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AMENDED AND RESTATED DECLARATION  
OF  
COVENANTS, CONDITIONS AND RESTRICTIONS  
FOR  
HAMPTON VILLAGE

MARY ANN HULSE  
PLACER CO RECORDER

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AMENDED AND RESTATED DECLARATION  
OF  
COVENANTS, CONDITIONS AND RESTRICTIONS  
FOR  
HAMPTON VILLAGE

THIS DECLARATION is made on the date hereinafter set forth by SOUTHFORK PARTNERSHIP, a California general partnership, hereinafter referred to as "declarant." The Declaration of Covenants, Conditions and Restrictions for Hampton Village was recorded on December 23, 1986, in Book 3099, Page 1, of Official Records of Placer County, California, and a first amendment of such declaration was recorded December 23, 1986, in Book 3099, Page 83, of Official Records of Placer County, California (collectively, the "recorded declaration"). Declarant owns all of the property subject to the recorded declaration. Declarant desires to amend and restate the recorded declaration and hereby adopts this Amended and Restated Declaration of Covenants, Conditions and Restrictions for Hampton Village which in all respects shall replace the recorded declaration.

WITNESSETH:

A. Declarant is the owner of that certain property in the County of Placer, State of California, which is more particularly described in Exhibit "A" attached hereto and incorporated herein.

B. Declarant has established a general plan, set forth in this declaration, for the subdivision, improvement and development of the real property, and each and every lot and parcel on

the real property, and desires to secure the harmonious and uniform development of the real property in accordance with the plan.

NOW, THEREFORE, declarant hereby declares that the real property is, and shall be, held, conveyed, hypothecated, encumbered, subject to the following limitations, restrictions, easements, covenants, conditions, liens and charges, all of which are declared and agreed to be in furtherance of a planned development as described in California Civil Code Sections 1350-1372 for the subdivision, improvement, protection, maintenance and sale of lots within the real property, and all of which are declared and agreed to be for the purpose of enhancing, maintaining and protecting the value and attractiveness of the real property. All of the limitations, restrictions, easements, covenants, conditions, liens and charges shall run with the land, shall be binding on and inure to the benefit of all parties having or acquiring any right, title or interest in the real property, and shall be binding on and inure to the benefit of the successors in interest of such parties. Declarant further declares that it is the express intent that this declaration satisfy the requirements of California Civil Code Section 1354.

ARTICLE 1.       DEFINITIONS.

1.01.       The "articles" mean the association's articles of incorporation and their amendments.

1.02.       The "association" shall mean and refer to HAMPTON VILLAGE OWNERS ASSOCIATION, a California nonprofit corporation, created and functioning pursuant to certain articles of incorporation for the purpose of maintaining and administering the common area, and administering and enforcing these covenants, conditions and restrictions.

1.03.       The "board" means the board of directors of the association.

1.04. The "bylaws" mean the association's bylaws and their amendments.

1.05. The "common area" shall mean and refer to all that portion of the property owned by the association for the use and enjoyment of the owners. The common area so owned at the time of the first conveyance of a lot within the HAMPTON VILLAGE development is described in Exhibit "B" which is attached hereto and incorporated herein by reference.

1.06. The "committee" or the "architectural review committee" shall mean and refer to the three (3)-member committee appointed as provided in Section 3.20 to review and approve additions to and changes or alterations to the improvements on the property.

1.07. The "declarant" shall mean and refer to SOUTHFORK PARTNERSHIP, a California general partnership, its successors and assigns, if such successors or assigns should acquire more than one undeveloped lot from the declarant for the purpose of development and sale.

1.08. The "development" or the "property" or "properties" shall mean and refer to all that certain real property which is described on Exhibit "A" and such additions thereto as may hereafter be brought within the jurisdiction of the association.

1.09. "Development Agreement" shall mean the Development Agreement by and between the City of Roseville and SOUTHFORK PARTNERSHIP relative to the development known as Johnson Ranch, adopted by the City of Roseville on March 6, 1985, by Ordinance No. 1847, and was recorded on April 9, 1985, in Book 2792, Page 1 of Official Records of the County of Placer, as such Development Agreement presently reads and as it may be modified or amended from time to time.

1.10. "FNMA" shall mean and refer to the Federal National Mortgage Association.

1.11. "Front Yard Areas" shall mean and refer to that portion of each lot which is generally visible from any street within the development and would commonly be referred to as a front yard or side yard. "Front Yard Area" shall not include those portions of a lot which are covered by structural improvements or which are enclosed for the private use of an owner. The precise area of each lot which constitutes the Front Yard Area shall be determined by the actual location of the residence and fence improvements constructed thereon or in accordance with Section 6.12 hereof.

1.12. "Hampton Easement" shall mean and refer to that portion of an owner's lot to which an easement has been granted to the owner of an adjacent lot for light, air, landscaping, maintenance and recreational use as provided in Section 2.08A.

1.13. "Landscape CC&Rs" shall mean the Master Declaration of Covenants, Conditions and Restrictions for Johnson Ranch Community, recorded on \_\_\_\_\_, 1986, in Book \_\_\_\_\_, Page \_\_\_\_\_ of Official Records of Placer County.

1.14. A "lane" shall mean and refer to any of the approximately twenty-two feet (22') wide alleys located at the rear of one or more lots in the property.

1.15. A "lot" shall mean and refer to any of the separate plots of land shown upon any recorded subdivision map of the properties with the exception of the common area.

1.16. A "member" shall mean and refer to a person entitled to membership in the association as provided in this declaration.

1.17. A "mortgage" means a mortgage or deed of trust encumbering a lot or other portion of the development. A "mortgagee" and "mortgage holder" shall include the beneficiary under a deed of trust. An "institutional mortgagee" or "institutional holder" is a mortgagee that is a bank or savings and loan association, or established mortgage company or other entity chartered under federal or state laws, any corporation or insurance

company, or any federal or state agency, and that holds a first mortgage on any lot or on the common area.

1.18. The "owner" shall mean and refer to the record owner, whether one or more person or entity, of a fee simple title to any lot which is part of the properties. If the lot is subject to a recorded Land Installment Sale Contract, "owner" shall mean and refer to the contract vendee. "Owner" shall not include those having any such interest merely as security for the performance of an obligation.

1.19. "Private Yard Areas" shall mean and refer to the yard areas of each lot which are for the private use as part of each individual residence area and are not visible from the common area.

1.20. "Rear Lot Setback Area" shall mean and refer to that portion of the approximately five-foot (5') setback area at the rear of each lot facing on a lane, exclusive of driveway and fences, which is to be landscaped by declarant and maintained by the association. The precise area of each lot which constitutes the Rear Lot Setback Area shall be determined by the actual location of the residence and fence improvements constructed thereon or in accordance with Section 6.12 hereof.

1.21. A "unit" or "dwelling unit" or "residence unit" shall mean and refer to the improvements constructed on an individual lot.

ARTICLE 2.        PROPERTY RIGHTS.

2.01.        Common Area. All of the streets, drives, circles, courts, ways, lanes, alleys, landscaped areas and designated visitor or guest parking spaces, all as shown as Lot A on Exhibit B, hereto, within the properties (collectively "streets" or "common area"), are common area to be owned by the association, and shall be subject to the rule-making power of the association. The association shall have an easement over so much of each lot as is reasonably necessary in order to maintain, repair and replace such common area, and each owner within the properties shall have a nonexclusive easement for ingress and egress over the common area. The owners' easements shall be subject to the association's rule-making power. Finally, the common area shall also be subject to a public utility easement for purposes of maintaining, repairing and replacing storm and sanitary sewer, water, gas, electric, telephone, cable television, street lighting and other appropriate facilities in the common area.

2.02.        Owners' Easements of Enjoyment. Prior to the first transfer of a lot by declarant to an owner, declarant shall convey the common area to the association by grant deed. Every owner shall have a right and nonexclusive 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. The owner's property rights are subject to the following provisions:

A.        The right of the association to limit the number of guests, and to adopt association rules and regulations ("association rules") regulating the use and enjoyment of the common area, including reasonable rules and regulations regarding parking privileges and the use of the common area.

B.        The right of the association to impose reasonable monetary fines or penalties and/or suspend the voting rights of an owner for any period during which the assessment against his lot remains unpaid; or during which an owner is

guilty of any infraction of the association's published rules and regulations as determined by the board of directors of the association following notice and an opportunity to be heard on the alleged infraction.

C. The right of the association to dedicate or transfer 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 it has the prior written authorization of a majority of each class of members and a written instrument evidencing such dedication or transfer and such written authorization has been recorded in Placer County; provided, however, no such dedication shall impair the ingress and egress to any individual residence unit within the properties.

D. The right of the association to grant permits, licenses and easements over the common areas for utilities, roads and other purposes reasonably necessary or useful for the proper maintenance or operation of the project.

E. The right of declarant or its designees to enter on the development to make repairs and remedy defects if such entry shall not interfere with the use of any occupied dwelling unit unless such interference is authorized by the unit owner.

F. The right of the association, or its agents, to enter any lot to perform its obligations under this declaration, including obligations with respect to construction, maintenance or repair for the benefit of the common area or the owners in common, or to make necessary repairs that the lot owner has failed to perform. The right shall be immediate in case of an emergency originating in or threatening such dwelling unit and the obligation can be performed whether or not the owner is present.

G. The rights granted in Sections 2.04 and 2.05.

2.03.     Delegation of Use; Leases. Any owner may delegate his right of enjoyment to the common area to the members of his family, his tenants or contract purchasers who reside on the property. However, any lease agreement between an owner shall comply with the provisions of Section 3.02. Each owner shall notify the secretary of the association of the names of any contract purchaser or tenant of such owner's lot. Any delegated rights of use and enjoyment are subject to suspension to the same extent as the rights of owners are.

2.04.     Association Easements for Maintenance and Repair. The association shall have an easement in and to every lot within the properties for the limited purpose of maintaining and repairing the adjoining common area as provided in Article 4 and for the maintenance, repair and replacement of landscaping and irrigation systems and appurtenances in the Front Yard Area and Rear Lot Setback Area. The association shall also have an easement in and across such other portions of each lot as may be reasonably necessary to perform its obligations under this declaration. Each owner's use and maintenance of the Front Yard Area and Rear Lot Setback Area of his lot shall be restricted as set forth in Sections 3.14 and 3.16 hereof.

2.05.     Utility Maintenance and Repair Easements. Wherever sanitary sewer connections or water connections or electricity, gas or telephone, television lines or drainage facilities are installed within the properties, which connections, lines or facilities, or any portion thereof, lie in or upon lots owned by other than the owner of the lot served by said connections, the owners of any lots served by said connections, lines or facilities shall have the right, and are hereby granted an easement to the full extent necessary therefor, to enter such lots or to have utility companies enter therein, or any portion thereof, to repair, replace and generally maintain said connections as and when the same may be necessary.

