DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS

(the Complete Restatement)

FOR

CRYSTAL SPRINGS RANCH
A RESIDENTIAL DEVELOPMENT

Including Amendments for Annexation
of Tracts 45409 and 46364

87 45748

Recording Requested By, And
When Recorded Return To:

McKittrick, Jackson, DeMarco
& Peckenpaugh (FSJ)
4041 MacArthur Boulevard
Fifth Floor
P.O. Box 2710
Newport Beach, California 92658-8995

RECORDED IN OFFICIAL RECORDS
OF LOS ANGELES COUNTY, CA.
JAN 13 1987 AT 8 A.M.
Recorder's Office

A-85549

119

FEE $ 119.00

ST

RESTATEMENT AND AMENDMENT OF

DECLARATION OF RESTRICTIONS

FOR

CRYSTAL SPRINGS RANCH

A RESIDENTIAL DEVELOPMENT

This document is filed for record by Continental Land Title Company as an accommodation only. It has not been examined as to its execution or as to its effect upon the title.

4659S/FSJ/0681S/17731
sat/12-18-86

TABLE OF CONTENTS

RECITALS		1
DECLARATION		4
ARTICLE I	Definitions	4
ARTICLE II	Use Restrictions	7
ARTICLE III	Owners' Association	12
ARTICLE IV	Powers and Duties of Association	13
ARTICLE V	Assessments	23
ARTICLE VI	Effect of Non-Payment of Assessments; Remedies of the Association	26
ARTICLE VII	Architectural Control; Approval	29
ARTICLE VIII	Mortgagee Protection	31
ARTICLE IX	Obligation to Maintain, Repair and Rebuild	34
ARTICLE X	Damage to or Destruction of Private Streets	36
ARTICLE XI	Easements for Private Streets and Relinquishment of Equestrian Trail Easements	36
ARTICLE XII	General Provisions	38

EXHIBIT "A" - LEGAL DESCRIPTION

EXHIBIT "B" - LOTS EXEMPTED FROM PRIVATE STREET ASSESSMENT

EXHIBIT "C" - LEGAL DESCRIPTION OF EQUESTRIAN TRAILS

87 45748

4659S/FSJ/0681S/17731
rlv/03-10-86

3

RESTATEMENT AND AMENDMENT OF

DECLARATION OF RESTRICTIONS

FOR

CRYSTAL SPRINGS RANCH

A Residential Development

RECITALS:

1. San Clemente Group Development Corporation, a California corporation ("Developer"), executed a Declaration of Restrictions ("Prior Declaration") for Crystal Springs Ranch ("Project") on March 2, 1981. The Prior Declaration rescinded and superseded a previously recorded Declaration of Restrictions for the Project. The Prior Declaration was recorded on March 6, 1981, as Instrument No. 81-238112, of Official Records of Los Angeles County, California.

2. The Prior Declaration was amended by means of a First Amendment to the Prior Declaration ("First Amendment"). The First Amendment was recorded on April 23, 1981, as Instrument No. 81-408731, of Official Records of Los Angeles County, California.

3. The Prior Declaration was further amended by means of a Second Amendment to the Prior Declaration ("Second Amendment"). The Second Amendment was recorded on December 8, 1981, as Instrument No. 81-1204267, of Official Records of Los Angeles County, California.

87-45748

87 45748

4659S/FSJ/0681S/17731
nmh/03-10-86

4. Article XIII, Section 6 of the Prior Declaration provides that the Prior Declaration may be amended by a recorded document having the consent of (a) seventy-five percent (75%) of the voting power of the Association and (b) fifty-one percent (51%) of the voting power of the Association residing in Members other than the Declarant.

5. The Developer was named as Declarant in Article I, Section 6 of the Prior Declaration. Developer executed a Construction Deed of Trust, Assignment of Rents, Security Agreement, and Fixture Filing ("Trust Deed") to Crocker Custody Corporation, a California corporation, as Trustee, for the benefit of Crocker National Bank, a national banking association ("Crocker"), as Beneficiary, on November 2, 1981. Said Trust Deed was recorded on November 23, 1981, as Instrument No. 81-1154435, of Official Records of Los Angeles County, California. Among other things, said Trust Deed contained an assignment of Developer's rights as to the Project. Crocker obtained all of Developer's rights, title and interest in and to the real property then owned by Developer in the Project, pursuant to a Trustee's Deed upon Sale which was recorded on February 23, 1984, as Instrument No. 84-224443, of Official Records of Los Angeles County, California. Bracton Corporation, a Delaware corporation ("Bracton") has succeeded to Crocker's right, title and interest as to the Project. Therefore, Bracton has succeeded to Developer's rights as Declarant under the Prior Declaration.

87 45748

6. As of the date of recordation of this Declaration, Bracton owns Lots in the Project, and such Lots are described in Exhibit "A" which is attached to this Declaration. Individual owners own the balance of the Lots in the Project, and such Lots are also described in Exhibit "A" to this Declaration.

7. The Association wishes to dedicate the Private Streets in the Project to the County if the County will agree to accept the dedication of the Private Streets. The Association also wishes to relinquish certain Equestrian Trail easements in the Project.

8. At least seventy-five percent (75%) of the voting power of the Association and at least fifty-one percent (51%) of the voting power of the Association residing in Members other than Bracton, the Declarant, wish to amend and restate the Prior Declaration to provide for the possible dedication of the Private Streets to the County, to provide for the relinquishment of the Equestrian Trail easements by the Association, to delete references to any right of Declarant to annex other real property to the Project, to replace the Developer with Bracton as the Declarant under this Declaration, to delete references to Class B voting rights, and to consolidate the amended Prior Declaration, the First Amendment and the Second Amendment into one document, and to make the Prior Declaration consistent with the provisions of the Davis-Stirling Common Interest Development Act.

87 45748

9. Article VIII, Section 1(d)(4) of the Prior Declaration provides, in part, that at least seventy-five percent (75%) of the first Mortgagees (based upon one vote for each first Mortgage owned) must approve in writing any attempt by the Association or the Owners to abandon or transfer the Private Streets. The signatures of the President and Secretary of the Association on this Declaration constitute a certification that such approval has been given in writing. The signatures of the President and Secretary of the Association on this Declaration also constitute a certification that the consent of the Owners described in Paragraph 4 of the Recitals hereof has been obtained.

DECLARATION:

Bracton, as Declarant, and the Association hereby declare that the Prior Declaration is amended and modified by this Declaration, such that this Declaration will maintain the same lien priority date as the originally recorded Prior Declaration, which is still in effect to the extent not amended herein or inconsistent herewith.

ARTICLE I

Definitions

Section 1. "Project" shall mean and refer to all of that certain real property described in Exhibit "A" to this Declaration, including all structures and other improvements constructed thereon. The Project is a "planned development" as defined in Section 1351(k) of the California Civil Code.

87 45748

Section 2. "Lot" shall mean each lot in the Project, whether improved or unimproved, and in the case of an improved lot, shall include all structures and improvements constructed thereon.

Section 3. "Owner" shall mean the record Owner, or Owners if more than one, including Declarant, or the buyer under a conditional sales contract, of a Lot in the Project.

Section 4. "Architectural Committee" shall mean and refer to the Architectural Committee which is appointed from time to time in accordance with Article VII of this Declaration.

Section 5. "Land" is the material of the earth, whatever may be the ingredients of which it is composed, whether soil, rock or other substances, and includes free or occupied space for an indefinite distance upwards as well as downwards, subject to limitations upon the use of airspace imposed, and rights to the use of airspace granted, by law.

Section 6. "Declarant" shall mean and refer to BRACTON CORPORATION, a Delaware corporation, and to its successors and assigns, if such successors or assigns should acquire more than one undeveloped Lot from Declarant for the purpose of the development.

Section 7. "Declaration" shall mean and refer to this Restatement and Amendment of Declaration of Restrictions for Crystal Springs Ranch.

Section 8. "Mortgage" shall mean and include a Deed of Trust as well as a Mortgage in the conventional sense.

87 45748

46595/FSJ/0681S/17731
tas/09-18-86

Section 9. "Mortgagee" shall mean a person or entity to whom a mortgage is made and shall include the beneficiary of a Deed of Trust; "Mortgagor" shall mean a person or entity who or which mortgages his or its property to another, i.e., the maker of a Mortgage, and shall include the Trustor of a Deed of Trust.

Section 10. "Member" shall mean and refer to any person or entity who or which holds membership in the Association.

Section 11. "County" shall mean and refer to the County of Los Angeles.

Section 12. "Private Streets" shall mean and refer to those areas designated as "Private and Future Streets" on the Tract Maps of the Project referred to in Exhibit "A" hereto. The Private Streets are created by the reservation of easements over affected Lots in the Project for the use and benefit of such Lots, all as more particularly set forth herein.

Section 13. "Association" shall mean and refer to CRYSTAL SPRINGS RANCH HOMEOWNERS ASSOCIATION, a California nonprofit mutual benefit corporation, in which all Owners shall have a membership interest as more particularly described in Article III hereof, provided that membership shall be limited to Owners.

Section 14. "Equestrian Trails" shall mean those areas within the Project more particularly described on Exhibit "C" hereto.

87 45748

The aforesaid definitions shall be applicable to this Declaration and to any supplements or amendments thereto (unless the context shall prohibit), filed or recorded pursuant to the provisions of this Declaration.

9

ARTICLE II

Use Restrictions

Section 1. Residential Use. Each Lot shall be used as or for the construction of a private dwelling, and for no other purpose except such temporary uses as shall be permitted by Declarant while the Project is being developed and Lots are being sold by Declarant.

Section 2. Private Streets. Subject to the provisions of this Declaration, the use of the Private Streets shall be in accordance with and subject to any additional limitations determined by the Association.

Section 3. Occupants Bound. All Owners shall be Members of the Association and all Owners, all family members, tenants, guests and invitees of Owners and all occupants of the Lots shall be bound by this Declaration, the Bylaws and any rules and regulations adopted by the Association. Each Owner shall be responsible for the conformance and liable for the non-conformance of his family members, tenants, guests, and invitees and occupants of his Lot with this Declaration, the Bylaws and any rules and regulations adopted by the Association.

Section 4. Signs. No sign of any kind, including without limitation any sign advertising or offering any Lot for

87 _ 45748

sale, rent or lease, shall be displayed to the public view on or from any Lot, without the approval of the Architectural Committee, except such signs as may be used by Declarant in connection with the development of the Project and sale of Lots by Declarant. All signs permitted under this Section shall conform with the sign ordinances, if any, of the County.

Section 5. Animals. If animals of any kind shall be raised, bred, kept on or in any Lot, the same shall be done so that it does not at any time create or cause a nuisance, and shall be done in compliance with all applicable laws, statutes, ordinances and regulations, including all such rules and regulations as may from time to time be adopted by the Association; provided, however, that no animal whatsoever shall be kept, bred or maintained for any commercial purpose.

Section 6. Nuisances. No Owner shall cause or permit anything to be done or kept upon any Lot which will obstruct or interfere with the rights of other Owners, or annoy them by unreasonable noise or otherwise, and no Owner shall cause or permit any nuisance on the premises or commit or suffer any immoral or illegal act to be committed thereon. Each Owner shall comply with all of the requirements of the Board of Health and of all other governmental authorities with respect to the said premises.

