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**AMENDED AND RESTATED MASTER DECLARATION OF
COVENANTS, CONDITIONS AND RESTRICTIONS FOR
LAGUNA AUDUBON II MASTER ASSOCIATION**

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AMENDED AND RESTATED MASTER DECLARATION
OF
COVENANTS, CONDITIONS, AND RESTRICTIONS
FOR
LAGUNA AUDUBON II MASTER ASSOCIATION

THIS AMENDED AND RESTATED MASTER DECLARATION OF COVENANTS, CONDITIONS, AND RESTRICTIONS is made this 28th day of April, 2010, by LAGUNA AUDUBON II MASTER ASSOCIATION, a California nonprofit mutual benefit corporation ("Master Association").

RECITALS:

- A. Laguna Audubon II, a California limited partnership ("Declarant") executed a Master Declaration of Covenants, Conditions, And Restrictions for Laguna Audubon II Master Association and Establishment of Delegate District No. 1 (the "Prior Declaration") on August 21, 1989. The Prior Declaration was recorded on September 5, 1989 as Instrument No. 89-475029 of the Official Records of Orange County, California.
- B. Following the recording of the Prior Declaration, Declarant recorded additional Supplementary Declarations of Covenants, Condition and Restrictions and Notice of Annexation to Laguna Audubon II Master Association ("Supplementary Declarations"). The Prior Declaration governs the real property described in the Prior Declaration and all Supplementary Declarations.
- C. Article XX, Section 4 of the Prior Declaration provides that the Prior Declaration may be amended in the manner described therein and upon an instrument in writing signed and acknowledged by the President and Secretary of the Master Association, certifying that such amendment has been duly approved. The signatures of the President and Secretary of the Association on this Amended and Restated Declaration constitute such a certification.
- D. In order to reduce confusion and for the convenience of all concerned parties, the Amended and Restated Declaration shall replace entirely the Prior Declaration, such that the within Restated and Amended Declaration ("Restated Declaration") shall retain the relative recordation priority date of the originally recorded Prior Declaration.
- E. This Restated Declaration is designed to create equitable servitudes and covenants running with the Properties (as hereinafter defined) to assist in the coordination and protection of a master plan for an entire planned community. This Restated Declaration will apply to all of the Properties.

- F. This Master Declaration is designed to create equitable servitudes and covenants applicable to and running with all of the Properties.
- G. The Master Association has deemed it desirable to impose a general plan for the improvement and development of the Properties as a planned development and the adoption and establishment of covenants, conditions, and restrictions upon the real property and each and every Lot and portion thereof and upon the use, occupancy and enjoyment thereof, all for the purpose of enhancing and protecting the value, desirability and attractiveness of the Properties.
- H. It is desirable for the efficient preservation of the value, desirability and attractiveness of the Properties, pursuant to the provisions of this Master Declaration, to create a corporation to which should be delegated and assigned the powers of maintaining certain Common Area within the Properties as hereinafter provided, and administering and enforcing these covenants, conditions and restrictions and collecting and disbursing funds pursuant to the assessment and charges hereinafter created and referred to.
- I. LAGUNA AUDUBON II MASTER ASSOCIATION, a nonprofit mutual benefit corporation, has been incorporated under the laws of the State of California for the purpose of exercising the powers and functions aforesaid.
- J. This Master Declaration is designed to create equitable servitudes and covenants applicable to and running with all of the Properties.
- K. The Properties shall be held, sold, conveyed, encumbered, hypothecated, leased, used, occupied, and improved subject to the Community Declaration (as hereinafter defined) and the following easements, restrictions, covenants, conditions and equitable servitudes, all of which are for the purpose of uniformly enhancing and protecting the value, attractiveness and desirability of the properties, in furtherance of a general plan for the protection, maintenance, subdivision, improvement and sale of the Properties. The covenants, conditions, restrictions, reservations, easements and equitable servitudes set forth herein shall run with the Properties and shall be binding upon all persons having any right, title of interest in the Properties, or any part thereof, their heirs, successors and assigns shall inure to the benefit of every portion of the properties and any interest therein.
- L. The Master Association hereby declares that the Prior Declaration and subsequent Supplementary Declarations are amended, modified and superseded by the within Restated Declaration such that the within Restated Declaration will maintain the same lien priority date as the originally recorded Prior Declaration.

Now, THEREFORE, Declarant hereby declares that all of the Properties shall be held, sold, conveyed, encumbered, hypothecated, leased, used, occupied, and improved subject to the Community Declaration (as hereinafter defined) and the following easements, restrictions, covenants, conditions and equitable servitudes, all of which are for the purpose of uniformly enhancing and protecting the value, attractiveness and desirability of the properties, in furtherance of a general plan for the

protection, maintenance, subdivision, improvement and sale of the Properties as the first increment of Delegate District No. 1. The covenants, conditions, restrictions, reservations, easements and equitable servitudes set forth herein shall run with the Properties and shall be binding upon all persons having any right, title of interest in the Properties, or any part thereof, their heirs, successors and assigns shall inure to the benefit of every portion of the properties and any interest therein; and shall inure to the benefit of and be binding upon Declarant, by any Owner or by the Master Association (as hereinafter defined).

I. DEFINITIONS

Section 1. Additional Declaration. The term "Additional Declaration" as used herein shall mean and refer to any declaration of covenants, conditions and restrictions, or similar document, which shall affect solely a Condominium Project or Planned Development or other portion of the real property within the Properties or Annexable Area and which may in the future be imposed by Declarant upon any of the real property and for creating a Sub-Association under this Master Declaration.

Section 2. Annexable Area. The term "Annexable Area" as used herein shall mean the real property described in Exhibit "A" attached hereto and incorporated herein by this reference, all or any portion of which property may from time to time be made subject to this Master Declaration pursuant to the provisions of the Article of this Master Declaration entitled "DEVELOPMENT AND ANNEXATION."

Section 3. Architectural Committee. The term "Architectural Committee" shall mean the Committee created pursuant to the article of this Master Declaration entitled "ARCHITECTURAL CONTROL."

Section 4. Board of Directors. The term "Board of Directors" or "Board" as used herein shall mean and refer to the duly executed Board of Directors of the Master Association.

Section 5. Common Area. The term "Common Area" as used herein shall mean all the real property and improvements, including, without limitation, slopes, open surface areas and landscape areas which are owned in fee simple or maintained by the Master Association for the common use and enjoyment of all of the Owners, or over which the Master Association has an easement or an encroachment permit for maintenance purposes for the common use and enjoyment of all of the Owners. The Common Area to be owned by the Master Association at the time of the first close of escrow for the sale of a Lot in Phase 1 of the Properties shall include fee title to Lot A and an easement over that portion of Lot C as shown and described on Exhibit "B" attached hereto and incorporated herein by this reference, of said Tract No. 13614, as per map recorded in Book 620, Pages 1 through 5 of Miscellaneous Maps, Records of Orange County, California. Additional Common Area may be annexed to the Properties pursuant to the provisions of the Article hereof entitled "DEVELOPMENT AND ANNEXATION." Title to any portion of the Common Area in any phase of Development may be subject to a prior dedication to the County or an irrevocable offer of dedication to the County which has not been accepted but which is still subject to being accepted by the County.

Section 6. Common Expenses. The term "Common Expenses" as used herein shall mean those expenses for which the Master Association is responsible under this Master Declaration, including the actual and estimated costs of: maintenance, management, operation, repair and replacement of Common Area; unpaid Special Assessments and Reimbursement Assessments; the costs of any commonly metered utilities and other commonly metered charges for the properties; costs of management and administration of the Master Association including, but not limited to, compensation paid by the Master Association to managers, accountants, attorneys and other employees; the costs of all utilities, gardening, trash pickup and other services benefitting the Common Area; the costs of fire, casualty and liability insurance, worker's compensation insurance, and other insurance all covering the

Common Area; the costs of bonding the members of the management body; taxes paid by the Master Association; amounts paid by the Master Association for discharge of any lien or encumbrance levied against the Common Area, or portions thereof; and the costs of any other item incurred by the Master Association for any reason whatsoever in connection with the Properties, for the benefit of all of the owners.

Section 7. Community Association. The term "Community Association" as used herein shall mean ALISO VIEJO COMMUNITY ASSOCIATION, a California nonprofit public benefit corporation, its successors and assigns.

Section 8. Community Association Properties. The term "Community Association Properties as used herein shall mean all of the real and personal property and improvements now or hereafter owned by the Community Association, as further provided in the Community Declaration.

Section 9. Community Declaration. The properties are subject to the provisions of the Declaration of Covenants, Conditions and Restrictions for the Aliso Viejo Community Association, which was recorded April 6, 1982 as Instrument No. 82-118353 of Official Records of Orange County, California and any amendments or annexations thereto (hereinafter collectively referred to as the "Community Declaration"). The Community Declaration is binding upon all Owners of Lots within the Properties presently covered by the Community Association.

Section 10. Condominium Project. The term "Condominium Project" as used herein shall mean and refer to a project as defined in the California Civil Code, or any similar California statute hereinafter enacted, and all property annexed to such project as provided in the Additional Declaration for such project in the event such project is developed in phases or increments.

Section 11. County. The term "County" as used herein shall mean and refer to Orange County, California.

Section 12. Declarant. The term the "Declarant" as used herein shall mean and refer to LAGUNA AUDUBON II, its successors and assigns, and any other person to which it shall have assigned any rights hereunder by an express written assignment.

Section 13. Delegate – Community Association. The term "Delegate" as used herein with reference to the Community Association voting privileges shall mean and refer to a person selected by the Members in Delegate District No. 42 pursuant to the Article of this Master Declaration entitled "ELECTION OF DELEGATE – ALISO VIEJO COMMUNITY ASSOCIATION," to represent all such Members and to vote on their behalf, as further described in the Community Declaration and in the Bylaws of the Community Association.

Section 14. Delegate – Master Association. The term "Delegate" as used herein with reference to the Master Association voting privileges shall mean and refer to a person selected by the Members owning all of the Lots subject to this Master Declaration in a Delegate District to represent all of the

Members within such Delegate District to vote on their behalf, as further provided in this Master Declaration and in the Master Association's Bylaws.

Section 15. Delegate District No. 42 – Community Association. The term "Delegate District No. 42" as used herein shall mean and refer to the geographical area encompassed by the Properties, and any portion of the Annexable Area which is annexed to the Properties, and is designated as being within the jurisdiction of Delegate District No. 42 of the Community Association.

Section 16. Delegate District – Master Association. The term "Delegate District" as used herein with reference to the Master Association shall mean and refer to a geographical area in the Properties in which all of the Members owning Lots therein shall elect a single Delegate to represent their collective voting power in the Master Association. A Delegate District may be established in one of two ways, as follows:

- a) Where a Sub-Association is to be created the portion of the Properties covered by the Additional Declaration providing for the creation of the Sub-Association shall be a Delegate District;
- b) Delegate Districts for portions of the Annexable Area not covered by any Additional Declaration providing for a Sub-Association shall be established from time to time by Declarant upon recordation of an instrument creating such Delegate District, all as further provided herein; and
- c) Delegate District No. 1 shall refer to the geographical area encompassed by the properties and any portion of the Annexable Area which is annexed to the Properties and is designated as being within the jurisdiction of Delegate District No. 1 of the Master Association.

Section 17. Drainage of Irrigation Easement Areas. The term "Drainage or Irrigation Easement Areas" as used herein shall mean those certain surface and subsurface areas which are located on and under certain of the residential lots within the Properties as hereinafter provided. The Master Association shall have a nonexclusive easement for maintenance purposes over the Drainage or Irrigation Easement Areas. The Drainage or Irrigation Easement Areas located within the Properties are generally depicted on the drawings marked Exhibit "C" attached hereto and incorporated herein by this reference. Additional Drainage or Irrigation Easement Areas to be added with a subsequent Phase of the Properties pursuant to the Article of this Master Declaration entitled "DEVELOPMENT AND ANNEXATION" shall be generally depicted as an Exhibit to the Supplementary Declaration of Annexation for such Phase.

Section 18. Dwelling Unit. The term "Dwelling Unit" as used herein shall mean and refer to a building located on a Lot designed and intended for use and occupancy as a single family residence.

Section 19. FHA. The term "FHA" as used herein shall mean and refer to the Federal Housing Administration.

Section 20. Improvement. The term "Improvement" as used herein shall mean any structure or appurtenance thereto of every type and kind, including but not limited to buildings, outbuildings, walkways, sprinkler pipes, garages, carports, room additions, patio covers, awnings, swimming pools,

spas, recreational facilities, roads, driveways, walkways, bicycle trails, parking areas, fences, screening walls, retaining walls, stairs, decks, landscaping, antenna, hedges, windbreaks, plantings, planted trees and shrubs, poles, signs, exterior air conditioning, water softening fixtures or equipment, exterior tanks, solar heating equipment, and painting of any exterior surfaces of any visible structure.

Section 21. Institutional Holder. The term "Institutional Holder" as used herein shall mean and refer to any holder (beneficiary) of a first deed of trust which encumbers a Lot, which holder is a bank or savings and loan association or established mortgage company, or other entity chartered under federal or state laws, any corporation or insurance company, or any federal or state agency.

Section 22. Landscape Maintenance Areas. The term "Landscape Maintenance Areas" as used herein shall mean certain planting, planted trees, shrubs, slopes, exterior surface of walls, fences, entry monuments, debris basins, catch basins and other landscaping improvements which are located on the residential lots or on Community Association Properties, as such term is defined in the Community Declaration, to be maintained by the Master Association as hereinafter provided. Notwithstanding the foregoing provisions, the Master Association shall not be required to maintain any wrought iron or other type of addition installed by an Owner or by Declarant on behalf of an Owner which extends the height of a wall, which extension shall be maintained by the owner of the Lot on which such extension is located. The Master Association shall have a nonexclusive easement for maintenance purposes over the Landscape Maintenance Areas; provided however, that the Master Association, acting through the Board, may reasonably restrict access to those portions of the Landscape Maintenance Areas upon which Master Association maintained slopes are located. The Landscape Maintenance Areas located within the Properties are generally depicted on the drawings which are marked Exhibit "D" attached hereto and incorporated herein by this reference. Additional Landscape Maintenance Areas to be added with a subsequent Phase of the Properties pursuant to the Article of this Master Declaration entitled "DEVELOPMENT AND ANNEXATION" shall be generally depicted as an Exhibit to the Supplementary Declaration of Annexation for such Phase. The Master Association shall only be required to maintain such portions of the Landscape Maintenance Areas as defined herein as have been included in the budget for the Master Association as approved by the California Department of Real Estate in connection with the issuance of a final subdivision public report on each phased of the development.

Section 23. Lot. The term "Lot" as used herein shall mean and refer to each lot or parcel of real property in the Properties and any property in the Annexable Area annexed to this Master Declaration (but exclusive of the Common Area), as shown with a separate and distinct number or letter on a final subdivision map or parcel map, which has been duly recorded or filed in the Office of the County Recorder of Orange County. Notwithstanding the foregoing, in the event a condominium plan is or had been recorded covering any portion of the Properties or any property within the Annexable Area which is annexed to this Master Declaration pursuant to the Article of this Master Declaration entitled "DEVELOPMENT AND ANNEXATION," then as to all of such property and/or additional property covered by such condominium plan, the term "Lot" as used in this Master Declaration shall also mean each condominium unit contained and defined therein.

Section 24. Master Association. The term "Master Association" as used herein shall mean and refer to LAGUNA AUDUBON II MASTER ASSOCIATION, a nonprofit mutual benefit corporation, its successors and assigns. Unless otherwise specified herein, the terms "Board," "Bylaws" and "Articles" shall refer to the Board of Directors, the Bylaws and the Articles of Incorporation of the Master Association. For purposes of the Community Declaration and the election of delegates thereto, the Master Association shall be considered a Sub-Association, as defined in the Community Declaration.

Section 25. Master Declaration. The term "covenants" and/or "Master Declaration" as used herein shall mean and refer collectively to the covenants, conditions, restrictions, reservations, easements, liens, and charges imposed by or expressed in this Master Declaration.

Section 26. Member. The term "Member" shall mean and refer to those persons entitled to membership in the Master Association as provided in this Master Declaration and in the Master Association Articles of Incorporation and By-Laws.

Section 27. Mortgage. The term "Mortgage" as used herein shall mean and refer to any duly recorded and valid Mortgage or deed of trust encumbering a Lot.

Section 28. Owner. The term "Owner" as used herein shall mean and refer to the record Owner, whether one or more persons or entities, of a fee simple title to any Lot which is a part of the Properties, including contract purchasers, but excluding those having such interest merely as a security for the performance of an obligation.

Section 29. Phase. The term "Phase", "phase" or "Phase of the Development" as used herein shall mean and refer to each portion of the Properties for which a Supplementary Declaration of Restrictions has been recorded annexing such real property to this Master Declaration in accordance with the provisions of the Article of this Master Declaration in accordance with the provisions of the Article of this Master Declaration entitled "DEVELOPMENT AND ANNEXATION." The precise phasing for each increment of the Properties shall be identified in the recorded Supplementary Declaration of restrictions for each Phase of the Properties.

Section 30. Planned Development. The term "Planned Development" as used herein shall mean and refer to an area of the Annexable Area, other than a Condominium Project, developed as an increment of this overall planned community, including all property covered by any Additional Declaration whether or not the increment may or may not be defined as a planned development under the California Business and Professions Code, or any similar California statute hereinafter enacted.

