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RIO BRAVO COMMUNITY ASSOC
c/o Fairway Development
P.O. Box 2828
Bakersfield, CA 93303

James Maples, Assessor-Recorder
Kern County Official Records

JASON

Pages: 72

4/20/2001

8:01:00

DOCUMENT #: 0201053275



0201053275

Fees....	220.00
Taxes...	
Other...	
TOTAL	
PAID..	220.00

Stat. Types: 1

**FIRST AMENDED AND RESTATED
DECLARATION OF COVENANTS, CONDITIONS, AND RESTRICTIONS
FOR
RIO BRAVO
A MASTER PLANNED COMMUNITY**

TABLE OF CONTENTS

RECITALS 1

ARTICLE I 2

 DECLARATION 2

ARTICLE II 2

 DEFINITIONS 2

 2.1 ALTERNATE DELEGATE(S) 2

 2.2 ASSESSMENT(S) 2

 2.3 BOARD OF DIRECTORS 2

 2.4 BUDGET 3

 2.5 CITY 3

 2.6 COMMON AREA 3

 2.7 COMMON EXPENSE(S) 3

 2.8 COMMON FACILITY(IES) 3

 2.9 CONDOMINIUM(S) 3

 2.10 CONDOMINIUM PROJECT 3

 2.11 COUNTY 3

 2.12 DECLARANT 3

 2.13 DELEGATE(S) 4

 2.14 DELEGATE DISTRICT 4

 2.15 FINAL SUBDIVISION PUBLIC REPORT 4

 2.16 GOLF CLUB 4

 2.17 GOLF CLUB OPERATOR 4

 2.18 INVITEE(S) 4

 2.19 IMPROVEMENT(S) 4

 2.20 MARKET PERIOD 4

 2.21 MASTER ASSOCIATION 4

 2.22 MASTER ASSOCIATION ARTICLES 4

 2.23 MASTER ASSOCIATION BYLAWS 4

 2.24 MASTER ASSOCIATION RULES 4

 2.25 MASTER DECLARATION 4

 2.26 MASTER GOVERNING DOCUMENT(S) 5

 2.27 MASTER PLANNED COMMUNITY 5

 2.28 MASTER SUBDIVISION MAP 5

 2.29 MEMBER(S) 5

 2.30 MERCHANT BUILDER 5

 2.31 MORTGAGE(S); MORTGAGEE(S) 5

 2.32 OWNER(S) 5

 2.33 PARCEL(S) 5

 2.34 PHASE 5

 2.35 PLANNED DEVELOPMENT 5

 2.36 PRIVATE 5

 2.37 PROPERTY 6

 2.38 RECORD; RECORDING; RECORDED; RECORDATION 6

 2.39 RESIDENCE(S); RESIDENTIAL 6

 2.40 SEPARATE RESIDENTIAL INTEREST(S) 6

 2.41 STANDARD SUBDIVISION 6

 2.42 SUBSIDIARY ASSOCIATION 6

 2.43 SUBSIDIARY ASSOCIATION ARTICLES 6

 2.44 SUBSIDIARY ASSOCIATION BYLAWS 6

2.45	<u>SUBSIDIARY ASSOCIATION RULES</u>	6
2.46	<u>SUBSIDIARY BUILDER</u>	6
2.47	<u>SUBSIDIARY DECLARATION</u>	6
2.48	<u>SUBSIDIARY DEVELOPMENT(S)</u>	6
2.49	<u>SUBSIDIARY GOVERNING DOCUMENT(S)</u>	6
2.50	<u>SUBSIDIARY SUBDIVISION MAP</u>	6
ARTICLE III		7
PROPERTY RIGHTS, RIGHTS OF ENJOYMENT AND EASEMENTS		7
3.1	<u>PERSONS SUBJECT TO THE GOVERNING DOCUMENTS</u>	7
3.2	<u>NON-EXCLUSIVE EASEMENTS</u>	7
3.3	<u>BLANKET UTILITY EASEMENT</u>	8
3.4	<u>RIGHTS OF ENTRY OR USE</u>	8
3.5	<u>POWER TO GRANT EASEMENTS</u>	9
3.6	<u>OTHER EASEMENTS</u>	9
3.7	<u>EMERGENCY ACCESS AND RIGHT-OF-WAY</u>	10
3.8	<u>PUBLIC SERVICE EASEMENT</u>	10
3.9	<u>DELEGATION OF USE</u>	10
3.10	<u>FUTURE CONSTRUCTION AND ASSIGNMENT OF DECLARANT'S RIGHTS</u>	10
3.11	<u>DUE PROCESS REQUIREMENTS</u>	11
ARTICLE IV		11
COVENANTS AND USE RESTRICTIONS		11
4.1	<u>CHANGING GRADES, SLOPES AND DRAINAGE</u>	11
4.2	<u>COMPLIANCE WITH LAW</u>	11
4.3	<u>EXTERIOR MAINTENANCE AND REPAIR</u>	11
4.4	<u>GAS OR LIQUID STORAGE</u>	12
4.5	<u>HAZARDOUS WASTE</u>	12
4.6	<u>INDEMNIFICATION</u>	12
4.7	<u>LEGAL REMEDIES FOR OWNER NONCOMPLIANCE</u>	12
4.8	<u>PARKING</u>	13
ARTICLE V		13
GOLF COURSE		13
5.1	<u>GOLF COURSE DISCLOSURES AND PROVISIONS</u>	13
5.2	<u>GOLF COURSE</u>	13
5.3	<u>USE OF FACILITIES</u>	13
5.4	<u>ACCESS TO GOLF COURSE</u>	13
5.5	<u>GOLF CLUB ACTIVITIES</u>	13
5.6	<u>GOLF CLUB ADVERTISING</u>	14
5.7	<u>GOLF CLUB SIGNS</u>	14
5.8	<u>GOLF BALL OVERFLIGHT DAMAGE</u>	14
5.9	<u>PESTICIDE OVERSPRAY</u>	14
5.10	<u>OWNERS RESPONSIBILITIES</u>	14
5.11	<u>MAINTENANCE EASEMENT</u>	16
5.12	<u>PARCEL EASEMENT</u>	16
5.13	<u>RECIPROCAL EASEMENT AGREEMENT</u>	16
5.14	<u>INDEMNIFICATION</u>	17
5.15	<u>AMENDMENT OF ARTICLE V</u>	17
ARTICLE VI		18
PROVISIONS PROMULGATING MASTER ASSOCIATION ACTION		18
6.1	<u>INCORPORATION</u>	18
6.2	<u>ACTION THROUGH DESIGNATED OFFICERS</u>	18
6.3	<u>STATEMENT OF MASTER ASSOCIATION POWERS</u>	18
6.4	<u>ASSESSMENT RIGHTS</u>	18

6.5	<u>THE RIGHT TO ESTABLISH MASTER ASSOCIATION RULES</u>	19
6.6	<u>RIGHT TO IMPOSE SANCTIONS FOR VIOLATIONS OF THE MASTER DECLARATION</u>	19
6.7	<u>RIGHT TO DELEGATE POWERS AND DUTIES</u>	19
6.8	<u>DUTIES</u>	20
6.9	<u>MANAGEMENT AND MAINTENANCE OF COMMON AREA</u>	20
6.10	<u>CONTRACTING FOR GOODS AND SERVICES</u>	20
6.11	<u>PAYMENT OF TAXES AND ASSESSMENTS</u>	20
6.12	<u>SECURING INSURANCE COVERAGE</u>	21
6.13	<u>PREPARATION AND DISTRIBUTION OF FINANCIAL STATEMENTS, REPORTS AND COPIES OF GOVERNING INSTRUMENTS</u>	21
6.14	<u>ENFORCEMENT OF BONDED OBLIGATIONS</u>	23
6.15	<u>OTHER DUTIES</u>	24
6.16	<u>LIMITATIONS ON AUTHORITY OF THE BOARD OR THE MASTER ASSOCIATION</u>	24
6.17	<u>LIMITATION ON LIABILITY OF OFFICERS AND DIRECTORS</u>	27
6.18	<u>DELIVERY OF DOCUMENTS AND INSPECTION OF ASSOCIATION BOOKS AND RECORD</u>	28
6.19	<u>LITIGATION</u>	29
ARTICLE VII.....		29
PROVISIONS DECLARING MEMBERSHIP AND VOTING RIGHTS.....		29
7.1	<u>MEMBERSHIP APPURTENANT TO OWNERSHIP</u>	29
7.2	<u>VOTING</u>	30
7.3	<u>THREE CLASS SYSTEM: WEIGHTED VOTES</u>	30
7.4	<u>NUMBER OF DELEGATES</u>	31
7.5	<u>VOTING RIGHTS</u>	31
7.6	<u>NOMINATION</u>	31
7.7	<u>ELECTION OF DELEGATES AND ALTERNATE DELEGATES</u>	32
ARTICLE VIII.....		33
ASSESSMENTS.....		33
8.1	<u>ASSESSMENTS - AGREEMENT TO PAY</u>	33
8.2	<u>ASSESSMENTS AS PERSONAL OBLIGATION OF OWNER</u>	33
8.3	<u>SCOPE OF ASSESSMENT - AUTHORITY</u>	33
8.4	<u>REGULAR ASSESSMENTS</u>	33
8.5	<u>RESERVE FUNDS</u>	34
8.6	<u>SPECIAL ASSESSMENTS- PURPOSE OF AND PROCEDURE FOR LEVYING</u>	35
8.7	<u>RESTRICTING AMOUNT OF SPECIAL ASSESSMENTS</u>	36
8.8	<u>ALLOCATION OF ASSESSMENTS</u>	37
8.9	<u>SPECIAL PROVISIONS FOR ASSESSMENTS OF NON-ANNEXED PROPERTY</u>	37
8.10	<u>ASSESSMENT PERIOD</u>	37
8.11	<u>NOTICE OF INCREASE IN ASSESSMENTS</u>	38
8.12	<u>DUE DATE, LATE CHARGES, AND INTEREST</u>	38
8.13	<u>ESTOPPEL CERTIFICATE</u>	38
8.14	<u>ASSOCIATION'S POWER TO ESTABLISH ASSESSMENT LIEN</u>	38
8.15	<u>CREATION OF ASSESSMENT LIEN</u>	39
8.16	<u>FORECLOSURE UNDER ASSESSMENT LIEN</u>	39
8.17	<u>TRANSFER OF PARCEL AND/OR CONDOMINIUM BY SALE OR FORECLOSURE</u>	40
ARTICLE IX.....		41
INSURANCE.....		41
9.1	<u>LIABILITY INSURANCE</u>	41
9.2	<u>FIRE AND CASUALTY INSURANCE</u>	41
9.3	<u>PROVISION APPOINTING TRUSTEE</u>	42
9.4	<u>PROVISION TO ADJUST LOSSES</u>	42
9.5	<u>DIRECTOR AND OFFICER LIABILITY INSURANCE</u>	42

9.6	<u>WORKER'S COMPENSATION, DEMOLITION AND OTHER ASSOCIATION INSURANCE</u>	42
9.7	<u>OWNER'S LIABILITY INSURANCE</u>	43
9.8	<u>DAMAGE OR DESTRUCTION OF THE COMMON AREA</u>	43
9.9	<u>DAMAGE OR DESTRUCTION OF A RESIDENCE</u>	43
9.10	<u>INSURANCE REVIEW AND NOTICE</u>	43
ARTICLE X		43
CONDEMNATION		43
10.1	<u>CONDEMNATION</u>	43
ARTICLE XI		44
AMENDMENT OF DECLARATION		44
11.1	<u>AMENDMENT PROCESS</u>	44
11.2	<u>COMPLIANCE WITH BUSINESS AND PROFESSIONS CODE §11018.7</u>	45
11.3	<u>RELIANCE ON AMENDMENTS</u>	45
11.4	<u>ANNEXATION OF ADDITIONAL PROPERTY</u>	45
ARTICLE XII		46
GENERAL PROVISIONS		46
12.1	<u>BINDING EFFECT</u>	46
12.2	<u>CONFLICTS WITH OTHER DOCUMENTS</u>	46
12.3	<u>CUMULATIVE REMEDIES</u>	46
12.4	<u>EASEMENT RESERVED AND GRANTED</u>	46
12.5	<u>HEADINGS</u>	46
12.6	<u>INCORPORATION OF EXHIBITS</u>	47
12.7	<u>LIBERAL CONSTRUCTION</u>	47
12.8	<u>NO DISCRIMINATORY RESTRICTIONS</u>	47
12.9	<u>NO FIXED TERM</u>	47
12.10	<u>NO REPRESENTATIONS OR WARRANTIES</u>	47
12.11	<u>NOTICES AND COMMUNICATION</u>	47
12.12	<u>NOTIFICATION OF SALE</u>	47
12.13	<u>NUMBER; GENDER</u>	48
12.14	<u>OWNER'S ACCESS TO BOOKS</u>	48
12.15	<u>SEVERABILITY OF PROVISIONS</u>	48
12.16	<u>VIOLATIONS AS NUISANCE</u>	48

**FIRST AMENDED AND RESTATED
DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS
FOR
RIO BRAVO
A MASTER PLANNED COMMUNITY**

The Declaration of Covenants, Conditions and Restrictions of Rio Bravo Community Association, a Common Interest Development, ("Declaration") which was executed by A & E UNION, INC., a Nevada corporation, ("Original Declarant,") said document having been Recorded on July 16, 1999, as Document No. 0199102511 of the Official Records of Kern County, California, and amended by that certain document entitled, "**AMENDMENT NO. 1 TO DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS OF RIO BRAVO COMMUNITY ASSOCIATION, a Common Interest Development,**" which was Recorded on August 16, 2000, as Document No. 0200100559 of the Official Records of Kern County, California, ("Amendment") the Declaration and Amendment being hereinafter collectively referred to as the "Original Master Declaration." The Original Master Declaration affects certain real property, ("Original Real Property") which is located in the City of Bakersfield. The Original Master Declaration is hereby amended and restated in its entirety to read as follows:

RECITALS

A. Unless otherwise expressly provided for in the Master Declaration or dictated by grammatical correctness, any capitalized words and phrases, when used herein, shall have the specified meanings given to them in **ARTICLE II** of the Master Declaration, entitled, "**DEFINITIONS.**"

B. The Original Declarant intended, in order to promote certain common objectives designed to preserve the value of as well as benefit the Original Real Property, to create a Master Planned Community and impose certain reciprocal burdens and benefits on the Original Real Property. Said reciprocal burdens and benefits were designed to establish a common plan ("Common Plan") for the subdivision, improvement, and development, of each and every portion of the Original Real Property, together with any additional real property that may have been annexed to the Original Master Declaration, and the Original Declarant desired to secure the harmonious and uniform Phased development of the Original Real Property in accordance with the Common Plan.

C. Changing circumstances and design of the Master Planned Community dictate that the Original Master Declaration be amended and restated.

D. It is, therefore, the objective of the Declarant to replace the Original Master Declaration, in its entirety, with the Recordation of this First Amended and Restated Declaration of Covenants, Conditions and Restrictions for Rio Bravo a Master Planned Community. As so amended and restated, the easements, covenants, restrictions and conditions set forth herein shall run with the Property and shall be binding upon all parties having or acquiring any right, title or interest in the Property or any portion thereof, and shall inure to the benefit of each Owner.

E. It is still the intent of the Declarant to follow the general dictates of subparagraph "B.", above, with the only exception being that the Master Declaration will affect the Property as it is more fully described in "**EXHIBIT A**" that is attached hereto and by this reference made a part hereof as if once again fully set forth herein.

ARTICLE I DECLARATION

A. Declarant declares that the Property is, and shall be, held, conveyed, hypothecated, encumbered, leased, rented, used, sold, improved and occupied subject to the following declarations, limitations, restrictions, easements, covenants, conditions, servitudes, liens and charges, all of which are declared and agreed to be imposed as equitable servitudes in furtherance of the Common Plan, for the subdivision, improvement, protection, maintenance, and sale 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. All of the limitations, restrictions, easements, reservations, covenants, conditions, servitudes, liens and charges shall run with the land, shall be binding on and inure to the benefit of all parties having or acquiring any right, title or interests in the Property, are for the benefit of the Property, and shall be binding on and inure to the benefit of the successors in interests of such parties. Declarant further declares that it is the express intent that the Master Declaration satisfies the requirements of California Civil Code §1353. In the event California Civil Code §1353 is amended or superseded by another, similar provision of the California statutes, the Master Declaration shall be deemed amended, without the necessity of further Owners approval, to correspond to the amended or successor Civil Code provision.

B. Declarant intends that the Master Planned Community be developed for single-family Residential use that is consistent with the Master Declaration. As each Planned Development, Condominium Project or Standard Subdivision, as the case may be, is developed, a Merchant Builder may Record one (1) or more Supplements, as that term is defined in Subsection 11.4 of the Master Declaration, entitled, "ANNEXATION OF ADDITIONAL PROPERTY," and hereinafter used, as well as a Subsidiary Declaration. Any such Subsidiary Declaration shall incorporate the provisions of the Master Declaration therein by reference and may contain any covenants, conditions, restrictions and land uses that the Merchant Builder may deem appropriate for the Subsidiary Development being annexed, provided, any such additional conditions, covenants, restrictions, land uses and limitations take into account the particular requirements of each Phase of the Subsidiary Development and do not conflict with the provisions of the Master Declaration. The provisions of any Subsidiary Declaration should be liberally construed to effectuate their purpose as well as, whenever possible, not bring them into conflict with the Master Declaration. In the event, however, of any such conflict between the Master Declaration and any Subsidiary Declaration, the Master Declaration shall prevail. A Subsidiary Declaration may, but need not, provide for the establishment of a Subsidiary Association, to be comprised of the Owners of Parcels and/or Condominiums, as the case may be, in any such Subsidiary Development.

ARTICLE II DEFINITIONS

- 2.1 **ALTERNATE DELEGATE(S)** - The term "Alternate Delegate(s)" shall mean the alternate person selected by the Owners within a Delegate District pursuant to Subsection 7.4 of the Declaration, entitled, "NUMBER OF DELEGATES."
- 2.2 **ASSESSMENT(S)** - "Assessment(s)" means any Regular or Special Assessment, as those terms are defined in Subsections 8.4 and 8.6 of the Master Declaration, respectively entitled, "REGULAR ASSESSMENTS" and "SPECIAL ASSESSMENTS-PURPOSE OF AND PROCEDURE FOR LEVYING," and hereinafter used, made or assessed by the Master Association, against an Owner and its, his, her or their Parcel and/or Condominium, as the case may be, in accordance with the provisions of ARTICLE VIII of the Master Declaration, entitled, "ASSESSMENTS."
- 2.3 **BOARD OF DIRECTORS** - "Board of Directors" or "Board" means the Board of Directors of the Master Association.

- 2.4 **BUDGET** – “Budget” means a written, itemized estimate of the income and Common Expenses, of the Master Association in performing its functions under the Master Declaration.
- 2.5 **CITY** – “City” means Bakersfield, California, the city in which the Master Planned Community is located, and its various departments, divisions, employees and representatives.
- 2.6 **COMMON AREA** – “Common Area” means all of the Property owned by the Master Association together with any interest in real property which the Master Association has, for the common use and enjoyment of the Owners and shall include, upon conveyance to the Master Association, those certain easements that are more fully described in “EXHIBIT C,” as well as any other plots of land and/or interest in real property conveyed to the Master Association and designated as “Common Area,” in any Supplement, as that term is defined in Subsection 11.4 of the Master Declaration, entitled, “ANNEXATION OF ADDITIONAL PROPERTY,” and hereinafter used, which has been Recorded pursuant to said Subsection 11.4. Unless the context clearly indicates a contrary intent, any reference in the Master Declaration to the “Common Area” shall include any Common Facilities, located thereon.
- 2.7 **COMMON EXPENSE(S)** – “Common Expense(s)” means any use of the funds of the Master Association authorized by ARTICLE VIII of the Master Declaration, entitled, “ASSESSMENTS,” and includes, without limitation:
- A. All expenses or charges incurred by or on behalf of the Master Association for the management, maintenance, administration, insurance, operation, repairs, additions, alterations or reconstruction of the Common Area, the Common Facilities or any portion of any Parcel and/or Condominium that the Master Association is obligated to maintain or repair.
 - B. All expenses or charges reasonably incurred to procure insurance for the protection of the Master Association and its Board of Directors.
 - C. Any amounts reasonably necessary for reserves for maintenance, repair and replacement of the Common Areas, Common Facilities or any portion of any Parcel and/or Condominium that the Master Association is obligated to maintain or replace, as well as for the nonpayment of Assessments.
 - D. The use of such funds to defray the costs and expenses incurred by the Master Association in the performance of its functions or in the proper discharge of the responsibilities of the Board as provided for in the Master Governing Documents.
- 2.8 **COMMON FACILITY(IES)** – “Common Facility(ies)” means the Private streets, street lights, guard house, gate, security system, monument sign, landscaping, fencing and other facilities constructed or installed, or to be constructed or installed, or currently located within the Common Area.
- 2.9 **CONDOMINIUM(S)** – “Condominium(s)” mean(s) an estate in real property, as defined in California Civil Code §§ 783 and 1351(f), or any comparable superseding statutes.
- 2.10 **CONDOMINIUM PROJECT** – “Condominium Project” means a Subsidiary Development or portion thereof, consisting of Condominiums.
- 2.11 **COUNTY** – “County” means the County of Kern, California, the County in which the Master Planned Community is located and its various departments, divisions, employees and representatives.
- 2.12 **DECLARANT** – “Declarant” means A & E UNION, INC., a Nevada corporation, as well as its successors and assigns, if such successors and assigns are assigned to the rights of the Declarant pursuant to Subsection 3.10 of the Master Declaration, entitled, “FUTURE CONSTRUCTION AND ASSIGNMENT OF DECLARANT’S RIGHTS,” or if such successor or assign is a mortgagee acquiring all of the Declarant’s interest in the Master Planned Community, by foreclosure or deed in lieu of foreclosure.
- 2.13 **DELEGATE(S)** – The term “Delegate(s)” shall mean the person selected by the Owners within a Delegate District pursuant to Subsection 7.4 of the Master Declaration, entitled, “NUMBER OF DELEGATES.”

- 2.13 **DELEGATE(S)** – The term “Delegate(s)” shall mean the person selected by the Owners within a Delegate District pursuant to Subsection 7.4 of the Master Declaration, entitled, “NUMBER OF DELEGATES.”
- 2.14 **DELEGATE DISTRICT** – “Delegate District” shall mean any Subsidiary Development.
- 2.15 **FINAL SUBDIVISION PUBLIC REPORT** – “Final Subdivision Public Report” means a final subdivision Public Report for any Phase, which has been issued by the Commissioner of the California Department of Real Estate pursuant to the California Subdivided Lands Act.
- 2.16 **GOLF CLUB** – “Golf Club” shall mean the golfing facility that is located on the Adjacent Property, as the term is defined in Subsection 5.2 of the Master Declaration, entitled, “GOLF COURSE,” and hereinafter used.
- 2.17 **GOLF CLUB OPERATOR** – “Golf Club Operator” shall mean any holder of a right to operate a Golf Club on the Adjacent Property.
- 2.18 **INVITEE(S)** – “Invitee(s)” means any person(s) within the Master Planned Community at the express or implied invitation of an Owner for business purposes, for mutual advantage, or for purely social purposes.
- 2.19 **IMPROVEMENT(S)** – “Improvement(s)” shall mean and include, but shall not be limited to, any buildings, outbuildings, walkways, trails, recreational facilities, security systems, guard houses, carports, streets, sidewalks, driveways, parking areas, screening devices, all types of walls, awnings, patios/balcony covers, stairs, the exterior surfaces of any visible structure, water softeners, any exterior machinery, poles, signs, roofs, foundation, decks, fences, swimming pools, landscaping, landscape structures, skylights, solar heating equipment and spas. In no event shall the term “Improvement(s)” be interpreted to include projects, which are restricted to the interior of any structure.
- 2.20 **MARKET PERIOD** – “Market Period” means that period of time commencing on the date of Recordation of the Master Declaration and extending until the earlier to occur of the following:
- A. A & E Union, Inc., a Nevada corporation no longer holds a controlling interest in the Golf Club; or
 - B. Seventy-five percent (75%) of the Separate Residential Interest proposed for the overall Master Planned Development have been conveyed under the authority of a Final Subdivision Public Report to Class A Members; or
 - C. On the fifth (5th) anniversary of the first (1st) conveyance under the authority of a Final Subdivision Public Report of a Separate Residential Interest in the most recent Phase of the overall Master Planned Development to a Class A Member; or
 - D. On the twenty-fifth (25th) anniversary of the first (1st) conveyance under the authority of a Final Subdivision Public Report of a Separate Residential Interest in the overall Master Planned Development to a Class A Member.
- 2.21 **MASTER ASSOCIATION** - “Master Association” means the **RIO BRAVO COMMUNITY ASSOCIATION**, a California nonprofit mutual benefit corporation, and its successors and assigns, the Members of which shall be the Owners.
- 2.22 **MASTER ASSOCIATION ARTICLES** – “Master Association Articles” means the Master Association’s Articles of Incorporation together with any amendments thereto
- 2.23 **MASTER ASSOCIATION BYLAWS** - “Master Association Bylaws” means the Master Association’s Bylaws and any amendments thereto.
- 2.24 **MASTER ASSOCIATION RULES** - “Master Association Rules” means any rules, regulations and policies regulating the use and enjoyment of the Master Planned Community, which may from time to time be adopted by the Board of Directors.
- 2.25 **MASTER DECLARATION** - “Master Declaration” means the “First Amended and Restated Declaration of Covenants, Conditions and Restrictions for Rio Bravo a Master Planned Community,” as it may from time to time, be amended, modified or supplemented.