Section 7. Improvements. No work of improvement, as defined in Article VII, Section 1, hereof, shall be commenced or undertaken without the approval of the

Architectural Committee as set forth in Article VII, Section 2 hereof. No building, fence, improvement, or other structure shall be constructed or installed upon any portion of the Private Streets or Parkways other than such improvements and structures as shall be constructed (a) by Declarant (or a person to whom Declarant assigns its rights as developer) or (b) by the Association pursuant to Article X hereof.

Section 8. No Commercial Use. No professional, commercial, or industrial operations of any kind shall be conducted in or upon any Lot or the Private Streets, except such temporary operations as may be approved by a majority of a quorum of the Association, and such temporary uses as shall be permitted by Declarant while the Project is being constructed and the Lots are being sold by the Declarant.

Section 9. Vehicles. No boats, trailers, house trailers, campers, trucks, motor homes or recreational vehicles shall be parked or stored on or in the Private Streets or driveways in the Project, or on or in any Lot in such a way as to be visible from any Private Street or roadway in the Project. No automobile, motorcycle, motorbike, motor scooter, moped, boat, trailer, house trailer, camper, truck, motorhome, recreational vehicle, or other vehicle shall be repaired, serviced or painted on or in any Lot, Private Street or driveway in such a way as to be visible from any Private Street or roadway in the Project.

87 45748

Section 10. Declarant Exemption. Nothing in this Article or elsewhere in this Declaration shall limit the right of the Declarant to complete construction of improvements to the Private Streets and to the Lots owned by the Declarant or to alter the foregoing or to construct such additional improvements as the Declarant deems advisable prior to completion and sale of the entire Project. Until such completion and sale, Declarant reserves to itself easements and rights of way over, in and to the Private Streets and the Lots for common driveway, drainage, encroachment, ingress and egress to and from the same for the purpose of completing improvements thereon, the performance of necessary repair work, and for all work required to complete the development and sale of the Project.

Section 11. Leases. With the exception of a lender in possession of a Lot following a default in a first Mortgage, a foreclosure proceeding, or any deed or other arrangement in lieu of foreclosure, no Owner shall be permitted to lease his Lot for transient or hotel purposes. Any lease agreement shall provide that the terms of the lease shall be subject in all respects to the provisions of the Declaration of Restrictions and the Bylaws and that any failure by the lessee to comply with the terms of such documents shall be a default under the lease. All leases shall be in writing. Other than the foregoing, there are no restrictions on the right of an Owner to lease his Lot.

87 45748

46595/FSJ/06815/17731
nmh/03-10-86

Section 12. Trash. The Lots in the Project shall not be used as a dumping gound for rubbish. Trash, garbage or other waste shall be kept only in sanitary containers. All equipment for the storage or disposal of such material shall be kept in a clean and sanitary condition and shall not be visible from any adjoining property or any street or roadway within the Project except for the minimum period necessary in connection with collection activities.

13

Section 13. Tree Removal. No tree within the Project having a height of three feet (3') or more shall be removed or destroyed without the prior approval of the Architectural Committee as set forth in Article VII, Section 2, hereof. In the event that any tree shall be removed or destroyed in contravention of this Section, the Owner responsible for such removal or destruction shall, within ten (10) days following written notice from the Architectural Committee, replace such tree with one of like size, type and quality. Should the Owner fail to replace such tree within said period, the Association may do so and assess the Owner for all costs thereof in accordance with Article V of this Declaration, or the Association may, if it deems it impractical or inexpedient to replace such tree, determine the reasonable replacement cost thereof and assess the Owner for such cost in accordance with Article V.

87 45748

46595/FSJ/06815/17731
nmh/03-10-86

ARTICLE III

Owners' Association

Section 1. Membership. Every person or entity who or which is a record Owner of a fee or undivided fee interest in any Lot shall be a Member of the Association. The foregoing is not intended to include persons or entities who hold an interest in any Lot in the Project merely as security for the performance of an obligation.

Section 2. Voting Rights. The Association shall have one (1) class of voting membership. Any action required to be taken in the Articles of Incorporation or Bylaws of the Association, or in this Declaration, by the vote or written assent of the members shall require such vote or written assent of the prescribed percentage of the membership and the prescribed percentage of the membership residing in members other than the Declarant.

Each Owner shall be entitled to one (1) vote for each Lot owned. When more than one person holds an interest in any Lot, all persons shall be Members. The vote for such Lot shall be exercised as they themselves determine, but in no event shall more than one (1) vote be cast with respect to any Lot.

Section 3. Transfer. The Association membership held by an Owner of a Lot shall not be transferred, pledged or alienated in any way, except upon the sale or encumbrance of such Lot. In the event of such sale or encumbrance, the

87 45748

Association membership may only be transferred, pledged, or alienated to a bona fide purchaser of the Lot, or to the mortgagee or third party purchaser of such Lot upon a foreclosure sale. Any attempt to make a prohibited transfer is void and will not be reflected upon the books and records of the Association.

ARTICLE IV

Powers and Duties of Association

Section 1. The Association is hereby designated as the management body of the Project. The Members of the Association shall be the Owners in the Project as provided herein. The Board of Directors shall be elected in accordance with the provisions set forth in the Bylaws.

Section 2. The Association shall have the right and power to do all things for the management and operation of the Project. Subject to the provisions of the Bylaws of the Association and this Declaration, the powers of the Association shall include, but not be limited to, the specific acts hereinafter enumerated and those set forth in California Civil Code Section 1363.

Section 3. The Association shall possess, perform, execute and enjoy all of the powers, rights, duties, and privileges permitted to nonprofit corporations acting in the capacity of homeowners associations under the laws of the State

87 _ 45748

of California, such powers, rights, duties, and privileges to include, without limitation, the following:

(a) Provide water, sewer, gas, electricity, garbage and trash collection, and other necessary services for the Private Streets and any improvements constructed or installed thereon.

(b) Provide:

(1) A policy or policies of fire insurance with extended coverage endorsement, for the full insurance replacement value of all structures and improvements on or in the Private Streets or such other fire and casualty insurance as the Association shall determine gives substantially equal or greater protection, and as to each of such policies which will not be voided or impaired thereby, the Owners hereby waive and release all claims against the Association, the Board of Directors, the Manager (as provided for hereinbelow), the Declarant, and agents and employees of each of the foregoing, with respect to any loss covered by such insurance, whether or not caused by the negligence of, or breach of any agreement by, said persons, but only to the extent of the insurance proceeds received in compensation for such loss;

87 45748

(2) A policy or policies of liability insurance covering the Association, the Board of Directors, the Declarant, the Manager (as provided for hereinbelow), and the agents and employees of each of the foregoing, against any liability to the public or to any Owner, his invitees and/or tenants arising from or incident to the ownership, occupation, use, maintenance, and/or repair of the Private Streets, and, if obtainable, a cross-liability endorsement insuring each insured against liability to each other insured; limits of liability shall be set by the Association and such limits and coverage shall be reviewed at least annually by the Association and increased or decreased in its discretion;

(3) Workers Compensation insurance to the extent necessary to comply with any applicable laws;

(4) A standard fidelity bond naming all persons signing checks or otherwise possessing fiscal responsibilities on behalf of the Association;

(5) Such other policies of insurance as the Association may deem appropriate.

87 _ 45748

(c) Contract for the services of a person or firm to act as security guards and as gate attendants in connection with the use and operation of the Private Streets, and to contract for, hire, or employ such persons, firms or services as it shall deem necessary or appropriate to best carry out its duties under this Declaration and the Bylaws.

(d) Repair, preserve, improve, clean and maintain the Private Streets in a neat, safe, attractive, sanitary, and orderly condition.

(e) Pay all real and personal property taxes and assessments which the Association is required to pay pursuant to the terms and provisions of this Declaration and the Bylaws.

(f) Obtain any other material, supplies, furniture, labor, services, maintenance, repairs, structural alterations and insurance which the Association is required to pay for pursuant to the terms and provisions of this Declaration or the Bylaws.

(g) Cause financial information for the Association to be regularly prepared and copies distributed to each Member of the Association as follows:

(1) A pro forma operating budget for each fiscal year consisting of at least the following

information, which shall be distributed not less than forty-five (45) nor more than sixty (60) days prior to the beginning of the fiscal year:

(i) The estimated revenue and expenses of the Association computed on an accrual basis.

(ii) The amount of the total cash reserves of the Association currently set aside.

(iii) An itemized estimate of the remaining life of, and the methods of funding to defray repair and replacement of, or additions to those major components which the Association is obligated to maintain.

(iv) A general statement setting forth the procedures used by the Board in the calculation and establishment of reserves to defray the costs of repair and replacement of, or additions to, major components which the Association is obligated to maintain.

(2) A report consisting of the following, which shall be distributed within one hundred twenty (120) days after the close of the fiscal year.

87 45748

(i) A balance sheet as of the end of the fiscal year.

(ii) An operating (income) statement for the fiscal year.

(iii) A statement of changes in financial position for the fiscal year.

(iv) Any information required to be reported under Section 8322 of the California Corporations Code.

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

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

In addition to financial statements, the Board shall annually distribute within sixty (60) days prior to the beginning of the fiscal year a statement of the Association's policies and practices in enforcing its remedies against

87 45748

Members for defaults in the payment of assessments, including the recording and foreclosing of liens against Members' Lots. 21

(h) Assume and pay out of the assessments provided for in Article V hereinbelow all costs and expenses incurred in connection with the performance and execution of all of the aforesaid powers and duties, and any other powers and duties which the Association may assume in accordance with Section 4 hereinbelow.

Section 4. The Association, acting at its option and by and through its Board of Directors, may assume, perform, and execute the following powers and duties:

(a) Provide a policy or policies of liability insurance insuring the Owners against any liability to the public or to any other Owner, his invitees and/or tenants, arising from or incident to the ownership, occupation, or use of the Private Streets; provided, however, that in the event the Association provides such policy or policies of liability insurance, the Association shall set the limits of liability and review said limits and extent of coverage annually and increase or decrease same as is deemed necessary and proper.

(b) In addition to the duties and powers of the Association respecting the retention of security

87 45748

guards and gate attendants as set forth in Section 3 hereinabove, provide such other personnel as the Association deems necessary and proper to assist in the operation of the Association and/or maintenance of the Private Streets, regardless of whether such other personnel is employed directly by the Association or otherwise.

(c) Remove or replace any part of a wall, fence or other improvement that extends into the Private Streets under authority of an easement when access to a utility line underneath such wall, fence or other improvement is requested by any utility company; provided, however, that said cost shall be charged to the Owner of the Lot involved if said Owner caused the wall, fence or other improvement to be placed on the Private Street.

(d) Provide any other material, supplies, furniture, labor, services, maintenance, repairs, structural alterations or insurance or pay any taxes or assessments or expenses which in the opinion of the Board of Directors shall be necessary or proper for the operation of the Private Streets for the benefit of the Owners, or for the enforcement of this Declaration.