Section 31. Properties. The term "Properties" as used herein shall mean and refer to that certain real property in the unincorporated area of the County of Orange, State of California, described as Lots 1 through 40, Lot A and an easement over a portion of Lot C as depicted on Exhibit "B" attached hereto, of Tract No. 13614, as per map recorded in Book 620, Pages 1 through 5 of Miscellaneous Maps, Records of Orange County, California. The term Properties also shall include any real property which is annexed to the Master Declaration pursuant to the Article of this Master Declaration entitled "DEVELOPMENT AND ANNEXATION."

Section 32. Regular Assessment. The term "Regular Assessment" as used herein shall mean and refer to the amount which is to be paid by each Owner to the Master Association for common expenses as provided by the terms of this Master Declaration.

Section 33. Reimbursement Assessment. The term "Reimbursement Assessment" as used herein shall mean a charge against each Owner and their Lot for the purpose of reimbursing the Master Association for any costs incurred by the Master Association on behalf of an individual Owner. A Reimbursement Assessment may also be levied by the Master Association for purposes of collecting any monetary penalties which may be imposed by the Master Association against an Owner who fails to comply with the provisions of this Master Declaration, the determinations of the Board or the Architectural Committee, or any other rule or regulation adopted by the Master Association.

Section 34. Special Assessment. The term "Special Assessment" as used herein shall mean a charge against each Owner and such Owner's Lot, representing a portion of the cost to the Master Association for installation or construction of any capital improvements on any of the Common Area which the Master Association may from time to time authorize pursuant to the provisions of this Master Declaration.

Section 35. Sub Association. The term "Sub-Association" as used hereinafter shall mean and refer to any California corporation formed pursuant to the General Non-Profit Corporation Law of the State of California, or its successors or assigns, organized and established to manage, operate, and maintain a Planned Development or Condominium Project as authorized by, and as further provided in the Additional Declaration applicable to such project or projects.

Section 36. Supplementary Declaration. The term "Supplementary Declaration" as used herein shall mean and refer to any declaration of covenants, conditions and restrictions and reservation of easements or similar document now or hereafter recorded against any tract within the Annexable Area pursuant to the provisions of the Article entitled "DEVELOPMENT AND ANNEXATION" hereof, annexing such portion of the Annexable Area to the Properties.

Section 37. VA. The term "VA" as used herein shall mean and refer to the Department of Veterans Affairs.

II. NATURE AND PURPOSE OF COVENANTS

The covenants, conditions, and restrictions set forth in this Master Declaration constitute a general scheme for the development, protection and maintenance of the Properties to enhance the value, desirability and attractiveness of the Lots for the benefit of all Owners of Lots therein. These covenants, conditions and restrictions are imposed upon the Owners of all Lots. Said covenants, conditions and restrictions are for the benefit of all Lots, and shall bind the Owners of all such Lots. Such covenants, conditions and restrictions shall be a burden upon and a benefit to not only the original Owner of each Lot, but also such Owner's successors and assigns. All such covenants, conditions and restrictions are intended as and are hereby declared to be covenants running with the land or equitable servitudes upon the land, as the case may be.

III. USE RESTRICTIONS

All real property within the Properties shall be held, used and enjoyed subject to the following limitations and restrictions.

Section 1. Single Family Residence. Each lot shall be used as a residence for a single family and for no other purpose.

Section 2. Business or Commercial Activity. No part of the Properties shall ever be used or caused to be used or allowed or authorized in any way, directly or indirectly, for any business, commercial, manufacturing, mercantile, storage, vending or other such non-residential purposes. The provisions of this Section shall not preclude professional and administrative occupations without external evidence thereof, for so long as such occupations are in conformance with the applicable governmental ordinances and are merely incidental to the use of the dwelling units as a residential home.

Section 3. Nuisance. No noxious or offensive activity (including but not limited to the repair or motor vehicles) shall be carried on, in or upon any Lot or the Common Area, nor shall anything be done therein which may be or become an unreasonable annoyance or a nuisance to any other Owner. Without limiting the generality of the foregoing provisions, no loud noises or noxious odors, no exterior speakers, horns, whistles, bells or other sound devices (other than security devices used exclusively for security purposes), noisy or smoky vehicles, large power equipment or large power tools, unlicensed off-road motor vehicles or items which may unreasonably interfere with television or radio reception of any Owner in the Properties, shall be located, used or placed on any portion of the Properties, or exposed to the view of other Owners without the prior written approval of the Architectural Committee. The Board of Directors shall have the right to determine in accordance with the Bylaws if any noise, odor, interference or activity producing such noise, odor or interference constitutes a nuisance.

Section 4. Signs. No sign, poster, display, billboard or other advertising device of any kind shall be displayed to the public view on any portion of the Properties or any Lot, without the prior written consent of the Architectural Committee, except for the following: (i) one sign for each dwelling unit, of not more than six (6) square feet, plain block letters, advertising the dwelling unit for sale or rent. All signs or billboards and the conditions promulgated for the regulation thereof shall conform to the requirements of all applicable governmental ordinances.

Section 5. Parking and Vehicular Restrictions. No Owner shall park, store or keep any vehicle, except wholly within the parking area designated therefor, and any inoperable vehicle shall be stored only in enclosed garages. No Owner shall park, store or keep on any property or 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, motor home), any bus, trailer, trailer coach, camp trailer, boat, aircraft, mobile home, inoperable vehicle or any other similar vehicle or any vehicular equipment, mobile or otherwise, deemed to be a nuisance by the Board, upon any unenclosed parking space, so as to be visible from anywhere in the Properties. The above excludes camper trucks and similar vehicles up to and including

three-quarter (3/4) ton when used for everyday-type transportation and subject to approval by the Board. No Owner of a Lot shall conduct repairs or restorations of any motor vehicle, boat, trailer, aircraft or other vehicle upon any portion of any Lot or upon the Common Area, except wholly within the Owner's garage, and then only when the garage door is closed, provided, however, that such activity shall at no time be permitted if it is determined by the Board or its agent to be a nuisance. Garage doors shall remain closed except for reasonable periods while the garages are being used.

Section 6. Animal Restrictions. No insects, reptiles, poultry or animals of any kind shall be raised, bred or kept on any Lot or the Common Area, except usual and ordinary dogs, cats, fish, birds and other household pets (excluding, without limitation, equine, bovine, sheep, swine, goats and other such animals) may be kept on Lots, provided that they are not kept, bred or maintained for commercial purposes or in unreasonable quantities, nor in violation of the rules and regulations adopted by the Master Association. As used in this Master Declaration, "unreasonable quantities" shall ordinarily mean more than two (2) pets per household, provided, however, that the Master Association (or the Architectural Committee or such other person or entity as the Master Association may from time to time designate) may determine that a reasonable number in any instance may be more or less. The Master Association, acting through the Board of Directors, shall have the right to prohibit maintenance of any animal which constitutes, in the opinion of the Board, a nuisance to any other Owner. Animals belonging to Owners, occupants or their licensees, tenants or invitees within the Properties must be either kept within an enclosure, an enclosed yard or on a leash being held by a person capable of controlling the animals. Furthermore, any Owner shall be liable pursuant to the laws of the State of California to each and all remaining 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 their family, their tenants or guests; and it shall be the absolute duty and responsibility of each such Owner to clean up after such animals which have used any portion of the Common Area or any portion of another's Lot.

Section 7. Trash. No rubbish, trash or garbage or other waste material shall be kept or permitted upon any Lot or Common Area, except in sanitary containers located in appropriate areas screened and concealed from view, and no odor shall be permitted to arise therefrom so as to render the Properties, or any portion thereof, unsanitary, unsightly, offensive or detrimental to any other property in the vicinity thereof or to its occupants. Such containers shall be exposed to the view of neighboring Lots only when set out for a reasonable period of time (not to exceed twenty-four (24) hours before and after scheduled trash collection hours.) There shall be no exterior fires whatsoever except barbecue fires contained within receptacles therefor and fire pits in the enclosed yard designed in such a manner that they do not create a fire hazard. No clothing or household fabrics shall be hung, dried or aired in such a way in the Properties as to be visible to other property, and no lumber, grass, shrub or tree clippings or plant waste, metals, bulk material or scrap or refuse or trash shall be kept, stored or allowed to accumulate on any portion of the Properties except within an enclosed structure or appropriately screened from view.

Section 8. Temporary Building. No outbuilding, tent, shack, shed or other temporary building or Improvement of any kind shall be placed upon any portion of the Properties either temporarily or

permanently. No garage, trailer, camper, motor home or recreational vehicle shall be used as a residence in the Properties, either temporarily or permanently.

Section 9. Common Area Facilities. Nothing shall be altered or constructed in or removed from the Common Area except upon the written consent of the Architectural Committee, subject to the provisions of this Master Declaration limiting construction on portions of the Common Area.

Section 10. Outside Installations. No radio station or shortwave operators of any kind shall operate from any Lot or dwelling unit unless approved by the Board of Directors. No exterior radio antenna, C.B. antenna, television antenna, or other antenna of any type shall be erected or maintained in the Properties. No fence or wall shall be erected, altered or maintained on any Lot in the Properties, except with the prior written approval of the Architectural Committee. All walls or fences initially constructed by Declarant, other than those designated by Landscape Maintenance Area, shall be permanently maintained by the Owners of the Lots on which they are located unless otherwise provided in this Master Declaration, Additional Declaration or in a Supplementary Declaration affecting said Lot. Any alterations or modifications of the walls or fence not addressed herein shall be subject to the prior written approval of the Architectural Committee.

Section 11. Insurance Rates. Nothing shall be done or kept in the Properties which will increase the rate of insurance on any property insured by the Master Association without the approval of the Board, nor shall anything be done or kept in the Properties which would result in the cancellation of insurance on any property insured by the Master Association or which would be in violation of any law.

Section 12. Drilling. No oil drilling, oil development operations, oil refining, quarrying or mining operations of any kind shall be permitted upon or in any Lot, nor shall oil wells, tanks, tunnels or mineral excavations or shafts be permitted upon the surface of any Lot or within five hundred fifty feet (550) below the surface of the Properties. No derrick or other structure designed for use in boring for water, oil or natural gas shall be erected, maintained or permitted upon any Lot.

Section 13. Drainage and Irrigation.

(a) There shall be no interference with the established drainage pattern over any lot within the Properties, unless an adequate alternative provision is made for proper drainage and is first approved in writing by the Architectural Committee. For the purposes hereof, "established" drainage is defined as the drainage which exists at the time that such lot is conveyed to a purchaser from Declarant, or which is shown on any plans approved by the Architectural Committee, which may include drainage from the Common Area over any Lot or Lots in the Properties.

(b) In addition, Declarant has established for the benefit of the Master Association drainage and irrigation easements over certain of the Lots within the Properties for purposes of accommodating drainage and irrigation waters from adjacent Lots and Common Areas within the Properties, as provided in the Section entitled "Drainage and Irrigation Easements" of the Article of this Master Declaration entitled "EASEMENTS AND OWNERS' PROPERTY RIGHTS".

Section 14. View Obstructions. Each Owner by accepting a deed to a Lot hereby acknowledges that any construction or installation by Declarant may impair the view of such Owner and hereby consents to such impairment. No other Improvement or obstruction shall be constructed, planted or maintained upon any Lot by an Owner in such location or such height as to unreasonably obstruct the view from any other Lot in the vicinity thereof. If there is a dispute between Owners concerning the obstruction of a view from a Lot, the dispute shall be submitted to the Architectural Control Committee, whose decision in such matters shall be binding. Any item or vegetation maintained upon any Lots which item or vegetation is exposed to the view of any Owner, shall be removed or otherwise altered to the satisfaction of the Architectural Control Committee, if it determines that the maintenance of such item or vegetation in its then existing state is contrary to the purpose or provisions of this Master Declaration. The Architectural Control Committee shall ensure that the vegetation on the Common Area maintained by the Master Association is cut at such intervals so that the view of any Owner is not unreasonably obstructed.

Section 15. Solar Energy Systems. Each Owner may install a solar energy system on their Lot which serves the Dwelling Unit so long as (1) the design and location of the solar energy system meets the requirements of applicable zoning district ordinances, and (2) said design and location receives the prior written approval of the Architectural Review Committee pursuant to the provisions of the Article of his Master Declaration entitled "ARCHITECTURAL CONTROL".

Section 16. Rights of the Handicapped. Subject to the review rights of the Architectural Control Committee, each Owner shall have the right to modify their Dwelling Unit and the route over the Lot leading to the front door of their Dwelling Unit, at their sole cost and expense, in order to facilitate access to their Dwelling Unit by persons who are blind, visually handicapped, deaf or physically disabled, or to alter conditions which could be hazardous to such persons.

Section 17. Leasing. No Owner shall be permitted to lease or rent any Lot for a term of less than thirty (30) days. No Owner may lease less than the entire Dwelling Unit. Any lease shall be required to provide that the terms of the lease shall be subject in all respects to the provisions of the Master Declaration and the By-Laws and that any failure by the lessee to comply with the terms of such documents shall be a default under the lease. All leases shall be required to be in writing. Other than the foregoing, there shall be no restrictions on the right of any Owner to lease their Lot.

Section 18. Violation of Governing Instruments. There shall be no violation of the restrictions of this Master Declaration or of the rules and regulations of the Master Association adopted in accordance with the provisions of the Bylaws. If any Owner, his family, guest, licensee, lessee or invitee, violates any such restrictions, the Board may impose a reasonable Reimbursement Assessment upon such Owner for each violation and may suspend the voting privileges of such Owner as further provided in the By-Laws. Such Reimbursement Assessment shall be collectible in the same manner as Regular Assessments hereunder, but the Board shall give such Owner notice and hearing before involving any such Reimbursement Assessment or suspension.

Section 19. [DELETED]

Section 20. Community Association Restrictions. Each Owner of a Lot, by acceptance of a deed or other conveyance therefor, whether or not it shall be so expressed in such deed or other instrument, agrees to be subject to all of the covenants, conditions and restrictions set forth in the Community Declaration.

IV. LAGUNA AUDUBON II MASTER ASSOCIATION

Section 1. Organization. The Master Association is organized as a California corporation under the California Nonprofit Mutual Benefit Corporation Law. The Master Association is charged with the duties and vested with the powers prescribed by law and set forth in the Articles, By-Laws, and this Master Declaration. Neither the Articles nor By-Laws shall, for any reason, be amended or otherwise changed so as to be inconsistent with this Master Declaration. In the event that there should exist any ambiguity in any provision of the Articles or Bylaws, then such provision shall be construed, to the extent possible, so that such provision shall be consistent with the provisions of this Master Declaration. Nothing in this Master Declaration shall prevent the creation, by the provision therefor in Additional Declarations, of Sub-Associations to assess, regulate, maintain or manage the portions of the Properties subject to such Additional Declarations, or to own or control portions thereof for the common use or benefit of the Owners of Lots in the portion of the Properties subject to such Additional Declarations.

Section 2. Membership. Each Owner of one or more Lots in the Properties shall be a Member of the Master Association and subject to this Master Declaration, the Articles, the Bylaws and the rules and regulations adopted by the Master Association, as well as a Member of any Sub-Association responsible for operating the Planned Development or Condominium Project in which their Lot is located. All memberships in the Master Association shall be appurtenant to the Lot owned by each Member and memberships in the Master Association shall not be assignable, except to the person to whom title to the Lots has been transferred. Ownership of such Lot shall be the sole qualification for membership in the Master Association. The membership in the Master Association shall not be transferred, pledged or alienated in any way, except upon the transfer of title to said lot, and then only to the purchaser or mortgagee of such Lot. Any attempt to make a prohibited membership transfer shall be void and will not be reflected on the books of the Master Association.

Section 3. Designation of Delegate Districts and Selection of Delegates.

(a) The Delegate Districts for Members owning Lots in the Properties shall be as set forth in Exhibit "E" attached hereto and incorporated herein by this reference. Delegates to each Delegate District shall be selected as provided hereinbelow.

(b) Portions of the Properties with Sub-Associations. In the event that a Sub-Association exists pursuant to an Additional Declaration for the administration of any Planned Development or Condominium Project within the Properties covering any such Delegate District, then the election of a Delegate to the Master Association for Such Delegate District shall be accomplished at the annual meeting of the Sub-Association, in the manner specified in the Additional Declaration creating such Sub-Association; or if no such manner is specified, then the Delegate shall be elected in the manner provided in the Additional Declaration for the election of a member of the board of directors of the Sub-Association.

(c) Portions of the Properties Without a Sub-Association. In the event that a Sub-Association is not created incident to the recordation of an Additional Declaration for any portion of the Properties, then a Delegate District for such portion of the Properties shall be established by the

recordation of a written instrument containing a legal description of the portion of the Properties without a Sub-Association which shall constitute the Delegate District and a statement that such real property described therein shall be a Delegate District for purposes of this Master Declaration. The Delegate to represent any Delegate District established as set forth in this subsection (c) shall be elected by Members holding a majority for the voting power in such Delegate District in accordance with the voting procedures set forth below:

(i) Each Member within any Delegate District shall be entitled to one (1) vote for each Lot owned by them within the Delegate District.

