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DECLARATION OF
COVENANTS, CONDITIONS AND RESTRICTIONS

FOR

CARRIAGE HILLS
PLANNED UNIT DEVELOPMENT

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**DECLARATION OF
COVENANTS, CONDITIONS AND RESTRICTIONS**

THIS DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS is made as of January 25, 1989, by PACIFIC HOME CANYON, a California general partnership (hereinafter referred to as "Declarant"), with reference to the following

RECITALS:

A. Declarant is the owner of real property located in the County of San Bernardino, California, described as:

Lots 1 through 146, inclusive, and Lots E and F of TRACT NO. 10379-1 according to Map there-of recorded in Book 162, Pages 98-108 of Maps in the Office of the County Recorder of San Bernardino County, California, on June 24, 1982.

B. The property described in Recital A above is planned to be developed as a Common Interest Development described in §1351(k) of the California Civil Code as a "Planned Development" consisting of single-family detached homes or lots for the construction of homes, together with common areas as described in this Declaration. The Planned Development is planned to be developed in five (5) phases as follows:

Phase	Residential Lots	Common Area Lots	Number of Residential Lots
1	38-64		27
2	84-100; 138-145		25
3	19-37; 115-137; 146	E	43
4	1-18; 101-114	F	32
5	65-83		19

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Common Area lots planned to be improved with landscaping. There is no guarantee that all phases will be completed or that the phasing will occur as planned.

C. The Common Area lots will be owned and maintained by CARRIAGE HILLS PLANNED DEVELOPMENT ASSOCIATION, a California nonprofit mutual benefit corporation ("Association"), the members of which will be the owners of the residential Lots. The Association will also maintain certain easement areas over portions of the residential lots ("Common Maintenance Area").

D. Before selling any of the residential Lots, Declarant wishes to impose on each the following plan of covenants, conditions and restrictions.

NOW, THEREFORE, Declarant hereby certifies and declares and does hereby establish the following general plan for the protection and benefit of all of the real property described above and has fixed and does hereby fix the following protective covenants, conditions and restrictions upon each and every ownership interest in the real property described as Phase 1 above and, upon annexation, each subsequent phase, pursuant to which covenants, conditions and restrictions each ownership interest shall be held, used, occupied, leased, sold, encumbered, conveyed and/or transferred. Each and all of the covenants, conditions and restrictions are for the purpose of protecting the value and desirability of and shall inure to the benefit of all of the real property described as Phase 1 above and, upon annexation, each subsequent phase, and shall run with and be binding upon and pass with the real property and each and every ownership interest therein and shall inure to the benefit of, apply to and bind the respective successors in title or interest of Declarant.

ARTICLE I

DEFINITIONS

Section 1.1. "Articles" - The Articles of Incorporation of the Association.

Section 1.2. "Association" - CARRIAGE HILLS PLANNED DEVELOPMENT ASSOCIATION, a California Nonprofit Mutual Benefit Corporation.

Section 1.3. "Board" - The Board of Directors of the Association.

Section 1.4. "Bylaws" - The Bylaws of the Association.

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Section 1.5. "Common Area" - All real property owned by the Association.

Section 1.6. "Common Maintenance Area" - Those portions of Lots for which the Association is responsible for maintenance.

Section 1.7. "Declarant" - PACIFIC HOME CANYON, a California general partnership, its successors and assigns, if such successor or assign should acquire more than five (5) Lots for the purpose of development, and the rights of "Declarant" are assigned to them.

Section 1.8. "Declaration" - This Declaration of Covenants, Conditions and Restrictions.

Section 1.9. "Lot" - Any plot of land shown as a separate parcel upon any recorded Final Map or Parcel Map of any portion of the Properties, with the exception of the Common Area.

Section 1.10. "Member" - An Owner who is entitled to membership in the Association as provided in the Declaration.

Section 1.11. "Mortgage" - A Deed of Trust as well as a mortgage encumbering a Lot.

Section 1.12. "Mortgagee" - The beneficiary of a Deed of Trust as well as the mortgagee of a Mortgage.

Section 1.13. "Owner" - The record owners, whether one or more persons or entities, of fee simple title to any Lot, including contract sellers, but excluding those having such interests merely as security for the performance of an obligation.

Section 1.14. "Properties" - The real property described in Recital A to the Declaration, and such additions thereto as may hereafter be brought within the jurisdiction of the Association.

ARTICLE II

PROPERTY RIGHTS IN COMMON AREA

Section 2.1. Title to the Common Area. Declarant will convey fee simple title to the Common Area in Phase 3 and Phase 4, respectively, to the Association, prior to the first conveyance of a Lot in Phase 3 and Phase 4, respectively, to an Owner other than Declarant, free and clear of all encumbrances and liens, except real property taxes which may be due but are not delinquent and easements, covenants, conditions and reservations then of record, including those set forth on the Final Map for TRACT NO. 10379-1 and in the Declaration.

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Section 2.2. Owners' Easements of Enjoyment. Every Owner shall have a right and easement of ingress, egress and of enjoyment in and to the Common Area which shall be appurtenant to and shall pass with the title to the Owner's Lot, subject to the following provisions:

(a) The right of the Association to charge reasonable admission and other fees for the use of any recreational facility situated on the Common Area.

(b) The right of the Association to suspend the voting rights and right to use of any recreational facilities on the Common Area by an Owner for any period during which any Association assessment against his Lot remains unpaid; and for a period not to exceed thirty (30) days for any infraction of the published rules and regulations of the Association. No suspension shall be effective unless the Owner has been given fifteen (15) days' prior notice of the suspension and the reasons therefor and the Owner has been given an opportunity to be heard by the Board, orally or in writing, not less than five (5) days prior to the effective date of the suspension. Notice may be given to the Owner by any method reasonably calculated to provide actual notice, but if given by mail must be given by first-class or registered mail sent to the last address of the Owner shown on the records of the Association.

(c) The right of the Association to dedicate or transfer all or any part of the Common Area to any public agency, authority or utility for such purposes and subject to such conditions as may be agreed to by the Members. No dedication or transfer of all or substantially all of the assets of the Association shall be effective unless approved in accordance with the California Corporations Code.

(d) The right of the Association, in accordance with the Articles and Bylaws, to borrow money for the purpose of improving the Common Area and, with the assent of two-thirds (2/3) of each class of Members, hypothecate any or all real or personal property owned by the Association.

(e) The right of access, ingress and egress over the Common Area and the right of installation and use of utilities on the Common Area, for the benefit of all Lots.

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(f) The right of the Association to grant maintenance and utility easements over the Common Area to others.

(g) Subject to the obligation to restore and repair any damage, Declarant and its sales agents, employees and independent contractors shall have:

(i) a non-exclusive easement over the Common Area for the purpose of making repairs to the Common Area, provided access thereto is otherwise not reasonably available, and for the purpose of constructing, marketing and maintaining the project, including all phases within the Properties.

(ii) the right to the non-exclusive use of the Common Area for the purpose of maintaining sales offices and signs reasonably necessary to market the Lots for a period of not more than five (5) years after conveyance of the Common Area to the Association, or the sale of all Lots within the Properties, whichever is first to occur. The use of the Common Area by Declarant and its agents shall not unreasonably interfere with the use of the Common Area by the Class A Members of the Association.

Section 2.3. Maintenance and Use of Common Area. The Association shall maintain the Common Area in accordance with the following standards:

(a) All litter and debris that collects or is deposited on the Common Area shall be promptly removed and the Common Area shall be kept clear and clean of litter and debris at all times.

(b) Firebreaks within the Common Area shall be maintained and cleared as required by the Fire Marshall of the County of San Bernardino, California.

(c) Vegetation on the Common Area shall not be removed or disturbed except for the purposes of control and prevention of fires, erosion and pests, and for maintenance as required by the Declaration.

No buildings, structures or other improvements (other than public utility lines) shall be constructed, erected, placed or maintained on the Common Area, except as may be permitted by the County of San Bernardino, California. No vehicles shall be permitted on the Common Area, except for the purposes of maintenance required or permitted by the Declaration.

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Section 2.4. Delegation of Use. Any Owner may delegate, in accordance with the Bylaws, his rights of enjoyment to the Common Area and facilities to the members of his family, his tenants or contract purchasers who reside on his Lot.

ARTICLE III

MEMBERSHIP AND VOTING RIGHTS IN ASSOCIATION

Section 3.1. Membership. Every Owner of a Lot which is subject to assessment by the Association shall be a Member of the Association. Membership is appurtenant to and may not be separated from ownership of a Lot.

Section 3.2. Voting Rights. The Association shall have two (2) classes of voting membership:

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

Class B. Class B Member(s) shall be Declarant and shall be entitled to three (3) votes for each Lot owned. The Class B membership shall cease and be converted to Class A membership on the happening of the earlier of the following to occur:

(i) two (2) years following the date of original issuance by the California Department of Real Estate of the most recently issued Final Subdivision Public Report for a phase of development of the Properties; or

(ii) four (4) years following the date of the original issuance by the California Department of Real Estate of the Final Subdivision Public Report for Phase 1 of the development of the Properties.

ARTICLE IV

COVENANT FOR MAINTENANCE ASSESSMENTS TO ASSOCIATION

Section 4.1. Creation of Lien and Personal Obligation for Assessments. Declarant, for each Lot owned, covenants, and each Owner of a Lot by acceptance of a deed therefor, whether or not it shall be so expressed in such deed, is deemed to covenant to

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pay to the Association: (a) annual assessments or charges which shall include an adequate reserve fund for the periodic maintenance, repair and replacement of the Common Area and Common Maintenance Area; and (b) special assessments. The annual and special assessments, together with interest, costs and reasonable attorney's fees, shall (except as otherwise provided in Section 4.4 below) be a charge on the land and shall be a continuing lien upon the Lot against which each such assessment is made. The lien shall be effective upon recordation of a notice of delinquent assessment. Each assessment, together with interest, costs and reasonable attorney's fees, shall also be the personal obligation of the person who was the Owner of the Lot at the time the assessment is due. The personal obligation for delinquent assessments shall not pass to successors in title of a Lot, unless expressly assumed by them.

Section 4.2. Purpose of Assessments. The assessments levied by the Association shall be used exclusively to promote the recreation, health, safety and welfare of the residents of the Properties, for the improvement and maintenance of the Common Area and Common Maintenance Area, and to reimburse the Association for the costs incurred in bringing an Owner into compliance with the Articles, Bylaws, Declaration and rules and regulations adopted by the Board.

Section 4.3. Annual and Special Assessments. The Board shall levy annual and special assessments sufficient to perform the obligations of the Association as provided in the Declaration and Bylaws; provided, however, except for assessment increases necessary for emergency situations, the Board may not impose an annual assessment that is more than twenty percent (20%) greater than the annual assessment for the Association's preceding fiscal year nor special assessments which in the aggregate exceed five percent (5%) of the budgeted gross expense of the Association for the fiscal year, without the approval of Owners, constituting a quorum, casting a majority of the votes at a meeting or election of the Association conducted in accordance with Chapter 5 (commencing with §7510) of Part 3 of Division 2 of Title 1 of the California Corporations Code and §7613 of the California Corporations Code. For purposes of this Section 4.3, "quorum" means more than fifty percent (50%) of the Owners. An emergency situation is any one of the following:

- (a) An extraordinary expense required by an order of a court;
- (b) An extraordinary expense necessary to repair or maintain the Properties or any part of it for which the Association is responsible where a threat to personal safety on the Properties is discovered;

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(c) An extraordinary expense necessary to repair or maintain the Properties or any part of it for which the Association is responsible that could not have been reasonably foreseen by the Board in preparing and distributing the proforma operating budget pursuant to Civil Code §1365. However, prior to the imposition or collection of an assessment under this subdivision, the Board shall pass a resolution containing written findings as to the necessity of the extraordinary expense involved and why the expense was not or could not have been reasonably foreseen in the budgeting process, and the resolution shall be distributed to the Members with the notice of assessment.

Section 4.4. Individual Special Assessments. The Association may also impose a special assessment against a Member to reimburse the Association for costs incurred in bringing a Member or his Lot into compliance with the provisions of the Declaration, the Articles, the Bylaws and the Association rules and regulations, which assessment may be imposed upon the vote of the Board after notice and an opportunity for a hearing which satisfy the requirements of §7141 of the California Corporations Code; provided, however, that except to the extent the special assessment is to reimburse the Association for the cost of collecting assessments, a special assessment levied pursuant to this Section 4.4 shall not constitute a lien on the Owner's Lot.

Section 4.5. Uniform Rate of Assessment. Both annual and special assessments (other than a special assessment levied against an Owner to bring the Owner or his Lot into compliance with the Declaration, Articles, Bylaws or rules and regulations of the Board) shall be fixed at a uniform rate for all Lots and may be collected on a monthly or other periodic basis as determined by the Board.

Section 4.6. Date of Commencement of Annual Assessments; Due Dates. Annual assessments shall commence as to all Lots in Phase 1 on the first day of the month following the first conveyance of a Lot in Phase 1 to an Owner, or on the first day of the month following the conveyance of the Common Area in Phase 1 to the Association, whichever shall first occur. The annual assessments provided herein shall commence as to all Lots in each subsequent phase of the development of the Properties on the first day of the month following the first conveyance of a Lot to an Owner other than Declarant in the subsequent phase, or upon the first day of the month following conveyance of the Common Area in that phase, if any, to the Association, whichever shall first occur. The first annual assessment shall be adjusted according to the number of months remaining in the calendar year. The Board shall fix the amount of the annual assessment against each Lot at least thirty (30) days in advance of each annual assessment

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period. Written notice of the annual assessment shall be sent to every Owner. The due dates for payment of assessments shall be established by the Board.

Section 4.7. Effect of Non-Payment of Assessments; Remedies of Association. Any assessment made in accordance with the Declaration shall be a debt of the Owner of a Lot at the time the assessment is due. Any assessment not paid within thirty (30) days after the due date shall bear interest from thirty (30) days following the due date at the rate of twelve percent (12%) per annum. The Association may bring an action at law against the Owner personally obligated to pay the assessment and, in addition thereto or in lieu thereof, may foreclose the lien against the Lot.

Any assessment not paid within fifteen (15) days after the due date shall be delinquent. Except as otherwise provided in Section 4.4 above, the amount of any delinquent assessment plus costs of collection, late charges, penalties, interest and attorney's fees, shall be and become a lien upon the Lot when the Association causes to be recorded with the County Recorder of San Bernardino County, California, a Notice of Delinquent Assessment. The Notice of Delinquent Assessment shall state the amount of the delinquent assessment and the other charges as may be authorized by the Declaration, a description of the Lot against which the assessment has been made, the name of the record owner of the Lot and, in order for the lien to be foreclosed by non-judicial foreclosure, the name and address of the trustee authorized by the Association to enforce the lien by sale. The Notice of Delinquent Assessment shall be signed by the person designated by the Association for that purpose or, if no one is designated, by the President of the Association. Upon payment of the delinquent assessment and charges in connection with which the Notice of Delinquent Assessment has been recorded, or other satisfaction thereof, the Association shall cause to be recorded a further notice stating the satisfaction and the release of the assessment lien.

The assessment lien may be enforced by sale by the Association after failure of the Owner to pay the assessment. The sale shall be conducted in accordance with the provisions of §§2924, 2924b and 2924c of the California Civil Code applicable to the exercise of powers of sale in mortgages or in any other manner permitted by law. The Association shall have the power to purchase the Lot at the foreclosure sale and to hold, lease, mortgage and convey the Lot. Suit to recover a money judgment for unpaid assessments, rent and attorney's fees shall be maintainable without foreclosing or waiving the lien securing the assessment.

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Section 4.8. Subordination of the Lien to First Mortgages.

The assessment lien shall be subordinate to the lien of any first Mortgage, and the sale or transfer of any Lot pursuant to judicial or non-judicial foreclosure of a first Mortgage shall extinguish the lien of the assessment as to payments which became due prior to the sale or transfer. No sale or transfer shall relieve the Lot from lien rights for any assessments thereafter becoming due. When the Mortgagee of a first Mortgage or other purchaser of a Lot obtains title to the Lot as a result of foreclosure, the acquirer of title, his successors and assigns, shall not be liable for the share of the common expenses or assessments by the Association chargeable to the Lot which was due prior to the acquisition of title to the Lot by such acquirer, except for a share of the charges or assessments resulting from a re-allocation of the charges or assessments which are made against all Lots.

Section 4.9. Estoppel Certificate.

The Association shall furnish or cause an appropriate officer to furnish, upon demand by any person, a certificate signed by an officer of the Association setting forth whether the assessments on a specified Lot have been paid. A properly executed certificate of the Association as to the status of assessments on a Lot is binding upon the Association as of the date of its issuance.

Section 4.10. Personal Liability of Owner.

No Member may exempt himself from personal liability for assessments levied by the Association, nor release the Lot owned by him from the liens and charges for assessments by waiver of the use and enjoyment of the Common Area or by abandonment of his Lot.

Section 4.11. Exempt Property.

All properties dedicated to and accepted by a local public authority, and all properties owned by a charitable nonprofit organization exempt from taxation by the laws of the State of California, shall be exempt from assessment by the Association. However, no land or improvements devoted to dwelling use shall be exempt from assessments by the Association.

Section 4.12. Capitalization of Association.

Upon acquisition of record title to a Lot from Declarant, each Owner shall contribute to the capital of the Association an amount equal to one-sixth (1/6) the amount of the then annual assessment for that Lot as determined by the Board. This amount shall be deposited by the buyer into the purchase and sale escrow and disbursed from the escrow to the Association. The same procedure shall be followed in connection with sales of Lots in subsequent phases of development of the Properties. The payments required under this Section 4.12 are in addition to and not in lieu of annual and special assessments of the Association.

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ARTICLE V

ADDITIONAL RESTRICTIONS

The Properties are subject to certain covenants, conditions and restrictions ("Additional Restrictions"), in addition to those set forth in the Declaration. The Additional Restrictions are set forth on the Final Map for TRACT NO. 10379-1 according to Map thereof recorded in Book 162, Pages 98-108 of Maps in the Office of the County Recorder of San Bernardino County, California, on June 24, 1982.

ARTICLE VI

ARCHITECTURAL CONTROL

Section 6.1. Architectural Committee. No construction, development, alteration, grading, addition, excavation, modification, decoration, redecoration or reconstruction of the visible exterior of any improvement, including a residence, on any Lot shall be commenced or maintained until the plans and specifications therefor showing the nature, design, kind, shape, height, width, color, materials and location have been submitted to and approved in writing by a committee of not less than three (3) nor more than five (5) members of the Association appointed by the Board ("Committee"). Persons submitting proposals or plans and specifications to the Committee (each person is referred to as the "Applicant") must obtain a dated, written receipt for such plans and specifications and furnish the Committee with the address to which further communications from the Committee to the Applicant are to be directed. Committee approval shall not be required for fencing which complies with Section 7.12(c) of the Declaration.

Section 6.2. Committee Approval. The Committee shall approve proposals or plans and specifications submitted for its approval only if it deems that the construction, alteration, addition or other construction activity contemplated thereby in the locations indicated will not be detrimental to the appearance of the Properties and surrounding real property as a whole, and that the appearance of any structure or other improvement will be in harmony with the surrounding structures and improvements.

Section 6.3. Approved Conditions. The Committee may condition its approval of proposals or plans and specifications on such changes thereto as it deems appropriate, and may require submission of additional plans and specifications or other information prior to approving or disapproving material submitted. The Committee may adopt, amend or supplement the architectural rules (i) concerning design and materials standards, rules and guidelines for construction activities, (ii) setting forth proce-

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dures for the submission of plans for approval, (iii) requiring a reasonable fee ("Review Fee") payable to the Committee for any costs involved to accompany each application for approval, and (iv) specifying additional factors which it will take into consideration in reviewing submissions. The Committee may require such detail in plans and specifications submitted for its review as it deems proper, including, without limitation, floor plans, site plans, drainage plans, elevation drawings and description or samples of plantings, exterior materials and colors. Until receipt by the Committee of all plans, specifications or other materials deemed necessary by the Committee, the Committee may postpone review of any plans submitted for approval.

