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Foxboro Land & Development Co.
P. O. Box 5537
Fresno, CA 93755
Attn: George Knapp, George Knapp

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DECLARATION
OF
COVENANTS, CONDITIONS AND RESTRICTIONS
OF
RIDGELINE

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OF
RIDGELINE

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DECLARATION
OF
COVENANTS, CONDITIONS AND RESTRICTIONS
OF
RIDGELINE
(PLANNED DEVELOPMENT)

THIS DECLARATION is made on the date hereinafter set forth by FOXBORO LAND & DEVELOPMENT CO., a partnership (herein referred to as "Declarant"):

SECTION 1: RECITALS

1.01. Description of Real Property. Declarant is the owner of that certain real property in the County of Madera, State of California, which is more particularly described on Exhibit "A" attached hereto and incorporated herein.

1.02. Multiple Phases. Declarant has improved or intends to improve the Project by subdividing it into 53 residential lots ("Lots") and 1 common area lot with improvements ("Common Area").

The development of the Project is in the first phase of a proposed 3 phased project. It is anticipated that the future phases, if annexed, will consist of a total of 114 residential lots and additional common area lots; all to be constructed in accordance with any development plans, maps and specifications on file with the County of Madera, and the California Department of Real Estate.

Declarant may, but is not required to, annex future phases to the Project. Any annexation by Declarant shall be done in accordance with Section 3.05.

1.03. Ownership Interests. Each owner shall receive fee title to his Lot, a membership in the Ridgeline Homeowners Association ("Association"), which shall hold title to the Common Area, a non-exclusive easement for use, enjoyment, ingress and egress over the Common Area, and such other interests as are provided herein.

1.04. Common Plan for Project. By this Declaration, Declarant intends to establish a common scheme and plan for the possession, use, enjoyment, repair, maintenance, restoration and improvement of the Project and the interests therein conveyed and to establish thereon a Planned Development.

NOW, THEREFORE, Declarant hereby declares that the real property described on Exhibit A shall be constructed, held, conveyed, mortgaged, encumbered, leased, rented, used, occupied, sold and improved, subject to the following declarations, limitations, covenants, conditions, restrictions and easements, all of which are for the purpose of enhancing and protecting the value and attractiveness of the Property, and the Project, and every part thereof, in accordance with the plan for improvement of the Property and the division thereof into Lots. All of the limitations, covenants, conditions, restrictions and easements shall constitute covenants which shall run with the land and shall be binding upon Declarant and its successors and assigns, and all parties having or acquiring any right, title or interest in or to any part of the Property or the Project.

ARTICLE 2: DEFINITIONS

In addition to other definitions provided for herein, the following terms shall have the following meanings:

2.01. "Articles" shall mean the Articles of Incorporation of the Association, as amended from time to time.

2.02. "Assessment" shall mean that portion of the cost of maintaining, improving, repairing, operating and managing the Property which is to be paid by each Lot Owner as determined by the Association.

2.03. "Association" shall mean the Ridgeline Homeowners Association, a California non-profit mutual benefit corporation, the members of which shall be the Owners of Lots in the Project, their successors and assigns.

2.04. "Association Rules" shall mean rules which may be adopted by the Association.

2.05. "Board" or "Board of Directors" shall mean the governing body of the Association.

2.06. "Bylaws" shall mean the Bylaws of the Association, as amended from time to time.

2.07. "Common Area" shall mean the Common Area as shown on the Map and all improvements erected thereon. The Common Area shall not include the residential Lots. Title to the Common Area shall be held by the Association for the use, enjoyment and benefit of the Members. The Common Area may be expanded through the annexation of additional properties described in Exhibit "B".

2.08. "Common Expenses" shall mean and include the actual and estimated expenses of operating the Property and any reasonable reserve for such purposes as found and determined by the Board and all sums designated Common Expenses by or pursuant to the Project Documents.

2.09. "Declarant" shall mean Foxboro Land & Development Co., a partnership, its successors and assigns.

2.10. "Declaration" shall mean this Declaration, as amended from time to time.

2.11. "Final Public Report" shall mean the final public report issued by the California Department of Real Estate or any successor state agency pursuant to the California Subdivided Lands Act (Business & Professions Code Section 11000 et seq.) as it may be amended from time to time.

2.12. "Improvements" shall mean all structures and improvements on the Property, including, but not limited to, paving, fences, signs and landscaping.

2.13. "Lot" shall mean any parcel of land shown on the Map, with the exception of the Common Area.

2.14. "Map" shall mean that subdivision map entitled "Tract No. 200, Ridgeline, Phase I", recorded on October 17, 1985, in Book 31, Pages 113 through 118, in the Official Records of Madera County.

2.15. "Member" shall mean a person or entity entitled to membership in the Association as provided herein. Each Owner or Co-Owner shall be a member.

2.16. "Mortgage" shall mean a mortgage or deed of trust encumbering a Lot or other portion of the Project. "Mortgagee" shall include a beneficiary or a holder of a deed of trust as well as a mortgage. "First Mortgage" or "First Mortgagee" is one having priority over all other Mortgages or holders of Mortgages encumbering the same Lot or other portion of the Project.

2.17. "Owner" or "Owners" shall mean the record holder or holders of title, if more than one, of a fee simple title to any Lot in the Project. This shall not include contract sellers or persons or entities having any interest merely as security for the performance of an obligation. If a Lot is sold under a recorded contract of sale (or a recorded memorandum of such contract) to a purchaser who resides on the Lot, then such purchaser, rather than the fee Owner, shall be considered the "Owner" as long as such purchaser resides on the Lot as a contract purchaser.

2.18. "Project" shall mean the entire real property described on Exhibit "A" attached hereto, including all structures and improvements erected or to be erected thereon or on such additional properties which may be brought within the jurisdiction of the Association.

2.19. "Project Documents" shall mean and include this Declaration, as amended from time to time, the exhibits, if any, attached hereto, together with the other basic documents used to create and govern the Project, including the Map, Articles and Bylaws (but excluding unrecorded rules and regulations adopted by the Board or the Association).

2.20. "Property" or "Properties" shall mean the entire real property described on Exhibits "A" and "B" attached hereto, including all structures and improvements erected or to be erected thereon or on such additional properties described on Exhibit "B" which may be brought within the jurisdiction of the Association.

2.21. "Quorum" shall mean a majority of those entitled to act.

2.22. "Restricted Common Area" shall mean those portions of the Common Area, if any, set aside for exclusive use of a Lot Owner, and all facilities located therein or thereon.

2.23. "Subdivider" shall mean the Declarant.

2.24. "Unit" shall mean a dwelling structure on a Lot.

SECTION 3: PROPERTY RIGHTS

3.01. Common Area. The Common Area shall be owned by the Association for the use and benefit of the Members. It shall be conveyed to the Association free of money encumbrances prior to or concurrently with the close of escrow of the sale of the first lot. The Common Area shall be maintained by the Association as provided in Section 5.01. When the Common Area is conveyed by Declarant to the Association, an easement shall be deemed automatically reserved over the Common Area in favor of Declarant for common driveway purposes, drainage and encroachment purposes and for ingress to and egress from the common areas for the purpose of completing improvements thereon or for the performance of necessary repair work, and for entry onto adjacent property in connection with the development of additional phases of the overall project. Said easement shall continue for the period of time provided for annexation, plus a reasonable period of time thereafter (not to exceed an additional two years) to complete construction of said improvements. Said easement shall automatically terminate four years after the recordation of this Declaration, or the recordation of any Declaration of Annexation for a subsequent phase of the project, whichever occurs later.

In the event that said remaining phases, or any of them, are not annexed as provided above, and the easements reserved by Declarant are terminated automatically as provided above, should any of the properties described in Exhibit "B" require access for ingress and egress over private streets located within the project, said easements shall exist for reasonable vehicular and pedestrian traffic, provided however, that the properties (and the owners thereof) shall be obligated to pay their equitable share of the cost of maintenance and repair of said private streets, and shall be subject to a lien or liens for said maintenance and repair costs.

3.02. Restricted Common Areas. The following described portions of the Common Area, referred to as "Restricted Common Areas", are hereby set aside and allocated for the exclusive use of the Owner of the Lot to which they are attached or hereafter assigned by the Board:

Parking Spaces

Driveways for Unit Type D or DD Lots

3.03. Partition Prohibited. The common areas shall remain undivided as set forth above. Except as provided by California Civil Code Section 1354, no owner shall bring any action for partition, it being agreed that this restriction is necessary in order

to preserve the rights of the owners with respect to the operation and management of the project. Judicial partition by sale of a single lot owned by two or more persons and division of the sale proceeds is not prohibited hereby, but partition of title to a single lot is prohibited.

3.04. Parking/Garages. The Board shall assign the exclusive right to use 2 parking spaces to each Lot. Reassignment of said spaces shall be based upon mutual consent of Lot Owners whose assignments are to be changed, and the consent of the Board. Regardless of any reassignment, each Lot shall always have at least 2 parking spaces assigned to it. In addition to the spaces assigned to the Lots, there may be unassigned spaces, which shall be for the use of all Owners, their tenants and guests. Each Owner who constructs Unit Type "D" or "DD" shall also be entitled to the exclusive use of the garage located upon his Lot and the driveway serving his garage. Restrictions regarding garages and parking are contained in Section 4.03.

3.05. Annexation of Additional Property. Additional property may be annexed to and become subject to this Declaration by any of the following methods set forth in this Section. Upon annexation, additional parcels shall become subject to this Declaration without the necessity of amending individual sections thereof.

a. Annexation Pursuant to Plan. The property described on Exhibit "B" shall be annexed to and become a part of the Project, subject to this Declaration, and subject to the jurisdiction of the Association, without the assent of the Association or its members, or without the assent of the Owners, on condition that:

(1) Date for Annexation: Any annexation pursuant to this Section shall be made prior to the third anniversary of the issuance of the original Public Report for the immediately proceeding phase. Declarant shall be under no obligation to develop or annex said additional phases and real property and Declarant makes no representation with respect to whether or not such additional real property will ever be developed or annexed. This Section shall not be amended without the written approval of Declarant.

(2) No Unreasonable Burden. Any annexation pursuant to this Section shall not result in an unreasonable diminution of the benefits to, or an unreasonable increase in the burdens upon, existing Owners in the Project and shall be consistent with the phasing plan presented to the California Department of Real Estate at the time of application for the original Final Public Report for the sale of Lots in the Project. It is anticipated that the total number of Lots annexed to the Project pursuant to this Section will be approximately 61 Lots.

