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**DECLARATION  
OF  
COVENANTS, CONDITIONS AND RESTRICTIONS  
FOR  
LOT SEVEN PLANNED DEVELOPMENT**

**THERE ARE MANY RISKS ASSOCIATED WITH THE TRANSFER AND OWNERSHIP OF LOT 7 AND THE FORMATION AND OPERATION OF A COMMON INTEREST PROJECT WITH A NONPROFIT CORPORATION. EACH OWNER SHOULD DISCUSS THE RISKS WITH HIS OR HER ATTORNEY AND OTHER ADVISORS. JAMES HENRY FOX, WILLIAM E. JOHNS, WILLIAM E. JOHNS LAW CORPORATION AND FOX JOHNS LAZAR PEKIN & WEXLER, A PROFESSIONAL CORPORATION COLLECTIVELY, THE "FIRM", REPRESENT SOLELY THE OWNER OF 14228 DALIA DRIVE. THE FIRM DOES NOT REPRESENT AND IS NOT PROVIDING ANY LEGAL ADVICE OR SERVICES TO ANY OTHER OWNER OR PERSON.**

**DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS  
FOR LOT SEVEN PLANNED DEVELOPMENT**

**TABLE OF CONTENTS**

1.	RECITALS AND DECLARATION .....	1
1.1	Property Owned by Declarants .....	1
1.2	Open Space Easement.....	2
1.3	Lots Adjacent to Common Area; Backyard Improvements and Backyard Areas on Common Area.....	2
1.4	Formation of Association; Acquisition of Common Area; and Creation of Exclusive Use Common Areas .....	2
1.5	General Plan; Planned Development; Common Interest Development.....	2
1.6	Declaration .....	3
2.	DEFINITIONS.....	3
2.1	Articles.....	3
2.2	Association.....	3
2.3	Association Rules.....	3
2.4	Backyard Area .....	3
2.5	Backyard Improvements .....	3
2.6	Board of Directors or Board .....	4
2.7	Bylaws.....	4
2.8	City.....	4
2.9	County.....	4
2.10	Common Area.....	4
2.11	Declarants .....	4
2.12	Declaration.....	4
2.13	Exclusive Use Common Area.....	4
2.14	Governing Documents .....	4
2.15	Lot.....	4
2.16	Member .....	4
2.17	Mortgage .....	4
2.18	Open Space Easement.....	5
2.19	Owner.....	5
2.20	Property.....	5
3.	COMMON INTERESTS, PROPERTY RIGHTS, RIGHTS OF ENJOYMENT, AND EASEMENTS .....	5
3.1	Owners' Nonexclusive Easements and Rights; Association Rights .....	5
3.2	Exclusive Right and Easement Over Backyard Area .....	5
3.3	Restrictions on Backyard Improvements and Backyard Area .....	6
3.4	Indemnification For Backyard Areas.....	6
3.5	Association Powers Over Common Area .....	6
3.6	Performance of Association Obligations .....	6
3.7	Cure Violations .....	7
3.8	Association Easement .....	7

4. COVENANTS, CONDITIONS AND USE RESTRICTIONS ..... 7

    4.1 Leasing or Renting.....7

    4.2 Association Maintenance of Common Area.....7

    4.3 The Alteration or Damage to Common Area.....7

    4.4 Increase in Rate or Cancellation of Insurance .....7

    4.5 Payment of Taxes.....7

    4.6 Indemnification for Negligence or Misconduct.....8

    4.7 Enforcement by Suit .....8

5. POWERS AND DUTIES OF ASSOCIATION..... 9

    5.1 Association Powers.....9

    5.2 Right of Enforcement.....10

    5.3 Association Duties .....12

    5.4 Costs of Maintenance and Management .....12

    5.5 Contracts for Goods, Services or Materials .....13

    5.6 Payment of Taxes and Assessments .....13

    5.7 Annual Operating Budgets and Financial Statements .....13

    5.8 Obtain and Maintain Insurance .....13

    5.9 Perform Other Acts.....13

6. LIMITATIONS ON POWERS AND LIABILITY ..... 13

    6.1 Limitations on Powers of Board or Association .....13

    6.2 Limitation of Liability of Directors, Officers and Committee Members.....14

    6.3 Common Area Liability .....14

    6.4 No Effect on Liability of Association.....14

7. ORGANIZATION OF ASSOCIATION; MEETINGS AND ACTIONS OF OWNERS 15

    7.1 Completion of Organization of Association, Election of Officers and  
    Directors.....15

    7.2 Initial Actions by Owners .....15

    7.3 Regular and Special Meetings of Owners; Notice; Quorum; Adjournment .....15

    7.4 Action by Written Consent of Owners .....15

8. ACCESS RIGHTS TO ASSOCIATION BOOKS, RECORDS AND MINUTES ..... 15

    8.1 Copies of Governing Documents and Financial Statements.....15

    8.2 Inspection Rights of Owners.....16

    8.3 Directors’ Inspection Rights .....16

    8.4 Owners’ Access to Minutes .....16

9. MEMBERSHIP AND VOTING RIGHTS ..... 16

    9.1 Qualifications of Membership .....16

    9.2 Members’ Rights and Duties .....16

    9.3 Transfer of Membership .....16

    9.4 Majority Approval Required.....17

    9.5 Voting Rights.....17

    9.6 Joint Ownership Votes.....17

    9.7 Cumulative Voting.....17

    9.8 Voting Procedures.....17

10. ASSESSMENTS; BUDGET; RESERVES ..... 18

10.1	Agreement to Pay Assessments .....	18
10.2	Initial Contribution to Working Capital Fund .....	18
10.3	Assessments Are Personal Obligation of Owner .....	18
10.4	Use of Assessments.....	18
10.5	Pro Forma Operating Budget .....	18
10.6	Establishing Regular Assessments.....	19
10.7	Distribution of Budget; Notice of Regular Assessment Increase; Statement of Enforcement Policies .....	19
10.8	Accounting Treatment .....	20
10.9	Limitations on Use of Reserves .....	20
10.10	Limitations on Assigning or Pledging Assessment Obligations.....	20
10.11	Special Assessments .....	21
10.12	Limitations on Special Assessments.....	21
10.13	Uniform Rate of Assessments.....	21
10.14	Association Fiscal Year; Notice and Assessment Due Date.....	21
10.15	Delinquent Assessments .....	22
10.16	Collection and Enforcement .....	22
10.17	Notice to Owner.....	23
10.18	Creation of Lien .....	23
10.19	Alternative Dispute Resolution.....	24
10.20	Foreclosure.....	25
10.21	Waiver of Homestead .....	25
11.	FINANCIAL REPORTS .....	25
11.1	Annual Report.....	25
11.2	Periodic Board Review .....	26
12.	INSURANCE.....	26
12.1	Liability Insurance .....	26
12.2	Fidelity Bonds .....	26
12.3	Waiver of Subrogation; Notice of Cancellation; Other Insurance.....	26
12.4	Board's Authority to Revise Insurance Coverage .....	26
12.5	No Liability to any Owner .....	27
12.6	Authority of the Board .....	27
12.7	Association as Attorney-in-Fact .....	27
12.8	Annual Insurance Review .....	27
12.9	Insurance Coverage for Exclusive Use Areas.....	27
12.10	Insurance Coverage for Agents.....	27
12.11	Summary of Insurance .....	28
12.12	Notice to Owners .....	28
13.	CONDEMNATION.....	28
13.1	Sale by Consent.....	28
13.2	Sale Proceeds or Condemnation Award .....	29
14.	MORTGAGES ON LOTS.....	29
14.1	Mortgage Permitted .....	29
14.2	Lien Not Invalidated .....	29

15. TERM OF DECLARATION ..... 29

16. AMENDMENT OF DECLARATION ..... 29

17. ANNEXATION ..... 29

18. GENERAL PROVISIONS ..... 30

    18.1 Headings .....30

    18.2 Severability .....30

    18.3 Cumulative Remedies .....30

    18.4 Violation as Nuisance .....30

    18.5 Power of Attorney .....30

    18.6 Liberal Construction .....30

    18.7 Notification of Sale; Notices.....30

    18.8 Number; Gender.....31

    18.9 Exhibits .....31

    18.10 Easements Reserved and Granted .....31

    18.11 Binding Effect .....31

19. SUBORDINATION..... 31

EXHIBITS

- Exhibit A-1 Lot 84
- Exhibit A-2 Lot 86
- Exhibit A-3 Lot 87
- Exhibit A-4 Lot 88
- Exhibit A-5 Lot 89
- Exhibit A-6 Lot 90
- Exhibit A-7 Common Area
- Exhibit B-1 Backyard Improvements, Backyard Area and Exclusive Use Common Area for Lot 84
- Exhibit B-2 Backyard Improvements, Backyard Area and Exclusive Use Common Area for Lot 86
- Exhibit B-3 Backyard Improvements, Backyard Area and Exclusive Use Common Area for Lot 87

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- Exhibit B-4 Backyard Improvements, Backyard Area and Exclusive Use Common Area for Lot 88
- Exhibit B-5 Backyard Improvements, Backyard Area and Exclusive Use Common Area for Lot 89
- Exhibit B-6 Backyard Improvements, Backyard Area and Exclusive Use Common Area for Lot 90

**DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS  
FOR LOT SEVEN PLANNED DEVELOPMENT**

THIS DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS FOR LOT SEVEN PLANNED DEVELOPMENT ("Declaration") is entered into and effective as of October 25, 2010, by and among Megawatt West, LLC, a California limited liability company ("Kimmelman"), Dane Clark Smith and Young Sup Nicole Smith, Co-Trustees for the Dane and Nicole Smith Revocable Trust dated June 29, 1999 ("Smith"), David B. Helfand and Wendy J. Helfand, Co-Trustees of the David B. Helfand and Wendy J. Helfand Family Trust dated January 25, 2010 ("Helfand"), DALIA, LLC, a Washington limited liability company, dba Dalia House, LLC ("Dalia"), Richard S. Antonorsi and Ruth A. Antonorsi, as Trustees of the Antonorsi Family Trust dated December 8, 2008 ("Antonorsi"), Timothy P. Skorheim, Trustee of the 2008 Real Estate Trust dated August 28, 2008 ("Hartsough"), and LOT SEVEN ASSOCIATION, INC., a California nonprofit mutual benefit corporation ("Association") (hereinafter collectively referred to as the "Declarants"), with reference to the facts set forth in the Section hereof entitled "Recitals and Declaration", for the purpose of establishing a common interest development pursuant to the provisions of California Civil Code Sections 1350 through 1378, known as the Davis-Stirling Common Interest Development Act.

1. RECITALS AND DECLARATION.

1.1 Property Owned by Declarants. Declarants are the owners of the "Property" (defined in Section 1.1(h) entitled "Property" below) as follows:

(a) Lot 84. Kimmelman is the owner of that certain real property located at 14140 Dalia Drive, Rancho Santa Fe, County of San Diego, State of California, which is Lot 84 of Map No. 12587 as more particularly described in Exhibit A-1 attached hereto and incorporated herein (hereinafter referred to as "Lot 84").

(b) Lot 86. Smith is the owner of that certain real property located at 14202 Dalia Drive, Rancho Santa Fe, County of San Diego, State of California, which is Lot 86 of Map No. 12587 as more particularly described in Exhibit A-2 attached hereto and incorporated herein (hereinafter referred to as "Lot 86").

(c) Lot 87. Helfand is the owner of that certain real property located at 14216 Dalia Drive, Rancho Santa Fe, County of San Diego, State of California, which is Lot 87 of Map No. 12587 as more particularly described in Exhibit A-3 attached hereto and incorporated herein (hereinafter referred to as "Lot 87").

(d) Lot 88. Dalia is the owner of that certain real property located at 14228 Dalia Drive, Rancho Santa Fe, County of San Diego, State of California, which is Lot 88 of Map No. 12587 as more particularly described in Exhibit A-4 attached hereto and incorporated herein (hereinafter referred to as "Lot 88").

(e) Lot 89. Antonorsi is the owner of that certain real property located at 14242 Dalia Drive, Rancho Santa Fe, County of San Diego, State of California, which is Lot 89

of Map No. 12587 as more particularly described in Exhibit A-5 attached hereto and incorporated herein (hereinafter referred to as "Lot 89").

(f) Lot 90. Hartsough is the owner of that certain real property located at 14296 Dalia Drive, Rancho Santa Fe, County of San Diego, State of California, which is Lot 90 of Map No. 12587 as more particularly described in Exhibit A-6 attached hereto and incorporated herein (hereinafter referred to as "Lot 90").

(g) Common Area. The Association is the owner of that certain real property which is Lot 7 of Map No. 10941 as more particularly described in Exhibit A-7 attached hereto and incorporated herein (hereinafter referred to as the "Common Area").

(h) Property. Lot 84, Lot 86, Lot 87, Lot 88, Lot 89, Lot 90 and the Common Area are hereinafter collectively referred to as the "Property."

1.2 Open Space Easement. An open space easement ( the "Open Space Easement") over, under, upon and across the Common Area was dedicated to the City of San Diego, California on Map No. 10941 recorded in the Official Records of the County Recorder of San Diego, California on May 17, 1984 as File No. 84-184322.

1.3 Lots Adjacent to Common Area; Backyard Improvements and Backyard Areas on Common Area. Lot 84, Lot 86, Lot 87, Lot 88, Lot 89 and Lot 90 are adjacent to the Common Area. Each of such Lots has certain "Backyard Improvements" (defined below and in Section 2.5 entitled "Backyard Improvements" of this Declaration) located within the "Backyard Area" (defined below and in Section 2.4 entitled "Backyard Area" of this Declaration) on that certain portion of the Common Area located immediately adjacent to the Lot. The Backyard Improvements and Backyard Area for each Lot are more particularly shown and described in Exhibits B-1 through B-6, inclusive, attached hereto and incorporated herein. The Backyard Area for each Lot is an "Exclusive Use Area" (as defined in Section 2.13 entitled "Exclusive Use Common Area" of this Declaration) appurtenant to such Lot.

1.4 Formation of Association; Acquisition of Common Area; and Creation of Exclusive Use Common Areas. Kimmelman, Smith, Helfand, Dalia, Antonorsi and Hartsough have formed the Association for the purpose of acquiring, owning, maintaining and managing the Common Area; and such parties are the "Members" (defined in Section 2.16 entitled "Member" of this Declaration) of the Association. The Declarants desire and intend to create, establish and provide for an Exclusive Use Common Area appurtenant to each Lot over, under, upon and across the Backyard Area on that certain portion of the Common Area located immediately adjacent to the Lot, as more particularly shown and described in Exhibits B-1 through B-6, inclusive.

1.5 General Plan; Planned Development; Common Interest Development. Declarants hereby establish a general plan, set forth in this Declaration, for the ownership, improvement, and development of the Property and hereby establish a "planned development" that is a "common interest development" under California Civil Code Section 1351 (or any successor statute or law), and to provide for the annexation of additional real property to the Property in compliance with applicable law.

1.6 Declaration. Declarants declare that the Property is a planned development and a common interest development as defined in California Civil Code Section 1351 (or any successor statute or law), and shall be held, conveyed, hypothecated, encumbered, leased, rented, used, and occupied subject to the following limitations, reservations, restrictions, easements, exclusive use areas, covenants, conditions, servitudes, liens, and charges, all of which are declared and agreed to be in furtherance of and pursuant to a plan of common interest development as described in California Civil Code Sections 1350 through 1378, inclusive (or any successor statutes or laws), for the improvement, protection, maintenance, and sale of Lots within the Property, and all of which are declared and agreed to be enforceable equitable servitudes for the purpose of enhancing, maintaining, and protecting the value and attractiveness of the Property. All of the limitations, reservations, restrictions, easements, exclusive use areas, covenants, conditions, servitudes, liens, and charges shall run with the land and shall be binding on and inure to the benefit of Declarants and all parties having or acquiring any right, title, or interest in the Property; and shall be binding on and inure to the benefit of the successors in interest of such parties. Declarants further declare that it is the express intent that this Declaration comply with California Civil Code Section 1353 (or any successor statute or law).

## 2. DEFINITIONS.

Each of the following words and phrases shall have the respective meaning shown below, unless a contrary meaning by the context shall be evident. All references to Codes shall mean the California Codes.

2.1 Articles. “Articles” means the Association’s Articles of Incorporation filed with the California Secretary of State on September 7, 2010 and any amendments to the Articles.

2.2 Association. “Association” means Lot Seven Association, Inc., a California nonprofit mutual benefit corporation, and its successors and assigns.

2.3 Association Rules. “Association Rules” means the rules and regulations adopted and amended by the Board from time to time regulating the conduct of the business and affairs of the Association, and the use and enjoyment of the Common Area and of the Exclusive Use Common Areas.

2.4 Backyard Area. “Backyard Area” means that certain portion of the Common Area over which an Owner has an exclusive right and easement as described in Section 1.3 entitled “Lots Adjacent to Common Area, Backyard Improvements and Backyard Areas on Common Area” of this Declaration and more particularly shown and described in Exhibits B-1 through B-6, inclusive, to this Declaration.

2.5 Backyard Improvements. “Backyard Improvements” mean the improvements located within each Backyard Area as described in Section 1.3 entitled “Lots Adjacent to Common Area, Backyard Improvements and Backyard Areas on Common Area” of this Declaration and more particularly shown and described in Exhibits B-1 through B-6, inclusive, to this Declaration.

2.6 Board of Directors or Board. “Board of Directors” or “Board” means the Board of Directors of the Association.

2.7 Bylaws. “Bylaws” means the Association’s Bylaws and any amendments to the Bylaws.

2.8 City. “City” means the City of San Diego, California.

2.9 County. “County” means the County of San Diego, California.

2.10 Common Area. “Common Area” means the real property owned by the Association for the common use and enjoyment of the Owners consisting of Lot 7 of Map No. 10941 as provided in Section 1.1(g) entitled “Common Area” of this Declaration and more particularly described in Exhibit A-7 to this Declaration.

2.11 Declarants. “Declarants” mean the parties listed in the first paragraph of this Declaration.

2.12 Declaration. “Declaration” means this Declaration of Covenants, Conditions, and Restrictions for Lot Seven Planned Development and any recorded amendments to this Declaration. It is intended that this Declaration shall be a “declaration” as defined in Civil Code Section 1351(h) (or any successor statute or law), containing the information required by Civil Code Section 1353 (or any successor statute or law).

2.13 Exclusive Use Common Area. “Exclusive Use Common Area” means that certain portion of the Common Area designated in this Declaration for the exclusive use of an Owner as described in Sections 1.4 entitled “Formation of Association; Acquisition of Common Area; and Creation of Exclusive Use Common Areas” and 3.4 entitled “Indemnification for Backyard Areas” of this Declaration and more particularly shown and described in Exhibits B-1 through B-6, inclusive, to this Declaration. The right to use and easement for an Exclusive Use Common Area shall be appurtenant to the benefited Owner’s Lot and may not be conveyed or transferred apart from the Lot. The location, boundaries and limitations on each Owner’s Exclusive Use Common Area are shown and described on Exhibits B-1 through B-6, inclusive. Except as expressly provided in this Declaration, no other portion of the Property is an Exclusive Use Common Area.

