

“If this document contains any restriction based on race, color, religion, sex, gender, gender identity, gender expression, sexual orientation, familial status, marital status, disability, genetic information, national origin, source of income as defined in subdivision (p) for Section 12955, or ancestry, that restriction violates state and federal fair housing laws and is void, and may be removed pursuant to Section 12956.2 of the Government Code. Lawful restrictions under state and federal law on the age of occupants in senior housing or housing for older persons shall not be construed as restrictions based on familial status”

DOC # 2006-0000622



JAN 03, 2006 9:43 AM

**RECORDING REQUESTED BY
AND MAIL TO:**

Upon recording,
please return to:

Joel Kriger, Esq.
ANDERSON & KRIGER
8220 University Ave.
La Mesa, CA 91941

4575

OFFICIAL RECORDS
SAN DIEGO COUNTY RECORDER'S OFFICE
GREGORY J. SMITH, COUNTY RECORDER
FEES: 219.00
PAGES: 71



2006-0000622

ABOVE SPACE FOR RECORDER'S USE

**FIRST RESTATED AND AMENDED
MASTER DECLARATION OF COVENANTS,
CONDITIONS, AND RESTRICTIONS
FOR
THE RAMS HILL COMMUNITY**

This First Restated and Amended Master Declaration of Covenants, Conditions, and Restrictions for Rams Hill Community ("Master Declaration") is made by the Owners of Lots and Units within the Rams Hill Community with the requisite votes of the membership of the Rams Hill Community Association.

W I T N E S S E T H

WHEREAS, that certain Master Declaration of Covenants, Conditions, and Restrictions for The Rams Hill Community, was recorded on September 26, 1983 by DiGiorgio Corporation, a Delaware corporation ("Original Declarant"), as File No. 83-343525, of the Official Records of San Diego County, California, Office of the Recorder (as amended, the "Original Master Declaration"); and

WHEREAS, the Original Declarant was the owner of that certain real property located in the City of Borrego Springs, County of San Diego, State of California, which is more particularly described in Exhibit "A" attached hereto and incorporated herein by reference; and

WHEREAS, the Original Declarant improved or caused to be improved a portion of the property described in Exhibit "A" as the Rams Hill Community and filed the Original Master Declaration against the property described in Exhibit "A"; and

WHEREAS, the Original Declarant reserved the ability to add all or any part of the property described in Exhibit "B" to the Rams Hill Community by Annexation and said property so annexed will thereupon be developed as a part of the Rams Hill Community; and

WHEREAS, the Members of the Rams Hill Community Association desire to amend, restate, replace, and supercede the Original Master Declaration, including all amendments

thereto, in their entirety, and to replace and confer all the rights of the Declarant, including the right annex the Exhibit "B" property, under the Original Master Declaration to Borrego Investors, LLC, a California limited liability company; and

WHEREAS, pursuant to Section 13.1 of the Original Master Declaration, the Original Master Declaration may be amended by the vote or written consent of sixty-seven percent (67%) of each class of members of the Rams Hill Community Association and the approval of fifty-one percent (51%) of Eligible Holders holding first mortgages on Lots; and

WHEREAS, the Members of the Rams Hill Community Association have initiated the amendment and restatement of the Original Master Declaration and such amendment and restatement has been approved by at least sixty-seven (67%) percent of the votes of the Association, and fifty-one percent (51%) of the Eligible Holders; and

NOW THEREFORE, sixty-seven percent (67%) of each class of members of The Rams Hill Community Association, including all other entities required to approve said amendments under Section 13.1 of the Original Master Declaration, approve the amendment and restatement of the Original Master Declaration, all in accordance with the procedures for amendments set forth therein. It is the intention of said Members to replace the Original Master Declaration, in its entirety, with the recordation of this First Restated and Amended Master Declaration of Covenants, Conditions, and Restrictions for Rams Hill Community. The Owners' action to amend and restate the Original Master Declaration as set forth herein and the fact that the requisite percentage of affirmative votes required in the Original Master Declaration was achieved, is attested by the execution of this Master Declaration by duly authorized officers of the Association, as required by California Civil Code §1355(a). As so amended and restated, the easements, covenants, restrictions and conditions set forth herein shall run with the Rams Hill Community and shall be binding upon all parties having or acquiring any right, title or interest in the Rams Hill Community or any portion thereof, and shall inure to the benefit of each Owner thereof.

INDEX
TO
MASTER DECLARATION OF COVENANTS,
CONDITIONS, AND RESTRICTIONS
FOR
THE RAMS HILL COMMUNITY

<u>ARTICLES</u>	<u>PAGES</u>
I. PREAMBLE	1
II. DEFINITIONS	1
III. THE RAMS HILL COMMUNITY	
3.1 Land Use Classification	5
3.2 Annexation of Additional Property	6
IV. RAMS HILL COMMUNITY ASSOCIATION	
4.1 Purpose and Organization	7
4.2 Membership	7
4.3 Rams Hill Community Rights and Duties	8
4.4 Community Voting Rights	8
4.5 The Rams Hill Board	9
4.6 Powers of Rams Hill Community Association	11
4.7 Duties of Rams Hill Community Association	14
4.8 Rams Hill Rules	18
4.9 Enforcement	21
V. RAMS HILL FUNDS AND ASSESSMENTS	
5.1 Rams Hill Funds	21
5.2 Purpose of Rams Hill Assessments	21
5.3 Nature of Rams Hill Assessments	21
5.4 Allocation of Assessments to Lots or Units	23
5.5 Budget of Rams Hill Expenses	24
5.6 Levy of Rams Hill Assessments	24
5.7 Enforcement: Remedies	26
5.8 Collection of Rams Hill Assessment	27
5.9 Neighborhood Assessments	27
5.10 Subordination of the Lien to Mortgages	28

5.11	Distribution of Financial and Other Statements to Owners	28
5.12	Property Subject to Assessments	30
5.13	Property Not Subject to Assessments	31
VI. PROPERTY RIGHTS: RAMS HILL COMMON AREA		
6.1	Ownership of Rams Hill Common Area.....	31
6.2	Permitted Uses of Rams Hill Common Area	31
6.3	Owner's Easements of Use.....	31
6.4	Alterations of Improvements of Rams Hill Common Area	32
6.5	Limitations on Use of Rams Hill Community	33
6.6	Easements and Encroachments Over Rams Hill Common Area	35
VII. PROPERTY RIGHTS: RESIDENTIAL NEIGHBORHOOD		
7.1	Neighborhood Restrictions	36
7.2	Neighborhood Maintenance.....	37
7.3	Uses and Activities Within Neighborhood	38
VIII. PROPERTY RIGHTS: NON-RESIDENTIAL AREAS AND BUILDERS		
8.1	The Non-Residential Areas.....	39
8.2	Builders	39
IX. RAMS HILL ARCHITECTURAL CONTROL		
9.1	Scope.....	39
9.2	Rams Hill Architectural Committee	40
9.3	Duties	41
9.4	Meetings.....	41
9.5	Rams Hill Architectural Committee Guidelines	41
9.6	Application for Approval of Improvements	42
9.7	Builders and Non-Residential Owners.....	42
9.8	Basis for Approval of Improvements.....	43
9.9	Proceeding with Work	43
9.10	Inspection and Correction of Work.....	44
9.11	Preliminary Approval.....	45
9.12	Waiver.....	46
9.13	Estoppel Certificate.....	46
9.14	Liability.....	46
9.15	General Restrictions.....	46
9.16	Interpretation of Restrictions	47
9.17	Construction Clean-Up and Conformity of Construction with Plans	47

9.18	Variance.....	48
X.	DAMAGE, DESTRUCTION, AND CONDEMNATION	
10.1	Rams Hill Common Area.....	48
10.2	Neighborhood Common Area and Lots.....	49
10.3	Non-Residential Improvements	50
10.4	Condemnation	50
XI.	DEVELOPMENT RIGHTS	
11.1	Limitation of Restrictions	51
11.2	Rights of Access; Completion of Construction	52
11.3	Marketing Rights	52
XII.	MORTGAGEE RIGHTS	
12.1	Special Mortgagee Provisions.....	53
12.2	Additional Definitions	53
12.3	Rights of Mortgagee	54
XIII.	MISCELLANEOUS PROVISIONS	
13.1	Amendments	57
13.2	Duration	58
13.3	Supplemental Rams Hill Restrictions	59
13.4	Construction of Provisions.....	59
13.5	Binding.....	59
13.6	Severability of Provisions	59
13.7	Gender, Number, and Captions.....	59

**FIRST RESTATED AND AMENDED
MASTER DECLARATION OF COVENANTS
CONDITIONS AND RESTRICTIONS

FOR

THE RAMS HILL COMMUNITY**

ARTICLE I

PREAMBLE

The Master Declaration Covenants, Conditions and Restrictions for Rams Hill Community executed by DiGiorgio Corporation, a Delaware corporation ("Original Declarant"), and recorded on September 26, 1983 as Document No. 83-343525 of the Official Records of San Diego County, California ("Original Master Declaration"), and all subsequent amendments thereto through the date of recordation of this First Restated and Amended Master Declaration of Covenants, Conditions, and Restrictions which affects all of the property described and commonly known as The Rams Hill Community located in the City of Borrego Springs, County of San Diego, State of California, which is more particularly described in Exhibit "A," as amended, attached hereto and incorporated herein by reference, are hereby amended, restated and superceded in its entirety to read as follows:

ARTICLE II

DEFINITIONS

2.1 "Annexation" shall mean the process by which additional real property described in Exhibit "B" attached hereto may be made subject to the Master Declaration and included in the Rams Hill Community as set forth in Article III of the Master Declaration.

2.2 "Builders" shall mean a person or entity that acquires all or a portion of the real property included in the Rams Hill Community for development as a Neighborhood, all as more particularly specified in Article IX of the Master Declaration.

2.3 "Declarant" shall mean Borrego Investors, LLC, a California limited liability company, and its successors and assigns, if such successors and assigns acquire or hold record title to any part or all of the real property described in Exhibit "A" or Exhibit "B" for the purpose of development of Rams Hill Community, or any part thereof, and which are expressly named as successor Declarant in a document executed by Declarant and recorded with the County Recorder for San Diego County assigning the rights and duties of Declarant to such successor Declarant, with such successor Declarant accepting and assuming the assignment of such rights and duties. A successor Declarant shall also be deemed to include the beneficiary under any deed

of trust securing an obligation from a then existing Declarant encumbering all or any portion of the property described in Exhibits "A" and "B," which beneficiary has acquired any such property by foreclosure, power of sale or deed in lieu of such foreclosure or sale.

2.4 "Governing Documents" is a collective term that means and refers to this Declaration and the Articles, the Bylaws, and the Association Rules.

2.5 "Lot" shall mean any improved or unimproved residential lot or residential parcel shown on a recorded Subdivision Map or Parcel Map within the boundaries of Rams Hill Community.

2.6 "Master Declaration" shall mean and refer to the First Restated and Amended Master Declaration of Covenants, Conditions, and Restrictions for Rams Hill Community.

2.7 "Mortgage" shall mean a first mortgage or deed of trust which encumbers any one or more Lots, Units or other parcels of real property in Rams Hill Community, and shall include any first mortgage or deed of trust securing an obligation of Declarant hereunder and encumbering all or any part of the property described in Exhibits "A" and "B."

2.8 "Mortgagee" shall mean the holder of a mortgage or the beneficiary under a deed of trust defined as a Mortgage under Section 2.7 hereof.

2.9 "Neighborhood" shall mean all Lots and Units, improved or unimproved, and Neighborhood Common Area of a separate subdivision or development within Rams Hill Community as established by a final Subdivision Map or Final Parcel Map, Condominium Plan, Record of Survey or other Such land division and by the Neighborhood Declaration stating that such property shall be a separate Neighborhood, and providing for restrictions for the governing, operation and use thereof.

2.10 "Neighborhood Assessments" shall mean assessments determined pursuant to any Neighborhood Declaration which are levied exclusively on Lots or Units Contained in a particular Neighborhood.

2.11 "Neighborhood Association" shall mean the governing body of a Neighborhood which is created pursuant to the Neighborhood Declaration and the articles of incorporation and bylaws therefor.

2.12 "Neighborhood Board" shall mean the governing body of a Neighborhood Association as established pursuant to the Neighborhood Declaration and the articles of incorporation and bylaws for the Neighborhood Association.

2.13 "Neighborhood Common Area" shall mean the area within the boundaries of a Neighborhood owned by the Neighborhood Association or collectively by the Owners of Lots or

Units within the Neighborhood in common and restricted to use primarily by such Owners, their lessees and invitees.

2.14 "Neighborhood Declaration" shall mean the covenants, conditions and restrictions recorded with respect to each neighborhood; including the declarations providing for annexation of increments, if any, to a particular Neighborhood.

2.15 "Neighborhood Residential Area" shall mean those areas shown on the Rams Hill Specific Plan as property Specified for residential development and use and/or established as Neighborhoods pursuant to a Neighborhood Declaration.

2.16 "Non-Residential Area" shall mean all of the areas of Rams Hill Community described in Section 3.1 of this Master Declaration except the Neighborhood Residential Area.

2.17 "Original Master Declaration" means and refers to the document referenced in the Preamble to this Declaration, together with all amendments and annexations thereto, adopted prior to recordation of this Declaration.

2.18 "Owner" shall mean a record owner of fee simple title to any Lot, Unit or other Parcel of property (exclusive of Private Streets, Rams Hill Common Area or Neighborhood Common Area) in Rams Hill Community, whether held by one or more persons or entities, and shall include Declarant and Builders unless the context otherwise provides. A contract purchaser under a recorded installment land sales contract shall be included as an "Owner," but those merely having an interest in property as security for performance of an Obligation shall not be Owners.

2.19 "Private Streets" shall mean those streets, roads and drives within the Rams Hill Common Areas or within Neighborhoods which are not Public Streets.

2.20 "Public Streets" shall mean those streets, roads and drives within Rams Hill Community which are or will be designated for dedication and acceptance as public streets and are accepted by the County of San Diego or successor governmental agency having jurisdiction thereof.

2.21 "Rams Hill Articles" shall mean the Articles of Incorporation for the Rams Hill Community Association.

2.22 "Rams Hill Architectural Committee" shall mean the committee established pursuant to Article IX hereof, which shall perform the functions specified in Article IX.

2.23 "Rams Hill Assessments" shall mean the Assessments levied by the Rams Hill Community Association pursuant to Article V of the Master Declaration.

2.24 "Rams Hill Community Association" shall mean the RAMS HILL COMMUNITY ASSOCIATION, a California non-profit mutual benefit corporation, or any successor or entity charged with the duties, obligations and powers of said association.

2.25 "Rams Hill Board" shall mean the Board of Directors of the Rams Hill Community Association, established under Section 4.5 and elected and acting pursuant to the Master Declaration, the Rams Hill Articles and the Rams Hill Bylaws.

