

least sixty-seven percent (67%) of all first Mortgagees, the Association Property, or a portion of it, may be sold.

Section 7.4. Distribution of Proceeds of Sale or Condemnation Award: On a sale occurring under Section 7.3, above, or upon a taking through judgment of condemnation, the proceeds shall be retained in the general fund of the Association.

ARTICLE VIII

GENERAL RESTRICTIONS

All real property within the Properties shall be held, used and enjoyed subject to the following limitations and restrictions, subject to the exemption of Declarant set forth herein.

Section 8.1. Residential Areas: All property within a residential Area (including any Common Areas for the primary benefit of the Owners of Lots or Condominiums on such Residential Area) shall be improved and used solely for single-Family Residential use; provided, however, that this provision shall not preclude any Owner in the Properties from renting or leasing all of his Lot or Condominium by means of a written lease or rental agreement subject to this Master Declaration. The Declaration of Annexation recorded for a Residential Area shall designate such residential use for that area to be single-Family Residences, a Planned Development, Condominium Project, an apartment project, or a combination thereof.

Section 8.2. No Further Subdivision: No Lot, Common Area or Master Association Maintenance Area may be further subdivided without the prior written approval of the Board; provided, however, that nothing in this section shall be deemed to prevent an Owner from, or require the approval of the Board for: (a) selling a Lot or Condominium, or (b) transferring or selling any Lot or Condominium to more than one person to be held by them as tenants in common, joint tenants, tenants by the entirety or as community property.

Section 8.3. Improvement, Landscaping and Alterations. Except as set forth in Article X, hereof, without the prior approval of the Architectural Committee as provided in Article IX hereof, there shall be no excavation, construction, alteration or landscaping on any part of the Properties, other than minor repairs or rebuilding pursuant to Section 8.4 or Section 9.9. There shall be no violation of the setback or sideyard requirements of the local governmental authority.

Section 8.4. Exterior Maintenance and Repair; Owner's Obligations: Each Improvement shall at all times be kept in good condition and repair. All landscaping, including, but not limited to, lawns, hedges, shrubs and trees shall be periodically trimmed and pruned so as to be maintained in a neat, clean, safe and attractive manner and so as not to unreasonably obstruct the view of adjacent Owners; provided, the reasonableness or unreasonableness of any such obstruction shall be determined solely by the Architectural Committee. In the event that any Owner or Sub-Association shall permit any Improvement, which is the responsibility of such Owner or Sub-Association to maintain, to fall into disrepair so as to create a dangerous, unsafe, unsightly or unattractive condition affecting a neighboring Planned Development or Condominium, the Board, after consulting with the Architectural Committee, and after affording the Owner of such property Notice and Hearing, shall have the right but not the obligation to correct such condition, and to enter upon such owner's Lot, Condominium or such Common Area for the purpose of doing so, and such Owner or Sub-Association, as the case may be, shall promptly reimburse the Master Association for the cost thereof. Such cost shall be a Special Assessment and shall create a lien enforceable in the same manner as other assessments as set forth in the Master Declaration. The Owner of the offending property shall be personally liable, and his property may be subject to a mechanic's lien, for all costs and expenses incurred by the Master Association in taking such corrective acts, plus all costs incurred in collecting the amounts due. Each Owner shall pay all amounts due for such work within ten days (10) days after receipt of written demand therefor, or the amounts may, at the option of the Board, be added to the amounts payable by such Owner as Common Assessments.

Section 8.5. Antennae: No exterior radio antenna, television antenna, "C.B." antenna, "satellite dish" or other antenna of any type shall be erected or maintained on any of the Properties, except by Declarant or the Master Association.

Section 8.6. Signs: No sign, poster, billboard, advertising device or other display of any kind shall be displayed so as to be visible from outside the Properties, except (a) such signs as may be used by Declarant or Participating Builders in connection with the development of the Properties and sale of Lots or Condominiums, or (b) one sign of reasonable and customary dimensions as may be displayed on or from any Improvement on any Lot or Condominium in a Residential Area advertising the sale or lease of such Lot or Condominium, provided such sign shall not be attached to the exterior of any Improvements on any Lot or any Condominium in a manner which requires fasteners to be embedded in any manner in such exterior.

