; THENCE NORTH 38 DEGREES 14 MINUTES 51 SECONDS WEST 237.81 FEET; THENCE NORTH 35 DEGREES 30 MINUTES 58 SECONDS WEST 314.82 FEET TO THE TRUE POINT OF BEGINNING.

ALSO EXCEPT ONE-HALF OF ALL OILS, HYDROCARBONS AND MINERALS IN AND UNDER WHICH MAY BE DEVELOPED FROM THE REAL PROPERTY ABOVE DESCRIBED, WITHOUT, HOWEVER, THE RIGHT TO ENTER UPON THE SURFACE, OR THE SUBSURFACE THEREOF TO A DEPTH OF 500 FEET BENEATH THE SURFACE MEASURED VERTICALLY, FOR THE PURPOSE OF PROSPECTING OR EXPLORING FOR, DEVELOPING OR PRODUCING SAID SUBSTANCES, AS RESERVED IN THE DEED FROM PETER A. LARRAMENDY AND WILDA L. LARRAMENDY, RECORDED JUNE 1, 1967 AS INSTRUMENT NO. 2375, OFFICIAL RECORDS.

PARCEL 16:

THAT PORTION OF THE SOUTHEAST QUARTER OF THE SOUTHWEST QUARTER, THAT PORTION OF THE SOUTHWEST QUARTER OF THE SOUTHWEST QUARTER OF THE SOUTHEAST QUARTER OF SECTION 3, AND THAT PORTION OF THE NORTH HALF OF THE NORTHEAST QUARTER OF SECTION 10, ALL IN TOWNSHIP 5 NORTH, RANGE 17 WEST, SAN BERNARDINO MERIDIAN, IN THE COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, ACCORDING TO THE OFFICIAL PLAT THEREOF, ALL OF WHICH LAND BEING ACQUIRED BY THE STATE OF CALIFORNIA, BY DEED (40438) RECORDED IN BOOK 0-4057 PAGE 287, OFFICIAL RECORDS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY, AND ALL OF WHICH PORTIONS LYING WESTERLY SOUTHWESTERLY OF THE FOLLOWING DESCRIBED LINE:  
BEGINNING AT THE SOUTHERLY TERMINUS OF THAT CERTAIN COURSE DESCRIBED AS SOUTH 2 DEGREES 00 MINUTES 48 SECONDS EAST, 197.00 FEET IN PARCEL 9 OF FINAL ORDER OF CONDEMNATION, CASE NO. 811311 OF THE SUPERIOR COURT OF THE STATE OF CALIFORNIA, FOR THE COUNTY OF LOS ANGELES, A CERTIFIED COPY OF WHICH WAS RECORDED IN BOOK 0-4142 PAGE 39, OFFICIAL RECORDS, IN SAID OFFICE; THENCE ALONG SAID CERTAIN COURSE AND ITS NORTHERLY PROLONGATION NORTH 2 DEGREES 00 MINUTES 48 SECONDS WEST 244.13 FEET; THENCE NORTH 37 DEGREES 00 MINUTES 18 SECONDS WEST 250.00 FEET; THENCE SOUTH 87 DEGREES 01 MINUTES 52 SECONDS WEST, 164.93 FEET; THENCE NORTH 37 DEGREES 00 MINUTES 18 SECONDS WEST, 50.00 FEET; THENCE NORTH 17 DEGREES 17 MINUTES 18 SECONDS EAST 197.04 FEET; THENCE NORTH 50 DEGREES 14 MINUTES 44 SECONDS WEST, 87.32 FEET; THENCE NORTH 33 DEGREES 23 MINUTES 00 SECONDS WEST,

237.48 FEET; THENCE NORTH 85 DEGREES 39 MINUTES 28 SECONDS WEST 88.91 FEET; THENCE NORTH 15 DEGREES 13 MINUTES 10 SECONDS EAST, 101.21 FEET; THENCE NORTH 41 DEGREES 28 MINUTES 20 SECONDS WEST 448.37 FEET; THENCE NORTH 26 DEGREES 40 MINUTES 28 SECONDS WEST, 195.16 FEET; THENCE NORTH 73 DEGREES 18 MINUTES 55 SECONDS WEST 211.01 FEET; THENCE NORTH 37 DEGREES 00 MINUTES 18 SECONDS WEST 45.00 FEET; THENCE NORTH 3 DEGREES 18 MINUTES 53 SECONDS WEST 218.33 FEET; THENCE NORTH 50 DEGREES 14 MINUTES 45 SECONDS WEST 174.84 FEET; THENCE NORTH 2 DEGREES 21 MINUTES 48 SECONDS WEST 85.86 FEET; THENCE NORTH 38 DEGREES 34 MINUTES 22 SECONDS WEST 475.18 FEET; THENCE NORTH 29 DEGREES 58 MINUTES 05 SECONDS WEST 147.74 FEET TO A NON-TANGENT CURVE CONCAVE SOUTHWESTERLY AND HAVING A RADIUS OF 2,905.00 FEET; THENCE NORTHWESTERLY ALONG SAID CURVE FROM A RADIAL BEARING NORTH 50 DEGREES 58 MINUTES 13 SECONDS EAST, THROUGH AN ANGLE OF 7 DEGREES 38 MINUTES 22 SECONDS AN ARC DISTANCE OF 387.33 FEET; THENCE NORTH 72 DEGREES 34 MINUTES 46 SECONDS WEST 208.88 FEET; THENCE NORTH 27 DEGREES 42 MINUTES 33 SECONDS WEST, 52.83 FEET TO A POINT IN THE NORTH LINE OF SAID SOUTHEAST QUARTER OF THE SOUTHWEST QUARTER OF SECTION 3, DISTANT THEREON SOUTH 88 DEGREES 58 MINUTES 48 SECONDS EAST 585.18 FEET FROM THE NORTHWEST CORNER OF SAID SOUTHEAST QUARTER OF THE SOUTHWEST QUARTER OF SECTION 3.

**PARCEL 17:**

THAT PORTION OF THE SOUTHWEST QUARTER OF THE SOUTHWEST QUARTER OF SECTION 11, TOWNSHIP 6 NORTH, RANGE 17 WEST, SAN BERNARDINO MERIDIAN, IN THE COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, ACCORDING TO THE OFFICIAL PLAT OF SAID LAND, DESCRIBED AS FOLLOWS:  
 BEGINNING AT A POINT IN THE SOUTHERLY LINE OF SAID SECTION, DISTANT THEREON SOUTH 89 DEGREES 54 MINUTES 02 SECONDS EAST, 445.69 FEET FROM THE SOUTHWEST CORNER OF SAID SECTION; THENCE NORTH 25 DEGREES 52 MINUTES 08 SECONDS WEST, 124.08 FEET TO A TANGENT CURVE CONCAVE NORTHEASTERLY AND HAVING A RADIUS OF 2,799.00 FEET; THENCE NORTHWESTERLY, ALONG SAID CURVE THROUGH AN ANGLE OF 3 DEGREES 23 MINUTES 39 SECONDS, AN ARC DISTANCE OF 283.51 FEET; THENCE NORTH 15 DEGREES 54 MINUTES 07 SECONDS WEST 441.44 FEET; THENCE NORTH 8 DEGREES 51 MINUTES 55 SECONDS EAST 108.01 FEET; THENCE NORTH 15 DEGREES 34 MINUTES 28 SECONDS EAST 152.16 FEET; THENCE NORTH 3 DEGREES 25 MINUTES 50 SECONDS WEST, 122.99 FEET; THENCE NORTH 10 DEGREES 08 MINUTES 08 SECONDS WEST, 191.35 FEET TO THE NORTH LINE OF SAID SOUTHWEST QUARTER OF THE SOUTHWEST QUARTER; THENCE ALONG SAID NORTH LINE AND ALONG THE EAST AND SOUTH LINES OF SAID SOUTHWEST QUARTER OF THE SOUTHWEST QUARTER THE FOLLOWING COURSES; SOUTH 89 DEGREES 45 MINUTES 10 SECONDS EAST, 1,183.76 FEET, SOUTH 0 DEGREES 52 MINUTES 27 SECONDS WEST, 1,337.48 FEET, AND NORTH 89 DEGREES 54 MINUTES 02 SECONDS WEST, 800.78 FEET TO THE POINT OF BEGINNING.

EXCEPT THE NORTH HALF.

ALSO EXCEPT THEREFROM ALL OIL, OIL RIGHTS, MINERALS, MINERAL RIGHTS, NATURAL GAS, NATURAL GAS RIGHTS, AND OTHER HYDROCARBONS BY WHATSOEVER NAME KNOWN THAT MAY BE BELOW THE UPPER 100 FEET OF THE SUBSURFACE OF THE PARCEL OF LAND HEREINABOVE DESCRIBED, TOGETHER WITH THE PERPETUAL RIGHT OF DRILLING, MINING, EXPLORING AND OPERATING THEREFOR AND REMOVING THE SAME FROM SAID LAND OR ANY OTHER LAND, INCLUDING THE RIGHT TO WHIPSTOCK OR DIRECTIONALLY DRILL AND MINE FROM LANDS OTHER THAN THOSE HEREINABOVE DESCRIBED, OIL OR GAS WELLS, TUNNELS AND SHAFTS INTO, THROUGH OR ACROSS THE SUBSURFACE OF THE LAND HEREINABOVE DESCRIBED, AND TO BOTTOM SUCH WHIPSTOCKED OR DIRECTIONALLY DRILLED WELLS, TUNNELS AND SHAFTS UNDER BENEATH OR BEYOND THE EXTERIOR LIMITS THEREOF, AND TO REDRILL, RETUNNEL, EQUIP, MAINTAIN REPAIR, DEEPEN AND OPERATE ANY SUCH WELLS, OR MINES, WITHOUT, HOWEVER, THE RIGHT TO DRILL, MINE, EXPLORE AND OPERATE THROUGH THE SURFACE OF SAID UPPER 100 FEET OF THE SUBSURFACE OF THE LAND HEREINABOVE DESCRIBED OR OTHERWISE IN SUCH MANNER AS TO ENDANGER THE SAFETY OF ANY HIGHWAY THAT MAY BE CONSTRUCTED ON SAID LANDS, AS EXCEPTED IN FINAL ORDER OF CONDEMNATION, CASE NO. 811311, SUPERIOR COURT LOS ANGELES COUNTY, A CERTIFIED COPY THEREOF BEING RECORDED SEPTEMBER 11, 1970 IN BOOK D-4829 PAGE 157, OFFICIAL RECORDS, AS INSTRUMENT NO. 3506.

## PARCEL 17-A:

AN EASEMENT FOR INGRESS AND EGRESS OVER AND ACROSS THE NORTH HALF OF THAT PORTION OF THE SOUTHWEST QUARTER OF SECTION 11, TOWNSHIP 5 NORTH, RANGE 17 WEST, SAN BERNARDINO MERIDIAN, IN THE COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, ACCORDING TO THE OFFICIAL PLAT OF SAID LAND DESCRIBED AS FOLLOWS:

BEGINNING AT A POINT IN THE SOUTHERLY LINE OF SAID SECTION, DISTANT THEREON SOUTH 89 DEGREES 54 MINUTES 02 SECONDS EAST, 445.89 FEET FROM THE SOUTHWEST CORNER OF SAID SECTION; THENCE NORTH 25 DEGREES 52 MINUTES 08 SECONDS WEST 124.09 FEET TO A TANGENT CURVE CONCAVE NORTHEASTERLY AND HAVING A RADIUS OF 2,799.00 FEET; THENCE NORTHWESTERLY, ALONG SAID CURVE, THROUGH AN ANGLE OF 3 DEGREES 23 MINUTES 39 SECONDS, AN ARC DISTANCE OF 283.51 FEET; THENCE NORTH 15 DEGREES 54 MINUTES 07 SECONDS WEST 441.44 FEET; THENCE NORTH 8 DEGREES 51 MINUTES 55 SECONDS EAST, 108.01 FEET; THENCE NORTH 15 DEGREES 34 MINUTES 26 SECONDS EAST 152.16 FEET; THENCE NORTH 3 DEGREES 25 MINUTES 50 SECONDS WEST, 122.99 FEET; THENCE NORTH 10 DEGREES 08 MINUTES 06 SECONDS WEST, 191.35 FEET TO THE NORTH LINE OF SAID SOUTHWEST QUARTER OF THE SOUTHWEST QUARTER; THENCE ALONG SAID NORTH LINE AND ALONG THE EAST AND SOUTH LINES OF SAID SOUTHWEST QUARTER OF THE SOUTHWEST QUARTER THE FOLLOWING COURSES: SOUTH 89 DEGREES 45 MINUTES 10 SECONDS EAST, 1,183.776 FEET, SOUTH 0 DEGREES 52 MINUTES 27 SECONDS WEST, 1,337.48 FEET, AND NORTH 89 DEGREES 54 MINUTES 02 SECONDS WEST, 880.76 FEET TO THE POINT OF BEGINNING.

## PARCEL 18:

THE SOUTHEAST QUARTER OF THE SOUTHWEST QUARTER OF SECTION 11, TOWNSHIP 5 NORTH, RANGE 17 WEST, SAN BERNARDINO MERIDIAN, IN THE COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, ACCORDING TO THE OFFICIAL PLAT HEREOF.

EXCEPT THEREFROM THE INTEREST IN ALL OIL, GAS AND MINERAL RIGHTS IN SAID LAND GRANTED TO F. G. WAKER, BY DEED RECORDED JANUARY 21, 1952 AS INSTRUMENT NO. 2683 IN BOOK 38085 PAGE 446, OFFICIAL RECORDS WHICH RECITES:  
TRANSFER, ASSIGN, CONVEY AND SELL ONE-HALF OF THE OIL AND GAS RIGHTS, TITLE AND INTEREST IN AND TO ONE-HALF OF THE OIL AND GAS RIGHTS, AND BY DEED RECORDED FEBRUARY 2, 1953 AS INSTRUMENT NO. 2779 IN BOOK 40870 PAGE 258, OFFICIAL RECORDS, WHICH RECITES ONE-HALF OF ALL GAS, OIL AND MINERAL RIGHTS.

## PARCEL 19:

THE WEST HALF OF THE NORTH HALF OF THE WEST HALF OF THE WEST HALF OF LOT 10 IN SECTION 3, TOWNSHIP 5 NORTH, RANGE 17 WEST, SAN BERNARDINO MERIDIAN, IN THE COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, ACCORDING TO THE OFFICIAL PLAT OF SAID LAND.

EXCEPT ALL OIL AND GAS IN SAID LAND, TOGETHER WITH THE RIGHT TO PROSPECT FOR, MINE AND REMOVE SAME, PURSUANT TO THE PROVISIONS AND LIMITATIONS OF THE ACT OF JULY 17, 1914, (38 STAT. 508), AS RESERVED IN THE PATENT FROM THE UNITED STATES OF AMERICA, RECORDED SEPTEMBER 13, 1934, IN BOOK 12982 PAGE 174, OFFICIAL RECORDS.

## PARCEL 19-A:

AN EASEMENT FOR INGRESS AND EGRESS AND INCIDENTAL PURPOSES, TO BE USED IN COMMON WITH OTHERS, OVER THE SOUTHERLY 30 FEET OF THE WEST HALF OF LOT 7 AND THE EASTERLY 30 FEET OF LOT 8 AND THE SOUTHERLY 30 FEET OF THAT PORTION OF LOT 5, LYING EASTERLY OF THE CENTER LINE OF RIDGE ROAD, AS SHOWN ON F.M. 18013-1 ON FILE IN THE OFFICE OF THE COUNTY ENGINEER ALL IN SECTION 3, TOWNSHIP 5 NORTH, RANGE 17 WEST, SAN BERNARDINO MERIDIAN, IN THE COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, ACCORDING TO THE OFFICIAL PLAT OF SAID LAND.

