

Ticor Title Insurance
Orderer No. 14986

8807835

RECORDED AT THE REQUEST OF
AND WHEN RECORDED RETURN TO:

RUSCONI, FOSTER, THOMAS & PIPAL

RECORDED AT REQUEST OF TICOR TITLE INSURANCE

COMPANY

30 Keystone Avenue
P. o. Box 98
Morgan Hill, CA 95037

OCT - 7 1988 AT _____ MIN: PAST 1pm
OFFICIAL RECORDS, SAN BENITO COUNTY - JOHN R HODGES, RECORDER
FEE 67.00 **INDEXED-COMPARED**

DECLARATION OF RESTRICTIONS
OF
CIELO VISTA HOMEOWNERS' ASSOCIATION, INC.

ARTICLE I
DECLARATION

1.1. Declarant: CIELO VISTA, a California general partnership which entity has its business address at 16110 Caputo Drive, Morgan Hill, California, 95037. The authorized signatories for the legal entity are WILLIAM C. NASH, President of OMNIPRISE, INCORPORATED, one of the general partners, and LARRY WILLARD, the other general partner.

1.2. Real Property: The Declarant is the Owner of all that real property situated in the County of San Benito, State of California, more particularly described as follows:

All of Lots 1 through 75, and Parcel A, as shown upon that certain Map entitled "Tract No. 204, which Map was filed for record in the Office of the Recorder of San Benito County, State of California, on November 19, 1987, in Vol. 10 of Maps, page 22 (referred to hereafter as "The Map").

1.3. Purpose: The Declarant's intention is to impose upon the real property described in 1.2 above mutually beneficial restrictions as a planned development (as defined in §1351[k], California Civil Code) under a common scheme for the improvement, maintenance and benefit of all of the lots shown on the Map and the Owners thereof.

1.4. Plan: The Declarant hereby establishes by this Declaration a plan for the individual ownership of the real property lots consisting of those certain parcels of land as shown on the Map, together with those single-family residential improvements thereon as well as the "Common Area" as defined hereafter.

1.5. Declaration: NOW, THEREFORE, the Declarant hereby declares that the lots as described in 1.2 above in the Map are held and shall be held, conveyed, hypothecated, encumbered, leased, rented, used, occupied and improved, subject to the following limitations, restrictions, covenants and conditions, all of which are declared and agreed to be in furtherance of a plan for the improvement of the property and are established and agreed upon for the purpose of enhancing and perfecting the value, desirability and attractiveness of the Project and every part thereof. All of the limitations, covenants, restrictions, and conditions shall run with the real property and shall be binding upon all parties having or acquiring any right, title, or interest therein or any part thereof, and shall be for the benefit of each Owner of any portion of said Project or any interest therein, and shall inure to the benefit of and be binding upon each successor in interest.

ARTICLE II
DEFINITIONS

2.1. "Association" means the CIELO VISTA HOMEOWNERS' ASSOCIATION, INC., which is a non-profit mutual benefit corporation, membership in which shall be limited to Owners (as hereinafter defined) and in which all Owners have a membership interest.

2.2. "Beneficiary" means and refers to a mortgagee under a mortgage or a beneficiary under a deed of trust encumbering a Lot, as hereafter defined.

2.3. "Board" or "Board of Directors" means the governing body of the Association.

2.4. "Bylaws" shall mean the bylaws of the Association which are or shall be adopted by the Board.

2.5. "Common Area" means all real property owned by or held in trust for the benefit of the Association for the common use and enjoyment of its members, but does not include real property over which the Association has only an easement.

2.6. "Declarant" means and refers to CIELO VISTA, a California general partnership

2.7. "Declaration" means and refers to the within Declaration of Restrictions.

2.8. "Director" means and refers to a member of the Board of Directors.

2.9. "Institutional Lender" shall mean any bank, savings and loan association, insurance company, or other financial institution holding a recorded first mortgage on any Lot.

2.10. "Lots" mean those certain parcels of land together with the single-family residential improvements attached hereto, described as Lots 1 through 75 of the Map.

2.11. "Map" refers to that certain Subdivision Map entitled Tract 204, filed in Vol. 10 of Maps, at page 22, County of San Benito, on November 19, 1987.

2.12. "Member" means and refers to those Lot Owners who are members of the Association pursuant to Article IV hereof.

2.13. "Mortgage" means a deed of trust as well as a mortgage.

2.14. "Mortgagee" means a beneficiary under or holder of a deed of trust as well as a mortgage.

2.15. "Owner" or "Owners" means the record Owner or Owners, whether one or more persons or entities, of a fee simple title to a Lot, and a contract vendee of a Lot, but excluding any person or entity having such interest merely as security for the performance of an obligation.

2.16. "Project" and "Property" mean the entire parcel of real property described above, and such additions thereto as may later be brought within the jurisdiction of the Association.

2.17. "Rules" means the rules adopted by the Association pursuant to this Declaration.

ARTICLE III
DESCRIPTION OF PROJECT, ANNEXATION, DIVISION
OF PROPERTY AND CREATION OF PROPERTY RIGHTS

3.1. Property Subject to Declaration: All of the real property shown on the Map is hereby declared to be subject to this Declaration, as well as any additional property which may be annexed thereto pursuant to the provisions of this Declaration.

3.2. Annexation:

A. Additional real property may be annexed upon the approval in writing of the Association, pursuant to a vote or written consent of not less than 66-2/3rd% of the total votes of the voting power of its members, other than Declarant, the Association and the Owner of any property who desires to add it to the scheme of this Declaration and to subject it to the jurisdiction of the Association, may file of record a Declaration of annexation. A Declaration of annexation shall be recorded covering the applicable portion of the property to be annexed. This Declaration may contain such complementary additions and modifications to this Declaration as may be necessary to reflect the different character, if any, of the added property, and as are not inconsistent with the scheme of this Declaration. Upon annexation becoming effective, all the property so annexed shall become subject to the recorded Declaration and any amendments thereto describing such property. Articles, Bylaws and current rules of the Association with the same force and effect as if the annexed property was originally part of the property described herein.

B. Voting specifications set forth in the Declaration, Bylaws, and Articles, shall apply to the entire number of votes of all annexed phases.

C. Assessments collected from Owners of the property may be expended by the Association without regard for the particular phase from which such assessments came. All Owners shall have ingress and egress to and use of all portions of any Common Areas throughout the Project, subject to the provisions of this Declaration, the Bylaws, Articles, and the rules of the Association currently in effect.

D. Future improvements to the Project will be consistent with initial improvements in terms of quality of construction.

3.3 Partition Prohibited: The Common Areas will remain undivided as set forth above. No Owner shall bring any action for partition. This Restriction is necessary in order to preserve the rights of the Owners with respect to the operation and management of the Project. Judicial partition by sale of a single Lot owned by two or more persons and division of the sale proceeds is not prohibited hereby but physical partition of a single Lot is prohibited.

3.4. Common Area Ownership: Declarant is not conveying title to any Common Areas to the Association. Common Area ownership is referred to in this Declaration in order to allow the Association the flexibility to acquire Common Areas in the future should such Association desire to do so. Every Owner shall have a right and easement of enjoyment in and to any Common Area which shall be acquired by the Association in the future, and such Common Areas shall be appurtenant to and the use and enjoyment thereof shall pass with title to every Lot and unit subject to provisions of this Declaration.

ARTICLE IV
HOMEOWNERS ASSOCIATION, MEMBERSHIP AND VOTING RIGHTS

4.1. Organization: The Association is a non-profit mutual benefit corporation charged with the duties and empowered with the rights set forth herein and in the Bylaws and Articles of Incorporation. Its affairs shall be governed by this Declaration, the Articles, the Bylaws and the rules of the Association. In the event that the Association as a corporate entity is dissolved, a non-profit, unincorporated association shall forthwith and without further action or notice be formed to succeed to all the rights and duties of the Association. The affairs of such unincorporated association will be governed by the laws of the State of California and, to the extent consistent therewith, by this Declaration, the Articles and the Bylaws of the Association as if they were created for the purpose of governing the affairs of an unincorporated association.

4.2. Membership: The Owner of a Lot shall automatically upon taking title to a Lot, be a member of the Association and shall remain a member thereof until such time as his ownership ceases for any reason, at which time his membership in the Association shall automatically cease. Membership is to be held in accordance with the Articles and Bylaws of the Association.

4.3. Transferred Membership: Membership in the Association may not be transferred, pledged or alienated in any way, except upon the sale or encumbrance of the Lot to which it is appurtenant, and then only to the purchaser, in the case of a sale, or mortgagee, in the case of an encumbrance of such a Lot. A mortgagee does not have membership rights until he becomes an Owner by foreclosure or deed in lieu thereof. Any attempt to make a prohibited transfer is void.

4.4. Voting Class: The Association shall have one (1) class of voting membership. Members shall be all Owners. Members shall be entitled to one vote for each Lot owned. When more than one person holds an ownership interest in any Lot all such persons shall be members; provided, however, that with respect to any matter requiring the vote or consent of members, no more than one vote shall be cast with respect to any Lot. The vote for such Lot shall be exercised as the members holding an interest in such Lot among themselves determine. In the event of a disagreement, the decision of members holding a majority of interest in such Lot shall govern. In the event two or more persons have equal interest in a Lot, the vote shall be determined by a coin flip. Any action by the Association which is subject to the approval of members shall require the vote or written assent of fifty-one percent (51%) of the total voting power of the Association.

4.5. Voting Procedures and Meetings: Voting procedures and the notice, quorum requirements and location of meetings of the Association shall be as provided for in the Bylaws.