2.26 "Rams Hill Bylaws" shall mean the Bylaws for the Rams Hill Community Association, duly adopted by the Rams Hill Board.

2.27 "Rams Hill Commercial Area" shall mean any area designated on the Rams Hill Specific Plan as for commercial (including golf course and tennis courts), retail, or hotel use, and which property is restricted by a Supplemental Restriction to commercial, retail or hotel activities and activities generally associated with and located in a commercial shopping center, a hotel, or a hotel complex with commercial and retail facilities.

2.28 "Rams Hill Common Area" shall mean all real property in which the Rams Hill Community Association owns an interest for the common use and benefit of the Rams Hill Members, the Owners and their lessees, guests, agents, invitees or patrons specified as such in Section 3.1. The Rams Hill Common Area may include an interest held as a leasehold estate or an easement as well as estates in fee.

2.29 "Rams Hill Community" shall mean all of the real property subject to this Master Declaration, and all of the improvements thereof. Initially the Rams Hill Community shall consist only of the real property described in Exhibit "A". Additional real property may become part of the Rams Hill Community only by Annexation.

2.30 "Rams Hill Director" shall mean the representatives elected to the Rams Hill Board pursuant to Section 4.5 hereof.

2.31 "Rams Hill Member" shall mean the Neighborhood Association or other entity holding membership in the Rams Hill Community Association pursuant to Section 4.2 hereof.

2.32 "Rams Hill Rules" shall mean the rules and regulations adopted by the Rams Hill Board as provided in Section 4.8 of the Master Declaration.

2.33 "Rams Hill Specific Plan" shall mean Exhibit "C" attached to this Master Declaration, Consisting of the Rams Hill Community Specific Plan (SP 80-01) dated December 11, 1979 and approved May 7, 1980 by the Board of Supervisors of the County of San Diego pursuant to Resolution No. 31 (the "Initial Specific Plan Map"), as said Initial Specific Plan Map may be supplemented from time to time by additional specific plan maps approved by the County of San Diego, or successor governmental agency having competent jurisdiction thereof, (or other maps,

plans, permits or similar approvals required in lieu of an additional specific plan map) for areas included in the real property described on Exhibit "B" attached hereto and designated as "Not A Part" on said Initial Specific Plan Map.

2.34 "Rams Hill Voting Rights" shall mean the number and allocation of votes to Lots or Units or unsubdivided property in the Rams Hill Community as specified in Section 4.4 of the Master Declaration.

2.35 "Supplemental Restrictions" shall mean the Declaration of Covenants, Conditions and Restrictions including any Declaration of Annexation, executed and recorded by Declarant or a successor Declarant establishing use restrictions as covenants running with the land as to any property in the Rams Hill Community other than Neighborhoods.

2.36 "Unit" shall mean any unit which is a part of a condominium project or a community apartment project in the Rams Hill Community as shown on any recorded Subdivision Map or Condominium Plan for such project.

ARTICLE III

THE RAMS HILL COMMUNITY

3.1 Land Use Classification. The real property within the Rams Hill Community shall be divided into the following land use classifications, as said classifications are defined in Article II hereof and/or shown on the Rams Hill Specific Plan:

- A. Neighborhood Residential Area (Designated as Planned Development Project Area, Single Family Detached Homes area, and Estates area on the Initial Specific Plan Map);
- B. Neighborhood Common Area;
- C. Rams Hill Common Area;
- D. Rams Hill Commercial Area;
- E. Public Streets (Designated as Public Road on the Initial Specific Plan Map); and
- F. Private Streets.

In the event that the nature or extent of the land use classification of any such property is changed by an amendment to the Rams Hill Specific Plan which is approved by the County of San Diego (or successor governmental entity with competent jurisdiction), the land use

classification as established by any such amendment to the Rams Hill Specific Plan shall govern and supersede the foregoing land use classifications.

3.2 Annexation of Additional Property. Additional property may be annexed to the Rams Hill Community only as specified in the following subsections:

3.2.1 Declarant's Annexation Rights: Declarant may, but shall not be required to, annex all or any portion of the property described in Exhibit "B" to the Rams Hill Community, excluding any property described therein that is or may be developed as a golf course, at any time or from time to time without the vote or approval of any other Owners, the Rams Hill Community Association or any Neighborhood or Neighborhood Association; provided, however, that if such annexation is not effected prior to the tenth anniversary of the recording of this Master Declaration, then such annexation shall require the vote of written assent of two-thirds (2/3) of the total votes residing in members of the Rams Hill Community Association other than Declarant. Annexation by Declarant may be effected by increments. Notwithstanding the above, the Declarant's right to submit property to the terms of the Master Declaration shall be limited by the plan of phase development of the Rams Hill Community submitted to the State of California Department of Real Estate ("DRE") with the first phase of the Rams Hill Community development.

3.2.2 Annexation Procedure: The annexation of any such property by Declarant shall be effected by the recordation of Declaration of Annexation by or with the consent of Declarant describing the property to be annexed and providing for such additional covenants, conditions and restrictions on such annexed property as may be necessary to include such property in the Rams Hill Community and specifying that all of the covenants, conditions and restrictions of the Master Declaration shall apply to such annexed property in the same manner as if it were originally covered by the Master Declaration as part of the Rams Hill Community. No Declaration of Annexation shall in any event revoke or modify the limitations, restrictions and covenants established by the Master Declaration, discriminate between some owners of such property and other owners of any other property within the Rams Hill Community, except as provided herein, change the general common plan or scheme created by this Master Declaration, nor affect the provisions hereof or thereof as covenants running with the land or equitable servitudes. The express desire and intention of Declarant is to establish a cohesive plan of such covenants and servitudes to be uniformly applicable to all portions of the Rams Hill Community, including those portions added thereto by annexation.

3.2.3 Rams Hill Common Area: Any portion of the property being annexed that is intended or required to be Rams Hill Common Area shall be conveyed to the Rams Hill Community Association upon the annexation of any such property.

3.2.4 Rights and Obligations of Owners: After the required annexation procedures are fulfilled, all Owners in the Rams Hill Community shall be entitled to the use of any Rams Hill Common Area in such annexed property, subject to the provisions of the Master Declaration, and

Owners of such annexed property shall thereupon be subject to the Master Declaration. After each annexation, the Rams Hill Assessments shall be assessed with the annexed property being assessed for a proportionate share of the total Rams Hill expenses on the same basis as the other property in the Rams Hill Community.

3.2.5 Other Annexation of Property: Additional property adjacent to the Rams Hill Community which does not qualify for annexation pursuant to the terms of subsection 3.2.1 above may be annexed to the Rams Hill Community upon the written vote or consent of not less than two-thirds (2/3) of the total votes of the Rams Hill Community Association, excluding the votes of the Declarant, and written consent of the owner of such property and upon fulfillment of the procedures by the owner of such property substantially similar to those set forth in subsection 3.2.2 above.

ARTICLE IV

RAMS HILL COMMUNITY ASSOCIATION

4.1 Purpose and Organization: The Rams Hill Community Association is a non-profit mutual benefit corporation formed to operate and maintain the Rams Hill Community for the benefit of the Owners of Lots and Units in the Rams Hill Community. The Rams Hill Community Association is charged with the duties and given the powers set forth in this Article IV. The Rams Hill Community Association was created by the Rams Hill Articles and its affairs shall be governed by the Rams Hill Articles, the Rams Hill Bylaws and this Master Declaration. In the event that the Rams Hill Community Association as a corporate entity is dissolved, a non-profit unincorporated association shall forthwith and without further action or notice be formed to succeed to all of the rights and duties of said Association hereunder. The affairs of said unincorporated association shall be governed by the Rams Hill Articles and the Rams Hill Bylaws as if they were created for the purpose of governing the affairs of an unincorporated association.

4.2 Membership: Declarant, at any time that Declarant owns a lot, unit, or unsubdivided property in Rams Hill Community, and each Neighborhood Association established within the Rams Hill Community shall be members of the Rams Hill Community Association. A Neighborhood Association shall become a member of the Rams Hill Community Association when any portion of a particular Neighborhood, as said Neighborhood is established by Declarant or Builders, is annexed into the Rams Hill Community. For any property annexed into the Rams Hill Community for which a Neighborhood Association has not yet been formed, the membership in the Rams Hill Community Association for such property shall be in Declarant. So long as Declarant is entitled to three (3) votes for each Lot and/or Unit owned by Declarant pursuant to Section 4.4.2 or 4.4.3 below, it shall be deemed that there are two (2) classes of membership with the Class "A" membership being that held by Neighborhood Association and the Class "B" membership being that held by Declarant. When Declarant's votes become one (1)

vote per Lot and/or Unit, the Declarant's Class "B" membership shall be converted to Class "A" membership, the Class B membership shall cease to exist, and there shall thereafter be only one (1) class of membership. Upon the expiration of the Class "B" membership, with respect to each provision of this Declaration which requires the vote of each class of Members, the same shall be read as requiring both (a) the vote of the prescribed percentage of all of Class "A" members and (b) the vote of the prescribed percentage of Class "A" members other than Declarant.

4.3 Rams Hill Community Rights and Duties: Declarant, if it is an Owner, each Neighborhood Association and each Owner who is a member of any Neighborhood Association shall be entitled to the use of the Rams, Hill Common Area. Such rights of use shall terminate upon the termination of membership of such Owner as a member of the Neighborhood Association or upon the termination of such Owner's ownership of property within the Rams Hill Community. Upon conveyance, sale or assignment of record of an Owner's interest in a Lot or Unit of property in the Rams Hill Community, the grantee of such Lot or Unit shall automatically succeed to the Rams Hill Community rights of the selling Owner. No Owner in the Rams Hill Community may avoid any obligations imposed on Owners of property in the Rams Hill Community by this Master Declaration by non-use of the Rams Hill Common Area, Neighborhood Common Area, renunciation, non-use or abandonment of his Lot or Unit in the Rams Hill Community, or other act of abandonment or renunciation.

4.4 Community Voting Rights: On matters which this Master Declaration requires the vote of members of the Rams Hill Community Association the following procedures shall apply.

4.4.1 Votes of Neighborhood Association: Each Neighborhood Association shall have one vote for each Lot or Unit then a part of the Neighborhood as established by the Neighborhood Declaration and not owned by Declarant or Builders.

4.4.2 Votes of Declarant (Subdivided Neighborhood Residential Area): For any Lot or Unit then part of a Neighborhood established by the Neighborhood Declaration and owned by Declarant or Builders, the Declarant shall have three (3) votes for each such Lot or Unit in said Neighborhood; provided, however, that said votes shall become one vote per Lot and/or Unit upon the earlier of (a) the conveyance to Class "A" members of 75% of the maximum number of Lots or Units permitted by the Rams Hill Specific Plan; (b) the fifth anniversary following the most recent conveyance to a Class "A" member of the first Lot or Unit in any phase of the Rams Hill Community under the authority of a Final Subdivision Public Report issued by the DRE for any phase of the Rams Hill Community ("DRE Report"); (c) the tenth anniversary of the first conveyance of a Lot or Unit to a Class "A" member under the authority of a DRE Report after the recording of this Master Declaration; or (d) when, in its discretion, Declarant so determines and declares in a recorded instrument. For any Lots or Units owned by Declarant or Builders which are annexed into the Rams Hill Community but for which a Neighborhood Association has not been formed, the Declarant shall have three (3) votes for each such Lot and/or Unit in said property so annexed to the community; provided, however, that said votes shall become one vote per Lot and/or Unit as stated in this section.

4.4.3 Votes of Declarant (Unsubdivided Neighborhood Residential Area): For any Neighborhood Residential Area or portion thereof annexed into the Rams Hill Community by Declarant which is owned by Declarant or Builders and is not divided by a Final Subdivision Map or Condominium Plan into Residential Lots or Units, the Declarant shall have three (3) votes for each Lot and/or Unit per acre, based on the maximum density established for the annexed property pursuant to the Rams Hill Specific Plan applicable to such property, multiplied by the number of acres of the property so annexed. Any provision of the foregoing to the contrary, notwithstanding, for any unsubdivided property, said votes shall become one vote per approved Lot and/or Unit per acre as set forth in Section 4.4.2.

4.4.4 Voting Procedures: The votes of each Neighborhood Association shall be cast in writing at a meeting called for the purpose of such voting. The President of each Neighborhood Association shall cast the votes allocated to that particular Neighborhood Association. Each such President shall be entitled to designate a substitute Neighborhood Board Director to act in his absence. Except for votes allocated to the Declarant or a Builder, the manner in which any particular Neighborhood Association casts its votes on a particular issue shall be determined by the Neighborhood Board. The votes attributed to Declarant or a Builder shall be cast in writing by Declarant or a duly authorized representative of Declarant.

4.4.5 Special Voting Procedures: Until seventy-five percent (75%) of the Lots or Units in a Neighborhood have been sold to Owners other than Declarant or a Builder, special voting procedures shall be followed on all issues, other than election of Rams Hill Directors, which require approval of a percentage of the Rams Hill Voting Rights. The votes of such Owners other than Declarant or Builders on such issues shall be separately determined by the Neighborhood Association. As so determined, such votes shall be separately cast by the Neighborhood Association President. For any such issue to be approved, it must be approved by the required percentage of the Rams Hill Voting Rights, including a separate determination of approval of the issue by the required percentage of those Owners other than Declarant or Builders in all those Neighborhoods subject to this special procedure combined with the Rams Hill Voting Rights of those Neighborhood Associations for Neighborhoods in which seventy-five percent (75%) of the Lots or Units have been sold to Owners other than Declarant or Builders.

4.5 The Rams Hill Board: The Rams Hill Board shall undertake and carry out all of the powers and duties of the Rams Hill Community Association and the management and conduct of the affairs thereof as provided in the Rams Hill Declaration, except those acts which are expressly reserved to the vote of the Rams Hill membership in this Declaration. The Rams Hill Board may delegate its powers and duties to such committees, officers, Neighborhood or professional managers as the Rams Hill Board deems appropriate, subject at all times to the direction and control of said Board. The Rams Hill Board shall conduct its affairs as provided in the Rams Hill Bylaws.

4.5.1 Make-up of Board: The Rams Hill Board may consist of between five (5) to seven (7) Rams Hill Directors. The Rams Hill Board shall consist of five (5) Rams Hill Directors unless the Owners, by a vote of fifty-one percent (51%) of the Owners, approve an increase in the number of Rams Hill Directors on the Rams Hill Board to seven (7) Rams Hill Directors.

