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Recording Requested by
and mail to:

Francisco Oaks LLC
c/o Norm Brown, President
N.C. Brown Development, Inc.
8601 Ranchwood Court
Fair Oaks, CA 95628



El Dorado, County Recorder
William Schultz Co Recorder Office
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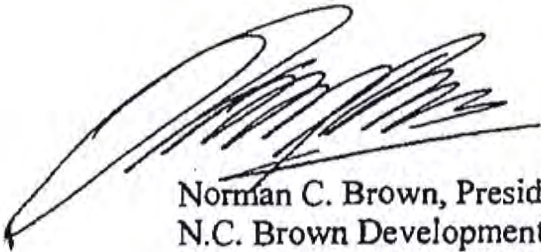
**FIRST RESTATED DECLARATION
OF COVENANTS, CONDITIONS, RESTRICTIONS
FRANCISCO OAKS VILLAGE**

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FRANCISCO OAKS

It is the intent of these CC&R's to guide the build-out and continued maintenance of the Francisco Oaks project. It is not intended that these CC&R's interfere with the quiet enjoyment and activities of individuals and families living within Francisco Oaks. Individuals and families are encouraged to interact with their neighbors. One should not view the Home Owners' Association as a "policing" entity. Any neighborhood is composed of people with a variety of interests, ages, and occupations. All individuals and families should be accommodated within Francisco Oaks. Future Boards of Directors, Architectural Review Committee members and other future officers/committees should view these CC&R's as guidelines that should be interpreted in a manner to enhance the quality of Francisco Oaks.

On behalf of Francisco Oaks, LLC, I want to welcome you to this new community. I hope you enjoy your home and I encourage you to get involved in your community to help others.



Norman C. Brown, President
N.C. Brown Development, Inc.
For Francisco Oaks, LLC
Its Managing Member

**FIRST RESTATED DECLARATION
OF COVENANTS, CONDITIONS AND RESTRICTIONS
FRANCISCO OAKS VILLAGE**

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Recording Requested By
and Mail to:

**RESTATED DECLARATION
OF COVENANTS, CONDITIONS, AND RESTRICTIONS
FRANCISCO OAKS VILLAGE**

That certain Grant Deed Subject to Restrictions for the Property described in Exhibit A, attached hereto, and commonly known as Francisco Oaks Village, in El Dorado Hills, CA ("the Property") and executed by John Hancock Mutual Life Insurance Company, a Massachusetts corporation, Recorded in the Official Records of El Dorado County, California, at Book 2833 and Page 618 of the Official Records of said County (collectively, the "Original Declarations"), which Original Declarations affect all of the Property are hereby amended, consolidated and restated in their entirety to read as follows:

RECITALS

A. *Francisco Oaks Village is a geographic area within the community of El Dorado Hills, California that will be developed and subdivided as separate subdivision Lots ("Lots"). The Original Declarations were recorded against the Property in order to create mutually beneficial equitable servitudes under a general plan of Development and Improvement for the benefit of all Lots and parcels within the Property and the Owners of said Lots and parcels. It was the further intention of the Declarant that the easements, protective covenants, conditions, restrictions, reservations, and equitable servitudes imposed by the Original Declarations run with the Property and be binding on all parties having or acquiring any right, title or interest in any portion of the Property, their heirs, successors and assigns, and that the same inure to the benefit of each Owner of any Lot or parcel within the Property, in existence at such time or to be created in the future.*

B. Article III.4 of the Original Declarations provides that the initial term of the Original Declaration is for 35 years, ending September 30, 2012, but that the initial term may be extended for successive periods of ten (10) years each, unless revoked or terminated as set forth in the Original Declaration. Article III.5 of the Original Declaration provides that the Original Declarations may be amended upon the affirmative vote of a majority of the acreage conveyed concurrently with the Original Declaration.

C. Francisco Oaks LLC, a California limited liability company ("Declarant" herein), as successor in interest to the Declarant in the Original Declaration and in accordance with Article III.5 of the Original Declarations, has approved the adoption of this First Restated Declaration of Covenants, Conditions and Restrictions (hereinafter

"Declaration") as a complete amendment and restatement of the Original Declarations. It is the intention of Declarant that this Declaration amend, consolidate and supersede the Original Declarations in their entirety and that, as so amended and restated, the easements, covenants, restrictions and conditions set forth herein shall run with the Lots and other parcels of real Property comprising the Property and shall be binding upon all parties having or acquiring any right, title or interest in any Lot or parcel within the Property, and that this Declaration shall inure to the benefit of each Owner, and his or her successors in interest.

ARTICLE I Definitions

The following defined terms are used in this Declaration.

Section 1.01. **Architectural Review Committee** means the Committee formed pursuant to Article V, below.

Section 1.02. **Association** means the Francisco Oaks Village Owners Association, a California non-profit mutual benefit corporation, its successors and assigns. The Association is an "association" as defined in California Civil Code Section 1353(a).

Section 1.03. **Board** means the Board of Directors of the Francisco Oaks Village Owners Association.

Section 1.04. **Common Area** means all real property owned, controlled or maintained by the Association for the common use and enjoyment of the Owners. The Common Area to be owned by the Association at the time of the conveyance of the first Lot is more particularly described in Exhibit "B" attached hereto.

Section 1.05. **Declaration** means this instrument as it may be amended from time to time.

Section 1.06. **Design Guidelines** means the rules and regulations of the Architectural Review Committee as set forth in Exhibit "C," attached hereto, or as may be amended in accordance with this Declaration.

Section 1.07. **Development** shall mean all of the area developed within the project designated within the Francisco Oaks Village Final Subdivision Map.

Section 1.08. **County** means the County of El Dorado, State of California, and its various departments, divisions, employees and representatives. If any portion of El Dorado Hills becomes an incorporated city, then the term "County" shall be deemed to include the city in which that portion of the Development is located.

Section 1.09. **Family** means: (a) a group of natural persons related to each other by blood or legally related to each other by marriage or adoption; or (b) a group of natural persons not all so related, but who maintain a common household in a Residence.

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Section 1.10. **Improvement** means all structures and appurtenances thereto of every type and kind, including, but not limited to, Residences, garages, other buildings and additions thereto, patio covers, awnings, outbuildings, walkways, utility lines, sprinkler pipes, roads, driveways, parking areas, recreational facilities, television or radio antennas, television satellite dishes and similar receiving and broadcasting devices, solar heating equipment constructed or proposed for construction by or on behalf of any Owner, fences, screening, walls, retaining walls, stairs, decks, landscaping, trees and shrubs planted by Owners or residents, poles, signs, and exterior air conditioning equipment. The term "Improvement" shall also include any grading, excavation, fill or tree removal undertaken on a Lot in connection with an Improvement Project, but shall not include any Projects restricted to the interior of any Residence or other existing structure, unless the interior Improvement will materially change the use of a previously approved structure (such as conversion of a garage interior into a living space or a workshop which will preclude use of the garage for the parking of vehicles).

Section 1.11. **Lot** means any improved or unimproved residential Lot shown upon any Recorded Subdivision Map recorded with respect to the Property.

Section 1.12. **Mortgage** means any security device encumbering any portion of a Lot or Condominium, including any deed of trust. Mortgagee means a Person to whom a Mortgage is made and shall include the beneficiary of a deed of trust. Mortgagor means a Person who Mortgages his or its Property to another (i.e., the maker of a Mortgage), and shall include the trustor of a deed of trust.

Section 1.13. **Original Declaration** or "**Original Declarations**" refers to the Grant Deed Subject to Restrictions, imposing equitable servitudes with respect to any Lot or parcel included within the Property, which Original Declarations are being amended and restated by adoption of this Declaration.

Section 1.14. **Owner** means the Person or Persons holding the fee simple interest of Record to any Lot. The term "Owner" shall include sellers under executory contract of sale.

Section 1.15. **Record, Recordation and Recorded** mean with respect to any document, the recordation or filing of such document in the Office of the El Dorado County Recorder.

Section 1.16. **Residence** means a detached building located on a Lot and designed and intended for use and occupancy as a Residence by a single Family.

Section 1.17. **Streets** means the Streets within and adjoining the Lots and shown on any recorded final Subdivision Map for the Property.

Section 1.18. **Subdivision Map** means any final Subdivision Map Recorded with respect to any portion of the Property.

**ARTICLE II
PROPERTY RIGHTS.**

Section 2.01. Owners' Easements of Enjoyment. Prior to the first transfer of a Lot by Declarant to an Owner, Declarant shall convey the Common Area to the Association by grant deed. Every Owner shall have a right and nonexclusive easement of enjoyment in and to the Common Area in all of the Development, including ingress and egress to and from his Lot, which shall be appurtenant to and shall pass with the title to every Lot. The Owner's Property rights are subject to the following provisions:

A. The right of the Association to impose reasonable monetary fines or penalties and/or suspend the voting rights of an Owner for any period during which the assessment against his Lot remains unpaid; or during which an Owner is guilty of any infraction of the Association's published rules and regulations as determined by the Board of directors of the Association following notice and an opportunity to be heard on the alleged infraction;

B. The right of the Association to dedicate or transfer any part of the Common Area to any public agency, authority or utility for such purposes and subject to such conditions as may be agreed to by the members. No such dedication or transfer shall be effective unless it has the prior written authorization of a majority of each class of members and a written instrument evidencing such dedication or transfer and such written authorization has been recorded in El Dorado County; provided, however, no such dedication shall impair the ingress and egress to any individual Residence unit within the Development;

C. The right of the Association to grant permits, licenses and easements over the Common Areas for utilities, roads and other purposes reasonably necessary or useful for the proper maintenance or operation of the Common Area or the mutual benefit of the Owners.

D. The right of Declarant or its designees to enter on the Development to make repairs and remedy defects if such entry shall not interfere with the use of any occupied dwelling Lot unless such interference is authorized by the Lot Owner;

E. The right of the Association, or its agents, to enter any Lot to perform its obligations under this Declaration, including obligations with respect to construction, maintenance or repair for the benefit of the Common Area or the Owners in common, or to make necessary repairs that the Lot Owner has failed to perform. The right shall be immediate in case of an emergency originating in or threatening such dwelling unit and the obligation can be performed whether or not the Owner is present; and

F. The rights granted in Section 2.04.

Section 2.02. Delegation of Use; Leases. Any Owner may delegate his right of enjoyment to the Common Area to the members of his Family or his tenants who reside on the Lot. However, any lease agreement between an Owner and his tenant shall comply with the provisions of Section 4.03. During the term of any such permitted delegation, the Owner's rights to use the Common Area and its facilities shall be suspended, and shall be

exercisable only by the party to whom such rights have been delegated. Each Owner shall notify the secretary of the Association of the names of any tenant of such Owner's Lot. Any delegated rights of use and enjoyment are subject to suspension to the same extent as the rights of Owners are.

Section 2.03. Association Easements for Maintenance and Repair. The Association shall have an easement in and to every Lot within the Development for the limited purpose of maintaining and repairing the adjoining Common Area.

Section 2.04. Utility Maintenance and Repair Easements. Wherever sanitary sewer connections or water connections or electricity, gas or telephone, television lines or drainage facilities are installed within the Development, which connections, lines or facilities, or any portion thereof, lie in or upon Lots not owned by the Lot served by said connections, lines or facilities, the Owner of any Lot served by said connections, lines or facilities shall have the right, and is hereby granted an easement to the full extent necessary therefor, to enter such Lots or to have utility companies enter thereon, or any portion thereof, to repair, replace and generally maintain said connections, lines or facilities as and when the same may be necessary.

