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[Indexing Instructions: Index as "First Restated Declaration of Covenants, Conditions and Restrictions of Redhawk Community Association."]

266



RESTATED DECLARATION OF  
COVENANTS, CONDITIONS AND RESTRICTIONS OF  
REDHAWK COMMUNITY ASSOCIATION

ORIGINAL

*Restated Declaration of  
Covenants, Conditions and Restrictions A  
Redhawk Community Association.*

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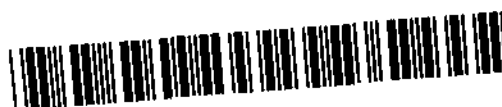
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## PREAMBLE

By this document, Restated Declaration of Covenants, Conditions and Restrictions of Redhawk Community Association, the Redhawk Community Association hereby declares that the Document entitled "Declaration of Covenants, Conditions and Restrictions of Redhawk Community Association," recorded June 14, 1989, as Instrument No. 195870 of the Official Records of the County Recorder for Riverside County, California, and re-recorded on August 23, 1989, as Instrument No. 287342 of the Official Records of the County Recorder for Riverside County, California, is hereby rescinded, cancelled and terminated in full. Said document is to be superseded by this Restated Declaration of Covenants, Conditions and Restrictions of Redhawk Community Association.

On or about January 24, 2002, 97% of the owners of lots within the Redhawk Community Association voted through their respective delegate by written ballot to amend and restate the original Declaration in accordance with the procedures for amendment set forth in the original Declaration. It is the intention of said owners to replace the original Declaration in its entirety with the recordation of this Restated Declaration. The owners' action to amend and restate the original Declaration as set forth herein and the fact that the requisite percentage of affirmative votes required in the original Declaration was achieved, is attested to by the execution of the Restated Declaration of Covenants, Conditions and Restrictions of Redhawk Community Association by a duly authorized officer of the Association as required by California Civil Code §1355(a). As so amended and restated, the Covenants, Conditions and Restrictions set forth herein shall run with the lots and shall be binding upon all parties having or acquiring the right, title or interest in the lots or any portion thereof, and shall inure to the benefit of each owner thereof.



RESTATED DECLARATION OF  
COVENANTS, CONDITIONS AND RESTRICTIONS  
OF  
REDHAWK COMMUNITY ASSOCIATION

This Restated Declaration of Covenants, Conditions and Restrictions of Redhawk Community Association ("Declaration") is made as of the date herein set forth by Redhawk Community Association with reference to the following recitals:

ARTICLE I

RECITALS

A. Great American Development Company ("Declarant") intends to and has developed the Property as a master planned development within the meaning of California Civil Code Section 1351(k) and in accordance with California Civil Code Section 1353. The Property is included within the master planned community situated in the County of Riverside and commonly known as "Redhawk" (the "Redhawk Community"). Declarant may, but shall not be required to, annex additional property to the Redhawk Community. Notwithstanding the foregoing, each owner who takes title subject to this Declaration acknowledges that there is no assurance that the proposed development of the Redhawk Community will be completed. The overall development of the Redhawk Community will, however, be in substantial conformance with the overall development plan submitted to and approved by the Veterans' Administration.

B. Declarant may add all or any of the real property described in Exhibit "B" attached hereto and incorporated herein to the Property already subject to this Declaration by Annexation (as hereinafter defined) and said additional property so annexed will thereupon be subject to this Declaration, become a part of and included within the definition of the Property, and be developed as a part of the Redhawk Community.

C. The Redhawk Community 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 set forth herein.

D. Certain real property within the Redhawk Community may initially be owned and/or maintained by a CSA (as hereinafter defined) established by the County of Riverside. Declarant also desires to provide in this Declaration for the maintenance by the Community Association (as hereinafter defined) of any real property initially maintained and/or owned by the CSA in the event that the CSA transfers its ownership and/or maintenance responsibilities to the Community Association.

E. Declarant will hereafter hold and convey title to all, of the Property subject to certain protective covenants, conditions and restrictions hereinafter set forth.

DECLARATION

1.1 Declarant hereby covenants, agrees and declares that all of the Property is, and shall be, held, conveyed, encumbered hypothecated, leased, rented, used, occupied and improved subject to the following limitations, covenants, conditions, restrictions, easements, liens and charges which are hereby declared and agreed to be in furtherance of a general plan for the



subdivision, improvement, protection, maintenance and sale of all of the Property and all of which are declared and agreed to be for the purpose of enhancing, maintaining and protecting the value and attractiveness of the Property and every part thereof. All of the limitations, covenants, conditions, restrictions, easements, liens and charges are equitable servitudes and shall run with the land and shall be binding upon and inure to the benefit of all parties having or acquiring any right, title or interest, in the Property or any part thereof, and shall be binding on and inure to the benefit of each successor-in-interest of such parties. Declarant hereby declares that all of the Property described in Exhibit "A" shall be subject to this Declaration and shall constitute the initial increment of land subject to this Declaration. Declarant declares that pursuant to the Article hereof entitled "Annexation of Real Property", all or any portion of the real property described on Exhibit "B" may be annexed and become subject to this Declaration and, upon such Annexation, such annexed property shall be subject to the limitations, restrictions, easements, covenants, conditions, liens and charges of this Declaration.

## ARTICLE II

### DEFINITIONS

Unless the context clearly indicates otherwise, the following terms used in this Declaration are defined as set forth below.

2.1 Annexable Property. The term "Annexable Property" shall mean any or all of the real property described on Exhibit "B" which may be made subject to this Declaration by Annexation pursuant to the provisions set forth in the Article hereof entitled "Annexation of Real Property".

2.2 Annexation. The term "Annexation" shall mean the process by which the additional real property described in Exhibit "B" attached hereto may be made subject to this Declaration as set forth in the Article hereof entitled "Annexation of Real Property."

2.3 Annual Meeting. The term "Annual Meeting" shall mean the regularly scheduled annual meeting of the Members which is held in accordance with the provisions of the Section of Article IV entitled "Meetings of Community Association" and the provisions of the Community Bylaws.

2.4 Apartment Area. The term "Apartment Area" shall mean and refer to the real property, if any, designated in a Supplementary Declaration (as hereinafter defined) as Apartment Area upon which apartments shall be constructed. The Apartment Area shall be subject to this Declaration as provided in the Article hereof entitled "Apartment Area Ownership." The following are the two types of Apartment Area:

2.4.1 High Density Apartment Area. The term "High Density Apartment Area" shall refer to any Apartment Area consisting of eight or more than eight Apartment Units per acre which provides its own recreational facilities for use by tenants in the Apartment Area which is designated as High Density Apartment Area in a supplementary Declaration.

2.4.2 Low Density Apartment Area. The term "Low Density Apartment Area" shall refer to any Apartment Area consisting of eight or less than eight Apartment Units per acre which does not provide its own recreational facilities for use by tenants in the Apartment Area and which is designated as Low Density Apartment Area in a Supplementary Declaration.



2.5 Apartment Building. The term "Apartment Building" shall mean and refer to any apartment building constructed by an Apartment Owner within the Apartment Area.

2.6 Apartment Owner. The term "Apartment Owner" shall mean and refer to the fee owner of any portion of the Apartment Area; provided, however, in the event that an Apartment Owner leases a portion of the Apartment Area, the lessee thereof shall be deemed the Apartment Owner as to such leased portion in the event such lease so provides and such lease is filed with the Community Board. In such event, such lessee shall have all of the rights and obligations of an Apartment Owner under this Declaration as to such leased portion for the term of said lease. As used in this section, "lease" shall refer to a commercial lease, with a minimum term of fifteen (15) years, of a portion of the Apartment Area containing more than one (1) Apartment Unit and shall not refer to a leasing of individual Apartment Units for residential purposes.

2.7 Apartment Unit. The term "Apartment Unit" shall mean and refer to a residential apartment in an Apartment Building located within the Apartment Area.

2.8 Architectural Committee. The term "Architectural Committee" shall mean and refer to the committee(s) provided for in the Article hereof entitled "Architectural Control."

2.9 Architectural Standards and Design Guidelines. The term "Architectural Standards and Design Guidelines" shall mean and refer to the architectural, design and signage guidelines, rules and standards promulgated by the Community Board for implementation by the Architectural Committee.

2.10 Assignment of Declarant Rights. The term "Assignment of Declarant's Rights" shall mean and refer to the assignment agreement executed and recorded by Declarant in order to assign Declarant's rights to a successor Declarant pursuant to the provisions of the section of this Article entitled "Declarant."

2.11 Common Expenses. The term "Common Expenses" shall mean and refer to the actual and estimated costs and expenses incurred or to be incurred by the Community Association, the Community Board or the Architectural Committee, including, but not limited to, the following:

2.11.1 maintenance, management, operation, repair and replacement of the Community Common Area and all other areas within the Redhawk Community which are maintained by the Community Association including, without limitation, any real property transferred to the Community Association by the CSA pursuant to section 8.2 of this Declaration;

2.11.2 due but unpaid Community Assessments (as hereinafter defined);

2.11.3 maintenance by the Community Association of areas within the public right-of-way or public streets in the vicinity of the Property as provided in this Declaration or pursuant to agreements with the County of Riverside or the CSA;

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

2.11.5 the costs of utilities, trash pickup and disposal, gardening and other services benefitting the Owners and their Lots to the extent such services are paid for by the Community Association;





2.11.6 the costs of fire, casualty, liability, worker's compensation and other insurance covering the Community Common Area;

2.11.7 the costs of any other insurance obtained by the Community Association pursuant to the provisions of this Declaration;

2.11.8 reasonable reserves as deemed appropriate by the Community Board;

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

2.11.10 taxes paid by the Community Association;

2.11.11 amounts paid by the Community Association for the discharge of any lien or encumbrance levied against the Community Common Area or portions thereof;

2.11.12 costs incurred by the Architectural Committee or other committees of the Community Association; and

2.11.13 the costs of any other item or items designated by, or in accordance with other expenses incurred by the Community Association for any reason whatsoever in connection with the operation and/or maintenance of the Community Common Area, or in furtherance of the purposes or the discharge of any obligations imposed on the Community Association by this Declaration, the Community Articles or Community Bylaws.

2.12 Community Articles. The term "Community Articles" shall mean and refer to the Articles of Incorporation of the Community Association, as the same may from time to time be duly amended.

2.13 Community Assessments. The term "Community Assessments" shall mean and refer collectively or individually, as required by the context, to all or any of the assessments levied by the Community Association pursuant to the Article hereof entitled "Redhawk Funds and Assessments" and shall include, without limitation, the Community Assessments defined below:

2.13.1 Regular Assessment. The terms "Regular Assessment" or "Regular Assessments" shall mean the amount which is to be paid by each Owner to the Community Association for Common Expenses as described in subsection 6.4.1 of this Declaration.

2.13.2 Special Assessment. The terms "Special Assessment" or "Special Assessments" shall mean an assessment levied by the community Board if the Community Board determines that the Regular Assessments will be inadequate pursuant to the provisions of Subsection 6.4.2 of this Declaration.

2.13.3 Capital Improvement Assessment. The terms "Capital Improvement Assessment" or "Capital Improvement Assessments" shall mean a charge against each Owner and his Lot, representing a portion of the cost to the Community Association for installation or construction of any capital improvements for the Community Common Area which the Community Association may from time to time authorize pursuant to the provisions of Subsection 6.4.3 of this Declaration.



2.13.4 Enforcement Assessment. The terms "Enforcement Assessment" or "Enforcement Assessments" shall mean and refer to the charges assessed against any Owner and his Lot to reimburse the Community Association for costs incurred in bringing the Owner and his Lot into compliance with the provisions of this Declaration pursuant to Subsection 6.4.4 of this Declaration.

2.13.5 Single Benefit Assessment. The terms "Single Benefit Assessment" or "Single Benefit Assessments" shall mean a charge against each owner and his Lot for any cost or expense which will benefit less than all of the Owners within the Redhawk Community as described in Subsection 6.4.5 of this Declaration.

2.13.6 Reconstruction Assessment. The terms "Reconstruction Assessment" or "Reconstruction Assessments" shall mean a charge against each Owner and his Lot representing a portion of the cost to the Community Association for reconstruction of any portion or portions of the Community Common Area pursuant to the provisions of the Article hereof entitled "Destruction of Improvements."

2.14 Community Association. The term "Community Association" shall mean and refer to the Redhawk Community Association, a nonprofit mutual benefit corporation, incorporated under the laws of the State of California, or any successor entity charged with the duties, obligations and powers of said Community Association.

2.15 Community Association Rules. The term "Community Association Rules" shall mean and refer to the rules and regulations adopted by the Community Board for the governance of the Redhawk Community.

2.16 Community Board. The term "Community Board" shall mean and refer to the Board of Directors of the Community Association.

2.17 Community Bylaws. The term "Community Bylaws" shall mean and refer to the Bylaws of the Community Association, as the same may from time to time be amend.

2.18 Community Common Area. The term "Community Common Area" shall mean and refer to all real property and the Improvements (as hereinafter defined) situated thereon, including, without limitation, any private storm drains, private streets, private utilities, private parks, open space, trails and slopes, and recreational facilities owned or leased from time to time by the Community Association for the common use and enjoyment of the Owners or which the Community Association is obligated to maintain pursuant to the requirements of the County, the CSA or any other governmental entity having jurisdiction over the Property. The Community Common Area may include an interest held by lease or easement as well as estates in fee. Any Community Common Area to be conveyed by Declarant to the Community Association shall be conveyed free of all liens and encumbrances except current real property taxes (which taxes shall be prorated as of the date of conveyance), assessments, bonds and special taxes, special assessment districts, community facilities financing districts, facilities benefit assessment districts and other assessment districts for purposes of maintaining or funding any on-site or off-site facilities or Improvements, including, but not limited to, public facilities and project amenities and any non-monetary title exceptions of record, any easements or matters set forth in any final subdivision map covering any portion of the Property and the covenants, conditions, reservations and restrictions contained in this Declaration.

2.19 Community Directors. The term "Community Directors" shall mean the members of the Community Board elected pursuant to the provisions of the Article hereof entitled "Organization of Community Association."



2.20 Condominium and Condominium Owner. The terms "Condominium" and "Condominium Owner" shall mean, respectively, the estate and the owner thereof of any condominium within the Redhawk Community established pursuant to Section 1351 (f) of the Civil Code of the State of California or any similar statute hereinafter enacted.

2.21 County. The term "County" shall mean the County of Riverside.

2.22 CSA. The term "CSA" shall mean County Service Area No. 143, formed pursuant to California Government Code Section 25210.1 et seq., or any successor to or substitute for such County Service Area.

2.23 CSA Maintenance Area. The term "CSA Maintenance Area" or "CSA Maintenance Areas" shall mean those areas situated within the Redhawk Project which are owned by the County and will be maintained by the CSA for the benefit of the Redhawk Community and other members of the public. The CSA Maintenance Area includes any land initially described in Exhibit "F" attached hereto and incorporated herein and any other real property described on a Supplementary Declaration.

2.24 CSA Transfer Date. The term "CSA Transfer Date" shall mean the date upon which the transfer of any portion of the CSA Maintenance Area to the Community Association will be effective pursuant to the provisions of the section of Article VIII entitled "Expansion of Community Common Area".

2.25 Declarant. The term "Declarant" shall mean Great American Development Company, a California corporation ("GADCo") and shall include those successors and assigns of Declarant who acquire or hold title to any part or all of the Property for purposes of development and are expressly named as successor Declarant in an Assignment of Declarant's Rights executed by GADCo, or a successor Declarant, and recorded with the County Recorder assigning the rights and duties of Declarant to such successor Declarant, with such successor Declarant accepting and assuming the assignment of such rights and duties. A successor Declarant shall also be deemed to include the beneficiary under any deed of trust securing an obligation from a then-existing Declarant encumbering all or any portion of the Property, which beneficiary has acquired any such property by foreclosure, power of sale or deed in lieu of such foreclosure or sale.

2.26 Declaration. The term "Declaration" shall mean this Declaration of Covenants, Conditions and Restrictions of Redhawk Community Association, as the same may be amended from time to time.

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

2.28 Dwelling. The term "Dwelling" shall mean the residential dwelling unit together with garages and other structures on the same Lot, and in the case of a Condominium, all elements of a "unit" conveyed to an owner, as "unit" is defined on the condominium plan or subdivision map recorded for said Condominium pursuant to the California Civil Code.

2.29 Exempt Custom Lots. The term "Exempt Custom Lots" shall refer to the unimproved lots described on Exhibit "E" attached hereto and incorporated herein which may be conveyed to Owners by Declarant or a Merchant Builder under a Public Report and any Custom Lots identified as Exempt Custom Lots in a Supplementary Declaration.



2.30 Federal Agencies. The term "Federal Agencies" shall mean and refer to one or more of the following agencies and the following letter designation for such agencies shall mean and refer respectively to the agency specified within the parentheses following such letter designation: FHA (Federal Housing Administration), FHLMC (Federal Home Loan Mortgage Corporation), FNMA (Federal National Mortgage Association), GNMA (Governmental National Mortgage Association) and VA (Veterans Administration).

2.31 First Mortgage. The term "First Mortgage" shall mean and refer to a first mortgage or deed of trust which encumbers any one (1) or more Lots, or other parcels of real property in the Redhawk Community and has priority over any other mortgage or deed of trust encumbering such Lot, and shall include any first mortgage or deed of trust securing an obligation of Declarant, Merchant Builder, or an Owner, and encumbering all or any part of the Property.

2.32 Golf Course. The term "Golf Course" shall mean the golf course which may be situated adjacent to a portion of the Redhawk Community but, even if constructed and operated as a Golf Course, will not be a part of the Community Common Area or subject to this Declaration. Nothing contained in this Declaration is intended to confer upon any owner any right to use or become a member in the Golf Course.

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

2.34 Institutional Mortgagee. The term "Institutional Mortgagee" shall mean and refer to a Mortgagee which is a bank, savings bank or savings and loan association or established mortgage company, or other such entity chartered under federal or state laws, any corporation or insurance company, any federal or state agency, or any other institution specified by the Community Board in a recorded instrument, who is the Mortgagee of a Mortgage or beneficiary of a deed of trust encumbering a Lot.

2.35 Lot. The term "Lot" shall mean and refer to any or all of the following: (a) any improved or unimproved residential lot or parcel shown on any recorded final subdivision map or any recorded parcel map to the extent such lots or parcels are part of the Property; (b) any Condominium in the Redhawk Community; and (c) subject to the provisions of the Article hereof entitled "Apartment Area Ownership", the portion of the Apartment Area in the Redhawk Community owned by an Apartment Owner, even though such portion may contain more than one (1) Apartment Building. Notwithstanding anything to the contrary contained herein, the term "Lot" shall not include any Community Common Areas or Neighborhood Common Area.

2.36 Master Management Documents. The term "Master Management Documents" shall mean and refer to the Community Articles, Community Bylaws, Community Association Rules and this Declaration, and any amendments to any of the foregoing.



2.37 Member or Members. The term "Member" or "Members" shall mean and refer to every person or entity who qualifies for membership pursuant to the Article of this Declaration entitled "Membership in the Community Association," including Declarant, as long as Declarant qualifies for membership pursuant to said Article.

2.38 Merchant Builder or Builders. The term "Merchant Builder" shall mean and refer to any person or entity which has or will acquire from Declarant a portion of the real property within the Redhawk Project for the purpose of improving such property in accordance with a Development Declaration recorded against the Property by Declarant in connection with the conveyance to the Merchant Builder. The term Merchant Builder shall include an Apartment Owner.

2.39 Merchant Builder Parcels. The term "Merchant Builder Parcels" shall mean and refer to those parcels of real property which are sold to Merchant Builders by Declarant for the purpose of constructing Improvements for sale or lease to the public or constructing related Community facilities.

2.40 Mortgagee. The term "Mortgagee" shall mean and refer to the mortgagee or beneficiary under any mortgage. A "First Mortgagee" shall refer to a Mortgagee whose First Mortgage has priority over any other Mortgage encumbering a specific Lot.

2.41 Neighborhood. The term "Neighborhood" shall mean all Lots, improved or unimproved, and Neighborhood Common Area, if any, of a separate subdivision or development within the Redhawk Community as established by a final subdivision tract map or final parcel map, condominium plan, record of survey or other such land division for which a separate homeowner's association, other than the Community Association, is formed to govern and control the operation and maintenance of the Neighborhood and which is encumbered by a Neighborhood Declaration.

2.42 Neighborhood Assessments. The term "Neighborhood Assessments" shall mean assessments determined pursuant to any Neighborhood Declaration which are levied exclusively on Lots contained in a particular Neighborhood.

2.43 Neighborhood Association. The term "Neighborhood Association" shall mean the governing body of a Neighborhood which is created pursuant to the Neighborhood Declaration and the articles of incorporation and bylaws therefor.

2.44 Neighborhood Board. The term "Neighborhood Board" shall mean the governing body of a Neighborhood Association as established pursuant to the Neighborhood Declaration and the articles of incorporation and bylaws for the Neighborhood Association.

2.45 Neighborhood Common Area. The term "Neighborhood Common Area" shall mean the area within the boundaries of a Neighborhood owned by the Neighborhood Association or collectively by the Owners of Lots within the Neighborhood in common and restricted to use primarily by such Owners, their lessees and invitees.

2.46 Neighborhood Declaration. The term "Neighborhood Declaration" shall mean the covenants, conditions and restrictions recorded with respect to each Neighborhood, including the declarations providing for annexation of increments, if any, to a particular Neighborhood.

2.47 Owner. The term "Owner" shall mean and refer to one or more persons or entities who are alone or collectively the record owner of a fee simple title to a Lot, including Declarant and Merchant Builders unless the context provides otherwise. A contract purchaser under a recorded installment land sales contract shall be included as an Owner but those merely having an interest as security for the performance of an



obligation shall not be Owners. The fee owner of a Lot within the Apartment Area shall be deemed to be an Owner subject to the provisions of the Article hereof entitled "Apartment Area Ownership." If fee title to a Lot, including a Lot within the Apartment Area, is owned other than by Declarant, the Owner of the fee title and not the lessee of such Lot shall be deemed the Owner except as otherwise provided in the Article entitled "Apartment Area Ownership."

2.48 Phase. The term "Phase" shall mean and refer initially to the real property described on Exhibit "A" and thereafter to the real property described in each Supplementary Declaration as the real property which is being annexed to this Declaration.

2.49 Property. The term "Property" shall mean and refer to all the real property described on Exhibit "A" attached hereto and, subsequent to the Annexation thereof pursuant to this Declaration, any real property which shall become subject to this Declaration. In the event of the deannexation of any Property previously subject to this Declaration, the term "Property" shall not be deemed to include any such deannexed land.

2.50 Public Report. The term "Public Report" shall mean and refer to the Final Subdivision Public Report issued by the DRE for any Phase in the Property, including any amendments to such Public Report.

2.51 Public Use Areas. The term "Public Use Areas" shall mean any portion of the Community Common Area designated for public or quasi-public use as a condition of approval of any final subdivision map for any part of the Redhawk Community or as otherwise required by the County, the CSA or any governmental entity having jurisdiction over the Property. Public Use Areas may include, without limitation, parcels designated for parks, open space and trails. The Public Use Areas as of the date of this declaration are described in Exhibit "C" attached hereto and incorporated herein. Public Use Areas shall also include any areas designated by Declarant in a Supplementary Declaration which can be used by members of the public, pursuant to requirements imposed by the County of Riverside, the CSA or any governmental entity having jurisdiction over the Property.

2.52 Redhawk Community. The term "Redhawk Community" shall mean and refer to all of the Property and Improvements situated thereon which is, from time to time, subject to this Declaration.

2.53 Redhawk Funds. The term "Redhawk Funds" shall mean and refer collectively to all of the funds established by the Community Association for the deposit of Community Assessments and shall include, without limitation, the Redhawk Funds defined below.

2.53.1 Maintenance and Operation Fund. The term "Maintenance and Operation Fund" shall mean and refer to the fund which shall be established by the Community Association for the deposit of Regular Assessments and/or Special Assessments.

2.53.2 Reserve Fund. The term "Reserve Fund" shall mean and refer to the fund which may be established from time to time by the Community Association for the deposit of any reserve Community Assessments.

2.53.3 Capital Improvement Fund. The term "Capital Improvement Fund" shall mean and refer to the fund which may be established from time to time by the Community Association for the deposit of any Capital Improvement Assessments.

2.54 Redhawk Project. The term "Redhawk Project" shall refer generally to all of the real property in the County of Riverside commonly referred to as "Redhawk".

2.55 Redhawk Voting Power. The term "Redhawk Voting Power" shall mean and refer to the total number of votes allocated to Lots as set forth in the Section of Article III of this Declaration entitled "Classes of Voting Membership."