Wherever sanitary sewer house connections and/or water house connections or electricity, gas or telephone lines or drainage facilities are installed within the properties, which connections serve more than one lot, the owner of each lot served by said connections shall be entitled to the full use and enjoyment of such portions of said connections as service his lot.

All utility companies having easements on the property covered by this declaration shall have easements for cleaning, repairing, replacing and otherwise maintaining or causing to be maintained service in all underground utility lines, including, when reasonably necessary, the entry into an improvement constructed upon a lot for uncovering any such lines. Any owner or utility company exercising the rights granted in this section shall be obligated to restore the lot and the dwelling unit entered to substantially its former condition.

2.06. Encroachments; Front Yard Areas and Rear Lot Setback Areas. It may be that in connection with subsequent reconstruction, repair or settlement thereof, portions of a residential unit may encroach upon the former Front Yard Area or Rear Lot Setback Area. Conversely, it may be that in connection with such reconstruction, repair or settlement there will be portions of lots which are not covered by the residential unit and are not enclosed or partially enclosed for use exclusively with a particular lot (e.g., the Front Yard Areas of the lots). In the former instance, a valid easement for the encroachment and the maintenance thereof shall exist in favor of the owner for as long as such encroachment exists, and the encroaching object shall be treated for all purposes as if it were situated on the lot to which it relates. In the latter instance, the portions of lots which are unimproved and unenclosed shall be treated for all purposes as if they were a part of the original Front Yard Areas or Rear Lot Setback Areas.

2.07. Additional Parking. The development contains open parking spaces in addition to the garages located on individual

lots. Such parking spaces shall be part of the common area. These parking spaces may be used only by the visitors and guests of owners and residents. This use, however, is subject to the right of the board to designate certain spaces as "guest parking only," and to otherwise regulate their use by means of the association rules from time to time.

2.08. Easements Between Adjacent Lots.

A. Hampton Easement.

(1) Benefitted Lots. In order to expand and enhance the Private Yard Area of certain lots (the "Benefitted Lots") and to provide for drainage, light, air, landscaping, maintenance and recreational uses, declarant, by this Section 2.08A, establishes a nonexclusive easement (the "Hampton Easement") for such purposes in favor of each Benefitted Lot.

(2) Location and Extent of a Hampton Easement.

In each case where there is a Benefitted Lot, the owner of the Benefitted Lot shall have a Hampton Easement on the property of the adjacent Lot owner (the "Grantor"). The Hampton Easement will generally extend from the exterior face of the Grantor's Garage Side Wall to the side lot boundary line. A Garage Side Wall is a wall

(a) which encloses, in part, that portion of the Grantor's structure containing the garage, and

(b) which faces a Hampton Easement. The exact location and extent of each Hampton Easement for a Benefitted Lot shall be as set forth on a plat attached to the grant deed conveying such Benefitted Lot and on a plat attached to the grant deed conveying the Grantor's Lot. Any dispute with respect to the location or extent of a Hampton Easement shall be resolved in accordance with Section 6.12.

(3) Purpose of Hampton Easement. The purpose of a Hampton Easement described in this Section 2.08 shall

purposes and all surface and recreational rights consistent with normal residential yard use.

(4) Restrictions on Benefitted Lot Owner. The Benefitted Lot owner shall not place or maintain landscaping, planting or other improvements in the Hampton Easement area which will interfere with the inspection, maintenance or repair of the residence of the Grantor without the prior written consent of the Grantor. No plants, landscaping or other improvements may be braced or espaliered against the Garage Side Wall. The Benefitted Lot owner shall trim plants and trees planted within the easement area or on adjacent property so that such plants and trees do not touch or overhang the adjoining residential structure. The Benefitted Lot owner shall not attach anything to the outside of the Grantor's residential structure or make any use of such structure's wall.

(5) Restrictions on Grantor. The Grantor shall not place or erect any structure in the Hampton Easement. The Grantor shall not attach anything to the exterior of the Garage Side Wall which shall protrude into the Hampton Easement area other than roof, eaves and gutters installed by declarant. The Grantor shall not extend or otherwise change the Garage Side Wall adjacent to the easement area or the roof, eaves or gutters above such wall, except for routine painting, maintenance, repair or reconstruction, without the consent and permission of the Benefitted Lot owner. The Grantor shall not construct any doors or windows, other than to replace those installed by declarant, on the Garage Side Wall.

(6) Repainting of Garage Side Wall. Painting of the Garage Side Wall shall be of the same color and quality as that originally utilized by declarant,

unless both the Grantor and the Benefitted Lot owner agree, in writing, on an alternative shade or quality of paint and, pursuant to Section 3.19, all required approvals have been obtained.

B. Maintenance and Repair Easement. A limited easement is hereby established to accommodate the interests of any owner where the structure of such owner is located within five feet (5') of a common boundary line. In all cases where a structural wall is located within five feet (5') of a common boundary line between adjacent lots (a "Proximate Wall"), the lot owner shall have a nonexclusive easement over the Private Yard Area, Front Yard Area, Rear Lot Setback Area and Hampton Easement of the adjacent lot for access to, inspection of, maintenance of, and repair of a Proximate Wall or the roof thereon and the reconstruction of a Proximate Wall or the roof thereon in the event of the partial or total destruction of the Proximate Wall or the roof thereon or the structure of which the Proximate Wall is a part.

ARTICLE 3.       USE RESTRICTIONS.

3.01.       Residential Use. No lot, nor any portion thereof, shall be used for any purpose other than one single-family residence. Except as otherwise provided in this declaration, with respect to declarant's development and sales activities, no part of the development shall be used or caused, allowed or authorized to be used in any way, directly or indirectly, for any business, commercial, manufacturing, mercantile, storing, vending, mining, drilling or any other nonresidential purpose.

3.02.       Rental. The development is designed and intended as an owner-occupied, residential development, and no owner shall rent, lease or otherwise delegate the use and occupation of his lot except upon all the following terms and conditions:

A. No lot may be leased or rented for a period of less than thirty (30) days.

B. The rental shall apply to not less than the entire lot including its appurtenant rights, except its voting rights in the association.

C. Any rental shall be by a written agreement which shall provide that the tenancy is subject to the terms of this declaration, the bylaws and the association rules and that any failure of the tenant to comply with the terms of this declaration, the bylaws or the association rules shall constitute a default under such agreement.

D. All owners leasing or renting their units shall promptly notify the secretary of the association in writing of the names of all tenants and members of tenant's family occupying such unit and of the address and telephone number where such owner can be reached.

3.03.       Offensive Activities; Nuisances. No noxious or offensive activity shall be carried on within the properties, nor shall anything be done or placed thereon which may be or become a nuisance or cause unreasonable embarrassment, disturbance or annoyance to other owners in the enjoyment of their property,

or in the enjoyment of common areas. Without limiting any of the foregoing, no owner shall permit noise, including but not limited to, the barking of dogs and the excessive playing of music systems, to emanate from owner's lot, which would unreasonably disturb another member's quiet enjoyment of his lot or of the common area.

3.04. Parking; Vehicles. Each owner shall be entitled to the exclusive use of the garage located upon his lot. No owner or resident within the properties may leave any vehicle parked outside his garage. To assure that no resident's vehicles are parked elsewhere within the properties, the following restrictions shall be strictly enforced:

A. No garage shall be remodelled or used as a workshop, storage space, hobby facility or for any other use or facility which would interfere with its use for the accommodation of the number of full-sized passenger vehicles which the garage was originally designed to accommodate.

B. All of the persons who own or reside in any single residential unit shall not bring to the property at any one time more vehicles (including recreational vehicles as set forth in Section 3.04C below) than the number of vehicles which can be parked in the garage belonging to that unit.

C. No vans, boats, motorcycles, campers, trailers or other recreational vehicles of any type (all of which are referred to herein as "a recreational vehicle") shall be kept or parked in any sidewalk or yard area within the lots or upon the common area. Garages may not be used for storing or parking any recreational vehicle unless such vehicle is completely enclosed by the garage and cannot be viewed from the street, lane or any other lot. The parking spaces in the common area may not be used for storing or parking any recreational vehicle.

D. No owner, resident or guests or visitors thereof may park any vehicles on any street or lane within HAMPTON

VILLAGE. The association shall post and maintain "No Parking" signs on all streets within HAMPTON VILLAGE. Guests and visitors of owners may park within the guest parking spaces as set forth in Section 2.07 hereof.

E. All garages shall be maintained in a neat and orderly condition and garage doors shall be kept closed except during the time required for vehicles to enter or depart.

No owner or resident shall permit overnight guests or frequent visitors to the property to park in any manner which violates the provisions of this section.

In order to prevent or eliminate any parking problems within the properties, or to further define and enforce the restrictions of this Section 3.04, the board of directors of the association shall have the power and authority to establish additional rules, restrictions and penalties, including the powers described in Section 2.07, and to impose fines or towing procedures for repeated violations of the parking restrictions, as determined by the board.

3.05. Signs. No sign of any kind shall be displayed to the public view on or from any lot or the common area without the approval of the board or the architectural control committee. However, one sign of customary and reasonable dimensions advertising a lot for sale may be placed within each lot by the owner. In addition, during the period of declarant's sales program, the declarant may use signs which declarant deems necessary and appropriate to advertise the development and which comply with local planning regulations.

3.06. Antennae, External Fixtures, etc. No television or radio poles, antennae, satellite dishes, flag poles, clotheslines, basketball standards or other external fixtures, other than those originally installed by declarant or approved by the board or architectural control committee, and any replacements, shall be constructed, erected or maintained on any parcel or lot

or on any structures on it if such fixture is visible from the common areas, nor may such fixtures be erected or maintained in the Front Yard Areas or Rear Lot Setback Areas. To the extent permitted by law, the installation of solar panels shall be subject to the prior written approval of the committee if the same are visible from any street, lane or the common areas. Except for any antennae, chimneys, vent stacks or other items or equipment upon or projecting from the roof which are installed by declarant as part of the initial improvements, no such item or equipment shall be erected or maintained upon the outside of any building on the properties, unless the same has been approved by the architectural control committee.

3.07. Fences, etc. No fence, awning, ornamental screen, screen door, sunshade or wall of any nature, which is visible from the common areas, shall be erected or maintained on or around any portion of any structure or elsewhere within the development except those existing as part of declarant's original construction and their duplicate replacements, or those which are installed or authorized and approved by the committee or the board.

3.08. Sight Distance at Intersections. No fence, wall, hedge or shrub planting which obstructs sight lines at elevations between two feet (2') and six feet (6') above the roadway shall be placed or permitted to remain on any corner lot within the triangular area formed by street property lines and a line connecting them at points twenty-five feet (25') from the intersection of the street lines or, in the case of a rounded property corner, from the intersection of the street property lines extended. The same sight-line limitations shall apply on any lot within ten feet (10') from the intersection of a street property line with the edge of a driveway. No tree shall be permitted to remain within such distances of such intersections unless the foliage line is maintained at sufficient height to prevent obstruction of such sight lines.