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

ARTICLE III MINIMUM CONSTRUCTION STANDARDS

The following minimum construction standards must be observed with respect to any Improvement Project undertaken within the Development:

Section 3.01. Approval by Architectural Review Committee. No lot grading, building, landscaping, fence, wall or other Improvement shall be erected, altered or placed on any Lot until building plans, specifications and a Lot plan showing the location of structures on the Lots have been submitted to the Architectural Review Committee for review and approval as described in Article V, hereof. The Architectural Review Committee may grant minor variances from the precise standards set forth herein when the Committee finds such variances are appropriate, provided however, such a variance must be consistent with County ordinances and regulations and no grant of such variance shall be construed as allowing similar departures from the standards set forth herein without Committee approval.

Section 3.02. Single Family Residence. Each Lot shall be improved by construction of only one Residence designed for use by a single Family and related garages and outbuildings as may be approved by the Architectural Review Committee.

Section 3.03. Minimum Square Footage Requirements. The ground floor area of the main Residence structure, exclusive of open or roofed porches, decks, terraces, carports, garages and other outbuildings, shall be not less than twenty four hundred (2400) square feet.

Section 3.04. Garage Requirements. Each Residence shall have a private garage, either as part of the Residence building or as a separate structure, for not less than three (3) vehicles.

Section 3.05. No Temporary Buildings. No trailers, tents, mobile homes or temporary buildings of any kind shall be erected or maintained on any Lot without the approval of the Architectural Review Committee. All Residences must be constructed on site, permanently affixed to the land and must have, in the estimation of the Architectural Review Committee, a useful life of not less than thirty (30) years.

Section 3.06. Enclosure of Service Areas. No storage or service area shall be visible from any street on which the Lot fronts.

Section 3.07. Driveways. All driveways shall be surfaced with concrete, stamped concrete, brick or cement brick. The gradient between any two (2) points on the driveway shall not exceed a maximum of 10% in the first ten (10) feet back of the curb of the adjacent street, unless otherwise mandated by the County.

Section 3.08. Solar Heating and Air Conditioning Systems. The installation of solar heating and air conditioning systems shall be subject to prior approval of the Architectural Review Committee. To the extent permitted by California Civil Code §714, the Committee shall be entitled to adopt further rules and regulations regarding the design and placement of solar energy systems in order to avoid the use of systems or system designs which are unsightly when viewed from the street or any neighboring properties.

Section 3.09. Siding Materials. All exterior wall and roof materials and colors shall conform to the requirements of the Design Guidelines and shall be approved by the Committee.

Section 3.10. Height Limitations. All homes should be designed with an effort to minimize any view obstruction to surrounding properties. With respect to all Lots, the following restrictions shall apply:

(a) All structures shall be constructed at the setback position which in the opinion of the Architectural Review Committee will cause the least view impairment to surrounding homes.

(b) Structures shall be constructed as close to existing grades as possible, including excavation for the high portions of the house.

(c) No structure shall be approved exceeding a height of 35 feet, unless: (i) in the opinion of the Architectural Review Committee the slope of the Lot, rock outcroppings, existing trees or other natural factors make adherence with this height restriction unreasonably burdensome to the Lot Owner, and (ii) other required governmental variances and/or approvals are obtained.

(d) The Design Guidelines referred to in Section 5.05 herein may specify the manner in which the height limitations imposed by this section are to be measured.

Section 3.11. Removal of Trees. No oak tree having a diameter greater than six inches (measured three feet above grade) shall be removed without the Architectural Review Committee's prior written consent.

Section 3.12. Fences. All fences shall conform to the requirements of the Design Guidelines and shall be approved by the Architectural Review Committee.

Section 3.13. Setback Lines.

(a) Lots Other Than Corner Lots. No portion of any structure on any Lot other than a corner Lot, shall be: (i) nearer to the front Lot line than twenty-five (25) feet; or (ii) nearer than five (5) feet to the side Lot lines, or fifteen (15) feet to the rear Lot line. Notwithstanding the foregoing, a detached garage may be placed closer to the front Lot line on exceedingly steep Lots if approved by both the Architectural Review Committee and the County of El Dorado.

(b) Corner Lot Setback Requirements. No portion of any structure on any corner Lot shall be nearer to either street Lot line than twenty (20) feet or five (5) beyond the top of the Lot's cut bank or toe of fill slope, whichever is greater. No portion of the rear of the structure on any corner Lot shall be nearer than twenty (20) feet to the rear Lot line (being the back Lot line which more nearly parallels the rear of the structure) or nearer than five (5) feet to the non-street side Lot line.

(c) Compliance with County Setback Requirements. Nothing herein shall be construed to permit noncompliance with any more restrictive setback requirement imposed by any Subdivision Map, the County of El Dorado or other applicable law.

(d) Setbacks for Other Improvements. For the purpose of the foregoing setback restrictions, swimming pools, terraces, balconies, steps, open porches, and fences shall not be placed within the front setback of any Lot or on the property line to the side and to the rear.

Section 3.14. Subdivision of Existing Lots. No Lot shown on any Subdivision Map shall be further subdivided.

Section 3.15. Cross Visibility of Vehicular Traffic. No trees or shrubbery shall be planted or permitted to remain on any Lot between the street and the setback line if the foliage line impairs the line of vision of vehicular traffic approaching from adjacent driveways and/or using said street.

Section 3.16. Slope Control. The existing slope or configuration of any Lot shall not be altered, by any means, including, but not limited to, structures or retaining walls or plantings without the prior approval of the Architectural Review Committee. In no event shall a slope on a Lot be altered so that the natural flow of surface waters is retarded or changed or otherwise fully or partially obstructed. No person shall alter drainage waters from a Lot so as to actually or potentially injure any other Lot, including, without limitation, erosion or sliding problems. Plans and specifications submitted by an Owner to the Architectural Review Committee in connection with the construction of a Residence or other major structural Improvement shall include a drainage plan in sufficient detail to permit the Architectural Review Committee to assess the impacts, if any, of the Improvement on natural drainage courses. In no event shall sediment be allowed to enter drainage courses from disturbed soil areas.

Section 3.17. Telephone and Electrical Service Lines. No overhead electrical service lines shall be constructed on or across any Lot. All portions of telephone and electrical service lines shall be located entirely within the enclosed portion of a Residence, and with the exception of service pedestals, all service lines shall be buried beneath the surface of the ground.

Section 3.18. Licensed Contractor. Residential structures shall be constructed by a contractor licensed under the laws of the State of California.

Section 3.19. Utility Lines. All utility lines running from overhead utility poles within El Dorado Hills to Improvements constructed on any Lot shall be placed underground.

Section 3.20. Colors and Exterior Finishes. No reflective finishes (other than glass) shall be used on exterior surfaces (other than surfaces of hardware fixtures), including but without limitation, the exterior surfaces of any of the following: roofs, all projections above roofs, retaining walls, doors, trim, fences, pipes, equipment, mailboxes and newspaper tubes. No exterior finishes shall be used without approval of the Architectural Review Committee. All colors shall be in accordance with the Design Guidelines and approved by the Committee.

Section 3.21. Roofing Materials. No flat roofs or rock roofs shall be permitted. The roofing materials shall consist of one of the following: clay fired tile, concrete tile products, fire retardant wood shingles, slate or heavy or medium split cedar shakes. Other types of roofing materials may be submitted for review and approval by the Architectural Review Committee. All other aspects of roof design shall be done in accordance with the Design Guidelines and approved by the Architectural Review Committee.

Section 3.22. Antennae and Other Exterior Fixtures. No exterior flag pole, radio antenna, C.B. antenna, television antenna, cables, poles, or other antenna of any type shall be erected or maintained on any Lot without the prior written approval of the Architectural Review Committee. No satellite dishes or similar receiving or broadcasting devices larger than eighteen inches (18") in diameter shall be maintained on any Lot unless the same is placed on the Lot at a location which is not visible from any other Lot or any street. If the topography of the Lot does not permit a satellite dish

to be completely obscured from view, the Owner shall make a reasonable effort to screen the dish and the screening plan shall be submitted to the Architectural Review Committee for approval. Furthermore, no activity shall be conducted on any Lot or from any Residence which causes an unreasonable broadcast interference with television or radio reception from any neighboring Lot or Residence.

Section 3.23. Exterior Fluorescent and Security Lights. Fluorescent, mercury vapor, sodium or amber vapor lights, or standard outdoor lights of the type used for security must be enclosed in a manner that directs the light in a specific area without causing visual impairment to passing motorists or a nuisance to neighboring properties. The issue of whether a nuisance exists shall be determined by the Committee in its sole discretion.

Section 3.24. Patios, Walkways and Driveways. All, patio, walkway and driveway materials shall be architecturally compatible with the design of the Residence and shall be consistent with the Design Guidelines and approved by the Architectural Review Committee.

Section 3.25. Water Systems and Septic Systems. No individual water supply system or on-site septic waste disposal system shall be permitted on any Lot.

Section 3.26. Landscaping. All landscaping shall be designed in accordance with the Design Guidelines and approved by the Architectural Review Committee prior to construction.

ARTICLE IV USE RESTRICTIONS

Section 4.01. Residential Use. No Lot, nor any portion thereof, shall be used for any purpose other than one single-family Residence. Except as otherwise provided in this Declaration, with respect to Declarant's Development and sales activities, no part of the Development shall be used or caused, allowed or authorized to be used in any way, directly or indirectly, for any business, commercial, manufacturing, mercantile, storing, vending, mining, drilling or other such nonresidential purpose, except as set forth in Section 4.02, below.

Section 4.02. Commercial Use of Lots.

No business or commercial activities of any kind whatsoever shall be conducted in any Residence, garage or out-building or in any portion of any Lot without the prior written approval of the Board; provided, however, the foregoing restriction shall not apply to the activities of the Association in the discharge of its responsibilities under the Restrictions or Declarant's activities in connection with the development, sale and marketing of any Lot. Furthermore, the Restrictions shall not be construed in such a manner so as to prohibit any Owner from: (i) maintaining his or her personal library in his or her Residence; (ii) keeping his or her personal business records or accounts therein; (iii) handling his or her personal or professional telephone calls or correspondence therefrom; (iv) leasing or renting his or her Residence in accordance with this Declaration; or (v) conducting any other activities on the Owner's Lot otherwise compatible with residential

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use and the provisions of this Declaration which are permitted under applicable zoning laws or regulations without the necessity of first obtaining a special use permit or specific governmental authorization.

Section 4.03 Rental. The Development is designed and intended as an Owner-occupied, residential Development, and no Owner shall rent, lease or otherwise delegate the use and occupation of his Lot except upon all the following terms and conditions:

- A. No Lot may be leased or rented for a period of less than thirty (30) days.
- B. The rental shall apply to not less than the entire Lot including its appurtenant rights, except its voting rights in the Association.
- C. Any rental shall be by a written agreement which shall provide that the tenancy is subject to the terms of this Declaration, the bylaws and the Association rules and that any failure of the tenant to comply with the terms of this Declaration, the bylaws or the Association rules shall constitute a default under such agreement.
- D. All Owners leasing or renting their units shall promptly notify the secretary of the Association in writing of the names of all tenants and members of tenant's Family occupying such unit and of the address and telephone number where such Owner can be reached.

Section 4.04. Offensive Activities; Nuisances. No noxious or offensive activity shall be carried on within the Development, nor shall anything be done or placed thereon which may be or become a nuisance or cause unreasonable embarrassment, disturbance or annoyance to any other Owner in the enjoyment of his lot, or in the enjoyment of Common Areas. Without limiting any of the foregoing, no Owner shall permit noise, including but not limited to, the excessive barking of dogs and the excessive playing of music systems, to emanate from Owner's Lot, which would unreasonably disturb another member's quiet enjoyment of his Lot or of the Common Area.