Section 6.4. Notification. Decisions of the Committee and the reasons therefor shall be transmitted by the Committee to the Applicant at the address set forth in the application for approval within forty-five (45) days after receipt by the Committee of all materials required by the Committee. Any application submitted pursuant to this Article VI shall be deemed approved, unless the Committee's written disapproval or a request for additional information or materials is transmitted to the Applicant within forty-five (45) days after the date of receipt by the Committee of all required materials.

Section 6.5. Waiver. The approval of the Committee to any proposals or plans and specifications or drawings for any work done or proposed or in connection with any other matter requiring the approval and consent of the Committee shall not be deemed to constitute a waiver of any right to withhold approval or consent as to any similar proposals, plans and specifications, drawings or matters whatever subsequently or additionally submitted for approval or consent.

Section 6.6. No Liability. Neither the Committee, nor any members thereof, nor their duly authorized representatives, shall be liable to any Applicant or Lot Owner for any loss, damage or injury arising out of or in any way connected with the performance of the Committee's duties hereunder, unless due to the willful misconduct of the Committee.

Section 6.7. Design Criteria. The Committee shall review and approve or disapprove all plans submitted to it for any proposed improvement, alteration, addition or other construction activity on the basis of satisfaction of the Committee with the grading plan, location of the improvements on the Lot, the finished ground elevation, the color scheme, finish, design, proportions, architecture, shape, height, style, appropriateness of proposed improvements, affect on adjoining Lots, the materials to be used, the kinds, pitch or type of roof proposed, the planting, landscaping, size, height or location of vegetation on a Lot, and on the basis of aesthetic considerations and the overall

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benefit or detriment to the Properties and surrounding real property generally which would result from such improvement, alteration, addition or other construction activity. Although the Committee shall take into consideration the aesthetic aspects of the architectural designs, placement of buildings, landscaping, color, schemes, exterior finishes and materials, and similar features, it shall not be responsible for reviewing, nor shall its approval of any plans or design be deemed approval of any plan or design from the standpoint of adequacy of drainage, structural safety or conformance with building or other codes. The Committee approval of any particular construction activity shall expire and the plans and specifications therefor shall be resubmitted for Committee approval if substantial work pursuant to the approved plans and specifications is not commenced within six (6) months after the Committee's approval of such construction activity. All construction activities shall be performed as promptly and as diligently as possible and shall be completed within such reasonable period of time specified by the Committee.

Section 6.8. Variances. The Committee may authorize variances from compliance with any of the architectural provisions of this Article VI, including, without limitation, restrictions on height, size, floor area or placement of structures, or similar restrictions, when circumstances such as topography, natural obstructions, hardship, aesthetic or environmental considerations may require. Such variances must be in writing, and must be signed and acknowledged by at least a majority of the members of the Committee. The granting of such a variance shall not operate to waive any of the terms and provisions of this Article VI for any purpose except as to the particular property and particular provision hereof covered by the variance, nor shall it affect in anyway the Owner's obligation to comply with all laws and regulations of any governmental authority affecting the use of his Lot, including, but not limited to, zoning and building requirements of any governmental agency or entity having jurisdiction over the Lot.

Section 6.9. Rules. The architectural rules of the Committee may provide for the pre-approval of certain specified types or categories of construction activities, provided that such pre-approved construction activities are implemented by the affected Owner in conformance with the standards for design, materials and other criteria established in the architectural rules for such pre-approved construction activities. The Committee may from time to time adopt, supplement or amend architectural rules to establish, expand, limit or otherwise modify the categories and criteria for any pre-approved construction activities.

Section 6.10. Declarant Exemption. Neither this Article VI nor the Committee shall have application to improvements made by Declarant.

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ARTICLE VII**USE RESTRICTIONS**

Section 7.1. Antennae. No exterior radio antenna, television antenna, "C.B." antenna, satellite dish, earth receiving station or other antenna, transmitting or receiving device of any type shall be erected or maintained on any Lot which is visible from a public street or any other Lot.

Section 7.2. Nuisances. No rubbish or debris of any kind shall be placed or permitted to accumulate anywhere within a Lot, and no odor shall be permitted to arise therefrom so as to render the Lot or any portion thereof unsanitary, unsightly or offensive from any street or to any portion of the Properties, or vicinity thereof, or to its occupants. No noise or other nuisance shall be permitted to exist or operate upon any portion of a the Lot so as to be unreasonably offensive or detrimental to any other part of the Properties or to their occupants. Without limiting the generality of any of the foregoing provisions, no exterior speakers, horns, whistles, bells or other sound devices (other than security devices used exclusively for security purposes), noisy or smoky vehicles, unlicensed off-road motor vehicles or other items which may unreasonably disturb other owners or their tenants shall be located, used or placed on any Lot. No vehicles may be operated upon any portion of the Properties not improved as a street, driveway or parking area. Alarm devices used exclusively to protect the security of a residence and its contents shall be permitted, provided that such devices do not produce annoying sounds or conditions as a result of frequently occurring false alarms.

Section 7.3. Exterior Maintenance and Repair; Owner's Obligations. No improvement within a Lot shall be permitted to fall into disrepair, and each improvement shall at all times be kept in good condition and repair by the Owner thereof.

Section 7.4. Drainage. There shall be no interference with the established drainage pattern over any Lot so as to affect any other portion of the Properties, unless an adequate alternative provision is made for proper drainage and it is in accordance with all applicable governmental codes and ordinances. For the purpose hereof, "established drainage" is defined as the drainage which exists at the time the overall grading and landscaping of the Properties pursuant to grading plans approved by the County of San Bernardino, California.

Section 7.5. Water and Sewer Systems. No individual water supply system, water softener system or sewage disposal system shall be permitted on Lot unless the system is designed, located,

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constructed and equipped in accordance with the requirements, standards and recommendations of any applicable water district and any applicable governmental health authority having jurisdiction.

Section 7.6. No Hazardous Activities. No activities shall be conducted nor shall any improvements be constructed anywhere on a Lot which are or might be unsafe or hazardous to any person or property.

Section 7.7. Unsightly Articles. No unsightly articles, including clotheslines, shall be permitted to remain on any portion of a Lot so as to be visible from any street or from any other Lot within the Properties. Without limiting the generality of the foregoing, refuse, garbage and trash shall be kept at all times in covered, sanitary containers commercially designed for such purpose (i.e., oil drums or similar substitutes for commercially designed refuse receptacles are prohibited) and located within an enclosed area or areas appropriately screened from the view of any other Lot within the Properties. Such containers shall be exposed to the view of neighboring Lots only when set out for a reasonable period of time (not to exceed twelve (12) hours before and after scheduled trash collection hours). There shall be no exterior fires, except barbecue fires contained within receptacles designed therefor which do not create a fire hazard.

Section 7.8. Temporary and Prefabricated Structures. No tent, shack, trailer or any temporary building, improvement or structure shall be placed upon any portion of a Lot. The foregoing excludes construction trailers and other temporary or prefabricated structures or improvements utilized during construction and sales activities.

Section 7.9. Mining and Drilling. The surface of a Lot shall not be used for the purpose of mining, quarrying, drilling, boring or exploring for or removing water, oil, gas or other hydrocarbons, geothermal heat, minerals, rocks, stones, gravel or earth, nor shall oil wells, tanks, tunnels, mineral or geothermal excavations or shafts be permitted upon the surface of any portion of a Lot.

Section 7.10. View Impairment. Each Owner, by accepting a deed to a Lot, acknowledges that grading of, construction on or installation of improvements on other property within the Properties and surrounding real property may impair the view of such Owner, and consents to such impairment.

Section 7.11. Residential Use. All Lots within the Properties shall be improved and used solely for single-family residential use; provided, however, that this provision shall not preclude any Owner from renting or leasing all of his Lot by means

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of a written lease or rental agreement. No lease shall be for a term of less than thirty (30) days. No Lot shall be used or caused to be used or allowed or authorized to be used in any way, directly or indirectly, for any business, commercial, manufacturing, mercantile, storage, vending or other non-residential purposes; except Lots may be used for model home sites and display and sales office purposes during the construction and sales period. The provisions of this Section shall not preclude professional or administrative occupations without external evidence thereof, for so long as such occupations (i) are conducted in conformance with all applicable governmental ordinances, (ii) are merely incidental to the use of the Lot as a residence, and (iii) the patrons or clientele of such professional or administrative occupation do not regularly visit or conduct business on the Lot.

Section 7.12. Residential Area Improvements.

(a) **Residence.** No Lot shall be improved except with one residence designed to accommodate no more than a single family and its servants and occasional guests, plus a garage, fencing and such other improvements as are necessary or customarily incident to a single-family residence. Subject to applicable requirements of any governmental agency or entity having jurisdiction over the Lot, no part of the construction on any Lot shall exceed two (2) stories in height above the finished pad. Chimneys, railings, vent stacks, pediments and similar architectural features of normal size, height and distribution may rise above the two (2) story construction limit. No projections of any type shall be placed or permitted to remain above the roof of any building within the Lot, except chimneys, railings, vent stacks, pediments and similar architectural features. No basketball backboard or other sports apparatus shall be constructed or maintained on any Lot so as to be visible from any other Lot or street within the Properties or surrounding real property. No patio cover, wiring or air conditioning fixture, water softeners or other devices shall be installed on the exterior of a residence or be allowed to protrude through the walls or roof of the residence (with the exception of those items installed during the original construction of the residence).

(b) **Utilities.** All utility and storage areas or structures must be (i) completely concealed from the view of any other Lot or street, or (ii) constructed of such design, materials, configuration and in such location as to be compatible with the residence and other improvements on the Lot.



(c) **Fences.** All fences within a Lot shall be located and constructed in accordance with the Typical Fencing Layout and Typical Corral Layout attached to the Declaration as Exhibit "A" and design criteria and elevations attached to the Declaration as Exhibit "B".

Section 7.13. Landscaping. Within six (6) months after the later to occur of (i) close of escrow for the sale of a Lot to a retail purchaser, or (ii) issuance of a Certificate of Occupancy for a residence constructed on such Lot, the Owner thereof shall install and shall thereafter maintain plants, shrubs, trees and any other appropriate landscaping improvements, pursuant to plans and specifications approved by the Committee, on those portions of the Lot which are visible from any street within the Properties. Each Owner shall properly maintain and periodically replace when necessary all trees, plants, grass, vegetation and other landscaping improvements located on the Owner's Lot. No plants or seeds infected with insects or plant diseases, shall be brought upon, grown or maintained upon any Lot. If any Owner fails to install or maintain landscaping in conformance with architectural rules or allows his landscaping to deteriorate to a dangerous, unsafe, unsightly or unattractive condition, the Committee, upon thirty (30) days' prior written notice to the Owner, shall have the right either to seek any remedies at law or in equity which it may have or to correct such condition and to enter upon such Owner's property for the purpose of doing so, and such Owner shall promptly reimburse the Committee for the cost thereof.

Section 7.14. Parking and Vehicular Restrictions. None of the following (collectively "Prohibited Vehicles") shall be parked, stored or kept on any street (public or private) within the Properties: any large commercial type vehicle (including, but not limited to, any dump truck, cement mixer truck, oil or gas truck or delivery truck); any recreational vehicle (including, but not limited to, any camper unit, house/car or motor home); any bus, trailer, trailer coach, camp trailer, boat, aircraft or mobile home; any inoperable vehicle or any other similar vehicle; or any vehicle or vehicular equipment, mobile or otherwise, constituting a nuisance. No Prohibited Vehicle shall be parked, stored or kept on any Lot except wholly within an enclosed garage, and then only if the garage door is capable of being fully closed. Prohibited Vehicles shall not be allowed in any driveway or other exposed parking areas, or any street (public or private), except for the purposes of loading, unloading, making deliveries or emergency repairs ("Transitory Use"), provided that no Transitory Use shall extend over more than twenty-four hours during any seven (7) consecutive days. Vehicles owned, operated or within the control of an Owner, or of a resident of Owner's Lot, shall be parked in the garage or other assigned parking space to the extent of the maximum designed capacity of the garage or parking space. Garages or other parking areas shall be used only for parking authorized

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vehicles, and shall not be used for storage, living, recreational, business or other purposes. There shall be no parking in the driveways if the Owner's garage is not being utilized to the maximum designed capacity for the parking of authorized vehicles, or if to do so obstructs free traffic flow, constitutes a nuisance or otherwise creates a safety hazard. Garage doors shall be kept closed at all times, except as reasonably required for ingress to and egress from the interiors of the garages. No repairs or restorations of any motor vehicle, boat, trailer, aircraft or other vehicle or equipment shall be conducted upon any street (public or private), Lot or elsewhere within the Properties, except wholly within an enclosed garage; provided, however, that such activity is not undertaken as a business, and provided further that such activity may be prohibited entirely if it constitutes a nuisance. These restrictions shall not be interpreted in such a manner so as to permit any activity which would be contrary to any ordinance of the County of San Bernardino or other governmental agency having jurisdiction over the Properties.

Section 7.15. Further Subdivision. No Lot may be further subdivided (including division into time-share estates or time-share uses) without the prior written approval of the Board; provided, however, that nothing in this Section shall be deemed to prevent an Owner from selling a Lot to more than one person to be held by them as tenants in common, joint tenants, tenants by the entirety or as community property, or leasing or renting by any Owner of all of his Lot by means of a written lease or rental agreement.

Section 7.16. Animals. No animals, fowl, poultry, fish, reptiles or insects of any kind ("animals") shall be raised, bred or kept on any Lot, except that a reasonable number of birds, fish, dogs, cats or other household pets may be kept, provided that they are not kept, bred or maintained for any commercial purpose, nor in unreasonable quantities nor in violation of any applicable law or ordinance and except that not more than two (2) horses may be kept on Lots 19, 40, 41, 43, 44 and 46. No animal shall be maintained in any Lot which constitutes a nuisance to other Owners of Lots in the Properties. Animals belonging to Owners, occupants or their licensees, tenants or invitees must be either kept within the enclosure, an enclosed yard, or on a leash or bridle being held by a person capable of controlling the animal. Furthermore, to the extent permitted by law, any Owner shall be liable to each and all Owners, their families, guests, tenants and invitees, for any unreasonable noise or damage to person or property caused by any animals brought or kept upon the Properties by an Owner or by members of his family, his tenants or his guests; and it shall be the duty and responsibility of each Owner to clean up after such animals which have used any portion of the Properties.

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Section 7.17. Signs. No sign, poster, billboard, balloon or other display or advertising device of any kind shall be displayed on, over or from any portion of the Properties, except (i) such signs (regardless of size or configuration) as may be used by Declarant in connection with the development of the Properties and the sale, lease or other disposition thereof, (ii) entry monuments and similar community identification signs, and (iii) one sign which may be displayed on each Lot advertising the Lot for sale or lease; provided that such for sale or lease signs (a) shall not be larger than 18" by 30" in size; (b) shall not be attached to the ground by means other than a conventional single vertical stake which shall not exceed 2" by 3" in diameter (i.e., posts, pillars, frames or similar arrangements are prohibited); and (c) shall not exceed 3' in height above the ground level.

Section 7.18. Trees. All trees, hedges and other plant materials shall be trimmed by the Owner of the Lot upon which they are located so that they shall not exceed the height of the house on the Lot; provided, however, that where trees do not obstruct the view from any of the other Lots in the Properties, which determination shall be within the sole judgment of the Committee, they shall not be required to be so trimmed. Before planting any trees, the proposed location of such trees shall be approved in writing by the Committee. No trees, hedges or other plant materials shall be so located or allowed to reach a size or height which will interfere with the view from any other Lot.

Section 7.19. Slope Control, Use and Maintenance. Each Lot Owner will keep, maintain, water, plant and replant all slope banks located on the Owner's Lot (other than slopes within the Common Maintenance Area) to prevent erosion and to create an attractive appearance. No structure, planting or other material shall be placed or permitted to remain or other activities undertaken on any slope banks which may damage or interfere with established slope ratios, create erosion or sliding problems, or which may change the direction of flow of drainage channels or obstruct or retard the flow of water through drainage channels.

ARTICLE VIII

INSURANCE AND CONDEMNATION

Section 8.1. Insurance.

(a) The Association shall keep (i) any improvements on the Common Area and Common Maintenance Area insured against loss by fire and the risks covered by a Standard All Risk of Loss Perils insurance policy under an extended coverage casualty policy in the amount of the maximum insurable replacement value thereof, and (ii) all personalty owned by the Association insured

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with coverage in the maximum insurable fair market value of personalty as determined annually by an insurance carrier selected by the Association. Insurance proceeds for improvements in the Common Area and Common Maintenance Area and personalty owned by the Association shall be payable to the Association. In the event of any loss, damage or destruction, the Association shall cause the same to be replaced, repaired or rebuilt if it occurred in the Common Area or Common Maintenance Area. In the event the cost of such replacement, repair or rebuilding of Common Area or Common Maintenance Area (A) exceeds the insurance proceeds available therefor, or (B) no insurance proceeds are available therefor, the deficiency or full cost thereof shall be assessed to the Owners as a special assessment pursuant to Section 4.3 above. In the event of any loss, damage or destruction to improvements on a Lot (other than that portion thereof within the Common Maintenance Area), the Owner of the Lot shall cause the same to be replaced, repaired or rebuilt.

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

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

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

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(e) Anything contained herein to the contrary notwithstanding, the Association shall maintain such insurance coverage as may be required by the Federal National Mortgage Association ("FNMA") so long as FNMA holds a mortgage on or owns any Lot.

Section 9.2. Condemnation. In the event the Common Area or any portion thereof shall be taken for public purposes by condemnation as a result of any action or proceeding in eminent domain, or shall be transferred in lieu of condemnation to any authority entitled to exercise the power of eminent domain, then the award or consideration for such taking or transfer shall be paid to and belong to the Association.

ARTICLE IX

**COMMON MAINTENANCE AREA
AND MAINTENANCE RESPONSIBILITIES**

Section 9.1. Common Maintenance Area. The Common Maintenance Area is planned to include portions of certain Lots. The Common Maintenance Area in each phase of development of the Properties shall be conveyed by easement or other appropriate document to the Association prior to the first conveyance of a Lot in that phase. **The Common Maintenance Area shall be maintained by the Association.** Anything contained herein to the contrary notwithstanding, an easement over the area which otherwise would be Common Maintenance Area may be conveyed to a public maintenance assessment district, in which event the area shall be maintained by the district.

Section 9.2. Association Maintenance. The Association shall maintain and provide for the maintenance of all the Common Area and Common Maintenance Area and all improvements thereon in good repair and appearance as set forth in the Declaration. **The Association shall provide landscaping and gardening properly to maintain and periodically replace when necessary the trees, plants, grass and other vegetation originally placed in the Common Area and Common Maintenance Area by Declarant pursuant to landscape plans approved by the County of San Bernardino, California, and approved by the County in connection with approval of the Final Map covering the Properties.** The Association shall have the right to enter onto any Lot (but not within the dwelling thereon) as may be necessary for the construction, maintenance or emergency repair of the Common Area or Common Maintenance Area or, if necessary, for the benefit of the Owners in common. Any damage caused to a Lot by entry of the Association shall be repaired by the Association at its expense.

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Section 9.3. Owner Maintenance. Each Owner shall keep and maintain in good repair and appearance all portions of his Lot and improvements thereon (other than that portion the maintenance of which is the responsibility of the Association or a public maintenance assessment district), including, but not limited to, any fence or wall which is located thereon. The Owner of each Lot shall water, weed, maintain and care for the landscaping located on his Lot (other than that portion the maintenance of which is the responsibility of the Association or a public maintenance assessment district) so that the same presents a neat and attractive appearance. No Owner shall interfere with or damage the Common Maintenance Area nor interfere with or impede Declarant, the Association or a public maintenance assessment district in connection with the maintenance of the Common Maintenance Area as herein provided.

Section 9.4. Association's Right to Repair Neglected Lots. In addition to maintenance of the Common Area and Common Maintenance Area, in the event an Owner of any Lot should fail to maintain his Lot and improvements situated thereon in a manner satisfactory to the Board, the Association, after approval by two-thirds (2/3) vote of the Board, shall have the right through its agents and employees, to enter on said Lot and to repair, maintain and restore the Lot and exterior of the building and any other improvements erected thereon. However, no entry into a dwelling unit may be made without the consent of the Owner, and such entry shall be made only after not less than three (3) days notice has been given to the Owner. Entry by the Association shall be made with as little inconvenience to the Owner as possible and any damage caused by the Association shall be repaired by the Association. The cost of such exterior maintenance shall be added to and become a part of the assessment to which such Lot is subject. There is hereby created an easement in favor of the Association to enter onto each Lot which is subject to assessment hereunder to provide maintenance as hereinabove stated, subject to the foregoing notice and consent requirements.