87 45748

Section 5. No contract entered into by the Association or the Board of Directors acting for and on behalf of the Association may run for a term longer than one (1) year, except with the vote or written assent of a majority of the voting power of the Association.

Section 6. In the event that the Association shall delegate any or all of its duties, powers, or functions to any person, corporation, or firm to act as Manager, neither the Association nor the members of its Board of Directors shall be liable for any omission or improper exercise by the Manager of any such duty, power or function so delegated. The Association shall, nevertheless, retain the authority and duty to supervise and to review the performance of the person, corporation or firm to whom such duties, powers or functions are delegated, and to change or substitute the Manager when in the exercise of its reasonable judgment such change or substitution is in the best interests of the Association.

Section 7. The Association, any person authorized by the Association, or any Owner may enter any Lot in the event of an emergency involving illness or potential danger to life or property. Such entry shall be made with as little inconvenience to the Owner as practicable, and in the event that any damage shall be proximately caused by or result from said entry, the Association shall repair or replace same at its expense.

87 _ 45748

Section 8. The Association, or any person authorized by the Association, shall have the right to enter, upon reasonable notice, into any Lot to effect emergency or other necessary repairs which the Owner has failed to perform or which are necessary in connection with the repairs to the Private Streets or an adjoining Lot.

Section 9. The Association is authorized and empowered to grant such licenses, easements, and rights of way for sewer lines, waterlines, underground conduits, storm drains, and other public utility purposes on, over, or under those portions of the Private Streets as may be necessary and appropriate for the orderly maintenance, preservation, and enjoyment of the Private Streets or the Lots or for the preservation of the health, safety, convenience, and welfare of the Owners. The right to grant such licenses, easements, and rights of way is hereby expressly reserved.

Section 10. The Association shall repair, preserve, improve, clean and maintain all drainage channels, drainage conduits, storm drains and other drainage improvements and facilities located in, on or under the Private Streets, and shall assess the costs and expenses thereof to the Owners in accordance with Article V, Section 3 in the same manner as other costs and expenses incurred by the Association for the repair, operation, cleaning and maintenance of the Private Streets and improvements related thereto.

87 45748

ARTICLE V

Assessments

Section 1. Creation of the Lien and Personal Obligation of Assessments. The Declarant, for each Lot owned within the Project, hereby covenants, and each Owner of any Lot by acceptance of a deed therefor, whether or not it shall be so expressed in such deed, is deemed to covenant and agrees to pay to the Association regular annual assessments or charges, and special assessments for capital improvements, emergency repairs, and other extraordinary actions or undertakings on behalf of the Association, such assessments to be established and collected as herein provided. The annual and special assessments, together with interest, costs, late charges and reasonable attorneys' fees for collection thereof, shall be a charge on the land and shall be a continuing lien upon the Lot against which each such assessment is made. Each such assessment, together with interest, costs, late charges and attorneys' fees, shall also be the personal obligation of the person who was the Owner of such Lot at the time when the assessment fell due. The personal obligation for delinquent assessments shall not pass to his successors in title unless expressly assumed by them.

Section 2. Purpose of Assessments; Levy and Collection. The Association, by and through its Board of Directors, shall levy and collect assessments from the Owner of

87 - 45748

each Lot in the Project in an amount sufficient to cover all of the costs and expenses incurred by the Association in connection with the performance and execution of its powers and duties set forth in Article IV hereinabove and the Bylaws.

Section 3. Assessments; Basis. The Owner of each Lot shall share in the costs and expenses incurred by the Association on an equal basis, except that those costs and expenses incurred by the Association for the repair, operation, cleaning and maintenance of the Private Streets and improvements related thereto (including without limitation guard gates and the services of gate attendants) shall not be assessed to the Owners of the Lots set forth on the attached Exhibit "B," since such Lots do not have direct access to the Private Streets. Until January 1 of the year immediately following the conveyance of the first Lot in the Project to an Owner, the maximum monthly assessment under this Article shall be that amount shown on the Association budget approved by the Department of Real Estate. Thereafter, regular annual assessments shall not, without the vote or written assent of a majority of the members other than Declarant, be more than twenty percent (20%) greater than the regular assessment for the preceding fiscal year.

Section 4. Special Assessments for Capital Improvements and Special Costs. In any fiscal year, the Association may levy special assessments to defray, in whole or

87 _ 45748

in part, the costs of any capital improvements, emergency repairs, the other extraordinary actions or undertakings on behalf of the Association. The Association may not, however, without the vote or written assent of a majority of the members other than the Declarant, levy special assessments which in the aggregate exceed five percent (5%) of the budgeted gross expenses of the Association for that fiscal year.

Section 5. Date of Commencement of Annual Assessments; Due Dates. The Board of Directors shall fix the amount of the annual assessment against each Lot at least thirty (30) days in advance of each annual assessment period. Written notice of the annual assessment shall be sent to every Owner subject thereto. The due dates shall be established by the Board of Directors. The Association shall, upon demand and for a reasonable charge, furnish a certificate signed by an officer or agent of the Association, setting forth whether the assessments on a specified Lot have been paid. If a certificate states that an assessment has been paid, such certificate shall be conclusive evidence of such payment.

Section 6. Waiver Prohibited. No Owner may waive or otherwise avoid liability for the assessments provided for herein for any reason whatsoever, including, but not limited to abandonment of his Lot.

87 45748

28

Section 7. Exempt Property. The following property subject to this Declaration shall be exempt from the assessments provided herein:

(a) All property dedicated to and accepted by a local public authority;

(b) All property owned by a charitable or non-charitable organization exempt from taxation by the laws of the State of California. However, no land or improvements devoted to dwelling use shall be exempt from said assessment; and

(c) All property owned by any public authority.

ARTICLE VI

Effect of Non-Payment of Assessments

Remedies of the Association

Section 1. Effect of Non-Payment of Assessments; Remedies of the Association. Any assessment not paid within fifteen (15) days after the due date shall be delinquent. The Board of Directors of the Association shall be authorized to adopt a system pursuant to which any installment of an assessment not paid within thirty (30) days after the due date, plus all reasonable costs of collection (including attorneys' fees) and late charges as provided herein, shall bear interest at a rate of up to twelve percent (12%) per annum. The Association may also require the delinquent Owner to pay a late charge in accordance with California Civil Code Section

87 45748

1366(c)(2). The Association may commence legal action against the Owner personally obligated to pay the same, or foreclose the lien against his Lot by a judicial foreclosure or by a power of sale or other nonjudicial procedure provided for by the laws of the State of California.

Section 2. Notice of Lien. No action shall be brought to foreclose said assessment lien or to proceed under the power of sale herein provided less than thirty (30) days after the date a notice of claim of lien is deposited in the United States mail, certified or registered, postage prepaid, to the Owner of said Lot, and a copy thereof is recorded by the Association in the Office of the County Recorder of the County. Said notice of claim must recite a good and sufficient legal description of any such Lot, the record Owner or reputed Owner thereof, the amount claimed, including any interest on the unpaid assessment and late charges as provided above, plus reasonable attorneys' fees and expenses of collection incurred in connection with the debt secured by said lien, the name and address of the claimant, and in order for the lien to be enforced by nonjudicial foreclosure, the name and address of the trustee authorized by the Association to enforce the lien by sale.

Section 3. Foreclosure Sale. Any foreclosure sale provided for hereinabove is to be conducted by the Board of Directors, its attorneys or other persons authorized by the

Board in accordance with the provisions of Sections 2924, 2924a, 2924b and 2924c of the California Civil Code, applicable to the exercise of powers of sale in mortgages and deeds of trust, or in any other manner permitted by law. 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.

Section 4. Curing of Default. Upon the timely curing of any default for which a notice of claim or lien was filed by the Association, the officers thereof 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 reasonable fee to be determined by the Association to cover the costs of preparing and filing or recording such release.

Section 5. Cumulative Remedies. The Association's remedies for nonpayment of assessments, including, but not limited to, an action to recover a money judgment and to foreclose its assessment lien, are cumulative and in addition to, and not in substitution of, any other rights and remedies which the Association and its assigns may have hereunder or at law or equity.

87 45748

ARTICLE VII

Architectural Control; Approval

Section 1. Architectural Control. Except for the purposes of proper maintenance and repair, and except as provided in Section 2 hereinbelow, no person, persons, entity, or entities shall install, erect, attach, apply, paste, hinge, screw, nail, build, alter, remodel, construct or reconstruct any building, structure or improvement of any kind whatsoever, including but not limited to any building, structure, walkway, slab, sidewalk, curb, gutter, patio, porch, driveway, swimming pool, tennis court, lighting, awnings, patio covers, decorations, fences, aerials, antennas, radio or television broadcasting or receiving devices, gutters, ditches, swales, drainage devices or drainage channels, in, on or with respect to any Lot or the Private Streets or any building, structure or improvement thereon. Any and all of the foregoing are hereinafter collectively referred to as a "work of improvement." The provisions of this Section shall not apply to the construction or development of the Project by the Declarant, its successors and assigns, or by anyone acting on its or their behalf.

Section 2. Architectural Approval. No work of improvement described in Section 1 may be commenced or undertaken until the plans and specifications showing the nature, kind, color, shape, dimensions, materials, and location

87 45748

of the same shall have been submitted to and approved in writing as to harmony or external design and location in relation to surrounding structures and to topography by the Architectural Committee provided for in Section 3 hereinbelow. In the event said Committee, or its designated representatives, fails to approve or disapprove such design and location in writing within thirty (30) days after said plans and specifications have been submitted to it, approval will not be required, and this Article will be deemed to have been fully complied with. Said plans and specifications, and the work of improvement to which they pertain, shall in any event and whether or not approved by the Committee, receive all necessary approvals of the County and all cognizant governmental agencies, and shall conform to all applicable statutes, ordinances and regulations and to the terms of all applicable permits and approvals.

Section 3. Appointment of Architectural Committee. The Declarant shall appoint a committee for the control of structural and landscaping architecture and design with respect to the Project. Said committee shall be known as the Architectural Committee and shall consist of not less than three nor more than five members. The Declarant reserves to itself the power to appoint a majority of the members of the Committee until 90% of all the Lots in the Project have been sold or until the fifth anniversary of the original issuance of

87 - 45748

the final public report for the Project, whichever first occurs. The Board of Directors shall have the power to appoint those members of the Architectural Committee which the Declarant is not entitled to appoint.

ARTICLE VIII

Mortgagee Protection

Section 1. Notwithstanding any other provisions in this Declaration to the contrary, in order to induce lenders and investors to participate in the financing of the sale of Lots and improvements on Lots within the Project, the following provisions are added hereto (and to the extent that these added provisions conflict with any other provisions of this Declaration, these added provisions shall control):

(a) Each holder of a first Mortgage encumbering any Lot is entitled to timely written notification from the Association of any default by the Mortgagor's obligations under this Declaration or the Bylaws of the Association which is not cured within thirty (30) days.

(b) Each holder of a first Mortgage encumbering any Lot which comes into possession of such Lot pursuant to the remedies provided in such Mortgage, shall be exempt from any restriction on the sale or rental of such Lot, including, but not limited to, Lot restrictions on the posting of signs pertaining to the sale or rental of such Lot.