- 2.26 **MASTER GOVERNING DOCUMENT(S)** - "Master Governing Document(s)" is a collective term that means and refers to the Master Declaration, the Master Association Articles, the Master Association Bylaws and any Master Association Rules.
- 2.27 **MASTER PLANNED COMMUNITY** - "Master Planned Community" means the Property together with any Improvements on the Property.
- 2.28 **MASTER SUBDIVISION MAP** - "Master Subdivision Map" shall mean and refer to the Recorded "PARCEL MAP NO. 9784."
- 2.29 **MEMBER(S)** - "Member(s)" means every person or entity holding a membership in the Master Association.
- 2.30 **MERCHANT BUILDER** - "Merchant Builder" means a person or entity that acquires a portion of the Property for the purpose of developing such portion for resale to the general public; provided, however, that the term "Merchant Builder" shall not mean or refer to the Declarant.
- 2.31 **MORTGAGE(S); MORTGAGEE(S)** - "Mortgage(s)" means a mortgage or deed of trust encumbering a Parcel and/or Condominium or other portion of the Master Planned Community. "Mortgagee(s)" shall include the beneficiary under the deed of trust and any guarantor or insurer of a Mortgage. "Institutional Mortgagee(s)" is a Mortgagee that is a bank or savings and loan association or mortgage company or other entity chartered or licensed under Federal or State laws whose principal business is lending money on the security of real property or investing in such loans, or any insurance company or any Federal or State agency or instrumentality, including, without limitation, the Federal National Mortgage Association and the Federal Home Loan Mortgage Corporation. A "First Mortgage," or "First Mortgagee," is one having priority as to all other Mortgages or holders of Mortgages encumbering the same Parcel and/or Condominium or other portions of the Property.
- 2.32 **OWNER(S)** - "Owner(s)" means each person and/or entity holding a Record ownership interest in a Parcel and/or Condominium, including the Declarant and/or any Merchant Builder, and any contract buyer, providing said buyer is in possession under a Recorded contract of sale, as well as, except where the context otherwise requires, the family, guests, tenants and invitees of an Owner. "Ownership" shall not include persons or entities that hold an interest in a Parcel and/or Condominium merely as security for the performance of an obligation.
- 2.33 **PARCEL(S)** - "Parcel(s)" means any portion of the Property shown, designated and described on the Master Subdivision Map and/or any Subsidiary Subdivision Map. When appropriate within the context of the Master Declaration, the term "Parcel(s)" shall also include any Residence and other Improvements constructed or to be constructed on said Parcel(s).
- 2.34 **PHASE** - "Phase" means any Parcel(s), Condominiums and/or Common Area which is or are, as the case may be, currently made subject to the Master Declaration either by the Recording of the Master Declaration or the annexation of additional property memorialized by the Recording of a Supplement to the Master Declaration, thereby extending the Common Plan to said Parcels and/or Condominiums and/or Common Area as well as bringing them under the control of the Master Association.
- 2.35 **PLANNED DEVELOPMENT** - "Planned Development" means any portion of the Property, other than those plots of land owned by the Declarant, the Common Area, a Condominium Project or Standard Subdivision, that has been developed as an integrated increment of the Master Planned Community, whether or not such increment is developed in phases. For the purposes of the Master Declaration, a Planned Development may or may not qualify as a "planned development" as defined in Section 1351(K) of the California Civil Code, or any comparable superseding statute.
- 2.36 **PRIVATE** - "Private" is used as descriptive of certain portions of the Common Area, such as, but not limited to, streets and parking areas, which are traditionally recognized as being public in nature.

- 2.37 **PROPERTY** - "Property" means the real property which is described in "EXHIBIT A," together with any such additional real property as may later be annexed to the Master Planned Community and become subject to the provisions of the Master Declaration pursuant to Subsection 11.4 of the Master Declaration, entitled, "ANNEXATION OF ADDITIONAL PROPERTY," and any Supplement to the Master Declaration Recorded in accordance with the Master Declaration.
- 2.38 **RECORD; RECORDING; RECORDED; RECORDATION.** "Record," "Recording," "Recorded," and "Recordation" mean, the entering of any document in the Official Records of the County in which the Master Planned Community is located.
- 2.39 **RESIDENCE(S); RESIDENTIAL** - "Residence(s)" means a private, single family dwelling constructed or to be constructed on a Parcel and/or as a unit in a Condominium Project. "Residential" refers to anything having the nature of a Residence.
- 2.40 **SEPARATE RESIDENTIAL INTEREST(S)** - "Separate Residential Interest(s)" refers to an individual unit in a Condominium Project and a separately owned lot, area or space, in a Planned Development.
- 2.41 **STANDARD SUBDIVISION** - "Standard Subdivision"-means any portion of the Property, other than those plots of land owned by the Declarant, the Common Area, a Condominium Project or a Planned Development, that has been developed as an integrated increment of the Master Planned Community, whether or not such increment is developed in phases.
- 2.42 **SUBSIDIARY ASSOCIATION** - "Subsidiary Association" means any California non-profit mutual benefit corporation or unincorporated association, together with its successors and assigns, organized and established pursuant to or in connection with a Subsidiary Declaration.
- 2.43 **SUBSIDIARY ASSOCIATION ARTICLES** - "Subsidiary Association Articles" means any Subsidiary Association's Articles of Incorporation together with any amendments thereto.
- 2.44 **SUBSIDIARY ASSOCIATION BYLAWS** - "Subsidiary Association Bylaws" means any Subsidiary Association's bylaws together with any amendments thereto.
- 2.45 **SUBSIDIARY ASSOCIATION RULES** - "Subsidiary Association Rules" means any rules, regulations and policies regulating the use and enjoyment of a Subsidiary Development, which may from time to time be adopted by the Board of Directors of a Subsidiary Association.
- 2.46 **SUBSIDIARY BUILDER** - "Subsidiary Builder" means a person and/or entity who acquires a portion of the Property for the purpose of developing such portion for resale to the general public and who is designated by the Declarant a "Subsidiary Builder," provided, however, the term "Subsidiary Builder" shall not include the Declarant.
- 2.47 **SUBSIDIARY DECLARATION** - "Subsidiary Declaration" means any Declaration of Covenants, Conditions and Restrictions for a Subsidiary Development as said Subsidiary Declaration may from time to time be amended, modified or supplemented.
- 2.48 **SUBSIDIARY DEVELOPMENT(S)** - "Subsidiary Development(s)" shall mean any Condominium Project, Planned Development and/or Standard Subdivision, which is annexed to and thereby becomes subject to, the Master Declaration.
- 2.49 **SUBSIDIARY GOVERNING DOCUMENT(S)** - "Subsidiary Governing Document(s)" is a collective term that means and refers to any Subsidiary Declaration, Subsidiary Association Articles, Subsidiary Association Bylaws as well as any Subsidiary Association Rules.
- 2.50 **SUBSIDIARY SUBDIVISION MAP** - "Subsidiary Subdivision Map" shall mean and refer to the Recorded final subdivision map for any Subsidiary Development.

ARTICLE III
PROPERTY RIGHTS, RIGHTS OF ENJOYMENT AND EASEMENTS

3.1 PERSONS SUBJECT TO THE GOVERNING DOCUMENTS.

A. All present and future Owners, tenants and occupants of Parcels and/or Condominiums shall be subject to, and shall comply with, each and every provision of the Master Governing Documents, as they or any of them may be amended from time to time, unless a particular provision is specifically restricted in its application to one (1) or more of such classes of person, i.e., Owners, Merchant Builders, Declarant, tenants, invitees, etc. The acceptance of a deed to any Parcel or any portion thereof, and/or a Condominium, the entering into a lease, sublease or contract of sale with respect to any Parcel or any portion thereof, and/or Condominium or the occupancy of any Residence shall constitute the consent and agreement of such Owner, Merchant Builder, tenant or occupant that each and all of the provisions of the Master Governing Documents, as any of them may be amended from time to time, shall be binding upon said person or entity, as the case may be, and that said person or entity will observe and comply with the Master Governing Documents.

B. Notwithstanding anything herein to the contrary, nothing in the Master Declaration is intended to nor shall it, prevent the creation, pursuant to any Subsidiary Declaration, of a Subsidiary Association to assess, regulate, maintain and manage a Subsidiary Development or to own or control portions of a Subsidiary Development for the common use and/or benefit of the Owners of Parcels and/or Condominiums in such Subsidiary Development.

3.2 NON-EXCLUSIVE EASEMENTS.

A. Every Owner has a non-exclusive easement of use, enjoyment, ingress, egress, and support in, on, over, and throughout the Common Area as well as any Improvements to or Common Facilities, which may be located on, such area.

B. Each such non-exclusive easement shall be appurtenant to the respective Parcel and/or Condominium and shall pass with the title to the Parcel and/or Condominium, as the case may be. Said non-exclusive easements shall be subject to the following rights and restrictions:

1. The right of the Master Association to adopt and enforce any Master Association Rules.
2. The right of the Master Association, in accordance with the Master Association Articles and Master Association Bylaws, to borrow money for the purpose of improving, repairing or maintaining the Common Area and Common Facilities and in aid thereof, to mortgage said property; provided, however, that the rights of any such Mortgagee in said property shall be subordinate to the rights of the Owners hereunder; and further provided that any such indebtedness shall be considered an expense of the Master Association for purposes of the Special Assessment, as that term is defined in Subsection 8.6 of the Master Declaration, entitled, "SPECIAL ASSESSMENTS – PURPOSE OF AND PROCEDURE FOR LEVYING," and hereinafter used.
3. The right of the Master Association to assign, rent, license or otherwise designate and control use of any assigned parking and storage spaces within, and any other Common Facilities situated upon, the Common Area and charge reasonable fees for admission and use.
4. The right of the Master Association to suspend the right of an Owner to use any Common Facility in the Common Area as provided for in Subsection 6.6 of the Master Declaration, entitled, "RIGHT TO IMPOSE SANCTIONS FOR VIOLATIONS OF THE DECLARATION."

5. The right of the Master Association to adopt and enforce any Master Association Rules concerning the control and use of the Private streets, security system, fences, landscaping and parking areas which are located within the Common Area, including the right to regulate the kind of vehicles and their speed as well as the parking of vehicles upon such Private streets and parking areas. Master Association is authorized to delegate to a municipality or other governmental entity or to contract with any private security company to exercise its authorized rights in connection with such Private streets and parking areas.
6. The streets and parking areas within the Master Planned Community shall be subject to any emergency vehicle access easements and/or any public or Private utility easements as shown upon and described by the Master Subdivision Map.

3.3 BLANKET UTILITY EASEMENT.

A. There is hereby created a blanket easement upon, across, over and under all of the Property for ingress, egress, installation, replacing, repairing and maintaining of all utilities, including but not limited to, water, sewer, gas, telephones, drainage, electricity, security systems as well as any master television antenna or cable television system. By virtue of this easement, it shall be expressly permissible for the providing utility company to erect and maintain the necessary equipment and underground facilities on and within the Common Area. Notwithstanding the foregoing, no sewer, electrical lines, water lines, or other utilities may be installed or relocated on the Property except as initially designed and approved by the Declarant or thereafter approved by the Board of Directors.

3.4 RIGHTS OF ENTRY OR USE.

A. Each Parcel and/or Condominium or the Common Area, as the case may be, shall be subject to the following rights of entry and use:

1. The right of the Declarant and/or any Merchant Builder or its, his, her or their, as the case may be, designees to enter upon any portion of the Property to construct improvements to the Property and to make repairs and remedy construction defects, provided that such entry shall not interfere with the use or occupancy of any occupied Parcel and/or Condominium unless authorized by its Owner, which authorization shall not be unreasonably withheld.
2. The right of the Master Association, or its agents, to enter any Parcel and/or Condominium to cure any violation or breach of the Master Declaration, the Master Association Bylaws or any Master Associations Rules, provided that the provisions of Subsection 3.11 of the Master Declaration, entitled, "**DUE PROCESS REQUIREMENTS,**" have been adhered to and further provided that the rights of entry and cure shall be immediate in case of an emergency originating upon or threatening any Parcel and/or Condominium, whether or not its Owner is present. The Master Association shall be entitled to levy a Special Assessment for its costs of effecting such cure against the Owner in accordance with the procedures in Subsection 8.6 of the Master Declaration, entitled, "**SPECIAL ASSESSMENTS - PURPOSE OF AND PROCEDURE FOR LEVYING.**"
3. The right of the Master Association, its officers, agents, employees and any contractor selected by the Master Association to enter in or cross over the Common Area and any of the Parcels and/or Condominiums to perform its obligations and duties under the Master Declaration, including obligations or duties with respect to construction, maintenance and repair of the Common Area, watering planting, cutting, removing, and otherwise caring for landscaping, cleaning, repairing, replacing and otherwise maintaining or causing to be maintained the underground utility lines that are located in the Common Area,

provided that such entry shall not interfere with the use or occupancy of any occupied Parcel and/or Condominium unless authorized by its Owner, which authorization shall not be unreasonably withheld. The rights shall be immediate in case of an emergency originating upon or threatening any Parcel and/or Condominium, whether or not its Owner is present.

4. The right of any Owner or Owner's representatives, to enter the Parcel and/or Condominium of any other Owner for purposes of performing installations, alterations or repairs to mechanical or electrical services, including installation of television antenna and related cables, which are reasonably necessary to the use and enjoyment of its, his, her or their Parcel and/or Condominium, provided request for entry is made in advance and that entry is at a time convenient to the Owner whose Parcel and/or Condominium is being entered upon. In case of an emergency the right of entry shall be immediate.
5. The right of the Master Association and Owners, or their representatives, of adjoining Parcels and/or Condominiums of entry upon and access to slopes and drainage ways located upon a Parcel and/or Condominium when such access is essential for the maintenance or stabilization of slopes or drainage, or both, on such adjoining Parcels and/or Condominiums, provided request for entry is made in advance and that entry is at a time convenient to the Owner whose Parcel and/or Condominium is being entered upon. In case of an emergency the right of entry shall be immediate.

3.5 POWER TO GRANT EASEMENTS.

A. Declarant or the Master Association shall have the power and authority to grant and convey in the name of the Master Association, as to any property to which the Master Association holds title, to any Owner or other party, permits, licenses, easements and rights-of-way in, on, over, or under the Common Area, for the purposes of access, ingress and egress to contiguous property, constructing, erecting, operating or maintaining lines, cables, wires, conduits, or other devices for electricity, cable television, power, telephone and other purposes, public sewers, storm water drains and pipes, water systems, sprinkling systems, water, heating and gas lines or pipes, and any similar public or quasi-public improvements or facilities as well as when necessary to satisfy or achieve appropriate governmental purposes or requests; and each purchaser, in accepting a deed to a Parcel and/or Condominium, expressly consents to such easements and rights-of-way and authorizes and appoints the Master Association and the Declarant, as long as the Declarant owns one (1) or more Parcels and/or Condominiums, as attorney-in-fact of such Owner to execute any and all instruments conveying or creating any such permits, licenses, easements and/or rights-of-way. Provided that, any such recipient of an above mentioned permit, license, right-of-way and/or easement pays their proportionate share of any Assessments required to maintain, replace or repair any Common Facilities such permit, license, right-of-way and/or easement may utilize. However, no such permit, license, easement and/or right-of-way may be granted if it would permanently interfere with the use, occupancy, or enjoyment by any Owner of its, his, her or their Parcel and/or Condominium, unless approved by the vote or written consent of the holders of not less than seventy-five percent (75%) of the voting rights of each class of Members and their First Mortgagees.

3.6 OTHER EASEMENTS.

A. Each Parcel and/or Condominium together with its Owner as well as the Master Association together with any Subsidiary Associations, as the case may be, are declared to be subject to all easements, dedications, and rights-of-way granted or reserved in, on, over and under the Property.

3.7 EMERGENCY ACCESS AND RIGHT-OF-WAY.

A. The Property, each Owner, the Master Association and any Subsidiary Association, as the case may be, are declared to be subject to any emergency vehicle access easements and public right-of-way easements over the Private streets and parking areas.

3.8 PUBLIC SERVICE EASEMENT.

A. There shall be and Declarant hereby reserves and covenants for itself and all future Owners, easements for public services, including, but not limited to, the right of the police and fire departments to enter upon any part of the Property for the purpose of carrying out their official duties.

3.9 DELEGATION OF USE.

A. Any Owner may delegate its, his, her or their rights of use of the Master Planned Community to members of its, his, her or their family, guests, tenants, employees and invitees, and to such other persons as may be permitted by the Master Association Bylaws and any Master Association Rules, subject however, to the provisions of the Master Declaration. If an Owner has sold its, his, her or their Parcel and/or Condominium to a contract purchaser or has leased or rented it, the Owner, members of the Owner's family, guests, tenants, employees and invitees shall not be entitled to use and enjoy any of such rights in the Master Planned Community while the Owner's Parcel and/or Condominium is occupied by the contract purchaser or tenant. Instead, the contract purchaser, or tenant, while occupying such Parcel and/or Condominium, shall be entitled to use and enjoy such rights and can delegate the rights of use and enjoyment in the same manner as if such contract purchaser or tenant were an Owner during the period of its, his, her or their occupancy. Each Owner shall notify the Secretary of the Master Association of the names of any contract purchasers or tenants of such Owner's Parcel and/or Condominium. Each Owner, contract purchaser, or tenant also shall notify the Secretary of the Master Association of the names of all persons to whom such Owner, contract purchaser, or tenant has delegated any right of use and enjoyment and the relationship that each such person bears to the Owner, contract purchaser, or tenant. Any delegated rights of use and enjoyment are subject to suspension to the same extent as are the rights of Owners. No such delegation shall relieve an Owner from liability to the Master Association or to other Owners for payment of Assessments or performance of the covenants, conditions and restrictions contained in the Master Declaration. Any lease, rental agreement or contract of sale entered into between an Owner and a tenant or contract purchaser of a Parcel and/or Condominium shall require compliance by the tenant or contract purchaser with all of the covenants, conditions and restrictions contained in the Master Declaration, which provision in any lease, rental agreement or contract of sale, shall be for the express benefit of the Master Association and each Owner. The Master Association and each Owner shall have a right of action directly against any tenant or contract purchaser of an Owner, as well as against the Owner, for nonperformance of any of the provisions of the Master Declaration to the same extent that such right of action exists against such Owner.

3.10 FUTURE CONSTRUCTION AND ASSIGNMENT OF DECLARANT'S RIGHTS.

A. Nothing in the Master Declaration shall limit the right of the Declarant to complete the construction of Improvements to the Common Area and to Parcels and/or Condominiums owned by the Declarant or to alter them or to construct any additional Improvements that the Declarant might deem advisable, before completion and sale of the entire Master Planned Community. The rights of the Declarant in the Master Declaration may be assigned by the Declarant to any successor to all or any part of any of Declarant's interest in the Property by an express assignment incorporated in a Recorded deed that transfers any such interest to a successor or to a Mortgagee acquiring Declarant's interest in the Property by foreclosure or by deed in lieu of foreclosure.

B. The provisions of this Subsection 3.10 may not be amended without the written consent of the Declarant until all of the Parcels or any portions thereof, and/or Condominiums in the Master Planned Community have been conveyed to Owners other than the Declarant.

3.11 DUE PROCESS REQUIREMENTS.

A. Before the Master Association imposes any monetary penalties or suspensions of Membership rights or Common Area use privileges against any Member for failure to comply with the Master Declaration, or before either the Master Association and/or Declarant exercise any entry rights that may be provided for in the Master Declaration, the Master Association Bylaws, or the Master Association Rules, the Master Association and/or the Declarant, as the case may be, must act in good faith and satisfy the following requirements:

1. The Member and/or the Owner, as the case may be, is given fifteen (15) days prior notice of the discipline to be imposed or the entry to be made, and the reasons for the imposition of the discipline or the necessity for entry. Such notice may be given by any method reasonably calculated to give actual notice. If such notice is given by mail, it must be sent by first-class or registered mail to the last address of the Member and/or the Owner, as the case may be, as shown in the Master Association's records.
2. The Member and/or the Owner, is given an opportunity to be heard, orally or in writing, by the Master Association, not less than five (5) days before the effective date of the imposition of the discipline or the entry.
3. If the subject of an above referenced hearing is an entry by the Declarant and the Declarant so requests, it or its duly authorized agent, may attend any such hearing.

**ARTICLE IV
COVENANTS AND USE RESTRICTIONS**

4.1 CHANGING GRADES, SLOPES AND DRAINAGE.

A. No change in the established grade or elevation of a Parcel and/or Condominium or an easement and no change in the established slope or ratio of the cuts and fills, which alters established drainage patterns shall be permitted without the prior written consent of the City, for the purposes hereof, established drainage patterns are defined as the drainage patterns existing at the time the grading of said Parcel and/or Condominium was completed in conformity with the grading and drainage plan heretofore approved by the City.

4.2 COMPLIANCE WITH LAW.

A. Nothing shall be done or kept on or in any Parcel and/or Condominium or in the Common Area that might increase the rate of, or cause the cancellation of, insurance for the Master Planned Community, or any portion of same, without the prior written consent of the Board. No Owner shall permit anything to be done or kept in its, his, her or their Parcel and/or Condominium that violates any law, ordinance, statute, rule, or regulation of any local, county state, or federal body. No Owner shall allow its, his, her or their furniture, furnishings, or other personal items to remain within any portion of the Common Area except as may otherwise be permitted by the Board.

4.3 EXTERIOR MAINTENANCE AND REPAIR.

A. No Improvement anywhere within the Master Planned Community, including, but not limited to, those located within a Subsidiary Development, shall be permitted to fall into disrepair. Each Improvement shall at all times be kept in good condition and repair. If any Owner and/or any Subsidiary Association, whichever is applicable, shall permit any Improvement, which is the responsibility of such Owner and/or Subsidiary Association to maintain, to fall into disrepair so as to create a dangerous, unsafe, unsightly or unattractive condition, the Board, after complying with the provisions of Subsection 3.11 of the Master Declaration, entitled, "DUE PROCESS REQUIREMENTS," shall have the right, but not the obligation, to correct such condition and to enter upon the affected portion of the Property for the purpose

of doing so. Such Owner and/or Subsidiary Association, as the case may be, shall promptly reimburse the Master Association for any costs attributable to any such corrective action. Such costs shall be a Special Assessment levied pursuant to the provisions of Subsection 8.6 of the Master Declaration, entitled, "SPECIAL ASSESSMENTS-PURPOSE OF AND PROCEDURE FOR LEVYING" and the person and/or entity responsible for the maintenance of the offending Parcel, as may be applicable, shall be liable for all costs and expenses incurred by the Master Association in taking such corrective action, together with all costs incurred in collecting the amounts due, if any. Each person and/or entity responsible for the maintenance required by any such corrective action shall pay all amounts due for such work within ten (10) days after receipt of a written demand therefore from the Master Association.

4.4 GAS OR LIQUID STORAGE.

A. With the exception of propane tanks used for home style barbecues, no tank for the storage of gas or liquid shall be installed on or in the Master Planned Community unless such installation is done by Declarant or has been approved by the Board.

4.5 HAZARDOUS WASTE.

A. No toxic or hazardous materials, such as, but not limited to, fuels, oils, other petroleum products, chemicals, detergents or cleaners shall be disposed of within the Development by dumping them on the surface of the ground, in drainage ways, waterways, on any Improvements or contiguous to the Property.

4.6 INDEMNIFICATION.

A. Each Owner shall be liable to the remaining Owners for any damage to the Common Area or to Master Association-owned property that may be sustained by reason of the negligence of that Owner, that Owner's family members, contract purchasers, tenants, guests, or invitees, but only to the extent that any such damage is not covered by casualty insurance in favor of the Master Association. Each Owner by acceptance of its, his, her or their deed, agrees personally and for family members, contract purchasers, tenants, guests and invitees, to indemnify each and every other Owner, and to hold them harmless from and defend them against any claim of any person for personal injury or property damage occurring within the Parcel and/or Condominium of the indemnifying Owner, except to the extent that such injury or damage is covered by liability insurance in favor of the Master Association or other Owner or the injury or damage occurred by reason of the willful and negligent acts or omission of the Master Association or other Owner or other person temporarily visiting its, his, her or their Parcel and/or Condominium.

④ 4.7 LEGAL REMEDIES FOR OWNER NONCOMPLIANCE.

A. Subject to the requirement of Subsections 6.16B. through 6.16M., inclusive, of the Master Declaration, the failure of any Owner to comply with any provision of the Master Declaration, the Master Association Articles, Master Association Bylaws or any Master Association rules, shall give rise to a cause of action in the Master Association and any aggrieved Owner, for the recovery of damages or for injunctive relief, or both. The objective of the Master Declaration is to promote and seek voluntary compliance by Owners and tenants with the environmental standards and property use restrictions contained herein. Accordingly, in the event that the Master Association becomes aware of a property use infraction that does not necessitate immediate corrective action, the Owner or tenant responsible for the violation shall receive written notice thereof and shall be given a reasonable opportunity to comply voluntarily with the pertinent Master Governing Document provision(s) or Master Association Rules, as the case may be. Such notice shall describe the noncomplying condition, request that the Owner or tenant correct the condition within a reasonable time, which shall be specified in the notice, and advise the Owner or tenant of its, his, her or their, appeal rights.

4.8 PARKING.

A. Notwithstanding anything in the Master Declaration to the contrary, there shall be no parking at any time of any vehicle or equipment of any nature or type, other than for emergency purposes or while loading or unloading, on that portion of Miramonte Drive, which is contiguous to the Golf Club.

ARTICLE V
GOLF COURSE

5.1 GOLF COURSE DISCLOSURES AND PROVISIONS.

A. AS A MATERIAL CONDITION TO DECLARANT'S WILLINGNESS TO CONVEY PARCELS TO OWNERS, EACH OWNER, BY ACCEPTANCE OF TITLE TO A PARCEL OR ANY PORTION THEREOF, HEREBY ACKNOWLEDGES, UNDERSTANDS AND AGREES TO THE FOLLOWING SUBSECTIONS OF THIS ARTICLE V.

5.2 GOLF COURSE.

A. THERE IS A GOLF COURSE AND OTHER RECREATIONAL FACILITIES CUSTOMARILY ASSOCIATED WITH A GOLF COURSE, DEVELOPED ON CERTAIN PROPERTY ("ADJACENT PROPERTY"), A PORTION OF WHICH IS CONTIGUOUS TO SOME OF THE PARCELS AS WELL AS THE COMMON AREA.

5.3 USE OF FACILITIES.

A. THE GOLF COURSE IS NOT A PART OF THE MASTER PLANNED COMMUNITY AND, THEREFORE, THE PURCHASE OF A PARCEL DOES NOT CONFER UPON AN OWNER THE RIGHT TO USE THE GOLF COURSE OR ANY OTHER FACILITIES ASSOCIATED THEREWITH ("FACILITIES"). IN ORDER TO USE THE FACILITIES, OWNERS WILL BE REQUIRED TO PAY SUCH FEES AND SATISFY SUCH OTHER CONDITIONS AS MAY BE REQUIRED BY THE GOLF COURSE OPERATOR. DECLARANT HAS PROVIDED NO REPRESENTATIONS, WARRANTIES OR ASSURANCES RESPECTING THE AMOUNT OR LEVEL OF SUCH FEES OR OTHER CONDITIONS.