4.5.2 Procedure for Selection: The Rams Hill Directors shall be elected by the Presidents of each of the Neighborhood Associations, acting as the elector of each respective Neighborhood in the Rams Hill Community, and by Declarant or its duly authorized representative, acting as the elector with respect to such Declarant and Builders. Each such President shall cast one vote for each Lot or Unit in said Neighborhood not owned by Declarant or a Builder. Declarant, or its duly authorized representative, shall cast the votes attributed to Declarant or Builders. For any property in a Neighborhood which has been subdivided into residential Lots or Units the votes allocated for such property shall be as set forth in Sections 4.4.1 and 4.4.2. For any property in a Neighborhood Residential Area which has not been divided into residential Lots or Units pursuant to a Final Subdivision Map or Condominium Map, the votes allocated for such property to Declarant or a Builder shall be as set forth in Sections 4.4.3. Election to and removal from the Rams Hill Board shall be by cumulative voting, as defined in California Corporations Code, Section 708, by secret written ballot. Except for representatives elected by or through Declarant, the representatives on the Rams Hill Board must be an Owner within the Rams Hill Community, but may be an employee or officer of a corporate Owner.

At least sixty (60) days prior to any election of any Rams Hill Director, the Rams Hill Community Association shall cause a Notice of Election to be sent to each Neighborhood Board and Declarant. Each Neighborhood Board and Declarant shall be entitled to nominate candidates for any open position on the Rams Hill Board by written notice to the Rams Hill Board. Except for representatives of Declarant, however, no more than one (1) Rams Hill Director from any particular Neighborhood shall be elected or shall otherwise serve on the Rams Hill Board at the same time. Nominations shall be closed two weeks after the date of the Notice of Election from the Rams Hill Community Association. The Rams Hill Community Association shall thereupon cause a slate of nominees to be circulated to each Neighborhood Board, and Declarant.

4.5.3 Initial Board. The initial Rams Hill Board, which shall be appointed within 30 days after the filing of this Master Declaration, shall consist of three directors who shall be appointed by the Declarant and two (2) directors who shall be selected pursuant to the procedures set forth in Sections 4.5.2 and 4.5.4. The initial Rams Hill Directors appointed by Declarant shall serve at the pleasure of the Declarant.

The initial Rams Hill Board shall hold office until one (1) year after the filing of the Master Declaration, or until fifty one percent (51%) of all Residential Lots or Units in the Rams Hill Community, which are subject to the Final Subdivision Public Report issued by the DRE, have been sold and conveyed to purchasers other than Declarant or Builders, whichever first occurs. Within forty-five (45) days of the occurrence of said event, then a special election for a

new Rams Hill Board shall be held pursuant to the procedures established in this Section 4.5. Annually thereafter, on a date specified by the Rams Hill Board, an election of a new Rams Hill Board by the procedures stated herein shall be held.

4.5.4 Owners Rights: In any election of Rams Hill Directors, so long as the majority of the voting power resides in Declarant, the Rams Hill Board shall adopt special procedures to assure that at least forty percent (40%) of the Rams Hill Directors are elected solely by the votes of the representatives on the Neighborhood Boards elected solely by vote of Neighborhood Owners other than Declarant or Builders. A representative to the Rams Hill Board elected pursuant to the procedures established under this provision may be removed prior to the expiration of his or her term of office only by a vote of a least a simple majority of representatives of Neighborhoods; excluding those elected exclusively by vote of Declarant or Builders.

During the period Declarant has the majority voting power, if Declarant shall fail to fulfill its duties relating to the operation of the Rams Hill Community Association, the majority of the Rams Hill Directors appointed or elected by Declarant shall be prohibited from voting or acting on behalf of the Rams Hill Board until such time as the Declarant fulfills such duties or cures the default. The prohibition shall effectively reduce the Rams Hill Board to the number of Rams Hill Directors with active voting powers remaining after the enactment of the prohibition, and any requirements for the actions of the Rams Hill Board shall be determined by the number of Rams Hill Directors with active voting powers. Until such time as the Declarant fulfills such duties or cures the default, the Rams Hill Board shall continue to conduct business and perform its operations despite such reduction in numbers.

Prior to the enactment of such prohibition, the Rams Hill Board, by a unanimous vote of the Rams Hill Directors appointed by the Owners under this section, shall provide Declarant with notice of such default and shall provide Declarant thirty (30) days to cure. If Declarant fails to cure the default, the prohibition shall take effect until such time as the Declarant remedies the default and provides notice of such to the Rams Hill Board. Notwithstanding this prohibition, the Rams Hill Board shall continue to conduct business.

4.5.5 Liability of Board Members: No Rams Hill Director shall be personally liable to any of the Rams Hill Members or to any other person or entity including Declarant or any Neighborhood Association, for any error or omission of the Rams Hill Community Association, Rams Hill Board representative, its agents and employees, or the Architectural Committee, provided that such Board representative has, upon the basis of such information as may be possessed by him, acted in good faith.

4.6 Powers of Rams Hill Community Association: The Rams Hill Community Association shall have all of the powers of a nonprofit mutual benefit corporation organized under the laws of the State of California in operating for the benefit of its Members subject only to the limitations expressly set forth in the Rams Hill Articles, Rams Hill Bylaws and this Master Declaration.

The Rams Hill Community Association shall have the power to do any and all acts which are authorized, required or permitted under this Master Declaration and to undertake any and all acts which may be reasonable and necessary for, or incidental to the exercise of any express powers granted the Rams Hill Community Association for the peace, health, comfort, safety or general welfare of the Rams Hill Community. Except as expressly provided herein, the powers and duties of the Rams Hill Community Association shall be exclusively performed by the Rams Hill Community Association. As particularly provided in Sections 5.9 and 7.2.4 the Rams Hill Community Association may supersede the actions or decisions of any Neighborhood Association in matters regarding the maintenance and overall operation of any such Project. In absence of action by the Rams Hill Community Association, the various Neighborhood Associations shall be entitled to perform the functions designated herein for an individual Neighborhood Association until the Rams Hill Community Association undertakes such function or activity. Without limiting the generality of the foregoing, the Rams Hill Community Association shall have the following powers and authority, which unless expressly provided otherwise shall be undertaken by the Rams Hill Board, or such committees, entities, persons or companies expressly designated by the Rams Hill Board to exercise such powers or authority:

4.6.1 Performance of Duties: Undertake all of the express duties required under Section 4.7 to be done by the Rams Hill Community Association.

4.6.2 Right of Entry and Enforcement: The Rams Hill Board and its agents and representatives shall have the power and right to enter upon any Lot or Unit in a Neighborhood without liability to any Owner, and Neighborhood Common Area, upon at least twenty-four (24) hours prior notice, except in emergencies, for the purpose of enforcing any of the provisions of these restrictions, or upon satisfaction of the procedures under Section 7.2, for the purpose of maintaining and repairing the improvements located on said Lot or Unit. The costs of any such action or suit, including reasonable attorneys' fees shall be paid to the prevailing party.

4.6.3 Employment of Manager: The Rams Hill Board shall have the power to employ the services of a manager or other employee, or a professional manager or management company, subject to the direction and control of said Board, to manage and carry out the affairs of the Rams Hill Community Association, and, to the extent not inconsistent with the laws of the State of California and upon such conditions as are otherwise deemed advisable by the Board, to delegate to the manager any of its powers; provided, however, that any contract with such professional manager or management company, and the compensation to be paid, for a term greater than one (1) year must be approved by the Neighborhood Board to delegate to the manager any of its powers; provided, however, that any contract with such professional manager or management company, and the compensation to be paid, for a term greater than one (1) year must be approved by the Neighborhood Boards representing at least fifty-one percent (51%) of the Rams Hill Voting Rights. In no event shall any management agreement be for a term greater than three (3) years and said agreement shall provide for termination for cause on a maximum of ninety (90) days written notice.

4.6.4 Services: The Rams Hill Board shall have power to provide for, or engage the services of others for the maintenance, protection and preservation of the Rams Hill Common Areas, including grounds keepers, painters, plumbers and other maintenance personnel, as the nature and character of such Rams Hill Common Areas may require, and including such necessary personnel as the nature and character of the recreational facilities may require; provided, however, that no contract for such services shall be for a duration of more than one (1) year, except with the approval of the Neighborhood Boards representing at least a majority of the Rams Hill Voting Rights and in no event greater than three (3) years. Said contract shall provide for termination for cause on a maximum of ninety (90) days written notice. The Rams Hill Board shall have the power to retain such legal and accounting services as may be required by the Rams Hill Board for operation of the Rams Hill Community Association or enforcement of this Master Declaration.

4.6.5 Other Property: The Rams Hill Board shall have the power to acquire and hold, as trustee for the benefit of its Members, tangible and intangible personal property and to dispose of the same by sale or otherwise. No such personal property of a value greater than five percent (5%) of the budgeted gross expenses of the Rams Hill Community Association shall be acquired by or disposed of by the Rams Hill Community Association without written approval of the Neighborhood Boards representing at least fifty-one percent (51%) of the Rams Hill Voting Rights.

4.6.6 Mergers: The Rams Hill Community Association shall have the power to the extent permitted by law, to participate in mergers and consolidations with other non-profit corporations organized for the same purposes as the Rams Hill Community Association, provided that any such merger or consolidation shall have the approval by affirmative vote or written consent of the Neighborhood Boards representing at least seventy-five percent (75%) of the Rams Hill Voting Rights.

4.6.7 Easements and Rights of Way: The Rams Hill Community Association shall have the power to grant and convey to any third party easements, licenses for use and rights of way, in, on, over or under any Rams Hill Common Area conveyed, or otherwise, transferred to the Rams Hill Community Association or under its jurisdiction, upon the affirmative vote or written consent of the Neighborhood Boards representing at least seventy-five percent (75%) of the Rams Hill Voting Rights.

4.6.8 Dedication: The Rams Hill Community Association shall have the power to dedicate any of its property to an appropriate public authority or utility company for public use, provided that any such dedication shall have the approval either by affirmative vote or written consent of the Neighborhood Boards representing at least seventy-five percent (75%) of the Rams Hill Voting Rights.

4.6.9 Power to Resolve Disputes: Each Rams Hill Member and Neighborhood Association hereby vests in and irrevocably delegates to the Rams Hill Board or its duly authorized representative the right and power to negotiate with, bring all actions at law or equity, and enter into settlement agreements with Declarant concerning any matter involving liability of or alleged liability of Declarant to the Rams Hill Community Association or the Neighborhood Associations or any Rams Hill Member, related to the construction or operation of Rams Hill Community facilities and improvements. Representatives to the Rams Hill Board selected by Neighborhood Boards or other electors whose vote is controlled by Declarant shall be excluded from voting on any settlement effected pursuant to this provision.

4.6.10 Use Fees: The Rams Hill Board shall have the power to charge reasonable use fees to Owners and others for any recreational facility situated upon the Rams Hill Common Area, but in no event shall any such fees be charged for the use of the streets, sidewalks or flood control facilities of the Rams Hill Community.

4.7 Duties of Rams Hill Community Association: The Rams Hill Community Association shall have the duty and obligation to perform the acts and functions stated in this provision subject to and in accordance with this Master Declaration.

4.7.1 Member: The Rams Hill Community Association shall accept Declarant and all Neighborhood associations entitled under Section 4.2 as Members.

4.7.2 Annual Meeting: There shall be annual meetings of the Presidents of Neighborhood Associations and Declarant for the purpose of selecting representatives to the Rams Hill Board as required under Section 4.5. Such annual meetings shall be held within ninety (90) days after the end of each calendar year and in accordance with the Rams Hill Bylaws.

4.7.3 Rams Hill Community Standards: The Rams Hill Community Association shall establish and maintain overall quality standards for the Rams Hill Community compatible with Declarant's development plans. Such quality standards shall include, but not be limited to, the standards relating to the construction, maintenance, use and repair of improvements located in the Rams Hill Community. The inherent powers and duties emanating therefrom may be delegated by the Rams Hill Board to the Rams Hill Architectural Committee or other committee appointed by the Board.

4.7.4 Rams Hill Community Assessment and Funds: The Rams Hill Community Association shall establish the Rams Hill Funds, determine, levy, collect and enforce all Rams Hill Assessments and cause to be prepared all budgets and financial statements, all pursuant to Article V.

4.7.5 Rams Hill Common Area Maintenance: The Rams Hill Community Association shall maintain, repair, replace, paint and landscape the Rams Hill Common Area and other

property and interest owned by the Rams Hill Community Association, and acquire, maintain and replace such furnishings and equipment as the Rams Hill Board shall determine proper. The Rams Hill Community Association shall additionally take all steps necessary and property to control erosion and otherwise maintain slope areas within the Rams Hill Common Area.

4.7.6 Operation of Rams Hill Common Area Facilities: The Rams Hill Community Association shall operate and cause to be operated the facilities Situated on the Rams Hill Common Area and the Rams Hill Board shall periodically review the nature and scope of the operations of the Rams Hill Community Association to assure such operations are in satisfactory compliance with the requirements of the Master Declaration and the Rams Hill Bylaws.

4.7.7 Review of Neighborhood Operations: The Rams Hill Community Association shall periodically review the operation of the Neighborhood Associations and the maintenance and repair of the property within the Neighborhoods. As provided in Section 7.2 the Rams Hill Community Association may take such steps as the Rams Hill Board deems appropriate to assure that the operation of the Neighborhoods substantially complies with the standards established for the Rams Hill Community.

4.7.8 Insurance: The Rams Hill Community Association shall provide insurance for the Rams Hill Common Areas, or other interests owned by the Rams Hill Community Association, including:

(a) A policy or policies of fire insurance, with extended coverage endorsement; including but without limitation, insurance against theft, vandalism, and malicious mischief, for any improvements on the Rams Hill Common Area to the highest insurable value as can be reasonably obtained by the Rams Hill Board and such other fire and casualty insurance as the Rams Hill Board determines necessary for adequate protection of the Rams Hill Community.

(b) A policy or policies insuring the Rams Hill Board, the Rams Hill Community Association, the Rams Hill Members, the Rams Hill Community Association's employees and Neighborhood Boards against any liability to the public or Rams Hill Members, incident to the ownership and use of the Rams Hill Common Area and any other property or interest owned by the Rams Hill Community Association, and including the personal liability exposure of the Rams Hill Members with respect to such property. Limits of liability under such insurance shall not be less than Three Million Dollars (\$3,000,000.00) for any one person insured in any one accident, and Five Hundred Thousand Dollars (\$500,000.00) for property damage for each occurrence (such limits and coverage to be reviewed at least annually by the Rams Hill Board and increased in its discretion). Said policy or policies shall be issued on a comprehensive liability basis and shall provide cross-liability endorsement wherein the rights of named insureds under the policy or policies shall not be prejudiced as respects his, her or their action against other named insureds.

(c) Errors and omissions insurance covering the Rams Hill Board, each Rams Hill Director, each and any officer of the Rams Hill Community Association, and each committee of the Rams Hills Community Association and Rams Hill Board, and each member of any such committee. Such coverage shall be obtained in the minimum amount of One Million Dollars (\$1,000,000.00).

(d) Worker's Compensation Insurance to the extent necessary to comply with any applicable laws.

(e) Such other insurance as may be reasonably required to qualify the Rams Hill Community or any part thereof for permanent financing through the Federal Home Loan Mortgage Corporation, Federal National Mortgage Association, Government National Mortgage Association, or other similar entities purchasing or granting mortgages on improved Lots or Units.