2.56 Slope Maintenance Easements. The term "Slope Maintenance Easements" shall mean the real property described in Exhibit "D" attached hereto and incorporated herein to be maintained by the Community Association and any other areas designated as a Slope Maintenance Easement in a Supplementary Declaration.

2.57 Structure. The term "Structure" shall mean and refer to anything erected, constructed, placed or installed upon (i) the portion of a Lot between the front or side of a Dwelling and the contiguous street, or (ii) upon the portion of a Lot behind a Dwelling and to a height of three (3) feet or more above the established ground level.

2.58 Supplementary Declaration. The term "Supplementary Declaration" shall mean those certain declarations of covenants, conditions and restrictions, or similar instruments, annexing any portion of the Annexable Property and extending the plan of this Declaration to such Annexable Property as provided in the Article hereof entitled "Annexation of Real Property."

2.59 Transfer Date. The term "Transfer Date" shall mean the date upon which title to the CSA Maintenance Property may be transferred to the Community Association by the CSA.

### ARTICLE III

#### MEMBERSHIP IN THE COMMUNITY ASSOCIATION

3.1 Purpose and Organization. The Community Association is a non-profit mutual benefit corporation formed under the laws of the State of California to operate and maintain the Redhawk Community for the benefit of the Owners. The Community Association is charged with the duties and is given the powers set forth in this Article III and its affairs shall be governed by the Community Articles, the Community Bylaws, and this Declaration. In the event that the Community Association as a corporate entity is dissolved, a non-profit unincorporated association shall forthwith and without further action or notice be formed to succeed to all of the rights and duties of said Community Association hereunder. The affairs of such unincorporated association shall be governed by the Community Bylaws and this Declaration as if they were created for the purpose of governing the affairs of an unincorporated association.

#### 3.2 Membership.

3.2.1 Qualifications. Members of the Community Association shall be (i) Declarant (irrespective of whether Declarant is the Owner of a Lot), for so long as Declarant is entitled to either cast a Class C vote pursuant to the Section of this Article entitled "Class C Membership" or cast votes on behalf of any Merchant Builders, (ii) each Owner (including Declarant and any Merchant Builder) of one (1) or more Lots in the Redhawk Community and (iii) each Owner of any Apartment Property. Membership in the Community Association shall be subject to this Declaration, the Community Articles, the Community Bylaws, and the Community Association Rules. Except for Declarant and what is set forth below, ownership of a Lot shall be the sole qualification for an Owner's membership in the Community Association. Membership in the Community Association shall be in addition to membership in any Neighborhood Association responsible for operating any Neighborhood in which a Member's Lot is located. In addition to Lot Ownership, for only the purposes of Member voting and running for a position on the Community Board, the following shall also be included as Members of the Community Association: (i) a legal spouse, as recognized by California law, of a Lot owner but not on title to the Lot; and (ii) a beneficiary of a trust which holds title to a Lot.

3.2.2 Transfer of Membership. All memberships in the Community Association held by Owners, other than Declarant, shall be appurtenant to the Lot owned by each Owner and shall not be transferred, pledged or alienated, in any way, except upon the transfer of title to the Owner's Lot. Declarant's



Class C membership may not be transferred except to a successor to Declarant's rights to all, or a portion of the Annexable Area. Transfer of Declarant's Class C membership shall be evidenced by the recordation in the Office of the County Recorder of an Assignment of Declarant's Rights. Any attempt to make a prohibited membership transfer shall be void.

3.2.3 Assignment of Right of Use. A Member shall have the right to assign, in accordance with the Community Bylaws, the Member's right of use and enjoyment in the Community Association to a lessee or tenant of such Member's Lot provided, however, that such assigning Member shall not also be entitled to the use and enjoyment of the recreational facilities, if any, located on the Community Common Area during the term of such assignment. The assigning Member shall remain liable for all charges and assessments attributable to his Lot.

3.3 Classes of Voting Membership. The Community Association shall have three (3) classes of voting membership which are described below.

3.3.1 Class A Membership. Class A Members shall originally be all Members with the exception of Declarant and the Merchant Builders, for so long as there exists a Class B membership. Each Member will be entitled to cast the votes allocated below.

(a) With respect to single family residential Lots subject to assessment and owned by Class A Members, each Member will be entitled to cast one (1) vote for each such Lot (including Condominiums in which there exist time share estates or uses) subject to this Declaration.

(b) With respect to Apartment buildings, one (1) vote for each three (3) Apartment Units situated in a High Density Apartment Area and one (1) vote for each Apartment Unit situated in a Low Density Apartment Area subject to this Community Declaration.

3.3.2 Class B Membership. The Class B Member shall be the Declarant who shall be entitled to three (3) votes for each Lot owned by Declarant and Merchant Builders in a Phase for which Community Assessments have commenced. The Class B membership shall cease and be converted to Class A membership on the happening of any of the following events, whichever occurs earliest:

(a) The fourth anniversary of the original issuance by the DRE of the most recently issued Public Report for a Phase within the Redhawk Community; or

(b) The seventh anniversary of the date of the first conveyance of a Residence to an Owner, other than Declarant, an Apartment Owner or a Merchant Builder.

3.3.3 Class C Membership. The Class C Member shall be Declarant. The Class C membership shall not be considered a part of the voting power of the Community Association and Declarant shall not be entitled to exercise any Class C Votes except for the purpose of electing a majority of the members of the Community Board pursuant to the provisions set forth below. The Class C Member shall be entitled to solely elect a majority of the members of the Community Board until the date which is the earlier to occur of (a) the fifth anniversary of the date of the first conveyance of a Residence to an Owner, other than Declarant, an Apartment Owner or a Merchant Builder or (b) the date upon which three thousand four hundred (3,400) Lots have been conveyed to Owners, other than Merchant Builders or Apartment owners, under authority of a Public Report.

3.4 Continuing Approval of Declarant. Notwithstanding the foregoing, and without limiting Declarant's unilateral rights provided elsewhere in this Declaration or the Community Bylaws, even after the termination of Class "B" membership, and until such time as Owners, other than Declarant and Merchant





Builders own at least three thousand four hundred (3,400) Lots within the Redhawk Community, or until June 1, 1999, whichever occurs first, the approval of Declarant shall be required before the Community Association may take any permitted action with respect to the following:

3.4.1 Reduction in the Level of, or change in allocation of responsibility for (a) maintenance of and repairs to all or part of any Community Common Area subject to this Declaration and (b) any other maintenance obligations of the Community Association set forth in the Article of this Declaration entitled "Installation, Repair and Maintenance";

3.4.2 Conveyance by the Community Association of all or any part of the Community Common Area;

3.4.3 Annexation to the Community Association of any of the Annexable Property;

3.4.4 Alteration in the method of fixing and collecting Community Assessments;

3.4.5 Modification, enforcement and review procedures of the Architectural Standards and Design Guidelines set forth in Article VII of this Declaration;

3.4.6 Reduction or modification of any easement rights reserved to Declarant pursuant to the provisions of the Section of Article XV entitled "Easements Reserved to Declarant";

3.4.7 Alteration in the method of enforcing the provisions of this Declaration; and

3.4.8 Amendments to this Declaration or the Community Bylaws which would diminish or otherwise affect Declarant's right of approval regarding the actions enumerated above.

3.5 Nomination Committee and Inspector of Election. If deemed necessary by the Community Board, an Inspector(s) of Election shall be appointed annually by the Community Board to evaluate voting requirements, regulate voting procedures and campaigns and oversee the orderly and fair election of directors in accordance with the terms of the Community Bylaws. The Community Board shall also have the power to appoint a Nomination Committee consistent with what is set forth in the Community Bylaws.

3.6 Costs of Election. The Community Association shall pay all costs of providing notices, conducting any meetings, and conducting any elections for the Community Association, and the costs thereof shall constitute a Common Expense.

3.7 Commencement of Voting Rights. An Owner's and/or Member's right to vote, including Declarant, shall not vest until Community Assessments have been levied upon such Owner's Lot as provided in this Declaration. All voting rights shall be subject to the restrictions and limitations provided for herein and in the Community Bylaws.

#### ARTICLE IV

##### ORGANIZATION OF COMMUNITY ASSOCIATION

4.1 Community Association and Community Board. Except for those acts which are expressly reserved to the vote of the membership of the Redhawk Community in this Declaration, any duty, obligation or authority vested or required to be performed and any power or privilege which may be exercised by the Community Association pursuant to this Declaration shall be performed or exercised only by the Community Board or its authorized delegates, agents and servants, and any power, duty, obligation or authority vested



or conferred on the Community Board by this Declaration shall be deemed a power, duty, obligation or authority of the Community Association. The Community Board shall conduct its affairs as provided for in the Community Bylaws. The Community Board may delegate its powers and duties to such committees, officers, or professional managers as may be permitted under this Declaration and as the Community Board deems appropriate. All acts of the Members of the Community Association shall be made by the vote of the membership as provided in the Community Bylaws.

4.2 Meetings of Community Association. Regular Annual Meetings and special meetings of the Community Association and of its Community Board shall be called, held and conducted in the manner provided in the Community Bylaws. At the first meeting, the Membership shall elect the Community Directors. Election to and removal from the Community Board shall be by cumulative voting as defined in California Corporations Code Section 7615, or any successor statute or law.

4.3 Number of Community Directors. The Community Board shall initially consist of five (5) Community Directors. Upon the Annexation of any of the Annexable Property such that the number of Lots in the Redhawk Community aggregates a total of two thousand three hundred (2300) Lots, the Community Board may, at the election of the existing Community Board, be increased to consist of seven (7) Community Directors. The Qualifications for being a Community Director shall be set forth in the Community Bylaws.

4.4 Declarant's Right to Select Director. In any election of Directors after the Class "C" membership has been terminated, so long as Declarant owns any of the Annexable Property or a Merchant Builder owns any of the Property, the Community Board shall adopt special procedures to ensure that at least one (1) Community Director is selected by Declarant. A representative to the Community Board selected by Declarant pursuant to the provisions of this Section may be removed prior to the expiration of his or her term of office only with the consent of Declarant.

4.5 Liability of Community Directors. No Community Director shall be personally liable to any of the Community Members or Owners, or to any other person or entity, including, but not limited to, Declarant and Merchant Builders and any Neighborhood Association, for any error or omission of the Community Association, the Community Board, its representatives, its agents and employees or the Architectural Committee, provided that the act or omission was performed in good faith, in a manner such Community Director believed to be in the best interest of the Community Association and with such care, including reasonable inquiry, as an ordinary prudent person in a like position would use under similar circumstances and the act or omission was performed within the scope of such person's duties under the Community Association and such act or omission was not willful, wanton or grossly negligent.

## ARTICLE V

### DUTIES AND POWERS OF THE COMMUNITY ASSOCIATION

5.1 Scope of Powers and Duties of Community Association. The Community Association shall have all of the powers of a nonprofit mutual benefit corporation organized under the laws of the State of California operating for the benefit of the Owners subject only to the limitations expressly set forth in the Community Articles, Community Bylaws and this Declaration. The Community Association shall have the power to do any and all acts which are authorized, required or permitted under this Declaration and to undertake any and all acts which may be reasonable and necessary for, or incidental to the exercise of any express powers granted the Community Association for the peace, health, comfort, safety or general welfare of the Redhawk Community. Except as expressly provided herein, the powers and duties of the Community Association shall be exclusively performed by the Community Association. As particularly provided in the Article of this Declaration entitled "Property Rights and Use Restrictions," the Community Association may supersede the actions or decisions of any Neighborhood Association in matters regarding the maintenance



and overall operation of any such Neighborhood.

**5.2 General Powers of the Association.** In addition to the duties and powers enumerated elsewhere in this Declaration or in the Community Articles or Community Bylaws, and without limiting the generality thereof, the Community Association shall have the powers and authority set forth below, which, unless expressly provided otherwise, may be undertaken by the Community Board, or such committees, entities, persons or companies expressly designated by the Community Board to exercise such powers or authority.

**5.2.1 Performance of Duties.** The Community Association shall have the power to undertake all of the express duties required under the Section below entitled "Duties of Community Association" to be done by the Community Association.

**5.2.2 Enforcement.** The Community Association shall have the power to enforce the provisions of this Declaration, the Community Articles, the Community Bylaws and the Community Association Rules by appropriate means and carry out the obligations at the Community Association hereunder, including, without limitation, the expenditure of funds of the Community Association, the employment of legal counsel, the commencement of legal and/or equitable actions, the promulgation and enforcement of the Community Association Rules and the establishment of fines or penalties as provided for in this Declaration.

**5.2.3 Easements and Rights of Way.** The Community Association shall have the power to grant and convey easements, licenses for use, and rights of way, to any third party where necessary in, on, over and through the Community Common Area for the benefit of the Owners.

**5.2.4 Mergers.** The Community Association shall have the power, to the extent permitted by law and provided the prior consent of Declarant has been obtained, to participate in mergers and consolidations with other non-profit corporations organized for the same purposes as the Community Association.

**5.2.5 Dedication.** The Community Association shall have the power to dedicate or grant easements over any of its real property to any public authority, public assessment district or private or public utility company, or other service companies for public use or in connection with providing services to the Redhawk Community.

**5.2.6 Delegation of Powers.** The Community Association shall have the power to delegate its powers under this Declaration, the Community Bylaws or Community Articles to committees, officers, or employees as expressly authorized by the Community Articles, Community Bylaws and this Declaration.

**5.2.7 Management.** Subject to the provisions of the Section of Article XVII entitled "Professional Management Contracts", the Community Association shall have the power to employ a manager or other persons and contract with independent contractors or managing agents who have professional experience in the management of planned unit developments or master associations to perform any services required for the maintenance, protection, operation and preservation of the Redhawk Community or negotiate and enter into contracts which grant concessions over the Community Common Area.

**5.2.8 Legal and Accounting.** The Community Association shall have the power to obtain legal and accounting services as may be required by the Community Board for operation of the Community Association or enforcement of this Declaration.

**5.2.9 Right of Entry.** The Community Association shall have the power and right, (but not the obligation) in accordance with the provisions of this Declaration to enter upon any Lot without liability



to any Owner, upon at least twenty-four (24) hours prior notice, except in emergencies (in which event no prior notice shall be required), for the purpose of enforcing any of the provisions of this Declaration, or for the purpose of maintaining and repairing the Dwellings, landscaping or other Improvements located on any Lot, Community Common Area or any Neighborhood Common Area or for the purpose of maintaining any slopes located on any Lots; provided, however, that such entry shall occur (a) at a reasonable hour and (b) after reasonable notice has been given to the owner of such Lot. In the event that there is an emergency, the agents and representatives of the Community Board may enter such Lot immediately and without notice for the sole purpose of taking such action as is necessary under the circumstances. Any damage caused by an entry upon any Lot, Community Common Area or Neighborhood Common Area pursuant to the provisions of this subsection shall be repaired by the Community Association.

**5.2.10 Acquire Real Property.** The Community Association shall have the power to acquire and hold real property by lease, purchase or grant for offices or other Community Common Area that may be necessary or convenient for the management of the Community Common Area, the administration of the affairs of the Community Association or for the benefit of the Members and Owners.

**5.2.11 Other Property.** The Community Association shall have the power to acquire and hold, as trustee for the benefit of its Members, tangible and intangible personal property and to dispose of the same by sale or otherwise. No such personal property of a value greater than five percent (5%) of the annual budgeted gross expenses of the Community Association shall be acquired by or disposed of by the Community Association without written approval of the votes of the Members representing at least fifty-one percent (51%) of the Redhawk Voting Power.

**5.2.12 Establish Assessment Districts.** The Community Association shall have the power to establish, in cooperation with the County, a special tax district, open space maintenance district, or assessment district for the performance of all or a portion of the maintenance and other functions now within the responsibility of the Community Association, together with the right to convey or lease, with or without the payment of monetary consideration, all or any portion of the Community Common Area to said district.

**5.2.13 Power to Resolve Disputes.** Each Member and Owner, with the exception of the Administrator of Veteran Affairs, an Officer of the United States of America, hereby vests in and irrevocably delegates to the Community Board or its duly authorized representative, the right and power to negotiate with, bring all actions at law or equity, and enter into settlement agreements with Declarant concerning any matter involving liability of or alleged liability of Declarant to the Community Association, any Neighborhood Association or any Redhawk Community Member related to the construction or operation of the Community Common Area. Representatives to the Community Board selected by Class B Members shall be excluded from voting on any settlement effected pursuant to this provision.

**5.2.14 Use Fees.** The Community Association shall have the power to charge fees to Owners and others for any recreational facility situated upon the Community Common Area, but in no event shall any such fees be charged for the use of the streets, sidewalks or other access-ways of the Redhawk Community.

**5.2.15 Capital Accounts.** The Community Association shall have the power to establish and maintain a working capital and contingency fund in an amount to be determined by the Community Board.

**5.2.16 Borrow Money.** The Community Association shall have the power to borrow money as needed for the administration of the Community Association and its functions, and to pledge personal property assets of the Community Association as security for such loan. Pursuant to the provisions



of the Section of Article VIII entitled "Borrow Money", the Community Association may not encumber the Community Common Area unless the vote of a majority of the Redhawk Voting Power has been obtained.

**5.2.17 Review of Neighborhood Operations.** The Community Association shall have the right, but not the obligation, to review periodically the operation of any Neighborhood Associations within the Redhawk Community and the maintenance and repair of the property within such Neighborhoods. As provided in the Article of this Declaration entitled "Use Restrictions for the Redhawk Community", the Community Association may take such steps as the Community Board deems appropriate to assure that the operation of any Neighborhoods within the Redhawk Community substantially complies with the standards established for the Redhawk Community.

**5.2.18 Enforcement of Restrictions and Rules.** In the event of a breach of any provision of this Declaration, or any of the Community Association Rules by any Owner, his family, guests, employees, invitees, licensees, or tenants, the Community Board, for and on behalf of all other Owners, shall have the right to enforce the obligations of each owner to obey and comply with this Declaration and such Community Association Rules in any manner provided by law or in equity, including, but not limited to, appropriate hiring of legal counsel, the pursuing of legal action, or suspension of the Owner's right to use the Community Common Area facilities; provided, however, such suspension may not be for a period in excess of thirty (30) days, after notice and hearing as herein provided, for each infraction. In addition to the other remedies herein set forth, the Community Board, by majority vote, may levy a fine against such Owner, after appropriate notice and hearing as herein provided, in a reasonable amount for each such violation. Prior to reaching a decision to impose any penalty provided herein for breach of any rules enacted hereunder or any covenants, conditions or restrictions contained in this Declaration, the Community Board shall send written notice to the Owner specifying the nature of the infraction and provide an opportunity to the Owner for a hearing before the Community Board regarding such infraction and the penalty to be imposed. Said notice shall be given at least fifteen (15) days prior to said hearing. In the event that said Community Board determines that said infraction has occurred, it may impose a penalty to become effective not less than five (5) days after said hearing. Any such determination of said Community Board shall be final. In the event legal counsel is retained or legal action is instituted by Community Board pursuant to this Section, any settlement prior to judgment or any judgment rendered in any such action may include costs of collection, court costs, and reasonable attorneys' fees. The Community Board may establish a hearing committee and delegate thereto all of the power, authority and responsibility for holding any hearings and determinations required in this section. Notwithstanding anything to the contrary herein contained, neither the Community Board nor the Community Association Members shall have the power to cause a forfeiture or abridgement of an Owner's right to the full use and enjoyment of his individually owned Lot, including access thereto over and across the Community Common Areas, on account of such Owner's failure to comply with the provisions of this Declaration, the Community Bylaws or any Community Association Rules adopted by the Community Board or the Community Association relating to the operation of the Community Common Area, except when such loss or forfeiture is the result of a judgment of a court or a decision arising out of arbitration or on account of a foreclosure or under the power of sale herein granted for failure of the Owner to pay the assessments levied pursuant to the provisions hereof. The failure by the Community Association, Declarant or any Owner to enforce any covenants or restrictions herein contained shall in no event be deemed a waiver of the right to do so thereafter.

**5.2.19 Enter Into Maintenance or Subsidy Agreements.** The Community Association shall have the power to enter into maintenance agreements or subsidy agreements with Declarant for the repair and maintenance of the Community Common Area and for the undertaking by Declarant of any other maintenance responsibilities of the Community Association pursuant to the provisions of this Declaration. Such



maintenance or subsidy agreements may provide for reimbursement to Declarant of costs incurred by Declarant under the maintenance or subsidy agreements.

5.2.20 Enter Into Maintenance Agreements with School Districts and Other Governmental Entities. The Community Association shall have the power to enter into maintenance agreements with the County, the CSA, any school district having jurisdiction over the Property and other governmental entities for the repair and maintenance of the Community Common Area.

5.2.21 Public Rights of Use. The Community Association shall have the power to grant to the public rights of use to the Community Common Area, as may be required by the County, the CSA or any governmental entity.

5.2.22 Expand Maintenance Obligations of CSA. The Community Association shall have the power to enter into an agreement with the CSA to convey portions of the Community Common Area to the CSA and/or to obligate the CSA to undertake some or all of the maintenance of Community Common Area provided that so long as Declarant or any Merchant Builder owns any portion of the Property, or the Annexable Property, no such agreements shall be entered into without the prior written consent of Declarant.

5.3 Duties of Community Association. The Community Association shall have the duty and obligation to perform the acts and functions stated in this provision subject to and in accordance with the Community Articles, Community Bylaws and this Declaration.

5.3.1 Community Standards. The Community Association shall establish and maintain overall quality standards for the Redhawk Community, including, without limitation, design, signage, graphics, maintenance and landscape standards. The inherent powers and duties emanating therefrom may be delegated by the Community Board to the Architectural Committee.

5.3.2 Community Common Area. The Community Association shall accept any Community Common Area and Improvements situated thereon conveyed by the Declarant or any Merchant Builders or the CSA and shall maintain, operate, and otherwise manage all of the facilities situated on the Community Common Area, and all personal property acquired by the Community Association in accordance with the terms and provisions of this Declaration. The Community Board shall periodically review the nature and scope of the operations of the Community Association to assure such operations are in satisfactory compliance with the requirements of the Master Management Documents.

5.3.3 Taxes. The Community Association shall pay any real and personal property taxes and assessments and other charges assessed against the Community Common Area unless the same are separately assessed to the Owners.

5.3.4 Community Assessments. The Community Association shall establish, determine, levy, collect and enforce all Community Assessments and cause to be prepared all budgets and financial statements.

5.3.5 Utility Services. The Community Association shall obtain utility services necessary or desirable, for the benefit of the Community Common Area, including, but not limited to, water, gas, electricity, telephone, refuse collection, sewage disposal and other services.

5.3.6 Architectural Control. The Community Association shall have the duty to maintain architectural control over the Property, promulgate Architectural standards and Design Guidelines and appoint



the Architectural Committee in connection therewith in accordance with the provisions of Article VII of this Declaration.

**5.3.7 Association Rules.** The Community Association shall adopt, amend, and repeal such rules and regulations as it deems reasonable. The Community Association Rules shall govern such matters in furtherance of the purposes of the Community Association, including, without limitation, the use of the Community Common Area; provided, however, that the Community Association Rules may not discriminate among Owners, except to reflect the different nature of the rights of Apartment Owners or the tenants of Apartment Units as provided in the Article hereof entitled "Apartment Area Ownership," and shall not be inconsistent with this Declaration, the Community Articles or Community Bylaws. A copy of the Community Association Rules, as they may from time to time be adopted, amended or repealed, shall, be delivered to each Owner in the same manner established in this Declaration for the delivery of notices. Upon such delivery, said Community Association Rules shall have the same force and effect as if they were set forth in and were part of this Declaration. The Community Association Rules as adopted, amended or repealed, shall be available at the principal office of the Community Association to each owner and Institutional Mortgagee upon request or at such other place as may be designated by the Community Board. In the event of any conflict between any such Community Association Rules and any other provisions of this Declaration, the Community Articles or the Community Bylaws, the provisions of the Community Association Rules shall be deemed to be superseded by the provisions of this Declaration, the Community Articles or the Community Bylaws to the extent of any such inconsistency.

**5.3.8 Conveyance of Community Common Area To and From CSA.** The Community Association shall accept any transfers by the CSA to the Community Association of real property within the Redhawk Project and the maintenance obligations associated with such real property. To the extent that Declarant conveys to the Community Association any real property which has been offered for acceptance by the CSA but which has not yet been accepted by the CSA the Community Association shall own and maintain such real property as Community Common Area until the CSA agrees to accept the conveyance of such real property.