5.4 ACCESS TO GOLF COURSE.

A. OWNERSHIP OF A PARCEL OR ANY PORTION THEREOF, DOES NOT INCLUDE ANY ACCESS RIGHTS TO OR OVER THE GOLF COURSE FROM SUCH PARCEL OR PORTION THEREOF AND OWNERS ARE EXPRESSLY PROHIBITED FROM ANY ACCESS TO THE GOLF COURSE FROM A PARCEL OR PORTION THEREOF, UNLESS PERMISSION FOR SAME HAS BEEN EXPRESSLY GIVEN TO AN OWNER, IN WRITING, BY THE GOLF COURSE OPERATOR.

5.5 GOLF CLUB ACTIVITIES.

A. GOLF CLUB ACTIVITIES MAY BEGIN IMMEDIATELY AFTER DAYLIGHT UP TO SEVEN (7) DAYS PER WEEK AND GOLF CLUB MAINTENANCE, INCLUDING, BUT NOT LIMITED TO, IRRIGATION, MAY BE CARRIED ON DURING NIGHTTIME, AS WELL AS, DAYLIGHT HOURS. AS A RESULT, THE OWNERS ACKNOWLEDGE AND UNDERSTAND THAT GOLF CLUB USE AND MAINTENANCE WILL CREATE NOISE FROM PLAYERS AND MAINTENANCE PERSONNEL, GOLF CARTS AND MAINTENANCE EQUIPMENT AS WELL AS OTHER POTENTIAL DISTURBANCES THAT ARE NORMALLY ASSOCIATED WITH PROPERLY CONDUCTED GOLF CLUB OPERATIONS.

B. SPECIAL PUBLIC EVENTS MAY ALSO FROM TIME TO TIME BE HELD AT THE GOLF CLUB. THE GOLF CLUB OPERATOR MAY TAKE ANY AND ALL REASONABLE ACTIONS NECESSARY TO PROVIDE FOR THE ATTENDEES AT SUCH EVENTS AS WELL AS ANY BROADCAST MEDIA, SECURITY PERSONNEL, PARKING ATTENDANTS, ETC.

C. IF A SPECIAL PUBLIC EVENT LIQUOR LICENSE IS TO BE APPLIED FOR TO BE UTILIZED AT AN EVENT WHOSE ACTIVITIES WILL TAKE PLACE ON ANY PORTION OF THE COMMON AREA, THE BOARD, IN ITS SOLE DISCRETION, SHALL DETERMINE IF SAID COMMON AREA SHALL BE SO USED. _

5.6 GOLF CLUB ADVERTISING.

A. IT IS UNDERSTOOD AND AGREED THAT THE DECLARANT AS WELL AS ANY GOLF CLUB OPERATOR, SHALL HAVE THE RIGHT TO PHOTOGRAPH, VIDEO RECORD AND DISPLAY THE EXTERIOR OF ANY RESIDENCE TOGETHER WITH THE LANDSCAPING ON ANY PARCEL OR PORTION THEREOF, FOR THE PURPOSES OF PROMOTING THE GOLF CLUB AND ANY ACTIVITIES ASSOCIATED THEREWITH.

5.7 GOLF CLUB SIGNS.

A. SUCH SIGNS AS MAY BE DETERMINED BY THE GOLF CLUB OPERATOR TO BE NECESSARY OR DESIRABLE, MAY BE DISPLAYED TO IDENTIFY, WARN AND OTHERWISE CONTROL CROSSINGS OF STREETS AND ROADS WITHIN THE MASTER PLAN COMMUNITY BY GOLF CARTS AND PEDESTRIAN GOLFERS; TO IDENTIFY THE GOLF CLUB AND PROVIDE APPROPRIATE DIRECTIONS TO SAME FOR MOTORISTS AND PEDESTRIANS; AS WELL AS TO IDENTIFY THE BOUNDARIES OF THE GOLF COURSE.

5.8 GOLF BALL OVERFLIGHT DAMAGE.

A. LIVING CONTIGUOUS TO OR NEAR A GOLF COURSE CARRIES WITH IT THE RISK OF DAMAGE CAUSED TO PERSONS AND PROPERTY BY GOLF BALLS COMING ON THE PROPERTY FROM THE GOLF COURSE. DECLARANT HAS PROVIDED NO ASSURANCES WHATSOEVER CONCERNING THE FREQUENCY WITH WHICH GOLF BALLS WILL ENTER THE PROPERTY, IF AT ALL, AND HAS PROVIDED NO GUARANTIES AS TO WHAT, IF ANY, ACTION MAY BE TAKEN BY THE GOLF COURSE OPERATOR TO MITIGATE SUCH ENTRY.

5.9 PESTICIDE OVERSPRAY.

A. THERE MAY BE AN OVERSPRAY ONTO THE PROPERTY OF PESTICIDES AND FERTILIZER APPLIED TO THE GOLF COURSE, WHICH PESTICIDES MIGHT HAVE AN ADVERSE AFFECT ON LANDSCAPING AND IMPROVEMENTS LOCATED ON THE PROPERTY.

5.10 OWNERS RESPONSIBILITIES.

A. NO NOXIOUS OR OFFENSIVE ACTIVITIES INCLUDING, BUT NOT LIMITED TO, THE BURNING OF MATERIALS AND ALLOWING THE SMOKE TO CROSS THE GOLF COURSE, MAINTAINING PETS WHICH ARE CREATING EXCESSIVE NOISE, PLAYING LOUD RADIOS, STEREOS, TELEVISIONS OR MUSICAL INSTRUMENTS, RUNNING, WALKING, JOGGING, BICYCLE RIDING, OR SKATEBOARDING ON THE FAIRWAYS OR GOLF CART PATHS, PICKING UP GOLF BALLS OR OTHERWISE INTERFERING WITH PLAY SHALL BE PERMITTED.

B. NO OWNER OR INVITEE SHALL HAVE ANY RIGHT TO USE ANY PORTION OF A GOLF CART PATHS, WHETHER OR NOT IT IS SITUATED IN THE COMMON AREA, WITHOUT THE PRIOR WRITTEN APPROVAL OF THE GOLF CLUB OPERATOR.

C. EXCEPT AS PROVIDED FOR IN SUBSECTIONS C.1. AND C.2., BELOW AND FOR AS LONG AS A & E UNION, INC., A NEVADA CORPORATION, OWNS A CONTROLLING INTEREST IN THE GOLF CLUB, NO FENCES, ORNAMENTAL SCREENS OR WALLS OF ANY NATURE SHALL BE ERECTED OR MAINTAINED WITHIN TWENTY FEET (20') OF ANY PARCEL LINE THAT IS CONTIGUOUS TO THE GOLF COURSE EXCEPT FOR THOSE THAT ARE INSTALLED IN ACCORDANCE WITH THE ORIGINAL CONSTRUCTION OF THE MASTER PLANNED COMMUNITY, THEIR REPLACEMENTS OR THOSE AUTHORIZED AND APPROVED BY THE GOLF CLUB OPERATOR.

1. UNIFORM FENCING MAY BE CONSTRUCTED AND MAINTAINED ALONG ANY PARCEL LINE THAT IS CONTIGUOUS TO THE GOLF COURSE REAL PROPERTY, WHICH IS CONSTRUCTED AND MAINTAINED IN ACCORDANCE WITH THAT CERTAIN UNDATED DOCUMENT, ENTITLED, "PERIMETER WROUGHT IRON FENCE CONSTRUCTION DETAILS" THAT WAS PREPARED BY JOHN N. VOGLEY & ASSOCIATES, A.S.L.A. IT IS FURTHER PROVIDED THAT, A DECORATIVE BLOCK RETAINING WALL MAY BE CONSTRUCTED AND MAINTAINED ON A PARCEL LINE THAT IS CONTIGUOUS TO THE GOLF COURSE PARKING LOT THAT IS CONSTRUCTED AND MAINTAINED IN ACCORDANCE WITH THAT CERTAIN DOCUMENT, ENTITLED, "RETAINING WALL'S STUDY 2," WHICH IS DATED OCTOBER 14, 1999 AND WAS PREPARED BY JOHN N. VOGLEY & ASSOCIATES, A.S.L.A.
2. DURING THE COURSE OF ANY CONSTRUCTION ON A PARCEL WITH A PARCEL LINE WHICH IS CONTIGUOUS TO THE GOLF COURSE, THE GOLF COURSE OPERATOR MAY REQUEST THE OWNER OF SAID PARCEL TO INSTALL TEMPORARY FENCING OR OTHER SIMILAR SCREENING IN ORDER TO SEPARATE CONSTRUCTION ACTIVITIES FROM THE GOLF COURSE.
3. NO IMPROVEMENTS OF ANY KIND OR NATURE, WITH THE EXCEPTION OF LANDSCAPING, MAY BE PLACED, CONSTRUCTED OR MAINTAIN BETWEEN ANY FENCING AND A PARCEL LINE THAT IS CONTIGUOUS WITH THE GOLF COURSE UNLESS SUCH IMPROVEMENT HAS BEEN AUTHORIZED IN WRITING BY THE GOLF CLUB OPERATOR.

D. THE OWNERS RECOGNIZE THAT PROPER MAINTENANCE OF THE PARCEL EASEMENT DESCRIBED IN SUBSECTION 5.12 OF THE MASTER DECLARATION, ENTITLED, "PARCEL EASEMENT" IS FOR THE BENEFIT OF THE GOLF CLUB OPERATOR AND THAT THE GOLF CLUB OPERATOR IS AN INTENDED THIRD (3RD) PARTY BENEFICIARY OF ANY COVENANTS, CONDITIONS AND RESTRICTIONS RELATING TO SUCH MAINTENANCE. THEREFORE, THE GOLF CLUB OPERATOR MAY AFTER COMPLIANCE WITH THE PROVISIONS OF SUBSECTION 3.11 OF THE MASTER DECLARATION, ENTITLED, "DUE PROCESS REQUIREMENTS," EXERCISE THE SAME POWERS OF ENFORCEMENT OF SUCH MAINTENANCE AS THE MASTER ASSOCIATION.

1. IN THE EVENT THAT AFTER THE ABOVE REFERENCED DUE PROCESS PROCEEDINGS THE BOARD DETERMINES THAT THE GOLF CLUB OPERATOR MAY PROCEED, IT, HE, SHE OR THEY MAY UNDERTAKE THE MAINTENANCE OF SUCH AREA. ANY AND ALL REASONABLE COSTS INCURRED BY THE GOLF CLUB OPERATOR IN SO MAINTAINING SUCH AREA SHALL BE THE PERSONAL OBLIGATION OF THE OWNERS OF THE PARCEL ON WHICH SUCH WORK WAS PROCESSED.

E. THE OWNERS RECOGNIZE THAT A GOLF CLUB WILL PROBABLY REQUIRE A LIQUOR LICENSE WHICH ALLOWS THEM TO SELL BEVERAGES FOR ON-SITE AND/OR OFF-SITE CONSUMPTION. THEREFORE, BY THE ACCEPTANCE OF TITLE TO A PARCEL IN THE MASTER PLANNED COMMUNITY, EACH OWNER ACKNOWLEDGES, UNDERSTANDS AND AGREES TO NOT CONTEST ANY SUCH APPLICATION FOR A LIQUOR LICENSE BY THE GOLF CLUB OPERATOR.

5.11 MAINTENANCE EASEMENT.

A. THE RIGHT TO GRANT AN APPURTENANT, NON-EXCLUSIVE EASEMENT OVER THE COMMON AREA, THE SERVIENT TENEMENT, HAS BEEN RESERVED BY THE DECLARANT IN FAVOR OF THE ADJACENT PROPERTY, THE DOMINANT TENEMENT, FOR THE PURPOSE OF ALLOWING THE GOLF CLUB OPERATOR, ITS, HIS, HER OR THEIR EMPLOYEES, AGENTS OR ANY CONTRACTOR THAT MAY BE SELECTED BY THE GOLF CLUB OPERATOR, TO ENTER THE COMMON AREA IN ORDER TO INSTALL, MAINTAIN, REPAIR AND REPLACE ANY CART PATHS, MASTER TELEVISION ANTENNA AND/OR CABLE SYSTEMS, WIRELESS COMMUNICATION SETUP, SECURITY DEVICES, TOGETHER WITH ANY SIMILAR TYPE OF EQUIPMENT AS WELL AS ANY PRIVATE UTILITIES, SUCH AS, BUT NOT LIMITED TO, SEWERS, DRAINAGE, RETENTION PONDS, ELECTRICAL, GAS, TELEPHONE AND WATER.

5.12 PARCEL EASEMENT.

A. THE RIGHT TO GRANT AN APPURTENANT, NON-EXCLUSIVE EASEMENT OVER ANY PORTION OF THE PARCELS AND/OR THE COMMON AREA, THE SERVIENT TENEMENTS, LYING WITHIN A TWENTY FOOT (20') RADIUS OF ANY POINT ON A PARCEL LINE THAT IS CONTIGUOUS WITH THE ADJACENT PROPERTY, HAS BEEN RESERVED BY THE DECLARANT IN FAVOR OF THE ADJACENT PROPERTY, THE DOMINANT TENEMENT, FOR THE FOLLOWING PURPOSES:

1. CONSTRUCTING, MAINTAINING, REPAIRING AND REPLACING PEDESTRIAN AND GOLF CART PATHS AS WELL AS GOLF CLUB ORIENTATED SIGNS LOCATED ON THE ADJACENT PROPERTY;
2. REMOVE UNSIGHTLY DEBRIS; AND
3. FOR GOLF CLUB MEMBERS, GUESTS, INVITEES AND EMPLOYEES TO RETRIEVE GOLF BALLS IN ACCORDANCE WITH THE RULES OF THE GAME OF GOLF.

5.13 RECIPROCAL EASEMENT AGREEMENT.

A. THE OWNERS ARE HEREBY MADE AWARE THAT ON THE DATE OF THE RECORDING OF THE DECLARATION, THERE IS AN AGREEMENT IN PLACE WHICH IS ENTITLED, "GOLF CLUB RECIPROCAL USE AND EASEMENT, MAINTENANCE AGREEMENT." SAID AGREEMENT INCLUDES PROVISIONS APPLICABLE TO THE RECIPROCAL USE, MAINTENANCE, REPAIR AND REPLACEMENT OF THE COMMON AREA. A COPY OF SAID AGREEMENT MAY BE OBTAINED FROM THE MASTER

ASSOCIATION. EACH OWNER SHOULD REVIEW A COPY OF SAID AGREEMENT AND BECOME FAMILIAR WITH ITS CONTENTS.

5.14 INDEMNIFICATION.

A. THE OWNERS, AND EACH OF THEM, BY ACCEPTANCE OF A DEED TO THEIR PARCEL, ACKNOWLEDGE AND AGREE THAT OWNING PROPERTY CONTIGUOUS TO A GOLF COURSE HAS BENEFITS AS WELL AS DETRIMENTS AND THAT THE DETRIMENTS MAY INCLUDE: (A) THE RISK OF DAMAGE TO PROPERTY OR INJURY TO PERSONS AND ANIMALS FROM GOLF BALLS WHICH ARE HIT ONTO AN OWNER'S PARCEL OR ANY OTHER PORTION OF THE MASTER PLANNED COMMUNITY; (B) THE ENTRY BY GOLFERS ONTO AN OWNER'S PARCEL OR THE COMMON AREA TO RETRIEVE GOLF BALLS; (C) OVERSPRAY IN CONNECTION WITH THE WATERING OF THE ROUGHS, FAIRWAYS AND GREENS; (D) NOISE FROM MAINTENANCE AND THE OPERATION OF EQUIPMENT (INCLUDING, WITHOUT LIMITATION, IRRIGATION SYSTEMS, COMPRESSORS, BLOWERS, MULCHERS, TRACTORS, UTILITY VEHICLES AND PUMPS, ALL OF WHICH MAY BE OPERATED AT ALL TIMES OF THE DAY AND NIGHT AND/OR CONTINUOUSLY); (E) ODORS ARISING FROM IRRIGATION AND FERTILIZATION OF THE TURF SITUATED ON THE ADJACENT PROPERTY; AND (F) DISTURBANCE AND LOSS OF PRIVACY RESULTING FROM GOLF CART TRAFFIC, GOLFERS, VEHICLE AND PEDESTRIAN CONGESTION. ADDITIONALLY, EACH OWNER ACKNOWLEDGES THAT PESTICIDES AND CHEMICALS MAY BE APPLIED TO THE ADJACENT PROPERTY THROUGHOUT THE YEAR AND THAT RECLAIMED WATER, TREATED WASTEWATER OR OTHER SOURCES OF NON-POTABLE WATER MAY BE USED FOR IRRIGATION OF SAID PROPERTY. EACH OWNER, THEREFORE, FOR THEMSELVES AND ON BEHALF OF THEIR FAMILY, GUESTS, TENANTS, INVITEES AND LICENSEES, HEREBY RELEASES DECLARANT AND ANY GOLF COURSE OPERATOR, THEIR RESPECTIVE PARTNERS, OFFICERS, DIRECTORS, SHAREHOLDERS, TRUSTEES, AGENTS AND EMPLOYEES, AS THE CASE MAY BE, (COLLECTIVELY THE "RELEASED PARTIES"), FROM ALL CLAIMS, DEMANDS, EXPENSES, DAMAGES, COSTS, CAUSES OF ACTION, OBLIGATIONS AND LIABILITIES INCLUDING, WITHOUT LIMITATION, DAMAGE TO RESIDENCIES AND OTHER PROPERTY DAMAGE AND DAMAGES FOR PERSONAL INJURY OR DEATH, COLLECTIVELY HEREINAFTER REFERRED TO AS THE "CLAIMS," WHICH IN ANY WAY ARISE FROM OR RELATE TO THE MATTERS DISCLOSED ABOVE. OWNERS SHALL INDEMNIFY, DEFEND AND HOLD THE RELEASED PARTIES FREE AND HARMLESS FROM ANY AND ALL CLAIMS MADE BY THE GUESTS, TENANTS, INVITEES OR LICENSEES OF OWNERS AGAINST ANY OF THE RELEASED PARTIES. THEY FURTHER ACKNOWLEDGE AND AGREE THAT THE STANDARD OF MAINTENANCE OF THE ADJACENT PROPERTY OR ANY IMPROVEMENTS THEREON IS WITHIN THE SOLE DISCRETION OF THE DECLARANT AND/OR THE GOLF COURSE OPERATOR.

5.15 AMENDMENT OF ARTICLE V.

A. NOT WITHSTANDING ANY OTHER PROVISION OF THE MASTER DECLARATION, NO ADDITION, AMENDMENT, CHANGE, MODIFICATION, OR TERMINATION OF THE CONDITIONS, COVENANTS AND RESTRICTIONS OF THIS ARTICLE V SHALL BE EFFECTIVE FOR ANY PURPOSES UNTIL APPROVED IN WRITING BY THE GOLF CLUB OPERATOR.

5.16 GOLF CART PATHS.

A. WITH THE EXCEPTION OF THOSE ACTIONS AND ACTIVITIES THAT HAVE BEEN PRE-APPROVED IN WRITING BY THE GOLF CLUB OPERATOR, WITHIN THOSE AREAS GRANTED TO THE GOLF CLUB OPERATOR AS EASEMENTS FOR GOLF CART PATHS, NO LAWN CLIPPINGS, OIL, WASTE MATERIALS, STRUCTURES OF ANY KIND, INCLUDING, BUT NOT LIMITED TO, BUILDINGS, WALLS, ORNAMENTAL SCREENS, SHEDS, PLANTINGS, TRAILS, BENCHES OR MATERIAL SHALL BE ERECTED, PLACED OR PERMITTED TO REMAIN THEREON, NO ACTIVITIES OF ANY KIND THAT WOULD BE DISRUPTIVE TO THE TERRAIN OR AFFECT NATURAL DRAINAGE COURSES, SHALL BE PERMITTED ON A CART PATH EASEMENT.

ARTICLE VI
PROVISIONS PROMULGATING MASTER ASSOCIATION ACTION

6.1 INCORPORATION.

A. The Master Association is a nonprofit mutual benefit corporation formed under the laws of the State of California. At the Recording of the first (1st) Parcel and/or Condominium, as the case may be, sale to an Owner, other than the Declarant, the Master Association shall be charged with the duties and invested with the powers set forth in the Master Association Articles, the Master Association Bylaws, and the Master Declaration.

6.2 ACTION THROUGH DESIGNATED OFFICERS.

A. Except as to the matters requiring the approval of Owners as set forth in the Master Declaration, the Master Association Articles, or the Master Association Bylaws, the affairs of the Master Association, including the exercise of its powers and duties, shall be conducted by the Board, such officers as the Board may elect or appoint, or such persons or entities with delegated authority under the provisions of Subsection 6.7 of the Master Declaration, entitled, "RIGHT TO DELEGATE POWERS AND DUTIES."

6.3 STATEMENT OF MASTER ASSOCIATION POWERS.

A. The Master Association shall have all the powers granted to it by § 383 of the California Code of Civil Procedure and §§ 1350 through 1373, inclusive, of the California Civil Code together with all the powers of a nonprofit mutual benefit corporation organized under the General Nonprofit Mutual Benefit Corporation Law of California, or any comparable superseding statutes, subject only to such limitations on the exercise of its powers as are set forth in the Master Association Articles, the Master Association Bylaws and the Master Declaration. It shall have the power to do any lawful thing that may be authorized, required or permitted to be done by the Master Association under the Masters Declaration, the Master Association Articles and the Master Association Bylaws and to do and perform any act that may be necessary or proper for, or incidental to, the exercise of any of the express powers of the Master Association, including, without limitation, the acts enumerated in Subsection 6.4 through 6.7, inclusive, of the Master Declaration.

6.4 ASSESSMENT RIGHTS.

A. The Master Association shall establish, fix, and levy Assessments against the Owners and collect and enforce payment of such Assessments, in accordance with provisions of the Master Declaration.

6.5 **THE RIGHT TO ESTABLISH MASTER ASSOCIATION RULES.**

A. The Master Association may adopt, amend and repeal Master Association Rules as it considers appropriate. The Master Association Rules shall regulate the use and enjoyment of the Common Area. A copy of the Master Association Rules as adopted, amended, or repealed shall be mailed or otherwise delivered to each Owner. If any provision in the Master Declaration, the Master Association Articles, or the Master Association Bylaws is inconsistent with or materially alters any Master Association Rule, the Master Declaration, the Master Association Articles, or the Master Association Bylaws shall control to the extent of any such inconsistency.

6.6 **RIGHT TO IMPOSE SANCTIONS FOR VIOLATIONS OF THE MASTER DECLARATION.**

A. In addition to any other enforcement rights described in the Master Declaration and/or the Master Association Bylaws, or authorized by law and subject to any restrictions on the Master Association's enforcement rights, including, but not limited to, the due process procedures imposed by the provisions of Subsection 3.11 of the Master Declaration, entitled, "DUE PROCESS REQUIREMENTS," the Board may take any of the following actions against any person or entity, whose act or failure to act violates or threatens to violate any provision of the Master Declaration, the Master Association Bylaws or any Master Association Rules:

1. Impose monetary penalties, including late charges and interests;
2. suspend voting rights in the Master Association;
3. suspend use privileges for the Common Area; and
4. commence a legal action for damages, injunctive relief, or both.

B. The determination of whether to impose any of the forgoing sanctions shall be within the sole discretion of the Board. Any legal action may be brought in the name of the Master Association on its own behalf and on behalf of any Owner who consents, and the prevailing party in such action shall recover costs and reasonable attorney's fees. The Master Association may take more than one (1) of the forgoing enforcement actions against any one (1) violation or threatened violation, provided that suspension of use privileges shall not exceed thirty (30) days, unless suspension is for delinquent Assessments, and a monetary penalty shall not exceed Fifty Dollars (\$50.00), excluding late charges imposed for delinquent payments, for any one (1) violation. The Board, in its sole discretion, may resolve or settle any dispute, including any legal action under such terms and conditions as it considers appropriate.

C. The Master Association shall have the power to adopt a schedule of reasonable fines and monetary penalties for violations of the terms of the Master Declaration and Master Association Bylaws, as well as any rules adopted pursuant to same, provided that such schedule is distributed to each Member by personal delivery or first class mail.

D. If any Member who is being disciplined so requests, the Board must meet in executive session and the Member is entitled to attend.

E. The Master Association may not cause a forfeiture or abridgement of an Owner's rights to the full use and enjoyment of its, his, her or their Parcel and/or Condominium except by judgment of a court or a decision arising out of arbitration or on account of a foreclosure or sale under a power of sale for failure of the Owner to pay Assessment fees duly levied by the Master Association.

F. The enforcement of monetary penalties is subject to the restrictions described in Subsection 8.6 of the Master Declaration, entitled, "SPECIAL ASSESSMENTS-PURPOSE FOR AND PROCEDURE FOR LEVYING."

6.7 **RIGHT TO DELEGATE POWERS AND DUTIES.**

A. The Master Association, the Board, and the officers of the Master Association shall have the power to delegate their authority and powers to committees, officers or employees of the Master Association, or to a manager employed by the Master Association, provided that the Board shall not delegate its responsibility:

1. To make expenditures for capital additions or Improvements chargeable against the Reserve Funds, as that term is defined in Subsection 8.5 of the Master Declaration, entitled, "**RESERVE FUNDS**," and hereinafter used;
2. To conduct hearings concerning compliance by an Owner or its, his, her or their tenant, lessee, guest or invitee with the Master Declaration, Master Association Bylaws or any rules and regulations promulgated by the Board;
3. To make a decision to levy monetary fines, impose Special Assessments against individual Parcels and/or Condominiums, temporarily suspend on Owner's rights as a Member of the Master Association or otherwise impose discipline;
4. To make a decision to levy Regular or Special Assessments; or
5. To make a decision to bring suit, Record a claim of lien or institute foreclosure proceedings for default in the payment of Assessments.

6.8 **DUTIES.**

A. In addition to the duties described in the Master Association Articles and/or the Master Association Bylaws, the Master Association shall have the duties set forth in Subsections 6.9 through 6.19, inclusive, of the Master Declaration.

6.9 **MANAGEMENT AND MAINTENANCE OF COMMON AREA.**

A. Subject to the provisions of Subsection 6.9B, below, the Master Association shall manage and maintain in good condition and repair the Common Area, including, but not limited to, the Common Facilities, Improvements, landscaping, Private streets, monument sign, fences, gates, security system, guard house and other personal or real property acquired by or subject to the control of the Master Association. No person other than the Master Association or its duly authorized agents shall construct, reconstruct, refinish, alter or maintain any Improvements upon, or shall create any excavation or fill or change the natural or existing drainage of any portion of the Common Area. In addition, no person shall remove any shrub or other vegetation from, or plant any shrub or other vegetation upon the Common Area without the express approval of the Board.