(f) Such other insurance as the Rams Hill Board determines as reasonable and appropriate to protect the Rams Hill Community Association and its members. Without a vote of a majority of the members other than Declarant, no prepaid casualty and/or liability insurance policies shall exceed one (1) year in duration; provided that such policies may have terms of up to three (3) years if such policy or policies provide for short rate cancellation by the insured.

4.7.9 Fidelity Bond: The Rams Hill Community Association shall require that appropriate fidelity bonds be provided protecting the Rams Hill Community Association for any Rams Hill Director, employees, managers or other such persons handling monies and accounts of said Association.

4.7.10 Liens and Charges: The Rams Hill Community Association shall pay any amount necessary to discharge any lien or encumbrance upon the Rams Hill Common Area, or any other property or interest of the Rams Hill Community Association. Where one or more Owners are jointly responsible for the existence of such lien, they shall be jointly and severally liable for the cost of discharging it, and any costs incurred by the Rams Hill Community Association by reason of said lien or liens shall be specially assessed to said Owner(s).

4.7.11 Rams Hill Community Rules: The Rams Hill Community Association shall adopt such rules as the Rams Hill Board deems reasonable and appropriate and enforce the same, as provided in Section 4.8.

4.7.12 Rams Hill Common Area Safety: The Rams Hill Community Association shall provide for such services for the protection and safety of the Rams Hill Common Areas as the Rams Hill Board deems reasonable and appropriate.

4.7.13 Circulation System: The Rams Hill Community Association shall control, operate, maintain and regulate the circulation system (that is, the Private Streets and related

facilities conveyed to the Rams Hill Community Association as part of the Rams Hill Common Area) of the Rams Hill Community in a manner that will facilitate and encourage the use thereof by all Rams Hill Members.

4.7.14 Utilities: The Rams Hill Community Association shall obtain all utility services necessary or desirable for the benefit of the Rams Hill Common Area; including, but not limited to, water, electricity, telephone, community communications, refuse collection and sewage disposal.

4.7.15 Enforcement of Bonded Obligations: In the event the improvements to the Rams Hill Common Area have not been completed prior to the issuance of a DRE Report covering Rams Hills by the California Real Estate Commissioner, and the Rams Hill Community Association is an obligee under a bond or other arrangement ("Bond") to secure performance of the commitment of the Declarant or a Builder to complete such improvements, the following provisions shall apply:

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

(b) In the event the Rams Hill Board determines not to initiate action to enforce the obligations under the Bond or in the event the Rams Hill Board fails to consider and vote on such question, as provided in Section 4.7.15(a), the Rams Hill Board shall call a special meeting of the Owners for the purpose of voting to override such decision or such failure to act by the Rams Hill Board. Such meeting shall be called according to the provisions of the Rams Hill Bylaws dealing with meetings of the Owners, but in any event such meeting shall be held not less than thirty-five (35) nor more than forty-five (45) days after receipt by the Rams Hill Board of a petition for such meeting, signed by Owners holding not less than five percent (5%) of the total votes in the Rams Hill Community Association.

(c) The only Owners entitled to vote at such meeting shall be Owners other than Declarant. A vote at such meeting of not less than fifty-one percent (51%) of the total votes in the Rams Hill Community Association held by Owners other than Declarant, to take action to enforce the obligations under the Bond shall be deemed to be the decision of the Rams Hill Community Association, and the Rams Hill Board shall thereafter implement such decision by initiating and pursuing appropriate action in the Rams Hill Community Association's name.

4.7.16 Rams Hill Community Safety and Security: Each Owner and occupant of a Lot or Unit, and their respective guests and invitees, shall be responsible for their own personal safety and the security of their property in the Rams Hill Community. The Rams Hill Community Association may provide, but is not obligated to, maintain or support certain activities within the Rams Hill Community designed to promote or enhance the level of safety or security which each person provides for himself or herself and his or her property. However, neither the Rams Hill Community Association nor the Declarant shall in any way be considered insurers or guarantors of safety or security within the Rams Hill Community, nor shall either be held liable for any loss or damage by reason of failure to provide adequate security or ineffectiveness of security measures.

The Rams Hill Community Association may limit access to the residential areas of the Rams Hill Community to Owners, the Declarant, Builders, any real estate company designated by the Declarant and their guests, invitees, agents and employees. In no event shall the Rams Hill Community Association interfere with the free access of the owners of the Rams Hill Commercial Area, and their tenants, subtenants, licensees, invitees, guests and patrons, over Rams Hill Road to Rams Hill Commercial Area.

No representation or warranty is made that any systems or measures, including security monitoring systems or any mechanism or system for limiting access to Rams Hill Community, cannot be compromised or circumvented, nor that any such systems or security measures undertaken will in all cases prevent loss, or provide the detection or protection for which the system is designed or intended. Each Owner acknowledges, understands, and shall be responsible for informing any tenants and other occupants of such Owner's Lot or Unit, that the Rams Hill Community Association, the Rams Hill Board and committees, and the Declarant are not insurers or guarantors of security or safety and that each person within the Rams Hill Community assumes all risks of personal injury and loss or damage to property, including Lots or Units and the contents therein resulting from acts of third parties.

4.8 Rams Hill Rules: The Rams Hill Board may from time to time, subject to the Master Declaration, adopt rules and regulations pertaining to the management, operation and use of facilities, improvements and property within the Rams Hill Common Area (including, but not limited to, recreation facilities, waterways, sidewalks and the circulation system in the Rams Hill Community) minimum standards of maintenance of Common Areas, Lots and Units within a Project, traffic and parking restrictions, and any other subject within the jurisdiction of the Rams Hill Community Association. A copy of such rules as they may from time to time be adopted, amended or repealed by the Rams Hill Board shall be mailed or otherwise delivered to each Rams Hill member. No rules may be adopted which materially affect the rights, privileges, or preferences of any Rams Hill Member as specifically set forth in the Master Declaration. However, any provision hereof to the contrary notwithstanding, the Rams Hill Board shall adopt rules and regulations pertaining to the use of all facilities, improvements and property within the Rams Hill Community prohibiting (a) any Owner leaving the garage door for any Unit or improvement on a Lot open for other than normal ingress to and egress from the garage; and (b)

the parking or storage of any automobile, camper, motorhome, off-road vehicle, motorcycle, golf cart or similar vehicle on any road or street in the Rams Hill Community, on any part of the Rams Hill Common Area, on any part of a Neighborhood Common Area, on any Lot or in any Unit, or on or in any other part of the Rams Hill Community, except (i) in the garage of any Unit or home on a Lot, (ii) in a screened area or on lot approved by the Rams Hill Architectural Committee, or (iii) automobiles on a street or road in the Rams Hill Community when authorized by a permit issued by the Rams Hill Community Association pursuant to reasonable requirements and standards (including a fee therefor) established by the Rams Hill Community Association.

4.8.1 Review and Comment Period: Prior to enacting certain classes or types of rules, the Rams Hill Board shall provide the Rams Hill Members with a 30-day advance notice of a rule adoption or change, which shall include a copy of the proposed rule and a description of the purpose and effect of the proposed rule, and allow the Rams Hill Members to provide comments to the Rams Hill Board regarding the proposed rule. After the 30-day comment period has expired, the Rams Hill Board shall meet to discuss any comments received, and decide whether to proceed with adoption of the proposed rule. If the rule is adopted, the Rams Hill Board shall provide notice to the Rams Hill Members of the rule adoption within fifteen (15) days of adopting the rule.

4.8.2 Rule Classes Subject to Review and Comment-"Class 1 Rules": The following classes or types of rules (Class 1 Rules) shall be subject to the rights of Rams Hill Members to review and comment:

- (a) Common area use rules;
- (b) Exclusive-use common area use rules (for example, balcony storage);
- (c) Home use rules (for example, noise regulations);
- (d) Architectural rules;
- (e) Discipline rules, including any fine schedule;
- (f) Payment plans for delinquent assessments; and
- (g) Assessment dispute procedures.

4.8.3 Rule Classes Not Subject to Review and Comment-"Class 2 Rules": Except as otherwise required by law, the following classes or types of rules (Class 2 Rules) shall not be subject to the rights of the Rams Hill Members to review and comment:

- (a) Common area maintenance;
- (b) A decision on a specific matter that is not intended to apply generally;
- (c) Regular or special assessment amounts;
- (d) Any rule required by law; and
- (e) Any repeating of existing law or governing document provision.

4.8.4 Rams Hill Member Veto Rights of Class 1 Rules: The Rams Hill Members representing five percent (5%) or more of the votes may call a special meeting of the membership to reverse a rule change to a Class 1 Rule.

(a) Special meeting of the Rams Hill Members may be called by delivering a written request to the president or secretary of the Rams Hill Board, after which the Rams Hill Board shall deliver notice of the meeting to the Rams Hill Members and hold the meeting in conformity with Section 7511 of the California Corporations Code.

(b) The written request may not be delivered more than thirty (30) days after the Rams Hill Members are notified of the rule change. The Rams Hill Members are deemed to have been notified of a rule change on delivery of notice of the rule change, or on enforcement of the resulting rule, whichever is sooner.

(c) In lieu of calling the meeting described in this Section, the Rams Hill Board may distribute a written ballot to every Rams Hill Member in conformity with the requirements of Section 7513 of the California Corporations Code.

(d) The rule change may be reversed by the affirmative vote of a majority of the votes represented and voting at a duly held meeting at which a quorum is present or by ballot (which affirmative votes also constitute a majority of the required quorum).

(e) A rule change reversed under this Section may not be readopted for one year after the date of the meeting reversing the rule change. Nothing in this Section precludes the Rams Hill Board from adopting a different rule on the same subject as the rule change that has been reversed.

(f) As soon as possible after the close of voting, but not more than fifteen (15) days after the close of voting, the Rams Hill Board shall provide notice of the results of the vote to every Owner.

(g) This section does not apply to an emergency rule change.

4.8.5 Emergency Rules: The Rams Hill Board may enact a temporary emergency rule dealing with any class or type of rule if the Rams Hill Board determines that an immediate rule change is necessary to address an imminent threat to public health or safety or imminent risk of substantial economic loss to the Association. The Rams Hill Board shall provide notice to the Owners of adoption of the emergency rule within fifteen (15) days of its adoption, which shall include the text of the rule change, a description of the purpose and effect of the rule change, and the date that the rule change expires. Such an emergency rule may be effective for up to 120 days, and may not be re-adopted after its expiration.

4.9 Enforcement: The Rams Hill Community Association or any Owner shall have the right to enforce by proceedings at law or in equity, all restrictions, conditions, covenants, Rams Hill Bylaws and rules and regulations, reservations, liens and charges now or hereafter imposed by the provisions of this Master Declaration or any amendment thereto, including the right to prevent the violation of any such restrictions, conditions, covenants or reservations, the right to recover damages or other dues for such violation; provided, however, that with respect to Assessment liens, the Rams Hill Community Association shall have the exclusive right to the enforcement thereof. Should the Rams Hill Community Association incur attorney's fees in order to enforce this Master Declaration or the Rams Hill Bylaws or rules and regulations, it shall be entitled to recover such expenses from the responsible Owners.

Prior to the commencement of a civil action to enforce the Governing Documents, the party initiating the case shall comply with California Civil Code § 1363.80 *et seq.* and § 1369.510 *et seq.*

ARTICLE V

RAMS HILL FUNDS AND ASSESSMENTS

5.1 Rams Hill Funds: The Rams Hill Community Association shall establish and maintain a Maintenance and Operation Fund into which the Rams Hill Board shall deposit Regular Rams Hill Assessments. The Rams Hill Community Association shall also establish and maintain such other funds (including a Reserve Fund and Capital Improvement Fund) as the Rams Hill Board deems appropriate for deposit and disbursement of other assessments as the Rams Hill Board may from time to time establish; provided, so long as the Declarant has the ability to appoint the majority of the Rams Hill Directors, disbursements or expenditures from the reserve funds shall require the affirmative vote of at least a majority of the Rams Hill Directors, including at least one Rams Hill Director appointed by the Owners pursuant to Section 4.5.4. All of said funds are generally referred to herein as the Rams Hill Funds. The Rams Hill Board shall establish and collect all Rams Hill Assessments and where necessary enforce the liens therefor as provided in this Article.

5.2 Purpose of Rams Hill Assessments: The Rams Hill Assessments shall be used exclusively to promote the recreation, health, safety and welfare of the Owners, tenants, and other authorized users of the Rams Hill Community and for the improvements, maintenance and operation of the Rams Hill Common Area, including the facilities located thereon, thereby preserving and enhancing the value of the Rams Hill Community as a whole and thus benefiting the entire Rams Hill Community.

5.3 Nature of Rams Hill Assessments: The Rams Hill Board shall establish the following Rams Hill Assessments, each of which shall be used only for the purposes specified in this provision:

5.3.1 Regular Rams Hill Assessments: The Regular Rams Hill Assessments shall be an annual assessment fixed and levied by the Rams Hill Board based upon the estimated costs of operation of the Rams Hill Community Association, and the accomplishment of its purposes, performance of its duties and the exercise of its powers that benefit the entire Rams Hill Community, as more particularly set forth in Section 5.5.

5.3.2 Reconstruction Rams Hill Assessments: Reconstruction Rams Hill Assessments may be levied by the Rams Hill Board under the conditions and in the manner specified in Article X.

5.3.3 Capital Improvement Rams Hill Assessments: Capital Improvement Rams Hill Assessments may be levied by the Rams Hill Community Association in any Assessment year, applicable to that year only for the purpose of defraying in whole or in part the cost of any construction of a capital improvement on the Rams Hill Common Area including, but not limited to, recreation facilities, outbuildings, storage or office facilities, fences, walkways, fixtures and personal property related thereto, provided that any Capital Improvement Rams Hill Assessment aggregating in excess of five percent (5%) of the gross of all other Rams Hill Assessments budgeted for that fiscal year shall have the vote or written assent of the Neighborhood Boards representing at least fifty-one percent (51%) of the Rams Hill Voting Rights. Capital Improvement Rams Hill Assessments shall be assessed and shall be allocated to Owners in the same manner as Regular Rams Hill Assessments.

5.3.4 Special Rams Hill Assessments: Special Rams Hill Assessments may be levied at any time during any fiscal year if the Regular Rams Hill Assessments prove inadequate for any reason, including nonpayment of any Owner's share thereof. No such Special Rams Hill Assessment shall exceed five percent (5%) of the gross expenses budgeted by the Rams Hill Community Association for the fiscal year without the vote or written assent of the Neighborhood Boards representing at least fifty-one percent (51%) of the Rams Hill Voting Rights. Special Rams Hill Assessments shall be allocated in the same manner as Regular Rams Hill Assessments.