2.14 Governing Documents. “Governing Documents” means this Declaration, the Articles, the Bylaws, and the Association Rules.

2.15 Lot. “Lot” means any of the following parcels of land: Lot 84, Lot 86, Lot 87, Lot 88, Lot 89 or Lot 90 as described in Sections 1.1(a) entitled “Lot 84” through 1.1(f) entitled “Lot 90”, inclusive, of this Declaration and more particularly described in Exhibits A-1 through A-6, inclusive, to this Declaration.

2.16 Member. “Member” means an Owner in the context of the Association.

2.17 Mortgage. “Mortgage” means a recorded mortgage or deed of trust encumbering a Lot, which is given as security by an Owner for the payment of money. A “Mortgagee” shall

mean either a mortgagee under a mortgage or the beneficiary under a deed of trust and any holder, governmental guarantor, or insurer of a Mortgage.

2.18 Open Space Easement. “Open Space Easement” means the easement described in Section 1.2 of this Declaration entitled “Open Space Easement.”

2.19 Owner. “Owner” means each person or entity holding a record ownership interest in a Lot, including Declarants and contract purchasers under recorded contracts of sale. “Owner” also means “Member” whenever the context relates to an Owner as a Member of the Association. “Owner” shall not include persons or entities who hold an interest in a Lot merely as security for the performance of an obligation.

2.20 Property. “Property” means the real property described in Section 1.1(h) entitled “Property” of this Declaration.

### 3. COMMON INTERESTS, PROPERTY RIGHTS, RIGHTS OF ENJOYMENT, AND EASEMENTS.

3.1 Owners’ Nonexclusive Easements and Rights; Association Rights. Subject to the Open Space Easement and the provisions of this Declaration, each Owner has a nonexclusive easement and rights of use and enjoyment in, to, and throughout the Common Area. However, such nonexclusive easement and rights shall not apply to nor interfere with the Exclusive Use Common Areas. Each such nonexclusive easement and rights shall be appurtenant to each Owner’s Lot and shall pass with the title to the Lot. Each such nonexclusive easement and rights shall be subject to the following rights and restrictions:

(a) The right of the Association to regulate the right of an Owner to use the Common Area.

(b) The right of the Association to adopt and enforce Association Rules on the maintenance, management, control and use of the Common Area.

(c) The right of the Association to consent to or otherwise cause the construction of improvements on the Common Area and to consent to or otherwise cause the alteration or removal of any improvements on the Common Area.

(d) The right of the Association to borrow money to improve, repair, or maintain the Common Area.

(e) The rights, easements, covenants, conditions, servitudes, and restrictions: (i) reserved to the Association or other Owners in this Declaration or in any recorded instrument; (ii) dedicated to the City in the Open Space Easement; or (iii) granted or reserved to any other person in any recorded instrument or recorded agreement affecting the Common Area and recorded prior to the date of recordation of this Declaration.

3.2 Exclusive Right and Easement Over Backyard Area. Each Owner shall have an exclusive right and easement, appurtenant to such Owner’s Lot, to use and enjoy that certain portion of the Common Area designated as the “Backyard Area” for such Owner’s Lot as more

particularly shown and described in Exhibit B-1 through B-6, inclusive, to this Declaration. The Backyard Area for each Lot shall constitute an Exclusive Use Common Area. Each Owner shall keep his or her Backyard Area in a neat, clean, attractive, and safe condition at all times and shall maintain, repair and replace all Backyard Improvements located therein, including, without limitation, any fences.

3.3 Restrictions on Backyard Improvements and Backyard Area. No Owner shall (i) alter, modify or change the Backyard Area for such Owner's Lot or the Backyard Improvements located therein or (ii) install, construct or make any improvements in or to such Backyard Area without obtaining the prior written approval by vote or written consent of at least 66 2/3 % of the members of the Board.

3.4 Indemnification For Backyard Areas. Each Owner shall defend, indemnify, protect and hold harmless each other Owner, each other Owner's Lot, the Association and the Common Area from and against any liability, claim, damage, loss, cost, expense, fee, penalty, property tax, assessment and lien, restoration, replacement, proceeding or action (including attorneys' fees and costs, consultants' and experts' fees and costs, and other litigation costs and expenses) arising out of or in any way relating to such Owner's Backyard Area or the Backyard Improvements located therein, including, without limitation, any claim asserted, fine or penalty imposed, restoration or replacement required, or proceeding or action commenced by the City, County, County Assessor or any other governmental agency.

3.5 Association Powers Over Common Area. The Board shall have the power and the right in the name of the Association and all of the Owners as their attorney-in-fact to grant exclusive or nonexclusive easements, licenses, leases, or fee interests in the Common Area. This power includes, without limitation, the right to create and convey Exclusive Use Common Areas and the right to grant easements or fee interests for natural open space or preservation. Further, the Board shall have the power and right in the name of the Association and all of the Owners as their attorney-in-fact to deannex any portion of the Property from the encumbrance of this Declaration.

(a) Acknowledgment of Power of Attorney. Each Owner expressly consents to such action and authorizes and appoints the Association as attorney-in-fact of such Owner to execute and deliver all documents and interests to accomplish the action.

(b) No Permanent and Unreasonable Interference. Despite anything in this Declaration to the contrary, in no event shall the Board take any action authorized hereunder that would permanently and unreasonably interfere with the use, occupancy, and enjoyment by any Owner of his or her Lot or the Exclusive Use Common Area appurtenant to such Owner's Lot without the prior written consent of that Owner.

3.6 Performance of Association Obligations. The Association, or its agents or independent contractors, shall have the right to enter any Lot (but not the residence on such Lot) to perform its obligations under this Declaration. Entry shall be made with as little inconvenience as possible to the Owner of such Lot and any damage caused by such entry shall be repaired by the Association.

3.7 Cure Violations. The Association, or its agents or independent contractors, shall have the right to enter any Lot (but not the residence on such Lot) to cure any violation or breach of this Declaration, the Articles, the Bylaws, or the Association Rules as long as the Association (i) has provided 7 days prior written notice to the Owner of such Lot and (ii) has complied with any other notice and/or hearing requirements under California law and the Owner has not acted to cure such violation or breach, except that in an emergency originating in or threatening the Common Area, the other Lots, such Lot or the Owner, the right of entry shall be immediate. The Association shall be entitled to recover from such Owner its costs of effecting such cure.

3.8 Association Easement. Each Lot is hereby declared to be subject to an easement in favor of the Association on, in, over, and under such Lot, including the right of ingress to and egress from such Lot, for the purpose of performing any of the Association rights and/or duties under this Declaration, the Articles, the Bylaws or the Association Rules.

#### 4. COVENANTS, CONDITIONS AND USE RESTRICTIONS.

4.1 Leasing or Renting. Nothing in this Declaration shall prevent an Owner from leasing or renting the Owner's Lot to a tenant. However, any lease or rental agreement shall be in writing, shall comply with the provisions of this Declaration, the Articles, the Bylaws and the Association Rules, and shall specify that failure to abide by such provisions shall be a default under the lease or rental agreement. Failure by an Owner to take legal action, including the institution of proceedings in unlawful detainer against the Owner's tenant who is in violation of this Declaration, the Articles, the Bylaws, or the Association Rules, within ten (10) days after receipt of written demand from the Association to take such action, shall entitle the Association to pursue any and all remedies against the tenant that it may take against a defaulting Owner. Any expenses incurred by the Association, including attorney fees and costs of suit, shall be paid by the Owner.

4.2 Association Maintenance of Common Area. The Association shall be responsible for the maintenance and brush management of the Common Area (but expressly excluding the Exclusive Use Common Areas).

4.3 The Alteration or Damage to Common Area. No Owner shall alter or damage in any way any portion of the Common Area.

4.4 Increase in Rate or Cancellation of Insurance. No Owner shall plant, maintain or keep any tree, plant or other vegetation, or install, construct, maintain or keep any improvement or personal property, or take any action on his or her Lot or the Exclusive Use Common Area appurtenant to such Owner's Lot that might increase the rate of, or cause the cancellation of, the Association's insurance for the Common Area or another Owner's insurance for his or her Lot, without the prior written consent of the Board.

4.5 Payment of Taxes. Each Owner shall be obligated to pay any taxes or assessments assessed by the County Assessor against his or her (i) Lot, (ii) Exclusive Use Common Area appurtenant to such Owner's Lot and (iii) personal property. If the County Assessor assesses real property taxes or assessments ("taxes") on the Common Area and does not allocate or segregate such taxes among the Lots based upon the respective values of the

Backyard Improvements and Backyard Areas in the Exclusive Use Areas appurtenant to such Lots, (a) such taxes shall be paid by the Association, (b) the Association shall levy an assessment against the Owner of each Lot in the amount of one-sixth of such taxes, and (c) each Owner shall pay the amount assessed to the Association prior to delinquency on the date specified by the Association, and (d) if, and to the extent that, such assessment is not paid by an Owner by the due date specified by the Association, the assessment may become a lien against such Owner's Lot enforceable by nonjudicial power of sale under Civil Code Sections 2924, 2924b and 2924c and as provided in this Declaration.

4.6 Indemnification for Negligence or Misconduct. Each Owner shall be liable to the Association for any damage to the Common Area or to Association-owned property that may be sustained by reason of the willful misconduct or negligence of the Owner, members of the Owner's family, and the contract purchasers, tenants, guests, and invitees of the Owner, but only to the extent that any such damage is not covered by casualty insurance in favor of the Association or liability insurance covering the Owner, members of the Owner's family, or the contract purchasers, tenants, guests, or invitees of the Owner. Each Owner shall defend, indemnify, protect and hold harmless each other Owner, each other Owner's Lot, the Association and the Common Area from and against any liability, claim, damage, loss, cost or expense (including attorneys' fees and costs, consultants' and experts' fees and costs, and other litigation costs and expenses) arising out of or in any way relating to any personal injury or property damage occurring within the Lot and/or the Exclusive Use Common Area of the indemnifying Owner, except to the extent that (i) such injury or damage is covered by liability insurance in favor of the Association or the indemnified Owners or (ii) the injury or damage occurred by reason of the willful or negligent act or omission of the Association or another Owner or person temporarily visiting his or her Lot.

The Association may levy a monetary penalty against an Owner and impose a lien against the Owner's Lot as a way to reimburse the Association for costs the Association has incurred in repairing damage to the Common Area or Association-owned property for which the Owner or the Owner's guests or tenants were responsible under this section or any other provision of this Declaration. The lien imposed by the Association may be enforced under Sections 10.15 entitled "Delinquent Assessments", 10.16 entitled "Collection and Enforcement", 10.17 entitled "Notice to Owner", 10.18 entitled "Creation of Lien", 10.19 entitled "Alternative Dispute Resolution", 10.20 entitled "Foreclosure" and 10.21 entitled "Waiver of Homestead" of this Declaration applicable to delinquent assessments.

4.7 Enforcement by Suit. The failure of any Owner to comply with any provision of this Declaration, the Articles, the Bylaws, the Association Rules or a Board resolution shall give rise to a cause of action in the Association and any aggrieved Owner for the recovery of damages or for injunctive relief, or both. The failure by the Association to perform any duty under, or to enforce the provisions of, this Declaration, the Articles, the Bylaws, the Association Rules or Board resolutions shall give rise to a cause of action in any aggrieved Owner to compel such performance or enforcement, to recover damages, or both.

In accordance with Civil Code Section 1363.820 (or any successor statute or law), the Association shall provide a fair, reasonable, and expeditious procedure to its Members for the resolution of disputes between the Association and a Member involving their respective rights,

duties, or liabilities under the Davis-Stirling Common Interest Development Act, Civil Code Sections 1350 through 1378 (or any successor statutes or laws), under the Nonprofit Mutual Benefit Corporation Law, Corporations Code Section 7110 et seq. (or any successor statutes or laws), or under the Governing Documents. In addition, before initiating an “enforcement action” as defined in Civil Code Section 1369.510(b), or any successor statute or law, that is solely for declaratory, injunctive, or writ relief, or for that relief in conjunction with a claim for monetary damages not in excess of \$5,000, the Association and the Member or Members who are parties to the dispute shall comply with the alternative dispute resolution requirements of Civil Code Sections 1369.530 through 1369.580, inclusive, or any successor statutes or laws.

## 5. POWERS AND DUTIES OF ASSOCIATION.

5.1 Association Powers. The Association shall have all the powers of a nonprofit mutual benefit corporation organized under the General Nonprofit Mutual Benefit Corporation Law of California, as enumerated in Corporations Code Section 7140 (or any successor statute or law), and Civil Code Sections 1350 through 1378, inclusive (or any successor statutes or laws), subject only to such limitations on the exercise of its powers as are set forth in the Articles, the Bylaws, and this Declaration. The Association shall have the power to do any lawful thing that may be authorized, required, or permitted to be done by the Association under the Articles, the Bylaws and this Declaration, 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 Association, including, without limitation, the following:

(a) Assessments. The Association shall have the power to establish, fix, and levy assessments against the Owners and to enforce payment of such assessments, in accordance with the provisions of this Declaration.

(b) Record a Statement. The Board may record a statement or amended statement identifying relevant information for the Association. The statement may include any or all of the following information: (i) the name of the Association; (ii) the name and address of the managing agent or chief financial officer of the Association or other individual or entity authorized to receive assessments and fees imposed by the Association; (iii) a daytime telephone number of the authorized party identified in clause (ii) above of this Section if a telephone number is available; (iv) a list of Lots subject to assessment by the Association, showing the assessor’s parcel number, legal description, or both, of the Lots; (v) the recording information identifying the Declaration; and (vi) if an amended statement is being recorded, the recording information identifying the prior statement or statements which the amendment is superseding.

(c) Delegation of Powers. The Association acting by and through the Board may delegate its powers, duties, and responsibilities to committees, employees or agents, including a professional managing agent, subject to Section 6.1 entitled “Limitations on Powers of Board or Association” of this Declaration. The Board shall require a prospective managing agent to provide a written statement to the Board containing the information required by Civil Code Section 1363.1 (or any successor statute or law), which shall be in addition to any other information the Board shall require. Any managing agent who accepts or receives funds belonging to the Association shall be required as part of the managing agent’s management agreement to comply with the funds handling and accounting requirements of Civil Code Section

1363.2 (or any successor statute or law). As used in this section, the term “managing agent” shall not include a full-time employee of the Association or any regulated financial institution operating within the normal course of its regulated business practice. Any agreement for professional management of the Property shall be terminable by either party with or without cause and without payment of a termination fee or other penalty on no more than 90 days’ written notice. The term of any such agreement shall not exceed one year except as provided in Section 6.1 entitled “Limitations on Powers of Board or Association” of this Declaration. The Association may renew the Agreement from year to year.

(d) Contracts. The Association shall have the power to enter into contracts for services or materials for the benefit of the Association or the Common Area, subject to the limitations provided in Section 6.1 entitled “Limitations on Powers of Board or Association” of this Declaration.

(e) Association Rules. The Board shall have the power to adopt, amend, and repeal the Association Rules as it considers reasonable and appropriate, subject to the Owners’ right to receive prior notice of, and to challenge, the adoption, amendment, or repeal of certain categories of Association Rules as provided in Civil Code Sections 1357.100 through 1357.150, inclusive (or any successor statutes or laws). The Association Rules, inter alia, shall govern the use and enjoyment of the Common Area by all Owners and tenants, and their respective family members, guests, and invitees, however the Association Rules shall not be inconsistent with nor materially alter any provision of this Declaration, the Articles, or the Bylaws. In the event of a conflict between a provision of the Association Rules and the provisions of this Declaration, the Articles, or Bylaws, the conflicting provision of the Association Rules shall be deemed to be superseded by the provisions of this Declaration, the Articles, or the Bylaws to the extent of such inconsistency. A copy of the Association Rules as adopted, amended or repealed shall be mailed or otherwise delivered to each Owner.

## 5.2 Right of Enforcement.

(a) Action or Alternative Dispute Resolution. The Association in its own name and on its own behalf, or on behalf of any Owner who consents or in whose name an action is authorized to be prosecuted under this Declaration, shall have the power to commence and maintain actions to collect monetary obligations, for damages or to restrain and enjoin any actual or threatened breach of any provision of this Declaration or of the Articles or Bylaws, or of the Association Rules or any resolutions of the Board, and to enforce by mandatory injunction, or otherwise, all of those provisions. Unless the applicable time limitation for commencing the action would run within 120 days before the filing of a civil action by the Association solely for declaratory relief or injunctive relief, or for declaratory relief or injunctive relief in conjunction with a claim for monetary damages, other than Association assessments, not in excess of \$5,000, related to the enforcement of this Declaration, the Articles, the Bylaws or the Association Rules, the Association and the Owner or Owners against whom the civil action is to be filed shall endeavor to submit the matter in dispute to a form of alternative dispute resolution such as mediation or arbitration in accordance with the provisions and procedures in Civil Code Sections 1369.530 through 1369.580, inclusive (or any successor statutes or laws).

(b) Recordation of Notice of Violation of Declaration. On any violation of a provision of this Declaration or the Articles, Bylaws, Association Rules, or Board resolutions by an Owner relating to the Owner's Lot or Exclusive Use Common Area, the Board may authorize the recording of a notice of violation in order to impart constructive notice to any subsequent purchaser, successor in interest, or Mortgagee of the existence and nature of the violation. The notice of violation shall state the legal description of the Owner's Lot and the name of the Owner as reflected in the recorded deed to the Lot and shall describe the violation and any action required to be taken by the Owner in order to cure or correct the violation. The notice of violation shall be signed by the President of the Association or by a person authorized by resolution of the Board. The notice of violation shall not be recorded unless and until the Association or its authorized representative has delivered to the violating Owner or Owners, at least 30 days before the recordation of the notice of violation, a written notice of intent to file a notice of violation and a demand for cure or correction, and unless the violation has not been cured with that 30-day period. If the Association files an action or obtains a judgment relating to any such violation, the Board may also authorize the recording of a notice of pendency of action or an abstract of judgment. On cure of the violation, dismissal of the action, or satisfaction of the judgment, the Board shall record a notice of cure, dismissal, or satisfaction of judgment.

(c) Additional Remedies. In addition to its remedies under Sections 5.1(a) entitled "Assessments" and 5.1(b) entitled "Record a Statement" above, the Association can suspend the voting rights, suspend use privileges of the Common Area, or assess monetary penalties against any Owner or other person entitled to exercise such rights or privileges for any violation of this Declaration or the Articles, Bylaws, Association Rules, or Board resolutions. However, any suspension of use privileges cannot exceed 30 days for any one violation (except that if such suspension is due to the failure to pay assessments, the suspension may continue until payment is made), and any monetary penalty cannot exceed the amount necessary to compensate the Association or other Owners for loss or expense resulting from such violation, and no suspension or penalty can be imposed unless it is accomplished in the manner provided for in Section 5.1(d) entitled "Notice and Hearing" below. To the full extent permitted by law, the Association may assess a monetary penalty against an Owner as a special assessment under this Declaration which may become a lien against such owner's Lot enforceable by a nonjudicial power of sale under Civil Code Sections 2924, 2924b and 2924c.