87 45748

(c) A lien for regular or special assessments against a Lot hereunder shall be subordinated to the lien of any first Mortgage against the Lot. The transfer of a Lot as the result of the exercise of a power of sale or a judicial foreclosure involving a default under the first Mortgage shall extinguish the lien of assessments which were due and payable prior to the transfer of the Lot. No transfer of a Lot as the result of a foreclosure or exercise of a power of sale shall relieve the new owner, whether it be the former Mortgagee of the first Mortgage or another person, from liability for any assessment thereafter becoming due or from the lien thereof.

(d) Unless at least seventy-five percent (75%) of the first Mortgagees (based upon one (1) vote for each first mortgage owned) of Lots have given their written approval, the Association or the Owners shall not be entitled to:

(1) By act or omission, seek to abandon or terminate the Lot regime, except as otherwise provided herein in the event of substantial destruction by fire or other casualty or in the event of a taking by condemnation or eminent domain;

87 _ 45748

(2) Change the pro rata interest or obligations of any Lot for purposes of levying assessments or charges or allocating distributions, if applicable;

(3) Partition or subdivide any Lot;

(4) Use hazard insurance proceeds for losses to any improvements in the Private Streets for other than the repair, replacement or reconstruction of such improvements, except as provided by statute in the case of substantial loss to said improvements.

(e) First Mortgagees shall have the right to examine the books and records of the Association.

(f) An adequate reserve fund for repair and maintenance of the Private Streets must be established and must be funded by regular monthly payments rather than by special assessments.

(g) All taxes, assessments and charges which may become liens prior to the first Mortgage under local law shall relate only to the individual Lots and not to the Project as a whole.

(h) Any agreement for professional management of the Project shall provide that the management contract may be terminated for cause upon thirty (30) days'

written notice, and the term of any such contract shall not exceed one (1) year, renewable by agreement of the parties for successive one (1) year periods.

(i) The Association shall, upon the request of any institutional holder of a first Mortgage on a Lot in the Project, (1) give written notice of all meetings, and (2) transmit to such lender an annual audited financial statement of the Project within ninety (90) days following the end of any fiscal year of the Project.

ARTICLE IX

Obligation to Maintain, Repair, and Rebuild

Section 1. Maintenance by Owner. Subject to the provisions of Article VII regarding Architectural Committee approval, each Owner shall, at his sole cost and expense, maintain and repair his Lot and the improvements thereon in good, neat, attractive, safe and sanitary condition, and make any structural repairs as they may be required.

Section 2. Damage and Destruction Affecting Residences; Duty to Rebuild. If all or any portion of any Lot is damaged or destroyed by fire or other casualty, it shall be the duty of the Owner of said Lot to rebuild, repair or reconstruct said Lot in a manner which will restore it substantially to its appearance and condition immediately prior to the casualty.

87 _ 45748

Section 3. Variance in Exterior Appearance and Design. The Owner of any Lot which has been destroyed or damaged by fire or other casualty may apply for approval to the Architectural Committee for reconstruction, rebuilding, or repair of his Lot in a manner which will provide for an exterior appearance and design different from that which existed prior to the date of the casualty. Application for such approval must be made in writing together with full and complete plans and specifications, working drawings, and elevations showing the proposed reconstruction and the end result thereof. The Architectural Committee shall grant such approval only if the design proposed by the Owner would comply with the Building Regulations adopted by the Association for all Lots in the Project and would also result in a finished Lot in harmony of exterior design with the other Lots in the Project. Failure of the Architectural Committee to act within thirty days after receipt of such a request in writing coupled with the drawings and plot plans showing full and complete nature of the proposed change shall constitute approval thereof.

Section 4. Time Limitation. The Owner or Owners of any damaged or destroyed Lot shall be obligated to proceed with all due diligence hereunder and commence reconstruction within three (3) months after the damage occurs and complete reconstruction within six (6) months after the damage occurs, unless prevented by causes beyond his or their reasonable control.

87 _ 45748

ARTICLE X

Damage to or Destruction of Private Streets

Section 1. Damage to or destruction of all or any portion of the Private Streets shall be handled in the following manner:

(a) In the event of damage to or destruction of the Private Streets and the insurance proceeds are sufficient to effect total restoration, then the Association shall cause the Private Streets to be repaired and reconstructed substantially as it previously existed.

(b) If the insurance proceeds are not sufficient to effect total restoration of the Private Streets, then the Association shall cause the Private Streets to be repaired and reconstructed substantially as they previously existed, and the difference between the insurance proceeds and the actual cost shall be levied as a special assessment equally against each of the Owners other than those Owners whose Lots are exempt from the Private Streets assessments in accordance with Article V, Section 3.

ARTICLE XI

Easements for Private Streets and Relinquishment of Equestrian Trail Easements

Section 1. Private Streets. The Declarant hereby grants and reserves, for the benefit, use and enjoyment of the

87 45748

Declarant, the Association and the Owners of Lots in the Project, a permanent and perpetual right of way and easement with full rights of access, ingress and egress to construct, install, inspect, operate, use, maintain, repair, replace and remove streets, curbs, gutters, sidewalks, slopes, guard gates, public utilities, storm drains, sewer lines and water lines, including without limitation all poles, pipes, conduits, manholes, cables, drains, splicing and service boxes, conductors, risers, switches, fuses, terminals, transformers, markers, retaining walls, landscaping, irrigation systems and other fixtures, improvements and appurtenances relating thereto, upon, along, over, under and across those certain parcels or strips of real property shown as "Private and Future Streets" on the Tract Maps of the Project referred to in Exhibit "A" hereto, said right of way and easement to run with the land and inure to the benefit of and bind the successors and assigns of the Declarant, the Association and the Owners of Lots in the Project. Said easement and right of way may be further conveyed, transferred or assigned, in whole or in part, to third parties including, without limitation, utility companies and governmental agencies and entities. Notwithstanding any provisions contained herein to the contrary, the Board of Directors of the Association shall have the power, but not the duty, to offer the Private Streets for dedication to the County. If any Private Streets are accepted

for dedication by the County, the Association shall be relieved of all maintenance, insurance and other obligations related to the Private Streets (and guard gates and services) which are imposed on the Association hereunder or under the Bylaws.

Section 2. Relinquishment of Equestrian Trail Easements. Easements over certain Lots for use of the Equestrian Trails described on the attached Exhibit "C" have previously been reserved by the Developer. Declarant and the Owners hereby authorize the Association to relinquish all of the Equestrian Trail easements on behalf of such Owners and Declarant so that such easements shall no longer exist and the Association shall have no maintenance or other responsibilities related to such easements. Accordingly, the Association hereby remises, relinquishes, releases and forever quitclaims the Equestrian Trail easements to the Owners of Lots over which the Equestrian Trail easements were originally reserved.

ARTICLE XII

General Provisions

Section 1. Enforcement.

(a) The Association, the Architectural Committee, or the Owner of any Lot in the Project, including the Declarant, shall have the right to enforce by proceedings at law or in equity all of the covenants and provisions now or hereafter imposed by this Declaration or the Bylaws, including without

87 45748

limitation, the right to prosecute a proceeding at law or in equity against the person or persons who have violated or are attempting to violate any of said covenants, to enjoin or prevent them from doing so, to cause said violations to be remedied, to recover damages for said violations, and to enforce the lien rights set forth in Articles V and VI.

(b) The results of every act or omission whereby any of the convenants contained in this Declaration or the Bylaws are violated in whole or in part is hereby declared to be and constitutes a nuisance, and every remedy allowed by law or equity against a nuisance either public or private shall be applicable against every such result and may be exercised by any Owner, by the Association, Architectural Committee or by their successors in interest.

(c) The remedies herein provided for breach of the covenants contained in this Declaration or the Bylaws shall be deemed cumulative, and none of such remedies shall be deemed exclusive.

(d) The failure of any Owner, the Association or the Architectural Committee to enforce any of the covenants set forth in this Declaration or the Bylaws shall not constitute a waiver of the right to enforce the same thereafter.

(e) A breach of the covenants contained in this Declaration or the Bylaws shall not affect or impair the lien or charge of any bona fide Mortgage made in good faith and for value on any Lot or the improvements thereon; provided, however, that any subsequent Owner of such property shall be bound by said covenants, whether or not such Owner's title was acquired by foreclosure, in a trustee's sale or otherwise.

(f) The Association shall have the right and power to assess monetary penalties against a Member and/or suspend the said Member's voting rights for the period during which any assessment against his Lot remains unpaid after notice and hearing satisfying the minimum requirements of Section 7341 of the Corporations Code, and for a period not to exceed thirty (30) days after such notice and hearing for any infraction of its published rules and regulations.

(g) In addition to the above general rights of enforcement, the County shall have the right, through its agents and employees, to enter upon any part of the property for the purpose of enforcing the California Vehicle Code and the Ordinances of the County and is hereby granted an easement over the Project for that purpose.

87 45748

Section 2. Severability. Invalidation of any one of these covenants by judgment or court order shall in no way affect any other provisions hereof, which shall remain in full force and effect.

Section 3. Term. The covenants set forth in this Declaration shall run with and bind the project, and shall inure to the benefit of and be enforceable by the Association, the Architectural Committee or the Owner of any land subject to this Declaration, their respective legal representatives, heirs, successors, and assigns, for a term of fifty (50) years from the date this Declaration is recorded, after which time said covenants and restrictions shall be automatically extended for successive periods of ten (10) years, unless an instrument, approved by the number of Owners set forth in Section 6 of this Article XII, has been recorded, agreeing to change said covenants and restrictions in whole or in part.

Section 4. Construction. The provisions of this Declaration shall be liberally construed to effectuate its purpose of creating a uniform plan for the development of the Project and for the maintenance of said Project. The Article and Section headings have been inserted for convenience only, and shall not be considered or referred to in resolving the questions or interpretation or construction.

87 45748

Section 5. Singular Includes Plural. Whenever the context of this Declaration may so require, the singular shall include the plural and the masculine shall include the feminine and neuter.

Section 6. Amendments. This Declaration of Restrictions may be amended with the consent of Owners who own at least fifty-one percent (51%) of the Lots in the Project. Any amendment must be recorded.

Section 7. Notices. Any notice permitted or required to be delivered as provided herein shall be in writing and may be delivered either personally or by mail. If delivery is made by registered or certified mail, it shall be deemed to have been delivered two (2) days after a copy of the same has been deposited in the United States mail, postage prepaid, addressed to any person at the address given by such person to the Association for the purpose of service of such notice, or to the Lot of such person if no address has been given to the Association. If such notice is so sent by regular mail, it shall be deemed to have been delivered when received. Such address may be changed from time to time by notice in writing to the Association.

Section 8. Attorneys' Fees. If any Owner defaults in making a payment of assessments or in the performance or observance of any provision of this Declaration, and the Association has obtained the services of an attorney with

respect to the defaults involved, the Owner covenants and agrees to pay to the Association all costs and fees incurred, including reasonable attorneys' fees, regardless of whether legal proceedings are instituted. In case of a suit being instituted, the Owner shall also pay the costs of suit, in addition to the aforesaid costs and fees.