## PARCEL 20:

THAT PORTION OF THE SOUTHEAST QUARTER OF SECTION 3, TOWNSHIP 5 NORTH, RANGE 17 WEST, SAN BERNARDINO MERIDIAN, IN THE COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, ACCORDING TO THE OFFICIAL PLAT OF SAID LAND, DESCRIBED AS FOLLOWS:

BEGINNING AT A POINT IN THE EASTERLY LINE OF SAID SECTION 3, DISTANT THEREON SOUTH 0 DEGREES 15 MINUTES 43 SECONDS EAST 1542.43 FEET FROM THE NORTHEAST CORNER OF SAID SOUTHEAST QUARTER OF SECTION 3; THENCE NORTH 89 DEGREES 58 MINUTES 22 SECONDS WEST 1320.17 FEET; THENCE SOUTH 56 DEGREES 10 MINUTES 00 SECONDS WEST 782.10 FEET TO THE NORTHEAST CORNER OF THE SOUTHWEST QUARTER OF THE SOUTHWEST QUARTER OF THE SOUTHEAST QUARTER OF SAID SECTION 3; THENCE ALONG THE EASTERLY LINE OF SAID SOUTHWEST QUARTER OF THE SOUTHWEST QUARTER OF THE SOUTHEAST QUARTER OF SAID SECTION 3, SOUTH 0 DEGREES 18 MINUTES 28 SECONDS EAST 55.06 FEET, MORE OR LESS, TO THE MOST NORTHERLY CORNER OF THE LAND DESCRIBED AS PARCEL 1 IN THE DEED TO THE STATE OF CALIFORNIA, RECORDED MAY 29, 1974 IN BOOK 0-8287 PAGE 485, OFFICIAL RECORDS, AS INSTRUMENT NO. 384 OF SAID COUNTY; THENCE ALONG THE NORTHEASTERLY BOUNDARY OF SAID PARCEL 1, SOUTH 19 DEGREES 34 MINUTES 34 SECONDS EAST TO THE MOST NORTHERLY CORNER OF THE LAND DESCRIBED AS PARCEL 1 IN THE DEED TO THE STATE OF CALIFORNIA, RECORDED ON JUNE 21, 1967 IN BOOK 0-3678 PAGE 473, OFFICIAL RECORDS, AS INSTRUMENT NO. 422; THENCE ALONG THE NORTHEASTERLY BOUNDARY OF SAID LAST MENTIONED PARCEL 1, SOUTH 26 DEGREES 46 MINUTES 46 SECONDS EAST 73.85 FEET, SOUTHERLY ON A TANGENT CURVE CONCAVE NORTHEASTERLY HAVING A RADIUS OF 598.00 FEET THROUGH A CENTRAL ANGLE OF 7 DEGREES 55 MINUTES 22 SECONDS, AN ARC DISTANCE OF 82.88 FEET AND TANGENT TO SAID CURVE, SOUTH 34 DEGREES 45 MINUTES 08 SECONDS EAST 274.98 FEET TO THE SOUTHERLY LINE OF SAID SECTION 3; THENCE ALONG SAID SOUTH LINE, NORTH 88 DEGREES 58 MINUTES 48 SECONDS EAST 344.25 FEET TO THE SOUTHWEST CORNER OF THE SOUTHEAST QUARTER OF THE SOUTHEAST QUARTER OF SAID SECTION 3; THENCE ALONG THE WEST LINE OF SAID SOUTHEAST QUARTER OF THE SOUTHEAST QUARTER OF SECTION 3, NORTH 0 DEGREES 18 MINUTES 13 SECONDS WEST 681.70 FEET TO THE NORTH LINE OF THE SOUTH HALF OF SAID SOUTHEAST QUARTER OF THE SOUTHEAST QUARTER OF SECTION 3; THENCE ALONG SAID LAST MENTIONED NORTH LINE, SOUTH 89 DEGREES 59 MINUTES 28 SECONDS EAST 1320.10 FEET, MORE OR LESS, TO SAID EAST LINE OF SECTION 3; THENCE ALONG SAID EAST LINE, NORTH 0 DEGREES 15 MINUTES 43 SECONDS WEST 440.70 FEET TO THE POINT OF BEGINNING.

EXCEPT ALL OIL AND GAS IN SAID LAND, TOGETHER WITH THE RIGHT TO PROSPECT FOR, MINE AND REMOVE SAME, PURSUANT TO THE PROVISIONS AND LIMITATIONS OF THE ACT OF JULY 17, 1914, (38 STAT. 508), AS RESERVED IN THE PATENT FROM THE UNITED STATES OF AMERICA, RECORDED SEPTEMBER 13, 1934, IN BOOK 12982 PAGE 174, OFFICIAL RECORDS.

## PARCEL 21:

THAT PORTION OF THE SOUTHEAST QUARTER OF SECTION 3, TOWNSHIP 5 NORTH, RANGE 17 WEST, SAN BERNARDINO MERIDIAN, IN THE COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, ACCORDING TO THE OFFICIAL PLAT OF SAID LAND, DESCRIBED AS FOLLOWS:

BEGINNING AT A POINT IN THE EASTERLY LINE OF SAID SECTION 3, DISTANT THEREON SOUTH 0 DEGREES 15 MINUTES 43 SECONDS EAST 1101.73 FEET FROM THE NORTHEAST CORNER OF SAID SOUTHEAST QUARTER OF SECTION 3; THENCE ALONG SAID EASTERLY LINE, SOUTH 0 DEGREES 15 MINUTES 43 SECONDS EAST 440.70 FEET; THENCE NORTH 89 DEGREES 58 MINUTES 22 SECONDS WEST 1320.17 FEET; THENCE SOUTH 56 DEGREES 10 MINUTES 00 SECONDS WEST 782.10 FEET TO THE NORTHEAST CORNER OF THE SOUTHWEST QUARTER OF THE SOUTHWEST QUARTER OF THE SOUTHEAST QUARTER OF SAID SECTION 3; THENCE ALONG THE NORTHERLY LINE OF SAID SOUTHWEST QUARTER OF THE SOUTHEAST QUARTER OF THE SOUTHEAST QUARTER OF SAID SECTION 3, NORTH 89 DEGREES 58 MINUTES 29 SECONDS WEST 19.30 FEET, MORE OR LESS, TO THE NORTHEASTERLY BOUNDARY OF THE LAND DESCRIBED AS PARCEL 2 IN THE DEED TO THE STATE OF CALIFORNIA, RECORDED MAY 29, 1974 IN BOOK 0-8287 PAGE 485, OFFICIAL RECORDS, AS INSTRUMENT NO. 384 OF SAID COUNTY; THENCE ALONG SAID NORTHEASTERLY BOUNDARY NORTH 18 DEGREES 38 MINUTES 15 SECONDS WEST 6.33 FEET, NORTH 26 DEGREES 38 MINUTES 57 SECONDS WEST 225.80 FEET AND THE NORTH 18 DEGREES 40 MINUTES 18 SECONDS WEST 187.94 FEET TO A POINT ON THE SOUTHERLY TERMINUS OF A LINE BEARING SOUTH 34 DEGREES 26 MINUTES 12 SECONDS EAST 243.73 FEET ALONG THE NORTHEAST BOUNDARY OF 0-8287/485; THENCE LEAVING SAID NORTHEASTERLY BOUNDARY NORTH 58 DEGREES 23 MINUTES 08 SECONDS EAST 874.47 FEET; THENCE SOUTH 89 DEGREES 57 MINUTES 14 SECONDS EAST 1320.23 FEET TO THE POINT OF BEGINNING.

EXCEPT ALL OIL AND GAS IN SAID LAND, TOGETHER WITH THE RIGHT TO PROSPECT FOR, MINE AND REMOVE SAME, PURSUANT TO THE PROVISIONS AND LIMITATIONS OF THE ACT OF JULY 17, 1914, (38 STAT. 509), AS RESERVED IN THE PATENT FROM THE UNITED STATES OF AMERICA, RECORDED SEPTEMBER 13, 1934, IN BOOK 12982 PAGE 174, OFFICIAL RECORDS.

PARCEL 22:

THAT PORTION OF THE SOUTHEAST QUARTER OF SECTION 3, TOWNSHIP 5 NORTH, RANGE 17 WEST, SAN BERNARDINO MERIDIAN, IN THE COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, ACCORDING TO THE OFFICIAL PLAT OF SAID LAND, DESCRIBED AS FOLLOWS:

BEGINNING AT A POINT IN THE EASTERLY LINE OF SAID SECTION 3, DISTANT THEREON SOUTH 0 DEGREES 15 MINUTES 43 SECONDS EAST 661.04 FEET FROM THE NORTHEAST CORNER OF SAID SOUTHEAST QUARTER OF SECTION 3, SAID POINT BEING ALSO THE SOUTHERLY LINE OF THE NORTH HALF OF THE NORTH HALF OF SAID SOUTHEAST QUARTER; THENCE ALONG SAID SOUTHERLY LINE, NORTH 89 DEGREES 58 MINUTES 07 SECONDS WEST 210.00 FEET; THENCE SOUTH 5 DEGREES 30 MINUTES 38 SECONDS WEST 255.00 FEET; THENCE NORTH 79 DEGREES 10 MINUTES 40 SECONDS WEST 1360.00 FEET TO A POINT IN SAID SOUTHERLY LINE; THENCE ALONG THE SOUTHERLY LINE, NORTH 89 DEGREES 58 MINUTES 07 SECONDS WEST, 1070.29 FEET, MORE OR LESS, TO THE WEST LINE OF SAID SOUTHEAST QUARTER; THENCE ALONG SAID WEST LINE, SOUTH 0 DEGREES 18 MINUTES 42 SECONDS EAST 455.64 FEET TO THE MOST NORTHERLY CORNER OF THE LAND DESCRIBED AS PARCEL 2 IN THE DEED TO THE STATE OF CALIFORNIA, RECORDED JUNE 21, 1867, IN BOOK D-3678 PAGE 473, OFFICIAL RECORDS, AS INSTRUMENT NO. 422 OF SAID COUNTY; THENCE ALONG THE NORTHEASTERLY LINE OF SAID PARCEL 2, SOUTH 14 DEGREES 51 MINUTES 38 SECONDS EAST 18.68 FEET, MORE OR LESS, TO THE MOST NORTHERLY CORNER OF THE LAND DESCRIBED AS PARCEL 2, IN THE DEED TO THE STATE OF CALIFORNIA, RECORDED MAY 29, 1874 IN BOOK D-8287 PAGE 495 OF SAID OFFICIAL RECORDS, AS INSTRUMENT NO. 384; THENCE ALONG THE NORTHEASTERLY BOUNDARY OF SAID LAST MENTIONED PARCEL 2, SOUTH 54 DEGREES 25 MINUTES 08 SECONDS EAST 373.55 FEET; SOUTH 37 DEGREES 00 MINUTES 18 SECONDS EAST 58.29 FEET AND SOUTH 34 DEGREES 28 MINUTES 12 SECONDS EAST 243.73 FEET; THENCE LEAVING SAID NORTHEASTERLY BOUNDARY NORTH 59 DEGREES 23 MINUTES 06 SECONDS EAST 974.47 FEET; THENCE SOUTH 89 DEGREES 57 MINUTES 14 SECONDS EAST 1320.23 FEET TO A POINT IN SAID EASTERLY LINE OF SAID SECTION 3, DISTANT THEREON SOUTH 0 DEGREES 15 MINUTES 43 SECONDS EAST 1101.73 FEET FROM THE NORTHEAST CORNER OF SAID SOUTHEAST QUARTER OF SECTION 3; THENCE ALONG SAID EASTERLY LINE, NORTH 0 DEGREES 15 MINUTES 43 SECONDS WEST 440.88 FEET TO THE POINT OF BEGINNING.

EXCEPT ALL OIL AND GAS IN SAID LAND, TOGETHER WITH THE RIGHT TO PROSPECT FOR, MINE AND REMOVE SAME, PURSUANT TO THE PROVISIONS AND LIMITATIONS OF THE ACT OF JULY 17, 1914, (38 STAT. 509), AS RESERVED IN THE PATENT FROM THE UNITED STATES OF AMERICA, RECORDED SEPTEMBER 13, 1934, IN BOOK 12982 PAGE 174, OFFICIAL RECORDS.

PARCEL 23:

THAT PORTION OF THE SOUTHEAST QUARTER OF SECTION 3, TOWNSHIP 5 NORTH, RANGE 17 WEST SAN BERNARDINO MERIDIAN, IN THE COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, ACCORDING TO THE OFFICIAL PLAT OF SAID LAND, DESCRIBED AS FOLLOWS:

BEGINNING AT THE CENTER OF SAID SECTION 3; THENCE ALONG THE NORTHERLY LINE OF THE SOUTHEAST QUARTER OF SAID SECTION 3, SOUTH 89 DEGREES 54 MINUTES 28 SECONDS EAST 2840.79 FEET TO THE NORTHEAST CORNER OF SAID EAST QUARTER; THENCE ALONG THE EASTERLY LINE OF SAID SECTION 3, SOUTH 0 DEGREES 15 MINUTES 43 SECONDS EAST 661.04 FEET TO THE SOUTH LINE OF THE NORTH HALF OF THE NORTH HALF OF SAID SOUTHEAST QUARTER; THENCE ALONG SAID SOUTH LINE NORTH 89 DEGREES 58 MINUTES 07 SECONDS WEST 210.00 FEET; THENCE SOUTH 5 DEGREES 30 MINUTES 38 SECONDS WEST 255.00 FEET; THENCE NORTH 79 DEGREES 10 MINUTES 40 SECONDS WEST 1360.00 FEET TO A POINT IN SAID SOUTHERLY LINE; THENCE ALONG SAID SOUTHERLY LINE NORTH 89 DEGREES 58 MINUTES 07 SECONDS WEST 1070.29 FEET, MORE OR LESS TO THE WEST LINE OF SAID SOUTHEAST QUARTER; THENCE ALONG SAID WEST LINE NORTH 0 DEGREES 18 MINUTES 42 SECONDS WEST 882.34 FEET, MORE OR LESS, TO THE POINT OF BEGINNING.

EXCEPT ALL OIL AND GAS IN SAID LAND, TOGETHER WITH THE RIGHT TO PROSPECT FOR, MINE AND REMOVE SAME, PURSUANT TO THE PROVISIONS AND LIMITATIONS OF THE ACT OF JULY 17, 1914, (38 STAT. 509), AS RESERVED IN THE PATENT FROM THE UNITED STATES OF AMERICA, RECORDED SEPTEMBER 13, 1934, IN BOOK 12882 PAGE 174, OFFICIAL RECORDS.

**PARCEL 24:**

THAT PORTION OF THE NORTHEAST QUARTER OF THE SOUTHEAST QUARTER OF SECTION 23, TOWNSHIP 5 NORTH, RANGE 17 WEST, SAN BERNARDINO MERIDIAN, IN THE COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, ACCORDING TO THE OFFICIAL PLAT OF SAID LAND FILED IN THE DISTRICT LAND OFFICE SEPTEMBER 26, 1880, DESCRIBED AS FOLLOWS:

BEGINNING AT A POINT IN THE NORTHEAST LINE OF THE 100 FOOT OF LAND DESCRIBED IN DEED TO STATE OF CALIFORNIA, RECORDED IN BOOK 8678 PAGE 187, OFFICIAL RECORDS OF SAID COUNTY, DISTANT ALONG SAID LINE NORTH 34 DEGREES 22 MINUTES WEST 280 FEET FROM THE EAST LINE OF SAID SECTION; THENCE AT RIGHT ANGLES NORTH 55 DEGREES 38 MINUTES EAST TO THE EAST LINE OF SAID SECTION; THENCE ALONG SAID EAST LINE NORTH 0 DEGREES 05 MINUTES 30 SECONDS WEST TO A POINT DISTANT THEREON NORTH 0 DEGREES 05 MINUTES 30 SECONDS WEST 395.05 FEET FROM THE NORTHEAST LINE OF SAID 100 FOOT STRIP; THENCE AT RIGHT ANGLES SOUTH 88 DEGREES 54 MINUTES 30 SECONDS WEST TO SAID NORTHEAST LINE OF SAID 100 FOOT STRIP; THENCE ALONG SAID NORTHEAST LINE SOUTH 34 DEGREES 22 MINUTES EAST TO THE POINT OF BEGINNING.