(d) Notice and Hearing. In accordance with Civil Code Section 1363.820 (or any successor statute or law), the Association shall provide a fair, reasonable, and expeditious procedure to its Members for the resolution of disputes between the Association and a Member involving their respective rights, duties, or liabilities under the Davis-Stirling Common Interest Development Act (Civil Code Sections 1350 through 1378, inclusive) or any successor statutes or laws, under the Nonprofit Mutual Benefit Corporation Law (Corporation Code Section 7110 et seq.), or any successor statutes or laws, or under the Governing Documents. In addition to any notice given to an Owner or Owners as provided in Section 5.1(b) entitled "Recordation of Notice of Violation of Declaration" above, when the Board is to meet to consider or impose discipline on an Owner, the Board shall notify the Owner in writing, by either personal delivery, first-class mail, or such other method as may be approved by the Owners, at least 10 days before the meeting. The notice shall contain, at a minimum, the date, time, and place of the meeting, the nature of the alleged violation for which the Owner may be disciplined, and a statement that the Owner has a right to attend and may address the Board at the meeting. If requested by the

Owner being disciplined, the Board shall meet in executive session and the Owner shall have the right to address the Board during its executive session rather than during its open session. If the Board imposes discipline on an Owner, the Board shall give written notice to the Owner of the disciplinary action, by either personal delivery or first-class mail, within 15 days after the action. A disciplinary action shall not be effective against an Owner unless the Board fulfills the requirements of this Section.

(e) Schedule of Monetary Penalties. Before adopting, amending, or repealing any schedule of monetary penalties for violation of the Declaration, the Articles, the Bylaws, or the Association Rules, or any procedure for the imposition of penalties, the Board shall provide to the Owners at least 30 days' prior written notice of such proposed action. The notice shall include the text of the proposed schedule or procedure and a description of its purpose and effect. The Board shall decide on any such proposed action at a Board meeting, after considering any comments made by the Owners. Before exercising its power to assess monetary penalties or adopting a policy imposing any monetary penalty, including any fee, on any Owner for a violation of the Declaration, the Articles, the Bylaws, or the Association Rules, including any monetary penalty relating to the activities of an Owner's guest or invitee, the Board shall adopt and distribute to each Owner, by personal delivery or first-class mail, a schedule of the monetary penalties that may be assessed for those violations, which shall be in accordance with authorization for Owner discipline in this Declaration and in the Bylaws, if applicable. The Board shall not be required to distribute any additional schedules of monetary penalties unless changes are made to the schedule that was adopted and distributed to the Owners under this Section.

(f) Limitation on Enforcement Remedies. Except for the remedies expressly provided in this Section, or as a result of a judgment or decree of a court or a decision arising from arbitration or mediation or a foreclosure or sale under a power of sale based on the Owner's failure to pay assessments duly levied by the Association, the Association does not have the power or authority to cause a forfeiture or abridgment of an Owner's right to the full use and enjoyment of the Owner's Lot if the Owner does not comply with provisions of this Declaration or of the Articles or Bylaws or the Association Rules or Board resolutions.

5.3 Association Duties. In addition to the powers delegated to it by its Articles or the Bylaws, and without limiting their generality, the Association, acting by and through the Board, or persons or entities described in Section 5.1(c) entitled "Delegation of Powers" of this Declaration, has the obligation to conduct the business affairs of common interest to all Owners regarding the Common Area and the other matters set forth in this Declaration, to manage the Common Area, and to maintain the Common Area (except the Exclusive Use Common Areas) and any property acquired by or subject to the Association's control, including personal property.

5.4 Costs of Maintenance and Management. The cost of performance by the Association of its duties under this Declaration with respect to maintenance and management of the Common Area shall be included in the annual budget, except to the extent such cost was caused by the negligence, fault or nonperformance of an obligation imposed on an Owner, tenant, or other person for whom an Owner is liable under this Declaration. The cost of the performance by the Association of its duties under this Declaration with respect to repair or maintenance caused by the negligence, fault, or nonperformance of an obligation imposed on an

Owner, tenant, or other person for whom an Owner is liable under this Declaration, except to the extent covered by insurance, shall be billed to and shall be the personal obligation of the Owner in the month in which it is performed. The determination of whether a cost should be allocated as a common expense or to an Owner shall be made by the Board.

5.5 Contracts for Goods, Services or Materials. The Association shall enter into such contracts for goods, services, or materials as may be necessary to perform its duties subject to Section 6.1 entitled "Limitations on Powers of Board or Association" of this Declaration.

5.6 Payment of Taxes and Assessments. Except as otherwise provided in Section 4.5 entitled "Payment of Taxes" of this Declaration, the Association shall pay all real and personal property taxes and assessments and all other taxes levied against the Association, the Common Area (excluding the Exclusive Use Areas), and the personal property owned by the Association if and to the extent such taxes and assessments are not included in the annual property tax bills of the Owners. Such taxes and assessments may be contested or compromised by the Association, provided they are paid or a bond insuring payment is posted before the sale or the disposition of any property to satisfy the payment of such taxes.

5.7 Annual Operating Budgets and Financial Statements. The Association shall prepare and distribute the annual operating budgets and financial statements of the Association as provided in Sections 10.5 entitled "Pro Forma Operating Budget", 10.7 entitled "Distribution of Budget; Notice of Regular Assessment Increase", 11.1 entitled "Annual Reports" and 11.2 entitled "Periodic Board Review" of this Declaration.

5.8 Obtain and Maintain Insurance. The Association shall obtain and maintain the insurance described in Section 12 entitled "Insurance" of this Declaration and shall prepare and distribute the summary of the Association's insurance policies as provided in Section 12.11 entitled "Summary of Insurance" of this Declaration.

5.9 Perform Other Acts. The Association shall perform such other acts as may be reasonably necessary to exercise its powers or perform its duties under any provision of this Declaration, the Articles, Bylaws, Association Rules, or Board resolutions.

## 6. LIMITATIONS ON POWERS AND LIABILITY.

6.1 Limitations on Powers of Board or Association. The Board shall not take any of the following actions except with the assent, by vote at a meeting of the Association or by written ballot without a meeting (under Corporations Code Section 7513 [or any successor statute or law], of Members entitled to cast more than 50 percent of the voting power of the Association:

(a) Incur aggregate expenditures for capital improvements to the Common Area in any fiscal year in excess of 5 percent of the Association's budgeted gross expenses for that fiscal year;

(b) Sell during any fiscal year property of the Association having an aggregate fair market value greater than 5 percent of the Association's budgeted gross expenses for that fiscal year;

(c) Pay compensation to members of the Board or to officers of the Association for services performed in conducting the Association's business, including reimbursement of a member of the Board or an officer of the Association for expenses incurred in carrying on Association business; or

(d) Enter into a contract with a third party to furnish goods or services for the Common Area or the Association for a term longer than one year, with the following exceptions:

(i) Prepaid casualty or liability insurance policies not to exceed 3 years' duration, as long as the policy permits short-rate cancellation by the insured; and

(ii) A contract for a term not to exceed 3 years that is terminable by the Association after no more than one year without cause, or other obligation on 90 days' written notice of termination to the other party.

6.2 Limitation of Liability of Directors, Officers and Committee Members. No member of the Board, member of any committee of the Association or officer of the Association, when acting in his or her capacity as a director, officer, or committee member of the Association, shall be personally liable to any Owner, or to any other party, including the Association, for any damage, loss, or prejudice suffered or claimed because of any act, omission, error, or negligence of any such person if such person has, on the basis of such information as may be possessed by him or her, acted in good faith and in a manner such person reasonably believed to be in the best interests of the Association or the Owners, without willful or intentional misconduct, except to the extent the damage, loss, or prejudice suffered or claimed is fully covered by insurance or the member of the Board or committee officer is fully indemnified under the Bylaws. In addition, no volunteer member of the Board or volunteer officer of the Association shall be personally liable in excess of available insurance coverage to anyone who suffers injury, including, but not limited to, bodily injury, emotional distress.

6.3 Common Area Liability. No Owner, solely by reason of an ownership interest in the Common Area, shall be personally liable to anyone who suffers injury or damage, including, but not limited to, bodily injury, emotional distress, wrongful death, or property damage or loss, arising from use of the Common Area, as long as the Association, (i) directly or through a managing agent, manages and maintains the Common Area and (ii) maintains and has in effect at the time the act or omission occurs and at the time a claim is made a general liability insurance policy that provides minimum coverage against claims for injury or damage arising from use of the Common Area. As used in this Section, the term "minimum coverage" shall mean a minimum of \$2,000,000 or such other amount as may be required by statute or law.

6.4 No Effect on Liability of Association. Nothing in this Section shall be construed (i) to limit or expand the Association's liability for its negligent, willful, or intentional act or omission or for any negligent, willful, or intentional act or omission of an officer or director of the Association, or (ii) to limit or expand the liability of any Owner whose negligent, willful, or intentional act or omission directly contributes to the injury or damage of any person arising from use of the Common Area, or (iii) to limit the Owners' obligation to pay assessments to the Association in connection with any injury or damage claim arising from use of the Common Area that exceeds the limits of available insurance.

## 7. ORGANIZATION OF ASSOCIATION; MEETINGS AND ACTIONS OF OWNERS.

7.1 Completion of Organization of Association; Election of Directors and Officers In lieu of holding an organizational meeting, the Incorporator, Raymond J. French, completed the organization of the Association by taking the actions described in the Action of Incorporator of Lot Seven Association, Inc. dated September 14, 2010. The initial number of directors was set at six and Richard S. Antonorsi, Raymond J. French, Shadrach Hartsough, David B. Helfand, Douglas Kimmelman and Dane Clark Smith were elected directors, to hold office until their successors are elected by the Owners. Due to the fact that there are six directors and six Owners, each Owner will have the right and power to elect one director. The Incorporator also elected the following individuals as officers of the Association, to hold office until their successors are elected by the Board: Raymond J. French - President; Richard S. Antonorsi - Vice President; Dane Clark Smith - Chief Financial Officer; and David B. Helfand - Secretary.

7.2 Initial Actions by Owners. In lieu of holding a meeting, by execution of this Declaration, the Owners confirm that they have approved the actions of the Incorporator described in Section 7.1 above.

7.3 Regular and Special Meetings of Owners; Notice; Quorum; Adjournment. Regular and special meetings of the Owners shall or may be held as provided in the Bylaws, which shall be in compliance with the applicable requirements of the California Nonprofit Mutual Benefit Corporation Law (Corporation Code Section 7110 et seq.), and the Davis-Stirling Common Interest Development Act (Civil Code Sections 1350 through 1378, inclusive), or any successor statutes or laws.

7.4 Action by Written Consent of Owners. As provided in the Bylaws, any action which may be taken at a meeting of the Owners may be taken without a meeting.

## 8. ACCESS RIGHTS TO ASSOCIATION BOOKS, RECORDS AND MINUTES.

8.1 Copies of Governing Documents and Financial Statements. On written request of an Owner, the Association, within 10 days after receiving the request or within such earlier time as may be required by law, shall provide the Owner with a copy of (i) the Declaration, the Articles, the Bylaws, and the Association Rules; (ii) the most recent financial statements of the Association distributed under Section 11.1 entitled "Annual Reports" of this Declaration; (iii) a true statement in writing from an authorized representative of the Association as to the amount of the Association's current regular and special assessments and fees, as well as any assessments levied on the Lot that are unpaid as of the date of the statement, including true information on late charges, interest, and collection costs that, as of the date of the statement, are or may be made a lien on the Lot; (iv) a copy or a summary of any notice previously sent to the Owner under Civil Code Section 1363(h) (or any successor statute or law) that sets forth any alleged violation of the Governing Documents that remains unresolved at the time of the request; and (v) any change in the 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. The Association may charge the requesting Owner a fee for the services described in this Section, which shall not exceed the Association's actual cost to prepare and reproduce the requested items.

8.2 Inspection Rights of Owners. The Board shall make available for inspection and copying by any Owner or the Owner's duly appointed representative any register or list of Members, including the mailing addresses and telephone numbers of each Owner, books of account and minutes of meetings of the Owners, the Board, and committees of the Board of the Association, at any reasonable time and for a purpose reasonably related to the Owner's interest as an Owner, at the office of the Association or at such other place within the Property as the Board prescribes. Such rights of inspection shall be in accordance with, and subject to any limitations of, Civil Code Section 1365.2 and Corporations Code Sections 8330 through 8338, inclusive (or any successor statutes or laws). The Owners shall have the same rights with respect to the Association Rules.

8.3 Directors' Inspection Rights. Every director of the Association shall have the absolute right at any reasonable time to inspect all Association books, records, and documents and the physical properties owned or controlled by the Association. The right of inspection by a director includes the right to make copies of documents.

8.4 Owners' Access to Minutes. The minutes, any minutes proposed for adoption that are marked to indicate draft status, or a summary of the minutes of any meeting of the Board, other than an executive session of the Board, shall be available to Owners within 30 days after the meeting. The minutes, proposed minutes, or summary minutes shall be distributed to any Owner on request and on reimbursement of the Association's cost of reproducing copies of the minutes. At the time the pro forma operating budget is distributed to Owners under Section 10.5 entitled "Pro Forma Operating Budget" of this Declaration, or at the time of any general mailing to Owners by the Association, Owners shall be notified in writing as part of the distribution or mailing of their right to have copies of the minutes of meetings of the Board and how and where those minutes may be obtained and the cost of obtaining such copies.

## 9. MEMBERSHIP AND VOTING RIGHTS.

9.1 Qualifications of Membership. Each Owner shall be a Member of the Association. No Owner shall hold more than one Membership in the Association even though the Owner may own, or own an interest in, more than one Lot. Ownership of a Lot or an interest in a Lot shall be the sole qualification for Membership in the Association. Each Owner shall remain a Member of the Association until the Owner's ownership interest in all Lots in the Property ceases, at which time the Owner's Membership in the Association shall automatically cease. Persons or entities holding an interest in a Lot merely as security for performance of an obligation are not to be considered Members unless and until they acquire title to the Lot.

9.2 Members' Rights and Duties. Except as expressly limited in this Declaration, each Owner shall have the rights, duties, and obligations of a Member as set forth in this Declaration, the Articles, the Bylaws, and the Association Rules.

9.3 Transfer of Membership. The Association Membership of each person or entity that owns, or owns an interest in, one or more Lots shall be appurtenant to each such Lot, and shall not be assigned, transferred, pledged, hypothecated, conveyed, or alienated in any way except on a transfer or encumbrance of title to each such Lot or interest in it and then only to the transferee or encumbrancer. Any attempt to make a prohibited transfer shall be void. Any

transfer or encumbrance of title to a Lot or interest in it shall operate automatically to transfer the appurtenant Membership rights in the Association to the new Owner.

9.4 Majority Approval Required. Except as otherwise provided in this Declaration, the Articles, or the Bylaws, and subject to the provisions of Section 9.5 entitled "Voting Rights" of this Declaration, all matters requiring the approval of Owners shall be deemed approved if Owners holding more than 50% of the total voting power of all 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 Owners holding a majority of the total voting power of all Owners present, either in person or by proxy.

9.5 Voting Rights. The Association shall have one class of voting Membership. Each Owner shall be entitled to one vote for each Lot in which he or she owns an interest. If more than one Owner owns an interest in a Lot, the vote for such Lot shall be exercised as the Owners of the Lot determine, but in no case shall more than one vote be cast with respect to that Lot.

9.6 Joint Ownership Votes. The voting rights for each Lot may not be cast on a fractional basis. If the Lot has more than one Owner and the joint Owners cannot agree on how the vote should be cast, the vote shall be forfeited on the matter in question. If one Owner casts the vote attributed to a Lot, the vote shall conclusively bind all the Owners of the Lot. If more than one Owner casts the vote attributed to a Lot in any matter in which only one vote could be cast for that Lot, the votes cast by such Owners shall not be counted and shall be considered void.

9.7 Cumulative Voting. Election to and removal from the Board shall be by cumulative voting, as defined in Corporations Code Section 7615 (or any successor statute or law), provided, however, that as to election, an Owner shall be entitled to cumulate the Owner's votes for one or more candidates for the Board only if (i) the candidate's name is placed in nomination prior to voting and (ii) the Owner gives notice at the meeting prior to the voting of the Owner's intention to cumulate votes. If any Owner gives such notice, then all Owners shall have the right to cumulate votes as provided in this Section. If cumulative voting is in effect, each Owner shall be entitled to vote, in person or by proxy, as many votes as the Owner is entitled to exercise as provided in this Declaration multiplied by the number of directors to be elected or removed, and the Owner may cast all of such votes for or against a single candidate or director, or the Owner may distribute them among the number of candidates or directors to be elected or removed, or any two or more of them. The candidates receiving the highest number of votes up to the number of Board members to be elected shall be deemed elected. As to removal, unless the entire Board is removed by a vote of the Owners, an individual director shall not be removed unless the number of votes in favor of removal complies with Corporations Code Section 7222(b)(1) (or any successor statute or law).

9.8 Voting Procedures. All matters permitted or required under this Declaration to be decided on the vote of the Owners or of the Members may be decided at any annual or special meeting of the Owners (which shall also be deemed to be a meeting of Members) called, noticed, and conducted as provided in the Bylaws, unless a different procedure is specified in this Declaration. Voting for the Board members shall be by secret written ballot.

## 10. ASSESSMENTS; BUDGET; RESERVES.

10.1 Agreement to Pay Assessments. Each of the Declarants covenants and agrees, and each subsequent Owner, by acceptance of a deed to a Lot, covenants and agrees, for each Lot owned, to pay to the Association regular assessments and special assessments that are to be established, made, and collected as provided in this Declaration.

10.2 Initial Contribution to Working Capital Fund. Each Declarant initially contributed \$5,000 to a working capital fund of the Association. The initial contributions were utilized, to the extent necessary, to pay the operating costs of the Association through December 31, 2011. The balance of the working capital fund remaining as of January 1, 2012 was transferred to the Association operating funds.

10.3. Assessments Are Personal Obligation of Owner. Each assessment or installment of an assessment, together with any late charge, interest, collection costs, and reasonable attorney fees, shall be the personal debt of the Owner of each Lot at the time the assessment or installment becomes due and payable. If more than one person or entity is the Owner of a Lot, the personal obligation to pay the assessment or installment relating to the Lot shall be both joint and several. The personal obligation for delinquent assessments or installments and other charges, interest, costs, and fees shall not pass to an Owner's successors in interest (other than to the Owner's estate or personal representative) unless expressly assumed by them. This provision, however, shall not operate to release or discharge any delinquent assessment lien created under Section 10.18 entitled "Creation of Lien" of this Declaration, which was recorded by the Association prior to a change of ownership. No Owner shall be exempt from payment of assessments or installments by waiver of the use or enjoyment of all or any portion of the Common Area or by waiver of the use or enjoyment of, or by abandonment of, the Owner's Lot.

10.4 Use of Assessments. The assessments levied by the Association shall be used exclusively for the recreation, health, safety, and welfare of the Owners, the improvement, replacement, repair, operation, and maintenance of the Common Area, the performance of the duties of the Association as set forth in this Declaration, including the maintenance of insurance required by Section 12 of this Declaration, and any other purpose that is for the common benefit of the Owners in their use and enjoyment of the Property. The Association shall not impose or collect an assessment or fee that exceeds the amount necessary to defray the costs for which it is levied.