B. The maintenance of that certain landscaping along Miramonte Drive is subject to the covenants, conditions and restrictions set forth in that certain document entitled, "**GRANT OF EASEMENT AND AGREEMENT**," which was Recorded in the Official Records of Kern County, California, on September 13, 1991 as Instrument No. 117552 in Book 6568 at Page 2152 and re-recorded on September 18, 1991 in Book 6570, at Page 75 as Instrument No. 118989 in the Official Records of Kern County, California.

C. Provided that, at any time the Board, in their sole discretion, determines that the cost of maintaining the Security System is probative they may discontinue the operation of the Security System, or any portion thereof.

6.10 **CONTRACTING FOR GOODS AND SERVICES.**

A. The Master Association shall enter into such contracts for services or materials as may be necessary to perform its duties including contracts with the Declarant, subject to the provisions of any and all of those Subsections in the Master Declaration that have application thereto.

6.11 **PAYMENT OF TAXES AND ASSESSMENTS.**

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

6.12 SECURING INSURANCE COVERAGE.

A. The Master Association shall obtain and maintain the insurance described in Subsections 9.1 through 9.10, inclusive, of the Master Declaration.

6.13 PREPARATION AND DISTRIBUTION OF FINANCIAL STATEMENTS, REPORTS AND COPIES OF GOVERNING INSTRUMENTS.

A. The Master Association shall prepare and distribute the following financial statement, reports, and copies of governing instruments as indicated:

1. A balance sheet rendering as of an accounting date that is the last day of the month closest in time to six (6) months from the date of the closing of the first (1st) sale of a Parcel and/or Condominium in the Master Planned Community, hereinafter referred to as the "Accounting Date," and an operating statement for the period commencing with the date of the closing of said first (1st) sale and ending on the Accounting Date. Such operating statement shall include a schedule of the total Assessments received or receivable identified by the Parcel and/or Condominium number and name of the Owner assessed. Copies of the balance sheet and said operating statements shall be distributed to each Owner and any Mortgagee that has requested a copy within sixty (60) days after the Accounting date.
2. A proforma operating budget for each fiscal year shall be distributed not less than forty-five (45) days nor more than sixty (60) days before the beginning of such fiscal year consisting of at least the following:
 - a. The estimated revenues and expenses on an accrual basis;
 - b. A summary of the Master Association's reserves based upon the most recent review or study conducted under California Civil Code §1365.5, or comparable superseding statutes, which summary shall be printed in bold type and include all of the following:
 - (1) The current estimated replacement cost, estimated remaining life, and estimated useful life of each major component that the Master Association is obligated to maintain, hereinafter collectively referred to as the "Major Components."
 - (2) As of the end of the fiscal year for which the study is prepared:
 - (i) The current estimate of the amount of cash reserves necessary to repair, replace, restore or maintain the Major components;
 - (ii) The current amount of accumulated cash reserves actually set aside to repair, replace, restore or maintain the Major Components; and
 - (iii) The percentage of the amount in b.(1) above, that the amount in b.(2) above, represents;
 - c. A statement as to whether the Board has determined or anticipates that the levy of one (1) or more Special Assessments will be required to repair, replace or restore any Major Component or to provide adequate reserves for them;
 - d. A general statement addressing the procedures used for the calculation establishing those reserves to defray the future repair, replacement or additions to the Major Components that the Master Association is obligated to maintain;
 - e. A general statement regarding the Members' right to have copies of the minutes of meetings of the Board of Directors and how and when these minutes may be obtained;

- f. Instead of distributing the proforma operating budget, the Board may elect to distribute a summary of the budget to all of the Members with a written notice that the budget is available at the business office of the Master Association or at another suitable location within the boundaries of the Master Planned Community and that copies will be provided upon request at the expense of the Master Association. The notice must be in at least ten-(10) point, bold type and must appear on the front page of the summary of the budget. Any Member who requests a copy of the budget shall be provided a copy by the Master Association by first class United States mail at the Master Association's expense within five (5) days of the date the Master Association received the request; and
 - g. Any summary of the Master Association's reserves disclosed pursuant to Subsection 6.13A.2.b. shall not be admissible as evidence to show improper financial management of the Master Association.
3. An annual report consisting of a balance-sheet rendering as of the last day of the fiscal year, an operating statement for the fiscal year and a statement of changes in financial position for the fiscal year. A copy of the annual report shall be distributed to each Owner and any Mortgagee that has requested a copy, within one hundred twenty (120) days after the close of the fiscal year. In any fiscal year in which the gross income of the Master Association exceeds seventy five thousand dollars (\$75,000.00), a copy of the review of the annual report prepared by a licensee of the California State Board of Accountancy in accordance with generally accepted accounting principles shall be distributed with the annual report. If the annual report is not reviewed by an independent accountant, the report shall be accompanied by the certificate of an authorized officer of the Master Association that the report was prepared from the books and records of the Masters Association, without independent audit or review.
 4. A statement of the Masters Association's policies and practices in enforcing its remedies against Owners for delinquent, Regular or Special Assessments including the Recording and foreclosing of liens against a delinquent Owner's Parcels and/or Condominiums. A copy of this statement shall be distributed to each Owner and any Mortgagee that has requested a copy, within sixty (60) days prior to the beginning of each fiscal year.
 5. Copies of the Masters Declaration, the Master Association Article, Master Association Bylaws, any Master Association Rules, and the statement regarding delinquent Assessments as described in Subsection 8.13 of the Master Declaration, entitled, "**ESTOPPEL CERTIFICATE**," shall be provided any Owner within ten (10) days of the mailing or delivery of a written request. The Board may impose a fee to provide these materials not to exceed the Master Association's reasonable cost in preparing and reproducing the materials.
 6. A summary of the provision of Civil Code §1354 or comparable superseding statutes, which shall include the following language:

"Failure by any member of the Master Association to comply with the pre-filing requirements of §1354 of the Civil Code may result in the loss of your rights to sue the Master Association or another member of the Master Association regarding enforcement of the Master Governing Documents."
 7. A summary of the Master Association's property, general liability, earthquake and flood insurance policies, individually and collectively hereinafter referred to as the "Policy" or "Policies", shall be distributed to the Members within sixty (60) days preceding the beginning of the Master Association's fiscal year. The summary shall include the following information on the Policies:

- a. The name of the insurer;
 - b. The type of insurance;
 - c. The Policy limits of the insurance; and
 - d. The amount of deductibles, if any.
8. The Master Association, as soon as reasonably practicable, shall notify its Members by first class mail if any of the Policies have been cancelled and are not immediately renewed or restored or if there is a significant change, such as a deduction in coverage or limits or an increase in the deductible for any Policy. If the Master Association receives any notice of non-renewal of a Policy, the Master Association shall immediately notify its Members if replacement coverage will not be in effect by the date the existing coverage will lapse.
9. To the extent that the information required to be disclosed as described in this Subsection 6.13 is specified in the insurance Policy declaration page, the Master Association may meet its disclosure obligations by making copies of that page and distributing such copies to all its Members.
10. The summary required in these Subsections 6.13A.7. through 6.13A.9., inclusive, shall contain, in at least 10-point bold-face type, the following statement:
"This summary of the Master Association's policies of insurance provides only certain information as required by subdivision (e) of §1365 of the Civil Code and should not be considered a substitute for the complete policy and conditions contained in the actual policies of insurance. Any member, upon request and reasonable notice, may review the Master Association's insurance policies and, upon request and payment of reasonable duplication charges, may obtain copies of those policies. Although the Master Association maintains the policies of insurance specified in this summary, the Master Association's policies of insurance may not cover your property, including personal property and/or Improvements to or around your dwelling, or personal injuries or other losses that occur within or around your dwelling. Even if a loss is covered, you may nevertheless be responsible for paying all or a portion of any deductible that applies. Members should consult with their individual insurance brokers or agents for appropriate additional coverage."

6.14 ENFORCEMENT OF BONDED OBLIGATIONS.

A. If the Master Association is the obligee under a bond or other arrangement, hereinafter referred to as the "Bond," to secure performance of a commitment of the Declarant or its successors or assigns to complete the Common Area Improvements not completed at the time the California Commissioner of Real Estate issues a Final Subdivision Public Report for any portion of the Property, the Board shall consider and vote on the question of action by the Master Association to enforce the obligations under the bond with respect to any Improvement for which a notice of completion has not been filed by the later of:

1. Sixty (60) days after the completion date specified for such Improvement in the "Planned Construction Statement" appended to the bond; or
2. Thirty (30) days after the expiration of any written extension given by the Master Association.

B. If the Board fails to consider and vote on the action to enforce the obligations under the bond, or if the Board decides not to initiate action to enforce the obligations under the Bond, then, on receipt of a petition signed by Owners representing not less than five percent (5%) of the total voting power of the Master Association, the Board shall call a special meeting of Owners for the purpose of voting to override the decision of the Board not to initiate action or to compel the Board to take action to enforce the obligation under the Bond. The Board shall give written notice of the meeting to all Owners

entitled to vote in the manner provided in the Master Declaration or in the Master Association Bylaws for the notices of special meetings of Owners. The meeting shall be held not less than thirty-five (35) days nor more than forty-five (45) days after receipt of the petition. At the meeting the vote in person or by proxy of the majority of the Owners entitled to vote, other than the Declarant, in favor of taking action to enforce the obligations under the Bond shall be considered the decision of the Master Association and the Board shall implement this decision by initiating and pursuing appropriate action in the name of the Master Association.

C. The Master Association shall act in a reasonably prompt manner to exonerate the Declarant and its surety under any Bond in favor of the Master Association, provided such exoneration is appropriate.

6.15 OTHER DUTIES.

A. The Master Association shall perform such other acts as may be reasonably necessary to exercise its powers or perform its duties under any of the provisions of the Master Declaration, the Master Association Articles, the Master Association Bylaw, any Master Association Rules or any Board resolutions.

6.16 LIMITATIONS ON AUTHORITY OF THE BOARD OR THE MASTER ASSOCIATION.

A. The Board shall not take any of the following actions except with the assent, by vote at a meeting of the Master Association or by written ballot without a meeting, pursuant to Corporations Code § 7513, or comparable superseding statutes, of a simple majority of the Members other than the Declarant, constituting a quorum consisting of more than fifty percent (50%) of the voting power of the Master Association residing in Members other than the Declarant:

1. Incur aggregate expenditures for capital improvements to the Common Area in any fiscal year in excess of five percent (5%) of the budgeted gross expenses of the Master Association for the fiscal year;
2. Sell, during the fiscal year, property of the Master Association having an aggregate fair market value greater than five percent (5%) of the budgeted gross expenses of the Master Association for the fiscal year;
3. Pay compensation to members of the Board or to the officers of the Master Association for services performed in the conduct of the Master Association's business, provided that the Board may reimburse any of its members for expenses incurred in carrying on the business of the Master Association; or
4. Enter into a contract with a third (3rd) person to furnish goods or services for the Common Area or the Master 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 the Veterans Administration;
 - b. A contract with a public utility company if the rate charged for the materials or services are regulated by the Public Utilities Commission, provided the term does not exceed the shortest term for which the supplier will contract at the regulated rate;
 - c. Prepaid casualty or liability insurance policies not to exceed three (3) years duration provided the policy allows for short rate cancellation by the insured;
 - d. Lease agreements for equipment not to exceed five (5) years duration provided the Declarant does not have a direct or indirect ownership interest of ten percent (10%) or more in any lessor under such agreements;

- e. Agreements for cable television services and equipment or satellite dish television services and equipment not exceeding five (5) years in duration provided the supplier is not an entity in which the Declarant has a direct or indirect ownership interest of ten percent (10%) or more;
- f. Agreements for sale or lease of burglar alarm and fire alarm equipment, installation and services not exceeding five (5) years duration, provided that the supplier or suppliers are not entities in which the Declarant has a direct or indirect ownership interest of ten percent (10%) or more; and
- g. Agreements for a term not to exceed three (3) years in duration which are subject to termination by the Master Association, without cause, penalty or other obligation, after being in force for no longer than one (1) year, upon the giving of a ninety (90) day written notice of termination to all of the other parties to such agreement.

B. Notwithstanding anything herein to the contrary, but subject to Subsection 6.16D., below, the Board shall not institute any significant legal proceedings, including any arbitration or judicial reference proceeding, collectively hereinafter referred to as the "Proceeding(s)," against any person without providing the Members with at least one hundred and twenty (120) days' prior written notice of the Master Association's intentions to institute Proceedings, hereinafter referred to as the "Notice." The Notice shall describe the purpose of the Proceeding, the parties to the Proceeding, the anticipated cost to the Master Association, including attorney fees, in processing the Proceeding, the source of funds to process the Proceedings, reserves, Special or Regular Assessments, and suggested information that should be disclosed to third (3rd) parties, such as, but not limited to, prospective purchasers and lenders, while the Proceeding is being prosecuted. For purposes herein, "Significant Legal Proceeding" shall mean any Proceeding in which it reasonably could be anticipated that any of the following events might occur:

- 1. The levy of a Special Assessment to fund all or any of the Proceedings;
- 2. The expenditure of funds from the Master Association reserves in connection with the Proceeding in an amount in excess of five percent (5%) of the then current reserves;
- 3. The amount of the claim is in excess of Twenty thousand dollars (\$20,000.00); or
- 4. A material adverse effect on the ability to sell and/or refinance the Parcels and/or Condominiums during the period the Proceeding is being prosecuted.

C. If the proposed Proceeding is against the Declarant or other developer, or any contractor, subcontractor, architect, engineer, or materials supplier, who are or have been, as the case may be, engaged by or on behalf of the Declarant and/or any other developer, for the design or alleged damage of or to, as the case may be, the Master Planned Community or any elements thereof, the notice shall also specify each of the following, unless not required by reason of Civil Code §§1375(g)(1)(E) or 1375(g)(2)(D), or comparable superseding statutes, as amended from time to time:

- 1. That a meeting will take place to discuss problems that may lead to the filing of a Proceeding and the time and place of the meeting; and
- 2. The options that are available to address the problems.

D. Notwithstanding the foregoing, the notice shall not be required to commence and pursue any action to collect delinquent Assessments as described in Subsection 8.14 of the Master Declaration, entitled, "ASSOCIATIONS' POWER TO ESTABLISH ASSESSMENT LIEN," or to enforce any Common Area completion bond as described in Subsection 6.14 of the Master Declaration, entitled, "ENFORCEMENT OF BONDED OBLIGATIONS." Furthermore, if the Board in good faith determines that there is insufficient time to provide prior notice to the Members, as required herein, before the expiration of any applicable statute of limitations or before the loss of any significant right of the Master Association, the Board may take the necessary steps to commence the Proceeding to preserve the rights of the Master Association, provided that as soon as is reasonably practical thereafter, and not later than thirty (30) days following the commencement of the Proceeding, the Board shall provide the Members with the Notice required herein.

E. If the proposed legal proceeding is brought by the Master Association or an Owner or any combination of same, against the Declarant, other developer, or any contractor, subcontractor, architect, engineer, or materials supplier, who are or have been, as the case may be, engaged by our on behalf of the Declarant and/or any other developer, for the design or alleged damage of or to, as the case may be, the Master Planned Community or any elements thereof, the Master Association and/or any Owner or any combination thereof, hereinafter referred to as the "Complaining Party(ies)," shall send the Declarant and/or any other developer, contractor, subcontractors, architect, engineer or materials supplier, as the case may be, hereinafter referred to as the "Responding Party(ies)," a thirty (30) day written notice of the nature of the dispute, the facts giving rise to its claim and its, his, her or their intent to initiate litigation, hereinafter referred to as the "Litigation Notice."

F. The Litigation Notice shall name a mediator. The Responding Party(ies) shall be obligated to pay any fee to initiate mediation, however the cost of mediation, including any attorney's fees, shall ultimately be borne as determined by the parties if the mediation results in settlement of the dispute. If the Responding Party(ies) does not agree with the Complaining Party's(ies') choice of a mediator, the parties shall ask that the American Arbitration Association pick a mediator from its panel within ten (10) days from the Responding Party's(ies') receipt of the Mediation Notice. Within thirty (30) days after the mediator is chosen, the parties shall schedule and attend a mediation session and make a good faith effort to resolve their dispute. If the mediation session does not resolve the dispute or if the Responding Party(ies) refuse(s) to attend any such mediation session, the dispute shall be submitted to and conclusively determined by, binding arbitration in accordance with Subsections 6.16H. through 6.16M., inclusive, below.

G. Neutral and impartial individual(s) shall be appointed to serve as arbitrator(s), with such arbitrator(s) to be appointed within a reasonable period of time, which in no event shall be more than sixty (60) days from the administrator's receipt of a written request from a party to arbitrate a claim or dispute. In selecting the arbitrator(s), the provisions of Section 1297.121 of the Code of Civil Procedure shall apply. An arbitrator may be challenged for any of the grounds listed in the above referenced Code Section. The arbitration shall be conducted in accordance with the Commercial Arbitration Rules of the American Arbitration Association.

H. The arbitration shall be conducted in Kern County, California.

I. The parties shall submit to the arbitration all written, documentary, or other evidence, and oral testimony as is reasonably necessary for a proper resolution of the dispute. Copies of all written submittals shall be provided to the arbitrator(s) and the parties on each side. The Arbitrator (s) shall conduct such hearings as (s)he/they consider necessary; may require the submission of briefs or points and authorities; and may submit written questions to the parties. The parties shall respond to such questions in writing. If a question is addressed to less than all of the parties, copies of the question and the answer thereto shall be served on the other parties.

J. At the hearing, any party may present any relevant evidence and the formal rules of evidence applicable to judicial proceeding shall not govern. Evidence shall be admitted or excluded at the sole discretion of the arbitrator(s).

K. Except as provided above, those arbitration procedures set forth in the California Statutes, which are in effect at the time any arbitration is commenced, shall apply to said arbitration.

L. The arbitration shall proceed with due dispatch and a decision shall be rendered within a reasonable time after appointment of the arbitrator(s). The arbitrator(s)' decision shall be in writing and in a form sufficient for entry of a judgement in any court of competent jurisdiction in the state of California.

M. Any decision of the arbitrator(s) shall be subject to the limitations set forth in the immediately succeeding paragraph:

1. The arbitrator(s)' shall be authorized to provide all recognized remedies available in the law or equity for any cause of action that is the basis of any such arbitration. In no event shall the arbitrator(s)' award include a component for punitive or exemplary damages. The Responding Party(ies) shall be obligated to

pay any fee to initiate such arbitration, however, the costs of the arbitration proceeding, including attorney's fees, shall be borne as ultimately determined by the arbitrator(s).

6.17 LIMITATION ON LIABILITY OF OFFICERS AND DIRECTORS.

A. No director, officer committee member, employee, or other agent of the Master Association, including the Declarant or any agent of the Declarant when acting in such capacity, of the Master Association, collectively and individually referred to as the "Released party," shall be personally liable to any of the Members, or to any other person, for any error or omission in the discharge of their duties and responsibilities for their failure to provide any service required hereunder or under the Master Association Bylaws, provided that such Released Party has, upon the basis of such information as may be possessed by the Released Party, acted in good faith, in a manner that such person believes to be in the best interests of the Master Association and with such care, including reasonable inquiry, as an ordinary prudent person in a like position would use under similar circumstance.

B. Without limiting the generality of the foregoing, this standard of care and limitation of liability shall extend to such matters as the establishment of the Master Association's annual financial budget, the funding of the Master Association capital replacement and Reserve Accounts, as that phrase is defined in Subsection 8.5 of the Master Declaration, entitled, "**RESERVE FUNDS**," and hereinafter used, repair and maintenance of Common Areas and Common Facilities and enforcement of the Master Governing Documents.

C. No person who suffers bodily injury, including, without limitation, emotional distress or wrongful death, as a result of the tortious act or omission of a volunteer member of the Board or a volunteer officer of the Master Association shall recover damages from such Board member or officer if all of the following conditions are satisfied:

1. The Board member or officer is an Owner of no more than two (2) Parcels and/or Condominiums;
2. The act or omission was performed within the scope of the volunteer Board member's or officer's Master Association duties;
3. The act or omission was performed in good faith;
4. The act or omission was not willful, wanton, or grossly negligent;
5. The Master Association maintained and had in effect at the time the act or omission occurred and at the time a claim was made one (1) or more policies of insurance that included coverage for general liability of the Master Association and individual liability of the officers and directors of the Master Association for negligent acts or omissions in their official capacities, with minimum coverage for both types of insurance being not less than one million dollars (\$1,000,000.00).

D. The payment of actual expenses incurred by a Board member or officer in the execution of that person's Master Association duties shall not affect that person's status as a volunteer Board member or officer for the purposes of this Subsection 6.17. However, any director or officer who receives direct or indirect compensation from the Declarant or from a financial institution that acquired a Parcel and/or Condominium within the Properties as a result of a judicial or nonjudicial foreclosure proceeding, is not a volunteer.

E. The provisions of this Subsection 6.17 are intended to reflect the protections accorded to volunteer directors and officers of community associations under Civil Code §1365.7. In the event Civil Code §1365.7 is amended or superseded by another, similar provision of the California statutes, this Subsection 6.17 shall be deemed amended, without the necessity of further Owner approval, to correspond to the amended or successor Civil Code provision.

6.18 DELIVERY OF DOCUMENTS AND INSPECTION OF ASSOCIATION BOOKS AND RECORDS.

A. The Declarant and its successors and assigns shall, commencing no later than ninety (90) days after the close of escrow on the sale of the first (1st) Parcel and/or Condominium, as the case may be, in the Master Planned Community, other than to the Declarant, deliver, or cause to be delivered, as soon as they are readily obtainable, one (1) copy of any of the documents listed in Subsection 6.18B., below, that have application to the Master Planned Community, to the Board of Directors of the Master Association, at the Master Association office or at such other location as the Board may from time to time designate by written notification to the Declarant, provided that such obligation shall terminate upon the earliest to occur of the following events:

1. The conveyance of the last Parcel and/or Condominium, whichever is applicable, in the Master Planned Community to an Owner other than the Declarant, covered by a Final Subdivision Public Report; or
2. Five (5) years from the date of expiration of the most recent Final Subdivision Public Report covering the Property or any portion thereof.

B. The documents to be delivered, if applicable, are:

1. The Recorded Subdivision Map(s) for the Property.
2. The deeds and easements executed by the Declarant conveying the Common Area or other interest to the Master Association.
3. The Recorded Master Declaration, including any amendments and annexations thereto.
4. The filed Master Association Articles of Incorporation and any amendments thereto.
5. The Master Association Bylaws and any amendments thereto,
6. All rules regulating the use of an Owner's interest in the subdivision or use of the Common Area which have been promulgated by the Master Association.
7. The plans approved by the local agency or county where the subdivision is located, for the construction or Improvement of facilities that the Master Association is obligated to maintain or repair; provided, however, that the plans need not be as-built plans and that the plans may bear appropriate restrictions on their commercial exploitation or use and may contain appropriate disclaimers regarding their accuracy.
8. All notice of completion certificates issued for Common Area Improvements, other than Residential structures.
9. Any bond or other security devise of which the Master Association is the beneficiary.
10. Any written warranty being transferred to the Master Association for Common Area equipment, fixtures, or Improvements.
11. Any insurance policy procured for the benefit of the Master Association, the Board or the Common Area.
12. Any lease or contract to which the Master Association is a party.
13. The Members register, including mailing addresses and telephone numbers, books of account and minutes of meetings of the Board and of committees of the Board.
14. Any other instrument that is not described above, which establishes or defines the common, mutual, or reciprocal rights or responsibilities of Members of the Master Association.

C. The Declarant shall, commencing no later than ninety (90) days after the close of escrow on the sale of the first (1st) Parcel and/or Condominium, whichever is applicable, in any annexed property to, or additional Phases of the Master Planned Community, other than to the Declarant, deliver, or cause to be delivered, as soon as they are obtainable, one (1) copy of any of the documents listed in Subsection

6.18B., above, that have application to the Master Planned Community, to the Board at the Master Association office or at such other location as the Board may from time to time designate by written notification to the Declarant, provided that such obligation shall terminate upon the earliest to occur of the following events:

1. The conveyance of the last Parcel and/or Condominium in any annexed property to, or additional Phases of, the Master Planned Community to an Owner other than the Declarant, covered by a Final Subdivision Public Report; or
2. Three (3) years from the date of expiration of the most recent Final Subdivision Public Report covering the Property or any portion thereof.

D. Any Owner, or that Owner's duly appointed representative, shall have access to any of those documents listed in Subsection 6.18B., above, the Master Association's membership register, including mailing addresses and telephone numbers, books of account, and minutes from any meeting of the Owners, the Board, with the exception of any minutes from executive sessions of the Board, or any committee of the Board in order to inspect and copy such records and/or documents, for any purpose reasonably related to its, his or her interest as an Owner. Access shall be at any reasonable time at the office of the Master Association or such other place within the Master Planned Community as the Board prescribes. The Board shall establish rules regarding the notice the Owner must give to the custodian of the records to obtain access, the hours and days of the week when the records may be inspected and copied, and the charges imposed by the Master Association for copying records requested by an Owner.

6.19 LITIGATION.

A. Subject to the provisions in Subsection 6.16 of the Master Declaration, entitled, "LIMITATIONS ON AUTHORITY OF THE BOARD OR THE ASSOCIATION," and California Civil Code §1354, or comparable superseding statutes, the Board of Directors has the authority to institute, defend, settle or intervene on behalf of the Master Association in litigation, arbitration, mediation or administrative proceedings in matters pertaining to:

1. The enforcement of the Master Governing Documents;
2. Damage to the Common Area;
3. Damage to any separate interest which the Master Association is obligated to maintain or repair; or
4. Damage to a separate interest, which arises out of, or is integrally related to, the Common Area or a separate interest that the Master Association is obligated to maintain or repair.

ARTICLE VII PROVISIONS DECLARING MEMBERSHIP AND VOTING RIGHTS

7.1 MEMBERSHIP APPURTENANT TO OWNERSHIP.

A. Each Owner shall be a Member of the Master Association. Membership shall be appurtenant to each Parcel and/or Condominium, and the holding of an ownership interest in a Parcel and/or Condominium shall be the sole qualification for Membership, provided that no Owner shall hold more than one (1) membership, even though such Owner owns an interest in more than one (1) Parcel and/or Condominium. Membership shall terminate automatically when the Owner no longer holds any ownership interest in any Parcel and/or Condominium. Membership may not be assigned, transferred, pledged, hypothecated, conveyed or alienated in any way except on a transfer of title to a Parcel and/or Condominium and then only to the transferee. Any attempt to make a prohibited transfer shall be void. Any transfer of title to a Parcel and/or Condominium shall transfer automatically the appurtenant Membership to the transferee. Any party that holds an interest in a Parcel and/or Condominium merely as security for the performance of an obligation shall not be a Member.