Section 9. Property Exemption. All public property within the Project shall be exempt from the provisions of this Declaration.

Section 10. Binding Effect. The provisions of this instrument shall inure to the benefit of and be binding upon all assigns, transferees, heirs, and successors in interest however acquired of or to the Declarant, the Architectural Committee and the Owners hereunder.

Section 11. Miscellaneous. No breach of any of the foregoing covenants shall cause any forfeiture of title or reversion or bestow any right of re-entry whatsoever, but in the event that any one or more of these covenants shall be violated, the Declarant, its successors and assigns, or any Owner of a Lot in the Project, may commence a legal action in any court of competent jurisdiction to enjoin or abate said violation and/or recover damages; provided, however, that any such violation shall not defeat or render invalid the lien of any Mortgage or deed of trust made in good faith and for value as to said property or any part thereof. Said covenants shall

87 45748

be binding upon and effective against any Owner of said property, or portion thereof whose title thereto is acquired by foreclosure, trustee's sale or otherwise.

Section 12. Condemnation. In the event of a condemnation affecting all or a part of the Private Streets or the improvements thereon, any condemnation award which is not apportioned among the Owners by court judgment or by agreement between the condemning authority and each of the affected Owners shall be distributed among the affected Owners and their respective mortgagees according to the relative values of the Lots affected by the condemnation as determined by independent appraisal. Such appraisal shall be obtained as follows. The Board of Directors of the Association shall select two (2) independent appraisers of each affected Lot to the Board. If neither appraisal for a particular Lot exceeds the other by more than twenty-five percent (25%), then the appraisal value of such Lot shall be the average of the two (2) appraisals. If either appraisal for a particular Lot exceeds the other by more than twenty-five percent (25%), a third independent appraisal for such Lot shall be obtained from an independent appraiser selected by the Board of Directors, and the appraised value of such Lot shall be the average of those two (2) of the three (3) appraisals which are closest in value to each other. The cost of all appraisals, including any necessary third appraisal, shall be borne pro rata by all affected Lots, whether or not such affected Lots are among those requiring a third appraisal.

47

IN WITNESS WHEREOF, the undersigned, being the Declarant, and the Association herein have hereunto executed this Declaration on December 19, 1986.

BRACTON CORPORATION, a Delaware corporation

By: _____

Its: _____

By: _____

Its: _____

"Declarant"

CRYSTAL SPRINGS RANCH HOME-OWNERS ASSOCIATION, a California corporation

By: _____
STEPHEN MANAUCR

Its: President

By: _____
STEVENE. GAIR

Its: Secretary

"Association"

87 45748

4659S/FSJ/0681S/17731
clv/06-12-86

48

STATE OF CALIFORNIA)
) ss.
COUNTY OF L.A.)

OFFICIAL SEAL
JUDITH F. KESTER
NOTARY PUBLIC-CALIFORNIA
PRINCIPAL OFFICE IN
LOS ANGELES COUNTY
My Commission Exp. Oct. 14, 1988

On December 19, 1986, before me, the undersigned, a Notary Public in and for said State, personally appeared Steven Hanauer, personally known to me or proved to me on the basis of satisfactory evidence to be the person who executed the within instrument as President on behalf of CRYSTAL SPRINGS RANCH HOMEOWNERS ASSOCIATION, the corporation therein named, and acknowledged to me that the corporation executed it.

WITNESS my hand and official seal.

Judith F. Kester
Notary Public in and for said State

STATE OF CALIFORNIA)
) ss.
COUNTY OF ORANGE)

On DECEMBER 24, 1986, before me, the undersigned, a Notary Public in and for said State, personally appeared STEVEN E BLAIR, personally known to me or proved to me on the basis of satisfactory evidence to be the person who executed the within instrument as Secretary on behalf of CRYSTAL SPRINGS RANCH HOMEOWNERS ASSOCIATION, the corporation therein named, and acknowledged to me that the corporation executed it.

WITNESS my hand and official seal.

Judy L. Acord
Notary Public in and for said State

OFFICIAL SEAL
JUDY L. ACORD
NOTARY PUBLIC — CALIFORNIA
PRINCIPAL OFFICE IN
ORANGE COUNTY
My Commission Expires June 10, 1988

STATE OF CALIFORNIA)
) ss.
COUNTY OF ORANGE)

On DECEMBER 24, 1986, before me, the undersigned, a Notary Public in and for said State, personally appeared CHRISTINE V. LARSEN and _____, personally known to me or proved to me on the basis of satisfactory evidence to be the persons who executed the within instrument as SR VICE PRESIDENT and _____ on behalf of BRACTON CORPORATION, the corporation therein named, and acknowledged to me that the corporation executed it.

WITNESS my hand and official seal.

Judy L. Acord
Notary Public in and for said State

OFFICIAL SEAL
JUDY L. ACORD
NOTARY PUBLIC — CALIFORNIA
PRINCIPAL OFFICE IN
ORANGE COUNTY
My Commission Expires June 10, 1988

4659S/FSJ/0681S/17731
sat/12-16-86

87 45748

EXHIBIT "A"

LEGAL DESCRIPTION

49

BRACTON LOTS:

Lots 1 and 18 of Tract No. 37572, as shown on a Subdivision Map recorded on July 3, 1980, in Book 951, Pages 78 through 85, inclusive, of Maps, in the Office of the Los Angeles County Recorder.

Lots 1 through 20, inclusive, 22 and 23, of Tract 37573, as shown on a Subdivision Map recorded on July 3, 1980, in Book 951, Pages 86 through 92, inclusive, of Maps, in the Office of the Los Angeles County Recorder.

INDIVIDUAL OWNERS' LOTS:

Lots 2 through 17, inclusive, and 19 through 42, inclusive, of Tract No. 37572, as shown on a Subdivision Map recorded on July 3, 1980, in Book 951, Pages 78 through 85, inclusive of Maps, in the Office of the Los Angeles County Recorder.

Lot 21 of Tract No. 37573, as shown on a Subdivision Map recorded on July 3, 1980, in Book 951, Pages 86 through 92, inclusive, of Maps, in the Office of the Los Angeles Recorder.

46595/FSJ/0681S/17731
ldg/11-10-86

87 - 45748

50

EXHIBIT "B"

LOTS EXEMPTED FROM
PRIVATE STREET ASSESSMENT

Lots 3 through 9, inclusive, of Tract 37572, as shown on a Subdivision Map recorded on July 3, 1980, in Book 951, Pages 78 through 85, inclusive, of Maps, in the Office of the Los Angeles County Recorder.

87-45748

4659S/FSJ/0681S/87 31 45748
nmh/03-10-86

51

EXHIBIT "C"

LEGAL DESCRIPTION OF EQUESTRIAN TRAILS

87 45748

46595/FSJ/0681S/17731
nmh/03-10-86

52

EQUESTRIAN EASEMENTS - TRACTS 37572 & 37573

PARCEL 1:

That portion of Tract No. 37572, in the unincorporated territory of the County of Los Angeles, State of California, filed in Book 911, Pages 78 to 85 inclusive of Maps, together with that portion of Parcel 6 of Parcel Map No. 12479, in said County and State, as shown on map filed in Book 128, Pages 92 to 99 inclusive of Parcel Maps, both in the office of the County Recorder of said County, described as a whole as being a strip of land, 12 feet wide, lying 6 feet on each side of the following described centerline:

Beginning at the intersection of the southeasterly line of Lot 7 of said Tract No. 37572 and a line parallel with and distant 11.00 feet easterly, measured at right angles from the westerly line of said Lot 7; thence S.05-21-10-E. 404.11 feet to the beginning of a tangent curve concave northeasterly, having a radius of 100.00 feet; thence southeasterly along said curve through a central angle of 48-22-53 an arc distance of 84.44 feet; thence tangent to said curve S.53-44-03-E. 144.66 feet to a line parallel with and distant 6.00 feet northerly, measured at right angles from the southerly line of Lot 12 of said Tract No. 37572; thence along said parallel line S.79-19-15-E. 97.74 feet to a line parallel with and distant 6.00 feet northeasterly, measured at right angles from the southwesterly line of Lot 14 of said Tract No. 37572; thence along said last mentioned parallel line S.60-41-18-E. 201.19 feet to a line parallel with and distant 6.00 feet northeasterly, measured at right angles from that certain southwesterly line of Lot 15 of said Tract No. 37572 having a bearing and distance of "N.38-01-40-W. 250.00 feet"; thence along said last mentioned parallel line S.38-01-40-E. 250.67 feet to a line parallel with and distant 6.00 feet northeasterly, measured at right angles from that certain southwesterly line of Lot 15 of said Tract No. 37572 having a bearing and distance of "N.46-13-44-W. 107.56 feet"; thence along said last mentioned parallel line S.46-13-44-E. 89.98 feet to a line parallel with and distant 6.00 feet westerly, measured at right angles from that certain westerly line of Lot 15 of said Tract No. 37572 having a bearing and distance of "N.09-27-16-W. 155.93 feet"; thence along said last mentioned parallel line S.09-27-16-E. 161.05 feet to the beginning of a non-tangent curve concave northerly having a radius of 309.00 feet, a radial line to the beginning of said last mentioned curve bears S.00-53-36-E., said non-tangent curve being also concentric with and distant 41.00 feet northerly and northwesterly, measured radially from that certain curved centerline of Condor Ridge Road as shown on said map of Tract No. 37572 as having a radius of 350.00 feet and an arc distance of 218.41 feet, the northeasterly terminus of said non-tangent curve being tangent to a line parallel with and distant 41.00 feet northwesterly, measured at right angles from that certain centerline of Condor Ridge

EXHIBIT "C"

87 45748

Road, as shown on said map of Tract No. 37572, having a bearing and distance of "N.51-58-20 E 145.55 feet"; thence easterly and northeasterly along said non-tangent curve through a central angle of 37-08-04 an arc distance of 200.27 feet to said northeasterly terminus; thence along said last mentioned parallel line N.51-58-20-E. 6.00 feet to a line parallel with and distant 6.00 feet northeasterly, measured at right angles from the northwesterly prolongation of the southwesterly line of Lot 18 of said Tract No. 37572; thence along said last mentioned parallel line S.38-01-40-E. 435.57 feet to a line parallel with and distant 6.00 feet northeasterly, measured at right angles from the southwesterly line of Lot 19 of said Tract No. 37572; thence along said last mentioned parallel line S.46-11-19-E. 530.29 feet to a line parallel and distant 6.00 feet southeasterly, measured at right angles from the northwesterly line of Lot 20 of said Tract No. 37572; thence along said last mentioned parallel line S.31-02-30-W. 573.48 feet; thence S.11-33-51-E. 115.08 feet; thence N.74-56-09-E. 71.42 feet to the beginning of a tangent curve concave southerly having a radius of 50.00 feet; thence northeasterly, easterly and southeasterly through a central angle of 79-30-00 an arc distance of 69.38 feet; thence tangent to said last mentioned curve S.25-33-51-E. 198.42 feet; thence S.69-33-51-E. 378.00 feet; thence N.63-56-09E. 305.00 feet to the easterly line of Lot 20 of said Tract No. 37572.