**5.3.9 Common Area Maintenance.** Except for any special maintenance districts which may be established pursuant to the provisions of the Section of Article VIII entitled "Establish Special Assessment Districts" to perform maintenance obligations, the Community Association shall maintain, repair, inspect, replace, paint and landscape the Community Common Area and other property and interests owned by the Community Association in accordance with the provisions of this Declaration, and acquire, maintain and replace such furnishings and equipment as the Community Board shall determine proper. In the event the Community Association has employed a property manager to perform the Community Association's obligations under this Subsection, the Community Association shall direct such property manager to prepare and implement, on an annual basis, a comprehensive maintenance program for maintenance of the Community Common Area, which maintenance program shall be subject to review and approval by the Community Board at the first regular Community Board meeting after the employment of such property manager, and annually thereafter.

**5.3.10 Insurance and Fidelity Bonds.** The Community Association shall contract for and maintain insurance and fidelity bonds in accordance with the requirements set forth in the Article hereof entitled "Insurance."

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



5.3.12 Reserves. The Community Association shall establish and maintain a working capital and contingency fund pursuant to the Section of Article VI of this Declaration entitled "Community Association Funds".

5.4 Limitations. The Community Board shall be prohibited from taking any of the actions set forth below, except with the vote or written consent of a majority of the Redhawk Voting Power of the Community Association, excluding the voting power held or controlled by the Declarant and the Merchant Builders.

5.4.1 Contracts. The Community Association shall not enter into a contract with an entity other than Declarant wherein the contracting person or entity will furnish goods or services for the Community Common Area or the Community Association for a term longer than one (1) year with the following exceptions:

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

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

(c) Prepaid casualty and/or liability insurance policies not to exceed three (3) years duration provided that the policy permits short rate cancellation by the insured.

5.4.2 Capital Improvements. Except as provided in the Section of Article VI entitled "Capital Improvement Assessments", the Community Association shall not incur aggregate expenditures for Capital Improvements to the Community Common Area in any fiscal year in excess of five percent (5%) of the budgeted gross expenses of the Community Association for that fiscal year.

5.4.3 Sale of Property. The Community Association shall not sell, during any fiscal year, property of the Community Association having an aggregate fair market value greater than five percent (5%) of the budgeted gross expenses of the Community Association for that fiscal year, unless the prior approval of seventy-five (75%) percent of the Redhawk Voting Power has been obtained.

5.4.4 Compensation. The Community Association shall not pay compensation to Community Directors or officers of the Community Association for services performed in the conduct of the Community Association's business; provided, however, that the Community Board may cause a Community Director or officer or a member of the Architectural Committee to be reimbursed for expenses approved by the Community Board and incurred in carrying on the business of the Community Association.

## ARTICLE VI

### REDHAWK FUNDS AND COMMUNITY ASSESSMENTS

6.1 Creation of the Lien and Personal Obligation for Community Assessments. The Declarant, for each Lot owned by it, hereby covenants and agrees to pay, and each Owner, by acceptance of a deed or other conveyance creating in such Owner the interest required to be deemed an Owner, whether or not it shall be so expressed in any such deed or other conveyance, is deemed to covenant and agree to pay to the Community Association the following: Regular Assessments, special Assessments, Capital Improvement Assessments, Reconstruction Assessments, Single Benefit Assessments and Enforcement Assessments. Such Community Assessments shall be fixed, established and collected from time to time as hereinafter





provided. Such Community Assessments together with such interest, late charges and costs and reasonable attorneys' fees, shall be the debt of and personal obligation of the owner of such Lot at the time when the Community Assessment fell due. The personal obligation for such Community Assessments shall not pass to the successors in title of an Owner unless expressly assumed by such successors. Each such Community Assessments, together with interest thereon, late charges, attorneys' fees and court costs, and other costs of collection thereof, as hereinafter provided, shall, upon recordation of a Notice of Delinquent Assessment in accordance with the provisions of the Section of this Article entitled "Foreclosure of Lien" be a lien upon the Lot against which each such Community Assessment is made.

6.2 Community Association Funds. The Community Association shall establish and maintain a Maintenance and Operation Fund into which the Community Board shall deposit Regular Assessments. The Community Association shall also establish and maintain such other funds (including a Reserve Fund and Capital Improvement Fund) as the Community Board deems appropriate for deposit and disbursement of other assessments as the Community Board may from time to time establish. All of said funds are generally referred to herein as the Redhawk Funds. The Community Board shall establish and collect all Community Assessments and, where necessary, enforce the liens therefor as provided for in this Article.

6.3 Purpose of Community Assessments. The Community Assessments levied by the Association shall be used exclusively for the purposes of promoting the recreation, health, safety and welfare of the Members and Owners of the Redhawk Community, and enhancing the quality of life in the Redhawk Community.

6.4 Nature of Community Assessments. The Community Board shall establish the following Community Assessments, each of which shall be used only for the purposes specified in this Article.

6.4.1 Regular Assessments. Regular Assessments shall be an annual assessment for Common Expenses fixed and levied by the Community Board based upon the estimated costs of operation of the Community Association in accordance with the budgets prepared pursuant to the provisions of the Community Bylaws, and the accomplishment of its purposes, performance of its duties and the exercise of its powers that benefit the entire Redhawk Community. The amount and time of payment of Regular Assessments shall be determined as provided for below. Until January 1st of the year immediately following the conveyance of the first Lot to an Owner under authority of a Public Report, the annual maximum Regular Assessment shall not exceed the maximum amount permitted under any Public Report issued during such period by the DRE for any Lot then subject to this Declaration. Increases in Regular Assessments shall be subject to the limitations set forth in the Section of this Article entitled "Limitation on Assessments".

6.4.2 Special Assessments. Special Assessments may be levied at any time during any fiscal year if the Regular Assessments prove inadequate for any reason, including nonpayment of any Owner's share thereof. Special Assessments shall be allocated in the same manner as Regular Assessments. Increases in Special Assessments shall be subject to the limitations set forth in section 6.5 below.

6.4.3 Capital Improvement Assessments. In addition to the Regular Assessments, the Community Association may levy, in any calendar year, a Capital Improvement Assessment applicable to that year only, for the purpose of defraying, in whole or in part, the cost of any construction or replacement (other than due to destruction) of a described Capital Improvement upon the Community Common Area to the extent the same is not covered by the provisions affecting Reconstruction Assessments in the Article hereof entitled "Reconstruction of Improvements," including the necessary fixtures and personal property related thereto. Capital Improvement Assessments shall be assessed and shall be allocated to



owners in the same manner as Regular Assessments. All amounts collected as Capital Improvement Assessments may only be used for Capital Improvements and shall be deposited by the Community Board in a separate bank account to be held in trust for such purposes. Said funds shall not be commingled with any other funds of the Community Association and shall be deemed a contribution to the capital account of the Community Association by the Members. Increases in Capital Improvements Assessments shall be subject to the limitations set forth in Section 6.5 below.

6.4.4 Enforcement Assessments. The Community Association may levy an Enforcement Assessment against any Owner who causes damage to the Community Common Area or for bringing an Owner or his Lot into compliance with the provisions of this Declaration, the Community Articles, Community Bylaws, the Community Association Rules or any other charge designated an Enforcement Assessment in this Declaration, the Community Articles, Community Bylaws or Community Association Rules together with attorneys' fees, interest and other charges related thereto as provided in this Declaration. In the event the Community Association undertakes to provide materials or services which benefit individual Owners, then such Owners in accepting such materials or services agree that the costs thereof shall be an Enforcement Assessment. The Community Board shall have the authority to adopt a reasonable schedule of Enforcement Assessments for any violation of the Master Management Documents. If, after notice and a hearing as required by the Section of Article V entitled "Enforcement of Restrictions and Rules", the Owner fails to cure or continues such violation, the Community Association may impose an additional fine each time the violation is repeated, and may assess such Owner and enforce the Enforcement Assessment as herein provided for nonpayment of a Community Assessment. A hearing committee may be established by the Community Board to administer the foregoing.

6.4.5 Single Benefit Assessment. The Community Board may establish a Single Benefit Assessment for reconstruction, Capital Improvements, extraordinary maintenance, or any other cost or expense not otherwise provided for in this Community Declaration which will benefit less than all of the Owners. Except as provided in the section of Article XI entitled "Maintenance Obligations of the Neighborhood Associations", such a Single Benefit Assessment may be imposed only by a vote of fifty-one percent (51%) of the Owners of the Lots benefitted by the Single Benefit Assessment. Each Single Benefit Assessment shall be segregated in the Redhawk Funds solely to the Lots which derive the benefit therefrom. In the event that the Community Association obtains income directly related to an item which has been assessed as a Single Benefit Assessment, such income shall be allocated so as to reduce or offset such single Benefit Assessment. Whenever the Community Association performs any service or accomplishes any item of repair or maintenance which is the duty of a Neighborhood Association or an Owner to accomplish, but which has not been accomplished by the Neighborhood Association or Owner, or whenever the Community Association determines to preempt the performance of a Neighborhood Association or a specific Owner of a given act of maintenance or repair, the Community Association shall specifically charge the cost thereof, together with any financing costs and administrative costs incurred by the Community Association, to the Owner for whom such work was done, or the Neighborhood for which such work was done, as the case may be, and shall include such additional cost as a Single Benefit Assessment for such Owners or Neighborhood Association, in which case the voting requirements set forth above shall not apply. Any Single Benefit Assessment charged to a Neighborhood shall be allocated among the Owners in that Neighborhood in the same manner as the Neighborhood regular assessments are allocated in the Neighborhood Declaration.

6.4.6 Reconstruction Assessments. Reconstruction Assessments may be levied by the Community Board under the conditions and in the manner specified in the Article hereof entitled "Destruction of Improvements."

6.5 Limitation on Assessments. From and after January 1st of the year immediately following the conveyance of the first Lot to an Owner, other than Declarant or a Merchant Builder, the



maximum annual Regular Assessment may not, except as provided in Section 6.6 and in the case of an Emergency (as hereinafter defined), be increased more than twenty percent (20%) of the Regular Assessments for the immediately preceding fiscal year and Special Assessments may not, except in the case of an Emergency, be increased more than five percent (5%) of the budgeted gross expenses of the Community Association and capital Improvement Assessments may not, except in the case of an Emergency, be increased more than five percent (5%) of the budgeted gross expenses of the Community Association without the consent of fifty-one percent (51%) of the Owners, constituting a quorum and casting a majority of the votes at a meeting or election of the Community Association conducted in accordance with the provisions of Section 7613 of the California Corporations Code, or any successor statute. For the purpose of this Section, a quorum shall mean more than fifty percent (50%) of the Owners of the Community Association and an emergency ("Emergency") shall mean any one of the following:

6.5.1 an extraordinary expense required by an order of a court;

6.5.2 an extraordinary expense necessary to repair or maintain the Redhawk Community or any part of it which is the responsibility of the Community Association to maintain where a threat to personal safety on the Property is discovered; or

6.5.3 an extraordinary expense necessary to repair or maintain the Redhawk Community or any part of it for which the Community Association is responsible that could not have been reasonably foreseen by the Community Board in preparing and distributing the budget required under the Community Bylaws; provided, however, that, prior to the imposition or collection of an assessment under this Subsection, the Community Board shall pass a resolution containing written findings as to the necessity of the extraordinary expense which is involved and why the expense was not or could not have been reasonably foreseen in the budgeting process, and the resolution shall be distributed to the Members with the notice of such assessment. For the purpose of calculating whether an increase to Regular Assessments exceeds twenty percent (20%), the term "Regular Assessments" shall be deemed to include the amount assessed against each Lot by the Community Association as a Regular Assessment plus any amount paid by the Declarant as a subsidy or pursuant to any subsidy or maintenance agreements, to the extent such subsidy payments offset any amount which would otherwise be paid by Owners as Regular Assessments. For purposes of this Section 6.5, the transfer by the CSA to the Community Association of any CSA Maintenance Property pursuant to the Section of Article VIII entitled "Expansion of Community Common Area" shall also constitute an emergency.

6.6 Increases in Assessments Based Upon Range of Assessments. Declarant has submitted to the DRE a budget which provides for a range in the amount of the Regular Assessments over the course of the development of the Redhawk Community ("DRE Approved Budget"). Therefore, notwithstanding any limitations contained in this Declaration to the contrary, in the event that the amount of the Regular Assessments is greater than the amounts permitted to be increased by this Declaration without a vote of the Redhawk Voting Power pursuant to the requirements set forth in Section 6.5 above, then the Community Board, on behalf of the Community Association and without the requirement of prior notice to the Members or a vote of the Members, shall be entitled to increase the maximum Regular Assessment at that time to an amount which is within the range of assessments established under the DRE Approved Budget.

6.7 Monetary Charge. Notwithstanding the Section entitled "Enforcement Assessments", a monetary charge imposed by the Community Association pursuant to the provisions of the Section of Article V entitled "Enforcement of Restrictions and Rules" above, as a disciplinary measure for failure of an Owner to comply with the Master Management Documents, or as a means of reimbursing the Community Association for costs incurred by the Community Association for which the owner was allegedly responsible, or in bringing the owner and the Owner's Lot into compliance therewith, shall not become a lien against such Owner's Lot enforceable by sale as provided in the section of this Article entitled "Foreclosure of Lien".



6.8 Allocation of Community Assessments to Lots. The Community Assessments shall be allocated to each assessable Lot as set forth below.

6.8.1 Allocation of Regular Assessments. The Regular Assessments shall be allocated equally to each Lot; provided, however, that Regular Assessments with respect to the Apartment Area shall be fixed at a rate set forth in the Article hereof entitled "Apartment Area Ownership."

6.8.2 Other Community Assessments. Special Assessments, Reconstruction Assessments and Capital Improvement Assessments shall be allocated in the same manner as Regular Assessments; provided, however, that with respect to the Apartment Area such Assessments shall be fixed at a rate set forth in the Article hereof entitled "Apartment Area Ownership." Enforcement Assessments and Single Benefit Assessments shall be levied directly to the individual Lots, Neighborhoods or Apartment Areas in a manner consistent with the provisions of Subsections 6.4.4 and 6.4.5 of this Declaration, respectively.

6.9 Levy of Community Assessments. Community Assessments shall be levied and commence according to the procedures set forth below.

6.9.1 Commencement of Regular Assessments. Except for the Apartment Area, annual Regular Assessments shall commence as to all Lots subject to a Public Report on the first day of the first month following the closing of the first sale of any such Lot described in the applicable Public Report or, on the first day of the month following the conveyance of any Community Common Area situated within the real property covered by said Public Report to the Community Association. Annual Regular Assessments shall commence as to any Apartment Area described on a Supplementary Declaration on the earlier to occur of (a) the first day of the first month following the issuance of a certificate of occupancy for Apartment Building(s) situated on the Apartment Property or (b) the first day of the first month following the rental of the first Apartment Unit in an Apartment Building to a tenant.

6.9.2 Annual Levy of Regular Assessments. Any Regular Assessments in excess of the amount permitted under the DRE Approved Budget shall be fixed by the Community Board against each Lot at least sixty (60) days in advance of each annual Community Assessment period. Written notice of such Regular Assessment shall be sent to every Owner subject thereto at least sixty (60) days prior to its effective date. Unless expressly provided otherwise by the Community Board, each Regular Assessment shall be payable in advance, in equal monthly installments or such installments as may be established by the Community Board, the first of which installments shall be due and payable on the first day of the first month of each fiscal year.

6.9.3 Levy of Other Community Assessments. All other Community Assessments shall be fixed at such times and in such amounts as the Community Board deems appropriate, and the Owners shall be given reasonable notice thereof. The due dates for such other Community Assessments shall be established by the Community Board.

6.9.4 Initial Capital Contribution. To insure adequate funds to meet the initial expenses of the Community Association, upon the initial sale of a Lot to an Owner, other than Declarant or a Merchant Builder, each Owner shall pay to the Community Association an amount equal to one-sixth (1/6) of the amount of the then annual Regular Assessment for that Lot as determined by the Community Board. Each Merchant Builder shall require that this amount be deposited by each Owner into the purchase and sale escrow established by the Merchant Builder and Owner and disbursed therefrom to the Community Association. The amounts set forth herein are not to be considered in lieu of annual Regular Assessments or any other Community Assessments levied by the Community Association.



6.9.5 Certificate of Payment. The Community Association shall, upon demand, and for a reasonable charge, furnish a certificate signed by an officer of the Community Association setting forth whether the Community Assessments on a specified Lot have been paid. Such certificate shall be conclusive evidence of payment of any Community Assessment therein stated to have been paid.

6.10 No Offsets. All Community Assessments shall be payable in the amount specified by the particular Community Assessment, and no offset against such amount shall be permitted for any reason, including, without limitation, a claim that the Declarant or the Community Association is not properly exercising its duties or powers as provided for in this Declaration.

6.11 Community Assessment Rolls. The Community Association may maintain and revise annually, an assessment roll for every subdivision within the Redhawk Community reflecting the name and address of each Owner, and other data necessary to levy the Community Assessments. If a Neighborhood Association has been established for a subdivision, each Neighborhood Board shall supply the Community Association with the Neighborhood Assessment rolls and all amendments or revisions thereto on a regular basis or, upon request therefor, from the Community Association. The Community Association is not required to make such assessment roll available for distribution to Members.

6.12 Transfer of Property. After transfer or sale of a Lot in the Redhawk Community, the selling Owner or Owners shall not be liable for any Community Assessment levied on the Lot after the date of such transfer of ownership. The selling Owner shall remain personally responsible for all Community Assessments and charges levied on the Lot prior to any such transfer unless the personal obligation is expressly assumed by the transferee.

6.13 Effect of Non-Payment of Assessments - Remedies of Community Association.

6.13.1 Late Charges. Community Assessments which are not paid on the first day of each month shall be delinquent on said due date ("Delinquency Date"). If any such Community Assessment is not paid within fifteen (15) days after the Delinquency Date, a late charge, interest charge and reasonable costs of collection, including attorneys' fees, shall be levied by the Community Board, in an amount equal to the greater of (a) ten percent (10%) of the amount of the delinquent assessment or (b) ten Dollars (\$10.00) provided, however, that upon any amendments to California Civil Code Section 1366 or any successor statute or law the amount of the late charge shall be adjusted to comply with the provisions of any such statute or law. In the event of a default or defaults in payment of any Community Assessment and in addition to any other remedies provided herein or by law, the Community Association may enforce each such obligation set forth below.

6.13.2 Action Against Owner. The Community Association may bring a suit or suits at law to enforce such Community Assessment obligation. Any judgment rendered in any such action shall include a sum for reasonable attorneys' fees in such amount that the Court may adjudge against such defaulting Owner. Upon full satisfaction of any such judgment, it shall be the duty of the Community Association by any authorized officer thereof to execute and deliver to the judgment debtor an appropriate satisfaction thereof.

6.13.3 Foreclosure of Lien. Within thirty (30) days after the delinquency of any Community Assessment, the Community Association shall give a notice to the defaulting Owner, which notice shall state the date of the delinquency, the amount of the delinquency, and the interest, and late fees charged for such delinquency, and make a demand for payment thereof. If such delinquency, late fees and interest are not paid within ten (10) days after delivery of such notice, the Community Association may elect to record with



the Office of the County Recorder a notice of delinquent assessment ("Notice of Delinquent Assessment") against the Lot of such delinquent Owner which shall comply with the provisions of section 1367 of the California Civil Code, or any successor statute or law. Upon the recordation of a Notice of Delinquent Assessment, the amount of such assessment, plus any costs of collection, late charges and interest shall be a lien on the delinquent Owner's Lot. Such notice of delinquent assessment shall state (a) the name of the delinquent Owner or reputed Owner; (b) a description of the Lot against which the notice of delinquent assessment is made; (c) the amount of the assessment and any other sums imposed for the costs of collection pursuant to the Section of this Article entitled "Late Charges"; (d) a statement that the Notice of Delinquent Assessment is made by the Community Association pursuant to the terms of this Declaration and that a lien is claimed against said described Lot in an amount equal to the amount of the stated delinquency, plus late charge and other collection charges, interest and attorneys' fees; (e) the name and address of the trustee authorized by the Community Association to enforce the lien by sale, and (f) any other matters required under section 1367 of the California Civil Code, or any successor statute or Law. Any such Notice of Delinquent Assessment shall be signed and acknowledged by an authorized officer of the Community Association or by any managing agent appointed by the Community Board, and, in order to create a lien against the delinquent Owner's Lot, shall be recorded in the Office of the County Recorder. Each delinquency may constitute a separate basis for a Notice of Delinquent Assessment. Any such Notice of Delinquent Assessment may be foreclosed by appropriate action in Court or in the manner provided by law for the foreclosure of a mortgage under power of sale. Any such sale provided for above shall be conducted in accordance with the provisions of sections 2924, 2924(b), 2924(c) and 1367 of the civil Code and Section 11003.3 of the Business and Professions Code of the State of California, or any successor statutes or laws, applicable to the exercise of powers of sale in mortgages and deeds of trust, or in any other manner permitted or provided by law. In the event such foreclosure is by an action in court, reasonable attorneys' fees shall be allowed. In the event the foreclosure is conducted as in the case of a mortgage under power of sale, any authorized officer of the Community Association shall be deemed to be acting as would an agent of the Mortgagee and shall be entitled to actual expenses and such fees as may be allowed by law or as may be prevailing at the time the sale is conducted. A certificate of sale shall be executed and acknowledged by any authorized officer of the Community Association or by the person conducting the sale. A deed upon foreclosure shall be executed in like manner. The Community Association, through its duly authorized agent, shall have the power to bid on the Lot if necessary using Community Association funds, or funds borrowed for such purpose, at the sale and to acquire and hold, lease, mortgage and convey the same.

6.13.4 Cure of Default. Upon the timely curing of any default for which a Notice of Delinquent Assessment was recorded by the Community Association, officers of the Community Association or a managing agent appointed by the Community Board are hereby authorized to file or record, as the case may be, an appropriate release of such notice, upon payment by the defaulting owner of a reasonable fee, to be determined by the Community Association to cover the cost of preparing and filing or recording such release together with a payment of such other costs, interest or fees as shall have been incurred.

6.13.5 Non-Exclusive Remedy. The Community Assessment liens and the rights to foreclosure and sale thereunder shall be in addition to and not in substitution of all other rights and remedies which the Community Association and its assigns may have hereunder and by law, including a suit to recover a money judgment for unpaid Community Assessments as above provided.

6.13.6 Delegation of Authority. Each Owner, with the exception of the Administrator of Veteran Affairs, an Officer of the United States, hereby vests in and irrevocably delegates to the Community Board or its duly authorized representatives the right and power to bring all actions at law or equity, and lien foreclosures, whether judicially or by power of sale, or otherwise, against any Member for the collection of delinquent Community Assessments in accordance herewith, and hereby expressly waives any



objection to the enforcement in accordance with this Declaration of the obligation to pay Community Assessments as set forth in this Declaration.

6.14 Neighborhood Assessments. The Community Association is empowered to, but shall not have the duty, to collect, enforce and otherwise administer the Neighborhood Assessments of any and all Neighborhoods established within the Redhawk Community such that Community Assessments and Neighborhood Assessments may be collected contemporaneously. The Community Board shall disburse funds collected on behalf of any such Neighborhood Association as promptly as possible. The Community Board may not charge for any such collection other than any actual additional costs for such collection that are charged to the Community Association. In the event that any Neighborhood Association fails to levy or collect Neighborhood Assessments or fails to duly operate and maintain the Neighborhood to the standards established for the Redhawk Community, the Community Association may elect to preempt the rights of the Neighborhood Association and may fix, levy, collect and enforce said Neighborhood Assessments and arrange for such operation and maintenance. Such preemption regarding Neighborhood Assessments and maintenance shall require a vote of a majority of the Community Board. Any Neighborhood Assessments collected under such preemption by the Community Association shall be used solely for the purposes stated in the Neighborhood Declarations for the Neighborhood from which the Neighborhood Assessments were collected. The Community Board may retain the funds collected pursuant to this provision and directly disburse such funds to assure that it is being properly operated and maintained. A Neighborhood Association may not levy or collect any Neighborhood Assessments during the period in which the Community Association has preempted its rights to so levy or collect Neighborhood Assessments. The preemption shall expire at the end of the fiscal year of the Neighborhood in which the preemption occurred, unless otherwise extended by a majority vote of the Community Board. The Community Association may include in any such preempted Neighborhood's Assessment a reasonable amount for reimbursement of direct costs of administration and collection of such preempted Neighborhood Assessment.