Section 4.05. Construction Activity. No Lot Owner, or his contractors, shall cause or allow exterior construction activity to occur on any Lot on Sundays or before 8:00 AM on Saturdays. All other construction activity shall be in accordance with the County's noise control regulations. All builders are to maintain their construction sites in a neat and orderly fashion, and shall clean up all debris daily and either remove the debris or place the debris in a trash receptacle which shall be emptied as necessary. The Lot Owner and his contractor shall be responsible for the maintenance of such neatness and removal of debris by subcontractors employed on the construction site. Transitmix concrete trucks shall not be permitted to dump excess concrete mix on any Lot within the Development, nor shall painters or other contractors 'clean up equipment' or wash/dispose any toxic elements on another Lot.

Section 4.06. Parking; Vehicles. No Owner or resident within the Development may leave any vehicle regularly parked on the streets within the Development. To assure that no resident's vehicles are parked elsewhere within the Development, the following restrictions shall be strictly enforced:

A. No garage shall be enclosed or used as a workshop, storage space, hobby facility or for any other use or facility which would interfere with its use for the accommodation of the number of full-sized passenger vehicles owned by the Lot Owner.

B. No commercial vans, boats, off-road motorcycles, campers, trailers or other recreational vehicles of any type (all of which are referred to herein as "a recreational vehicle") shall be kept or parked for more than seven (7) consecutive days in any driveway, sidewalk or yard area within the Lots or upon the Common Area, unless such vehicle is kept reasonably screened behind a fence. Garages may not be used for storing or parking any recreational vehicle unless such vehicle is completely enclosed by the garage and cannot be viewed from the street or any other Lot. No Owner or resident shall permit overnight guests or frequent visitors to the Development to park in any manner which violates the provisions of this section.

In order to prevent or eliminate any parking problems within the Development, or to further define and enforce the restrictions of this Section 4.06, the Board of Directors of the Association shall have the power and authority to establish additional rules, restrictions and penalties, including the powers described in Section 8.03, and to impose fines or towing procedures for repeated violations of the parking restrictions, as determined by the Board.

Section 4.07. Signs. No sign of any kind shall be displayed to the public view on or from any Lot or the Common Area without the approval of the Board or the Architectural Review Committee. However, one sign of customary and reasonable dimensions advertising a Lot for sale or for rent may be placed within each Lot. In addition, during the period of Declarant's sales program, the Declarant may use signs which Declarant deems necessary and appropriate to advertise the Development and which comply with local planning regulations and/or review requirements. Notwithstanding the foregoing, a homebuilder may display a reasonable identification sign on a Lot during the construction period of a Residence.

Section 4.08. Animals. No animals, reptiles, rodents, livestock or poultry shall be kept in any Lot or elsewhere within the Development except that fish in an aquarium, pet birds in a bird cage, domestic cats or domestic dogs may be kept as household pets within any unit if they are not kept, bred or raised for commercial purposes or in unreasonable quantities as determined by the Board. The Board can prohibit maintenance of any animal which, in the sole and exclusive opinion of the Board, constitutes a nuisance or health hazard to any other Owner. No dog shall be allowed in the Common Area except upon a leash held by a person capable of controlling it. Each person bringing or keeping a pet on the Development shall be absolutely and strictly liable to other Owners, their Family members, guests, invitees, tenants and contract purchasers, and their respective Family members, guests and invitees, for any injury to persons or damage to Property caused by any pet brought on or kept on the Development by such person or by members of his Family, his guests or invitees.

Section 4.09. Trash. All garbage and trash shall be placed and kept in covered containers. In no event shall such containers be kept where they are visible from Common Area or any neighboring Lot, except as may reasonably be necessary in connection with the collection thereof by the garbage collector.

Section 4.10. Outside Drying, Laundering and Window Coverings. No exterior clothesline shall be erected or maintained on patios or porches. No laundering, clothes drying or related activity shall be permitted outside any building.

Section 4.11. Common Area. Without limiting the Association's maintenance obligations as specified in this Article and Article VIII of this Declaration, no Improvement, excavation or work which in any way alters the form or appearance of the Common Area from its existing state on the date it is conveyed by Declarant to the Association shall be made or done except upon strict compliance with, and within the restrictions and limitations of, the following provisions of this section:

A. No person other than the Association or its duly authorized agents shall ... construct, reconstruct, refinish, alter or maintain any structural Improvement upon, or shall make or create any excavation or fill upon, or shall change the natural or existing drainage of, or shall destroy or remove any tree or shrub or plant any tree, shrub or other vegetation upon Common Area. Easements required for such maintenance automatically exist as provided in Article II.

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

1) Reconstruct, replace or refinish any Improvement or portion thereof upon Common Area in accordance with the original design, finish or standard of construction of such Improvement;

(2) Construct, reconstruct, replace or refinish any road Improvement or surface upon any portion of Common Area;

(3) Replace destroyed trees or other vegetation and plant trees, shrubs and ground cover upon any landscaped portion of the Common Area;

(4) Place and maintain within Common Area such signs as the Association deems necessary for the identification of addresses and facilities, regulation of traffic and parking, the regulation and use of Common Area and for the health, welfare and safety of Owners and guests. Any such sign shall comply with applicable governmental requirements.

Section 4.12. Restrictions on Owners' Landscaping. Unless there has been prior written approval of the Committee, no Owner shall: (a) plant any tree where the distance between the center of the tree trunk is less than three (3) feet from any exterior wall or fence; (b) alter the grade of the land within his Lot; or (c) alter any Common Area.

Section 4.13. Indemnification. Each Owner shall be liable to the Association for any damage to the Common Area that may be sustained by reason of the negligence of that Owner, members of his Family, his contract purchasers, tenants, guests or invitees, to the extent that any such damage is not covered by insurance. Each Owner, by acceptance of his deed, agrees for himself and for the members of his Family, his contract purchasers, tenants, guests or invitees, to indemnify each and every other Owner, and to hold him harmless from, and to defend him against, any claim of any person for personal injury or

property damage occurring within the Lot of that particular Owner, except that said Owner's liability may be diminished to the extent that the injury or damage occurred by reason of the negligence of any other Owner or person temporarily visiting in said Lot or is fully covered by insurance.

Section 4.14. Limitation of Restrictions on Declarant. Nothing in this Declaration shall limit the right of Declarant to complete the sale of the Property as a Planned Development Project, and to maintain such models and sales offices as may be desirable in carrying out such activities, provided that such activities shall not unreasonably interfere with any Owner's use and enjoyment of his Lot or the Development. Further, should Declarant seek the exclusive use of any portion of the Common Area for such activities, such use shall be in accordance with a written contract with the Association that provides for payment to the Association of the fair market rental value of the Common Area utilized. Declarant may assign the rights of Declarant in this Declaration to any successor (to all or any part of any Declarant's interest in the Development, as developer) by an express assignment incorporated in a recorded deed that transfers an interest to such successor. The rights granted by this section shall automatically expire upon the conveyance to an Owner of the last Lot in the Development owned by Declarant, or five years after the first conveyance by Declarant within the Development, whichever occurs first.

Section 4.15. Enforcement.

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

B. The Board of Directors shall have the authority to order an abatement of any construction, alteration or other matter for which approval is required, to the extent that it has not been approved by the Architectural Review Committee or that it does not conform to the plans and specifications submitted to and approved by the Architectural Review Committee. No work for which approval is required shall be deemed to be approved simply because it has been completed without a complaint, notice of violation or commencement of a suit to enjoin such work.

C. If any legal proceeding is initiated to enforce the provisions of this Declaration, the prevailing party shall be entitled to collect costs and reasonable attorneys' fees.

**ARTICLE V
ARCHITECTURAL REVIEW AND APPROVAL OF IMPROVEMENTS**

Section 5.01. Architectural Review Committee Approval of Improvements.

(a) Commencement of Construction. Before commencing construction or installation of any Improvement, as defined in Section 1.10, the Owner planning such Improvement must submit a written request for approval to the Architectural Review Committee (the "Committee") and receive the Committee's approval of the Improvement project. The Owner's request shall include structural plans, specifications and Lot plans satisfying the minimum requirements of Section 5.07.

Unless the Committee's approval of the proposal is first obtained, no work on the Improvement shall be undertaken. The Committee shall use the criteria described in Section 5.06 in reaching a decision to approve, approve subject to conditions or disapprove the proposed Improvement.

(b) Modifications to Approved Plans Must Also Be Approved. Once a work of Improvement has been duly approved by the Committee, no material modifications shall be made in the approved plans and specifications therefore and no subsequent alteration, relocation, addition or modification (either during the course of construction or following completion of construction) shall be made to the work of Improvement, as approved, without a separate submittal to, and review and approval by, the Committee. If the proposed modification will have, or is likely to have, a material affect on other aspects or components of the project, the Committee, in its discretion, may order the Owner, his or her contractors and agents to cease working not only on the modified component of the Improvement (pending the Committee's review and approval), but also on any other affected component.

(c) Exemption of Ordinary Repair, Maintenance or Replacement Projects, Unless Nonconforming Use Is Established. Nothing contained in this subparagraph (b) shall be construed to require an Owner to obtain Committee approval for ordinary repair and maintenance projects or projects which are limited to replacing components of a previously approved Improvement with like-kind materials unless the like-kind materials are specifically disallowed by the then current Declaration or by the Design Guidelines. Exterior repainting projects shall require approval hereunder in order to confirm that approved colors are, in fact, being used, unless the exterior color is not being changed.

(d) Effect of Noncompliance With Approval Requirements. In the event that it comes to the knowledge and attention of the Committee that a work of Improvement, or any modification thereof, is proceeding without proper approval, the Committee shall be entitled to exercise the enforcement remedies specified in section 5.13, below, including, without limitation, ordering an immediate cessation and abatement of all aspects of the work of Improvement (i.e., an on-site red tag of the Project) until such time as proper Committee review and approval are obtained. Owners or residents who proceed with Improvement projects without receipt of proper Committee approvals do so at their peril and risk enforcement action hereunder.

Section 5.02. Membership of the Architectural Review Committee. The Architectural Control Committee shall have three members and be initially composed of:

Tom Kelly

Norm Brown

Larry Gualco.

Following the first anniversary of the issuance of the public report pertaining to the Development, Declarant shall have the power to appoint two (2) of the three (3) members of the Committee until the earlier of: (a) the fifth anniversary of the final public report issued for the first phase of the Development, or (b) the date when ninety percent (90%) of the Lots in the Development have been sold. So long as Declarant has the power to appoint two (2) members of the Committee, the Board of the Association shall appoint the third member; thereafter, the Board shall have the power to appoint all three (3) Committee members. Members of the Board may serve as members of the Committee and the Board may elect to act as the Committee in lieu of appointing special members, in which case all matters requiring approval and consent under this Article 5 shall be determined by the Board. Only those members of the Committee who are appointed by the Board need be members of the Association.

Section 5.03. Responsibility of Committee. Neither Declarant, nor the Committee, nor any members thereof, nor the Board of Directors, nor any successors or assigns thereto or thereof, shall be liable in damages to anyone submitting any plans or request to them for approval, or to any Owner of land affected by this Declaration by reason of mistake in judgment, negligence or nonfeasance arising out of or in connection with the approval or disapproval or failure to approve any such plans or request. Every person who submits any plans or request to the Committee for approval agrees, by submission thereof, and every Owner of any said Property agrees by acquiring title thereto, that he will not bring any such action or suit to recover any such damages.

Section 5.04. Appeal of Architectural Review Committee Decisions. Any decision made by the Committee may be appealed to the Board of Directors. Such appeal must be made in writing within ten (10) working days of the decision by the Committee. The appeal must state the grounds for the appeal and set forth the justification for reversing or amending the decision. The Board of Directors shall provide notice to the appellant of the date at which the Board shall consider the appeal, which will be the next regularly scheduled or special meeting of the Board.