10.5 Pro Forma Operating Budget. Sixty days before the beginning of each fiscal year of the Association, the Association shall prepare or cause to be prepared, and shall distribute to each Owner, a pro forma operating budget for the forthcoming fiscal year. In lieu of the distribution of the pro forma operating budget, the Board may elect to distribute a summary of the pro forma operating budget to each Owner with a written notice, in at least 10-point bold type on the front page of the summary, that the pro forma operating budget is available at the business office of the Association, or at another suitable location within the boundaries of the Property, and that copies will be provided on request and at the Association's expense. Any Owner may make written comments to the Association with respect to the pro forma operating budget. This budget, and any summary of it, shall be prepared consistently with the prior fiscal year's operating (income) statement and shall include the following:

(a) Revenue and Expense. An estimate of all revenue and expenses for the forthcoming fiscal year, prepared on an accrual basis.

(b) Contingencies. Adequate amounts for contingencies, such as more than anticipated brush management or potential insurance rate increases, will be shown as a line item in the operating budget and treated as part of the operating budget. It is unlikely that the Association will create a reserve fund, as it is not contemplated that the Association will own depreciable physical assets.

10.6 Establishing Regular Assessments. Within 15 days after distributing the pro forma operating budget to Owners in accordance with Section 10.5 entitled "Pro Forma Operating Budget" of this Declaration, but in no event less than 30 days before the beginning of each fiscal year of the Association, the Board shall meet in order to establish the regular annual assessment for the forthcoming fiscal year. At such meeting, the Board shall review the proposed pro forma operating budget, and any written comments received and any other information available to it and, after making any adjustments that the Board deems appropriate, without a vote of the Owners, shall establish the regular assessment for the forthcoming fiscal year. However, except as provided below and subject to any other limitations set forth in this Declaration, the Board may not establish a regular assessment for any fiscal year of the Association which is more than 120 percent of the regular assessment for the prior fiscal year of the Association (except the first such fiscal year of the Association if it should be less than 12 months) without the approval by vote or written consent of a majority of the votes of all Owners and, if by vote, at a meeting of Owners of the Association at which a quorum of Owners representing more than 50 percent of the votes eligible to be cast is present and voting. These limitations do not apply to increases in regular assessments when the Board determines that an increase in excess of 120 percent of the prior year's assessment is for the purpose of addressing the following emergency situations:

(a) Court Order. Complying with the requirements of a court order.

(b) Threat to Safety. Maintaining the Common Area when a threat to the safety of persons is discovered.

(c) Not Reasonably Foreseen. Maintenance of the Common Area that could not have been reasonably foreseen in preparing the pro forma operating statement or budget for the Association, as long as prior to the imposition of the assessment the Board shall have made and distributed to the Owners written findings as to the necessity of such maintenance and the reason that they could not have been reasonably foreseen.

(d) List of Emergency Situations in Civil Code Section 1366. Paying any other expenses, costs, or charges regarding the matters on the list of "emergency situations" in Civil Code Section 1366 (or any successor statute or law).

10.7 Distribution of Budget; Notice of Regular Assessment Increase. Not less than 30 days nor more than 90 days before the beginning of each fiscal year of the Association (commencing with the fiscal year beginning January 1, 2013), the Association shall distribute to each Owner by first-class mail, or such other method as may be approved by the Owners, a copy

of the pro forma operating budget of the Association established by the Board under Section 10.6 of this Declaration entitled "Establishing Regular Assessments," including a notice of any increase in the regular assessment applicable to the forthcoming fiscal year. The pro forma operating budget for the 2013 fiscal year, and each fiscal year thereafter, shall be accompanied by a summary of the Association's insurance policies, which shall conform to the requirements of Section 12.11 of this Declaration entitled "Summary of Insurance." The notice of increase or decrease in the regular assessment required by this Section may be combined with the notice of assessment required by Section 10.17 of this Declaration entitled "Notice to Owner."

10.8 Accounting Treatment. Unless the Association or its assessment income is exempt from federal or state income taxes, any reserves created shall be accounted for and handled as contributions to the capital of the Association and as trust funds segregated from the regular income of the Association or in such other manner authorized by law or regulations of the Internal Revenue Service and the California Franchise Tax Board as will prevent such funds from being taxed as income of the Association.

10.9 Limitations on Use of Reserves. In the unlikely event that the Association creates a reserve fund, the signature of at least two persons, who shall both be Board members or one officer and one Board Member, shall be required for the withdrawal of funds designated as reserve funds. The Board shall not expend funds designated as reserve funds for any purpose other than the maintenance of the Common Area for which the reserve fund was established, or litigation relating thereto. Despite this limitation, the Board may authorize the temporary transfer of money from the reserve account to the Association's operating account to meet short-term cash flow requirements or other expenses, as long as the Board has provided notice of the intent to consider the transfer in a notice of meeting provided in the manner specified in Civil Code Section 1363.05 (or any successor statute or law). The notice shall include the reasons the transfer is needed, some of the options for repayment, and whether a special assessment may be considered. If the Board authorizes the transfer of reserve funds, the Board shall issue a written finding, recorded in the Board's minutes, explaining the reasons 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 year after the date of the initial transfer, except that the Board may take action to delay the restoration further, after giving the same notice required for considering a transfer and on making a documented finding that a temporary delay in the restoration of the transferred funds to the reserve account would be in the best interests of the Association and its Members. If the Board uses reserve funds or temporarily transfers money from the reserve account to pay for litigation, the Association shall notify the Owners of that decision and the availability of an accounting on those expenses in the next available mailing under Corporations Code Section 5016 (or any successor statute or law). The Association shall make an accounting of expenses related to the litigation on at least a quarterly basis. The accounting shall be made available for inspection by Owners at the Association's office.

10.10 Limitations on Assigning or Pledging Assessment Obligations. The Association may not voluntarily assign or pledge its right to collect payments or assessments, or to enforce or foreclose a lien to a third party, except when the assignment or pledge is made to a financial institution or lender chartered or licensed under federal or state law, when acting within the scope of that charter or license, as security for a loan obtained by the Association. However, the

restrictions imposed by this Section shall not restrict the right or ability of the Association to assign any unpaid obligations of a former Member to a third party for purposes of collection.

10.11 Special Assessments. If at any time the Board realizes that the estimated total amount of funds necessary to defray the Association's common expenses for a given fiscal year is or will become inadequate to meet expenses for any reason, including, but not limited to, unanticipated delinquencies, or maintenance of the Common Area, the Board shall determine the approximate amount necessary to defray such expenses, and, if the amount is approved by a vote of more than 50 percent the Board, it shall become a special assessment. The Board may, in the Board's discretion, prorate such special assessment over the remaining months of the fiscal year or levy the assessment immediately against each Lot. To the full extent permitted by law, the term "special assessment" shall also include any monetary penalty assessed by the Association against an Owner and any other charge to or obligation of an Owner under this Declaration or by law. All proceeds from any special assessment shall be handled and used in a manner authorized by law or regulations of the Internal Revenue Service or the California Franchise Tax Board in order to avoid, if possible, the taxation of the proceeds as income of the Association.

10.12 Limitations on Special Assessments. Despite the provisions of Section 10.11 entitled "Special Assessments" of this Declaration above, any special assessment (excluding any special assessment assessed against an Owner for a monetary penalty or for any other charge to or obligation of an Owner under this Declaration or by law) that, singly or in the aggregate with previous special assessments for the fiscal year in which such special assessment is levied, would be in an amount in excess of 5 percent of the budgeted gross expense of the Association for the fiscal year, shall require approval by vote or written consent of Owners holding more than 50% of the votes of all Owners and, if by vote, at a meeting of Owners at which a quorum of Owners representing more than 50 percent of the votes eligible to be cast is present and voting. Any meeting of Owners shall be conducted in accordance with the Bylaws and Corporations Code Sections 7510 through 7517 and 7613 (or any successor statutes or laws). These limitations do not apply to special assessments in excess of 5 percent of the budgeted gross expenses of the Association for that fiscal year when the Board determines that the special assessment is for the purpose of addressing the emergency situations described in Section 10.6 of this Declaration.

10.13 Uniform Rate of Assessments. Except for any special assessment assessed against an Owner for a monetary penalty or for any other charge to or obligation of an Owner under this Declaration or by law, regular and special assessments must be fixed at a uniform rate for all Lots. Except as provided in the foregoing sentence of this Section or unless they are changed by amendment of this Declaration, regular and special assessments for each Lot shall be established by dividing the total regular or special assessment by the total number of Lots.

10.14 Association Fiscal Year; Notice and Assessment Due Date. Unless the Board determines otherwise, the Association's fiscal year shall be a calendar year and the regular assessment period shall commence on January 1 of each year and shall terminate on December 31 of that year. As described in Section 10.2 of this Declaration, the initial working capital contributed by the Owners will be utilized to pay the expenses of the Association through December 31, 2012. The first regular assessment period for all Lots shall cover the time period commencing January 1, 2013 and ending on December 31, 2013. Each regular assessment shall be payable in one annual payment on January 1 of each year, unless the Board adopts another

method for payment. As instructed in the notice required by this Section, assessments shall be paid by each Owner directly to the Association's bank account, either by electronic transfer or check deposit. Not less than 30 days or more than 60 days before the due date of each annual regular assessment and of each special assessment, notice of the regular or special assessment shall be given to the Owner of each Lot, by first-class mail or such other method as may be approved by the Owners. The notice required by this Section may be combined with the notice required under Section 10.7 entitled "Distribution of Budget; Notice of Regular Assessment Increase" of this Declaration above and shall state the due date for the payment of the regular or special assessment. When an Owner makes a payment, the Owner may request a receipt and the Association shall provide it. The receipt shall indicate the date of payment and the person who received it.

**10.15 Delinquent Assessments.** Each regular and special assessment shall become delinquent if not paid within 15 days after its due date. There shall accrue with each delinquent assessment a late charge equal to the maximum amount permitted under Civil Code Section 1366 (or any successor statute or law or under any provision of California law that limits the amount of such late charge), unless the Association by resolution of the Board establishes a lesser late charge, and the Association may recover its reasonable fees and costs actually incurred in collecting delinquent assessments, including attorney fees. Interest on all assessments owing by an Owner, including reasonable fees and costs of collection and late charges, shall accrue at an annual interest rate of 12 percent (provided, however, in no event shall such annual interest rate exceed the highest rate permitted by law), commencing 30 days after the assessment becomes due, or at such lower rate as may be specified from time to time by the Board or such higher rate as may be allowed by law and specified from time to time by the Board. Any payments toward a delinquent assessment shall first be applied to the assessment amount owing, and only after the assessment amount owing is paid in full shall such payment be applied to the fees and costs of collection, attorney fees, late charges, or interest. When an Owner makes a payment, the Owner may request a receipt and the Association shall provide it. The receipt shall indicate the date of payment and the person who received it. Before adopting, amending, or repealing any standards for delinquent payment plans, the Board shall provide to the Owners at least 30 days' prior written notice of such proposed action. The notice shall include the text of the proposed standard and a description of its purpose and effect. The Board shall decide on any such proposed action at a Board meeting, after considering any comments made by the Owners.

**10.16 Collection and Enforcement.** The right to collect and enforce assessments is vested in the Association, which shall have the authority to delegate the exercise of such right to an agent, including any managing agent or representative. The Association or its authorized agent or representative acting on behalf of the Association can enforce the Owners' obligations to pay assessments provided for in this Declaration by commencement and maintenance of a suit at law or in equity or the Association may impose a lien under Section 10.18 entitled "Creation of Lien" below of this Declaration and pursue its lien foreclosure and enforcement rights under Section 10.20 entitled "Foreclosure" below of this Declaration. Except as provided in Section 10.17 entitled "Notice to Owner" below of this Declaration, Section 5.2 entitled "Right of Enforcement" of this Declaration and Section 13 entitled "Procedure For Discipline of Members" of the Bylaws shall not apply to actions to collect and enforce assessments. Suit to recover a money judgment for unpaid assessments together with all other amounts described in Section 10.15 entitled "Delinquent Assessments" above of this Declaration shall be maintainable

without foreclosing or waiving the Association's lien rights. The Association shall have the right to attach, to seek appointment of a receiver, or to pursue any other remedy permitted by law in connection with any action to collect a delinquent assessment or to foreclose its lien.

10.17 Notice to Owner. At least 30 days before recording a lien against the Lot of an Owner under Section 10.18 entitled "Creation of Lien" below of this Declaration, the Association shall notify the record Owner in writing by certified mail of the following:

(a) A general description of the collection and lien enforcement procedures of the Association and the method of calculation of the amount, a statement that the Owner has the right to inspect the Association records under Corporations Code Section 8333, and the following statement in 14-point boldface type, if printed, or in capital letters, if typed: "IMPORTANT NOTICE: IF YOUR SEPARATE INTEREST IS PLACED IN FORECLOSURE BECAUSE YOU ARE BEHIND IN YOUR ASSESSMENTS, IT MAY BE SOLD WITHOUT COURT ACTION."

(b) An itemized statement of the charges owing by the Owner, including items on the statement that indicate the amount of any delinquent assessments, the fees and reasonable costs of collection, reasonable attorney fees, and late charges, and any interest.

(c) A statement that the Owner shall not be liable to pay charges, interest, or collection costs, if it is found that the assessment was paid on time to the Association.

(d) The right to request a meeting with the Board to discuss a payment plan for the amount owing by the Owner.

(e) The right to dispute the assessment debt by submitting a written request for dispute resolution to the Association under the Association's "meet and confer" program required by Civil Code Sections 1363.810 through 1363.850, inclusive (or any successor statutes or laws).

(f) The right to request alternative dispute resolution with a neutral third party under Civil Code Section 1369.510 (or any successor statute or law) before the Association may initiate foreclosure against the Owner's Lot, except that binding arbitration shall not be available if the Association intends to initiate a judicial foreclosure.

An Owner may submit a written request to meet with the Board to discuss a payment plan for the amount owing as shown in the Association notice. The Association shall provide the Owners the standards for payment plans, if any exist. The Board shall meet with the requesting Owner in executive session within 45 days after the postmark of the request, if the request is mailed within 15 days after the date of the postmark of the Association notice, unless there is no regularly scheduled Board meeting within that period, in which event the Board may designate a committee of one or more members of the Board to meet with the Owner.

10.18 Creation of Lien. If a delinquency occurs in the payment of any assessment applicable to a Lot, as determined under Section 10.15 entitled "Delinquent Assessments" above of this Declaration, or in the payment of any other amount with respect to which a lien is authorized to be imposed by the Association under this Declaration or by law, the Association

shall have a lien against the Lot in the amount of the delinquent payments, plus any late charges and interest and all costs that are incurred by the Association or its authorized agent or representative in collecting such amounts, including reasonable attorney fees. The lien shall be effective on the recordation in the office of the County Recorder of the County of a notice of delinquent assessment under Civil Code Section 1367.1 (or any successor statute or law). The notice of delinquent assessment shall state the amount of the assessment and other sums owing, a legal description of the Owner's Lot, the name of the Owner as reflected in the recorded deed to the Lot, and, if the lien is to be enforced by nonjudicial foreclosure, the name and address of the trustee authorized by the Association to enforce the lien by sale as provided in Section 10.20 entitled "Foreclosure" below of this Declaration. The notice of delinquent assessment shall be signed by the President of the Association or by a person authorized by resolution of the Board, and mailed in the manner set forth in Civil Code Section 2924b (or any successor statute or law), to all record owners of the Lot no later than 10 calendar days after recordation. The notice of delinquent assessment shall not be recorded unless and until the Association has complied with Section 10.17 entitled "Notice to Owner" above of this Declaration. The lien shall continue until the Association records a further notice stating the satisfaction and release of the lien as provided in Civil Code Section 1367.1 (or any successor statute or law), or until foreclosure as provided hereinafter. Within 21 days after payment of the sums specified in the notice of delinquent assessment, the Association shall record or cause to be recorded in the office of the County Recorder of the County a lien release or notice of rescission and shall provide the Owner with a copy of the lien release or notice that the delinquent assessment has been satisfied. A lien created under this Section shall be prior to all other liens recorded subsequent to the recordation of the notice of delinquent assessment. The Association may not voluntarily assign or pledge the Association's right to collect payments or assessments, or to enforce or foreclose a lien to a third party, except when the assignment or pledge is made to a financial institution or lender chartered or licensed under federal or state law, when acting within the scope of that charter or license, as security for a loan obtained by the Association; however, this provision shall not restrict the Association's right or ability to assign any unpaid obligations of a former Owner to a third party for purposes of collection. If a lien previously recorded against a Lot was recorded in error, the party who recorded the lien shall, within 21 calendar days, record or cause to be recorded in the office of the County Recorder of the County a lien release or notice of rescission and provide the Owner of the Lot against which the lien was recorded with a declaration that the lien recording was in error and a copy of the lien release or notice of rescission. If the Association fails to comply with the procedures set forth in this Section or in Section 10.14 entitled "Association Fiscal Year; Notice and Assessment Due Date" above of this Declaration, it shall, before recording a lien, recommence the required notice process, and any costs associated with recommencing that process shall be borne by the Association and not by the delinquent Owner.

10.19 Alternative Dispute Resolution. If an Owner disputes any assessment imposed by the Association, the Association shall inform the Owner that, prior to the Association filing a civil action, he or she may resolve the dispute through alternative dispute resolution pursuant to Civil Code Sections 1369.510 through 1369.590 (or any successor statute or law), as supplemented by any dispute resolution procedures adopted by the Association pursuant to Civil Code Sections 1363.810 through 1363.850 (or any successor statute or law). The right of any Owner to use alternative dispute resolution under this Section may not be exercised more than 2 times in any single calendar year or more than 3 times within any 5 calendar years. Nothing in this Section shall preclude any Owner and the Association, on mutual agreement, from entering

into alternative dispute resolution for a number of times in excess of the limits set forth in this Section. An Owner may request and shall be awarded through alternative dispute resolution reasonable interest to be paid by the Association on the total amount paid by the Owner under protest if it is determined through alternative dispute resolution that the assessment levied by the Association was not correctly levied.

10.21 Foreclosure. After the expiration of 30 days following the recording of the notice of delinquent assessment under Section 10.18 entitled "Creation of Lien" above of this Declaration, the lien may be enforced in any manner permitted by law, including sale of the Lot by the court on judicial foreclosure, sale of the Lot by the trustee designated in the notice of delinquent assessment, or sale of the Lot by the trustee substituted under Civil Code Section 2934a (or any successor statute or law). Each of the Declarants and each Owner, by acceptance of a deed to a Lot, confers a power of sale on the trustee designated in the notice of delinquent assessment and any substitute trustee. Any sale of the Lot by a trustee shall be conducted in accordance with Civil Code Sections 2924, 2924b, and 2924c (or any successor statutes or laws), applicable to the exercise of powers of sale in mortgages and deeds of trust. Nothing in this Declaration shall prohibit actions against an Owner to recover sums for which a lien is created under Section 10.18 entitled "Creation of Lien" above of this Declaration nor shall anything in the Declaration prohibit the Association from taking a deed to a Lot in lieu of foreclosure of its lien. In connection with any sale under Civil Code Section 2924c (or any successor statute or law), the Association is authorized to designate or to substitute its attorney, any officer or director, or any title insurance company authorized to do business in California as trustee for purposes of conducting the sale. If a delinquency is cured before sale, or before completing a judicial foreclosure, the Association or its authorized representative shall cause to be recorded in the office of the County Recorder a certificate setting forth the satisfaction of such claim and release of such lien on payment of the amount of the delinquent assessment plus late charges, interest, and actual expenses incurred, including reasonable attorney fees and trustee's fees not to exceed the amounts prescribed in Civil Code Sections 2924c and 2924d (or any successor statutes or laws). The Association shall have the power to bid on the Lot at foreclosure sale and to acquire, hold, lease, mortgage and convey the Lot.