EXCEPT THEREFROM 50 PER CENT OF ALL CRUDE OIL, PETROLEUM, GAS, BREA, ASPHALTUM AND ALL KINDRED SUBSTANCES AND OTHER MINERALS UNDER AND IN SAID LAND BELOW A DEPTH OF 500 FEET WITH NO RIGHT OF SURFACE ENTRY, AS RESERVED IN THE DEED FROM WALTER E. SMART AND DOROTHY SMART, HUSBAND AND WIFE RECORDED JANUARY 7, 1957 AS INSTRUMENT NO. 215 IN BOOK 53284 PAGE 38, OFFICIAL RECORDS.

**PARCEL 25:**

THAT PORTION OF THE NORTHEAST QUARTER OF THE SOUTHEAST QUARTER OF SECTION 23, TOWNSHIP 5 NORTH, RANGE 17 WEST, SAN BERNARDINO MERIDIAN, IN THE COUNTY OF LOS ANGELES, STATE OF CALIFORNIA ACCORDING TO THE OFFICIAL PLAT OF SAID LAND FILED IN THE DISTRICT LAND OFFICE SEPTEMBER 26, 1880, DESCRIBED AS FOLLOWS:

BEGINNING AT A POINT IN THE EAST LINE OF SAID SECTION DISTANT NORTH 0 DEGREES 05 MINUTES 30 SECONDS WEST 395.05 FEET FROM THE INTERSECTION OF SAID LINE WITH THE NORTHEAST LINE OF THE 100 FOOT STRIP LAND DESCRIBED IN DEED TO STATE OF CALIFORNIA, RECORDED IN BOOK 8687 PAGE 187, OFFICIAL RECORDS OF SAID COUNTY; THENCE AT RIGHT ANGLES SOUTH 89 DEGREES 54 MINUTES 30 SECONDS WEST TO THE NORTHEAST LINE OF SAID 100 FOOT STRIP; THENCE ALONG SAID NORTHEAST LINE NORTH 34 DEGREES 22 MINUTES WEST 300 FEET; THENCE ALONG A LINE DRAWN AT RIGHT ANGLES TO THE EAST LINE OF SAID SECTION; THENCE NORTH 89 DEGREES 54 MINUTES 30 SECONDS EAST TO SAID EAST LINE; THENCE SOUTH 0 DEGREES 05 MINUTES 30 SECONDS EAST TO THE POINT OF BEGINNING.

EXCEPT THEREFROM THAT PORTION OF SAID LAND DESCRIBED AS FOLLOWS:

BEGINNING AT THE NORTHWESTERLY CORNER OF PARCEL 1 OF THE LAND CONVEYED TO EARL SCHMIDT AND MABEL E. SCHMIDT, BY DEED RECORDED JANUARY 17, 1957 AS INSTRUMENT NO. 215, IN BOOK 53284 PAGE 38, OFFICIAL RECORDS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY; THENCE SOUTH 34 DEGREES 12 MINUTES 24 SECONDS EAST 108.34 FEET ALONG THE NORTHEASTERLY LINE OF THE 100 FOOT STRIP OF LAND DESCRIBED IN DEED TO THE STATE OF CALIFORNIA, RECORDED JANUARY 22, 1930 AS INSTRUMENT NO. 1282 IN BOOK 8678 PAGE 187 OF SAID OFFICIAL RECORDS; THENCE NORTH 65 DEGREES 08 MINUTES 38 SECONDS EAST 213.89 FEET TO THE NORTHERLY LINE OF SAID PARCEL 1; THENCE ALONG SAID NORTHERLY LINE NORTH 89 DEGREES 52 MINUTES 48 SECONDS WEST 255.68 FEET TO THE POINT OF BEGINNING.

ALSO EXCEPT THEREFROM 50 PER CENT OF ALL CRUDE OIL, PETROLEUM, GAS, BREA, ASPHALTUM AND ALL KINDRED SUBSTANCES AND OTHER MINERALS UNDER AND IN SAID LAND BELOW A DEPTH OF 500 FEET WITH NO RIGHT OF SURFACE ENTRY, AS RESERVED IN THE DEED FROM WALTER E. SMART AND DOROTHY SMART, HUSBAND AND WIFE RECORDED JANUARY 7, 1957 AS INSTRUMENT NO. 215 IN BOOK 53284 PAGE 39, OFFICIAL RECORDS.

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PARCEL 26:

THAT PORTION OF THE SOUTHEAST QUARTER OF THE NORTHEAST QUARTER OF SECTION 23, TOWNSHIP 5 NORTH, RANGE 17 WEST, SAN BERNARDINO MERIDIAN, IN THE COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, ACCORDING TO THE OFFICIAL PLAT OF SAID LAND APPROVED BY THE SURVEYOR GENERAL ON SEPTEMBER 6, 1880, AND THAT PORTION OF THE NORTHEAST QUARTER OF THE SOUTHEAST QUARTER OF SAID SECTION 23, LYING NORTHEASTERLY OF THE NORTHEASTERLY LINE OF THE 100-FOOT STRIP AND DESCRIBED IN THE DEEDS RECORDED ON JANUARY 22, 1930 AS INSTRUMENT NO. 1292 IN BOOK 9778 PAGE 187, OFFICIAL RECORDS, AND ON APRIL 18, 1930 AS INSTRUMENT NO. 983 IN BOOK 9792 PAGE 393, OFFICIAL RECORDS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY, DESCRIBED AS FOLLOWS:

BEGINNING AT THE SOUTHEASTERLY CORNER OF THE LAND DESCRIBED IN PARCEL 1 OF FINAL ORDER OF CONDEMNATION FILED IN SUPERIOR COURT CASE NO. 880138, IN AND FOR SAID COUNTY, A CERTIFIED COPY OF SAID FINAL ORDER BEING RECORDED MAY 12, 1967 AS INSTRUMENT NO. 2240 IN BOOK D-3641 PAGE 452, OFFICIAL RECORDS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY; THENCE ALONG THE SOUTHERLY LINE OF SAID PARCEL 1, NORTH 89 DEGREES 52 MINUTES 48 SECONDS WEST 183.29 FEET TO THE INTERSECTION OF THE SOUTHEASTERLY LINE OF THE LAND DESCRIBED IN DEED (40404) TO THE STATE OF CALIFORNIA, RECORDED IN BOOK D-4167 PAGE 834 OF SAID OFFICIAL RECORDS (AND DESCRIBED IN LAST SAID DEED AS HAVING A BEARING AND DISTANCE OF NORTH 65 DEGREES 09 MINUTES 36 SECONDS EAST, 213.99 FEET); THENCE ALONG SAID SOUTHEASTERLY LINE SOUTH 65 DEGREES 09 MINUTES 36 SECONDS WEST 213.85 FEET TO THE NORTHEASTERLY LINE OF SAID 100-FOOT STRIP OF LAND DESCRIBED IN DEED TO THE STATE OF CALIFORNIA, RECORDED JANUARY 22, 1930 IN BOOK 9678 PAGE 187 OF SAID OFFICIAL RECORDS; THENCE ALONG SAID NORTHEASTERLY LINE NORTH 34 DEGREES 12 MINUTES 24 SECONDS WEST 109.33 FEET TO THE SOUTHERLY LINE OF SAID PARCEL 1; THENCE ALONG SAID SOUTHERLY LINE SOUTH 89 DEGREES 52 MINUTES 48 SECONDS EAST 62.98 FEET THENCE NORTH 0 DEGREES 57 MINUTES 02 SECONDS EAST 282.21 FEET; THENCE NORTH 1 DEGREE 30 MINUTES 42 SECONDS WEST 362.40 FEET; THENCE NORTH 56 DEGREES 29 MINUTES 41 SECONDS EAST 156.06 FEET; THENCE NORTH 45 DEGREES 18 MINUTES 01 SECONDS WEST, 113.04 FEET; THENCE NORTH 19 DEGREES 18 MINUTES 40 SECONDS WEST, 274.10 FEET; THENCE NORTH 5 DEGREES 18 MINUTES 30 SECONDS WEST 183.87 FEET; THENCE NORTH 36 DEGREES 27 MINUTES 17 SECONDS WEST 215.65 FEET; THENCE NORTH 31 DEGREES 47 MINUTES 58 SECONDS WEST 383.17 FEET TO THE NORTHERLY LINE OF SAID SOUTHEAST QUARTER OF THE NORTHEAST QUARTER; THENCE ALONG SAID NORTHERLY LINE SOUTH 89 DEGREES 47 MINUTES 25 SECONDS EAST 781.08 FEET TO THE EASTERLY LINE OF SAID SECTION 23; THENCE ALONG SAID EASTERLY LINE SOUTH 0 DEGREES 33 MINUTES 51 SECONDS WEST, 1,314.74 FEET TO THE NORTHEAST CORNER OF SAID NORTHEAST QUARTER OF THE SOUTHEAST QUARTER; THENCE CONTINUING ALONG SAID EASTERLY LINE SOUTH 0 DEGREES 07 MINUTES 12 SECONDS WEST, 394.26 FEET TO THE POINT OF BEGINNING.

EXCEPT FROM THAT PORTION OF SAID LAND INCLUDED WITHIN THE LINES OF THE LAND DESCRIBED IN DEED RECORDED JANUARY 7, 1957 AS INSTRUMENT NO. 215 IN BOOK 53284 PAGE 39, OFFICIAL RECORDS, 50 PER CENT OF ALL CRUDE OIL, PETROLEUM, GAS, BREA, ASPHALTUM AND ALL KINDRED SUBSTANCES AND OTHER MINERALS UNDER AND IN SAID LAND BELOW A DEPTH OF 500 FEET WITH NO RIGHT OF SURFACE ENTRY, AS RESERVED IN THE DEED FROM WALTER E. SMART AND DOROTHY SMART, HUSBAND AND WIFE, RECORDED JANUARY 7, 1957 AS INSTRUMENT NO. 215 IN BOOK 53284 PAGE 39, OFFICIAL RECORDS.

PARCEL 27:

THAT PORTION OF THE NORTH HALF OF THE NORTHEAST QUARTER OF SECTION 23, TOWNSHIP 5 NORTH, RANGE 17 WEST, SAN BERNARDINO MERIDIAN, IN THE COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, ACCORDING TO THE OFFICIAL PLAT THEREOF, DESCRIBED AS FOLLOWS:

BEGINNING AT THE NORTHEAST CORNER OF THE LAND AS IN PARCEL IE IN THE FINAL ORDER OF CONDEMNATION ENTERED IN THE LOS ANGELES COUNTY SUPERIOR COURT CASE NO. 808630, A CERTIFIED COPY OF WHICH WAS RECORDED JUNE 11, 1968 AS INSTRUMENT NO. 2267 IN BOOK D-4028 PAGE 560, OFFICIAL RECORDS OF SAID COUNTY; THENCE ALONG THE BOUNDARIES OF THE LAND AS DESCRIBED IN PARCEL IE IN SAID FINAL ORDER OF CONDEMNATION AS FOLLOWS: SOUTH 29 DEGREES 55 MINUTES 41 SECONDS EAST 284.80 FEET, SOUTH 82 DEGREES 48 MINUTES 59 SECONDS EAST 64.03 FEET; SOUTH 36 DEGREES 28 MINUTES 48 SECONDS EAST 115.43 FEET, SOUTH 31 DEGREES 28 MINUTES 34 SECONDS EAST 96.00 FEET, SOUTH 8 DEGREES 34 MINUTES 17 SECONDS EAST 154.35 FEET, SOUTH 88 DEGREES 51 MINUTES 24 SECONDS EAST 148.41 FEET, SOUTH 8 DEGREES 42 MINUTES 35 SECONDS WEST 212.80 FEET, SOUTH 78 DEGREES 27 MINUTES 03 SECONDS EAST 102.59 FEET, SOUTH 31 DEGREES 28 MINUTES 34 SECONDS EAST 120.00 FEET NORTH 82 DEGREES 28 MINUTES 10 SECONDS EAST 98.48 FEET, SOUTH 7 DEGREES 48 MINUTES 47 SECONDS WEST 142.13 FEET SOUTH 53 DEGREES 16 MINUTES 40 SECONDS EAST 107.70 FEET, SOUTH 4 DEGREES 54 MINUTES 39 SECONDS EAST 89.44 FEET, AND SOUTH 35 DEGREES 44 MINUTES 06 SECONDS EAST 175.43 FEET TO THE NORTHERLY LINE OF THE LAND AS DESCRIBED IN THE DEED TO ED ADKINS AND IGNACIA ADKINS, RECORDED DECEMBER 30, 1960 AS INSTRUMENT NO. 690 IN BOOK D-1077 PAGE 919, OFFICIAL RECORDS OF SAID COUNTY; THENCE EASTERLY ALONG SAID NORTHERLY LINE TO THE EASTERLY LINE OF SAID SECTION 23, THENCE NORTHERLY ALONG SAID EASTERLY TO THE NORTHEAST CORNER OF SAID SECTION 23; THENCE WESTERLY ALONG THE NORTHERLY LINE OF SAID SECTION 23 TO THE POINT OF BEGINNING.

EXCEPT THEREFROM ALL OIL, GAS AND HYDROCARBON SUBSTANCES, MINERALS, AND RIGHTS AND INTERESTS LYING BELOW A DEPTH OF 500 FEET MEASURED VERTICALLY FROM THE SURFACE OF THE PROPERTY, BUT WITHOUT RIGHT OF ENTRY THROUGH THE SURFACE OF THE PROPERTY OR THE UPPER 500 FEET THEREOF, AS GRANTED IN DEED RECORDED DECEMBER 30, 1983 AS INSTRUMENT NO. 83-1551089 . OFFICIAL RECORDS.

#### PARCEL 28:

THE EAST HALF OF LOT 9; ALSO THE EAST HALF OF THE SOUTHWEST QUARTER AND ALSO THE SOUTHWEST QUARTER OF THE SOUTHEAST QUARTER, ALL IN SECTION 2, TOWNSHIP 5 NORTH, RANGE 17 WEST, IN THE COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, ACCORDING TO THE OFFICIAL PLAT OF SAID LAND.

EXCEPT THEREFROM THAT PORTION OF SAID LAND LYING NORTHEASTERLY OF THE FOLLOWING DESCRIBED LINE:

BEGINNING AT A POINT IN THE SOUTH LINE OF SAID SECTION, THAT IS DISTANT SOUTH 88 DEGREES 23 MINUTES 08 SECONDS WEST 1752.31 FEET FROM THE SOUTHEAST CORNER THEREOF; THENCE LEAVING SAID SOUTH LINE, NORTH 04 DEGREES 26 MINUTES 48 SECONDS EAST 169.31 FEET; THENCE NORTH 25 DEGREES 33 MINUTES 38 SECONDS WEST 2,592.71 FEET; THENCE NORTH 22 DEGREES 28 MINUTES 29 SECONDS WEST 4819.99 FEET TO A POINT IN THE COMMON LINE BETWEEN SAID SECTION 2 AND SECTION 35, TOWNSHIP 6 NORTH, RANGE 17 WEST. LAST SAID POINT LYING EASTERLY OF THE SOUTHWEST CORNER OF SAID SECTION 35, MEASURED ALONG THE SOUTH LINE OF SAID SECTION 35, SOUTH 89 DEGREES 47 MINUTES 42 SECONDS WEST 531.56 FEET.

ALSO EXCEPT FROM SAID LAND, THAT PORTION LYING WITHIN THE BOUNDARIES OF A STRIP OF LAND 350 FEET IN WIDTH, THE SIDE LINES OF SAID STRIP OF LAND BEING PARALLEL WITH AND DISTANT WESTERLY 210 FEET; AND DISTANT EASTERLY 140 FEET, MEASURED AT RIGHT ANGLES, FROM THE FOLLOWING DESCRIBED TRANSIT LINE:

BEGINNING AT A POINT IN THE WEST LINE OF SECTION 35, TOWNSHIP 6 NORTH, RANGE 17 WEST, DISTANT THEREON NORTH 00 DEGREES 41 MINUTES 28 SECONDS EAST 344.02 FEET FROM THE SOUTHEASTERLY CORNER OF SAID SECTION 35, AS MARKED BY A LOS ANGELES COUNTY SURVEYOR'S BRASS CAP; THENCE FROM SAID POINT OF BEGINNING, SOUTH 33 DEGREES 22 MINUTES 28 SECONDS EAST 2029.21 FEET; THENCE SOUTH 18 DEGREES 30 MINUTES 18 SECONDS EAST 5903.79 FEET TO ITS POINT OF INTERSECTION WITH THE SOUTH LINE OF SAID SECTION 2, DISTANT THEREON SOUTH 88 DEGREES 35 MINUTES 49 SECONDS EAST 343.88 FEET FROM THE SOUTH QUARTER CORNER OF SAID SECTION 2, AS MARKED BY LOS ANGELES COUNTY SURVEYOR'S BRASS CAP.



