

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

Committee. Architectural Committee members appointed by the Board shall be Members and serve for a term of one (1) year or until their respective successors are appointed.

(c) Removal. Members of the Architectural Committee may be removed at any time without cause by the Person appointing such member as provided herein.

(d) Notice of Appointment: Whenever an Architectural Committee member is appointed or removed while both Declarant and the Board have rights of appointment, written notice of such appointment or removal shall be given by the appointing party to the other party.

Section 9.2. Review of Plans and Specifications: The Architectural Committee shall consider and act upon any and all plans and specifications submitted for its approval under this Master Declaration and perform such other duties as from time to time shall be assigned to it by the Board, including the inspection of construction in progress to assure its conformance with plans approved by the Architectural Committee as follows:

(a) Criteria For Approval. The Architectural Committee shall approve plans and specifications submitted for its approval only if it deems that the construction, alterations, or additions contemplated thereby in the locations indicated will not be detrimental to the appearance of the surrounding area of the Properties as a whole, will not unreasonably restrict or impair an Owner's view, as determined solely by the Architectural Committee, or will not unreasonably interfere with an Owner's privacy, as determined solely by the Architectural Committee, that the appearance of any structure affected thereby will be in harmony with the surrounding structures, that the construction thereof will not detract from the beauty, wholesomeness or attractiveness of the Master Association Maintenance Areas or the enjoyment thereof by the Members, and that the upkeep and maintenance therefor will not become a burden on the Master Association.

(b) Conditions of Approval. The Architectural Committee may condition its approval of proposals or plans and specifications for any Improvement (i) on such changes therein as it deems appropriate, (ii) upon the agreement by the Person (referred to in this Section 9.2 as "applicant") submitting the same to grant appropriate easements to the Master Association for the maintenance of the Improvement, or (iii) upon the agreement of the applicant to reimburse the Master Association for the cost of such maintenance, or all three, and may require submission of additional plans and specifications or

other information prior to approving or disapproving material submitted.

(c) Rules and Guidelines. The Architectural Committee may also issue rules or guidelines setting forth procedures for the submission of plans for approval which may require a fee to accompany each application for approval, or include additional factors which it will take into consideration in reviewing submissions. The Architectural Committee may provide that the amount of such fee shall be uniform, or that it may be determined in any other reasonable manner, such as based upon the reasonable cost of the construction, alterations, or additions contemplated. The Architectural Committee may require such detail in plans and specifications submitted for its review as it deems proper, including, without limitation, floor plans, site plans, drainage plans, elevation drawings and description or samples of exterior material and colors. Until receipt by the Architectural Committee of any required plans and specifications, the Architectural Committee may postpone review of any plan submitted for approval.

(d) Notice of Decision. Decisions of the Architectural Committee and the reasons therefor shall be transmitted by the Architectural Committee to the applicant at the address set forth in the application for approval, within forty-five (45) days after receipt by the Architectural Committee of all materials required by the Architectural Committee. Any application submitted pursuant to this Section 9.2 shall be deemed approved, unless written disapproval or a request for additional information or materials by the Architectural Committee shall have been transmitted to the applicant within forty-five (45) days after the date of receipt by the Architectural Committee of all required materials.

(e) Submission By Declarant and Participating Builder. Declarant need not seek approval of the Architectural Committee with respect to its activities until Close of Escrow for the sale of the last Lot or Condominium in the Properties from Declarant (i) to a Participating Builder or (ii) to a member of the public pursuant to a Final Subdivision Public Report issued by the California Department of Real Estate. All Participating Builders must seek such approval in the manner herein provided until Declarant has lost the power to appoint a majority of the members of the Architectural Committee. After Declarant has lost the power to appoint a majority of the members of the Architectural Committee, the Participating Builders need not seek approval of the Architectural Committee with respect to its new construction activities until Close of Escrow for the sale of the

last Lot or Condominium owned by such Participating Builder to a member of the public.

Section 9.3. Meetings of the Architectural Committee:
The Architectural Committee shall meet from time to time as necessary to perform its duties hereunder. The Architectural Committee may from time to time by resolution unanimously adopted in writing designate an Architectural Committee Representative (who may, but need not, be one of its members) to take any action or perform any duties on behalf of the Architectural Committee, except the granting of variances pursuant to Section 9.8. In the absence of such designation, the vote of a majority of the members of the Architectural Committee, or the written consent of a majority of the members of the Architectural Committee taken without a meeting, shall constitute an act of the Architectural Committee.

Section 9.4. No Waiver of Future Approvals: The approval of the Architectural Committee to any proposals or plans and specifications or drawings for any work done or proposed or in connection with any other matter requiring the approval and consent of the Architectural Committee, shall not be deemed to constitute a waiver of any right to withhold approval or consent as to any similar proposals, plans and specifications, drawings or matter whatever subsequently or additionally submitted for approval or consent.

Section 9.5. Compensation of Members: The members of the Architectural Committee shall receive no compensation for services rendered, other than reimbursement by the Master Association for expenses incurred by them in the performance of their duties hereunder.