Section 5.05. Design Guidelines. Review of any proposed Improvement shall be done in accordance with the Design Guidelines as adopted and amended by the Committee. It is the intent of the Design Guidelines that the Development be developed in a consistent manner and in accordance with a common architectural theme.

Section 5.06. Basis for Approval of Improvements. When a proposed Improvement is submitted to the Committee for review, the Committee shall grant the requested approval only if the Committee, in its sole discretion, finds that all of the following provisions have been satisfied:

(a) The Owner's plans and specifications: (i) substantially conform to this Declaration and to the Design Guidelines in effect at the time such plans are submitted to the Committee (ii) will result in the construction of an Improvement that is in harmony with the external design and/or appearance of other structures and/or landscaping within the Development; and (iii) will not interfere with the reasonable enjoyment of any other Owner of his Lot.

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(b) The proposed Improvement(s), if approved, will otherwise be consistent with the architectural and aesthetic standards prevailing within the Development and the purposes of this Declaration.

The Committee shall be entitled to determine that a proposed Improvement or component thereof is unacceptable when proposed on a particular Lot, even if the same or a similar Improvement/ component has previously been approved for use at another location within the Development. Factors such as drainage, topography or visibility from roads, Common Areas or other Lots, prior adverse experience with the product or components used in construction of the Improvement, design of the Improvement or its use at other locations within El Dorado Hills may justify a decision to deny approval to erect the Improvement, or use a particular component thereof on the Lot involved in the Owner's submittal. It is expressly agreed that the Committee shall be entitled to make subjective judgments and to consider the aesthetics of a proposed Improvement project, so long as the Committee acts reasonably and in good faith. The Committee need not consider view obstructions in reviewing and approving plans.

Section 5.07. Procedures for Obtaining Committee Approval of Plans and Specifications.

(a) Application for Approval. All Owners who desire to undertake any work of Improvement must apply to the Committee and receive its prior approval. The application shall be in writing and shall contain all information that is necessary to reasonably evaluate the nature, design, location and extent of the proposed Improvement, including, at a minimum, two complete sets of plans and specifications for the Improvement project (satisfying the requirements set forth in subparagraph (c) below) and such additional information as the Committee may reasonably request, either by Design Guideline or while the project is under review.

Approval of the Architectural Review Committee shall be secured prior to any owner-applicant applying for any building permit from the County.

(b) Content of Plans and Specifications. In order to be deemed complete, the plans and specifications for the proposed Improvement shall include the following, unless modified or waived as to specific categories of Improvements or Improvement projects by the Design Guidelines:

(i) A professionally prepared Lot plan, which indicates: (A) the size of the Lot; (B) Lot contour lines; (C) the location of all existing and proposed Improvements; (D) setbacks from Lot lines of all existing and proposed Improvements; (E) the existing drainage at the Lot and the proposed drainage plan for the Lot, as improved; (F) the location of all trees and vegetation which are to be removed as part of the construction plan; (G) the location of all proposed utility installations; and (H) the location of any oak tree on the site with a trunk diameter of six inches or more, measured three feet above grade.

(ii) A professionally prepared set of plans showing all: (A) elevations (including foundation); (B) floor plans; (C) location of all heating and/or cooling equipment; (D) decking; (E) screening devices; and (F) retaining walls.

(iii) Description of exterior materials (if not included with above plans), and samples of roofing materials and exterior colors, if requested by the Committee or required of similar projects by the Design Guidelines.

(iv) The Owner's proposed construction schedule.

If the contemplated Improvement project is of a nature that does not merit extensive plans and specifications, the Committee may (but shall not be obligated to) waive or modify any of the above plan and specification requirements upon receipt of a written request from the Owner-applicant to do so.

(c) Inspection Fee. The Design Guidelines may require that the submission of plans and specifications be accompanied by a reasonable fee as determined by the Board in order to defray the costs involved in performing the Committee's duties hereunder.

(d) Optional Preliminary Design Submittal. Any Owner may at their election submit preliminary designs prior to submitting completed plans for early input from the Committee. Any such preliminary submittal shall be made in accordance with the provisions of the Design Guidelines.

Section 5.08. Time Limits for Approval or Rejection. Within 30 days after submission of plans and specifications satisfying the requirements of section 5.07 (b), above, the Committee shall return one set of such plans to the Owner-applicant, with either written notice of approval or disapproval and/or with written suggestions of changes required for approval accompanying the returned set of plans. If the Committee recommends that the plans and specifications be modified, the Owner-applicant may implement such changes to the plans and resubmit plans incorporating such changes for approval to the Committee, which shall not unreasonably withhold its approval so long as the Owner-applicant has complied in all material respects with the requested changes. Upon resubmission, the Committee shall have an additional period of 30 days in which to act upon the modified proposal. If no written notice of approval or disapproval is received by the Owner-applicant within the time periods provided above for Committee action, the plans shall be deemed to have been approved as submitted.

In approving a request for construction or installation of an Improvement, the Committee may condition approval upon the adoption of modifications in the plans and specifications or observance of restrictions as to location, noise abatement, color or materials modifications, or similar mitigating conditions.

Section 5.09. Proceeding With Work. Upon receipt of approval of an Improvement project from the Committee, the Owner shall, as soon as practicable, satisfy all conditions thereof and diligently proceed with the commencement of construction and excavation, if required, pursuant to the approval. In all cases, work on

an Improvement project shall commence within six (6) months from the date of such approval. If the Owner fails to comply with this paragraph, any approval given pursuant to this article, shall be deemed revoked unless the Committee, upon written request of the Owner prior to the expiration of the initial six-month period, extends the time for commencement of the Project. No such extension shall be granted except upon a finding by the Committee that there has been no change in the circumstances upon which the original approval was granted and that the Owner has a bona fide intention and ability to complete the Improvement project within the time specified in the extension request.

Section 5.10. Requirements For Completion of Improvement Projects. Unless the Owner has been granted an extension of time to complete the Project by the Committee, construction, reconstruction, refinishing or alteration of any such Improvement must be complete within one (1) year after construction has commenced, except and for so long as such completion is rendered impossible or would result in great hardship to the Owner because of strikes, fires, national emergencies, natural calamities or other supervening forces beyond the control of the Owner or his or her agents. In the case of Residence Improvements, the requirements of this section shall be deemed to have been met if, within the one-year construction period, the Owner has completed construction of the building's foundation and all exterior surfaces (including the roof, exterior walls (including painting), windows and doors).

Section 5.11. Inspection of Work by Committee. Inspection of the work relating to any approved Improvement, and correction of defects therein, shall proceed as follows:

(a) During the course of construction, representatives of the Committee shall have the right to inspect the job site to confirm that the Improvement project is proceeding in accordance with approved plans and specifications.

(b) Upon the completion of any work of Improvement for which Committee approval is required under this article, the Owner shall give the Committee a written notice of completion.

(c) Within thirty (30) days following receipt of the Owner's notice of completion, the Committee, or its duly authorized representative, may inspect the Improvement to determine whether it was constructed, reconstructed, altered or refinished in substantial compliance with the approved plans. If the Committee finds that the Improvement was not erected, constructed or installed in substantial compliance with the Owner's approved plans, then within the 30-day inspection period the Committee shall give the Owner a written notice of noncompliance detailing those aspects of the Improvement project that must be modified, completed or corrected. Upon completion of remedial work identified in the Committee's notice, the Owner shall again give notice of completion to the Committee and the inspection cycle specified in this subparagraph (c) shall be repeated. If the violation or nonconforming work is not corrected, the Committee shall have the enforcement rights and remedies set forth in Section 5.13, below.

(d) If for any reason the Committee fails to notify the Owner of any noncompliance within thirty (30) days after receipt of the Owner's notice of completion, the Improvement shall be deemed to have been constructed in accordance with the approved plans and specifications for the Improvement, unless it can be demonstrated that the Owner knew of the noncompliance and intentionally misled the Committee with respect thereto.

Section 5.12. Landscaping. As specified in section 1.10 of this Declaration, landscaping is a work of Improvement requiring Committee approval hereunder. Landscaping shall include lawns, shrubs, trees, flowers and any landscape structures. The use of artificial materials such as plastic plants, or flowers, astro turf, or gravel gardens will be disapproved by the Committee. All approved landscaping must be completed within one (1) year after a certificate of occupancy has been filed with the County for the Owner's Residence and, in the event that the landscaping has not been completed by the occupancy date, the Committee may, in its discretion, require the Owner to post a bond in an amount not to exceed the estimated cost of the landscaping work, or a cash deposit in lieu thereof, to ensure the Applicant's timely completion of the landscaping work.

Section 5.13. Enforcement of Design Compliance Matters.

(a) Enforcement By Committee. In addition to other enforcement remedies set forth in this Declaration, the Board, or the Owner of any Lot within the Property, may enforce such architectural and design matters by initiating an appropriate enforcement action in accordance with Section 8.03, below.

(b) Architectural Review Committee's Authority to Order Cessation of Work. The Architectural Review Committee shall have the authority to order an immediate cessation and abatement of any construction, alteration or other matter for which approval is required, to the extent that it has not been approved by the Committee or if work in progress does not substantially conform to the plans and specifications submitted to and approved by the Committee. To order an abatement or cessation of work, the Committee or its duly authorized representative shall be entitled to enter upon the Property where the Improvement project is located and post a stop work order, "red tag" or similar prominent notice of abatement at the job site. Upon such posting the Owner and his contractor shall immediately cease all work at the job site until receipt of written notice from the Committee that the abatement order has been terminated.

(c) No Waiver. No work for which approval is required shall be deemed to be approved simply because it has been completed without a complaint, notice of violation, or commencement of a suit to enjoin such work. If any legal proceeding is initiated to enforce any of the provisions hereof, the prevailing party shall be entitled to recover reasonable attorneys' fees in addition to the costs of such proceeding.

Section 5.14. Estoppel Certificate. Within thirty (30) days after written demand is delivered to the Committee by any Owner, and upon payment to the Committee of a reasonable fee (as established from time to time by the Board), the Committee shall

furnish the requesting Owner-applicant with an estoppel certificate, executed by any two of the Committee's members, certifying (with respect to any Lot owned by the Owner-applicant) that as of the date thereof, either: (a) all Improvements made and other work completed by the Owner comply with this Declaration and the Design Guidelines; or (b) such Improvements or work do not so comply, in which event the certificate shall also identify the noncomplying Improvements or work and set forth with particularity the basis of such noncompliance. Any purchaser from the Owner, or from anyone deriving any interest in the Lot through the Owner, shall be entitled to rely on the Committee's estoppel certificate with respect to the matters therein set forth, such matters being conclusive as between the Committee, all Owners and any person deriving any interest through them.

ARTICLE VI DUTIES AND OBLIGATIONS

Section 6.01. Association Maintenance Obligations. The Association shall be responsible for maintaining the following in good condition and repair all Common Area Improvements, including, but not limited to private roads, the entrance gates, natural open space area and common landscaping at the subdivision entrances. All natural open space areas shall be maintained in accordance with Wildlife Safety Plan, dated August 2002, as approved by the County of El Dorado and as updated periodically.

If any of the maintenance or repair work referred to above is necessitated by the willful or negligent acts of the Owner, his Family, guests or invitees, the costs of such special restoration or repairs shall be chargeable to the Owner and shall be enforceable by an action for damages or by any other legal means.

Section 6.02. Owners' Maintenance Obligations. Each Owner shall be responsible for maintenance and repair of his individual Residence.

Section 6.03. Property Taxes and Assessments. Each Owner shall be obligated to pay all taxes or assessments levied by the County Assessor against his own Lot and personal Property. To the extent not assessed to or paid directly by the Owners, the Association shall pay all real and personal Property taxes and assessments levied upon any portion of the Common Area or other Property owned by the Association.