ALSO EXCEPT THEREFROM 50 PER CENT OF 100 PER CENT OF ALL OIL, GAS, MINERAL, ASPHALTUM AND OTHER HYDROCARBON SUBSTANCES UNDERLYING SAID PROPERTY OR THAT MAY BE PRODUCED THEREOF OR THEREFROM, BUT WITHOUT THE RIGHT OF ENTRY ABOVE THE DEPTH OF 500 FEET BELOW THE SURFACE OF SAID LAND, AS RESERVED IN THE DEED FROM WILLIAM H. COOK AND NINA WINIFRED COOK, HUSBAND AND WIFE, RECORDED MARCH 8, 1963 AS INSTRUMENT NO. 873 IN BOOK D-1848 PAGE 77, OFFICIAL RECORDS. 21

ALSO EXCEPT THEREFROM ALL OIL, GAS AND MINERALS AND OTHER HYDROCARBON SUBSTANCES LYING BELOW A DEPTH OF 500 FEET FROM THE SURFACE THEREOF WITHOUT HOWEVER THE RIGHT TO ENTER UPON SAID SURFACE FOR THE PURPOSES OF EXTRACTING SAME AS RESERVED BY BENTON L. CORLEY AND ELEANOR M. CORLEY IN DEED RECORDED SEPTEMBER 2, 1992 AS INSTRUMENT NO. 92-1855226, OFFICIAL RECORDS.

**PARCEL 29:**

THE WEST HALF OF THE SOUTHWEST QUARTER ALL IN SECTION 2 IN TOWNSHIP 5 NORTH, RANGE 17 WEST, OF THE SAN BERNARDINO MERIDIAN, IN THE COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, ACCORDING TO THE OFFICIAL PLAT OF SAID LAND FILED IN THE DISTRICT LAND OFFICE SEPTEMBER 8, 1880.

EXCEPT THAT PORTION OF SECTION 2, TOWNSHIP 5 NORTH, RANGE 17 WEST, SAN BERNARDINO MERIDIAN, IN THE UNINCORPORATED TERRITORY OF THE COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, ACCORDING TO THE OFFICIAL PLAT OF SAID LAND FILED IN THE DISTRICT LAND OFFICE SEPTEMBER 6, 1880 DESCRIBED AS FOLLOWS:

COMMENCING AT THE WEST QUARTER CORNER OF SAID SECTION; THENCE ALONG THE WEST LINE OF THE SOUTHWEST QUARTER OF SAID SECTION SOUTH 00 DEGREES 04 MINUTES 08 SECONDS EAST 621.13 FEET; THENCE LEAVING SAID WEST LINE NORTH 88 DEGREES 55 MINUTES 52 SECONDS EAST 242.80 FEET TO THE TRUE POINT OF BEGINNING; THENCE NORTH 44 DEGREES 29 MINUTES 53 SECONDS EAST 308.58 FEET; THENCE SOUTH 88 DEGREES 32 MINUTES 22 SECONDS EAST 328.48 FEET; THENCE SOUTH 57 DEGREES 09 MINUTES 23 SECONDS EAST 153.39 FEET; THENCE SOUTH 27 DEGREES 08 MINUTES 32 SECONDS EAST 253.52 FEET; THENCE SOUTH 21 DEGREES 54 MINUTES 53 SECONDS EAST 219.83 FEET; THENCE SOUTH 08 DEGREES 38 MINUTES 33 SECONDS EAST 286.75 FEET; THENCE SOUTH 51 DEGREES 19 MINUTES 59 SECONDS WEST 75.45 FEET; THENCE NORTH 54 DEGREES 29 MINUTES 04 SECONDS WEST 180.18 FEET; THENCE NORTH 58 DEGREES 56 MINUTES 06 SECONDS WEST 141.55 FEET; THENCE NORTH 73 DEGREES 42 MINUTES 07 SECONDS WEST 136.27 FEET; THENCE NORTH 88 DEGREES 24 MINUTES 28 SECONDS WEST 292.88 FEET; THENCE NORTH 35 DEGREES 03 MINUTES 10 SECONDS WEST 208.22 FEET; THENCE NORTH 27 DEGREES 18 MINUTES 09 SECONDS WEST 123.95 FEET; THENCE NORTH 07 DEGREES 47 MINUTES 59 SECONDS EAST 133.15 FEET TO THE TRUE POINT OF BEGINNING.

ALSO EXCEPT THEREFROM 40 PER CENT OF ALL OIL, GAS AND MINERAL RIGHTS IN AND UNDER SAID LAND, WITHOUT THE RIGHT OF SURFACE ENTRY ABOVE A DEPTH OF 500 FEET, AS RESERVED IN THE DEED FROM WILLIAM H. COOK AND NINA WINIFRED COOK, HUSBAND AND WIFE, RECORDED JUNE 25, 1963 IN BOOK D-2077 PAGE 839, OFFICIAL RECORDS, AS INSTRUMENT NO. 823.

ALSO EXCEPT THEREFROM ALL OIL, GAS AND MINERALS AND OTHER HYDROCARBON SUBSTANCES LYING IN AND UNDER SAID LAND, BUT WITHOUT THE RIGHT OF SURFACE ENTRY ABOVE A DEPTH OF 500 FEET AS RESERVED BY KATHERINE L. MASSA, ET AL IN DEEDS RECORDED SEPTEMBER 2, 1992 AS INSTRUMENT NOS. 92-1655220, 92-1655221, 92-1655222, AND 92-1655223, ALL OF OFFICIAL RECORDS.

**PARCEL 30:**

THE NORTH ONE-HALF OF THE NORTHEAST ONE-QUARTER OF SECTION 11, TOWNSHIP 5 NORTH, RANGE 17 WEST, SAN BERNARDINO MERIDIAN, IN THE COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, ACCORDING TO THE OFFICIAL PLAT OF SAID LAND.

EXCEPT THEREFROM THAT PORTION THEREOF LYING EASTERLY AND NORTHEASTERLY OF THE FOLLOWING DESCRIBED LINE:

COMMENCING AT THE NORTHEAST CORNER OF SAID SECTION 11; THENCE ALONG THE NORTH LINE OF SAID SECTION, NORTH 89 DEGREES 23 MINUTES 08 SECONDS WEST 1752.31 FEET TO THE TRUE POINT OF BEGINNING; THENCE LEAVING SAID NORTH LINE, SOUTH 4 DEGREES 26 MINUTES 48 SECONDS WEST 211.58 FEET; THENCE SOUTH 35 DEGREES 12 MINUTES 00 SECONDS EAST 830.47 FEET; THENCE SOUTH 3 DEGREES 53 MINUTES 52 SECONDS WEST 402.34 FEET; THENCE SOUTH 27 DEGREES 42 MINUTES 18 SECONDS EAST 1308.27 FEET; THENCE SOUTH 47 DEGREES 02 MINUTES 12 SECONDS EAST 726.84 FEET; THENCE SOUTH 25 DEGREES 13 MINUTES 02 SECONDS EAST 375.09 FEET TO A POINT IN THE EAST LINE OF SAID SECTION 11, SAID POINT LYING NORTHERLY OF THE SOUTHEAST CORNER OF SAID SECTION, MEASURED ALONG SAID EAST LINE, NORTH 0 DEGREES 19 MINUTES 24 SECONDS EAST 2088.78 FEET.

ALSO EXCEPT THEREFROM THAT PORTION OF SAID LAND LYING WITHIN THE BOUNDARIES OF A STRIP OF LAND 350 FEET IN WIDTH, THE SIDE LINES OF SAID STRIP OF LAND BEING PARALLEL WITH AND DISTANT SOUTHWESTERLY 210 FEET; AND DISTANT NORTHEASTERLY 140 FEET, MEASURED AT RIGHT ANGLES FROM THE FOLLOWING DESCRIBED TRANSIT LINE:

BEGINNING AT A POINT IN THE NORTH LINE OF SAID SECTION 11, DISTANT THEREON SOUTH 89 DEGREES 35 MINUTES 48 SECONDS EAST 343.88 FEET FROM THE NORTH QUARTER CORNER OF SAID SECTION 11, AS MARKED BY A LOS ANGELES COUNTY SURVEYOR'S BRASS CAP; THENCE FROM SAID POINT OF BEGINNING, SOUTH 18 DEGREES 30 MINUTES 18 SECONDS EAST 658.62 FEET; THENCE SOUTH 34 DEGREES 38 MINUTES 08 SECONDS EAST 5746.11 FEET TO ITS POINT OF INTERSECTION WITH THE SOUTH LINE OF SECTION 12, TOWNSHIP 5 NORTH, RANGE 17 WEST, SAN BERNARDINO MERIDIAN, DISTANT THEREON SOUTH 89 DEGREES 58 MINUTES 43 SECONDS EAST 1222.91 FEET FROM THE SOUTHWEST CORNER OF SAID SECTION 12, AS MARKED BY A LOS ANGELES COUNTY SURVEYOR'S BRASS CAP.

ALSO EXCEPT THEREFROM 40 PERCENT OF ALL MINERALS, OIL, GAS AND OTHER HYDROCARBON SUBSTANCES LYING IN AND UNDER SAID LAND BELOW A DEPTH OF 500 FEET FROM THE SURFACE THEREOF, BUT WITHOUT THE RIGHT TO ENTER UPON THE SURFACE OF SAID LAND OR INTO THE UPPER 500 FEET THEREOF, MEASURED VERTICALLY FROM THE SURFACE, AS RESERVED BY RITA E. FURTSCH, A MARRIED WOMAN, BETTY W. SMITH, A MARRIED WOMAN AND KATHERINE L. MASSA, A MARRIED WOMAN, EACH AS TO AN UNDIVIDED ONE-THIRD INTEREST, IN DEED RECORDED JANUARY 31, 1988 AS INSTRUMENT NO. 518 IN BOOK D3800 PAGE 417, OFFICIAL RECORDS.

ALSO EXCEPTING ALL MINERAL, OIL, COAL AND GAS LYING BELOW A DEPTH OF 500 FEET BENEATH THE SURFACE, WITHOUT THE RIGHT OF SURFACE ENTRY, AS RESERVED IN DEEDS RECORDED OCTOBER 2, 1990 AS INSTRUMENT NOS. 80-1676895, 80-1676898 AND 80-1676897.

#### PARCEL 31:

THE SOUTHWEST ONE-QUARTER OF THE SOUTHEAST ONE-QUARTER OF SECTION 11, TOWNSHIP 5 NORTH, RANGE 17 WEST, SAN BERNARDINO MERIDIAN, IN THE COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, ACCORDING TO THE OFFICIAL PLAT OF SAID LAND.

EXCEPT THEREFROM 40 PERCENT OF ALL MINERALS, OIL, GAS AND OTHER HYDROCARBON SUBSTANCES LYING IN AND UNDER SAID LAND BELOW A DEPTH OF 500 FEET FROM THE SURFACE THEREOF, BUT WITHOUT THE RIGHT TO ENTER UPON THE SURFACE OF SAID LAND OR INTO THE UPPER 500 FEET THEREOF, MEASURED VERTICALLY FROM THE SURFACE, AS RESERVED BY RITA E. FURTSCH, A MARRIED WOMAN, BETTY W. SMITH, A MARRIED WOMAN AND KATHERINE L. MASSA, A MARRIED WOMAN, EACH AS TO AN UNDIVIDED ONE-THIRD INTEREST, IN DEED RECORDED JANUARY 31, 1988 AS INSTRUMENT NO. 518 IN BOOK D3800 PAGE 417, OFFICIAL RECORDS.

ALSO EXCEPTING ALL MINERAL, OIL, COAL AND GAS LYING BELOW A DEPTH OF 500 FEET BENEATH THE SURFACE, WITHOUT THE RIGHT OF SURFACE ENTRY, AS RESERVED IN DEEDS RECORDED OCTOBER 2, 1990 AS INSTRUMENT NOS. 80-1676895, 80-1676898 AND 80-1676897.

PARCEL 32:

THE NORTHEAST ONE-QUARTER OF THE NORTHWEST ONE-QUARTER OF SECTION 11, TOWNSHIP 5 NORTH, RANGE 17 WEST, SAN BERNARDINO MERIDIAN, IN THE COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, ACCORDING TO THE OFFICIAL PLAT OF SAID LAND.

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EXCEPT THEREFROM 40 PERCENT OF ALL MINERALS, OIL, GAS AND OTHER HYDROCARBON SUBSTANCES LYING IN AND UNDER SAID LAND BELOW A DEPTH OF 500 FEET FROM THE SURFACE THEREOF, BUT WITHOUT THE RIGHT TO ENTER UPON THE SURFACE OF SAID LAND OR INTO THE UPPER 500 FEET THEREOF, MEASURED VERTICALLY FROM THE SURFACE, AS RESERVED BY RITA E. FURTSCH, A MARRIED WOMAN, BETTY W. SMITH, A MARRIED WOMAN AND KATHERINE L. MASSA, A MARRIED WOMAN, EACH AS TO AN UNDIVIDED ONE-THIRD INTEREST, IN DEED RECORDED JANUARY 31, 1988 AS INSTAUMENT NO. 518 IN BOOK 03900 PAGE 417, OFFICIAL RECORDS.

ALSO EXCEPTING ALL MINERAL, OIL, COAL AND GAS LYING BELOW A DEPTH OF 500 FEET BENEATH THE SURFACE, WITHOUT THE RIGHT OF SURFACE ENTRY, AS RESERVED IN DEEDS RECORDED OCTOBER 2, 1890 AS INSTRUMENT NOS. 90-1676885, 90-1876888 AND 90-1676887.

PARCEL 33:

THE NORTHEAST QUARTER OF THE SOUTHEAST QUARTER AND THE SOUTHEAST QUARTER OF THE SOUTHEAST QUARTER OF SECTION 11, IN TOWNSHIP 5 NORTH, RANGE 17 WEST OF THE SAN BERNARDINO MERIDIAN, IN THE COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, ACCORDING TO THE OFFICIAL PLAT OF SAID LAND.

EXCEPT THEREFROM THAT PORTION DESCRIBED IN THE DEED TO THE STATE OF CALIFORNIA, RECORDED MAY 9, 1887 IN BOOK D-3638 PAGE 855, OFFICIAL RECORDS, AS INSTRUMENT NO. 438.

ALSO EXCEPT THEREFROM THAT PORTION OF SAID LAND LYING WITHIN THE BOUNDARIES OF A STRIP OF LAND 360 FEET IN WIDTH, THE SIDE LINES OF SAID STRIP OF LAND BEING PARALLEL WITH AND DISTANT SOUTHWESTERLY 210 FEET; AND DISTANT NORTHEASTERLY 140 FEET, MEASURED AT RIGHT ANGLES FROM THE FOLLOWING DESCRIBED TRANSIT LINE:

BEGINNING AT A POINT IN THE NORTH LINE OF SAID SECTION 11, DISTANT THEREON SOUTH 89 DEGREES 35 MINUTES 49 SECONDS EAST 343.86 FEET FROM THE NORTH QUARTER CORNER OF SAID SECTION 11 AS MARKED BY A LOS ANGELES COUNTY SURVEYOR'S BRASS CAP; THENCE FROM SAID POINT OF BEGINNING, SOUTH 18 DEGREES 30 MINUTES 18 SECONDS EAST 856.82 FEET; THENCE SOUTH 34 DEGREES 38 MINUTES 08 SECONDS EAST 5745.11 FEET TO ITS POINT OF INTERSECTION WITH THE SOUTH LINE OF SECTION 12, TOWNSHIP 5 NORTH, RANGE 17 WEST, SAN BERNARDINO MERIDIAN, DISTANT THEREON SOUTH 89 DEGREES 58 MINUTES 43 SECONDS EAST 1222.81 FEET FROM THE SOUTHWEST CORNER OF SAID SECTION 12, MARKED BY A LOS ANGELES COUNTY SURVEYOR'S BRASS CAP.