(ii) Those Members appearing, in the Official Records of the Orange County Recorder at 8:00 A.M. on the date of any meeting of the Members required or permitted to be held under this subsection (b), as record owners of Lots located in the Delegate District shall be entitled to attend any such meeting, either in person or by ballot. Each ballot received shall be treated as a Member present at a meeting for purposes of establishing quorum. Once a ballot is received it shall be irrevocable. If there is more than one record Owner of any Lot, any and all of the Members owning such Lot may attend any meeting of the Members, but the vote attributable to the Lot so owned shall not be increased by reason thereof. In the event of any dispute as to entitlement of any member to vote or the results thereof, the Board shall act as arbitrators and a decision of a disinterested majority of the Board shall, if rendered in writing, be final and binding as an arbitration award and shall be acted upon in accordance with the California Arbitration Act.

(iii) Every Member entitled to attend, vote at or exercise consents with respect to any meeting of the Members in a Delegate District may do so either in person, or by ballot.

(iv) The right to vote in any such Delegate District may not be severed or separated from the ownership of the Lot to which it is appurtenant. Any sale, transfer or conveyance of such Lot to a new Owner or Owners shall operate automatically to transfer the appurtenant vote to the new Owner.

(v) For any Delegate District for which no Sub-Association exists, there shall be an annual meeting of the Members in such Delegate District not less than ten (10) days nor more than sixty (60) days prior to every annual meeting of the Master Association. At the annual meeting of the Members, the Members shall elect a Delegate to represent them. Such Delegate shall continue to be a Delegate for one (1) year or until his successor is elected, whichever is later, unless such Delegate is removed with or without cause by the vote in person or by ballot at a duly constituted meeting of at least a majority of the Members in such Delegate District. Such meeting shall be held in the Delegate District or at such other convenient location on or near the Properties and within the County of Orange, California, as may be designated in the notice of the meeting. Written notice of the time, place and purpose of each annual meeting shall be sent to each Member within the Delegate District, no later than ten (10) days prior to the meeting. A special meeting of the Members in such Delegate District may be called at any reasonable time and place by written notice (A) by the Delegate representing Members in such Delegate District; or (B) by the Members in the Delegate District having one-quarter (1/4) of the

total votes within such Delegate District. Such notice must be delivered to all Members not less than ten (10) days prior to the date fixed for such special meeting, specifying the date, time and place thereof and the nature of the business to be undertaken. The presence at any meeting, in person or by ballot, of the Members entitled to vote at least ten percent (10%) of the total votes within such Delegate District shall constitute a quorum. If any meeting cannot be held because a quorum is not present, the Members present, either in person or by ballot, may, except as otherwise provided by law, adjourn the meeting to a time not less than five (5) nor more than thirty (30) days from the time the original meeting was called. The Members present at each meeting shall select a chairman to preside over the meeting and a secretary to transcribe minutes of the meeting. Unless otherwise expressly provided, any action authorized hereunder may be taken at any meeting of such Members owning Lots in a Delegate District for which a Sub-Association has not been created, upon the affirmative vote of the Members having a majority of quorum of the total voting power therein present at such meeting in person or by ballot.

(d) Suspension of Voting Rights. The Board shall have the authority to suspend the voting rights of any Member to vote in any meeting of the Members in any Delegate District, for any period during which the payment of any Regular Assessment, Capital Special Assessment improvement or Reconstruction Assessment against such Member and the real property owned by such Member remains delinquent, it being understood that the suspension for nonpayment of any assessment shall not constitute a waiver or discharge of the Member's obligation to pay assessments provided for herein.

Section 4. Voting by Delegates.

(a) Each Delegate District shall elect one (1) Delegate to the Master Association to exercise the voting power of all of the Members in such Delegate District. The chairman of any meeting at which a Delegate is elected shall certify in writing to the Board the name and address of the Delegate elected, the time and place of the meeting at which the election occurred and the Delegate District which the Delegate represents. A Delegate may be removed without cause by the vote in person or by ballot at any duly constituted meeting of at least a majority of the Members in the Delegate District. Only Members of the Master Association shall be eligible for election as Delegates, and each District Delegate shall be an Owner of property located within the Delegate District he or she represents. Upon termination of any Delegate's membership in the Master Association, such Delegate's term of office shall immediately terminate and a new Delegate shall be elected in his place. Delegates may act in person or by written ballot.

(b) Each Delegate will be entitled to cast one vote for each such Lot subject to this Master Declaration and located in the Delegate District represented by such Delegate. Each Delegate shall be entitled to cast the votes representing Lots in his Delegate District with respect to each such Lot only during such periods as the Owners of such Lots may be entitled to cast votes for the election of a Delegate as provided hereinafter or in any Additional Declaration, whichever is applicable.

(c) Whenever a matter is presented to the Delegates by the Board for approval, written notice of the substance of the matter shall be given to the Delegates at least sixty (60) days prior to the date on which the matter shall be discussed at a meeting of the Delegates or the date on which the

matter shall become effective if adopted without a meeting by unanimous written consent of the Delegates. During the sixty (60) day period prior to the special meeting or effective date, the Delegates shall call and attend special meetings of the Owners within their respective Delegate Districts to consider the substance of the matter with their constituents. Each Owner shall be given at least ten (10) days prior written notice of the special meeting which such Owner may attend. Each Delegate shall cast the votes which they represent in such manner as they may, in their sole discretion, deem appropriate, acting on behalf of all the Members owing Lots in his Delegate District; provided, however, that in the event that at least twenty-five percent (25%) of the Members in any Delegate District shall determine at any duly constituted meeting of the Members in such Delegate District to instruct their Delegate as to the manner in which they are to vote on any issue to be voted on by the Delegates, then the Delegate representing such Delegate District shall cast all of the voting power in such Delegate District in the same proportion, as nearly as possible without counting fractional votes, as all of the voting Members in such Delegate District shall have voted "for" and "against" such issue in person or by ballot. When a Delegate is voting in their own discretion, without instruction from the Members whom they represent, then such Delegate may cast all of the votes which such Delegate represents as a unit or apportion some of such votes in favor of a given proposition and some of such votes in opposition to such proposition. It will be conclusively presumed for all purposes of Master Association business, that any Delegate casting votes on behalf of the Members owning Lots in their Delegate District will have acted with the authority and consent of all such Members. All agreements and determinations lawfully made by the Association in accordance with the voting procedures established herein, and in the Bylaws, shall be deemed to be binding on all Members, owners and their respective successors and assigns.

(d) In the event a Delegate is unable or refuses to perform his or her duties or is not present at a meeting of the Delegates, the Board of Directors may appoint a temporary delegate ("Temporary Delegate") for the Delegate District. The Temporary Delegate shall be a member of the Board of Directors and represents the District for quorum purposes only. The Temporary Delegate shall not have authority to cast votes on behalf of the District.

Section 5. Vesting of Voting Rights. All voting rights which are attributable to a specific Lot pursuant to the terms of this Master Declaration shall not vest until such time as such Lot is subject to Regular Assessments pursuant to the terms of the Master Declaration.

V. ELECTION OF DELEGATE – ALISO VIEJO COMMUNITY ASSOCIATION

Section 1. In accordance with Article IV of the Community Declaration, the Members of District No. 42 shall elect one (1) Delegate to the Community Association to attend meetings of Delegates of the Community Association and to exercise the voting power of all of the members in Delegate District No. 42 (“DD No. 42”). The presence at any meeting, in person or by ballot, of the Members entitled to vote at least ten percent (10%) of the total votes within Delegate District No. 42 shall constitute a quorum. Each ballot received shall be treated as a Member present at a meeting for purposes of establishing a quorum. Once a ballot is received it shall be irrevocable. If any meeting cannot be held because a quorum is not present, the Members present, either in person or by ballot, may, except as otherwise provided by law, adjourn the meeting to a time not less than five (5) nor more than thirty (30) days from the time the original meeting was called.

Section 2. The DD No. 42 Delegate shall be an Owner of a property located within Delegate District No. 42. The Chair at any meeting at which the DD No. 42 Delegate is elected shall certify in writing to the Board of the Community Association the name and address of the DD No. 42 Delegate elected the time and place of the meeting at which the election occurred, and that the DD No. 42 Delegate represents Delegate District No. 42. The DD No. 42 Delegate may be removed without cause by the vote in person or by ballot at any duly constituted meeting of at least a majority of the Members of Delegate District No. 42. Upon termination of the DD No. 42 Delegate’s membership in the Community Association, such Delegate’s term of office shall immediately terminate and a new Delegate shall be elected in their place.

Section 3. The DD No. 42 Delegate will be entitled to cast one (1) vote for each Lot subject to the Community Declaration which is located within District No. 42. The DD No. 42 Delegate shall be entitled to cast the votes representing Lots in Delegate District No. 42 with respect to each such Lot only during such period as the Owner of such Lot may be entitled to cast votes for the election of a Delegate as provided in this Master Declaration or the Community Declaration, whichever is applicable.

Section 4. The DD No. 42 Delegate shall cast the votes which they represent in such manner as they may, in their sole discretion, deem appropriate, acting on behalf of all the Members owning Lots in District No. 42; provided, however, that in the event at least a majority of the Members in District No. 42 shall determine at any duly constituted meeting of the Members in such Delegate District to instruct the DD No. 42 Delegate as to the manner in which they are to vote on any issue to be voted on by the DD No. 42 Delegates, then the DD No. 42 Delegate shall cast all of the voting power in District No. 42 in the same proportion, as nearly as possible without counting fractional votes, as the Members in District No. 42 shall have voted “for” or “against” such issue in person or by ballot. When the DD No. 42 Delegate is voting in their own discretion, without instruction from the Members whom they represent, then the DD No. 42 Delegate shall cast all of the votes which they represent as a unit, and may not apportion some of such votes in favor of a given proposition and some of such votes in opposition to such proposition. It will be conclusively presumed for all purposes of Community Association business that the DD No. 42 Delegate casting votes on behalf of the Members owning Lots in District No. 42 will have acted with the authority and consent of all such Members.

VI. COVENANT FOR MAINTENANCE ASSESSMENTS

Section 1. Covenant to Pay Assessments. Each Owner of any Lot by acceptance of a deed therefor, whether or not it shall be so expressed in such deed, is deemed to covenant and agree to pay to the Master Association: (1) Regular Assessments or charges, (2) Special Assessments for capital improvements, and (3) Reimbursement Assessments, all such assessments to be established and collected hereinafter provided. The Regular Assessments or charges must be in an amount sufficient to include an adequate reserve fund for maintenance, repairs and replacement of the Common Area that must be replaced on a periodic basis, and this reserve fund must be collected as a Regular Assessment rather than as a Special Assessment. Each of such assessments, together with interest, costs and reasonable attorneys' fees, shall also be the personal obligation of the person who was the Owner of such Lot at the time the assessment fell due. The personal obligation for delinquent assessments shall not pass to such person's successors in title unless expressly assumed by them. The Master Association shall not impose or collect an assessment, penalty or fee that exceeds the amount necessary for the purpose or purposes for which it is levied.

Section 2. Purpose of Assessments. The assessments levied by the Master Association shall be used exclusively to promote the recreation, health, safety and welfare of the residents of the Lots and for the improvement, operation, and maintenance of the Common Area and Landscape Maintenance Areas and the performance of the duties of the Master Association as set forth in this Master Declaration.

Section 3. Maximum Regular Assessments and Limitation on Increases in Regular Assessments.

a. Until January 1st of the year immediately following the conveyance of the first Lot to an Owner, the maximum Regular Assessment shall be EIGHT HUNDRED EIGHTEEN DOLLARS AND EIGHTY-EIGHT CENTS (\$818.88) per Lot. From and after January 1st of the year immediately following the conveyance of the first Lot to an Owner, except for the terms of this Master Declaration as provided for in Section 4 herein below, the maximum Regular Assessment may be increased each year not more than twenty percent (20%) above the maximum Regular Assessment for the previous year without the written assent of Members, constituting a quorum, casting a majority of the votes as a meeting or election of the Master Association. Notwithstanding any limitation contained in this Master Declaration to the contrary, in the event that the amount of Regular Assessments as approved by the California Department of Real Estate in connection with the issuance of a final subdivision public report on a subsequent Phase of the Development is greater than the amount authorized by this Master Declaration without a vote of the membership, shall be entitled to increase the maximum Regular Assessment amount as reflected in such final subdivision public report.

Section 4. Special Assessments for Capital Improvements and Limitation on Increases In Special Assessments. In addition to the Regular Assessments authorized above, the Master Association may levy, in any assessment year, a Special Assessment applicable to that year only for the purpose of defraying, in whole or in part, the cost of any construction, reconstruction, restoration, repair or replacement of a capital improvement within the Common Area including fixtures and personal property

related thereto or any other action or undertaking on behalf of the Master Association, provided that any Special Assessment for all Lots for the fiscal year in the aggregate in excess of five percent (5%) of the budgeted gross expenses of the Master Association for that fiscal year shall be approved by the vote or written assent of Members, constituting a quorum, casting a majority of the votes of the Master Association at a meeting or election of the Master Association. This limitation on Special Assessments shall not apply to any Reimbursement Assessment which is authorized by the provisions of this Master Declaration.

Section 5. Special Quorum and Meeting Requirements for Increases in Assessments. For purposes only of Section 3 and Section 4 of this Article, a quorum means more than fifty percent (50%) of the Members of the Master Association. Any meeting or election of the Master Association for purposes of complying with Section 3 and 4 of this Article shall be conducted in accordance with the provisions of Chapter 5 of Part 3, Division 2 of Title 1 of the California Corporations Code dealing with meetings and voting and Section 7613 of the California Corporations Code dealing with proxies.

Section 6. Exceptions from Limitation on Assessment Increases. The limitation on percentage increases of Regular and Special Assessments under Sections 3 and 4 above shall not limit assessment increases necessary for addressing emergency situations. For purposes of this Section, an emergency situation is any one of the following:

- i. An extraordinary expense required by an order of a court;
- ii. An extraordinary expense necessary to repair or maintain the Properties or any part thereof for which the Master Association is responsible where a threat to personal safety on the Properties is discovered;
- iii. An extraordinary expense necessary to repair or maintain the Properties or any part thereof for which the Master Association is responsible that could not have been reasonably foreseen by the Board in preparing and distributing the pro forma operating budget, as required under the Article of this Master Declaration entitled "COMPLIANCE WITH CIVIL CODE SECTIONS 1365 AND 1365.5." However, prior to the imposition or collection of an increased assessment under this Section, 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 7. Reimbursement Assessments. The Master Association shall levy a Reimbursement Assessment against any Owner who fails to comply with the provisions of this Master Declaration, the determinations of the Architectural Committee, the Master Association's Articles or By-Laws, or any rule or regulation adopted by the Master Association, if such failure results in the expenditure of monies by the Master Association in carrying out its functions hereunder or for purpose of collecting any fines which may be levied by the Master Association. Except for collection of fines, such assessment shall be

for the purpose of reimbursing the Master Association, shall be limited to the amount so expended, and shall be due and payable to the Master Association when levied.

Section 8. Uniform Rate of Assessment. Both Regular and Special Assessments must be fixed at a uniform rate for all Planned Development and Condominium Project Lots. Regular Assessments shall be collected on a monthly basis, unless some other period for collection is adopted by the Board.

Section 9. Date of Commencement of Regular Assessments: Due Dates. The Regular Assessments provided for herein shall commence as to all Lots within a Phase of a Planned Development or Condominium Project no later than the first day of the month following the conveyance of the first Planned Development or Condominium Project Lot by Declarant to an individual Owner, provided however, that Regular Assessments shall commence for all Planned Development or Condominium Project Lots located within a Phase of the Properties which has been annexed hereto no later than the first day of the month following the conveyance of the first Planned Development or Condominium Project Lot in such Phase by Declarant to an individual Owner. Once Regular Assessments have commenced as to a Phase, such assessments may not cease, and such lots shall be subject at all times to the provisions of the Master Declaration, including the power of the Master Association to collect such assessments through the enforcement of a lien as provided in this Master Declaration. The first Regular Assessments shall be adjusted according to the number of months remaining in the fiscal year of the Master Association. The Board of Directors shall fix the amount of the Regular Assessment against each Lot at least sixty (60) days in advance of each fiscal year of the Master Association at an amount not in excess of the maximum as provided in this Master Declaration. Written notice of the amount of the Regular Assessments against each Lot shall be sent to every Owner subject thereto. The due dates shall be established by the Board. Regular Assessments shall be deemed delinquent fifteen (15) days after the due dates established by the Master Association. In the event the Board shall determine at any time that the estimate of the Regular Assessment for the current fiscal year is, or will become, inadequate to meet the expenses of the Master Association for any reason, it shall immediately determine the approximate amount of such inadequacy and issue a supplemental estimate of the total Master Association expenses and determine the revised amount of the Regular Assessment against each Owner.

Section 10. Certification of Payment. The Master Association shall, upon demand, and for a reasonable charge, furnish a certificate signed by an officer of the Master Association setting forth whether the assessments on a specified Lot have been paid. Said signed certificate shall be conclusive evidence as to all third parties relying thereon to show that all assessments acknowledged therein have been paid but shall not relieve any Owner of the responsibility for assessments not in fact paid.

Section 11. Reserves. The Regular Assessments shall include reasonable amounts as determined by the Board collected as reserves for the future periodic maintenance, repair or replacement of all or a portion of the Common Area, or any other purpose as determined by the Board. All amounts collected as reserves, whether pursuant to this Section or otherwise, shall be deposited by the Board in a separate bank account to be held in trust for the purposes for which they are collected and are to be segregated from and not commingled with any other funds of the Master Association.