ARTICLE X

ANNEXATION

Section 10.1. By Association. Additional residential property, Common Area and Common Maintenance Area may be annexed to the Properties and to the Declaration upon the vote or written assent of two-thirds (2/3) of the voting power of Members of the Association, excluding the vote of Declarant. Upon approval by Members of the Association, the Owner of the property wishing it to be annexed may file of record a Declaration of Annexation which shall extend the provisions of this Declaration to the property being annexed.

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Section 10.2. By Declarant. Additional land within the Properties may be annexed as Lots, Common Area and Common Maintenance Area and to the jurisdiction of the Association by Declarant without the consent of Members of the Association or the Board at any time within three (3) years following the original issuance by the California Department of Real Estate of the most recently issued Final Subdivision Public Report for a phase of the development of the Properties. Annexation shall be made by Declaration of Annexation executed by the Owner of the land being annexed. The Declaration of Annexation may be revoked or amended at any time before the first close of sale of a Lot in the annexed property and additional restrictions may be included in the Declaration of Annexation.

ARTICLE XI

RIGHTS OF LENDERS

Section 11.1. Payments of Taxes or Premiums by First Mortgagees. First Mortgagees may, jointly or severally, pay taxes or other charges which are in default and which may or have become a charge against the Common Area, unless the taxes or charges are separately assessed against the Owners, in which case, the rights of first Mortgagees shall be governed by the provisions of their Mortgages. First Mortgagees may, jointly or severally, also pay overdue premiums on casualty insurance policies, or secure a new casualty insurance coverage on the lapse of a policy for the Common Area; first Mortgagees making such payments shall be owed immediate reimbursement from the Association. Entitlement to reimbursement shall be reflected in an agreement in favor of any first Mortgagee who requests the same to be executed by the Association.

Section 11.2. Priority of Lien of Mortgage. No breach of the covenants, conditions or restrictions in the Declaration 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 the covenants, conditions and restrictions shall be binding upon and effective against any Owner whose title to a Lot is derived through foreclosure or trustee's sale, or otherwise.

Section 11.3. Curing Defaults. A first 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 non-curable 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 non-curable or not feasible to cure shall be final and binding on Mortgagees.

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Section 11.4. Approval of First Mortgages. Unless the Mortgages of first Mortgages encumbering sixty-seven percent (67%) or more of the Lots which are subject to a Mortgage have given their prior written approval, neither the Owners nor the Association shall be entitled to:

(a) By act or omission, seek to abandon, partition, subdivide, encumber, sell or transfer the Common Area. The granting of easements for public utilities or for other public purposes shall not be deemed a transfer within the meaning of this Subsection.

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

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

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

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

Section 11.5. Restoration of Common Area. Any restoration or repair of the Common Area after partial condemnation or damage due to an insurable event, shall be performed substantially in accordance with the Declaration and original plans and specifications unless other action is approved by holders of first Mortgages on Lots which have at least fifty-one percent (51%) of the votes of Lots subject to Mortgage holders.

Section 11.6. Professional Management. When professional management has been previously required by a first Mortgage holder, a decision to establish self-management by the Association shall require the consent of at least sixty-seven percent (67%) of the voting power of Members of the Association and the approval of holders of first Mortgages on Lots, the Owners of which have at least fifty-one percent (51%) of the votes of Lots encumbered by Mortgages.

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Section 11.7. Notice to Mortgagees. Upon written request to the Association identifying the name and address of the holder and the Lot number or address, any first Mortgage holder will be entitled to timely written notice of:

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

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

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

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

Section 11.8. Documents to be Available. The Association shall make available to Owners and Mortgagees, and holders, insurers or guarantors of any first Mortgage, current copies of the Declaration, the Bylaws, other rules concerning the project and the books, records and financial statements of the Association. "Available" means available for inspection, upon request, during normal business hours or under other reasonable circumstances. The holders of first Mortgages encumbering fifty-one percent (51%) or more of the Lots subject to a Mortgage shall be entitled to have an audited statement for the immediately preceding fiscal year prepared at their expense if one is not otherwise available. Any financial statement so requested shall be furnished within a reasonable time following the request.

Section 11.9. Conflicts. In the event of any conflict between any of the provisions of this Article and any of the other provisions of the Declaration, the provisions of this Article shall control.

ARTICLE XII

GENERAL PROVISIONS

Section 12.1. Enforcement. The Association, Declarant and any Owner shall have the right to enforce, by any proceedings in law or in equity, all restrictions, conditions, covenants and reservations now or hereafter imposed by the provisions of the Declaration. Failure by the Association, Declarant or any Owner

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to enforce any covenants or restrictions contained in the Declaration shall be deemed a waiver of the right to do so thereafter.

Section 12.2. Severability. Should any provision in the Declaration be void or become invalid or unenforceable in law or equity by judgment or court order, the remaining provisions shall be and remain in full force and effect.

Section 12.3. Amendments. Except as may otherwise be stated in the Declaration, during the period of time prior to conversion of the Class B membership in the Association to Class A membership, this Declaration may be amended at any time and from time to time by the vote or written consent of seventy-five percent (75%) of the voting power of each class of Members of the Association, any which amendment shall become effective upon recording with the Office of the County Recorder of San Bernardino County, California. After conversion of the Class B membership in the Association to Class A membership, the Declaration may be amended at any time and from time to time by the vote or written consent of (a) seventy-five percent (75%) of the total voting power of the Association, and (b) at least seventy-five percent (75%) of the voting power of Members of the Association other than Declarant. Anything herein stated to the contrary notwithstanding, no material amendment may be made to this Declaration without the prior written consent of Mortgagees of first Mortgages encumbering seventy-five percent (75%) or more of the Lots within the Properties which are subject to a Mortgage. "Material amendment" shall mean, for purposes of this Section 12.3, any amendments to provisions of this Declaration governing any of the following subjects:

- (a) The fundamental purpose for which the project was created (such as a change from residential use to a different use).
- (b) Assessments, assessment liens and subordination thereof.
- (c) The reserve for repair and replacement of the Common Area or Common Maintenance Area.
- (d) Property maintenance obligations.
- (e) Insurance and fidelity bonds.
- (f) Reconstruction in the event of damage or destruction.
- (g) Rights to use the Common Area or Common Maintenance Area.
- (h) Leasing of Lots.

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- (i) The boundaries of any Lot or the Common Area.
- (j) Convertibility of Lots into Common Area or of Common Area into Lots.
- (k) Imposition of any right of first refusal or similar restriction on the right of an Owner to sell, transfer or otherwise convey his Lot.
- (l) Voting.
- (m) Expansion or contraction of the Properties or the addition, annexation or withdrawal of property to or from the Properties.
- (n) The interests in the Common Area or Common Maintenance Area.
- (o) Any provision which, by its terms, is specifically for the benefit of first Mortgagees, or specifically confers rights on first Mortgagees.

Notwithstanding the above provisions, the percentage of the voting power necessary to amend a specific clause or provision in the Declaration shall not be less than the percentage of affirmative votes necessary for action to be taken under that clause or provision.

The percentage of membership votes or written consents required to amend the Declaration may be reduced under certain circumstances by Court Order obtained pursuant to California Civil Code §1356.

Section 12.4. Extension of Declaration. Each and all of the covenants, conditions and restrictions shall run with and bind the land for a term of twenty (20) years from the date the Declaration is recorded, after which date they shall automatically be extended for successive periods of ten (10) years, unless the Owners have executed and recorded at any time within six (6) months prior to the end of the twenty (20) year period, or within six (6) months prior to the end of any such ten (10) year period, in the manner required for a conveyance of real property, a written instrument in which it is agreed that the restrictions shall terminate at the end of the twenty (20) year period or at the end of any the ten (10) year period.

Section 12.5. Encroachment Easement.

- (a) In the event any improvement to a Lot encroaches upon the Common Area or Common Maintenance

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Area as a result of the construction, reconstruction, repair, shifting, settlement or movement of any portion thereof, an easement for the encroachment and for maintenance of the same shall exist so long as the encroachment exists; provided, however, in no event shall an easement for encroachment be created in favor of an Owner or Owners if the encroachment occurred due to the willful misconduct of the Owner or Owners. In the event a structure on a Lot is partially or totally destroyed and then rebuilt or repaired, the minor encroachments over adjoining Common Area and Common Maintenance Area shall be permitted and there shall be easements for maintenance of the encroachments so long as they shall exist.

(b) Each Owner of a Lot is granted an easement over adjoining Lots for the purpose of accommodating encroachments due to design, construction, engineering errors, errors in construction, settlement or shifting of the building, roof overhangs, architectural or other appendants and drainage of water from roofs. There shall be easements for the maintenance of said encroachments so long as they shall exist; provided, however, that no easement is created in favor of an Owner if the encroachment occurred due to the willful misconduct of the Owner. In the event a structure on any Lot is partially or totally destroyed and then rebuilt or repaired, the minor encroachments over adjoining Lots shall be permitted and there shall be easements for maintenance of the encroachments so long as they shall exist.

Section 12.6. Special Responsibilities of Association. In the event improvements to be installed by Declarant to the Common Area have not been completed prior to the issuance by the California Department of Real Estate of a Final Subdivision Public Report covering the Properties, and in the further event the Association is the obligee under a bond to secure the obligation of Declarant to complete the improvements, then if the improvements have not been completed and a Notice of Completion filed within sixty (60) days after the completion date specified in the Planned Construction Statement appended to the bond, the Board shall consider and vote upon the question of whether or not to bring action to enforce the obligations under the bond. If the Association has given an extension in writing for the completion of any improvement, then the Board shall consider and vote on the question if the improvements have not been completed and a Notice of Completion filed within thirty (30) days after the expiration of the extension period. In the event the Board determines not to take action to enforce the obligations secured by the bond, or does not vote on the question as above provided, then, in either

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event, upon petition signed by Members representing five percent (5%) or more of the voting power of the Association (excluding the voting power of Declarant), the Board shall call a special meeting of the Members of the Association to consider the question of overriding the decision of the Board or of requiring the Board to take action on the question of enforcing the obligations secured by the bond. The meeting of Members shall be held not less than thirty-five (35) days nor more than forty-five (45) days following receipt of the petition. At the meeting, a vote of a majority of the voting power of Members of the Association, excluding the vote of Declarant, to take action to enforce the obligations under the bond shall be deemed to be the decision of the Association, and the Board shall thereafter implement the decision by initiating and pursuing appropriate action in the name of the Association. Nothing contained herein shall indicate or imply that the VA has or would approve any bonding arrangement.

Section 12.7. Litigation. In the event of litigation arising out of or in connection with the Declaration, the prevailing party shall be entitled to receive costs of suit and such sum for attorney's fees as the court deems reasonable.

Section 12.8. Documents to be Provided to Prospective Purchaser. Each Owner, other than Declarant, shall, as soon as practicable before transfer of title to a Lot, provide to the prospective purchaser the following:

- (a) A copy of the Articles, Bylaws and Declaration.
- (b) A copy of the most recent financial statements of the Association.
- (c) A true statement in writing from an authorized representative of the Association as to the amount of any assessments levied upon the Lot which are unpaid as of the date of the statement. The statement shall also include true information on late charges, interest and costs of collection which, as of the date of the statement, are or may be made a lien upon the Lot.

Section 12.9. Carbon Canyon Extension Road. Carbon Canyon Extension Road is located adjacent to Lots 60 through 68 and Lots 83 through 93 of the Properties. Notification is given to all Owners that Carbon Canyon Extension Road is planned to be extended and widened into a four (4) lane thoroughfare. There is no guarantee or representation that the extension and widening will occur or that it will occur at any particular time.

89-061974

89-061974

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

PACIFIC HOME CANYON, a California
general partnership

BY: PACIFIC SCENE, INC., a California
corporation, General Partner

By *William Pitt*

By *John J. Summers*

BY: HOME CAPITAL DEVELOPMENT GROUP, a
California corporation, General
Partner

By *[Signature]*

By *John R. O'Brien*

4-19-89

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

On this _____ day of _____, 19____, before me,
_____, a Notary Public in and for said
state, personally appeared _____,
personally known to me (or proved to me on the basis of satis-
factory evidence) to be the _____ President,
and _____, personally known to me
(or proved to me on the basis of satisfactory evidence) to be the

Secretary of PACIFIC SCENE, INC., the
corporation that executed the within instrument and known to me
to be the persons who executed the within instrument on behalf of
said corporation, said corporation being known to me to be one of
the general partners of PACIFIC HOME CANYON, the general partner-
ship that executed the within instrument, and acknowledged to me
that such corporation executed the same as such general partner
and that such general partnership executed the same.

WITNESS my hand and official seal.

NOTARY PUBLIC

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

On this 10th day of February, 1989, before me,
Patricia Urbina, a Notary Public in and for said
state, personally appeared Steven R. Penn,
personally known to me (or proved to me on the basis of satis-
factory evidence) to be the Senior Project Manager,
and John D. O'Bryan, personally known to me
(or proved to me on the basis of satisfactory evidence) to be the
Treasurer of HOME CAPITAL DEVELOPMENT
GROUP, the corporation that executed the within instrument and
known to me to be the persons who executed the within instrument
on behalf of said corporation, said corporation being known to me
to be one of the general partners of PACIFIC HOME CANYON, the
general partnership that executed the within instrument, and
acknowledged to me that such corporation executed the same as such
general partner and that such general partnership executed the
same.

WITNESS my hand and official seal.

Patricia Urbina
NOTARY PUBLIC



89-061974

89-061974

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

On this 16th day of February, 1989, before me, Janice L. White, a Notary Public in and for said state, personally appeared William E. Food, personally known to me to be the Vice President, and John J. Summers, personally known to me to be the Senior Vice President of Pacific Scene, Inc., the corporation that executed the within instrument and known to me to be the persons who executed the within instrument on behalf of said corporation, said corporation being known to me to be one of the general partners of PACIFIC HOME CANYON, the general partnership that executed the within instrument, and acknowledged to me that such corporation executed the same as such general partner and that such general partnership executed the same.

WITNESS my hand and official seal.

Janice L. White
NOTARY PUBLIC



89-061974

89-061974



FENCING LEGEND

- 5' HIGH WROUGHT IRON FENCE - [dashed line]
- 5' HIGH WOOD FENCE - [diagonal hatching]
- 5' HIGH SLUMPSTONE FENCE - [solid line]

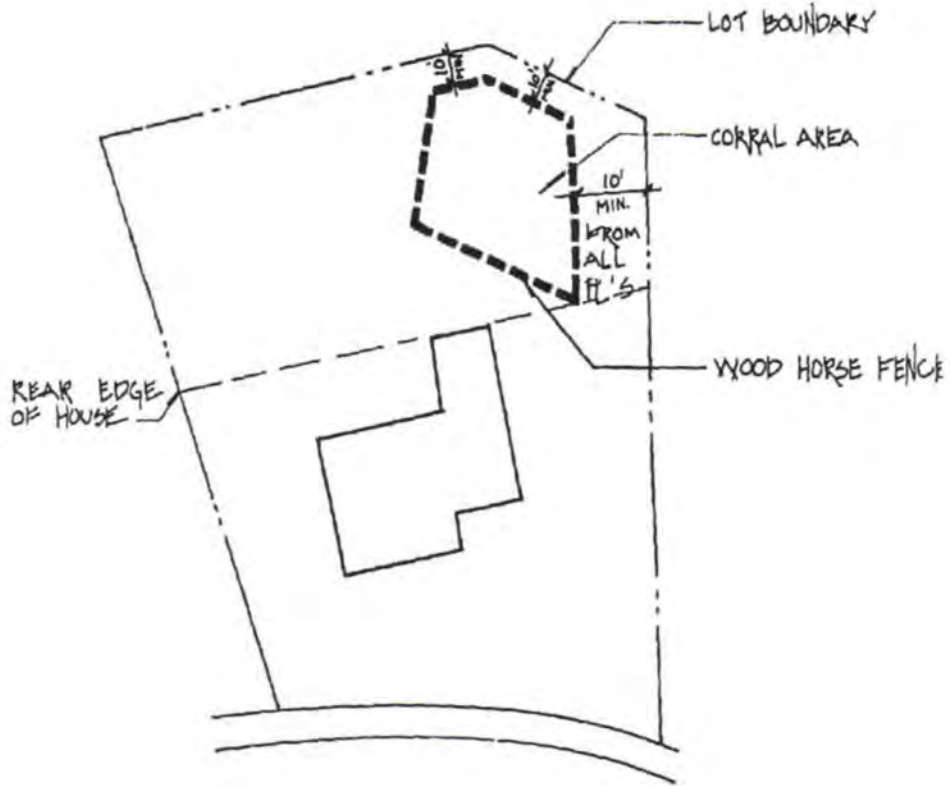
4-1-91-060

TYPICAL FENCING LAYOUT



EXHIBIT A

89-061974



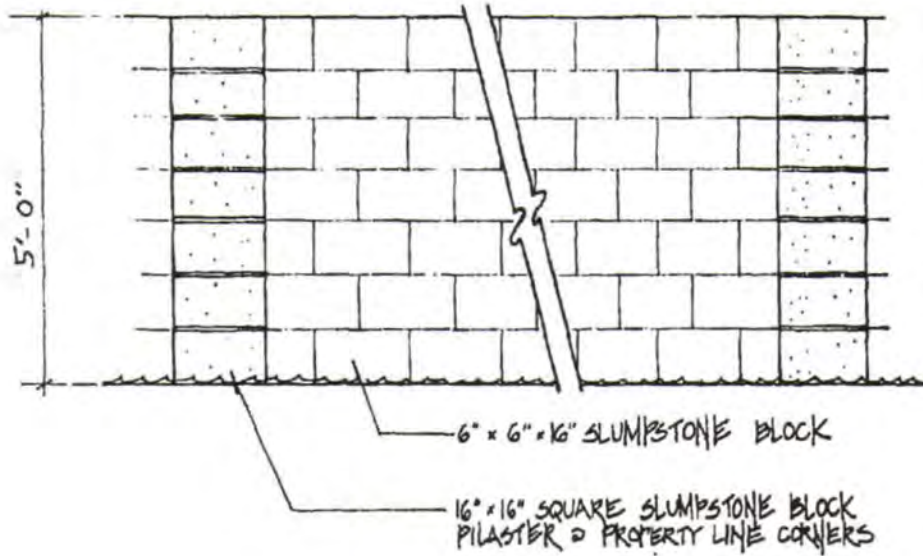
061974

TYPICAL CORRAL LAYOUT

NOT TO SCALE

EXHIBIT A

89-061974



89-061974

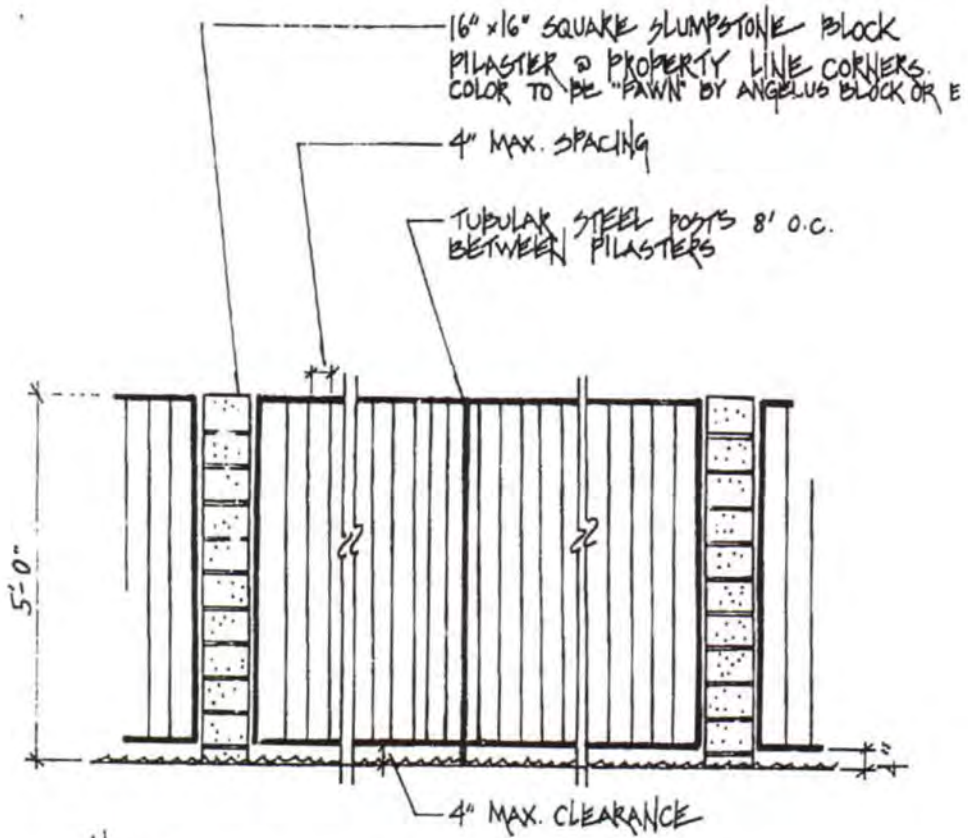
SLUMPSTONE BLOCK WALL

NOTE:
SLUMPSTONE BLOCK WALL COLOR TO BE "FAWN"
(MANUFACTURED BY ANGELUS BLOCK OR EQUAL)