ALSO EXCEPT THAT PORTION OF SECTION 11, TOWNSHIP 5 NORTH, RANGE 17 WEST, SAN BERNARDINO MERIDIAN, IN THE UNINCORPORATED TERRITORY OF THE COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, ACCORDING TO THE OFFICIAL PLAT OF SAID LAND FILED IN THE DISTRICT LAND OFFICE SEPTEMBER 8, 1880 DESCRIBED AS FOLLOWS:

COMMENCING AT THE SOUTHEAST CORNER OF SAID SECTION; THENCE ALONG THE SOUTH LINE OF THE SOUTHEAST QUARTER OF SAID SECTION NORTH 89 DEGREES 42 MINUTES 08 SECONDS WEST 1903.44 FEET; THENCE LEAVING SAID SOUTH LINE NORTH 00 DEGREES 17 MINUTES 54 SECONDS EAST 2184.83 FEET TO THE TRUE POINT OF BEGINNING; THENCE NORTH 54 DEGREES 00 MINUTES 04 SECONDS EAST 178.50 FEET; THENCE NORTH 72 DEGREES 25 MINUTES 38 SECONDS EAST 172.40 FEET; THENCE NORTH 77 DEGREES 35 MINUTES 23 SECONDS EAST 316.23 FEET; THENCE SOUTH 59 DEGREES 28 MINUTES 18 SECONDS EAST 232.73 FEET; THENCE SOUTH 34 DEGREES 38 MINUTES 18 SECONDS EAST 158.18 FEET; THENCE SOUTH 20 DEGREES 12 MINUTES 55 SECONDS EAST 188.78 FEET; THENCE SOUTH 05 DEGREES 45 MINUTES 21 SECONDS EAST 155.28 FEET; THENCE SOUTH 32 DEGREES 52 MINUTES 00 SECONDS WEST 135.84 FEET; THENCE SOUTH 64 DEGREES 58 MINUTES 20 SECONDS WEST 140.48 FEET; THENCE SOUTH 72 DEGREES 25 MINUTES 53 SECONDS WEST 147.43 FEET; THENCE NORTH 82 DEGREES 04 MINUTES 45 SECONDS WEST 224.48 FEET; THENCE NORTH 51 DEGREES 55 MINUTES 54 SECONDS WEST 121.12 FEET; THENCE NORTH 38 DEGREES 14 MINUTES 51 SECONDS WEST 237.81 FEET; THENCE NORTH 35 DEGREES 30 MINUTES 58 SECONDS WEST 314.82 FEET TO THE TRUE POINT OF BEGINNING.

ALSO EXCEPTING ALL MINERAL, OIL, COAL AND GAS LYING BELOW A DEPTH OF 500 FEET BENEATH THE SURFACE, WITHOUT THE RIGHT OF SURFACE ENTRY, AS RESERVED IN DEEDS RECORDED OCTOBER 2, 1890 AS INSTRUMENT NOS. 80-1878885, 80-1878886 AND 80-1878887.

**PARCEL 34:**

THE NORTHWEST QUARTER OF THE SOUTHEAST QUARTER OF SECTION 2, TOWNSHIP 5 NORTH, RANGE 17 WEST, SAN BERNARDINO MERIDIAN, IN THE COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, ACCORDING TO THE OFFICIAL PLAT OF SAID LAND, FILED IN THE DISTRICT LAND OFFICE, SEPTEMBER 8, 1880.

EXCEPTING THEREFROM THAT PORTION OF SAID LAND LYING NORTHEASTERLY OF THE FOLLOWING DESCRIBED LINE:

COMMENCING AT THE SOUTHEAST CORNER OF SAID SECTION 2; THENCE ALONG THE SOUTH LINE OF SAID SECTION, NORTH 88 DEGREES 23 MINUTES 08 SECONDS WEST 1752.31 FEET TO THE TRUE POINT OF BEGINNING; THENCE LEAVING SAID SOUTH LINE, NORTH 4 DEGREES 26 MINUTES 48 SECONDS EAST 168.31 FEET; THENCE NORTH 25 DEGREES 33 MINUTES 38 SECONDS WEST 2582.71 FEET; THENCE NORTH 22 DEGREES 28 MINUTES 28 SECONDS WEST 4819.98 FEET TO A POINT IN THE COMMON LINE BETWEEN SAID SECTION 2 AND SECTION 36, TOWNSHIP 8 NORTH RANGE 17 WEST, SAID POINT LYING EASTERLY OF THE SOUTHWEST CORNER OF SAID SECTION 36, MEASURED ALONG THE SOUTH LINE OF SAID SECTION 36, SOUTH 89 DEGREES 47 MINUTES 42 SECONDS EAST 351.56 FEET.

ALSO EXCEPT THEREFROM THAT PORTION OF SAID LAND LYING WITHIN THE BOUNDARIES OF A STRIP OF LAND 350 FEET IN WIDTH, THE SIDE LINES OF SAID STRIP OF LAND BEING PARALLEL WITH AND DISTANT WESTERLY 210 FEET; AND DISTANT EASTERLY 140 FEET, MEASURED AT RIGHT ANGLES FROM THE FOLLOWING DESCRIBED TRANSIT LINE:

BEGINNING AT A POINT IN EAST LINE OF SECTION 35, TOWNSHIP 8 NORTH, RANGE 17 WEST, SAN BERNARDINO MERIDIAN, DISTANT THEREON NORTH 00 DEGREES 41 MINUTES 28 SECONDS EAST 344.02 FEET FROM THE SOUTHEAST CORNER OF SAID SECTION 35 MARKED BY A LOS ANGELES COUNTY SURVEYOR'S BRASS CAP; THENCE FROM SAID POINT OF BEGINNING, SOUTH 33 DEGREES 22 MINUTES 28 SECONDS EAST 2,029.21 FEET; THENCE SOUTH 18 DEGREES 30 MINUTES 18 SECONDS EAST 5,803.78 FEET TO ITS POINT OF INTERSECTION WITH THE SOUTH LINE OF SAID SECTION 2, DISTANT THEREON SOUTH 88 DEGREES 35 MINUTES 48 SECONDS EAST 343.88 FEET FROM THE SOUTH QUARTER CORNER OF SAID SECTION 2 AS MARKED BY LOS ANGELES COUNTY SURVEYOR'S BRASS CAP.

ALSO EXCEPTING ALL MINERAL, OIL, COAL AND GAS LYING BELOW A DEPTH OF 500 FEET BENEATH THE SURFACE, WITHOUT THE RIGHT OF SURFACE ENTRY, AS RESERVED IN DEEDS RECORDED OCTOBER 2, 1890 AS INSTRUMENT NOS. 80-1878895, 80-1878896 AND 80-1878897.

**PARCEL 35:**

THE WEST HALF OF LOT 8 IN SECTION 2 IN TOWNSHIP 5 NORTH, RANGE 17 WEST, OF THE SAN BERNARDINO MERIDIAN, IN THE COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, ACCORDING TO THE OFFICIAL PLAT OF SAID LAND FILED IN THE DISTRICT LAND OFFICE, SEPTEMBER 8, 1880.

EXCEPT 40 PER CENT OF ALL OIL, GAS, MINERALS AND OTHER HYDROCARBON SUBSTANCES LYING IN AND UNDER SAID LAND, BUT WITHOUT THE RIGHT OF SURFACE ENTRY ABOVE A DEPTH OF 500 FEET, AS RESERVED BY WILLIAM H. COOK AND NINA WINIFRED COOK, HUSBAND AND WIFE, IN DEED RECORDED MARCH 18, 1884 AS INSTRUMENT NO. 353, IN BOOK 02395 PAGE 457, OFFICIAL RECORDS.

ALSO EXCEPT THEREFROM ALL OIL, GAS AND MINERALS AND OTHER HYDROCARBON SUBSTANCES LYING IN AND UNDER SAID LAND, BUT WITHOUT THE RIGHT OF SURFACE ENTRY ABOVE A DEPTH OF 500 FEET AS RESERVED BY MARY HATTER, ET AL IN DEEDS RECORDED SEPTEMBER 2, 1892 AS INSTRUMENT NOS. 82-1855208, 82-1855209, 82-1855210, 82-1855211, 82-1855212, 82-1855213 AND 82-1855214, ALL OF OFFICIAL RECORDS.

## PARCEL 36:

THE NORTHWEST QUARTER OF THE SOUTHWEST QUARTER OF SECTION 11, TOWNSHIP 5 NORTH, RANGE 17 WEST, IN THE COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, ACCORDING TO THE OFFICIAL PLAT OF SAID LAND.

EXCEPT THEREFROM THAT PORTION THEREOF DESCRIBED AS FOLLOWS:

BEGINNING AT THE SOUTHWEST CORNER OF SAID NORTHWEST QUARTER OF THE SOUTHWEST QUARTER OF SAID SECTION 11; THENCE NORTH ALONG THE WEST LINE THEREOF 800.00 FEET; THENCE EAST 264.00 FEET; THENCE SOUTH 800.00 FEET TO A POINT IN THE SOUTH LINE OF SAID NORTHWEST QUARTER OF THE SOUTHWEST QUARTER; THENCE WEST ALONG SAID SOUTHERLY LINE 264.00 FEET, TO THE POINT OF BEGINNING.

ALSO EXCEPT THEREFROM THAT PORTION THEREOF INCLUDED WITHIN THE LINE OF THE CALIFORNIA STATE HIGHWAY.

ALSO EXCEPT 40 PER CENT OF ALL OIL, GAS, MINERALS AND OTHER HYDROCARBON SUBSTANCES LYING IN AND UNDER SAID LAND, BUT WITHOUT THE RIGHT OF SURFACE ENTRY ABOVE A DEPTH OF 500 FEET, AS RESERVED BY WILLIAM H. COOK AND NINA WINIFRED COOK, HUSBAND AND WIFE, RECORDED MARCH 16, 1964 AS INSTRUMENT NO. 353, IN BOOK D2395 PAGE 457, OFFICIAL RECORDS.

ALSO EXCEPT THEREFROM ALL OIL, GAS AND MINERALS AND OTHER HYDROCARBON SUBSTANCES LYING IN AND UNDER SAID LAND, BUT WITHOUT THE RIGHT OF SURFACE ENTRY ABOVE A DEPTH OF 500 FEET AS RESERVED BY MARY HATTER, ET AL IN DEEDS RECORDED SEPTEMBER 2, 1992 AS INSTRUMENT NOS. 92-1655208, 92-1655209, 92-1655210, 92-1655211, 92-1655212, 92-1655213 AND 92-1655214, ALL OF OFFICIAL RECORDS.

## PARCEL 37:

THE WEST HALF OF THE NORTHWEST QUARTER OF SECTION 11, TOWNSHIP 5 NORTH, RANGE 17 WEST, IN THE COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, ACCORDING TO THE OFFICIAL PLAT THEREOF.

EXCEPT THAT PORTION IN ANY INCLUDED WITHIN THE LINES OF THE CALIFORNIA STATE HIGHWAY.

ALSO EXCEPT 40 PER CENT OF ALL OIL, GAS AND MINERALS AND OTHER HYDROCARBON SUBSTANCES LYING IN AND UNDER SAID LAND, BUT WITHOUT THE RIGHT OF SURFACE ENTRY ABOVE A DEPTH OF 500 FEET, AS RESERVED BY WILLIAM H. COOK AND NINA WINIFRED COOK, HUSBAND AND WIFE, RECORDED MARCH 16, 1964 AS INSTRUMENT NO. 353, IN BOOK D2395 PAGE 457, OFFICIAL RECORDS.

ALSO EXCEPT THEREFROM ALL OIL, GAS AND MINERALS AND OTHER HYDROCARBON SUBSTANCES LYING IN AND UNDER SAID LAND, BUT WITHOUT THE RIGHT OF SURFACE ENTRY ABOVE A DEPTH OF 500 FEET AS RESERVED BY MARY HATTER, ET AL IN DEEDS RECORDED SEPTEMBER 2, 1992 AS INSTRUMENT NOS. 92-1655208, 92-1655209, 92-1655210, 92-1655211, 92-1655212, 92-1655213 AND 92-1655214, ALL OF OFFICIAL RECORDS.

## PARCEL 38:

THAT PORTION OF THE SOUTHEAST QUARTER OF THE NORTHEAST QUARTER OF SECTION 10, TOWNSHIP 5 NORTH, RANGE 17 WEST, SAN BERNARDINO MERIDIAN, IN THE COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, ACCORDING TO THE OFFICIAL PLAT OF SAID LAND, LYING EASTERLY OF THE CENTER LINE OF THE STATE HIGHWAY, AS ESTABLISHED PRIOR TO JANUARY 1, 1932.

EXCEPT 40 PER CENT OF ALL OIL, GAS AND MINERALS AND OTHER HYDROCARBON SUBSTANCES LYING IN AND UNDER SAID LAND, BUT WITHOUT THE RIGHT OF SURFACE ENTRY ABOVE A DEPTH OF 500 FEET, AS RESERVED BY WILLIAM H. COOK AND NINA WINIFRED COOK, HUSBAND AND WIFE, IN DEED RECORDED MARCH 16, 1964 AS INSTRUMENT NO. 353 IN BOOK D2395 PAGE 457, OFFICIAL RECORDS.

ALSO EXCEPT THEREFROM ALL OIL, GAS AND MINERALS AND OTHER HYDROCARBON SUBSTANCES LYING IN AND UNDER SAID LAND, BUT WITHOUT THE RIGHT OF SUAFACE ENTRY ABOVE A DEPTH OF 500 FEET AS RESERVED BY MARY HATTER, ET AL IN DEEDS RECORDED SEPTEMBER 2, 1892 AS INSTRUMENT NOS. 92-1655208, 92-1655209, 92-1655210, 92-1655211, 92-1655212, 92-1655213 AND 92-1655214, ALL OF OFFICIAL RECORDS.

**PARCEL 39:**

THE SOUTHEAST QUARTER OF THE NORTHEAST QUARTER OF SECTION 11, TOWNSHIP 5 NORTH, RANGE 17 WEST, SAN BERNARDINO MERIDIAN, IN THE COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, ACCORDING TO THE OFFICIAL PLAT THEREOF.

EXCEPT THEREFROM THAT PORTION THEREOF LYING NORTHEASTERLY OF THE FOLLOWING DESCRIBED LINE:

COMMENCING AT THE NORTHEAST CORNER OF SAID SECTION 11; THENCE ALONG THE NORTH LINE OF SAID SECTION, NORTH 89 DEGREES 23 MINUTES 08 SECONDS WEST 2752.31 FEET TO THE TRUE POINT OF BEGINNING; THENCE LEAVING SAID NORTH LINE, SOUTH 4 DEGREES 28 MINUTES 48 SECONDS WEST 211.68 FEET; THENCE SOUTH 35 DEGREES 12 MINUTES 00 SECONDS EAST 830.47 FEET; THENCE SOUTH 3 DEGREES 53 MINUTES 52 SECONDS WEST 402.34 FEET; THENCE SOUTH 27 DEGREES 42 MINUTES 18 SECONDS EAST 1308.27 FEET; THENCE SOUTH 47 DEGREES 02 MINUTES 12 SECONDS EAST 728.84 FEET; THENCE SOUTH 25 DEGREES 13 MINUTES 02 SECONDS EAST 376.09 FEET TO A POINT IN THE EAST LINE OF SAID SECTION 11, SAID POINT LYING NORTHERLY OF THE SOUTHEAST CORNER OF SAID SECTION, MEASURED ALONG SAID EAST LINE, NORTH 0 DEGREES 18 MINUTES 24 SECONDS EAST 2068.78 FEET.