Section 6.04. Insurance.

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

(1) Fire and casualty insurance covering all Common Area Improvements owned by the Association (excepting land, foundation, excavation and other items customarily excluded from coverage), including all fixtures and building service equipment which are a part of the Common Area, and common personal property and supplies. The policy shall protect at least against the following: loss or damage by fire and other perils normally covered by the standard extended coverage endorsement; and, all other perils which are customarily covered with respect to projects similar in construction, location and use, including all perils normally covered by the standard "all risk"

endorsement, if such is available. The policy shall be in an amount equal to one hundred percent (100%) of current replacement cost of the items required by this paragraph to be insured, without deduction for depreciation, and shall contain an Agreed Amount and Inflation Guard Endorsement, or its equivalent, if available.

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

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

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

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

(4) Worker's Compensation Insurance and other liability insurance as it may deem desirable, insuring each Owner, the Association, the Board of directors and Managing Agent, if any, from liability in connection with the Common Area.

B. All insurance and bond coverage required by subdivision A of this Section 6.04 shall provide that it may not be cancelled or substantially modified (including cancellation for nonpayment of premium) by any party, without at least thirty (30) days' prior written notice to the Association.

C. All policies of insurance shall be carried in the name of the Board of Directors as trustee for the Association and for all Owners and Mortgagees as their interests may appear. In case of loss, proceeds shall be payable to the Board or to a bank or trust company designated by the Board for custody and disposition in accordance with this Article. Premiums for all insurance, including the blanket policy on residential Improvements if the same is purchased, shall be deemed a common expense, payable from assessments upon each Lot. If the Board carries a policy of insurance on the residential Improvements owned by the Owners, it shall send or cause to be sent to each Owner a copy or memorandum of such insurance policy, and such policy shall not prejudice the right of an Owner to insure his Property for his own benefit. Nothing herein shall be construed as creating responsibility of the Association for repair or replacement of the Improvements on any Lot if the damage is caused by any uninsured risk, or if the Association decides not to carry insurance on the residential Improvements.

Section 6.05 Replacement or Repair. In the event of damage to or destruction of the properties by causes insured against by the Association, the Association shall repair or replace the same from the insurance proceeds payable to it or to the trustee designated by the Board of Directors. If damage or destruction occurs to the Common Area and the insurance proceeds are insufficient to cover the costs of repair or replacement thereof, the Association may make a special assessment upon all Owners (as provided in Section 9.06 or 9.07 to cover the additional costs of repair or replacement not covered by insurance proceeds.

Section 6.06. Trustee. All insurance proceeds payable under Section 6.04 may be paid to a trustee, to be held and expended for the benefit of the Owners, Mortgagees and others, as their respective interests shall appear. Said trustee shall be the Association or a commercial bank in El Dorado County, that agrees in writing to accept such trust. If repair or reconstruction is authorized, the Board shall have the duty to contract for such work as provided for in this Declaration.

ARTICLE VII THE ASSOCIATION

Section 7.01. Formation. The Association is a nonprofit mutual benefit corporation formed under the laws of California. On the close and recording of the first Lot sale to any Owner, the Association shall be charged with the duties and invested with the powers set forth in the articles, the bylaws and this Declaration, including, but not limited to, control and maintenance of the Common Area and any Common Area facilities.

Section 7.02. Membership in Association. Every Owner of a Lot which is subject to assessment shall be a member of the Association. Membership shall be appurtenant to and may not be separated from Ownership of any Lot which is subject to assessment. The voting rights of a membership shall vest as of the date when the Lot to which membership is appurtenant becomes subject to assessment.

Section 7.03. Classes of Membership in Association. The Association shall have two (2) classes of voting membership:

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

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

Section 7.04. Termination of Class B Membership. The Class B membership referred to above shall be irreversibly converted to Class A membership on the occurrence of the second anniversary of the issuance of the original subdivision public report for the Development.

Section 7.05. Association Action. Except as to matters requiring the approval of members as set forth in this Declaration, the articles or the bylaws, the affairs of the Association shall be conducted by the Board and such officers as the Board may elect or appoint. Such election or appointment shall be in accordance with this Declaration or the bylaws and their amendments. Except where a different percentage or group of members is called for by this Declaration, the articles or the bylaws, all matters requiring the approval of members shall be deemed approved if members holding a majority of the total voting rights of each class assent to them by written consent as provided in the bylaws or if approved by a majority vote of a quorum of members of each class at any regular or special meeting held in accordance with the bylaws. Where a different percentage or group is called for by this Declaration, the articles or the bylaws, the matter shall not be deemed approved by the members unless assented to or voted for by the percentage or group called for.

ARTICLE VIII GENERAL POWERS AND LIMITATIONS OF ASSOCIATION

Section 8.01. Powers. The Association shall have all the powers of a nonprofit mutual benefit corporation organized under California law, subject only to such limitations on the exercise of such powers as are set forth in the articles, the bylaws and this Declaration. It shall have the power to do any lawful thing that may be authorized, required or permitted to be done by the Association under this Declaration, the articles and the bylaws, and to do and perform any act that may be necessary or proper for or incidental to, the exercise of any of the express powers of the Association, including, without limitation, the powers described in this Article VIII.

Section 8.02. Assessments. The Association shall establish, fix and levy assessments against the Owners of the Lots and collect and enforce payment of such assessments in accordance with the provisions of this Declaration.

Section 8.03. Right of Enforcement. The Association in its own name and on its own behalf, or on behalf of any Owner who consents, can commence and maintain actions for damages or to restrain and enjoin any actual or threatened breach of any provisions of this Declaration or of the articles or bylaws, or of the Association rules or any resolutions of the Board, and to enforce by mandatory injunction, or otherwise, all of those provisions. In addition, the Association can suspend the voting rights, or can assess monetary penalties against any Owner or other person entitled to exercise such rights or privileges for any violation of this Declaration, or the articles, bylaws, Association rules or Board resolutions. At least fifteen (15) days prior to the effective date of any discipline, written notice must be hand delivered or mailed by first-class mail to the member at his last address as shown by the Association's records. The notice shall recite the nature of any discipline to be imposed, the reasons therefor, and the date, time and place at which the member may be heard by the Board, either orally or in writing, regarding the propriety of the infraction and the discipline. The hearing may be held at any regular or special meeting of the Board, but shall not be held less than five (5) days prior to the proposed effective date of the discipline. The Owner or other person to be fined or suspended can appear, be represented by counsel and be heard at the meeting. Except as provided in this section, the Association does not have the power or authority to cause a forfeiture or abridgement of an Owner's right to the full use and enjoyment of such Owner's Lot, except when the loss or forfeiture is the result of the court judgment, or an arbitration decision, or a foreclosure or sale under a power of sale based on failure of the Owner to pay assessments levied by the Association. A monetary penalty imposed by the Association as a disciplinary measure for failure of a member to comply with the governing instruments or as a means of reimbursing the Association for costs incurred by the Association in the repair of damage to Common Areas and facilities for which the member was allegedly responsible or in bringing the member and his subdivision interest into compliance with the governing instruments may not be characterized nor treated as an assessment and is not enforceable by assessment lien.

Section 8.04. Delegation of Powers. The Association acting by and through the Board can delegate its powers, duties and responsibilities to committees or employees, including a professional managing agent ("manager"). Any agreement for professional management of the Development shall be terminable by either party with or without cause and without payment of a termination fee on ninety-(90) days' written notice. The term of any such agreement shall not exceed three (3) years.

Section 8.05. Association Rules. The Association shall have the power to adopt, amend and repeal its rules as it deems reasonable. The Association rules shall govern the use of the Common Area by the Owner or his Family, guests, invitees or by any contract purchaser, or tenant or their respective Family members, guests or invitees. The Association rules shall not, however, be inconsistent with or materially alter any other provisions of this Declaration, the articles or the bylaws. A copy of the Association rules as adopted, amended or repealed shall be mailed or otherwise delivered to each Owner and a copy shall be posted in a conspicuous place within the Development. In case of any conflict between any Association rules and any other provisions of this Declaration, the articles or bylaws, the provisions of the Association rules shall be deemed to be superseded by the provisions of this Declaration, the articles or bylaws to the extent of any such inconsistency.

Section 8.06. Duties of the Association. In addition to the powers delegated to it by its articles or the bylaws, and without limiting their generality, the Association, acting by and through the Board, or the party described in Section 8.04, has the obligation to conduct all business affairs of common interest to all Owners and to perform each of the duties hereinafter described.

Section 8.07. Operation and Maintenance. As provided in Section 6.01, the Association shall operate, maintain and otherwise manage or provide for the operation, maintenance and management of the Common Area, and all its facilities, Improvements and landscaping, including any private driveways and private streets and any personal property acquired by the Association, in a first-class condition and in a good state of repair. In this connection, the Association may enter into contracts for services or materials for the benefit of the Association or the Common Area, including contracts with Declarant, subject to the provisions of Sections 8.04 and 8.09.

Section 8.08. Reserve Fund. The Association shall establish and maintain via the regular assessments provided for in Section 8.02 an adequate reserve fund for the periodic maintenance, repair and replacement of Improvements to the Common Areas and those other areas which the Association is obligated to maintain.

The Association shall not expend funds designated as reserve funds for any purpose other than the repair, restoration, replacement, or maintenance of, major components which the Association is obligated to repair, restore, replace, or maintain and for which the reserve fund was established. However, the Board may authorize the temporary transfer of money from a reserve fund to the Association's general operating fund to meet short term cash flow requirements or other expenses, provided the Board has made a written finding, recorded in the Board's minutes, explaining the reasons that the transfer is needed, and describing when and how the money will be repaid to the reserve fund.

The transferred funds shall be restored to the reserve fund within one year of the date of the initial transfer, except that the Board may, upon making a finding supported by documentation that a temporary delay would be in the best interests of the Properties, temporarily delay the restoration. The Board shall exercise prudent fiscal management in delaying restoration of these funds and in restoring the expended funds to the reserve account, and shall, if necessary, levy a Special Assessment to recover the full amount of the expended funds within the time limits required by this section. This Special Assessment is subject to the Member approval requirements of California Civil Code Section 1366 and Section 9.06, below, if the aggregate amount of the Special Assessment exceeds five (5) percent of the budgeted gross expenses of the Association for the year in which the Special Assessment is imposed. The Board may, at its discretion, extend the date of the payment on the Special Assessment is due. Any extension shall not prevent the Board from pursuing any legal remedy to enforce the collection of an unpaid Special Assessment.

When the decision is made to use reserve funds or to temporarily transfer money from the reserve fund to pay for litigation, the Association shall notify the Members of that decision in the next available mailing to all Members pursuant to California Corporations Code Section 5016, and of the availability of an accounting of those expenses. The

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Association shall make an accounting of expenses related to the litigation on at least a quarterly basis. The accounting shall be made available for inspection by Members at the Association's principal office.

Section 8.09. Limitations on Authority of Board. Except with the vote or written assent of fifty-one percent (51%) of the members other than Declarant thereafter, the Board shall not take any of the following actions.

A. Incur aggregate expenditures for capital Improvements to the Common Area in any fiscal year in excess of five percent (5%) of the budgeted gross expenses of the Association for that fiscal year; or

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

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

D. Contract with third parties for goods or services to be furnished to the Common Area or the Owners' Association for a term longer than one (1) year. The Board may, however, enter into the following without obtaining any approval or ratification by the members:

(1) A management contract, the terms of which comply with the requirements of Section 8.04 above.

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

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

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

Section 8.10. Personal Liability. No member of the Board, or of any committee of the Association, or any officer of the Association, or any manager or Declarant, or any agent of Declarant, shall be personally liable to any Owner or to any other party, including

the Association, for any damage, loss or prejudice suffered or claimed on the account of any act, omission, error or negligence of any such person or entity if such person or entity has, on the basis of such information as may be possessed by him or it, acted in good faith without willful or intentional misconduct.