NOT TO SCALE

EXHIBIT B

89-061974



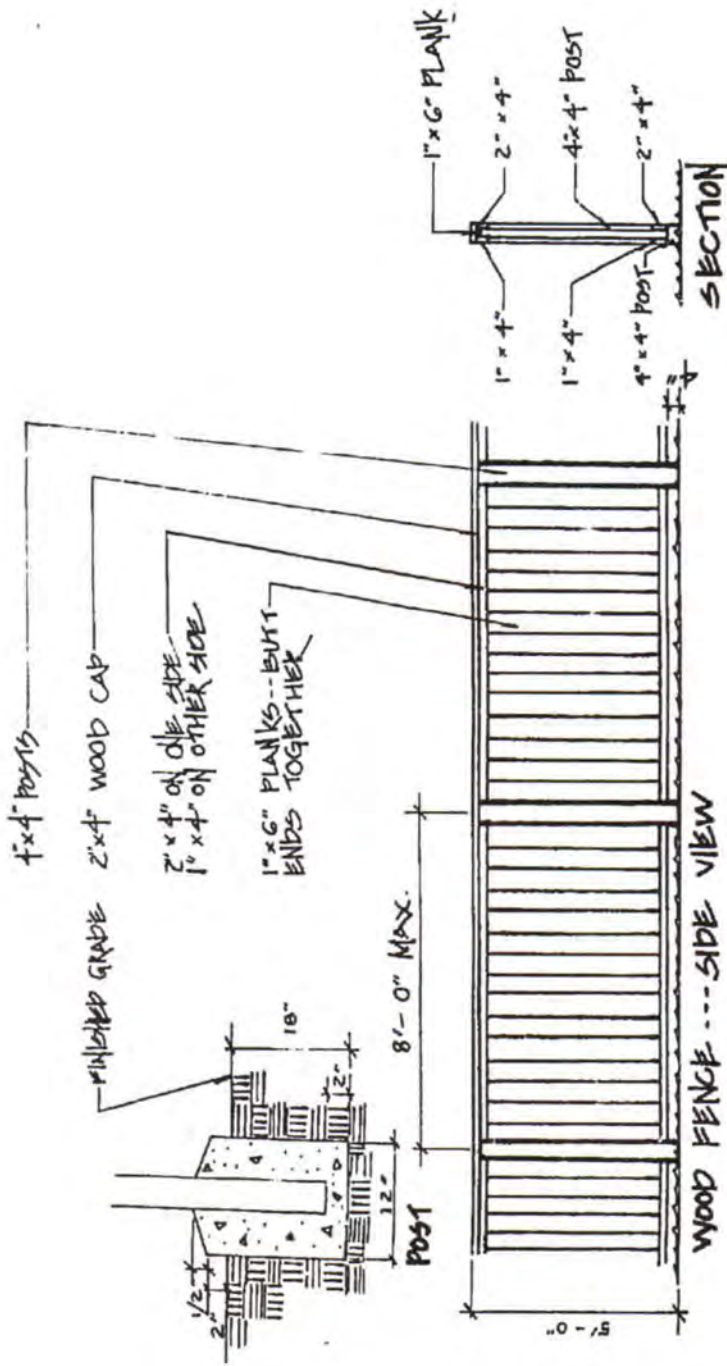
NOTE:
WROUGHT IRON TO BE BLACK ONLY.
(MANUFACTURED BY FRAZEE)

WROUGHT IRON FENCE

NOT TO SCALE

EXHIBIT B

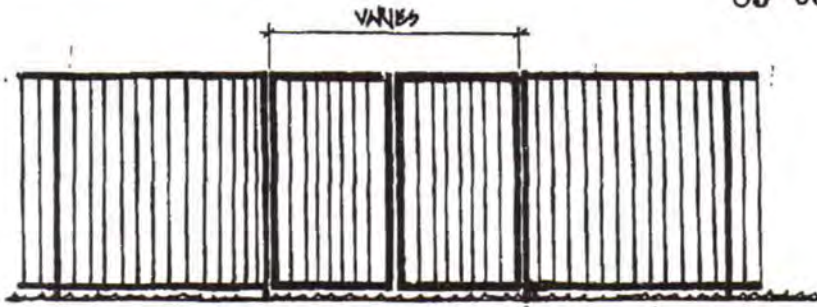
89-061974



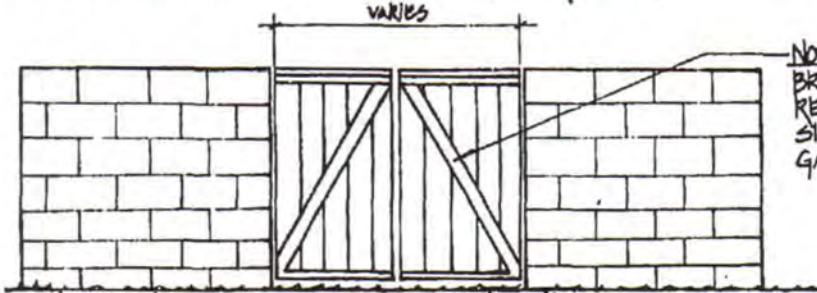
NOTES:
 WOOD TO BE PAINTED.
 MANUFACTURED BY HAZZEE, #M405, OR EQUAL
 POSTS TO BE REDWOOD
 ALL OTHER WOOD TO BE REDWOOD, CEDAR OR D.F.
 NOT TO SCALE

EXHIBIT B

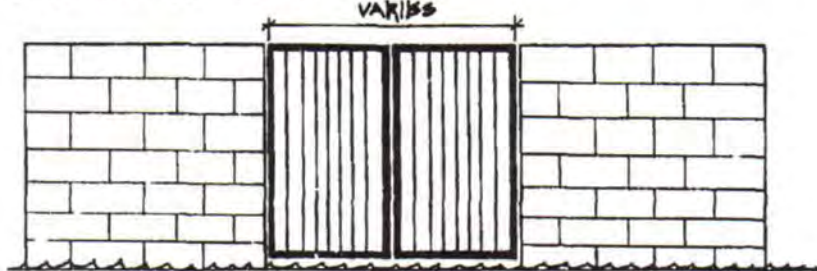
5-11-74 -- 0703



SINGLE OR DOUBLE WROUGHT IRON GATE & FENCE



SINGLE OR DOUBLE WOOD GATE IN SLUMPSTONE BLOCK WALL



SINGLE OR DOUBLE WROUGHT IRON GATE IN SLUMPSTONE BLOCK WALL

061974

NOT TO SCALE

EXHIBIT B

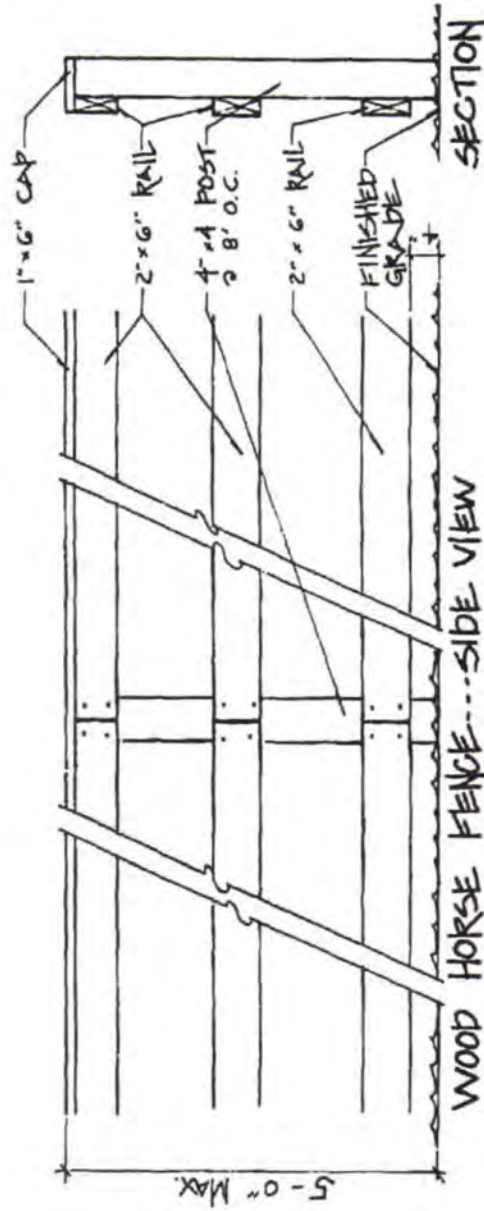


EXHIBIT B

NOTES
 WOOD TO BE PAINTED WHITE OR SPECIFIED "WOOD" COLOR
 (MANUFACTURED BY KRAZEK, WHITE OR #M405, OR EQUAL)
 ALL OTHER WOOD TO BE CEDAR
 SEE WOOD FENCE DETAIL FOR FOOTING
 NOT TO SCALE

5-11-01-0703

SUBORDINATION AGREEMENT

HOME FEDERAL SAVINGS AND LOAN ASSOCIATION, a corporation, being the beneficiary under that certain deed of trust recorded July 29, 1988 as File/Page No. 88-247555 with the Office of the County Recorder of San Bernardino County, California, hereby declares that the lien and charge of said deed of trust is and shall be subordinate and inferior to the Declaration of Covenants, Conditions and Restrictions to which this Subordination Agreement is attached.

HOME FEDERAL SAVINGS AND LOAN ASSOCIATION, a corporation

By William A. McLennan

By _____

STATE OF CALIFORNIA)
COUNTY OF SAN DIEGO) ss.

On this 9th day of FEBRUARY, 1989, before me, ARLENE BERRY, a Notary Public in and for said state, personally appeared WILLIAM A. MC LENNAN, personally known to me (or proved to me on the basis of satisfactory evidence) to be the AUTHORIZED SIGNER President, and ~~personally known to me (or proved to me on the basis of satisfactory evidence) to be the~~ secretary of the corporation that executed the within instrument, known to me to be the persons who executed the within instrument on behalf of the corporation therein named, and acknowledged to me that such corporation executed the within instrument pursuant to its bylaws or a resolution of its board of directors.

WITNESS my hand and official seal.

Arlene Berry
NOTARY PUBLIC



4-19-89

RECORDED AT THE REQUEST OF
FIRST AMERICAN TITLE INSURANCE CO.

Recording Requested By
and
When Recorded Return To:

McDONALD, HECHT & SOLBERG
Mr. Alex C. McDonald
1100 Great American Building
600 "B" Street
San Diego, California 92101

RECORDED IN OFFICIAL RECORDS
DEC 7 1989 AT 8:00AM
SAN BERNARDINO COUNTY, CALIF.

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89-474654

AMENDED AND SUPERSEDING
DECLARATION OF
COVENANTS, CONDITIONS AND RESTRICTIONS

FOR

CARRIAGE HILLS
PLANNED UNIT DEVELOPMENT

9150636ec

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SUBORDINATION AGREEMENT

**AMENDED AND SUPERSEDING
DECLARATION OF
COVENANTS, CONDITIONS AND RESTRICTIONS**

THIS AMENDED AND SUPERSEDING DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS is made as of October 25, 1989, by PACIFIC HOME CANYON, a California general partnership (hereinafter referred to as "Declarant"), with reference to the following

RECITALS:

A. Declarant is the owner of real property located in the County of San Bernardino, California, described as:

Lots 1 through 146, inclusive, and Lots E and F of TRACT NO. 10379-1 according to Map thereof recorded in Book 162, Pages 98-108 of Maps in the Office of the County Recorder of San Bernardino County, California, on June 24, 1982 ("Properties")

B. Declarant has imposed upon that portion of the Properties described as:

Lots 38 through 64, inclusive, of TRACT NO. 10379-1 according to Map thereof recorded in Book 162, Pages 98-108 of Maps in the Office of the County Recorder of San Bernardino County, California, on June 24, 1982 ("Phase 1")

a Declaration of Covenants, Conditions and Restrictions which was recorded in the Office of the County Recorder of ~~San Bernardino~~ ^{Bern} County, California on February 22, 1989 as File/Page No. 89-061974 ("Declaration").

C. As owner of all of the Properties, Declarant wishes to amend and supersede in its entirety the Declaration to provide as hereinafter set forth.

NOW, THEREFORE, the Declaration is amended and superseded in its entirety to provide as hereinafter set forth.

D. It planned to develop the Properties as a Common Interest Development described in §1351(k) of the California Civil Code as a "Planned Development" consisting of single-family detached homes or lots for the construction of homes, together with common areas as described in this Declaration. The Planned Development is planned to be developed in five (5) phases as follows:

Phase	Residential Lots	Common Area Lots	Number of Residential Lots
1	38-64		27
2	84-100; 138-145		25
3	19-37; 115-137; 146	E	43
4	1-18; 101-114	F	32
5	65-83		19

There is no guarantee that all phases will be completed or that the phasing will occur as planned.

E. The Common Area lots will be owned by CARRIAGE HILLS PLANNED DEVELOPMENT ASSOCIATION, a California nonprofit mutual benefit corporation ("Association"), the members of which will be the owners of the residential Lots; however, the Common Area will be maintained by the owners of residential Lots adjacent to the Common Area as provided in this Declaration. **The Association will maintain certain easement areas over portions of the residential lots ("Common Maintenance Area").**

F. Before selling any of the residential Lots, Declarant wishes to impose on each the following plan of covenants, conditions and restrictions.

NOW, THEREFORE, Declarant hereby certifies and declares and does hereby establish the following general plan for the protection and benefit of all of the real property described above and has fixed and does hereby fix the following protective covenants, conditions and restrictions upon each and every ownership interest in the real property described as Phase 1 above and, upon annexation, each subsequent phase, pursuant to which covenants, conditions and restrictions each ownership interest shall be held, used, occupied, leased, sold, encumbered, conveyed and/or transferred. Each and all of the covenants, conditions and restrictions are for the purpose of protecting the value and desirability of and shall inure to the benefit of all of the real property described as Phase 1 above and, upon annexation, each subsequent phase, and shall run with and be binding upon and pass with the real property and each and every ownership interest therein and shall inure to the benefit of, apply to and bind the respective successors in title or interest of Declarant.

ARTICLE I

DEFINITIONS

Section 1.1. "Articles" - The Articles of Incorporation of the Association.

Section 1.2. "Association" - CARRIAGE HILLS PLANNED DEVELOPMENT ASSOCIATION, a California Nonprofit Mutual Benefit Corporation.

Section 1.3. "Board" - The Board of Directors of the Association.

Section 1.4. "Bylaws" - The Bylaws of the Association.

Section 1.5. "Common Area" - All real property owned by the Association.

Section 1.6. "Common Maintenance Area" - Those portions of Lots for which the Association is responsible for maintenance.

Section 1.7. "Declarant" - PACIFIC HOME CANYON, a California general partnership, its successors and assigns, if such successor or assign should acquire more than five (5) Lots for the purpose of development, and the rights of "Declarant" are assigned to them.

Section 1.8. "Declaration" - This Declaration of Covenants, Conditions and Restrictions.

Section 1.9. "Lot" - Any plot of land shown as a separate parcel upon any recorded Final Map or Parcel Map of any portion of the Properties, with the exception of the Common Area.

Section 1.10. "Member" - An Owner who is entitled to membership in the Association as provided in the Declaration.

Section 1.11. "Mortgage" - A Deed of Trust as well as a mortgage encumbering a Lot.

Section 1.12. "Mortgagee" - The beneficiary of a Deed of Trust as well as the mortgagee of a Mortgage.

Section 1.13. "Owner" - The record owners, whether one or more persons or entities, of fee simple title to any Lot, including contract sellers, but excluding those having such interests merely as security for the performance of an obligation.

Section 1.14. "Properties" - The real property described in Recital A to the Declaration, and such additions thereto as may hereafter be brought within the jurisdiction of the Association.

ARTICLE II

PROPERTY RIGHTS IN COMMON AREA

Section 2.1. Title to the Common Area. Declarant will convey fee simple title to the Common Area in Phase 3 and Phase 4, respectively, to the Association, prior to the first conveyance of a Lot in Phase 3 and Phase 4, respectively, to an Owner other than Declarant, free and clear of all encumbrances and liens, except real property taxes which may be due but are not delinquent, and easements, covenants, conditions and reservations then of record, including those set forth on the Final Map for TRACT NO. 10379-1 and in the Declaration, and easements to adjoining Lot Owners for use and maintenance.

Section 2.2. Owners' Easements of Enjoyment and Maintenance. The Owner of Lot 145 shall have the exclusive right and easement of ingress, egress and enjoyment of that portion of Common Area Lot E described on Exhibit "C" attached to this Declaration. The Owner of Lot 127 shall have the exclusive right and easement of ingress, egress and enjoyment of that portion of Common Area Lot E not included within the description on Exhibit "C" attached to this Declaration. The Owner of Lot 103 shall have the exclusive right and easement of ingress, egress and enjoyment of Common Area Lot F. The Owners of Lots 145, 127 and 103, respectively, shall, at their expense, maintain the portion of the Common Area to which they, respectively, have the exclusive right and easement of ingress, egress and enjoyment, and shall hold the Association harmless from and shall indemnify the Association against all claims, demands, losses, costs (including attorney's fees), liabilities and obligations made against or incurred by the Association arising out of or in connection with the ownership and use of that portion of the Common Area to which they, respectively, have the exclusive right and easement of ingress, egress and enjoyment.

Section 2.3. Maintenance and Use of Common Area. The Common Area shall be maintained in a neat, clean and healthy condition. No buildings, structures or other improvements (other than public utility lines and landscaping) shall be constructed, erected, placed or maintained on the Common Area, except as may be permitted by the County of San Bernardino, California. No vehicles shall be permitted on the Common Area, except for the purposes of maintenance required or permitted by the Declaration.

ARTICLE III

MEMBERSHIP AND VOTING RIGHTS IN ASSOCIATION

Section 3.1. Membership. Every Owner of a Lot which is subject to assessment by the Association shall be a Member of the Association. Membership is appurtenant to and may not be separated from ownership of a Lot.

Section 3.2. Voting Rights. The Association shall have two (2) classes of voting membership:

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

Class B. Class B Member(s) shall be Declarant and shall be entitled to three (3) votes for each Lot owned. The Class B membership shall cease and be converted to Class A membership on the happening of the earlier of the following to occur:

- (i) two (2) years following the date of original issuance by the California Department of Real Estate of the most recently issued Final Subdivision Public Report for a phase of development of the Properties; or

(ii) four (4) years following the date of the original issuance by the California Department of Real Estate of the Final Subdivision Public Report for Phase 1 of the development of the Properties.