4.6. Board of Directors: The Board shall undertake all duties and responsibilities of the Association and the management and conduct of the affairs thereof, except as expressly is reserved herein to a vote of the members. The initial Board of the Association consisting of three (3) Directors shall be appointed by Declarant. Such Board shall hold office until the first regular meeting of the members is held pursuant to the Bylaws. At said meeting a new Board of three (3) Directors shall be elected by secret written ballot to serve until the next regular annual meeting of the Association members or until their successors are elected. The number of Directors may be changed by amendment of the Bylaws.

ARTICLE V
DUTIES AND POWERS OF THE ASSOCIATION

5.1. Duties: In addition to the duties enumerated in its Bylaws or elsewhere provided for in this Declaration, and without limiting the generality thereof, the Association shall perform the following duties:

A. Common Area: The Association shall replace, repair and maintain any Common Area, including any improvements, utilities and facilities located thereon.

B. Landscaping and Fencing on Certain Lots: Lots 1 through 7, inclusive, and 68 through 75, inclusive, as described on the Map, are located adjacent to Fairview Road, and Lots 11 through 14, inclusive, as described on the Map, are located adjacent to Airline Highway. Regarding all of these lots, adjacent to either one of said named public streets. Declarant has installed fencing along the portion of the Lot adjacent to such public street which has, between such fencing and street installed certain landscaping, together with sprinkler pipes and heads. Furthermore, in addition to such fencing and landscaping, there is additional installed landscaping at the entranceway to the project, which landscaping is in the center island of the public street known as Cielo Vista Drive, which center island also has installed thereon certain signs designating the project, together with electrical lighting. The Association shall plant, maintain, repair and replace, as necessary, the landscaping and improvements, including the fencing, on all the above-described lots and center island on Cielo Vista Drive, including but not limited to grass, shrubs, plants, trees, sprinkler pipes and heads, retaining barriers and plant supports, light standards and fixtures, and to pay all costs included therein, such as water and electrical costs. To carry out its responsibility, the Association shall have a right and easement for access over and across and for planting, repairing, replacing and maintaining of landscaping on that portion of Lots 1 through 7, inclusive, 11 through 14, inclusive, and 16 through 75 inclusive, where such fence and landscaping exist, and each Owner of such Lot shall accept title to his lot subject to the aforesaid rights of the Association. The Lot Owner shall not landscape or plant within that portion of each Lot as designated above, without prior written approval of the Association in carrying out its obligations pursuant to this subsection, or any other duties or obligations contained in the Declaration or the Bylaws of the Association.

B. Landscaping on Easements: The Association shall plant, maintain, repair and replace, as necessary, landscaping improvements on easements granted to the Association, including but not limited to grass, shrubs, plants, trees, sprinkler pipes and heads, retaining barriers and plant supports. To carry out its responsibility, the Association shall have a right and easement for access over and across, and for planting, repairing, replacing and maintaining of landscaping on that portion of each Lot over which such easements run, and each Owner shall accept title to his Lot subject to the aforesaid rights of the Association. The Owner of a Lot shall not landscape or plant within that portion of each Lot as designated above without prior written approval of the Association in carrying out its obligations pursuant to this subsection or any other duties and obligations contained in this Declaration or the Bylaws of the Association.

C. Insurance-Association: The Association (or Declarant until the election of the first Board) shall purchase and maintain the following insurance policies.

i. A master blanket comprehensive liability bodily injury and property damage policy insuring the interests of the Board and the Owners

against public liability as a result of their ownership of the Common Area with a combined single limit of not less than Two Million Dollars (\$2,000,000) per occurrence (such limits and coverage shall be reviewed at least annually by the Board and increased at its discretion). Such policy shall be maintained with respect to the Common Area and the structures, if any, owned in common by the Owners. Such policy shall provide for a cross-liability endorsement wherein the rights of the named insured under the policy or policies shall not be prejudiced as respects his action against another named insured. Such policy or policies shall also contain a provision requiring the insurer to defend any suit against any insured, even if the allegations are fraudulent, but authorizing the insurer to make such investigation and settlement of any claim or suit within the policy limits as it deems expedient. Such liability insurance shall not cover the personal bodily injury and property damage exposure of the individual Owner within his Lot or in any other Lot in the development or upon any Common Area resulting from the negligence of the Owner. Obtaining such insurance coverage by each Owner is optional.

ii. A policy of insurance covering all buildings, structures, furnishings, equipment and personal property owned in common by the Owners, if any, or by the Association for the interests of the Owners, and all the Owners and mortgagees, as their interest may appear in any amount that shall be at least equal to one hundred percent (100%) of the full insurable replacement value of all of them against the perils covered by California Standard Fire Policy, Extended Coverage Endorsement (or its equivalent). Such policy shall name as insureds Declarant, the Association all Owners and mortgagees to the extent of their insurable interests, if any; first mortgagees of residences shall be entitled to ten (10) days' prior notice of cancellation of such policies. Such insurance shall not cover personal household contents.

iii. Worker's Compensation Insurance shall at all times be carried as required by law with respect to the employees, if any, of the Association.

iv. A fidelity bond covering loss or theft of funds, naming the Manager and such other persons as may be designated by Declarant as principals and the Owners as obligees in an amount equal to at least 1/2 of the estimated cash requirement of the Association for the succeeding year.

D. Insurance-Owners: No Owner shall separately insure any of the improvements to the Common Area against loss by fire or other casualty covered by the insurance maintained by the Board, pursuant to the above. Should any Owner violate this provision, any diminution of insurance proceeds resulting from the existence of such separately carried insurance shall be chargeable to the Owner and may be charged by the Board against his Lot. Notwithstanding the foregoing, the Owner may carry separate insurance against loss by fire and other casualty to his residence and its contents.

E. Insurance-Equivalents: Should the Board, despite its reasonable efforts to do so, be unable to obtain insurance coverage meeting all of the specifications set forth above, it shall observe such specifications as closely as possible, and where forms of coverage or insuring agreement specified above are unavailable, the Board shall

substitute available forms of coverage and insuring agreements which in its judgment are the nearest equivalent to those specified.

F. Insurance-Proceeds: Proceeds of all insurance policies owned by the Association, held in a separate account and distributed to the Association and the Owners and their mortgagees subject to the provisions of these Restrictions, as their interest may appear; provided, however, whenever repair or reconstruction is required, the proceeds of any insurance received by the Association as a result of any loss shall be applied to such repair or reconstruction. Upon the vote or written assent of a majority of the voting power of the Association residing in members other than Declarant, the Board shall levy a special assessment against all Owners to make up for any deficiency in making necessary repairs or reconstruction.

G. Insurance-Attorney Powers: Each Owner shall be deemed to appoint the Association as his true and lawful attorney-in-fact to act in connection with all matters concerning the maintenance of the Master Policy. Without limitation on the generality of the foregoing, the Association as said attorney shall have full power and authority to purchase and maintain such insurance, to collect and remit the premiums therefor, to collect proceeds and to distribute mortgagees (subject to the provisions of these Restrictions) as their interests may appear, to execute releases of liability and to execute documents and to do all things on behalf of the Owners as shall be necessary or convenient to the accomplishment of the foregoing; and any insurer may deal exclusively with the Association in regard to such matters. The Association shall not be responsible for procurement or maintenance of any insurance covering the contents or the interior of any residence nor the liability of any Owner for occurrences therein not caused by or connected with the Association's operation, maintenance, or use of the Common Area.

H. Discharge of Liens: The Association shall discharge by payment, if necessary, any lien against the Common Area, and charge the cost thereof to the member or members responsible for the existence of said lien. Prior to any Board decision to discharge a lien, the Owner shall be given written notice and an opportunity for a hearing before the Board in order to present any defenses which may exist.

I. Assessments: The Association shall fix, levy, collect and enforce assessments as set forth in Article VI hereof.

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

K. Enforcement: The Association shall enforce this Declaration, the Bylaws, and the Articles of Incorporation.

L. Budget and Annual Report: Regardless of the number of members or the amount of assets of the Association, the Board shall prepare and maintain books, financial statements, etc., in accordance with the provisions of the Bylaws.

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

A. Easements: The Association shall have authority to grant easements where necessary for utilities and sewer facilities over the Common Area to serve the Common Areas and the lots.

B. Access: The Board and its agents and employees shall have the right to enter a residence as necessary in connection with construction, maintenance or emergency repair for the benefit of the Common Area or Owners in common. Except in cases of emergency, twelve (12) hours' notice shall be given to the Owner or occupant.

C. Manager: The Association shall have the authority to employ a manager or other persons and to hire independent contractors or employees to perform all or any part of the duties and responsibilities of the Association, provided that any contract with a firm or person appointed as a manager or managing agent, or any contract providing for services by the developer, sponsor or builder, shall not exceed a one year term, shall provide for termination by either party without cause on ninety (90) days or less written notice, and shall provide for the right of the Association to terminate the same for cause on thirty (30) days' written notice.

D. Association Rules: The Board may, from time to time, and subject to the provisions of this Declaration, adopt such rules as the Board may deem necessary for the management of this project in accordance with the provisions of the Bylaws. A copy of the rules so adopted shall be furnished to each Owner, and each Owner, his family, guests, employees, invitees, licensees and tenants shall comply with such rules.