ALSO EXCEPT THEREFROM THAT PORTION OF SAID LAND LYING WITHIN THE BOUNDARIES OF A STRIP OF LAND 360 FEET IN WIDTH, THE SIDE LINES OF SAID STRIP OF LAND BEING PARALLEL WITH AND DISTANT SOUTHWESTERLY 210 FEET; AND DISTANT NORTHEASTERLY 140 FEET, MEASURED AT RIGHT ANGLES FROM THE FOLLOWING DESCRIBED TRANSIT LINE:

BEGINNING AT A POINT IN THE NORTH LINE OF SAID SECTION 11, DISTANT THEREON SOUTH 89 DEGREES 35 MINUTES 48 SECONDS EAST 342.88 FEET FROM THE NORTH QUARTER CORNER OF SAID SECTION 11, AS MARKED BY A LOS ANGELES COUNTY SURVEYOR'S BRASS CAP; THENCE FROM SAID POINT OF BEGINNING, SOUTH 18 DEGREES 30 MINUTES 18 SECONDS EAST 856.82 FEET; THENCE SOUTH 34 DEGREES 38 MINUTES 08 SECONDS EAST 5745.11 FEET TO ITS POINT OF INTERSECTION WITH THE SOUTH LINE OF SECTION 12, TOWNSHIP 5 NORTH, RANGE 17 WEST, SAN BERNARDINO MERIDIAN, DISTANT THEREON SOUTH 89 DEGREES 58 MINUTES 43 SECONDS EAST 1222.91 FEET FROM THE SOUTHWEST CORNER OF SAID SECTION 12, AS MARKED BY A LOS ANGELES COUNTY SURVEYOR'S BRASS CAP.

**PARCEL 40:**

THE NORTH HALF OF THE EAST HALF OF THE SOUTHEAST QUARTER OF SECTION 14, TOWNSHIP 5 NORTH, RANGE 17 WEST, SAN BERNARDINO MERIDIAN, IN THE COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, ACCORDING TO THE OFFICIAL PLAT OF SAID LAND, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

EXCEPT THEREFROM THAT PORTION OF THE EAST HALF OF THE SOUTHEAST QUARTER, LYING WITHIN A STRIP OF LAND 150 FEET IN WIDTH, THE CENTER LINE OF WHICH IS DESCRIBED AS FOLLOWS:

BEGINNING AT A POINT IN THE WEST LINE OF THE EAST HALF OF THE SOUTHEAST QUARTER OF SECTION 14, WHICH POINT IS 41 FEET SOUTHWESTERLY, MEASURED AT RIGHT ANGLES FROM THE CENTER LINE OF THE NORTHEASTERLY OF THE 2 STEEL TOWER LINES KNOWN AS "SOUTHERN CALIFORNIA EDISON COMPANY'S BIG CREEK TRANSMISSION LINES" AND NOW EXISTING OVER AND ACROSS SAID EAST HALF OF THE SOUTHEAST QUARTER OF SECTION 14, AND ADJOINING LANDS, SAID POINT OF BEGINNING BEING MEASURED ON SAID WEST LINE 327.7 FEET, MORE OR LESS FROM THE NORTHWEST CORNER OF THE SOUTHEAST QUARTER OF THE SOUTHEAST QUARTER OF SAID SECTION 14; THENCE FROM SAID POINT OF BEGINNING SOUTH 40 DEGREES 28 MINUTES EAST, PARALLEL TO AND 41 FEET SOUTHWESTERLY FROM THE CENTER LINE OF SAID NORTHEASTERLY TOWER LINE, 2053.5 FEET, MORE OR LESS, TO A POINT IN THE EAST LINE OF SAID SECTION 14, WHICH POINT IS NORTHERLY MEASURED ON SAID EAST LINE 84.22 FEET, MORE OR LESS FROM THE SOUTHEAST CORNER OF SAID SECTION 14.

THE SIDE LINES OF SAID 150 FOOT STRIP OF LAND BEING SHORTENED OR EXTENDED TO INTERSECT THE EAST, SOUTH AND WEST LINES OF SAID EAST HALF OF THE SOUTHEAST QUARTER OF SECTION 14.

EXCEPT AN UNDIVIDED ONE-HALF INTEREST IN AND TO ALL OIL, GAS, AND OTHER HYDROCARBON SUBSTANCES IN AND UNDER SAID LAND, AS RESERVED BY LOUIS SENTOUS, JR., A WIDOWER, IN DEED RECORDED FEBRUARY 27, 1953 AS INSTRUMENT NO. 3957 IN BOOK 41083 PAGE 228, OFFICIAL RECORDS.

PARCEL 41:

THE SOUTH HALF OF THE EAST HALF OF THE SOUTHEAST QUARTER OF SECTION 14, TOWNSHIP 6 NORTH, RANGE 17 WEST, SAN BERNARDINO MERIDIAN, IN THE COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, ACCORDING TO THE OFFICIAL PLAT OF SAID LAND, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

EXCEPT THEREFROM THAT PORTION OF THE EAST HALF OF THE SOUTHEAST QUARTER, LYING WITHIN A STRIP OF LAND 150 FEET IN WIDTH, THE CENTER LINE OF WHICH IS DESCRIBED AS FOLLOWS:

BEGINNING AT A POINT IN THE WEST LINE OF THE EAST HALF OF THE SOUTHEAST QUARTER OF SECTION 14, WHICH POINT IS 41 FEET SOUTHWESTERLY, MEASURED AT RIGHT ANGLES FROM THE CENTER LINE OF THE NORTHEASTERLY OF THE 2 STEEL TOWER LINES KNOWN AS "SOUTHERN CALIFORNIA EDISON COMPANY'S BIG CREEK TRANSMISSION LINES" AND NOW EXISTING OVER AND ACROSS SAID EAST HALF OF THE SOUTHEAST QUARTER OF SECTION 14, AND ADJOINING LANDS, SAID POINT OF BEGINNING BEING MEASURED ON SAID WEST LINE 327.7 FEET, MORE OR LESS FROM THE NORTHWEST CORNER OF THE SOUTHEAST QUARTER OF THE SOUTHEAST QUARTER OF SAID SECTION 14; THENCE FROM SAID POINT OF BEGINNING SOUTH 40 DEGREES 28 MINUTES EAST, PARALLEL TO AND 41 FEET SOUTHWESTERLY FROM THE CENTER LINE OF SAID NORTHEASTERLY TOWER LINE, 2053.6 FEET, MORE OR LESS, TO A POINT IN THE EAST LINE OF SAID SECTION 14, WHICH POINT IS NORTHERLY MEASURED ON SAID EAST LINE 84.22 FEET, MORE OR LESS FROM THE SOUTHEAST CORNER OF SAID SECTION 14.

THE SIDE LINES OF SAID 150 FOOT STRIP OF LAND BEING SHORTENED OR EXTENDED TO INTERSECT THE EAST, SOUTH AND WEST LINES OF SAID EAST HALF OF THE SOUTHEAST QUARTER OF SECTION 14.

ALSO EXCEPT THAT PORTION OF SECTION 14, TOWNSHIP 6 NORTH, RANGE 17 WEST, SAN BERNARDINO MERIDIAN, IN THE UNINCORPORATED TERRITORY OF THE COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, ACCORDING TO THE OFFICIAL PLAT OF SAID LAND FILED IN THE DISTRICT LAND OFFICE SEPTEMBER 6, 1880 DESCRIBED AS FOLLOWS:

COMMENCING AT THE SOUTHEAST CORNER OF SAID SECTION 14; THENCE ALONG THE SOUTH LINE OF THE SOUTHEAST QUARTER OF SAID SECTION NORTH 69 DEGREES 35 MINUTES 21 SECONDS WEST 850.17 FEET; THENCE LEAVING SAID SOUTH LINE NORTH 00 DEGREES 24 MINUTES 39 SECONDS EAST 122.22 FEET TO THE TRUE POINT OF BEGINNING; THENCE NORTH 04 DEGREES 30 MINUTES 26 SECONDS WEST 414.02 FEET; THENCE SOUTH 82 DEGREES 45 MINUTES 08 SECONDS EAST 553.05 FEET; THENCE SOUTH 40 DEGREES 27 MINUTES 05 SECONDS EAST 290.22 FEET; THENCE SOUTH 02 DEGREES 37 MINUTES 55 SECONDS EAST 78.81 FEET; THENCE SOUTH 54 DEGREES 15 MINUTES 17 SECONDS WEST 107.48 FEET; THENCE SOUTH 82 DEGREES 14 MINUTES 48 SECONDS WEST 227.48 FEET; THENCE NORTH 82 DEGREES 48 MINUTES 53 SECONDS WEST 398.68 FEET TO THE TRUE POINT OF BEGINNING.

EXCEPT AN UNDIVIDED ONE-HALF INTEREST IN AND TO ALL OIL, GAS, AND OTHER HYDROCARBON SUBSTANCES IN AND UNDER SAID LAND, AS RESERVED BY LOUIS SENTOUS, JR., A WIDOWER, IN DEED RECORDED FEBRUARY 27, 1953 AS INSTRUMENT NO. 3957 IN BOOK 41083 PAGE 228, OFFICIAL RECORDS.

## PARCEL 42:

THAT PORTION OF THE NORTHEAST QUARTER OF THE SOUTHWEST QUARTER IN SECTION 3, TOWNSHIP 5 NORTH, RANGE 17 WEST, SAN BERNARDINO MERIDIAN, IN THE COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, ACCORDING TO THE OFFICIAL PLAT OF SAID LAND, FILED IN THE DISTRICT LAND OFFICE ON SEPTEMBER 6, 1880, LYING EASTERLY OF THE CENTER LINE OF THE STATE HIGHWAY (100 FEET WIDE), AS DESCRIBED IN THE DEED TO THE STATE OF CALIFORNIA, RECORDED ON OCTOBER 8, 1930 IN BOOK 10273 PAGE 360, OFFICIAL RECORDS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

EXCEPTING 49 PER CENT OF ALL OIL, GAS, MINERALS AND OTHER HYDROCARBON SUBSTANCES TO AN UNLIMITED DEPTH BELOW 500 FEET FROM THE SURFACE OF SAID LAND, BUT WITHOUT THE RIGHT TO ENTER UPON THE SURFACE OF SAID LAND TO REMOVE, DRILL OR PROSPECT FOR SAME, AS RESERVED IN DEED FROM CLARENCE A. SWANSON, RECORDED APRIL 2, 1980 AS INSTRUMENT NO. 80-335745, OFFICIAL RECORDS.

ALSO EXCEPT 51 PER CENT OF ALL OIL, GAS, MINERALS AND OTHER HYDROCARBON SUBSTANCES TO AN UNLIMITED DEPTH BELOW 500 FEET FROM THE SURFACE OF SAID LAND, BUT WITHOUT THE RIGHT TO ENTER UPON THE SURFACE OF SAID LAND TO REMOVE, DRILL OR PROSPECT FOR SAME, AS RESERVED IN DEED FROM SAMUEL A. AZHERIAN, JR. AND GLORIA AZHERIAN, RECORDED JANUARY 31, 1989 AS INSTRUMENT NO. 89-185910.

## PARCEL 43:

THAT PORTION OF LOT 8 IN SECTION 3, TOWNSHIP 5 NORTH, RANGE 17 WEST, SAN BERNARDINO MERIDIAN, IN UNINCORPORATED TERRITORY OF THE COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, ACCORDING TO THE OFFICIAL PLAT OF SAID LAND, LYING EASTERLY OF THE CENTER LINE OF THE STRIP OF LAND 100 FEET WIDE, DESCRIBED IN THE DEED TO THE STATE OF CALIFORNIA, RECORDED OCTOBER 8, 1930 IN BOOK 10273 PAGE 360, OFFICIAL RECORDS, AS INSTRUMENT NO. 1348 OF SAID COUNTY.

EXCEPTING 49 PER CENT OF ALL OIL, GAS, MINERALS AND OTHER HYDROCARBON SUBSTANCES TO AN UNLIMITED DEPTH BELOW 500 FEET FROM THE SURFACE OF SAID LAND, BUT WITHOUT THE RIGHT TO ENTER UPON THE SURFACE OF SAID LAND TO REMOVE, DRILL OR PROSPECT FOR SAME, AS RESERVED IN DEED FROM CLARENCE A. SWANSON, RECORDED APRIL 2, 1980 AS INSTRUMENT NO. 80-335745, OFFICIAL RECORDS.

ALSO EXCEPT 51 PER CENT OF ALL OIL, GAS, MINERALS AND OTHER HYDROCARBON SUBSTANCES TO AN UNLIMITED DEPTH BELOW 500 FEET FROM THE SURFACE OF SAID LAND, BUT WITHOUT THE RIGHT TO ENTER UPON THE SURFACE OF SAID LAND TO REMOVE, DRILL OR PROSPECT FOR SAME, AS RESERVED IN DEED FROM SAMUEL A. AZHERIAN, JR. AND GLORIA AZHERIAN, RECORDED JANUARY 31, 1989 AS INSTRUMENT NO. 89-185910.

## PARCEL 44:

THOSE PORTIONS OF THE NORTH HALF OF THE NORTHWEST QUARTER, THE SOUTHEAST QUARTER OF THE NORTHWEST QUARTER; THE NORTHWEST QUARTER OF THE SOUTHEAST QUARTER AND THE WEST HALF OF THE NORTHEAST QUARTER OF SECTION 14, TOWNSHIP 5 NORTH, RANGE 17 WEST, SAN BERNARDINO MERIDIAN, IN THE COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, ACCORDING TO THE OFFICIAL PLAT OF SAID LAND, DESCRIBED AS FOLLOWS AS A WHOLE AS FOLLOWS:

BEGINNING AT A POINT IN THE NORTHERLY LINE OF SAID SECTION 14, SAID POINT BEING DISTANCE OF SOUTH 89 DEGREES 54 MINUTES 02 SECONDS EAST 445.88 FEET FROM THE NORTHWEST CORNER OF SAID SECTION 14; THENCE SOUTH 25 DEGREES 52 MINUTES 09 SECONDS EAST 1114.88 FEET TO THE BEGINNING OF A TANGENT CURVE CONCAVE NORTHEASTERLY AND HAVING A RADIUS OF 688.00 FEET; THENCE SOUTHEASTERLY ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 6 DEGREES 38 MINUTES 25 SECONDS, AN ARC DISTANCE OF 88.31 FEET; THENCE TANGENT TO SAID CURVE, SOUTH 31 DEGREES 28 MINUTES 34 SECONDS EAST 818.81 FEET TO THE BEGINNING OF A TANGENT CURVE CONCAVE NORTHEASTERLY AND HAVING A RADIUS OF 688.00 FEET; THENCE SOUTHEASTERLY ALONG SAID LAST MENTIONED CURVE THROUGH A CENTRAL ANGLE OF 8 DEGREES 23 MINUTES 33 SECONDS.