ARTICLE IV

COVENANT FOR MAINTENANCE ASSESSMENTS TO ASSOCIATION

Section 4.1. Creation of Lien and Personal Obligation for Assessments. Declarant, for each Lot owned, covenants, and each Owner of a Lot by acceptance of a deed therefor, whether or not it shall be so expressed in such deed, is deemed to covenant to pay to the Association: (a) annual assessments or charges which shall include an adequate reserve fund for the periodic maintenance, repair and replacement of the Common Maintenance Area; and (b) special assessments. The annual and special assessments, together with interest, costs and reasonable attorney's fees, shall (except as otherwise provided in Section 4.4 below) be a charge on the land and shall be a continuing lien upon the Lot against which each such assessment is made. The lien shall be effective upon recordation of a notice of delinquent assessment. Each assessment, together with interest, costs and reasonable attorney's fees, shall also be the personal obligation of the person who was the Owner of the Lot at the time the assessment is due. The personal obligation for delinquent assessments shall not pass to successors in title of a Lot, unless expressly assumed by them.

Section 4.2. Purpose of Assessments. The assessments levied by the Association shall be used exclusively to promote the recreation, health, safety and welfare of the residents of the Properties, for the improvement and maintenance of the Common Maintenance Area, and to reimburse the Association for the costs incurred in bringing an Owner into compliance with the Articles, Bylaws, Declaration and rules and regulations adopted by the Board.

Section 4.3. Annual and Special Assessments. The Board shall levy annual and special assessments sufficient to perform the obligations of the Association as provided in the Declaration and Bylaws; provided, however, except for assessment increases necessary for emergency situations, the Board may not impose an annual assessment that is more than twenty percent (20%) greater than the annual assessment for the Association's preceding fiscal year nor special assessments which in the aggregate exceed five percent (5%) of the budgeted gross expense of the Association for the fiscal year, without the approval of Owners casting a majority of the votes at a meeting or election of the Association conducted in accordance with Chapter 5 (commencing with §7510) of Part 3 of Division 2 of Title 1 of the California Corporations Code and §7613 of the California Corporations Code at which a quorum was present or participated. For purposes of this Section 4.3, "quorum" means more than fifty percent (50%) of the Owners. An emergency situation is any one of the following:

- (a) An extraordinary expense required by an order of a court;
- (b) An extraordinary expense necessary to repair or maintain the Properties or any part of it for which the Association is responsible where a threat to personal safety on the Properties is discovered;

(c) An extraordinary expense necessary to repair or maintain the Properties or any part of it for which the Association is responsible that could not have been reasonably foreseen by the Board in preparing and distributing the proforma operating budget pursuant to Civil Code §1365. However, prior to the imposition or collection of an assessment under this subdivision, the Board shall pass a resolution containing written findings as to the necessity of the extraordinary expense involved and why the expense was not or could not have been reasonably foreseen in the budgeting process, and the resolution shall be distributed to the Members with the notice of assessment.

Section 4.4. Individual Special Assessments. The Association may also impose a special assessment against a Member to reimburse the Association for costs incurred in bringing a Member or his Lot into compliance with the provisions of the Declaration, the Articles, the Bylaws and the Association rules and regulations, which assessment may be imposed upon the vote of the Board after notice and an opportunity for a hearing which satisfy the requirements of §7341 of the California Corporations Code; provided, however, that except to the extent the special assessment is to reimburse the Association for the cost of collecting assessments, a special assessment levied pursuant to this Section 4.4 shall not constitute a lien on the Owner's Lot.

Section 4.5. Uniform Rate of Assessment. Both annual and special assessments (other than a special assessment levied against an Owner to bring the Owner or his Lot into compliance with the Declaration, Articles, Bylaws or rules and regulations of the Board) shall be fixed at a uniform rate for all Lots and may be collected on a monthly or other periodic basis as determined by the Board.

Section 4.6. Date of Commencement of Annual Assessments; Due Dates. Annual assessments shall commence as to all Lots in Phase 1 on the first day of the month following the first conveyance of a Lot in Phase 1 to an Owner. The annual assessments provided herein shall commence as to all Lots in each subsequent phase of the development of the Properties on the first day of the month following the first conveyance of a Lot to an Owner other than Declarant in the subsequent phase. The first annual assessment shall be adjusted according to the number of months remaining in the calendar year. The Board shall fix the amount of the annual assessment against each Lot at least thirty (30) days in advance of each annual assessment period. Written notice of the annual assessment shall be sent to every Owner. The due dates for payment of assessments shall be established by the Board.

Section 4.7. Effect of Non-Payment of Assessments; Remedies of Association. Any assessment made in accordance with the Declaration shall be a debt of the Owner of a Lot at the time the assessment is due. Any assessment not paid within thirty (30) days after the due date shall bear interest from thirty (30) days following the due date at the rate of twelve percent (12%) per annum. The Association may bring an action at law against the Owner personally obligated to pay the assessment and, in addition thereto or in lieu thereof, may foreclose the lien against the Lot.

Any assessment not paid within fifteen (15) days after the due date shall be delinquent. Except as otherwise provided in Section 4.4 above, the amount of any delinquent assessment plus costs of collection, late charges, penalties, interest and attorney's fees, shall be and become a lien upon the Lot when the Association causes to be recorded with the County

Recorder of San Bernardino County, California, a Notice of Delinquent Assessment. The Notice of Delinquent Assessment shall state the amount of the delinquent assessment and the other charges as may be authorized by the Declaration, a description of the Lot against which the assessment has been made, the name of the record owner of the Lot and, in order for the lien to be foreclosed by non-judicial foreclosure, the name and address of the trustee authorized by the Association to enforce the lien by sale. The Notice of Delinquent Assessment shall be signed by the person designated by the Association for that purpose or, if no one is designated, by the President of the Association. Upon payment of the delinquent assessment and charges in connection with which the Notice of Delinquent Assessment has been recorded, or other satisfaction thereof, the Association shall cause to be recorded a further notice stating the satisfaction and the release of the assessment lien.

The assessment lien may be enforced by sale by the Association after failure of the Owner to pay the assessment. The sale shall be conducted in accordance with the provisions of §2924, §2924b and §2924c of the California Civil Code applicable to the exercise of powers of sale in mortgages or in any other manner permitted by law. The Association shall have the power to purchase the Lot at the foreclosure sale and to hold, lease, mortgage and convey the Lot. Suit to recover a money judgment for unpaid assessments, rent and attorney's fees shall be maintainable without foreclosing or waiving the lien securing the assessment.

Section 4.8. Subordination of the Lien to First Mortgages. The assessment lien shall be subordinate to the lien of any first Mortgage, and the sale or transfer of any Lot pursuant to judicial or non-judicial foreclosure of a first Mortgage shall extinguish the lien of the assessment as to payments which became due prior to the sale or transfer. No sale or transfer shall relieve the Lot from lien rights for any assessments thereafter becoming due. When the Mortgagee of a first Mortgage or other purchaser of a Lot obtains title to the Lot as a result of foreclosure, the acquirer of title, his successors and assigns, shall not be liable for the share of the common expenses or assessments by the Association chargeable to the Lot which was due prior to the acquisition of title to the Lot by such acquirer, except for a share of the charges or assessments resulting from a re-allocation of the charges or assessments which are made against all Lots.

Section 4.9. Estoppel Certificate. The Association shall furnish or cause an appropriate officer to furnish, upon demand by any person, a certificate signed by an officer of the Association setting forth whether the assessments on a specified Lot have been paid. A properly executed certificate of the Association as to the status of assessments on a Lot is binding upon the Association as of the date of its issuance.

Section 4.10. Personal Liability of Owner. No Member may exempt himself from personal liability for assessments levied by the Association, nor release the Lot owned by him from the liens and charges for assessments by waiver of the use and enjoyment of the Common Area or by abandonment of his Lot.

Section 4.11. Exempt Property. All properties dedicated to and accepted by a local public authority, and all properties owned by a charitable nonprofit organization exempt from taxation by the laws of the State of California, shall be exempt from assessment by the Association. However, no land or improvements devoted to dwelling use shall be exempt from assessments by the Association.

Section 4.12. Capitalization of Association. Upon acquisition of record title to a Lot from Declarant, each Owner shall contribute to the capital of the Association an amount equal to one-sixth (1/6) the amount of the then annual assessment for that Lot as determined by the Board. This amount shall be deposited by the buyer into the purchase and sale escrow and disbursed from the escrow to the Association. The same procedure shall be followed in connection with sales of Lots in subsequent phases of development of the Properties. The payments required under this Section 4.12 are in addition to and not in lieu of annual and special assessments of the Association.

ARTICLE V

ADDITIONAL RESTRICTIONS

The Properties are subject to certain covenants, conditions and restrictions ("Additional Restrictions"), in addition to those set forth in the Declaration. The Additional Restrictions are set forth on the Final Map for TRACT NO. 10379-1 according to Map thereof recorded in Book 162, Pages 98-108 of Maps in the Office of the County Recorder of San Bernardino County, California, on June 24, 1982.

ARTICLE VI

ARCHITECTURAL CONTROL

Section 6.1. Architectural Committee. No construction, development, alteration, grading, addition, excavation, modification, decoration, redecoration or reconstruction of the visible exterior of any improvement, including a residence, on any Lot shall be commenced or maintained until the plans and specifications therefor showing the nature, design, kind, shape, height, width, color, materials and location have been submitted to and approved in writing by a committee of not less than three (3) nor more than five (5) members of the Association appointed by the Board ("Committee"). Persons submitting proposals or plans and specifications to the Committee (each person is referred to as the "Applicant") must obtain a dated, written receipt for such plans and specifications and furnish the Committee with the address to which further communications from the Committee to the Applicant are to be directed. Committee approval shall not be required for fencing which complies with Section 7.12(c) of the Declaration.

Section 6.2. Committee Approval. The Committee shall approve proposals or plans and specifications submitted for its approval only if it deems that the construction, alteration, addition or other construction activity contemplated thereby in the locations indicated will not be detrimental to the appearance of the Properties and surrounding real property as a whole, and that the appearance of any structure or other improvement will be in harmony with the surrounding structures and improvements.

Section 6.3. Approved Conditions. The Committee may condition its approval of proposals or plans and specifications on such changes thereto as it deems appropriate, and may require submission of additional plans and specifications or other information prior to approving or disapproving material submitted. The Committee may adopt, amend or supplement the architec-

tural rules (i) concerning design and materials standards, rules and guidelines for construction activities, (ii) setting forth procedures for the submission of plans for approval, (iii) requiring a reasonable fee ("Review Fee") payable to the Committee for any costs involved to accompany each application for approval, and (iv) specifying additional factors which it will take into consideration in reviewing submissions. The Committee may require such detail in plans and specifications submitted for its review as it deems proper, including, without limitation, floor plans, site plans, drainage plans, elevation drawings and description or samples of plantings, exterior materials and colors. Until receipt by the Committee of all plans, specifications or other materials deemed necessary by the Committee, the Committee may postpone review of any plans submitted for approval.

Section 6.4. Notification. Decisions of the Committee and the reasons therefor shall be transmitted by the Committee to the Applicant at the address set forth in the application for approval within forty-five (45) days after receipt by the Committee of all materials required by the Committee. Any application submitted pursuant to this Article VI shall be deemed approved, unless the Committee's written disapproval or a request for additional information or materials is transmitted to the Applicant within forty-five (45) days after the date of receipt by the Committee of all required materials.

Section 6.5. Waiver. The approval of the Committee to any proposals or plans and specifications or drawings for any work done or proposed or in connection with any other matter requiring the approval and consent of the Committee shall not be deemed to constitute a waiver of any right to withhold approval or consent as to any similar proposals, plans and specifications, drawings or matters whatever subsequently or additionally submitted for approval or consent.

Section 6.6. No Liability. Neither the Committee, nor any members thereof, nor their duly authorized representatives, shall be liable to any Applicant or Lot Owner for any loss, damage or injury arising out of or in any way connected with the performance of the Committee's duties hereunder, unless due to the willful misconduct of the Committee.

Section 6.7. Design Criteria. The Committee shall review and approve or disapprove all plans submitted to it for any proposed improvement, alteration, addition or other construction activity on the basis of satisfaction of the Committee with the grading plan, location of the improvements on the Lot, the finished ground elevation, the color scheme, finish, design, proportions, architecture, shape, height, style, appropriateness of proposed improvements, affect on adjoining Lots, the materials to be used, the kinds, pitch or type of roof proposed, the planting, landscaping, size, height or location of vegetation on a Lot, and on the basis of aesthetic considerations and the overall benefit or detriment to the Properties and surrounding real property generally which would result from such improvement, alteration, addition or other construction activity. Although the Committee shall take into consideration the aesthetic aspects of the architectural designs, placement of buildings, landscaping, color, schemes, exterior finishes and materials, and similar features, it shall not be responsible for reviewing, nor shall its approval of any plans or design be deemed approval of any plan or design from the standpoint of adequacy of drainage, structural safety or conformance with building or other codes. The Committee approval of any particular construction activity shall expire and the plans and specifications therefor shall be resubmitted for Committee approval if substantial work pursuant to the approved plans and specifications is not commenced within six (6) months after the Committee's approval

of such construction activity. All construction activities shall be performed as promptly and as diligently as possible and shall be completed within such reasonable period of time specified by the Committee.

Section 6.8. Variances. The Committee may authorize variances from compliance with any of the architectural provisions of this Article VI, including, without limitation, restrictions on height, size, floor area or placement of structures, or similar restrictions, when circumstances such as topography, natural obstructions, hardship, aesthetic or environmental considerations may require. Such variances must be in writing, and must be signed and acknowledged by at least a majority of the members of the Committee. The granting of such a variance shall not operate to waive any of the terms and provisions of this Article VI for any purpose except as to the particular property and particular provision hereof covered by the variance, nor shall it affect in anyway the Owner's obligation to comply with all laws and regulations of any governmental authority affecting the use of his Lot, including, but not limited to, zoning and building requirements of any governmental agency or entity having jurisdiction over the Lot.

Section 6.9. Rules. The architectural rules of the Committee may provide for the pre-approval of certain specified types or categories of construction activities, provided that such pre-approved construction activities are implemented by the affected Owner in conformance with the standards for design, materials and other criteria established in the architectural rules for such pre-approved construction activities. The Committee may from time to time adopt, supplement or amend architectural rules to establish, expand, limit or otherwise modify the categories and criteria for any pre-approved construction activities.

Section 6.10. Declarant Exemption. Neither this Article VI nor the Committee shall have application to improvements made by Declarant.

ARTICLE VII

USE RESTRICTIONS

Section 7.1. Antennae. No exterior radio antenna, television antenna, "C.B." antenna, satellite dish, earth receiving station or other antenna, transmitting or receiving device of any type shall be erected or maintained on any Lot which is visible from a public street or any other Lot.

Section 7.2. Nuisances. No rubbish or debris of any kind shall be placed or permitted to accumulate anywhere within a Lot, and no odor shall be permitted to arise therefrom so as to render the Lot or any portion thereof unsanitary, unsightly or offensive from any street or to any portion of the Properties, or vicinity thereof, or to its occupants. No noise or other nuisance shall be permitted to exist or operate upon any portion of a the Lot so as to be unreasonably offensive or detrimental to any other part of the Properties or to their occupants. Without limiting the generality of any of the foregoing provisions, no exterior speakers, horns, whistles, bells or other sound devices (other than security devices used exclusively for security purposes), noisy or smoky vehicles, unlicensed off-road motor vehicles or other items which may unreasonably disturb other owners or their tenants shall be located, used or placed on any Lot. No vehicles may be operated upon any portion of the Properties not improved as a street, driveway or parking area.

Alarm devices used exclusively to protect the security of a residence and its contents shall be permitted, provided that such devices do not produce annoying sounds or conditions as a result of frequently occurring false alarms.

Section 7.3. Exterior Maintenance and Repair; Owner's Obligations. No improvement within a Lot shall be permitted to fall into disrepair, and each improvement shall at all times be kept in good condition and repair by the Owner thereof.

Section 7.4. Drainage. There shall be no interference with the established drainage pattern over any Lot so as to affect any other portion of the Properties, unless an adequate alternative provision is made for proper drainage and it is in accordance with all applicable governmental codes and ordinances. For the purpose hereof, "established drainage" is defined as the drainage which exists at the time the overall grading and landscaping of the Properties pursuant to grading plans approved by the County of San Bernardino, California.

Section 7.5. Water and Sewer Systems. No individual water supply system, water softener system or sewage disposal system shall be permitted on Lot unless the system is designed, located, constructed and equipped in accordance with the requirements, standards and recommendations of any applicable water district and any applicable governmental health authority having jurisdiction.

Section 7.6. No Hazardous Activities. No activities shall be conducted nor shall any improvements be constructed anywhere on a Lot which are or might be unsafe or hazardous to any person or property.

Section 7.7. Unsightly Articles. No unsightly articles, including clotheslines, shall be permitted to remain on any portion of a Lot so as to be visible from any street or from any other Lot within the Properties. Without limiting the generality of the foregoing, refuse, garbage and trash shall be kept at all times in covered, sanitary containers commercially designed for such purpose (i.e., oil drums or similar substitutes for commercially designed refuse receptacles are prohibited) and located within an enclosed area or areas appropriately screened from the view of any other Lot within the Properties. Such containers shall be exposed to the view of neighboring Lots only when set out for a reasonable period of time (not to exceed twelve (12) hours before and after scheduled trash collection hours). There shall be no exterior fires, except barbecue fires contained within receptacles designed therefor which do not create a fire hazard.

Section 7.8. Temporary and Prefabricated Structures. No tent, shack, trailer or any temporary building, improvement or structure shall be placed upon any portion of a Lot. The foregoing excludes construction trailers and other temporary or prefabricated structures or improvements utilized during construction and sales activities.

Section 7.9. Mining and Drilling. The surface of a Lot shall not be used for the purpose of mining, quarrying, drilling, boring or exploring for or removing water, oil, gas or other hydrocarbons, geothermal heat, minerals, rocks, stones, gravel or earth, nor shall oil wells, tanks, tunnels, mineral or geothermal excavations or shafts be permitted upon the surface of any portion of a Lot.

Section 7.10. View Impairment. Each Owner, by accepting a deed to a Lot, acknowledges that grading of, construction on or installation of improvements on other property within the Properties and surrounding real property may impair the view of such Owner, and consents to such impairment.

Section 7.11. Residential Use. All Lots within the Properties shall be improved and used solely for single-family residential use; provided, however, that this provision shall not preclude any Owner from renting or leasing all of his Lot by means of a written lease or rental agreement. No lease shall be for a term of less than thirty (30) days. No Lot shall be used or caused to be used or allowed or authorized to be used in any way, directly or indirectly, for any business, commercial, manufacturing, mercantile, storage, vending or other non-residential purposes; except Lots may be used for model home sites and display and sales office purposes during the construction and sales period. The provisions of this Section shall not preclude professional or administrative occupations without external evidence thereof, for so long as such occupations (i) are conducted in conformance with all applicable governmental ordinances, (ii) are merely incidental to the use of the Lot as a residence, and (iii) the patrons or clientele of such professional or administrative occupation do not regularly visit or conduct business on the Lot.

Section 7.12. Residential Area Improvements.

(a) **Residence.** No Lot shall be improved except with one residence designed to accommodate no more than a single family and its servants and occasional guests, plus a garage, fencing and such other improvements as are necessary or customarily incident to a single-family residence. Subject to applicable requirements of any governmental agency or entity having jurisdiction over the Lot, no part of the construction on any Lot shall exceed two (2) stories in height above the finished pad. Chimneys, railings, vent stacks, pediments and similar architectural features of normal size, height and distribution may rise above the two (2) story construction limit. No projections of any type shall be placed or permitted to remain above the roof of any building within the Lot, except chimneys, railings, vent stacks, pediments and similar architectural features. No basketball backboard or other sports apparatus shall be constructed or maintained on any Lot so as to be visible from any other Lot or street within the Properties or surrounding real property. No wiring or air conditioning fixture, water softeners or other devices shall be installed on the exterior of a residence or be allowed to protrude through the walls or roof of the residence (with the exception of those items installed during the original construction of the residence).

(b) **Utilities.** All utility and storage areas or structures must be (i) completely concealed from the view of any other Lot or street, or (ii) constructed of such design, materials, configuration and in such location as to be compatible with the residence and other improvements on the Lot.

(c) **Fences.** All fences within a Lot shall be located and constructed in accordance with the Typical Fencing Layout and Typical Corral Layout attached to the Declaration as Exhibit "A" and design criteria and elevations attached to the Declaration as Exhibit "B". No fences shall be installed or permitted to remain on slope banks which are in excess of thirty (30) feet in height.

provided, however, that nothing in this Section shall be deemed to prevent an Owner from selling a Lot to more than one person to be held by them as tenants in common, joint tenants, tenants by the entirety or as community property, or leasing or renting by any Owner of all of his Lot by means of a written lease or rental agreement.