E. Enforcement of Rules and Restrictions:

i. The Board shall have the power and duty to enforce the provisions of this Declaration, the Bylaws and the rules. In the event of a breach of any of the restrictions contained in this Declaration or of any rules by an Owner, his family, guests, employees, invitees, licensees or tenants, the Board may enforce the obligations of each Owner to obey such rules or restrictions in any manner provided by law or in equity, including but not limited to appropriate legal action, suspension of the owner's voting right and right to use the common facilities of the project; provided, however, such suspension may not be for a period in excess of thirty (30) days, and may not be imposed without notice and hearing as herein provided, for an infraction of such rules. In addition to the other remedies herein set forth, the Board, by majority vote, may levy a fine against such Owner, after appropriate notice and hearing as herein provided in an amount not to exceed Fifty Dollars (\$50.00) for each such violation. The right to levy fines, hold disciplinary hearings or otherwise impose discipline on members is vested solely in the Board and may not be delegated to any director, office, or manager, or other employees of the Board or Declarant.

ii. Prior to making any decision that a breach has occurred or to impose any penalty provided herein for breach of any rules enacted hereunder or restrictions contained in this declaration, the Board shall send written notice to the Lot Owner specifying the nature of the infraction and provide an opportunity to the Owner for a hearing before the Board regarding such infraction and the penalty to be imposed. In the event that the Board determines that an infraction has occurred and that a penalty shall be imposed, after a reasonable opportunity for a hearing has been provided, the determination of the Board shall be final.

iii. Notwithstanding anything to the contrary in this Declaration, neither the Board nor the Association of members shall have the power to cause a forfeiture or abridgement of an owner's right to the full use and enjoyment of his individually owned Lot, including access thereto over and across the Common Area, because of such owner's failure to comply with the provisions of this Declaration or of the Bylaws or any rules adopted by the Association except when such loss or forfeiture is the result of a judgment of a court, a decision pursuant to arbitration or on account of a foreclosure, or under the power of sale granted herein for failure of the Owner to pay the assessments levied pursuant to the provisions of this Declaration. In the event legal action is instituted by the Board pursuant hereto, any judgment rendered in any such action shall include costs of collection, court costs and reasonable attorneys' fees to the prevailing party. A monetary penalty imposed by the Association as a disciplinary measure for failure of a member to comply with the governing instruments or as a means of reimbursing the Association for costs incurred by the Association in the repair of damage to Common Areas and facilities for which the member was allegedly responsible or in bringing the member and his Lot into compliance with the governing instruments, may not be characterized nor treated in the governing instruments as an assessment which may become a lien against the member's Lot enforceable by a sale of the Lot in accordance with §§2924, 2924(b) and 2924(c) of the California Civil Code; provided, however, such limitation does not apply to charges imposed against an Owner consisting of reasonable late payment penalties for delinquent assessments, charges to reimburse the Association for the loss of interest, and for costs reasonably incurred (including attorneys' fees) in its efforts to collect delinquent assessments.

F. Acquisition of Property: The Association shall have the power to acquire (by gift, purchase or otherwise), own, hold, improve, build upon, operate, maintain, convey, sell, lease, transfer, dedicate for public use or otherwise dispose of real or personal property in connection with the affairs of the Association. However, except with the vote or written assent of a majority of the voting power of the Association residing in members other than Declarant, the Board is prohibited from (1) incurring aggregate expenditures for capital improvements to the Common Area in any fiscal year in excess of five percent (5%) of the budgeted gross expenses of the Association for that fiscal year and (2) selling during any fiscal year property of the Association having an aggregate fair market value greater than five percent (5%) of the budgeted gross expenses of the Association for that fiscal year.

G. Loans: The Association shall have the power to borrow money and, with the assent (by vote or written consent) of sixty percent (60%) of the members, to mortgage, pledge, deed in trust, or hypothecate any or all of its real or personal property as security for money borrowed or debts incurred.

H. Dedication: The Association shall have the power to dedicate, sell or transfer all or any part of the Common Area to any public agency, authority, or utility for such purposes and subject to such conditions as may be agreed to by the members. No such dedication or transfer shall be effective unless an instrument has been signed by sixty percent (60%) of the members, other than Declarant agreeing to such dedication, sale or transfer.

I. Contracts: The Association shall have the power to contract for goods and/or services for the Common Area(s), for the common facilities, or interests of the Owners

or for the Association, subject to limitations contained in the Bylaws for the corporation and this Declaration of Restrictions.

J. Delegation: The Association shall have the power to delegate its authority and powers to committees, officers or employees of the Association. However, the authority to levy fines, hold hearings, impose discipline, make capital expenditures, file suit on behalf of the Association, record a claim of lien or institute foreclosure proceedings for failure to pay assessments, may not be delegated to an officer, employee or committee.

K. Power of Attorney: Each Owner, for himself, his successors and assigns, shall be deemed upon purchasing his Lot to have appointed the officers of the Association, or any of them, as his true and lawful attorney, in his name, place and stead, to prosecute, settle and release any claims arising out of the Owners' acquisition or joint ownership of the Common Areas of the project. Such power shall be utilized only upon express authorization of the Board given by resolution adopted by the Board at a meeting for which all members are given advance written notice specifying the nature of the proposed action for which the power of attorney is to be utilized.

ARTICLE VI ASSESSMENTS

6.1. Covenants for Maintenance Assessments:

A. Declarant hereby covenants and agrees for each lot owned by it within the project, and each owner of any lot by acceptance of a deed is deemed to covenant and agree, to pay to the Association the assessments levied pursuant to this Article. Assessments shall be levied according to the ratio of the number of lots subject to assessment. Declarant and each owner thereby vest in the Association the right to bring all actions for the collection of such charges and for the enforcement of the lien created hereby. Such right remains with the Association and such obligations run with the land so that each successive owner or owners of record of a lot in the project will become liable to pay all assessments which become a lien during the time they are the record owner of any in the project.

B. Each assessment levied by the Association under this Article constitutes a separate assessment. Each assessment, together with interest thereon, costs of collection and reasonable attorneys' fees will be a charge on the lot and be a continuing lien upon the lot against which each such assessment is made. The Association, as the agent of all lot owners, has a separate lien, and a separate lien with power of sale is hereby created, upon each lot against which an assessment is made to secure the payment of any assessments under this Article. Each such lien for any particular month's charge will also secure interest thereon, if the same is not paid when due, and costs of suit and reasonable attorneys' fees to be fixed by the court if action or suit is brought to collect such charge. The priority of all such liens shall be in inverse order so that upon foreclosure of the lien for a particular month's charge, any foreclosure sale pursuant thereto will be made subject to all liens securing the respective monthly charge on such lot for succeeding months.

C. Each assessment, together with interest, attorneys' fees and costs of collection, shall also be a separate, distinct and personal obligation of the owner of the lot at the time when the assessment fell due. The personal obligation for delinquent assessments will not pass to a lot owner's successor in title unless expressly assumed by such successor, but the lien for such delinquent assessment shall

remain and, if unpaid by such successive lot owner, may be foreclosed as provided in this Declaration. After a record owner transfers record title to his lot, he will not be liable for any charge thereafter assessed against such lot. A contract seller of any lot will continue to be liable for all such charges until a conveyance by him of the lot subject to the assessment is recorded in the Office of the Santa Clara County Recorder.

D. The assessments levied by the Association shall be used exclusively to promote the recreation, health, safety and welfare of the members of the Association, and to improve, replace, repair, operate, and maintain the Common Area, and the improvements to personal property in the Common Area, and the landscaping that are owned and maintained by the Association, to provide funds necessary for the performance of the duties of the Association, as set forth in this Declaration, and to further any other purpose that is for the common benefit of the owners in their use and enjoyment of the property.

6.2. Regular Monthly Assessments:

A. The Board shall establish regular monthly assessments for operation and maintenance of the project by the procedures established in this section. The assessments shall be due and payable in monthly installments on the first day of each month commencing on the first day of the first month following the first conveyance of a lot (under authority of a public report). The voting rights attributable to a lot shall not be vested until an assessment has been made against that lot. The assessments for annexed lots shall commence on the first day of the first month following the annexation of said lot. Regular assessments shall be levied in accordance with the final budget(s) approved by the Department of Real Estate.

B. Not more than ninety (90) days nor less than sixty (60) days before the beginning of each fiscal year of the Association, the Board shall meet for the purpose of establishing the regular annual assessment for the forthcoming fiscal year. At such meeting the Board shall review the preliminary pro forma operating budget prepared in accordance with this Declaration, any written comments received from members and mortgagees, and such other related information that has been made available to the Board. After making any adjustments that the Board considers appropriate, the Board, subject to the restrictions described in this provision and without the requirements for a vote of the owners, shall establish the regular assessment for the forthcoming fiscal year. The Board may not establish a regular assessment for any fiscal year that is more than twenty percent (20%) above the regular assessment for the Association's preceding fiscal year (except the Association's first fiscal year if it is less than twelve (12) months) without the approval by vote or written consent of the owners holding fifty-one percent (51%) of the voting rights of each class of owners if there are two classes, or if there is one class, the approval by vote or written consent of (i) the owners holding fifty-one percent (51%) of the voting rights of all the owners, and (ii) the owners, other than Declarant, holding fifty-one percent (51%) of the voting rights of the owners other than Declarant.

Unless the Association is exempt from federal or state income taxes, including without limitation an exemption under Internal Revenue Code §528, and Revenue & Taxation Code §23701(t), all reserve funds to the extent possible, shall be designated and accounted for as capital contributions to the Association, and the Board shall take such steps as may be reasonably necessary under federal and state tax laws to prevent the reserve funds from being taxed as income of the Association, including, if

necessary, maintaining the reserve funds in segregated accounts and not commingling the funds with general operating funds.