No fence or hedge exceeding three feet (3') in height shall be erected or permitted to remain or allowed to grow nearer any street than setback lines shown on the recorded plat.

3.09. Animals. No animals of any kind shall be raised, bred or kept on any lot or elsewhere within the development, except that dogs, cats or other household pets may be kept in residences provided that no animal shall be kept, bred or maintained for any commercial purpose. The board can prohibit maintenance of any animal which, in the sole and exclusive opinion of the board, constitutes a nuisance or health hazard to any other owner. No dog shall be allowed in the common area except upon a leash held by a person capable of controlling it. Each person bringing or keeping a pet on the development shall be absolutely and strictly liable to other owners, their family members, guests, invitees, tenants and contract purchasers, and their respective family members, guests and invitees, for any injury to persons or damage to property caused by any pet brought on or kept on the development by such person or by members of his family, his guests or invitees.

3.10. Trash. All garbage and trash shall be placed and kept in covered containers. In no event shall such containers be kept where they are visible from common area or any neighboring lot, except as may reasonably be necessary in connection with the collection thereof by the garbage collector. No exterior portion of any lot shall be used for the storage of building materials or other materials except in connection with approved construction.

3.11. Outside Drying, Laundering. No exterior clothesline shall be erected or maintained on any lot. No laundering, clothes drying or related activity shall be permitted outside any building.

3.12. Exterior Alterations; Additional Structures. No owner shall make or permit to be made, at his expense or otherwise, any alterations or modifications to the exterior of the

buildings, fences, railings or walls situated within the development, without the prior written consent of the board or architectural control committee. No structures of a temporary character, including, but not limited to, trailers, basements, shack, garage, barn, or other outbuilding, shall be erected or placed on any lot at any time without the express consent of the architectural control committee.

3.13. Compliance with Laws, etc. Nothing shall be done or kept in any lot or dwelling unit or in the common area that might increase the rate of, or cause the cancellation of insurance on the development, or any portion of the development, without the prior written consent of the board. No owner shall permit anything to be done or kept in his lot or in the common area that violates any law, ordinance, statute, rule or regulation of any local, county, state or federal body. No owner shall allow furniture, furnishings or other personalty belonging to such owner to remain within any portion of the common area.

3.14. Common Area. Without limiting the owner's maintenance obligations as specified in Article 4 of this declaration, no improvement, excavation or work which in any way alters the form or appearance of the common area as improved by declarant except upon strict compliance with, and within the restrictions and limitations of, the following provisions of this section:

A. No person other than the declarant, the association or their duly authorized agents shall construct, reconstruct, refinish, alter or maintain any structural improvement, upon, or shall make or create any excavation or fill upon, or shall change the natural or existing drainage of, or shall destroy or remove any tree or shrub or plant any tree, shrub or other vegetation upon common area, Front Yard Areas or Rear Lot Setback Areas as defined in Sections 1.05, 1.11 and 1.19. The association shall maintain such Front Yard Areas and Rear Lot Setbacks as if they were a part of

the common area. Easements required for such maintenance automatically exist as provided in Article 2.

B. The association may at any time, and from time to time:

(1) Reconstruct, replace or refinish any improvement or portion thereof upon common area in accordance with the original design, finish or standard of construction of such improvement;

(2) Construct, reconstruct, replace or refinish any road improvement, surface or appurtenances thereto upon any portion of common area;

(3) Replace destroyed trees or other vegetation and plant trees, shrubs and ground cover upon any landscaped portion of the common area, Front Yard Area or Rear Lot Setback Area;

(4) Place and maintain within the common area or Front Yard Areas or the Rear Lot Setback Areas such signs as the association deems necessary for the identification of addresses and facilities, regulation of traffic and parking, the regulation and use of common area and for the health, welfare and safety of owners and guests. Any such signs shall comply with applicable governmental requirements.

3.15. Interference with Access. No one shall interfere with or otherwise restrict the free right of passage of the owners, their agents, servants, tenants, guests and employees over driveways or passages leading to their respective garages.

3.16. Restrictions on Owners' Landscaping. Unless there has been prior written approval of the architectural control committee, no owner shall: (a) plant any tree on a lot where the distance between the center of the tree trunk is less than three feet (3') from any fence; (b) alter the grade of the land within his lot; or (c) alter any Front Yard Area, Rear Lot Setback Area or common area.

3.17.     Setback. All dwellings and structures, including, but not limited to, fences, walls and replacement dwellings, shall be located on any lot or lots a distance from any street or streets, lane or lanes adjacent to the lot equal to or greater than the setback line shown on the official recorded plan or map of HAMPTON VILLAGE or as required by local zoning codes and ordinances, whichever distance is greater. All dwellings, including garages or other structures physically a part of such dwelling, shall be in accordance with the setbacks approved by the City of Roseville for HAMPTON VILLAGE. Any garage or any structure not physically a part of the dwelling shall be erected behind the front setback line of the dwelling and may be located as near to the side or rear boundary of the lot as is now or hereafter permissible under the provisions of the building code of the City of Roseville. For the purpose of this subsection, eaves, steps and chimneys shall not be considered as a part of a building, provided, however, that this provision shall not be construed to permit any portion of a building to encroach upon another lot. If the City of Roseville imposes more stringent or conflicting requirements with respect to any of the provisions of this Section 3.17, then the City of Roseville's requirements shall apply.

3.18.     Indemnification. Each owner shall be liable to the remaining owners for any damage to the common area that may be sustained by reason of the negligence of that owner, members of his family, his contract purchasers, tenants, guests or invitees, to the extent that any such damage is not covered by insurance. Each owner, by acceptance of his deed, agrees for himself and for the members of his family, his contract purchasers, tenants, guests or invitees, to indemnify each and every other owner, and to hold him harmless from, and to defend him against, any claim of any person for personal injury or property damage occurring within the lot of that particular owner, except that said owner's liability may be diminished to the extent that the injury or damage occurred by reason of the negligence of any

other owner or person temporarily visiting in said lot or is fully covered by insurance.

3.19. Architectural Control. It is intended that the development be maintained in the same condition and appearance as originally developed by declarant. No building, fence, awning, exterior window covering, sign, house numbers or other exterior addition to or change or alteration of the improvements, visible from the common area, shall be made by or on behalf of any person other than the association, and none of the things requiring prior consent, as provided in this Article 3, shall be done until a proposal therefor has been submitted to and approved by the architectural control committee ("committee"). The proposal shall not be deemed submitted until all plans, specifications, samples and other materials necessary to adequately describe and depict the proposal have been delivered to the committee. The request for approval and relevant materials shall be deemed submitted as of the date when they are personally delivered or mailed to the committee with postage fully prepaid. The address of the initial committee referred to below is: Hampton Village Owners Association, 2150-B Douglas Boulevard, Roseville, California 95661.

3.20. Committee. The committee shall have three (3) members. The initial members of the committee appointed by the declarant shall be: Harry F. Ewing, Robert H. Nielebeck and Sandra S. Stewart. Following the first anniversary of the initial issuance of the public report pertaining to the development, declarant shall have the power to appoint two (2) of the three (3) members of the committee until the earlier of: (a) the fifth anniversary of the final public report issued for the development; or (b) the date when ninety percent (90%) of the lots in the development have been sold. So long as declarant has the power to appoint two (2) members of the committee, the board of the association shall appoint the third member; thereafter, the board shall have the power to appoint all three (3) committee

members. Members of the board may serve as members of the committee and the board may elect to act as the committee in lieu of appointing special members, in which case all matters requiring approval and consent under this Article 3 shall be determined by the board. Only those members of the committee who are appointed by the board need be members of the association.

3.21. Preliminary Approval of Improvements. Any owner proposing to construct any structures or other improvements to a lot requiring the prior approval of the architectural control committee may apply to such committee for preliminary approval by submission of preliminary drawings of the proposed structure or improvement in accordance with the committee rules. The purpose of this paragraph is to allow an owner who proposes to make substantial improvements to his lot or to replace a destroyed structure an opportunity to obtain guidance from the committee concerning design considerations before expending substantial sums for plans and other exhibits required to apply for final architectural approval. Applications for preliminary approval shall be considered and disposed of by the committee as follows:

Within thirty (30) days after proper application for preliminary approval, the committee shall consider and act upon such request. The committee shall grant the approval only if the proposed structure or improvement, to the extent its nature and characteristics are shown by the application, would be entitled to a final approval on the basis of a full and complete application. Failure of the committee to act within said thirty (30)-day period shall constitute approval. In granting or denying approval, the committee may give the applicant such directions concerning the form and substance of the final application for approval as the committee may deem proper or desirable for the guidance of the applicant.

Any preliminary approval granted by the committee shall be effective for a period of one hundred twenty (120) days from the

date of the issuance thereof. During said period, any application for final approval which consists of proposed structures or improvements in accordance with the provisions of the preliminary approval, and is otherwise acceptable under the terms of these restrictions, shall be approved by the committee.

In no event shall any preliminary approval be deemed to be an approval authorizing construction of the requested structures or improvements or any other improvements or structures not reviewed preliminarily.

Nothing in this section shall be construed to relieve an owner of any obligation with respect to compliance with all applicable governmental codes, statutes and regulations.

3.22. Replacement Construction and Construction on Vacant Lots. In the event that any owner plans construction of a dwelling unit on a lot after destruction of an existing dwelling unit or for any other reason ("replacement dwelling unit"), such owner shall comply with the provisions of Section 3.21. The replacement dwelling unit shall be of like quality, materials and workmanship as the dwelling units originally constructed by declarant. Any one (1)-story replacement dwelling unit shall contain at least 1,300 square feet of living area exclusive of garages or open porches. Any two (2)-story replacement dwelling unit shall contain at least 1,700 square feet of living area exclusive of garages or open porches.

3.23. Enforcement.

A. The failure of any owner to comply with any provision of this declaration or the articles or bylaws shall give rise to a cause of action in the association and any aggrieved owner for the recovery of damages or for injunctive relief, or both.

B. The architectural control committee shall have the authority to order an abatement of any construction, alteration or other matter for which approval is required, to the extent that it has not been approved by the committee



ARTICLE 4. DUTIES AND OBLIGATIONS.

4.01. Association Maintenance and Replacement Obligations. Subject to Section 603, the association shall be responsible for maintaining the following in good condition and repair:

A. Common Area Facilities. The association shall maintain or provide for the maintenance or replacement of all common area improvements, including, but not limited to private roads, parking areas and landscaping.

B. Landscaping. The association shall provide gardening services to maintain and replace as necessary all the landscaping within the common area, the Front Yard Areas and Rear Lot Setback Areas of individual lots.