Section 7.16. Animals. No animals, fowl, poultry, fish, reptiles or insects of any kind ("animals") shall be raised, bred or kept on any Lot, except that a reasonable number of birds, fish, dogs, cats or other household pets may be kept, provided that they are not kept, bred or maintained for any commercial purpose, nor in unreasonable quantities nor in violation of any applicable law or ordinance and except that not more than two (2) horses may be kept on Lots 19, 40, 41, 43, 44 and 46. No animal shall be maintained in any Lot which constitutes a nuisance to other Owners of Lots in the Properties. Animals belonging to Owners, occupants or their licensees, tenants or invitees must be either kept within the enclosure, an enclosed yard, or on a leash or bridle being held by a person capable of controlling the animal. Furthermore, to the extent permitted by law, any Owner shall be liable to each and all Owners, their families, guests, tenants and invitees, for any unreasonable noise or damage to person or property caused by any animals brought or kept upon the Properties by an Owner or by members of his family, his tenants or his guests; and it shall be the duty and responsibility of each Owner to clean up after such animals which have used any portion of the Properties.

Section 7.17. Signs. No sign, poster, billboard, balloon or other display or advertising device of any kind shall be displayed on, over or from any portion of the Properties, except (i) such signs (regardless of size or configuration) as may be used by Declarant in connection with the development of the Properties and the sale, lease or other disposition thereof, (ii) entry monuments and similar community identification signs, and (iii) one sign which may be displayed on each Lot advertising the Lot for sale or lease; provided that such for sale or lease signs (a) shall not be larger than 18" by 30" in size; (b) shall not be attached to the ground by means other than a conventional single vertical stake which shall not exceed 2" by 3" in diameter (i.e., posts, pillars, frames or similar arrangements are prohibited); and (c) shall not exceed 3' in height above the ground level.

Section 7.18. Trees. All trees, hedges and other plant materials shall be trimmed by the Owner of the Lot upon which they are located so that they shall not exceed the height of the house on the Lot; provided, however, that where trees do not obstruct the view from any of the other Lots in the Properties, which determination shall be within the sole judgment of the Committee, they shall not be required to be so trimmed. Before planting any trees, the proposed location of such trees shall be approved in writing by the Committee. No trees, hedges or other plant materials shall be so located or allowed to reach a size or height which will interfere with the view from any other Lot.

Section 7.19. Slope Control, Use and Maintenance. Each Lot Owner will keep, maintain, water, plant and replant all slope banks located on the Owner's Lot (other than slopes within the Common Maintenance Area or slopes the maintenance of which is the responsibility of other Owners) to prevent erosion and to create an attractive appearance. No structure, planting or other material shall be placed or permitted to remain or other activities undertaken on any slope banks which may damage or interfere with established slope ratios, create erosion or sliding problems,

or which may change the direction of flow of drainage channels or obstruct or retard the flow of water through drainage channels.

ARTICLE VIII

INSURANCE AND CONDEMNATION

Section 8.1. Insurance.

(a) The Association shall keep (i) any improvements on the Common Maintenance Area insured against loss by fire and the risks covered by a Standard All Risk of Loss Perils insurance policy under an extended coverage casualty policy in the amount of the maximum insurable replacement value thereof, and (ii) all personalty owned by the Association insured with coverage in the maximum insurable fair market value of personalty as determined annually by an insurance carrier selected by the Association. Insurance proceeds for improvements in Common Maintenance Area and personalty owned by the Association shall be payable to the Association. In the event of any loss, damage or destruction, the Association shall cause the same to be replaced, repaired or rebuilt if it occurred in the Common Maintenance Area. In the event the cost of such replacement, repair or rebuilding of Common Maintenance Area (A) exceeds the insurance proceeds available therefor, or (B) no insurance proceeds are available therefor, the deficiency or full cost thereof shall be assessed to the Owners as a special assessment pursuant to Section 4.3 above. In the event of any loss, damage or destruction to improvements on a Lot (other than that portion thereof within the Common Maintenance Area or the maintaining of which is the responsibility of another Owner), the Owner of the Lot shall cause the same to be replaced, repaired or rebuilt.

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

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

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

(e) Anything contained herein to the contrary notwithstanding, the Association shall maintain such insurance coverage as may be required by the Federal National Mortgage Association ("FNMA") so long as FNMA holds a mortgage on or owns any Lot.

Section 8.2. Condemnation. In the event the Common Area or any portion thereof shall be taken for public purposes by condemnation as a result of any action or proceeding in eminent domain, or shall be transferred in lieu of condemnation to any authority entitled to exercise the power of eminent domain, then the award or consideration for such taking or transfer shall be paid to and belong to the Association.

ARTICLE IX

COMMON MAINTENANCE AREA AND MAINTENANCE RESPONSIBILITIES

Section 9.1. Common Maintenance Area. The Common Maintenance Area is planned to include portions of certain Lots. The Common Maintenance Area in each phase of development of the Properties shall be conveyed by easement or other appropriate document to the Association prior to the first conveyance of a Lot in that phase. The Common Maintenance Area shall be maintained by the Association. Anything contained herein to the contrary notwithstanding, an easement over the area which otherwise would be Common Maintenance Area may be conveyed to a public maintenance assessment district, in which event the area shall be maintained by the district.

Section 9.2. Association Maintenance. The Association shall maintain and provide for the maintenance of all the Common Maintenance Area and all improvements thereon in good repair and appearance as set forth in the Declaration. The Association shall provide landscaping and gardening properly to maintain and periodically replace when necessary the trees, plants, grass and other vegetation originally placed in the Common Maintenance Area by Declarant pursuant to landscape plans approved by the County of San Bernardino, California, and approved by the County in connection with approval of the Final Map covering the Properties. The Association shall have the right to enter onto any Lot (but not within the dwelling thereon) as may be necessary for the construction, maintenance or emergency repair of the Common Maintenance Area or, if necessary, for the benefit of the Owners in common. Any damage caused to a Lot by entry of the Association shall be repaired by the Association at its expense.

Section 9.3. Owner Maintenance. Each Owner shall keep and maintain in good repair and appearance all portions of his Lot and improvements thereon (other than that portion the maintenance of which is the responsibility of the Association or a public maintenance assessment district or the maintenance of which is the responsibility of other Owners), including, but not limited to, any fence or wall which is located thereon. The Owner of each Lot shall water, weed, maintain and care for the landscaping located on his Lot (other than that portion the maintenance of which is the responsibility of the Association or a public maintenance assessment district) so that the same presents a neat and attractive appearance. No Owner shall interfere with or damage the Common Maintenance Area nor interfere with or impede Declarant, the Association or a public maintenance assessment district in connection with the maintenance of the Common Maintenance Area as herein provided.

Section 9.4. Association's Right to Repair Neglected Lots. In addition to maintenance of the Common Maintenance Area, in the event an Owner of any Lot should fail to maintain his Lot and improvements situated thereon in a manner satisfactory to the Board, the Association, after approval by two-thirds (2/3) vote of the Board, shall have the right through its agents and employees, to enter on said Lot and to repair, maintain and restore the Lot and exterior of the building and any other improvements erected thereon. However, no entry into a dwelling unit may be made without the consent of the Owner, and such entry shall be made only after not less than three (3) days notice has been given to the Owner. Entry by the Association shall be made with as little inconvenience to the Owner as possible and any damage caused by the Association shall be repaired by the Association. The cost of such exterior maintenance shall be added to and become a part of the assessment to which such Lot is subject. There is hereby created an easement in favor of the Association to enter onto each Lot which is subject to assessment hereunder to provide maintenance as hereinabove stated, subject to the foregoing notice and consent requirements.

ARTICLE X

ANNEXATION

Section 10.1. By Association. Additional residential property, Common Area and Common Maintenance Area may be annexed to the Properties and to the Declaration upon the vote or written assent of two-thirds (2/3) of the voting power of Members of the Association, excluding the vote of Declarant. Upon approval by Members of the Association, the Owner of the property wishing it to be annexed may file of record a Declaration of Annexation which shall extend the provisions of this Declaration to the property being annexed.

Section 10.2. By Declarant. Additional land within the Properties may be annexed as Lots, Common Area and Common Maintenance Area and to the jurisdiction of the Association by Declarant without the consent of Members of the Association or the Board at any time within three (3) years following the original issuance by the California Department of Real Estate of the most recently issued Final Subdivision Public Report for a phase of the development of the Properties. Annexation shall be made by Declaration of Annexation executed by the Owner of the land being annexed. The Declaration of Annexation may be revoked or amended at any time before the first close of sale of a Lot in the annexed property and additional restrictions may be included in the Declaration of Annexation.

ARTICLE XI

RIGHTS OF LENDERS

Section 11.1. Payments of Taxes or Premiums by First Mortgagees. First Mortgagees may, jointly or severally, pay taxes or other charges which are in default and which may or have become a charge against the Common Area, unless the taxes or charges are separately assessed against the Owners, in which case, the rights of first Mortgagees shall be governed by the provisions of their Mortgages. First Mortgagees may, jointly or severally, also pay overdue premiums on casualty insurance policies, or secure a new casualty insurance coverage on the lapse

of a policy for the Common Area; first Mortgagees making such payments shall be owed immediate reimbursement from the Association. Entitlement to reimbursement shall be reflected in an agreement in favor of any first Mortgagee who requests the same to be executed by the Association.

Section 11.2. Priority of Lien of Mortgage. No breach of the covenants, conditions or restrictions in the Declaration 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 the covenants, conditions and restrictions shall be binding upon and effective against any Owner whose title to a Lot is derived through foreclosure or trustee's sale, or otherwise.

Section 11.3. Curing Defaults. A first 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 non-curable 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 non-curable or not feasible to cure shall be final and binding on Mortgagees.

Section 11.4. Approval of First Mortgagees. Unless the Mortgagees of first Mortgages encumbering sixty-seven percent (67%) or more of the Lots which are subject to a Mortgage have given their prior written approval, neither the Owners nor the Association shall be entitled to:

(a) By act or omission, seek to abandon, partition, subdivide, encumber, sell or transfer the Common Area. The granting of easements for public utilities or for other public purposes shall not be deemed a transfer within the meaning of this Subsection.

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

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

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

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

Section 11.5. Restoration of Common Area. Any restoration or repair of the Common Area after partial condemnation or damage due to an insurable event, shall be performed substantially in accordance with the Declaration and original plans and specifications unless other action is approved by holders of first Mortgages on Lots which have at least fifty-one percent (51%) of the votes of Lots subject to Mortgage holders.

Section 11.6. Professional Management. When professional management has been previously required by a first Mortgage holder, a decision to establish self-management by the Association shall require the consent of at least sixty-seven percent (67%) of the voting power of Members of the Association and the approval of holders of first Mortgages on Lots, the Owners of which have at least fifty-one percent (51%) of the votes of Lots encumbered by Mortgages.

Section 11.7. Notice to Mortgagees. Upon written request to the Association identifying the name and address of the holder and the Lot number or address, any first Mortgage holder will be entitled to timely written notice of:

- (a) Any condemnation loss or any casualty loss which affects a material portion of the project or any Lot on which there is a first Mortgage held by the Mortgage holder.
- (b) Any delinquency in the payment of assessments or charges owed by an Owner subject to a first Mortgage held by the Mortgage holder which remains uncured for a period of sixty (60) days.
- (c) Any lapse, cancellation or material modification of any insurance policy or fidelity bond maintained by the Association.
- (d) Any proposed action which would require the consent of a specified percentage of Mortgage holders.

Section 11.8. Documents to be Available. The Association shall make available to Owners and Mortgagees, and holders, insurers or guarantors of any first Mortgage, current copies of the Declaration, the Bylaws, other rules concerning the project and the books, records and financial statements of the Association. "Available" means available for inspection, upon request, during normal business hours or under other reasonable circumstances. The holders of first Mortgages encumbering fifty-one percent (51%) or more of the Lots subject to a Mortgage shall be entitled to have an audited statement for the immediately preceding fiscal year prepared at their expense if one is not otherwise available. Any financial statement so requested shall be furnished within a reasonable time following the request.

Section 11.9. Conflicts. In the event of any conflict between any of the provisions of this Article and any of the other provisions of the Declaration, the provisions of this Article shall control.

ARTICLE XII

GENERAL PROVISIONS

Section 12.1. Enforcement. The Association, Declarant and any Owner shall have the right to enforce, by any proceedings in law or in equity, all restrictions, conditions, covenants and reservations now or hereafter imposed by the provisions of the Declaration. Failure by the Association, Declarant or any Owner to enforce any covenants or restrictions contained in the Declaration shall be deemed a waiver of the right to do so thereafter.

Section 12.2. Severability. Should any provision in the Declaration be void or become invalid or unenforceable in law or equity by judgment or court order, the remaining provisions shall be and remain in full force and effect.

Section 12.3. Amendments. Except as may otherwise be stated in the Declaration, during the period of time prior to conversion of the Class B membership in the Association to Class A membership, this Declaration may be amended at any time and from time to time by the vote or written consent of seventy-five percent (75%) of the voting power of each class of Members of the Association, any which amendment shall become effective upon recording with the Office of the County Recorder of San Bernardino County, California. After conversion of the Class B membership in the Association to Class A membership, the Declaration may be amended at any time and from time to time by the vote or written consent of (a) seventy-five percent (75%) of the total voting power of the Association, and (b) at least seventy-five percent (75%) of the voting power of Members of the Association other than Declarant. Anything herein stated to the contrary notwithstanding, no material amendment may be made to this Declaration without the prior written consent of Mortgagees of first Mortgages encumbering seventy-five percent (75%) or more of the Lots within the Properties which are subject to a Mortgage. "Material amendment" shall mean, for purposes of this Section 12.3, any amendments to provisions of this Declaration governing any of the following subjects:

- (a) The fundamental purpose for which the project was created (such as a change from residential use to a different use).
- (b) Assessments, assessment liens and subordination thereof.
- (c) The reserve for repair and replacement of the Common Area or Common Maintenance Area.
- (d) Property maintenance obligations.
- (e) Insurance and fidelity bonds.
- (f) Reconstruction in the event of damage or destruction.
- (g) Rights to use the Common Area or Common Maintenance Area.
- (h) Leasing of Lots.
- (i) The boundaries of any Lot or the Common Area.
- (j) Convertibility of Lots into Common Area or of Common Area into Lots.
- (k) Imposition of any right of first refusal or similar restriction on the right of an Owner to sell, transfer or otherwise convey his Lot.
- (l) Voting.

- (m) Expansion or contraction of the Properties or the addition, annexation or withdrawal of property to or from the Properties.
- (n) The interests in the Common Area or Common Maintenance Area.
- (o) Any provision which, by its terms, is specifically for the benefit of first Mortgagees, or specifically confers rights on first Mortgagees.

Notwithstanding the above provisions, the percentage of the voting power necessary to amend a specific clause or provision in the Declaration shall not be less than the percentage of affirmative votes necessary for action to be taken under that clause or provision.

The percentage of membership votes or written consents required to amend the Declaration may be reduced under certain circumstances by Court Order obtained pursuant to California Civil Code §1356.

Section 12.4. Extension of Declaration. Each and all of the covenants, conditions and restrictions shall run with and bind the land for a term of twenty (20) years from the date the Declaration is recorded, after which date they shall automatically be extended for successive periods of ten (10) years, unless the Owners have executed and recorded at any time within six (6) months prior to the end of the twenty (20) year period, or within six (6) months prior to the end of any such ten (10) year period, in the manner required for a conveyance of real property, a written instrument in which it is agreed that the restrictions shall terminate at the end of the twenty (20) year period or at the end of any the ten (10) year period.

Section 12.5. Encroachment Easement.

(a) In the event any improvement to a Lot encroaches upon the Common Area or Common Maintenance Area as a result of the construction, reconstruction, repair, shifting, settlement or movement of any portion thereof, an easement for the encroachment and for maintenance of the same shall exist so long as the encroachment exists; provided, however, in no event shall an easement for encroachment be created in favor of an Owner or Owners if the encroachment occurred due to the willful misconduct of the Owner or Owners. In the event a structure on a Lot is partially or totally destroyed and then rebuilt or repaired, the minor encroachments over adjoining Common Area and Common Maintenance Area shall be permitted and there shall be easements for maintenance of the encroachments so long as they shall exist.

(b) Each Owner of a Lot is granted an easement over adjoining Lots for the purpose of accommodating encroachments due to design, construction, engineering errors, errors in construction, settlement or shifting of the building, roof overhangs, architectural or other appendants and drainage of water from roofs. There shall be easements for the maintenance of said encroachments so long as they shall exist; provided, however, that no easement is created in favor of an Owner if the encroachment occurred due to the willful misconduct of the Owner. In the event a structure on any Lot is partially or totally destroyed and then rebuilt or repaired, the minor encroachments over adjoining Lots shall be permitted and there shall be easements for maintenance of the encroachments so long as they shall exist.

Section 12.6. Special Responsibilities of Association. In the event improvements to be installed by Declarant to the Common Area have not been completed prior to the issuance by the California Department of Real Estate of a Final Subdivision Public Report covering the Properties, and in the further event the Association is the obligee under a bond to secure the obligation of Declarant to complete the improvements, then if the improvements have not been completed and a Notice of Completion filed within sixty (60) days after the completion date specified in the Planned Construction Statement appended to the bond, the Board shall consider and vote upon the question of whether or not to bring action to enforce the obligations under the bond. If the Association has given an extension in writing for the completion of any improvement, then the Board shall consider and vote on the question if the improvements have not been completed and a Notice of Completion filed within thirty (30) days after the expiration of the extension period. In the event the Board determines not to take action to enforce the obligations secured by the bond, or does not vote on the question as above provided, then, in either event, upon petition signed by Members representing five percent (5%) or more of the voting power of the Association (excluding the voting power of Declarant), the Board shall call a special meeting of the Members of the Association to consider the question of overriding the decision of the Board or of requiring the Board to take action on the question of enforcing the obligations secured by the bond. The meeting of Members shall be held not less than thirty-five (35) days nor more than forty-five (45) days following receipt of the petition. At the meeting, a vote of a majority of the voting power of Members of the Association, excluding the vote of Declarant, to take action to enforce the obligations under the bond shall be deemed to be the decision of the Association, and the Board shall thereafter implement the decision by initiating and pursuing appropriate action in the name of the Association. Nothing contained herein shall indicate or imply that the VA has or would approve any bonding arrangement.

Section 12.7. Litigation. In the event of litigation arising out of or in connection with the Declaration, the prevailing party shall be entitled to receive costs of suit and such sum for attorney's fees as the court deems reasonable.

Section 12.8. Documents to be Provided to Prospective Purchaser. Each Owner, other than Declarant, shall, as soon as practicable before transfer of title to a Lot, provide to the prospective purchaser the following:

- (a) A copy of the Articles, Bylaws and Declaration.
- (b) A copy of the most recent financial statements of the Association.
- (c) A true statement in writing from an authorized representative of the Association as to the amount of any assessments levied upon the Lot which are unpaid as of the date of the statement. The statement shall also include true information on late charges, interest and costs of collection which, as of the date of the statement, are or may be made a lien upon the Lot.

Section 12.9. Carbon Canyon Extension Road. Carbon Canyon Extension Road is located adjacent to Lots 60 through 68 and Lots 83 through 93 of the Properties. Notification is given to all Owners that Carbon Canyon Extension Road is planned to be extended and widened into

89-474654

a four (4) lane thoroughfare. There is no guarantee or representation that the extension and widening will occur or that it will occur at any particular time.

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

PACIFIC HOME CANYON, a California general partnership

BY: PACIFIC SCENE, INC., a California corporation,
General Partner

By John J. Summers Sr. V.P.

By Wayne J. Brown V.P.