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AN ARC DISTANCE OF 114.42 FEET; THENCE TANGENT TO SAID LAST MENTIONED CURVE, SOUTH 40 DEGREES 52 MINUTES 07 SECONDS EAST 654.49 FEET TO THE BEGINNING OF A TANGENT CURVE CONCAVE NORTHEASTERLY AND HAVING A RADIUS OF 698.00 FEET; THENCE SOUTHEASTERLY ALONG SAID LAST MENTIONED CURVE, THROUGH A CENTRAL ANGLE OF 8 DEGREES 50 MINUTES 04 SECONDS, AN ARC DISTANCE OF 107.83 FEET; THENCE TANGENT TO SAID LAST MENTIONED CURVE, SOUTH 49 DEGREES 42 MINUTES 11 SECONDS EAST 188.18 FEET TO THE BEGINNING OF A TANGENT CURVE CONCAVE SOUTHWESTERLY AND HAVING A RADIUS OF 802.00 FEET; THENCE SOUTHEASTERLY ALONG SAID LAST MENTIONED CURVE THROUGH A CENTRAL ANGLE OF 21 DEGREES 29 MINUTES 17 SECONDS, AN ARC DISTANCE OF 225.77 FEET; THENCE TANGENT TO SAID LAST MENTIONED CURVE, SOUTH 28 DEGREES 12 MINUTES 64 SECONDS EAST TO THE SOUTHERLY LINE OF THE SOUTHEAST QUARTER OF THE NORTHWEST QUARTER OF SECTION 14; THENCE EASTERLY ALONG SAID SOUTHERLY LINE TO THE NORTHWEST CORNER OF THE NORTHWEST QUARTER OF THE SOUTHEAST QUARTER OF SAID SECTION 14;

THENCE SOUTHERLY ALONG THE WESTERLY LINE OF THE NORTHWEST QUARTER OF THE SOUTHEAST QUARTER OF SAID SECTION 14 TO THE MOST NORTHERLY CORNER OF THE LAND DESCRIBED IN PARCEL 2 IN THE DEED TO THE STATE OF CALIFORNIA, RECORDED OCTOBER 8, 1987 AS INSTRUMENT NO. 894 OF SAID COUNTY; THENCE ALONG THE BOUNDARIES OF PARCEL 2 OF SAID DEED TO THE STATE OF CALIFORNIA, AS FOLLOWS:

SOUTH 31 DEGREES 28 MINUTES 34 SECONDS EAST 88.82 FEET AND SOUTH 40 DEGREES 17 MINUTES 29 SECONDS WEST 65.80 FEET TO SAID HEREINABOVE MENTIONED WESTERLY LINE; THENCE SOUTHERLY ALONG SAID HEREINABOVE MENTIONED WESTERLY LINE TO THE NORTHWEST CORNER OF THE LAND DESCRIBED IN PARCEL 1 OF SAID HEREINABOVE MENTIONED DEED TO THE STATE OF CALIFORNIA; THENCE ALONG THE BOUNDARIES OF PARCEL 1 OF SAID HEREINABOVE MENTIONED DEED TO THE STATE OF CALIFORNIA, AS FOLLOWS:

SOUTH 43 DEGREES 49 MINUTES 40 SECONDS EAST 108.81 FEET; SOUTH 3 DEGREES 10 MINUTES 32 SECONDS EAST 147.85 FEET; SOUTH 85 DEGREES 56 MINUTES 18 SECONDS EAST 268.07 FEET AND SOUTH 0 DEGREES 31 MINUTES 45 SECONDS WEST 28.38 FEET TO THE SOUTHERLY LINE OF THE NORTHWEST QUARTER OF THE SOUTHEAST QUARTER OF SAID SECTION 14; THENCE EASTERLY AND NORTHERLY ALONG THE SOUTHERLY AND EASTERLY LINES OF THE NORTHWEST QUARTER OF THE SOUTHEAST QUARTER OF SAID SECTION 14 TO THE SOUTHEAST CORNER OF THE WEST HALF OF THE NORTHEAST QUARTER OF SAID SECTION 14; THENCE NORTHERLY ALONG THE EASTERLY LINE OF THE WEST HALF OF THE NORTHEAST QUARTER OF SECTION 14 TO THE NORTHERLY LINE OF SAID SECTION 14; THENCE WESTERLY ALONG SAID NORTHERLY LINE TO THE POINT OF BEGINNING.

EXCEPT THEREFROM THAT PORTION OF SAID LAND INCLUDED WITHIN THE LAND DESCRIBED IN THE DEED TO THE SOUTHERN CALIFORNIA EDISON COMPANY, RECORDED APRIL 5, 1924 IN BOOK 3011 PAGE 388, OFFICIAL RECORDS, AS INSTRUMENT NO. 33 OF SAID COUNTY.

ALSO EXCEPT THEREFROM THAT PORTION OF SAID LAND INCLUDED WITHIN THAT PORTION OF SAID SECTION 14, DESCRIBED AS FOLLOWS:  
BEGINNING AT THE SOUTHEAST CORNER OF THE NORTHWEST QUARTER OF THE SOUTHEAST QUARTER OF SAID SECTION; THENCE ALONG THE SOUTH LINE OF SAID NORTHWEST QUARTER OF THE SOUTHEAST QUARTER NORTH 89 DEGREES 37 MINUTES 06 SECONDS WEST 881.82 FEET TO A POINT IN THE EASTERLY LINE OF THE LAND DESCRIBED AS PARCEL 1 IN DEED RECORDED OCTOBER 8, 1987 AS INSTRUMENT NO. 894 IN BOOK D-3780 PAGE 808, OF OFFICIAL RECORDS, RECORDS OF SAID COUNTY; THENCE ALONG SAID EASTERLY LINES NORTH 00 DEGREES 43 MINUTES 22 SECONDS EAST 28.42 FEET; NORTH 85 DEGREES 44 MINUTES 41 SECONDS WEST 268.07 FEET; NORTH 02 DEGREES 58 MINUTES 55 SECONDS WEST 147.85 FEET; NORTH 43 DEGREES 38 MINUTES 03 SECONDS WEST 108.81 FEET TO A POINT IN THE WEST LINE OF SAID NORTHWEST QUARTER OF THE SOUTHEAST QUARTER; THENCE ALONG SAID WEST LINE NORTH 00 DEGREES 52 MINUTES 59 SECONDS EAST 47.78 FEET TO THE SOUTHERLY MOST POINT OF THE LAND DESCRIBED AS PARCEL 2 IN DEED RECORDED OCTOBER 8, 1987 AS INSTRUMENT NO. 894 IN BOOK D-3780 PAGE 808, OF SAID OFFICIAL RECORDS; THENCE ALONG THE EASTERLY LINES OF LAST SAID PARCEL 2 NORTH 40 DEGREES 29 MINUTES 32 SECONDS EAST 55.80 FEET; NORTH 31 DEGREES 18 MINUTES 57 SECONDS WEST 88.82 FEET TO A POINT IN SAID WEST LINE; THENCE ALONG SAID WEST LINE NORTH 00 DEGREES 52 MINUTES 59 SECONDS EAST 408.53 FEET TO A POINT IN THE SOUTHERLY LINE OF RIDGE ROUTE, 100.00 FEET WIDE, AS DESCRIBED IN DEEDS RECORDED JUNE 4, 1928 AS INSTRUMENT NO. 1128 IN BOOK 7484 PAGE 334, OF SAID OFFICIAL RECORDS, AND DEED RECORDED MAY 3, 1929 IN BOOK 8140 PAGE 118, OF SAID OFFICIAL RECORDS; THENCE ALONG

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SAID SOUTHERLY LINES SOUTH 85 DEGREES 38 MINUTES 21 SECONDS EAST 345.73 FEET TO THE BEGINNING OF A TANGENT CURVE CONCAVE SOUTHWESTERLY HAVING A RADIUS OF 950.00 FEET; SOUTHEASTERLY ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 01 DEGREES 18 MINUTES 25 SECONDS AN AN ARC DISTANCE OF 21.95 FEET TO A POINT IN THE SOUTHERLY LINE OF RIDGE ROUTE, 80.00 FEET WIDE, AS DESCRIBED IN DEED RECORDED MAY 18, 1918 AS INSTRUMENT NO. 107 IN BOOK 6265 PAGE 297, OF DEEDS, RECORDS OF SAID COUNTY AND DEED RECORDED OCTOBER 30, 1914 IN BOOK 5883 PAGE 250, OF DEEDS, SAID POINT BEING ON A CURVE CONCAVE SOUTHWESTERLY HAVING A RADIUS OF 280.00 FEET, A RADIAL LINE THROUGH SAID POINT BEARS SOUTH 41 DEGREES 02 MINUTES 11 SECONDS WEST; THENCE SOUTHEASTERLY ALONG SAID SOUTHERLY LINES OF THAT 80.00 FOOT WIDE RIDGE ROUTE THROUGH A CENTRAL ANGLE OF 05 DEGREES 03 MINUTES 57 SECONDS AN ARC DISTANCE OF 22.88 FEET; TANGENT TO SAID CURVE SOUTH 43 DEGREES 53 MINUTES 52 SECONDS EAST 19.22 FEET TO THE BEGINNING OF A TANGENT CURVE CONCAVE NORTHEASTERLY HAVING A RADIUS OF 340.00 FEET; SOUTHEASTERLY ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 28 DEGREES 31 MINUTES 59 SECONDS AN ARC DISTANCE OF 189.32 FEET; TANGENT TO SAID CURVE SOUTH 72 DEGREES 25 MINUTES 51 SECONDS EAST 24.02 FEET TO A POINT ON SAID SOUTHERLY LINE OF THAT 100.00 FOOT WIDE RIDGE ROUTE, SAID POINT BEING ON A CURVE CONCAVE SOUTHWESTERLY HAVING A RADIUS OF 950.00 FEET, A RADIAL LINE THROUGH SAID POINT BEARS SOUTH 39 DEGREES 42 MINUTES 43 SECONDS WEST; THENCE SOUTHEASTERLY ALONG SAID CURVE AND ALONG LAST SAID SOUTHERLY LINES THROUGH A CENTRAL ANGLE OF 13 DEGREES 55 MINUTES 55 SECONDS AN ARC DISTANCE OF 231.00 FEET; TANGENT TO SAID CURVE SOUTH 36 DEGREES 21 MINUTES 22 SECONDS EAST 187.09 FEET TO A POINT IN SAID SOUTHERLY LINE OF THAT 80.00 FOOT WIDE RIDGE ROUTE; THENCE ALONG LAST SAID SOUTHERLY LINE SOUTH 09 DEGREES 43 MINUTES 51 SECONDS EAST 123.38 FEET TO THE BEGINNING OF A TANGENT CURVE CONCAVE NORTHERLY HAVING A RADIUS OF 140.00 FEET; SOUTHEASTERLY ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 101 DEGREES 59 MINUTES 30 SECONDS AN ARC DISTANCE OF 248.97 FEET; TANGENT TO SAID CURVE NORTH 88 DEGREES 22 MINUTES 39 SECONDS EAST 78.28 FEET TO A POINT IN SAID SOUTHERLY LINE OF THAT 100.00 FOOT WIDE RIDGE ROUTE, SAID POINT BEING ON A CURVE CONCAVE NORTHERLY HAVING A RADIUS OF 350.00 FEET, A RADIAL LINE THROUGH SAID POINT BEARS NORTH 07 DEGREES 23 MINUTES 04 SECONDS EAST; THENCE EASTERLY ALONG SAID SOUTHERLY LINE THROUGH A CENTRAL ANGLE OF 04 DEGREES 31 MINUTES 25 SECONDS AN ARC DISTANCE OF 27.84 FEET; TANGENT TO SAID CURVE SOUTH 87 DEGREES 08 MINUTES 21 SECONDS EAST 77.28 FEET TO THE BEGINNING OF A TANGENT CURVE CONCAVE SOUTHERLY HAVING A RADIUS OF 350.00 FEET; EASTERLY ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 23 DEGREES 59 MINUTES 08 SECONDS AN ARC DISTANCE OF 148.52 FEET TO A POINT IN THE EAST LINE OF SAID NORTHWEST QUARTER OF THE SOUTHEAST QUARTER; THENCE ALONG SAID EAST LINE SOUTH 00 DEGREES 52 MINUTES 21 SECONDS WEST 11.65 FEET TO THE POINT OF BEGINNING.

PARCEL 45:

THAT PORTION OF THE SOUTHWEST QUARTER OF THE SOUTHEAST QUARTER OF SECTION 14, TOWNSHIP 6 NORTH, RANGE 17 WEST, SAN BERNARDINO MERIDIAN, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, ACCORDING TO THE OFFICIAL PLAT THEREOF, DESCRIBED AS FOLLOWS:

BEGINNING AT A POINT IN THE SOUTHERLY LINE OF SAID SECTION 14, DISTANT THEREON SOUTH 89 DEGREES 47 MINUTES 25 SECONDS EAST 880.61 FEET FROM THE SOUTH QUARTER CORNER OF SAID SECTION; THENCE NORTH 29 DEGREES 55 MINUTES 41 SECONDS WEST 105.53 FEET; THENCE NORTH 47 DEGREES 04 MINUTES 28 SECONDS EAST 403.02 FEET; THENCE NORTH 0 DEGREES 46 MINUTES 38 SECONDS WEST 186.08 FEET; THENCE NORTH 31 DEGREES 28 MINUTES 34 SECONDS WEST 115.00 FEET; THENCE NORTH 58 DEGREES 15 MINUTES 05 SECONDS WEST 429.53 FEET; THENCE NORTH 78 DEGREES 57 MINUTES 58 SECONDS WEST 244.18 FEET; THENCE NORTH 14 DEGREES 32 MINUTES 54 SECONDS WEST 120.21 FEET; THENCE NORTH 45 DEGREES 47 MINUTES 58 SECONDS WEST 242.54 FEET; THENCE NORTH 0 DEGREES 31 MINUTES 45 SECONDS EAST 115.13 FEET TO THE NORTHERLY LINE OF THE SOUTHWEST QUARTER OF THE SOUTHEAST QUARTER OF SAID SECTION 14; THENCE SOUTH 89 DEGREES 49 MINUTES 04 SECONDS EAST ALONG SAID NORTHERLY LINE TO THE NORTHWESTERLY CORNER OF THE LAND DESCRIBED AS PARCEL 7, IN THE FINAL DECREE OF CONDEMNATION ENTERED IN LOS ANGELES COUNTY SUPERIOR COURT CASE NO. 893103, A CERTIFIED COPY OF WHICH WAS RECORDED DECEMBER 20, 1987 AS INSTRUMENT NO. 3098 IN BOOK D-3884 PAGE 411, OFFICIAL RECORDS OF SAID COUNTY; THENCE SOUTHERLY AND EASTERLY ALONG THE WESTERLY AND SOUTHERLY BOUNDARY LINES OF SAID PARCEL 7 TO THE SOUTHEAST CORNER THEREOF, SAID SOUTHEAST CORNER BEING IN THE WESTERLY LINE OF THE EAST HALF OF THE SOUTHEAST QUARTER OF SAID SECTION 14; THENCE SOUTHERLY ALONG SAID LAST MENTIONED WESTERLY LINE TO THE SOUTHEAST CORNER OF THE SOUTHWEST QUARTER OF THE SOUTHEAST QUARTER OF SAID SECTION 14; THENCE WESTERLY ALONG THE SOUTHERLY LINE OF SAID SECTION 14 TO THE POINT OF BEGINNING.

EXCEPT ALL OIL, GAS, MINERALS AND OTHER HYDROCARBON AND LIKE SUBSTANCES, IN AND UNDER SAID LAND, LYING BELOW A DEPTH OF 100 FEET FROM THE SURFACE OF SAID LAND MEASURED VERTICALLY FROM THE SURFACE THEREOF, WITHOUT ANY RIGHTS TO THE USE OF THE SURFACE OF SAID LAND OR THE SUBSURFACE AREA TO A DEPTH OF 100 FEET FROM THE SURFACE OF SAID LAND, BUT WITH THE RIGHT TO DRILL WELL HOLES OR BORE THROUGH THE SUBSURFACE OF SAID LAND LYING BELOW A DEPTH OF 100 FEET FROM SURFACE SITES LOCATED ON OTHER LAND FOR THE PURPOSE OF PRODUCING AND EXTRACTING SAID SUBSTANCES, AS GRANTED TO FRANCIS A. NICHOLS, A MARRIED MAN, BY DEED WHICH RECITES AS HIS SEPARATE PROPERTY, BY DEEDS RECORDED MAY 23, 1967 IN BOOK D-3851 PAGE 8, OFFICIAL RECORDS, MAY 25, 1967 IN BOOK D-3853 PAGE 840, OFFICIAL RECORDS, MAY 5, 1967 IN BOOK D-3853 PAGE 841, OFFICIAL RECORDS, MAY 29, 1967 IN BOOK D-3858 PAGE 808, OFFICIAL RECORDS, MAY 29, 1967 IN BOOK D-3858 PAGE 610, OFFICIAL RECORDS, AND BY DEED RECORDED MAY 29, 1967 IN BOOK D-3858 PAGE 820, OFFICIAL RECORDS.