5.3.5 Enforcement Rams Hill Assessments: The Rams Hill Community Association may levy an Enforcement Rams Hill Assessment against any Owner for violation of any of the provisions of the Master Declaration or for violations of any of the Rams Hill Bylaws or Rams Hill Rules duly adopted by the Rams Hill Community Association covering the use of any of the Rams Hill Community. The Rams Hill Board shall have the authority to adopt a reasonable schedule of assessments for any violation of the Master Declaration, Rams Hill Articles, Rams Hill Bylaws and/or Rams Hill Rules. If after notice and a hearing as required by the Bylaws the Owner fails to cure or continues such violation, the Rams Hill Community Association may impose an additional fine each time the violation is repeated, and may assess such Owner and enforce the Enforcement Rams Hill Assessment as herein provided for nonpayment of a Rams

Hill Assessment. A hearing committee may be established by the Rams Hill Board to administer the foregoing.

5.3.6 Single Benefit Rams Hill Assessments: The Rams Hill Board may establish a Single Benefit Rams Hill Assessment for reconstruction, capital improvement, extraordinary maintenance, or any other cost or expense not otherwise provided for in these Master Restrictions which will benefit less than all of the Rams Hill Members due to restrictions on the use or benefit of such assessments to individual Neighborhood or Neighborhoods. Such a Single Benefit Rams Hill Assessment may be imposed only by a vote of eighty percent (80%) of the representatives on the Rams Hill Board and must be ratified by a vote of eighty percent (80%) of the Neighborhood Boards in the Rams Hill Community within ninety (90) days of the vote of the Rams Hill Board. Each Single Benefit Rams Hill Assessment shall be segregated in the Rams Hill Funds solely to the Neighborhood which solely derive the benefit therefrom. In the event that the Rams Hill Community Association obtains income directly related to an item which has been assessed as a Single Benefit Rams Hill Assessment, such income shall be allocated so as to reduce or offset such Single Benefit Rams Hill Assessments. Whenever the Rams Hill Community Association performs any service or accomplishes any item of repair or maintenance which it is the duty of a Neighborhood Association or an Owner to accomplish, but which has not been accomplished by the Neighborhood Association or Owner, or whenever the Rams Hill Community Association determines to preempt the performance of a Neighborhood Association or a specific Owner of a given act of maintenance or repair, the Rams Hill Community Association shall specifically charge the cost thereof to the Owner for whom such work was done, or the Neighborhood for which such work was done, as the case may be, and shall include such additional cost as a Single Benefit Rams Hill Assessment for such Rams Hill Members or Neighborhood Association. Any Single Benefit Rams Hill Assessment charged to a Neighborhood shall be allocated among the Neighborhood Owners in the same manner as the Neighborhood Regular Assessments are allocated in the Neighborhood Restrictions.

5.4 Allocation of Assessments to Lots or Units: The Rams Hill Assessments established in Section 5.3 and to be levied pursuant to Section 5.5 shall be allocated to each assessable Lot or Unit as follows:

5.4.1 Regular Rams Hill Assessments: The Regular Rams Hill Assessments, based on the total maintenance and operation budget of the Rams Hill Community Association, including administration and overhead and capital replacement reserves, shall be allocated equally to each Lot or Unit in the Rams Hill Community.

5.4.2 Other Assessments: Reconstruction Rams Hill Assessments, Capital Improvement Rams Hill Assessments and Special Rams Hill Assessments shall be allocated in the same manner as Regular Rams Hill Assessments. Enforcement Rams Hill Assessments and Single Benefit Rams Hill Assessments shall be levied directly to the individual Lots, Units or Neighborhoods as specified in Section 5.3.

5.5 Budget of Rams Hill Expenses: Not less than 30 nor more than 90 days prior to the beginning of the Rams Hill Community Association's fiscal year, the Rams Hill Board shall estimate the total amount required to fund the Rams Hill Community Association's anticipated common expenses for the next succeeding fiscal year (including additions to any reserve fund established to defray the costs of future repairs, replacement or additions to the common facilities) by preparing and distributing a budget to all Owners. If the Rams Hill Board fails to distribute the budget for any fiscal year within the time period provided for in this section, the Rams Hill Board shall not be permitted to increase regular assessments for that fiscal year unless the Rams Hill Board first obtains the approval of Owners, constituting a quorum, casting a majority of the votes at a meeting or election of the Rams Hill Community Association.

5.6 Levy of Rams Hill Assessments: Rams Hill Assessments shall be levied and commence according to the following procedures:

5.6.1 Commencement of Regular Rams Hill Assessments: Regular Rams Hill Assessments shall commence as to all Lots or Units initially in the Rams Hill Community on the first day of the month following the closing of the first sale of any Lot or Unit in any Neighborhood in the Rams Hill Community to an Owner other than the Declarant or a Builder. As to any property which is thereafter annexed into the Rams Hill Community, the Regular Rams Hill Assessments shall commence as to all of such annexed property upon the first day of the first month following the closing of the sale of the first Lot or Unit in such annexed property.

5.6.2 Annual Levy of Assessment: The Rams Hill Board shall fix the amount of the Regular Rams Hill Assessment against each Lot or Unit at least thirty (30) days in advance of each annual Rams Hill Assessment period. Written notice of the Regular Rams Hill Assessment shall be sent to every Owner subject thereto at least thirty (30) days prior to its effective date. Unless expressly provided otherwise by the Rams Hill Board, each Regular Rams Hill Assessment shall be payable in advance in four equal quarterly monthly installments, the first of which installments shall be due and payable on the first day of the first month of each fiscal year.

5.6.3 Notice of Assessment: Whenever there is an increase in the Regular or Special Rams Hill Assessments, all Owners shall be notified by first-class mail, not less than thirty (30) nor more than sixty (60) days prior to the increased assessment becoming due.

5.6.4 Certificate of Payment: The Rams Hill Community Association shall, upon demand, and for a reasonable charge, furnish a certificate signed by an officer of the Rams Hill Community Association setting forth whether the Rams Hill Assessments on a specified Lot have been paid.

5.6.5 No Offsets: All Rams Hill Assessments shall be payable in the amounts specified by the particular Rams Hill Assessment and no offsets against such amounts shall be permitted for any reasons, including, without limitation, a claim that the Rams Hill Community Association is not properly exercising its duties of maintenance, operation or enforcement.

5.6.6 Rams Hill Assessment Rolls: The Rams Hill Community Association shall maintain and revise annually, an Assessment Roll for every Rams Hill Member reflecting the Lots or Units owned, the Neighborhood in which the Lot or Unit is located, and other data necessary to levy the Rams Hill Assessments herein provided for on the Rams Hill Members. The Assessment Rolls shall segregate the Rams Hill Members by Neighborhood and class, facilitating the imposition of the various Rams Hill Assessments herein provided for. Each Neighborhood Board shall supply the Rams Hill Community Association with the Neighborhood Assessment Rolls and all amendments or revisions thereto on a regular basis. If any Neighborhood fails to so furnish such Neighborhood Assessment Rolls, the Rams Hill Board shall be entitled to establish the said Rolls for such Neighborhood and charge the costs therefor to each Lot or Unit in the Neighborhood as a Special Benefit Rams Hill Assessment.

5.6.7 Transfer of Property: After transfer or sale of property in the Rams Hill Community, the selling Owner or Owners shall not be liable for any Rams Hill Assessment levied on the property after the date of such transfer of ownership and written notice of such transfer is delivered to the Rams Hill Community Association. The selling Owner shall still be responsible for all assessments and charges levied on the Property prior to any such transfer.

5.6.8 Limits for Increases of Annual and Special Assessments: The Board of Directors of the Association may not impose a regular Assessment that is more than twenty percent (20%) greater than the regular Assessment for the Association's preceding fiscal year or impose Special Assessments which in aggregate exceed five percent (5%) of the budgeted gross expenses of the Association for that fiscal year without the approval of Owners casting a majority of the votes at a meeting or election of the Association at which a quorum is present.

This section does not limit Assessment increases necessary for emergency situations. For purposes of this section, an emergency situation is any one of the following:

- (a) An extraordinary expense required by an order of a court.
- (b) An extraordinary expense necessary to repair or maintain the Common Area for which the Association is responsible where a threat to personal safety is discovered.
- (c) An extraordinary expense necessary to repair or maintain the Common Area that could have not been reasonably foreseen by the Board in preparing and distributing the current year's operating budget.

5.6.9. Creation of Lien and Personal Obligation of Assessments: The Declarant for each Lot or Unit (excluding Rams Hill Common Areas and Neighborhood Common Area) owned within the Rams Hill Community; hereby covenants and each Owner of any Lot or Unit within the Rams Hill Community, including Builders, by acceptance of a deed, whether or not it shall

be so expressed in such deed, is deemed to covenant and agree to pay to the Rams Hill Community Association the Rams Hill Assessments.

The lien for the first Regular Rams Hill Assessment shall attach as of the commencement of such Rams Hill Assessment as hereinabove provided. A lien shall attach against each assessed Lot or Unit for any other Rams Hill Assessment ten (10) days after such other Rams Hill Assessment is fixed by the Rams Hill Board. All of the Rams Hill Assessments, together with interest, costs, and reasonable attorneys fees shall be charged on the land and shall be a continuing lien upon the Lot or Unit against which each Rams Hill Assessment is made. Each Rams Hill Assessment together with interest at the maximum rate allowed by law, costs, and reasonable attorneys fees, shall also be the personal obligation of the Owner of the Lot or Unit at the time when the Rams Hill Assessment became due and payable.

Upon transfer of title of any property in the Rams Hill Community, the Rams Hill Community Association shall be given written notice of any such transfer. Upon a transfer of title to a Unit, the grantee shall be jointly and severally liable for any Rams Hill Assessments and other charges due at the time of conveyance.

5.7 Enforcement: Remedies:

5.7.1 Lien for Assessments: If any Rams Hill Assessment is delinquent, the Rams Hill Community Association may record a lien against the Lot or Unit of the delinquent Owner, notwithstanding any provision of this Master Declaration to the contrary, the lien provided for herein shall be subordinate to the lien of any first mortgage or first deed of trust upon any Lot or Unit. The lien shall be recorded in accordance with the requirements of California Civil Code §1367.1. The lien shall be signed by any officer of the Rams Hill Community Association or any agent designated by the Rams Hill Community Association.

5.7.2 Requirements for Recordation and Release of Liens: The recordation and release of liens shall be done in accordance with California Civil Code Section 1367.1 and any amendments thereto. At least 30 days prior to recording a lien against the separate interest of any Owner of record, the Rams Hill Community Association shall notify the Owner of record, in writing, by certified mail of the following: (a) a general description of the collection and lien enforcement procedures and method of calculation of the account, along with a statement that the Owner has the right to inspect the Rams Hill Community Association's records. Further the statement shall contain in 14-point bold-face type the admonition provided in Civil Code Section 1367.1(a)(1); (b) an itemized statement of charges, including all collection costs; (c) statement that the Owner shall not be liable to pay charges interest and cost of collection if its determined the assessment was paid on time; (d) the right to request a meeting with the Rams Hill Board. Within 21 days of the payment of the sums specified in the notice of delinquent assessments, the Rams Hill Community Association shall record a lien release and provide the Owner a copy of same.

5.7.3: Enforcement of Lien: After the expiration of 30 days following the recording of a lien pursuant to Section 5.7.1, the lien 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 California Civil Code §2934(a). Any sale shall be conducted in accordance with the provisions of §§2924, 2924(b), 2924(c), 2924(f), 2924(g) and 2924(h) of the California Civil Code, or any successor statutes thereto, applicable to the exercise of powers of sale in mortgages and deeds of trust, or in any other manner permitted by law. Nothing herein shall preclude the Ram Hill Community Association from bringing an action directly against an Owner for breach of the personal obligation to pay assessments. The Rams Hill Community Association, acting on behalf of the Owners, shall have the power to bid for the Lot or Unit at any foreclosure sale, and to acquire and hold, lease, Mortgage, and convey the same.

5.8 Collection of Rams Hill Assessment: At the option of the Rams Hill Board, the Rams Hill Board may delegate the collection and administration of the proportionate amount of the Rams Hill Assessment allocable to any particular Neighborhood to the Neighborhood Association for that Neighborhood. Any such collection and administration so delegated shall be undertaken at the cost of said Neighborhood Association. The Neighborhood Association shall deposit any Rams Hill Assessments so collected in a separate trust fund for the benefit of the Rams Hill Community Association. Such Rams Hill Assessments collected by a Neighborhood Association shall be paid to the Rams Hill Community Association on a minimum of a quarterly basis. The Neighborhood Association shall furnish the Rams Hill Community Association on a minimum of a quarterly basis a report of the current status of the Rams Hill Assessment payments of each Owner in the Neighborhood.

5.9 Neighborhood Assessments: The Rams Hill Community Association is empowered to, but shall not have the duty to, collect, enforce and otherwise administer the Neighborhood Assessments of any and all Neighborhoods such that Rams Hill Assessments and Neighborhood Assessments may be collected contemporaneously. The Rams Hill Board shall disburse funds collected on behalf of any such Neighborhood Association as promptly as possible. The Rams Hill Board may not charge for any such collection other than any actual additional costs for such collection that are charged to the Rams Hill Community Association. In the event a Neighborhood Association fails to levy or collect Neighborhood Assessments or fails to duly operate and maintain the Neighborhood to the standards established for the Rams Hill Community, the Rams Hill Community Association may elect to preempt the rights of the Neighborhood Association and may fix, levy, collect and enforce said Neighborhood Assessments and arrange for such operation and maintenance. Such preemption regarding Neighborhood Assessments and maintenance shall require a vote of eighty percent (80%) of the Rams Hill Board, which vote must be ratified by a vote of eighty percent (80%) of the Neighborhood Boards in the Rams Hill Community within ninety (90) days of the vote of the Rams Hill Board. Any Neighborhood Assessments collected under such preemption by the Rams Hill Community Association shall be used solely for the purposes stated in the Neighborhood Restrictions for the Neighborhood from which the Assessments were collected. If

by vote of eighty percent (80%) of the Board, the Rams Hill Board finds it necessary to directly retain the funds collected pursuant to this provision and directly disburse such funds to assure that it is being properly operated and maintained, the Rams Hill Community Association may do so. A Neighborhood Association may not levy or collect any Neighborhood Assessments during the period in which the Rams Hill Community Association has preempted its rights to so levy or collect assessments. A resolution by the Rams Hill Board for any such preemption shall end at the beginning of the next fiscal year of the Neighborhood Association; such preemption may be reenacted by the Rams Hill Board on a finding of a necessity to do so by a vote of eighty percent (80%) of the Rams Hill Board, which vote shall be ratified in the same manner as the original vote to so preempt. The Rams Hill Community Association may include in any such preempted Neighborhood's Assessment a reasonable amount for reimbursement of direct costs of administration and collection of such preempted Assessment.