Such reserves shall be deemed a contribution to the capital account of the Master Association by the Members.

Section 12. Effect of Nonpayment of Assessments; Remedies of the Master Association. Each Owner, on becoming an Owner of any Lot, is and shall be deemed to covenant and agree to pay to the Master Association each and every of the assessments provided for in this Master Declaration; and agrees to the enforcement of all such assessments in the manner herein specified. In the event an attorney or attorneys are employed for the collection of any assessment, whether by suit or otherwise, or to enforce compliance with other specific performance of the terms and conditions of this Master Declaration, each Owner agrees to pay reasonable attorneys' fees and costs thereby incurred in addition to any other amounts due or any other relief or remedy obtained against said Owner. In addition to any other remedies herein or by law provided, the Board, or its authorized representative, may enforce the obligations of the Owners to pay the assessments provided for in this Master Declaration, and each of them, in any manner provided by law or in equity, or without any limitation of the foregoing, by either or both of the following procedures:

- a) Enforcement by Suit. By commencement and maintenance of a suit at law against any Owner or Owners personally obligated to pay assessments for such delinquent assessments as to which they are personally obligated, such suit to be maintained in the name of the Master Association. Any judgment rendered in any such action shall include the amount of the delinquency, together with interest thereon as provided for herein, costs of collection, court costs and reasonable attorneys' fees in such amount as the Court may adjudge against the delinquent Owner. Suit to recover a money judgment for unpaid assessments shall be maintainable without foreclosing or waiving the lien hereinafter provided for.
- b) Enforcement by Lien. There is hereby created a claim of lien, with power of sale, on each and every Lot to secure payment to the Master Association of any and all assessments levied against any and all Owners of such Lots pursuant to this Master Declaration, together with interest thereon as provided for in this Master Declaration, and all costs of collection which may be paid or incurred by the Master Association in connection therewith, including reasonable attorneys' fees. At any time after any occurrence of any delinquency in the payment of any such assessment, the Board or any other authorized representative thereof may make a written demand for payment to the delinquent Owner. Said demand shall state the date and amount of the delinquency. Each delinquency shall constitute a separate basis for a demand or claim of lien or a lien, but any number of defaults may be included within a single demand or claim of lien and any demand or claim of lien or lien on account of prior delinquencies shall be deemed to include subsequent delinquencies and amounts due on account thereof. If such delinquency is not paid within ten (10) days after delivery of such demand, the Board or its duly authorized representative may thereafter elect to file and record a Notice of Delinquent Assessment on behalf of the Master Association against the Lot of the defaulting Owner in the Office of the County Recorder of Orange County. The amount of the assessment, plus any costs of collection, late charges and interest assessed in accordance with this Master Declaration shall be a lien on the Owner's Lot from and after the first time the Master Association records the Notice of

Delinquent Assessment. Such Notice shall be executed and acknowledged by an officer of the Master Association and shall contain substantially the following information:

1. The claim of lien made pursuant to this Master Declaration;
2. The name of the record Owner;
3. The legal description of the Lot against which claim of lien is made;
4. The total amount claimed to be due and owing for the amount of the delinquency, interest thereon, collection costs, and estimated attorneys' fees (with any proper offset allowed);
5. That the claim of lien is made by the Master Association pursuant to this Master Declaration;
6. That a lien is claimed against said Lot in an amount equal to the amount stated, together with all other amounts becoming due from time to time in accordance with this Master Declaration; and
7. The name and address of the trustee authorized by the Master Association to enforce the lien by public sale.

Upon such recordation of a duly executed original or copy of such Notice, the lien claimed therein shall immediately attach and become effective in favor of the Master Association as a lien upon the Lot against which such assessment was levied. Such a lien shall have propriety over all liens or claims created subsequent to the recordation of this Master Declaration, except for tax liens for real property taxes on any Lot and assessments on any Lot in favor of any municipal or other governmental assessing unit and except for certain Trust Deeds as provided in the Section of his article entitled "Subordination to Certain Trust Deeds" below. Any such lien may be foreclosed by appropriate action in Court or in the manner provided by the California Civil Code for the foreclosure of a deed of trust with power of sale, or in any other manner permitted by law. The Board is hereby authorized to appoint its attorney, any officer or director of the Master Association, or any Title Company authorized to do business in California as Trustee for the purpose conducting such power of sale foreclosure. The lien provided for herein shall be in favor of the Master Association and shall be for the benefit of all other Lot Owners and shall secure payment of all sums set forth in the Notice, together with all sums becoming due and payable in accordance with this Master Declaration after the date of recordation of said Notice. The Master Association shall have the power to bid in at any foreclosure sale and to purchase, acquire, hold, lease, mortgage and convey any Lot. In the event such foreclosure is by action in Court, reasonable attorneys' fees, court costs, title search fees, late payment fees, interest and all other costs and expenses shall be allowed to the extent permitted by law. Each Owner, by becoming an Owner of a Lot, hereby expressly waives any objection to the enforcement and foreclosure of this lien in this manner. Upon the timely curing of any default for which a Notice was filed by the Board and the payment of all sums is secured by the lien created by the recordation of such claim of lien, the Board shall cause an officer to the Master Association to file and record an appropriate release of such Notice in the Office of the County Recorder of Orange County, California. No Owner may waive or otherwise escape liability for the assessments provided for in this Master Declaration by non-use or abandonment of such Owner's Lot. Notwithstanding anything contained in this Master Declaration to the contrary, no action may be brought to foreclose the lien created by recordation of a Notice of Delinquent

Assessment, whether judicially, by power of sale, or otherwise, until the expiration of ten (10) days after a copy of said Notice, showing the date of recordation thereof, has been mailed to the Owner of the Lot which is described in such Notice.

Section 13. Subordination to Certain Trust Deeds. The lien for the assessments provided for herein in connection with a given Lot shall not be subordinate to the lien of any deed of trust or Mortgage, except the lien of a first deed of trust or first Mortgage, given and made in good faith and for value that is of record as an encumbrance against such given Lot prior to the recordation of a Notice of Delinquent Assessment for the assessments provided for in this Master Declaration against such given Lot (such deed of trust or mortgage being hereinafter referred to as a "First Encumbrance"). The sale or transfer of any Lot shall not affect any assessment lien created pursuant to the term of this Master Declaration to secure assessments becoming due whether prior to, on, or after the date of such sale or transfer, nor shall such sale or transfer diminish or defeat the personal obligation of any Owner for delinquent assessments as provided for by the Section of this Article entitled "Covenant to Pay Assessments"; provided, however, that the sale or transfer of any Lot pursuant to a judicial foreclosure or foreclosure by power of sale of a First Encumbrance, shall extinguish any assessment lien which has attached and become effective with regard to the Lot being so transferred prior to the time of such sale or transfer, and shall prohibit the recordation of any assessment lien against such Lot on account of assessments which became due prior to the date of such sale or transfer; provided, however that there shall be a lien on the interests of the purchaser at such sale which shall attach, be created and become effective and be foreclosed in accordance with this Master Declaration and which shall secure all assessments becoming due after the date of any such sale or transfer. For the purpose of this Article, a sale or transfer of a Lot shall occur on the date of recordation of a deed or other instrument of title evidencing the conveyance of record title to the Lot.

Section 14. Exempt Property. The following property subject to this Master Declaration shall be exempt from the assessments herein: (a) All properties dedicated to and accepted by any local public authority; (b) any Common Area owned by the Master Association; and (c) any real property or Common Area owned by any Sub-Association.

Section 15. Enforcement of Reimbursement Liens.

(a) Notwithstanding anything to the contrary contained in this Article or elsewhere in this Master Declaration, in the event the Master Association imposes a Reimbursement Assessment as a monetary penalty for failure of a Member to comply with the terms of the Master Declaration or as a means of reimbursing the Master Association for costs incurred by the Master Association in the repair of damage to the Common Area for which the Member was allegedly responsible or as a means to force a Member to comply with the terms of this Master Declaration, such Reimbursement Assessment shall not be characterized or treated as an assessment which may become a lien against a Member's Lot enforceable in the manner provided by the California Civil Code for the foreclosure of a deed of trust with power of sale as provided in the section of this Article entitled "Effect of Nonpayment of Assessments; Remedies of the Master Association." A Reimbursement Assessment imposed for any purpose other than the purposes enumerated hereinabove in this Section shall be enforceable in

accordance with the procedures set forth in the section of this Article entitled "Effect of Nonpayment of Assessments; Remedies of the Master Association."

(b) The provisions of subsection (a) hereinabove relating to restrictions on the enforcement of Reimbursement Assessments for certain purposes shall not apply to any interest charge or late charge for delinquent assessments imposed pursuant to this Article or to any costs reasonably incurred by the Master Association (including attorneys' fees) in its efforts to collect delinquent assessments.

Section 16. Delivery by Owner. Each Owner of a Lot shall, before the execution of an offer to purchase or lease, make available for examination by the prospective purchaser or lessee, and as soon as practicable before transfer of the interest being acquired, give to each purchaser or lessee (i) a copy of this Master Declaration and copies of the Bylaws and Articles of Incorporation of the Master Association, (ii) copies of any other instruments which define the rights and responsibilities of the Owner or lessee as members of the Master Association, (iii) to the extent available, a copy of the most recent financial statement distributed by the Master Association in accordance with the Article of this Master Declaration entitled, "COMPLIANCE WITH CIVIL CODE SECTIONS 1365 AND 1365.5," and (iv) a statement prepared by the Board of Directors as to the amount of any delinquent assessments and information relating to penalties, late charges, interest and other charges authorized by this Master Declaration which are or may be a lien on such Owner's Lot as of the date the statement is issued.

Section 17. Late Charges and Interest on Delinquent Assessments. Any assessment imposed pursuant to the terms of this Master Declaration, if delinquent, shall include a late charge in the maximum amount which shall be imposed by the Board in accordance with and subject to the limitations of California Civil Code Section 1366 as the same may be modified from time to time by statute or judicial decision. Interest shall accrue on all sums imposed in accordance with this Article, including the delinquent assessment, reasonable costs of collection and late charges, at an annual percentage rate of twelve percent (12%) interest, commencing thirty (30) days after the assessment becomes due, or such higher percentage rate of interest authorized by Civil Code Section 1366 as modified from time to time by statute or judicial decision.

Section 18. [DELETED]

VII. DUTIES AND POWERS OF THE MASTER ASSOCIATION

Section 1. General Powers of the Master Association. All powers relating to the management, operation and maintenance of the Common Area, Landscape Maintenance Areas and Drainage or Irrigation Easement Areas, as well as certain rights, duties and powers relating to the Lots, as hereinafter set forth, shall be vested in the Master Association and in its Board. The specific and primary purposes and powers of the Master Association and its Board are to provide for the operation, control, repair, maintenance and restoration of the Common Area, Landscape, Maintenance Areas and Drainage or Irrigation Easement Areas, provide architectural control of the Properties, and to enforce the provisions of this Master Declaration and the Master Association's Articles and Bylaws, and any other instruments relating to the management and control of the Master Association and the Properties. The Master Association may do any and all other acts and things that a nonprofit corporation is empowered to do, which may be necessary, convenient or desirable in the administration of its affairs for the specific and primary purposes of meeting its duties as set forth in this Master Declaration. The Master Association, through its Board of Directors, shall have the authority to delegate its powers to committees, officers of the master Association or its employees.

Section 2. Contracts of the Master Association. The Master Association shall have the right and power to employ or engage a manager and other employees or agents and contract for such services, labor and materials as it may deem reasonable or necessary to operate and maintenance the Properties and the Common Area, the Drainage or Irrigation Easement Areas and Landscape Maintenance Area, and the improvements thereon and to discharge its other duties as herein provided. Any agreement for professional management of the Master Association must provide that the management contract may be terminated by either party without cause or payment of a termination fee upon thirty (30) days written notice and the term of such contract shall not exceed one (1) year.

Section 3. General Duties of Master Association. In addition to the duties and powers enumerated in its Articles of Incorporation and Bylaws, or elsewhere provided for herein, and without limiting the generality thereof, and subject to the limitations on the power of the Board as set forth in the Sections of this Article entitled "Restrictions on Power of Board" and "Limitation on Board Authority to Contract," the Master Association acting through the Board shall:

(a) Maintain and otherwise manage all of the Common Area and all commonly maintained facilities, improvements, and landscaping, including, but not limited to Landscape Maintenance Areas, Drainage or Irrigation Easement Areas and natural open space and slope areas which the Master Association is required to maintain, within each Phase of the Properties in a good, sanitary and attractive condition and in a manner which is in accordance with such standards as may be prevalent in the neighborhood, provided, however, the responsibility of the Master Association to maintain the Common Areas, Landscape Maintenance Areas and Drainage or Irrigation Easement Areas within a particular Phase of the Property shall not commence until the close of the first escrow in such Phase of the Property.

(b) Have the power and duty to obtain, for the benefit of the Common Area, all commonly metered water, gas and electric services, and may (within the discretion of the Board) provide for all refuse collection and cable or master television service (if any) or any other utility service, as deemed necessary unless such services are separately charged to the Owners;

(c) Have the power but not the duty to grant and convey, with the consent of Delegates representing seventy-five percent (75%) of the voting power of the Master Association, to any person, easements, rights-of-way, parcels or strips of land, in, on, over or under any portion of the Common Area for the purpose of constructing, erecting, operating or maintaining thereon, therein or thereunder: (i) roads, streets, walks, driveways, parkways and park areas; (ii) overhead or underground lines, cables, wires, conduits, or other devices for the transmission of electricity for lighting, heating, power, television, telephone and other similar purposes; (iii) sewers, storm water drains and pipes, water systems, sprinkling systems, water, heating and gas lines or pipes; and (iv) any similar public or quasi-public improvements or facilities;

(d) Maintain such policy or policies of insurance as the Board deems necessary or desirable in furthering the purposes of and protecting the interests of the Master Association and its Members including, but not limited to, hazard and liability insurance, plate glass insurance; fidelity bonds, workmen's compensation and officers' and directors' liability insurance. The Master Association shall be required, if available, to maintain fire and extended coverage insurance on insurable Common Area improvements on a current replacement cost basis in an amount not less than one hundred percent (100%) of the insurable value (based on current replacement costs);

(e) Have the authority to obtain, for the benefit of the Common Area and Landscape Maintenance Areas, all utility services unless such services are separately charged to the Owners;

(f) Maintain all slopes, drainage facilities and easements owned by the Master Association, if any;

(g) Have the power and duty to maintain any private sewer systems and any private storm drains or drainage facilities within the Common Area;

(h) Ensure that the landscaping on the Common Area is maintained free of weeds and disease, and conduct all necessary fuel modification measures to protect the Properties from fire, maintain the top of the perimeter sound attenuation wall located on the back Lot line of certain Owners, and that surface of the all which faces away from the Lot of such Owner. The Master Association shall not be responsible for the maintenance of any portion of the Common Area which has been dedicated to the County or any other governmental agency or entity;

(i) All of the foregoing obligations of the Master Association shall be discharged when and in such manner as the Board of Directors of the Master Association shall determine in its judgment to be appropriate. The maintenance responsibilities of the Master Association with respect to any Common Area in a Phase of Development shall commence upon commencement of Regular Assessments in that Phase of Development;

(j) Pay taxes and assessments which are or could become a lien on the Common Area, if any, or some portion thereof;

(k) Prepare budgets and financial statements for the Master Association and its Members as prescribed in the Article of the Master Declaration entitled "COMPLIANCE WITH CIVIL CODE SECTION 1365.4 AND 1365.5";

(l) Initiate and execute disciplinary proceedings against Members of the Master Association for violations of provisions of this Master Declaration or the Master Association's Articles of Incorporation or Bylaws in accordance with the procedures set forth in this Master Declaration;

(m) Make available to any prospective purchaser of a Lot, any Owner of a Lot, any first mortgagee and the holders, insurers and guarantors of the first mortgage of any Lot, current copies of the Master Declaration, the Articles of Incorporation, the By-Laws, the rules governing the members of the Master Association, and all other books, records and financial statements of the Master Association. The term "available" as used in this subsection shall mean available for inspection upon request during normal business hours or under other reasonable circumstances;

(n) Permit utility suppliers to use portions of the Common Area reasonably necessary to the ongoing development and operation of the Properties; and

(o) The power but not the duty to, after notice and hearing, without being liable to any Owner, enter upon any Lot, for the purpose of enforcing by peaceful means the provisions of this Master Declaration, or for the purpose of maintaining or repairing any such area if for any reason whatsoever the Owner thereof fails to maintain or repair any such area as required by this Master Declaration. The responsible Owner shall pay promptly all amounts due for such work, and the costs and expenses of collection. Unless there exists an emergency, there shall be no entry into a residence without the prior consent of the Owner thereof. The Master Association may also commence and maintain actions and suits to restrain and enjoin any breach or threatened breach, and to enforce, by mandatory injunctions or otherwise, all of the provisions of this Master Declaration. In the event of any action brought by the Master Association, the prevailing party shall be entitled to reasonable attorneys' fees to be fixed by the court;

(p) To establish in cooperation with the County of Orange, special tax assessment districts for the performance of all or a portion of the maintenance or other functions now within the responsibility of the Master Association;

(q) Upon written request, the Master Association shall, within ten (10) days of the mailing or delivery of the request, provide an Owner with a copy of (i) this Master Declaration, Master Association Bylaws, Rules and Regulations and Articles of Incorporation, (ii) the financial statements enumerated in the Article of this Master Declaration entitled "COMPLIANCE WITH CIVIL CODE SECTION 1365," and (iii) a true statement in writing from an authorized representative of the Master Association as to the amount of any assessments levied upon the Owner's Lot which are unpaid on 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 Owner's Lot pursuant to the Article of this Master Declaration entitled "COVENANT FOR MAINTENANCE ASSESSMENTS."