10.22 Waiver of Homestead. Each Owner, to the extent permitted by law, waives the protections of any declared homestead or homestead exemption under the laws of California as applied to any action to enforce the assessments levied by the Association.

## 11. FINANCIAL REPORTS.

11.1 Annual Report. The Association shall prepare, or cause to be prepared, an annual report for each fiscal year. The annual report shall consist of a balance sheet rendered as of the last day of each fiscal year, together with an operating (income) statement and statement of changes in financial position rendered for the fiscal year covered. The annual report shall be distributed to all Owners within 120 days after the close of the fiscal year. In any fiscal year in which the gross income of the Association exceeds \$75,000, the annual report shall be prepared in accordance with generally accepted accounting principles and shall be reviewed in writing by an independent public accountant licensed by the California State Board of Accountancy, a copy of which review shall be included with the annual report distributed to Owners. If not required to be reviewed by an independent public accountant, the report shall be accompanied by the

certificate of an authorized officer of the Association that the report was prepared without independent audit or review from the books and records of the Association. Despite the foregoing, in any fiscal year in which the gross income of the Association exceeds \$75,000, the Association shall have the right to distribute to each Owner a summary of the annual report for such fiscal year in lieu of a copy of the annual report, with a notice (in 10-point bold type) that the annual report is available at the Association's business office and, if any Owner requests that a copy of the annual report be delivered to the Owner, the Association shall deliver, at the Association's expense, a copy of the annual report to the Owner within 5 days after receiving the request.

11.2 Periodic Board Review. If requested by any director or Owner, the Board shall meet periodically during any fiscal year in order to review the following: (a) a reconciliation of the Association's operating accounts, including contingencies, for the current fiscal year; (b) the actual expenses of the Association for the current fiscal year compared with the Association's budget for the current fiscal year; (c) the most current statements of the Association's accounts furnished by the financial institution where the Association has its operating account or accounts; and (d) an income and expense statement for the Association's operating accounts, including contingencies.

## 12. INSURANCE.

12.1 Liability Insurance. The Association shall obtain and maintain commercial general liability insurance insuring the Association, any managing agent, and the Owners and occupants of Lots, 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 Association-owned or -maintained real or personal property. The limits of such insurance shall not be less than \$2,000,000 (or such greater amount as may be specified in Civil Code Section 1365.9, or any successor statute or law) covering all claims for death, personal injury, and property damage arising from a single occurrence.

12.2 Fidelity Bonds. The Association may purchase and maintain fidelity bonds or insurance covering members of the Board, officers, and employees of the Association and employees of any managing agent, whether or not such persons are compensated for such services, naming the Association as obligee or as insured, which shall be in an amount of at least 150 percent of each year's estimated annual operating expenses and accumulated reserves.

12.3 Waiver of Subrogation; Notice of Cancellation; Other Insurance. All insurance policies shall contain a waiver of subrogation rights by the insurer as to the Association, the Board, the Officers and the Owners. All insurance policies shall provide for 30 days prior notice of cancellation. The Association shall purchase and maintain any other insurance that it deems necessary.

12.4 Board's Authority to Revise Insurance Coverage. The Board shall have the power and right to deviate from the insurance requirements in this Declaration in any manner that the Board, in its discretion, considers to be in the best interests of the Association. If the Board elects to materially reduce the coverage from the coverage required in this Declaration,

the Board shall make all reasonable efforts to notify the Members of the reduction in coverage and the reasons therefor at least 30 days' before the effective date of the reduction.

12.5 No Liability to any Owner. The Association and its directors and officers shall have no liability to any Owner or Mortgagee if, after a good faith effort, (i) the Association is unable to obtain any insurance required hereunder because the insurance is no longer available; (ii) 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 (iii) the Members fail to approve any assessment increase needed to fund the insurance premiums.

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

12.7 Association as Attorney-in-Fact. Each of the Declarants and each subsequent Owner, by acceptance of a deed to a Lot, irrevocably appoints the Association 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 Association and any related losses or claims and agrees to be bound by the actions so taken as if the Owner had personally taken the action.

12.8 Annual Insurance Review. The Board annually shall review the Association's insurance policies and make such adjustments to the policies' terms and conditions as the Board considers to be in the Association's best interests.

12.9 Insurance Coverage for Exclusive Use Areas. Each Owner shall obtain and maintain, at his or her expense, liability coverage and fire and casualty coverage of not less than \$1,000,000 (or such greater amount as the Board may determine), with respect to liability and damage or destruction to improvements within the Exclusive Use Area appurtenant to such Owner's Lot. All such individually carried insurance (typically in the form of a homeowners policy) shall also contain a waiver of subrogation rights by the insurer as to other Owners, the Association, the Board and the Officers. Each Owner, for itself and all subsequent Owners, hereby waives all rights of recovery against the other Owners, the Association, the Board and the Officers for any loss relating to the Common Area, including the Exclusive Use Areas, and improvements situated thereon. Each Owner shall notify its insurance company of the provisions of this Declaration.

12.10 Insurance Coverage for Agents. To the extent insurance is available, the Association shall purchase and maintain insurance in an amount not less than \$500,000 (or such greater amount as may be specified in Civil Code Section 1365.7, or any successor statute or law) on behalf of any director, officer, or member of a committee of the Association (collectively the "agents") against any liability asserted against or incurred by the agent in such capacity or arising from the agent's status as such, regardless of whether the Association would have the power to indemnify the agent against such liability under applicable law.

12.11 Summary of Insurance. The Association has distributed to each Owner a summary of the Association's general liability insurance policy and any other Association insurance policies currently in effect. Within 60 days before the beginning of each subsequent fiscal year, the Association shall distribute to each Owner an updated summary of the Association's insurance policies. The summary shall include the following information about each policy: (i) the name of the insurer, (ii) the type of insurance, (iii) the policy limits of the insurance, and (iv) the amount of any deductible. To the extent that any of the required information is specified in an insurance policy declaration page, the Association may distribute to each Owner a copy of the declaration page in lieu of the information required to be included in the summary of that policy. The summary distributed to each Owner shall contain, in at least 10-point boldface type the following statement:

"THIS SUMMARY OF THE ASSOCIATION'S POLICIES OF INSURANCE PROVIDES ONLY CERTAIN INFORMATION AS REQUIRED BY SUBDIVISION (f) OF SECTION 1365 OF THE CIVIL CODE AND SHOULD NOT BE CONSIDERED A SUBSTITUTE FOR THE COMPLETE POLICY TERMS AND CONDITIONS CONTAINED IN THE ACTUAL POLICIES OF INSURANCE. ANY MEMBER, UPON REQUEST AND REASONABLE NOTICE, MAY REVIEW THE ASSOCIATION'S INSURANCE POLICIES AND, UPON REQUEST AND PAYMENT OF REASONABLE DUPLICATION CHARGES, OBTAIN COPIES OF THOSE POLICIES. ALTHOUGH THE ASSOCIATION MAINTAINS THE POLICIES OF INSURANCE SPECIFIED IN THIS SUMMARY, THE ASSOCIATION'S POLICIES OF INSURANCE MAY NOT COVER YOUR PROPERTY, INCLUDING PERSONAL PROPERTY, OR REAL PROPERTY 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. ASSOCIATION MEMBERS SHOULD CONSULT WITH THEIR INDIVIDUAL INSURANCE BROKER OR AGENT FOR APPROPRIATE ADDITIONAL COVERAGE."

12.12 Notice to Owners. The Association shall, as soon as reasonably practicable, notify Owners by first-class mail if any of the Association policies described in this Declaration have lapsed, been canceled, and are not immediately renewed, restored, or replaced, or if there is a significant change, such as a reduction in coverage or limits or an increase in the deductible, for any of those policies. The Association shall immediately notify Owners if the Association receives any notice of nonrenewal of any of the Association policies described in this Declaration and replacement coverage will not be in effect by the date the existing coverage lapses.

### 13. CONDEMNATION.

13.1 Sale by Consent. If an action for condemnation of all or a 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 more than 51 percent of all Owners, the Common Area or a portion of it may be sold and conveyed to the condemning authority by the Association for a price deemed fair and equitable by the Board.

13.2 Sale Proceeds or Condemnation Award. On a sale occurring under Section 13.1 above, if the Common Area or a portion of it, is not sold but is instead taken, the sale proceeds or award shall be used by the Association as the Board may determine. Notwithstanding the foregoing, any portion of such sale proceeds or award that is compensation for any loss of any improvements in or loss of any use of an Exclusive Use Area shall be paid or distributed to the Owner of the Lot to which such Exclusive Use Area is appurtenant.

#### 14. MORTGAGES ON LOTS .

14.1 Mortgage Permitted. Any Owner may encumber his or her Lot with a Mortgage.

14.2 Lien Not Invalidated. No breach of any provision of this Declaration shall invalidate the lien of any Mortgage made in good faith and for value; but all covenants, conditions, and restrictions shall be binding on any Owner whose title is derived through foreclosure sale, trustee's sale, or otherwise.

#### 15. TERM OF DECLARATION.

This Declaration shall continue in full force and effect for 60 years after the date on which this Declaration is recorded. After 60 years, this Declaration and all its covenants, conditions, restrictions, and other provisions shall be extended automatically for successive 10-year periods unless this Declaration is revoked by an instrument executed by the Owners of at least 66 2/3 percent of the Lots in the Property and recorded in the office of the County Recorder of the County before the end of the 60-year period or any succeeding 10-year period. On the recording of an instrument revoking this Declaration, the Board shall commence proceedings to wind up and dissolve the Association.

#### 16. AMENDMENT OF DECLARATION.

This Declaration may be amended in any respect by the vote or written consent of the Owners entitled to cast at least 66 2/3 percent of the voting power of the Association. However, if any provision of this Declaration requires a greater or lesser percentage of the voting power of the Association in order to take affirmative or negative action under such provision, the same percentage of such voting power of the Association shall be required to amend such provision. Also, if the consent or approval of any governmental authority or other person, firm, agency, or entity is required under this Declaration with respect to any amendment or revocation of any provision of this Declaration, no such amendment or revocation shall become effective unless such consent or approval is obtained. Any amendment of this Declaration shall be effective after (i) the affirmative vote or written consent has been obtained from or given by the percentage of Owners and of any governmental authorities or other persons, firms, agencies, or entities required by this Declaration; (ii) that requisite vote or written consent has been certified in a writing executed and acknowledged by the President, Secretary, or other duly authorized officer of the Association; and (iii) that writing has been recorded in the office of the County Recorder of the County.

#### 17. ANNEXATION.

Annexation of real property to the Property subject to this Declaration, the Articles, the Bylaws and the Association Rules shall require the prior affirmative vote or written consent of the Owners entitled to cast at least 66 2/3 percent of the voting power of the Association

## 18. GENERAL PROVISIONS.

18.1 Headings. The headings used in this Declaration are for convenience only and are not to be used to interpret the meaning of any provision of this Declaration.

18.2 Severability. The provisions of this 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.

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

18.4 Violation as Nuisance. Every act or omission in violation of the provisions of this Declaration shall constitute a nuisance and, in addition to all other remedies, may be abated or enjoined by any Owner, any member of the Board, the manager, or the Association.

18.5 Power of Attorney. Each of the Declarants and each subsequent Owner, by acceptance of a deed to a Lot, shall be deemed to have irrevocably appointed the Association as such Owner's attorney-in-fact with full power and authority to act in the name and stead of such Owner whenever the Association is expressly authorized to do so under this Declaration. Said power of attorney shall (i) be binding on all Owners, whether they expressly assume the obligations under this Declaration or not; (ii) be exercisable by a majority of the Board acting on behalf of the Association, subject to obtaining the prior approval by vote or written consent of 66 2/3 percent of the Owners; and (iii) be exercisable only after recordation with the County Recorder of a certificate executed by those who have power to exercise that power of attorney that said power of attorney is properly exercisable under this Declaration, which certificate shall be conclusive evidence of proper exercise in favor of any person relying on it in good faith.

18.6 Liberal Construction. The provisions of this Declaration shall be liberally construed to effect its purpose. Failure to enforce any provision of the Declaration shall not constitute a waiver of the right to enforce the provision thereafter.

18.7 Notification of Sale; Notices. Within 5 business days after the consummation of the sale or transfer of any Lot, the transferor and transferee shall notify the Association in writing of such sale or transfer. Such notification shall set forth the name of the transferor, the name and mailing address of the transferee, the name and mailing address of the transferee's Mortgagee, the common address of the Lot purchased by the transferee, and the date of sale or transfer. Before the receipt of such notification, any and all communications required or permitted to be given by the Association, the Board, or the managing agent shall be deemed to be duly made and given to the transferee if duly and timely made and given to that transferee's transferor. Mailing addresses may be changed at any time on written notification to the Association. Notices shall be deemed received 48 hours after mailing if mailed to the transferee, or to the transferee's

transferor if the Association has not received the notice of transfer as provided above, by certified mail, return receipt requested, at the mailing address above specified. Notices shall also be deemed received 24 hours after personal delivery to any occupant of a Lot over the age of 18.

18.8 Number; Gender. 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 the masculine, feminine, or neuter, as the context requires.

18.9 Exhibits. All exhibits referred to are attached to this Declaration and incorporated by reference.

18.10 Easements Reserved and Granted. Any easements referred to in this Declaration shall be deemed reserved or granted, or both reserved and granted, by reference to this Declaration in a deed to any Lot. If a legally sufficient easement for any purpose described in this Declaration cannot or has not been created, the reference to "easement" shall be construed to be a right or a benefit in favor of the party for whom the benefit of the easement was intended to be conferred and a duty, obligation, or equitable servitude, if applicable, of the party against whom the right or benefit is stated or intended to be exercisable or enforceable.

18.11 Binding Effect. This Declaration shall inure to the benefit of and be binding on the successors and assigns of the Declarants, and the heirs, personal representatives, grantees, tenants, successors, and assigns of the Owners.

18.11 Counterpart Execution. This Declaration may be executed in several counterparts, each of which shall be deemed an original and all of which together shall constitute one and the same instrument.

## 19. SUBORDINATION.

19.1 If any Owner has a lien on his or her Lot (other than a lien for non-delinquent taxes or assessments), such Owner shall notify the lien holder (Mortgagee) of the recording of this Declaration and shall request that such lien be subordinated to this Declaration.

19.2 The Owners understand that if any Owner who has a lien on his or her Lot fails to obtain such subordination and the Mortgagee acquires title to such Owner's Lot by foreclosure, deed in lieu of foreclosure or other procedure, the Lot acquired by the Mortgagee will not be subject to the terms of this Declaration. In such event, the Owner of the Lot acquired by a Mortgagee shall defend, indemnify, protect and hold harmless each other Owner, each other Owner's Lot, the Association and the Common Area from and against any liability, claim, damage, loss, cost and expense (including attorneys' fees and costs, consultants' and experts' fees and costs, and other litigation costs and expenses) arising out of or in any way relating to such lien, the enforcement or foreclosure of such lien and/or the failure of such Owner to obtain such subordination.

SIGNATURE PAGE FOLLOWS

IN WITNESS WHEREOF, the undersigned, being the Declarants herein, have executed this Declaration as of the date first set forth above.

ASSOCIATION:

LOT SEVEN ASSOCIATION, INC.  
a California nonprofit mutual benefit corporation

By: Raymond J. French  
Name: Raymond J. French  
Title: President

By: \_\_\_\_\_  
Name: David B. Helfand  
Title: Secretary

KIMMELMAN:

Megawatt West, LLC, a California limited liability company

By: \_\_\_\_\_  
Name: Douglas Kimmelman  
Title: Manager

SMITH:

\_\_\_\_\_  
Dane Clark Smith, Co-Trustee for the Dane and Nicole Smith Trust dated June 29, 1999

\_\_\_\_\_  
Young Sup Nicole Smith, Co-Trustee for the Dane and Nicole Smith Trust dated June 29, 1999

DALIA:

Dalia, LLC, a Washington limited liability company, dba Dalia House, LLC

By: \_\_\_\_\_  
Name: Robert Buote  
Title: Manager

HELFAND:

\_\_\_\_\_  
David B. Helfand, Co-Trustee of the David B. Helfand and Wendy J. Helfand Trust dated January 25, 2010

\_\_\_\_\_  
Wendy J. Helfand, Co-Trustee of the David B. Helfand and Wendy J. Helfand Trust dated January 25, 2010

ANTONORSI:

\_\_\_\_\_  
Richard S. Antonorsi, Trustee of the Antonorsi Family Trust dated December 8, 2008

\_\_\_\_\_  
Ruth A. Antonorsi, Trustee of the Antonorsi Family Trust dated December 8, 2008

HARTSOUGH:

\_\_\_\_\_  
Timothy P. Skorheim, Trustee of the 2008 Real Estate Trust dated August 28, 2008

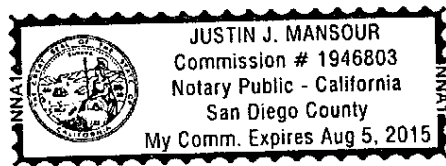
18662

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

On Jun 20th, 2012, before me, Justin J. Mansour notary public, personally appeared Raymond J. French who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity, and that by his/her/their signature(s) on the instrument the person, or the entity upon behalf of which the person acted, executed the instrument.

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

WITNESS my hand and official seal.



Justin J. Mansour  
Signature of Notary Public

Place Notary Seal Above

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

On \_\_\_\_\_, 2012, before me, \_\_\_\_\_, notary public, personally appeared \_\_\_\_\_, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity, and that by his/her/their signature(s) on the instrument the person, or the entity upon behalf of which the person acted, executed the instrument.

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

WITNESS my hand and official seal.

\_\_\_\_\_  
Signature of Notary Public

Place Notary Seal Above

IN WITNESS WHEREOF, the undersigned, being the Declarants herein, have executed this Declaration as of the date first set forth above.