The side lines of said strip of land to be prolonged or shortened so as to terminate northeasterly in the easterly line of Lot 20 and at all angle points.

Parcel 2:

That portion of Tract No. 37572, in the unincorporated territory of the County of Los Angeles, State of California, filed in Book 951, Pages 78 to 85 inclusive of Maps, in the office of the County Recorder or said County, being a strip of land, 12 feet wide, lying 6 feet on each side of the following described centerline:

Beginning at the intersection of the southeasterly line of Lot 7 of said Tract No. 37572 and a line parallel with and distant 11.00 feet easterly, measured at right angeles from the westerly line of said Lot 7; thence S.05-21-10-E. 198.20 feet to the beginning of a tangent curve concave northwesterly having a radius of 80.00 feet, said last mentioned tangent curve being also tangent at its easterly terminus to a line parallel with and distant 6.00 feet southerly, measured at right angles from the northerly line of Lot 12 of said Tract No. 37572; thence southeasterly and easterly along said last mentioned curve through a central angle of 88-42-32 an arc distance of 123.86 feet to said easterly terminus; thence along said last mentioned parallel line N.85-56-19-E. 60.26 feet; thence N.60-30-09-E. 158.86 feet to the beginning of a tangent

curve concave northwesterly having a radius of 50.00 feet, the northeasterly terminus of said last mentioned curve being tangent to a line parallel with and distant 6.00 feet northwesterly, measured at right angles from the easterly line of Lot 9 of said Tract No. 37572; thence northeasterly along said last mentioned curve through a central angle of 43-13-04 an arc distance of 37.71 feet to said northeasterly terminus; thence along said last mentioned parallel line N.17-17-04-E. 216.18 feet to a line parallel with and distant 6.00 feet northeasterly, measured at right angles from the southwesterly line of Lot 10 of said Tract No. 37572; thence along said last mentioned parallel line S.56-13-49-E. 267.29 feet to a line parallel with and distant 45.00 feet northwesterly, measured at right angles from that portion of the centerline of Saddleback Road as shown on said map of Tract No. 37572 having a bearing and distance of "N.33-46-11-E. 243.53 feet"; thence along said last mentioned parallel line N.33-46-11-E. 50.00 feet to a line parallel with and distant 6.00 feet northeasterly, measured at right angles from the northwesterly prolongation of the southwesterly line of Lot 42 of said Tract No. 37572; thence along said last mentioned parallel line S.56-13-49-E. 352.75 feet to a line parallel with and distant 6.00 feet southeasterly, measured at right angles from the northwesterly line of Lot 40 of said Tract No. 37572; thence along said last mentioned parallel line N.65-22-57-E. 80.58 feet to a line parallel with and distant 6.00 feet southwesterly, measured at right angles from the northeasterly boundary line of said Tract No. 37572; thence along said last mentioned parallel line S.38-01-40-E. 857.59 feet to a line parallel with and distant 6.00 feet southwesterly, measured at right angles to the northeasterly boundary line of said Tract No. 37572; thence along said last mentioned parallel line S.81-41-18-E. 140.48 feet to POINT "A", said POINT "A" lying on a line parallel with and distant 6.00 feet southeasterly, measured at right angles from the southeasterly line of Lot 31; thence along the prolongation of the hereinabove described parallel line having a bearing and distance "S.81-41-18-E. 140.48 feet", S.81-41-18-E. 273.97 feet to a line parallel with and distant 6.00 feet westerly, measured at right angles from the easterly line of Lot 26 of said Tract No. 37572; thence along said last mentioned parallel line S.05-53-36-E. 522.46 feet to a line parallel with and distant 6.00 feet northwesterly, measured at right angles from the southeasterly line of Lot 23 of said Tract No. 37572; thence along said last mentioned parallel line S.24-40-10-W. 108.73 feet to the beginning of a tangent curve concave easterly having a radius of 50.00 feet; thence southwesterly, southerly and southeasterly through a central angle of 88-21-10 an arc distance of 77.09 feet; thence tangent to said last mentioned curve S.63-40-00-E. 174.81 feet; thence S.39-49-55-E. 112.50 feet to the southeasterly line of Lot 21 of said Tract No. 37572.

The sidelines of said strip of land to be prolonged or shortened so as to terminate southeasterly in the hereinabove described southeasterly line of Lot 21 and at all angle points.

87 - 45748

EXHIBIT "C"

88 1065229

(DECANEX.GH 4/12/88)

RECORDING REQUESTED BY
AND WHEN RECORDED MAIL TO:

LEVEN & BENEZRA
10850 Wilshire Boulevard
Suite 600
Los Angeles, California 90024
Attn: Marc L. Benezra, Esq.

RECORDED IN OFFICIAL RECORDS
OF LOS ANGELES COUNTY, CA
JUL 7 1988 AT 8 A.M.
Recorder's Office

SPACE ABOVE THIS LINE FOR RECORDER'S USE

FEE $ 23.00 G

DECLARATION OF ANNEXATION

FOR

TRACT NO. 45409

THIS DECLARATION OF ANNEXATION is made as of the 13 day of June, 1988, by CRYSTAL SPRINGS RANCH HOMEOWNERS ASSOCIATION, a California nonprofit mutual benefit corporation (the "Association"), and THE CRYSTAL SPRINGS PARTNERSHIP, a California general partnership ("Developer"), in connection with that certain planned development (the "Project") commonly known as "Crystal Springs Ranch". (The Association and Developer may hereinafter be referred to collectively as "Declarants".)

RECITALS

WHEREAS, Developer is the owner of certain real property (the "Additional Property") located in the City of Santa Clarita, County of Los Angeles, State of California, as more

8704289-50

particularly described in Exhibit "A" attached hereto and incorporated herein by this reference; and

WHEREAS, pursuant to that certain Declaration of Restrictions for Crystal Springs Ranch dated March 2, 1981, and recorded on March 6, 1981, as Instrument No. 81-238112, in the Official Records of Los Angeles County, California, as amended by (i) that certain First Amendment to Declaration of Restrictions for Crystal Springs Ranch dated April 13, 1981, and recorded on April 23, 1981, as Instrument No. 81-408731, in the Official Records of Los Angeles County, California, and (ii) that certain Second Amendment to Declaration of Restrictions for Crystal Springs Ranch dated November 6, 1981, and recorded on December 8, 1981, as Instrument No. 81-1204267, in the Official Records of Los Angeles County, California, and as further amended and restated by that certain Restatement and Amendment of Declaration of Restrictions for Crystal Springs Ranch dated December 19, 1986, and recorded on January 13, 1987, as Instrument No. 87-45748, in the Official Records of Los Angeles County, California (collectively, the "Declaration"), a general plan of development was established for that certain property (the "Property") adjacent to the Additional Property; and

WHEREAS, the members of the Association have unanimously approved of the annexation of the Additional Property; and

WHEREAS, Declarants desire (i) to annex the Additional Property to the Declaration, and (ii) that all owners, mortgagees, occupants and other persons hereinafter acquiring any interest in

88 1065229

the Additional Property, or any part thereof, shall at all times enjoy the benefits of and shall hold their interest(s) subject to the rights, easements, covenants, conditions, restrictions and obligations set forth in the Declaration.

NOW, THEREFORE, Declarants, for the purposes set forth above, hereby declare that all of the Additional Property is annexed to the Declaration and shall be held, sold and conveyed subject to the rights, easements, covenants, conditions, restrictions and obligations set forth therein and herein, all of which are for the purpose of (i) maintaining the established general plan of development for the Property, and (ii) protecting the value and desirability of, and which shall run with, the Additional Property, and be binding upon all parties having any right, title or interest therein, or in any part thereof, their heirs, successors and assigns, and shall inure to the benefit of each owner of any portion thereof.

ARTICLE I

FURTHER DECLARATIONS

Declarants certify and declare that:

A. The Association has unanimously approved of the annexation of the Additional Property to the Declaration.

B. The name and address of the record owner of the Additional Property is as follows:

The Crystal Springs Partnership
c/o Griffin Homes
15300 Saddleback Road
Santa Clarita, California 91351
Attn: Mr. David L. Griffin

88 1065229

ARTICLE II

The Additional Property consists of:

Lots 1 through 29, inclusive, of Tract 45409, as per Map recorded in Book 1098, Pages 25 to 27, inclusive, of Maps, in the Official Records of Los Angeles County, California.

ARTICLE III

COVENANTS AND USE RESTRICTIONS

The Additional Property shall be subject to the Article entitled "Use Restrictions" in the Declaration; provided, however, that such Article shall not limit the right of Developer to complete construction of improvements to the Lots (as defined in the Declaration) which comprise the Additional Property, or to alter the foregoing or to construct such additional improvements thereon as Developer deems advisable prior to completion and sale of all of the Lots comprising the Additional Property; provided further that until such completion and sale, Developer reserves to itself easements and rights of way in, over, to, through and across the Lots comprising the Additional Property for drainage, encroachment, ingress and egress to and from same for the purposes of completing improvements thereon, the performance of necessary repair work and for all work required to complete the development and sale of the Additional Property.

ARTICLE IV

ASSESSMENTS

Subject to any assessment subsidy or maintenance program approved by the California Department of Real Estate, the assessments described in the Declaration shall commence with regard to each Lot within the Additional Property upon the close of the first sale of a Lot in such Additional Property to an owner other than Developer.

ARTICLE V

SUBMISSION TO DECLARATION

Developer hereby submits the Additional Property to the Declaration; provided, however, that Developer shall not be subject to the control of the Architectural Committee (as set forth and defined in the Declaration) with respect to the construction of improvements on or to the Lots which comprise the Additional Property, or to the alteration of the foregoing or to the construction of such additional improvements thereon as Developer deems advisable prior to completion and sale of all of the Lots comprising the Additional Property. "Project" as used in the Declaration shall hereinafter refer to and include the Additional Property. Except as hereinbefore set forth to the contrary, the definitions set forth in Article I of the Declaration shall apply to this Declaration of Annexation.

88 1065229

ARTICLE VI

VOTING

Developer shall be entitled to one (1) vote for every unsold Lot in the Additional Property notwithstanding that any unsold Lot is not subject to assessment.

ARTICLE VII

DE-ANNEXATION

Prior to the sale of any Lot within the Additional Property to a third (3rd) party, Developer shall have the unilateral right to de-annex the Additional Property from the Declaration by recording a de-annexation in the Official Records of Los Angeles County, California. Developer shall have the right to re-annex to the Declaration all or any portion of the Additional Property which is de-annexed by Developer.

ARTICLE VIII

AMENDMENTS

At any time prior to the sale of any Lot within the Additional Property to a third (3rd) party, Declarants shall have the right to amend this Declaration of Annexation. To be effective, any such amendment shall be in writing, executed by both the Association and Developer and recorded in the Official Records of Los Angeles County, California.

88 1065229

ARTICLE IX

SEVERABILITY

If any provision of this Declaration of Annexation is held to be illegal, invalid or unenforceable under present or future laws effective during the term thereof, such provision shall be fully severable; this Declaration of Annexation shall be construed and enforced as if such illegal, invalid or unenforceable provision had never comprised a part hereof; and the remaining provisions hereof shall remain in full force and effect and shall not be affected by the illegal, invalid or unenforceable provision or by its severance herefrom.