B. Each Member shall have the right, duties, and obligations set forth in the Master Declaration, the Master Association Articles, the Master Association Bylaws and any Master Association Rules.

7.2 VOTING.

A. Except as otherwise provided in the Master Declaration, the Master Association Articles or the Master Association Bylaws, and subject to the provisions of Subsection 7.3 of the Master Declaration, entitled, "THREE CLASS SYSTEM; WEIGHTED VOTES," all matters requiring approval of Owners shall be deemed approved if Delegates or Alternate Delegates, when appropriate, holding a majority of the total voting power of all of the Owners, assent to them by written consent or if approved at any duly called regular or special meeting at which a quorum is present, either in person or by proxy, by Delegates or Alternate Delegates, whichever is appropriate, who are present at said meeting and represent a majority of the voting power of all of the Owners.

7.3 THREE CLASS SYSTEM; WEIGHTED VOTES.

A. The Association shall have three (3) classes of voting membership as follows:

1. Class A: Class A Owners are all of the Owners. Each Class A Owner shall be entitled to one (1) vote for each Parcel and/or Condominium, in which it, he, she or they own(s) an interest. If more than one (1) Owner owns an interest in the Parcel and/or Condominium, only one (1) vote may be cast with respect to that Parcel and/or Condominium.
2. Class B: The Class B Owner shall be the Declarant who will be entitled to one and one-half (1½) votes for each Parcel and/or Condominium in any Phase of the Master Planned Community, regardless of the ownership of said Parcels and/or Condominium. Class B membership shall cease and be irreversibly converted to Class A membership on the last day of the Market Period.
3. Class C:
 - a. Class C Member shall be the Declarant irrespective of whether the Declarant is or is not an Owner. The Class C membership shall not be considered a part of the general voting power of the Master Association and Declarant is not entitled to exercise its Class C membership for any purpose other than for appointing that percentage of the Board which the Class C membership is entitled to appoint in accordance with the provisions of this Subsection 7.3.A.3. The Class C Member is entitled to appoint seventy-five percent (75%) of the members of the Board of Directors until the last day of the Market Period and thereafter, will be entitled to appoint twenty percent (20%) of the members of the Board of Directors until the first (1st) to occur of the following:
 - (i) Ninety percent (90%) of the Separate Residential Interests proposed for the overall Master Planned Community have been conveyed to Class A Owners;
 - (ii) On the fifth (5th) anniversary of the first (1st) conveyance under the authority of a Final Subdivision Public Report of a Separate Residential Interest in the most recent Phase of the overall Master Planned Community to a Class A Owner; or
 - (iii) On the twenty-fifth (25th) anniversary of the first (1st) conveyance under the authority of a Final Subdivision Public Report of a Separate Residential Interest in the overall Master Planned Community to a Class A Owner.

- b. Provided, however, that any time prior to the last day of the Market Period, the Declarant shall have the right to terminate Declarant's rights as a Class C Member by executing and delivering to the Master Association a letter whereby Declarant relinquishes all of Declarant's rights as a Class C Member.
- c. Notwithstanding anything contained in the Master Declaration to the contrary, Declarant shall not be entitled to use its Class C membership in combination with any other votes the Declarant may have under the provisions of the Master Declaration to elect more than seventy-five percent (75%) of the Board of Directors.

B. Subject to the provisions of Subsection 6.14 of the Master Declaration, entitled, "ENFORCEMENT OF BONDED OBLIGATIONS," and Subsection 7.3A.3. above, as long as two (2) classes of voting membership exist, any action by the Master Association that calls for the approval of the Owners shall require the consent of the designated percentage of voting power in each class of Members.

C. Voting rights shall vest either at the time Assessments are levied against a Parcel and/or Condominium or as provided for in any subsidization plan approved by the California Department of Real Estate.

7.4 NUMBER OF DELEGATES.

A. Each Delegate District shall elect one (1) person, the Delegate, together with an alternate person, the Alternate Delegate, who may replace the Delegate if such Delegate cannot attend a meeting, to exercise such Delegate District's collective voting rights in the Master Association, as the case may be.

7.5 VOTING RIGHTS.

A. Each Parcel and/or Condominium shall have the right to cast one (1) vote for the election of a Delegate and one (1) vote for the election of an Alternate Delegate, to exercise the voting power of the Delegate District in which such Parcel and/or Condominium is located.

B. On all Master Association matters requiring an Owner's vote, each such voting Delegate and/or Alternate Delegate, as the case may be, shall be entitled to cast that number of votes determined by the total number of Parcels and/or Condominiums located in the Delegate District which he or she represents, unless otherwise called for in the provisions of the Master Declaration.

7.6 NOMINATION.

A. Nomination for election as a Delegate and/or Alternate Delegate, to a Delegate District shall be made by a nominating committee ("Delegate Nominating Committee") consisting of three (3) Owners residing in the Delegate District that the elected Delegate and Alternate Delegate will represent. Each member of the Delegate Nominating Committee shall be appointed by the board of directors of the Subsidiary Development ("Subsidiary Board") which such Delegate and Alternate Delegate will be representing, to serve for a period of one (1) year, and vacancies therein shall be filled by the Subsidiary Board. A Delegate Nominating Committee may make as many nominations as it desires. Nominations may only be made, however, from among Owners in the Delegate District that such elected Delegate and Alternate Delegate will represent.

B. Notwithstanding the foregoing, any Owner present in person or by proxy, at a meeting in which a Delegate and/or Alternate Delegate are/ is to be elected may place a name in nomination for either position at such meeting prior to any vote being taken for the election of a Delegate and/or Alternate Delegate, as the case may be.

C. The Subsidiary Board shall adopt procedures that provide for a reasonable opportunity for nominees to communicate their qualifications and reasons for candidacy to the respective Owners as well as to solicit their votes. No Association funds may be expended to support a nominee for Delegate and/or Alternate Delegate.

7.7 ELECTION OF DELEGATES AND ALTERNATE DELEGATES.

A. An initial Delegate and Alternate Delegate shall be appointed by the Subsidiary Builder of the Subsidiary Development that such Delegate and Alternate Delegate will represent, as soon as practical after the incorporation of the homeowners association for such Subsidiary Development, and they shall hold office until the first (1st) annual meeting of such homeowners association. At said first (1st) annual meeting, the members of such homeowners association shall elect a Delegate and Alternate Delegate to represent their Delegate District. Unless the office is vacated sooner as provided for in Subsection 7.8 of the Master Declaration, entitled, "VACANCIES," each Delegate and Alternate Delegate shall hold office until his or her term expires and a successor has been elected and qualified. The term of office of a Delegate and Alternate Delegate shall be for one (1) year. A successor Delegate and Alternate Delegate shall be elected at the next annual meeting corresponding with the expiration of his or her term.

B. Any Delegate and/or Alternate Delegate may resign effective on giving written notice to the board of directors of the Subsidiary Development he or she represents, unless the notice specifies a later time for the effectiveness of such resignation.

7.8 VACANCIES.

A. A vacancy or vacancies in the office of Delegate and/or Alternate Delegate shall exist on the occurrence of any of the following:

1. The death of any Delegate and/or Alternate Delegate;
2. The effective date of any Delegate's and/or Alternate Delegate's resignation;
3. The removal of a Delegate and/or Alternate Delegate by the vote of a majority of all the votes entitled to be cast for such Delegate and/or Alternate Delegate office, as the case may be.
4. The declaration by resolution of the board of directors of the respective Subsidiary Development of a vacancy in the office of the Delegate and/or Alternate Delegate representing such Subsidiary Development, when such Delegate and/or Alternate Delegate has been declared of unsound mind by an order of court or convicted of a felony;
5. An increase in the authorized number of Delegates and/or Alternate Delegates; or
6. The failure of the Owners, at any meeting of the Owners at which any Delegate, or Delegates, Alternate Delegate and/or Alternate Delegates are to be elected, to elect the number of Delegates and/or Alternate Delegates required to be elected at that meeting.

B. Any vacancy of the office of Delegate and/or Alternate Delegate, may be filled by the board of directors of the Subsidiary Development represented by such Delegate and/or Alternate Delegate, except for a vacancy created by removal of a Delegate and/or Alternate Delegate, as the case may be, by the vote of the Owners. In addition, the Owners may fill any vacancy not filled by the board of directors. Any Delegate and/or Alternate Delegate elected to fill a vacancy shall hold office until the expiration of the term of his or her predecessor and until a successor has been appointed and/or elected and qualified.

7.9 COMPENSATION.

A. A Delegate or Alternate Delegate shall not receive any compensation for any services rendered to the Association as a Delegate and/or Alternate Delegate, as the case may be; provided that, Delegates and/or Alternate Delegates may be reimbursed for actual out-of-pocket expenses incurred in the performance of his or her duties.

**ARTICLE VIII
ASSESSMENTS**

8.1 ASSESSMENTS – AGREEMENT TO PAY

A. The Declarant covenants and agrees for each Parcel and/or Condominium owned by it in the Master Planned Community that is expressly made subject to Assessments as set forth in the Master Declaration, and each Owner by acceptance of a deed to a Parcel and/or Condominium, covenants and agrees for each such Parcel and/or Condominium owned, to pay to the Master Association the Regular and Special Assessments levied in accordance with the provisions of the Master Declaration, and to allow the Master Association to enforce an Assessment lien established in accordance with the provisions of the Master Declaration by nonjudicial proceedings under a power of sale or by an other means authorized by law.

8.2 ASSESSMENTS AS PERSONAL OBLIGATION OF OWNER

A. Each Assessment or installment, together with any late charge, interest, collection costs, and reasonable attorney's fees, shall be the personal obligation of the Owner at the time such Assessment or installment becomes due and payable. If there is more than one (1) Owner of a particular Parcel and/or Condominium, each Owner shall be jointly and severally liable. The personal obligation for any delinquent Assessments or installments and related sums shall not pass to an Owner's successor in interest unless expressly assumed by the successor in interest. No Owner may be relieved from the obligation to pay Assessments or installments by waiving the use or enjoyment of all or any portion of the Common Area or the Owner's Parcel and/or Condominium, or by abandoning the Parcel and/or Condominium.

8.3 SCOPE OF ASSESSMENT-AUTHORITY

A. The Assessments levied by the Master Association shall be used exclusively to promote the recreation, health, safety and welfare of the Members, to improve, replace, repair, operate, and maintain the Common Area, together with any landscaping, Improvements and/or personal property, wherever located within the Master Planned Community, that are owned or maintained by the Master Association, to provide funds necessary for the performance of the duties of the Master Association as set forth in the Master Declaration, and to further any other purpose that is for the common benefit of the Owners and their use and enjoyment of the Master Planned Community.

8.4 REGULAR ASSESSMENTS

A. No more than ninety (90) days nor less than sixty (60) days before the beginning of each fiscal year of the Master Association, the Board shall meet for the purposes of establishing a regular annual Assessment ("Regular Assessment") for the forthcoming fiscal year. At such meeting the Board shall review the preliminary proforma operating budget prepared in accordance with the provisions of Subsection 6.13 of the Master Declaration, entitled, "**PREPARATION AND DISTRIBUTION OF FINANCIAL STATEMENTS, REPORTS AND COPIES OF GOVERNING INSTRUMENTS,**" any written comments received from Members and Mortgagees, and any other related information that has been made available to the Board. After making any adjustments that the Board considers appropriate, the Board, subject to the restrictions described in this Subsection 8.4 and having either complied with Subsection 6.13A.2. of the Master Declaration or obtained the approval of a majority of the votes at a meeting of the Members at which a quorum is present, shall establish the Regular Assessment for the forthcoming year. The Board may not establish a Regular Assessment for any fiscal year that is more than one hundred and twenty percent (120%) of the regular Assessment for the prior fiscal year, except the Master Association's first (1st) fiscal year if it is less than twelve (12) months, without the approval by vote or written consent of the Owners holding fifty-one percent (51%) of the voting rights of each class of Owners if there are two (2) classes, or if there is one (1) class, the approval by vote or written consent of the Owners holding fifty-one percent (51%) of the voting rights of all the Owners and the Owners, other

than the Declarant, holding fifty-one percent (51%) of the voting rights of all Owners other than the Declarant.

B. Unless the Master Association is exempt from federal or state income taxes, including *without limitation an exemption under Internal Revenue Code §§23701t, or a comparable superseding code*, all Reserve Funds, to the extent possible, shall be designated and accounted for as capital contributions to the Master Association and the Board shall take such steps as may be reasonably necessary under federal and state tax laws to prevent the Reserve Funds from being taxed as income of the Master Association, including, if necessary, maintaining the Reserve Funds in segregated accounts and not commingling the funds with general operating funds.

C. Notwithstanding any other provisions in the Master Declaration to the contrary, the Board may not :

1. Impose a Regular Assessment for any fiscal year that is more than twenty percent (20%) above the Regular Assessment for the Master Association's preceding fiscal year, or;
2. Impose Special Assessments that in the aggregate exceed five percent (5%) of the budgeted gross expenses of the Master Association for that fiscal year, without the approval of a majority of the votes at a meeting of the Members at which a quorum is present.

D. The foregoing restrictions on Assessment increase does not apply to increases necessary for emergency situations. An emergency situation is one (1) of the following:

1. An extraordinary expense required by an order of a court of law having jurisdiction of the matter.
2. An extraordinary expense necessary to repair or maintain the Property or any part of it that the Master Association is responsible to maintain when a threat to personal safety on the Property is discovered.
3. An extraordinary expense necessary to repair or maintain the Property or any part of it that the Master Association is responsible to maintain, that could not have been reasonably foreseen by the Board in preparing and distributing the proforma operating budget required under California Civil Code §1365, or any comparable superseding statutes, provided that before the imposition or collection of any Assessments under this Subsection 8.4D.3. the Board must pass a resolution containing written findings as to the necessity of the extraordinary expenses involved and why the expense was not or could not have been reasonably foreseen in the budget process, and shall distribute the resolution to the Members with the notice of Assessment.

8.5 RESERVE FUNDS.

A. Each annual Regular Assessment shall include a portion for reserves in such amounts as the Board in its discretion deems appropriate to meet the cost of any future repair, replacement, or addition to the Major Components that the Master Association is obligated to maintain and repair. Reserve funds shall be deposited in a separate account and the signatures of at least two (2) persons who shall either be members of the Board or one officer, who is not a member of the Board, and a member of the Board, shall be required to withdraw money from the reserve account. Reserve accounts may not be expended for any purpose other than repair, restoration, replacement, or maintenance of, or litigation involving the repair, restoration, replacement, or maintenance of Major Components that the Master Association is obligated to maintain.

B. Notwithstanding the foregoing, the Board may authorize the temporary transfer of money from a reserve fund to the Master Association's general operating fund to meet short term cash flow requirements or other expenses, provided the Board has made a written finding, recorded in the Board's minutes, explaining the reasons that the transfer is needed, and describing when and how the money will be repaid to the reserve fund. The transferred funds shall be restored to the reserve fund within one (1)

year of the date of the initial transfer, provided that the Board, on the making of a finding supported by documentation that a temporary delay is in the best interest of the Master Planned Community, may provisionally delay the restoration. The Board shall exercise prudent fiscal management in maintaining the integrity of the reserve account, and shall, if necessary, levy a Special Assessment to recover the full amount of the expended funds within the time limits required. This Special Assessment shall be subject to the Assessment increase restrictions set forth in Subsection 8.7 of the Master Declaration, entitled, "RESTRICTING AMOUNT OF SPECIAL ASSESSMENTS," and California Civil Code §1366, or comparable superseding statutes. The Board may, at its discretion, extend the date the payment on the Special Assessment is due. Any extension shall not prevent the Board from pursuing any legal remedy to enforce the collection of an unpaid Special Assessment.

C. At least once every three (3) years, the Board shall cause to be conducted a reasonably competent and diligent visual inspection of the accessible areas of the Major Components which the Master Association is obligated to repair, replace, restore, or maintain as part of the Reserve Account Requirements, as that phrase is defined in Subsection 8.5E., below, and of the Master Planned Community if the current replacement value of the Major Components that the Master Association is obligated to repair, replace, restore, or maintain is equal to or greater than one-half (1/2) of the gross budget of the Master Association, which excludes the Master Association's reserve account for that period. The Board shall review this study annually and shall consider and implement the necessary adjustments to the Board's analysis of the reserve account requirements as a result of that review.

D. The study shall, at a minimum, include:

1. Identification of the Major Components that the Master Association is obligated to repair, replace, restore, or maintain that, as of the date of the study, have a remaining useful life of less than thirty (30) years;
2. Identification of the probable remaining useful life of the components identified in Subsection 8.5D.1., above, as of the date of the study;
3. An estimate of the cost of repair, replacement, restoration or maintenance of each Major Component identified in Subsection 8.5D.1., above, during and at the end of its useful life; and
4. An estimate of the total annual contribution necessary to defray the costs to repair, replace, restore, or maintain each Major Component identified in Subsection 8.5D.1., above, during and at the end of their useful lives after subtracting total reserve funds as of the date of the study.

E. As used in the Master Declaration, "Reserve Accounts" means money that the Board has identified for use to defray the future repair, replacement, or additions to, those Major Components that the Master Association is obligated to maintain; and "Reserve Account Requirements" means the estimated funds that the Board has determined are required to be available at a specified time to repair, replace, or restore those Major Components that the Master Association is obligated to maintain.

F. If the Board elects to use reserve funds or to temporarily transfer money from the reserve fund to pay for litigation, the Master Association shall, in the next available mailing to all Members under California Corporations Code §501b, or comparable superseding statutes, notify its Members of such a decision and of the availability of an accounting of these expenses. The Master Association shall make an accounting of expenses related to the litigation on at least a quarterly basis. Members of the Master Association shall make the accounting available for inspections at the Master Association's office.

8.6 SPECIAL ASSESSMENTS-PURPOSE OF AND PROCEDURE FOR LEVYING.

A. Subject to the restriction described in Subsection 8.7 of the Master Declaration, entitled, "RESTRICTING AMOUNT OF SPECIAL ASSESSMENTS," the Board may levy a Special Assessment "Special Assessment" if the Board, in its discretion, determines that the Master Association's available funds are or will become inadequate to meet the estimated expenses of the Master Association, including the maintenance of appropriate reserves, for a particular fiscal year for any reason, including, but not limited to, unanticipated delinquencies, costs of construction, unexpected repairs or replacement

of capital improvements or otherwise. The Board shall determine the amount necessary to meet the estimated expenses, and if the amount is approved by a majority vote of the Board, shall become a Special Assessment. The Board, in its discretion, may levy the entire Assessment immediately or levy it in installments over a period it considers appropriate. Unless the Master Association is exempt from federal or state income taxes, including, without limitation, any exemption under Internal Revenue Code §528 and Revenue and Taxation Code §23701t, or comparable superseding codes, the Board shall take such steps as may be reasonably necessary to prevent the Special Assessment from being included in the Master Association's income for federal and state income tax purposes, including, if necessary, depositing the funds in a segregate account, not commingling the funds with any other funds of the Master Association, and using the funds solely for the purpose for which they were levied.

B. After compliance with the due process requirements imposed by the provisions of Subsection 3.11 of the Master Declaration, entitled, "**DUE PROCESS REQUIREMENTS**," the Board may impose a monetary penalty and levy a Special Assessment against a particular Parcel and/or Condominium to reimburse the Master Association for costs incurred in repairing damage to the Common Area, or any Improvements of personal Property located thereon, for which the Owner was allegedly responsible, or in bringing the Owner or the Owner's Parcel and/or Condominium into compliance with the Master Declaration, the Master Association Articles or the Master Association Bylaws, provided, however, this Special Assessments may not become a lien against the Owner's Parcel and/or Condominium that is enforceable by a power of sale under Civil Code §§2924, 2924B, and 2924c, or comparable superseding statutes. This restriction on enforcement is not applicable to late payment penalties for delinquent Assessments or charges imposed to reimburse the Master Association for loss of interest or for collection costs, including reasonable attorney's fees, for delinquent Assessments.

8.7 **RESTRICTING AMOUNT OF SPECIAL ASSESSMENTS.**

A. The Board may not levy and Special Assessment that, either by itself or in the aggregate with other Special Assessments levied for that fiscal year, would be in excess of five percent (5%) of the budgeted gross expenses of the Master Association for said fiscal year without the approval of a majority of the votes at a meeting of the Members at which a quorum is present.

B. The foregoing restriction shall not apply to an Assessment levied against a particular Parcel and/or Condominium to reimburse the Master Association for costs incurred in bringing the Owner or the Parcel and/or Condominium into compliance with the Master Declaration, the Master Association Articles, the Master Association Bylaws, or Master Association Rules.

C. In addition, the foregoing restriction on Assessment increases does not apply to increases necessary for emergency situations. An emergency situation is one (1) of the following:

1. An extraordinary expense required by an order of a court of law having jurisdiction of the matter.
2. An extraordinary expense necessary to repair or maintain the Master Planned Community or any part of it that the Master Association is responsible to maintain when a threat to personal safety on the Property is discovered.
3. An extraordinary expense necessary to repair or maintain the Master Planned Community or any part of it that the Master Association is responsible to maintain, that could not have been reasonably foreseen by the Board in preparing and distributing the proforma operating budget required under California Civil Code §1365, or any comparable superseding statutes, provided that before the imposition or collection of any Assessments under this Subsection 8.7C.3. the Board must pass a resolution containing written findings as to the necessity of the extraordinary expenses involved and why the expense was not or could not have been reasonably foreseen in the budget process, and shall distribute the resolution to the Members with the notice of Assessment.

D. The foregoing restrictions on Assessment increases shall not apply to any Special Assessment levied to restore reserve funds under the provisions of California Civil Code §1365.5(c), or comparable superseding statutes.

8.8 ALLOCATION OF ASSESSMENTS.

A. Subject to the provisions of Subsection 8.9 of the Master Declaration, entitled, "SPECIAL PROVISIONS FOR ASSESSMENTS OF NON-ANNEXED PROPERTY," the Regular and Special Assessments levied by the Board shall be allocated among the Parcels and/or Condominiums as follows:

1. Except as otherwise provided herein, an Assessment shall be allocated among each Parcel and/or Condominium subject to the Assessment by dividing the total amount of the Assessments by the total number of Parcels and/or Condominiums subject to the Assessment.

B. Special Assessments levied against a particular Parcel and/or Condominium to reimburse the Master Association for costs incurred in bringing the Owner of the Parcel and/or Condominium into compliance with the Master Declaration, the Master Association Articles, the Master Association Bylaws, or Master Association Rules shall not be subject to these allocation provisions.

8.9 SPECIAL PROVISIONS FOR ASSESSMENTS OF NON-ANNEXED PROPERTY.

A. Subject to the provisions of Subsection 5.9C, above, in the event that persons or entities occupying or utilizing real property that has not been annexed to the Master Declaration, whose utilization and occupancy of said real property results in the usage of any portion of the Property that is managed and/or maintained by the Master Association, including, but not limited to, the roads, security system, monuments sign together with the landscaping and fencing along Miramonte Drive, Declarant hereby covenants for itself and its successors and assigns that such real property together with any persons or entities occupying or using same, for the purpose of this Subsection 8.9, being hereinafter collectively referred to as the "Additional Users," shall be subject to an any Regular and/or Special Assessments levied in accordance with the this **ARTICLE VIII** for the costs of maintenance, repair, insurance, administration, reserves and policing of any such portion of the Property that is so utilized by any Additional Users. Such cost shall be allocated equitably between the Owners and any Additional Users.

B. Declarant further covenants and agrees that it will be responsible for the payment to the Master Association of any and all Assessments levied against the Additional Users and any one of them, until such time as a Recorded reciprocal easement agreement that has been agreed to and signed by the Association, which memorializes the terms for such payment of Assessments by all of the Additional Users, is in place. Provided that, if such a reciprocal easement agreement is agreed to and Recorded as to any Additional User, the Declarant shall be relieved of the responsibility of the payment of any Assessments covered by such reciprocal easement agreement.

8.10 ASSESSMENT PERIOD.

A. Unless the Board determines otherwise, the Master Association's fiscal year shall be a calendar year, and the Regular Assessments period shall commence on January 1 of each year and shall terminate on December 31, of that year, provided that the first (1st) Regular Assessment period for all Parcels and/or Condominiums in any Phase shall commence on the first (1st) day of the calendar month following the date of the closing of the first (1st) conveyance of a Parcel and/or Condominium in that Phase, and shall terminate on December 31 of that year. The Regular Assessment shall be payable in equal monthly installments unless the Board adopts some other method for payment. The first (1st) Regular Assessment and all Special Assessments shall be adjusted according to the number of months remaining in the fiscal year and shall be payable in equal monthly installments unless the Board adopts some other method of payment.

8.11 NOTICE OF INCREASE IN ASSESSMENTS.

A. The Master Association shall provide notice by first-class mail to the Owners of the separate interests of any increase in the Regular or Special Assessments, not less than thirty (30) nor more than sixty (60) days prior to the increased Assessments becoming due.

8.12 DUE DATE, LATE CHARGES, AND INTEREST.

A. At least ten (10) days prior to the commencement of any Regular or Special Assessment, the Board shall give each Owner written notice of the amount of the Assessment, and the due date, or due dates if paid installments, and the amount of each installment. The notice need only be given once for any Assessment paid in installments. Unless the Board specified otherwise, the installments due date shall be the first (1st) day of each month.

B. Any Assessment payment, including any installment payment, shall become delinquent if the Master Association within fifteen (15) days does not receive payment after its due date. There shall be a late charge of ten percent (10%) or ten dollars (\$10.00), whichever is greater. A late charge may not be imposed more than once on any delinquent payment, but it shall not eliminate or supersede any charges imposed on prior delinquent payments.

C. Interest also shall accrue on any delinquent payment at the rate of twelve percent (12%) per annum. Interest shall commence thirty (30) days after Assessment becomes due.