(3) Declaration of Annexation: A Declaration of Annexation shall be recorded covering the applicable portion of the property to be annexed. Said Declaration may contain such complementary additions and modifications of the covenants and restrictions contained in this Declaration as may be necessary to reflect the different character, if any, of the added property, as are consistent with the scheme of this Declaration. Said Declaration shall include designation of Lots and/or Common Areas for the purpose of this Declaration.

b. Annexation Pursuant to Approval: Upon approval in writing of the Association, pursuant to vote or written consent of 66-2/3% of the total votes residing in members other than the Declarant, the Association and the owner of any property who desires to add it to the scheme of this Declaration and to subject it to the jurisdiction of the Association, may file of record a Declaration of Annexation in the

manner described in Section 3.05(a)(3) (except that the approval of Declarant shall not be required other than as part of the Membership approval).

c. Effect of Annexation: Assessments collected from owners in the property may be expended by the Association without regard to the particular phase from which such assessments came. All owners shall have ingress and egress to all portions of the common area throughout the property, subject to the provisions of this Declaration, the Bylaws of the Association and the Rules and Regulations of the Association in effect from time to time.

d. Quality of Construction: Future improvements to the Project will be consistent with initial improvements in terms of quality of construction.

3.06. Easements. In addition to any and all other easements contained in this Declaration, the Properties shall be subject to the following easements:

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

(1) Section 9 of this Declaration authorizes the Board to impose monetary penalties, temporary suspensions of an Owner's rights as a member of the Association or other appropriate discipline for failure to comply with the governing instruments provided that the established procedures are followed for notice and hearing which satisfy the minimum requirements of Corporations Code Section 7341 and are followed with respect to the accused member before a decision to impose discipline is reached.

(2) The right of the Association to dedicate or transfer all or any part of the Common Area to any public agency, authority, or utility for such purposes and subject to such conditions as may be agreed to by the members. No such dedication or transfer shall be effective unless an instrument signed by two-thirds of the members agreeing to such dedication or transfer has been recorded, provided, however, that no such dedication shall impair the ingress and egress to any individual Lot.

b. Future Restricted Common Areas. The Association may grant an Owner an easement on the Common Area adjacent to the Owner's Lot for the purpose of maintaining a fenced patio area, air conditioning and heating units, a fireplace structure and any other amenity or utility incidental to the use of the Lot.

c. Easements for Utilities and Maintenance. Easements over and under the Property for the installation, repair and maintenance of electric, telephone, water, gas and sanitary sewer lines and facilities, heating facilities, cable or master television antenna lines, drainage facilities, walkways and landscaping as shown on the recorded map of the property, and as may be hereafter required or needed to service the Property, are hereby reserved by Declarant and its successors and assigns, including the Association, together with the right to grant and transfer the same.

d. Encroachment Easements. - Each Lot within the Property is hereby declared to have an easement over all adjoining Lots and the Common Area for the purpose of accomodating any encroachment due to engineering errors, errors in original construction, settlement or shifting of the building, or any other cause. There shall be valid easements for the maintenance of said encroachments as long as they shall exist, and the rights and obligations of Owners shall not be altered in any way by said encroachment, settlement or shifting; provided, however, that in no event shall a valid easement for encroachment be created in favor of an Owner or Owners if said encroachment occurred due to the willful misconduct of said Owner or Owners. In the event a structure is partially or totally destroyed, and then repaired or rebuilt, the Owners of each Lot agree that minor encroachments over adjoining Lots or Common Area shall be permitted and that there shall be valid easements for the maintenance of said encroachments so long as they shall exist.

e. Easement for Driveway Maintenance. - The Association may grant an Owner of Unit Type "D" or "DD" an easement for repair and maintenance of the driveway serving his Lot.

f. Easement for Maintenance of Propane Tank(s). - Easements over the Common Area for the installation, repair and maintenance of the propane tank(s) and gas lines are hereby reserved by Declarant and its successors and assigns, including the Association, together with the right to grant and transfer the same.

g. Side Yard Easement. - The plan of this subdivision is that the majority of the dwellings shall be constructed near the common side boundary lines of the lots. In each such case, an easement five feet in width is hereby reserved in favor of the owner of each common side boundary lot over the adjoining common side boundary lot. The easement shall be extended along lines parallel with the common boundary and shall be bounded as follows:

1. On one side by said common boundary
2. On one side by the front lot line
3. On one side by the rear lot line
4. On one side by a line drawn parallel with said common boundary being five feet from said common boundary extending from the front lot line to the rear lot line.

The purpose of said easement shall be for the construction, repair and maintenance of the dwelling structure to be built on each lot and for pedestrian ingress and egress over the adjoining common side boundary lot as a servitude in favor of each adjoining common side boundary lot and owner thereof as a dominant tenement.

SECTION 4: USE RESTRICTIONS

4.01. Use of Lots. No Lot, or any portion thereof, shall be occupied and used except for single family residential purposes by the Owners, their contract purchasers, lessees, tenants, or social guests. No trade or business or commercial activity shall be carried on or conducted upon any Lot, except that Declarant, its successors or assigns, may use any Lot in the Project owned by Declarant for a model home site and display and sales office during construction and until the last Lot is sold by Declarant, or until 3 years from the date of closing of the first sale of a Lot in the latest annexed phase of the Project, whichever occurs first. The provisions of this Section shall not prohibit home occupations so long as they are merely incidental to the use of the Lot as a dwelling, are permitted by local law, are conducted in such a manner as not to adversely affect other Owners' use and enjoyment of the Project, and have received prior written approval of the Board.

4.02. Vehicle Restrictions. No trailer, camper, mobile home, boat or similar equipment shall be permitted to remain upon any area within the Property, other than the recreational vehicle storage area. No commercial vehicle, truck (other than a standard size pickup truck), or inoperable automobile shall remain upon any area within the Property. Commercial vehicles shall not include sedans or standard size pickup trucks which are used both for business and personal use, provided that any signs or markings of a commercial nature on such vehicles shall be unobtrusive and inoffensive as determined by the Board. No noisy or smoky vehicles shall be operated on the Property. No off-road unlicensed motor vehicles shall be operated upon the Property.

4.03. Garages and Parking. Each Owner of a Unit Type "D" or "DD" shall keep his garage area in a neat and orderly condition with any storage areas completely enclosed. Garage doors shall be kept closed when not in use. Each Owner shall be entitled to the exclusive use of the driveway serving his garage and shall keep said driveway clean and free of debris. Visitor parking spaces are provided for guests. A recreational vehicle storage area has been designated on the Project for storage of Owners' campers, trailers, boats or recreational vehicles. The Board may adopt reasonable rules and regulations governing the use of the recreational vehicle storage area, and shall assign such spaces on a first-come, first-serve basis. The Board may charge a fee to an Owner for use of the R. V. parking area.

4.04. Signs. No sign of any kind shall be displayed to the public view on or from any Lot or any portion of the Property without the approval of the Association, except as follows:

a. One sign of customary and reasonable dimensions advertising a Lot for sale, lease, rent or exchange displayed from a Lot; and

b. Such signs as may be used by Declarant or its assignees in connection with the development of the project and sale of Lots; and

c. Such other signs or notices as are required by law or as are otherwise necessary to perfect a right provided for in law.

Any outdoor signs proposed shall be submitted to the County Planning Department for approval prior to construction.

4.05. Animals. No animals, or birds of any kind shall be raised, bred, or kept on any Lot or portion of the Property; except that no more than two usual and ordinary household pets such as dogs, cats, or birds in cages may be kept, provided that they are not kept, bred, or maintained for any commercial purposes, and they are kept under reasonable control at all times. Notwithstanding the foregoing, no pets may be kept on the Property which result in an annoyance or nuisance to other Owners. No pets shall be allowed on the Common Area except as may be permitted by rules of the Board.

4.06. Trash; Storage of Materials. All garbage and trash shall be regularly removed from the Property, and shall not be allowed to accumulate thereon. It shall be placed and kept in covered sanitary containers where it is not visible from any neighboring lot except for a reasonable time prior to or after collection. All woodpiles or storage piles shall be kept screened and concealed from view of other Lots, streets and Common Areas. Garbage and trash shall be placed for pick up as required by the disposal service and any rules adopted by the Association.

4.07. Right to Lease. No Owner shall be permitted to lease or rent his Lot for transient or hotel purposes, which shall include, but not be limited to rental for any period less than 30 days. All leases must be in writing and be expressly subject to the Project Documents and the breach of any provision shall be a default under the Lease or Rental Agreement. Subject to the foregoing restrictions, the Owners of Lots shall have the right to lease the same, provided that the Board is notified of the name of the tenant and the duration of the Lease. The Owner shall provide the Lessee with a copy of the Articles, Bylaws, Declaration and any Rules and Regulations of the Association.

4.08. Architectural Approval. The Architectural Control Committee shall consist of 5 members. Declarant may appoint all of the original members of the Committee and all replacements until the first anniversary of the issuance of the original Public Report for the first (or only) phase of the Project. The Declarant reserves to itself the power to appoint a majority of the members of the Committee until 90% of all the Lots in the Project (including subsequent phases) have been sold or until the fifth anniversary of the original issuance of the Final Public Report for the first (or only) phase of the Project, whichever occurs first.

After one year from the date of the issuance of the original Public Report for the first (or only) phase, the Board shall have the power to appoint one member to the Architectural Control Committee until 90% of all the lots in the overall Project have been sold or until the fifth anniversary date of the original issuance of the Final Public Report for the first (or only) phase of the Project, whichever occurs first. Thereafter, the Board shall have the power to appoint all of the members of the Architectural Control Committee. Members appointed to the Architectural Control Committee by the Board shall be from the membership of each phase of the Project. Members appointed to the Architectural Committee by the Declarant need not be members of the Association. In the event of death or resignation of any member of the Committee, the successor shall be appointed by the person, entity or group which appointed such member until Declarant no longer has the

right to appoint any members to the Committee, and thereafter the Board shall have the full authority to designate such a successor. The members of the Committee shall not be entitled to any compensation for services performed pursuant hereto.