Notwithstanding any other provision in this Declaration to the contrary, the Board may not (i) establish a regular assessment for any fiscal year more than ten percent (10%) above the regular assessment for the Association's ceding fiscal year, or (ii) establish special assessments which in the pre-aggregate exceed five percent (5%) of the budgeted gross expenses of the Association for that fiscal year, without a majority vote of approval by the Owners at a duly held meeting of the members of the Association. The foregoing restrictions do not apply to any assessment increase that has been established (i) to maintain or repair the Common Area or any other Area that the Association is obligated to maintain or repair, or (2) to address emergency situations. Costs for maintenance or repair of Common Areas or other Areas that the Association is obligated to maintain or repair shall including, without limitation: Insurance premiums, utility bills, costs of maintaining or repairing structures or improvements, and costs to fund reserves.

6.3. Special Assessments: Subject to the restrictions described in Section 6.4, the Board may levy a special assessment if the Board, in its discretion, determines that the Association's available funds are or will become inadequate to meet the estimated expenses of the Association, including the maintenance of appropriate reserves, for a particular fiscal year for any reason, including but not limited to, unanticipated delinquencies, costs of construction, unexpected repairs or replacements of capital improvements or otherwise. The Board shall determine the amount necessary to meet the estimated expenses, and if the amount is approved by a majority vote of the Board, it shall become a special assessment. The Board, in its discretion, may levy the entire assessment immediately or levy it in installments over a period it considers appropriate. Unless the Association is exempt from federal or state income taxes, including without limitation an exemption under Internal Revenue Code §528, and Revenue & Taxation Code §23701(t), the Board shall take such steps as may be reasonably necessary under federal and state income tax purposes, including, if necessary, depositing the funds in a segregated account, not commingling the funds with any other funds of the Association, and using the funds solely for the purpose for which they were levied.

After compliance with the due process requirements in the Bylaws, the Board may impose a monetary penalty and levy a special assessment against a particular Lot to reimburse the Association for costs incurred in repairing damage to the Common Area, or any improvements or personal property located thereon, for which the owner was allegedly responsible, or in bringing the owner's Lot into compliance with this Declaration, the Articles, or Bylaws; provided, however, this special assessment may not become a lien against the owner's Lot that is enforceable by a power of sale under Civil Code §§2924, 2924(b) and 2924(c). This restriction on enforcement is not applicable to late payment penalties for delinquent assessments or charges imposed to reimburse the Association for loss of interest or for collection costs, including reasonable attorneys' fees for delinquent assessments.

Notwithstanding any other provision in this Declaration to the contrary, the Board may not (i) establish a regular assessment for any fiscal year more than ten percent (10%) above the regular assessment for the Association's ceding fiscal year, or (ii) establish special assessments which in the pre-aggregate exceed five percent (5%) of the budgeted gross expenses of the Association for that fiscal year, without a majority vote of approval by the Owners at a duly held meeting of the members of the Association. The foregoing restrictions do not apply to any assessment increase that

has been established (i) to maintain or repair the Common Area or any other Area that the Association is obligated to maintain or repair, or (2) to address emergency situations. Costs for maintenance or repair of Common Areas or other Areas that the Association is obligated to maintain or repair shall include, without limitation: Insurance premiums, utility bills, costs of maintaining or repairing structures or improvements, and costs to fund reserves.

6.4. Provision Restricting Amount of Special Assessments: The Board may not levy any special assessments that either by itself or in the aggregate with other special assessments levied for that fiscal year would be in excess of five percent (5%) of the budgeted gross expenses of the Association for the fiscal year without the approval by vote or written consent of the owners holding fifty-one percent (51%) of the voting rights of each class of (i) the owners holding fifty-one percent (51%) of the voting rights of all the owners, and (ii) the owners, other than Declarant, holding fifty-one percent (51%) of the voting rights of all owners other than Declarant. The foregoing restriction shall not apply to an assessment levied against a particular Lot to reimburse the Association for costs incurred in bringing the owner of the Lot into compliance with this Declaration, the Articles, Bylaws or Association Rules.

6.5. Non-Waiver of Assessments: The omission by the Board, before the expiration of any year, to fix the assessments for that or the next year, shall not be deemed a waiver or modification in any respect of the provisions of this Declaration or a release of any lot owner from the obligations to pay the assessments, or any installment thereof, for that or any subsequent year. In the instance of such omission, the assessment fixed for the preceding year shall continue until a new assessment is fixed. No lot owner may waive or otherwise escape liability for the assessments provided for herein by non-use of the Common Area, abandonment of the lot or any attempt to renounce rights in the Common Area.

6.6. Enforcement:

A. Each owner of a lot, upon becoming such owner, shall be deemed to covenant and agree to pay to the Association every assessment provided for in this Declaration and shall be deemed to agree to the enforcement of all such assessments in the manner specified herein. Any imposition of a late charge levied by the Association for the delinquent payment of regular and special assessments to defray expenses and "enforcement" assessments or penalties imposed upon an owner for failure to comply with this Declaration, the Bylaws, Articles or Rules shall be subject to the provisions of the California Civil Code §§1366 and 1367. In the event an attorney is employed for collection of any assessment or to enforce compliance with the terms and conditions of this Declaration, each lot owner agrees to pay reasonable attorneys' fees and other costs thereby incurred, in addition to any other amounts due or any other relief or remedy to which the Association is entitled. Any assessment not paid when due will be deemed to be delinquent. Any assessment not paid within thirty (30) days after the date on which it becomes due shall thereafter earn interest from the date of delinquency at the rate of one and one-half percent (1-1/2%) per month on so much of the outstanding balance as does not exceed One Thousand Dollars (\$1,000.00), one percent (1%) per month on the excess over One Thousand Dollars (\$1,000.00) of the outstanding balance, and if the late charge so computed is less than Ten Dollars (\$10.00) for any month, the charge shall be Ten Dollars (\$10.00).

B. In addition to any other remedies herein or by law provided, the Association, or its authorized representative, may enforce the obligations of the owners to pay the

assessments provided for in this Declaration, and each of them, in any manner provided by law or in equity, by either or both of the following procedures.

i. Enforcement by Suit: The Association may commence and maintain a suit at law against any lot owner or owners personally obligated to pay assessments for such delinquent assessments and such suit will be maintained in the name of the Association. Any judgment rendered in any such action shall include the amount of the delinquency, together with interest thereon, costs of collection, court costs and reasonable attorneys' fees in such amount as the court may adjudge against the delinquent lot owner. Suit to recover judgment for unpaid assessments shall be maintainable without foreclosing or waiving the lien provided for in the following subparagraph. The Association may not recover more than once in connection with a single delinquent assessment.

ii. Enforcement by Lien: There is a present lien, with power of sale, on each lot to secure payment to the Association of any and all assessments levied against such lot pursuant to this Declaration, together with interest thereon, and all costs of collection which may be paid or incurred by the Association, including reasonable attorney's fees. No action shall be brought to foreclose the lien securing an unpaid assessment until a Notice of Assessment Due signed by the Board or its designated representative, or by any lot owner if the Board fails or refuses to act, has been delivered to the owner of the lot subject to such assessment, and a copy of such notice recorded in the Office of the Recorder of San Benito County. Said notice shall state the amount of the assessment, together with the interest, costs and reasonable attorneys' fees, a description of the lot against which the assessment has been made, and the name or names of the record owner or owners thereof. After the expiration of thirty (30) days from the date such Notice of Assessment Due has been recorded, an action may be commenced in the name of the Association to foreclose the lien, or such action may be commenced by any owner if the Association fails to act. Upon the declaration of an assessment and the recording of notice thereof, the Association may, at its option, declare the entire balance of all sums then due from the owner due and payable, which total sum may then be included in any suit, action or proceeding brought to collect said sum, including all costs, charges and attorneys' fees. Notwithstanding anything contained in this Declaration to the contrary, no action may be brought to foreclose the lien created hereunder, whether judicially, by power of sale or otherwise, until the expiration of ten (10) days after a copy of said Notice of Assessment Due, showing the date of recordation thereof, has been mailed to the owner of the lot which is described in such notice.

TO THE EXTENT OF ANY LIENS CREATED PURSUANT TO THE DECLARATION, WHETHER SUCH LIENS ARE NOW IN EXISTENCE OR ARE CREATED AT ANY TIME IN THE FUTURE, THE BENEFIT OF ANY HOMESTEAD OR EXEMPTION LAWS OF THE STATE OF CALIFORNIA NOW IN EFFECT, OR IN EFFECT IN THE FUTURE, ARE WAIVED BY THE OWNERS OF EACH LOT.

6.7. Power of Foreclosure and Sale:

A. Each of the lot owners does hereby appoint the Association, as trustee, to enforce any lien created pursuant to this Declaration and to foreclose such lien by

means of any available current California statute, as such statutes may be revised, amended or altered from time to time, or by judicial foreclosure, and does further grant the Association, as such trustee, the power to sell the lot of any such defaulting owner, or any part thereof, for lawful money of the United States, to the highest bidder to satisfy such lien.

B. The lien provided for herein shall be in favor of the Association, shall be for the benefit of all lot owners, and shall secure payment of all sums set forth in the Notice of Assessment, together with all sums becoming due and payable in accordance with this Declaration after the date of recordation of said Notice of Assessment. The Association shall have the power to bid at any foreclosure sale and to purchase, acquire, hold, lease, mortgage and convey any lot. In the event such foreclosure is by action in court, reasonable attorneys' fees, court costs, title search fees, interest and all other costs and expenses shall be allowed to the extent permitted by law.