8.13 ESTOPPEL CERTIFICATE.

A. Within then (10) days of the mailing or delivery of a written request by an Owner, the Board shall provide the Owner with a written statement containing the following information:

1. Whether, to the knowledge of the Master Association, the Owner or the Owner's Parcels and/or Condominiums is in violation of any of the provisions of the Master Declaration, the Master Association Articles, the Master Association Bylaws, or the Master Association Rules.
2. The amount of Regular and Special Assessments, including installment payments, paid by the Owner during the fiscal year the request is received;
3. The Master Association's current Regular and Special Assessments and fees as well as the amount of any Assessments levied against the Owner's Parcel and/or Condominium that are unpaid as of the date of the statement, including any late charges, interest, or costs of collection that, as of the date of the statement, are or may be made a lien against the Owner's Parcel and/or Condominium as provided by the Master Declaration, the Master Association Articles, the Master Association Bylaws, or Master Association Rules; and any change in the Master Association's current Regular and Special Assessments and fees that have been approved by the Board, but have not become due and payable as of the date of the disclosure.

B. The Board may charge the Owner a fee to recover its reasonable costs in preparing the statement. Any prospective purchaser or Mortgagee of the Owner's Parcel and/or Condominium may rely on the information of this written statement, provided that reliance may not extend to any violation of the Master Declaration, the Master Association Articles, or Master Association Bylaws of which the Master Association does not have actual knowledge.

8.14 ASSOCIATION'S POWER TO ESTABLISH ASSESSMENT LIEN.

A. The Master Association has the right to collect and enforce Assessments. In addition to the enforcement powers described in Subsection 6.6 of the Master Declaration, entitled, "**RIGHT TO IMPOSE SANCTIONS FOR VIOLATION OF THE DECLARATION,**" and subject to the restrictions on the enforcement of monetary penalties described in Subsection 8.6 of the Master Declaration, entitled, "**SPECIAL ASSESSMENT – PURPOSE OF AND PROCEDURE FOR LEVYING,**" the Master Association may enforce delinquent Assessments, including delinquent

installments, by suing the Owner directly on the debt established by the Assessments, or by establishing a lien against the Owner's Parcel and/or Condominium as provided in Subsection 8.15 of the Master Declaration, entitled, "**CREATION OF ASSESSMENT LIEN**," and foreclosing the lien through either judicial proceedings or nonjudicial proceedings under a power of sale as provided for in Subsection 8.16 of the Master Declaration, entitled, "**FORECLOSURE UNDER ASSESSMENT LIEN**." The Master Association may commence and maintain a lawsuit directly on the debt without waiving its right to establish a lien against the Owner's Parcel and/or Condominium for the delinquent Assessment. In any action instituted by the Master Association to collect delinquent Assessments, accompanying late charges, or interest, the prevailing party shall be entitled to recovery costs and reasonable attorney's fees.

8.15 CREATION OF ASSESSMENT LIEN.

A. The Master Association may impose a lien against the Owner's Parcel and/or Condominium for the amount of the delinquent Assessment or Assessments, plus any costs of collection including attorney fees, late charges, and interest by taking the following steps:

1. The Master Association shall notify the Owner in writing by certified mail of the fee and penalty procedures of the Master Association, and shall provide an itemized statement of the charges owed by the Owner, including items on the statement that indicate the principal owed, any late charges and the method of calculation, any attorney fees, and the collection practices used by the Master Association, including the right of the Master Association to the reasonable costs of collection.
2. After compliance with the notice requirements of Subsection 8.15A.1., above, the Master Association may impose a lien against the Owner's Parcel and/or Condominium in the amount of the delinquent Assessment or Assessments, plus costs of collection, late charges, and interest by Recording a notice of delinquent Assessment with the County Recorder of the County. The notice shall state the amount of the Assessments(s) and other sums imposed in accordance with Civil Code §1366 or any comparable superseding statute thereto, a legal description of the Owner's interest in the Property against which the Assessment(s) and other sums are levied, the name of the Record Owner of the Owner's interest in the Property against which the lien is imposed, and, if the lien is to be enforced by nonjudicial foreclosure, the name and address of the trustee authorized by the Master Association to enforce the lien by sale. The notice shall be signed by any officer of the Master Association or an employee or agent of the Master Association authorized to do so by the Board and a copy mailed in the manner required by Civil Code §2924b to all Record Owners of the Owner's interest in the Property no later than ten (10) days after Recordation.

B. Any payments made on the delinquent Assessment(s) shall be applied first (1st) of the principal owed, and only after the principal owed is paid in full shall payments be applied to interest or collection costs. On payment of the sums specified in the notice of delinquent Assessment, the Master Association shall cause to be Recorded with the County Recorder a notice stating the satisfaction and release of the lien thereof.

8.16 FORECLOSURE UNDER ASSESSMENT LIEN.

A. After the expiration of thirty (30) days following the Recording of the Assessment lien, the Board may enforce any Assessment lien established under Subsection 8.15 of the Master Declaration, entitled, "**CREATION OF ASSESSMENT LIEN**," by filing an action for judicial foreclosure or, if the notice of delinquent Assessment contained the name and address of the trustee authorized by the Master Association to enforce the lien by nonjudicial foreclosure, by Recording a notice of default in the form described in California Civil Code §2924c(b)(1) to commence a nonjudicial foreclosure. Any nonjudicial foreclosure shall be conducted in accordance with the requirements of Civil Code §§2924, 2924b, 2924f,

2924g, 2924h, and 2924j that apply to nonjudicial foreclosures of mortgages or deeds of trust. The sale shall be conducted by the trustee named in the notice of delinquent Assessment or by a trustee substituted in accordance with the provisions of Civil Code §2934a. The Master Association may bid on the Parcel and/or Condominium at the sale, and may hold, lease, mortgage, and convey the acquired Parcel and/or Condominium. If the default is cured before the sale, or before completing a judicial foreclosure, including payment of all costs and expenses incurred by the Master Association, the Master Association shall Record a notice of satisfaction and release of lien, and, on receipt of a written request by the Owner, a notice of rescission of the declaration of default and demand for sale.

8.17 TRANSFER OF PARCEL AND/OR CONDOMINIUM BY SALE OR FORECLOSURE.

A. The ensuing rules shall govern the Master Association's rights to enforce its Assessment collection remedies following the sale or foreclosure of a Parcel and/or Condominium.

1. The sale or transfer of any Parcel and/or Condominium shall not affect any Assessment lien duly Recorded with respect to that Parcel and/or Condominium before the sale or transfer, and the Master Association can continue to foreclose its lien in spite of the change in ownership.
2. The Master Association's Assessment lien shall be extinguished as to all delinquent sums, late charges, interest and costs of collection incurred before the sale or transfer of a Parcel and/or Condominium under a foreclosure or exercise of a power of sale by the holder of a prior encumbrance, but not under a deed-in-lieu of foreclosure. A "prior encumbrance" means any First Mortgage or other Mortgage or lien Recorded before the Master Association's Assessment lien.
3. No sale or transfer of a Parcel and/or Condominium as the result of foreclosure, exercise of a power of sale, or otherwise, shall relieve the new Owner of that Parcel and/or Condominium from liability for any Assessments thereafter becoming due or from the lien thereof.
4. Any Assessments, late charges, interest, and associated costs of collection that are lost as a result of a sale or transfer covered by this Subsection 8.17 shall be deemed to be a Common Expense collectible from the Owners of all of the Parcels and/or Condominiums including the person who acquires the Parcel and/or Condominium and its, his or her heirs, successors and assigns as the case may be.
5. No sale or transfer of a Parcel and/or Condominium as the result of foreclosure, exercise of a power of sale, or otherwise, shall affect the Master Association's right to maintain an action against the foreclosed previous Owner of the Parcel and/or Condominium personally, to collect the delinquent Assessments, late charges, interest, and associated costs of collection incurred by said Owner prior to the sale or transfer.
6. Subsection 8.16 of the Master Declaration, entitled, "**FORECLOSURE UNDER ASSESSMENT LIEN,**" and this Subsection 8.17 are intended to reflect the California law concerning community association Assessment lien priority in effect as of the effective date of the Master Declaration. In the event that the applicable California laws are revised, this Subsection 8.17 and the above referenced Subsection 8.16 may be modified by action of the Board to conform to the new statutory provisions concerning this subject without submitting same to the vote of the Owners.

**ARTICLE IX
INSURANCE**

9.1 LIABILITY INSURANCE.

A. The Master Association shall obtain and maintain comprehensive public liability insurance insuring the Master Association, any manager, the Declarant and the Owners and occupants of Parcels and/or Condominiums, and their respective family members, guests, invitees, and the agents and employees of each, against any liability incident to the ownership or use of the Common Area or any other Master Association-owned and/or maintained real or personal property, including, if obtainable, a cross liability or severability of interest endorsement insuring each insured against liability to each other insured. The limits of such insurance shall not be less than three million dollars (\$3,000,000.00), covering all claims for debt, personal injury, and property damage arising out of a single occurrence. Such insurance shall include coverage against water damage, liability, liability for non-owned and hired automobiles, liability for property of others, and any other liability or risk customarily covered with respect to Master Planned Communities similar in construction, location and use.

9.2 FIRE AND CASUALTY INSURANCE.

A. The Master Association shall obtain and maintain a master or blanket policy of fire and casualty insurance coverage for the full insurable value of any Improvements within the Common Area that would be subject to damage by fire, if any, provided that there may be lower dollar limits for specified items as is customarily provided in property insurance policies of this nature. If available, the policy shall contain the following endorsements or their equivalent: agreed amount; inflation guard; increased cost of construction; contingent liability from operation of building laws; extended coverage; theft; vandalism; malicious mischief; a special form endorsement; and a determinable cash adjustment clause or similar clause, to permit cash settlement covering the full value of the Improvements in case of partial destruction and a decision not to rebuild or replace, and such other endorsements as the Board, in its discretion, shall elect. The policy shall name as insured, the Master Association, the Owners and the Declarant, so long as Declarant is the Owner of any Parcel and/or Condominium, and all Mortgagees as their respective interests may appear, and may contain a loss payable endorsement in favor of the Trustee described in Subsection 9.3 of the Master Declaration, entitled, "PROVISION APPOINTING TRUSTEE."

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

C. The Master Association shall not carry an earthquake endorsement without the approval of a majority of the total voting power of the Members. If the Members elect to require the Master Association to obtain an earthquake endorsement, the endorsement may be subsequently cancelled on vote of a majority of the total voting power of the Members. If cancelled, the Master Association shall make reasonable efforts to notify the Members of the cancellation at least thirty (30) days before the effective date of the cancellation.

D. Subject to any restrictions imposed by any Mortgagees, the Board shall have the power and right to deviate from the insurance requirements contained in this Subsection 9.2 in any manner that the Board, in its sole discretion, considers to be in the best interests of the Master Association. If the Board elects to materially reduce the coverage from the coverage required in this Subsection 9.2, the Board shall make all reasonable efforts to notify the Members of the reduction in coverage and the reasons therefore at least thirty (30) days before the effective date of the reduction.

E. The Master Association, its Board of Directors and officers shall have no liability to any Owner or Mortgagee if, after a good faith effort:

1. The Master Association is unable to obtain any insurance required hereunder because the insurance is no longer available;
2. If available, the insurance can be obtained only at a cost that the Board, in its sole discretion, determines is unreasonable under the circumstances; or

3. The Members fail to approve any Assessment increase needed to fund the insurance premiums.

9.3 PROVISION APPOINTING TRUSTEE.

A. All fire and casualty insurance proceeds payable under Subsection 9.2 of the Master Declaration, entitled, "FIRE AND CASUALTY INSURANCE," for losses to real property and Improvements, may be paid to a Trustee, to be held and expended for the benefit of the Owners, Mortgagees and others, as their respective interests shall appear. The Trustee shall be a commercial bank or other financial institution, with trust powers in the County that agrees in writing to accept such trust. If repair or reconstruction is authorized, the Board shall have the duty to contract for such work as provided in the Master Declaration.

9.4 PROVISION TO ADJUST LOSSES.

A. The Board is authorized to negotiate and agree on the value and extent of any loss under any policy carried by the Master Association, including, but not limited to, the full right and authority to compromise and settle any claim or enforce any claim by legal action or otherwise and to execute the releases in favor of any insurer.

B. Each Owner, by acceptance of a deed to a Parcel and/or Condominium, irrevocably appoints the Master Association or the trustee, as described in Subsection 9.3 of the Master Declaration, entitled, "PROVISION APPOINTING TRUSTEE," as that Owner's attorney-in-fact for purposes of procuring, negotiating, accepting, compromising, releasing, settling, distributing, and taking other related actions in connection with any insurance policy maintained by the Master Association and any losses or claims related thereto and agrees to be bound by the actions so taken as if the Owner had personally taken the action.

9.5 DIRECTOR AND OFFICER LIABILITY INSURANCE.

A. To the extent insurance is available, the Master Association shall purchase and maintain insurance in an amount up to five hundred thousand dollars, (\$500,000.00) on behalf of any Director, officer or member of a committee of the Master Association, collectively hereinafter referred to as the "Agents," against any liability asserted against or incurred by the Agents in such capacity or arising out of the Agents' status as such, regardless of whether the Master Association would have the power to indemnify the Agents against such liability under applicable law.

9.6 WORKER'S COMPENSATION, DEMOLITION AND OTHER ASSOCIATION INSURANCE.

A. The Master Association may purchase and maintain demolition insurance in adequate amounts to cover the razing, in case of total or partial destruction of the Common Area and a decision not to rebuild, as well as a blanket policy of flood insurance.

B. The Master Association shall also purchase and maintain worker's compensation insurance, to the extent it is required by law, for all employees of insured contractors of the Master Association.

C. The Master Association shall also purchase and maintain fidelity bonds and/or insurance, in an amount not less than one hundred and fifty percent (150%) of each year's estimated annual operating expenses and reserves containing an endorsement of coverage of any person who may serve without compensation, if reasonably practicable, sufficient to meet the requirements of any Institutional First Mortgagee.

D. The Master Association shall also purchase and maintain such insurance on personal property owned by the Master Association, together with any other insurance, that it deems necessary or, where practicable, that is required by any Institutional First Mortgagee.

9.7 **OWNER'S LIABILITY INSURANCE.**

A. An Owner may carry personal liability and Property damage insurance with respect to its, his, her or their Parcel and/or Condominium that it, he, she or they desire. However, any such policy shall include a waiver of subrogation clause acceptable to the Board and to any Institutional First Mortgagee.

9.8 **DAMAGE OR DESTRUCTION OF THE COMMON AREA.**

A. If there is a total or partial destruction of any of the Improvements in the Common Area the Improvements shall be promptly rebuilt, unless, within ninety (90) days from the date of destruction, Owners then holding at least seventy-five percent (75%) of the total voting power of each class of Owners present and entitled to vote, in person or by proxy, at a duly constituted meeting, determine that repair and reconstruction shall not take place. If such a meeting is called, the Master Association shall solicit and obtain bids from at least two (2) reputable contractors to repair and reconstruct the Improvements in accordance with the original plans and shall present this information to the Owners at the meeting.

B. If the Improvements are to be rebuilt, the Owners of all Parcels and/or Condominiums shall be obligated to contribute such funds as shall be necessary to pay their proportionate share of the cost of rebuilding or reconstructing over and above the available insurance proceeds. The proportionate share of each such Owner or Owners shall be divided equally to each Parcel and/or Condominium. If any Owner fails to pay its, his or her proportionate share, the Master Association may levy a Special Assessment against the Parcel and/or Condominium of such Owner, which may be enforced under the lien provisions contained in Subsections 8.15 and 8.16 of the Master Declaration, entitled, "CREATION OF ASSESSMENT LIEN," and "FORECLOSURE UNDER ASSESSMENT LIEN," respectively, or in any other manner provided for in the Master Declaration.

9.9 **DAMAGE OR DESTRUCTION OF A RESIDENCE.**

A. If all or any portion of any Residence is damaged or destroyed by fire or other casualty it shall be the duty of the Owner of said Residence to rebuild, repair or reconstruct such Residence in a manner which will restore it substantially to its appearance and condition immediately prior to the casualty.

9.10 **INSURANCE REVIEW AND NOTICE.**

A. Notwithstanding anything herein to the contrary, but subject to Subsections 6.12 through 6.13, inclusive, of the Master Declaration, entitled, "SECURING INSURANCE COVERAGE" and "PREPARATION AND DISTRIBUTION OF FINANCIAL STATEMENTS, REPORTS AND COPIES OF GOVERNING INSTRUMENTS," respectively, the Board shall periodically, but in no event less than every three (3) years, review all insurance coverage maintained by the Master Association and make such adjustments to the policies' terms and conditions as the Board may consider to be in the best interests of the Master Association. The review shall include an appraisal by a qualified appraiser of the current replacement costs of all covered property under the Master Association's policies, unless the Board is satisfied that the current dollar limit of the property policies, coupled with the amount of actual reserves on hand, is equal to or greater than the current replacement costs.

**ARTICLE X
CONDEMNATION**

10.1 **CONDEMNATION.**

A. If an action for condemnation of all or any portion of the Common Area is proposed or threatened by any governmental agency having the right of eminent domain, then, after approval by vote or written consent of at least fifty-one percent (51%) of all of the Owners and with the prior written consent of seventy-five percent (75%) of all Institutional First Mortgagees, the Common Area, or a portion of it may be sold and conveyed to the condemning authority by the Master Association or its

designees acting as the attorney-in-fact of all of the Owners under an irrevocable power of attorney, which each Owner by accepting a deed to a Parcel and/or Condominium in the Master Planned Community, grants to the Board and which shall be coupled with the interest of all other Owners, for a price deemed fair and equitable by the Board.

B. On a sale occurring under Subsection 10.1A., above, the proceeds shall be distributed equally to each Owner and their Mortgagees as their respective interests may appear.

C. If the Common Area, or a portion of it, is not sold but is instead taken, the award shall be apportioned among the Owners and their respective Mortgagees by the terms of the judgment of condemnation, and if not so apportioned, then the award shall be distributed equally to each Owner and their Mortgagees as their respective interests may appear.

ARTICLE XI AMENDMENT OF DECLARATION

11.1 AMENDMENT PROCESS.

A. Before the close of the first (1st) sale of a Parcel and/or Condominium in the Master Planned Community to a purchaser other than the Declarant, the Master Declaration and any amendments to it may be amended in any respect or revoked by the execution by the Declarant and any Mortgagee of Record of an instrument amending or revoking the Master Declaration.

B. Before the close of the first (1st) sale of a Parcel and/or Condominium in a second (2nd) or subsequent Phase of the Master Planned Community to a purchaser other than the Declarant, any Supplement Recorded pursuant to Subsection 11.4 of the Master Declaration, entitled, "ANNEXATION OF ADDITIONAL PROPERTY," with respect to such Phase, may be amended in any respect or revoked by the execution of an instrument amending or revoking said Supplement by the Declarant and any Mortgagee of Record of the property described in the Supplement. The amending or revoking instrument shall make appropriate reference to the Master Declaration and its amendments and shall be acknowledged and Recorded in the office of the County Recorder of the County.

C. After the close of the first (1st) sale of a Parcel and/or Condominium in the Master Planned Community to a purchaser, other than the Declarant, the Master Declaration may be amended or revoked in any respect by the vote or written consent of the holders of not less than fifty-one percent (51%) of the voting rights of each class of Owners or if a single class of Owners is then in effect, by the vote or written consent of not less than:

1. Fifty-one percent (51%) of all the votes; and
2. Fifty-one percent (51%) of the votes excluding the Declarant. However, if any provision of the Master Declaration requires a greater or lesser percentage of the voting rights of any class of Owners in order to take affirmative or negative action under such provision, the same percentage of such class or classes of Owners shall be required to amend or revoke such provision. Also, if the consent or approval of any governmental authority, Mortgagee or other person, firm, agency, or entity is required under the Master Declaration with respect to any amendment or revocation of any provision of the Master Declaration, no such amendment or revocation shall become effective unless such consent or approval is obtained. Any amendment or revocation subsequent to the close of such first (1st) sale shall be evidenced by an instrument certified by the Secretary or other duly authorized officer of the Master Association and shall make appropriate reference to the Master Declaration and its amendments and shall be acknowledged and Recorded in the Office of the County Recorder of the County.

11.2 **COMPLIANCE WITH BUSINESS AND PROFESSIONS CODE §11018.7.**

A. All amendments or revocations of the Master Declaration shall comply with all applicable provisions of California Business and Professions Code §11018.7, or comparable superseding statutes.

11.3 **RELIANCE ON AMENDMENTS.**

A. Any amendments made in accordance with the terms of the Master Declaration shall be presumed valid by anyone relying on them in good faith.

11.4 **ANNEXATION OF ADDITIONAL PROPERTY.**

A. The real property described in "EXHIBIT B," or any portion of it, that is owned in fee by the Declarant and/or any Merchant Builder or in which the Declarant and/or Merchant Builder has an easement interest, ("Annexed Real Property") may be annexed to the Master Planned Community and made subject to the Master Declaration at the written election of the Declarant and/or such Merchant Builder, whichever is applicable, or by their successors or assignees. Said election shall be made by the Recording of a supplement to the Master Declaration ("Supplement") for the purpose of annexing the property described in the Supplement to the Master Declaration. Any Supplement Recorded in accordance with the terms of this Subsection 11.4 of the Master Declaration shall be in conformance with the plan of development that has been submitted to and approved by the California Department of Real Estate as well as being conclusive in favor of all persons who relied on it in good faith. Upon Recording the Supplement in compliance with the provisions of the Master Declaration, the Annexed Real Property shall be part of the Master Planned Community and subject to the provisions of the Master Declaration, and to the rights and powers of the Master Association pursuant to the terms of the Master Declaration, the Master Association Articles, as well as the Master Association Bylaws, and thereafter all of the Owners of Parcels and/or Condominiums constituting a portion of the Annexed Real Property shall automatically be Members of the Master Association, with voting rights commencing on the date Regular Assessments commence for such annexed Parcels and/or Condominiums. Regular and Special Assessments with respect to the Annexed Real Property shall commence at the time and to the extent described in Subsection 8.4 of the Master Declaration, entitled, "REGULAR ASSESSMENTS," and the Assessment ratios described in Subsection 8.8 of the Master Declaration, entitled, "ALLOCATION OF ASSESSMENTS," shall be modified to take into account the Parcels and/or Condominiums being annexed to the Master Planned Community, using the same method of calculating such ratios as is described in Subsection 8.8 of the Master Declaration mentioned above. The Declarant and/or the Merchant Builder, as the case may be, in such Supplement shall expressly reserve for the benefit of any and all property that may from time to time be covered by the Master Declaration, reciprocal easements of use, enjoyment, access, ingress and egress. Such easements may be used by the Declarant and/or any Merchant Builder, as the case may be, its, his, her, or their heirs, assigns, successors and purchasers, whichever is applicable, together with any Owners of Parcels and/or Condominiums, their guests, tenants and invitees, for sidewalks, walkways, vehicular access, and such other purposes reasonably necessary to the use and enjoyment of all Parcels and/or Condominiums in the Master Planned Community. The Supplement may contain complimentary additions, amendments, and modifications to the Master Declaration necessary to reflect the different character, if any, of the Annexed Real Property, which are not inconsistent with the general scheme of the Master Declaration. Notwithstanding the foregoing, unless approved by the California Department of Real estate, no Supplement may:

1. Cause a substantial increase in the Common Area costs and expenses from that presently being borne by Owners which was not disclosed in the Final Subdivision Public Report for the Phase of the Master Planned Community in which an Owner purchased its, his, her or their Parcel and/or Condominium; or
2. Otherwise materially adversely affect the rights of Owners without the prior affirmative vote or written consent of at least sixty-six percent (66%) of each class of Owners entitled to vote and their Mortgagees.

B. If the annexed property has been rented for at least one (1) year before the closing of the first (1st) Parcel and/or Condominium in the annexed Phase, the Declarant must pay the Master Association appropriate amounts for reserves for replacement or deferred maintenance of Common Area Improvements in the annexed Phase.

C. Declarant and/or any Merchant Builder, whichever is applicable, may amend a Supplement by executing and Recording an amendment to said Supplement, the contents of which are consistent with the Master Declaration, and/or remove from the Master Planned Community all or any portion of the Annexed Real Property by executing and Recording a rescission of a Supplement or Supplements, as the case may be, provided that:

1. No Parcel and/or Condominium in the Annexed Real Property has been conveyed to an Owner other than such Declarant and/or Merchant Builder; and
2. Assessments have not commenced for any Parcel and/or Condominium located within the Annexed Real Property.

D. Real property other than that described in "EXHIBIT B," ("Additional Annexed Real Property") may be annexed to the Master Declaration upon approval in writing of the Master Association, pursuant to the vote or written consent of a two-thirds majority of the voting power of its Members, excluding the Declarant. Upon any such approval, the Owner of the Additional Annexed Real Property may file for Record in the Official Records of the County, a Supplement. Upon the Recording of said Supplement, the Additional Annexed Real Property shall be subject to the jurisdiction of the Master Association.

ARTICLE XII GENERAL PROVISIONS

12.1 BINDING EFFECT.

A. The Master Declaration shall inure to the benefit of and be binding on the successors and assigns of the Declarant, and the heirs, personal representatives, grantees, tenants, and assigns of the Owners.

12.2 CONFLICTS WITH OTHER DOCUMENTS.

A. If there are conflicts or inconsistencies between the Master Declaration, the Master Association Articles, the Master Association Bylaws, any Master Association Rules, any Subsidiary Declaration, Subsidiary Association Articles, Subsidiary Association Bylaws or any Subsidiary Association Rules, the terms and provisions of the Master Declaration shall prevail.

12.3 CUMULATIVE REMEDIES.

A. Each remedy provided for in the Master Declaration shall be cumulative and not exclusive. Failure to exercise any remedy provided for in the Master Declaration shall not, under any circumstances, be construed as a waiver of the remedy.

12.4 EASEMENT RESERVED AND GRANTED.

A. Any easements referred to in the Master Declaration shall be deemed reserved or granted, or both reserved and granted, by reference to the Master Declaration in any deed to any Parcel and/or Condominium.

12.5 HEADINGS.

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

12.6 **INCORPORATION OF EXHIBITS.**

A. All exhibits referred to are attached to the Master Declaration and incorporated by reference.

12.7 **LIBERAL CONSTRUCTION.**

A. The provisions of the Master Declaration should be liberally construed to effectuate its purpose of creating a uniform plan for the development of a Master Planned Community, the maintenance of the Common Area as well as the operation of the Master Association. Failure to enforce any provision of the Master Declaration shall not constitute a waiver of the right to enforce the provisions thereafter.

12.8 **NO DISCRIMINATORY RESTRICTIONS.**

A. No Owner shall execute or cause to be Recorded any instrument that imposes a restriction upon the sale, leasing or occupancy of its, his or her Parcel and/or Condominium on the basis of race, sex, marital status, national ancestry, color or religion.