PARCEL 48:

THAT PORTION OF THE NORTHEAST QUARTER OF THE SOUTHWEST QUARTER OF SECTION 14, TOWNSHIP 6 NORTH, RANGE 17 WEST, SAN BERNARDINO MERIDIAN, IN THE COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, ACCORDING TO THE OFFICIAL PLAT THEREOF, DESCRIBED AS FOLLOWS:

BEGINNING AT THE NORTHEAST CORNER OF SAID NORTHEAST QUARTER; THENCE ALONG THE EASTERLY LINE OF SAID NORTHEAST QUARTER SOUTH 00 DEGREES 41 MINUTES 22 SECONDS WEST 429.56 FEET; THENCE NORTH 86 DEGREES 03 MINUTES 27 SECONDS WEST 49.90 FEET TO A NON-TANGENT CURVE CONCAVE NORTHEASTERLY HAVING A RADIUS OF 698 FEET; THENCE NORTHWESTERLY ALONG SAID CURVE THROUGH AN ANGLE OF 37 DEGREES 50 MINUTES 33 SECONDS AN ARC DISTANCE OF 481.01 FEET; THENCE TANGENT NORTH 28 DEGREES 12 MINUTES 54 SECONDS WEST 115.81 FEET TO THE NORTH LINE OF SAID NORTHEAST QUARTER; THENCE EASTERLY ALONG SAID NORTH LINE TO THE POINT OF BEGINNING. EXCEPT THEREFROM ALL OIL, GAS, MINERALS AND OTHER HYDROCARBON AND LIKE SUBSTANCES LYING BELOW A DEPTH OF 100 FEET FROM THE SURFACE OF THE ABOVE DESCRIBED LAND MEASURED VERTICALLY FROM THE SURFACE THEREOF WITHOUT ANY RIGHTS TO THE USE OF THE SURFACE OF SAID LAND OR THE SUBSURFACE AREA TO A DEPTH OF 100 FEET FROM THE SURFACE OF SAID LAND BUT WITH THE RIGHT TO DRILL WELL HOLES OR BORE THROUGH THE SUBSURFACE OF SAID LAND LYING BELOW A DEPTH OF 100 FEET FROM SURFACE SITES LOCATED ON LAND OTHER THAN THAT DESCRIBED ABOVE FOR THE PURPOSE OF PRODUCING AND EXTRACTING THE ABOVE MENTIONED SUBSTANCES AS GRANTED TO FRANCIS A. NICHOLS, A MARRIED MAN BY DEEDS RECORDED MAY 25, 1967 IN BOOK D3853, PAGE 840, OFFICIAL RECORDS MAY 25, 1967 IN BOOK D3853, PAGE 841, OFFICIAL RECORDS AND RECORDED MAY 29, 1967 IN BOOK D3858 PAGES 808, 610 AND 820, OFFICIAL RECORDS.

SAID LEGAL DESCRIPTION IS DESCRIBED IN A CERTIFICATE OF COMPLIANCE RECORDED AUGUST 26, 1981 AS INSTRUMENT NO. 81-858284.

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**EXHIBIT "C"**

**Initial Common Areas**

**Lots 292 and 295 of Tract 44429 as recorded in Map Book 1233, Pages 19 to 43 of Maps,  
as filed in the Office of the County Recorder of Los Angeles County, California.**

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**EXHIBIT "D"**

**Exclusive Use Common Area**

(There are no Exclusive Use Common Area in this initial filing. Any Exclusive Use Common Area will be described in the supplementary declaration for the applicable phase.)

**EXHIBIT "E"****Special Maintenance Areas**

**TEN FOOT WIDE STORM DRAIN EASEMENT:** THOSE PORTIONS OF LOTS 30 AND 31 OF TRACT NO. 44429 IN THE UNINCORPORATED TERRITORY OF THE COUNTY OF LOS ANGELES, STATE OF CALIFORNIA PER MAP FILED IN BOOK 1233, PAGES 19 TO 43 INCLUSIVE, OF MAPS, RECORDS OF SAID COUNTY, BEING A 10.00 FOOT WIDE STRIP OF LAND LYING 5.00 FEET NORTHWESTERLY AND 5.00 FEET SOUTHEASTERLY OF THE LINE COMMON TO SAID LOTS 30 AND 31 AND ITS SOUTHWESTERLY PROLONGATION. THE SIDELINES OF SAID STRIP ARE TO BE PROLONGED OR SHORTENED SO AS TO TERMINATE IN THE SOUTHWESTERLY AND NORTHEASTERLY LINE OF SAID LOT 30, AND AT THE NORTHEASTERLY AND SOUTHEASTERLY LINES OF SAID LOT 31.

**TEN FOOT INGRESS AND EGRESS EASEMENT:** THOSE PORTIONS OF LOTS 29 AND 30 OF TRACT NO. 44429 IN THE UNINCORPORATED TERRITORY OF THE COUNTY OF LOS ANGELES, STATE OF CALIFORNIA PER MAP FILED IN BOOK 1233, PAGES 19 TO 43 INCLUSIVE, OF MAPS, RECORDS OF SAID COUNTY, BEING A 10.00 FOOT WIDE STRIP OF LAND, THE NORTHWESTERLY LINE OF WHICH IS THE NORTHWESTERLY LINE OF SAID LOT 30, SHOWN AS NORTH 37°44'41" EAST 107.42 ON SAID MAP. THE SIDELINES OF SAID STRIP ARE TO BE PROLONGED OR SHORTENED SO TO TERMINATE IN THE SOUTHWESTERLY AND NORTHEASTERLY LINES OF SAID LOT 30.

## EXHIBIT "F"

## Driveway Easement

THOSE PORTIONS OF LOTS 29 AND 30 OF TRACT NO. 44429 IN THE UNINCORPORATED TERRITORY OF THE COUNTY OF LOS ANGELES, STATE OF CALIFORNIA PER MAP FILED IN BOOK 1233, PAGES 19 TO 43 INCLUSIVE, OF MAPS, RECORDS OF SAID COUNTY DESCRIBED AS FOLLOWS:

COMMENCING AT THE NORTHEASTERLY CORNER OF SAID LOT 29; THENCE SOUTH 10°22'08" EAST 26.33 FEET ALONG THE EASTERLY LINE OF SAID LOT 29 TO AN ANGLE POINT THEREIN; THENCE LEAVING SAID EASTERLY LINE SOUTH 52°48'11" WEST 52.00 FEET TO THE NORTHWESTERLY TERMINUS OF THAT COURSE, IN THE NORTHEASTERLY LINE OF SAID LOT 30, SHOWN AS NORTH 34°29'06" WEST 95.11 FEET ON SAID MAP; THENCE NORTH 52°15'19" EAST 24.52 FEET TO THE INTERSECTION OF THE NORTHERLY PROPERTY LINE OF SAID LOT 30; THENCE NORTH 37°44'41" EAST 60.17 FEET TO THE NORTHWESTERLY CORNER OF SAID LOT 30; THENCE SOUTHEASTERLY ALONG THE NORTHEASTERLY LINES OF SAID LOTS 30 AND 29 TO THE POINT OF BEGINNING.

THOSE PORTIONS OF LOTS 181 AND 182 OF TRACT NO. 44429 IN THE UNINCORPORATED TERRITORY OF THE COUNTY OF LOS ANGELES, STATE OF CALIFORNIA PER MAP FILED IN BOOK 1233 PAGES 19 TO 43 INCLUSIVE, OF MAPS, RECORDS OF SAID COUNTY DESCRIBED AS FOLLOWS:

COMMENCING AT THE NORTHWESTERLY CORNER OF SAID LOT 182; THENCE SOUTH 52°23'44" EAST 27.88 FEET ALONG THE NORTHEASTERLY LINE OF SAID LOT 182 TO AN ANGLE POINT THEREIN; THENCE LEAVING SAID EASTERLY LINE SOUTH 01°04'10" WEST 47.87 FEET TO THE NORTHWESTERLY TERMINUS OF THAT COURSE IN THE NORTHEASTERLY LINE OF SAID LOT 181, SHOWN AS SOUTH 64°17'14" EAST 16.12 FEET ON SAID MAP; THENCE NORTH 69°22'41" WEST 18.46 FEET TO THE INTERSECTION OF THE SOUTHWESTERLY PROPERTY LINE OF SAID LOT 181; THENCE NORTH 20°37'19" WEST 62.47 FEET TO THE NORTHWESTERLY CORNER OF SAID LOT 181, THENCE NORTHEASTERLY ALONG THE NORTHWESTERLY LINES OF SAID LOTS 181 AND 182 TO THE POINT OF BEGINNING.

THOSE PORTIONS OF LOTS 188 AND 189 OF TRACT NO. 44429 IN THE UNINCORPORATED TERRITORY OF THE COUNTY OF LOS ANGELES, STATE OF CALIFORNIA PER MAP FILED IN BOOK 1233 PAGES 19 TO 43 INCLUSIVE, OF MAPS, RECORDS OF SAID COUNTY DESCRIBED AS FOLLOWS:

COMMENCING AT THE SOUTHWESTERLY CORNER OF SAID LOT 189; THENCE NORTH 01°16'52" EAST 53.02 FEET ALONG THE WESTERLY LINE OF SAID LOT 189; THENCE LEAVING SAID EASTERLY LINE SOUTH 88°43'08" EAST 19.32 FEET TO THE NORTHEASTERLY TERMINUS OF THAT COURSE, IN THE NORTHWESTERLY LINE OF SAID LOT 188, SHOWN AS SOUTH 11°17'43" WEST 57.43 FEET ON SAID MAP;

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THENCE ALONG LAST MENTIONED LINE, SOUTH 11°17'43" WEST 37.43 FEET;  
THENCE LEAVING SAID WESTERLY LINE OF LOT 188, SOUTH 78°42'17" WEST 9.13;  
THENCE SOUTH 11°17'43" WEST 24.02 FEET TO THE MOST SOUTHERLY CORNER OF  
SAID LOT 188, THENCE NORTHWESTERLY ALONG THE SOUTHWESTERLY LINES  
OF SAID LOTS 188 AND 189 TO THE POINT OF BEGINNING.



FIRST AMERICAN TITLE COMPANY OF L.A.

"SUBDIVISION"

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RECORDING REQUESTED BY

FIRST AMERICAN TITLE  
INSURANCE COMPANY

WHEN RECORDED MAIL TO

NAME	COX, CASTLE & NICHOLSON LLP
MAILING ADDRESS	2049 Century Park East 28th Floor
CITY, STATE ZIP CODE	Los Angeles, CA 90067 Attention: Paul J. Titcher, Esq.

**COPY** of Document Recorded  
**MAY 26 1999**

Has not been compared with original.  
 Original will be returned when  
 processing has been completed.  
 LOS ANGELES COUNTY REGISTRAR - RECORDER

SPACE ABOVE THIS LINE RESERVED FOR RECORDER'S USE

**FIRST AMENDMENT TO  
 DECLARATION OF COVENANTS,  
 CONDITIONS & RESTRICTIONS  
 (NORTHLAKE)**

THIS FIRST AMENDMENT TO DECLARATION OF COVENANTS, CONDITIONS & RESTRICTIONS (NORTHLAKE) (this "Amendment") is made this 9<sup>th</sup> day of May, 1999 by NORTHLAKE LLC, a Delaware limited liability company ("Declarant"), as follows:

WITNESSETH:

WHEREAS, on December 10, 1998, Declarant executed that certain Declaration of Covenants, Conditions & Restrictions (Northlake), which was recorded on December 21, 1998, as Document No. 98-2309627 of Los Angeles County Official Records (the "Declaration"); and

WHEREAS, the Declaration presently affects that certain real property located in the County of Los Angeles, State of California which is more particularly described in the Declaration; and

WHEREAS, pursuant to its right under Article XVII, Section 17.20 (a) and (h) of the Declaration, Declarant desires to modify and amend the Declaration to reflect certain changes, as more particularly set forth hereinbelow.

NOW, THEREFORE, Declarant hereby amends the Declaration as follows:

- 1) Article VI of the Declaration is hereby amended to include new Section 6.10 as follows:

"Section 6.10 - Transfer of Maintenance Obligations to District.  
 Notwithstanding anything herein to the contrary, the Association may elect to transfer all or any portion of the Common Areas (and the maintenance obligations relating to same) to the District (in which case such Common Areas would become District Facilities)

upon the approval of a majority of the voting power of the Association, provided that all of the following conditions are satisfied:

(a) A proper mechanism is established to ensure that all Owners are provided with the same rights to use the District Facilities as they had when such District Facilities were owned by the Association;

(b) Any taxes or assessments levied by the District to fund the ongoing maintenance of such District Facilities shall be levied against the Owners in the same proportion as the Regular Assessments levied by the Association to fund the maintenance of such areas prior to the transfer to the District;

(c) Any reserve funds held by the Association with respect to such areas shall be transferred to the District to be used for the same purposes as such funds were held by the Association;

(d) The District shall agree to accept such areas; and

(e) In the event Declarant owns any portion of the Covered Property, Declarant must consent to such transfer.

To the extent any portion of the Covered Property is not located within the boundaries of the District ("Non-District Property"), the requirements of subsections (a) and (b) above may be satisfied with respect to such Non-District Property by the execution of an agreement between the Association and the District that (1) ensures that the Owners of Lots within the Non-District Property will have access to the District Facilities and (2) establishes a mechanism for the payment of such Owners' proportionate share of the expenses relating to such District Facilities."

2) Article VII of the Declaration is hereby amended to include new Section 7.9 as follows:

"Section 7.9 - Compliance with Fuel Modification Plan. Maintenance of all Common Areas, Project Common Areas and Lots located within fuel modification zones shall be accomplished in accordance with any applicable "Fuel Modification Plan" approved by the County with respect to such areas."

3) Article XVI of the Declaration is hereby amended to include new Section 16.4 as follows:

"Section 16.4 - Limitations on Power of Attorney. Notwithstanding anything in this Article XVI to the contrary, the power of

attorney granted pursuant to Section 16.1 above may not be used by Declarant to (a) place any new or additional bonded indebtedness on property that has been sold to a Retail Purchaser or (b) prepare any amendment to an existing map which would impact the boundaries of any Lot conveyed to a Retail Purchaser. The foregoing limitation shall not apply to any refinancing of existing indebtedness."

4) The first paragraph of Article XVII, Section 17.1 of the Declaration is hereby amended in its entirety to read as follows:

"Subject to the provisions of Sections 17.21, 17.22 and 17.23 herein, the Association, the District or any Owner shall have the right to enforce by proceedings at law or in equity, all restrictions, conditions, covenants and reservations, now or hereafter imposed by the provisions of this Declaration or any amendment thereto, including the right to prevent the violation of any such restrictions, conditions, covenants, or reservations and the right to recover damages or Assessments for such violation. The Association, the District or any Owner shall also have the right to enforce by proceedings at law or in equity the provisions of the Articles or Bylaws and any amendments thereto. With respect to architectural control and Association Rules, the Association and/or the District shall have the exclusive right to the enforcement thereof unless the Association and/or the District refuse or are unable to effectuate such enforcement, in which case any Owner who otherwise has standing shall have the right to undertake such enforcement. With respect to Assessment liens, the Association shall have the exclusive right to the enforcement thereof. Nothing herein shall impose any duty upon the District to enforce this Declaration, the Articles or the Bylaws."

5) Except as hereinabove modified and amended, all other terms and conditions of the Declaration remain unchanged and in full force and effect.

STATE OF CALIFORNIA )  
 ) ss.  
COUNTY OF San Diego )

On May 19, 1999, before me, the undersigned, a Notary Public in and for said County and State, personally appeared Dennis M. Moser, personally known to me (~~or proved to me on the basis of satisfactory evidence~~) to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the within instrument.

WITNESS my hand and official seal.



J. J. Kamman  
Notary Public

STATE OF CALIFORNIA )  
 ) ss.  
COUNTY OF San Diego )

On May 20, 1999, before me, the undersigned, a Notary Public in and for said County and State, personally appeared Gina R. Papandrea, personally known to me (~~or proved to me on the basis of satisfactory evidence~~) to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the within instrument.

WITNESS my hand and official seal.



J. J. Kamman  
Notary Public