6.15 Subordination of the Lien to First Mortgages. The lien of the Community Assessments and Neighborhood Assessments provided for herein shall be subordinate to the lien of any recorded First Mortgage. The sale or transfer of any Lot shall not affect any Community Assessment lien or Neighborhood Assessment lien. However, the sale or transfer of any such Lot which is subject to any recorded First Mortgage pursuant to a decree of foreclosure, or a sale under power of sale under such First Mortgage shall extinguish the lien of such Community Assessments and Neighborhood Assessments as to payments thereof which become due prior to such sale or transfer. Pursuant to the provisions hereof, liens shall be created on the interest of the purchaser at such foreclosure sale, to secure all Community Assessments and Neighborhood Assessments assessed hereunder to such purchaser, as an Owner after the date of such foreclosure sale, which lien shall have the same effect and be enforced in the same manner as provided herein. The Lien for unpaid Community Assessments shall be prior to any lien for an unpaid Neighborhood Assessment unless the Neighborhood Association elects to pay off the Community Assessment lien and thereafter include any amounts paid off by the Neighborhood Association to the Community Association in its Neighborhood Association lien. Nothing in this Section shall be construed to release any Owner from his personal obligation to pay for any Community Assessment or Neighborhood Assessment levied pursuant to this Declaration or any Neighborhood Declaration, if applicable. The Community Board may agree to subordinate the lien of said assessments to the interests of the VA under any Cal-Vet financing contracts to the same extent as said liens are made subordinate to liens of Mortgages under this provision.



## ARTICLE VII

### ARCHITECTURAL CONTROL

7.1 Scope. Except as otherwise provided in this Declaration, there shall be no excavation, construction, building, landscaping, development or other Improvements in the Redhawk Community, including any change or alteration or exterior addition to any Improvements situated within the Redhawk Community, without compliance with this Article. The provisions of this Article shall preempt and supersede any inconsistent provision of any rules or restrictions of any Neighborhood Association to the extent that any Neighborhood Declaration or Neighborhood Rules and Regulations are in conflict with the provisions of this Declaration.

7.2 Exemptions. The exemptions described below are hereby granted.

7.2.1 Declarant Exemption. Any Improvements installed by the Declarant shall not be subject to the provisions of this Article.

7.2.2 Merchant Builder Exemption. A Merchant Builder shall be exempt from the provision hereof as to any Improvements which the Merchant Builder proposes be constructed if the Improvements proposed to be constructed by said Merchant Builder have been approved in writing by Declarant.

7.2.3 Apartment Owner Exemptions. The provisions of this Article shall not apply to the Apartment Area if the Improvements which the Apartment Owner proposes to construct have been approved in writing by Declarant.

7.2.4 Custom Lot Exemption. The provisions of this Article VII shall not apply to the initial construction of a Dwelling and related Improvements on any custom home lots described in Exhibit "E" attached hereto and incorporated herein or any custom lots identified in a Supplementary Declaration as exempt custom lots by Declarant ("Exempt Custom Lots") until the date of issuance of a Certificate of Architectural Compliance certifying that the Dwelling and related Improvements constructed by an Owner on such Custom Lot have been approved by the architectural committee established under the terms of the Neighborhood Declaration for such Custom Lots ("Custom Lots Declaration"). Upon the issuance of a Certificate of Architectural Compliance for any Lot covered by the Custom Lots Declaration, then said Lot shall thereafter be subject to the architectural control provisions set forth in this Article VII. In the event of the expiration of the term of any architectural control committee established under the terms of a Neighborhood Declaration for Exempt Custom Lots, prior to the issuance of a Certificate of Architectural Compliance for each such Exempt Custom Lot, then all Lots for which Certificates of Architectural Compliance have not already been issued and which are not already subject to the architectural provisions of this Article VII shall be subject to the architectural control provisions of this Article VII. The determination of whether the exemption for Custom Lots applies shall be made by Declarant in its sole discretion.

7.3 Appointment of Architectural Committee. There shall initially be one (1) Architectural Committee for the Redhawk Community. Upon the annexation of any Annexable Property within the Redhawk Community, the Declarant may establish additional Architectural Committees. An Architectural Committee shall consist of not less than three (3) persons who shall initially be appointed by the Declarant. Members of an Architectural Committee appointed by the Declarant need not be Members of the Community Association. The Declarant shall retain the right to appoint, augment or replace members of an Architectural Committee until such time as the Owners other than Declarant and Merchant Builders own three thousand four hundred (3400) or more of the Lots within the Redhawk Community, or June 1, 1999, whichever occurs first; provided





that Declarant may, at its sole option, transfer this right to appoint the Architectural Committee to the Community Board by written notice thereof prior to the end of such period. Thereafter, the right to appoint, augment or replace members of an Architectural Committee shall automatically be transferred to the Community Board; provided, however, that so long as Declarant owns any of the real property described on Exhibit "B" then at least one member of the Architectural Committee may, at Declarant's election, be appointed by Declarant.

7.4 Resignations. Any member or alternate member of an Architectural Committee may at any time resign from the Architectural Committee upon Written notice delivered to Declarant or to the Community Board, whichever then has the right to appoint members.

7.5 Vacancies. Vacancies on an Architectural Committee, however caused, shall be filled by the Declarant or the Community Board, whichever then has the power to appoint members.

7.6 Duties. It shall be the duty of the Architectural Committee to consider and recommend to the Community Board actions to be taken on proposals or plans submitted to the Architectural Committee pursuant to the terms hereof, to administer any Architectural Standards and Design Guidelines promulgated by the Community Board, to perform other duties delegated to it by the Community Board, to ensure that any Improvements constructed within the Redhawk Community conform to plans approved by the Architectural Committee, and to carry out all other duties imposed upon it by this Declaration. The Architectural Committee may establish reasonable rules for the submission of plans in connection with review of plans and specifications including, without limitation, the number of sets of plans to be submitted. The Architectural Committee may, in its own name or on behalf of the Community Association, upon authorization by the Community Board, exercise all available legal and equitable remedies to prevent or remove any unauthorized and unapproved construction of Improvements within the Redhawk Community or any portion thereof. Notwithstanding the foregoing, an Architectural Committee may delegate its plan review responsibilities to one or more members of such Architectural Committee. Unless any such rules regarding submission of plans are complied with, such plans and specifications shall be deemed not submitted.

7.7 Fees. The Community Board may establish fees for the review and approval of any plans initially submitted and/or resubmitted by an Owner. A schedule of such fees shall be included in the Architectural Standards and Design Guidelines.

7.8 Approval of Plans by Community Board. With respect to any complete application submitted by an Owner, the Architectural Committee shall make a recommendation to the Community Board and the Community Board shall then either approve, disapprove or resubmit the application to the Architectural Committee for additional information. In no event shall the Community Board be obligated to vote in the manner recommended by the Architectural Committee. The Community Board may require the Architectural Committee to submit copies of the plans and/or other materials reviewed by the Architectural Committee in making its recommendation. The Community Board may, upon a vote of a majority of the members of the Community Board, delegate for a period of time, the right to approve or disapprove architectural plans to the Architectural Committee. During the period of such delegation, any references to the approval of architectural plans under this Article VII by the Community Board shall apply to approval by the Architectural Committee.

7.9 Appeal. In the event that the right of the Community Board to review and approve plans and specifications is delegated by the Community Board to the Architectural Committee and thereafter plans submitted by an Owner are disapproved by the Architectural Committee, the party or parties making such submission may appeal in writing to the Community Board. The written request must be received by the Community Board not more than thirty (30) days following the final decision of the Architectural Committee. Within forty-five (45) days following receipt of the request for appeal, the Community Board shall render its



written decision. The failure of the Community Board to render a decision within said forty-five (45) day period shall be deemed a decision in favor of the appellant.

**7.10 Address.** The address of the Architectural Committee shall be the principal office of the Community Association or any other place as may be designated by the Community Board pursuant to the Community Bylaws. Such address shall be the place for the submittal of plans and specifications and the place where the current Architectural Standards and Design Guidelines, if any, shall be kept.

**7.11 Effect of Architectural Committee.** The establishment of an Architectural Committee and the procedures herein for architectural approval shall not be construed as changing any rights or restrictions upon Owners to maintain, repair, alter, modify or otherwise have control over the Owners' respective Lot(s) and the Dwelling(s) and other Improvements situated thereon, as may otherwise be specified in this Declaration, the Community Bylaws or any Community Association Rules.

**7.12 Meetings.** The Architectural Committee shall meet from time to time as necessary to properly perform its duties hereunder. Unless otherwise provided for herein, the vote or written consent of a majority of the members of an Architectural Committee shall constitute an act by such Architectural Committee unless the unanimous decision of its members is otherwise required by this Declaration. The members of the Architectural Committee shall be entitled to reimbursement for reasonable expenses incurred by them in the performance of any Architectural Committee function, but shall otherwise receive no compensation for services rendered.

**7.13 Approval and Conformity of Plans.** The Community Board shall, from time to time, adopt and promulgate Architectural Standards and Design Guidelines to be administered through the Architectural Committee. The Architectural Standards and Design Guidelines shall include, among other things, those restrictions and limitations upon the Owners set forth below.

**7.13.1 Limitation on Improvements.** If the Architectural Standards and Design Guidelines so provide, no Improvements shall be commenced, erected or maintained upon the Property, nor shall there be any addition to or change in the exterior of any Dwelling, structure or other Improvements, unless plans and specifications therefor have been submitted to the Architectural Committee and approved by the Community Board, or, if the Community Board has delegated its approval rights to the Architectural Committee, by the Architectural Committee in accordance with the procedures set forth in the Architectural Standards and Design Guidelines.

**7.13.2 Time Limitations.** The Architectural Standards and Design Guidelines may set forth time limitations for the completion of any Improvements for which approval is required pursuant to the Architectural Standards and Design Guidelines.

**7.13.3 Conformity of Plans and Specifications.** The Architectural Standards and Design Guidelines may provide for the conformity of completed Improvements to plans and specifications approved by the Architectural Committee and to the Architectural Standards and Design Guidelines; provided, however, unless notice of non-completion or noncompliance identifying the violating Lot and its Owner and specifying the reason for the notice executed by the appropriate Architectural Committee, shall be filed of record in the Office of the County Recorder and given to such Owner within sixty (60) days after the expiration of the time limitations established pursuant to the Section above entitled "Time Limitations" or unless legal proceedings shall have been instituted to enforce compliance or completion within said sixty (60) days period, the contemplated Improvements approved by the Community Board shall be deemed to be in compliance with the Architectural Standards and Design Guidelines of the Community Association.



7.13.4 Other Limitations. The Architectural Standards and Design Guidelines may include such other limitations and restrictions as the Community Board in its reasonable discretion shall adopt including, without limitation, regulations of the following: construction, reconstruction, exterior addition, change or alteration to or the maintenance of any building, structure, wall or fence, including, without limitation, the nature, kind, shape, height, materials, exterior color and surface and location of any Dwelling, Structure or other Improvements of any kind.

7.14 Time Period for Review of Plans and Specifications.

7.14.1 Time Period for Review and Approval by Architectural Committee. The Architectural Committee shall make its recommendation regarding any complete plans submitted to it within thirty (30) days after submission. Plans shall be considered complete if all materials required to be submitted by the Architectural Standards and Design Guidelines have been submitted. In the event the Architectural Committee fails to approve or disapprove such plans and specifications within thirty (30) days after submission, the Owner requesting said approval may submit a written notice to the Architectural Committee advising the Architectural Committee of its failure to act. If the Architectural Committee fails to respond within fifteen (15) days after the Owner's second notice, the Owner may submit its plans directly to the Community Board.

7.14.2 Time Period for Review and Approval by Community Board. In the event the Community Board fails to approve or disapprove such plans and specifications within thirty (30) days after the same have been duly submitted by the Architectural Committee in accordance with any rules regarding such submission adopted by such Architectural Committee, the Owner requesting said approval may submit a written notice to the Community Board advising the Community Board of its failure to act. If the Community Board fails to approve or disapprove any such plans and specifications within fifteen (15) days after the receipt of said second notice from such Owner, said plans shall be deemed approved.

7.14.3 Time Period for Review by Architectural Committee. If the Community Board has delegated to the Architectural Committee the power to review and approve plans, then the following time periods for review and approval shall apply. In the event an Architectural Committee fails to approve or disapprove such complete plans and specifications within forty-five (45) days after the same have been duly submitted in accordance with any rules regarding such submission adopted by such Architectural Committee, the Owner requesting said approval may submit a written notice to the Architectural Committee advising the Architectural Committee of its failure to act. If the Architectural Committee fails to approve or disapprove any such plans and specifications within fifteen (15) days after the receipt of said second notice from such Owner, said plans shall be deemed approved.

7.15 Waiver. The approval by the Architectural Committee of any plans, drawings or specifications for any work done or proposed; or for any other matter requiring the approval of the Architectural Committee under this Declaration, shall not be deemed to constitute a waiver of any right to withhold approval of any similar plan, drawing, specification or matter subsequently submitted for approval.

7.16 Estoppel Certificate. Within forty-five (45) days after written demand is delivered to the Architectural Committee by any Owner, and upon payment to the Community Association of a reasonable fee (as fixed from time to time by the Community Association), the Architectural Committee shall, upon direction of the Community Board, record an estoppel certificate, executed by any two (2) of its members, certifying (with respect to any Lot of said Owner) that as of the date thereof either: (a) all Improvements made and other work done upon or within said Lot comply with the provisions of this Article VII, or (b) such Improvements or work do not so comply, in which event the certificate shall also identify the non-complying Improvements or work and set forth with particularity the basis of such noncompliance. Any purchaser from the Owner, or from anyone deriving any interest in said Lot through him, shall be entitled to rely on said certificate with respect



to the matters therein set forth, such matters being conclusive as between the Community Association, Declarant and all Owners and such persons deriving any interest through them.

7.17 Liability. Neither the Architectural Committee, the Community Board, nor any member thereof shall be liable to the Community Association, a Neighborhood Association or to any Owner for any damage, loss or prejudice suffered or claimed on account of: (a) the approval or disapproval or any plans, drawings and specifications, whether or not defective, (b) the construction or performance of any work, whether or not pursuant to approved plans, drawings, and specifications, (c) the development of any property within the Redhawk Community, or (d) the execution and filing of an estoppel certificate pursuant to Article VII, whether or not the facts therein are correct, provided that such member has acted in good faith on the basis of such information as may be possessed by him. Any plans and specifications submitted to the Architectural Committee are not approved for engineering design, and by approving such plans and specifications neither the Community Board, Architectural Committee, the members thereof, the Community Association, nor the Declarant assumes liability therefor or for any defect in any structure constructed from such plans and specifications.

7.18 Governmental Requirements. The application to and the review and approval by the Architectural Committee or the Community Board of any proposals, plans or other submittals shall in no way be deemed to be in satisfaction of or in compliance with any building permit process or any other governmental requirements, the responsibility for which shall be solely with the respective Owner.

## ARTICLE VIII

### PROPERTY RIGHTS: COMMUNITY COMMON AREA

8.1 Ownership of Common Area. The Community Common Area shall be conveyed to, accepted and thereafter owned by the Community Association on or before the first conveyance of a Lot in the Property or in an annexed area, as the case may be. Upon the recording of a grant deed to the Community Association by the Declarant and the delivery of a certificate of a licensed architect selected by Declarant certifying that all Improvements, including landscaping and irrigation are complete, such property shall be deemed conveyed to the Community Association. Notwithstanding the foregoing, Declarant, and its agents and employees, shall have the right to come on the Community Common Area to complete the construction of any landscaping or other Improvements to be installed on the Community Common Area. Also, notwithstanding the foregoing, in the event that any of Declarant's subcontractors are contractually obligated to maintain the landscaping and/or other Improvements on the Community Common Area, such maintenance shall not be assumed by the Community Association until the termination of such contractual obligation. Neither such construction nor such maintenance shall in any way postpone the commencement of Community Assessments pursuant to this Article or entitle a Member to claim any offset or reduction in the amount of such Community Assessments.

### 8.2 Community Common Area and CSA.

8.2.1 Holding Title to Community Common Area. Each Owner, by acceptance of a deed, acknowledges that certain portions of the Redhawk Project may be owned by the County and maintained by the CSA for the benefit of the Owners and other members of the public. Until such time as the County accepts such areas, Declarant or Merchant Builders may convey such real property to the Community Association. While the Community Association has fee title to such real property, the Community Association shall maintain such real property as Community Common Area. At such time as the property is improved pursuant to CSA standards, the Community Association shall promptly convey such real property to the County and, upon such transfer, such real property shall constitute CSA Maintenance Area.



8.2.2 Expansion of Community Common Area. Each Owner by acceptance of a deed, acknowledges that the County and/or the CSA may, in their sole discretion, elect to transfer to the Community Association any or all of the CSA Maintenance Property. Such transfer shall be effective upon sixty (60) days prior written notice by the County or the CSA to the Community Association ("CSA Transfer Date"). Upon the Transfer Date, the Community Common Area shall be deemed to include the real property transferred by the CSA and/or the County and the Community Association shall assume such increased maintenance responsibilities and shall be entitled to levy the costs of such maintenance as a Special Assessment until the next annual budget, at which time the cost may be included as a Regular Assessment. For purposes of including such costs as a Regular Assessment, the limitation on Regular and special Assessments set forth in Section 6.5 shall not apply.

8.3 Permitted Uses of Community Common Area. The Community Common Area shall be used by the Owners, their families, tenants, agents, guests, patrons or invitees for the common interest and benefit of the Redhawk Community; provided, however, that any portions of the Community Common Area designated as Public Use Areas shall also be for the use of members of the public in accordance with requirements imposed by the County, the CSA or other governmental entities.

8.4 Owners' Right of Enjoyment in Community Common Area. Every Owner shall have a non-exclusive easement for use and enjoyment in and to the Community Common Area and such right shall be appurtenant to and shall pass with the title to every Lot, subject to the provisions set forth below.

8.4.1 Limits on Users of Community Common Area.  
The Community Association shall have the right to (a) limit the use of portions of the Community Common Area (except any portions designated as Public Use Areas) solely to those Owners who own Lots, (b) limit or permit usage thereof by non-Members as the Community Association deems appropriate and/or (c) permit members of the public to use portions of the Community Common Area. The Community Association may limit the number of guests, invitees, tenants, patrons or agents of Owners using the Community common Area; provided, however, that each Apartment Area Owner shall have the right to delegate his right of enjoyment of the Community Common Area as specified in the Article herein entitled "Apartment Area Ownership."

8.4.2 Establish Rules. The Community Association shall have the right to establish reasonable rules and regulations pertaining to the use of the Community Common Area.

8.4.3 Restrict Use of Community Common Area. The Community Association shall have the right to limit and restrict the use of the Community Common Area and portions thereof, during specific times or on specific dates, and to prohibit all use and access to portions of the Community Common Area as deemed necessary by the Community Board for health, safety, welfare, privacy or security purposes.

8.4.4 Suspend Right to Use Community Common Area. The Community Association shall have the right to suspend the right to use the facilities located on the Community Common Area by an Owner for any period during which any Community Assessment against his Lot remains unpaid or delinquent or for a period not to exceed thirty (30) days for any single infraction of the published rules and regulations of the Community Association, the Community Bylaws or this Declaration; provided, however, that any suspension of such right to use the facilities located on the Community Common Area, except for failure to pay Community Assessments, shall be made only by the Community Board or a duly appointed committee thereof, after notice and hearing given and held in accordance with the Community Bylaws.



8.4.5        Dedications and Easements. The Community Association shall have the right to dedicate or transfer all or any part of the Community Common Area or any interest therein or grant any easements to any public agency, authority or utility or other entity, which dedication or transfer shall be subject to the provisions of this Declaration and such other conditions as the Community Association deems proper.

8.4.6        Levy Charges. The Community Association shall have the right to levy a charge for the use of the Community Common Area (except the streets, sidewalks, and other routes for ingress or egress and any Public Use Areas).

8.4.7        Easements. The Community Association shall have the right of owners, as provided in the Article entitled "Easements", to exclusive easements appurtenant to the various Lots for encroachments on the Community Common Area for Improvements originally constructed by Declarant and/or Merchant Builders.

8.4.8        Establish Special Assessment District. The Community Association shall have the right to establish, in cooperation with the County and/or the CSA, a special assessment district for the performance of all or a portion of the maintenance and other functions now within the responsibility of the Community Association, together with the right of the Community Association to convey, lease or otherwise transfer, subject to the provisions of this Declaration, all or any portion of the Community Common Area to said district.

8.4.9        Establish Open Space Easements. The Community Association shall have the right to establish such open space easements as are deemed necessary by the Community Association over portions of the Community Common Area.

8.4.10       Borrow Money. The Community Association shall have the right in accordance with the Community Articles and Community Bylaws, to borrow money for the purpose of improving, replacing, restoring or expanding the Community Common Area or adding new Community Common Areas and in aid thereof, to mortgage said property, provided that the prior affirmative vote or written approval of a majority of each class of Members has been obtained to mortgage said property, and provided further that the rights of such mortgages shall be subordinated to the rights of the Members.

8.4.11       Use by Public. The Community Association shall have the right to allow use of the Community Common Area by members of the public, pursuant to any requirements imposed by the County and/or the CSA or any other governmental entity having jurisdiction over the Property.

8.5        Alteration of Improvements on Community Common Area. Other than work performed by Declarant in connection with development of the Community Common Area, no work by the Community Association which in any way alters any portion of the Community Common Area from its natural or existing state after the date such Community Common Area was conveyed by Declarant or Merchant Builders to the Community Association shall be made or done except by the Community Association or its agent. The Community Association shall reconstruct, replace or refinish any Improvement or portion thereof situated within the Community Common Area. Additionally, the Community Association shall maintain and landscape the Community Common Area, except to the extent such maintenance is the responsibility of any assessment districts created pursuant to the provisions of the Section above entitled "Establish Special Assessment District" in accordance with the provisions of the Article hereof entitled "Repair and Maintenance" and as the Community Association deems necessary for the health, welfare and safety of the Owners and guests subject to the jurisdiction of the Community Association.



8.6 Delegation of Use. Any Owner may delegate his right of enjoyment of the Community Common Area to the members of his family or his tenants who reside on his Lot, or to his guests, subject to rules and regulations adopted by the Community Board and any applicable provisions of the Community Bylaws.

8.7 Waiver of Use. No Owner may exempt himself from liability for Community Assessments duly levied by the Community Association, nor release the Lot owned by him from the liens and charges hereof, by waiver of the use and enjoyment of the Community Common Area, or the abandonment of his Lot.

8.8 Non-Severability. In no event shall an Owner sell or otherwise sever or separate the interest he may have in the Community Common Area or Neighborhood Common Area from his ownership interest in a Lot.

## ARTICLE IX

### USE RESTRICTIONS FOR THE REDHAWK COMMUNITY

9.1 Neighborhood Restrictions. The Neighborhood Declaration for any Neighborhood within the Redhawk Community shall specify the procedures for operation and management of the Neighborhood and establish the uses permitted and prohibited regarding the Lots within the Neighborhood and the Neighborhood Common Area. There shall be no amendment of the provisions in any such Neighborhood Declaration, except with written consent of the Community Board and, until ten (10) years after the date of recordation of this Community Declaration, of the Declarant. The Neighborhood Restrictions shall be established by the Merchant Builder of the Neighborhood prior to the sale of the first Lot in the Neighborhood, and may, at Declarant's election, be subject to review and approval by Declarant to assure consistency and compatibility with the standards and procedures of this Declaration. The Community Association, shall expressly be made a third (3rd) party beneficiary to each Neighborhood Declaration. The Community Association shall have the right to enforce any provisions of any Neighborhood Declaration, to the extent that the Community Association, upon a vote of a majority of the Community Board, deems it necessary to protect the overall interest in the Redhawk Community. The Community Association shall not, however, in any event, be considered as having a duty or obligation to enforce any particular provision of any particular Neighborhood Declaration.

9.2 Permitted Uses and Limitations. The following use restrictions shall apply in the Redhawk Community.

9.2.1 Residential Use. All Lots, except Community Common Area Lots and Neighborhood Common Area Lots, shall be known and described as residential Lots and shall be used for no purpose other than residential purposes. Subject to the provisions of the Section of this Article entitled "No Subdivision of Lots", no building shall be erected, altered, placed or permitted to remain on any Lot other than a building used as a Dwelling, including any buildings adjacent to the Dwelling for use as a garage, and/or a cabana adjacent to the swimming pool, or an Apartment Building. Notwithstanding the foregoing, in the event that an Owner of a Lot obtains permission to construct a single Residence on two (2) or more contiguous Lots, pursuant to the provisions of the Section of this Article entitled "No Subdivision of Lots", then such Owner shall be permitted to use the additional Lots for purposes of open space, or for installing a swimming pool or tennis court thereon, subject to the approval of the Community Board pursuant to the provisions of Article VII of this Declaration.



9.2.2 Commercial Use. Except as permitted under the Section of Article XV entitled "Construction and Sales", no part of a Lot or Dwelling shall be used or caused to be used or allowed or authorized in any way, directly or indirectly, for any business, commercial, manufacturing, mercantile, storing, vending, or other such nonresidential purposes; provided, however, that the Community Association shall have the right to provide or authorize such services on the Community Common Area as it deems appropriate for the enjoyment of the Community Common Area and the benefit of the Owners.