ASSOCIATION:

LOT SEVEN ASSOCIATION, INC.  
a California nonprofit mutual benefit corporation

By: \_\_\_\_\_  
Name: Raymond J. French  
Title: President

By: \_\_\_\_\_  
Name: David B. Helfand  
Title: Secretary

KIMMELMAN:

Megawatt West, LLC, a California limited liability company

By: \_\_\_\_\_  
Name: Douglas Kimmelman  
Title: Manager

SMITH:

\_\_\_\_\_  
Dane Clark Smith, Co-Trustee for the Dane and Nicole Smith Trust dated June 29, 1999

\_\_\_\_\_  
Young Sup Nicole Smith, Co-Trustee for the Dane and Nicole Smith Trust dated June 29, 1999

DALIA:

Dalia, LLC, a Washington limited liability company, dba Dalia House, LLC

By: \_\_\_\_\_  
Name: Robert Buote  
Title: Manager

HELFAND:

\_\_\_\_\_  
David B. Helfand, Co-Trustee of the David B. Helfand and Wendy J. Helfand Trust dated January 25, 2010

\_\_\_\_\_  
Wendy J. Helfand, Co-Trustee of the David B. Helfand and Wendy J. Helfand Trust dated January 25, 2010

ANTONORSI:

\_\_\_\_\_  
Richard S. Antonorsi, Trustee of the Antonorsi Family Trust dated December 8, 2008

\_\_\_\_\_  
Ruth A. Antonorsi, Trustee of the Antonorsi Family Trust dated December 8, 2008

HARTSOUGH:

\_\_\_\_\_  
Timothy P. Skorheim, Trustee of the 2008 Real Estate Trust dated August 28, 2008

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

On June 1, 2012, before me, C. Luna de la Fuente, notary public, personally appeared David B Helfand, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) ~~is~~ are subscribed to the within instrument and acknowledged to me that ~~he~~ she/they executed the same in ~~his~~ his/her/their authorized capacity, and that by ~~his~~ her/their signature(s) on the instrument the person, or the entity upon behalf of which the person acted, executed the instrument.

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

WITNESS my hand and official seal.

C. Luna de la Fuente  
Signature of Notary Public



Place Notary Seal Above

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

On June 1, 2012, before me, C. Luna de la Fuente, notary public, personally appeared wendy J. Helfand, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) ~~is~~ are subscribed to the within instrument and acknowledged to me that ~~he~~ she/they executed the same in ~~his~~ his/her/their authorized capacity, and that by ~~his~~ her/their signature(s) on the instrument the person, or the entity upon behalf of which the person acted, executed the instrument.

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

WITNESS my hand and official seal.

C. Luna de la Fuente  
Signature of Notary Public



Place Notary Seal Above

18665

IN WITNESS WHEREOF, the undersigned, being the Declarants herein, have executed this Declaration as of the date first set forth above.

ASSOCIATION:

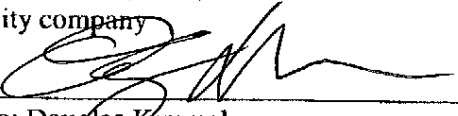
LOT SEVEN ASSOCIATION, INC.  
a California nonprofit mutual benefit  
corporation

By: \_\_\_\_\_  
Name: Raymond J. French  
Title: President

By: \_\_\_\_\_  
Name: David B. Helfand  
Title: Secretary

KIMMELMAN:

Megawatt West, LLC, a California limited  
liability company

By:   
Name: Douglas Kimmelman  
Title: Manager

SMITH:

\_\_\_\_\_  
Dane Clark Smith, Co-Trustee for the Dane  
and Nicole Smith Trust dated June 29, 1999

\_\_\_\_\_  
Young Sup Nicole Smith, Co-Trustee for the  
Dane and Nicole Smith Trust dated June 29,  
1999

DALIA:

Dalia, LLC, a Washington limited liability  
company, dba Dalia House, LLC

By: \_\_\_\_\_  
Name: Robert Buote  
Title: Manager

HELFAND:

\_\_\_\_\_  
David B. Helfand, Co-Trustee of the David B.  
Helfand and Wendy J. Helfand Trust dated  
January 25, 2010

\_\_\_\_\_  
Wendy J. Helfand, Co-Trustee of the David B.  
Helfand and Wendy J. Helfand Trust dated  
January 25, 2010

ANTONORSI:

\_\_\_\_\_  
Richard S. Antonorsi, Trustee of the Antonorsi  
Family Trust dated December 8, 2008

\_\_\_\_\_  
Ruth A. Antonorsi, Trustee of the Antonorsi  
Family Trust dated December 8, 2008

HARTSOUGH:

\_\_\_\_\_  
Timothy P. Skorheim, Trustee of the 2008  
Real Estate Trust dated August 28, 2008

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

On April 17, 2012, before me, Clara Fernandez, notary public, personally appeared Douglas Kimmelman, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity, and that by his/her/their signature(s) on the instrument the person, or the entity upon behalf of which the person acted, executed the instrument.

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

WITNESS my hand and official seal.

**Clara Fernandez**  
**Notary Public**  
**New Jersey**  
**My Commission Expires 11-09-2012**

Clara Fernandez  
Signature of Notary Public

Place Notary Seal Above

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

On \_\_\_\_\_, 2012, before me, \_\_\_\_\_, notary public, personally appeared \_\_\_\_\_, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity, and that by his/her/their signature(s) on the instrument the person, or the entity upon behalf of which the person acted, executed the instrument.

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

WITNESS my hand and official seal.

\_\_\_\_\_  
Signature of Notary Public

Place Notary Seal Above

IN WITNESS WHEREOF, the undersigned, being the Declarants herein, have executed this Declaration as of the date first set forth above.

ASSOCIATION:

LOT SEVEN ASSOCIATION, INC.  
a California nonprofit mutual benefit corporation

By: \_\_\_\_\_  
Name: Raymond J. French  
Title: President

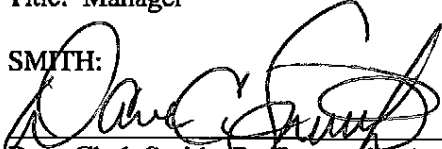
By: \_\_\_\_\_  
Name: David B. Helfand  
Title: Secretary

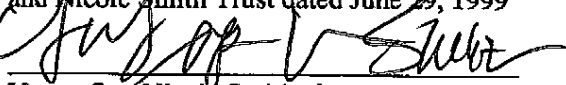
KIMMELMAN:

Megawatt West, LLC, a California limited liability company

By: \_\_\_\_\_  
Name: Douglas Kimmelman  
Title: Manager

SMITH:

  
Dane Clark Smith, Co-Trustee for the Dane and Nicole Smith Trust dated June 29, 1999

  
Young Sup Nicole Smith, Co-Trustee for the Dane and Nicole Smith Trust dated June 29, 1999

DALIA:

Dalia, LLC, a Washington limited liability company, dba Dalia House, LLC

By: \_\_\_\_\_  
Name: Robert Buote  
Title: Manager

HELFAND:

\_\_\_\_\_  
David B. Helfand, Co-Trustee of the David B. Helfand and Wendy J. Helfand Trust dated January 25, 2010

\_\_\_\_\_  
Wendy J. Helfand, Co-Trustee of the David B. Helfand and Wendy J. Helfand Trust dated January 25, 2010

ANTONORSI:

\_\_\_\_\_  
Richard S. Antonorsi, Trustee of the Antonorsi Family Trust dated December 8, 2008

\_\_\_\_\_  
Ruth A. Antonorsi, Trustee of the Antonorsi Family Trust dated December 8, 2008

HARTSOUGH:

\_\_\_\_\_  
Timothy P. Skorheim, Trustee of the 2008 Real Estate Trust dated August 28, 2008

See Attached For Official Notary



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

On June 4, 2012, before me, Brandon David Beccarelli, notary public, personally appeared Dane Clark Smith, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) ~~is/are~~ subscribed to the within instrument and acknowledged to me that ~~he/she/they~~ executed the same in ~~his/her/their~~ authorized capacity, and that by ~~his/her/their~~ signature(s) on the instrument the person, or the entity upon behalf of which the person acted, executed the instrument.

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

WITNESS my hand and official seal.



Place Notary Seal Above

[Signature]  
Signature of Notary Public

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

On June 4, 2012, before me, Brandon David Beccarelli, notary public, personally appeared Yong-Sup Nicole Smith, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) ~~is/are~~ subscribed to the within instrument and acknowledged to me that ~~he/she/they~~ executed the same in ~~his/her/their~~ authorized capacity, and that by ~~his/her/their~~ signature(s) on the instrument the person, or the entity upon behalf of which the person acted, executed the instrument.

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

WITNESS my hand and official seal.



Place Notary Seal Above

[Signature]  
Signature of Notary Public

IN WITNESS WHEREOF, the undersigned, being the Declarants herein, have executed this Declaration as of the date first set forth above.

ASSOCIATION:

LOT SEVEN ASSOCIATION, INC.  
a California nonprofit mutual benefit corporation

By: \_\_\_\_\_  
Name: Raymond J. French  
Title: President

By: \_\_\_\_\_  
Name: David B. Helfand  
Title: Secretary

KIMMELMAN:

Megawatt West, LLC, a California limited liability company

By: \_\_\_\_\_  
Name: Douglas Kimmelman  
Title: Manager

SMITH:

\_\_\_\_\_  
Dane Clark Smith, Co-Trustee for the Dane and Nicole Smith Trust dated June 29, 1999

\_\_\_\_\_  
Young Sup Nicole Smith, Co-Trustee for the Dane and Nicole Smith Trust dated June 29, 1999

DALIA:

Dalia, LLC, a Washington limited liability company, dba Dalia House, LLC

By: Robert Buote  
Name: Robert Buote  
Title: Manager

HELFAND:

\_\_\_\_\_  
David B. Helfand, Co-Trustee of the David B. Helfand and Wendy J. Helfand Trust dated January 25, 2010

\_\_\_\_\_  
Wendy J. Helfand, Co-Trustee of the David B. Helfand and Wendy J. Helfand Trust dated January 25, 2010

ANTONORSI:

\_\_\_\_\_  
Richard S. Antonorsi, Trustee of the Antonorsi Family Trust dated December 8, 2008

\_\_\_\_\_  
Ruth A. Antonorsi, Trustee of the Antonorsi Family Trust dated December 8, 2008

HARTSOUGH:

\_\_\_\_\_  
Timothy P. Skorheim, Trustee of the 2008 Real Estate Trust dated August 28, 2008

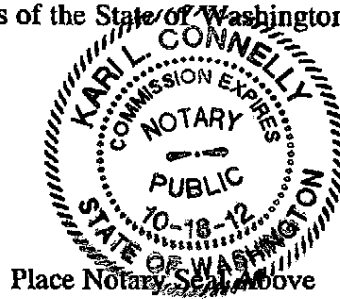
STATE OF WASHINGTON )  
 ) S.S.  
COUNTY OF KING )

On May 8, 2012, before me, Kari L. Connelly notary public, personally appeared Robert J. Buok, who proved to me on the basis of satisfactory evidence to be the person whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his authorized capacity, and that by his signature on the instrument the person, or the entity upon behalf of which the person acted, executed the instrument.

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

WITNESS my hand and official seal.

Kari L. Connelly  
Signature of Notary Public



IN WITNESS WHEREOF, the undersigned, being the Declarants herein, have executed this Declaration as of the date first set forth above.

ASSOCIATION:

LOT SEVEN ASSOCIATION, INC.  
a California nonprofit mutual benefit corporation

By: \_\_\_\_\_  
Name: Raymond J. French  
Title: President

By: \_\_\_\_\_  
Name: David B. Helfand  
Title: Secretary

KIMMELMAN:

Megawatt West, LLC, a California limited liability company

By: \_\_\_\_\_  
Name: Douglas Kimmelman  
Title: Manager

SMITH:

\_\_\_\_\_  
Dane Clark Smith, Co-Trustee for the Dane and Nicole Smith Trust dated June 29, 1999

\_\_\_\_\_  
Young Sup Nicole Smith, Co-Trustee for the Dane and Nicole Smith Trust dated June 29, 1999

DALIA:

Dalia, LLC, a Washington limited liability company, dba Dalia House, LLC

By: \_\_\_\_\_  
Name: Robert Buote  
Title: Manager

HELFAND:

\_\_\_\_\_  
David B. Helfand, Co-Trustee of the David B. Helfand and Wendy J. Helfand Trust dated January 25, 2010

\_\_\_\_\_  
Wendy J. Helfand, Co-Trustee of the David B. Helfand and Wendy J. Helfand Trust dated January 25, 2010

ANTONORSI:

\_\_\_\_\_  
Richard S. Antonorsi, Trustee of the Antonorsi Family Trust dated December 8, 2008

AKA Richard Stefan Antonorsi Bestler

\_\_\_\_\_  
Ruth A. Antonorsi, Trustee of the Antonorsi Family Trust dated December 8, 2008

AKA Ruth Ann Antonorsi

HARTSOUGH:

\_\_\_\_\_  
Timothy P. Skorheim, Trustee of the 2008 Real Estate Trust dated August 28, 2008

**CERTIFICATE OF ACKNOWLEDGMENT OF  
EXECUTION OF AN INSTRUMENT**

18672

Republic of Italy

(Country)

Province of Florence

(County and/or other political division)

City of Florence

(County and/or other political division)

} SS:

Consulate General of the United States of America

(Name of foreign service office)

i. Stephen A. Barneby, Consul

of the United States of America at

American Consulate, Florence, Italy

duly commissioned and qualified, do hereby certify that on this

5<sup>th</sup>

day of

June 2012

, before me personally appeared

Date (mm-dd-yyyy)

Ruth Ann Antonorsi and Richard Stefan Antonorsi  
Bester

to me personally known, and known to me to be the individual-described in, whose names were subscribed to,

and who executed the annexed instrument, and being informed by me of the contents of said instrument have

duly acknowledged to me that they executed the same freely and voluntarily for the uses and purposes.

therein mentioned.

[SEAL]

In witness whereof I have hereunto set my hand and

official seal the day and year last above written.

Stephen A. Barneby  
Consul of the United States  
of America

of the United States of America.

NOTE: Wherever practicable all signatures to a document should be included in one certificate.

IN WITNESS WHEREOF, the undersigned, being the Declarants herein, have executed this Declaration as of the date first set forth above.

## ASSOCIATION:

LOT SEVEN ASSOCIATION, INC.  
a California nonprofit mutual benefit corporation

By: \_\_\_\_\_

Name: Raymond J. French

Title: President

By: \_\_\_\_\_

Name: David B. Helfand

Title: Secretary

## KIMMELMAN:

Megawatt West, LLC, a California limited liability company

By: \_\_\_\_\_

Name: Douglas Kimmelman

Title: Manager

## SMITH:

\_\_\_\_\_  
Dane Clark Smith, Co-Trustee for the Dane and Nicole Smith Trust dated June 29, 1999

\_\_\_\_\_  
Young Sup Nicole Smith, Co-Trustee for the Dane and Nicole Smith Trust dated June 29, 1999

## DALIA:

Dalia, LLC, a Washington limited liability company, dba Dalia House, LLC

By: \_\_\_\_\_

Name: Robert Buote

Title: Manager

## HELFAND:

\_\_\_\_\_  
David B. Helfand, Co-Trustee of the David B. Helfand and Wendy J. Helfand Trust dated January 25, 2010

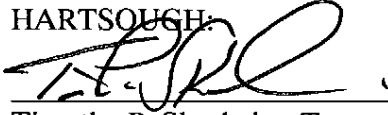
\_\_\_\_\_  
Wendy J. Helfand, Co-Trustee of the David B. Helfand and Wendy J. Helfand Trust dated January 25, 2010

## ANTONORSI:

\_\_\_\_\_  
Richard S. Antonorsi, Trustee of the Antonorsi Family Trust dated December 8, 2008

\_\_\_\_\_  
Ruth A. Antonorsi, Trustee of the Antonorsi Family Trust dated December 8, 2008

## HARTSOUGH:

  
\_\_\_\_\_  
Timothy P. Skorheim, Trustee of the 2008 Real Estate Trust dated August 28, 2008

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

On APRIL 10, 2012, before me, JUSTIN T. ROSCOE, notary public, personally appeared TIMOTHY P. SKORHEIM, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity, and that by his/her/their signature(s) on the instrument the person, or the entity upon behalf of which the person acted, executed the instrument.

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

WITNESS my hand and official seal.



[Signature]  
\_\_\_\_\_  
Signature of Notary Public

Place Notary Seal Above

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

On \_\_\_\_\_, 2012, before me, \_\_\_\_\_, notary public, personally appeared \_\_\_\_\_, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity, and that by his/her/their signature(s) on the instrument the person, or the entity upon behalf of which the person acted, executed the instrument.

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

WITNESS my hand and official seal.