12.9 **NO FIXED TERM.**

A. The Master Declaration shall continue in full force and effect until the Master Declaration is revoked pursuant to ARTICLE XI of the Master Declaration, entitled, "AMENDMENT OF DECLARATION."

12.10 **NO REPRESENTATIONS OR WARRANTIES.**

A. No representations or warranties of any kind, express or implied, have been given or made by the Declarant, or its agents or employees, in connection with the Master Planned Community, or any portion thereof, its physical condition, zoning, compliance with applicable laws, fitness for intended use, or in connection with the subdivision, sale, operation, maintenance, cost of maintenance, taxes or regulation thereof as a Master Planned Community, except as specifically and expressly set forth in the Master Declaration and except as may be filed by the Declarant from time to time with the California Department of Real Estate. Furthermore, no representations, warranties or assurances have been given as to whether the additional Phases of the Master Planned Community will actually be constructed, nor if they were to be, of the ownership or type of development.

12.11 **NOTICES AND COMMUNICATION.**

A. Unless otherwise expressly stated in the Master Declaration, all notices and/or communications required by the Master Declaration shall comply with the following guidelines:

1. Any communication or notice of any kind permitted or required in the Master Declaration shall be in writing and may be served, as an alternative to personal service, by mailing the notice as follows:
 - a. If to any Owner, to the street address of its, his or her Parcel and/or Condominium or to such other address it, he or she may from time to time designate in writing to the Master Association.
 - b. If to the Master Association, to the Rio Bravo Community Association at the principal office of the Master Association, or to such other address as the Master Association may from time to time designate in writing to the Owners.

12.12 **NOTIFICATION OF SALE.**

A. Concurrently with the consummation of the sale of any Parcel and/or Condominium under circumstances where the transferee becomes an Owner of the Parcel and/or Condominium, or within five (5) business days thereafter, the transferee shall notify the Master Association in writing of such sale. Such notification shall set forth the name of the transferee and its, his, her or their Mortgagee

and transferor, the common address of the Parcel and/or Condominium purchased by the transferee, the transferee's and the Mortgagee's mailing address and the date of sale. Before the receipt of such notification, any and all communications required or permitted to be given by the Master Association, the Board, or the Manager, if any, shall be deemed to be duly made and given to the transferee if duly and timely made and given to the transferee's transferor. Mailing addresses may be changed at any time upon written notification to the Master Association. Notices shall be deemed received forty-eight (48) hours after mailing, if mailed to the transferee, or its, his or her transferor, if the Master Association has received no notice of transfer, as above provided, by certified mail, return receipt requested, at the mailing address above specified. Notices shall also be deemed received twenty-four (24) hours after being sent by telegram or upon personal delivery to any occupant of the Parcel and/or Condominium over the age of twelve (12) years.

12.13 NUMBER: GENDER.

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

12.14 OWNER'S ACCESS TO BOOKS.

A. Any Owner may, at any reasonable time and upon reasonable notice to the Board or Manager, as the case may be, at its, his or her own expense, cause an audit or inspection to be made of the books and financial records of the Master Association.

12.15 SEVERABILITY OF PROVISIONS.

A. The provisions of the Declaration shall be deemed independent and severable, and the invalidity or partial invalidity or unenforceability of any provision or provisions shall not invalidate any other provisions.

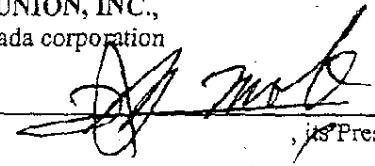
12.16 VIOLATIONS AS NUISANCE.

A. Every act or omission in violation of the provisions of the Master Declaration shall constitute a nuisance and, in addition to all other remedies set forth, may be abated or enjoined by an Owner, any member of the Board, the manager, if any, or the Master Association.

Declarant has executed the Master Declaration as of the 16th day of MARCH, 2001.

A & E UNION, INC.,
a Nevada corporation

BY: _____



its President
VICE
g

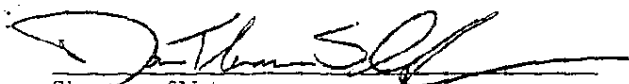
ACKNOWLEDGMENT
STATE OF CALIFORNIA

} SS.

COUNTY OF KERN

On MARCH 16, 2001, before me,
DAN THOMAS SHANYFELT,
a Notary Public in and for said County and State,
personally appeared UNG MOK YI

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


Signature of Notary

(Seal)



ACKNOWLEDGMENT
STATE OF CALIFORNIA

} SS.

COUNTY OF _____

On _____, before me,
_____,
a Notary Public in and for said County and State,
personally appeared _____

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

Signature of Notary

(Seal)

CONSENT OF LIENHOLDERS AND SUBORDINATION OF LIEN

The undersigned Beneficiary under that certain Deed of Trust dated October 10, 1996 and recorded November 1, 1996, as Recorder" Serial Number 0196142410 of the Official Records of Kern County California, consents to all of the provisions contained in the attached First Amended and Restated Declaration of Covenants, Conditions and Restrictions for Rio Bravo a Master Planned Community, executed by A & E Union, Inc., a Nevada Corporation as Declarant, hereinafter referred to as the "Declaration," and agrees that the lien of the above referenced Deed of Trust shall be junior and subordinate and subject to the Declaration; provided, however, that assessment liens imposed pursuant to the Declaration shall not have priority over the lien of such Deed of Trust, and the purchaser at a foreclosure of any such assessment lien shall take subject to the lien of the Deed of Trust.

Dated: April 10, 2001.

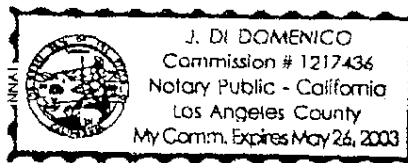
FIRST CREDIT BANK

BY: 

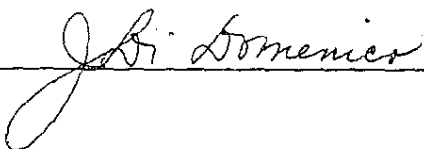
ACKNOWLEDGMENT

STATE OF CALIFORNIA }
 } SS.
COUNTY OF LOS ANGELES }

On APRIL 12, 2001, before me, J. DiDomenico, a Notary Public in and for said County and State, personally appeared FARHAD GHASSEMIEH personally known to me 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.



CONSENT OF LIENHOLDERS AND SUBORDINATION OF LIEN

The undersigned Beneficiary under that certain Deed of Trust dated September 10, 1999 and Recorded November 12, 1999, as Recorder's Serial Number 0199163589 of the Official Records of Kern County California, consents to all of the provisions contained in the attached First Amended and Restated Declaration of Covenants, Conditions and Restrictions for Rio Bravo a Master Planned Community, executed by A & E Union, Inc., a Nevada Corporation as Declarant, hereinafter referred to as the "Declaration," and agrees that the lien of the above referenced Deed of Trust shall be junior and subordinate and subject to the Declaration.

Dated: 3-21, 2001.

INDYMAC MORTGAGE HOLDING, INC.,
a Delaware Corporation dba Construction Lending
Corporation of America

BY: [Signature]
STEVE ALVARADO, V. P.

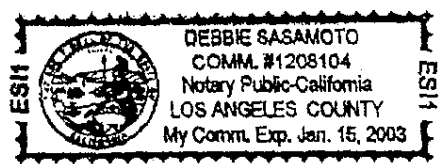
ACKNOWLEDGMENT
STATE OF CALIFORNIA

COUNTY OF Los Angeles) ss.

On March 21, 2001, before me,
Debbie Sasamoto, a
Notary Public in and for said County and State,
personally appeared Steve Alvarado

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

[Signature] (Seal)
Signature of Notary



CONSENT OF LIENHOLDERS AND SUBORDINATION OF LIEN

The undersigned Beneficiary under that certain Deed of Trust dated August 25, 2000 and Recorded August 25, 2000, as Recorder's Serial Number 0200104754 of the Official Records of Kern County California, consents to all of the provisions contained in the attached First Amended and Restated Declaration of Covenants, Conditions and Restrictions for Rio Bravo a Master Planned Community, executed by A & E Union, Inc., a Nevada Corporation as Declarant, hereinafter referred to as the "Declaration," and agrees that the lien of the above referenced Deed of Trust shall be junior and subordinate and subject to the Declaration.

Dated: April 3, 2001.

[Signature]
Paul M. Hahm

[Signature]
Soon O. Hahm

ACKNOWLEDGMENT
STATE OF CALIFORNIA

COUNTY OF LOS ANGELES } SS.

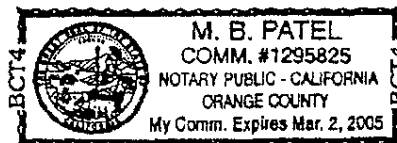
On APRIL 3RD 2001, before me,
M. B. PATEL, a
Notary Public in and for said County and State,
personally appeared PAUL M. HAHM &
SOON O. HAHM

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

WITNESS my hand and official seal.

[Signature]
Signature of Notary

(Seal)



PROPERTY COMPRISING THE FIRST PHASE

PARCEL 1:

Parcel 4, which is shown, designated and described on that certain map, entitled, "PARCEL MAP NO. 9784" that was filed for Record in the office of the County Recorder of Kern County, California in Book 50 of Parcel Maps at Page 151.

PARCEL 2:

That certain easement which is commonly known as, "CASA CLUB DRIVE" and is more fully described as follows:

All that portion of Section 14, Township 29 South, Range 29 East, M.D.M., County of Kern, State of California, being more particularly described as follows:

Commencing at the Northwest corner of said Section 14; thence South 00°03'20" West on and along the West line of said Section 14, a Distance of 2490.34 feet; thence South 79° 20' 56" East, 24.18 feet; thence North 42° 12' 28" East, 18.18 feet; thence North 08° 27' 33" East, 4.50 feet to the TRUE POINT OF BEGINNING; thence (1) South 81°32'27" East, 35.81 feet; thence South 36°32'27" East, 5.56 feet; thence (3) South 81° 32' 27" East, 26.00 feet; thence (4) South 36° 32'27" East, 11.31 feet; thence (5) South 81° 32'27" East, 45.00 feet; thence (6) North 53°27'33" East, 16.97 feet; thence (7) South 81°32'27" East 108.01 feet to the beginning of a tangent curve concave to the South having a radius of 100.00 feet; thence (8) Easterly on and along said curve through a central angle of 13°25'55" an arc distance of 23.44 feet to the beginning of a tangent reverse curve concave to the North having a radius of 766.00 feet; thence (9) Easterly on and along said curve through a central angle of 36°24'58" and arc distance of 486.86 feet; thence (10) North 75°28'30" East, 46.03 feet to the beginning of a tangent curve concave to the South having a radius of 384.00 feet; thence (11) Easterly on and along said curve through a central angle of 28° 41'30" an arc distance of 192.29 feet; thence (12) South 75°50'00" East, 46.04 feet to the beginning of a tangent curve concave to the Southwest having a radius of 334.00 feet; thence (13) Southeasterly on and along said curve through a central angle of 77°22'30" an arc distance of 451.05 feet; thence (14) South 01°32'30" West, 175.00 feet to the beginning of a tangent curve concave to the Northeast having a radius of 916.00 feet; thence (15) Southeasterly on and along said curve through a central angle of 29°13'33" an arc distance of 467.23 feet; thence (16) South 27°41'00" East, 107.84 feet to the beginning of a tangent curve concave to the Northeast having a radius of 416.00 feet; thence (17) Southeasterly on and along said curve through a central angle of 54°26'35" an arc distance of 395.29 feet; thence (18) South 82°07'35" East, 326.44 feet to the beginning of a tangent curve concave to the North having a radius of 291.00 feet; thence (19) Southeasterly on and along said curve through a central angle of 43°20'39" an arc distance of 220.14 feet; thence (20) North 54°31'46" East, 46.86 feet to the beginning of a tangent curve concave to the Southeast having a radius of 257.00 feet; thence (21) Northeasterly on and along said curve through a central angle of 08°58'27" an arc distance of 40.25 feet to the Beginning of a tangent reverse curve concave to the Northwest having a radius of 600.00 feet; thence (22) Northeasterly on and along said curve through a central angle of 01°03'14" an arc distance of 11.04 feet to the beginning of a tangent reverse curve concave to the Southeast having a radius of 200.00 feet; thence (23) Easterly on and along said curve through a central angle of 15°29'49" an arc distance of 54.09 feet to the beginning of a compound curve concave to the South having a radius of 259.00 feet; thence (24) Easterly on and long said curve through a central angle of 41°50'06" an arc distance of

EXHIBIT "A"

189.11 feet to the beginning of a compound curve concave to the Southwest having a radius of 200.00 feet; thence (25) Southeasterly on and along said curve through a central angle of $15^{\circ}29'49''$ an arc distance of 54.09 feet to the beginning of a reverse curve concave to the Northeast having a radius of 600.00 feet; thence (26) Southeasterly on and along said curve through a central angle of $01^{\circ}03'14''$ an arc distance of 11.04 feet to the beginning of a reverse curve concave to the Southwest having a radius of 257.00 feet; thence (27) Southeasterly on and along said curve through a central angle of $05^{\circ}25'01''$ an arc distance of 24.30 feet; thence (28) South $40^{\circ}21'30''$ East, 5.85 feet to the beginning of a tangent curve concave to the West having a radius of 20.00 feet; thence (29) Southerly on and along said curve through a central angle of $84^{\circ}41'42''$ an arc distance of 29.59 feet to a point of cusp with a curve concave to the Southeast having a radius of 391.00 feet and to which point a radial line bears North $45^{\circ}39'48''$ West; thence (30) Northeasterly on and along said curve through a central angle of $05^{\circ}18'18''$ an arc distance of 36.20 feet; thence (31) North $49^{\circ}38'30''$ East, 38.00 feet to a point of cusp with a curve concave to the North having a radius of 20.00 feet and to which point a radial line bears North $40^{\circ}21'30''$ West; thence (32) Northwesterly on and along said curve through a central angle of $90^{\circ}00'00''$ an arc distance of 31.42 feet; thence (33) North $40^{\circ}21'30''$ West, 4.09 feet to the beginning of a tangent curve concave to the Southwest having a radius of 293.00 feet; thence (34) Northwesterly on and along said curve through a central angle of $05^{\circ}25'01''$ an arc distance of 27.70 feet to the beginning of a compound curve concave to the Southwest having a radius of 200.00 feet; thence (35) Northwesterly on and along said curve through a central angle of $12^{\circ}34'21''$ an arc distance of 43.89 feet to the beginning of a tangent reverse curve concave to the Northeast having a radius of 600.00 feet whose radial bears North $31^{\circ}39'08''$ East; thence (36) Northwesterly on and along said curve through a central angle of $01^{\circ}18'07''$ an arc distance of 13.63 feet to the beginning of a tangent reverse curve concave to the Southwest having a radius of 291.00 feet; thence (37) Northwesterly on and along said curve through a central angle of $05^{\circ}25'56''$ an arc distance of 27.59 feet; thence (38) North $27^{\circ}31'19''$ East, 0.50 feet to the beginning of a non-tangent curve concave to the Southwest having a radius of 291.50 feet whose radial bears South $27^{\circ}31'19''$ West; thence (39) Northwesterly on and along said curve through a central angle of $28^{\circ}50'11''$ an arc distance of 146.71 feet; thence (40) South $85^{\circ}19'12''$ West, 15.07 feet to the beginning of a non-tangent curve concave to the Southwest having a radius 291.00 feet whose radial bears South $04^{\circ}16'41''$ East; thence (41) Westerly on and along said curve through a central angle of $10^{\circ}56'52''$ an arc distance of 55.60 feet to the beginning of a tangent reverse curve concave to the Northwest having a radius of 600.00 feet; thence (42) Southwesterly on and along said curve through a central angle of $01^{\circ}18'07''$ an arc distance of 13.63 feet to the beginning of a tangent reverse curve concave to the Southeast having a radius of 200.00 feet; thence (43) Southwesterly on and along said curve through a central angle of $12^{\circ}34'21''$ an arc distance of 43.89 feet to the beginning of a compound curve concave to the Southeast having a radius of 293.00 feet; thence (44) Southwesterly on and along said curve through a central angle of $15^{\circ}30'47''$ an arc distance of 79.33 feet to the beginning of a tangent reverse curve concave to the Northwest having a radius of 201.54 feet; thence (45) Southwesterly on and along said curve through a central angle of $16^{\circ}00'34''$ an arc distance of 56.31 feet to the beginning of a compound curve concave to the Northwest having a radius of 259.00 feet whose radial bears $26^{\circ}00'00''$ East; thence (46) Westerly on and along said curve through a central angle of $33^{\circ}52'25''$ an arc distance of 153.12 feet; thence (47) North $82^{\circ}07'35''$ West, 326.00 feet to the beginning of a tangent curve concave to the Northeast having a radius of 384.00 feet; thence (48) Northwesterly on and along said curve through a central angle of $54^{\circ}26'35''$ an arc distance of 364.88 feet; thence (49) North $27^{\circ}41'00''$ West, 107.84 feet to the beginning of a tangent curve concave to the Northeast having a radius of 884.00 feet; thence (50) Northwesterly on and along said curve through a central angle of $29^{\circ}13'30''$ an arc distance of 450.90 feet; thence (51) North $01^{\circ}32'30''$ East, 175.00 feet to the beginning of a tangent curve concave to the Southwest having a radius of 366.00 feet; thence (52) Northwesterly on and along said curve through a central angle of $77^{\circ}22'30''$ an arc distance of 494.26 feet; thence (53) North $75^{\circ}50'00''$ West, 46.04 feet to the beginning of a tangent curve concave to the South having a radius of 416.00 feet; thence (54) Westerly on and along said curve through a central angle of $28^{\circ}41'30''$ an arc distance of 208.32 feet; thence (55) South $75^{\circ}28'30''$ West, 46.04 feet to the

EXHIBIT "A"

beginning of a tangent curve concave to the North having a radius of 734.00 feet; thence (56) Westerly on and along said curve through a central angle of 37°57'55" an arc distance of 486.36 feet; thence (57) North 66°33'35" West, 74.82 feet to the beginning of a tangent curve concave to the Southwest having a radius of 100.00 feet; thence (58) Westerly on and along said curve through a central angle of 14°58'52" an arc distance of 25.15 feet; thence (59) North 81°32'27" West, 21.31 feet; thence (60) North 36°32'27" West, 16.97 feet; thence (61) North 81°32'27" West, 45.00 feet; thence (62) South 53°27'33" West, 11.31 feet; thence (63) North 81°32'27" West 26.00 feet; thence (64) South 53°27'33" West, 5.66 feet; thence (65) North 81°32'27" West, 35.81 feet; thence (66) South 08°27'33" West, 56.00 feet to the TRUE POINT OF BEGINNING.

PARCEL 2:

That certain exclusive landscape maintenance and monument easement located on those portions of the Property along Miramonte Drive that is more fully described as follows:

That certain real property located in the City of Bakersfield, County of Kern, State of California more particularly described as follows:

Easements for construction, maintenance, repair and replacement of the monument within the monument area, and for landscape installation, replacement, maintenance, drainage, irrigation and related purposes (including fencing) over and across the easement area, described as follows and all as provided for in Instrument dated September 13, 1991 entitled, "**GRANT OF EASEMENTS AND AGREEMENT BETWEEN LANDOWNERS AND EASEMENT HOLDERS**," recorded September 13, 1991 in Book 6568, Page 2152 of Official Records and recorded September 18, 1991 in Book 6570, Page 75 of Official Records.

(A) MONUMENT AREA

All that portion of the "ATC Property" lying within the North ½ of Section 15, Township 29 South, Range 29 East, Mount Diablo Meridian, as described in Exhibit "A" in the Grant of Easements and Agreement, recorded September 13, 1991 in Book 6568, Page 2152 as Instrument No. 117552, and a duplicate recorded September 18, 1991 in Book 6570, Page 75 as Instrument No. 118989, lying within the arc of a circle having a radius of one hundred sixty-five (165) feet from the centerline intersection of Miramonte Drive with State Highway 178, as recorded per City of Bakersfield Deed No. 1904, Book 5416, Page 996 of Official Records.

Except therefrom the right of way known as Miramonte Drive as per street right of way deed recorded November 5, 1981 in Book 5416, Page 996 of Official Records and street right of way deed recorded December 28, 1982 in Book 5513, Page 2392 of Official Records.

(B) EASEMENT AREA

(1) All that portion of the "ATC Property" lying within the North ½ of Section 15, Township 29 South, Range 29 East, Mount Diablo Meridian, as described in Exhibit "A" in the Grant of Easements and Agreement recorded September 13, 1991 in Book 6568, Page 2152 as Instrument No. 117552, and a duplicate recorded September 18, 1991 in Book 6570, Page 75 as Instrument No. 118989, lying Easterly of the Easterly right of way boundary of Miramonte Drive, as per street right of way deed recorded November 5, 1981 in Book 5416, Page 996 of Official Records and street right of way deed recorded December 28, 1982 in Book 5513, Page 2192 of Official Records.

EXHIBIT "A"

Page 3 of 4

(2) All that portion of the "ATC Property" lying within the North ½ of Section 15, Township 29 South, Range 29 East, Mount Diablo Meridian, as described in Exhibit "A" in the Grant of Easements and Agreement, recorded September 13, 1991 in Book 6568, Page 2152 as Instrument No. 117552 and a duplicate recorded September 18, 1991 in Book 6570, Page 75 as Instrument No. 118989, Described as follows:

A 20.00 foot wide strip of land lying Westerly of and adjacent to the Westerly right of way line of Miramonte Drive as per street right of way Deed recorded November 5, 1981 in Book 5416, Page 996 of Official Records and street right of way deed recorded December 28, 1982 in Book 5513, Page 2392 of Official Records.

TOGETHER WITH THE MONUMENT AREA AS DESCRIBED ABOVE.

PARCEL 3:

That certain non-exclusive roadway easement which is located on that portion of the Property that is commonly known as, "CASA CLUB DRIVE," and is more fully described as follows:

That certain portion of Lot "A" which is shown, designated and described as "CASA CLUB DRIVE," on that certain map, entitled, "TRACT NO. 5515," which was filed for Record on December 17, 1999 in Book 45 of Maps, at Page 106 in the Office of the County Recorder of Kern County, California.

PROPERTY PROPOSED FOR ANNEXATION

Parcels 2, 3, 5, 6, 7 and 8, all of which are shown, designated and described on that certain map, entitled, "PARCEL MAP NO. 9784, which was filed for Record in the Office of the County Recorder of Kern County, California in Book 50 of Parcel Maps at Page 150.

All of those certain easements that are more fully described as follows:

Commencing at the centerline intersection of De La Guerra Terrace and Vista Grande Drive as shown on Tract Map No. 4443, Recorded in Book 31, of Maps, Pages 165-166, Kern County Records; Thence S 10°31'50" E a distance of 16.00 feet to a point on a circular curve concave to the South having a radius of 984.00 feet, a radial through said point bears S 10°31'50" E, said point being the TRUE POINT OF BEGINNING;

- Thence (1) Easterly along said curve through a central angle of 02°08'25" an arc distance of 36.76 feet to a point of cusp of a non-tangent curve concave Southeasterly having a radius of 20.00 feet, a radial through said point bears S 08°23'25" E;
- Thence (2) Southwesterly along last said curve through a central angle of 92°08'25" an arc distance of 32.16 feet;
- Thence (3) S 10°31'50" E, 13.33 feet to the beginning of a 316.00 foot radius tangent curve concave Westerly;
- Thence (4) Southerly along last said curve through a central angle of 15°28'11" an arc distance of 85.32 feet;
- Thence (5) S 04°56'21" W, 100.00 feet to the beginning of a 284.00 foot radius tangent curve concave Easterly;
- Thence (6) Southerly along last said curve through a central angle of 39°29'55" an arc distance of 195.78 feet;
- Thence (7) S 34°33'34" E, 503.55 feet to the beginning of a 284.00 foot radius tangent curve concave Northeasterly;
- Thence (8) Southeasterly along last said curve through a central angle of 15°59'28" an arc distance of 79.26 feet;
- Thence (9) S 50°33'01" E, 317.34 feet to the beginning of a 316.00 foot radius tangent curve concave Southwesterly;
- Thence (10) Southeasterly along last said curve through a central angle of 15°45'24" an arc distance of 86.90 feet;
- Thence (11) S 34°47'37" E, 401.35 feet to the beginning of a 316.00 foot radius tangent curve concave Southwesterly;
- Thence (12) Southeasterly along last said curve through a central angle of 12°07'37" an arc distance of 66.88 feet;
- Thence (13) S 22°40'00" E, 64.58 feet to the beginning of a 316.00 foot radius tangent curve concave Westerly;
- Thence (14) Southerly along last said curve through a central angle of 18°52'50" an arc distance of 104.13 feet;
- Thence (15) S 03°47'10" E, 471.43 feet to the beginning of a 284.00 foot radius tangent curve concave Easterly;
- Thence (16) Southerly along last said curve through a central angle of 06°41'54" an arc distance of 33.20 feet;
- Thence (17) S 10°39'04" E, 188.64 feet;
- Thence (18) S 82°45'40" W, 32.05 feet;

EXHIBIT "B"

Page 1 of 7

- Thence (19) N 10°29'04" W, 87.28 feet to the beginning of a 20.00 foot radius tangent curve concave Southwesterly;
- Thence (20) Northwesterly along last said curve through a central angle of 90°00'00" an arc distance of 31.42 feet;
- Thence (21) S 79°30'56" W, 216.00 feet to the beginning of a 284.00 foot radius tangent curve concave Southeasterly;
- Thence (22) Southwesterly along last said curve through a central angle of 08°25'12" an arc distance of 41.74 feet;
- Thence (23) S 71°05'44" W, 100.00 feet to the beginning of a 316.00 foot radius tangent curve concave Northerly;
- Thence (24) Westerly along last said curve through a central angle of 36°49'56" an arc distance of 203.14 feet;
- Thence (25) N 72°04'20" W, 579.41 feet to the beginning of a 316.00 foot radius tangent curve concave Northeasterly;
- Thence (26) Northwesterly along last said curve though a central angle of 31°42'50" an arc distance of 174.91 feet;
- Thence (27) N 40°21'30" W, 38.49 feet to the beginning of a 20.00 foot radius tangent curve concave Southerly;
- Thence (28) Westerly along last said curve through a central angle of 90°00'00" an arc distance of 31.42 feet;
- Thence (29) S 49°38'30" W, 185.20 feet;
- Thence (30) N 40°21'30" W, 32.00 feet;
- Thence (31) N 49°38'30" E, 237.20 feet;
- Thence (32) S 40°21'30" E, 90.49 feet to the beginning of a 284.00 foot radius tangent curve concave Northeasterly;
- Thence (33) Southeasterly along last said curve through a central angle of 31°42'50" an arc distance of 157.20 feet;
- Thence (34) S 72°04'20" E, 579.41 feet to the beginning of 284.00 foot radius tangent curve concave Northerly;
- Thence (35) Easterly along last said curve through a central angle of 36°49'56" an arc distance of 182.57 feet;
- Thence (36) N 71°05'44" E, 100.00 feet to the beginning of a 316.00 foot radius tangent curve concave Southeasterly;
- Thence (37) Northeasterly along last said curve through a central angle of 08°25'12" an arc distance of 46.44 feet;
- Thence (38) N 79°30'56" E, 164.00 feet to the beginning of a 20.00 foot radius tangent curve concave Northwesterly;
- Thence (39) Northeasterly along last said curve through a central angle of 90°00'00" an arc distance of 31.42 feet;
- Thence (40) N 10°29'04" W, 27.54 feet to the beginning of 316.00 foot radius tangent curve concave Easterly;
- Thence (41) Northerly along last said curve through a central angle of 06°41'54" an arc distance of 36.94 feet;
- Thence (42) N 03°47'10" W, 471.43 feet to the beginning of a 284.00 foot radius tangent curve concave Westerly;
- Thence (43) Northerly along last said curve through a central angle of 18°52'50" an arc distance of 93.59 feet;
- Thence (44) N 22°40'00" W, 64.58 feet to the beginning of 284.00 foot radius tangent curve concave Southwesterly;

EXHIBIT "B"

- Thence (45) Northwesterly along last said curve through a central angle of 12°07'37" an arc distance of 60.11 feet;
- Thence (46) N 34°47'37" W, 401.35 feet to the beginning of a 284.00 foot radius tangent curve concave Southwesterly;
- Thence (47) Northwesterly along last said curve through a central angle of 15°45'24" an arc distance of 78.10 feet;
- Thence (48) N 50°33'01" W, 317.34 feet to the beginning of a 316.00 foot radius tangent curve concave Northeasterly;
- Thence (49) Northwesterly along last said curve through a central angle of 15°59'28" an arc distance of 98.19 feet;
- Thence (50) N 34°33'34" W, 503.55 feet to the beginning of a 316.00 foot radius tangent curve concave Northeasterly;
- Thence (51) Northwesterly along last said curve through a central angle of 39°29'55" an arc distance of 217.84 feet;
- Thence (52) N 04°56'21" E, 100.00 feet to the beginning of a 284.00 foot radius tangent curve concave Westerly;
- Thence (53) Northerly along last said curve through a central angle of 15°28'11" an arc distance of 76.68 feet;
- Thence (54) N 10°31'50" W, 14.00 feet to the beginning of a 20.00 foot radius tangent curve concave Southwesterly;
- Thence (55) Northwesterly along last said curve through a central angle of 90°00'00" an arc distance of 31.42 feet;
- Thence (56) N 80°00'36" E, 36.00 feet to the TRUE POINT OF BEGINNING.