BY: HOME CAPITAL DEVELOPMENT GROUP, a California
corporation, General Partner

By James K. Harrison

By John R. Bryan

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

On this 11-7-89 day of November, 1989 before me,
Jamice L. White, a Notary Public in and for said state,
personally appeared John J. Summers, personally known to me (or
~~proved to me on the basis of satisfactory evidence~~) to be the Senior Vice
President, and Wayne L. Goranson, personally known to me (or
~~proved to me on the basis of satisfactory evidence~~) to be the Vice President
Secretary of PACIFIC SCENE, INC., the corporation that executed the within instrument and
known to me to be the persons who executed the within instrument on behalf of said corporation,
said corporation being known to me to be one of the general partners of PACIFIC HOME
CANYON, the general partnership that executed the within instrument, and acknowledged to me
that such corporation executed the same as such general partner and that such general partnership
executed the same.

WITNESS my hand and official seal.

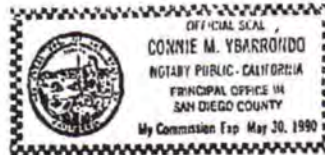


Jamice L. White
NOTARY PUBLIC

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

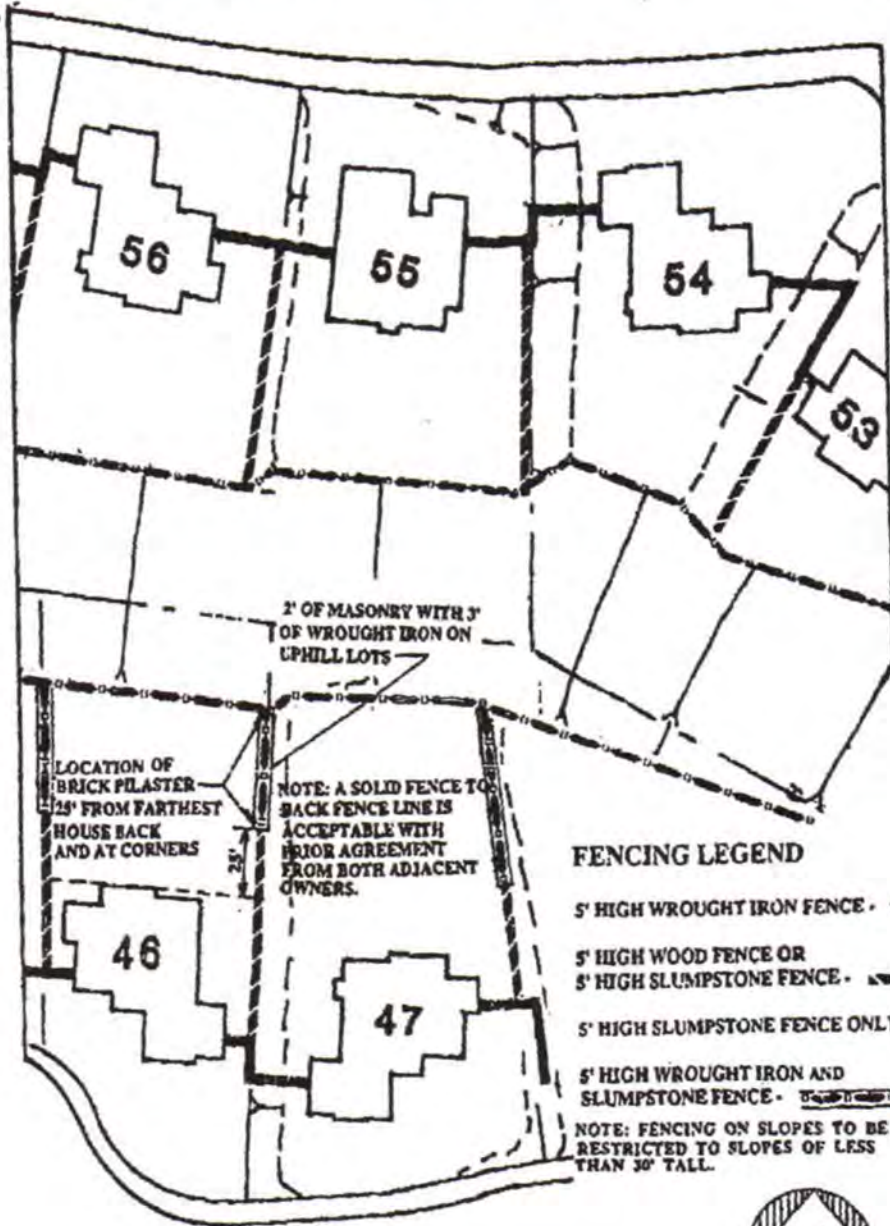
On this 11-13-89 day of November, 1989 before me,
Connie M. Ybarro/Do, a Notary Public in and for said state,
personally appeared Karen K. Hansen, personally known to me (or
proved to me on the basis of satisfactory evidence) to be the vice
President, and John D. O'Bryan, personally known to me (or
proved to me on the basis of satisfactory evidence) to be the vice President
Secretary of HOME CAPITAL DEVELOPMENT GROUP, the corporation that executed the
within instrument and known to me to be the persons who executed the within instrument on
behalf of said corporation, said corporation being known to me to be one of the general partners
of PACIFIC HOME CANYON, the general partnership that executed the within instrument, and
acknowledged to me that such corporation executed the same as such general partner and that
such general partnership executed the same.

WITNESS my hand and official seal.



Connie M. Ybarro/Do
NOTARY PUBLIC

89-474654



FENCING LEGEND

5' HIGH WROUGHT IRON FENCE -

5' HIGH WOOD FENCE OR 5' HIGH SLUMPSTONE FENCE -

5' HIGH SLUMPSTONE FENCE ONLY -

5' HIGH WROUGHT IRON AND SLUMPSTONE FENCE -

NOTE: FENCING ON SLOPES TO BE RESTRICTED TO SLOPES OF LESS THAN 30° TALL.

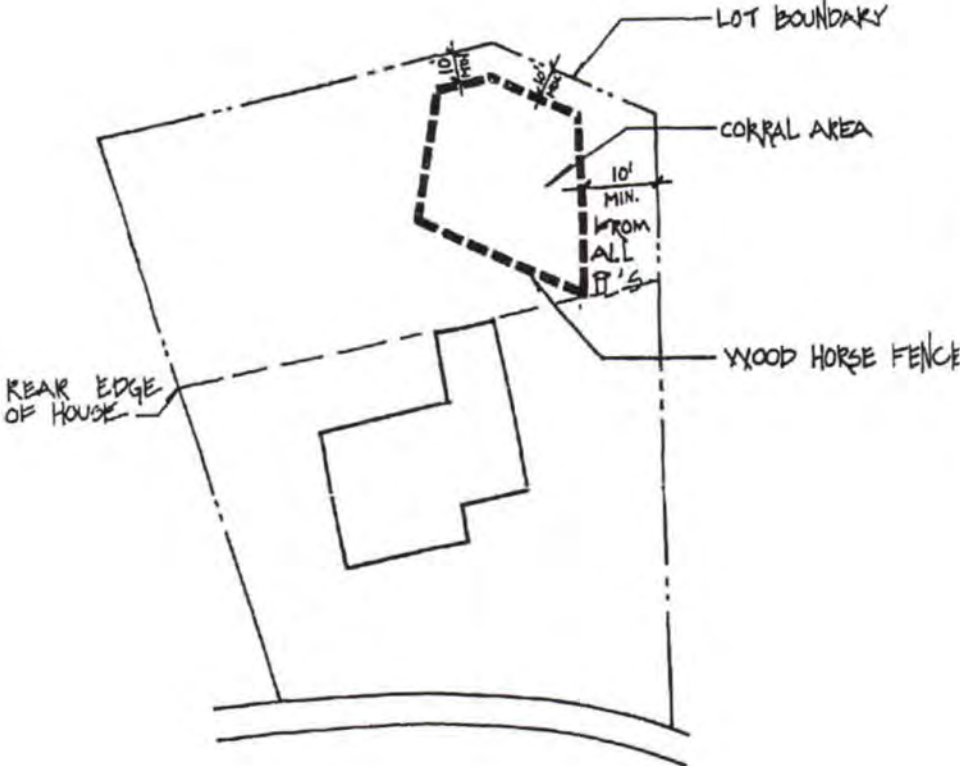


TYPICAL FENCING LAYOUT
EXHIBIT "A"



89-061974

89-474654



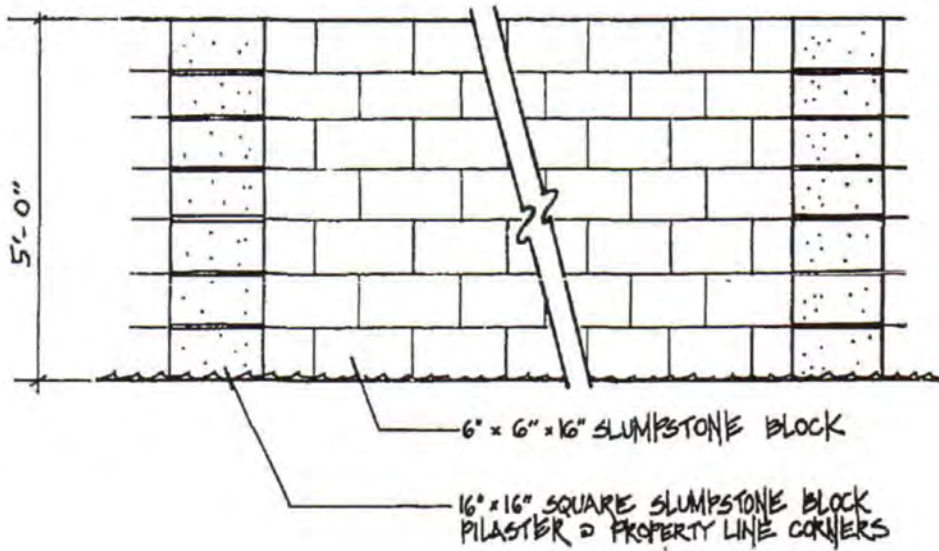
TYPICAL CORRAL LAYOUT

NOT TO SCALE

EXHIBIT A

89-061974

89-474654



SLUMPSTONE BLOCK WALL

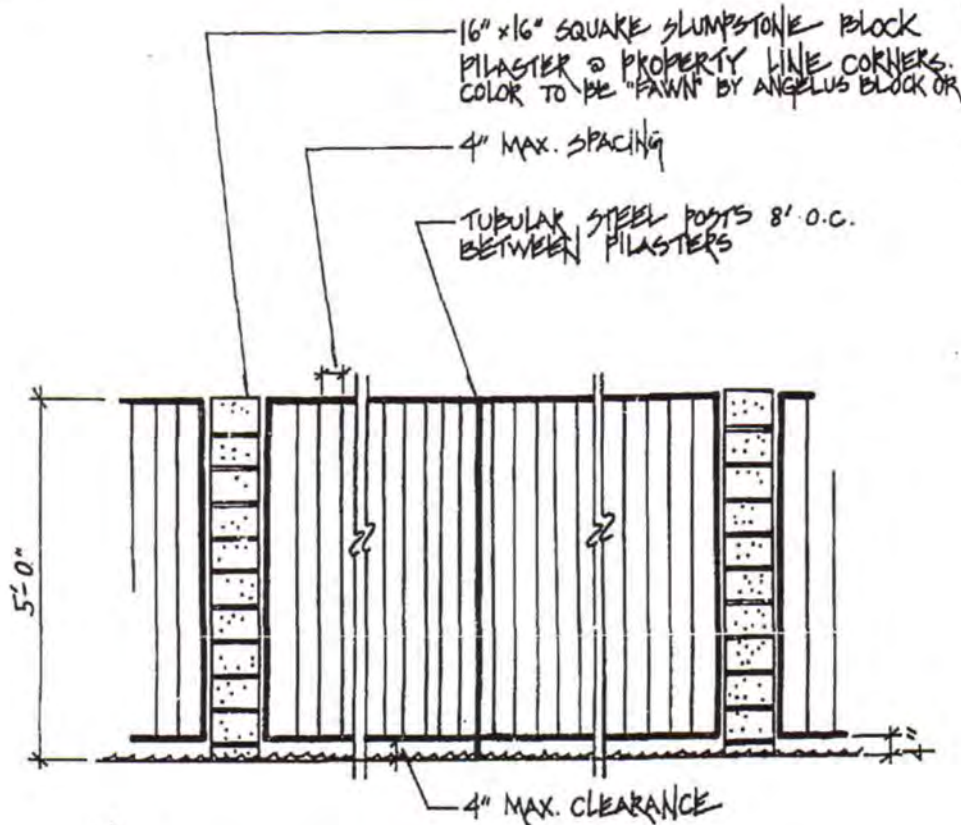
NOTE:
SLUMPSTONE BLOCK WALL COLOR TO BE "FAWN"
(MANUFACTURED BY ANGELUS BLOCK OR EQUAL)

NOT TO SCALE

EXHIBIT B

89-061974

89-474654



NOTE:
WROUGHT IRON TO BE BLACK ONLY.
(MANUFACTURED BY FRAZEE)

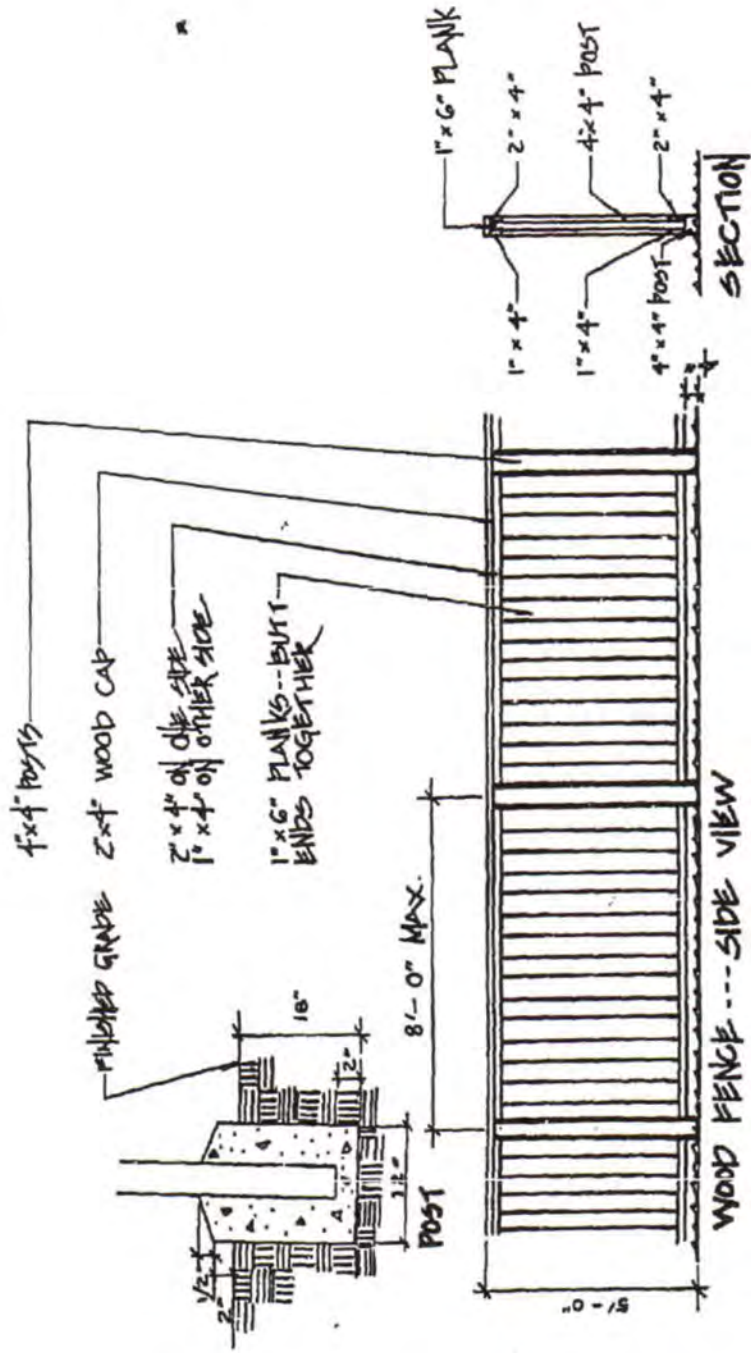
WROUGHT IRON FENCE

NOT TO SCALE

EXHIBIT B

89-061974

89-474654



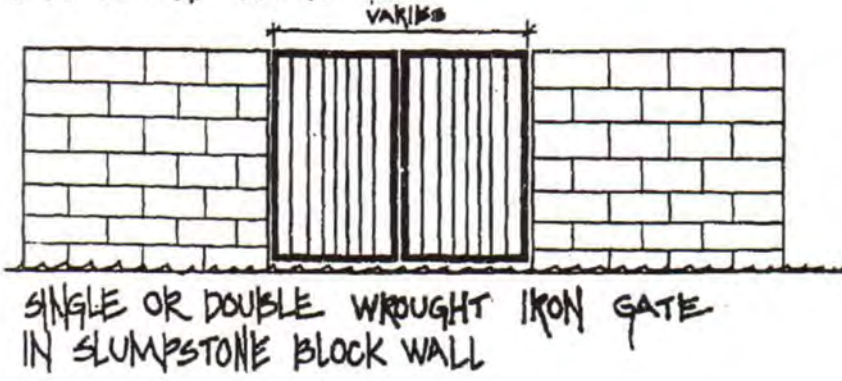
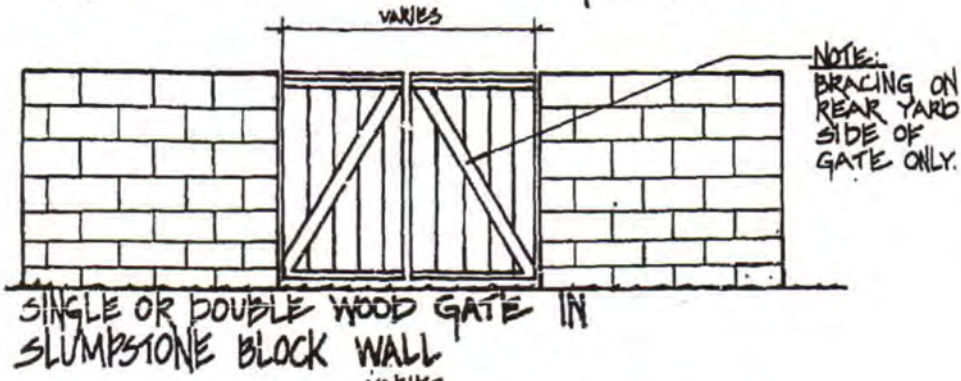
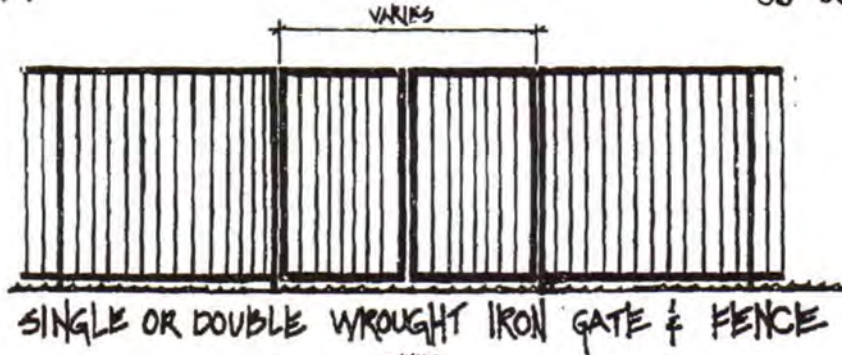
NOTES:
 WOOD TO BE PAINTED.
 MANUFACTURED BY KRAZEE, #M405, OR EQUAL
 POSTS TO BE REDWOOD
 ALL OTHER WOOD TO BE REDWOOD, CLEAR OR D.E.