IN WITNESS WHEREOF, this Declaration of Annexation has been executed by Declarants as of the date first hereinabove written.

CRYSTAL SPRINGS
HOMEOWNERS ASSOCIATION,
a California nonprofit
mutual benefit corporation

By: _____
Its: PRESIDENT

By: _____
Its: MEMBER AT LARGE

THE CRYSTAL SPRINGS PARTNERSHIP,
a California general partnership

By: GRIFFIN HOMES,
a California corporation,
General Partner

By: _____
Bruce Freeman
Executive Vice President
and Chief Operating
Officer

88 1065229

(NOT-2OFF.FF 10/29/87)

STATE OF CALIFORNIA)
) SS.
COUNTY OF LOS ANGELES)

On JUNE 17 1988, before me, the undersigned, a Notary Public in and for said State, personally appeared ROBERT W. PARMELE and JOHN W. MARSH, personally known to me or proved to me on the basis of satisfactory evidence to be the persons who executed the within instrument respectively as the MEMBER AT LARGE and the PRESIDENT on behalf of the corporaton therein named, and acknowledged to me that such corporation executed the within instrument pursuant to its by-laws or a resolution of its board of directors.

WITNESS my hand and official seal.

OFFICIAL SEAL
DAVIS J MCLEAN
NOTARY PUBLIC - CALIFORNIA
LOS ANGELES COUNTY
My comm. expires DEC 10, 1989

Notary Public

88 1065229

(N-20FFPS.FF 11/09/87)

STATE California)
) SS.
COUNTY OF Los Angeles)

On June 15, 1988, before me, the undersigned, a Notary Public in and for said State, personally appeared Bruce Freeman and _____ personally known to me or proved to me on the basis of satisfactory evidence to be the persons who executed the within instrument respectively as the Executive Vice President ~~and the _____~~ on behalf of the corporation therein named, and acknowledged to me that such corporation pursuant to its by-laws or a resolution of its board of directors executed the within instrument on behalf of the partnership therein named and that such partnership executed the within instrument.

WITNESS my hand and official seal.

OFFICIAL SEAL
MARY R ROBERTSON
NOTARY PUBLIC - CALIFORNIA
LOS ANGELES COUNTY
My comm. expires OCT 23, 1988

_____
Notary Public

88 1065229

LEGAL DESCRIPTION

Lots 1 through 29, inclusive, of Tract No. 45409, as per Map recorded in Book 1098, Pages 25 to 27, inclusive, of Maps, in the Official Records of Los Angeles County, California.

EXHIBIT "A"

88 1065229

FIRST AMERICAN TITLE COMPANY of LOS ANGELES

89- 827901

(DECANXA 2/1/88)

RECORDING REQUESTED BY
AND WHEN RECORDED MAIL TO:

LEVEN & BENEZRA
10850 Wilshire Boulevard
Suite 600
Los Angeles, California 90024
Attn: Marc L. Benezra, Esq.

RECORDED IN OFFICIAL RECORDS
RECORDER'S OFFICE
LOS ANGELES COUNTY
CALIFORNIA
21 MIN. PAST 3 P M MAY 22 1989

FEE $ 25.00 M

SPACE ABOVE THIS LINE FOR RECORDER'S USE

DECLARATION OF ANNEXATION

FOR

TRACT NO. 46364

THIS DECLARATION OF ANNEXATION is made as of the 1st day of February, 1989, by CRYSTAL SPRINGS RANCH HOMEOWNERS ASSOCIATION, a California nonprofit mutual benefit corporation (the "Association"), and THE CRYSTAL SPRINGS PARTNERSHIP, a California general partnership ("Developer"), in connection with that certain planned development (the "Project") commonly known as "Crystal Springs Ranch". (The Association and Developer may hereinafter be referred to collectively as "Declarants".)

RECITALS

WHEREAS, Developer is the owner of certain real property (the "Additional Property") located in the City of Santa Clarita, County of Los Angeles, State of California, as more particularly described in Exhibit "A" attached hereto and incorporated herein by this reference; and

8809617-50

WHEREAS, pursuant to that certain Declaration of Restrictions for Crystal Springs Ranch dated March 2, 1981, and recorded on March 6, 1981, as Instrument No. 81-238112, in the Official Records of Los Angeles County, California, as amended by (i) that certain First Amendment to Declaration of Restrictions for Crystal Springs Ranch dated April 13, 1981, and recorded on April 23, 1981, as Instrument No. 81-408731, in the Official Records of Los Angeles County, California, and (ii) that certain Second Amendment to Declaration of Restrictions for Crystal Springs Ranch dated November 6, 1981, and recorded on December 8, 1981, as Instrument No. 81-1204267, in the Official Records of Los Angeles County, California, and as further amended and restated by that certain Restatement and Amendment of Declaration of Restrictions for Crystal Springs Ranch dated December 19, 1986, and recorded on January 13, 1987, as Instrument No. 87-45748, in the Official Records of Los Angeles County, California, as supplemented by that certain Declaration of Annexation for Tract No. 45409 dated as of June 13, 1988, and recorded on July 7, 1988, as Instrument No. 88-1065229, in the Official Records of Los Angeles County, California (collectively, the "Declaration"), a general plan of development was established for that certain property (the "Property") adjacent to the Additional Property; and

WHEREAS, the members of the Association have unanimously approved of the annexation of the Additional Property; and

89 827301

WHEREAS, Declarants desire (i) to annex the Additional Property to the Declaration, and (ii) that all owners, mortgagees, occupants and other persons hereinafter acquiring any interest in the Additional Property, or any part thereof, shall at all times enjoy the benefits of and shall hold their interest(s) subject to the rights, easements, covenants, conditions, restrictions and obligations set forth in the Declaration.

NOW, THEREFORE, Declarants, for the purposes set forth above, hereby declare that all of the Additional Property is annexed to the Declaration and shall be held, sold and conveyed subject to the rights, easements, covenants, conditions, restrictions and obligations set forth therein and herein, all of which are for the purpose of (i) maintaining the established general plan of development for the Property, and (ii) protecting the value and desirability of, and which shall run with, the Additional Property, and be binding upon all parties having any right, title or interest therein, or in any part thereof, their heirs, successors and assigns, and shall inure to the benefit of each owner of any portion thereof.

89 827901

ARTICLE I

FURTHER DECLARATIONS

Declarants certify and declare that:

A. The Association has unanimously approved of the annexation of the Additional Property to the Declaration.

B. The name and address of the record owner of the Additional Property is as follows:

The Crystal Springs Partnership
c/o Griffin Homes
15300 Saddleback Road
Santa Clarita, California 91351
Attn: Mr. David L. Griffin

ARTICLE II

The Additional Property consists of:

Lots 1 through 30, inclusive, of Tract 46364, as per Map recorded in Book 1127, Pages 35 to 39, inclusive, of Maps, in the Official Records of Los Angeles County, California.

ARTICLE III

COVENANTS AND USE RESTRICTIONS

The Additional Property shall be subject to the Article entitled "Use Restrictions" in the Declaration; provided, however, that such Article shall not limit the right of Developer to complete construction of improvements to the Lots (as defined in the Declaration) which comprise the Additional Property, or to alter the foregoing or to construct such additional improvements thereon as Developer deems advisable prior to completion and sale

89 827901

of all of the Lots comprising the Additional Property: provided further that until such completion and sale, Developer reserves to itself easements and rights of way in, over, to, through and across the Lots comprising the Additional Property for drainage, encroachment, ingress and egress to and from same for the purposes of completing improvements thereon, the performance of necessary repair work and for all work required to complete the development and sale of the Additional Property.

ARTICLE IV

ASSESSMENTS

Subject to any assessment subsidy or maintenance program approved by the California Department of Real Estate, the assessments described in the Declaration shall commence with regard to each Lot within the Additional Property upon the close of the first sale of a Lot in such Additional Property to an owner other than Developer.

ARTICLE V

SUBMISSION TO DECLARATION

Developer hereby submits the Additional Property to the Declaration: provided, however, that Developer shall not be subject to the control of the Architectural Committee (as set forth and defined in the Declaration) with respect to the construction of improvements on or to the Lots which comprise the Additional Property, or to the alteration of the foregoing or to

89 827901

the construction of such additional improvements thereon as Developer deems advisable prior to completion and sale of all of the Lots comprising the Additional Property. "Project" as used in the Declaration shall hereinafter refer to and include the Additional Property. Except as hereinbefore set forth to the contrary, the definitions set forth in Article I of the Declaration shall apply to this Declaration of Annexation.

ARTICLE VI

VOTING

Developer shall be entitled to one (1) vote for every unsold Lot in the Additional Property notwithstanding that any unsold Lot is not subject to assessment.

ARTICLE VII

DE-ANNEXATION

Prior to the sale of any Lot within the Additional Property to a third (3rd) party, Developer shall have the unilateral right to de-annex the Additional Property from the Declaration by recording a de-annexation in the Official Records of Los Angeles County, California. Developer shall have the right to re-annex to the Declaration all or any portion of the Additional Property which is de-annexed by Developer.

ARTICLE VIII

AMENDMENTS

At any time prior to the sale of any Lot within the Additional Property to a third (3rd) party, Declarants shall have the right to amend this Declaration of Annexation. To be effective, any such amendment shall be in writing, executed by both the Association and Developer and recorded in the Official Records of Los Angeles County, California.

ARTICLE IX

SEVERABILITY

If any provision of this Declaration of Annexation is held to be illegal, invalid or unenforceable under present or future laws effective during the term thereof, such provision shall be fully severable; this Declaration of Annexation shall be construed and enforced as if such illegal, invalid or unenforceable provision had never comprised a part hereof; and the remaining provisions hereof shall remain in full force and effect and shall not be affected by the illegal, invalid or unenforceable provision or by its severance herefrom.

89 827901

IN WITNESS WHEREOF, this Declaration of Annexation has been executed by Declarants as of the date first hereinabove written.

CRYSTAL SPRINGS RANCH
HOMEOWNERS ASSOCIATION,
a California nonprofit
mutual benefit corporation

By: _____
Its: _____

By: _____
Its: Vice President

THE CRYSTAL SPRINGS PARTNERSHIP,
a California general partnership

By: GRIFFIN HOMES,
a California corporation,
General Partner

By: _____
Bruce Freeman
Executive Vice President
and Chief Operating
Officer

89 627901

STATE OF [redacted])
) SS.
COUNTY OF [redacted])

On [redacted], before me, the undersigned, a Notary Public in and for said State, personally appeared [redacted] and [redacted] personally known to me or proved to me on the basis of satisfactory evidence to be the persons who executed the within instrument respectively as the Exec.V.P. & Asst. Sec. and the [redacted] on behalf of the corporation therein named, and acknowledged to me that such corporation pursuant to its by-laws or a resolution of its board of directors executed the within instrument on behalf of the partnership therein named and that such partnership executed the within instrument.

WITNESS my hand and official seal.