Any dwelling units constructed on a Lot shall conform to the dwelling units described on the attached Exhibit "D". In addition, an Owner shall select a unit type which corresponds to his Lot Number as shown on the attached Exhibit "C". The Architectural Control Committee shall have the authority to waive this requirement if alternative compatible plans are submitted by an Owner. However, no relocated structures shall be allowed. Construction must be in compliance with the plans submitted and approved by the Planning Commission and Board of Supervisors and may not vary from those plans without their consent. No building, fence, wall, obstruction or structure of any kind (other than the dwelling units shown on the plans attached as Exhibit "D") shall be commenced, erected or maintained upon the Property, nor shall any alteration or improvement of any kind be made thereto until the same has been approved in writing by the Architectural Control Committee. Plans and specifications showing the nature, kind, shape, color, size, materials and location of such improvements, alterations, etc. shall be submitted to the Architectural Control Committee for approval as to quality of workmanship and design and harmony of external design with existing structures, and as to location in relation to surrounding structures, topography, and finish grade elevation. All dwelling units shall be designed to conform to the natural topography so that there will be a minimum amount of ground disturbance.

Failure of the Committee to act within 30 days after the plans have been submitted to it shall constitute approval.

4.09. Temporary Residence. No mobile home, travel trailer or recreational vehicle is to be used as a residence except on a temporary basis, not to exceed one year, during construction of a permanent dwelling. Such use is subject to approval by the County of Madera.

4.10. Completion of Construction. The Owner of a Lot shall complete the exterior construction of his dwelling unit within one year from the date the building permit was issued for that Lot, except, and only for so long, as such completion is rendered impossible or would result in great hardship to the Owner due to strikes, fires, acts of God, actual inability of the Owner to procure deliveries of necessary materials, or by other forces or persons beyond the control of the Owner to prevent. Financial inability of the Owner or his contractor to secure labor or materials or to discharge liens or attachments shall not be deemed a cause beyond his control.

4.11. Failure to Complete Construction. Any construction which is not completed in a good and workmanlike manner, in substantial conformity to the plans and specifications approved for it by the Architectural Control Committee, within the time limits provided in Section 4.09, and where such failure is not excused by the provisions herein, shall be deemed a nuisance, and the Architectural Control Committee shall have the right to enter upon the premises and to have such incomplete construction removed or to carry such construction forward to completion, the charge for work so performed to be billed to, and paid for, by the Owner or Owners of such Lot, and the Association may bring an action at law against the Owner for the costs and expenses incurred in such removal or completion. Any judgment rendered hereunder shall include interest, reasonable attorneys' fees and court costs.

4.12. Trees. An Owner shall clear trees on his Lot only to the extent required for construction of his dwelling unit. No other trees shall be cut, removed, or destroyed on the Property without the prior written consent of the Architectural Control Committee.

4.13. Clotheslines. No exterior clotheslines or other outside clothes drying or airing facility shall be erected or maintained on the properties in any location where the same would be visible from any street or neighboring lot. Further, no clothes washers, clothes dryers, refrigerators or freezers may be kept, stored or operated on any balcony, patio, porch or other exterior area.

4.14. Power Equipment and Car Maintenance. No power equipment, work shops or car maintenance of a material nature shall be permitted on the Property without the prior written approval of the Board. In deciding to grant approval, the Board shall consider the effects of noise, air pollution, dirt or grease, fire hazard, interference with radio or television reception and similar objections.

4.15. Drainage. No Owner shall do any act or construct any improvement which would interfere with the natural or established drainage systems or patterns within the Project without the approval of the Board.

4.16. Liability of Owners for Damage to Common Area. The Owner of each Lot shall be liable to the Association for all damages to the Common Area and/or improvements thereon caused by such Owner or any occupant of his Unit or guest, except for that portion of said damage, if any, fully covered by insurance of the Association. Liability of an Owner shall be established only after notice to the Owner and hearing before the Board.

4.17. Sports Fixtures. No basketball standards, hoops or backboards or other fixed sports apparatus shall be attached to any Unit or erected on any Lot.

4.18. Nuisances. No noxious, illegal, or seriously offensive activities shall be carried on within any Lot, or in any other part of the Property, nor shall anything be done thereon which may be or may become an annoyance or a nuisance to or which may in any way interfere with the quiet enjoyment of each Owner's Unit or Common Area, or which shall in any way increase the rate of insurance for the Project or for any other Lot, or cause any insurance policy to be cancelled or to cause a refusal to renew the same, or which will impair the structural integrity of any building.

4.19. Compliance with Project Documents. Each Owner, contract purchaser, lessee, tenant, guest, invitee or other occupant of a Lot or user of the Common Area shall comply with the provisions of the Project Documents.

SECTION 5: MAINTENANCE OBLIGATIONS

5.01. Association Maintenance Obligations. The Association shall be responsible for maintaining the following in good condition and repair:

a. Common Area Improvements. The Association shall maintain or provide for the maintenance of all Common Area Improvements, including

but not limited to the private street and recreational vehicle storage area located within the Common Area.

b. Landscaping. The Association shall provide gardening services to maintain and replace as necessary all the landscaping within the Common Area.

In the event the Association shall fail to maintain the open space in a reasonable order and condition, the County of Madera may serve written notice on the Association or upon the residents and owners of the Project, setting forth the manner in which the Association has failed to maintain the open space in a reasonable condition and they may also demand that the deficiencies be cured within a specified time. If this is not corrected within the specified period, the County may enter upon and may maintain these areas with the Association being responsible for the expenses incurred; and if not paid by the Association, will be added to the tax assessment on the property.

If any of the maintenance or repair work referred to above is necessitated by the willful or negligent acts of the Owner, his family, guests or invitees, the costs of such special restoration or repairs shall be chargeable to the Owner as provided in Section 8.06.

5.02. Owners' Maintenance Obligations. Except for the landscaping and limited maintenance to be performed by the Association as specified above, each Owner shall be responsible for maintenance and repair of his Unit and Lot, including specifically: .

a. Exterior Painting. Each Owner shall perform all painting or staining of the exterior wall surfaces and exterior trim of his Unit, provided that the painting or staining shall be in a color approved by the Board.

b. Roofs. Each Owner shall repair and replace the roof of his unit, as needed. Each Owner of a Type "D" or "DD" dwelling unit shall also repair and replace the roof of his garage, as needed.

c. Gutters and Downspouts. All gutters and downspouts shall be maintained and replaced as necessary by each Unit Owner.

d. Doors. Each Owner shall maintain and repair or replace the entryway door(s) to his Unit, provided that the painting or staining shall be in the same color as originally used unless a different color has been approved by the Board.

e. Glass. All windows and sliding glass doors shall be cleaned (outside as well as inside), repaired and replaced by the individual Owners.

f. Appliances and Equipment. Each Owner shall be responsible for maintaining, repairing and replacing all appliances within his Unit, including air conditioning and heating equipment, water heaters, plumbing and lighting fixtures, or other mechanical equipment servicing his particular Unit.

g. Utility Connections. Utility lines and connections, including sewer, electrical, plumbing and gas lines, which are located on a Lot and provide service to the Lot, shall be maintained and repaired by the Owner of the Lot in question and/or the utility company involved, rather than by the Association.

If an Owner of any Lot fails to maintain the premises and improvements situated thereon in a manner satisfactory to the Board, after approval by 2/3rds vote of the Board, the Association shall have the right and power, through its agents and employees, to enter upon and maintain, or provide for the maintenance of, any lot and unit, and to repair, maintain, and restore the Lot, and any other improvements erected thereon, which is not maintained by the Owner thereof in accordance with the requirements of these restrictions. Cost of any such repair or maintenance shall be charged to the Owner through an Individual Charge as provided in Section 8.06 hereof.

SECTION 6: ASSOCIATION, ADMINISTRATION,

MEMBERSHIP AND VOTING

6.01. Association to Manage Project. The management of the Project shall be vested in the Association in accordance with the Project Documents, and all applicable laws, regulations and ordinances of any governmental or quasi-governmental body or agency having jurisdiction over the Project.

6.02. Membership. Each Owner shall be a member of the Association, and shall remain a member thereof until such time as ownership ceases for any reason, at which time such membership in the Association shall automatically cease.

6.03. Transferred Membership. Membership in the Association shall not be transferred, pledged, or alienated in any way, except upon the sale or encumbrance of the Lot to which it is appurtenant, and then only to the purchaser, in the case of a sale, or Mortgagee, in the case of an encumbrance of such Lot. A Mortgagee does not have membership rights until it becomes an Owner by foreclosure or deed in lieu thereof. Any attempt to make a prohibited transfer is void. Any person or entity acquiring fee title or equitable title to a Lot, whether by reason of a deed from the Owner or through a foreclosure, shall within 15 days of acquiring such title inform the Association in writing of the date such title transferred and the name or names in which title is held.

6.04. Classes of Membership and Voting. The Association shall have two classes of voting members:

Class A. Class A members shall be all Owners except Declarant and shall be entitled to one vote for each Lot owned. When more than one person or entity owns a Lot, all such persons and entities shall be members and the vote for such Lot shall be exercised as they among themselves determine, but in no event shall more than one vote be cast with respect to any Lot.

Class B. The Class B member shall be the Declarant, who shall be entitled to three votes for each Lot owned.

6.05. Termination of Class B Membership. The Class B membership shall cease and be converted to Class A membership on the occurrence of whichever of the following is first in time:

(a) When the total outstanding votes held by Class A members equal the total outstanding votes held by Class B members, or

(b) On the second anniversary of the original issuance of the most recently issued Final Public Report for a phase of the Project; or

(c) On the fourth anniversary of the original issuance of the Final Public Report for the first phase of the Project.

6.06. Approval of Members Other Than Declarant. With the exception of actions authorized for the Enforcement of Bonded Obligations, no action which requires the approval of a prescribed majority of the voting power of members of the Association other than the Declarant shall preclude the Declarant from casting votes attributable to subdivision interests which he owns.

Where a two class voting structure is still in effect, any action requiring the approval by the vote or written assent of a prescribed majority of the Class A voting power shall also require the vote or written assent of a bare majority of the Class B voting power.

Where a single class voting structure exists, after the conversion of Class B to Class A membership, approval of any action by the vote or written assent of a prescribed majority of the total voting power of Owners other than the Declarant shall also require the approval by vote or written assent of a bare majority of the total voting power of the Association.

6.07. Inspection of Books. All members shall have reasonable access to inspect the books, records and financial statements of the Association, including annual audited financial statements when such are prepared, pursuant to this Declaration and subject to the same.

6.08. Commencement of Voting Rights. Voting rights attributable to Lots shall not vest until assessments against those Lots have been levied by the Association.

6.09. Co-Owner Votes. The vote for each Lot may not be cast on a fractional basis. If the Co-Owners of a Lot are unable to agree among themselves as to how their vote shall be cast, they shall forfeit the vote on the matter in question. If only one Owner exercises the vote of a particular Lot, it shall be conclusively presumed for all purposes that he was acting with the authority and consent of all other Owners of the same Lot. If more than one Co-Owner exercises the vote for a particular Lot, their votes shall not be counted and shall be deemed void.