9.2.3 Rental of Dwelling. An Owner shall be entitled to rent the Dwelling situated on the Owner's Lot, subject to the restrictions contained in this Declaration, including, but not limited to, the Section above entitled "Residential Use". Any rental or leasing agreement shall be in writing, shall provide that the lease or rental is subject to this Declaration, the Community Bylaws, Community Articles and the Community Association Rules and shall provide that any failure to comply with any provisions of this Declaration, the Community Bylaws, Community Articles or Community Association Rules shall be a default under the terms of the rental or lease agreement. No Owner may lease such Owner's Lot or Improvements thereon for hotel, motel or transient purposes. Any lease which is either for a period of fewer than thirty (30) days or pursuant to which the lessor provides any services normally associated with a hotel or motel, shall be deemed to be for transient or hotel purposes. Any Owner who shall lease his or her Dwelling shall be responsible for assuring compliance by such Owner's lessee with this Declaration, the Community Articles, Community Bylaws and the Community Association Rules.

9.2.4 Signs. All signs shall be in conformance with the Architectural Standards and Design Guidelines. No sign or billboard of any kind shall be displayed to the public view on any Lot, Community Common Area or Neighborhood Common Area with the following exceptions:

- (a) signs as may be required by legal proceedings, or the prohibition of which is precluded by law;
- (b) signs as may be used by Declarant, or, upon approval by Declarant, by Merchant Builder, or their sales agents in connection with the development of the Redhawk Community and the sale and marketing of the Lots;
- (c) signs on the Community Common Area which Declarant deems necessary for the construction of any Improvements and identification signs regarding financing and construction;
- (d) signs on the Community Common Area as may be required for traffic control and regulation of open areas within the Redhawk Community; and
- (e) identification signs on the Community Common Area as may be deemed appropriate by the Community Board to designate facilities within the Redhawk Community.

Notwithstanding the foregoing, Declarant shall not place any signs on the Community Common Area which substantially interfere with the owner's use and enjoyment of the Community Common Area. Declarant may permit Merchant Builders to place such signs on the Community Common Area, as provided for herein, for the same purpose as Declarant deems appropriate, provided such signs have been approved by Declarant. Declarant's rights to so establish signs shall be exercised for a reasonable period of time in conjunction with Declarant's and the Merchant Builder's development of the Property and in any event, shall be subject to the approval of the Community Board, beginning on June 1, 1999. Notwithstanding the foregoing, in accordance with the provisions of California Civil Code section 713, or any successor law or statute, an Owner may display





on the Owner's Lot not more than one "for sale or "for lease" sign per Lot so long as such sign shall comply with any standards promulgated by the Community Board or Architectural committee as to the size, color, shape or other qualifications for permitted signs.

9.2.5            Nuisance: Hazards and Waste. No noxious or unreasonably offensive trades or activities shall be carried on upon any Lots Community Common Area or Neighborhood Common Area or any part of the Redhawk Community and nothing shall be done thereon which may be, or may become an annoyance, nuisance, disturbance or unreasonable embarrassment to the Redhawk Community, or which shall, in any way, interfere with the quiet enjoyment of each of the Owners of his respective Dwelling, or which shall, in any way, increase the rate of insurance, or which constitutes a violation of any law, ordinance or regulation, now or hereafter in effect, imposed by any governmental entity having jurisdiction over the Property. Within ten (10) days of receipt of written notice from the Community Association specifying any item which creates such an insurance hazard or constitutes such waste, the Owner shall cause such item to be removed at such Owner's sole cost and expense. In the event such item is not timely removed, the Community Association may enter upon such Lot or Neighborhood Common Area, remove or cause to be removed such item and assess the Owner or Neighborhood Association the amount of all costs and expenses therefore as an Enforcement Assessment.

9.2.6            Temporary Structures.      No trailer, mobile home, tent, shack or other outbuildings shall be kept upon any Lot, the Community Common Area or Neighborhood Common Area or in any street within the Redhawk Community, except in connection with work or construction diligently pursued.

9.2.7            Vehicles.      No trailer, camper, boat, recreational vehicle, vehicles used or operated for commercial purposes or similar equipment shall hereafter be permitted to remain upon the Property, unless placed or maintained within an enclosed garage, nor permitted to be parked other than temporarily for purposes of loading, unloading or cleaning, on any street, alley, or Community Common Area or Neighborhood Common Area within the Redhawk Community. Temporary parking shall mean parking of vehicles belonging to guests or Owners, delivery trucks, service vehicles and other commercial vehicles being used in the furnishing of services to the Community Association or the Owners and parking of vehicles belonging to or being used by Owners for loading and unloading purposes. The Community Board may adopt guidelines defining what vehicles constitute recreational vehicles and rules for the regulation of the admission and parking of vehicles within the Redhawk Community or any public streets within the Redhawk Community, including the assessment of charges to Owners who violate or whose invitees violate such rules. Any charges so assessed shall be an Enforcement Assessment. No automobile, recreational vehicle or equipment, commercial vehicle or any other motorized vehicle may be dismantled, rebuilt, repaired, serviced or repainted on the Property unless performed within a completely enclosed garage or other structure located in a Dwelling which completely screens the sight and sound of such activity from streets, Community Common Area and neighboring Dwellings. Any fence or screen required under this Section shall comply with any standards promulgated by the Community Board or Architectural Committee as to size, color, or other criteria for permitted fences or screens. Golf carts and similar vehicles shall be operated within the Redhawk Community only pursuant to the Community Association Rules. The foregoing restriction shall not be deemed to prevent temporary parking for washing and polishing and those activities normally incident to washing and polishing of vehicles.

9.2.8            Animals.      No animals, livestock or poultry of any kind shall be raised, bred or kept on any Lot, except that dogs, cats or other household pets may be kept on the Lots, provided they are not kept, bred, or maintained for any commercial purpose, or in numbers deemed unreasonable by the Community Board. Notwithstanding the foregoing, no animals or fowl may be kept on the Lots which, in the



good faith judgment of the Community Board, or a committee selected by the Community Board for this purpose, result in an unreasonable annoyance or are obnoxious to residents in the Redhawk Community. No pet or other animal shall be permitted on the Community Common Area except as allowed by the Community Association Rules. The Owner of any pet or animal shall be responsible for the immediate removal and clean-up of such animal's waste in the Community Common Area. The Owner of any pet or animal shall at no times allow such animal to run unrestrained on Community Common Area or the streets, sidewalks or pathway areas of the Redhawk Community and the Owner of such pets shall at all times have full and complete control over such animal. The Community Board shall have the right, after notice and hearing, to remove animals from the Community Common Area which it finds constitute a continuing unreasonable nuisance to Owners.

9.2.9      Oil and Mineral Rights.      No oil drilling, oil development operations, oil refining, quarrying, or mining operations of any kind shall be permitted by any Owner upon or in any Lot nor, subsequent to the recording of this Declaration, shall oil wells, tanks, tunnels, or mineral excavations or shafts be installed upon the surface of any Lot or within five hundred (500) feet below the surface of such properties. No derrick or other structure designed for use in boring for water, oil or natural gas shall be erected, maintained or permitted by any Owner upon any Lot. No owner shall use a Lot to explore for or to remove any water, oil or other hydrocarbons, minerals of any kind, gravel, earth or any earth substance or other mineral of any kind.

9.2.10      Unightly Items.      All weeds, rubbish, debris, or unsightly materials or objects of any kind shall be regularly removed from the Lots and shall not be allowed to accumulate thereon. All clotheslines, refuse containers, woodpiles, storage areas, machinery and equipment shall be prohibited upon any Lot unless obscured from view of adjoining streets, Lots, alleys or Community Common Area nearest such portion of the Lot from a height of six (6) feet or less and shall comply with any restrictions or standards promulgated by the Community Board or the Architectural Committee.

9.2.11      Antennae.      No television, radio, satellite dish or other electronic antennae or device of any type shall hereafter be erected, constructed, placed or permitted to remain on any of the Lots, except as installed by Declarant or Declarant's assignee or transferee, and except as permitted under applicable state or federal statutes. Except as installed by Declarant or Declarant's assignee or transferee, and except as permitted under applicable state or federal statutes, no cable, television or radio system or ham radio system or other equipment for the purpose of emitting, receiving, or distributing any form of electro-magnetic emission in any form shall be permitted on the Property.

9.2.12      Drainage.      All drainage of water from any Lot or Neighborhood Common Area and the Improvements thereon shall drain or flow as set forth below.

(a)      Any such water may drain or flow into adjacent streets or alleys and shall not be allowed to drain or flow upon, across, or under adjoining Lots, or Community Common Area unless an easement for such purpose is granted.

(b)      All slopes or terraces on any Lot or Neighborhood Common Area shall be maintained so as to prevent any erosion thereof upon adjacent streets or adjoining property.

9.2.13      Garages.      No garage doors shall be permitted to remain open except for a temporary purpose, and the Community Board may adopt rules for the regulation of the opening of garage doors, including the assessment of charges to Owners who violate such rules. Any charges so assessed shall be Enforcement Assessments.



9.2.14 No Obstructions. There shall be no obstruction of any Community or Neighborhood Common Area except as permitted herein or as provided by the Community Association Rules. Nothing shall be placed or stored in the Community Common Area, except as allowed by the express permission of the Community Board.

9.2.15 Rubbish. No portion of the Property shall be used or maintained as a dumping ground for rubbish. No oil or other refuse shall be allowed to enter storm drains.

9.2.16 Compliance With Laws, Etc. No Owner shall permit anything to be done or kept in a Lot that violates any laws, ordinances, statutes, rules or regulations of any local, county, state or federal body.

9.2.17 Fires. There shall be no exterior fires on the Community Common Area or Neighborhood common Area, except barbeque fires contained within receptacles provided by the Community Association or Neighborhood Association or as otherwise permitted by the Community Board.

9.2.18 No Subdivision of Lots. No Lot shall be further subdivided nor shall less than all of any such Lot be conveyed by an Owner thereof. The Owners of two (2) or more contiguous Lots may apply to the Community Board for permission to use such Lots as the site for a single Residence in accordance with the provisions of Article VII of this Declaration. The restrictions set forth in this Section shall not apply to Merchant Builders or Declarant.

9.3 Easements. There are hereby established easements over, under and through each Lot and the Community Common Area and Neighborhood Common Area, which easements are described in the Article hereof entitled "Easements."

## ARTICLE X

### APARTMENT AREA OWNERSHIP

10.1 Applicability of Declaration. The Apartment Owners shall be considered Owners and the portion of the Apartment Area which each owns shall be considered a Lot with respect to the provisions of this Declaration.

10.2 Payment of Assessments. The amount of Regular, Special and Capital Improvement Assessments which shall be paid by each Apartment Owner of a High Density Apartment Area shall be an amount which shall be calculated by multiplying the then current Regular, Special or Capital Improvement Assessment which is being levied by the number of Apartment Units within the Apartment Building(s) owned by the Apartment Owner and dividing said sum by three (3). The amount of Regular, Special and Capital Improvement Assessments which shall be paid by each Apartment Owner of a Low Density Apartment Area shall be an amount which shall be calculated by multiplying the then current Regular, Special or Capital Improvement Assessment which is being levied by the number of Apartment Units within the Apartment Building(s) owned by the Apartment Owner.



10.3 Delegation of Use. The Apartment Owner may delegate his right of enjoyment in and to the Community Common Area to tenants of its Apartment Units and such tenants may further delegate such rights of enjoyment to the members of the tenant's family and the tenant's bona fide guests (subject to such rules and regulations pertaining to guests as are applied to other Members).

10.4 Conversion of Condominium. An Apartment Owner, in its sole discretion, may elect to convert its portion of the Apartment Area to a condominium project or projects pursuant to the California Civil Code. Commencing as of the recordation of a condominium plan, (a) the Owners of Condominiums in such converted apartment buildings shall all be "Owners" as defined in this Declaration and shall be assessed at the same rate and manner as other Owners, (b) the Owners shall have the same voting rights as other Owners of the same class of Members and shall be subject to all of the provisions of this Declaration in the same manner as the other Members.

## ARTICLE XI

### INSTALLATION, REPAIR AND MAINTENANCE

11.1 Repair and Maintenance by Community Association. Without limiting the generality of the statement of duties and powers contained in this Declaration, and except for any maintenance districts created pursuant to the provisions off the Section of Article VIII entitled "Establish Special Maintenance Districts, the Community Association shall have the duty to accomplish the duties described below upon the Lots, Community Common Area, Neighborhood Common Area or other land within the Redhawk Community in such manner and at such times as the Community Board shall prescribe.

11.1.1 Walkways. The Community Association shall maintain all private walkways, bicycle paths, trails or other pedestrian paths located on the Community Common Area.

11.1.2 Community Common Area Improvements. The Community Association shall maintain, repair, restore, replace and make necessary Improvements to the Community Common Area, including fences and signage.

11.1.3 Drainage. The Community Association shall maintain all drainage facilities and easements located on the Community Common Area in accordance with the requirements of the County.

11.1.4 Utility Easements. The Community Association shall cause the appropriate public utility to maintain any utility easements located on the Community Common Area.

11.1.5 Public Use Areas. The Community Association shall maintain the Public Use Areas and any other public rights-at-ways designated in a Supplementary Declaration according to standards compatible with the general standards of maintenance for the Redhawk Community.

11.1.6 Exterior Walls. The Community Association shall have the right, but not the obligation, to maintain the exterior (defined to mean the side fronting on any public right-of-way, CSA Maintenance Property or Community Common Area) of any lot perimeter walls or fences which are not maintained by the responsible party under the provisions of this Declaration.

11.1.7 Other Maintenance Obligations. The Community Association shall maintain all other areas, facilities, signage, equipment, services or aesthetic components of whatsoever nature as may from time to time be requested by the vote or written consent of at least a majority of the Community Board.



11.1.8 Slope Maintenance Easements. The Community Association shall landscape and maintain all Slope Maintenance Easements as described in the Section of Article XVII entitled "Slope Maintenance Easements" in a good condition of maintenance and repair.

11.2 Maintenance Obligations of the Neighborhood Associations. For the purposes of this Declaration, a Neighborhood Association shall be deemed responsible for the maintenance of the Neighborhood. The members of a Neighborhood Association shall not amend any such declaration to terminate or modify the maintenance responsibilities of such Neighborhood Association without the prior written approval of the Community Board. In the event that a Neighborhood Association does not perform its maintenance responsibilities in compliance with the Architectural Standards and Design Guidelines and in accordance with the requirements of this Declaration, the Community Association may perform such maintenance itself and levy on the members of such Neighborhood Association a Single Benefit-Assessment therefor and notwithstanding the provisions of the Section of Article VI entitled "Single Benefit Assessments," the vote of the Owners in such Neighborhood Association shall not be required.

11.3 Repair and Maintenance by Owner. Except for the obligations of the Community Association to repair and maintain as may be provided in this Declaration, and except for the maintenance obligations of the Neighborhood Associations with respect to Lots and Neighborhood Common Area within the Neighborhood, every Owner shall do as set forth below.

11.3.1 Exterior of Dwelling. Each owner shall maintain the exterior of the Owner's Dwelling and/or other Improvements in such Owner's Lot, including, without limitation, the interior of any walls and fences (and the exterior, if the exterior is not maintained by another Owner or the Community Board) and the roof is in good condition and repair and in accordance with the Architectural standards and Design Guidelines and all requirements of the County or any other governmental entity having jurisdiction over the Property.

11.3.2 Landscaping. Each Owner shall install (unless landscaping is installed by the Merchant Builder) and thereafter maintain in attractive and harmonious condition Landscaping in accordance with the standards for maintenance set forth in the section below entitled "standards for Maintenance and Repair" and in accordance with all requirements of the County or any other governmental entity having jurisdiction over the Property.

11.3.3 Repair Damage. In the event the Community Board shall determine that the Lot perimeter walls and fences, if any, have been damaged due to causes from within the Lot and by an Owner, notwithstanding that such damage may be to the Lot perimeter walls and fences which are to be maintained by the Community Association pursuant to the terms of this Article, the Owner of the Lot shall be responsible for repairing such damage in a timely manner and in accordance with such rules as the Community Board or Architectural Committee shall from time to time adopt.

11.3.4 Terrace Drains. If any drainage culverts or terrace drains are situated on an Owner's Lot, such Owner shall clean and maintain such terrace drains or drainage culverts so as to ensure that no debris obstructs the flow of water on the Owner's Lot or any other Lot through which the drainage culvert runs.

11.3.5 Perimeter Fencing. Any perimeter fencing situated on an Owner's Lot which fronts on any street, Community Common Area or any other frontage property, the exterior surface of which is cleaned and maintained by the CSA, shall, in the event of damage or destruction, be repaired by the Owner of the Lot on which the interior of such wall faces.



#### 11.4 Standards for Maintenance and Repair.

11.4.1 Exterior of Dwellings and Other Improvements. Maintenance of the exterior of Dwellings and any other Improvements situated on any Lot including, but not limited to, the walls, fences and roofs, shall be accomplished in accordance with the Architectural standards and Design Guidelines and, if required by the Architectural standards and Design Guidelines, only after approval of the Community Board.

11.4.2 Landscaping. Except to the extent that a Neighborhood Declaration requires such maintenance to be accomplished by the Neighborhood Association or unless the Merchant Builder installs Landscaping on a particular Lot, all portions of a Lot which are not within an enclosed fence or otherwise visible from any other Lot which are improved with a Dwelling or Structure, except for Lots owned by Declarant or a Merchant Builder, shall be landscaped by the Owner thereof in accordance with the Community Association Rules promulgated by the Community Board on or before a date which is ninety (90) days from the original conveyance of such Lot by a Merchant Builder. Thereafter, such landscaping shall be maintained by the Owner in a clean, safe and attractive condition according to any rules promulgated by the Community Board and any Neighborhood Association. Any Neighborhood Association shall maintain any landscaped areas which it owns or which are owned in common by its members in a clean, safe and attractive condition according to any rules promulgated by the Community Board.

11.4.3 Right of Community Association to Maintain and Install. In the event any Owner fails to maintain the exterior of the Owner's Dwelling and/or other Improvements on such Owner's Lot or the walls, fences and roofs of his Dwelling, or to install and thereafter maintain landscaping on the Owner's Lot or to maintain the drainage culverts and terrace drains or repair the perimeter walls in accordance with the provisions of the Sections above entitled "Terrace Drains" and "Perimeter Fencing", respectively, or any other Improvements on the Owner's Lot in accordance with the requirements of this Article, the Community Association may cause such maintenance and installation to be accomplished in accordance with the procedures set forth in the Community Bylaws and the Community Association Rules.

### ARTICLE XII

#### INSURANCE

12.1 Types. The Community Association, to the extent available, shall obtain and continue in effect, in its own name, the types of insurance set forth below.

12.1.1 Public Liability Insurance. The Community Association shall obtain and continue in effect a comprehensive policy of public liability insurance covering the Community Common Area with limits of not less than Two Million Dollars (\$2,000,000) for claims for personal injury and/or property damage arising out of a single occurrence, such coverage to include protection against water damage liability, liability for non-owned and hired automobile and liability for property of others, and such other risks as shall customarily be covered with respect to similar planned unit developments in the area of the Property, and shall contain a "severability of interest" endorsement or the equivalent which shall preclude the insurer from denying the claim of an Owner because of negligent acts or omissions of the Community Association or other Owners.

12.1.2 Casualty Insurance. The Community Association shall obtain and continue in effect a "master" or "blanket" policy of fire and casualty insurance with extended coverage, for the full replacement value (i.e. one hundred percent (100%) of current "replacement cost" exclusive of land, foundation, excavation and other items normally excluded from coverage of the Community Common Area (including all building service equipment and the like), without deduction for depreciation, with an "agreed amount endorsement" or its equivalent, a "demolition endorsement" or its equivalent, and, if necessary an



"increased cost of construction endorsement" or "contingent liability from operation of building laws endorsement" and clauses waiving subrogation against Members and the Community Association and persons upon the Property with the permission of a Member, such insurance to afford protection against loss or damage by fire and other hazards covered by the standard extended coverage endorsement, and by sprinkler leakage, debris removal, cost of demolition, vandalism, malicious mischief, windstorm, water damage, and such other risks as shall customarily be covered with respect to similar planned unit developments in the area of the Redhawk Community.

12.1.3 Fidelity Bonds. The Community Association shall obtain and continue in effect fidelity coverage against dishonest acts on the part of Community Directors, officers, employees or volunteers who handle or who are responsible to handle the funds of the Community Association, and such fidelity bonds shall (a) name the Community Association as obligee, (b) shall be written in an amount equal to at least the estimated maximum of funds, including reserves, in the custody of the Community Association or a management agent at any given time during the term of the fidelity bond; provided, however, that the bond shall not be less than a sum equal to three (3) months aggregate Regular Assessments on all Lots plus reserve funds, (c) shall contain waivers of any defense based on the exclusion of persons who serve without compensation or from any definition of "employee" or similar expression, and (d) shall provide that they may not be cancelled or substantially modified (including cancellation for nonpayment of premium) without at least thirty (30) days prior written notice to lenders.

12.2 Required Provisions. All such property and liability insurance shall be subject to the provisions and limitations set forth below.

12.2.1 Named Insured. The named insured under any such policies shall be the Community Association as a trustee for the Members or their authorized representative, including any trustee with which such Community Association may enter into any Insurance Trust Agreement, or any successor trustee, each of which shall be herein elsewhere referred to as the "Insurance Trustee" who shall have exclusive authority to negotiate losses under said policies.

12.2.2 Contribution. In no event shall the insurance coverage obtained and maintained pursuant to the requirement of this Article be brought into contribution with insurance purchased by the Neighborhood Association, Owners, or their lenders.

12.3 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 Community Association, the Community Board, the 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.

12.4 Other Insurance: Annual Review. The Community Association may purchase such other insurance as it may deem necessary, including, but not limited to, worker's compensation, officers' and directors' liability, and errors and omission insurance. The Community Board shall annually determine whether the amounts and types of insurance it has obtained provide adequate coverage for the Community Common Area in light of increased construction costs, inflation, practice in the area in which the Redhawk Community is located, or any other factor which tends to indicate that either additional insurance policies or increased coverage under existing policies are necessary or desirable to protect the interests of the Community Association. If the Community Board determines that increased coverage or additional insurance is appropriate, it shall obtain the same. If the Community Board determines, in its reasonable and good faith judgment, that increased, decreased or additional insurance is required, it shall take appropriate action.



12.5 Premiums and Proceeds. Insurance premiums for any such blanket insurance coverage obtained by the Community Association and any other insurance deemed necessary by the Community Association shall be a Common Expense to be included in the Regular Assessments levied by the Community Association. Insurance proceeds shall be used by the Community Association for the repair or replacement of the property for which the insurance was carried, or otherwise disposed of as provided in the Article hereof entitled "Destruction of Improvements." Any two (2) Community Directors 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 Community Association and the Members and Owners.

12.6 Abandonment of Replacement Cost Insurance. Unless at least two-thirds (2/3) of the Institutional Mortgagees based on one (1) vote for each First Mortgage have given their prior written approval, the Community Association shall not be entitled to fail to maintain the extended coverage fire and casualty insurance required by this Article on less than a one hundred percent (100%) current replacement cost basis.

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

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

### ARTICLE XIII

#### EMINENT DOMAIN

13.1 Condemnation. 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 Community Common Area or any action is brought to condemn all or any portion of the Community Common Area, or a sale of all or a part thereof is made in lieu of condemnation, the Members hereby appoint the Community Board and such persons as the Community Board may delegate to represent all of the Owners in connection with the taking. The Community 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 Community Association, and used, held or distributed as reasonably deemed appropriate by the Community Board subject to the provisions hereof.

13.2 Total Taking. If the taking is of the entire Community Common Area, the amount payable shall be paid to the Community Board as trustee for distribution to the Owners, subject to the rights of Mortgagees holding Mortgages covering the properties and all unpaid Community Assessments of each Owner, together with any interest charges attributable thereto. Said proceeds shall be distributed to the Owners and their respective Mortgagees according to the relative values of the respective properties in the





Redhawk Community determined by an independent appraisal made by a qualified MAI real estate appraiser selected by the Community Board. The rights of an owner and the Mortgagee of the Owner's Lot as to such pro rata distribution shall be governed by the provisions of the Mortgage encumbering such Lot.

13.3 Minor Taking. If the award is for the acquisition of only part of the Community Common Area and is less than ten percent (10%) of the value of all Community Common Area, the entire amount thereof shall be payable to the Community Board and such amount, together with any interest earned thereon, shall be held by the Community Association for the construction of capital Improvements on other portions of the Community Common Area.