6.8. Transfer of Lot by Sale or Foreclosure:

A. Sale or transfer of any lot shall not affect the assessment lien. However, the sale of any lot pursuant to mortgage foreclosure shall extinguish the lien of such assessments as to payments which became due prior to such sale or transfer (except for assessment liens recorded prior to the mortgage). No sale or transfer shall relieve such lot from liability for any assessments thereafter becoming due or from the lien thereof.

B. Where the mortgagee of a purchase money first mortgage of record or other purchaser of a lot obtains title to the same as a result of foreclosure of any such first mortgage, such acquirer of title, his successors and assigns, shall not be liable for the share of the common expenses or assessments by the Association chargeable to such lot by such acquirer (except for assessment liens recorded prior to the mortgage). No amendment of the preceding sentence may be made without the consent of institutional lenders in accordance with the provisions of Article II of this Declaration. Such unpaid share of common expenses or assessments shall be deemed to be common expenses collectible from all of the lots including such acquirer, his successors and assigns.

C. In a voluntary conveyance of a lot the grantee and the grantor shall be jointly and severally liable to the Association for all unpaid assessments against the lot for the grantor's share of the common expenses up to the time of the grant or conveyance, without prejudice to the grantee's right to recover from the grantor the amounts paid by the grantee therefor. However, any such grantee shall be entitled to a statement from the Association, setting forth the amount of the unpaid assessments against the grantor due the Association and such grantee shall not be liable for, any unpaid assessments made by the Association against the grantor in excess of the amount set forth in the statement; provided, however, the grantee shall be liable for any such assessment becoming due after the date of any such statement.

6.9. Release of Lien: Upon payment of the delinquent assessment or the satisfaction thereof, the Association shall record, in the same manner as the Notice of Assessment, a further certificate stating the satisfaction and release of the lien.

6.10. Status of Assessment Lien: Within ten (10) days of the mailing or delivery of a written request by any Owner, the Association shall provide the Owner with a written statement containing the following information:

A. Whether, to the knowledge of the Association, the Owner or the Owner's lot is in violation of any of the provisions of this Declaration, the Articles, Bylaws or Association rules;

B. The amount of regular and special assessments, including installment payments, paid by the Owner during the fiscal year the request is received; and

C. The amount of any assessments levied against the Owner's lot that are unpaid as of the date of the statement, including any late charges, interest, or costs of collection that, as of the date of the statement are, or may be made a lien against the Owner's lot as provided in this Declaration, the Articles, Bylaws or Association rules;

A reasonable fee, not to exceed Fifty Dollars (\$50.00) may be charged for the preparation of such statement.

6.11. Subordination of Lien to Encumbrance:

A. Notwithstanding any provision to the contrary in this Declaration, the lien for regular or special assessments created by this Declaration shall be subject and subordinate to and shall not affect the rights of the holder of any recorded first mortgage or first deed of trust upon such lot made in good faith and for value. In the event any lien imposed under the provisions hereof is destroyed by reason of the foreclosure of any mortgagee or deed of trust on the lot subject to such lien, there shall be a lien on the interest of the purchaser at such foreclosure sale to secure all assessments, whether regular or special, charged to such lot after the date of such foreclosure sale, which lien shall have the same effect and be enforced in the same manner as provided herein.

B. For purposes of this section, a mortgage or deed of trust may be given in good faith or for value even though the mortgagee or the beneficiary of such mortgage or deed of trust has constructive or actual knowledge of the assessment lien provisions of this Declaration.

C. No amendment of this section shall affect the rights of the holder of any mortgage or deed of trust recorded prior to recordation of such amendment unless the mortgagee or beneficiary joins in the execution of such amendment.

6.12. Association Funds:

A. The assessments collected by the Association shall be held in trust by the Association for and on behalf of each lot owner, and shall be used solely for the operation, care and maintenance of the project as provided in this Declaration. The Board shall allocate a portion of said funds as collected for the annual maintenance and operation of the project as specified in the annual budget and the Board shall allocate a portion of said funds as collected as reserves for contingencies, replacement and deferred maintenance of the capital improvements of the project as specified in the annual budget. Said funds shall be deposited, as allocated, into the appropriate bank accounts and said accounts shall be separately maintained by the Association. Upon sale or transfer of any lot by any owner, the owner's interest in the trust funds shall be deemed automatically transferred to the successor or transferee of such owner.

B. In the event that the Board retains a professional management service, the Board may delegate the authority to deposit or withdraw funds to responsible

representatives of the professional management agent so retained. The professional management agent may additionally be authorized to establish a common trustee account for deposit of assessments as collected. Any funds deposited in such a common trustee account shall be allocated as previously specified herein.

6.13. Books of Account: The Board shall maintain full, complete and correct books of account of the operation of the project and vouchers supporting expenditures. Any lot owner, or the duly authorized representative thereof, may at any time and at his own expense cause an audit or inspection to be made of the books and records of the Association.

ARTICLE VII ARCHITECTURAL CONTROL

7.1. Provision for Architectural Approvals: Except as to construction of improvements by Declarant in any phase of the project, no building, fence, wall, or other structure shall be commenced, erected, or maintained on the Property; nor shall any exterior addition or change or alteration in any such structures of the Property, including e.g., solar or heating systems; pools, spas, ponds, fountains; landscaping, stonework or concrete work; related mechanical, plumbing, or electrical facilities; awnings, patio covers, and antennae, be made until the plans and specifications showing the nature, kind, shape, materials, and location of the same have been submitted to and approved in writing as to harmony of external design and location in relation to surrounding structures and topography by the Architectural Committee provided for in 7.2 below. Whenever in this Declaration the prior consent or approval of the Association is required as a condition to any action by an Owner affecting any alterations, changes, additions or modifications, the Association through the Board may delegate to the Architectural Committee the right and duty to grant or withhold such consent or approval. In the event the Architectural Committee or its designated representatives fails to approve or disapprove such design and location within thirty (30) days after the plans and specifications have been submitted to it, approval will not be required, and this provision will be deemed to have been complied with in full.

7.2. Appointment of Architectural Committee: The Declarant shall appoint all of the original members of the Architectural Committee, consisting of not less than three (3) nor more than five (5) persons who need not be members of the Association, and any replacements for them. The number of members initially appointed shall constitute the number of authorized members of the Architectural Committee until increased or decreased by the vote or written consent of the holders of at least fifty-one percent (51%) of the voting rights of each class of members of the Association. The initial appointees (and any replacements) shall hold office until the first anniversary of the original issuance of a Final Subdivision Public Report by the California Commissioner of Real Estate. Thereafter, Declarant may appoint a majority of the members of the Architectural Committee and any replacements for them, until ninety percent (90%) of the lots have been sold and deeds to them recorded in favor of Owner or until the fifth anniversary of the original issuance of a Final Subdivision Public Report. After one year from the date of the original issuance of a Final Subdivision Public Report, the Board shall have the power to appoint one member of the Architectural Committee whose power shall continue until ninety percent (90%) of the lots have been sold and deeds to them recorded in favor of Owner or until the fifth anniversary of the original issuance of a Final Subdivision Public Report. Thereafter, the Board shall have the power to appoint all of the members of the Architectural Committee. Members appointed to the Architectural Committee by the Board shall be members of the Association.

ARTICLE VIII
USE RESTRICTIONS

In addition to all of the covenants contained herein, the use of the property and each Lot therein is subject to the following:

8.1. Lot Use: Residents shall be limited as follows:

A. The exterior color of all construction on each Lot shall be an earth tone color.

B. No Lot shall be occupied and used except for residential purposes by the Owners and their family members, tenants, and social guests, and no trade or business shall be conducted therein, except that Declarant, its successors and assigns, may use any Lot owned by Declarant for a model home site and display and sales office until the last Lot is sold by Declarant.

C. No tent, shack, trailer, basement, garage, outbuilding, or structure of a temporary character shall be used at any time as a residence, either temporarily or permanently.

D. Satellite receivers for radio or television are allowed, but only the back yard area on any Lot, and not at a height to exceed eight (8) feet.

8.2. Nuisances: No noxious, illegal, or offensive activities shall be carried on in any Lot or residence nor on any part of the property, nor shall anything be done thereon which may be or may become an annoyance or a nuisance to or which may in any way interfere with the quiet enjoyment of each of the Owners in his respective Lot, or which shall in any way increase the rate of insurance for the project, or cause any insurance policy to be cancelled or to cause a refusal to renew a policy, or which will impair the structural integrity of any building.

8.3. Vehicle Restrictions: No more than four (4) cars may be kept on the Lot and the streets within the project. Any trailer, camper, mobile home, commercial vehicle, truck (other than standard size pickup truck), inoperable automobile, boat or similar equipment shall be permitted to remain on any Lot only if it is within the garage or in the back yard. Commercial vehicles shall not include sedans or standard size pickup trucks which are used both for business and personal use, provided that any signs or markings of a commercial nature on such vehicles are unobtrusive and inoffensive as determined by the Board. No noisy or smoky vehicles shall be operated on the property. No off-road unlicensed motor vehicles shall be operated upon the property. An Owner shall be allowed to maintain his own vehicles on his Lot, but no one else's.

8.4. Signs: No signs shall be displayed to public view on any lots or on any portion of the property except such signs as are approved by the Board. "For Sale" or "For Rent" signs shall be allowed provided they do not exceed three (3) square feet in size.