5.10 Subordination of the Lien to Mortgages: The lien of the Rams Hill Assessments and Neighborhood Assessments provided for herein shall be subordinate to the lien of any recorded first mortgage (meaning a mortgage or deed of trust with first priority over other mortgages). Sale or transfer of any Lot or Unit shall not affect any Rams Hill Assessment lien or Neighborhood Assessment lien. However, the sale or transfer of any such Lot or Unit which is subject to any recorded first mortgage pursuant to a decree of foreclosure, or a sale under power of sale under such first mortgage shall extinguish the lien of such Rams Hill Assessments and Neighborhood Assessments as to payments thereof which become due prior to such sale or transfer. Pursuant to the provisions hereof, liens shall be created on the interest of the purchaser at such foreclosure sale, to secure all Rams Hill Assessments and Neighborhood Assessments assessed hereunder to such purchaser, as an Owner after the date of such foreclosure sale, which lien shall have the same effect and be enforced in the same manner as provided herein. The lien for unpaid Rams Hill Assessments shall be prior to any lien for an unpaid Neighborhood Assessment. Nothing in this Section shall be construed to release any Owner from his personal obligation to pay for any Rams Hill Assessment or Neighborhood Assessment levied pursuant to these Rams Hill Restrictions or Neighborhood Restrictions. The Rams Hill Board may agree to subordinate the lien of said assessments to the interests of the Department of Veteran Affairs of the State of California under any Cal-Vet financing contracts to the same extent as said liens are made subordinate to liens of mortgages under this provision.

5.11 Distribution of Financial and Other Statements to Owners: Financial statements and other information shall be distributed by the Rams Hill Community Association to all of its Owners as described below:

5.11.1 Pro Forma Operating Budget: A pro forma operating budget for each fiscal year consisting of at least the following information shall be distributed to Owners not less than thirty (30) days nor more than ninety (90) days prior to the beginning of the fiscal year:

(a) The Rams Hill Community Association's estimated revenue and expenses on an accrual basis;

(b) A summary of the Rams Hill Community Association's reserves based on the most recent review or study conducted pursuant to California Civil Code §1365.5, which must be printed in bold type and include all of the following:

(i) The current estimated replacement cost, estimated remaining life, and estimated useful life of each major component of the properties that the Rams Hill Community Association is obligated to repair, replace, restore, or maintain (collectively "Association Capital Projects");

(ii) As of the end of the fiscal year for which the reserve study is prepared, the current estimate of the amount of cash reserves necessary for Association Capital Projects and the current amount of accumulated cash reserves actually set aside for Association Capital Projects; and

(iii) The percentage of the estimated amount of necessary cash reserves calculated under section 5.11.1 (b), above, that represents the amount of accumulated cash reserves;

(c) A statement as to whether the Rams Hill Board has determined or anticipates that the levy of one or more special assessments will be required to repair, replace, or restore any major component of the Rams Hill Community for which the Rams Hill Community Association is responsible, or to provide adequate reserves therefor; and

(d) A general statement setting forth the procedures used by the Rams Hill Board in calculating and establishing reserves to defray the future costs of repair, replacement, or additions to those major components of the Rams Hill Community for which the Rams Hill Community Association is responsible.

5.11.2 Year-End Report: Within one hundred-twenty (120) days after the close of the fiscal year, a copy of the Rams Hill Community Association's year-end report consisting of at least the following shall be distributed to Owners:

(a) A balance sheet as of the end of the fiscal year;

(b) An operating (income) statement for the fiscal year;

(c) a statement of changes in financial position for the fiscal year;

(d) A statement advising Owners of the place where the names and addresses of the current Owners are located; and

(e) Any information required to be reported under Corporations Code §8322 requiring the disclosure of certain transactions in excess of \$50,000 per year between the Rams Hill Community Association and any director or officer of the Rams Hill Community Association and indemnifications and advances to officers or directors in excess of \$10,000 per year.

A review of the financial statement of the Rams Hill Community Association shall be prepared in accordance with generally accepted accounting principles by a licensee of the State Board of Accountancy for any fiscal year in which the gross income of the Rams Hill Community Association exceeds \$75,000. If the annual report is not prepared by such a licensee, it shall be accompanied by the certificate of an authorized officer of the Rams Hill Community Association that the statement was prepared without an audit from the books and records of the Rams Hill Community Association.

5.11.3 Annual Statement Regarding Delinquency/Foreclosure Policy: In addition to financial statements, the Rams Hill Board shall annually distribute within sixty (60) days prior to the beginning of the fiscal year, a statement describing the Rams Hill Community Association's policies and practices in enforcing its remedies against Owners for defaults in the payment of Regular and Special Rams Hill Assessments.

5.11.4 Right of Owners to Copies of Minutes of Rams Hill Board Meetings: Owners shall be notified in writing at the time that the pro forma budget is distributed or at the time of any general mailing to the entire membership of the Rams Hill Community Association of their right to have copies of the minutes of the meetings of the Rams Hill Board and how and where those minutes may be obtained.

5.11.5 Summary of Provisions of California Civil Code §1354(b): A summary of the provisions of California Civil Code Section 1354(b), requiring the offer or use of alternative dispute resolution prior to the initiation of litigation, either by the Rams Hill Community Association or an Owner, for enforcement of the governing documents shall be annually delivered to the Owners.

5.11.6 Insurance Disclosure Requirements: The Rams Hill Community Association shall prepare and distribute at least annually to all its Owners a summary of the information required pursuant to California Civil Code Section 1365(e), (f), and (g) as to its general liability policy, its earthquake and flood insurance policies, if issued, and liability coverage for Rams Hill Directors and officers of the Rams Hill Community Association.

5.12 Property Subject to Assessments: The following property within the Rams Hill Community shall be subject to Rams Hill Assessments:

5.12.1 Residential Lots or Units, whether improved or unimproved.

5.13 Property Not Subject to Assessments: The following property within the Rams Hill Community shall not be subject to any of the Rams Hill Assessments or Neighborhood Assessments:

5.13.1 Rams Hill Common Areas

5.13.2 Neighborhood Common Areas

5.13.3 Public and Private Streets

5.13.4 Rams Hill Commercial Area.

5.13.5 Property owned by any governmental entity. If use of any such property changes to an assessable use, then, any such property shall be assessed pursuant to this Article.

ARTICLE VI

PROPERTY RIGHTS: RAMS HILL COMMON AREA

6.1 Ownership of Rams Hill Common Area: The Rams Hill Common Area shall be conveyed to and owned by the Rams Hill Community Association. The Rams Hill Community Association shall accept the conveyance of the Rams Hill Common Area conveyed to it pursuant to this Article.

6.2 Permitted Uses of Rams Hill Common Area: The Rams Hill Common Area shall be used by the Owners, their families, tenants, agents, guests, patrons or invitees for the common interest and benefit of the Rams Hill Community in accordance with the uses established on the Rams Hill Specific Plan.

6.3 Owner's Easements of Use: Every Owner shall have a right and easement of enjoyment in and to the Rams Hill Common Area which shall be appurtenant to and shall pass with the title to every Lot or Unit, subject to the following provisions:

6.3.1 The right of the Rams Hill Community Association to charge reasonable admission and other fees for the use of any recreation facility situated upon the Rams Hill Common Area;

6.3.2 The right of the Rams Hill Community Association, after giving notice of an opportunity to be heard to an Owner, to: (a) impose monetary penalties, including late charges and interest; or (b) suspend the voting rights in the Rams Hill Community Association until the violation has been cured and suspend use privileges in the Rams Hill Common Area facilities,

(except the streets, sidewalks, or other means of ingress and egress) until the violation has been cured by an Owner and/or his tenants/guest;

6.3.3 The right of the Rams Hill Community Association to limit the use of portions of the Rams Hill Common Area solely to those Rams Hill Owners who own Lots or Units in a specific Neighborhood or Neighborhoods and the right of the Rams Hill Community Association to limit or permit usage thereof by non-members as the Rams Hill Community Association deems appropriate. The Rams Hill Community Association may limit the number of guests, invitees, tenants, patrons or agents of Owners using the Rams Hill Common Area;

6.3.4 The right of the Rams Hill Community Association to dedicate or transfer all or any part of the Rams Hill Common Area to a Neighborhood Association or to any public agency, authority, or utility for such purposes and subject to such conditions as the Rams Hill Community Association may deem proper;

6.3.5 The right of the Rams Hill Community Association to enact and enforce rules and regulations affecting use of the Rams Hill Common Area in accordance with the procedures set forth in Section 4.8 and in furtherance of this Master Declaration;

6.3.6 The rights of Owners stated in Section 6.6 to exclusive easements appurtenant to the various Neighborhood Residential Lots or Units for encroachments on the Rams Hill Common Area, as originally constructed by Declarant or Builders; and

6.3.7 The right of the Rams Hill Community Association to limit and restrict the use of the Rams Hill Common Area and portions thereof, during specific times or on specific dates, and to prohibit all use and access to portions of the Rams Hill Common Area as deemed necessary by the Rams Hill Board for health, safety, welfare, privacy or security purposes.

6.4 Alteration or Improvement of Rams Hill Common Area: Other than work performed by Declarant in connection with development of the Rams Hill Common Area, no work which in any way alters any Rams Hill Common Area from its natural or existing state after the date such Rams Hill Common Area was conveyed by Declarant or Builders to the Rams Hill Community Association shall be made or done except by the Rams Hill Community Association or its agents. The Rams Hill Community Association shall reconstruct, replace or refinish any improvement or portion thereof situated within the Rams Hill Common Area. Such work shall be in accordance with the original design, finish or standard of construction of such improvement when such Rams Hill Common Area was conveyed by Declarant or Builder to the Rams Hill Community Association and which was approved by the County, or, in a different manner if approved by the County or other government agency having jurisdiction thereof. Additionally, the Rams Hill Community Association shall maintain and landscape the Rams Hill Common Area and the Rams Hill Community Association may place and maintain upon the Rams Hill Common Area such signs as the Rams Hill Board may deem necessary for the identification of the property and the roads, regulation of traffic, including parking, the regulation and use of the Rams Hill

Common Area, and for the health, welfare and safety of the Owners and guests in all Neighborhoods subject to the jurisdiction of the Rams Hill Community Association.

6.5 Limitations on Use of Rams Hill Community: The following restrictions on use of the Rams Hill Community shall apply:

6.5.1 Insurance; Hazards and Waste: Nothing shall be done or kept in the Rams Hill Community which will increase the rate of insurance on the Rams Hill Common Area without the prior written consent of the Rams Hill Community Association. No Owner shall permit anything to be done or kept on his Lot or Unit or in the Neighborhood Common Area or Rams Hill Common Area which will result in the cancellation of insurance on any Lot improvement, Neighborhood Common Area, or Rams Hill Common Area or which would be in violation of any law. No waste will be committed in the Rams Hill Common Area. Within 10 days of receipt of written notice from the Rams Hill Community Association specifying any item located on such Lot or Unit which creates such an insurance hazard or constitutes such waste, the Owner of any Lot or Unit shall cause such item to be removed at such Owner's sole cost and expense. In the event such item is not timely removed the Rams Hill Community Association may enter upon such Lot or Unit, remove or cause to be removed such item and assess the Owner the amount of all costs and expenses.

6.5.2 No Obstructions: There shall be no obstruction of the Rams Hill Common Area except as permitted herein or as provided by the Rams Hill Rules. Nothing shall be placed or stored in the Rams Hill Common Area except as allowed by the express permission of the Rams Hill Board.

6.5.3 Nuisances: No noxious or unreasonably offensive activities shall be carried on, nor shall anything be done or placed on the Rams Hill Common Area or any other portion of the Rams Hill Community which are or become a nuisance, or cause unreasonable embarrassment, disturbance, or annoyance to Owners in the Rams Hill Community in the enjoyment of their property or in the enjoyment of the Rams Hill Common Areas.

6.5.4 Rubbish: No portion of the Rams Hill Community shall be used or maintained as a dumping ground for rubbish. No oil or other refuse shall be allowed to enter storm drains.

6.5.5 Fires: There shall be no exterior fires on Rams Hill Common Area.

6.5.6 Signs: No sign of any kind shall be placed or displayed on the Rams Hill Common Area, without the prior consent of the Rams Hill Board, except:

(a) Such signs as may be required by legal proceedings, or the prohibition of which is precluded by law;

(b) During the time of construction of any improvement by Declarant, identification signs regarding financing and construction;

(c) Such signs as may be required for traffic control and regulation of open areas within the Rams Hill Community;

(d) Such identification signs as may be deemed appropriate by the Rams Hill Board to designate facilities within the Rams Hill Community;

(e) No commercial advertising signs or billboards shall be displayed on any Lot or Unit or posted within or on any portion of the Rams Hill Common Area except that Owners may post on their Lots any signs required by legal proceedings and a single "For Rent," "For Lease" or "For Sale" sign of reasonable dimensions as allowed by California Civil Code §713. Also, Owners may place noncommercial signs or posters which do not exceed nine (9) square feet, or flags or banners which do not exceed fifteen (15) square feet, in their yard or windows, on their door or outside wall, and on their balcony. These items may be made of paper, cardboard, cloth, plastic or fabric. They may not be made from lights, building or paving materials, plants, or balloons. However, Owners may not paint the messages on architectural surfaces. Notwithstanding the foregoing, the Rams Hill Board may prohibit and order the immediate removal of any sign which poses a threat to health or safety, or which is in violation of law; and

(f) Declarant may locate on the Rams Hill Common Area any and all signs as Declarant deems necessary or desirable in its sole discretion to facilitate the marketing of Lots and Units in the Rams Hill Community. Declarant may permit Builders to place such signs on Rams Hill Common Area for the same purpose as Declarant deems appropriate. However, Declarant's rights to so establish signs will expire ten (10) years after the recording of this Master Declaration. Thereafter, Declarant's and Builders' right to locate such signs shall be subject to the provisions of Section 6.5.6.

6.5.7 Temporary Structures and Recreational Vehicles, Boats, Trailers: No trailer, mobile home, tent, shack or other outbuildings shall be kept upon the Rams Hill Common Area or in any Street within the Rams Hill Community except, in connection with work or Construction diligently pursued. No house trailers, campers, recreational vehicles, boats, or trailers shall be kept upon Rams Hill Common Area or on any street, Lot, Unit or Neighborhood Common Area within the Rams Hill Community except in locations expressly designated by the Rams Hill Community Association.

6.5.8 Vehicles: No vehicle of any type, motorized or otherwise, shall be operated on the Rams Hill Common Area except as authorized by the Rams Hill Community Association. No automobile or other motor vehicles shall be parked in the Rams Hill Common Area or on any Street within the Rams Hill Community except in designated parking areas. No vehicle shall be kept or stored on the Rams Hill Common Area or in any street within the Rams Hill Community

for purposes of accomplishing repairs thereto or the reconstruction thereof, except as permitted by resolution of the Rams Hill Board. Golf carts and similar vehicles shall be operated within the Rams Hill Community only pursuant to the Rams Hill Rules.