C. Sprinkling Systems. The sprinkling systems, including, but not limited to, timer clocks, originally installed in the common area, the Front Yard Areas and Rear Lot Setback Areas of individual lots in connection with the landscaping improvements shall be operated and maintained solely by the association.

If any of the maintenance, replacement 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, replacement or repairs shall be chargeable to the owner but may not be treated as a special individual assessment.

4.02. Owners' Maintenance and Replacement Obligations. Except for the landscaping to be performed by the association as specified above, each owner shall be responsible for maintenance, replacement and repair of his individual residence unit, including specifically:

A. Utility Connections. Utility lines and connections, including sewer, electrical, plumbing and gas lines, which are located within a lot and provide service to the residence located upon that 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.

B. Private Yard Areas. Each owner shall plant, landscape, clean and maintain the Private Yard Areas of his lot.

C. Sprinkling Systems. Each lot shall be equipped with a sprinkling system with separate controls for the Front Yard Area and Rear Lot Setback Area. As provided in Section 4.01B, the association shall operate and maintain the sprinkling system installed to serve the Front Yard Area and Rear Lot Setback Area of individual lots. Each owner shall operate and maintain any sprinkling system which such owner installs to serve the Private Yard Areas of his lot. No owner may connect to any part, including, but not limited to, the timing controls, of the Front Yard Area and Rear Lot Setback Area sprinkling system for any purpose. If water to the sprinkling systems is metered, each owner shall be responsible for the costs of water used in the sprinkling systems for all of the Front Yard Areas, Rear Lot Setback Areas and the Private Yard Areas of his lot.

D. Structures. Each owner shall maintain his structures and shall be entirely responsible for the painting, decorating, cleaning and maintenance thereof, including all personal property and fixtures therein.

4.03. Property Taxes and Assessments. Each owner shall be obligated to pay any taxes or assessments levied by the County Assessor against his own 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.

4.04. Insurance.

A. The association, through its board of directors, shall maintain the following insurance at common expense:

(1) Fire and casualty insurance covering all common area improvements owned by the association (excepting land, foundation, excavation and other items customarily excluded from coverage), including all fixtures and building service equipment which are a part of the common area, and common personal property and supplies. The policy shall protect at least against the following: loss or damage by fire and other perils normally covered by the standard extended coverage endorsement; and, all other perils which are customarily covered with respect to projects similar in construction, location and use, including all perils normally covered by the standard "all risk" endorsement, if such is available. The policy shall be in an amount equal to one hundred percent (100%) of current replacement cost of the items required by this paragraph to be insured, without deduction for depreciation, and shall contain an Agreed Amount and Inflation Guard Endorsement, or its equivalent, if available.

Construction Code Endorsements (such as a Demolition Cost Endorsement, a Contingent Liability from Operation of Building Laws Endorsement and an Increased Cost of Construction Endorsement) shall be obtained if the common area now or at sometime in the future becomes subject to a construction code provision which would become operative and require changes to undamaged portions of any building, thereby imposing significant costs in the event of partial destruction of the project by an insured peril.

(2) Flood insurance, if the development is located within an area which has special flood hazards and for which flood insurance has been made available under the National Flood Insurance Program (NFIP). The policy shall cover the same property as that

required to be insured under subdivision 4.05A(1), and shall be in no less an amount than the lesser of the following: the maximum coverage available under the NFIP for all buildings and other insurable property within any portion of the common areas located within a designated flood hazard area; or one hundred percent (100%) of current "replacement cost" of all such buildings and other insurable property.

(3) Comprehensive general liability insurance coverage covering all of the common areas, public ways of the project, commercial spaces, if any, owned by the association, whether or not they are leased to some third party. Coverage limits shall be in amounts generally required by private institutional mortgage investors for projects similar in construction, location and use. However, such coverage shall be for at least ONE MILLION DOLLARS (\$1,000,000) for bodily injury, including deaths of persons and property damage arising out of a single occurrence. Coverage under this policy shall include, without limitation, legal liability of the insureds for property damage, bodily injuries and deaths of persons in connection with the operation, maintenance or use of the common areas, legal liability arising out of law suits related to employment contracts of the association, and such other risks as are customarily covered with respect to developments similar in construction, location and use (i.e., contractual and all-written contract insurance, employers liability insurance, comprehensive automobile liability insurance, etc.).

(4) Fidelity bond coverage for all officers, directors, trustees and employees of the association and all other persons handling or responsible for funds

of or administered by the association. If the association has delegated some or all of the responsibility for the handling of funds to a management agent, such bonds shall also cover the officers, employees and agents of such management agent who are handling or responsible for funds of, or administered on behalf of, the association. The total amount of coverage shall be based upon best business judgment and shall not be less than the estimated maximum of funds, including reserve funds, in the custody of the association or the management agent, as the case may be, at any given time during the term of each bond. However, in no event may the aggregate amount of such bonds be less than a sum equal to three (3) months' aggregate assessments on all units plus reserve funds.

Fidelity bonds shall name the association as an obligee. The bonds shall contain waivers by the issuers of the bonds of all defenses based upon the exclusion of persons serving without compensation from the definition of "employees," or similar terms or expressions. The premiums on fidelity bonds maintained by a management agent for its officers, employees and agents may be paid by such agent instead of the association.

(5) Worker's Compensation Insurance and other liability insurance as it may deem desirable, insuring each owner, the association, the board of directors and Managing Agent, if any, from liability in connection with the common area.

B. All insurance and bond coverage required by subdivision A of this Section 4.05 shall provide that it may not be cancelled or substantially modified (including cancellation for nonpayment of premium) by any party, without at

least ten (10) days' prior written notice to the association.

C. All policies of insurance shall be carried in the name of the board of directors as trustee for the association. In case of loss, proceeds shall be payable to the board or to a bank or trust company designated by the board for custody and disposition in accordance with this Article. Premiums for all insurance, including the blanket policy on residential improvements if the same is purchased, shall be deemed a common expense, payable from assessments upon each lot. Nothing herein shall be construed as creating responsibility of the association for repair or replacement of the improvements on any lot if the damage is caused by any uninsured risk, or if the association decides not to carry insurance on the residential improvements.

4.05. Replacement or Repair. In the event of damage to or destruction of the properties by causes insured against by the association, the association shall repair or replace the same from the insurance proceeds payable to it or to the trustee designated by the board of directors. If damage or destruction occurs to the common area and the insurance proceeds are insufficient to cover the costs of repair or replacement thereof, the association may make a special assessment upon all owners (as provided in Section 7.06) to cover the additional costs of repair or replacement not covered by insurance proceeds. If the association carries insurance on the individual residential improvements and if damage or destruction occurs to improvements on individual lots, but the insurance proceeds are insufficient to cover costs of repair or replacement, the association may make a special individual assessment (as provided in Section 7.09) to cover the additional cost of repair or replacement not covered by the insurance proceeds. Such special individual assessment, for purposes of this section only, shall be levied by the board of directors against an individual owner in the amount by which

the cost of repair or replacement on his lot exceeds that owner's share of the total insurance proceeds payable by reason of the damage or destruction having occurred.

4.06. Trustee. All insurance proceeds payable under Section 4.04 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 the association or a commercial bank in Placer County, that agrees in writing to accept such trust. If repair or reconstruction is authorized, the board shall have the duty to contract for such work as provided for in this declaration.

ARTICLE 5. THE ASSOCIATION.

5.01. Formation. The association is a nonprofit mutual benefit corporation formed under the laws of California. On the close and recording of the first lot sale to any owner, the association shall be charged with the duties and invested with the powers set forth in the articles, the bylaws and this declaration, including, but not limited to, control and maintenance of the common area and any common area facilities.

5.02. Membership in Association. Every owner of a lot which is subject to assessment shall be a member of the association. Membership shall be appurtenant to and may not be separated from ownership of any lot which is subject to assessment. The voting rights of a membership shall vest as of the date when the lot to which membership is appurtenant becomes subject to assessment.

5.03. Classes of Membership in Association. The association shall have two (2) classes of voting membership:

Class A: Class A members shall be all owners with the exception of the declarant and shall be entitled to one (1) vote for each lot owned. When more than one person holds an interest in any lot, all such persons shall be members. The vote for such lot shall be exercised as they among themselves determine, but in no event shall more than one (1) vote be cast with respect to any lot.

Class B: Class B member(s) shall be the declarant and shall be entitled to three (3) votes for each lot owned.

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

A. The total outstanding votes held by Class A members equal the total outstanding votes held by the Class B members; or

B. The second anniversary of the original issuance of the final subdivision public report for the development.

5.05. Association Action. Except as to matters requiring the approval of members as set forth in this declaration, the articles or the bylaws, the affairs of the association shall be conducted by the board and such officers as the board may elect or appoint. Such election or appointment shall be in accordance with this declaration or the bylaws and their amendments. Except where a different percentage or group of members is called for by this declaration, the articles or the bylaws, all matters requiring the approval of members shall be deemed approved if members holding a majority of the total voting rights of each class assent to them by written consent as provided in the bylaws or if approved by a majority vote of a quorum of members of each class at any regular or special meeting held in accordance with the bylaws. Where a different percentage or group is called for by this declaration, the articles or the bylaws, the matter shall not be deemed approved by the members unless assented to or voted for by the percentage or group called for.

With the exception of Section 12.09B, no provision in this declaration which requires the approval of a prescribed majority of the voting power of members of the association, other than the declarant, for action to be taken by the association shall preclude the declarant from casting votes attributable to subdivision interests which the declarant owns.

ARTICLE 6. GENERAL POWERS AND LIMITATIONS OF ASSOCIATION.

6.01. Powers. The association shall have all the powers of a nonprofit mutual benefit corporation organized under California law, subject only to such limitations on the exercise of such powers as are set forth in the articles, the bylaws and this declaration. It shall have the power to do any lawful thing that may be authorized, required or permitted to be done by the association under this declaration, the articles and the bylaws, and to do and perform any act that may be necessary or proper for or incidental to, the exercise of any of the express powers of the association, including, without limitation, the powers described in this Article 6.

6.02. Assessments. The association shall have the power to establish, fix and levy assessments against the owners of the lots and to enforce payment of such assessments in accordance with the provisions of this declaration.

6.03. Johnson Ranch Landscape CC&Rs. The property is subject to the Landscape CC&Rs.

A. Assessments. The Landscape CC&Rs provide for assessments for the purpose of maintaining certain landscaped areas in the Johnson Ranch area. In the development, the areas to be maintained by the Landscape Maintenance Committee established pursuant to the Landscape CC&Rs are Lots B, C, D, E and F all as shown on the Official Plat of "Hampton Village," recorded in the Office of the County Recorder of Sacramento County on December 23, 1986, in Book O of Maps, Map No. 100. Section 8.05 of the Landscape CC&Rs provides that a Homeowners Association shall collect from lot owners and deliver to the JR Community Owners Association assessments due pursuant to the Landscape CC&Rs unless otherwise advised by the JR Community Owners Association. The association shall collect from each owner as part of the regular assessment an amount that will meet the obligations of all owners under the Landscape CC&Rs.