13.4 Major Taking. If the award is for the acquisition of only part of the Community Common Area, but is in excess of ten percent (10%) of the value of all Community Common Area, the Community Board, in its sole discretion, may retain all or any part thereof in the general funds of the Community Association for the purpose of constructing alternative facilities for those so taken, or may distribute all or any part thereof to the Owners, as their interests appear, subject however, to any unpaid assessments and the rights of Mortgagees, in the manner set forth above.

#### ARTICLE XIV

##### DESTRUCTION OF IMPROVEMENTS

14.1 Restoration of Improvements. In the event of partial or total destruction of Improvements upon the Community Common Area, it shall be the duty of the Community Association to restore and repair the same to a substantially similar condition as promptly as practical, as hereinafter set forth. Notwithstanding the foregoing, in the event of destruction, the Community Association shall have the right to restore the damaged Improvements with Improvements which are different but equal in value to the former Improvements provided that the Community Association shall have obtained the prior consent of a majority of the Community Board.

14.1.1 Insurance Proceeds Adequate. If the cost of repairing or rebuilding the Community Common Area does not exceed the amount of insurance proceeds initially offered or paid by the insurance carrier by more than ten percent (10%) of the cost of reconstruction then the following shall apply.

(a) All insurance proceeds shall be paid to a commercial bank or trust company designated by the Community Board to be held for the benefit of the Community Association and the Owners and their Mortgagees, as their interests shall appear.

(b) The Community Board shall levy a Reconstruction Assessment against the Owners in the same manner as provided in the Article hereof entitled "Redhawk Funds and Assessments" equal to the difference between the cost of repairing or rebuilding and the amount of available insurance proceeds, which sums shall be payable into the fund held by the insurance trustee. The Community Board may advance the amount of the Reconstruction Assessment to the insurance trustee from Community Association general funds or reserves.

(c) When the amount held by the insurance trustee is sufficient to pay the costs of repair and reconstruction, the Community Board shall thereupon contract for the repair or reconstruction of the Improvements, paying the cost of such work from the amount held by the insurance trustee, said repair or reconstruction to be for the purpose of returning the Improvements substantially to their appearance and condition immediately prior to the casualty.



(d) The Community Association may rebuild such damaged or destroyed common facilities in a different manner, or in a different location on the Community Common Area, provided that such Community Board action shall require consent of at least eighty percent (80%) of the Community Board. If the Community Board cannot reach such an eighty percent (80%) decision, any such change shall require the vote or written assent of the Members representing at least fifty-one percent (51%) of the Redhawk Voting Power, and the written consent of fifty-one percent (51%) of the Mortgagees. In any event, if such changed plans require additional capital so as to constitute a Capital Improvement Assessment, the written assent of the Members representing at least fifty-one percent (51%) of the Redhawk Voting Power must be obtained if so required by the Article hereof entitled "Redhawk Funds and Assessments."

14.1.2 Insurance Proceeds Inadequate. If the cost of such repairing or rebuilding exceeds the amount of available insurance by more than ten percent (10%) of the cost of reconstruction then all insurance proceeds shall be deposited as provided in Subsection 14.1.1 above and the Community Board shall require a determination by written assent or vote of the Members representing at least a majority of the Redhawk Voting Power as to whether a Reconstruction Assessment equal to the difference between available insurance proceeds and the cost of such repairing or rebuilding shall be levied. Such majority vote must include at least a two-thirds (2/3) majority of the Class A Members. If the Members determine not to levy such assessment, then the Community Board shall use the insurance proceeds available to make such restoration or repair as soon as reasonably possible or to clear the site of the damaged premises and landscape the site for an Redhawk Community park and the costs thereof shall be paid for with the insurance proceeds. Any deficiency may be raised by a Reconstruction Assessment in an amount determined by the Community Board. In the event any excess insurance proceeds remain, the Community Board, in its sole discretion, may retain such sums in the general funds of the Community Association or distribute pro-rata all or a portion thereof to the Members, subject to the prior rights of Mortgagees whose interest may be protected by insurance policies carried by the Community Association. The rights of the Owner and the Mortgagee of his Lot as to such pro-rata distribution shall be governed by the provisions of the Mortgage encumbering such Lot.

14.1.3 Neighborhood Common Area and Lots. In the event of partial or total damage or destruction of Neighborhood Common Area or any Lot within the Redhawk Community, the responsible Neighborhood Association or Owner shall either:

(a) diligently commence to rebuild the same, if the insurance proceeds and other funds available to the Neighborhood Association or Owner are sufficient to pay the costs of such rebuilding; or

(b) if there are not sufficient funds to rebuild, clear and level the Neighborhood Common Area or Lot, remove all wreckage, foundations, slabs, debris and remains of the building or buildings therefrom and leave the same in a level, clean and landscaped condition.

Upon reconstruction, the Improvements shall be rebuilt substantially in accordance with the original plans and specifications therefor; provided, however, that the exterior appearance thereof shall substantially resemble the appearance in form and color prior to such damage and destruction. Notwithstanding the foregoing, however, the Owner of such damaged Improvements may reconstruct or repair the same in accordance with new or changed plans or specifications with the prior written approval of the Community Board. The Neighborhood Declaration shall provide procedures and standards for repair or reconstruction of damage or destroyed property including special reconstruction assessments for repair of Neighborhood Common Area so damaged or destroyed.



## ARTICLE XV

### EASEMENTS

15.1 Amendment to Eliminate Easements. This Declaration cannot be amended to modify or eliminate the easements reserved to Declarant herein without prior written approval of Declarant and any attempt to do so shall have no effect. Any attempt to modify or eliminate this Article shall likewise require the prior written approval of Declarant.

15.2 Owners' Easements and Encroachments. An Owner's right to enjoyment of his Lot, and the Community Common Area and the Neighborhood Common Area shall be subject to the easements and encroachments described below.

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

15.2.2 Utility Connections. Wherever sanitary sewer house connections, water house connections, electricity, gas, telephone or cable television lines or drainage facilities are installed within the Redhawk Community, which connections serve more than one (1) 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 which service the Owner's Lot.

15.2.3 Encroachments. Each Owner of a Lot adjacent to the Community Common Area, Neighborhood Common Area or another Lot shall hereby have an easement over said Community Common Area, Neighborhood Common Area or contiguous Lot for use and maintenance or encroachments thereon due to settlement or shifting of buildings or other Improvements, original construction errors or any other similar causes, so long as said encroachments exist. However, no such easement for encroachments shall exist if an encroachment occurred due to the willful conduct of the Owner of the Lot. The rights and obligations of Owners in the Redhawk Community shall not be otherwise altered or affected by any such encroachment.

15.3 Easements Reserved to Declarant. There are hereby reserved to Declarant and the Community Association, as the case may be, the easements set forth below.

15.3.1 Easements. There is hereby reserved to Declarant, together with the right to grant and transfer the same, easements on, over, under, through and across the Property for the purpose of constructing, erecting, operating and maintaining facilities and Improvements, including without limitation, easements for the installation and maintenance of electric, telephone, cable television, water, gas, sanitary sewer lines, and drainage facilities, roads, park areas, parkways and walkways as may be shown on any recorded subdivision or parcel maps of the Property or as are required by the County or any other political subdivision.



15.3.2 Cable Television. There is hereby reserved to Declarant, together with the right to grant and transfer the same, the right to place on, under, over or across the Property, an exclusive easement for transmission lines and other facilities for a Community antenna television system and satellite master antenna television system and thereafter to own and convey such lines and facilities and the right to enter upon the Property to service, maintain, repair, reconstruct and replace said lines or facilities.

15.3.3 Construction and Sales. There is hereby reserved to Declarant, including, without Limitation, its sales agents and representatives together with the right of Declarant to grant and transfer the same, over the Community Common Area as the same may from time to time exist, for a reasonable period of time in light of Declarant's development of the Property and the Redhawk Project, easements for construction, display and exhibit purposes which are reasonably necessary for the erection and sale or lease of Lots within the Redhawk Community; provided, however, that such use shall not be for a period beyond fifteen (15) years from the date of issuance of the first Public Report for a subdivision in the Redhawk Community; and, provided further that no such use by Declarant and others shall otherwise unreasonably restrict the Owners in the use and enjoyment of the Community Common Area.

15.3.4 Repair and Maintenance. There is hereby reserved to Declarant and the Community Association, together with the right to grant and transfer the same easement over the Lots for the purpose of performing its repair and maintenance obligations under this Declaration.

15.3.5 Slope Maintenance Easements. There is hereby reserved to Declarant, together with the right to grant and transfer the same, an access easement over any of the Lots appurtenant to or adjacent to any Slope Maintenance Easements for the purpose of entering onto said Lots to landscape and maintain the portions of said Lots covered by the Slope Maintenance Easements.

15.3.6 Community Facilities Easement. There is hereby reserved to Declarant and the Community Association, together with the right to grant and transfer the same, a nonexclusive easement for recreational purposes over the Community Common Area. Such easement when granted shall be subject to the rights of the Community Association with regard to the Community Common Area as set forth in the Article hereof entitled "Property Rights: Community Common Area."

15.3.7 Open Space Easement. There is hereby reserved to Declarant and the Community Association, together with the right to grant and transfer the same, a non-exclusive open space easement over portions of the Community Common Area as deemed necessary by the Community Association.

15.3.8 Association Easements. There is hereby reserved to Declarant, the Community Association or their duly authorized agents and representatives, such easements as are necessary to perform the duties and obligations of the Community Association as are set forth in this Declaration, or in the Community Bylaws, Community Articles, Community Association Rules or the Architectural Standards and Design Guidelines.

15.3.9 Easements to Declarant for Adjoining Property. Declarant shall have, and hereby expressly reserves, an easement over, upon, through and across the Community Common Area, as servient tenement for the purpose of reasonable ingress to and egress from, over and across the Redhawk Community to the Annexable Property until all of such property is annexed to the Redhawk Community upon the recording of a supplementary Declaration in accordance with the provisions of Article XVII of this Declaration.



15.3.10 Neighborhood Association Easement. There is hereby reserved to Declarant, together with the right to grant and transfer the same to the appropriate Neighborhood Association, a non-exclusive easement over the Community Common Area for the purpose of fulfilling said Neighborhood Association's maintenance or other responsibilities.

15.3.11 Nature of Easements. Any easements reserved to Declarant herein, when transferred to the Community Association, an Owner or the Neighborhood Association in the same instrument conveying a Lot or Community Common Area to such Owner or the Neighborhood Association, as the case may be, shall be appurtenant to such Owner's interest in said Lot or the Neighborhood Association's interest in the Community Common Area, as applicable.

15.4 Transfer of Easements. As to the easements reserved to Declarant, together with the right to grant and transfer the same to Owners, Declarant shall convey said easements to the Owners in the same instrument conveying the interest required by an Owner by specific description or by reference in said instrument. If such description is not contained in said instrument through inadvertence, mistake or any other cause, such easements shall nevertheless be conveyed to each Owner by such instrument.

## ARTICLE XVI

### ANNEXATION OF REAL PROPERTY

16.1 Annexation. Declarant may annex any of the Annexable Property described in Exhibit "B" by any of the methods set forth hereinafter in this Article. Declarant intends to sequentially develop the Annexable Property on a phased basis. However, Declarant may elect not to develop all or any part of such real property, to annex such real property to this Declaration in increments of any size whatsoever, or to develop more than one such increment at any given time and in any given order. Moreover, Declarant reserves the right to subject this Declaration to one or more separate declarations of covenants, conditions and restrictions and to subject such property to the jurisdiction and power of a non-profit mutual benefit corporation or other entity with powers and obligations similar to the Community Association and which is not subject to the provisions of this Declaration. Although Declarant shall have the ability to annex the Annexable Property as provided in this Article, Declarant shall not be obligated to annex all or any portion of such property, and such property shall not become subject to this Declaration unless and until a Supplementary Declaration covering it has been recorded.

16.2 Annexation Without Approval. All or any part of the Annexable Property may be annexed by Declarant and become subject to this Declaration and subject to the jurisdiction of the Community Association without the approval, assent or vote of the Community Association or its Members. The issuance of a Public Report by the DPI shall be deemed to be approval by the DRE of such annexation. The Annexation of a new Phase must be effected before the fourth (4th) anniversary of the issuance of the original Public Report for the immediately preceding Phase.

16.2.1 Annexation Pursuant to Approval. If any person desires to add property other than the property described on Exhibit "B" to the plan of this Declaration and to subject such property to the jurisdiction of the Community Association, then such property may be annexed, if the vote or written assent of two-thirds (2/3) of the total votes residing in Members of the Community Association is obtained and so long as Declarant owns any of the Property or Annexable Property, the consent of Declarant is obtained. The recordation of a Supplementary Declaration shall constitute and effectuate the Annexation of said real property described therein, making said real property subject to this Declaration and subject to the functions, powers and jurisdiction of the Community Association, and thereafter said annexed real property shall be part of the Property and subject to all of the terms and provisions of this Declaration. In the event that the vote or



written assent of a certain percentage of Members is required to annex any property as provided for above, then the recordation of a Supplementary Declaration certified to by the President or Vice-President and Secretary or Assistant Secretary shall constitute and effectuate the Annexation of said real property and for the purpose of recording any such instrument, and each Owner with the exception of the Administrator of Veteran Affairs, an Officer of the United States of America, hereby grants to the President or the Vice-President and Secretary or Assistant Secretary of the Community Association an irrevocable power of attorney for and on behalf of each and every Owner in certifying, executing and recording said instrument.

**16.2.2 Covenants Running With the Land.** Declarant may transfer all or any portion of the Annexable Property to a Merchant Builder under a grant deed wherein Declarant reserves the right to annex such property and subject it to this Declaration. The restriction on the property described in Exhibit "B" wherein it may be made subject to this Declaration upon the recordation of a supplementary Declaration is hereby declared to be an equitable, servitude upon the Annexable Property in favor Of the Property subject to this Declaration and any other real property owned by Declarant in the vicinity of the Property and shall run with the land and be binding on and inure to the benefit of all parties having or acquiring any right, title or interest, in such real property.

**16.3 Supplementary Declarations.** The Annexation authorized under the foregoing Subsections shall be made by filing of record by a Supplementary Declaration of Covenants, Conditions and Restrictions, or similar instrument, executed by Declarant, with respect to the additional property which shall extend the plan of this Declaration to such property. Such Supplementary Declarations contemplated above may contain such complementary additions and modifications of the covenants, conditions and restrictions contained in this Declaration as may be necessary to reflect the different character, if any, of the annexed property and as are not inconsistent with the plan of this Declaration. The express desired intention of Declarant is to establish a cohesive plan of such covenants and servitudes to be uniformly applicable to the Redhawk Community, including those portions added thereto by annexation.

**16.4 Community Common Area.** Any portion of the property being annexed that is intended or required to be Community Common Area shall be conveyed to the Community Association prior to the close of the first sale of any Lot in any subdivision in the annexed property to an Owner, other than the Declarant or a Merchant Builder upon the annexation of any such property.

**16.5 Rights and Obligations of Owners.** After the required annexation procedures are fulfilled, all Owners in the Redhawk Community shall be entitled to the use of any Community Common Area in such annexed property, subject to the provisions of this Declaration, and Owners of such annexed property shall thereupon be subject to this Declaration. After each Annexation, the Community Assessments shall be assessed in accordance with the provisions set forth in Article VI with the annexed property being assessed for a proportionate share of the total Redhawk Common Expenses on the same basis as the other property in the Redhawk Community. Community Assessments for the year that such property is annexed shall be prorated on the basis of a three hundred and sixty (360) day year.

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



16.7 De-Annexation. Declarant may delete all or any portion of the annexed land from the coverage of this Declaration and rescind any Supplementary Declaration, provided Declarant is the sole Owner of all of the real property described in the Supplementary Declaration to be rescinded. Such deletion shall be effective upon the recordation of a "Notice of Deletion of Territory," signed by Declarant, in the same manner as the Supplementary Declaration to be rescinded was recorded.

## ARTICLE XVII

### MORTGAGEE RIGHTS

17.1 Special Mortgagee Provisions. It is anticipated that part or all of the Lots in the Redhawk Community may be financed for the Owners through Federal Agencies. The interest of the Community Association and each of the Members is and shall be subject to and subordinate to the rules, regulations and requirements of such Federal Agencies purchasing mortgages in the Redhawk Community, to the extent that their rules and regulations are approved by the DRE. As the requirements of such Federal Agencies are subject to change, if necessary, Declarant shall execute and cause to be recorded a Supplementary Declaration, incorporating such additional covenants, conditions and restrictions as are required by such Federal Agencies, approved by the DRE, affecting the properties. Notwithstanding prior acquisition of title to any portion of property in the Redhawk Community by the Community Associations any Neighborhood Association, or any Owner, such supplemental covenants, conditions and restrictions shall be binding upon all Members, the Community Association, and all Neighborhood Associations. Declarant may execute as many such Supplementary Declarations as are required to comply with such Federal Agencies requirements from time to time throughout the course of sale of the Lots. Declarant may bind the Community Association and all Owners by written consent with such Federal Agencies.

17.2 Conflict. Notwithstanding any contrary provision contained elsewhere in this Declaration or in the Community Bylaws, Community Articles or Community Association Rules, the provisions of this Article shall control with respect to the rights and obligations of Institutional Mortgagees specified herein.

17.3 Liability for Unpaid Assessments. Any Institutional Mortgagee who obtains title to a Lot pursuant to the remedies provided in the First Mortgage (except upon a voluntary conveyance to the Institutional Mortgagee) or by foreclosure of the First Mortgage, shall take the property free of any claims for unpaid assessments or charges against the Lot which accrue prior to the acquisition of title to the Lot by the Institutional Mortgagee.

17.4 Payment of Taxes and Insurance. Institutional Mortgagees may, jointly or singly, pay taxes or other charges which are in default and which may or have become a charge against any Community Common Area or Improvements thereon and may pay overdue premiums on hazard insurance policies or secure new hazard insurance coverage on the lapse of a policy for such Community Common Area. Institutional Mortgagees making such payments shall be owed immediate reimbursement for such expenditures from the Community Association and, on demand, the Community Association shall execute an agreement in favor of all Institutional Mortgagees reflecting entitlement to reimbursement.

17.5 Reserve Fund. The Community Association shall maintain as a reserve fund the Reserve Account pursuant to the Section of Article V entitled "Reserves" which shall be sufficient to pay for maintenance, repair, and periodic replacement of Community Common Area improvements which the Community Association is obligated to maintain. This reserve fund shall be funded by Regular Assessments of Owners which are payable in installments rather than by Special Assessment; provided, however, that this



provision shall not be deemed to limit the power of the Community Association to levy any other type of assessment or charge authorized by this Declaration.

17.6 Termination of Contract and Agreements.

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

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

17.7 Notice to Mortgagee Holders. A Mortgagee shall not be entitled to receive any notice which this Declaration requires the Community Association to deliver to Mortgagees unless and until such Mortgagee, or its mortgage servicing contractor, has delivered to the Community Board a written notice stating that such Mortgagee is the holder of a Mortgage encumbering a Lot within the Property (herein any Mortgagee delivering such notice shall be referred to an "Eligible Holder"). Such notice shall state which Lot or Lots are encumbered by such Mortgage, and whether such Mortgagee is a First Mortgagee. Whenever the approval of all or a specified percentage of Mortgagees is required pursuant to this Declaration, it shall be deemed to mean the vote or approval of all or a specified percentage only of those Mortgagees which have delivered such notice to the Community Board. Notwithstanding the foregoing, if any right of a Mortgagee under this Declaration is conditioned on a specific written request to the Community Association, in addition to having delivered the notice provided in this Section, a Mortgagee must also make such request, either in a separate writing delivered to the Community Association or in the notice provided above in this Section, in order to be entitled to such right. Any notice or request delivered to the Community Board by a Mortgagee shall remain effective without any further action by such Mortgagee for so long as the facts set forth in such notice or request remain unchanged. An Eligible Holder is entitled to timely written notice of:

17.7.1 Any condemnation loss or casualty loss which affects either a material portion of the Property or the Lot on which the Eligible Holder holds a First Mortgage;

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

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

17.7.4 Any proposal to take any action which requires the consent of a specified percentage of Eligible Holders; or





17.7.5 Any default by an Owner-Mortgagor of a Lot in the performance of his obligations under this Declaration or the Community Bylaws, which is not cured within sixty (60) days.

17.8 Inspection of Books and Records. Upon written request, any First Mortgagee or Institutional Mortgagee shall be entitled to inspect the books, records and financial statements of the Community Association and this Declaration, the Community Bylaws, the Community Articles and the Community Association Rules and any amendments thereto during normal business hours or under other reasonable circumstances.

17.9 Voting Rights of Mortgagees. For purposes of this Section, a Mortgagee shall be entitled to one (1) vote for each Lot encumbered by a First Mortgage owned by the Mortgagee.

17.10 Actions Requiring Mortgagee Votes. Neither the Community Association nor any Owner shall do any of the following, unless at least sixty-seven percent (67%) of the Eligible Holders have given their prior written approval:

17.10.1 By act or omission seek to abandon, partition, subdivide, encumber, sell or transfer any property or Improvements owned, directly or indirectly, by the Community Association for the benefit of the Lots and the Owners. (The granting of easements for public utilities or for other public purposes consistent with the intended use of the property by the Community Association and Owners and the conveyance of Community Common Area to the CSA and acceptance of real property from the CSA shall not be deemed a transfer within the meaning of this Subsection);

17.10.2 By act or omission change, waive or abandon any scheme of regulations, or enforcement thereof, pertaining to architectural design or exterior appearance of Lots, the exterior maintenance of Lots, the maintenance of party walls, fences or driveways, or the upkeep of lawns, plantings or other landscaping within the Redhawk Community;

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

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

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

17.11 Votes for Termination of Redhawk Community. Any election to terminate the legal status of the Property as a planned development project shall require:

17.11.1 The approval of at least fifty-one percent (51%) of the Eligible Holders if the election to terminate the legal status is a result of substantial destruction or a substantial taking in condemnation of the Property; or

17.11.2 The approval of sixty-seven percent (67%) of the total Redhawk Voting



Power and sixty-seven percent (67%) of the Eligible Holders, if subsection 17.11.1, above is not applicable.

17.12 Condemnation or Destruction. In the event a portion of the Property is either condemned or destroyed or damaged by a hazard that is insured against, restoration or repair shall be performed substantially in accordance with the provisions of this Declaration and the original plans and specifications for the Property, unless fifty-one percent (51%) of the Eligible Holders approve the taking of other action by the Community Association.

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

17.14 Distribution of Insurance and Condemnation Proceeds. No owner, or any other party, shall have priority over any right of Institutional First Mortgagees of Lots pursuant to their Mortgages in case of a distribution to Owners of Insurance proceeds or condemnation awards for losses to or a taking of units or common area. Any provision to the contrary in this Declaration or in the Community Bylaws or other documents relating to the development is to such extent void. All applicable fire and all physical loss or extended coverage insurance policies shall contain loss payable clauses acceptable to the affected institutional First Mortgagees naming the Mortgagees, as their interests may appear.

17.15 Non-Curable Breach. Any Mortgagee who acquires title to a Lot by foreclosure or by deed in lieu of foreclosure or assignment-in-lieu of foreclosure shall not be obligated to cure any breach of this Declaration that is non-curable or of a type that is not practical or feasible to cure.

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

17.17 Appearance at Meetings. Because of its financial interest in the development, any Mortgagee may appear (but cannot vote except under the circumstances set forth in section 17.10) at meetings of the Members and the Community Board to draw attention to violations of this Declaration that have not been corrected or made the subject of remedial proceedings or assessments.

17.18 Right to Furnish Information. Any Mortgagee can furnish information to the Community Board concerning the status of any Mortgage.