(r) Disclose information in accordance with Section 11018.6 of the California Business and Professions Code.

Section 4. Restrictions on Power of the Board. The Board shall be prohibited without the prior vote or written assent of a majority of the voting power of the Master Association from doing either of the following: (i) incurring aggregate expenditures for capital improvements to any portion of the Properties in any fiscal year in excess of five percent (5%) of the budgeted gross expenses of the Master Association for that fiscal year; or (ii) selling during any fiscal year of the Master Association property of the Master Association having an aggregate fair market value greater than five percent (5%) of the budgeted gross expenses of the Master Association for the fiscal year; (iii) paying compensation to members of the Board or to officers of the Master Association for services performed in the conduct of the Master Association's business; provided, however, that the Board may cause a member or officer to be reimbursed for expenses incurred in carrying on the business of the Master Association; and (iv) filling of a vacancy on the Board created by the removal of a Board member.

Section 5. Limitation on Board Authority to Contract. The Board of Directors shall not enter into any contracts for goods or services with a duration greater than one (1) year without the vote or written consent of a majority of the voting power of the Master Association, with the following exceptions: (i) a management contract, the terms of which have been approved by the Federal Housing Administration or Veterans Administration; (ii) a contract with a public utility company if the rates charged for the materials or services are regulated by the Public Utilities Commission; prepaid casualty and/or liability insurance policies of not to exceed three (3) years duration, provided that the policy permits for short rate cancellation by the insured; (iv) a lease agreement for laundry room fixtures and equipment of not to exceed five (5) years duration; or (v) agreements for cable television services and equipment or satellite dish television services and equipment of not to exceed five (5) years duration.

Section 6. Master Association Rules. The Board shall also have the power to adopt, amend, and repeal such rules and regulations as it deems reasonable which may include the establishment of a system of fines and penalties enforceable as Reimbursement Assessments. The rules of the Master Association shall govern such matters in furtherance of the purposes of the Master Association, including, without limitation, the use of the Common Area provided, however, that the rules of the Master Association may not discriminate among Owners, and shall not be inconsistent with the Master Declaration, the Articles or Bylaws. Any rule of the Master Association which imposes a system of fines or penalties must provide that the accused be given notice and the opportunity to be heard by the Board with respect to the alleged violations before a decision to impose discipline is imposed. A copy of the rules of the Master as they may from time to time be adopted, amended or repealed or a notice setting forth the adoption, amendment or repeal of specific portions of the rules of the master Association shall be delivered to each Owner in the same manner established in this Master Declaration for the delivery of notices. Upon completion of the notice requirements, said rules of the Master

Association shall have the same force and effect as if they were set forth in and were part of this master Declaration and shall be binding on the Owners and their successors in interest whether or not actually received thereby. The rules of the Master Association, as adopted, amended or repealed, shall be available at the principal office of the Master Association to each Owner and Institutional Holder of a First Mortgage upon request. In the event of any conflict between any such rules of the Master Association and any other provisions of the rules of the Master Declaration, or the Articles or Bylaws, the provisions of the rules of the Master Association shall be deemed to be superseded by the provisions of this Master Declaration, the Articles or the Bylaws to the extent of any such conflict.

Section 7. Entry Onto Lots. The Master Association and its representatives shall have the right to enter upon any Lot within the Properties to the extent such entry is necessary in connection with the performance by the Master Association of its duties and responsibilities under this Article or under this Master Declaration, including, without limitation, the construction, maintenance or effectuation of emergency repairs for the benefit of the Lots, the Common Areas, or for any of the Owners within the Properties. Any damage caused by the entry of an agent of the Master Association shall be repaired by the Master Association.

Section 8. Damage to Lots, Dwelling Units – Reconstruction. If all or any portion of any Lot or Dwelling Unit is damaged or destroyed by fire or other casualty, it shall be the duty of the Owner of such Lot, unless otherwise provided in an Additional Declaration, to rebuilt, repair or reconstruct the Lot and the Dwelling Unit on such Lot in a manner which will restore them substantially to their appearance and condition immediately prior to the casualty or as otherwise approved by the Architectural Control Committee. The Owner of any damaged Lot and the Architectural Control Committee shall be obligated to proceed with all due diligence hereunder, and such Owner shall cause reconstruction to commence within three (3) months after the damage occurs, and to be complete within nine (9) after damage occurs, unless prevented by causes beyond his reasonable control. A transferee of title to the Lot which is damaged or upon which is located a damaged Dwelling Unit shall commence and complete reconstruction in the respective periods which would have remained for the performance of such obligations if the Owner of the Lot at the time of the damage still held title to the Lot. However, in no event shall such transferee of title be required to commence or complete such reconstruction in less than thirty (30) days from the date such transferee acquired title to the Lot.

Section 9. Owner's Duties: Front Yard Landscaping. It shall be the responsibility of each Owner to landscape, irrigate and maintain the front yard area of such Owner's lot in a clean and attractive condition. Such front yard landscaping shall be installed by every Owner within ninety (90) days of such Owner's initial occupancy of the dwelling located on their lot. In the event that such landscaping is not installed within ninety (90) days of such occupancy, or in the event that such landscaping is not maintained in a clean and attractive condition, the Master Association, acting through its Board of Directors, shall have the right, after providing an Owner with reasonable notice and an opportunity to be heard before the Board to enter upon such Owner's lot, install front yard landscaping of a type and quality consistent with the landscaping in the balance of the Properties, and/or maintain such front yard area in a clean and attractive condition, and charge the full cost of such installation and/or maintenance to such lot Owner as a Reimbursement Assessment.

VIII. INSURANCE

Section 1. Types. The Master Association, to the extent available, shall obtain and continue in effect in its own name the following types of insurance.

(a) A comprehensive policy of public liability insurance covering the Common Areas with a limit of not less than One Million Dollars (\$1,000,000.00) for claims for personal injury and/or property damage arising out of a single occurrence, such coverage to include protection against such risks as shall customarily be covered or available with respect to planned unit developments and shall contain an endorsement which shall preclude the insurer from denying the claim of an Owner because of negligent acts or omissions of the Master Association or other Owners;

(b) A policy of fire and casualty insurance with extended coverage for the full replacement value of the Common Area improvements, without deduction for depreciation, and clauses waiving subrogation against Owners and the Master Association and persons upon the Properties with the permission of an Owner, such insurance to afford protection against loss or damage by fire and other hazards covered by the standard extended coverage policy of hazard insurance;

(c) Fidelity coverage against dishonest or fraudulent acts on the part of directors, officers, managers, trustees, employees or volunteers who handle or who are responsible for handling funds belong to or administered by the Master Association; and such fidelity bonds shall name the Master Association as obligee and beneficiary, and shall be written in an amount equal to at least the estimated maximum of funds, including reserves, in the custody of the Master Association or a management agent at any given time during the terms of the fidelity bond. However, the bond shall not be less than a sum equal to three (3) months' aggregate assessments on all Lots, plus reserve funds. The bond shall cover persons serving without compensation by endorsement to the policy if not otherwise covered under the policy. The Board of Directors may purchase such other insurance as it may deem necessary, including, but not limited to, plate glass insurance, medical payments, malicious mischief and vandalism insurance, worker's compensation, and directors and officers liability.

Section 2. Waiver by Members. As to each of said policies which will not be voided or impaired thereby, the Members hereby waive and release all claims against the Master Association, the Board, Declarant and agents and employees of each of the foregoing, with respect to any loss covered by such insurance, whether or not caused by negligence of or breach of any agreement by said persons, but to the extent of insurance proceeds received in compensation for such loss only.

Section 3. Other Insurance; Annual Review. The Master Association may purchase such other insurance as it may deem necessary, including, but not limited to, plate-glass insurance, workers' compensation, officers' and directors' liability, errors and omission insurance and blanket policies of hazard insurance for the Lots. The Board shall annually determine whether the amounts and types of insurance it has obtained provide adequate coverage for the Master Association in light of inflation, practice in the area in which the Properties are located, or any other factor which tends to indicate that either additional insurance policies or increased coverage under existing policies are necessary or

desirable to protect the interests of the Master Association. If the Board determines that increased coverage or additional insurance is appropriate, it shall obtain the same.

Section 4. Premiums and Proceeds. Insurance premiums for any such insurance coverage obtained by the Master Association and any other insurance deemed necessary by the Master Association shall be an expense to be included in the Regular Assessments levied by the Master Association. The Master Association is hereby granted the authority to negotiate loss settlements with the appropriate insurance carriers. Any two (2) directors of the Master Association may sign a loss claim form and release form in connection with the settlement of a loss claim, and such signatures shall be binding on the Master Association and the Members.

Section 5. Payment of Taxes or Premiums by Institutional Holders of First Mortgages. Institutional Holders of First Mortgages may, jointly or singly, pay taxes or other charges which are in default and which may or have become a charge against the Common Area, unless such taxes or charges are separately assessed against the Owners, in which case the rights of Institutional Holders of First Mortgages shall be governed by the provisions of their First Mortgages. Institutional Holders of First Mortgages may, jointly or singly, also pay overdue premiums on hazard insurance policies, or secure new hazard insurance coverage on the lapse of a policy, for the Common Area and the Institutional Holder of a First Mortgage making such payments shall be owed immediate reimbursement therefor from the Master Association.

IX. DAMAGE AND DESTRUCTION AFFECTING COMMON AREA

Section 1. Consent of Owners to Rebuild. If all or any portion of the Common Area is damaged or destroyed by fire, or other casualty, then neither the Board, the Master Association, or any agent or employee thereof shall be required or permitted to take any action to repair or rebuild the damaged portions, or to cause the damaged portions to be repaired or rebuilt without the written consent of at least fifty-one percent (51%) of the Members of each class as to the manner of repair or reconstruction and the payment therefor, except as provided in the Section of this Article entitled "No Consent Required with Adequate Insurance" in the event adequate insurance proceeds are available as set forth therein.

Section 2. No Consent Required With Adequate Insurance. Notwithstanding anything contained in the Section of this Article entitled "Consent of Owners to Rebuild" to the contrary, if the cost of repairing or rebuilding the portion of the Common Area so damaged or destroyed does not exceed the amount of insurance proceeds available to the Master Association, the Board shall be authorized and required without the consent or approval of the Delegates, to contract to repair or rebuild the damaged portions of the Common Area substantially in accordance with the original plans and specifications therefor. In the event any excess insurance proceeds remain, or in the event of a decision by the Master Association not to reconstruct or replace such damages or destroyed improvements, the Board, in its sole discretion, may retain such sums in the general funds of the Master Association or distribute pro rata all or a portion thereof to the Owners, subject to the prior rights of Institutional Holders of any First Mortgage whose interest may be protected by insurance policies carried by the Master Association. Proration shall be according to the same formula as the voting rights are apportioned under the Article of this Master Declaration entitled "LAGUNA AUDUBON II MASTER ASSOCIATION." The rights of an Owner and the Institutional Holder of a First Mortgage on his Lot as to such pro rata distribution shall be governed by the provisions of the Mortgage encumbering such Lot.

X. EMINENT DOMAIN

The term "taking" as used in this Article shall mean condemnation by eminent domain or sale under threat of condemnation. In the event of a threatened taking of all or any portion of the Common Area or the improvements thereon, the Owners hereby appoint the Board and such persons as the Board may delegate to represent all of the Owners in connection with the taking. In furtherance thereof, each Owner hereby appoints the Master Association, acting through its Board of Directors, as their attorney-in-fact for purposes of acting on behalf of each Owner in any proceedings, negotiations, settlements or agreements regarding condemnation matters. The Board shall act in its sole discretion with respect to any awards being made in connection with the taking and shall be entitled to make a voluntary sale to the condemnor in lieu of engaging in a condemnation action. Any awards received on account of the taking shall be paid to the Master Association. In the event of a taking of less than all of the Common Area, the rules as to restoration and replacement of the Common Area and the improvements thereon shall apply as in the case of destruction of improvements upon the Common Area. In the event of a total taking, the Board may in its sole discretion retain any award in the general funds of the Master Association or distribute pro rata all or a portion thereof to the Owners. The rights of an Owner and the Institutional Holder of a First Mortgage on his Lot as to such pro rata distribution shall be governed by the provisions of the Mortgage encumbering such Lot.

XI. ARCHITECTURAL CONTROL

Section 1. Members of Committee. The Architectural Committee shall consist of not less than three (3) members as shall be determined by the Board. The Board shall have the right to appoint the members of the Architectural Committee. Architectural Committee members shall serve for a term of one (1) year or until their respective successors are appointed or upon their resignation as evidenced by a written notice of resignation delivered to the Board. Persons appointed to the Architectural Committee shall be from the membership of the Master Association. The Architectural Committee shall have the right and duty to promulgate reasonable standards against which to examine any request made pursuant to this Article, in order to ensure that the proposed plans conform harmoniously to the exterior design and existing materials of the Improvements presently existing or planned for the Properties. The Architectural Committee may designate and appoint a representative who is a design professional and a majority of the members of said Architectural Committee may, from time to time, remove or replace such representative. The designated representative of the Architectural Committee may be, but need not be, a member of the Architectural Committee.

Section 2. Review of Plans and Specifications. The Architectural Committee shall consider and act upon any and all plans and specifications submitted for its approval under this Master Declaration and perform such other duties as from time to time shall be assigned to it by the Board, including the inspection of construction in progress to assure its conformance with plans approved by the Architectural Committee. No construction, alteration, addition, modification, decoration, redecoration or reconstruction of an Improvement in the Properties shall be commenced or maintained, until the plans and specifications therefor showing the nature, kind, shape, height, width, color, materials and location of the same shall have been submitted to the Architectural Committee and approved in writing by the Architectural Committee. The address for submission of such plans and specifications shall be the address of the principal place of business of the Master Association. The Architectural Committee shall approve plans and specifications submitted for its approval only if it deems that the construction, alterations or additions contemplated thereby in the locations indicated will not be detrimental to the appearance of the surrounding area of the Properties as a whole, that the appearance of any structure affected thereby will be in harmony with the surrounding structures, and that the construction thereof will not detract from the beauty, wholesomeness and attractiveness of the Common Area or the enjoyment thereof by the Members, and that the upkeep and maintenance thereof will not become a burden on the Master Association. The Architectural Committee may condition its approval of proposals or plans and specifications for any Improvement (i) on such changes therein as it deems appropriate, (ii) upon the agreement by the person (referred to in this Section as "applicant") submitting the same to grant appropriate easements to the Master Association for the maintenance of the Improvement, or (iii) upon the agreement of the applicant to reimburse the Master Association for the cost of such maintenance, or (iv) upon the provision of financial guarantees to ensure compliance with (i), (ii) and (iii) above, or all four, and may require submission of additional plans and specifications or other information prior to approving or disapproving material submitted. The Architectural Committee may also issue rules or guidelines setting forth procedures for the submission of plans for approval, requiring a fee payable to the Master Association to accompany each application for approval, or additional

factors which it will take into consideration in reviewing submissions. The Architectural Committee may provide that the amount of such fee shall be uniform, or that it be determined in any other reasonable manner, such as by the reasonable cost of the construction, alterations or additions contemplated. The Architectural Committee may also require a fee for costs associated with consultation and review by a consultant of architectural submittals. The Architectural 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 exterior material and colors. Decisions of the Architectural Committee and the reasons therefor shall be transmitted by the Architectural Committee to the applicant at the address set forth in the application for approval, within thirty (30) days after receipt by the Architectural Committee of all materials required by the Architectural Committee. Any application submitted pursuant to this Section shall be deemed approved unless written disapproval or a request for additional information or materials by the Architectural Committee shall have been transmitted to the applicant within thirty (30) days after the date of receipt by the Architectural Committee of such application or additional information.

Section 3. Sub-Association Architectural Control. Notwithstanding the foregoing, a Sub-Association may process and approve plans and specifications for any Improvements within its jurisdiction that are required hereunder to be submitted for Master Association approval, and such approval shall be binding upon the Master Association, provided that upon Sub-Association approval:

(a) A copy of the approved plans and specifications are submitted to the Master Association together with a certification by the Sub-Association's Architectural Committee that (i) such Architectural Committee has approved such plans and specifications; or (ii) the plans and specifications are consistent with the architectural standards promulgated by the Board; and

(b) The Master Association has not rejected such plans and specifications within thirty (30) days from its receipt thereof along with the Sub-Association's certification specified in subparagraph (a) above.

Section 4. Meetings of the Architectural Committee. The Architectural Committee shall meet from time to time as necessary to perform its duties hereunder. The Architectural Committee may from time to time, by resolution unanimously adopted in writing, designate an Architectural Committee representative (who may, but need not, be one of its members) to take any action or perform any duties for and on behalf of the Architectural Committee, except the granting of variances pursuant to the Section of this Article entitled "Variance." In the absence of such designation, the vote of a majority of the members of the Architectural Committee taken without a meeting, shall constitute an act of the Architectural Committee.