B. At its first meeting, the board of the association shall appoint a representative to exercise the voting rights of all Hampton Village owners as members of the JR Community Owners Association. The appointed representative shall continue in that capacity until replaced by the board. The appointed representative shall have the exclusive right to exercise the voting rights of all Hampton Village owners unless a majority of the Class A members vote at any regular or special meeting to have each owner individually exercise its voting rights in the JR Community Owners Association. An election by the Class A owners to individually exercise JR Community Owners Association voting rights shall be effective until the next annual membership meeting. If a majority of the Class A members do not vote at the next annual membership meeting to continue the individual exercise of JR Community Owners Association voting rights, then the previously appointed representative shall thereafter exercise the voting rights of all members of the JR Community Owners Association.

6.04. Right of Enforcement. The association in its own name and on its own behalf, or on behalf of any owner who consents, can commence and maintain actions for damages or to restrain and enjoin any actual or threatened breach of any provisions of this declaration or of the articles or bylaws, or of the association rules or any resolutions of the board, and to enforce by mandatory injunction, or otherwise, all of those provisions. In addition, the association can suspend the voting rights, can suspend use privileges of any recreation facilities in the common area or can assess monetary penalties against any owner or other person entitled to exercise such rights or privileges for any violation of this declaration, or the articles, bylaws, association rules or board resolutions. Any such suspension of use privileges cannot exceed a period of thirty (30) days for any one violation, however, and any monetary penalty cannot

exceed TWENTY-FIVE DOLLARS (\$25) for any one violation. At least fifteen (15) days prior to the effective date of any discipline, written notice must be hand delivered or mailed by first-class mail to the member at his last address as shown by the association's records. The notice shall recite the nature of any discipline to be imposed, the reasons therefor, and the date, time and place at which the member may be heard by the board, either orally or in writing, regarding the propriety of the infraction and the discipline. The hearing may be held at any regular or special meeting of the board, but shall not be held less than five (5) days prior to the proposed effective date of the discipline. The owner or other person to be fined or suspended can appear, be represented by counsel and be heard at the meeting. Except as provided in this section, the association does not have the power or authority to cause a forfeiture or abridgement of an owner's right to the full use and enjoyment of such owner's lot, except when the loss or forfeiture is the result of the court judgment, or an arbitration decision, or a foreclosure or sale under a power of sale based on failure of the owner to pay assessments levied by the association. A monetary penalty imposed by the association as a disciplinary measure for failure of a member to comply with the governing instruments or as a means of reimbursing the association for costs incurred by the association in the repair of damage to common areas and facilities for which the member was allegedly responsible or in bringing the member and his subdivision interest into compliance with the governing instruments may not be characterized nor treated as an assessment and are not enforceable by assessment lien.

6.05. Delegation of Powers. The association acting by and through the board can delegate its powers, duties and responsibilities to committees or employees, including a professional managing agent ("manager"). Any agreement for professional management of the development shall be terminable by either party with or without cause and without payment of a termination fee on

thirty (30) days' written notice. The term of any such agreement shall not exceed three (3) years.

6.06. Association Rules. The association shall have the power to adopt, amend and repeal its rules as it deems reasonable. The association rules shall govern the use of the common area including, but not limited to, any parking areas, any recreational facilities and private streets, by the owner or his family, guests, invitees or by any contract purchaser, or tenant or their respective family members, guests or invitees. The association rules shall not, however, be inconsistent with or materially alter any other provisions of this declaration, the articles or the bylaws. A copy of the association rules as adopted, amended or repealed shall be mailed or otherwise delivered to each owner. In case of any conflict between any association rules and any other provisions of this declaration, the articles or bylaws, the provisions of the association rules shall be deemed to be superseded by the provisions of this declaration, the articles or bylaws to the extent of any such inconsistency.

6.07. Duties of the Association. In addition to the powers delegated to it by its articles or the bylaws, and without limiting their generality, the association, acting by and through the board, or the party described in Section 6.05, has the obligation to conduct all business affairs of common interest to all owners and to perform each of the duties hereinafter described.

6.08. Operation and Maintenance. As provided in Section 4.01, the association shall operate, maintain and otherwise manage or provide for the operation, maintenance and management of the common area, and all the association's facilities, improvements and the landscaping of the common area, Front Yard Areas and Rear Lot Setback Areas in a first-class condition and in a good state of repair. In this connection, the association may enter into contracts for services or materials for the benefit of the association, the common area, the Front Yard Areas and

the Rear Lot Setback Areas, including contracts with declarant, subject to the provisions of Sections 6.05 and 6.10.

6.09. Reserve Fund. The association shall establish and maintain via the regular assessments provided for in Section 7.04 an adequate reserve fund for the periodic maintenance, repair and replacement of improvements to the common areas and those other areas which the association is obligated to maintain.

6.10. Limitations on Authority of Board. Except with the vote or written assent of fifty-one percent (51%) of each class of members of the association while there are two classes, and both the approval of fifty-one percent (51%) of all members and fifty-one percent (51%) of the members other than declarant thereafter, the board shall not take any of the following actions:

A. Incur aggregate expenditures for capital improvements to the common area in any fiscal year in excess of five percent (5%) of the budgeted gross expenses of the association for that fiscal year; or

B. Sell during any fiscal year property of the association having an aggregate fair market value greater than five percent (5%) of the budgeted gross expenses of the association for that fiscal year; or

C. Pay compensation to members of the board or to officers of the association for services performed in the conduct of the association's business. However, the board may cause a member of the board or an officer to be reimbursed for expenses incurred in carrying on the business of the association.

D. Contract with third parties for goods or services to be furnished to the common area or the owners' association for a term longer than one (1) year. The board may, however, enter into the following without obtaining any approval or ratification by the members:

(1) A management contract, the terms of which comply with the requirements of Section 6.05 above or the requirements of the Federal Housing Administration or Veterans Administration.

(2) A contract with a public utility company if the rates charged for the materials or services are regulated by the Public Utilities Commission and the term of the contract does not exceed the shortest term for which the supplier will contract at the regulated rate.

(3) Prepaid casualty and/or liability insurance policies for a period of time not to exceed three (3) years' duration, provided that the policy permits short rate cancellation by the insured.

(4) Agreements for cable television services and equipment or satellite dish television services and equipment of not to exceed five (5) years' duration provided that the supplier is not an entity in which the subdivider has a direct or indirect ownership interest of ten percent (10%) or more.

6.11. Personal Liability. No member of the board, or of any committee of the association, or any officer of the association, or any manager or declarant, or any agent of declarant, shall be personally liable to any owner or to any other party, including the association, for any damage, loss or prejudice suffered or claimed on the account of any act, omission, error or negligence of any such person or entity if such person or entity has, on the basis of such information as may be possessed by him or it, acted in good faith without willful or intentional misconduct.

6.12. Disputed Boundary Lines. In the event of a dispute concerning the precise location of the boundary of the Front Yard Area, Rear Lot Setback Area, Private Yard Area or

Hampton Easement on any lot, such dispute shall be resolved by the board, whose decision shall be final.

ARTICLE 7. ASSESSMENTS.

7.01. Agreement to Pay. The declarant, for each lot owned by it in the development, covenants and agrees, and each purchaser of a lot by his acceptance of a deed, whether or not it shall be so expressed in such deed, covenants and agrees, for each lot owned, to pay to the association: (1) regular, annual assessments or charges; (2) special assessments for capital improvements or unusual expenses to be established and collected as hereinafter provided; (3) special individual assessments levied against individual lot owners to be established and collected as hereinafter provided; and (4) fines, penalties and other costs which may be levied against individual lot owners to reimburse the association for extra costs for maintenance and repairs caused by the willful or negligent acts of the individual owner and not caused by ordinary wear and tear (such fines, penalties and costs are not assessments and are not enforceable by assessment lien).

7.02. Personal Obligations. Each assessment or installment, together with any late payment penalty, interest, collection costs and reasonable attorneys' fees, shall be the personal obligation of the person or entity who was an owner at the time such assessment, or installment, became due and payable. If more than one person or entity was the owner of a lot, the personal obligation to pay such assessment, or installment, respecting such lot shall be both joint and several. The personal obligation for delinquent assessments, or delinquent installments, and other such sums, shall not pass to an owner's successors in interest unless expressly assumed by them. No owner of a lot may exempt himself from payment of assessments, or installments, by waiver of the use or enjoyment of all or any portion of the common area or by waiver of the use or enjoyment of, or by abandonment of, his lot.

7.03. Purpose of Assessments. The assessments levied by the association shall be used exclusively to promote the recreation, health, safety and welfare of the members of the association, the improvement, replacement, repair, operation and maintenance of the common area and the performance of the duties of the association as set forth in this declaration.

7.04. Regular Assessments. The maximum regular annual assessment due to the association shall be \$930.24 per lot, payable in monthly installments of \$77.52, until January 1 of the year immediately following the conveyance of the first lot to an owner, at which time it may be increased in accordance with this section and, if applicable, Section 7.08 below. Not more than sixty (60) days nor less than thirty (30) days before the beginning of each subsequent fiscal year the board shall estimate the total amount of funds necessary to defray the common expenses of the association for the next fiscal year, and shall deduct therefrom the amount, if any, which the declarant is contractually obligated to pay to the association pursuant to a subsidization plan approved by the California Department of Real Estate. If the resultant amount is approved by a majority vote of the board, the estimate shall be used to establish the regular assessment upon each lot for such year. The board may not, however, increase the amount of the regular assessment for any fiscal year of the association by more than twenty percent (20%) above the amount of the prior year's regular assessment (except the first such year if it should be less than twelve (12) months) without approval by vote or the written consent of members holding fifty-one percent (51%) of the voting rights of each class of members during the period when there are two classes of members, and, both fifty-one percent (51%) of all members and fifty-one percent (51%) of members other than declarant when Class B membership has been converted to Class A membership. Except for any special individual assessment, and except as provided in Section 7.05 regarding vacant lots and common facilities,

the amount of the assessments shall be the same for all units within the development. The regular assessments shall be payable in regular installments as provided in this declaration and shall include adequate reserve funds for contingencies and for maintenance, repairs and replacement of the common area improvements that must be replaced on a periodic basis sufficient to satisfy the requirements of any institutional mortgagee. Unless the association is exempt from federal or state taxes, all reserves shall be accounted for as contributions to the capital of the association and as trust funds segregated from the regular income of the association or in any other manner authorized by law or regulations of the Internal Revenue Service and the California Franchise Tax Board that will prevent such funds from being taxed as income of the association.