Section 8.7. Window Coverings: No window in any Residence or Condominium shall be covered with aluminum foil or other reflective material and, unless approved by the Architectural Committee in accordance with Section 9.2, below, no exterior surface of any window covering shall bear any design or any color other than white or beige.

Section 8.8. Unsightly Articles: No unsightly articles shall be permitted to remain on any Lot or Condominium so as to be visible from any public street or from any part of the Properties. Without limiting the generality of the foregoing, refuse, garbage and trash shall be kept at all times in such covered, sanitary containers or other areas as may be provided by either the Master Association or by an Sub-Association.

Section 8.9. Utility Areas: All utility and storage areas and all laundry rooms, including all areas in which clothing or other laundry is hung to dry, must be completely covered and enclosed from view from the neighboring parts of the Properties.

Section 8.10. Nuisances: No rubbish or debris of any kind shall be placed or permitted to accumulate anywhere within the Properties, and no odor shall be permitted to arise therefrom so as to render the Properties or any portion thereof unsanitary, unsightly, offensive or detrimental from any public street or to any other part of the properties in the vicinity thereof or to their occupants. No noise or other nuisance shall be permitted to exist or operate upon any portion of the Properties so as to be offensive or detrimental to any other part of the Properties in the vicinity thereof or to their occupants. Without limiting the generality of the foregoing provisions, no exterior speakers, horns, whistles, bells or other sound devices (other than security devices used exclusively for security purposes), noisy or smoke-emitting vehicles, large power equipment or large power tools, unlicensed off-road motor vehicles or other items which may unreasonably disturb Owners in neighboring parts of the Properties shall be located, used or placed on any portion of the Properties.

Section 8.11. Animals: No insects, reptiles, birds or animals of any kind shall be raised, bred or kept, on the Properties except that a total combination of three (3) dogs, cats or birds may be kept, provided all three of such animals are not of the same type and provided that they are not kept, bred or maintained for any commercial purpose, nor in violation of any other provision of this Master Declaration and such limitations as may be set forth in the Rules and Regulations. The Master Association, acting through the Board, shall have the right to prohibit maintenance of any

animal which constitutes, in the opinion of the Board, a nuisance to other Owners. Animals belonging to Owners, occupants or their licensees, tenants or invitees within the Properties must be either kept within an enclosure, an enclosed yard or on a leash being held by a person capable of controlling the animal. Furthermore, any Owner shall be absolutely liable to each and all remaining Owners, their families, guests, tenants and invitees, for any unreasonable noise or damage to person or property caused by any animals brought or kept upon the Properties by an Owner or by members of his Family, his tenants or his guests; and it shall be the absolute duty and responsibility of each such Owner to clean up after such animals which have used any portion of the Master Association Maintenance Areas or other Association Properties, if any.

Section 8.12. No Hazardous Activities: No activities shall be conducted, nor shall any Improvements be constructed, on any part of the Properties which are or might be unsafe or hazardous to any Person, Lot or Condominium in any other part of the Properties.

Section 8.13. No Temporary Structures: No tent or shack or other temporary building, Improvement or structure shall be placed upon any portion of the Properties.

Section 8.14. No Mining and Drilling: No portion of the Properties shall be used for the purpose of mining, quarrying, drilling, boring or exploring for or removing water, oil, gas or other hydrocarbons, minerals, rocks, stones, gravel or earth.

Section 8.15. Insurance Rates: Nothing shall be done or kept in the Properties which will increase the rate of insurance on any Association Property without the approval of the Board, nor shall anything be done or kept in the Properties which would result in the cancellation of insurance on any Association Property or which would be in violation of any law.

Section 8.16. Drainage: There shall be no interference with the established drainage pattern over any part of the Properties so as to affect any real property inside or outside of the Properties. For the purpose hereof, "established" drainage is defined as the drainage which exists at the time the overall grading of any part of the Properties is completed by Declarant, which may include drainage from the Association Properties over any Lot or Common Areas or Master Association Maintenance Areas in the Properties.