6.10. Membership Meetings. Regular and special meetings of members and of the Board shall be held with the frequency at the time and place and in accordance with the provisions of the Bylaws.

6.11. Notice and Place of Meetings. Written notice of each meeting of the members shall be given by, or at the direction of, the secretary or person authorized to call the meeting, by mailing a copy of such notice, postage prepaid, at least 10 days but not more than 90 days before such meeting to each first mortgagee requesting notice and to each member, addressed to the member's address last appearing on the books of the Association, or supplied by such member to the Association for the purpose of notice. Such notice shall specify the place, day and hour of the meeting, and, in the case of a special meeting, the purpose of the meeting. Meetings shall be held within the Project or at a meeting place as close thereto as possible.

6.12. Board of Directors. The affairs of the Association shall be managed by a Board of Directors, which shall be established, and which shall conduct regular and special meetings according to the provisions of the Bylaws.

SECTION 7: POWERS, DUTIES AND LIMITATIONS OF THE ASSOCIATION

7.01. Powers and Duties of Association. In addition to the powers and duties enumerated in its Articles and Bylaws or elsewhere provided for herein, and without limiting the generality thereof, the Association shall have the following powers and duties:

a. Delegation of Powers. To delegate its powers to committees, officers or employees of the Association as expressly authorized by the Project Documents.

b. Management Agent. To employ a management agent and to contract with independent contractors to perform all or any part of the duties and responsibilities of the Association, provided that any contract with a firm or person appointed as a managing agent or any other contract providing for services of the developer, sponsor or builder shall not exceed a 1 year term renewable by the parties for successive one year periods and shall provide for the right of the Association to terminate the same at the first annual meeting of the members of the Association, to terminate the same for cause on 30 days written notice, and either party may terminate without cause and without payment of a termination fee on 60 days written notice.

c. Maintenance. To maintain the Project as required by the provisions of this Declaration.

d. Supervision. To supervise all officers, agents and employees of the Association and see that their duties are properly performed.

e. Assessments, Liens, and Fines. To levy and collect assessments and as provided in the Project Documents, impose fines or take disciplinary action against any Owner for failure to pay assessments or for violation of any provision of the Project Documents. Penalties may include, but are not limited to: fines, temporary suspension of voting rights, or other appropriate discipline for failure to comply with the governing instruments, provided that the accused member is given notice and the opportunity to be heard by the Board with respect to the alleged violations before a decision to impose discipline is reached. Such notice and hearing procedures shall

satisfy the minimum requirements of Corporations Code Section 7341, which are set forth in this Declaration.

f. Enforcement of Project Documents. To enforce applicable provisions of the Project Documents for the ownership, management and control of the Project.

g. Adoption of Rules. To adopt, amend and repeal reasonable rules consistent with this Declaration relating to the use of the Common Area and the conduct of Owners and their tenants and guests with respect to the Property and other Owners. A copy of the Association Rules as adopted, amended or repealed shall be mailed or otherwise delivered to each Owner.

h. Records. Cause to be kept a complete record of all its acts and corporate affairs and to present a statement thereof to the members at the annual meeting of the members, or at any special meeting when such statement is requested in writing by 5% or more of the total voting power of the Association; keep adequate and correct books and records of account, minutes of proceedings of its members, Board and committees, and a record of its members giving their names and addresses and classes of membership.

i. Water and Other Utilities. To acquire, provide and pay for water, sewer, garbage disposal, refuse and rubbish collection, electrical, telephone, gas and other utility services as necessary for the Common Area.

j. Granting of Easements. To grant easements where necessary for utilities and sewer facilities over the Common Area to serve the Common Area and the Lots.

k. Exercise of Easements. To exercise all easement rights as granted to it in this Declaration for the purpose of performing the maintenance authorized herein or for any other purpose reasonably related to the performance by the Association or the Board of their responsibilities, the Association's agents or employees.

l. Contracts. To contract for goods and/or services for the Common Area facilities and interests or for the Association, subject to limitations elsewhere set forth in the Project Documents.

m. Title to Common Area. To accept title to the Common Area conveyed to it by Declarant.

n. Acquisition of Property. To acquire (by gift, purchase or otherwise), own, hold, improve, build upon, operate, maintain, convey, sell, lease, transfer, dedicate for public use or otherwise dispose of real or personal property in connection with the affairs of the Association.

o. Budgets. To prepare budgets and financial statements for the Association as prescribed in this Declaration.

p. Legal and Accounting. To obtain and pay the cost of legal, accounting and other professional services necessary or proper for the maintenance and operation of the Project and the enforcement of the Project Documents.

q. Emergency Repair. To enter upon any privately owned Lot as necessary in connection with emergency repair for the benefit of the common area or the owners in common.

r. Election of the Board of Directors. To elect the members of the Board.

s. Filling Vacancies. To fill vacancies on the Board created by the removal of a Board member.

7.02. Property Taxes and Assessments. Each Owner shall be obligated to pay any taxes or assessments levied by the County Assessor against his Lot and personal property. To the extent not assessed to or paid directly by the Owners, the Association shall pay all real and personal property taxes and assessments levied upon any portion of the Common Area or other property owned by the Association.

The Association shall prepare and file annual tax returns with the federal government and the State of California and make such elections as may be necessary to reduce or eliminate the tax liability of the Association.

7.03. Insurance. The Association shall maintain casualty, liability and other insurance on behalf of the Association as required by the provisions of this Declaration.

7.04. Discharge of Liens. The Association shall discharge by payment, if necessary, any lien against the Common Area, and assess the cost thereof to the Owners responsible for the existence of said lien.

7.05. Payment of Expenses. The Association shall pay all expenses and obligations incurred by the Association in the conduct of its business including, without limitation, all licenses, taxes or governmental charges levied or imposed against the Property of the Association.

7.06. Prohibited Acts. The Association, through its Board, shall be prohibited from taking any of the following actions, except with the vote or written assent of a majority of the voting power of the Association residing in members other than the Declarant:

a. Entering into a contract with a third person wherein the third person will furnish goods or services for the Common Area or the Association for a term longer than one year with the following exceptions:

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

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

(iii) Agreements for cable television services and equipment of not to exceed five years duration provided that the supplier is not an entity in which the subdivider has a direct or indirect ownership interest of 10% or more.

b. Incurring aggregate expenditures for capital improvements to the Common Area in any fiscal year in excess of 5% of the budgeted gross expenses of the Association for that fiscal year;

c. Selling during any fiscal year Property of the Association having an aggregate fair market value greater than 5% of the budgeted gross expenses of the Association for that fiscal year;

d. Paying compensation to members of the Board or to officers of the Association for services performed in the conduct of the Association's business; provided, however, that the Board may cause a member or officer to be reimbursed for expenses incurred in carrying on the business of the Association.

e. Filling of a vacancy on the Board created by the removal of a Director.

7.07. Action Requiring Consent. The Board shall take the following actions only upon obtaining consents of members as follows:

(1) The Consent of three fourths of the voting power of the Association residing in members other than the Declarant so long as the Declarant holds or directly controls at least 25% of the voting power of the Association, and after the Declarant no longer controls 25% or more, the consent of two-thirds of the voting power of all members shall be necessary to do the following:

(i) Borrow money, and only with the assent (by vote or written consent) of three-fourths (3/4) of members, mortgage, pledge, deed in trust, or hypothecate any or all of its real or personal property as security for money borrowed or debts incurred;

(ii) Dedicate, sell or transfer all of or any part of any interest it may have in the Common Area to any public agency, authority, or utility for such purposes and subject to such conditions as may be agreed to by the members; provided that no such dedication or transfer shall be effective unless an instrument has been signed by two-thirds of the members agreeing to such dedication, sale or transfer, and any sale of all or substantially all of the corporation's assets must be in compliance with Section 7.07(2)(i) below.

(iii) Participate in mergers and consolidations with other nonprofit corporations organized for the same purpose or annex additional residential property in addition to the property described in Exhibits A and B of the Declaration, provided that any merger, consolidation or such annexation shall have the assent by vote of three-fourths (3/4) of members or by the written consent of such members, excluding Declarant.

(2) The consent of 100% of the members shall be required so long as there is any lot, parcel, area, apartment or unit for which the Association is obligated to provide management, maintenance, preservation or control for the Association to do the following:

- (i) Transfer all or substantially all of its assets; or
- (ii) File a certificate of dissolution.

SECTION 8: ASSESSMENTS

8.01. Agreement to Pay; Personal Obligation. Declarant, and his successor in interest, if any, for each Lot owned by it, and each Owner, by acceptance of a deed therefore, whether or not it shall be so expressed in such deed, covenants and agrees to pay to the Association: (1) Regular Annual Assessments and (2) Special Assessments for capital improvements or unusual expenses to be established and collected as hereinafter provided (collectively "Assessments"), and (3) Individual Charges levied against an individual owner, to be established and collected as provided in this Declaration and in the other Project Documents.

All Assessments and Individual Charges, together with any late charges, interest, collection costs and reasonable attorneys' fees incurred in collecting delinquent Assessments and Individual Charges, shall be the personal obligation of the Owner of such Lot at the time when the Assessments or Individual Charges fell due. If more than one person or entity was the Owner of a Lot at the time the Assessments or Individual Charges fell due, the personal obligation to pay each Assessment and Individual Charge shall be joint and several. The personal obligation for delinquent Assessments and Individual Charges shall not pass to any transferee unless expressly assumed by him. No Owner may exempt himself from liability for his Assessments or Individual Charges obligation by waiver of the use or enjoyment of any of the Project.

8.02. Purpose of Assessments. The assessments levied by the Association shall be used exclusively for paying the costs of and creating reserves for the costs of landscaping, gardening, street maintenance and repair, and other obligations which the Association is authorized or obligated to perform as described in this Declaration.

8.03. Regular Annual Assessments. The purpose of Regular Annual Assessments is to defray expenses attributable to the ownership, operation and furnishing of common interests by the Association.

Until January 1 of the year immediately following the first conveyance of a Lot to an Owner, the Regular Annual Assessment for each Lot shall be prescribed by the Board. Thereafter, the Board may not, without the vote or written assent of a majority of the voting power of the Association residing in members other than the Declarant, impose a Regular Annual Assessment which is more than 20% greater than the Regular Annual Assessment for the immediately preceding fiscal year.