ARTICLE IX ASSESSMENTS

Section 9.01. Agreement to Pay. The Declarant, for each Lot owned by it in the Development, covenants and agrees, and each purchaser of a Lot by his acceptance of a deed, whether or not it shall be so expressed in such deed, covenants and agrees, for each Lot owned, to pay to the Association: (1) regular, annual assessments or charges; (2) special assessments for capital Improvements or unusual expenses to be established and collected as hereinafter provided; and (3) fines, penalties and other costs which may be levied against individual Lot Owners to reimburse the Association for extra costs for maintenance and repairs caused by the willful or negligent acts of the individual Owner and not caused by ordinary wear and tear. (Such fines, penalties and costs are not assessments and are not enforceable by assessment lien.)

Section 9.02. Personal Obligations. Each assessment or installment, together with any late payment penalty, interest, collection costs and reasonable attorneys' fees, shall be the personal obligation of the person or entity who was an Owner at the time such assessment, or installment, became due and payable. If more than one person or entity was the Owner of a Lot, the personal obligation to pay such assessment, or installment, respecting such Lot shall be both joint and several. The personal obligation for delinquent assessments, or delinquent installments, and other such sums, shall not pass to an Owner's successors in interest unless expressly assumed by them. No Owner of a Lot may exempt himself from payment of assessments, or installments, by waiver of the use or enjoyment of all or any portion of the Common Area or by waiver of the use or enjoyment of, or by abandonment of, his Lot.

Section 9.03. Purpose of Assessments. The assessments levied by the Association shall be used exclusively to promote the health, safety and welfare of the members of the Association, the Improvement, replacement, repair, operation and maintenance of the Common Area and the performance of the duties of the Association as set forth in this Declaration.

Section 9.04. Regular Assessments. The maximum regular annual assessment due to the Association shall be \$ 739.20 per Lot, payable in monthly installments of \$ 61.60, until January 1 of the year immediately following the conveyance of the first Lot to an Owner, at which time it may be increased in accordance with this section and, if applicable, Section 9.06 and 9.07 below. Not more than sixty (60) days nor less than thirty (30) days before the beginning of each subsequent fiscal year the Board shall estimate the total amount of funds necessary to defray the common expenses of the Association for the next fiscal year, and shall deduct therefrom the amount, if any, which the Declarant is contractually obligated to pay to the Association pursuant to a subsidization plan approved by the California Department of Real Estate. If the resultant amount is approved by a majority vote of the Board, the estimate shall be used to establish the regular assessment upon each Lot for such year. The Board may not, however, increase the amount of the

regular assessment for any fiscal year of the Association by more than twenty percent (20%) above the amount of the prior year's regular assessment (except the first such year if it should be less than twelve (12) months) without approval by the vote or the written consent of members, constituting a quorum, casting a majority of the votes at a meeting or election of the Association. The amount of the assessments shall be the same for all Lots within the Development. The regular assessments shall be payable in regular installments as provided in this Declaration and shall include adequate reserve funds for contingencies and for maintenance, repairs and replacement of the Common Area Improvements that must be replaced on a periodic basis sufficient to satisfy the requirements of any institutional Mortgagee. Unless the Association is exempt from federal or state taxes, all reserves shall be accounted for as contributions to the capital of the Association and as trust funds segregated from the regular income of the Association or in any other manner authorized by law or regulations of the Internal Revenue Service and the California Franchise Tax Board that will prevent such funds from being taxed as income of the Association.

Section 9.05. Assessment of Vacant Lots and Common Facilities. Declarant and each Owner shall pay assessments at the full uniform rate for any Lot owned by it.

Section 9.06. Special Assessments. If the Board determines that the estimated total amount of common funds, including the reserve fund provided for under Section 8.08, are or will become inadequate to meet expenses because of any action or undertaking on behalf of the Association, the Board shall determine the approximate amount necessary to defray in whole or in part such expenses, and if the amount is approved by a majority vote of the Board it shall become a Special Assessment. The Board may, in its discretion, prorate such Special Assessment over the remaining months of the fiscal year or levy the Special Assessment immediately against each Lot. In any fiscal year, the Board may not levy Special Assessments which in the aggregate exceed five percent (5%) of the budgeted gross expense of the Association for the current fiscal year without the vote or the written consent of members, constituting a quorum, casting a majority of the votes at a meeting or election of the Association. All Special Assessments shall be levied equally against all Lots in the Development, except any assessment against an Owner as a result of a deficiency in insurance proceeds or condemnation awards as provided in Sections 4.13 and 12.02, respectively. Unless exempt from federal or state income taxation, all proceeds from any Special Assessment shall be segregated and deposited into a special account and shall be used solely for the purpose or purposes for which it was levied or it shall be otherwise handled and used in a manner authorized by law or regulations of the Internal Revenue Service and the California Franchise Tax Board in order to avoid, if possible, its taxation as income of the Association.

Section 9.07. Additional Requirements for Assessment Increase. For the purposes of Sections 9.04 and 9.06, a "quorum" means more than fifty percent (50%) of the members of the Association. Any meeting or election of the Association for purposes of complying with Sections 9.04 and 9.06 shall be conducted in accordance with Article III of the Association bylaws. Notwithstanding any other provision contained in Sections 9.04 and 9.06, the Board may increase assessments necessary for emergency situations. For the purposes of this Section 9.07, an "emergency situation" is any one (1) of the following:

- A. An extraordinary expense required by an order of a court;

B. An extraordinary expense necessary to repair or maintain Common Area property or other property for which the Association is responsible where a threat to personal safety on the property is discovered; or

C. An extraordinary expense necessary to repair or maintain the Common Area property or any other property for which the Association is responsible that could not have been reasonably foreseen by the Board preparing and distributing the pro forma operating budget. However, prior to the imposition or collection of an assessment under this subdivision, the Board shall pass a resolution containing written findings as to the necessity of the extraordinary expense involved and why the expense was not or could not have been reasonably foreseen in the budgeting process, and the resolution shall be distributed to the members with the notice of assessment.

Section 9.08. Assessment Period. The regular assessment period shall commence on January 1, of each year and shall terminate on December 31 of such year, and regular assessments shall be payable in equal monthly installments, unless the Board adopts some other basis for collection. The initial regular assessment period for each phase, however, shall commence on the first day of the calendar month following the date of conveyance of the first Lot to a purchaser in that phase (the "initiation date") and shall terminate on December 31, of the year in which the initial conveyance is made. The amount of the first regular assessment and all special assessments shall be adjusted according to the number of months remaining in the fiscal year after the initiation date.

Section 9.09. Notice and Assessment Due Dates. The Association may, but shall not be required to, give written notice of regular annual assessments unless there is a change in the amount or due date thereof. If any Special Assessment is levied or if there is a change in the amount or due date of regular assessments, the Association shall be required to give a single written notice thereof at least fifteen (15) days prior to the due date which shall be specified in the notice. The due date for payment of the assessment installments shall be the first day of each month, unless some other date is established by the Board. Any assessment not paid within fifteen (15) days after the due date shall incur a late payment fee in an amount to be set by the Board from time to time, not to exceed the amount permitted by applicable law. A delinquency administrative fee on all sums imposed in this article, including the delinquent assessment, reasonable costs of collection and late payment fee shall be imposed at an annual percentage rate of ten percent (10%) per annum, commencing thirty (30) days after the assessment becomes due, such amount not intended to exceed the maximum amount allowed by law.

ARTICLE X ENFORCEMENT OF ASSESSMENT OBLIGATIONS

Section 10.01. Delinquency and Remedies of Association. If any assessment, regular or special, or any portion thereof, is not paid within fifteen (15) days of the date when due, then such assessment or portion thereof shall become delinquent. The amount of such assessment, together with late payment penalty and interest specified in Section 9.09 above, and costs of collection as provided below, shall become a continuing lien on the Lot against which such assessment was made from and after the time the Association causes a notice of delinquent assessment to be recorded as set forth in Section 10.02 below. In

addition to all other legal and equitable rights or remedies, the Association may, at its option: take a deed in lieu of foreclosure; bring an action at law against the Owner personally obligated to pay the same; or, upon compliance with the notice provisions set forth in Section 10.02 below, bring an action to foreclose the lien against the Lot. There shall be added to the amount of the delinquency plus late payment fees and interest, all costs and expenses, including reasonable attorneys' fees incurred by the Association in collecting the delinquent assessment. A lien created pursuant to this section may be enforced in any manner permitted by law, including sale by the court, sale by the trustee designated in the notice of delinquent assessment or sale by a trustee substituted pursuant to Section 2934a California Civil Code of the State of California. Each Owner by acceptance of his deed hereby grants such a power of sale as to each and every Lot owned by him to the Association for the purpose of collecting delinquent assessments. Each Owner vests in the Association, its successors or assigns the right and power to bring all actions of law or lien foreclosures against such Owner or other Owners for purposes of collecting delinquent assessments.

Section 10.02. Notice of Delinquent Assessment. No action shall be brought to foreclose the lien or to proceed under the power of sale less than thirty (30) days after the date a notice of delinquent assessment, executed by a duly authorized representative of the Association, is recorded with the El Dorado County Recorder, said notice stating the amount claimed (which may include late payment fees, interest and costs of collection, including reasonable attorneys' fees), a good and sufficient legal description of the Lot being assessed, the name of the record Owner or reputed Owner thereof, the name and address of the Association as claimant and, in order for the lien to be enforced by nonjudicial foreclosure as provided in Section 10.03 below, the name and address of the trustee authorized by the Association to enforce the lien by sale. A copy of said notice of delinquent assessment shall be deposited in the United States mail, certified or registered with postage thereon fully prepaid, to the Owner of the Lot.

Section 10.03. Foreclosure Sale. Any such sale provided for above shall be conducted in accordance with the provisions of Sections 2924, 2924b and 2924c, or successor provisions California Civil Code applicable to the exercise of powers of sale in Mortgages and deeds of trust. The Association, through its duly authorized agents, shall have the power to bid on the Lot at foreclosure sale and to acquire and hold, lease, Mortgage and convey the same.

Section 10.04. Curing of Default. Upon the timely curing of any default for which a notice of delinquent assessment was recorded by the Association, the officers of the Association are hereby authorized to file or record, as the case may be, an appropriate release of such notice, upon payment by the defaulting Owner of a fee to be determined by the Association to cover the costs of preparing and filing or recording such release, together with the payment of such other costs, late payment fees, interest or other fees as shall have been incurred.

Section 10.05. Cumulative Remedies. The assessment lien and the rights to foreclosure and sale thereunder shall be in addition to and not in substitution for all other rights and remedies which the Association and its assigns may have hereunder and by law or in equity.

Section 10.06. Subordination of the Lien to Mortgages. The lien of the assessments provided for herein shall be subordinate to the lien of any first deed of trust or Mortgage now or hereafter placed upon any of the Lots within the Development subject to assessment; provided, however, that such subordination shall apply only to the assessments which have become due and payable prior to a sale or transfer of such Lot pursuant to a decree of foreclosure, or the exercise of the power of sale contained in such first deed of trust or Mortgage. Such sale or transfer shall not relieve such Lot from liability for any assessments thereafter becoming due nor from the lien of any such subsequent assessment.

ARTICLE XI PROTECTION OF MORTGAGEES

Section 11.01. Mortgage Permitted. Any Owner may encumber his Lot with a Mortgage.