Section 8.17. Water and Sewer Systems: No individual water supply system, water softener system or sewage disposal

system shall be permitted on any Lot or Condominium unless such system is designed, located, constructed and equipped in accordance with the requirements, standards and recommendations of any applicable water district and any applicable governmental health authority having jurisdiction.

Section 8.18. Parking; Garages: Except as provided in the applicable Declaration of Annexation covering any Commercial Area, no trailer, motor home, truck in excess of 3/4 ton, camper, boat or van of eighteen (18) feet or more in length, or any vehicle with advertising on it other than an automobile shall be kept or maintained anywhere on the Properties in such a manner as to be visible from other parts of the Properties. No vehicle or boat shall be constructed or repaired upon any property or street (public or private) in such a manner as to be visible from any other parts of the Properties. All other vehicles must be parked within the Owner's garage; provided, in the event the number of vehicles owned by any Owner exceeds the number of vehicles for which such Owner's garage was designed to accommodate, the excess vehicles may be parked in such Owner's driveway. No Owner shall be permitted at any time to park or otherwise maintain a vehicle of any kind on the streets within the Properties. Garage doors must remain closed at all times except when vehicles are entering or leaving the garage. For purposes of this Section, "parking" shall be defined as leaving a vehicle unattended for a period in excess of one (1) hour.

Section 8.19. Maintenance and Control of Master Association Maintenance Areas: The Master Association Maintenance Areas shall be maintained for recreational facilities, slope maintenance, erosion control and landscaping purposes primarily, and no Improvements other than recreational facilities, landscaping, fences, sprinklers, other similar amenities incidental to such purposes as constructed by Declarant, and public or private utility lines or facilities which do not interfere with slope maintenance use, shall be erected or maintained thereon.

Section 8.20. Violation of Law: Any violation of any state, municipal or local law, ordinance or regulation pertaining to the ownership, occupation or use of any portion of the Property is hereby declared to be a violation of this Declaration and subject to any and all of the enforcement procedures herein set forth.

Section 8.21. Violation of Restrictions: There shall be no violation of this Master Declaration, including, without limitation, the Rules and Regulations, once adopted by the Board after Notice and Hearing. If any Member, his family, guest, or any licensee, lessee or invitee violates this Master Declaration, the Board may impose upon such Owner, in addition

to any Special Assessment as provided in Section 6.6, above, a fine ("Fine") in an amount not to exceed One Hundred Dollars (\$100.00) for each violation. The maximum amount of the Fine may be increased by action of the Board, in the Board's sole discretion, in an amount no more than ten percent (10%) above the maximum Fine for the previous fiscal year. No Fine may be imposed by the Board until Notice and Hearing are afforded to the affected Member.

ARTICLE IX

ARCHITECTURAL COMMITTEE

Section 9.1. Members of Committee: The Architectural Committee shall consist of five (5) members, the initial members of which shall be chosen by the Declarant, and who shall hold office until the election of the first Board of Directors by the Members. Thereafter, the Architectural Committee members shall be chosen as follows:

(a) By Declarant. Declarant shall have the right to appoint a majority of the members of the Architectural Committee until the earliest to occur of the following:

(i) At such time as the Close of Escrow to the public shall have occurred for the sale by Declarant and any Participating Builders of at least one thousand four hundred ninety (1,490) Lots or Condominiums in the real property constituting the Annexable Area as of the date of Recordation of this Master Declaration (for purposes of this subsection (i) each apartment unit located on any Lot in the Properties shall count as the sale of one (1) Lot upon the rental or lease of such apartment unit); or

(ii) At such time as neither Declarant or any Participating Builder has any authority to annex real property in the Annexable Area to the Properties without the consent of the Delegates as provided in Article III; or

(iii) December 31, 2000.

Declarant's appointees to the Committee need not be Members.

(b) By the Board. The Board shall have the right to appoint such members of the Architectural Committee which Declarant is not authorized to appoint until such time as Declarant's rights of appointment shall have expired, and thereafter the Board shall have the right to appoint and remove all members of the Architectural