8.5. Animals:

A. No animals or birds of any kind shall be raised, bred, or kept in any Lot or on any portion of the property, except that no more than two (2) cats, three (3) birds or one (1) dog and other such ordinary household pets may be kept so long as they do not exceed forty (40) pounds in weight and are not kept for any commercial purposes,

and provided they are kept under reasonable control at all times. No pet may be kept on the property which results in a nuisance as prohibited in 8.2 above. No pets shall be allowed in the Common Area except as may be permitted by rules of the Board. No dog shall enter the Common Area except while on a leash which is held by a person capable of controlling it. Declarant or any Owner may cause any unleashed dog found within the Common Area to be removed to a pound or animal shelter under the jurisdiction of the City or County in which the property is located. No dog whose barking disturbs other Owners shall be permitted to remain on the premises. Owners shall prevent their pets from soiling any portion of the Common Area.

B. Prior to any decision by the Board pursuant to this section that an Owner is responsible for the maintenance of a nuisance or any decision to remove a pet from the project, the Owner shall be provided with written notice specifying the nature of the infraction and an opportunity for a hearing before the Board. The remedies for an alleged nuisance shall not include any measures which may be characterized as "private self-help action" and any Board action in connection with this section shall be in compliance with the provisions of Article V, Section 5.2E (Enforcement of Rules and Restrictions) of this Declaration.

8.6. Garbage and Refuse Disposal: All rubbish, trash and garbage shall be regularly removed from the property, and shall not be allowed to accumulate thereon. Trash, garbage and other waste shall not be kept except in sanitary containers.

8.7. Radio and Television Antennas: No alteration to or modification of the central television antenna system or any subsequent cable or other system for television reception as maintained by the Association shall be permitted, and no Owner may be permitted to construct and/or operate his own external radio and/or television antenna without the consent of the Board.

8.8. Right To Lease: The lots shall not be rented for transient or hotel purposes, which shall be defined as (1) rental for any period less than thirty (30) days, or (2) any rental if the occupants of the Lot are provided customary hotel service such as room service for food and beverage, maid service, or furnishing laundry and linen. Subject to the foregoing restrictions, the Owners of the Lot shall have the absolute right to lease same, provided that any lease shall be subject to the covenants, conditions, restrictions, limitations and uses contained in this Declaration and the Articles and Bylaws.

8.9. Clotheslines: No exterior clotheslines shall be erected or maintained and there shall be no outside laundering or drying of clothes, without the approval of the Board.

8.10. Power Equipment: Power equipment for hobby shop and car maintenance purposes shall be permitted on the property, provided that the Board may disallow such equipment if the Board determines that the effects of such equipment are to interfere with radio and television reception, or if there is any other similar type objection, such as noise, air pollution, dirt, grease, or fire hazard raised concerning such equipment.

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

ARTICLE IX
MORTGAGEE RIGHTS AND PROTECTION

9.1. Mortgage Permitted: Any owner may encumber his Lot with a mortgage.

9.2. Subordination: Any lien created or claimed under the provisions of this Declaration is expressly made subject and subordinate to the rights of any first mortgage that encumbers all or a portion of the Project, or any Lot, made in good faith and for value; and no such lien shall in any way defeat, invalidate, or impair the obligation or priority of such mortgage unless the mortgagee expressly subordinates its interest, in writing, to such lien. If any Lot is encumbered by a first mortgage made in good faith and for value, the foreclosure of any lien created by any provision set forth in the Declaration for assessments, or installments of assessments, shall not operate to affect or impair the lien of the mortgage. On foreclosure of the mortgage, the lien for assessments or the installments that have accrued up to the time of foreclosure shall be subordinate to the lien of the mortgage, with the foreclosure-purchaser taking title to the Lot free of the lien for assessments or installments that have accrued up to the time of the foreclosure sale. On taking title to the only assessments or other charges levied or assessed by the Association that became due or payable on or after the foreclosure-purchaser acquired title to the Lot. The subsequently levied assessments or other charges may include previously unpaid assessments, provided all owners, including the foreclosure-purchaser and his successors and assigns are required to pay their proportionate share as provided in this clause.

9.3. Control of Amendment or Revocation of Project Documents: In addition to the requirements of Section 11.3 of this Declaration, and unless a greater percentage is expressly required by this Declaration, the Articles, the Bylaws, or by law, the prior written consent or deemed consent as provided below in this clause, first mortgagees of Lots that have at least fifty-one percent (51%) of the votes of all Lots encumbered by first mortgages shall be required to add or amend any material provisions of the Declaration, the Articles, the Bylaws, or the Subdivision Map, which establish, provide for, govern, or regulate any of the following:

- A. Voting;
- B. Assessment, collection of assessments, assessment liens or subordination of such liens;
- C. Reserves for maintenance, repair and replacement of Common Area or improvements located on it;
- D. Casualty and liability insurance or fidelity bonds;
- E. Rights to use the Common Area;
- F. Responsibility for maintenance and repair of Lots and Common Area and their improvements;
- G. Expansion or contraction of the Project or the addition, annexation, or withdrawal of real property to or from the Project;
- H. Boundaries of any Lot;

- I. The interest or rights of the Association or owners in and to the Common Area;
- J. The convertibility of Lots into Common Area or of Common Area into Lots;
- K. The leasing of Lots;
- L. Imposition of any right of first refusal or similar restriction on the right of an owner to sell, transfer or otherwise convey his or her Lot; or
- M. Any provisions that are for the express benefit of first mortgagees or insurers or governmental guarantors of first mortgages.

For purposes of this provision, an addition or amendment shall not be considered material if it is for the purpose of correcting technical errors, or for clarification only. Any first mortgagee who receives a written request to consent to additions or amendments requiring consent under this provision who does not deliver or post to the requesting party a negative response within thirty (30) days after such receipt shall be deemed to have consented to such request.

9.4. Restriction on Changes: After the conveyance of a Lot to an owner other than the Declarant, unless at least sixty-seven percent (67%) of the total voting power and at least fifty-one percent (51%) of all first mortgagees of Lots have given their prior written approval, neither the Association nor the owners shall be entitled:

- A. By act or omission to seek to abandon, partition, subdivide, encumber, sell, or transfer the Common Area. However, the granting of easements for public utilities or for other public purposes consistent with the intended use of the Common Area by the Association shall not be deemed a transfer within the meaning of this clause;
- B. To change the method of determining the obligations, assessments, dues, or other charges that may be levied against any owner;
- C. By act or omission to change, waive or abandon the provisions of this Declaration, or the enforcement of them, pertaining to architectural design or control or the exterior appearance of Lot structures, the exterior maintenance of Lot structures, the maintenance of the Common Area walks or common fences and driveways, or the upkeep of lawns and plantings within the property;
- D. To fail to maintain fire and extended coverage insurance on insurable Association property. Including any Common Area improvements, on a current replacement cost basis in an amount not less than one hundred percent (100%) of the insurance value (based on current replacement cost; and
- E. To use hazard insurance proceeds for losses to any Association property, including Common Area improvements, for other than the repair, replacement or reconstruction of such property.

9.5. Mortgagee's Right to Examine Books and Records: Institutional first mortgagees shall have the right to examine the books and records of the Association and the right to require the submission of financial data concerning the Association, including annual audit reports, budgets, and operating statements as furnished to the owners.

9.6. Priority in Distribution of Insurance and Condemnation Proceeds: No owner, or any other party shall have priority over any right of institutional first mortgagees of Lots pursuant to their mortgages in case of a distribution of owners of insurance proceeds or condemnation awards for losses to or a taking of Lots or Common Area. Any provision to the contrary in this Declaration or in the Bylaws or other documents relating to the development is to such extent void. All applicable fire and all physical loss or extended coverage insurance policies shall contain loss payable clauses acceptable to the affected institutional first mortgagees, naming the mortgagees as their interests may appear.

9.7. Status of Amenities: All amenities (such as parking and service areas) and Common Area shall be available, for use by owners and all such amenities with respect to which regular or special assessments for maintenance or other uses may be levied shall constitute Common Area. All such amenities shall be owned (i) in fee by the owners in undivided interest, or (ii) by the Association free of encumbrances except for any easements granted for public utilities or for other public purposes consistent with the intended use of such property by the owners or by the Association.

9.8. Default Notice Requirement: If any owner is in default under any provision of this Declaration or under any provision of the Articles, the Bylaws or the Association Rules, and the default is not cured within sixty (60) days after written notice to that owner, the Association shall give to the mortgagee of record of such owner written notice of such default and of the fact that the sixty (60) day period has expired.

9.9. Payments by Mortgagees: Mortgagees of Lots may, jointly or severally, pay taxes or other charges which are in default and which may or have become a charge against the Common Area and may pay overdue premiums on hazard insurance policies, or secure new hazard insurance coverage on the lapse of a policy, for Common Area improvements or other insured property of the Association, and, upon making any such payments, such mortgagees shall be owed immediate reimbursement from the Association. This provision shall constitute an agreement by the Association for the express benefit of all mortgagees and upon request of any mortgagee, the Association shall execute and deliver to such mortgagee a separate written agreement embodying this provision.

9.10. Effect of Breach of Declaration on Mortgagee:

A. No breach of any provision of this Declaration shall invalidate the lien of any mortgage made in good faith and for value; but all of the covenants, conditions and restrictions shall be binding on any owner whose title is derived through foreclosure sale, trustee's sale, or otherwise.

B. Any mortgagee who acquires title to a Lot by foreclosure or by deed in lieu of foreclosure or assignment in lieu of foreclosure shall not be obligated to cure any breach of this Declaration that is noncurable or of a type that is not practical or feasible to cure.

9.11. Status of Loan to Facilitate Resale: Any first mortgage given to secure a loan to facilitate the resale of a Lot after acquisition by foreclosure or by deed in lieu of foreclosure or by an assignment in lieu of foreclosure shall be deemed to be a loan made in good faith and for value and entitled to all of the rights and protections of mortgages under this Declaration.