Not less than 90 days before the beginning of each fiscal year, the Board shall prepare or cause to be prepared, and distribute to each Owner, a proposed pro forma operating statement (budget) for the forthcoming fiscal year. Any Owner or Mortgagee may make written comments to the Board with respect to said pro forma operating statement. The pro forma operating statement shall be prepared consistently with the prior fiscal year's operating statement and shall include adequate reserves for contingencies and for maintenance, repair and replacement of the Common Area Improvements and Association personal property likely to need maintenance, repair or replacement in the future.

Not more than 90 days nor less than 45 days before the beginning of each fiscal year, the Board shall meet for the purpose of establishing the Regular Assessment for the forthcoming fiscal year. At such meeting the Board shall review the proposed pro forma operating statement or budget, any written comments received and any other information available to it and, after making any adjustments that the Board deems appropriate, shall establish the Regular Assessment for the forthcoming fiscal year.

Not less than 45 days and not more than 60 days before the beginning of each fiscal year the Board shall distribute to each Owner a final copy of the pro forma operating statement or budget for the forthcoming fiscal year. Regular Assessments shall be payable in equal monthly installments, due on the first day of each month, unless the Board adopts some other basis for collection.

8.04. Special Assessments. The Board may levy, in any assessment year, a special assessment applicable to that year only, for the purpose of defraying, in whole or in part, the cost of any construction, reconstruction, repair or replacement of a capital improvement upon the Common Area, including fixtures and personal property related thereto, or for extraordinary expenses incurred by the Association. If the special assessment exceeds in the aggregate 5% of the budgeted gross expenses of the Association for that fiscal year, the vote or written consent of a majority of the voting power of the Association residing in members other than the Declarant shall be required to approve such assessment.

8.05. Individual Charges. Individual Charges may be levied against a Member as follows:

a. As a monetary penalty imposed by the Association as a disciplinary measure for the failure of a Member to comply with the Project Documents, or

b. As a means of reimbursing the Association for costs incurred by the Association for the repair of damage to Common Areas and facilities for which the Member was responsible, or to otherwise bring the Member and his Lot into compliance with the Project Documents. Such Individual Charges (other than reasonable late charges, interest, costs of collection and reasonable attorneys' fees related to the collection of Assessments) are not enforceable through the lien provisions of the Project Documents. All Individual Charges shall comply with California Civil Code Section 1725 to the extent that it is applicable.

8.06. Equal Division of Regular and Special Assessments. Regular and Special Assessments shall be levied against each Lot (and its Owner) equally, based on a fraction, the numerator of which is one and the denominator of which is the total number of Lots in the Project.

8.07. Commencement of Assessments and Individual Charges. The right to levy Assessments and Individual Charges shall commence as to all Lots on the close of escrow for the first sale of a Lot in the Project. Regular assessments shall commence as to all Lots on the first day of the month following the first conveyance of a Lot in that phase under authority of a Public Report. Thereafter, Regular Assessments shall be levied on the first day of the month.

8.08. Creation of the Assessment Lien. Each Assessment or installment, together with any late charge, interest, collection costs and reasonable attorneys' fees, shall be a charge and a continuing lien upon the Lot against which each Assessment is made, the lien to become effective upon recordation of a Notice of Delinquent Assessment. All late charges, interest charges and costs of collection shall comply with California Civil Code Section 1725 to the extent that it is applicable. If an installment of any Assessment is unpaid when due, the entire Assessment shall become immediately due and payable.

SECTION 9: ENFORCEMENT OF RESTRICTIONS

9.01. General. The Association or any Owner shall have the right to enforce compliance with the Project Documents in any manner provided by law or in equity, including without limitation, the right to enforce the Project Documents by bringing an action for damages, an action to enjoin the violation or to specifically enforce the provisions of the Project Documents, to enforce the liens provided for herein (except that no Owner shall have the right to enforce independently of the Association any Assessment, Individual Charge or Assessment lien created herein) and any statutory lien provided by law, including the foreclosure of any such lien and the appointment of a receiver for an Owner and the right to take possession of the Lot in the manner provided by law. In the event the Association or any Owner shall employ an attorney to enforce the provisions of the Project Documents against any Owner, the prevailing party shall be entitled to reasonable attorneys' fees and costs in addition to any other amounts due as provided for herein. All sums payable hereunder by an Owner shall bear interest at the maximum rate permitted by law from the due date, or if advanced or incurred by the Association or any other Owner pursuant to authorization contained in the Project Documents, commencing 15 days after repayment is demanded. All enforcement powers of the Association shall be cumulative. Failure by the Association or any Owner to enforce any covenant or restriction herein contained shall in no event be deemed a waiver of the right to do so thereafter.

9.02. Specific Enforcement Rights. In amplification of, and not in limitation of, the general rights specified in Section 9.01 above, the Association shall have the following rights:

a. Enforcement by Sanctions.

(1) Limitation. The Association shall have no power to cause a forfeiture or abridgement of an Owner's right to the full use and enjoyment of his Lot on account of a failure by the Owner to comply with provisions of the Project Documents except where the loss or forfeiture is the result of the judgment of a court or a decision arising out of arbitration or on account of a foreclosure or sale under a power of sale for failure of the Owner to pay Assessments levied by the Association.

(2) Disciplinary Action. The Association may impose monetary penalties, temporary suspensions of a reasonable duration (not to exceed 30 days per violation) of an Owner's rights as a Member of the Association or other appropriate discipline for failure to comply with the Project Documents. Notwithstanding the foregoing, the Association shall have no right to interfere with an Owner's right of ingress to or egress from his Lot.

Before disciplinary action authorized under this Section may be imposed by the Association, the Owner against whom such action is proposed to be taken shall be given notice and the opportunity to be heard in accordance with Section 7341 of the Corporations Code, as set forth in Section 12 of the Bylaws.

b. Suit to Collect Delinquent Assessments or Individual Charges. A suit to recover a money judgment for unpaid Assessments or unpaid Individual Charges, together with late charges, interest, costs and reasonable attorneys' fees shall be maintainable by the Association.

c. Transfer by Sale or Foreclosure. In a sale or transfer of a Lot, the personal obligation for delinquent Assessments or Individual Charges shall not pass to the Transferee unless expressly assumed by him. No transfer of the Lot as the result of a foreclosure or exercise of a power of sale shall relieve the new Owner, whether it be the former beneficiary of the First Mortgage or another person, from liability for any Assessments or Individual Charges thereafter becoming due or from the lien thereof.

SECTION 10: BUDGETS, FINANCIAL STATEMENTS AND BANK ACCOUNTS

10.01. Budgets, Financial Statements. The following financial and related information shall be regularly prepared and distributed by the Board to all members of the Association:

a. Budget. A budget for each fiscal year consisting of at least the following information shall be distributed not less than 45 days and not more than 60 days prior to the beginning of the fiscal year:

(1) Estimated revenue and expenses on an accrual basis.

- (2) The amount of the total cash reserves of the Association currently available for replacement or major repair of common facilities and for contingencies.
- (3) An itemized estimate of the remaining life of, and the methods of funding to defray the costs of repair, replacement or additions to major components of the common areas and facilities for which the Association is responsible.

b. Balance Sheet. A balance sheet as of an accounting date which is the last day of the month closest in time to six months from the date of closing of the first sale of a Lot in the Project, and an operating statement for the period from the date of the first closing to the said accounting date, shall be distributed within 60 days after the accounting date. This operating statement shall include a schedule of assessments received and receivable identified by the Lot number and the name of the entity assessed;

c. Report. A report consisting of the following shall be distributed within 120 days after the close of the fiscal year:

- (i) A balance sheet as of the last day of the fiscal year.
- (ii) An operating (income) statement for the fiscal year.
- (iii) A statement of any changes in financial position for the fiscal year.

For any fiscal year in which the gross income to the Association exceeds \$75,000, a copy of the review of the annual report prepared in accordance with generally accepted accounting principles by a licensee of the California State Board of Accountancy.

If the report referred to above is not prepared by an independent accountant, it shall be accompanied by the certificate of an authorized officer of the Association that the statement was prepared from the books and records of the Association without independent audit or review.

d. Statement of Enforcement Policies. In addition to financial statements, the Board shall annually distribute within 60 days prior to the beginning of the fiscal year, a statement of the Association's policies and practices in enforcing its remedies against members for defaults in the payment of regular and special assessments.

10.02. Bank Accounts. The Association shall deposit all funds collected from Owners pursuant to the Section herein entitled "Assessments" and all other amounts collected by the Association as follows:

a. General. All funds shall be deposited in a separate bank account ("General Account") with a bank located in California. The Association shall keep accurate books and records regarding such account. Funds deposited in such account may be used by the Association only for the purposes for which such funds have been collected.

b. Reserve. Funds which the Association shall collect for reserves for capital expenditures relating to the repair and maintenance of the Common Area, and for such other contingencies as are required for good business practice shall, within 10 days after deposit in the General Account, be deposited into an interest bearing account with a bank or savings and loan association selected by the Association, or invested in Treasury Bills or Certificates of Deposit or otherwise prudently invested, which shall collectively be referred to as the "Reserve Account". Funds deposited into the Reserve Account shall be held in trust and may be used by the Association only for the purposes for which such amounts have been collected.

SECTION 11: INSPECTION OF BOOKS AND RECORDS

11.01. Inspection by Members. The membership register (including names, addresses and voting rights), books of account and minutes of meetings of the members, of the Board and of committees of the Board shall be made available for inspection and copying by any member of the Association, or by his duly appointed representative, at any reasonable time and for a purpose reasonably related to his interest as a member, at the office of the Association or at such other place within the Project as the Board shall prescribe.

11.02. Rules for Inspection by Members. The Board shall establish reasonable rules with respect to:

a. Notice to be given to the custodian of the records by the member desiring to make the inspection;

b. Hours and days of the week when such an inspection may be made;

c. Payment of the cost of reproducing copies of documents requested by a member.