Section 5. No Waiver of Future Approvals. The approval of the Architectural 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 Architectural 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 matter whatever subsequently or additionally submitted for approval or consent.

Section 6. Compensation of Members. The members of the Architectural Committee shall receive no compensation for services rendered, other than reimbursement for expenses incurred by them in the performance of their duties hereunder.

Section 7. Inspection of Work. Inspection of work and correction of defects therein shall proceed as follows:

(a) Upon the completion of any work for which approved plans are required under this Article, the Owner shall give written notice of completion to the Architectural Committee.

(b) Within sixty (60) days thereafter, the Architectural Committee or its duly authorized representative may inspect such Improvements. If the Architectural Committee finds that such work was not done in substantial compliance with the approved plans it shall notify the Owner in writing of such noncompliance within such sixty (60) day period, specifying the particulars of noncompliance, and shall require the Owner to remedy the same.

(c) If upon the expiration of thirty (30) days from the date of such notification the Owner shall have failed to remedy such noncompliance, the Architectural Committee shall notify the Board in writing of such failure. After affording such Owner notice and hearing, the Board shall determine whether there is a noncompliance and, if so, the nature thereof and the estimated cost of correcting or removing the same. If a noncompliance exists, the Owner shall remedy or remove the same within a period of not more than forty-five (45) days from the date of announcement of the Board ruling. If the Owner does not comply with the Board ruling within such period, the Board, at its option, may record a notice of noncompliance in the Office of the Orange County Recorder and may peacefully remove the noncomplying Improvement or otherwise peacefully remedy the noncompliance, and the Owner shall reimburse the Master Association, upon demand, for all expenses incurred in connection therewith. If such expenses are not promptly repaid by the Owner to the Master Association, the Board shall levy a special Reimbursement Assessment against such Owner for reimbursement.

(d) If for any reason the Architectural Committee fails to notify the Owner of any noncompliance within sixty (60) days after receipt of said written notice of completion from the Owner, the Improvement shall be deemed to be in accordance with said approved plans.

Section 8. Nonliability of Architectural Committee Members. Neither the Architectural Committee nor any member of the Architectural Committee, the Board nor their duly authorized representative, shall be liable to the Master Association, or to any Owner for any loss, damage or injury arising out of or in any way connected with the performance of the Architectural Committee's duties hereunder, unless due to the willful misconduct or bad faith of the Architectural Committee. The Architectural Committee shall review and approve or disapprove all plans submitted to it for any proposed Improvement, alteration or addition, solely on the basis of aesthetic considerations and the overall benefit or detriment which would result to the immediate vicinity and the Properties generally.

The Architectural 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. The Architectural Committee's approval or disapproval shall be based solely on the considerations set forth in this Article, and the Architectural Committee shall not be responsible for reviewing, nor shall its approval of any plan or design be deemed approval of, any plans or design from the standpoint of structural safety or conformance with building or other codes.

Section 9. Nonapplicability to Declarant. The provisions of this Article shall not apply to any Lot owned by Declarant prior to the construction on such Lot by Declarant of a residential dwelling unit or prior to the conveyance of such Lot by Declarant to a member of the public.

Section 10. Variance. The Architectural Committee may authorize variances from compliance with any of the architectural provisions of this Master Declaration, including without limitation, restrictions upon height, size, floor area or placement of structures, or similar restrictions, when circumstances such as topography, natural obstructions, hardship, aesthetic or environmental consideration may require. Such variances must be evidenced in writing, must be signed by at least two (2) members of the Architectural Committee, and shall become effective upon recordation in the Office of the County Recorder of Orange County. If such variances are granted, no violation of the covenants, conditions and restrictions contained in this Master Declaration shall be deemed to have occurred with respect to the matter for which the variance was granted. The granting of such a variance shall not operate to waive any of the terms and provisions of this Master Declaration for any purpose except as to the particular property and particular provisions hereof covered by the variance, nor shall it affect in any way the Owner's obligation to comply with all governmental laws and regulations affecting his use of the premises, including but not limited to zoning ordinances and Lot setback lines or requirements imposed by the County of Orange or any other governmental authority.

Section 11. Appeal. In the event plans and specifications submitted to the Architectural Committee are disapproved thereby, the party or parties making such submission may appeal in writing to the Board. The written request must be received by the Board not more than thirty (30) days following the final decision of the Architectural Committee. The Board shall submit such request to the appropriate Architectural Committee for review, whose written recommendations will be submitted to the Board. Within forty-five (45) days following receipt of the request for appeal, the Board shall render its written decision. The failure of the Board to render a decision within said forty-five (45) day period shall be deemed a decision in favor of the appellant.

Section 12. Community Association Architectural Control. In addition to the provisions of this Article, each Owner of a lot within the Properties shall be subject to the architectural and landscaping control restrictions and provisions of the Community Declaration.

XII. NOTICES

In each instance in which notice is to be given to the Owner of a Lot, the same shall be in writing and may be delivered personally, in which case personal delivery of such notice to one or two or more co-Owners of a Lot, or any general partner of a partnership owning such a Lot, shall be deemed delivery to all of the co-Owners or to the partnership as the case may be, and personal delivery of the notice to any officer or agent for the service of process of a corporation owning such Lot shall be deemed delivery to the corporation or such notice may be delivered by United States mail, certified or registered, postage prepaid, return receipt requested, addressed to the Owner of such Lot at the most recent address furnished by the Owner in writing for the purpose of giving notice, or if no such address shall have been furnished, then to the street address of such Lot, and any notice so deposited in the mail within Orange County, California, shall be deemed delivered forty-eight (48) hours after such deposit. Any notice to be given to the Master Association may be delivered personally to any member of the Board, or delivered in such other manner as may be authorized by the Master Association. Any notice to be given to the Master Association shall be delivered by the United States mail, certified or registered, postage prepaid, return receipt requested, and any notice so deposited in the mail within Orange County, California, shall be deemed delivered forty-eight (48) hours after such deposit.

XIII. RIGHTS OF INSTITUTIONAL HOLDERS OF FIRST MORTGAGES

Notwithstanding any provisions to the contrary as may be provided elsewhere in this Master Declaration, Institutional Holders of First Mortgages shall have the following rights:

Section 1. Notice to Institutional Holders. Any Institutional Holder, insurer or guarantor of any Mortgage on a lot shall be entitled to receive, upon delivery of written request to the Master Association, written notice of:

- (a) Any condemnation or casualty loss that affects either a material portion of the Project or the Lot securing its mortgage;
- (b) Any 60-day delinquency in the payment of assessments or charges owed by the Owner of any Lot on which it holds the First Mortgage;
- (c) A lapse, cancellation or material modification of any insurance policy or fidelity bond maintained by the Master Association; and
- (d) Any proposed action that requires the consent of a specified percentage of Institutional Holders of First Mortgages.

Section 2. Assessments on Foreclosure. Any Institutional Holder of any First Mortgage who obtains title to a Lot pursuant to the remedies provided in the First Mortgage (but exclusive of a deed in lieu of foreclosure), or through foreclosure of the First Mortgage, shall not be liable for any claims for unpaid assessments or charges against such Lot which accrued prior to the acquisition of title to such Lot by the Institutional Holder of the First Mortgage.

Section 3. Right of First Refusal. Any Institutional Holder of a First Mortgage who comes into possession of a Lot pursuant to the remedies provided in such First Mortgage, or foreclosure of the First Mortgage, shall be exempt from any right of first refusal, and any right of first refusal shall not impair the rights of an Institutional Holder to:

- (a) Foreclose or take title to a Lot pursuant to the remedies provided in the Mortgage, or
- (b) Accept a deed (or assignment) in lieu of foreclosure in the event of default by the trustor of the Mortgage, or
- (c) Sell or lease a Lot acquired by the Institutional Holder.

Section 4. Required Consent of Holders. Neither the Master Association nor the Owners shall do any of the following unless Institutional Holders of First Mortgages holding mortgages on at least sixty-seven percent (67%) of the Lots in the Properties have given their prior written approval to:

- (a) Change the method of determining the obligations, assessments (whether Regular or Special), dues or other charges which may be levied against the Owner of a Lot;

(b) By act or omission seek to abandon, partition, release, subdivide, encumber, sell or transfer any property or any improvements which are owned, directly or indirectly, by the Master Association;

(c) By act or omission change, waive or abandon any scheme of regulations, or enforcement thereof, pertaining to the architectural design of the dwellings situation on each Lot or the upkeep of the Common Areas within the Properties;

(d) Use hazard insurance proceeds for losses to the Common Area property for other than the repair, replacement or reconstruction of such improvements. For purposes of this Section, whenever the approval of a specified percentage of Institutional Holders of First Mortgages is required, it shall be deemed to mean the vote or approval of a specified percentage only of those Institutional Holders of First Mortgages which have delivered the required notice to the Board;

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

(f) Abandon or terminate the Master Association, except for abandonment, partition or termination as may be provided by law;

(g) Fail to maintain an adequate reserve fund for the replacement of equipment and facilities used for Common Area maintenance.

(h) Adopt a material amendment to this Master Declaration. Any change to any of the following provisions to this Master Declaration shall be considered as material:

- (i) Voting rights;
- (ii) Assessments, assessment liens, or the priority of assessment liens;
- (iii) Reserves for maintenance, repair and replacement of Common Areas;
- (iv) Responsibility for maintenance and repairs;
- (v) Reallocation of interests in the Common Areas, or rights to their use;
- (vi) Redefinition of any Lot boundaries;
- (vii) Convertibility of Lots into Common Areas or vice versa;
- (viii) Expansion or contraction of the Properties, or the addition, annexation or withdrawal of property to or from the Properties;
- (ix) Insurance or fidelity bond coverage or requirements; leasing of Lots

(x) Imposition of any restrictions on a lot Owner's right to sell or transfer their Lot;

(xi) A decision by the Association to establish self-management when professional management is required by this Master Declaration or by an Institutional Holder of a First Mortgage;

(xii) Restoration or repair of the Properties (after a hazard damage or partial condemnation) in a manner other than that specified in this Master Declaration or otherwise provided by statute;

(xiii) Any action to terminate the legal status of the Properties after substantial destruction or condemnation occurs, except as otherwise provided by statute; or

(xiv) Any provisions that expressly benefit Institutional Holders of First Mortgages, insurers or guarantors.

For purposes of this section, whenever the approval of a specified percentage of Institutional Holders of First Mortgages is required, it shall be deemed to mean the vote or written consent of a specified percentage only of those Institutional Holders of First Mortgages which have delivered written notice to the Board requesting to be notified or any proposed action that requires their consent. When written approval or consent of Institutional Holders of First Mortgages is required pursuant to the terms of this Section, such approval may be implied when such Institutional Holder fails to submit a response to any written proposal for an amendment within thirty (30) days after it receives proper notice of the proposal, provided the notice was delivered by certified or registered mail, with a "return receipt" requested.

Section 5. Rights of Institutional Holders. All Institutional Holders of First Mortgages on individual Lots shall, upon written request to the Master Association, be entitled to:

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

(b) Receive an annual audited financial statement of the Master Association within one hundred twenty (120) days following the end of any fiscal year of the Master Association if such financial statement is required of the Master Association pursuant to the terms of this Master Declaration or the California Civil Code; provided, however, that such audited statements shall be made available only if they have been prepared by the Master Association in the regular course of business, following the end of any fiscal year of the Master Association; and

(c) Receive written notice of all meetings of the Owners of the Master Association and shall be entitled to designate a representative to attend all such meetings.

Section 6. Payment of Taxes and Insurance Premiums. Institutional Holders of First Mortgages on Lots within the Properties may, jointly or singly, pay taxes or other charges which are in default and

which may or have become a charge or lien against any Common Area property, if any, and may pay overdue premiums on hazard insurance policies or secure hazard insurance coverage upon the lapse of a policy for any Common Area property and the mortgagees making such payments shall be owed immediate reimbursement therefor from the Master Association.

Section 7. Priority on Distribution of Proceeds. No owner or any other party shall have priority over any rights of Institutional Holders of First Mortgages upon individual Lots pursuant to their Mortgages in the case of a distribution to Owners of insurance proceeds or condemnation awards for losses to or a taking of all or any portion of the Common Area, if any, and/or the individual Lots and Improvements thereon.

Section 8. Notice of Destruction or Taking. In the event that any Lot or the improvements thereon or any Common Area, if any, or portions thereof, are substantially damaged or destroyed, or are made the subject of any condemnation proceeding in eminent domain or are otherwise sought to be acquired by a condemning authority, the Master Association shall promptly notify all Institutional Holders of First Mortgages affected by such destruction, taking or threatened action.

Section 9. Insurance. Notwithstanding any other provisions herein, the Master Association shall continuously maintain in effect such casualty, flood and liability insurance and a fidelity bond meeting the insurance and fidelity bond requirements for planned unit development projects established by the Federal Home Loan Mortgage Corporation, so long as it is a mortgagee or owner of a Lot within the project, except to the extent such coverage is not available or has been waived in writing by the Federal Home Loan Mortgage Corporation.

Section 10. Mortgage Protection Clause. No breach of the covenants, conditions or restrictions herein contained, nor any lien created hereby, shall defeat or render invalid the lien of any First Mortgage or first deed of trust made in good faith and for value, but all of said covenants, conditions and restrictions shall be binding upon and effective against any Owner whose title is derived through foreclosure or trustee's sale, or otherwise.

Section 11. Conflicts. In the event of any conflicts between any of the provisions of this Article and any other provisions of the Master Declaration, the provisions of this Article shall control.

Section 12. Amendment of This Article. Notwithstanding any other provisions of this Master Declaration to the contrary, this Article may be amended only upon the prior written approval of not less than seventy-five percent (75%) of the Institutional Holders of First Mortgages within the Properties. In addition, any other provisions of this Master Declaration which affects rights of an Institutional Holder of First Mortgages may only be amended upon the prior written approval of not less than seventy-five percent (75%) of the Institutional Holders of First Mortgages within the Properties.

XIV. [DELETED]

XV. EASEMENTS AND OWNERS' PROPERTY RIGHTS

Section I. Owners' Easements of Enjoyment. Every Owner shall have a right and easement of ingress and egress and of enjoyment in, to and over the Common Area (except for any slope areas on the Common Area) which shall be appurtenant to and shall pass with title to every Lot, subject to the following provisions:

(a) The right of the Master Association to reasonably limit the number of guests of Owners using the Common Area facilities;

(b) The right of the Master Association to establish uniform rules and regulations pertaining to the use of the Common Area;

(c) The right of the Master Association in accordance with the Articles, Bylaws and this Master Declaration, with the vote or written assent of Delegates representing a majority of the total voting power of the Master Association, to borrow money for the purpose of improving the Common Area and the facilities and in aid thereof, and, subject to the provisions of the Article of this Master Declaration entitled "RIGHTS OF INSTITUTIONAL HOLDERS OF FIRST MORTGAGES, " to mortgage, pledge, deed in trust, or hypothecate any or all of its real or personal property as security for money borrowed or debts incurred, provide that the rights of such Institutional Holders of First Mortgages shall be subordinated to the rights of the Owners;

(d) Subject to the provisions of the Article of this Master Declaration entitled "RIGHTS OF INSTITUTIONAL HOLDERS OF FIRST MORTGAGES," the right of the Master Association to dedicate, release, alienate or transfer the Common Area to any public agency, authority, utility or other person for such purposes and subject to such conditions as may be agreed to by the Members. No such dedication, release, alienation or transfer shall be effective, unless an instrument signed by Delegates representing a majority of the total voting power of the Master Association, agreeing to such dedication, release, alienation or transfer has been recorded;

(e) The right of the Board to suspend the rights and easements of use and enjoyment of the recreational facilities, if any, located on the Common Area of any Member, and the persons deriving such rights and easements from any Member, for any period during which the payment of any assessment against such Member and his Lot remains delinquent; and, after notice and hearing with an opportunity to be heard, to impose monetary penalties or suspend such use rights and easements for a reasonable period of time as determined by the Board for any violation of this Master Declaration, and Articles, By-Laws or rules and regulations of the Master Association, it being understood that any suspension for either non-payment of any assessment or breach of such restrictions shall not constitute a waiver or discharge of the Member's obligation to pay assessments as provided herein;

(f) The right of the Master Association, acting through the Board, to reasonably restrict access to areas of the Common Area; and

(g) The right of the Master Association to grant permits, licenses and easements over the Common Area for utilities, roads and other purposes necessary for the proper operation of the Properties.

Section 2. Waiver of Use. No Owner may exempt himself from personal liability for assessments duly levied by the Master Association, nor release the Lot or other property owned by him from the liens and charges hereof, by waiver of the use and enjoyment of the Common Area and the facilities thereon or by abandonment of his Lot or any other property in the Properties.

Section 3. Title to the Common Area. Declarant hereby covenants for itself, its successors and assigns, that it will convey to the Master Association fee simple title to the Common Area in the Properties, free and clear of any and all encumbrances and lines, subject to reservations, easements, covenants and conditions then on record, including those set forth in this Master Declaration. Said conveyance shall be made prior to the conveyance of the first Lot to a purchaser from Declarant pursuant to a Final Subdivision Public Report covering the Properties.