7.05. Assessment of Vacant Lots and Common Facilities.  
Declarant and each owner shall pay assessments at the full uniform rate for any lot owned by it on which a dwelling unit has been or is being constructed, commencing on the earlier of the following: (a) the first day of the month after a notice of completion has been filed for the dwelling unit on such lot; (b) occupation or use of the dwelling unit; or (c) completion of all elements of the residence unit which the association is obliged to maintain. For any lot on which no dwelling unit has been completed, or on which the time limits in the preceding sentence have not yet occurred ("vacant lot"), declarant and subsequent owner shall pay only that portion of the assessment which is attributable to the ownership and maintenance of the common area, and shall be exempt from that portion of assessment attributable to the expense of maintaining Front Yard Areas and Rear Lot Setback Areas. Such maintenance expenses from which declarant and the other owners of vacant lots shall be exempt may include, but shall not be limited to: cable television (if any) and reserves for repair, replacement, maintenance or

landscaping. The reduction in the initial regular annual assessment attributed to dwelling units shall be \$34 per month. If any common facility is not complete at the time assessments commence, declarant and each subsequent owner shall be exempt from payment of the assessments attributed to such common facility until the earlier of the following: (a) the first day of the month after a notice of completion of the common facility has been recorded; or (b) the common facility has been placed into use. The reduction in the initial regular annual assessment attributed to common facilities shall be \$-0- per month.

7.06. Special Assessments. If the board determines that the estimated total amount of common funds, including the reserve fund provided for under Section 6.08 are or will become inadequate to meet expenses because of any action or undertaking on behalf of the association, the board shall determine the approximate amount necessary to defray in whole or in part such expenses, and if the amount is approved by a majority vote of the board it shall become a special assessment. The board may, in its discretion, prorate such special assessment over the remaining months of the fiscal year or levy the assessment immediately against each lot. In any fiscal year, the board may not levy special assessments which in the aggregate exceed five percent (5%) of the budgeted gross expense of the association for that fiscal year without the vote or the written consent of fifty-one percent (51%) of the voting rights of each class of members during the period when there are two classes of membership, and both fifty-one percent (51%) of all members and fifty-one percent (51%) of members other than declarant when Class B membership has been converted to Class A membership. All special assessments (except special individual assessments provided for below) shall be levied equally against all lots in the development, except that vacant lots shall not be assessed for that portion of any assessment which falls within the terms of Section 7.05. Unless exempt from federal or state income taxation,

all proceeds from any special assessment shall be segregated and deposited into a special account and shall be used solely for the purpose or purposes for which it was levied or it shall be otherwise handled and used in a manner authorized by law or regulations of the Internal Revenue Service and the California Franchise Tax Board in order to avoid, if possible, its taxation as income of the association.

7.07. Additional Requirements for Assessment Increase.

In addition to the requirements for assessment increase set forth in Sections 7.04 and 7.06 of this declaration, the board may not impose, except as provided in this section, a regular assessment that is more than ten percent (10%) greater than the regular assessment for the association's preceding fiscal year (except the first such year if it should be less than twelve (12) months) or impose special assessments which in the aggregate exceed five percent (5%) of the budgeted gross expenses of the association for that fiscal year (except the first such year if it should be less than twelve (12) months) without the approval by vote or the written consent of fifty-one percent (51%) of all members. The provisions of this Section 7.07, however, do not limit assessment increases for the maintenance or repair of the common area or other areas which the association is obligated to maintain or repair, including, but not limited to, the payment of insurance premiums, the payment of utility bills, the costs incurred in maintaining or repairing structures or improvements, funding reserves or addressing emergency situations.

7.08. Notice and Quorum for Membership Approval Under Section 7.04 or 7.06. Any action authorized under Section 7.04 or 7.06 above which requires a vote of the membership shall be taken at a meeting called for that purpose, written notice of which shall be sent to all members not less than ten (10) nor more than sixty (60) days in advance of the meeting specifying the place, day and hour of the meeting and, in the case of a special meeting, the nature of the business to be undertaken.

If a quorum as set forth in the bylaws is present, and the proposed action is favored by a majority vote of the members of each class present at such meeting, but such vote is less than the requisite majority of members, members who were not present in person or by proxy may give their assent in writing, provided the same is obtained by the appropriate officers of the association not later than thirty (30) days following the date of such meeting.

7.09.       Special Individual Assessments. Special individual assessments may be levied by the board against an individual lot only to reimburse the association for expenses incurred by the association in accomplishing the repairs, replacements, rebuilding or restoration upon such individual lot as described under Sections 4.06 and 10.02 of this declaration. The special individual assessment thus levied shall be paid by the owner of the lot on or before the date when the regular association assessment is next due. A special individual assessment may not be used as a remedy against a member to reimburse the association for costs incurred in bringing the member and his subdivision interest into compliance with the provisions of the governing instruments.

7.10.       Assessment Period. The regular assessment period shall commence on January 1 of each year and shall terminate on December 31 of such year, and regular assessments shall be payable in equal monthly installments, unless the board adopts some other basis for collection. The initial regular assessment period, however, shall commence on the first day of the calendar month following the date of conveyance of the first lot to a purchaser (the "initiation date") and shall terminate on December 31 of the year in which the initial conveyance is made. The amount of the first regular assessment and all special assessments shall be adjusted according to the number of months remaining in the fiscal year after the initiation date.

7.11. Notice and Assessment Due Dates. The association may, but shall not be required to, give written notice of regular annual assessments unless there is a change in the amount or due date thereof. If any special assessment is levied or if there is a change in the amount or due date of regular assessments, the association shall be required to give a single written notice thereof at least fifteen (15) days prior to the due date which shall be specified in the notice. The due date for payment of the assessment installments shall be the first day of each month, unless some other date is established by the board. Any assessment not paid within fifteen (15) days after the due date shall incur a late payment penalty in an amount to be set by the board from time to time, not to exceed the amount permitted by applicable law. Interest on all sums imposed in this Article, including the delinquent assessment, reasonable costs of collection and late payment penalty, at an annual percentage rate of twelve percent (12%) per annum, shall commence thirty (30) days after the assessment becomes due.

7.12. Estoppel Certificate. The board or manager shall, on not less than ten (10) days' prior written request, execute, acknowledge and deliver to any owner making such request a statement in writing stating whether or not, to the knowledge of the association, the owner is in default as to his lot under the provisions of this declaration; the amount of regular and special assessments, including installment payments, paid by the owner during the fiscal year the request is received; and the amount of any delinquent assessments, penalties, interest, attorneys' fees and other charges on the owner's lot. The board or manager may charge the owner a fee to recover its reasonable costs in preparing the statement. Any such certificate delivered pursuant to this section may be relied upon by any prospective purchaser or mortgagee of the lot, but such reliance may not extend to any default involving the payment of assessments of which the signer had no actual knowledge.

ARTICLE 8. ENFORCEMENT OF ASSESSMENT OBLIGATIONS.

8.01. Delinquency and Remedies of Association. If any assessment, regular or special, or any portion thereof, is not paid within fifteen (15) days of the date when due, then such assessment or portion thereof shall become delinquent. The amount of such assessment, together with late payment penalty and interest specified in Section 7.11 above, and costs of collection as provided below, shall become a continuing lien on the lot against which such assessment was made from and after the time the association causes a notice of delinquent assessment to be recorded as set forth in Section 8.02 below. In addition to all other legal and equitable rights or remedies, the association may, at its option: take a deed in lieu of foreclosure; bring an action at law against the owner personally obligated to pay the same; or, upon compliance with the notice provisions set forth in Section 8.02 below, bring an action to foreclose the lien against the lot. There shall be added to the amount of the delinquency plus late payment penalties and interest all costs and expenses, including reasonable attorneys' fees incurred by the association in collecting the delinquent assessment. A lien created pursuant to this section may be enforced in any manner permitted by law, including sale by the Court, sale by the trustee designated in the notice of delinquent assessment or sale by a trustee substituted pursuant to Section 2934a of the Civil Code of the State of California. Each owner by acceptance of his deed hereby grants such a power of sale as to each and every lot owned by him to the association for the purpose of collecting delinquent assessments. Each owner vests in the association, its successors or assigns the right and power to bring all actions of law or lien foreclosures against such owner or other owners for purposes of collecting delinquent assessments.

8.02. Notice of Delinquent Assessment. No action shall be brought to foreclose the lien or to proceed under the power of sale less than thirty (30) days after the date a notice of

delinquent assessment, executed by a duly authorized representative of the association, is recorded with the Placer County Recorder, said notice stating the amount claimed (which may include late payment penalties, interest and costs of collection, including reasonable attorneys' fees), a good and sufficient legal description of the lot being assessed, the name of the record owner or reputed owner thereof, the name and address of the association as claimant and, in order for the lien to be enforced by nonjudicial foreclosure as provided in Section 8.03 below, the name and address of the trustee authorized by the association to enforce the lien by sale. A copy of said notice of delinquent assessment shall be deposited in the United States mail, certified or registered with postage thereon fully prepaid, to the owner of the lot.

8.03.       Foreclosure Sale. Any such sale provided for above shall be conducted in accordance with the provisions of Sections 2924, 2924b and 2924c, or successor provisions of the Civil Code of the State of California applicable to the exercise of powers of sale in mortgages and deeds of trust. The association, through its duly authorized agents, shall have the power to bid on the lot at foreclosure sale and to acquire and hold, lease, mortgage and convey the same.

8.04.       Curing of Default. Upon the timely curing of any default for which a notice of delinquent assessment was recorded by the association, the officers of the association are hereby authorized to file or record, as the case may be, an appropriate release of such notice, upon payment by the defaulting owner of a fee to be determined by the association, but not to exceed TWENTY-FIVE DOLLARS (\$25), to cover the costs of preparing and filing or recording such release, together with the payment of such other costs, late payment penalties, interest or fees as shall have been incurred.

8.05.       Cumulative Remedies. The assessment lien and the rights to foreclosure and sale thereunder shall be in addition

LIST OF EXHIBITS

- Exhibit A - Property Description
- Exhibit B - Description of Common Area
- Exhibit C - Subdivision Map

EXHIBIT "A" TO DECLARATION OF COVENANTS, CONDITIONS  
AND RESTRICTIONS FOR HAMPTON VILLAGE

Lots 1 through 114, inclusive, and Lots A, B, C, D, E, F,  
all as shown on the official plat of "Hampton Village," recorded  
in the office of the County Recorder of Placer County on December  
23, 1986, in Book O of Maps, Page No. 100.