9.12. Right to Appear at Meetings: Because of its financial interest in the project, any mortgagee may appear (but cannot vote) at meetings of owners and the Board to draw attention to violations of this Declaration that have not been corrected or that have been made the subject of remedial proceedings or assessments.

9.13. Right of First Refusal Inapplicable to Mortgagee: No right of first refusal or similar restriction on the right of an owner to sell, transfer or otherwise convey the owner's Lot shall be granted to the Association without the written consent of any mortgagee of the Lot. Any right of first refusal or option to purchase a Lot that may be granted to the Association (or other person, firm or entity) shall not impair the rights of a first mortgagee (i) to foreclose or take title to a Lot pursuant to the remedies provided in the mortgage; or (ii) to accept a deed (or assignment) in lieu of foreclosure in the event of default under the mortgage; or (iii) to sell or lease a Lot acquired by the Mortgagee.

9.14. Limitation on Term of Management Contract: Any agreement between the Association and Declarant pursuant to which the Declarant agrees to provide services, and any agreement for professional management by a manager shall provide for termination by either party without cause or payment of a termination fee on thirty (30) days written notice, and shall have a maximum contract term of one year, provided that the Association can renew any such contract on a year-to-year basis. If the project is professionally managed, the Association shall not terminate professional management and assume self-management without the consent of sixty-seven percent (67%) of the voting rights of each class of owners, or of all owners if only one class exists, and of fifty-one percent (51%) of first mortgagees.

9.15. Control if Mortgagee Protections Conflict with Other Provisions: In the event of any conflict between any of the provisions of this Article and any other provisions of this Declaration, the provisions of this Article shall control.

ARTICLE X

DAMAGE, DESTRUCTION, OR CONDEMNATION OF COMMON AREA IMPROVEMENTS

10.1. Damage and Destruction: In the event of damage or destruction of the property of the Association, or any part thereof, it shall be the responsibility of the Association to repair or replace the same in substantial accordance with the original plans and specifications of the project.

A. Insured Losses: If the damage or destruction to the Association property is an insured loss, the loss shall be handled as follows:

i. Minor Casualties: If the insurance proceeds initially offered or paid by the insurer do not exceed Fifty Thousand Dollars (\$50,000.00) such insurance proceeds shall be paid to the Association in accordance with Article V, Section 5.1C of this Declaration. The Board shall then contract to repair or rebuild the damaged portions of the Association's property in substantial accordance with the original plans and specifications of the project, obtain bids in accordance with the following paragraphs, and the insurance funds held by the Association shall be used for such reconstruction.

ii. Major Casualties: If the insurance proceeds initially offered or paid by the insurer exceed Fifty Thousand Dollars (\$50,000.00), the following shall apply:

a. All insurance proceeds shall be paid to the Association and deposited in a newly-created account and held for the benefit of the owner(s) of the relevant lot, and their mortgagees as their respective interests may appear.

b. The Board shall obtain firm bids from two or more responsible contractors to rebuild the relevant portion of the project in accordance with its condition prior to damage and destruction, modified at the direction of the Board to comply with the building codes and construction standards in effect at the time of the rebuilding. To be considered, any contractor's bid shall include the premium payable for a performance, labor and material payment bond from a reputable bonding company.

c. The Board shall then call a meeting of all affected owners to review all such submitted bids. A simple majority vote of the affected owners will be required to accept or reject any bid. The failure by such owners to either accept a bid or reject all bids shall authorize the Board to accept an unrejected bid it considers most favorable, or seek further bids.

C. Uninsured or Insufficiently Insured Losses: If any damage or destruction is uninsured or if the insurance proceeds are insufficient to cover the cost of repairs or replacement of the property damaged or destroyed, the Board will make a Special Assessment, in accordance with the provisions outlined in Article VI, Section 6.3 of this Declaration, to cover such cost. Such Special Assessment is in addition to any other regular assessments and is subject to the rules herein relating to Special Assessments. Any Special Assessment for the rebuilding or major repair work of individual residences will be levied upon the basis of the ratio of the square footage of the lot residence to be assessed to the total square footage of the residences of all lots to be assessed.

D. Full Insurance Settlement: Notwithstanding any provision of this Article X, if the insurance carrier offers the full amount required to repay and restore all of the damage, then the Board shall contract to repair or rebuild the damaged portions of all affected residences in the manner provided in this Article X, Section 10.1A for a minor casualty.

E. Emergency Repairs: Without waiting to obtain insurance settlements or bids, the Board may undertake such emergency repair work after a casualty as it may deem necessary or desirable under the circumstances, and the Board may charge the operating accounts for the cost thereof. In the event of a casualty, there is a substantial possibility that immediate emergency repairs will be required to eliminate defective or dangerous conditions and to comply with applicable laws, ordinances and regulations, pending settlement of insurance claims and prior to procuring binds for performance of restoration work.

F. Decision Not to Rebuild: The decision not to rebuild will require the affirmative vote or written assent of not less than seventy-five percent (75%) of the owners. A vote in accordance with this Declaration, Article IV, Section 4.4 shall be

required for the decision not to rebuild. In the event the membership elects not to rebuild, the proceeds received by the Association as a result of such decision shall be distributed by the Association among the owners of lots and their respective mortgagees according to the respective fair market values of the lots at the time of destruction. The fair market value shall be determined by taking the average of two independent appraisals as commissioned by the Board.

10.2. Distribution of Funds in Event of Condemnation: A condemnation award affecting one or more lots which is not apportioned among the owners by a court judgment or by agreement between the condemning authority and each of the affected owners, shall be distributed among the owners of lots and their respective mortgagees according to the respective fair market values of the lots at the time of destruction. The fair market value shall be determined by taking the average of two independent appraisals as commissioned by the Association.

ARTICLE XI GENERAL PROVISIONS

11.1. Invalidity of Any Provision: Should any provision or portion hereof be declared invalid or in conflict with any law of the jurisdiction where this project is situated, the validity of all other provisions and portions hereof shall remain unaffected and in full force and effect.

11.2. Term: The covenants and restrictions of this Declaration shall run with and bind the property, and shall inure to the benefit of and shall be enforceable by the Association or the Owner of any Lot subject to this Declaration and his legal representatives, heirs, successors and assigns, for a term of thirty (30) years from the date this Declaration is recorded, after which time they shall be automatically extended for successive periods of ten (10) years, unless an instrument in writing, signed by a majority of the then Owners of the lots has been recorded within the year preceding the beginning of any successive period of ten (10) years, agreeing to change said covenants and restrictions in whole or in part or to terminate the same.

11.3. Amendments:

A. Before the close of the first sale of a Lot in the project to a purchaser other than Declarant, or while the Declarant controls twenty-five percent (25%) of the votes, this Declaration and any amendments to it may be amended only with the approval of the California Commissioner of Real Estate, but if such approval is given and no escrow has yet closed, then Declarant may amend or revoke, in any respect, this Declaration by execution by Declarant and any mortgagee of record of an instrument amending or revoking the Declaration.

B. Before the close of the first sale of a Lot in the second phase of the project to a purchaser other than Declarant, any supplement recorded pursuant to Section 3.2 hereof with respect to such phase, may be amended if such amendment is approved by the California Commissioner of Real Estate in any respect or revoked by the execution of an instrument amending or revoking the supplement by Declarant and any mortgagee of record of the property described in the supplement. The amending or revoking instrument shall make appropriate reference to this Declaration and its amendments, and shall be acknowledged and recorded in the Office of the County Recorder of the County of San Benito.

C. After the close of the first sale of a Lot in the project to a purchaser other than Declarant, this Declaration may be amended or revoked in any respect by the vote or written assent of the holders of not less than (i) seventy-five percent (75%) of the votes, and (ii) fifty-one percent (51%) of the votes excluding Declarant; provided, however, that so long as Declarant controls twenty-five percent (25%) of the votes, the California Commissioner of Real Estate must approve such amendment. However, if any provision of this Declaration requires a greater or lesser percentage of the voting rights of any class of owners in order to take affirmative or negative action under such provision, the same percentage of such class or classes of owners shall be required to amend or revoke such provision. Also, if a consent or approval of any governmental authority, mortgagee, or other person, firm, agency, or entity is required under this Declaration, with respect to any amendment or revocation of any provision of this Declaration, no such amendment or revocation shall become effective unless such consent or approval is obtained. Any amendment or revocation subsequent to the close of such first sale shall be evidenced by an instrument certified by the Secretary or other duly authorized officer of the Association, and shall make appropriate reference to this Declaration and its amendments, and shall be acknowledged and recorded in the Office of the County Recorder of the County of San Benito.

11.4. Development Rights:

A. Declarant is undertaking the work of developing for sale lots and certain improvements within the project. The completion of that work and the sale, rental and other disposal of said lots is essential to the establishment and welfare of the property as a residential community. In order that this work may be completed and said property be established as a fully occupied residential community as rapidly as possible, nothing in this Declaration shall be understood or construed to:

- i. Prevent Declarant, its contractors or subcontractors from obtaining reasonable access over and across the Common Area of the project or from doing within any unsold Lot owned by Declarant whatever is reasonably necessary or advisable in connection with the completion of said work.
- ii. Prevent Declarant or its representatives from erecting, constructing and maintaining within the Common Area such structures as may be reasonably necessary for completing said work and conducting its business of establishing said property as a residential community and disposing of the same in parcels by sale, lease or otherwise.
- iii. Prevent Declarant from maintaining such signs on lots still owned by Declarant or on the Common Area as may be necessary for the sale, lease or disposition of the lots therein; or
- iv. Prevent Declarant from maintaining model homes, sales offices, storage facilities or related such facilities in any unsold lots within the project necessary or reasonable, in the opinion of Declarant, for sale or disposition of the lots. Declarant shall be entitled to reasonable use of the Common Areas and Common Area facilities for undertaking its sale of the lots.