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

SECTION 12: INSURANCE, DESTRUCTION, CONDEMNATION

12.01. Insurance. In addition to other Insurance required to be maintained by the Project Documents, the Association, through its Board, shall obtain from generally accepted insurance carriers, and maintain in effect at all times, the following insurance at common expense:

a. Liability Insurance. The Association shall obtain and maintain comprehensive public liability insurance insuring the Association, the Board, the Declarant, Owners, occupants of Lots, their respective family members, guests,

invitees, and the agents and employees of each, against any liability incident to the ownership, use or maintenance of the Common Area, including, if obtainable, a cross-liability or severability of interest endorsement insuring each insured against liability to each other insured. The limits of such insurance shall not be less than \$1,000,000 covering all claims for death, personal injury and property damage arising out of a single occurrence. Such insurance may include protection against water damage liability, liability for nonowned and hired automobiles, liability for property of others, and such other risks as are customarily covered with respect to projects similar in construction, location and use. Such policy shall provide for a reasonable deductible.

b. Casualty and Extended Coverage Insurance. The Association may also obtain and maintain a policy of casualty and extended coverage insurance for the full insurable replacement value (without deduction for depreciation) of all of the improvements within the Common Area. Such policy shall provide for a reasonable deductible. The form, content, term of policy, its endorsements and the issuing company shall meet the reasonable standards of all First Mortgagees and shall be consistent with good sound insurance coverage for properties similar in construction, location and use. The policy shall name as insured the Association for the benefit of the Owners and Declarant, as long as Declarant is the Owner of any Lot, and all Mortgagees as their respective interests shall appear, and may contain a loss payable endorsement in favor of any trustee described in Section 12.01(c) below.

c. Trustee. All casualty and extended coverage insurance proceeds payable under Section 12.01(b) above for losses to real property and improvements may be paid to a trustee, to be held and expended for the benefit of the Owners, Mortgagees, and others, as their respective interests shall appear. Said trustee shall be a commercial bank, savings and loan or trust company in the county in which the Project is located that agrees in writing to accept such trust.

d. Other Insurance. The Board shall purchase and maintain worker's compensation insurance, to the extent that it is required by law, for all employees or uninsured contractors of the Association. The Board also shall purchase and maintain fidelity bonds or insurance (which shall be in an amount not less than 150% of each year's estimated annual operating expenses and reserves and shall contain an endorsement of coverage of any person who may serve without compensation) sufficient to meet the requirements of any First Mortgagee. The Board shall also purchase and maintain insurance on personal property owned by the Association, and any other insurance that it deems necessary, that is required by any First Mortgagee or that is customarily obtained for projects similar in construction, location and use.

e. Adjustment of Losses. The Board is appointed attorney-in-fact by each Owner to negotiate and agree on the value and extent of any loss under any policy carried pursuant to Sections 12.01(a)(b) and (d). The Board is granted full 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.

f. Officer and Director Insurance. The Association may purchase and maintain insurance on behalf of any Director, Officer, 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 out of the agent's status as such, whether or

not the Association would have the power to indemnify the agent against such liability under applicable law.

g. Waiver of Subrogation. All insurance carried by the Association, or the Owners, shall contain provisions whereby the insurer waives rights of subrogation as to the Association, Directors, Officers, Declarant, Owners, occupants of Lots, their family, guests, agents and employees.

h. Notice of Cancellation. All insurance carried by the Association shall require the insurer to notify any First Mortgagee requesting such notice at least 15 days prior to the effective date of any reduction or cancellation of the policy.

i. Annual Review of Policies. All insurance policies shall be reviewed at least annually by the Board in order to ascertain whether the coverage contained in the policies is adequate.

j. Payment of Premiums. Premiums on insurance maintained by the Association shall be a common expense funded by Assessments levied by the Association.

12.02. Destruction.

a. Minor Destruction Affecting Common Area. Notwithstanding Section 12.02(b), the Board shall have the duty to repair and reconstruct the Common Area without the consent of Members and irrespective of the amount of available insurance proceeds or other funds, in all instances of partial destruction where the estimated cost of repair and reconstruction does not exceed 5% of the budgeted gross expenses of the Association for that fiscal year. The Board may levy a Special Assessment for the cost of such repair and reconstruction to the extent insurance proceeds or other funds are unavailable.

b. Major Destruction Affecting Common Area.

(i) Destruction; Proceeds Exceed 85% of Reconstruction Costs. If there is a total or partial destruction of the Common Area, and if the available proceeds of the insurance carried pursuant to Section 12.01 or other available funds are sufficient to cover not less than 85% of the costs of repair and reconstruction, the Common Area shall be promptly rebuilt unless, within 45 days from the date of destruction, Members then holding at least 75% of the voting power of each class determine that repair and reconstruction shall not take place.

(ii) Destruction; Proceeds Less than 85% of Reconstruction Costs. If the proceeds of insurance carried pursuant to Section 12.01 or other available funds are less than 85% of the costs of repair and reconstruction, repair and reconstruction shall not take place unless, within 45 days from the date of destruction Members then holding at least a majority of the voting power of Members of each class determine that repair and reconstruction shall take place.

(iii) Special Assessment to Rebuild. If the determination is made to rebuild pursuant to the above Sections, the Association may levy a Special Assessment

against all Lot Owners to cover the cost of rebuilding not covered by Insurance proceeds or other funds.

(iv) Rebuilding Contract. If the determination is made to rebuild, the Board shall obtain bids from at least 3 reputable contractors, and shall award the repair and reconstruction work to the most reasonable bidder. The Board shall have the authority to enter into a written contract with the contractor for the repair and reconstruction, and the insurance proceeds shall be disbursed to said contractor according to the terms of the contract. It shall be the obligation of the Board to take all steps necessary to assure the commencement and completion of authorized repair and reconstruction at the earliest possible date.

(v) Rebuilding Not Authorized. If the determination is made not to rebuild, then any insurance proceeds and any other funds held for rebuilding of the Common Area shall, subject to Corporations Code Section 8724, be distributed among the Lots on the same basis as their Regular Assessment obligation, and between the Lot Owner and his Mortgagee(s) as their interests shall appear.

12.03. Condemnation.

a. Condemnation Affecting Common Area

(i) Sale in Lieu. If an action for condemnation of all or a portion of the Common Area is proposed or threatened by any entity having the right of eminent domain, then on the unanimous written consent of all of the Owners and subject to the rights of all Mortgagees, the Common Area, or a portion of it, may be sold by the Board. Subject to Corporations Code Section 8724, the proceeds of the sale shall be distributed among the Lots on the same basis as their Regular Assessment obligations and between the Lot Owners and their Mortgagees as their respective interests shall appear.

(ii) Award. If the Common Area, or a portion of it, is not sold, but is instead taken, the judgment of condemnation shall by its terms apportion the award among the Owners and their respective Mortgagees. If the judgment of condemnation does not apportion the award, then the award shall be distributed as provided above.

b. Condemnation Affecting Lots. If an action for condemnation of all or a portion of, or otherwise affecting a Lot is proposed or threatened, the Owner and the Mortgagees of the affected Lot, as their respective Interests shall appear, shall be entitled to the proceeds of any sale or award relating to the affected Lot.

SECTION 13. MORTGAGEE PROTECTIONS

13.01. Mortgages Permitted. Any Owner may encumber his Lot with Mortgages.

13.02. Priority of Mortgage. Notwithstanding any other provision of this Declaration, it is hereby provided that a breach of any of the conditions contained in the Project Documents by any Owner or of any re-entry by reason of such breach, shall not defeat or render invalid the lien of any mortgage or deed of trust made in

good faith and for value as to said Lot or any part thereof. Any lien which the Association may have on any Lot in the Project for the payment of common expense assessments attributable to such Lot will be subordinate to the lien or equivalent security interest of any first mortgage on the Lot recorded prior to the date any such common expense assessments became due.

SECTION 14: ENFORCEMENT OF BONDED OBLIGATIONS

If any Common Area Improvements in the Project have not been completed prior to the issuance of the Final Public Report and the Association is obligee under a bond or other arrangement ("Bond") to secure performance of the commitment of Declarant to complete such improvements, the Board shall consider and vote on the question of action by the Association to enforce the obligations under the Bond with respect to any improvement for which a Notice of Completion has not been filed within 60 days after the completion date specified for that improvement in the Planned Construction Statement appended to the Bond. If the Association has given an extension in writing for the completion of any Common Area Improvement, the Board shall consider and vote on the aforesaid question if a Notice of Completion has not been filed within 30 days after the expiration of the extension.

A special meeting of Members for the purpose of voting to override a decision by the Board not to initiate action to enforce the obligations under the Bond or on the failure of the Board to consider and vote on the question, shall be held not less than 35 days nor more than 45 days after receipt by the Board of a petition for such meeting signed by Members representing 5% or more of the total voting power of the Association. At such special meeting, a vote of a majority of the voting power of the Association residing in Members other than Declarant to take action to enforce the obligations under the Bond shall be deemed to be the decision of the Association and the Board shall thereafter implement this decision by initiating and pursuing appropriate action in the name of the Association.

SECTION 15: AMENDMENTS

15.01. Prior to First Conveyance. Prior to close of escrow on the sale of the first Lot, Declarant may amend or revoke this Declaration subject to the requirements of Business and Professions Code Section 11012 and 11018.7.

15.02. After First Conveyance. After sale of the first Lot, this Declaration may be amended or revoked only by the affirmative vote (in person or by proxy) or written consent of Members representing a majority of the voting power of each class of Members of the Association. If only one class of membership exists at the time an amendment is proposed, then it must be approved by at least a bare majority of the total voting power of the Association, which shall include at least a bare majority of the votes of Members other than Declarant. The percentage of the voting power necessary to amend a specific clause or provision of this Declaration shall not be less than the prescribed percentage of affirmative votes required for action to be taken under that clause or provision.

15.03. Recordation. Any amendment must be recorded and shall become effective only upon being recorded in the Recorder's Office of Madera County.

15.04. Unanimous Consent for Specific Amendments. The consent of all Owners shall be required for any amendment of Project Documents effecting a change in (1) the boundaries of any Lot; (2) the undivided interest in the common elements pertaining to the Lot or the liability for Common Expenses appertaining thereto; (3) the number of votes in the Owners Association appertaining to the Lot; or (4) the fundamental purposes to which any Lot or the common elements are restricted.

SECTION 16: GENERAL PROVISIONS

16.01. Term. The covenants and restrictions of this Declaration shall run with and bind the Property, and shall inure to the benefit of and be binding on the Association and the Owners of any Lots, their legal representatives, heirs, grantees, tenants, successors and assigns, subject to this Declaration, for a term of 30 years from the date this Declaration is recorded. Thereafter, they shall be automatically extended for successive periods of 10 years, unless an instrument in writing, signed by a majority of the then Owners of the Lots, has been recorded within the year preceding the beginning of each successive period of 10 years, agreeing to change said covenants and restrictions in whole or in part, or to terminate the same.

16.02. Owners' Compliance. Each Owner, tenant or occupant of a Lot shall comply with the provisions of this Declaration, and (to the extent they are not in conflict with the Declaration), the Project Documents and the decisions and resolutions of the Association or the Board, as lawfully amended from time to time. Failure to comply with any such provisions, decisions, or resolutions, shall be grounds for an action to recover sums due, for damages, for injunctive relief, or to enforce such provisions, decisions or resolutions.