EXHIBIT "B" TO DECLARATION OF COVENANTS, CONDITIONS  
AND RESTRICTIONS FOR HAMPTON VILLAGE  
(Common Area)

Lots A, B, C, D, E, F as shown on the official plat of "Hampton Village," recorded in the office of the County Recorder of Placer County on December 23, 1986, in Book O of Maps, Page No. 100.

to and not in substitution for all other rights and remedies which the association and its assigns may have hereunder and by law or in equity.

8.06.      Subordination of the Lien to Mortgages. The lien of the assessments provided for herein shall be subordinate to the lien of any first deed of trust or mortgage now or hereafter placed upon any of the lots within the development subject to assessment; provided, however, that such subordination shall apply only to the assessments which have become due and payable prior to a sale or transfer of such lot pursuant to a decree of foreclosure, or the exercise of the power of sale contained in such first deed of trust or mortgage. Such sale or transfer shall not relieve such lot from liability for any assessments thereafter becoming due nor from the lien of any such subsequent assessment.

ARTICLE 9. PROTECTION OF MORTGAGEES.

9.01. Mortgage Permitted. Any owner may encumber his lot with a mortgage.

9.02. Priority of Mortgages. Any lien created or claimed under the provisions of this declaration is expressly made subject and subordinate to the rights of any first mortgage that encumbers all or a portion of the development, or any lot, made in good faith and for value, and no such lien shall in any way defeat, invalidate or impair the obligation or priority of such mortgage unless the mortgagee expressly subordinates his interest, in writing, to such lien. No breach of the covenants, conditions or restrictions herein contained, nor the enforcement of any lien provisions herein shall affect, impair, defeat or render invalid the lien or charge of any first mortgage made in good faith and for value encumbering any lot. But all covenants, conditions and restrictions of this declaration shall be binding upon and effective against any owner whose title is derived through foreclosure or trustee's sale, or otherwise, with respect to a lot.

9.03. Curing Defaults. A mortgagee who acquires title by judicial foreclosure, deed in lieu of foreclosure or trustee's sale shall not be obligated to cure any breach of the provisions of this declaration which is noncurable or of a type which is not practical or feasible to cure. The determination of the board, made in good faith as to whether a breach is noncurable or not feasible to cure, shall be final and binding on all mortgagees.

9.04. Resale. It is intended that any loan to facilitate the resale of any lot after judicial foreclosure, deed in lieu of foreclosure or trustee's sale is a loan made in good faith and for value and is entitled to all of the rights and protections afforded to other mortgagees.

9.05.     Relationship with Assessment Liens.

A.     The liens created under Article 7 hereof shall be subordinate to the lien of any first mortgage which was recorded prior to the date any such assessment becomes due.

B.     If any lot subject to a monetary lien created by any provision hereof shall be subject to the lien of a first mortgage: (1) the foreclosure of any lien created by anything set forth in this declaration shall not operate to affect or impair the lien of such mortgage; and (2) the foreclosure of the lien of said mortgage or sale under a power of sale included in such mortgage (such events being hereinafter referred to as "events of foreclosure") shall not operate to affect or impair the lien hereof, except that any persons who obtain an interest through any of the events of foreclosure shall take title free of the lien hereof for all such charges as shall have accrued up to the time of any of the events of foreclosure, but subject to the lien hereof for all of said charges that shall accrue subsequent to the events of foreclosure.

C.     Any mortgagee who obtains title to a lot by reason of any of the events of foreclosure, or any purchaser at a private or judicial foreclosure sale, shall take title to such lot free of any lien or claim for unpaid assessments against such lot which accrue prior to the time such mortgagee or purchaser comes into possession of the lot, except for liens or claims for a share of assessments resulting from a reallocation of such assessments.

D.     Nothing in this section shall be construed to release any owner from his obligation to pay for any assessment levied pursuant to this declaration.

9.06.     Special Provisions for Eligible Mortgage Holders.

As used in this section, an "eligible" mortgage holder, insurer or guarantor is one who has requested notice of certain actions

in accordance with Section 9.08 hereinbelow. The following provisions are imposed for the benefit of eligible mortgage holders:

A. Any restoration or repair of the project, after a partial condemnation or damage due to an insurable hazard, shall be performed substantially in accordance with the declaration and the original plans and specifications, unless other action is approved by eligible holders holding mortgages on lots which have at least fifty-one percent (51%) of the votes of lots subject to eligible holder mortgages.

B. Any election to terminate the legal status of the project after substantial destruction or a substantial taking in condemnation of the project property must require the approval of eligible holders holding mortgages on lots which have at least fifty-one percent (51%) of the votes of lots subject to eligible holder mortgages.

C. No reallocation of interests in the common areas resulting from a partial condemnation or partial destruction of the development may be effected without the prior approval of eligible holders holding mortgages on all remaining lots whether existing in whole or in part, and which have at least fifty-one percent (51%) of the votes of such remaining lots subject to eligible holder mortgages.

D. When professional management has been previously required by any eligible mortgage holder or eligible insurer or guarantor, whether such entity became an eligible mortgage holder or eligible insurer or guarantor at that time or later, any decision to establish self-management by the association shall require the prior consent of owners of lots to which at least sixty-seven percent (67%) of the votes in the association are allocated and the approval of eligible holders holding mortgages on lots which have at

least fifty-one percent (51%) of the votes of lots subject to eligible holder mortgages.

E. Except as otherwise provided in subdivisions A, B, C and D of this section:

(1) The consent of owners of lots to which at least sixty-seven percent (67%) of the votes in the association are allocated and the approval of eligible holders holding mortgages on lots which have at least sixty-seven percent (67%) of the votes of lots subject to eligible holder mortgages shall be required to terminate the legal status of the project as a PUD project.

(2) The consent of the owners of lots to which at least sixty-seven percent (67%) of the votes in the association are allocated and the approval of eligible holders holding mortgages on lots which have at least fifty-one percent (51%) of the votes of lots subject to eligible holder mortgages shall be required to add or amend any material provisions of this declaration, the articles or the bylaws, which establish, provide for, govern or regulate any of the following:

- (a) Voting;
- (b) Assessments, assessment liens or subordination of such liens;
- (c) Reserves for maintenance, repair and replacement of the common areas (or lots if applicable);
- (d) Insurance or fidelity bonds;
- (e) Rights to use of the common areas;
- (f) Responsibility for maintenance and repair of the several portions of the project;
- (g) Expansion or contraction of the project or the addition, annexation or withdrawal of property to or from the project;

- (h) Boundaries of any lot;
- (i) The interests in the general or limited common areas;
- (j) Convertibility of lots into common areas or of common areas into lots;
- (k) Leasing of lots;
- (l) Imposition of any right of first refusal or similar restriction on the right of a lot owner to sell, transfer or otherwise convey his or her lot;
- (m) Any provisions which are for the express benefit of mortgage holders, eligible mortgage holders or eligible insurers or guarantors of first mortgages on lots.

9.07. Changes Requiring Additional First Mortgagee Approval. Except upon the prior written approval of at least two-thirds (2/3) of all first mortgagees (based on one (1) vote for each first mortgage owned), neither the association nor the members shall be entitled to do any of the following:

A. By act or omission seek to abandon, partition, subdivide, encumber, sell or transfer the common area either directly or indirectly; provided, however, the granting of easements for public utilities or for other public purposes consistent with the intended use of such common property by the project shall not be deemed a transfer within the meaning of this clause.

B. Change the method of determining the obligations, assessments, dues or other charges which may be levied against an owner.

C. Fail to maintain fire and extended coverage insurance on insurable association property including the common area, on a full current replacement cost basis in an amount not less than one hundred percent (100%) of the insurable value, or use casualty insurance proceeds for losses to any

part of the development for other than the repair, replacement and reconstruction of such improvements except as provided by statute in case of substantial destruction.

D. By act or omission, change, waive or abandon the provisions hereof, or enforcement thereof, pertaining to architectural design, exterior appearance, exterior maintenance of units or the maintenance of the common area, including the maintenance of the common area party walks or common fences and driveways, or the upkeep of lawns and plantings..

E. Change the provisions of Section 6.03 with respect to the obligations of the association under the Landscape CC&Rs.

F. Effectuate a decision to terminate professional management and assume self-management of the development. The mortgagee approval requirements of this section are in addition to those of Section 9.06.

9.08. Notice to First Mortgagees Upon Request. Upon written request to the association, identifying the name and address of the holder, insurer or guarantor and the lot number or address, the holder of any first mortgage or the insurer or guarantor of a first mortgage will be entitled to timely written notice of:

A. Any condemnation loss or any casualty loss which affects a material portion of the project or any lot on which there is a first mortgage held, insured or guaranteed by such mortgage holder, insurer or guarantor;

B. Any delinquency in the payment of assessments or charges owed by an owner of a lot subject to a first mortgage held, insured or guaranteed by such holder, insurer or guarantor, which remains uncured for a period of sixty (60) days;

C. Any lapse, cancellation or material modification of any insurance policy or fidelity bond maintained by the association;

D. Any proposed action which would require the consent of a specified percentage of mortgagees as specified in Section 9.06 or 9.07.

9.09. Rights to Inspect, Receive Statements, Attend Meetings.

A. All lot owners and lenders, and all holders, insurers or guarantors of any first mortgage shall be entitled to inspect current copies of the declaration, bylaws, the association rules and any other rules concerning the project and the books, records and financial statements of the association. Such inspection shall be upon request, during normal business hours or under other reasonable circumstances.

B. All holders, insurers or guarantors of a first mortgage shall be entitled, upon written request, to have an audited financial statement for the immediately preceding fiscal year of the association, free of charge to the party so requesting. Such financial statement shall be furnished within a reasonable time following such request.

C. Any first mortgagee shall, upon written request to the association, be entitled to receive written notice of all annual and special meetings of the members of the board, and first mortgagees shall further be entitled to designate a representative to attend all such meetings in order to, among other things, draw attention to violations of this declaration which have not been corrected or made the subject of remedial action by the association; provided, however, nothing contained in this section shall give a first mortgagee the right to call a meeting of the board or of the members for any purpose or to vote at any such meeting.

9.10. Right of First Refusal. The right of an owner to sell, transfer or otherwise convey his lot is not subject to any "right of first refusal" or any similar restriction in favor of the association. In the event this declaration is amended to provide for any right of first refusal in the association, a mortgagee who comes into possession of a lot pursuant to a judicial foreclosure, a deed in lieu of foreclosure or a trustee's sale shall be exempt therefrom.

9.11. Mortgagees' Right to Cure Defaults. First mortgagees of lots may, jointly or singly, pay taxes or other charges which are in default and which may or have become a charge against all or a portion of any common area of the development and may pay overdue premiums on hazard insurance policies, for such common property, and first mortgagees making such payments shall be owed immediate reimbursement therefor from the association.

9.12. Conflicts. In the event of any conflict between any of the provisions of this article and any of the other provisions of this declaration, the provisions of this article shall control.