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



## ARTICLE XVIII

### AMENDMENT AND TERM OF DECLARATION

18.1 Amendments. Prior to the close of escrow for the sale of the first Lot subject to a Public Report issued by the DRE, Declarant may amend this Declaration with the consent of the DRE. After the sale of a Lot to an Owner under authority of a Public Report, other than Declarant or Merchant Builders, this Declaration may be amended by an instrument in writing, signed and acknowledged by the President or Vice-President and Secretary or Assistant Secretary of the Community Board after approval of the amendment at a meeting of the Community Members duly called for such purpose. The vote (in person or by proxy) or written consent of: (a) at least sixty-seven percent (67%) of the Class A votes and at least sixty-seven percent (67%) of Class B votes and (b) sixty-seven percent (67%) of the Eligible Holders (based on one vote for each Mortgage owned) shall be required to add to, amend or modify, whether for final amendment or otherwise, any material provision of this Declaration which establishes, provides for, governs or regulates any of the following subjects:

- 18.1.1 Voting;
- 18.1.2 Assessments, assessment liens, or subordination of such liens;
- 18.1.3 Reserves for maintenance, repair, and replacement of the Community  
Common Area:
- 18.1.4 Insurance or Fidelity Bonds;
- 18.1.5 Rights to use of the Community Common Area;
- 18.1.6 Responsibility for maintenance and repair of the Redhawk Community;
- 18.1.7 Expansion or contraction of the Redhawk Community or the addition,  
annexation, or withdrawal of property to or from the Redhawk Community;
- 18.1.8 Boundaries of any Lot;
- 18.1.9 Reallocation of interests in the Community Common Area;
- 18.1.10 Conversion of Lots into Community Common Area or the Community  
Common Area into Lots;
- 18.1.11 Leasing of single family residential Dwellings;
- 18.1.12 Imposition of any right of first refusal or similar restriction on the right of a  
owner to sell, transfer or otherwise convey his or her Lot;
- 18.1.13 Any provisions which are for the express benefit of Mortgagees, Eligible  
Holders, or eligible insurers or guarantors of First Mortgages on Lots;



18.1.14 A decision by the Community Association to establish self-management when professional management has been required previously by an Eligible Holder;

18.1.15 Any action to terminate the legal status of the Redhawk Community after substantial damage or destruction occurs; or

18.1.16 Restoration or repair of the Redhawk Community (after a hazard damage or partial condemnation) in a manner other than that specified in this Declaration.

An addition or amendment to this Declaration shall not be considered material if it is for the purposes of correcting technical errors or for clarification only. If an addition or amendment is not deemed to be material, any Eligible Holder who received a written request to approve additions or amendments who does not respond within thirty (30) days, shall be deemed to have approved such addition or amendment. Notwithstanding the foregoing, the percentage of a quorum or the voting power of the Community Association or of Members other than the Declarant necessary to amend a special clause or provision of this Declaration shall not be less than the prescribed percentage of affirmative votes required for action to be taken under this clause or provision. An amendment or modification shall be effective when executed by the President or Vice-President and Secretary or Assistant Secretary of the Community Association who shall certify that the amendment or modification has been approved as herein above provided, and shall record the amendment in the Official Records of Riverside County, California. For the purpose of recording such instrument, each Owner, with the exception of the Administrator of Veteran Affairs, an Officer of the United States of America, hereby grants to the President or Vice-President and Secretary or Assistant Secretary of the Community Association an irrevocable power of attorney to act for and on behalf of each and every Owner in certifying, executing and recording said instrument, notwithstanding anything to the contrary contained herein, in no event may any of Declarant's rights or privileges under the Community Articles, Community Bylaws or this Declaration be terminated, altered or amended without Declarant's prior written consent.

18.2 Term. The covenants, conditions and restrictions of this Declaration shall run with and bind the Property and shall inure to the benefit of and be enforceable by the Community Association or any Member, their respective legal representatives heirs, successors and assigns, for a term of sixty (60) years from the date this Declaration is recorded, after which time said covenants, conditions and restrictions shall be automatically extended for a successive period of ten (10) years, unless an instrument, signed by a majority of the then Members has been recorded, at least one (1) year prior to the end of any such period agreeing to change said covenants, conditions and restrictions in whole or in part. After said initial term, this Declaration may be terminated by the written assent of seventy-five (75%) of all of the Owners of Lots.

## ARTICLE XIX

### MISCELLANEOUS

#### 19.1 Enforcement.

19.1.1 Rights of Enforcement. The Community Association or any Owner shall have a right of action against any Owner, and any owner shall have a right of action against the Community Association, to enforce by proceedings at law or in equity, all restrictions, conditions, covenants and reservations, now or hereafter imposed by the provisions of this Declaration or any amendment thereto, including the right to prevent the violation of such restrictions, conditions, covenants, or reservations and the right to recover damages or other dues for such violation except that Owners shall not have any right of enforcement concerning Community Assessment liens. The Community Association or any owner shall also



have the right to enforce by proceedings at law or in equity the provisions of the Community Articles or Community Bylaws and any amendments thereto. The Community Association shall have the exclusive right to the enforcement of provisions relating to architectural control and the Community Association Rules, unless the Community Association refuses or is unable to effectuate such enforcement, in which case any owner who otherwise has standing shall have the right to undertake such enforcement.

19.1.2 Disputes Between Community Association and Declarant. Any controversy, dispute, or claim whatsoever between the Community Association and Declarant arising out of or concerning the interpretation, performance or breach of any of the provisions of this Declaration, including, without limitation, the validity, scope and enforceability of provisions shall be determined, at the request of either party, by a general reference conducted by a judge pro tem appointed pursuant to the provisions of California Code of Civil Procedure Section 638(1) et. seq. who shall be a retired judge of the Superior Court of the State of California. This general reference provision is intended to be specifically enforceable in accordance with such Section 638(1). If the parties cannot agree upon a referee, one shall be appointed by the Presiding Judge of the Riverside County Superior Court from among that Court's list of retired judges of the Superior Court.

19.1.3 Disputes Between Community Association and Owners. Any controversy, dispute, or claim whatsoever between the Community Association and any Owner other than Declarant arising out of or concerning the interpretation, performance or breach of any of the provisions of this Declaration, including, without limitation, the validity, scope and enforceability of this arbitration provision, shall be settled, at the request of either party, by arbitration conducted in the County of Riverside in accordance with the then existing rules for commercial arbitration of the American Arbitration Association, and judgment upon any award rendered by the arbitrator may be entered by any State or Federal Court having jurisdiction thereof. Such matters shall be submitted to one (1) arbitrator who shall be a retired judge of the California Superior Court. If the parties cannot agree upon an arbitrator, one shall be appointed by the Presiding Judge of the Riverside County Superior Court from among that Court's list of retired judges of the Superior Court.

19.1.4 Revocation of Dispute Resolution Procedures. Either or both of the two preceding subsections may be terminated, and shall be of no further effect concerning controversies, disputes, or claims which arise after such termination, if within ninety (90) days after a majority of the members of the Community Board have been elected for the first time by members other than Declarant, such termination is approved by (a) a majority of the Community Board, and (b) a majority vote of the members other than Declarant. Notwithstanding the provisions of Articles hereof entitled "Amendments and Term of Declaration" and "Mortgagee Rights", an amendment to this Declaration concerning such termination may be recorded in the Office of the County Recorder of Riverside County without the approval of any other persona, including, without limitation, the Declarant or Eligible Mortgage Holders, if such amendment is recorded with a certificate of the President and Secretary attached thereto certifying that the approval of the Community Board and of the members other than Declarant required by this subsection has been obtained within the time period specified herein.

19.2 Equitable Servitudes. The provisions of this Community Declaration shall be deemed covenants, conditions and restrictions and equitable servitudes, which may be enforced by any Owner, a Neighborhood Board, or the Community Board, and which shall be liberally construed to effectuate the purpose of Declarant creating a uniform plan for the development and operation of the Redhawk Community. In the event of a default in the performance of any of the provisions of this Community Declaration, the Community Articles, the Community Bylaws or the Community Association Rules or the failure of any Owner to comply with this Community Declaration, the Community Articles, or Community Bylaws, such default or failure may be resolved by all appropriate legal proceedings including but not limited to by injunction, abatement of nuisance and damages.



19.3 Severability. In the event that any phrase, clause, sentence, paragraph, section, article or other portion of this Declaration shall become illegal, null or void or against public policy, for any reason, or shall be held by any court of competent jurisdiction to be illegal, null or void or against public policy, the remaining portions of this Declaration shall not be affected thereby and shall remain in full force and effect.

19.4 Construction. The provisions of this 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 Redhawk Community. The Article and Section headings have been inserted for convenience only, and shall not be considered or referred to in resolving questions or interpretation or construction.

19.5 Singular Includes plural. Whenever the context of this Declaration requires same, the singular shall include the plural and the masculine shall include the feminine.

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

19.7 No Waiver. Failure by the Community Association or by any Member to enforce any provision of the Master Management Documents in any certain instance or on any particular occasion shall not be deemed a waiver of such right on any such future breach of the same or any other such provision.

19.8 Cumulative Remedies. All rights, options and remedies of Declarant, the Community Association, the Owners, Members or Mortgagees under this Declaration are cumulative, and no one of them shall be exclusive of any other. Declarant, the Community Association, the Owners, Members and the Mortgagees shall have the right to pursue any one or all of the such rights, options and remedies or any other remedy or relief which may be provided by law, whether or not stated in this Declaration.

19.9 Attorneys' Fees. In the event action is instituted to enforce any of the provisions contained in this Declaration, the party prevailing in such action shall be entitled to recover from the other party thereto as part of the judgment, reasonable attorneys' fees and costs of such suit. In the event the Community Association is a prevailing party in such action, the amount of such attorneys' fees and costs shall be an Enforcement Assessment with respect to the Lot involved in the action.

19.10 Exhibits and Schedules. All exhibits and schedules attached hereto are hereby incorporated into this Declaration.

19.11 Notices. Any notice to be given to an Owner or a Mortgagee or mortgage servicing contractor under the provisions of this Declaration shall be in writing and may be delivered as follows:

19.11.1 Notice to an owner shall be deemed to have been properly delivered when delivered personally or placed in the first class United States mail, postage prepaid, to the most recent address furnished by such Owner in writing to the Community Association for the purpose of giving notice, or if no such address shall have been furnished, then to the street address of such Owner's Lot. Any notice deposited in the mail within Riverside County, California, shall be deemed delivered forty-eight (48) hours after such deposit. In the case of Co-Owners, any such notice may be delivered or sent to any one of the Co-



Owners on behalf of all Co-Owners and shall be deemed delivery on all such Co-Owners.

19.11.2 Notice to a Mortgagee or its mortgage servicing contractor shall be deemed to have been properly delivered when placed in the first class United States mail, postage prepaid, to the address furnished to the Community Association by such Mortgagee or such contractor for purposes of notice or, if no such address is furnished, to any office of the Mortgagee in Riverside County, California or, if no such office located in said County, to any office of such Mortgagee.

19.12 Obligations of Declarant Declarant shall not be subject to the provisions of the Article entitled "Architectural Control" and neither Declarant nor the Merchant Builders shall be subject to the provisions of the Article entitled "Use Restrictions."

19.13 Conflicts Between Master Management Documents. In the event of a conflict between any provisions of any of the Master Management Documents with the provisions of another Master Management Document, the provisions of the Controlling Document named below in the first column shall be deemed to supersede the provisions of the Subordinate Document or Documents named below in the second column to the extent of any such conflict.

CONTROLLING DOCUMENTS

- (a) Declaration
- (b) Community Articles
- (c) Community Bylaws

SUBORDINATE DOCUMENTS

Community Articles, Community Bylaws, Architectural Standards and Design Guidelines and Community Association Rules

Community Bylaws, Architectural Standards and Design Guidelines, and Community Association Rules

Architectural Standards and Design Guidelines, and Community Association Rules

19.14 Conflicts Between Master Management Documents and Neighborhood Association Documents. In the event of any conflict between the Master Management Documents and any provisions of the articles, bylaws, Neighborhood Declaration, architectural standards and design guidelines and rules and regulations of a Neighborhood Association, the Master Management Documents shall be deemed to supersede such Neighborhood Association documents to the extent of such conflict.

19.15 Effect of Declaration. This Declaration is made with the intent to establish a general scheme for the use, occupancy and enjoyment of the Property and each and every Lot and portion thereof. Declarant makes no warranties or representations, express or implied, as to the binding effect or enforceability of all or any portion of this Declaration, or as to the compliance of any of these provisions with public laws, ordinances and regulations applicable thereto.

19.16 Transfers Subject to Declaration. The grant deed conveying any Lot from a Builder shall provide that the Lot is conveyed subject to this Declaration.



19.17 FHA/VA Approval. After the first sale of a Lot to an owner, other than Declarant or Merchant Builders, and for so long as there is a Class B Membership, the following actions will require the prior approval of the Federal Housing Administration and the Veterans Administration:

- 19.17.1 Dedication or other transfer of any portion of the Community Common Area;
- 19.17.2 A merger or consolidation or dissolution of the Community Association
- 19.17.3 Establishment of any right of first refusal in the Community Association to purchase or lease a Lot; and
- 19.17.4 Any amendment or modification of this Declaration pursuant to the Section of this Article entitled "Amendments";
- 19.17.5 Imposition of any Capital Improvement Assessments; and
- 19.17.6 Any annexation or deannexation of the Annexable Property.

19.18 Non-liability of Officials. To the fullest extent permitted by law, neither the Community Board, the Architectural Committee and other committees of the Community Association or any member of such Community Board or committee shall be liable to any member of the Community 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 Community Board, committees or persons reasonably believed to be the scope of their duties.

19.19 Golf Course Liabilities. By accepting the deed to a Lot, each Owner, for himself and his invitees, personal representatives, assigns, heirs and next of kin (collectively, the "Owner's Related Parties") hereby (a) acknowledges the potential effect on his Lot and Improvements of stray golf balls and other event inherent to the activities of the Golf Course within the Redhawk Project (the "Golf Course Hazards"), (b) assumes the risk of any property damage, personal injury and/or creation or maintenance of a trespass or nuisance created by or arising in connection with the Golf Course Hazards (collectively the "Assumed Risks") and (c) releases, waives, discharges, covenants not to sue, indemnifies and agrees to hold harmless Declarant, the Community Association, the Community Board, the other members, and each of their respective officers, directors, shareholders, affiliates, successors and assigns, (collectively, the "Released Parties"), and each of them, from any and all liability to the owner or owner's Related Parties for any losses, costs (including, without limitation, attorneys' fees), claims, demands, suits, judgments or other obligations arising out of or connected with any of the Assumed Risks whether caused by the negligence of the Released Parties or otherwise. Each owner, by acceptance of a deed, acknowledges that the Golf Course is a privately owned Golf Course and the Community Association has no obligation or right to regulate or control the Golf Course. Each Owner, by acceptance of a deed, further acknowledges and agrees that Declarant, in making any reference to a Golf Course herein, makes no warranties or representations that a Golf Course will be a part of the Redhawk Project or that, if installed, a Golf Course will continue to be maintained and operated within any portion of the Redhawk Project.

19.20 Violation of Law. Any violation of any state, municipal or local law, ordinance or regulation pertaining to the ownership, occupation or use of any portion of the Property is hereby declared to be a violation of this Declaration and subject to any and all of the enforcement procedures herein set forth.





19.21 County of Riverside Requirements. The provisions set forth below have been inserted into this Declaration verbatim pursuant to the requirements of the County:

Notwithstanding any provision in this Declaration to the contrary, the following provision shall apply:

The property owners' association established herein shall, if dormant, be activated, by incorporation or otherwise, at the request of the County of Riverside, and the property owners' association shall unconditionally accept from the County of Riverside, upon the County's demand, title to all or any part of the CSA Maintenance Area. References to "CSA Maintenance Area" shall refer to the CSA Maintenance Area more particularly described on Exhibit "F" attached hereto and any real property described as CSA Maintenance Area on a supplementary Declaration. The decision to require activation of the property owners' association and the decision to require that the association unconditionally accept title to the "CSA Maintenance Area" shall be at the sole discretion of the County of Riverside.

In the event that the CSA Maintenance Area, or any part thereof, is conveyed to the property owners' association, the association, thereafter shall own such "CSA Maintenance Area", shall manage and continuously maintain such "CSA Maintenance Area" and shall not sell or transfer such "CSA Maintenance Area", or any part thereof, absent the prior written consent of the Planning Director of the County of Riverside or the County's successor-in-interest. The property owners' association shall have the right to assess the owners of each individual lot or unit for the reasonable cost of maintaining such "CSA Maintenance Area", and shall have the right to lien the property of any such owner who defaults in the payment of a maintenance assessment. An assessment lien, once created, shall be prior to all other liens recorded subsequent to the notice of assessment or other document creating the assessment lien.

This Declaration shall not be terminated, "substantially" amended or property deannexed therefrom absent the prior written consent of the Planning Director of the County of Riverside or the County's successor-in-interest. A proposed amendment shall be considered "substantial" if it affects the extent, usage or maintenance of the "CSA Maintenance Area".

In the event of any conflict between this Declaration and the Articles of Incorporation, the Bylaws, of the property owners' association Rules and Regulations, if any, this Declaration shall control"

As used in said provision, the term "property owners' association" shall mean the Community Association and the term "association" shall mean the Community Association. The provision set forth below refers to a "dormant owners association". As set forth in this Declaration, there will be no dormant owners association. However, pursuant to the provisions of the Section of Article VIII entitled "Expansion of Community Common Area", and this Section, the Community Association will be obligated to accept the transfer of any CSA Maintenance Area by the CSA or the County of Riverside to the Community Association.

19.22 Governing Law. This Declaration shall be governed by and construed under the laws of the State of California.



IN WITNESS WHEREOF, Declarant has executed this instrument as of the day and year first herein above written.

The Redhawk Community Association,  
a California Non-Profit Mutual Benefit Corporation

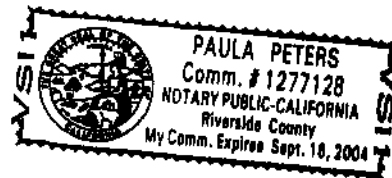
By [Signature] Date 1/29/02  
Its President

STATE OF CALIFORNIA     )  
                                      )  
COUNTY OF RIVERSIDE    )

On 1/29, 2002, before me Paula Peters, personally  
appeared Paul Runkle, personally known to me (or proved to me on  
the basis of satisfactory evidence) to be the person whose name is subscribed to the within instrument  
and acknowledged to me that he executed the same in his authorized capacity, and that by his signature  
on the instrument the person, or the entity upon behalf of which the person acted, executed the  
instrument.

WITNESS my hand and official seal.

Paula Peters



IN WITNESS WHEREOF, Declarant has executed this instrument as of the day and year first herein above written.

The Redhawk Community Association,  
a California Non-Profit Mutual Benefit Corporation

By George Tsotsos Date 1-29-2002  
Its SECRETARY

STATE OF CALIFORNIA     )  
  )  
COUNTY OF RIVERSIDE    )

On 1/29/, 2002, before me Paula Peters, personally appeared George Tsotsos, personally known to me (or proved to me on the basis of satisfactory evidence) to be the person whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his authorized capacity, and that by his signature on the instrument the person, or the entity upon behalf of which the person acted, executed the instrument.

WITNESS my hand and official seal.

Paula Peters



## LIST OF EXHIBITS

Exhibit "A".....Description of Real Property  
Exhibit "B".....Annexable Property  
Exhibit "C".....Public Use Areas  
Exhibit "D".....Slope Maintenance Easements  
Exhibit "E".....Exempt Custom Home Lots  
Exhibit "F".....Proposed CSA Maintenance Areas



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EXHIBIT "A"

Description of Real Property

PARCEL 9, INCLUSIVE OF PARCEL MAP NO. 24332, ON FILE IN BOOK 156,  
PAGES 98 THROUGH 103, INCLUSIVE OF PARCEL MAPS, RECORDS OF  
RIVERSIDE COUNTY, CALIFORNIA.

EXHIBIT "A"



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EXHIBIT "B"

ANNEXABLE PROPERTY

PARCEL 1:

PARCELS 1 THROUGH 8, INCLUSIVE OF PARCEL MAP NO. 24332, ON FILE IN BOOK 156, PAGES 98 THROUGH 103 INCLUSIVE OF PARCEL MAPS, RECORDS OF RIVERSIDE COUNTY, CALIFORNIA.

PARCEL 2:

THAT PORTION OF THE RANCHO PAUBA IN THE COUNTY OF RIVERSIDE, STATE OF CALIFORNIA, AS SAID RANCHO WAS PATENTED TO LUIS VIGNES BY PATENT RECORDED IN BOOK 1 PAGE 45 OF PATENTS, RECORDS OF SAN DIEGO COUNTY, CALIFORNIA; AND

THOSE PORTIONS OF THE LITTLE TEMECULA RANCHO, IN THE COUNTY OF RIVERSIDE, STATE OF CALIFORNIA, AS SHOWN BY MAP OF PARTITION OF SAID RANCHO ON FILE IN THE OFFICE OF THE COUNTY CLERK OF SAN DIEGO COUNTY, CALIFORNIA;

TOGETHER WITH PORTIONS OF SECTIONS 21, 22, 27 AND 28 OF TOWNSHIP 8 SOUTH, RANGE 2 WEST, SAN BERNARDINO BASE AND MERIDIAN, IN SAID COUNTY AND STATE ACCORDING TO THE OFFICIAL PLAT THEREOF, DESCRIBED AS FOLLOWS:

BEGINNING AT THE INTERSECTION OF THE EAST LINE OF THE NORTHWEST QUARTER OF SAID SECTION 22 WITH THE SOUTHEAST LINE OF LITTLE TEMECULA RANCHO;  
THENCE SOUTH 00 DEGREES 54' 13" WEST A DISTANCE OF 21.26 FEET, ALONG SAID EAST LINE TO THAT CERTAIN NON-TANGENT CURVE OF THE CENTERLINE OF EL CHIMISAL ROAD, CONCAVE SOUTHWESTERLY, OF 1,600.00 FEET RADIUS;  
THENCE NORTHWESTERLY, ALONG SAID CURVE, THROUGH A CENTRAL ANGLE OF 7 DEGREES 03' 02" AN ARC LENGTH OF 196.89 FEET;  
THENCE NORTH 72 DEGREES 20' 35" WEST, 453.79 FEET TO THE CENTERLINE OF MACHO ROAD ALSO BEING THE MOST SOUTHERLY ANGLE POINT OF THE LAND DESCRIBED IN THE DEED OF A. O. STEFFEY, ET AL, RECORDED SEPTEMBER 20, 1968 AS INSTRUMENT NO. 90677 OF OFFICIAL RECORDS OF RIVERSIDE COUNTY, CALIFORNIA, TO THE TRUE POINT OF BEGINNING; THENCE NORTHWESTERLY ON THE SOUTHWEST LINE OF SAID LAND, FOLLOWING THE COURSES THEREOF; TO THE SOUTH LINE OF THE LAND DESCRIBED IN THE EXCEPTION TO THE DEED TO RANCHO CALIFORNIA, RECORDED NOVEMBER 8, 1968 AS INSTRUMENT NO. 107465 OF OFFICIAL RECORDS OF RIVERSIDE COUNTY, CALIFORNIA; ALSO BEING THE EASTERLY BOUNDARY OF PARCEL MAP 18993 ON FILE IN BOOK 134 PAGES 13 THROUGH 18, INCLUSIVE, OF PARCEL MAPS, RECORDS OF RIVERSIDE COUNTY, CALIFORNIA; THENCE WESTERLY,

EXHIBIT "B"



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SOUTHERLY, EASTERLY, SOUTHERLY, AND WESTERLY ON THE SOUTH LINE OF SAID EXCEPTION AND SAID PARCEL MAP FOLLOWING THE COURSES THEREOF TO THE NORTHEAST LINE OF THE LAND DESCRIBED IN THE DEEDS TO JOHN A. MURDY, JR., RECORDED DECEMBER 30, 1966 AS INSTRUMENT NOS. 123991 AND 123992 BOTH OF OFFICIAL RECORDS OF RIVERSIDE COUNTY, CALIFORNIA;

THENCE ON THE NORTHEAST AND SOUTHEAST LINES OF LAST SAID LAND, FOLLOWING THE COURSES THEREOF TO THE CENTERLINE OF PALA ROAD;

THENCE SOUTH 44 DEGREES 48' 57" EAST, ON SAID CENTERLINE TO AN ANGLE POINT THEREIN;

THENCE SOUTH 43 DEGREES 00' 51" EAST, 520.48 FEET ON SAID CENTERLINE TO THE SOUTH LINE OF THE NORTHEAST QUARTER OF THE SOUTHWEST QUARTER OF SAID SECTION 28;

THENCE NORTH 89 DEGREES 48' 05" EAST, 2,034.76 FEET TO THE SOUTHEAST CORNER OF THE NORTHWEST QUARTER OF THE SOUTHEAST QUARTER OF SAID SECTION;

THENCE AND ALONG THE SUBDIVISION LINES OF SAID SECTION, THE FOLLOWING FOUR COURSES;

NORTH 0 DEGREES 39' 47" EAST, 1,335.51 FEET;

THENCE SOUTH 89 DEGREES 19' 53" EAST, 1,319.74 FEET;

THENCE NORTH 0 DEGREES 20' 32" WEST, 1,308.53 FEET AND SOUTH 89 DEGREES 34' 29" EAST, 1,315.46 FEET TO THE SOUTHWEST CORNER OF THE NORTHWEST QUARTER OF THE NORTHWEST QUARTER OF SAID SECTION 27;

THENCE ON THE SOUTH, EAST AND NORTH LINES OF SAID NORTHWEST QUARTER OF THE NORTHWEST QUARTER TO THE COMMON CORNER OF SAID SECTIONS 21, 22, 27 AND 28;