6.5.9 Pets: No pet or other animal shall be permitted on the Rams Hill Common Area except as allowed by the Rams Hill Rules. The Owner of any pet or animal shall be responsible for the immediate removal and clean up of such animal's waste in the Rams Hill Common Area. The Owner of any pet or animal shall at no times allow such animal to run unrestrained on Rams Hill Common Area or the streets, sidewalks or pathway areas of the Rams Hill Community and the Owner of such pets shall at all times have full and complete control over such animal. The Rams Hill Board shall have the right after notice and hearing to remove animals from Rams Hill Common Area which it finds constitute a continuing unreasonable nuisance to Rams Hill Owners.

6.5.10 Delegation of Use: Any Rams Hill Owner may delegate, in accordance with the Rams Hill Bylaws and subject to this Master Declaration and the Rules of the Rams Hill Community Association, his right of enjoyment to the Rams Hill Common Area and facilities to the members of his family or his tenants in possession of his Lot or Unit.

6.5.11 Non-Severability: In no event shall an Owner sell or otherwise sever or separate the interest he may have in the Rams Hill Common Area from his ownership interest in a Lot or Unit.

6.6 Easements and Encroachments Over Rams Hill Common Area: The ownership rights of the Rams Hill Community Association to the Rams Hill Common Area shall be subject to the following easement rights and encroachment rights:

6.6.1 Utilities: Each Owner of a Lot or Unit served by utility connections, lines or facilities, including those for water, electric, gas, sanitary sewer, telephone, drainage and Rams Hill Communication services, and cable television service, shall have the right and is hereby granted an easement across and through the Rams Hill Common Area for entry to the full extent necessary by the appropriate utility companies where such connections, lines or facilities may be located for repair, replacement and maintenance thereof pursuant to the direction of the Rams Hill Community Association. Whenever utility connections, lines or facilities installed within the Rams Hill Community serve more than one Lot or Unit, the Owner of each Lot or Unit served thereby shall be entitled to full use and enjoyment of the portions thereof which service his Lot or Unit. Declarant hereby reserves to itself easements over, under and through the Rams Hill Common Area for installation of such utility connections, lines or facilities as shown on recorded subdivision maps for property in the Rams Hill Community together with the right to grant and transfer the same to the Rams Hill Community Association, Neighborhood Associations, utility companies, the County of San Diego, Builders, cable television companies or other appropriate entities and the right to use such utility connections, lines or facilities for the benefit of the lands described on Exhibit "B."

6.6.2 Development and Sales: There is hereby reserved to Declarant and granted to Builders in the Rams Hill Community and any real estate company as designated by Declarant, easements over the Rams Hill Common Area and the facilities located thereon for construction and sales activities all as more particularly described in Article XI. Furthermore, there is reserved to Declarant easements and rights of way over, under and across the Rams Hill Common Area for access to and development of the adjacent property described on Exhibit B, if said property is annexed to the Rams Hill Community, which easements and rights Declarant may assign to its successors in interest and Builders of said adjacent property.

6.6.3 Encroachments: Each Owner of a Lot or Unit adjacent to the Rams Hill Common Area shall hereby have an easement over said Rams Hill Common Area for use and maintenance of encroachments thereon due to settlement or shifting of buildings or other improvements, original construction errors or any other similar causes, so long as said encroachments exist. However, no such easement for encroachment shall exist if an encroachment occurred due to the willful conduct of the Owner of the Lot or Unit. The rights and obligations of Owners in the Rams Hill Community shall not be otherwise altered or affected by any such encroachment. In the event any Lot, Unit or Neighborhood Common Area adjoining the Rams Hill Common Area is situated on the interior of the enclosure of an original boundary fence to the Rams Hill Common Area, such property shall be maintained as such Common Area, until and unless such fence is relocated.

ARTICLE VII

PROPERTY RIGHTS: RESIDENTIAL NEIGHBORHOOD

7.1 Neighborhood Restrictions: Each residential Neighborhood shall have Neighborhood Restrictions which shall specify the procedures for Operation and management of the Neighborhood and establish the uses permitted and prohibited regarding the Lots and/or Units and the Neighborhood Common Area. The Neighborhood Restrictions shall be established by the Builder of the Neighborhood prior to the sale of the first Lot or Unit in the Neighborhood and shall be subject to review and approval by Declarant to assure consistency and compatibility with the standards and procedures of the Master Declaration. There shall be no amendment of the provisions in any such Neighborhood Restrictions regarding the uses permitted or prohibited in the Neighborhood except with written consent of the Rams Hill Board. The Owner of each Lot or Unit shall comply with the Neighborhood provisions of the Master Declaration applicable thereto, including, without limitation, the provision thereto pertaining to maintenance and landscaping. A Neighborhood Association shall be established for each Neighborhood. There shall be only one Neighborhood Association for each Neighborhood in the Rams Hill Community within the boundaries of a Neighborhood as established by Declarant.

7.2 Neighborhood Maintenance: For the benefit of the entire Rams Hill Community, it is essential that each Neighborhood, and every Lot and Unit and all Neighborhood Common Areas therein be properly maintained. The following standards and procedures shall apply to such Neighborhood maintenance:

7.2.1 Owner's Improvement Maintenance: Each Owner of each Lot or Unit shall maintain the building or buildings upon such Lot or Unit, including walkways and paving, in good condition, making all appropriate repairs and replacements as often as the same shall become necessary, except to the extent such maintenance is to be accomplished by the Neighborhood Association.

7.2.2 Landscaping Installation and Maintenance: Unless the Builder installs landscaping on a particular Lot or Unit, within six (6) months from the date of completion of construction of the residential building on a Lot as evidenced by the earlier of the completion of such construction, the recording of a notice of completion or the issuance of a certificate of occupancy, the initial Owner or a successor thereof shall cultivate and landscape the unimproved areas of said Lot in conformance with the standards established by the Rams Hill Architectural Committee. Except to the extent that Neighborhood Restrictions require such maintenance to be accomplished by the Neighborhood Association, the Owner of each Lot or Unit shall maintain the landscaping upon said Lot or Unit in good condition in conformance with the Rams Hill Architectural Committee's standards, removing all weeds required in order to control fire hazard, and watering and trimming lawns and shrubs as often as the same shall be necessary.

7.2.3 Neighborhood Maintenance: Each Neighborhood Association shall perform all maintenance and Landscaping required by the Neighborhood Restrictions as established or amended by the Declarant or amended thereafter; there shall be no amendment of such duties and obligations by the Neighborhood Association except with prior written consent of the Rams Hill Community Association and until ten (10) years from the date of recording this Master Declaration.

7.2.4 Default in Maintenance: In the event that required maintenance, repair or landscaping is not accomplished by the Owner or Neighborhood Association, as the case may be, after thirty (30) days' written notice from the Rams Hill Board, the Rams Hill Board may elect to preempt the maintenance and repair functions of the Neighborhood by a vote of eighty percent (80%) of the representatives thereon. After such preemption is ratified the Rams Hill Board may cause the work to be done and the cost of such maintenance, repair or landscaping shall be added to and become a part of the Single Benefit Rams Hill Assessment to which such Lot, Unit or Association is subject, unless the Rams Hill Community Association was otherwise obligated to perform such maintenance.

7.2.5 Entry: The Rams Hill Community Association or its agents may enter any Lot Unit and Neighborhood Common Area when necessary in connection with any maintenance, repair, landscaping or construction which the Rams Hill Community Association is authorized to

accomplish. Such entry shall be made with as little inconvenience to the Owners as practicable, and any damage caused thereby shall be repaired at the expense of the Rams Hill Community Association.

7.2.6 Work Approval: No work of improvement, grading, or excavation shall be undertaken upon any Lot or Unit, or Neighborhood Common Area without the prior approval of the Rams Hill Architectural Committee given as provided herein, except for work to be accomplished by Declarant or Builders.

7.2.7 Easements for Maintenance: There are hereby established easements over, under and through each Lot or Unit for the benefit of each Owner, the Rams Hill Community Association and the Neighborhood Association for maintenance of the other Lots, Units or Neighborhood Common Areas and the Rams Hill Common Areas; provided, however, that such easements may only be utilized with prior notice to the Owner with as little inconvenience as possible and that any damage to the Lot or Unit caused by the use of such easements shall be paid for by the user of the easement.

7.2.8 Encroachment of Rams Hill Facilities: In the event any Rams Hill Common Area improvement, including structures or any portions thereof, roof overhangs and fences as originally constructed by Declarant encroaches upon any Lot or Unit or Neighborhood Common Area, there is hereby established an easement for the location and maintenance of such encroachment as the same exists.

7.3 Uses and Activities within Neighborhood: The Lots or Units in each of the Neighborhoods (except for common area lots which shall be used exclusively for noncommercial purposes related to the residential user of the other Lots in the Neighborhood) shall be occupied and used for residential purposes only. Prior to the sale or conveyance of any Lot or Unit within the Rams Hill Community, the Builder shall have imposed on said Lot or Unit appropriate use restrictions, which restrictions shall comply with the standards for Neighborhood Restrictions adopted by the Declarant. The Rams Hill Community Association shall expressly be made a third party beneficiary to such Neighborhood Restrictions. The Rams Hill Community Association shall have the right to enforce any provisions of any Neighborhood Declaration, to the extent that the Rams Hill Community Association, upon a vote of eighty percent (80%) of the Rams Hill Board, deems it necessary to protect the overall interest in the Rams Hill Community. The Rams Hill Community Association shall not, however, in any event, be considered as having a duty or obligation to enforce any particular provision of any particular Neighborhood Declaration.

ARTICLE VIII

PROPERTY RIGHTS NON-RESIDENTIAL AREAS AND BUILDERS

8.1 The Non-Residential Areas: The Non-Residential Areas in the Rams Hill Community shall be owned and improved pursuant to the uses established therefore in the Rams Hill Specific Plan. In no event shall the Rams Hill Community Association interfere with the rights of the Owners of such non-residential property to duly carry out their commercial enterprises in accordance with the Rams Hill Specific Plan. Owners of property in such Non-Residential Areas shall not be entitled to the membership rights in the Rams Hill Community Association and shall not be subject to the limitations, requirements or any assessment specified in this Master Declaration, unless expressly provided otherwise herein.

In the event that any Non-Residential Area in the Rams Hill Community and shown on the Rams Hill Specific Plan is subsequently established or changed in its use to residential use, then all of the provisions of this Master Declaration shall apply to such property as said provisions apply to other Neighborhood Residential Areas.

8.2 Builders: Builders, as Owners of any Neighborhood being developed and marketed within the Rams Hill Community shall be entitled to the rights of Owners as specified herein. Builders shall be entitled to participate in the government of the Rams Hill Community as provided in Articles IV and V and to develop and market the Lots or Units in their Neighborhood. The development rights of Builders shall be as specified in Article XI hereof.

ARTICLE IX

RAMS HILL ARCHITECTURAL CONTROL

9.1 Scope: Except as stated in this Master Declaration, there shall be no excavation, construction, development or other such work in the Rams Hill Community, including any change or alteration or exterior addition to any improvements situated in the Rams Hill Community without compliance with this Article. There shall be no landscaping in the Rams Hill Community after initial installation thereof by the Declarant or a Builder except in compliance with this Article. Except as herein provided, the provisions of this Article shall not apply to or limit Declarant or any Builder in their development of the Rams Hill Community or the Neighborhoods, nor to the Rams Hill Community Association in its performance of its responsibilities. Except as herein provided, the provisions of this Article shall not apply to the Owners of property situated in the Rams Hill Commercial Area, Hotel Area, Golf Course Area, or Tennis Court Area. The provisions of this Article shall preempt and supersede any inconsistent provision of any rules or restrictions of any Neighborhood Association to the extent that any such Neighborhood rules and restrictions are in conflict with these provisions. The

Rams Hill Board may, by resolution, delegate to the Neighborhood Board or its architectural committee all or any of its architectural control functions over the real property within the boundaries of a Neighborhood Association subject to the express standards established by the Rams Hill Architectural Committee. Such delegation of duties shall be revocable by resolution of the Rams Hill Board. Any provision of the above to the contrary, notwithstanding, the provisions of this Article shall not apply to the Owner(s) of any Lot situated in the area shown on the Rams Hill Specific Plan as Estate Lots if the Declarant, prior to the conveyance of such Estate Lot, has established Supplemental Restrictions pertaining to architectural control of improvements thereon compatible with the standards established herein and establishing a Neighborhood Association with the power to enforce such architectural control through its Board or an architectural control committee appointed by it.

9.2. Rams Hill Architectural Committee: The Rams Hill Architectural Committee shall consist of not less than three (3), or more than seven (7), members. After the recording of this Master Declaration, the Declarant shall appoint the initial members of the Rams Hill Architectural Committee. Thereafter, the Declarant reserves the right to appoint the majority of the members to the Rams Hill Architectural Committee until the first to occur of the following:

(A) the conveyance of 90% of the maximum number of Lots or Units permitted by the Rams Hill Specific Plan to Class "A" members; or

(B) the fifth anniversary following the most recent conveyance of the Lot or Unit in any Phase under a DRE Report to a Class "A" member.

Until the termination of the Declarant's rights to appoint a majority of the Rams Hill Architectural Committee's members, the Owners, other than Declarant, shall appoint one member of the Rams Hill Architectural Committee. Thereafter, the Board shall have the right to appoint all of the members of the Rams Hill Architectural Committee. The members of the Rams Hill Architectural Committee appointed by Declarant need not be Owners or representatives of Owners, and may, but need not, include architects, engineers, or similar professionals, whose compensation, if any, shall be established from time to time by the Rams Hill Board. The members of the Rams Hill Architectural Committee appointed by the Owners shall be an Owner.

Until expiration of Declarant's rights under this section, the Rams Hill Architectural Committee shall notify Declarant in writing within three business days of any action (*i.e.*, approval, partial approval, or disapproval) it takes under this Article. A copy of the application and any additional information Declarant may require shall accompany the notice. Declarant, in its discretion, shall have 10 business days after receipt of such notice to veto any such action, by written notice to the Rams Hill Architectural Committee.

9.2.1 Term The initial members of the Rams Hill Architectural Committee appointed by the Declarant shall serve a term of one year, and the member appointed by the Owners shall

serve a term of two years. Thereafter, the terms of all Rams Hill Architectural Committee members appointed shall be three (3) years. Any new member appointed to replace a member who has resigned or been removed shall serve such member's unexpired term. Members who have resigned, been removed or whose terms have expired may be reappointed.

9.2.2 Removal: Any member of the Rams Hill Architectural Committee appointed by the Owners may be removed, with or without cause, by the vote of Owners present and entitled to vote at any meeting at which a quorum is present. Any member whose removal is sought shall be given notice prior to any meeting called for that purpose. Upon removal of a member, a successor shall be elected by the Owners entitled to elect the member so removed to fill the vacancy for the remainder of the term of such member.