Section 11.02. Priority of Mortgages. Any lien created or claimed under the provisions of this Declaration is expressly made subject and subordinate to the rights of any first Mortgage that encumbers all or a portion of the Development, or any Lot, made in good faith and for value, and no such lien shall in any way defeat, invalidate or impair the obligation or priority of such Mortgage unless the Mortgagee expressly subordinates his interest, in writing, to such lien. No breach of the covenants, conditions or restrictions herein contained, nor the enforcement of any lien provisions herein shall affect, impair, defeat or render invalid the lien or charge of any first Mortgage made in good faith and for value encumbering any Lot. But all covenants, conditions and restrictions of this Declaration shall be binding upon and effective against any Owner whose title is derived through foreclosure or trustee's sale, or otherwise, with respect to a Lot.

Section 11.03. Curing Defaults. A Mortgagee who acquires title by judicial foreclosure, deed in lieu of foreclosure or trustee's sale shall not be obligated to cure any breach of the provisions of this Declaration which is noncurable or of a type which is not practical or feasible to cure. The determination of the Board, made in good faith as to whether a breach is noncurable or not feasible to cure, shall be final and binding on all Mortgagees.

Section 11.04. Resale. It is intended that any loan to facilitate the resale of any Lot after judicial foreclosure, deed in lieu of foreclosure or trustee's sale is a loan made in good faith and for value and is entitled to all of the rights and protections afforded to other Mortgagees.

Section 11.05. Relationship with Assessment Liens.

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

B. If any Lot subject to a monetary lien created by any provision hereof shall be subject to the lien of a first Mortgage: (1) the foreclosure of any lien created by anything set forth in this Declaration shall not operate to affect or impair the lien of such

Mortgage; and (2) the foreclosure of the lien of said Mortgage or sale under a power of sale included in such Mortgage (such events being hereinafter referred to as "events of foreclosure") shall not operate to affect or impair the lien hereof, except that any persons who obtain an interest through any of the events of foreclosure shall take title free of the lien hereof for all such charges as shall have accrued up to the time of any of the events of foreclosure, but subject to the lien hereof for all of said charges that shall accrue subsequent to the events of foreclosure.

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

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

Section 11.06. Special Provisions for Eligible Mortgage Holders. As used in this section, an "eligible" Mortgage holder, insurer or guarantor is one who has requested notice of certain actions in accordance with Section 11.08 hereinbelow. The following provisions are imposed for the benefit of eligible Mortgage holders:

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

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

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

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

(1) The consent of Owners of Lots to which at least sixty-seven percent (67%) of the votes in the Association are allocated and the approval of eligible holders holding Mortgages on Lots which have at least sixty-seven percent (67%) of the votes of Lots subject to eligible holder Mortgages shall be required to terminate the legal status of the Development as a common interest development (CID).

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

- (a) Voting;
- (b) Assessments, assessment liens or subordination of such liens;
- (c) Reserves for maintenance, repair and replacement of the Common Areas (or Lots if applicable);
- (d) Insurance or fidelity bonds;
- (e) Rights to use of the Common Areas;
- (f) Responsibility for maintenance and repair of the several portions of the Development;
- (g) Expansion or contraction of the Development or the addition, annexation or withdrawal of property to or from the Development;
- (h) Boundaries of any Lot;
- (i) The interests in the general or limited Common Areas;
- (j) Convertibility of Lots into Common Areas or of Common Areas into Lots;
- (k) Leasing of Lots;
- (l) Imposition of any right of first refusal or similar restriction on the right of a Lot Owner to sell, transfer or otherwise convey his or her Lot;
- (m) Any provisions which are for the express benefit of Mortgage holders, eligible Mortgage holders or eligible insurers or guarantors of first Mortgages on Lots.

Section 11.07. Changes Requiring Additional First Mortgagee Approval. Except upon the prior written approval of at least two-thirds (2/3) of all first Mortgagees (based on one (1) vote for each first Mortgage owned), neither the Association nor the members shall be entitled to do any of the following:

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

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

C. Fail to maintain fire and extended coverage insurance on insurable Association property including the Common Area, on a full current replacement cost basis in an amount not less than one hundred percent (100%) of the insurable value, or use casualty insurance proceeds for losses to any part of the Development for other than the repair, replacement and reconstruction of such Improvements except as provided by statute in case of substantial destruction.

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

E. Effectuate a decision to terminate professional management and assume self-management of the Development. The Mortgagee approval requirements of this section are in addition to those of Section 11.06.

Section 11.08. Notice to First Mortgagees Upon Request. Upon written request to the Association, identifying the name and address of the holder, insurer or guarantor and the Lot number or address, the holder of any first Mortgage or the insurer or guarantor of a first Mortgage will be entitled to timely written notice of:

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

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

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

D. Any proposed action which would require the consent of a specified percentage of Mortgagees as specified in Section 11.06 or 11.07.

Section 11.09. Rights to Inspect, Receive Statements, Attend Meetings.

A. All Lot Owners and lenders, and all holders, insurers or guarantors of any first Mortgage shall be entitled to inspect current copies of the Declaration, bylaws, the Association rules and any other rules concerning the Development and the books, records and financial statements of the Association. Such inspection shall be upon request, during normal business hours or under other reasonable circumstances.

B. The holders of fifty-one percent (51%) or more of first Mortgages shall be entitled to have an audited statement for the immediately preceding fiscal year of the Association prepared at their expense if one is not otherwise available, and the Association shall make its records available for such purpose in accordance with subsection A. If such a financial statement had already been prepared for the Association, it shall be furnished without charge within a reasonable time following such request.

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

Section 11.10. Right of First Refusal. The right of an Owner to sell, transfer or otherwise convey his Lot is not subject to any "right of first refusal" or any similar restriction in favor of the Association. In the event this Declaration is amended to provide for any right of first refusal in the Association, a Mortgagee who comes into possession of a Lot pursuant to a judicial foreclosure, a deed in lieu of foreclosure or a trustee's sale shall be exempt therefrom.

Section 11.11. Mortgagees' Right to Cure Defaults. First Mortgagees of Lots may, jointly or singly, pay taxes or other charges which are in default and which may or have become a charge against all or a portion of any Common Area of the Development and may pay overdue premiums on hazard insurance policies, for such common Property, and first Mortgagees making such payments shall be owed immediate reimbursement therefor from the Association.

Section 11.12. Conflicts. In the event of any conflict between any of the provisions of this article and any of the other provisions of this Declaration, the provisions of this article shall control.

Section 11.13. Distribution Rights. No provision of this Declaration, or the articles or the bylaws of the Association, or any rules and regulations established thereunder, shall be deemed to give an Owner, or any other party, priority over any rights of first Mortgagees of a Lot pursuant to their Mortgages in the case of a distribution to Owners of insurance proceeds or condemnation awards for losses to or a taking of Lots.

ARTICLE XII CONDEMNATION

Section 12.01. Common Area. If part or all of the Common Area is taken by any authority having the power of eminent domain, the Association shall represent the Owners in any condemnation proceedings or in any negotiations, settlements and agreements with the condemning authority for acquisition of the Common Areas, or part thereof, or in litigation of the issues with respect to the compensation to be paid. Each Owner hereby designates the Association as his attorney-in-fact for such purposes. All compensation and damages, exclusive of that paid for individual Lots, shall be payable to the Association as trustee for all Owners and Mortgagees as their interests may appear. Upon receipt of the award the Association shall determine, upon the vote or written consent of seventy-five percent (75%) of the members, whether the award is sufficient to repair and restore the Property and whether it is practicable to do so. If the Association determines to rebuild, the Board shall levy a Special Assessment to cover any reconstruction costs not compensated by the award. If the Association determines not to rebuild, the Board shall prepare a new Subdivision Map for the remaining Property and shall distribute the award to the Owners and Mortgagees as their interests appear.

Section 12.02. Lots. If the taking involves individual Lots, the Owner directly affected shall represent and negotiate for himself with respect to the damages and compensation for such taking. Within ninety (90) days of the taking, the Association shall determine, upon the vote or written assent of seventy-five percent (75%) of the members, whether or not the taking so affects the affected Lots and Improvements thereon that they cannot be restored or replaced. Upon making the determination, the following provisions shall apply:

A. If the Association determines that the Lots and Improvements thereon can be restored, the award shall be distributed to the Board of directors as trustee and the Board shall restore the Lots and Improvements, and distribute any excess award as provided in Section 12.01 above, that is, to the Lot Owners and their Mortgagees, as their interests appear. In the event that the award is not sufficient to cover the cost of rebuilding or restoring, the Owners of such Lots shall be obligated to contribute such funds as shall be necessary to pay their proportionate share of the cost of rebuilding or restoration, over and above the award. The proportionate share of each such Owner or Owners shall be the amount by which the cost of repair or restoration on his Lot exceeds that Owner's share of the total award. If any Owner fails to pay his or her proportionate share, the Association may levy a Special Assessment against the Lot or such Owner, which may be enforced under the lien provisions contained in Article 10 or in any other manner provided in this Declaration.

B. If the Association determines that the Lots and Improvements thereon cannot be restored, the Board shall, within thirty (30) days of the award, determine the allocation of the award between the Common Area and the affected Lots and shall distribute the compensation to the Owners and the Mortgagees, as their interests appear.

**ARTICLE XIII
LIMITATION OF RESTRICTIONS ON DECLARANT**

Section 13.01. Completion and Sale of Development. Declarant is undertaking the work of constructing residential lots and/or dwellings and incidental Improvements within the Development. The completion of that work and the sale or other disposal of the Lots is essential to the establishment and welfare of the Development. In order that such work may be completed as rapidly as possible, nothing in this Declaration shall be understood and construed to:

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

B. Prevent Declarant or its representatives from erecting, constructing and maintaining within any part of the Development such structures as may be reasonably necessary for the conduct of its business of completing said work and establishing said Development as a residential community and disposing of the properties in Lots by sale, lease or otherwise; or

C. Prevent Declarant from conducting on any part of the Development its business of completing said work and of establishing a residential Development and of disposing of the properties in Lots by sale, lease or otherwise; or

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

As provided in Section 4.14 of this Declaration, Declarant's activities as described in this Section, shall not unreasonably interfere with any Owner's use and enjoyment of his Lot or the Development. Further, should Declarant seek the exclusive use of any portion of the Common Area for such activities, such use shall be in accordance with a written contract with the Association that provides for payment to the Association of the fair market rental value of the Common Area utilized. The rights granted by this section shall automatically expire upon the conveyance to an Owner of the last Lot in the Development owned by Declarant, or five years after the first conveyance by Declarant to an Owner within the Development, whichever occurs first.

Section 13.02. Creation of Easements. Declarant shall have the right at any time prior to acquisition of title by a grantee to establish additional easements, reservations and rights-of-way to itself, its successors and assigns in any conveyance of the Development or any portion thereof. Declarant or the organization for whose benefit easements, reservations and rights-of-way have been established shall have the right at any time to cut and remove any tree or branch or any other unauthorized object from such easements, reservations and rights-of-way.

ARTICLE XIV
MISCELLANEOUS PROVISIONS

Section 14.01. Enforcement. The Association, or any Owner, shall also have the right to enforce, by any proceeding at law or in equity, all restrictions, conditions, covenants, reservations, liens and charges now or hereafter imposed by the provisions of this Declaration, the bylaws, the articles or the Association rules. Failure by the Association or by any Owner to enforce any covenant or restriction herein contained shall in no event be deemed a waiver of the right to do so thereafter. The Association shall have the authority to order the abatement or removal of any construction, alteration or other matter for which approval of the architectural control committee is required, if the same has not been approved by the committee or does not conform to the plans submitted. No work for which architectural approval is required shall be deemed approved simply because it has been completed without a complaint, notice of violation or injunction. In the event of any legal proceedings to enforce any provision of this Declaration, the prevailing party shall be entitled to reasonable attorneys' fees as well as the costs of such proceeding.