All those portions of Section 14 and 15, Township 29 South, Range 29 East, M.D.M., County of Kern, State of California being more particularly described as follows:

CE 1

Commencing at the Southeast corner of said Section 15, also being the Southeast corner of Parcel Map 6712, filed in Book 29 of Parcel Maps at Page 12, Kern County Records; thence S 89°59'20" W along the South line of said Section 15, a distance of 413.08 feet to the beginning of a 1,200.00 foot radius non-tangent curve concave Easterly having a radial bearing of N 66°12'30" E; thence Northerly along said curve through a central angle of 00°05'29" an arc distance of 1.91 feet to the TRUE POINT OF BEGINNING;

- Thence (1) Continuing Northerly along said curve through a central angle of 03°29'48" an arc distance of 73.23 feet to a point of cusp of a 20.00 foot radius non-tangent curve concave Northeasterly;
- Thence (2) Southeasterly along last said curve through a central angle of 91°44'53" an arc distance of 32.03 feet;
- Thence (3) N 68°02'53" E, 435.30 feet to the beginning of a 484.00 foot radius tangent curve concave Northwesterly;
- Thence (4) Northeasterly along last said curve through a central angle of 02°40'31" an arc distance of 22.60 feet;
- Thence (5) N 65°22'22" E, 231.13 feet to the beginning of a 20.00 foot radius tangent curve concave Northeasterly;
- Thence (6) Northeasterly along last said curve through a central angle of 88°56'45" an arc distance of 31.05 feet to the beginning of a 316.00 foot radius tangent curve concave Easterly;
- Thence (7) Northerly along last said curve through a central angle of 28°57'22" an arc distance of 159.70 feet;

EXHIBIT "B"

- Thence (8) N 05°22'59" E, 60.50 feet to the beginning of a 100.00 foot radius tangent curve concave Easterly;
- Thence (9) Northerly along last said curve through a central angle of 15°21'32" an arc distance of 26.81 feet to the point of reverse curvature of a 68.00 foot radius tangent curve concave Southeasterly;
- Thence (10) Northeasterly along last said curve through a central angle of 120°36'42" an arc distance of 143.15 feet to the point of reverse curvature of a 100.00 foot radius tangent curve concave Northerly;
- Thence (11) Easterly along last said curve through a central angle of 15°21'32" an arc distance of 26.81 feet to the point of reverse curvature of 316.00 foot radius tangent curve concave Southerly;
- Thence (12) Easterly along last said curve through a central angle of 09°33'28" an arc distance of 52.71 feet;
- Thence (13) S 75°09'55" E, 409.39 feet to the beginning of a 284.00 foot radius tangent curve concave Northerly;
- Thence (14) Easterly along last said curve through a central angle of 34°50'05" an arc distance of 172.67 feet;
- Thence (15) N 70°00'00" E, 111.43 feet to the beginning of a 316.00 foot radius tangent curve concave Southeasterly;
- Thence (16) Northeasterly along last said curve through a central angle of 14°35'43" an arc distance of 80.50 feet;
- Thence (17) S 05°24'17" E, 32.00 feet to the beginning of a 284.00 foot radius non-tangent curve concave Southeasterly, from which a radial bears S 05°24'17" E;
- Thence (18) Southwesterly along last said curve through a central angle of 14°35'43" an arc distance of 72.34 feet;
- Thence (19) S 70°00'00" W, 133.69 feet to the beginning of a 316.00 foot radius tangent curve concave Northerly;
- Thence (20) Westerly along last said curve through a central angle of 34°50'05" an arc distance of 192.12 feet;
- Thence (21) N 75°09'55" W, 409.39 feet to the beginning of a 284.00 foot radius tangent curve concave Southerly;
- Thence (22) Westerly along last said curve through a central angle of 09°33'28" an arc distance of 47.37 feet;
- Thence (23) N 84°43'23" W, 83.44 feet to the beginning of a 30.00 foot radius tangent curve concave Southeasterly;
- Thence (24) Southwesterly along last said curve through a central angle of 89°53'38" an arc distance of 47.07 feet;
- Thence (25) S 05°22'59" W, 105.00 feet to the beginning of a 284.00 foot radius tangent curve concave Easterly;
- Thence (26) Southerly along last said curve though a central angle of 39°17'41" an arc distance of 194.77 feet;
- Thence (27) S 65°22'22" W, 286.79 feet to the beginning of a 516.00 foot radius tangent curve concave Northwesterly;
- Thence (28) Southwesterly along last said curve through a central angle of 02°40'31" an arc distance of 24.09 feet;
- Thence (29) S 68°02'53" W, 435.30 feet to the beginning of a 20.00 foot radius tangent curve concave Southeasterly;
- Thence (30) Southwesterly along last said curve through a central angle of 91°44'54" an arc distance of 32.03 feet to the TRUE POINT OF BEGINNING.

EXHIBIT "B"

CE 2

Beginning at the terminus of call no. (29) as described in the street easement dedication Recorded in Book 5416 at Page 990 Et. Seq., known as Casa Club Drive, said point being on a 391.00 foot radius curve concave Southeasterly having a radial of S 45°39'48" E;

- Thence (1) S 45°49'45" E, along said radial 32.00 feet to a point on a 359.00 foot radius curve concave Southeasterly having the same radial;
- Thence (2) Southwesterly along last said curve through a central angle of 63°15'16" an arc distance of 396.33 feet;
- Thence (3) S 18°55'04" E, 212.90 feet to the beginning of a 316.00 foot radius tangent curve concave Southwesterly;
- Thence (4) Southeasterly along last said curve through a central angle of 39°05'25" an arc distance of 215.59 feet;
- Thence (5) S 20°10'21" W, 100.00 feet to the beginning of a 284.00 foot radius tangent curve concave Easterly;
- Thence (6) Southerly along last said curve through a central angle of 15°02'24" an arc distance of 74.55 feet;
- Thence (7) S 05°07'57" W, 294.00 feet to the beginning of a 20.00 foot radius tangent curve concave Northeasterly;
- Thence (8) Southeasterly along last said curve through a central angle of 90°00'00" an arc distance of 31.42 feet;
- Thence (9) S 84°52'03" E, 39.00 feet to the beginning of a 284.00 foot radius tangent curve concave Northerly;
- Thence (10) Easterly along last said curve through a central angle of 24°45'05" an arc distance of 122.69 feet;
- Thence (11) N 70°22'52" E, 388.93 feet;
- Thence (12) S 19°37'08" E, 32.00 feet;
- Thence (13) S 70°22'52" W, 388.93 feet to the beginning of a 316.00 foot radius tangent curve concave Northerly;
- Thence (14) Westerly along last said curve through a central angle of 24°45'05" an arc distance of 136.51 feet;
- Thence (15) N 84°52'03" W, 480.10 feet;
- Thence (16) W 14°32'49" W, 33.99 feet;
- Thence (17) S 84°52'03" E, 415.26 feet to the beginning of a 20.00 foot radius tangent curve concave Northwesterly;
- Thence (18) Northeasterly along last said curve through a central angle of 90°00'00" an arc distance of 31.42 feet;
- Thence (19) N 05°07'57" E, 310.00 feet to the beginning of a 316.00 foot radius tangent curve concave Easterly;
- Thence (20) Northerly along last said curve though a central angle of 15°02'24" an arc distance of 82.95 feet;
- Thence (21) N 20°10'21" E, 100.00 feet to the beginning of a 284.00 foot radius tangent curve concave Southwesterly;
- Thence (22) Northwesterly along last said curve through a central angle of 39°05'25" an arc distance of 193.76 feet;
- Thence (23) N 18°55'04" W, 212.90 feet to the beginning of a 391.00 foot radius tangent curve concave Southeasterly;
- Thence (24) Northeasterly along last said curve through a central angle of 63°15'16" an arc distance of 431.66 feet to the POINT OF BEGINNING;

EXHIBIT "B"

Page 5 of 7

CE 3

Commencing at the terminus of call no. 14 of the internal circulation road description included herein; thence S 03°47'10" E, 106.56 feet to the beginning of a 20.00 foot radius tangent curve concave Northeasterly, said point being the TRUE POINT OF BEGINNING:

- Thence (1) Southeasterly along said curve through a central angle of 83°50'58" an arc distance of 29.27 feet to the beginning of a 316.00 foot radius tangent curve concave Southerly;
- Thence (2) Easterly along last said curve through a central angle of 21°37'36" an arc distance of 119.28 feet;
- Thence (3) S 66°00'32" E, 332.29 feet to the beginning of a 284.00 foot radius non-tangent curve concave Southeasterly, from which a radial bears S 87°44'40" E;
- Thence (4) Southwesterly along last said curve through a central angle of 11°31'06" an arc distance of 57.09 feet;
- Thence (5) S 13°46'26" W, 163.82 feet to the beginning of a 284.00 foot radius tangent curve concave Easterly;
- Thence (6) Southerly along last said curve through a central angle of 36°41'14" an arc distance of 181.85 feet;
- Thence (7) S 68°32'13" W, 32.01 feet to the beginning of a 316.00 foot radius non-tangent curve concave Easterly, from which a radial bears N 67°14'01" E;
- Thence (8) Northerly along last said curve through a central angle of 36°32'25" an arc distance of 201.53 feet;
- Thence (9) N 13°46'26" E, 163.82 feet to the beginning of a 316.00 foot radius tangent curve concave Southeasterly;
- Thence (10) Northeasterly along last said curve through a central angle of 02°25'32" an arc distance of 13.38 feet to the beginning of a 20.00 foot radius tangent curve concave Southwesterly;
- Thence (11) Northwesterly along last said curve through a central angle of 82°12'31" an arc distance of 28.70 feet;
- Thence (12) N 66°00'32" W, 283.32 feet to the beginning of a 284.00 foot radius tangent curve concave Southerly;
- Thence (13) Westerly along last said curve through a central angle of 19°56'23" an arc distance of 98.84 feet to the beginning of a 20.00 foot radius tangent curve concave Southeasterly;
- Thence (14) Southwesterly along last said curve through a central angle of 97°50'15" an arc distance of 34.15 feet;
- Thence (15) N 03°47'10" W, 72.53 feet to the TRUE POINT OF BEGINNING.

CE 4

Commencing at the terminus of call no. (6) of the internal circulation road description included herein; thence S 34°33'34" E, 24.22 feet to the beginning of a 20.00 foot radius tangent curve concave Northerly, said point being the TRUE POINT OF BEGINNING;

- Thence (1) Along said curve through a central angle of 90°00'00" an arc distance of 31.42 feet;
- Thence (2) N 55°26'26" E, 247.13 feet to the beginning of a 284.00 foot radius tangent curve concave Northwesterly;
- Thence (3) Northeasterly along last said curve through a central angle of 48°32'34" an arc distance of 240.61 feet;
- Thence (4) N 06°53'53" E, 62.55 feet;
- Thence (5) S 83°06'07" E, 32.00 feet;
- Thence (6) S 06°53'53" W, 62.55 feet to the beginning of a 316.00 foot radius tangent curve concave Northwesterly;

EXHIBIT "B"

COMMON AREA PROPERTY

PARCEL 1:

That certain non-exclusive easement which is commonly known as a portion of, "CASA CLUB DRIVE" and is more fully described as follows:

All that portion of Section 14, Township 29 South, Range 29 East, M.D.M., County of Kern, State of California, being more particularly described as follows:

Commencing at the Northwest corner of said Section 14; thence South 00°03'20" West on and along the West line of said Section 14, a Distance of 2490.34 feet; thence South 79° 20' 56" East, 24.18 feet; thence North 42° 12' 28" East, 18.18 feet; thence North 08° 27' 33" East, 4.50 feet to the TRUE POINT OF BEGINNING; thence (1) South 81°32'27" East, 35.81 feet; thence South 36°32'27" East, 5.66 feet; thence (3) South 81° 32' 27" East, 26.00 feet; thence (4) South 36° 32'27" East, 11.31 feet; thence (5) South 81° 32'27" East, 45.00 feet; thence (6) North 53°27'33" East, 16.97 feet; thence (7) South 81°32'27" East 108.01 feet to the beginning of a tangent curve concave to the South having a radius of 100.00 feet; thence (8) Easterly on and along said curve through a central angle of 13°25'55" an arc distance of 23.44 feet to the beginning of a tangent reverse curve concave to the North having a radius of 766.00 feet; thence (9) Easterly on and along said curve through a central angle of 36°24'58" and arc distance of 486.86 feet; thence (10) North 75°28'30" East, 46.03 feet to the beginning of a tangent curve concave to the South having a radius of 384.00 feet; thence (11) Easterly on and along said curve through a central angle of 28° 41'30" an arc distance of 192.29 feet; thence (12) South 75°50'00" East, 46.04 feet to the beginning of a tangent curve concave to the Southwest having a radius of 334.00 feet; thence (13) Southeasterly on and along said curve through a central angle of 77°22'30" an arc distance of 451.05 feet; thence (14) South 01°32'30" West, 175.00 feet to the beginning of a tangent curve concave to the Northeast having a radius of 916.00 feet; thence (15) Southeasterly on and along said curve through a central angle of 29°13'33" an arc distance of 467.23 feet; thence (16) South 27°41'00" East, 107.84 feet to the beginning of a tangent curve concave to the Northeast having a radius of 416.00 feet; thence (17) Southeasterly on and along said curve through a central angle of 54°26'35" an arc distance of 395.29 feet; thence (18) South 82°07'35" East, 326.44 feet to the beginning of a tangent curve concave to the North having a radius of 291.00 feet; thence (19) Southeasterly on and along said curve through a central angle of 43°20'39" an arc distance of 220.14 feet; thence (20) North 54°31'46" East, 46.86 feet to the beginning of a tangent curve concave to the Southeast having a radius of 257.00 feet; thence (21) Northeasterly on and along said curve through a central angle of 08°58'27" an arc distance of 40.25 feet to the Beginning of a tangent reverse curve concave to the Northwest having a radius of 600.00 feet; thence (22) Northeasterly on and along said curve through a central angle of 01°03'14" an arc distance of 11.04 feet to the beginning of a tangent reverse curve concave to the Southeast having a radius of 200.00 feet; thence (23) Easterly on and along said curve through a central angle of 15°29'49" an arc distance of 54.09 feet to the beginning of a compound curve concave to the South having a radius of 259.00 feet; thence (24) Easterly on and long said curve through a central angle of 41°50'06" an arc distance of 189.11 feet to the beginning of a compound curve concave to the Southwest having a radius of 200.00 feet; thence (25) Southeasterly on and along said curve through a central angle of 15°29'49" an arc distance of 54.09 feet to the beginning of a reverse curve concave to the Northeast having a radius of 600.00 feet; thence (26) Southeasterly on and along said curve through a central angle of 01°03'14" an arc distance of 11.04 feet to the beginning of a reverse curve concave to the Southwest having a radius of 257.00 feet; thence (27) Southeasterly on and along said curve through a central angle of 05°25'01" an arc distance of 24.30 feet; thence (28) South 40°21'30" East, 5.85 feet to the beginning of a tangent curve concave to the West having a radius of 20.00 feet; thence (29) Southerly on and along said curve through a central angle of 84°41'42" an arc distance of 29.59 feet to a point of cusp with a curve concave to the

EXHIBIT "C"

Southeast having a radius of 391.00 feet and to which point a radial line bears North 45°39'48" West; thence (30) Northeasterly on and along said curve through a central angle of 05°18'18" an arc distance of 36.20 feet; thence (31) North 49°38'30" East, 38.00 feet to a point of cusp with a curve concave to the North having a radius of 20.00 feet and to which point a radial line bears North 40°21'30" West; thence (32) Northwesterly on and along said curve through a central angle of 90°00'00" an arc distance of 31.42 feet; thence (33) North 40°21'30" West, 4.09 feet to the beginning of a tangent curve concave to the Southwest having a radius of 293.00 feet; thence (34) Northwesterly on and along said curve through a central angle of 05°25'01" an arc distance of 27.70 feet to the beginning of a compound curve concave to the Southwest having a radius of 200.00 feet; thence (35) Northwesterly on and along said curve through a central angle of 12°34'21" an arc distance of 43.89 feet to the beginning of a tangent reverse curve concave to the Northeast having a radius of 600.00 feet whose radial bears North 31°39'08" East; thence (36) Northwesterly on and along said curve through a central angle of 01°18'07" an arc distance of 13.63 feet to the beginning of a tangent reverse curve concave to the Southwest having a radius of 291.00 feet; thence (37) Northwesterly on and along said curve through a central angle of 05°25'56" an arc distance of 27.59 feet; thence (38) North 27°31'19" East, 0.50 feet to the beginning of a non-tangent curve concave to the Southwest having a radius of 291.50 feet whose radial bears South 27°31'19" West; thence (39) Northwesterly on and along said curve through a central angle of 28°50'11" an arc distance of 146.71 feet; thence (40) South 85°19'12" West, 15.07 feet to the beginning of a non-tangent curve concave to the Southwest having a radius 291.00 feet whose radial bears South 04°16'41" East; thence (41) Westerly on and along said curve through a central angle of 10°56'52" an arc distance of 55.60 feet to the beginning of a tangent reverse curve concave to the Northwest having a radius of 600.00 feet; thence (42) Southwesterly on and along said curve through a central angle of 01°18'07" an arc distance of 13.63 feet to the beginning of a tangent reverse curve concave to the Southeast having a radius of 200.00 feet; thence (43) Southwesterly on and along said curve through a central angle of 12°34'21" an arc distance of 43.89 feet to the beginning of a compound curve concave to the Southeast having a radius of 293.00 feet; thence (44) Southwesterly on and along said curve through a central angle of 15°30'47" an arc distance of 79.33 feet to the beginning of a tangent reverse curve concave to the Northwest having a radius of 201.54 feet; thence (45) Southwesterly on and along said curve through a central angle of 16°00'34" an arc distance of 56.31 feet to the beginning of a compound curve concave to the Northwest having a radius of 259.00 feet whose radial bears 26°00'00" East; thence (46) Westerly on and along said curve through a central angle of 33°52'25" an arc distance of 153.12 feet; thence (47) North 82°07'35" West, 326.00 feet to the beginning of a tangent curve concave to the Northeast having a radius of 384.00 feet; thence (48) Northwesterly on and along said curve through a central angle of 54°26'35" an arc distance of 364.88 feet; thence (49) North 27°41'00" West, 107.84 feet to the beginning of a tangent curve concave to the Northeast having a radius of 884.00 feet; thence (50) Northwesterly on and along said curve through a central angle of 29°13'30" an arc distance of 450.90 feet; thence (51) North 01°32'30" East, 175.00 feet to the beginning of a tangent curve concave to the Southwest having a radius of 366.00 feet; thence (52) Northwesterly on and along said curve through a central angle of 77°22'30" an arc distance of 494.26 feet; thence (53) North 75°50'00" West, 46.04 feet to the beginning of a tangent curve concave to the South having a radius of 416.00 feet; thence (54) Westerly on and along said curve through a central angle of 28°41'30" an arc distance of 208.32 feet; thence (55) South 75°28'30" West, 46.04 feet to the beginning of a tangent curve concave to the North having a radius of 734.00 feet; thence (56) Westerly on and along said curve through a central angle of 37°57'55" an arc distance of 486.36 feet; thence (57) North 66°33'35" West, 74.82 feet to the beginning of a tangent curve concave to the Southwest having a radius of 100.00 feet; thence (58) Westerly on and along said curve through a central angle of 14°58'52" an arc distance of 25.15 feet; thence (59) North 81°32'27" West, 21.31 feet; thence (60) North 36°32'27" West, 16.97 feet; thence (61) North 81°32'27" West, 45.00 feet; thence (62) South 53°27'33" West, 11.31 feet; thence (63) North 81°32'27" West 26.00 feet; thence (64) South 53°27'33" West, 5.66 feet; thence (65) North 81°32'27" West, 35.81 feet; thence (66) South 08°27'33" West, 56.00 feet to the TRUE POINT OF BEGINNING.

EXHIBIT "C"

PARCEL 2:

That certain exclusive landscape maintenance and monument easement located on those portions of real property along Miramonte Drive that is more fully described as follows:

That certain real property located in the City of Bakersfield, County of Kern, State of California more particularly described as follows:

Easements for construction, maintenance, repair and replacement of the monument within the monument area, and for landscape installation, replacement, maintenance, drainage, irrigation and related purposes (including fencing) over and across the easement area, described as follows and all as provided for in Instrument dated September 13, 1991 entitled, "**GRANT OF EASEMENTS AND AGREEMENT BETWEEN LANDOWNERS AND EASEMENT HOLDERS,**" recorded September 13, 1991 in Book 6568, Page 2152 of Official Records and recorded September 18, 1991 in Book 6570, Page 75 of Official Records.

(A) MONUMENT AREA

All that portion of the "ATC Property" lying within the North ½ of Section 15, Township 29 South, Range 29 East, Mount Diablo Meridian, as described in Exhibit "A" in the Grant of Easements and Agreement, recorded September 13, 1991 in Book 6568, Page 2152 as Instrument No. 117552, and a duplicate recorded September 18, 1991 in Book 6570, Page 75 as Instrument No. 118989, lying within the arc of a circle having a radius of one hundred sixty-five (165) feet from the centerline intersection of Miramonte Drive with State Highway 178, as recorded per City of Bakersfield Deed No. 1904, Book 5416, Page 996 of Official Records.

Except therefrom the right of way known as Miramonte Drive as per street right of way deed Recorded November 5, 1981 in Book 5416, Page 996 of Official Records and street right of way deed recorded December 28, 1982 in Book 5513, Page 2392 of Official Records.

(B) EASEMENT AREA

(1) All that portion of the "ATC Property" lying within the North ½ of Section 15, Township 29 South, Range 29 East, Mount Diablo Meridian, as described in Exhibit "A" in the Grant of Easements and Agreement recorded September 13, 1991 in Book 6568, Page 2152 as Instrument No. 117552, and a duplicate recorded September 18, 1991 in Book 6570, Page 75 as Instrument No. 118989, lying Easterly of the Easterly right of way boundary of Miramonte Drive, as per street right of way deed recorded November 5, 1981 in Book 5416, Page 996 of Official Records and street right of way deed recorded December 28, 1982 in Book 5513, Page 2192 of Official Records.

(2) All that portion of the "ATC Property" lying within the North ½ of Section 15, Township 29 South, Range 29 East, Mount Diablo Meridian, as described in Exhibit "A" in the Grant of Easements and Agreement, recorded September 13, 1991 in Book 6568, Page 2152 as Instrument No. 117552 and a duplicate recorded September 18, 1991 in Book 6570, Page 75 as Instrument No. 118989, Described as follows:

A 20.00 foot wide strip of land lying Westerly of and adjacent to the Westerly right of way line of Miramonte Drive as per street right of way deed recorded November 5, 1981 in Book 5416, Page 996 of Official Records and street right of way deed Recorded December 28, 1982 in Book 5513, Page 2392 of Official Records.

TOGETHER WITH THE MONUMENT AREA AS DESCRIBED ABOVE.

PARCEL 3:

That certain non-exclusive roadway easement which is located on that portion of the Property that is commonly known as "CASA CLUB DRIVE," and is more fully described as follows:

That certain portion of Lot "A" which is shown, designated and described as "CASA CLUB DRIVE" on that certain map, entitled, "TRACT NO. 5515," which was filed for record on December 17, 1999 in Book 45 of Maps, at page 106, in the Office of the County Recorder of Kern County, California.