B. The above rights of Declarant with respect to development and marketing shall be limited to a period of three years from the date of the first sale of a Lot as to the first phase.

The Declarant shall be obligated to pay a reasonable rental amount to the Association for use of the Common Area for marketing purposes.

11.5. Enforcement: Notwithstanding any other provision in this document:

A. Except as otherwise provided herein, the Association or any Owner shall have the right to enforce any and all of the covenants, conditions and restrictions now or hereafter imposed by this Declaration upon the Owners or upon any property within the project; and

B. Any violation of any state, municipal or local law, ordinance or regulation pertaining to and adversely affecting the scheme of ownership, occupation or use of any property within the project established by this Declaration, the Bylaws, Articles and/or Rules of the project is hereby declared to be a violation of this Declaration and subject to any or all of the enforcement procedures herein set forth; and

C. Each remedy provided by this Declaration is cumulative and not exclusive; and

D. The failure to enforce the provisions of any covenant, condition or restriction contained in this Declaration shall not constitute a waiver of any right to enforce any such provisions or any other provision here.

11.6. Arbitration: Any controversy or claim arising out of or relating to this Declaration, or the making, performance or interpretation thereof, shall be settled by arbitration in San Benito County, California, in accordance with the rules of the American Arbitration Association then existing and judgment on the award of arbitration may be entered in any court having jurisdiction over the subject matter of the controversy.

11.7. References to Code Sections: Wherever the California law is referred to specifically in this Declaration, that reference shall mean not that code section as it shall be amended from time to time, and any successor code sections. If the code section shall be repealed without a successor section, then the section shall cease to have any applicability to this Declaration.

11.8. Cost of Living Adjustments: Wherever in this Declaration specific sums of money are referred to, this Declaration shall be interpreted to mean that specific sum of money was fixed as of January 1, 1987. That specific sum of money shall automatically be adjusted on the fifth (5th) anniversary of this Declaration and every five (5) years thereafter of this Declaration by the cost of living as follows: The Consumer Price Index for All-Urban Consumers, San Francisco-Oakland, California, published by the United States Department of Labor, Bureau of Labor Statistics ('Index'), which is published most immediately preceding the new year of the Declaration ('Extension Index'), shall be compared with the Index published most immediately preceding the date the initial term commences ('Beginning Index'). If the Extension Index has increased over the Beginning Index, the minimum amounts payable during the new year of the initial term or the extended term shall be set by multiplying the minimum amounts payable by a fraction, the numerator of which is the Extension Index, and the denominator of which is the Beginning Index. As soon as the minimum amounts payable for the extended term is set, notice of the minimum amount payable for the new year shall be given. If the Index is changed so that the base year differs from that used as of the month most immediately preceding the date the initial term commences, the Index shall be converted in accordance with the conversion factor published by the United States Department of Labor, Bureau of Labor Statistics. If the

Index is discontinued or revised during the term, such other government index or computation with which it is replaced shall be used in order to obtain substantially the same result as would be obtained if the Index had not been discontinued or revised.

IN WITNESS WHEREOF, the undersigned, being the Declarant herein, has executed this Declaration this 13th day of September 1988, in Santa Clara County, California

CIELO VISTA, a California general partnership

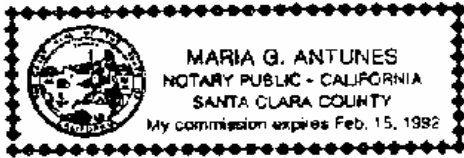
By [Signature]
WILLIAM C. NASH, President of
OMNIPRISE, INCORPORATED

By [Signature]
LARRY WILLARD

STATE OF CALIFORNIA)
)SS:
COUNTY OF SANTA CLARA)

On this 13th day of September, 1988, before me, a notary public, personally appeared LARRY WILLARD, personally known to me to be one of the general partners of the partnership that executed the within instrument, and acknowledged to me that such partnership executed the same.

IN WITNESS WHEREOF, I hereunto set my hand and official seal the day and year in this certificate first above written.

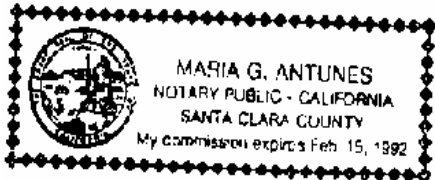


[Signature]
NOTARY PUBLIC

STATE OF CALIFORNIA)
)SS:
COUNTY OF SANTA CLARA)

On this 13th day September, 1988, before me, a notary public, personally appeared WILLIAM C. NASH, personally known to me to be the President of OMNIPRISE, INCORPORATED, the corporation that executed the within instrument, and known to me to be the person who executed the within instrument on behalf of such corporation, such corporation being known to me to be one of the partners of CIELO VISTA, the partnership that executed the within instrument and acknowledged to me that such corporation executed the same as such partner and that such partnership executed the same.

IN WITNESS WHEREOF, I hereunto set this certificate first above written.



[Signature]
NOTARY PUBLIC

The undersigned, being the Beneficiary under that certain Deed of Trust recorded June 17, 1988 as Instrument Number 8804323, and that certain Deed of Trust recorded June 17, 1988 as Instrument Number 8804326, San Benito County Records, do hereby subordinate same to the above Declaration of Restrictions of Cielo Vista Homeowners' Association, Inc., executed by Cielo Vista, a California General Partnership, and we agree that any sale made under the provisions of said Deeds of Trust shall be subject to said Declaration of Restrictions.

The Beneficiary hereby directs the Trustee to execute this Subordination.

DATED: Sept 29, 1988

BENEFICIARY

BANK OF THE WEST,
a California Corporation

BY: James G. Flynn
James G. Flynn, Vice President

BY: Gary H. Ruegg
Gary H. Ruegg, Vice President

DATED: Sept 29, 1988

TRUSTEE

FIRST SANTA CLARA CORPORATION,
a California Corporation

BY: James G. Flynn
James G. Flynn, Vice President

BY: Gary H. Ruegg
Gary H. Ruegg, Vice President

8807835

STATE OF CALIFORNIA

State of California, }
County of Santa Clara, } ss.

On this 29th day of September, 1988, before me,
Maxine L. Horvath, a Notary Public in and for the said

County of Santa Clara, State of California,
personally appeared Gary H. Ruegg and James G. Flynn,
personally known to me (or proved to me on the basis of satisfactory evidence) to be the persons who
executed the within instrument as President (or Secretary) or on behalf of the corporation therein
named and acknowledged to me that the corporation executed it.



IN WITNESS WHEREOF I have hereunto set my hand and affixed my Official Seal in the
Santa Clara County of the State of California the day and
year in this certificate first above written

Notary Public in and for the Santa Clara County of the
State of California.

Maxine L. Horvath
Notary Public's Signature

FORM 030-4302

(Acknowledgement—Corporation).

STATE OF CALIFORNIA

State of California, }
County of Santa Clara, } ss.

On this 29th day of September, 1988, before me,
Maxine L. Horvath, a Notary Public in and for the said

County of Santa Clara, State of California,
personally appeared Gary H. Ruegg and James G. Flynn,
personally known to me (or proved to me on the basis of satisfactory evidence) to be the persons who
executed the within instrument as President (or Secretary) or on behalf of the corporation therein
named and acknowledged to me that the corporation executed it.



IN WITNESS WHEREOF I have hereunto set my hand and affixed my Official Seal in the
Santa Clara County of the State of California the day and
year in this certificate first above written

Notary Public in and for the Santa Clara County of the
State of California.

Maxine L. Horvath
Notary Public's Signature

FORM 030-4302

(Acknowledgement—Corporation).

8807835

TICOR TITLE INSURANCE

(Individual)

STATE OF CALIFORNIA
COUNTY OF SAN BENITO } ss

On SEPTEMBER 21, 1988 before me, the undersigned, a Notary Public in and for said State, personally appeared JOHN J. ADAMSON

personally known to me or proved to me on the basis of satisfactory evidence to be the person whose name is subscribed to the within instrument and acknowledged that he executed the same.
WITNESS my hand and official seal.

Signature Lynn Bisco



(This area for official notarial seal)

TICOR TITLE INSURANCE

(Individual)

STATE OF CALIFORNIA
COUNTY OF SAN BENITO } ss

On SEPTEMBER 21, 1988 before me, the undersigned, a Notary Public in and for said State, personally appeared DONALD E. MATTHEWS

personally known to me or proved to me on the basis of satisfactory evidence to be the person whose name is subscribed to the within instrument and acknowledged that he executed the same.
WITNESS my hand and official seal.

Signature Lynn Bisco



(This area for official notarial seal)

TICOR TITLE INSURANCE

(Individual)

STATE OF CALIFORNIA
COUNTY OF SAN BENITO } ss

On SEPTEMBER 29, 1988 before me, the undersigned, a Notary Public in and for said State, personally appeared MIKE PAUL FOLEY

personally known to me or proved to me on the basis of satisfactory evidence to be the person whose name is subscribed to the within instrument and acknowledged that he executed the same.
WITNESS my hand and official seal.

Signature Lynn Bisco



BOI DE PROTECTOR (This area for official notarial seal)

STATEMENT OF LOT OWNERS

INSTRUCTIONS:

Ownership of lots is by recording of Deeds. Current ownership only can be obtained by having a Statement from a title company as to who the current owners of all lots are. This should be done annually and that list posted in this section of the minute book.