Section 4. Owners' Rights and Duties: Utilities. The rights and duties of the Owners of Lots within the Properties with respect to sanitary sewer and water, electricity, gas and telephone and cable television lines and drainage facilities shall be governed by the following:

(a) Wherever sanitary sewer house connections and/or water house connections to electricity, gas, or telephone and cable television lines or drainage facilities are installed with the Properties, which connections, lines or facilities, or any portion thereof, lie in or upon Lots owned by persons other than the Owner of a Lot served by said connections, the Owners of any Lots served by said connections, lines or facilities shall have the right, and are hereby granted an easement to the full extent necessary therefor, to enter upon the Lots or to have utility companies enter upon the Lots within the Properties in or upon which said connection, lines or facilities, or any portion thereof, lie, to repair, replace and generally maintain said connections as and when the same may be necessary as set forth below:

(b) Wherever sanitary sewer house connections and/or water house connections or electricity, gas or telephone or cable television lines or drainage facilities are installed within the Properties, which connections serve more than one Lot, the Owner of each Lot served by said connections shall be entitled to the full use and enjoyment of such portions of said connections as service his Lot;

(c) In the event of a dispute between Owners with respect to the repair or rebuilding of said connections, or with respect to the sharing of the cost thereof, then upon written request of one of such Owners addressed to the Master Association, the matter shall be submitted to the Board of Directors who shall decide and make an assessment against any or all of the Owners involved, which assessment shall be collected and enforced in the manner provided by this Master Declaration.

Section 5. Common Area Easements. The Master Association shall own the Common Area for the use, enjoyment and convenience of the Owners. Each Lot within the Properties subject to this Master Declaration is hereby declared to have an easement over all of the Common Area, for the benefit of the Lots, the Owners of the Lots, and each of them, and for their respective families, guests, invitees, tenants and contract purchasers, for all of the purposes and uses hereinabove set forth, and without limiting the generality of the foregoing, for ingress and egress over and through the Common Area.

Section 6. Drainage and Irrigation Easements. There are hereby created by Declarant non-exclusive drainage and irrigation easements for the benefit of the Master Association over certain of the Sub-Association Common Areas and the Lots within the Properties, as generally depicted for this Phase of the Development of Exhibit "C" attached hereto, for purposes of accommodating drainage or irrigation facilities for the adjacent Lots or Common Area within the Properties and the continued maintenance of the drainage or irrigation facilities. Each Owner of a Lot in the Properties agrees for themselves and their successors and assigns that they will not in any way interfere with said drainage or irrigation facilities within the Drainage or Irrigation Easement Areas, that they will not interfere with or cause any blockage or catch basins, drains or swales, underground drainage pipes or irrigation lines as may be located in the Drainage or Irrigation Easement Areas, nor shall they construct any Improvement within the Drainage or Irrigation Easement Areas without prior written consent of the Architectural Committee and the Board. In the event of noncompliance with this Section, the Board shall notify the Owner to repair, remove or replace in a timely manner the debris or Improvement which is in noncompliance. In the event the Owner does not comply, the Master Association, acting through its Board of Directors, shall have the right, after providing an Owner with reasonable notice and an opportunity to be heard before the Board, to perform such repair, removal or replacement as the Board deems necessary to protect the integrity of the drainage or irrigation facilities on the Lot. In the event of an emergency, the Master Association shall not be required to give the notice specified herein before entering the Drainage or Irrigation Easement Areas. The costs of any such remedial work performed by the Master Association on behalf of an affected Owner may be collected by the Master Association as Reimbursement Assessment as provided in this Master Declaration.

Section 7. Party Walls and Fences. Those Owners who have a common wall or fence adjoining their Lots and such a wall or fence dividing the Lots upon which their homes are constructed, shall equally have the right to the use of such wall or fence dividing the Lots upon which their homes are constructed, shall equally have the right to the use of such wall or fence except that each shall have the exclusive right to the use of the interior surface of the wall or fence on his side. Neither Owner shall use any portion of the wall or fence so as to interfere with the use and enjoyment of the other Owner. In the event that any portion of such wall or fence, except the interior surface of one side, is damaged or injured from any cause, other than the act or negligence of either party, it shall be repaired or rebuilt at their joint expense. In the event of any dispute arising concerning a party wall, each party shall choose one (1) arbitrator, said arbitrators shall choose one (1) additional arbitrator, and the decision shall be by a majority of all the arbitrators.

Section 8. [DELETED]

Section 9. Easements Reserved to Master Association.

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

Section 10. Creation of Easements. Each of the easements provided for in this Master Declaration shall be deemed to be established upon the recordation of this Master Declaration, and shall thenceforth be deemed to be covenants running with the land for the use and benefit of the Lots superior to all other encumbrances applied against or in favor of any portion of the Properties which is the subject of this Master Declaration. In furtherance of the easements provided for in this Master Declaration, the individual grant deeds to Lots may, but shall not be required to, set forth said easements.

XVI. DEVELOPMENT AND ANNEXATION

Section 1. [DELETED]

Section 2. Annexation/Supplementary Declaration. Annexation shall require the vote or written consent of Delegates representing at least two-thirds (2/3rds) of the voting power of the Master Association.

Section 3. [DELETED]

Section 4. [DELETED]

Section 5. [DELETED]

Section 6. [DELETED]

XVII. COMPLIANCE WITH CIVIL CODE SECTIONS 1365 and 1365.5

Section 1. Budgets and Financial Statements. The Board of Directors of the Master Association shall have the below described financial information of the Master Association regularly prepared and distributed to all Members of the Master Association as provided herein regardless of the number of Members or the amount of assets of the Master Association:

(a) A pro forma operating budget for each fiscal year of the Master Association which shall include at least the following information shall be distributed no more than sixty (60) days and not less than forty-five (45) days prior to the beginning of the fiscal year of the Master Association:

- (i) Estimated revenue and expenses on an accrual basis;
- (ii) The amount of the total cash reserves of the Master Association currently available for replacement or major repair of Common Area facilities and for contingencies;
- (iii) An itemized estimate of the current replacement costs, of the estimated remaining life of, and the methods of funding to defray repair, replacement or additions to major components of the Common Areas and facilities for which the Master Association is responsible; and
- (iv) A general statement setting forth the procedures used by the Board in the calculation and establishment of reserves to defray the costs of repair, replacement or additions to major components of the Common Areas and facilities for which the Master Association is responsible.

(b) A balance sheet – as of a designated accounting date which shall be the last day of the month closest in time to six (6) months from the date of closing of escrow representing the first sale of a Lot in the Properties – and an operating statement of the period from the date of the first closing to the designated accounting date, shall be distributed to each Member within sixty (60) days after the designated accounting date. This operating statement shall include a schedule of assessments received and receivable identified by the Lot within the Properties and the name of the person or entity assessed therefor.

(c) An annual report which shall consist of at least the following shall be distributed within one hundred twenty (120) days after the close of the fiscal year of the Master Association:

- (i) A balance sheet as of the end of the fiscal year;
- (ii) An operating (income) statement of the fiscal year;
- (iii) A statement of changes in financial position for the fiscal year; and
- (iv) For any fiscal year in which the gross income of the Master Association exceeds Seventy-Five Thousand Dollars (\$75,000.00), a copy of the review of the annual report prepared in accordance with generally accepted accounting principles by a licensee of the California State Board of Accountancy. Such financial report shall include any information required to be reported under Section 8322 of the California Corporations Code.

Section 2. Certification of Report. If the report referred to in subsection (c) above is not prepared by an independent accountant, it shall be accompanied by the certificate of an authorized officer of the Master Association that the statement was prepared from the books and records of the Master Association without independent audit or review.

Section 3. Alternative Financial Statements. In lieu of the distribution of the financial statements required by this Article, the Board of Directors may elect to distribute a summary of the financial statements to all its Members with a written notice that the financial statements are available at the business office of the Master Association or at another suitable location within the boundaries of the Properties and that copies will be provided upon request and at the expense of the Master Association. If any Member requests copies of the financial statements to be mailed to the Member, the Master Association shall provide the copies to the Member by first-class United States mail at the expense of the Master Association and delivered within five (5) days. The written notice that is distributed to each of the Master Association Members shall be in at least 10-point bold type on the front page of the summary of the statements.

Section 4. Policies on Remedies. In addition to financial statements, the Board of Directors shall annually distribute within sixty (60) days prior to the beginning of the fiscal year of the Master Association a statement of the Master Association's policies and practices in enforcing its lien rights and other legal remedies against Members for defaults in the payment of Regular and Special Assessments including the recording and foreclosing of liens against Members' Lots.

Section 5. Fiscal Duties of Board.

(a) Unless more stringent standards are imposed under this Master Declaration or the Bylaws of the Master Association, the Board of Directors of the Master Association shall do all of the following:

(i) Review a current reconciliation of the Master Association's operating accounts on at least a quarterly basis;

(ii) Review a current reconciliation of the Master Association's reserve accounts on at least a quarterly basis;

(iii) Review, on at least a quarterly basis, the current year's actual reserve revenues and expenses compared to the current year's budget;

(iv) Review the latest account statements prepared by the financial institutions where the Master Association has its operating and reserve accounts; and

(v) Review an income and expense statement for the Master Association's operating and reserve accounts on at least a quarterly basis.

(b) The signatures of at least two persons who shall be members of the Board or one officer who is not a member of the Board shall be required for the withdrawal of moneys from the Master Association's reserve accounts.

(c) As used in this section, "reserve accounts" means moneys that the Board has identified from its annual budget for use to defray the future repair or replacement of, or additions to, those major components which the Master Association is obligated to maintain.

XVIII. [DELETED]

XIX. [DELETED]

XX. GENERAL PROVISIONS

Section 1. Enforcement. The Master Association, and each aggrieved Owner or the successor in interest of an Owner, shall have the right to enforce by proceedings at law or in equity, all restrictions, conditions, covenants, reservations, liens and charges now or hereafter imposed by the provisions of this Master Declaration or any amendment thereto, including the right to prevent the violation of any such restrictions, conditions, covenants or reservations and the right to recover damages or other dues for such violation; provided, however, that with respect to assessment liens, the Master Association shall have the exclusive right to the enforcement thereof. Failure by the Master Association or by any Owner to enforce any covenant, condition or restriction herein contained shall in no event be deemed a waiver of the right to do so thereafter.

Section 2. Severability. Should any of the covenants contained in this master Declaration be void or be or become unenforceable in law or in equity, the remaining portions of this Master Declaration shall, nevertheless, be and remain in full force and effect.

Section 3. Term. Subject to the limitations set forth in the Section of this Article entitled "Amendments", this Master Declaration and the covenants herein contained shall be in effect until December 31, 2039, and shall automatically be extended for successive periods of ten (10) years unless within six (6) months prior to the expiration of the initial term or any ten (10) year renewal period a written agreement executed by the then record Owners of more than three-fourths (3/4) of the Lots within the Properties shall be placed on record in the Office of the County Recorder of the County of Orange by the terms of which agreement the effectiveness of this Master Declaration is terminated or the covenants herein contained are extinguished in whole or in part as to all or any part of the property then subject thereto.

Section 4. Amendments. Subject to the right of lenders as set forth in the Article of this Master Declaration entitled "RIGHTS OF INSTITUTIONAL HOLDERS OF MORTGAGES", this Master Declaration of Covenants, Conditions and Restrictions may be amended only by the affirmative assent or vote of Delegates representing seventy-five percent (75%) of the voting power of Delegates; provided, however, that the percentage of voting power necessary to amend a specific clause or provision shall not be less than the percentage of affirmative votes prescribed for action to be taken under that clause. This amendment provision shall not be amended to allow amendments by the assent or vote of less than the prescribed percentage of voting power required for amendments hereof; provided, however, that in compliance with Civil Code Section 1356(a), the Board of Directors of the Master Association or any Owner of a Lot may petition the Superior Court of Orange County for an order reducing the percentage of the affirmative votes necessary for such amendment. An amendment or modification shall be effective when executed by the President and Secretary of the Master Association who shall certify that the amendment or modification has been approved as hereinabove provided, and recorded in the Official Records of Orange County, California.

Section 5. Nonliability of Officials. To the fullest extent permitted by law, neither the Board, the Architectural Committee, any other committees of the Master Association or any member of such Board

or committee shall be liable to any Member of the Master Association for any damage, loss or prejudice suffered or claimed on account of any decision, approval or disapproval of plans or specifications (whether or not defective), course of action, act, omission, error, negligence or the like, made in good faith within which such Board, committees or persons reasonably believed to be the scope of their duties. Except as specifically provided herein, in the Master By-Laws, or as provided by law, no rights, power, or responsibility conferred on the Board or the Architectural Control Committee by this Master Declaration, the Articles or the By-Laws shall be construed as a duty, obligation or disability charged upon the Board, the Architectural Control Committee, any member of the Board or of the Architectural Control Committee, or any other officer, employee or agent of the Master Association. No such person shall be liable to any party (other than the Master Association or a party claiming in the name of the Master Association) for injuries or damage resulting from such person's acts or omissions within what such person reasonably believed to be the scope of their Master Association duties ("Official Acts"), except to the extent that such injuries or damage result from such person's willful or malicious misconduct. No such person shall be liable to the Master Association (or to any party claiming in the name of the Master Association) for injuries or damage resulting from such person's Official Acts, except to the extent that such injuries or damage result from such person's negligence or willful or malicious misconduct.

Section 6. Construction. The provisions of this Master Declaration shall be liberally construed to effectuate its purpose of creating a uniform plan for the development of a residential community or tract and for the maintenance of the Common Area. The Article and Section headings have been inserted for convenience only, and shall not be considered or referred to in resolving questions of interpretation or construction.

Section 7. Singular Includes Plural. Whenever the context of this Master Declaration requires same, the singular shall include the plural and the masculine shall include the feminine.

Section 8. Nuisance. The result of every act or omission, whereby any provision, condition, restriction, covenant, easement or reservation contained in this Master Declaration is violated in whole or in part, is hereby declared to be and constitutes a nuisance, and every remedy allowed by law or equity against a nuisance, either public or private, shall be applicable against every such result, and may be exercised by the Architectural Committee, the Master Association, or any other land owner in the Properties. Such remedy shall be deemed cumulative and not exclusive.

Section 9. Conflicts. In case of any conflict between this Master Declaration and the Articles of Incorporation or Bylaws of the Master Association, this Master Declaration shall control.

Section 10. Attorneys' Fees. In the event of any controversy or claim respecting this Master Declaration, or in connection with the enforcement of this Master Declaration, the prevailing parties shall be entitled, in addition to all expenses, costs and damages, to reasonable attorneys' fees, whether or not such controversy or claim is litigated and prosecuted to judgment.

Section 11. The Master Declaration. By acceptance of a deed or by acquiring any ownership interest in any of the real property included within this Master Declaration, each person or entity, for

themselves or itself, their heirs, personal representatives, successors, transferees and assigns, binds themselves, their heirs, personal representatives, successors, transferees and assigns, to all of the provisions, restrictions, covenants, conditions, rules and regulations now or hereafter imposed by this Master Declaration and any amendments thereof. In addition, each such person by so doing thereby acknowledges that this Master Declaration sets forth a general scheme for the improvement and development of the real property covered hereby, and hereby evidences their intent that all the restrictions, conditions, covenants, rules and regulations contained herein shall run with the land and be binding on all subsequent and future Owners, grantees, purchasers, assignees, and transferees thereof. Furthermore, each such person fully understands and acknowledges that this Master Declaration shall be mutually beneficial, prohibitive and enforceable by the various subsequent and future Owners.

Section 12. Priorities and Inconsistencies. If there are conflicts or inconsistencies between this Master Declaration and any Sub-Association Declaration, the terms and provisions of this Master Declaration shall prevail. If there are any conflicts or inconsistencies between this Master Declaration and the Community Declaration, the terms and provisions of the Community Declaration shall prevail.

Section 13. [DELETED]

CERTIFICATE OF SECRETARY

I, the undersigned, do hereby certify that:

1. I am the duly elected and acting Secretary of Laguna Audubon II Master Association, a California nonprofit mutual benefit corporation ("Association"); and

2. The foregoing Amended and Restated Declaration of Covenants, Conditions And Restrictions for Laguna Audubon II Master Association was duly adopted by the appropriate written consent of the Delegates of the Master Association on April 28, 2010.

Dated: May 10, 2010

A handwritten signature in black ink, appearing to be "L. C. ...", written over a horizontal line.

Secretary

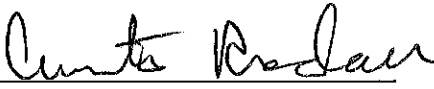
CERTIFICATE OF PRESIDENT

I, the undersigned, do hereby certify that:

1. I am the duly elected and acting President of Laguna Audubon II Master Association, a California nonprofit mutual benefit corporation ("Association"); and

2. The foregoing Amended and Restated Declaration of Covenants, Conditions And Restrictions for Laguna Audubon II Master Association was duly adopted by the appropriate written consent of the Delegates of the Master Association on April 28, 2010.

Dated: May 13, 2010



President

CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

State of California

County of Orange

On May 10, 2010 before me, Rachel Kreie Notary Public

personally appeared Dan Allen Newkirk

who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.