Section 9.6. Corrections of Defects: Inspection of work and correction of defects therein shall proceed as follows:

(a) Inspection. The Architectural Committee or its duly authorized representative may at any time inspect any Improvement for which approval of plans is required under this Article IX; provided, however, that the Architectural Committee's right of inspection of Improvements for which plans have been submitted and approved shall terminate sixty (60) days after such work or Improvement shall have been completed and the respective Owner shall have given written notice to the Committee of such completion. The Architectural Committee's rights of inspection shall not terminate pursuant to this subsection in the event that plans for the work of Improvement have not previously been submitted to and approved by the Architectural Committee. If, as a result of such inspection, the Architectural Committee finds that such Improvement was done without obtaining approval of the plans therefor or was not done

in substantial compliance with the plans approved by the Architectural Committee, it shall notify the Owner in writing of failure to comply with this Article IX within sixty (60) days from the inspection, specifying the particulars of noncompliance. The Owner shall remedy such noncompliance or remove the same within a period of not more than forty-five (45) days from the date that notice of the Architectural Committee ruling is given to the Owner. The Architectural Committee shall have the authority to require the Owner to take such action as it deems necessary to remedy the noncompliance.

(b) Failure to Remedy or Remove. If the Owner does not comply with the Architectural Committee ruling within such 45-day period, the Architectural Committee, at its option, may peacefully remove the noncomplying Improvement or otherwise peacefully remedy the noncompliance, and the Owner shall reimburse the Architectural Committee, upon demand, for all expenses incurred in connection therewith. If such expenses are not promptly repaid by the Owner to the Architectural Committee, the Board shall levy a Special Assessment against such Owner for reimbursement as provided in this Master Declaration. Upon failure to pay such Special Assessment when due the Board may record a Notice of Delinquent Assessment in the Office of the County Recorder of Orange County. The right of the Architectural Committee to remove a noncomplying Improvement or otherwise remedy the noncompliance shall be in addition to all other rights and remedies which the Architectural Committee and the Master Association may have at law, in equity or in this Master Declaration.

(c) Failure to Notify Deemed Approval. If for any reason the Architectural Committee fails to notify the Owner of any noncompliance with previously submitted and approved plans within sixty (60) days after receipt of said written notice of completion from the Owner, the Improvement shall be deemed to be in accordance with said approved plans.

Section 9.7. Nonliability of Architectural Committee Member: Neither the Architectural Committee, nor any member of the Architectural Committee, nor the Architectural Committee's duly authorized representative shall be liable to the Master Association or to any Owner for any loss, damage or injury arising out of or in any way connected with the performance of the Architectural Committee's duties hereunder, unless due to the willful misconduct or bad faith of the Architectural Committee. The Architectural Committee shall review and approve or disapprove all plans submitted to it for any proposed Improvement, alteration or addition, solely on the basis of aesthetic considerations and the overall benefit or detriment which would result to the immediate

vicinity and the Properties generally. The Architectural Committee shall take into consideration the aesthetic aspects of the architectural designs, placement of buildings, landscaping, color schemes, exterior finishes and materials and similar features. The Architectural Committee's approval or disapproval shall be based solely on the considerations set forth in this Article IX and the Architectural Committee shall not be responsible for reviewing, nor shall its approval of any plan or design be deemed approval of, any plan or design from the standpoint of structural safety or conformance with building or other codes.

Section 9.8. Variances: The Architectural Committee may authorize variances from compliance with any of the architectural provisions of this Master Declaration or any Declaration of Annexation, including restrictions upon height, size, floor area, or placement of structures, or similar restrictions, when circumstances such as topography, natural obstructions, hardship, aesthetic or environmental consideration may require. Such variances must be evidenced in writing, must be signed by at least a majority of all of the members of the Architectural Committee, and shall become effective upon Recordation in the Office of the County Recorder of Orange County. If such variances are granted, no violation of the covenants, conditions and restrictions contained in this Master Declaration or in any Declaration of Annexation shall be deemed to have occurred with respect to the matter for which the variance was granted. The granting of such a variance shall not operate to waive any of the terms and provisions of this Master Declaration or of any Declaration of Annexation for any purpose except as to the particular property and particular provision hereof covered by the variance, nor shall it affect in any way the Owner's obligation to comply with all governmental laws and regulations affecting his use of the premises, including, but not limited to, zoning ordinances and Lot set-back lines or requirements imposed by any governmental authority.

Section 9.9. Solar Heating Equipment: Notwithstanding any other provisions of this Master Declaration concerning approval of plans and specifications by the Architectural Committee, the installation of any solar heating equipment which meets all applicable zoning regulations, the Uniform Building Code, all associated ordinances and regulations and any reasonable requirements of the Architectural Committee is hereby deemed to have been approved by the Architectural Committee.

Section 9.10. Amendment to Article IX: So long as Declarant owns any portion of the Properties, this Declaration cannot be amended or modified to change or eliminate the provision of this Article IX without the prior written approval of Declarant, and any attempt to do so shall be null and void.