THENCE NORTH 0 DEGREES 13' 54" WEST, 1,683.87 FEET ON THE EAST LINE OF SAID SECTION 21 TO THE SOUTHEAST LINE OF SAID LITTLE TEMECULA RANCHO;

THENCE NORTH 53 DEGREES 07' 30" WEST, 1,510.27 FEET ON SAID SOUTHEAST LINE TO THE EAST-WEST CENTERLINE OF SAID SECTION 22;

THENCE SOUTH 88 DEGREES 20' 18" EAST, ON SAID CENTERLINE TO THE SOUTHEAST CORNER OF GOVERNMENT LOT 3 OF SAID SECTION 22;

THENCE NORTHERLY ON THE EAST LINE OF SAID GOVERNMENT LOT 3 TO SAID NON-TANGENT 1600.00 FOOT RADIUS CURVE OF THE CENTERLINE OF EL CHIMISAL ROAD, CONCAVE SOUTHWESTERLY, A RADIAL TO SAID POINT BEARS NORTH 24 DEGREES 42' 27" EAST;

THENCE SOUTHERLY ALONG SAID CURVE TO THE INTERSECTION WITH THE SOUTHWEST LINE OF SAID RANCHO PAUBA, ALSO BEING A POINT ON THE WESTERLY LINE OF THAT CERTAIN PARCEL QUITCLAIMED TO KATE HAGGERTY AS TRUSTEE (BARLEY FIELD PARCEL, PARCEL 2) BY DEED RECORDED JULY 29, 1975 AS INSTRUMENT NO. 91285 OF OFFICIAL RECORDS OF RIVERSIDE COUNTY, CALIFORNIA;

THENCE NORTH 46 DEGREES 45' 26" WEST, ALONG THE SAID WESTERLY LINE TO THE MOST WESTERLY CORNER OF SAID HAGGERTY PARCEL;

THENCE ALONG THE NORTHERLY LINE OF SAID HAGGERTY PARCEL;

THE FOLLOWING BEARINGS AND DISTANCES;

THENCE NORTH 43 DEGREES 58' 00" EAST, 773.26 FEET;

THENCE NORTH 73 DEGREES 10' 43" EAST, 449.22 FEET;

THENCE NORTH 29 DEGREES 36' 32" WEST, 1305.47 FEET;

THENCE NORTH 39 DEGREES 54' 22" EAST, 2190.07 FEET;

THENCE NORTH 50 DEGREES 34' 20" EAST, 582.58 FEET;

THENCE NORTH 71 DEGREES 59' 45" EAST, 1051.49 FEET;

EXHIBIT "B" CONTINUED



THENCE NORTH 11 DEGREES 05' 22" WEST, 1273.78 FEET;  
THENCE NORTH 71 DEGREES 11' 43" EAST, 3092.94 FEET TO THE MOST  
NORTHERLY CORNER OF SAID HAGGERTY PARCEL;  
THENCE NORTH 23 DEGREES 52' 02" WEST, 140.00 FEET TO THE  
BEGINNING OF A CURVE CONCAVE EASTERLY HAVING A RADIUS OF 1200  
FEET; THENCE NORTHERLY ALONG SAID CURVE THROUGH A CENTRAL  
ANGLE OF 16 DEGREES 31' 51" A LENGTH OF 346.22 FEET; TO THE  
SOUTH LINE OF PARCEL MAP NO. 6428 ON FILE IN BOOK 20 PAGES 70  
THROUGH 73, INCLUSIVE, OF PARCEL MAPS, RECORDS OF RIVERSIDE  
COUNTY, CALIFORNIA; THENCE SOUTH 70 DEGREES 45' 00" WEST,  
ALONG SAID SOUTH LINE, 3539.42 FEET, TO THE BEGINNING OF A  
CURVE CONCAVE NORTHERLY, HAVING A RADIUS OF 4200 FEET;  
THENCE WESTERLY ALONG SAID CURVE AND SAID SOUTHERLY LINE  
THROUGH A CENTRAL ANGLE OF 10 DEGREES 54' 22" AN ARC LENGTH OF  
799.46 FEET;  
THENCE SOUTH 81 DEGREES 39' 22" WEST, ALONG SAID SOUTHERLY  
LINE 2497.32 FEET TO THE BEGINNING OF A TANGENT 3000.00 FOOT  
RADIUS CURVE, CONCAVE SOUTHERLY;  
THENCE ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 1 DEGREES  
24' 38" AN ARC LENGTH OF 73.86 FEET TO THE SOUTHWEST CORNER OF  
PARCEL 11 OF SAID PARCEL MAP, ALSO BEING A POINT ON THE  
CENTERLINE OF BUTTERFIELD STAGE ROAD (110 FEET WIDE);  
THENCE ALONG THE CENTERLINE OF SAID BUTTERFIELD STAGE ROAD THE  
FOLLOWING BEARINGS, CURVES AND DISTANCES;  
SOUTH 22 DEGREES 56' 22" EAST, 295.46 FEET TO THE BEGINNING OF  
A CURVE CONCAVE NORTHEASTERLY HAVING A RADIUS OF 2000 FEET;  
THENCE ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 26 DEGREES  
25' 47" AN ARC LENGTH OF 922.57 FEET;  
THENCE SOUTH 49 DEGREES 22' 09" EAST, 1312.59 FEET TO THE  
CENTERLINE OF MACHO ROAD;  
THENCE ALONG THE CENTERLINE OF SAID MACHO ROAD, THE FOLLOWING  
BEARINGS, CURVES AND DISTANCES;  
THENCE SOUTH 40 DEGREES 37' 51" WEST, 1442.47 FEET TO THE  
BEGINNING OF A CURVE CONCAVE EASTERLY HAVING A RADIUS OF 2000  
FEET;  
THENCE ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 22 DEGREES  
58' 26" AN ARC LENGTH OF 801.94 FEET;  
THENCE SOUTH 17 DEGREES 39' 25" WEST, 1150.43 FEET TO THE TRUE  
POINT OF BEGINNING;  
EXCEPTING THEREFROM THAT PORTION DESCRIBED AS FOLLOWS:  
BEGINNING AT THE INTERSECTION OF SAID NORTHEAST LINE OF  
MURDY'S LAND WITH THE CENTERLINE OF MARGARITA ROAD;  
THENCE ALONG SAID NORTHEAST LINE OF MURDY'S LAND SOUTH 35  
DEGREES 26' 16" EAST A DISTANCE OF 709.90 FEET TO THE TRUE  
POINT OF BEGINNING;  
THENCE CONTINUING ALONG SAID NORTHEAST LINE THE FOLLOWING  
COURSES;  
THENCE SOUTH 35 DEGREES 26' 16" EAST A DISTANCE OF 180.00  
FEET;

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THENCE SOUTH 45 DEGREES 32' 22" EAST A DISTANCE OF 265.00 FEET;  
THENCE LEAVING SAID NORTHEAST LINE NORTH 45 DEGREES 48' 16" EAST A DISTANCE OF 415.45 FEET;  
THENCE NORTH 41 DEGREES 19' 56" WEST A DISTANCE OF 442.14 FEET;  
THENCE SOUTH 45 DEGREES 58' 31" WEST A DISTANCE OF 416.34 FEET TO THE TRUE POINT OF BEGINNING;

ALSO EXCEPTING THEREFROM THAT PORTION CONVEYED TO THE STATE OF CALIFORNIA BY DEED RECORDED SEPTEMBER 19, 1975 AS INSTRUMENT NO. 115262 OF OFFICIAL RECORDS OF RIVERSIDE COUNTY, CALIFORNIA;

ALSO EXCEPTING THEREFROM PARCELS 1 THROUGH 9, INCLUSIVE OF PARCEL MAP NO. 24332, ON FILE IN BOOK 156, PAGES 98 THROUGH 103, INCLUSIVE OF PARCEL MAPS, RECORDS OF RIVERSIDE COUNTY, CALIFORNIA.

**PARCEL 3:**

THAT PORTION OF THE RANCHO PAUBA IN THE COUNTY OF RIVERSIDE, STATE OF CALIFORNIA, AS SAID RANCHO WAS PATENTED TO LUIS VIGNES BY PATENT RECORDED IN BOOK 1 PAGE 45 OF PATENTS, RECORDS OF SAN DIEGO COUNTY, CALIFORNIA; AND

THOSE PORTIONS OF THE LITTLE TEMECULA RANCHO, IN THE COUNTY OF RIVERSIDE, STATE OF CALIFORNIA, AS SHOWN BY MAP OF PARTITION OF SAID RANCHO ON FILE IN THE OFFICE OF THE COUNTY CLERK OF SAN DIEGO COUNTY, CALIFORNIA; AND

TOGETHER WITH PORTIONS OF SECTIONS 21, 22, 27 AND 28 OF TOWNSHIP 8 SOUTH, RANGE 2 WEST, SAN BERNARDINO BASE AND MERIDIAN, IN SAID COUNTY AND STATE ACCORDING TO THE OFFICIAL PLAT THEREOF, ALL DESCRIBED IN CORPORATION GRANT DEED RECORDED APRIL 24, 1987 AS INSTRUMENT NO. 114479 IN THE OFFICE OF THE RECORDER OF RIVERSIDE COUNTY, STATE OF CALIFORNIA, TOGETHER WITH THAT PORTION OF LAND AS DESCRIBED IN CORPORATION GRANT DEED RECORDED NOVEMBER 8, 1988 AS INSTRUMENT NO. 327215 IN THE OFFICE OF THE SAID RECORDER OF SAID RIVERSIDE COUNTY, MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT THE SOUTHERLY TERMINUS OF THAT CURVE AS DESCRIBED IN SAID INSTRUMENT NO. 327215 HAVING A RADIUS OF 1200.00 FEET, A CENTRAL ANGLE OF 62° 09' 55", AND AN ARC LENGTH OF 1,301.98 FEET;

THENCE, TANGENT TO SAID CURVE SOUTH 05° 57' 12" WEST, 62.49 FEET;

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THENCE, SOUTH 84° 01' 58" EAST, 152.23 FEET TO A POINT ON THE CENTERLINE OF WOLF VALLEY LOOP, 100.00 FEET IN WIDTH, PER DEED RECORDED JANUARY 13, 1989 AS INSTRUMENT NO. 12336 AND PER DEED RECORDED FEBRUARY 10, 1989 AS INSTRUMENT NO. 44240, IN SAID OFFICE OF THE COUNTY RECORDER OF RIVERSIDE COUNTY, SAID POINT BEING ON A CURVE CONCAVE SOUTHEASTERLY AND HAVING A RADIUS OF 1000.00 FEET, A RADIAL BEARING TO SAID POINT ON CURVE BEING NORTH 44° 54' 18" WEST;

THENCE, NORTHEASTERLY ALONG SAID CURVE AND SAID CENTERLINE THROUGH A CENTRAL ANGLE OF 06° 18' 25" AN ARC LENGTH OF 110.08 FEET;

THENCE, LEAVING SAID CENTERLINE RADIAL TO SAID CURVE NORTH 38° 35' 53" WEST, 160.53 FEET TO THE BEGINNING OF A CURVE CONCAVE EASTERLY AND HAVING A RADIUS OF 630.00 FEET;

THENCE, NORTHERLY ALONG SAID CURVE THROUGH A CENTRAL ANGEL OF 17° 13' 56", AN ARC LENGTH OF 189.48 FEET;

THENCE, TANGENT TO SAID CURVE NORTH 21° 21' 57" WEST, 297.87 FEET THE INTERSECTION WITH THE WESTERLY LINE OF SAID LAND DESCRIBED IN INSTRUMENT NO. 327215, SAID POINT ALSO BEING ON THE CUSP OF A TANGENT CURVE CONCAVE WESTERLY AND HAVING A RADIUS OF 1200.00 FEET;

THENCE, SOUTHERLY ALONG SAID CURVE AND THE WESTERLY LINE OF SAID LAND DESCRIBED IN INSTRUMENT NO. 327215 THROUGH A CENTRAL ANGLE OF 27° 19' 09" AN ARC LENGTH OF 572.17 FEET TO THE POINT OF BEGINNING. SAID LEGAL DESCRIPTION IS IN COMPLIANCE WITH LOT LINE ADJUSTMENT NO. 2901 APPROVED BY THE RIVERSIDE COUNTY PLANNING DEPARTMENT ON MAY 12, 1989.

**PARCEL 4:**

THAT PORTION OF THE RANCHO PAUBA IN THE COUNTY OF RIVERSIDE, STATE OF CALIFORNIA, AS SAID RANCHO WAS PATENTED TO LUIS VIGNES BY PATENT RECORDED IN BOOK 1 AND PAGE 45 OF PATENTS, RECORDS OF SAN DIEGO COUNTY, CALIFORNIA; AND

THOSE PORTIONS OF THE LITTLE TEMECULA RANCHO, IN THE COUNTY OF RIVERSIDE, STATE OF CALIFORNIA, AS SHOWN BY MAP OF PARTITION OF SAID RANCHO ON FILE IN THE OFFICE OF THE COUNTY CLERK OF SAN DIEGO COUNTY, CALIFORNIA; AND

TOGETHER WITH PORTIONS OF SECTIONS 21, 22, 27 AND 28 OF TOWNSHIP 8 SOUTH, RANGE 2 WEST, SAN BERNARDINO BASE AND MERIDIAN, IN SAID COUNTY AND STATE ACCORDING TO THE OFFICIAL PLAT THEREOF, ALL BEING DESCRIBED BY CORPORATION GRANT DEED RECORDED APRIL 24, 1987 AS INSTRUMENT NO. 114479 IN THE OFFICE OF THE RECORDER OF RIVERSIDE COUNTY, CALIFORNIA. EXCEPTING THAT PORTION DESCRIBED AS FOLLOWS:

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BEGINNING AT THE NORTHERLY TERMINUS OF A CURVE HAVING A RADIUS OF 2000.00 FEET, A CENTRAL ANGLE OF 22° 58' 26" AND AN ARC LENGTH OF 801.94 FEET, AS DESCRIBED IN SAID CORPORATION GRANT DEED, INSTRUMENT NO. 114479;

THENCE TANGENT ALONG THE NORTHWESTERLY LINE OF THE PARCEL OF LAND AS DESCRIBED IN SAID CORPORATION GRANT DEED, INSTRUMENT NO. 114479, NORTH 40° 36' 32" EAST, 558.18 FEET TO A POINT ON THE CENTERLINE OF MACHO ROAD, 88.00 FEET IN WIDTH, PER DEED RECORDED JANUARY 13, 1989 AS INSTRUMENT NO. 12336 AND PER DEED RECORDED FEBRUARY 10, 1989 AS INSTRUMENT NO. 44240, IN SAID OFFICE OF THE COUNTY RECORDER OF RIVERSIDE COUNTY, SAID POINT BEING THE BEGINNING OF A CURVE CONCAVE SOUTHEASTERLY AND HAVING A RADIUS OF 1000.00 FEET, A RADIAL BEARING TO SAID BEGINNING OF A CURVE BEING NORTH 49° 23' 28" WEST;

THENCE SOUTHWESTERLY ALONG SAID CURVE AND SAID CENTERLINE OF MACHO ROAD THROUGH A CENTRAL ANGLE OF 18° 41' 32" AN ARC LENGTH OF 326.24 FEET;

THENCE TANGENT TO SAID CURVE AND ALONG SAID CENTERLINE OF MACHO ROAD SOUTH 21° 55' 00" WEST, 167.64 FEET TO THE BEGINNING OF A CURVE CONCAVE NORTHWESTERLY AND HAVING A RADIUS OF 1000.00 FEET;

THENCE SOUTHWESTERLY ALONG SAID CURVE AND SAID CENTERLINE OF MACHO ROAD THROUGH A CENTRAL ANGLE OF 39° 45' 10" AN ARC LENGTH OF 693.82 FEET TO A POINT ON SAID NORTHWESTERLY LINE OF PARCEL OF LAND AS DESCRIBED IN CORPORATION GRANT DEED, INSTRUMENT NO. 114479, A RADIAL BEARING TO SAID POINT BEING SOUTH 28° 19' 50" EAST, SAID POINT ON THE NORTHWESTERLY LINE BEING ON A CURVE CONCAVE SOUTHEASTERLY AND HAVING A RADIUS OF 2000.00 FEET, A RADIAL BEARING TO SAID POINT ON THE 2000.00 FOOT RADIUS CURVE BEING NORTH 66° 52' 38" WEST;

THENCE NORTHWESTERLY ALONG SAID CURVE AND SAID NORTHWESTERLY LINE THROUGH A CENTRAL ANGLE OF 17° 29' 10" AN ARC LENGTH OF 610.38 FEET TO THE POINT OF BEGINNING.

TOGETHER WITH A PORTION OF LAND CONVEYED BY CORPORATION GRANT DEED RECORDED NOVEMBER 8, 1988 AS INSTRUMENT NO. 327215 IN THE OFFICE OF THE RECORDER OF RIVERSIDE COUNTY, STATE OF CALIFORNIA, DESCRIBED AS FOLLOWS:

THAT PORTION OF THE RANCHO TEMECULA, IN THE COUNTY OF RIVERSIDE, STATE OF CALIFORNIA, WHICH RANCHO WAS GRANTED BY THE GOVERNMENT OF THE UNITED STATES TO LUIS VIGNES BY PATENT DATED JANUARY 18, 1860, AND RECORDED IN THE OFFICE OF THE COUNTY RECORDER OF SAN DIEGO COUNTY IN LIBER 1 OF PATENTS AT PAGE 37 THEREOF, TOGETHER WITH THAT PORTION OF THE LITTLE TEMECULA RANCHO, IN SAID COUNTY AND STATE, ACCORDING TO THE MAP OF PARTITION OF THE LITTLE TEMECULA RANCHO ON FILE IN THE OFFICE OF THE COUNTY CLERK OF SAID SAN DIEGO COUNTY, TOGETHER WITH THAT PORTION OF THE RANCHO PAUBA IN SAID COUNTY AND

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STATE, AS SAID RANCHO WAS GRANTED TO LUIS VIGNES BY PATENT DATED JANUARY 19, 1860, AND RECORDED IN BOOK 1, PAGE 45 OF PATENTS, IN THE OFFICE OF THE COUNTY CLERK OF SAID SAN DIEGO COUNTY, MORE PARTICULARLY DESCRIBED AS FOLLOWS;

BEGINNING AT THE SOUTHERLY TERMINUS OF A CURVE HAVING A RADIUS OF 2000.00 FEET, A CENTRAL ANGLE OF 22° 58' 26" AND AN ARC LENGTH OF 801.94 FEET AS DESCRIBED IN SAID CORPORATION GRANT DEED, INSTRUMENT NO. 327215;

THENCE TANGENT ALONG THE SOUTHEASTERLY LINE OF THE PARCEL OF LAND AS DESCRIBED IN SAID CORPORATION GRANT DEED, INSTRUMENT NO. 327215, SOUTH 17° 38' 06" EAST, 390.29 FEET TO A POINT ON THE CENTERLINE OF WOLF VALLEY LOOP, 100.00 FEET IN WIDTH, PER DEED RECORDED JANUARY 13, 1989 AS INSTRUMENT NO. 12336 AND PER INSTRUMENT NO. 44240 RECORDED FEBRUARY 10, 1989, IN SAID OFFICE OF THE COUNTY RECORDER OF RIVERSIDE COUNTY, SAID POINT BEING ON A CURVE CONCAVE WESTERLY AND HAVING A RADIUS OF 1000.00 FEET, A RADIAL BEARING TO SAID POINT BEING NORTH 89° 46' 21" EAST;

THENCE, NORTHERLY ALONG SAID CURVE AND SAID CENTERLINE OF WOLF VALLEY LOOP THROUGH A CENTRAL ANGLE OF 18° 20' 32" AN ARC LENGTH OF 320.13 FEET;

THENCE TANGENT TO SAID CURVE AND ALONG SAID CENTERLINE OF WOLF VALLEY LOOP NORTH 18° 20' 32" WEST, 134.68 FEET TO A POINT ON SAID CENTERLINE OF WOLF VALLEY LOOP, SAID POINT BEING THE BEGINNING OF MACHO ROAD, 100.00 FEET IN WIDTH AS DESCRIBED IN DEED RECORDED JANUARY 13, 1989 AS INSTRUMENT NO. 12336 AND PER INSTRUMENT NO. 44240 RECORDED FEBRUARY 10, 1989, SAID POINT BEING NOTED AS POINT "C" IN SAID DEEDS;

THENCE ALONG THE CENTERLINE OF SAID MACHO ROAD NORTH 71° 25' 49" EAST, 130.56 FEET TO A CURVE CONCAVE NORTHWESTERLY AND HAVING A RADIUS OF 1000.00 FEET;

THENCE NORTHEASTERLY ALONG SAID CURVE AND SAID CENTERLINE OF MACHO ROAD THROUGH A CENTRAL ANGLE OF 9° 45' 39" AN ARC LENGTH OF 170.36 FEET TO A POINT ON THE SOUTHEASTERLY LINE OF SAID PARCEL OF LAND AS DESCRIBED IN CORPORATION GRANT DEED, INSTRUMENT NO. 327215, A RADIAL BEARING TO SAID POINT BEING SOUTH 28° 19' 50" EAST, SAID POINT ON THE SOUTHEASTERLY LINE BEING ON A CURVE CONCAVE SOUTHEASTERLY AND HAVING A RADIUS OF 2000.00 FEET, A RADIAL BEARING TO SAID POINT ON THE 2000.00 FOOT RADIUS CURVE BEING NORTH 66° 52' 38" WEST;

THENCE SOUTHERLY ALONG SAID CURVE AND SAID SOUTHEASTERLY LINE OF PARCEL OF LAND AS DESCRIBED IN CORPORATION GRANT DEED, INSTRUMENT NO. 327215 THROUGH A CENTRAL ANGLE OF 5° 29' 16" AN ARC LENGTH OF 191.56 FEET TO THE POINT OF BEGINNING. SAID LEGAL DESCRIPTION IS IN COMPLIANCE WITH LOT LINE ADJUSTMENT NO. 2902 APPROVED BY THE RIVERSIDE COUNTY PLANNING DEPARTMENT ON MAY 12, 1989.

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EXHIBIT "C"

Public Use Areas

THERE ARE NO PUBLIC USE AREAS IN THE INITIAL PROPERTY COVERED BY THIS DECLARATION WHICH HAVE BEEN IDENTIFIED AS OF THE DATE OF THIS DECLARATION. UPON IDENTIFICATION OF ANY PUBLIC USE AREAS IN THE INITIAL PROPERTY COVERED BY THIS DECLARATION, A SUPPLEMENTARY DECLARATION WILL BE RECORDED. ANY PUBLIC USE AREAS WITHIN ANY REAL PROPERTY ANNEXED TO THIS DECLARATION SHALL BE IDENTIFIED IN A SUPPLEMENTARY DECLARATION.

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EXHIBIT "D"

Slope Maintenance Easements

THERE ARE NO SLOPE MAINTENANCE EASEMENTS IN THE INITIAL PROPERTY COVERED BY THIS DECLARATION WHICH HAVE BEEN IDENTIFIED AS OF THIS DECLARATION. UPON IDENTIFICATION OF ANY SLOPE MAINTENANCE EASEMENTS IN THE INITIAL PROPERTY COVERED BY THIS DECLARATION, A SUPPLEMENTARY DECLARATION WILL BE RECORDED. ANY SLOPE MAINTENANCE EASEMENTS WITHIN ANY REAL PROPERTY ANNEXED TO THIS DECLARATION SHALL BE IDENTIFIED IN A SUPPLEMENTARY DECLARATION.

EXHIBIT "D"



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EXHIBIT "E"

Custom Home Lots

PARCEL 9, INCLUSIVE OF PARCEL MAP NO. 24332, ON FILE IN BOOK 156, PAGES 98 THROUGH 103, INCLUSIVE OF PARCEL MAPS, RECORDS OF RIVERSIDE COUNTY, CALIFORNIA AND ANY OTHER LOTS IDENTIFIED AS CUSTOM HOME LOTS IN A SUPPLEMENTARY DECLARATION.

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EXHIBIT "F"

CSA Maintenance Areas

THERE ARE NO CSA MAINTENANCE AREAS IN THE INITIAL PROPERTY COVERED BY THIS DECLARATION WHICH HAVE BEEN IDENTIFIED AS OF THE DATE OF THIS DECLARATION. UPON IDENTIFICATION OF ANY CSA MAINTENANCE AREAS IN THE INITIAL PROPERTY COVERED BY THIS DECLARATION, A SUPPLEMENTARY DECLARATION WILL BE RECORDED. ANY CSA MAINTENANCE AREAS WITHIN ANY REAL PROPERTY ANNEXED TO THIS DECLARATION SHALL BE IDENTIFIED IN A SUPPLEMENTARY DECLARATION.

EXHIBIT "F"



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