All agreements and determinations lawfully made by the Association in accordance with the voting percentages established in the Project Documents shall be deemed to be binding on all Owners of Lots, their successors and assigns.

16.03. Notices. Any notice permitted or required by the Project Documents may be delivered either personally or by mail. If delivery is by mail, it shall be deemed to have been delivered 72 hours after a copy of the same has been deposited in the United States mail, first class or registered, postage prepaid, addressed to the person to be notified at the current address given by such person to the Secretary of the Board or addressed to the Lot of such person if no address has been given to the Secretary.

16.04. Notice of Transfer. No later than 5 days after the sale or transfer of any Lot under circumstances whereby the transferee becomes the Owner thereof, the transferee shall notify the Association in writing of such sale or transfer. Such notice shall set forth: (i) the Lot involved; (ii) the name and address of the transferee and transferor; and (iii) the date of sale. Unless and until such notice is given, the Association shall not be required to recognize the transferee for any purpose, and any action taken by the transferor as an Owner may be recognized by the Association.

Prior to receipt of any such notification by the Association, any and all communications required or permitted to be given by the Association shall be deemed duly given and made to the transferee if duly and timely made and given to said transferor.

16.05. Delivery of Project Documents to Transferee. Prior to the transfer of title to a Lot, the transferor shall provide to the prospective transferee a copy of the Project Documents and such other documents and information as are required by California Civil Code Section 1360.

16.06. Easements Reserved and Granted. Any easements appurtenant to a Lot referred to in this Declaration shall be deemed reserved and/or granted by reference to this Declaration in a deed to said Lot.

16.07. Termination of any Responsibility of Declarant. If Declarant shall convey all of its right, title and interest in and to the Property to any partnership, individual or corporation, then and in such event, Declarant shall be relieved of the performance of any further duty or obligation hereunder, and such partnership, individual or corporation shall be obligated to perform all such duties and obligations of the Declarant.

16.08. Mergers and Consolidations. To the extent permitted by law, the Association may participate in mergers and consolidations with other non-profit organizations organized for the same purposes as this Association, provided that any such merger or consolidation shall have the written consent of all of the members or the assent by vote of two-thirds of the members voting in person or by proxy at a meeting duly called for this purpose, written notice of which shall be given to all members at least thirty days in advance, and must comply with the annexation provisions of Section 3.04, incorporated herein by reference.

16.09. Limitation of Restrictions on Declarant. Nothing in this Declaration shall be understood or construed to:

a. Prevent Declarant, its contractors, or subcontractors from doing on the Property or any Lot, whatever is reasonably necessary or advisable in connection with the completion of said work; or

b. Prevent Declarant or its representatives from erecting, constructing and maintaining on any part or parts of the Property, such structures as may be reasonable and necessary for the conduct of its business of completing said work and establishing said Property as a residential community and disposing of the same in parcels by sale, lease, or otherwise; or

c. Prevent Declarant from conducting on any part of the Property its business of completing said work and of establishing a plan of ownership and of disposing of said Property in Lots by sale, lease or otherwise; or

d. Prevent Declarant from maintaining such sign or signs on any of the Property as may be necessary for the sale, lease or disposition thereof, provided, however, that the maintenance of any such sign shall not unreasonably interfere with the use by any Owner of his Lot or the Common Area.

The foregoing limitations of the application of the restrictions to Declarant shall terminate upon the sale of Declarant's entire interest in the Project, or two years after the close of the first escrow, whichever occurs earlier.

Any action taken by Declarant pursuant to any provision of this Section will not unreasonably interfere with the Owners' rights and use of the project.

16.10. Fair Housing. No Owner shall, either directly or indirectly, forbid or restrict the conveyance, encumbrance, leasing or mortgaging or occupancy of his Unit to any person of a specified race, sex, marital status, color, religion, ancestry, physical handicap or national origin.

16.11. Binding Arbitration. In case of any claim or dispute between the Declarant, its builder, general contractor, or broker, or their agents or employees, on the one hand, and any lot owner(s), on the other hand, which claim or dispute relates to the rights and/or duties of the parties under the Project Documents, or relates to the design or construction of the project or any part thereof (except for disputes relating to alleged common area deficiencies), the procedure shall be as follows:

The aggrieved party or parties shall notify the other party or parties of the grievance, in writing. When such a notice is received by Declarant, it shall promptly respond with an investigation, inspection, meeting, discussion or other action reasonably appropriate to the circumstances. Appropriate action shall include, without limitation, prompt communication with the aggrieved party or parties, and a proposed course of action to resolve the problem. All parties involved in the matter shall negotiate in a good faith attempt to amicably resolve the problem. If the parties are unable to resolve the problem within a reasonable period of time (not to exceed 90 days after the first notice of claim or dispute), the matter shall be submitted to binding arbitration pursuant to the California Arbitration Act, Section 1280 through 1294.2, California Code of Civil Procedure, provided that if the dispute or claim involves a sum not in excess of the jurisdictional limit of the Small Claims Court, the unit owner shall have the option of taking the matter to Small Claims Court in lieu of binding arbitration.

16.12. Severability. Should any provision or portion hereof be declared invalid or in conflict with any law of the jurisdiction where this Project is located, the validity of all other provisions and portions hereof shall remain unaffected and in full force and effect.

16.13. Conflict with Project Documents. If there is a conflict among or between the Project Documents, the provisions of this Declaration shall prevail; thereafter, priority shall be given to Project Documents in the following order: Articles, Bylaws, and Rules and Regulations of the Association.

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

IN WITNESS WHEREOF, Declarant has executed this Declaration.

DATED: Oct 28, 1985.

FOXBORO LAND & DEVELOPMENT CO.,
A General Partnership

By: AGATE, INC., a California corporation

By: 
GEORGE B. KNAPP, President

By: KNAPTON LAND AND CATTLE
COMPANY, INC., a California corporation

By: 
GEORGE KNAPTON, President

BOOK 1857 PAGE 53

STATE OF CALIFORNIA)
) ss
COUNTY OF Fresno)

On October 28, 1985, before me, the undersigned, a Notary Public in and for said State, duly commissioned and sworn, personally appeared GEORGE B. KNAPP

(X) personally known to me
() proved to me on the basis of satisfactory evidence

to be the President of AGATE, INC., a California corporation, the corporation that executed the within instrument, and known to me to be the person who executed the within instrument on behalf of said corporation, said corporation being known to me to be one of the General Partners of FOXBORO LAND & DEVELOPMENT CO., the general partnership that executed the within instrument and acknowledged to me that such corporation executed the same as such General Partner and that such General Partner and that such general partnership executed the same.

WITNESS my hand and official seal.



Linda Jourde
NOTARY PUBLIC

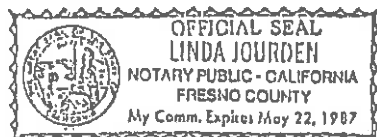
STATE OF CALIFORNIA)
) ss
COUNTY OF Fresno)

On October 28, 1985, before me, the undersigned, a Notary Public in and for said State, duly commissioned and sworn, personally appeared GEORGE KNAPTON

(X) personally known to me
() proved to me on the basis of satisfactory evidence

to be the President of KNAPTON LAND AND CATTLE COMPANY, INC., AGATE, INC., a California corporation, the corporation that executed the within instrument, and known to me to be the person who executed the within instrument on behalf of said corporation, said corporation being known to me to be one of the General Partners of FOXBORO LAND & DEVELOPMENT CO., the general partnership that executed the within instrument and acknowledged to me that such corporation executed the same as such General Partner and that such General Partner and that such general partnership executed the same.

WITNESS my hand and official seal.



Linda Jourde
NOTARY PUBLIC

EXHIBIT A

DESCRIPTION OF PROPERTY SUBJECT TO DECLARATION

All that certain real property situated in the County of Madera, State of California, described as follows:

Lots 1 through 53, inclusive, and "Common Area", as designated on the Map entitled "Tract No. 200, Ridgeline, Phase 1", which Map was filed in the Office of the Madera County Recorder on October 17, 1985, in Book 31, at Pages 113 through 118.

EXHIBIT B

DESCRIPTION OF ANNEXABLE PROPERTY

All that certain real property situated in the County of Madera, State of California, described as follows:

Outlots "B" and "C" as designated on the Map entitled "Tract No. 200, Ridgeline, Phase 1", which Map was filed in the Office of the Madera County Recorder on October 17, 1985, in Book 31, at Pages 113 through 118.

EXHIBIT "C"

<u>LOT NO.</u>	<u>UNIT TYPES</u>	<u>LOT NO.</u>	<u>UNIT TYPES</u>
1	A, B, C	28	AA, BB, CC
2	A, B	29	AA, BB, CC
3	A, B	30	AA, BB, CC
4	A, B	31	AA, BB
5	A, B, C	32	AA, BB, CC
6	A, B, C, D	33	AA, BB, CC
7	A, B, C, D	34	AA, BB, CC
8	A, B, C	35	AA, BB, CC
9	A, B, C	36	AA, BB, CC
10	AA, BB, CC	37	A, B, C
11	AA, BB	38	A, B, C
12	AA, BB	39	A, B, C
13	AA, BB	40	A, B, C
14	AA, BB	41	AA, BB, CC
15	AA, BB	42	AA, BB, CC
16	AA, BB	43	AA, BB, CC
17	AA, BB	44	AA, BB, CC
18	A, B, C	45	AA, BB, CC
19	A, B	46	AA, BB, CC
20	A, B, C	47	A, B, C
21	AA, BB, CC	48	A, B, C
22	AA, BB, CC	49	A, B
23	AA, BB, CC	50	A, B, C
24	AA, BB	51	A, B, C
25	AA, BB, CC	52	A, B, C
26	AA, BB	53	A, B, C
27	AA, BB, CC		

NOTE: All "C", "CC", "D", and "DD" plans must be sited on the outside non common property line.

RECORDING REQUESTED BY
AND MAILED TO:

NAME: TOM CRAVENS

STREET: 40555 SADDLEBACK RD

CITY: BASS LAKE, CA 93604

9513799

RECORDED IN
OFFICIAL RECORDS
MADERA COUNTY, CA

95 JUN -5 AM 11:20

FEE \$ 16.00

REBECCA MARTINEZ
COUNTY RECORDER

11-1-4

AMENDMENT TO COVENANTS, CONDITIONS & RESTRICTIONS OF RIDGELINE
DEVELOPMENT
(TITLE OF DOCUMENT)

9513799

RIDGELINE HOMEOWNER'S ASSOCIATION
P. O. BOX 254
BASS LAKE, CALIFORNIA 93604

TO: MADERA COUNTY RECORDER

RE: AMENDMENT TO DECLARATION OF COVENANTS,
CONDITIONS & RESTRICTIONS OF RIDGELINE
DEVELOPMENT AT BASS LAKE, MADERA COUNTY

REQUIREMENTS DECLARATION

1. NAME OF HOMEOWNER'S ASSOCIATION:

Ridgeline Homeowners Association, Incorporated October 21, 1985.