\_\_\_\_\_  
Signature of Notary Public

Place Notary Seal Above

## SCHEDULE OF EXHIBITS

- Exhibit A-1 Lot 84
- Exhibit A-2 Lot 86
- Exhibit A-3 Lot 87
- Exhibit A-4 Lot 88
- Exhibit A-5 Lot 89
- Exhibit A-6 Lot 90
- Exhibit A-7 Common Area
- Exhibit B-1 Backyard Improvements, Backyard Area and Exclusive Use Common Area for Lot 84
- Exhibit B-2 Backyard Improvements, Backyard Area and Exclusive Use Common Area for Lot 86
- Exhibit B-3 Backyard Improvements, Backyard Area and Exclusive Use Common Area for Lot 87
- Exhibit B-4 Backyard Improvements, Backyard Area and Exclusive Use Common Area for Lot 88
- Exhibit B-5 Backyard Improvements, Backyard Area and Exclusive Use Common Area for Lot 89
- Exhibit B-6 Backyard Improvements, Backyard Area and Exclusive Use Common Area for Lot 90

## EXHIBIT A-1

## LOT 84

**PARCEL ONE:** LOT 84 AS SHOWN UPON THE MAP ENTITLED COUNTY OF SAN DIEGO TRACT NO. 4657, IN THE COUNTY OF SAN DIEGO, STATE OF CALIFORNIA, ACCORDING TO MAP THEREOF NO. 12587, FILED IN THE OFFICE OF THE SAN DIEGO COUNTY RECORDER ON MARCH 28, 1990

**PARCEL TWO:** AN EASEMENT FOR PRIVATE ROAD, UTILITIES AND INCIDENTAL PURPOSES, OVER, UNDER, ALONG AND ACROSS LOT 97, AS SHOWN ON THE MAP ENTITLED "COUNTY OF SAN DIEGO TRACT NO. 4657", IN THE COUNTY OF SAN DIEGO, STATE OF CALIFORNIA ACCORDING TO MAP THEREOF NO. 12587, FILED IN THE OFFICE OF THE SAN DIEGO COUNTY RECORDER ON MARCH 28, 1990

APN: 305-080-13-00

18677

EXHIBIT A-2

LOT 86

**PARCEL ONE:** LOT 86 OF SAN DIEGO TRACT NO. 4657, IN THE COUNTY OF SAN DIEGO, STATE OF CALIFORNIA ACCORDING TO MAP THEREOF NO. 12587, FILED IN THE OFFICE OF THE SAN DIEGO COUNTY RECORDER ON MARCH 28, 1990

**PARCEL TWO:** AN EASEMENT FOR PRIVATE ROAD, UTILITIES AND INCIDENTAL PURPOSES, OVER, UNDER, ALONG AND ACROSS LOT 97, IN THE COUNTY OF SAN DIEGO TRACT NO. 4657, IN THE COUNTY OF SAN DIEGO, STATE OF CALIFORNIA, ACCORDING TO MAP THEREOF NO. 12587, FILED IN THE OFFICE OF THE SAN DIEGO COUNTY RECORDER ON MARCH 28, 1990

APN: 305-080-15-00

18678

EXHIBIT A-3

LOT 87

**PARCEL ONE:** LOT 87 OF SAN DIEGO TRACT NO. 4657, IN THE COUNTY OF SAN DIEGO, STATE OF CALIFORNIA, ACCORDING TO MAP THEREOF NO. 12587, FILED IN THE OFFICE OF THE SAN DIEGO COUNTY RECORDER ON MARCH 28, 1990

**PARCEL TWO:** AN EASEMENT FOR PRIVATE ROAD, UTILITIES AND INCIDENTAL PURPOSES, OVER, UNDER, ALONG AND ACROSS LOT 97, IN THE COUNTY OF SAN DIEGO TRACT NO. 4657", IN THE COUNTY OF SAN DIEGO, STATE OF CALIFORNIA, ACCORDING TO MAP THEREOF NO. 12587, FILED IN THE OFFICE OF THE SAN DIEGO COUNTY RECORDER ON MARCH 28, 1990

APN: 305-080-16-00

18679

EXHIBIT A-4

LOT 88

**PARCEL ONE:** LOT 88 OF TRACT NO. 4657, IN THE COUNTY OF SAN DIEGO, STATE OF CALIFORNIA, ACCORDING TO MAP THEREOF NO. 12587, FILED IN THE OFFICE OF THE SAN DIEGO COUNTY RECORDER ON MARCH 28, 1990

**PARCEL TWO:** AN EASEMENT FOR PRIVATE ROAD, UTILITIES AND INCIDENTAL PURPOSES, OVER, UNDER, ALONG AND ACROSS LOT 97, AS SHOWN UPON THE MAP ENTITLED "COUNTY OF SAN DIEGO TRACT NO. 4657", IN THE COUNTY OF SAN DIEGO, STATE OF CALIFORNIA, ACCORDING TO MAP THEREOF NO. 12587, FILED IN THE OFFICE OF THE SAN DIEGO COUNTY RECORDER ON MARCH 28, 1990

APN: 305-080-17-00

EXHIBIT A-5

LOT 89

**PARCEL ONE:** LOT 89 AS SHOWN UPON THE MAP ENTITLED "COUNTY OF SAN DIEGO TRACT NO. 4653", IN THE COUNTY OF SAN DIEGO, STATE OF CALIFORNIA, ACCORDING TO MAP THEREOF NO. 12587, FILED IN THE OFFICE OF THE SAN DIEGO COUNTY RECORDER ON MARCH 28, 1990

**PARCEL TWO:** AN EASEMENT FOR PRIVATE ROAD, UTILITIES AND INCIDENTAL PURPOSES, OVER, UNDER, ALONG AND ACROSS LOT 97, AS SHOWN UPON THE MAP ENTITLED "COUNTY OF SAN DIEGO TRACT NO. 4653", IN THE COUNTY OF SAN DIEGO, STATE OF CALIFORNIA, ACCORDING TO MAP THEREOF NO. 12587, FILED IN THE OFFICE OF THE SAN DIEGO COUNTY RECORDER ON MARCH 28, 1990

APN: 305-080-18-00

18681

EXHIBIT A-6

LOT 90

**PARCEL ONE:** LOT 89 OF TRACT NO. 4657", IN THE COUNTY OF SAN DIEGO, STATE OF CALIFORNIA, ACCORDING TO MAP THEREOF NO. 12587, FILED IN THE OFFICE OF THE SAN DIEGO COUNTY RECORDER ON MARCH 28, 1990, AND CORRECTED BY CERTIFICATE OF CORRECTION RECORDED MAY14, 1993 AS INSTRUMENT NO. 1993-0307440 OF OFFICIAL RECORDS

**PARCEL TWO:** AN EASEMENT FOR PRIVATE ROAD, UTILITIES AND INCIDENTAL PURPOSES, OVER, UNDER, ALONG AND ACROSS LOT 97, AS SHOWN UPON THE MAP ENTITLED "COUNTY OF SAN DIEGO TRACT NO. 4657", IN THE COUNTY OF SAN DIEGO, STATE OF CALIFORNIA, ACCORDING TO MAP THEREOF NO. 12587, FILED IN THE OFFICE OF THE SAN DIEGO COUNTY RECORDER ON MARCH 28, 1990

APN: 305-080-19-00

18682

EXHIBIT A-7

COMMON AREA

LOT 7 OF FAIRBANKS RANCH COUNTRY CLUB UNIT NO. 3, IN THE CITY OF SAN DIEGO, COUNTY OF SAN DIEGO, STATE OF CALIFORNIA, ACCORDING TO MAP THEREOF NO. 10941, FILED IN THE OFFICE OF THE SAN DIEGO COUNTY RECORDER ,MAY 17, 1984

APN: 302-270-07-00

18683

**EXHIBIT B-1**

**BACKYARD IMPROVEMENTS, BACKYARD AREA  
AND EXCLUSIVE USE COMMON AREA  
FOR LOT 84**

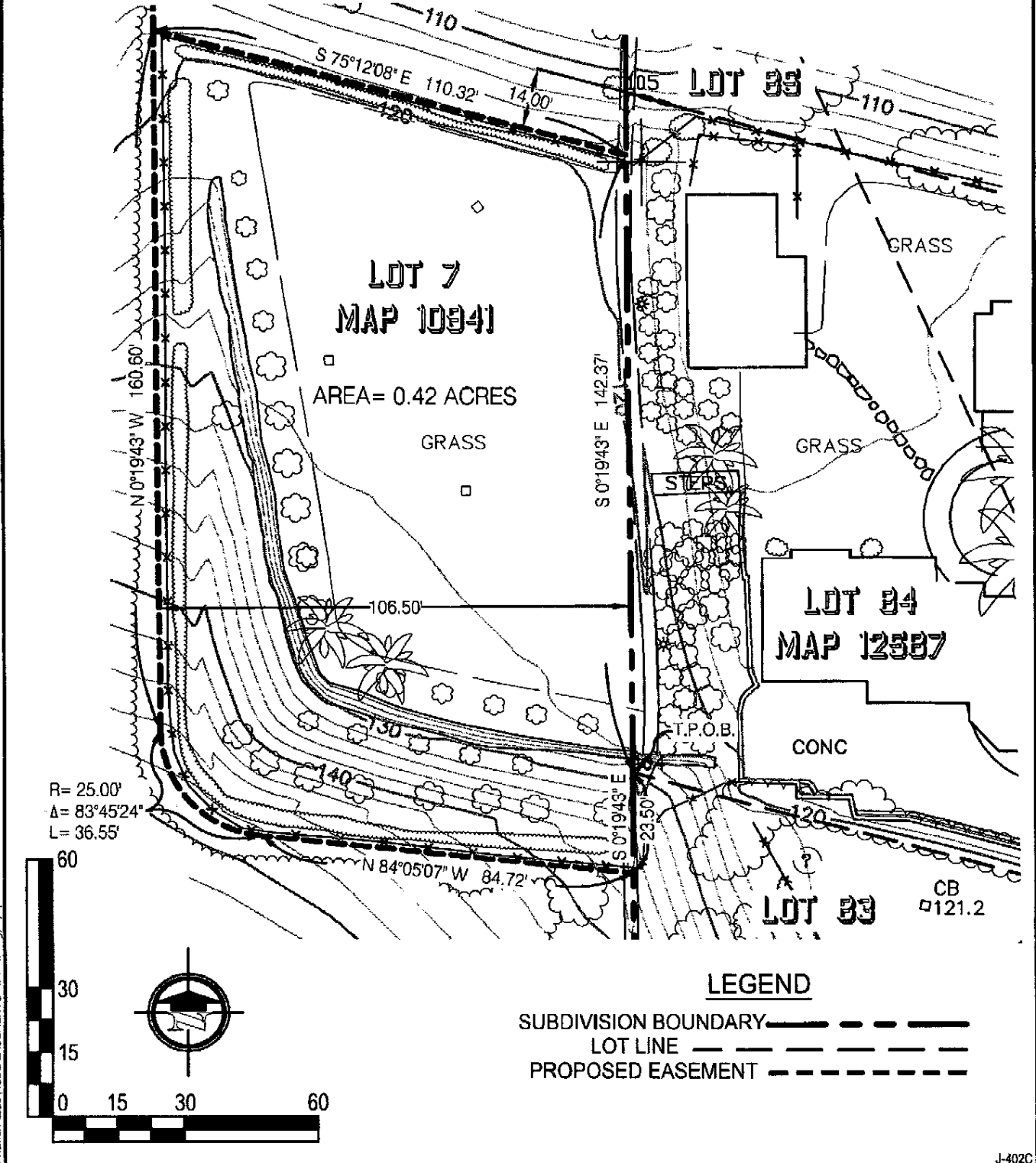
## EXHIBIT "A"

THAT PORTION OF LOT 7 OF FAIRBANKS COUNTRY CLUB UNIT NO. 3, IN THE COUNTY OF SAN DIEGO, STATE OF CALIFORNIA, ACCORDING TO MAP THEREOF NO. 10941 FILED IN THE OFFICE OF THE COUNTY RECORDER OF SAID SAN DIEGO COUNTY, MARCH 21, 1983, MORE PARTICULARLY DESCRIBED AS FOLLOWS:

**BEGINNING** AT A POINT ON THE EASTERLY BOUNDARY OF SAID LOT 7, SAID POINT BEING ALSO THE SOUTHWEST CORNER OF LOT 84 OF COUNTY OF SAN DIEGO TRACT NO. 4657 ACCORDING TO MAP THEREOF NO. 12587, FILED IN THE OFFICE OF THE RECORDER OF SAID SAN DIEGO COUNTY, MARCH, 28, 1990; THENCE SOUTHERLY ALONG THE EASTERLY LINE OF SAID LOT 7, AND THE WESTERLY LINE OF LOT 83 OF SAID MAP NO. 12587, SOUTH  $0^{\circ}19'43''$  EAST A DISTANCE OF 23.50 FEET; THENCE LEAVING SAID EASTERLY LINE OF SAID LOT 7, NORTH  $84^{\circ}05'07''$  WEST A DISTANCE OF 84.72 FEET TO THE BEGINNING OF A TANGENT 25.00 FOOT RADIUS CURVE, CONCAVE NORTHEASTERLY; THENCE ALONG THE ARC OF SAID CURVE THROUGH A CENTRAL ANGLE OF  $83^{\circ}45'24''$ , A DISTANCE OF 36.55 FEET TO A POINT 106.50 FEET WESTERLY OF, MEASURED AT RIGHT ANGLES, SAID EASTERLY LINE OF LOT 7; THENCE TANGENT TO SAID CURVE, NORTH  $0^{\circ}19'43''$  WEST, PARALLEL WITH THE EASTERLY LINE OF SAID LOT 7, A DISTANCE OF 160.60 FEET TO AN INTERSECTION WITH A LINE 14.00 FEET SOUTHERLY OF, MEASURED AT RIGHT ANGLES, THE WESTERLY PROLONGATION OF THE NORTHERLY LINE OF SAID LOT 84; THENCE SOUTHEASTERLY, PARALLEL WITH SAID NORTHERLY LINE OF LOT 84, SOUTH  $75^{\circ}12'08''$  EAST A DISTANCE OF 110.32 FEET TO THE EASTERLY LINE OF SAID LOT 7 BEING ALSO THE WESTERLY LINE OF SAID LOT 84; THENCE SOUTH  $0^{\circ}19'43''$  EAST ALONG SAID EASTERLY LINE 142.37 FEET TO THE **TRUE POINT OF BEGINNING**.

AREA = 0.42 ACRES

**EXHIBIT "B"**



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J-402C

**SITE DESIGN ASSOCIATES, INC.**  
 1016 BROADWAY SUITE "A"  
 ELCAJON, CA 92021  
 (619) 442-8467

**CO. S.D. TRACT 4657- LOT #84**

SCALE 1" = 30'  
 DATE 8/6/10

18686

EXHIBIT B-2

BACKYARD IMPROVEMENTS, BACKYARD AREA  
AND EXCLUSIVE USE COMMON AREA  
FOR LOT 86

## EXHIBIT "A"

THAT PORTION OF LOT 7 OF FAIRBANKS COUNTRY CLUB UNIT NO. 3, IN THE COUNTY OF SAN DIEGO, STATE OF CALIFORNIA, ACCORDING TO MAP THEREOF NO. 10941 FILED IN THE OFFICE OF THE COUNTY RECORDER OF SAID SAN DIEGO COUNTY, MARCH 21, 1983, MORE PARTICULARLY DESCRIBED AS FOLLOWS:

**BEGINNING** AT A POINT ON THE EASTERLY BOUNDARY OF SAID LOT 7, SAID POINT BEING ALSO THE SOUTHWEST CORNER OF LOT 86 OF COUNTY OF SAN DIEGO TRACT NO. 4657 ACCORDING TO MAP THEREOF NO. 12587, FILED IN THE OFFICE OF THE RECORDER OF SAID SAN DIEGO COUNTY, MARCH, 28, 1990; THENCE PERPENDICULAR TO THE EAST LINE OF SAID LOT 7 AND THE WEST LINE OF SAID LOT 86, SOUTH 89°40'17" WEST, A DISTANCE OF 106.50 FEET TO AN INTERSECTION WITH A LINE 106.50 FEET WESTERLY OF, MEASURED AT RIGHT ANGLES, AND PARALLEL WITH THE EASTERLY LINE OF SAID LOT 7: THENCE NORTHERLY ALONG SAID PARALLEL LINE NORTH 0°19'43" WEST, A DISTANCE OF 157.00 FEET; THENCE SOUTH 75°56'59" EAST, A DISTANCE OF 109.94 FEET TO THE NORTHWEST CORNER OF SAID LOT 86 BEING ALSO THE EAST LINE OF SAID LOT 7; THENCE SOUTHERLY ALONG THE EAST LINE OF SAID LOT 7, BEING ALSO THE WEST LINE OF LOT 86, SOUTH 0°19'43" EAST A DISTANCE OF 129.70 FEET TO THE SOUTHWEST CORNER OF SAID LOT 86, AND THE **TRUE POINT OF BEGINNING**.

AREA = 0.35 ACRES



EXHIBIT B-3

BACKYARD IMPROVEMENTS, BACKYARD AREA  
AND EXCLUSIVE USE COMMON AREA  
FOR LOT 87

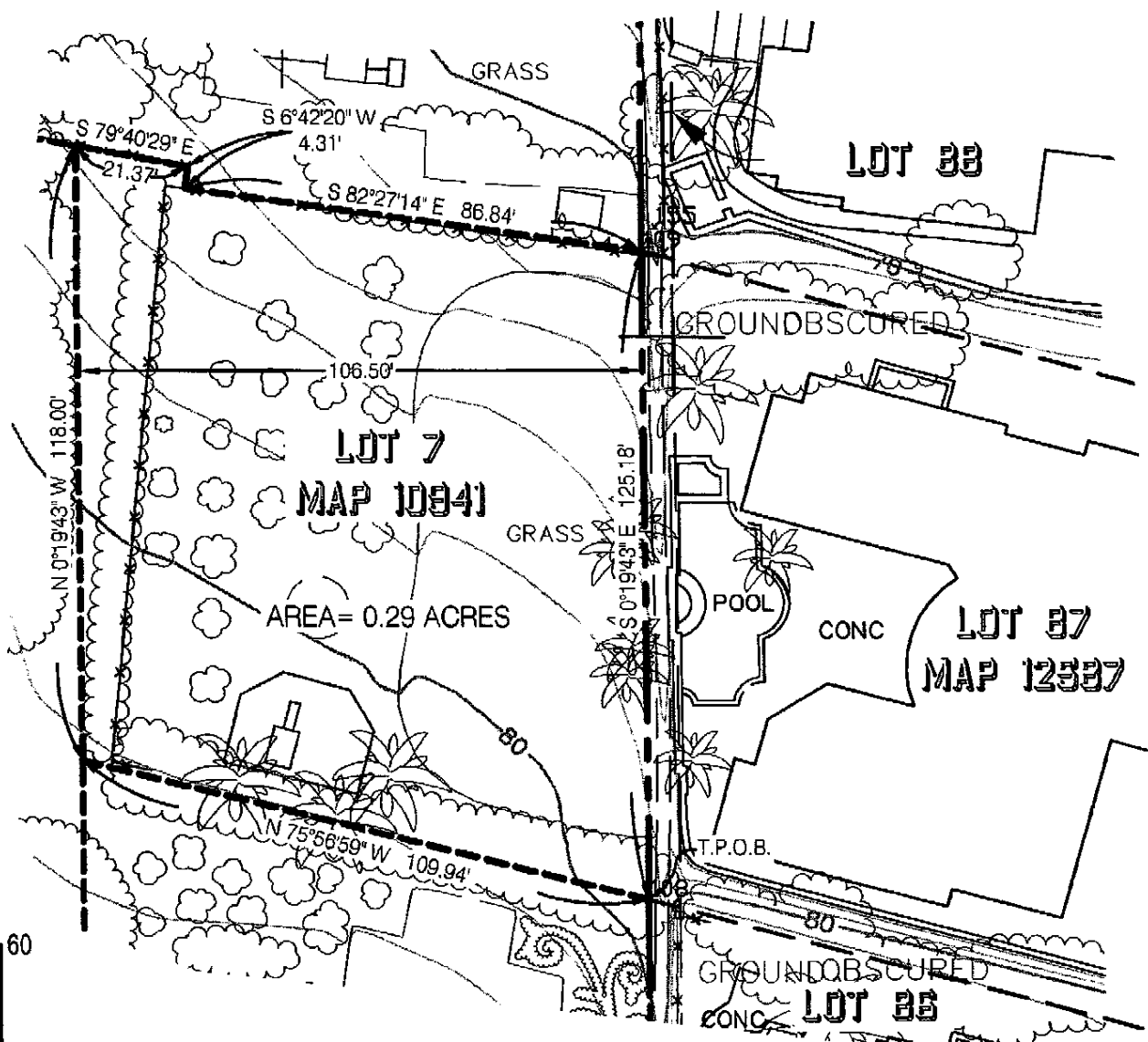
## EXHIBIT "A"

THAT PORTION OF LOT 7 OF FAIRBANKS COUNTRY CLUB UNIT NO. 3, IN THE COUNTY OF SAN DIEGO, STATE OF CALIFORNIA, ACCORDING TO MAP THEREOF NO. 10941 FILED IN THE OFFICE OF THE COUNTY RECORDER OF SAID SAN DIEGO COUNTY, MARCH 21, 1983, MORE PARTICULARLY DESCRIBED AS FOLLOWS:

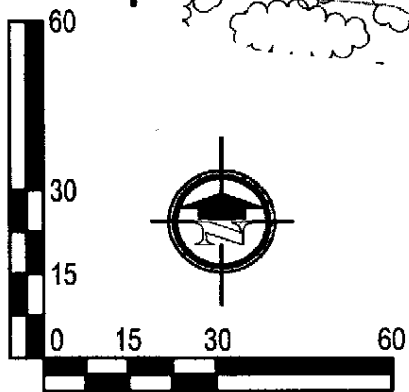
**BEGINNING** AT A POINT ON THE EASTERLY BOUNDARY OF SAID LOT 7, SAID POINT BEING ALSO THE SOUTHWEST CORNER OF LOT 87 OF COUNTY OF SAN DIEGO TRACT NO. 4657 ACCORDING TO MAP THEREOF NO. 12587, FILED IN THE OFFICE OF THE RECORDER OF SAID SAN DIEGO COUNTY, MARCH, 28, 1990; THENCE NORTH 75°56'59" WEST, A DISTANCE OF 109.94 FEET TO AN INTERSECTION WITH A LINE 106.50 FEET WESTERLY OF, MEASURED AT RIGHT ANGLES, AND PARALLEL WITH THE EASTERLY LINE OF SAID LOT 7; THENCE NORTHERLY ALONG SAID PARALLEL LINE NORTH 0°19'43" WEST, A DISTANCE OF 118.00 FEET; THENCE LEAVING SAID PARALLEL LINE, SOUTH 79°40'29" EAST, A DISTANCE OF 21.37 FEET; THENCE SOUTH 6°42'20" WEST, A DISTANCE OF 4.31 FEET; THENCE SOUTH 82°27'14" EAST, A DISTANCE OF 86.84 FEET TO THE NORTHWEST CORNER OF SAID LOT 87; THENCE SOUTHERLY ALONG THE EAST LINE OF SAID LOT 7, BEING ALSO THE WEST LINE OF LOT 87, SOUTH 0°19'43" EAST A DISTANCE OF 125.18 FEET TO THE SOUTHWEST CORNER OF SAID LOT 87, AND THE **TRUE POINT OF BEGINNING**.