Section 14.02. Severability. Invalidation of any one of these covenants or restrictions by judgment or court order shall in no way affect any other provisions which shall remain in full force and effect.

Section 14.03. Term. The covenants and restrictions of this Declaration shall run with and bind the land, for a term of twenty (20) years from the date this Declaration is recorded, after which time they shall be automatically extended for successive periods of ten (10) years.

Section 14.04. Amendment. After the issuance of the final subdivision public report pertaining to the Development, this Declaration may be amended or revoked in any respect by the vote or written consent of the holders of not less than fifty-one percent (51%) of the voting rights of each class of members. After Class B membership has ceased, at least a simple majority of the votes of members other than Declarant shall also be required for adoption of any amendment. However, if any provision of this Declaration requires a greater or lesser percentage of the voting rights of any class of members in order to take affirmative or negative action under such provision, the same percentage of such class or classes of members shall be required to amend or revoke such provision. *Similarly, if the consent or approval of any governmental authority, Mortgagee or other person, firm, agency or entity is required under this Declaration with respect to any amendment or revocation of any provision of this Declaration, no such amendment or revocation shall become effective against such governmental authority, Mortgagee or other person, firm, agency or entity, or their successors, unless such consent or approval is obtained.* Any amendment or revocation subsequent to the close of the first Lot sale shall be evidenced by an instrument certified by the secretary or other duly authorized officer of the Association and shall make appropriate reference to this Declaration and its amendments and shall be acknowledged and recorded in the office of the El Dorado County Recorder.

Section 14.05. Mergers and Consolidations. To the extent permitted by law, the Association may participate in mergers and consolidations with other nonprofit Associations organized for the same purposes as this Association, provided that any such

merger or consolidation shall have the written consent of all of the members or the assent by vote of two-thirds (2/3) of each class of members voting in person or by proxy at a meeting duly called for this purpose, written notice of which shall be given to all members at least thirty (30) days in advance.

Section 14.06. Membership Appurtenant. No purchaser or Owner of any Lot shall convey his interest in any such Lot without simultaneously conveying interest in the Association and no member of the Association shall convey, transfer, sell, assign or otherwise dispose of his membership rights in the Association without at the same time conveying, selling and transferring his interest in the Lot to which his membership attaches, and the membership shall be transferred only to a new Owner or purchaser of the Lot to which membership attached. A conveyance of a Lot shall be presumed to convey that Lot's appurtenant membership. Further, a tenant of an Owner shall not be a member of the Association, but the tenant or tenants of the Owner shall have the right to use, and access to, the facilities controlled by the Association.

Section 14.07. Financing Improvement of the Common Area. Subject to any limitations in Article IX of this Declaration, the Association, through its Board, shall have the right, in accordance with its articles and bylaws, to borrow money for the purpose of improving the Common Area and to Mortgage said Common Area. The right of such Mortgage in the Common Area shall be subordinate to the right of the Owners hereunder.

Section 14.08. Enforcement of Bonded Obligations. With regard to any Common Area Improvements which are to be completed by Declarant but which are not completed prior to the issuance of the public report pertaining to the Development, the Association may be named as obligee under a bond or other arrangement securing performance of the Declarant's commitment to complete such Improvements. In the event that the Association is so named in such bond, then the following provisions shall apply relative to the initiation of action to enforce the obligations of the Declarant and the surety under such bond:

A. The Board of the Association shall consider and vote on the question of action by the Association to enforce the obligations under the bond with respect to any Improvement for which a Notice of Completion has not been filed within sixty (60) days after the completion date specified for that Improvement in the Planned Construction Statement appended to the bond. If the Association has given an extension in writing for the completion of any Common Area Improvement, the Board shall consider and vote on the aforesaid question if a Notice of Completion has not been filed within thirty (30) days after the expiration of such extension.

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

to enforce the obligations under the bond, such vote shall be deemed to be the decision of the Association, and the Board shall thereafter implement that decision by initiating and pursuing appropriate action in the name of the Association.

ARTICLE XV.
ANNEXATION.

15.01. Phase 1. The real property which is described in Exhibit "A" and which shall initially be subject to this Declaration is referred to herein Phase 1.

15.02. Additions. Any or all of the real property described in Exhibit "D" may be annexed to and become subject to this Declaration by any of the methods hereinafter set forth.

15.03. Additions by Declarant. If additional real property within the area described in Exhibit "D" attached hereto, is developed as a residential project the additional real property may be annexed to Phase 1 and brought within the general plan and scheme of this Declaration upon the approval by vote or written consent of members entitled to exercise not less than two-thirds (2/3) of the voting powers of each class of membership of the Association. After Class B membership has ceased, at least two-thirds (2/3) of the voting power of members other than the Declarant shall also be required. Upon obtaining the requisite approval pursuant to this Section 15.03, the owner of any real property who desires to annex it to Phase 1 and add it to the general plan and scheme of this Declaration and subject it to the jurisdiction of the Association shall file of record a supplemental Declaration as more particularly described in Section 15.05 below.

15.04. Conveyances of Common Area. Prior to the conveyance of any lot within the real property annexed from the area in Exhibit "D" attached hereto, to the purchaser thereof for residential purposes, fee simple title to the common area within said annexed real property, if any, shall be conveyed to the Association, free and clear of any and all encumbrances and liens, except current real property taxes, which taxes shall be prorated to the date of transfer, and reservations, easements, covenants, conditions and restrictions then of record, including those set forth in this Declaration.

15.05. Supplemental Declaration. The additions authorized under Section 15.03 hereof shall be made by filing of record a supplemental Declaration, Declaration of annexation or other similar instrument, with respect to the additional real property which shall be executed by Declarant or the owner thereof and shall extend the general plan and scheme of this Declaration to such real property. The filing of record of such instrument shall constitute and effectuate the annexation of the additional real property described therein, and thereupon said real property shall become and constitute a part of the Francisco Oaks Village development, become subject to this Declaration and encompassed within the general plan and scheme of the covenants, conditions and restrictions contained herein, and become subject to assessment by the Association and to the functions, powers and jurisdiction of the Association, and the owners of lots in said real property shall automatically become members of the Association.

Such instrument may contain such additions and modifications of the covenants, conditions and restrictions contained in this Declaration as may be necessary to reflect the different character, if any, of the added real property, or as Declarant may deem appropriate in

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the development of such real property, and as are not inconsistent with the general plan and scheme of this Declaration. In no event, however, shall such instrument revoke, modify or add to the covenants, conditions and restrictions established by this Declaration as the same pertain to Phase 1, except as hereinafter may be provided.

15.06. Taxes and Assessments. All taxes and other assessments relating to the property in phases authorized under Section 15.03 hereof, covering any period prior to the additions of such property, shall be paid or otherwise satisfactorily provided for by the Declarant.

15.07. Improvements. All intended improvements in phases authorized under Section 15.03 hereof shall be substantially completed prior to annexation and shall be consistent with the initial improvements of Phase 1 in terms of quality of construction.

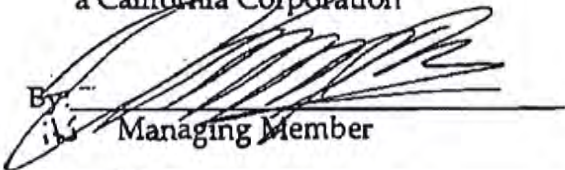
**ARTICLE XVI
TERMINATION OF ANY RESPONSIBILITY OF DECLARANT**

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

IN WITNESS WHEREOF, the undersigned, being the Declarant herein, has hereunto set his hand and seal this day of DEC. 10th, 2001. 2002

FRANCISCO OAKS, LLC, a California
Limited Liability Company

By: Norman C. Brown, President
N.C. Brown Development, Inc.
a California Corporation

By: 
Managing Member

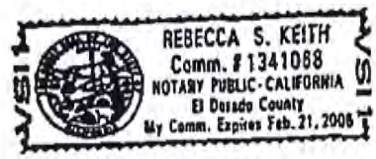
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State of California)
) ss.
County of El Dorado)

On December 10, 2002 before me, Rebecca S. Keith , Notary Public personally appeared Norman C. Brown personally known to me (or proved to me on the basis of satisfactory evidence) to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity (ies), and that by his/her/their signature(s) on the instrument the person(s) or the entity upon behalf of which the person(s) acted, executed the instrument.

Witness my hand and official seal.

SIGNATURE Rebecca S Keith



097224

EXHIBIT "A"
Legal Description

Lots 1 thru 67, B, C, D, and R of "Amended Plat of Francisco Oaks", filed December 10, 2002 in Book I, of Maps at Page 149, El Dorado County Records.

EXHIBIT "B"
Legal Description

Lots B, C, D and R of "Amended Plat of Francisco Oaks", filed December 10, 2002 in Book I, of Maps at Page 149, El Dorado County Records.

097224

EXHIBIT "D"
Legal Description

Lot A of "Amended Plat of Francisco Oaks", filed December 10, 2002 in Book I, of Maps at Page 149, El Dorado County Records.

205-5458-25

Recording Requested By:
FRANCISCO OAKS, LLC

Return Recording To:
FRANCISCO OAKS, LLC
NORM BROWN
8601 RANCHWOOD COURT
FAIR OAKS, CA 95628



El Dorado, County Recorder
William Schultz Co Recorder Office
DOC- 2002-0097225-00

Acct 6-PLACER TITLE CO
Tuesday, DEC 10, 2002 15:00:00
Ttl Pd \$10.00 Nbr-0000352393
MLA/C2/1-2

RECORDER'S MEMO:
(Ca. G.C. 27361.7)
Legibility Unsatisfactory

BENEFICIARY'S SUBORDINATION

TO CC&R'S

WESTERN SIERRA NATIONAL BANK, Beneficiary under the Deed of Trust recorded OCTOBER 31, 2001 as SERIES NO. 2001-0069895-00 of Official Records, El Dorado County Official Records, by their signature hereby consents to the filing of the Declaration of Covenants, Conditions and Restrictions recorded DECEMBER 10, 2002 as Series No. 2002-97224 and hereby subordinates the lien of heir aforementioned Deed of Trust to this Declaration of Covenants, Conditions and Restrictions.

WESTERN SIERRA NATIONAL BANK

Anne Schultz Eckert
PRINT NAME: ANNE SCHULTZ ECKERT
TITLE: RVP

PROPERTY

OWNER: FRANCISCO OAKS, LLC;
A California Limited Liability Company

LEGAL

DESCRIPTION: Lots 1 thru 82, A, B, C, D, E and R of "AMENDED PLAT OF FRANCISCO OAKS", filed December 10, 2002 in Book I of Maps at Page 149, El Dorado County Records.

097225

STATE OF CALIFORNIA)
COUNTY OF EL DORADO)

On Nov. 29, 2002 before me, Ramona Voyles, Notary Public
DATE

Personally appeared, ANNE Schultz Eckert

personally known to me (or proved to me on the basis of satisfactory evidence) to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

WITNESS my hand and official seal.

Ramona Voyles (SEAL)
NOTARY PUBLIC SIGNATURE



STATE OF _____
COUNTY OF _____

On _____ before me, _____
DATE

Personally appeared, _____

personally known to me (or proved to me on the basis of satisfactory evidence) to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

WITNESS my hand and official seal.

(SEAL)
NOTARY PUBLIC SIGNATURE

ILLEGIBLE NOTARY DECLARATION

I certify under penalty that the notary seal on the document to which this statement is attached reads as follows:

Name of Notary Ramona Voyles
Date commission expires July 28, 2004
Notary identification number 1272129
(For notaries commissioned after 1-1-1992)
Manufacturer/Vendor Identification number NNA1
(For notaries commissioned after 1-1-1992)
Place of execution of Declaration EL DORADO
Oated 12-10-02
Signed Placer Title Co. By: J. Miller