I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature Rachel Kreie

Place Notary Seal Above

OPTIONAL

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

Description of Attached Document

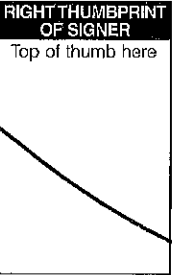
Title or Type of Document: Certificate of Secretary

Document Date: May 10, 2010 Number of Pages: 1

Signer(s) Other Than Named Above: NA

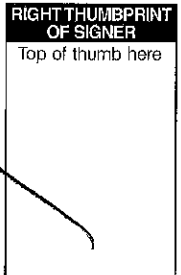
Capacity(ies) Claimed by Signer(s)

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



Signer Is Representing: _____

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



Signer Is Representing: _____

ALL-PURPOSE ACKNOWLEDGEMENT

STATE OF CALIFORNIA)
)
COUNTY OF ORANGE)

On MAY 13, 2010, before me, DEBORAH ANN YOUNG, NOTARY PUBLIC
(here insert name and title of the officer), personally appeared
CURTIS RANDALL

_____ personally known to me (or proved to me on the basis of satisfactory evidence) to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

WITNESS my hand and official seal.

Signature: Deborah Ann Young



ALL-PURPOSE ACKNOWLEDGEMENT

STATE OF CALIFORNIA)
)
COUNTY OF _____)

On _____, before me, _____
(here insert name and title of the officer), personally appeared

_____ personally known to me (or proved to me on the basis of satisfactory evidence) to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

WITNESS my hand and official seal.

Signature: _____

EXHIBIT "A"

ANNEXABLE AREA

That certain real property located in the unincorporated area of the County of Orange more particularly described as follows:

The remainder of Tract No. 13614 as per map recorded in Book 620 pages 1 through 5, inclusive, of Maps, Records of Orange County, California.

Tract No. 13613 as shown on a map recorded in Book 619, pages 44 through 50, inclusive, of Maps, Records of Orange County, California.

Tract No. 13211 as per map recorded in Book 629, pages 4 through 7, inclusive, of Maps, Records of Orange County, California.

Tract No. 13366 as per map recorded in Book 616, pages 48 through 50, inclusive, of Maps, Records of Orange County, California.

Tract No. 13615 as per map recorded in Book 620, pages 6 through 10, inclusive, of Maps, Records of Orange County, California.

Tract No. 13616 as per map recorded in Book 628, pages 43 through 45, inclusive, of Maps, Records of Orange County, California.

Tract No. 13617 as per map recorded in Book 629, pages 8 through 10, inclusive, of Maps, Records of Orange County, California.

Tract No. 13618 as per map recorded in Book 620, pages 11 through 16, inclusive, of Maps, Records of Orange County, California.

→ Tract No. 13619 as per map recorded in Book 620, pages 17 through 24, inclusive, of Maps, Records of Orange County, California.

Tract No. 13620 as per map recorded in Book 626, pages 22 through 28, inclusive, of Maps, Records of Orange County, California.

Tract No. 13621 as per map recorded in Book 620, pages 25 through 31, inclusive, of Maps, Records of Orange County, California.

Tract No. 13622 as per map recorded in Book 620, pages 32 through 35, inclusive, of Maps, Records of Orange County, California.

Tract No. 13623 as per map recorded in Book 618, pages 11 through 15, inclusive, of Maps, Records of Orange County, California.

Tract No. 13624 as per map recorded in Book 620, pages 36 through 40, inclusive, of Maps, Records of Orange County, California.

Tract No. 13781 as per map recorded in Book 620, pages 41 through 43, inclusive, of Maps, Records of Orange County, California.

Tract No. 13782 as per map recorded in Book 629, pages 1 through 3, inclusive, of Maps, Records of Orange County, California.

Tract No. 13783 as per map recorded in Book 626, pages 14 through 21, inclusive, of Maps, Records of Orange County, California.

Tract No. 13784 as per map recorded in Book 620, pages 44 through 47, inclusive, of Maps, Records of Orange County, California.

EXHIBIT "B"

COMMON AREA EASEMENT - PORTION OF LOT C

THAT PORTION OF LOT "C" OF TRACT 13614, IN THE UNINCORPORATED TERRITORY OF THE COUNTY OF ORANGE, STATE OF CALIFORNIA, AS SHOWN ON THE MAP RECORDED IN BOOK 620, PAGES 1 THROUGH 3, INCLUSIVE, OF MISCELLANEOUS MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY, DESCRIBED AS FOLLOWS:

PARCEL 1

BEGINNING AT THE MOST WESTERLY CORNER OF SAID LOT "C", SAID POINT LYING ON THE NORTHERLY RIGHT-OF-WAY LINE OF ALISO CREEK ROAD AS SHOWN ON SAID MAP; THENCE NORTH 32' 51' 00" EAST, 16.07 FEET ALONG THE WESTERLY LINE OF SAID LOT TO ITS INTERSECTION WITH THE NORTHERLY LINE THEREOF; THENCE ALONG SAID NORTHERLY LINE THE FOLLOWING COURSES:

- 1) SOUTH 88' 50' 20" EAST, 197.90 FEET;
- 2) SOUTH 84' 06' 49" EAST, 105.11 FEET;
- 3) SOUTH 40' 29' 13" EAST, 89.27 FEET;

THENCE LEAVING SAID NORTHERLY LINE SOUTH 19' 14' 42" WEST, 13.61 FEET TO ITS INTERSECTION WITH SAID NORTHERLY RIGHT-OF-WAY LINE, SAID POINT BEING THE BEGINNING OF A NON-TANGENT CURVE CONCAVE SOUTHERLY HAVING A RADIUS OF 1450.00 FEET, A RADIAL BEARING FROM SAID POINT BEARS SOUTH 19' 14' 42" WEST; THENCE ALONG SAID NORTHERLY RIGHT-OF-WAY LINE THE FOLLOWING COURSES:

- 1) WESTERLY 248.73 FEET ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 09' 49' 42";
- 2) NORTH 80' 35' 00" WEST, 125.60 FEET TO THE POINT OF BEGINNING.

CONTAINING 0.317 ACRES, MORE OR LESS.

8/30/89

EXHIBIT "C"
DRAINAGE OR IRRIGATION EASEMENT AREAS

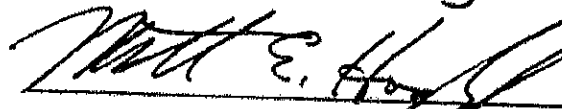
AN EASEMENT FOR IRRIGATION PURPOSES,
IN, UNDER, OVER AND ACROSS LOT 30 OF TRACT 13614, IN THE
UNINCORPORATED TERRITORY OF THE COUNTY OF ORANGE, STATE OF
CALIFORNIA, AS SHOWN ON THE MAP RECORDED IN BOOK 620, PAGES 1
THROUGH 5, INCLUSIVE OF MISCELLANEOUS MAPS, IN THE OFFICE OF THE
COUNTY RECORDER OF SAID COUNTY, DESCRIBED AS FOLLOWS:

THE MOST SOUTHERLY 5.00 FEET OF SAID LOT 30, AS MEASURED AT RIGHT
ANGLES NORTHERLY FROM THE SOUTHERLY LINE OF SAID LOT.

THE ABOVE DESCRIBED PARCEL IS SHOWN ON EXHIBIT "C-1" ATTACHED
HERETO AND BY THIS REFERENCE IS MADE A PART HEREOF.

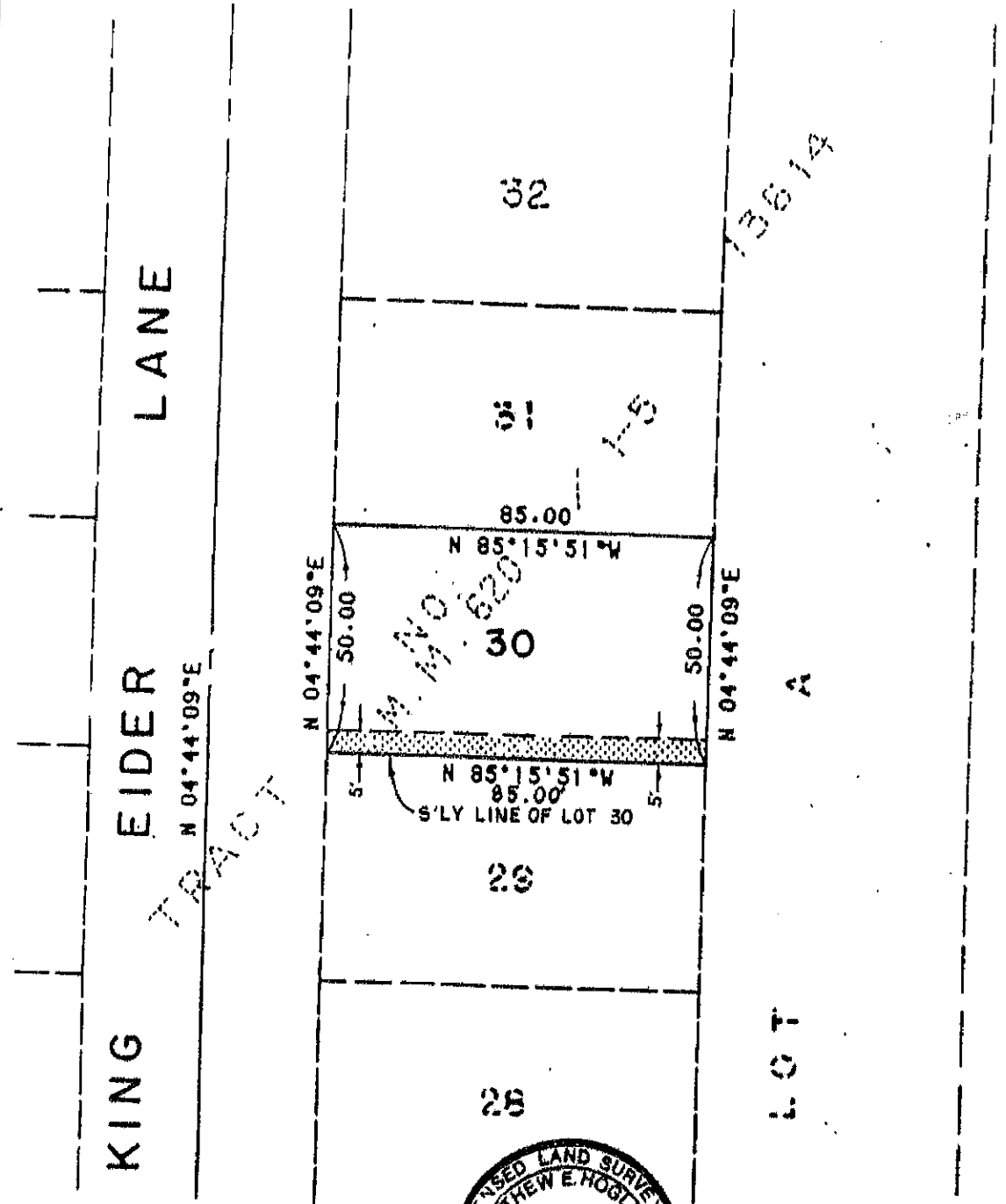
SUBJECT TO ANY AND ALL EASEMENTS OR AGREEMENTS, IF ANY, OF RECORD
AND/OR FACT.

DATED THIS 9th DAY OF August, 1989.


MATTHEW E. HOGLUND, L.S. 5757
REGISTRATION EXPIRES 6-30-92



-D.F.-



DATED THIS 9th DAY OF August 1989

Matthew E. Hoglund
 MATTHEW E. HOGLUND, L.S. #5757
 REGISTRATION EXPIRES 6-30-92




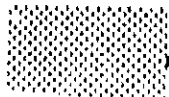
	VAN DELL AND ASSOCIATES, INC. CIVIL ENGINEERS SURVEYORS LAND PLANNERS	EXHIBIT "C" IRRIGATION EASEMENT	PROJ. MGR.: M.E.H.
	17801 CARTWRIGHT ROAD IRVINE, CA. 92714 (714) 474-1400		SURVEYOR: G. J. R. DRAFTER: G. K.
DRAWING DATE: 8-8-89	PROJECT NO.: 605.1001-98	SCALE: 1" = 30'	SHEET 2 OF 2

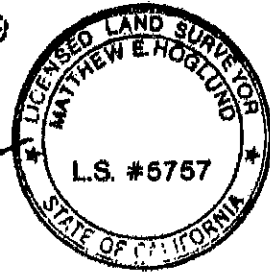
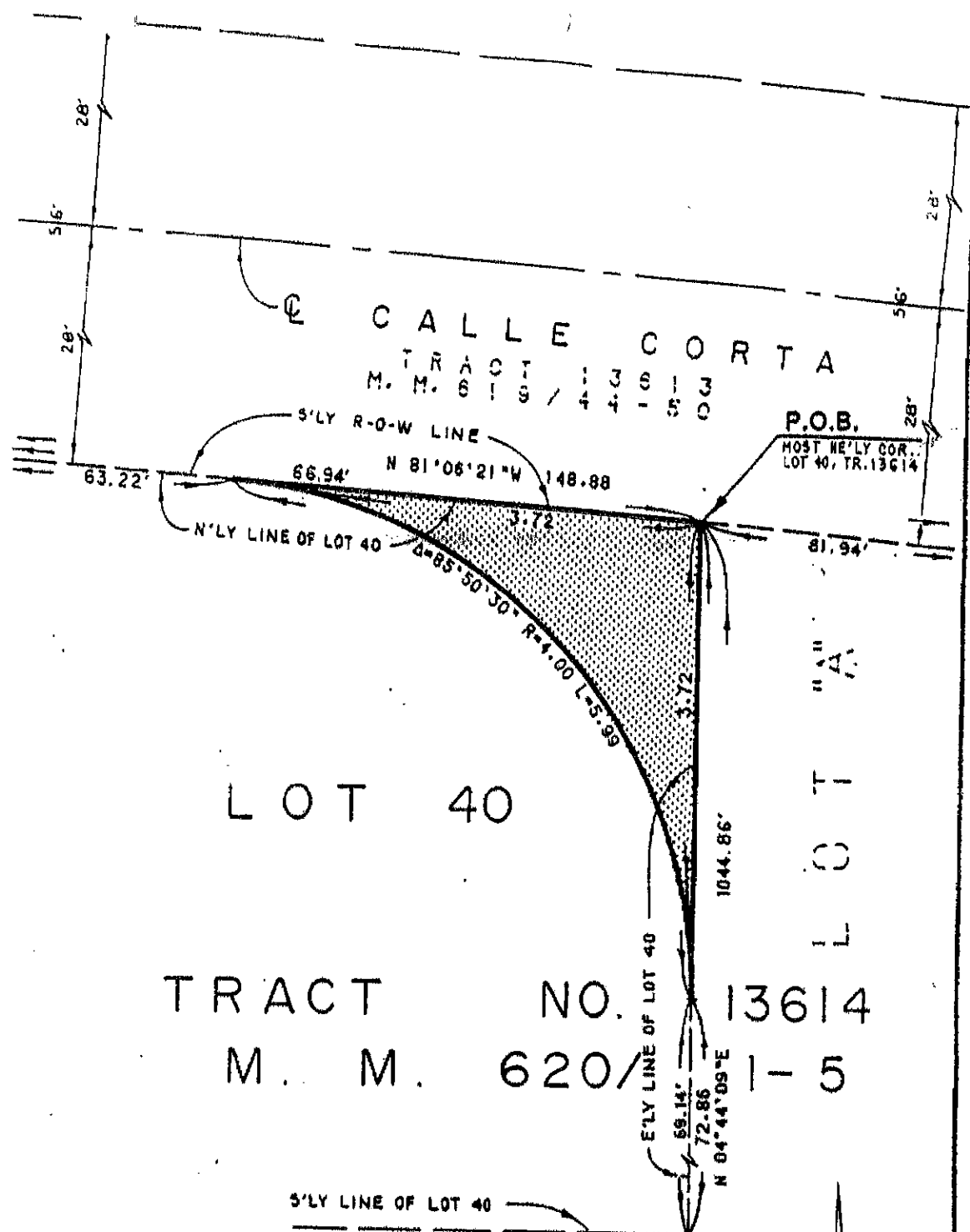
EXHIBIT "D"
LANDSCAPE MAINTENANCE AREAS

(The Landscape Maintenance Areas as depicted in this Exhibit are not necessarily drawn to scale and shall be governed by fencing or other boundaries as may be imposed in the field.)

LEGEND



= Landscape Maintenance Areas



DATED THIS 25th DAY OF August 1989
Matthew E. Hoeglund
MATTHEW E. HOEGLUND, L.S. #6757
REGISTRATION EXPIRES 6/30/92

PF 60610:7704

	VAN DELL AND ASSOCIATES, INC. CIVIL ENGINEERS SURVEYORS LAND PLANNERS	EXHIBIT "D" LANDSCAPE MAINTENANCE EASEMENT	PROJ. MGR.: M.E.H.
	17801 CARTWRIGHT ROAD IRVINE, CA 92714 (714) 474-1400		SURVEYOR: T.E.P. DRAFTER: G.A.K.

Exhibit "E"

Delegate District Designation

<u>Delegate District No.</u>	<u>District</u>
1	Seawind Ridge
2	Seagate Colony
3	Seacove Place
4	Seacliff Court (Seabreeze)
5	Seaway Collection
6	Hillcrest
7	Westridge/Seacoast Terrace
8	Skyline/Laguna Vista
9	Seacrest Villas
10	Lyon Horizons