AREA = 0.29 ACRES

# EXHIBIT "B"



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**LEGEND**

SUBDIVISION BOUNDARY

LOT LINE

PROPOSED EASEMENT

J-402C



**SITE DESIGN ASSOCIATES, INC.**  
 1016 BROADWAY SUITE "A"  
 ELCAJON, CA 92021  
 (819) 442-8467

## CO. S.D. TRACT 4657- LOT #87

SCALE 1" = 30'  
 DATE 8/6/10

18692

EXHIBIT B-4

BACKYARD IMPROVEMENTS, BACKYARD AREA  
AND EXCLUSIVE USE COMMON AREA  
FOR LOT 88

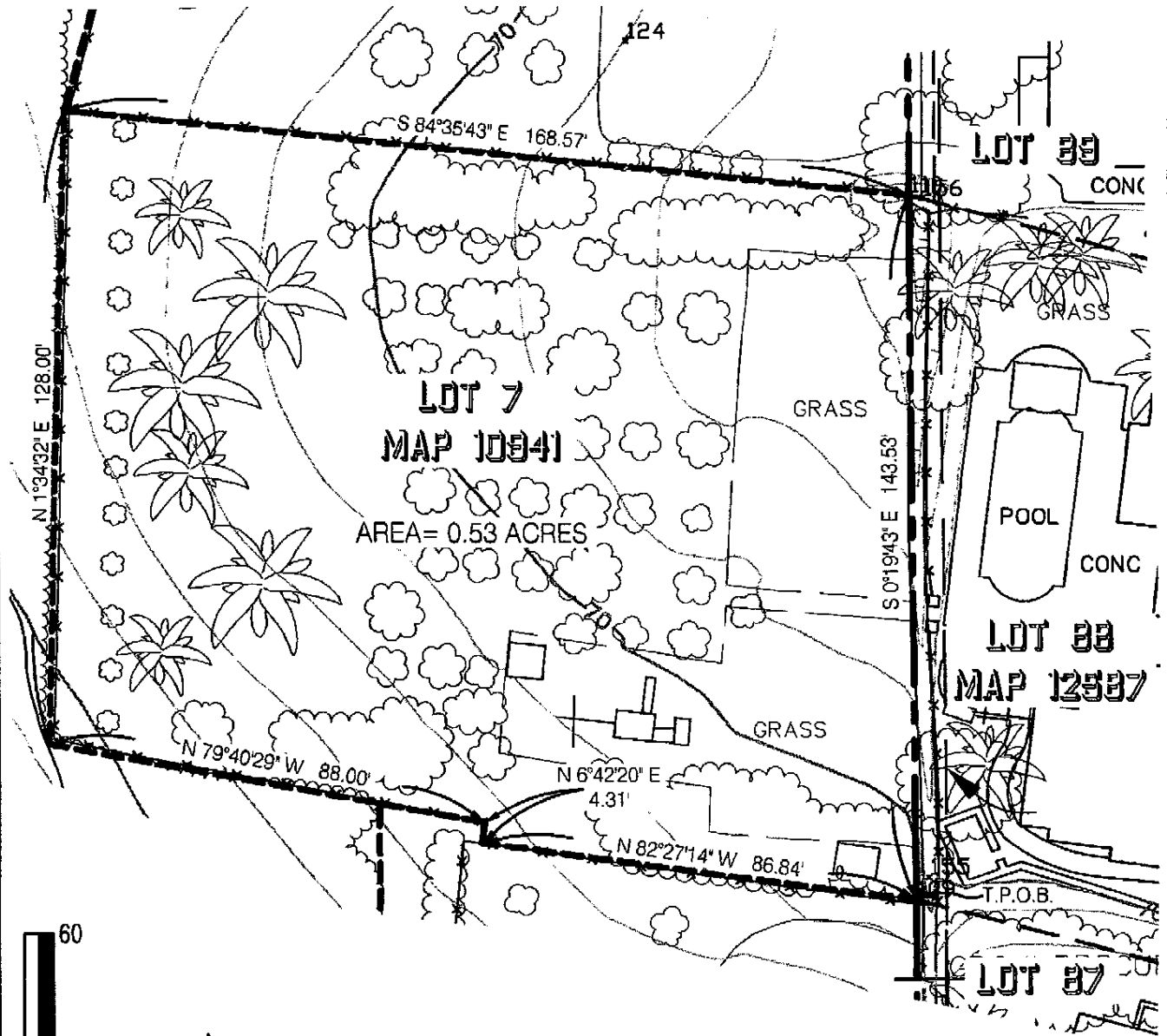
## EXHIBIT "A"

THAT PORTION OF LOT 7 OF FAIRBANKS COUNTRY CLUB UNIT NO. 3, IN THE COUNTY OF SAN DIEGO, STATE OF CALIFORNIA, ACCORDING TO MAP THEREOF NO. 10941 FILED IN THE OFFICE OF THE COUNTY RECORDER OF SAID SAN DIEGO COUNTY, MARCH 21, 1983, MORE PARTICULARLY DESCRIBED AS FOLLOWS:

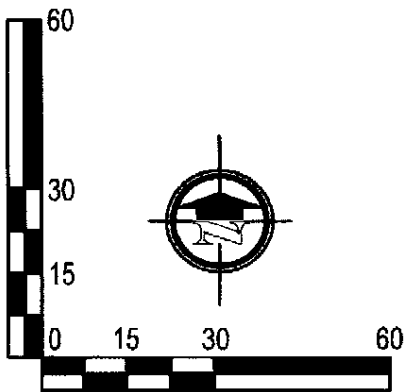
**BEGINNING** AT A POINT ON THE EASTERLY BOUNDARY OF SAID LOT 7, SAID POINT BEING ALSO THE SOUTHWEST CORNER OF LOT 88 OF COUNTY OF SAN DIEGO TRACT NO. 4657 ACCORDING TO MAP THEREOF NO. 12587, FILED IN THE OFFICE OF THE RECORDER OF SAID SAN DIEGO COUNTY, MARCH, 28, 1990; THENCE NORTH 82°27'14" WEST, A DISTANCE OF 86.84 FEET; THENCE NORTH 6°42'20" EAST, A DISTANCE OF 4.31 FEET; THENCE NORTH 79°40'29" WEST, A DISTANCE OF 88.00 FEET; THENCE NORTH 1°34'32" EAST, A DISTANCE OF 128.00 FEET; THENCE SOUTH 84°35'43" EAST, A DISTANCE OF 168.57 FEET TO THE NORTHWEST CORNER OF SAID LOT 88; THENCE SOUTHERLY ALONG THE EAST LINE OF SAID LOT 7, BEING ALSO THE WEST LINE OF SAID LOT 88, SOUTH 0°19'43" EAST A DISTANCE OF 143.53 FEET TO THE SOUTHWEST CORNER OF SAID LOT 88, AND THE **TRUE POINT OF BEGINNING**.

AREA = 0.53 ACRES

# EXHIBIT "B"



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### LEGEND

- SUBDIVISION BOUNDARY
- LOT LINE
- PROPOSED EASEMENT

J-402C

**SITE DESIGN ASSOCIATES, INC.**  
 1016 BROADWAY SUITE "A"  
 ELCAJON, CA 92021  
 (619) 442-8467

## CO. S.D. TRACT 4657- LOT #88

SCALE 1" = 30'  
 DATE 8/6/10

18695

EXHIBIT B-5

BACKYARD IMPROVEMENTS, BACKYARD AREA  
AND EXCLUSIVE USE COMMON AREA  
FOR LOT 89

## EXHIBIT "A"

THAT PORTION OF LOT 7 OF FAIRBANKS COUNTRY CLUB UNIT NO. 3, IN THE COUNTY OF SAN DIEGO, STATE OF CALIFORNIA, ACCORDING TO MAP THEREOF NO. 10941 FILED IN THE OFFICE OF THE COUNTY RECORDER OF SAID SAN DIEGO COUNTY, MARCH 21, 1983, MORE PARTICULARLY DESCRIBED AS FOLLOWS:

**BEGINNING** AT A POINT ON THE EASTERLY BOUNDARY OF SAID LOT 7, SAID POINT BEING ALSO THE SOUTHWEST CORNER OF LOT 89 OF COUNTY OF SAN DIEGO TRACT NO. 4657 ACCORDING TO MAP THEREOF NO. 12587, FILED IN THE OFFICE OF THE RECORDER OF SAID SAN DIEGO COUNTY, MARCH, 28, 1990; THENCE NORTH 84°35'43" WEST, A DISTANCE OF 168.57 FEET; THENCE NORTH 15°21'45" EAST, A DISTANCE OF 72.50 FEET; THENCE SOUTH 76°29'12" EAST, A DISTANCE OF 24.20 FEET; THENCE NORTH 12°50'01" EAST, A DISTANCE OF 78.74 FEET TO A POINT ON THE NORTHERLY LINE OF SAID LOT 7, 106.70 FEET WESTERLY OF THE NORTHEAST CORNER THEREOF; THENCE EASTERLY ALONG THE NORTHERLY LINE OF SAID LOT 7, SOUTH 89°38'19" WEST, A DISTANCE OF 106.70 FEET TO THE NORTHEASTERLY CORNER THEREOF, BEING ALSO THE CORNER COMMON TO LOTS 89 AND 90 OF SAID MAP 12587; THENCE SOUTHERLY ALONG THE EAST LINE OF SAID LOT 7, BEING ALSO THE WEST LINE OF SAID LOT 89, SOUTH 0°19'43" EAST A DISTANCE OF 143.53 FEET TO THE SOUTHWEST CORNER OF SAID LOT 88, AND THE **TRUE POINT OF BEGINNING.**

AREA = 0.47 ACRES

# EXHIBIT "B"

LOT 90

S 89°38'19" W 106.70'

70

N 12°50'01" E 78.74'

S 76°29'12" E 24.20'

N 152°145' E 72.50'

TIP

LOT 7

MAP 10841

AREA = 0.47 ACRES

124

N 84°35'43" W 168.57'

GRASS

S 0°19'43" E 143.53'

CONC

GRASS

POOL

LOT 89

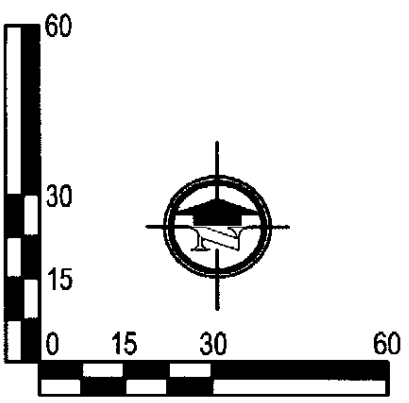
MAP 12387

CONC

T.P.O.B.

CONC

LOT 88



## LEGEND

- SUBDIVISION BOUNDARY
- LOT LINE
- PROPOSED EASEMENT

J-402C

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**SITE DESIGN ASSOCIATES, INC.**  
 1016 BROADWAY SUITE "A"  
 ELCAJON, CA 92021  
 (619) 442-8467

CO. S.D. TRACT 4657- LOT #89

SCALE 1" = 30'  
DATE 8/6/10

18698

EXHIBIT B-6

BACKYARD IMPROVEMENTS, BACKYARD AREA  
AND EXCLUSIVE USE COMMON AREA  
FOR LOT 90

## EXHIBIT "A"

THAT PORTION OF LOT 7 OF FAIRBANKS COUNTRY CLUB UNIT NO. 3, IN THE COUNTY OF SAN DIEGO, STATE OF CALIFORNIA, ACCORDING TO MAP THEREOF NO. 10941 FILED IN THE OFFICE OF THE COUNTY RECORDER OF SAID SAN DIEGO COUNTY, MARCH 21, 1983, MORE PARTICULARLY DESCRIBED AS FOLLOWS:

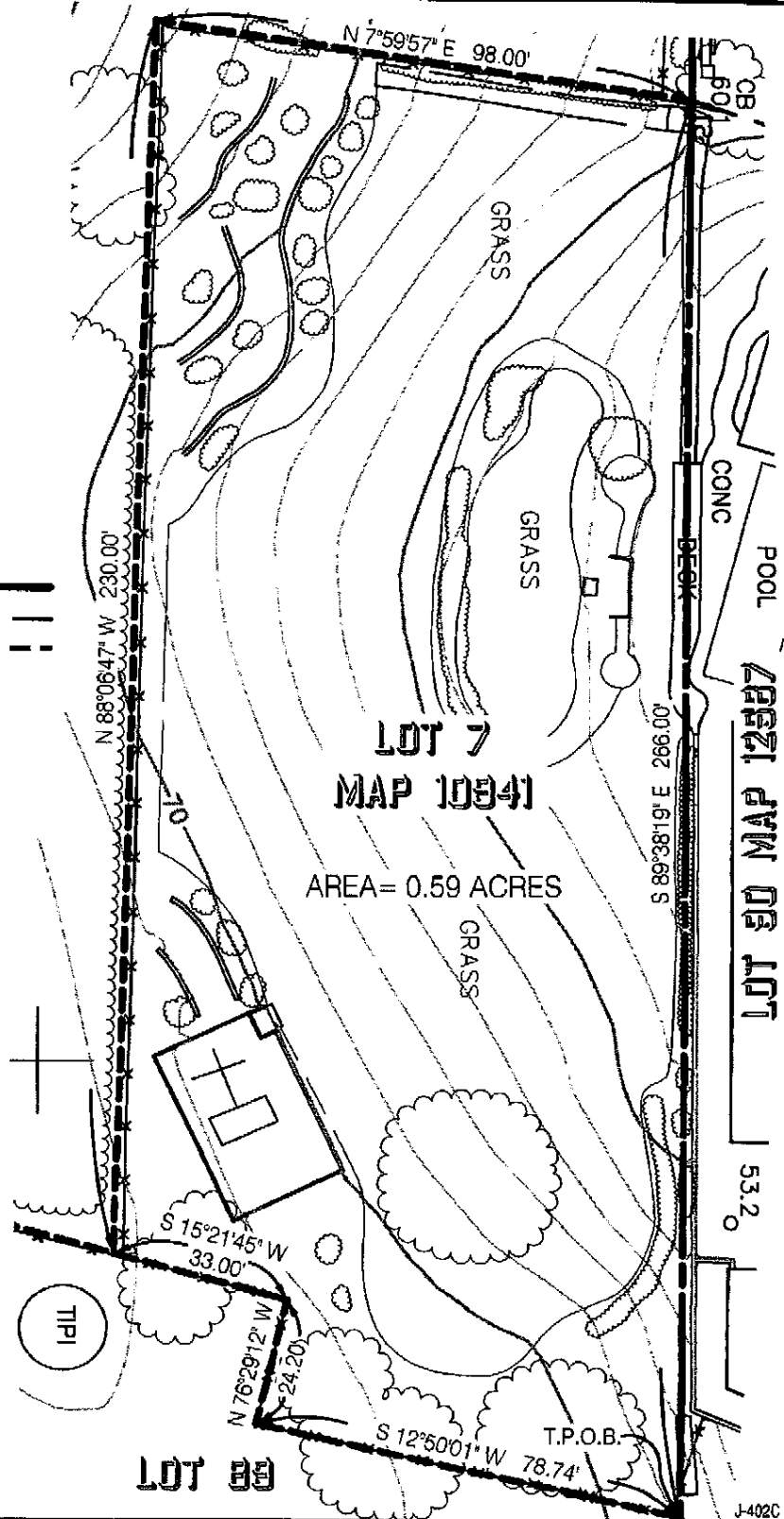
**BEGINNING** AT A POINT ON THE NORTHERLY BOUNDARY OF SAID LOT 7, SAID POINT BEING ALSO A POINT ON THE SOUTHERLY LINE OF LOT 90 OF COUNTY OF SAN DIEGO TRACT NO. 4657 ACCORDING TO MAP THEREOF NO. 12587, FILED IN THE OFFICE OF THE RECORDER OF SAID SAN DIEGO COUNTY, MARCH, 28, 1990, 106.70 FEET WESTERLY OF THE SOUTH EAST CORNER THEREOF; THENCE SOUTH 12°50'01" WEST, A DISTANCE OF 78.74 FEET; THENCE NORTH 76°29'12" WEST, A DISTANCE OF 24.20 FEET; THENCE SOUTH 15°21'45" WEST, A DISTANCE OF 33.00 FEET; THENCE NORTH 88°06'47" WEST, A DISTANCE OF 230.00 FEET; THENCE NORTH 7°59'57" EAST, A DISTANCE OF 98.00 FEET TO A POINT ON THE NORTH LINE OF SAID LOT 7, BEING ALSO THE SOUTHWEST CORNER OF SAID LOT 90; THENCE EASTERLY ALONG THE NORTHERLY LINE OF SAID LOT 7, BEING ALSO THE SOUTHERLY LINE OF SAID LOT 90, SOUTH 89°38'19" EAST, A DISTANCE OF 266.00 FEET TO THE **TRUE POINT OF BEGINNING**.

AREA = 0.59 ACRES

18700

# EXHIBIT "B"

- LEGEND**
- SUBDIVISION BOUNDARY
  - LOT LINE
  - PROPOSED EASEMENT



P:\402 Fairbanks Ranch Club\402C EASEMENTS FINAL.dwg, 8/9/2010 3:22:55 PM



**SITE DESIGN ASSOCIATES, INC.**  
 1016 BROADWAY SUITE "A"  
 ELCAJON, CA 92021  
 (619) 442-8467

## CO. S.D. TRACT 4657- LOT #90

SCALE 1" = 30'  
 DATE 8/6/10