9.13. Distribution Rights. No provision of this declaration, or the articles or the bylaws of the association, or any rules and regulations established thereunder, shall be deemed to give an owner, or any other party, priority over any rights of first mortgagees of a lot pursuant to their mortgages in the case of a distribution to owners of insurance proceeds of condemnation awards for losses to or a taking of lots.

ARTICLE 10. CONDEMNATION

10.01. Common Area. If part or all of the property is taken by any authority having the power of eminent domain, the association shall represent the owners in any condemnation proceedings or in any negotiations, settlements and agreements with the condemning authority for acquisition of the common areas, or part thereof, or in litigation of the issues with respect to the compensation to be paid. Each owner hereby designates the association as his attorney-in-fact for such purposes. All compensation and damages, exclusive of that paid for individual lots, shall be payable to the association as trustee for all owners and mortgagees as their interests may appear. Upon receipt of the award the association shall determine, upon the vote or written consent of seventy-five percent (75%) of the members, whether the award is sufficient to repair and restore the property and whether it is practicable to do so. If the association determines to rebuild, the board shall levy a special assessment to cover any reconstruction costs not compensated by the award. If the association determines not to rebuild, the board shall prepare a new subdivision map for the remaining property and shall distribute the award to the owners and mortgagees as their interests appear.

10.02. Lots. If the taking involves individual lots, the owner directly affected shall represent and negotiate for himself with respect to the damages and compensation for such taking. Within ninety (90) days of the taking, the association shall determine, upon the vote or written assent of seventy-five percent (75%) of the members, whether or not the taking so affects the affected lots and improvements thereon that they cannot be restored or replaced. Upon making the determination, the following provisions shall apply:

A. If the association determines that the lots and improvements thereon can be restored, the award shall be distributed to the board of directors as trustee and the

board shall restore the lots and improvements, and distribute any excess award as provided in Section 10.01 above, that is, to the lot owners and their mortgagees, as their interests appear. In the event that the award is not sufficient to cover the cost of rebuilding or restoration, the association shall levy a special individual assessment (as provided in Section 7.09) to cover the additional cost of rebuilding or restoration not covered by the award. Such special individual assessment, for the purposes of this section only, shall be levied by the board of directors against an individual lot owner in the amount by which the cost of rebuilding or restoration on his lot exceeds that owner's share of the total award.

B. If the association determines that the lots and improvements thereon cannot be restored, the board shall, within thirty (30) days of the award, determine the allocation of the award between the common area and the affected lots and shall distribute the compensation to the owners and the mortgagees, as their interests appear.

ARTICLE 11.      LIMITATION OF RESTRICTIONS ON DECLARANT.

11.01.      Completion and Sale of Development.      Declarant is undertaking the work of constructing residential dwellings and incidental improvements upon the property. The completion of that work and the sale or other disposal of the lots is essential to the establishment and welfare of the property. In order that such work may be completed as rapidly as possible, nothing in this declaration shall be understood and construed to:

A.      Prevent declarant, its contractors or subcontractors from doing on the properties, or any part thereof, whatever is reasonably necessary or advisable in connection with the completion of such work; or

B.      Prevent declarant or its representatives from erecting, constructing and maintaining on any parts of the properties such structures as may be reasonably necessary for the conduct of its business of completing said work and establishing said property as a residential community and disposing of the properties in lots by sale, lease or otherwise, including, but not limited to, the maintenance of such models and sales offices as may be desirable in carrying out such activities; or

C.      Prevent declarant from conducting on any part of the properties its business of completing said work and of establishing said properties as residential development and of disposing of the properties in lots by sale, lease or otherwise; or

D.      Prevent declarant from maintaining such sign or signs on any of the properties as may be necessary for the sale, lease or disposition thereof.

The rights of declarant in this declaration may be assigned by declarant to any successor (to all or any part of any declarant's interest in the developments, as developer), by an express assignment incorporated in a recorded deed that transfers an interest to such successor.

The exemption granted by this section shall automatically expire upon the conveyance to an owner of the last lot in the development owned by declarant or five (5) years following the most recent issuance by the California Department of Real Estate of a public report for the development, whichever occurs first.

11.02. Creation of Easements. Declarant shall have the right at any time prior to acquisition of title by a grantee to establish additional easements, reservations and rights-of-way to itself, its successors and assigns in any conveyance of the property or any portion thereof. Declarant or the organization for whose benefit easements, reservations and rights-of-way have been established shall have the right at any time to cut and remove any trees or branches or any other unauthorized object from such easements, reservations and rights-of-way.

ARTICLE 12. MISCELLANEOUS PROVISIONS.

12.01. Enforcement. The association, or any owner, shall also have the right to enforce, by any proceeding at law or in equity, all restrictions, conditions, covenants, reservations, liens and charges now or hereafter imposed by the provisions of this declaration, the bylaws, the articles or the Association rules. Failure by the association or by 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. The association shall have the authority to order the abatement or removal of any construction, alteration or other matter for which approval of the architectural control committee is required, if the same has not been approved by the committee or does not conform to the plans submitted. No work for which architectural approval is required shall be deemed approved simply because it has been completed without a complaint, notice of violation or injunction. In the event of any legal proceedings to enforce any provision of this declaration, the prevailing party shall be entitled to reasonable attorneys' fees as well as the costs of such proceeding.

12.02. Severability. Invalidation of any one of these covenants or restrictions by judgment or court order shall in no way affect any other provisions which shall remain in full force and effect.

12.03. City of Roseville's Enforcement Rights. The property is subject to the Development Agreement and the Landscape CC&Rs as defined in Article 1. As required by Sections 3.B.5 and 4.B.4 of the Development Agreement and Section 10.01 of the Landscape CC&Rs, the City of Roseville shall have standing to bring an action in its own right, in the name of declarant or in the name of any successor or assign of declarant, including, but not limited to, the association, to enjoin any violation or enforce the landscaping requirements of the Development Agreement and Landscape CC&Rs. In any such action brought by the City, the

City, if it prevails, shall be entitled to liquidated damages in the amount of and in addition to the expense of enforcement plus reasonable attorneys' fees.

12.04. Term. The covenants and restrictions of this declaration shall run with and bind the land, for a term of thirty (30) years from the date this declaration is recorded, after which time they shall be automatically extended for successive periods of ten (10) years.

12.05. Amendment. After the issuance of the final subdivision public report pertaining to the development, this declaration may be amended or revoked in any respect by the vote or written consent of the holders of not less than fifty-one percent (51%) of the voting rights of each class of members. After Class B membership has ceased, at least a simple majority of the votes of members other than declarant shall also be required for adoption of any amendment. However, if any provision of this declaration requires a greater or lesser percentage of the voting rights of any class of members in order to take affirmative or negative action under such provision, the same percentage of such class or classes of members shall be required to amend or revoke such provision. Similarly, if the consent or approval of any governmental authority, mortgagee or other person, firm, agency or entity is required under this declaration with respect to any amendment or revocation of any provision of this declaration, no such amendment or revocation shall become effective against such governmental authority, mortgagee or other person, firm, agency or entity, or their successors, unless such consent or approval is obtained. Any amendment or revocation subsequent to the close of the first lot sale shall be evidenced by an instrument certified by the secretary or other duly authorized officer of the association and shall make appropriate reference to this declaration and its amendments and shall be acknowledged and recorded in the office of the Placer County Recorder.

12.06. Mergers and Consolidations. To the extent permitted by law, the association may participate in mergers and consolidations with other nonprofit associations 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 (2/3) of each class of 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 (30) days in advance.

12.07. Membership Appurtenant. No purchaser or owner of any lot shall convey his interest in any such lot without simultaneously conveying interest in the association and no member of the association shall convey, transfer, sell, assign or otherwise dispose of his membership rights in the association without at the same time conveying, selling and transferring his interest in the lot to which his membership attaches, and the membership shall be transferred only to a new owner or purchaser of the lot to which membership attached. A conveyance of a lot shall be presumed to convey that lot's appurtenant membership. Further, a tenant of an owner shall not be a member of the association, but the tenant or tenants of the owner shall have the right to use, and access to, the facilities controlled by the association.

12.08. Financing Improvement of the Common Area. Subject to any limitations in Article 9 of this declaration, the association, through its board of directors, shall have the right, in accordance with its articles and bylaws, to borrow money for the purpose of improving the common area and to mortgage said common area. The right of such mortgage in the common area shall be subordinate to the right of the owners hereunder.

12.09. Enforcement of Bonded Obligations. With regard to any common area improvements which are to be completed by declarant but which are not completed prior to the issuance of the public report pertaining to the properties, the association

may be named as obligee under a bond or other arrangement securing performance of the declarant's commitment to complete such improvements. In the event that the association is so named in such bond, then the following provisions shall apply relative to the initiation of action to enforce the obligations of the declarant and the surety under such bond:

A. The board of directors of the association 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 sixty (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 of directors shall consider and vote on the aforesaid question if a Notice of Completion has not been filed within thirty (30) days after the expiration of such extension.

B. If the board of directors, through the consideration and vote referred to above, decides not to initiate an action to enforce the obligations under the bond, or fails to consider and vote on the question, then there may be a special meeting of the members to consider the matter or to consider overriding the decision of the board of directors. Such special meeting shall be held if there is presented to the board of directors a petition therefor, signed by members representing at least five percent (5%) of the total voting power of the association. Upon receipt of such petition the special meeting shall be scheduled for a date not less than thirty-five (35) days or more than forty-five (45) days thereafter. If, during such special meeting, a majority of the entire Class A voting power other than declarant votes in favor of initiating an action to enforce the obligations under the bond, such vote shall be deemed to be the

decision of the association, and the board of directors shall thereafter implement that decision by initiating and pursuing appropriate action in the name of the association.

ARTICLE 13. TERMINATION OF ANY RESPONSIBILITY OF DECLARANT.

In the event declarant shall convey all of its rights, title and interest to any partnership, individual or individuals, corporation or corporations, in and to the real property described herein, then and in such event, declarant shall be relieved of the performance of any further duty or obligation hereunder, and such partnership, individual or individuals, corporation or corporations, shall be obligated to perform all such duties and obligations of the declarant. This article shall not terminate any responsibility of declarant for acts or omissions occurring prior to the conveyance to such partnership, individual or individuals, corporation or corporations. However, this shall not limit declarant's right to enter into a contract or agreement dealing with such acts or omissions providing the contract or agreement is enforced by declarant, if necessary.

IN WITNESS WHEREOF, the undersigned, being the declarant herein, has hereunto set his hand and seal this 9th day of July, 1987.

SOUTHFORK:

SOUTHFORK PARTNERSHIP, a  
California general partnership

By: COKER-EWING COMPANY, a  
California general partnership,  
General Partner

By: COKER DEVELOPMENT, INC.,  
a California corporation,  
General Partner

By: [Signature]  
ROBERT B. COKER, JR.,  
President

-AND-