NOT TO SCALE

EXHIBIT B

89-061974

89-474654

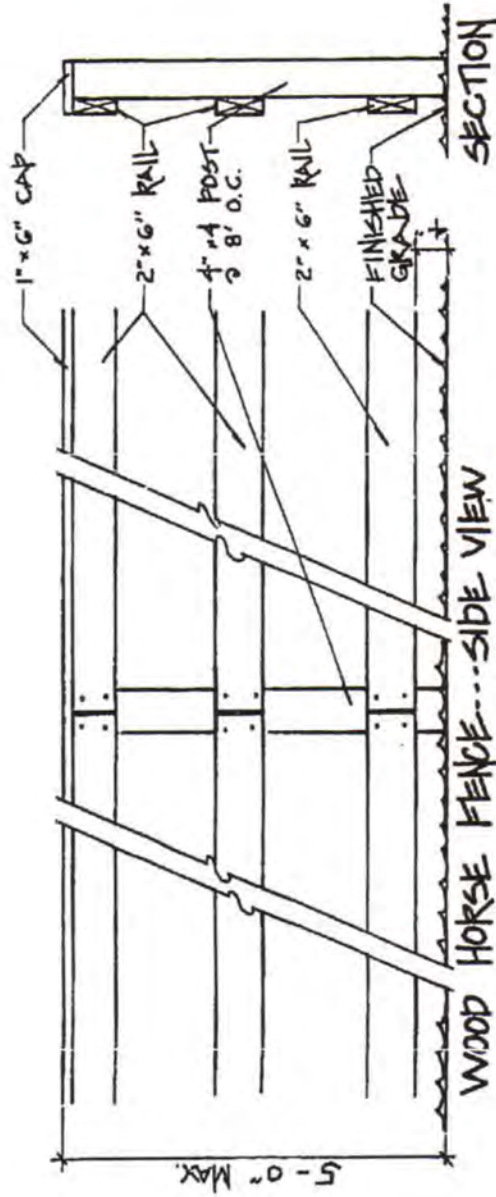


NOT TO SCALE

EXHIBIT B

89-061974

89-474654



WOOD HORSE FENCE---SIDE VIEW

SECTION

5'-0" Max.

NOTES:
 WOOD TO BE PAINTED WHITE OR SPECIFIED "WOOD" COLOR
 (MANUFACTURED BY FRAZER, WHITE OR #M405, OR EQUAL)
 ALL OTHER WOOD TO BE CEDAR.
 SEE WOOD FENCE DETAIL FOR FOOTING
 NOT TO SCALE

EXHIBIT B

BEING THAT PORTION OF LOT "E" OF TRACT NO. 10379-1, IN THE COUNTY OF SAN BERNARDINO, STATE OF CALIFORNIA, ACCORDING TO MAP FILED IN MAP BOOK 162, PAGES 98 TO 108, INCLUSIVE, IN THE OFFICE OF THE COUNTY RECORDER OF SAN BERNARDINO COUNTY, DESCRIBED AS FOLLOWS:

BEGINNING AT THE COMMON CORNER OF SAID LOT "E" AND THE MOST EASTERLY CORNER OF LOT 144 ACCORDING TO SAID TRACT NO. 10379-1, SAID POINT BEING ON THE SOUTHWESTERLY RIGHT OF WAY OF RANCH HOUSE ROAD ACCORDING TO SAID TRACT NO. 10379-1, SAID POINT BEING ON A CURVE CONCAVE NORTHEASTERLY, HAVING A RADIUS OF 330.00 FEET;

THENCE SOUTHEASTERLY ALONG SAID CURVE AND ALONG SAID SOUTHWESTERLY RIGHT OF WAY, THROUGH A CENTRAL ANGLE OF $02^{\circ} 36' 19''$, AN ARC LENGTH OF 15.00 FEET TO A POINT AT THE BEGINNING OF A LINE NON-TANGENT TO LAST SAID CURVE, SAID POINT BEING THE MOST NORTHERLY CORNER OF LOT 145 ACCORDING TO SAID TRACT NO. 10379-1;

THENCE SOUTH $30^{\circ} 36' 38''$ WEST, ALONG THE NORTHWESTERLY LINE OF SAID LOT 145 A DISTANCE OF 203.75 FEET TO THE MOST WESTERLY CORNER OF SAID LOT 145;

THENCE SOUTH $50^{\circ} 03' 53''$ EAST, ALONG THE SOUTHWESTERLY LINE OF SAID LOT 145 A DISTANCE OF 113.45 FEET TO THE WESTERLY CORNER OF LOT 102 ACCORDING TO SAID TRACT NO. 10379-1;

THENCE SOUTH $20^{\circ} 21' 28''$ WEST, ALONG SAID WESTERLY LINE A DISTANCE OF 15.50 FEET TO THE MOST NORTHEASTERLY CORNER OF LOT 127 ACCORDING TO SAID TRACT NO. 10379-1;

THENCE NORTH $50^{\circ} 03' 53''$ WEST, ALONG THE NORTHEASTERLY LINE OF SAID LOT 127 A DISTANCE OF 111.32 FEET TO THE MOST NORTHERLY CORNER OF SAID LOT 127;

THENCE SOUTH $54^{\circ} 52' 31''$ WEST, ALONG THE NORTHWESTERLY LINE OF SAID LOT 127 A DISTANCE OF 79.46 FEET;

THENCE NORTH $35^{\circ} 44' 01''$ WEST, LEAVING SAID NORTHWESTERLY LINE A DISTANCE OF 15.00 FEET TO THE SOUTHEASTERLY LINE OF LOT 128 ACCORDING TO SAID TRACT NO. 10379-1;

THENCE NORTH $54^{\circ} 52' 31''$ EAST, ALONG SAID SOUTHEASTERLY LINE A DISTANCE OF 64.58 FEET TO AN ANGLE POINT IN SAID SOUTHEASTERLY LINE;

THENCE NORTH $30^{\circ} 36' 38''$ EAST, A DISTANCE OF 31.61 FEET TO THE COMMON CORNER OF SAID LOT 128 AND THE MOST SOUTHERLY CORNER OF SAID LOT 144;

89-474654

THENCE NORTH 30° 36' 38" EAST, ALONG THE SOUTHEASTERLY LINE
OF SAID LOT 144 A DISTANCE OF 194.94 FEET TO THE POINT OF
BEGINNING.

CONTAINING, IN ALL, 6120 SQUARE FEET, OR 0.140 ACRES, MORE OR
LESS.

Paul D. Cook 9-77-91
PAUL D. COOK, L.S. 4691 (EXPIRES SEP. 30, 1991)



89-474654

SUBORDINATION AGREEMENT

HOME FEDERAL SAVINGS AND LOAN ASSOCIATION, a corporation, being the beneficiary under that certain deed of trust recorded July 29, 1988 as File/Page No. 88-247555 with the Office of the County Recorder of San Bernardino County, California, hereby declares that the lien and charge of said deed of trust is and shall be subordinate and inferior to the Amended and Superseding Declaration of Covenants, Conditions and Restrictions to which this Subordination Agreement is attached.

HOME FEDERAL SAVINGS AND LOAN ASSOCIATION, a corporation

By William C. McLennan

By Gary Persichino

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

On this 15th day of November, 1989, before me, Carol J. Moore, a Notary Public in and for said state, personally appeared Gary Persichino, personally known to me (or proved to me on the basis of satisfactory evidence) to be the Vice President, and William A. McLennan, personally known to me (or proved to me on the basis of satisfactory evidence) to be the Authorized Signer Secretary of the corporation that executed the within instrument, known to me to be the persons who executed the within instrument on behalf of the corporation therein named, and acknowledged to me that such corporation executed the within instrument pursuant to its bylaws or a resolution of its board of directors.

WITNESS my hand and official seal.

Carol J. Moore
NOTARY PUBLIC



PLEASE COMPLETE THIS INFORMATION

RECORDING REQUESTED BY:

SCAS

AND WHEN RECORDED MAIL TO:

Fiore
6670 Alessandro Bl.
Ste B
Livermore Ca 92506

Recorded in Official Records, County of
San Bernardino, Errol J. Mackinn, Recorder
42.00

Doc No. 19970139517

11:32am 04/22/97

205 40087101 01 04

1	2	3	4	5	6	7	8	9	0
PG	FEE	APP	CHMS	PH CPT	CRY CPT	ADD AM	PER PR	PCOR	
12	7	33							
NOB ST	LR	SVT	CIT CO	TRANS TAX	DA	CHRG	EXAM		
			5			2	6		W

SPACE ABOVE FOR RECORDER'S USE ONLY

First Amendment to the Amended and
Title of Document
Superseding declaration

**THIS AREA FOR
RECORDER'S
USE ONLY**

1
3
9
5
1
7

THIS COVER SHEET ADDED TO PROVIDE ADEQUATE SPACE FOR RECORDING INFORMATION
(\$3.00 Additional Recording Fee Applies)

RECORDING REQUESTED BY AND,
WHEN RECORDED, RETURN TO:

Flore, Walker, Racobs & Powers
6670 Alessandro Boulevard, Suite B
Riverside, CA 92506

(Above Space for Recorder's Use)

**FIRST AMENDMENT TO THE AMENDED AND SUPERSEDING
DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS
FOR CARRIAGE HILLS PLANNED UNIT DEVELOPMENT**

This First Amendment to the Amended and Superseding Declaration of Covenants, Conditions and Restrictions for Carriage Hills Planned Unit Development ("First Amendment") is made by the Carriage Hills Planned Development Association, a California nonprofit mutual benefit corporation ("Association").

RECITALS

WHEREAS, on February 22, 1989, Pacific Home Canyon, a California general partnership, ("Declarant"), recorded a Declaration of Covenants, Conditions and Restrictions as Document No. 89-081974 in the Official Records of San Bernardino County, State of California ("Declaration").

WHEREAS, on December 7, 1989, Declarant recorded an Amended and Superseding Declaration of Covenants, Conditions and Restrictions for Carriage Hills Planned Unit Development as Document No. 89-474654 in the Official Records of San Bernardino County, State of California ("Amended Declaration"). Said Amended Declaration had the effect of amending and superseding the Declaration. The real property subject to the Amended Declaration is situated in the City of Chino Hills, County of San Bernardino, State of California, and is more particularly described as:

1
3
9
5
1
7

Lots 1 through 146, inclusive, and Lots E and F of Tract No. 10379-1 as shown on a Map recorded in Book 162, pages 98-108 of Maps, Records of San Bernardino County, California ("Project");

WHEREAS, the Amended Declaration provides for its amendment by the affirmative vote of 75 percent of the total voting power of the Association; and

WHEREAS, the Amendments to the Amended Declaration set forth below were proposed by written ballot to the Lot Owners, and approved by the March 3, 1997, Order of the San Bernardino Superior Court, attached hereto as Exhibit "1," pursuant to Civil Code Section 1356.

NOW THEREFORE, the Amended Declaration is hereby amended as follows:

Add the following new Section to Article I:

Section 1.15. "Backyard" - That portion of a lot which lies within the area defined by any fence or wall constructed in accordance with Article VII, Section 7.12(c). If no fence or wall has been constructed, the backyard shall consist of that portion of a Lot within the area defined by the Typical Fencing Layout attached as Exhibit "A" to the Declaration.

Amend Article II, Section 2.3 to provide as follows:

Section 2.3. Maintenance and Use of Common Area. The Common Area shall be maintained in a neat, clean and healthy condition. No buildings, structures or other improvements (other than public utility lines and landscaping) shall be constructed, erected, placed or maintained on the Common Area, except as may be permitted by the City of Chino Hills, California. No vehicles shall be permitted on the Common Area, except for the purposes of maintenance required or permitted by the Declaration.

Amend Article VI, Section 6.6 of the Declaration to provide as follows:

Section 6.6. No Liability. Neither the Committee, the Board, nor any members thereof, nor their duly authorized representatives shall be liable to any Applicant or Lot Owner for any loss, damage or injury arising out of or in any way connected with the

139517

performance of the Committee's or Board's duties hereunder, unless due to the willful misconduct of the Committee or Board.

Amend Article VI, Section 6.8 of the Declaration to provide as follows:

Section 6.8. Variances. The Board may authorize variances from compliance with any of the architectural provisions of this Article VI, including, without limitation, restrictions on height, size, floor area or placement of structures, or similar restrictions, when circumstances such as topography, natural obstructions, hardship, aesthetic or environmental considerations may require. **Such variances must be in writing, and must be signed and acknowledged by at least a majority of the members of the Board.** The granting of such a variance shall not operate to waive any of the terms and provisions of this Article VI for any purpose except as to the particular property and particular provision hereof covered by the variance, nor shall it affect in anyway the Owner's obligation to comply with all laws and regulations of any governmental authority affecting the use of his Lot, including, but not limited to, zoning and building requirements of any governmental agency or entity having jurisdiction over the Lot.

Amend Article VII, Section 7.8 of the Declaration to provide as follows:

Section 7.8. Temporary and Prefabricated Structures. No tent, shack, trailer or any temporary building improvement or structure shall be placed upon any portion of a Lot except in the backyard, and then for no more than seven (7) cumulative days in any thirty (30) day period. Construction trailers and other temporary or prefabricated structures or improvements utilized during construction activities are excluded from the prohibitions of this section.

Amend Article VII, Section 7.12(a) to provide as follows:

(a) Residence. No Lot shall be improved except with one residence designed to accommodate no more than a single family and its servants and occasional guests, plus a garage, fencing and other improvements as are necessary or customarily incident to a single-family residence. Subject to applicable requirements of any governmental agency or entity having jurisdiction over the Lot, no part of the construction on any Lot shall exceed two (2) stories in height above the finished pad. Chimneys, railings, vent

1505-7

stacks, pediments and similar architectural features of normal size, height and distribution may rise above the two (2) story construction limit. No projections of any type shall be placed on or permitted to remain above the roof of any building within the Lot, except chimneys, railings, vent stacks, pediments and similar architectural features. No wiring or air conditioning fixture, water softeners or other devices shall be installed on the exterior of a residence or be allowed to protrude through the walls or roof of the residence (with the exception of those items installed during the original construction of the residence).

Add the following new subsection to Article VII, Section 7.12:

(d) *Sports Apparatus*. Sports Apparatus (including, but not limited to, basketball backboards, swing-sets, children's play equipment and other similar structures) shall be permitted only in Backyards and only with prior written approval of the Architectural Committee.

Amend Article VII, Section 7.17 of the Declaration to provide as follows:

Section 7.17. Signs. No sign, poster, billboard, balloon or other display or advertising device of any kind shall be displayed on, over or from any portion of the Properties, except:

(a) entry monuments and similar community identification signs, and (iii) one sign which may

(b) no more than two (2) standard real estate signs to be displayed on each Lot advertising the Lot for sale or lease; provided that such signs may not be larger than eighteen inches (18") by thirty inches (30") in size.

139517

Amend Article XII, Section 12.1 of the Declaration to provide as follows:

Section 12.1. Enforcement. The Association or any Owner shall have the right to enforce, by any proceedings in law or in equity, all restrictions, conditions, covenants and reservations now or hereafter imposed by the provisions of the Declaration. Failure by the Association or any Owner to enforce any covenants or restrictions contained in the Declaration shall not be deemed a waiver of the right to do so thereafter.

Except as amended by this First Amendment, the Amended Declaration and all amendments and supplements thereto are hereby ratified and confirmed by the Association and remain in full force and effect.

IN WITNESS WHEREOF, the undersigned Association has hereunto set its hand and seal this 1 day of APRIL, 1997.

CARRIAGE HILLS PLANNED DEVELOPMENT ASSOCIATION

By: Kenneth Jones
Kenneth Jones, Its President

CERTIFICATE OF PRESIDENT

The undersigned, as the duly appointed President of the Carriage Hills Planned Development Association, a California nonprofit mutual benefit corporation, hereby certifies that the foregoing First Amendment to the Amended and Superseding Declaration of Covenants, Conditions and Restrictions for Carriage Hills Planned Unit Development was duly and properly approved in accordance with the March 3, 1997, Order of the San Bernardino County Superior Court attached hereto as Exhibit "1."

Dated: 04-01-97

Kenneth Jones
President, Carriage Hills Planned Development Association

1-1995-17

ACKNOWLEDGMENT

STATE OF CALIFORNIA)
) ss,
COUNTY OF RIVERSIDE)

On this 1st day of April, 1997, before me, Kimberlee Cannon, Ke
Kenneth Jones, a
Notary Public, State of California, duly commissioned and sworn, personally appeared
Kenneth Jones, personally known to me or proved to me on the
basis of satisfactory evidence to be the person whose name is subscribed to the
within instrument and acknowledged to me that he/she executed the same in his/her
capacity, and that by his/her signature on the instrument the person, or the entity
upon behalf of which the person acted, executed the instrument.

WITNESS my hand and official seal.



17481.1

Kimberlee Cannon
Notary Public, State of California

199517

139517

EXHIBIT "1"

1 FIORE, WALKER, RACOBS & POWERS
2 A Professional Law Corporation
3 6670 Alessandro Boulevard, Suite-B
4 Riverside, CA 92506
5 (909) 789-8100

FILED West District
San Bernardino County Clerk

MAR 03 1997

6 Attorneys for Petitioner
7 CARRIAGE HILLS PLANNED DEVELOPMENT ASSOCIATION

Jeanne U. Gurlee

RECEIVED
FEB 21 1997
CLERK OF COURT
SAN BERNARDINO COUNTY

8 SUPERIOR COURT OF THE STATE OF CALIFORNIA
9 FOR THE COUNTY OF SAN BERNARDINO, WEST DISTRICT

10
11 IN RE:) CASE NO. RCV 25218
12 CARRIAGE HILLS PLANNED)
13 DEVELOPMENT ASSOCIATION'S) ORDER GRANTING PETITION FOR
14 PETITION FOR AMENDMENT OF) AMENDMENT OF DECLARATION OF
15 DECLARATION OF COVENANTS,) COVENANTS, CONDITIONS AND
16 CONDITIONS AND RESTRICTIONS) RESTRICTIONS

17 The Petition of CARRIAGE HILLS PLANNED DEVELOPMENT ASSOCIATION
18 ("ASSOCIATION") to reduce the percentage of affirmative votes
19 necessary to amend the Declaration of Covenants, Conditions and
20 Restrictions for Carriage Hills ("CC&Rs") came on regularly for
21 hearing on February 14, 1997, at 8:30 a.m., in Department 4 of the
22 above-referenced Court. Dennis M. Burke of Fiore, Walker, Racobs &
23 Powers appeared on behalf of Petitioner. No one appeared in
24 opposition to the Petition; no written opposition to the Petition
25 was filed.

26 Upon reading and considering all of the evidence presented
27 therein, the Court finds as follows:
28

Order Granting Petition, etc. ✓

1997-1-7

- 1 (1) That the ASSOCIATION's Petition met all the requirements
2 of Civil Code Section 1356;
3 (2) That the amendments to the CC&Rs ("Subject Amendments"),
4 attached as Exhibit "D" to the Petition, are reasonable;
5 (3) That the balloting on the Subject Amendments was
6 conducted in accordance with all applicable provisions of
7 the ASSOCIATION's governing documents;
8 (4) That the ASSOCIATION made a reasonably diligent effort to
9 permit all eligible members of the ASSOCIATION to vote on
10 the Subject Amendments; and
11 (5) That granting the Petition is not improper for any reason
12 stated in Civil Code Section 1356(e).

13 IT IS ORDERED, therefore, that the Petition be granted and the
14 Subject Amendments be ordered approved based upon the number of
15 affirmative votes actually cast during the balloting process
16 pursuant to California Civil Code Section 1356, subject to the
17 following conditions:

18 That the Subject Amendments shall be recorded along with this
19 Order in San Bernardino County pursuant to California Civil Code
20 Section 1356(l) and that, within a reasonable time after the
21 recording, the ASSOCIATION shall mail or deliver a copy of the
22 Subject Amendments to each member of the ASSOCIATION, together with
23 a statement that the Subject Amendments have been recorded,
24 pursuant to Civil Code Section 1356(g).

25 IT IS FURTHER ORDERED that, pursuant to Civil Code Section
26 1356(f), upon recordation of the Subject Amendments and this Order,
27 the CC&Rs, as amended in accordance with Civil Code Section 1356,
28 shall have the same force and effect as if the Subject Amendments

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were adopted in compliance with every requirement imposed by the
ASSOCIATION's governing documents.

Date: MAR 03 1997

Barry L. Plotkin
BARRY L. PLOTKIN
JUDGE OF THE SUPERIOR COURT
BARRY L. PLOTKIN

16428

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THE DOCUMENT TO WHICH THIS CERTIFICATION IS
ATTACHED IS A FULL, TRUE AND CORRECT COPY OF
THE ORIGINAL ON FILE AND OF RECORD IN MY OFFICE

ATTEST MAR 17 1997

County Clerk and Ex-Officio Clerk of the
Superior Court of the State of California,
in and for the County of San Bernardino.

BY Amy Finnan DEPUTY

1-395-17