2. DESCRIPTION OF REAL PROPERTY:

114 Single Family Homes on 32.5 x 52 foot lots dispersed on common property, surrounded by the Sierra National Forest, in Bass Lake, Madera County, California. Recorded August 4, 1988 in Book 34 of Maps, Page 52 thru 57.

3. TYPE OF COMMON INTEREST:

Planned Unit Development--Tract Numbers 200 & 207--Ridgeline.

4. EXPLANATION OF CC&R'S:

Refer to Ridgeline CC&R's, Recording #22985, Recorded in Official Records of Madera County, California, November 1, 1985, 10:50 A.M., Book 1857, Page 17 and copy of Amendment (Attached) which was ratified by homeowners' majority vote.

5. SIGNATURE OF ASSOCIATION OFFICER:

Joan Watt
Joan Watt, President of Ridgeline
Board of Directors

Date: May 3, 1995

6. NOTARIZATION:

See attached acknowledgment.

PROPOSED AMENDMENT TO RIDGELINE CC&R, SECTION 4.02

Existing restriction reads as follows:

4.02. Vehicle Restrictions. No trailer, camper, mobile home, boat or similar equipment shall be permitted to remain upon any area within the Property, other than the recreational vehicle storage. No commercial vehicle, truck (other than a standard size pickup truck), or inoperable automobile shall remain upon any area within the Property. Commercial vehicles shall not include sedans or standard size pickup trucks which are used both for business and personal use, provided that any signs or markings of a commercial nature on such vehicles shall be unobtrusive and inoffensive as determined by the Board. No noisy or smoky vehicles shall be operated on the Property. No off-road unlicensed motor vehicles shall be operated upon the Property.

The proposed amendment will change paragraph 4.02 to read as follows:

4.02. Vehicle Restrictions. No trailer, camper, mobile home, boat or similar equipment shall be permitted to remain upon any area within the Property, other than the recreational vehicle storage area, except during the summer period, May 1st through September 30th, when parking of these recreational vehicles, if they are of a size that does not extend appreciably beyond the dimensions of a standard pickup truck, will be permitted in a homeowners assigned covered parking space or in adjacent uncovered marked parking spaces. They are not to infringe on a neighbor's parking area nor protrude beyond the marked parking space, or in any way cause a safety hazard to the normal flow of traffic. All boat trailers are to be identified with the boat owner's LOT NUMBER, NAME and PHONE number in case the owner needs to be notified of an emergency. No commercial vehicle, truck (other than a standard size pickup truck), or inoperable automobile shall remain upon any area within the Property. Commercial vehicles shall not include sedans or standard size pickup trucks which are used both for business and personal use, provided that any signs or markings of a commercial nature on such vehicles shall be unobtrusive and inoffensive as determined by the Board. No noisy or smoky vehicles shall be operated on the Property. No off-road unlicensed motor vehicles shall be operated upon the Property.

The rationale for this change is:

Because the RV lot is not as large as was described by Ridgeline Sales Publicity, we feel it is only fair to relax parking restrictions to accommodate those who were told they would have no problem parking moderate sized boats and RV's in the Ridgeline complex. Please vote yes. This is the first attempt to enact a formal amendment. A simple majority is necessary.

CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

9513799

No. 5907

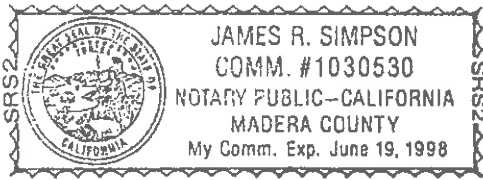
State of CALIFORNIA

County of MADERA

On MAY 3, 1995 before me, JAMES R. SIMPSON
DATE NAME, TITLE OF OFFICER - E.G., "JANE DOE, NOTARY PUBLIC"

personally appeared JOAN WATT
NAME(S) OF SIGNER(S)

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



WITNESS my hand and official seal.

James R. Simpson
SIGNATURE OF NOTARY

OPTIONAL

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

CAPACITY CLAIMED BY SIGNER

- ☐ INDIVIDUAL
☒ CORPORATE OFFICER

PRESIDENT
TITLE(S)

- ☐ PARTNER(S) ☐ LIMITED
☐ ATTORNEY-IN-FACT ☐ GENERAL
☐ TRUSTEE(S)
☐ GUARDIAN/CONSERVATOR
☐ OTHER: _____

SIGNER IS REPRESENTING:
NAME OF PERSON(S) OR ENTITY(IES)

DESCRIPTION OF ATTACHED DOCUMENT

AMENDMENT to DECLARATION OF COVENANTS
TITLE OR TYPE OF DOCUMENT

2
NUMBER OF PAGES

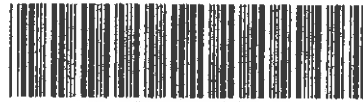
MAY 2, 1995
DATE OF DOCUMENT

SIGNER(S) OTHER THAN NAMED ABOVE

**RECORDING REQUESTED BY AND
WHEN RECORDED MAIL TO:**

Ridgeline Homeowners Association
P.O. Box 254
Bass Lake, CA 93604

DOCUMENT: 99033352



0099033352

Titles: 1/ Pages: 3

Fees....	13.00
Taxes..	0.00
Other..	0.00
AMT PAID	\$13.00

**AMENDMENT TO COVENANTS, CONDITIONS & RESTRICTIONS OF
RIDGELINE**

REQUIREMENTS DECLARATION

1. **RIDGELINE HOMEOWNERS ASSOCIATION**
2. **114 Single Family Homes on 32.5 x 52 foot lots dispersed on common property, surrounded by the Sierra National Forest, in Bass Lake, Madera County, California. Recorded August 4, 1988 in Book 34 of Maps, Page 52 thru 57.**
3. **Planned Unit Development - Tract Numbers 200 & 207 - Ridgeline**
4. **Refer to Ridgeline CC&R's, Recording Number 22985, Recorded in Official Records of Madera County, California, November 1, 1985, 10:50 A.M., Book 1857, Page 17 and amendment to CC&R's, Recording Number 9513799, Recorded in Official Records of Madera County, California, June 5, 1995, 11:20 A.M. and copy of amendment (attached) which was ratified by homeowner's majority vote on June 12, 1999.**

AMENDMENT TO RIDGELINE C.C.& R.'S, SECTION 3.04 & 6.07.

The original restriction reads as follows:

3.04. Parking/Garages. The Board shall assign the exclusive right to use 2 parking spaces to each Lot. Reassignment of said spaces shall be based upon mutual consent of Lot Owners whose assignments are to be changed, and the consent of the Board. Regardless of any reassignment, each Lot shall always have at least 2 parking spaces assigned to it. In addition to the spaces assigned to the Lots, there may be unassigned spaces, which shall be for the use of all Owners, their tenants and guests. Each Owner who constructs Unit Type "D" or "DD" shall also be entitled to the exclusive use of the garage located upon his Lot and the driveway serving his garage. Restrictions regarding garages and parking are contained in Section 4.03.

The amendment changes paragraph 3.04 to read as follows:

3.04. Parking/Garages. The Board shall assign the exclusive right to use 1 carport parking space to each Lot that is not a Unit Type "D" or "DD". Reassignment of said space shall be based upon mutual consent of Lot Owners whose assignments are to be changed, and the consent of the Board. Regardless of any reassignment, each Lot that is not a Unit Type "D" or "DD" shall always have at least 1 carport parking space assigned to it. One exception to this restriction is the double carport space that is reserved for the exclusive use of Lot #56 and is located adjacent to the front elevation of Lot #56. That carport was constructed at the expense of the Owner who had the house built with the approval of the Project Developer. In addition to assigned carport parking spaces, there is one carport space which is unassigned and may be used on a first-come, first-served basis. That space is located in the end of the carport structure located on Smoke Tree Trail and directly across the street from the front elevation of Lot #31. All un-covered spaces shall be for the use of all Owners, their tenants and guests on a first-come, first-served basis. Each Owner who constructs Unit Type "D" or "DD" shall also be entitled to the exclusive use of the garage located upon his/her Lot and the driveway serving his/her garage. Restrictions regarding garages and parking are contained in Section 4.03.

The original restriction reads as follows:

6.07. Inspection of Books. All members shall have reasonable access to inspect the books, records and financial statements of the Association, including annual audited financial statements when such are prepared, pursuant to this Declaration and subject to the same.

The amendment would change paragraph 6.07 to read as follows:

6.07. Inspection of Books. The membership register (including names, addresses and voting rights), books of account and minutes of meetings of the members, of the Board and of committees of the Board shall be made available for inspection and copying by any member of the Association, or by his/her duly appointed representative, at any reasonable time and for a purpose reasonably related to his/her interest as a member, at the office of the Association or at such other place within the Project as the Board shall prescribe.

Approved for distribution to membership. May 8, 1999 RHOA Board of Directors
Accepted by a majority vote of the membership. June 12, 1999. RHOA Membership.

DATED: 9/23/99, 1999.

Ridgeline Homeowners Association,
a California Corporation

By

John N Peters
Title: President of the Board of Directors

ACKNOWLEDGMENT

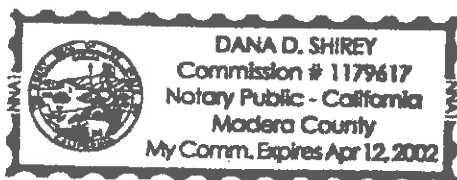
STATE OF CALIFORNIA)
) ss
COUNTY OF MADERA)

On SEPT. 23, 1999, 1999, before me, the undersigned, a Notary Public in and for said State, duly commissioned and sworn, personally appeared John Peters.

() personally known to me
(☒) proved to me on the basis of satisfactory evidence

to be the President of the Board of directors of Ridgeline Homeowners Association, the corporation described in and that executed the within instrument on behalf of said corporation, and acknowledged to me that such corporation executed the within instrument pursuant to its Bylaws or a resolution of its board of directors.

WITNESS my hand and official seal.



Dana D. Shirey
NOTARY PUBLIC 4-12-2002

Right Thumbprint of
Signer. Top of Thumb
here.