OFFICIAL SEAL
PAMELA A RILEY
NOTARY PUBLIC CALIFORNIA
PRINCIPAL OFFICE IN
LOS ANGELES COUNTY
My Commission Exp Aug 17 1990

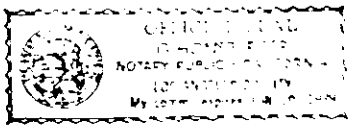
Pamela A Riley
Notary Public
Pamela A. Riley

89 827901

STATE OF California)
) SS.
COUNTY OF Los Angeles)

On March 13, 1989, before me, the undersigned, a Notary Public in and for said State, personally appeared John W. March and Gregory B. Foster, personally known to me or proved to me on the basis of satisfactory evidence to be the persons who executed the within instrument respectively as the President and the Vice President on behalf of the corporaton therein named, and acknowledged to me that such corporation executed the within instrument pursuant to its by-laws or a resolution of its board of directors.

WITNESS my hand and official seal.



Notary Public

89 527301

LEGAL DESCRIPTION

Lots 1 through 30, inclusive, of Tract No. 46304, as per Map recorded in Book 1137, Pages 35 to 39, inclusive, of Maps, in the Official Records of Los Angeles County, California.

EXHIBIT "A"

89 827901

89 882923

FIRST AMERICAN TITLE COMPANY of LOS ANGELES
(DECANXA 2/1/89)

RECORDING REQUESTED BY
AND WHEN RECORDED MAIL TO:

LEVIN & BENEZRA
10850 Wilshire Boulevard
Suite 600
Los Angeles, California 90024
Attn: Marc L. Benezra, Esq.

RECORDED IN OFFICIAL RECORDS
OF LOS ANGELES COUNTY, CA.
JUN 1 1989 AT 8 A.M.
Recorder's Office

FEE $ 25.00 R

SPACE ABOVE THIS LINE FOR RECORDER'S USE

THIS DECLARATION OF ANNEXATION REVOKES IN ITS ENTIRETY AND SUPERCEDES THAT CERTAIN DECLARATION OF ANNEXATION RECORDED MAY 22, 1989, AS INSTRUMENT NO. 89-827901, OF OFFICIAL RECORDS OF LOS ANGELES.

DECLARATION OF ANNEXATION

FOR

TRACT NO. 46364

THIS DECLARATION OF ANNEXATION is made as of the 1st day of February, 1989, by CRYSTAL SPRINGS RANCH HOMEOWNERS ASSOCIATION, a California nonprofit mutual benefit corporation (the "Association"), and THE CRYSTAL SPRINGS PARTNERSHIP, a California general partnership ("Developer"), in connection with that certain planned development (the "Project") commonly known as "Crystal Springs Ranch". (The Association and Developer may hereinafter be referred to collectively as "Declarants".)

RECITALS

WHEREAS, Developer is the owner of certain real property (the "Additional Property") located in the City of Santa Clarita, County of Los Angeles, State of California, as more particularly described in Exhibit "A" attached hereto and incorporated herein by this reference; and

8809617-50

WHEREAS, pursuant to that certain Declaration of Restrictions for Crystal Springs Ranch dated March 2, 1981, and recorded on March 6, 1981, as Instrument No. 81-238112, in the Official Records of Los Angeles County, California, as amended by (i) that certain First Amendment to Declaration of Restrictions for Crystal Sprin Ranch dated April 13, 1981, and recorded on April 23, 1981, as Instrument No. 81-408731, in the Official Records of Los Angeles County, California, and (ii) that certain Second Amendment to Declaration of Restrictions for Crystal Springs Ranch dated November 6, 1981, and recorded on December 8, 1981, as Instrument No. 81-1204267, in the Official Records of Los Angeles County, California, and as further amended and restated by that certain Restatement and Amendment of Declaration of Restrictions for Crystal Springs Ranch dated December 19, 1986, and recorded on January 13, 1987, as Instrument No. 87-45748, in the Official Records of Los Angeles County, California, as supplemented by that certain Declaration of Annexation for Tract No. 45409 dated as of June 13, 1988, and recorded on July 7, 1988, as Instrument No. 88-1065229, in the Official Records of Los Angeles County, California (collectively, the "Declaration"), a general plan of development was established for that certain property (the "Property") adjacent to the Additional Property; and

WHEREAS, the members of the Association have unanimously approved of the annexation of the Additional Property; and

89 882923

WHEREAS, Declarants desire (i) to annex the Additional Property to the Declaration, and (ii) that all owners, mortgagees, occupants and other persons hereinafter acquiring any interest in the Additional Property, or any part thereof, shall at all times enjoy the benefits of and shall hold their interest(s) subject to the rights, easements, covenants, conditions, restrictions and obligations set forth in the Declaration.

NOW, THEREFORE, Declarants, for the purposes set forth above, hereby declare that all of the Additional Property is annexed to the Declaration and shall be held, sold and conveyed subject to the rights, easements, covenants, conditions, restrictions and obligations set forth therein and herein, all of which are for the purpose of (i) maintaining the established general plan of development for the Property, and (ii) protecting the value and desirability of, and which shall run with, the Additional Property, and be binding upon all parties having any right, title or interest therein, or in any part thereof, their heirs, successors and assigns, and shall inure to the benefit of each owner of any portion thereof.

89 882923

ARTICLE I

FURTHER DECLARATIONS

Declarants certify and declare that:

A. The Association has unanimously approved of the annexation of the Additional Property to the Declaration.

B. The name and address of the record owner of the Additional Property is as follows:

The Crystal Springs Partnership
c/o Griffin Homes
15300 Saddleback Road
Santa Clarita, California 91351
Attn: Mr. David L. Griffin

ARTICLE II

The Additional Property consists of:

Lots 1 through 28, inclusive, of Tract 46364, as per Map recorded in Book 1121, Pages 35 to 39, inclusive, of Maps, in the Official Records of Los Angeles County, California.

ARTICLE III

COVENANTS AND USE RESTRICTIONS

The Additional Property shall be subject to the Article entitled "Use Restrictions" in the Declaration; provided, however, that such Article shall not limit the right of Developer to complete construction of improvements to the Lots (as defined in the Declaration) which comprise the Additional Property, or to alter the foregoing or to construct such additional improvements thereon as Developer deems advisable prior to completion and sale

of all of the Lots comprising the Additional Property; provided further that until such completion and sale, Developer reserves to itself easements and rights of way in, over, to, through and across the Lots comprising the Additional Property for drainage, encroachment, ingress and egress to and from same for the purposes of completing improvements thereon, the performance of necessary repair work and for all work required to complete the development and sale of the Additional Property.

ARTICLE IV

ASSESSMENTS

Subject to any assessment subsidy or maintenance program approved by the California Department of Real Estate, the assessments described in the Declaration shall commence with regard to each Lot within the Additional Property upon the close of the first sale of a Lot in such Additional Property to an owner other than Developer.

ARTICLE V

SUBMISSION TO DECLARATION

Developer hereby submits the Additional Property to the Declaration; provided, however, that Developer shall not be subject to the control of the Architectural Committee (as set forth and defined in the Declaration) with respect to the construction of improvements on or to the Lots which comprise the Additional Property, or to the alteration of the foregoing or to

89 882923

the construction of such additional improvements thereon as Developer deems advisable prior to completion and sale of all of the Lots comprising the Additional Property. "Project" as used in the Declaration shall hereinafter refer to and include the Additional Property. Except as hereinbefore set forth to the contrary, the definitions set forth in Article I of the Declaration shall apply to this Declaration of Annexation.

ARTICLE VI

VOTING

Developer shall be entitled to one (1) vote for every unsold Lot in the Additional Property notwithstanding that any unsold Lot is not subject to assessment.

ARTICLE VII

DE-ANNEXATION

Prior to the sale of any Lot within the Additional Property to a third (3rd) party, Developer shall have the unilateral right to de-annex the Additional Property from the Declaration by recording a de-annexation in the Official Records of Los Angeles County, California. Developer shall have the right to re-annex to the Declaration all or any portion of the Additional Property which is de-annexed by Developer.

89 882923

ARTICLE VIII

AMENDMENTS

At any time prior to the sale of any Lot within the Additional Property to a third (3rd) party, Declarants shall have the right to amend this Declaration of Annexation. To be effective, any such amendment shall be in writing, executed by both the Association and Developer and recorded in the Official Records of Los Angeles County, California.

ARTICLE IX

SEVERABILITY

If any provision of this Declaration of Annexation is held to be illegal, invalid or unenforceable under present or future laws effective during the term thereof, such provision shall be fully severable; this Declaration of Annexation shall be construed and enforced as if such illegal, invalid or unenforceable provision had never comprised a part hereof; and the remaining provisions hereof shall remain in full force and effect and shall not be affected by the illegal, invalid or unenforceable provision or by its severance herefrom.

89 882923

IN WITNESS WHEREOF, this Declaration of Annexation has been executed by Declarants as of the date first hereinabove written.

CRYSTAL SPRINGS RANCH
HOMEOWNERS ASSOCIATION,
a California nonprofit
mutual benefit corporation

By: _____
Its: President

By: _____
Its: Vice President

THE CRYSTAL SPRINGS PARTNERSHIP,
a California general partnership

By: GRIFFIN HOMES,
a California corporation,
General Partner

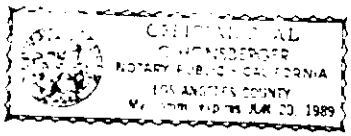
By: _____
Bruce Freeman
Executive Vice President
and Chief Operating
Officer

89 882923

STATE OF California)
) SS.
COUNTY OF Los Angeles)

On March 13, 1989, before me, the undersigned, a Notary Public in and for said State, personally appeared John W. March and Gregory A. Foster, personally known to me or proved to me on the basis of satisfactory evidence to be the persons who executed the within instrument respectively as the President and the Vice President on behalf of the corporaton therein named, and acknowledged to me that such corporation executed the within instrument pursuant to its by-laws or a resolution of its board of directors.

WITNESS my hand and official seal.



Notary Public

89 882923

STATE of California)
) SS.
COUNTY OF Los Angeles)

On March 21, 1989, before me, the undersigned, a Notary Public in and for said State, personally appeared Bruce Freeman and _____ personally known to me or proved to me on the basis of satisfactory evidence to be the persons who executed the within instrument respectively as the Exec.V.P. & Chief Oper Ofcr and the _____ on behalf of the corporation therein named, and acknowledged to me that such corporation pursuant to its by-laws or a resolution of its board of directors executed the within instrument on behalf of the partnership therein named and that such partnership executed the within instrument.

WITNESS my hand and official seal.

OFFICIAL SEAL
PAMELA A RILEY
NOTARY PUBLIC CALIFORNIA
PRINCIPAL OFFICE IN
LOS ANGELES COUNTY
My Commission Exp Aug 17 1990

Pamela A. Riley
Notary Public
Pamela A. Riley

89 882923

LEGAL DESCRIPTION

Lots 1 through 28, inclusive, of Tract No. 46364, as per Map recorded in Book 1127, Pages 35 to 39, inclusive, of Maps, in the Official Records of Los Angeles County, California.

EXHIBIT "A"

89 882923