This Section shall not apply to the initial members the Declarant appoints. The Declarant shall be entitled to appoint a successor to fill any vacancy on the Rams Hill Architectural Committee resulting from the death, disability, or resignation of a member appointed by the Declarant.

9.2.3 Resignations: Any member of the Rams Hill Architectural Committee may at any time resign from the Committee upon written notice delivered to Declarant or to the Board, whichever then has the right to appoint members.

9.2.4 Vacancies: Vacancies on the Architectural Committee, however caused, shall be filled by the Declarant or the Board, whichever then has the power to appoint members as set forth in this Section 9.2.

9.3 Duties: It shall be the duty of the Rams Hill Architectural Committee to consider and act upon such proposals or plans submitted to it pursuant to the terms hereof, to adopt Rams Hill Architectural Committee Rules and Standards, to perform other duties delegated to it by the Rams Hill Community Association, and to carry out all other duties imposed upon it by this Master Declaration.

9.4 Meetings: The Rams Hill Architectural Committee shall meet from time to time as necessary to properly perform its duties hereunder. The vote or written consent of any two (2) members shall constitute an act by the Committee unless the unanimous decision of its members is otherwise required by these Restrictions. The Committee shall keep and maintain a record of all actions taken by it at such meeting or otherwise. The members of the Rams Hill Architectural Committee shall be entitled to reimbursement for reasonable expenses incurred by them in the performance of any Rams Hill Architectural Committee function, but shall otherwise receive no compensation for services rendered.

9.5 Rams Hill Architectural Committee Guidelines: The Rams Hill Architectural Committee may, from time to time adopt, amend and repeal, by unanimous vote, rules and regulations to be known as Rams Hill Architectural Committee Rules and Guidelines. However, with respect to

the Rams Hill Architectural Committee Rules and Guidelines applicable to the Neighborhoods known as "Santa Fe," "Santa Rosa," and "San Felipe," any amendment altering, modifying, or repealing any architectural or landscaping rule or regulation or the imposition of any standard altering or amending the maintenance thereof, shall require the vote and approval of the Neighborhood Board. The standards and condition within those Neighborhoods, as of the filing of this Master Declaration, are in conformance with the Rams Hill Architectural Committee Rules and Guidelines applicable to each Neighborhood.

Said Rules shall interpret and implement the provisions hereof by setting forth the standards and procedures for Rams Hill Architectural Committee review and guidelines for architectural design, placement of buildings, landscaping, color schemes, exterior finishes and materials and similar features which are recommended for use in the Rams Hill Community; provided, however, that said Rules shall not be in derogation of the minimum standards required by this Master Declaration. Adoption of new rules or modifications of existing rules must be done in accordance with Section 4.8 herein.

9.6 Application for Approval of Improvements: Any Owner proposing to perform any work of any kind whatever which requires the prior approval of the Rams Hill Architectural Committee under this Master Declaration, shall apply to such Committee for approval by notifying the Rams Hill Architectural Committee of the nature of the proposed work in writing and furnishing such information as the Committee may require, including but not limited to: (A) a plot plan of the Lot, showing the location of all existing and proposed improvements; (B) floor plans; (C) elevation drawings; (D) a description of exterior materials and colors; and (E) the Owner's proposed construction schedule. The Rams Hill Architectural Committee may require that the application for approval in connection with any improvement to be constructed be accompanied by a reasonable fee. In the event that the Rams Hill Community deems that outside consultants are necessary to review plans or otherwise inspect the proposed improvements.

9.7 Builders and Non-Residential Owners: Builders and Owners of property in the Rams Hill Commercial Areas, Hotel Area, Tennis Court Area, and Golf Course Area shall be exempt from the provisions hereof except as follows:

9.7.1 Builders: For any Lots or Units acquired by a Builder, the design for the structural improvement on which has not been approved in writing by Declarant within ten (10) years after recordation of this Master Declaration, any design or substantial modification of such design for such structural improvements shall be subject to the provisions of this Article IX.

9.7.2 Non-Residential Owners: For any property in the Non-Residential Area, the design for the structural improvements on which has not been approved in writing by Declarant within fifteen (15) years after recordation of this Rams Hill Declaration, any design or substantial modification of such design for such structural improvements shall be subject to the provisions of this Article IX.

9.7.3 For any such exempt property, the Owner thereof shall comply with such Architectural Review Standards as the Declarant may establish pursuant to its specific agreements and conveyances regarding any such property.

9.8 Basis for Approval of Improvements: The Rams Hill Architectural Committee shall grant the requested approval only if the Rams Hill Architectural Committee shall find that the plans and specifications conform to this Master Declaration, and to the Rams Hill Architectural Committee Rules and Guidelines in effect at the time such plans were submitted to such Committee and that the proposed improvements would be compatible with the standards of the Rams Hill Community and the purposes of this Master Declaration as to quality of workmanship and materials, and as to location with respect to topography and finished grade elevations. All approvals given under this Article shall be in writing; provided, however, that any request for approval which has not been approved or disapproved by the Rams Hill Architectural Committee within forty-five (45) days from the date of submission thereto to the Rams Hill Architectural Committee shall be deemed approved.

9.8.1 Any approval or disapproval of plans submitted to the Rams Hill Architectural Committee shall be in writing. An approval of plans by the Rams Hill Architectural Committee may be qualified. All qualifications, conditions and requests for modifications imposed by the Rams Hill Architectural Committee must be in writing. If a plan is disapproved, the written decision from the Rams Hill Architectural Committee shall include both an explanation of why the proposed change was disapproved and a description of the procedure for reconsideration of the decision by the Rams Hill Board.

9.8.2 If plans are disapproved in whole or in part, the Owner is entitled to reconsideration by the Rams Hill Board if a written request is made within thirty (30) days of the Owner's receipt of the disapproval. The Rams Hill Board shall schedule a meeting for reconsideration of said Owner's plans to take place within thirty (30) days after receipt of such request. The Owner is entitled to be present at the meeting for reconsideration and to address the Rams Hill Board. The Owner shall also be entitled to bring one or more representatives to assist in explaining technical or design issues with regard to the plans. Said meeting for reconsideration does not need to be noticed to the membership of the Rams Hill Community Association. The Rams Hill Board shall have fifteen (15) days from the date of the meeting for reconsideration in which to render its decision in writing to the Owner.

9.9 Proceeding with Work: Upon receipt of approval from the Rams Hill Architectural Committee, the Owner shall, as soon as practicable, satisfy all conditions hereof and diligently proceed with the commencement and completion of all construction, reconstruction, refinishing, alterations and excavations pursuant to said approval, said commencement to be, in all cases, within one year from the date of such approval. If the Owner shall fail to comply with this Paragraph, any approval given shall be deemed revoked unless the Rams Hill Architectural Committee, upon written request of the owner made prior to the expiration of said one-year period, extends the time for such commencement. No such extension shall be granted except

upon a finding, by the Architectural Committee that there has been no change in the circumstances upon which the original approval was granted. The Owner shall in any event complete the construction, reconstruction, refinishing, or alteration of any such improvement within one (1) year after commencing construction thereof, except and for so long as such completion is rendered impossible or would result in great hardship to the Owner due to strikes, fires, national emergencies, natural calamities or other supervening forces beyond the control of the Owner or his agents. If Owner fails to comply with this Section, the Rams Hill Architectural Committee shall notify the Rams Hill Board of such failure, and the Board shall proceed in accordance with the provisions of Section 9.10 below as though the failure to complete the improvement were a non-compliance with approved plans.

9.10 Inspection and Correction of Work: Inspection of work and correction of defects therein shall proceed as follows:

9.10.1 Upon the completion of any construction or reconstruction or the alteration or refinishing of the exterior of any improvements, or upon the completion of any other work for which approved plans are required under this Article, the Owner shall give written notice of completion thereof to the Rams Hill Architectural Committee.

9.10.2 Within sixty (60) days thereafter the Rams Hill Architectural Committee, or its duly authorized representative, may inspect such improvement to determine whether it was constructed, reconstructed, altered or refinished to substantial compliance with the approved plans. If the Rams Hill Architectural Committee finds that such construction, reconstruction, alteration or refinishing was not done in substantial compliance with the approved plans, it shall notify the Owner in writing of such non-compliance within such sixty (60) day period, specifying particulars of non-compliance, and shall require the Owner to remedy such non-compliance.

9.10.3 If upon the expiration of ninety (90) days from the date of such notification, the Owner shall have failed to remedy such non-compliance, the Rams Hill Architectural Committee shall notify the Rams Hill Board in writing of such failure. The Board shall then set a date on which a hearing before the Board shall be held regarding the alleged non-compliance. The hearing date shall be not more than thirty (30) days nor less than fifteen (15) days after notice of the non-compliance is given to the Board by the Rams Hill Architectural Committee. Notice of the hearing date shall be given at least ten (10) days in advance thereof by the Board to the Owner, the Rams Hill Architectural Committee and, in the discretion of the Board, to any other interested party.

9.10.4 At the hearing, the Owner, the Rams Hill Architectural Committee and, in the Board's discretion, any other interested person may present information relevant to the question of the alleged non-compliance. After considering all such information, the Board shall determine whether there is a non-compliance and, if so, the nature thereof and the estimated cost of correcting or removing the same. If a non-compliance exists, the Board shall require the

Owner to remedy or remove the same within a period of not more than forty-five (45) days from the date of the Board ruling. If the Owner does not comply with the Board ruling within such period or within any extension of such period as the Board, in its discretion, may grant, the Board, at its option, may either remove the non-complying improvement or remedy the non-compliance and the Owner shall reimburse the Association for all expenses incurred in connection therewith upon demand. If such expenses are not promptly repaid by the Owner to the Rams Hill Community Association, the Rams Hill Board shall levy a Special Benefit Assessment.

9.10.5 If for any reason the Rams Hill Architectural Committee fails to notify the Owner of any non-compliance within sixty (60) days after receipt of said notice of completion from the Owner, the improvement shall be deemed to be in accordance with said approved plans.

9.11 Preliminary Approval: Any Owner proposing to construct improvements requiring the prior approval of the Rams Hill Architectural Committee may apply to the Committee for preliminary approval by submission of preliminary drawings of the proposed improvements in accordance with the Rams Hill Architectural Committee Rules. The purpose of the preliminary approval procedure is to allow an Owner proposing to make substantial improvements an opportunity to obtain guidance concerning design considerations before expending substantial sums for plans and other exhibits required to apply for final approval. Applications for preliminary approval shall be considered and disposed of as follows:

9.11.1 Within forty-five (45) days after proper application for preliminary approval, the Rams Hill Architectural Committee shall consider and act upon such request. The Rams Hill Architectural Committee shall grant the approval only if the proposed improvement, to the extent its nature and characteristics are shown by the application, would be entitled to a final approval on the basis of a full and complete application. Failure of the Rams Hill Architectural Committee to act within said forty-five (45) day period shall constitute an approval. In granting or denying approval, the Rams Hill Architectural Committee may give the applicant such directions concerning the form and substance of the final application for approval as it may deem proper or desirable for the guidance of the applicant. Owners shall be entitled to a written explanation with regard to any disapproval of their preliminary plans and also shall be entitled to reconsideration of them as set forth in Section 9.8.1 and 9.8.2.

9.11.2 Any preliminary approval granted by the Rams Hill Architectural committee shall be effective for a period of ninety (90) days from the date of the issuance thereof. During said period, any application for final approval which consists of proposed improvements in accordance with the provisions of the preliminary approval, and is otherwise acceptable under the terms of these Restrictions, shall be approved by the Rams Hill Architectural Committee.

9.11.3 In no event shall any Preliminary approval be deemed to be an approval authorizing construction of the subject improvements.

9.12 Waiver: The approval by the Rams Hill Architectural Committee of any plans, drawings or specifications for any work done or proposed, or for any other matter requiring the approval of the Committee under this Declaration, shall not be deemed to constitute a waiver of any right to withhold approval of any similar plan, drawing, specification or matter subsequently submitted for approval.

9.13 Estoppel Certificate: Within forty-five (45) days after written demand is delivered to the Rams Hill Architectural Committee by any Owner, and upon payment to the Rams Hill Community Association of a reasonable fee (as fixed from time to time by the Rams Hill Community Association), the Rams Hill Architectural Committee shall record an estoppel certificate, executed by any two (2) of its members, certifying (with respect to any Lot or Unit of said Owner) that as of the date thereof either: (A) all improvements made and other work done upon or within said Lot or Unit comply with this Declaration, or (B) such improvements or work do not so comply in which event the certificate shall also identify the non-complying improvements or work and set forth with particularity the basis of such non-compliance. Any purchaser from the Owner, or from anyone deriving any interest in said Lot or Unit through him, shall be entitled to rely on said certificate with respect to the matters therein set forth, such matters being conclusive as between the Association, Declarant and all Owners and such persons deriving any interest through them.

9.14 Liability: Neither the Rams Hill Architectural Committee nor any member thereof shall be liable to the Rams Hill Community Association or to any Owner for any damage, loss or prejudice suffered or claimed on account of: (A) the approval or disapproval or any plans, drawings and specifications, whether or not defective, (B) the construction or performance of any work, whether or not pursuant to approved plans, drawings, and specifications, (C) the development of any property within the Rams Hill Community, or (D) the execution and filing of an estoppel certificate pursuant to Section 9.13, whether or not the facts therein are correct, provided that such member has acted in good faith on the basis of such information as may be possessed by him. Without in any way limiting the generality of the foregoing, the Rams Hill Architectural Committee, or any member thereof, may but is not required to, consult with or hear the views of any member of the Rams Hill Community Association with respect to any plans, drawings, specifications or any other proposal submitted to the Rams Hill Architectural Committee.

9.15 General Restrictions: The following general restrictions shall apply to all excavation, construction, development or similar work in the Rams Hill Community requiring Rams Hill Architectural Committee approval under this Article IX:

9.15.1 No building shall be located on any Lot nearer than the setback line as shown on the recorded plat unless a variance is granted by the Rams Hill Architectural Committee pursuant to the variance procedures set forth below. No alterations shall be made in the exterior color design or openings of any building or other construction unless written approval of said alterations shall have been obtained from the Rams Hill Architectural Committee. The grade,

level or drainage characteristics of any Lot or portion thereof, shall not be altered without the prior written consent of the Rams Hill Architectural Committee.

9.15.2 No second-hand materials shall be used in the construction of any building or other structure on any Lot without the prior written approval of the Rams Hill Architectural Committee.

9.15.3 All buildings and fences on any Lot which are framed construction shall be painted or stained with at least two coats upon completion, unless otherwise approved in writing by the Rams Hill Architectural Committee.

9.15.4 The floor square foot area, exclusive of porches, patios, exterior stairways and garages, of any building located on any Lot shall not be less than 1,500 square feet.

9.15.5 No balcony or deck on any Lot shall be higher above the ground than the second floor level except with the written approval of the Rams Hill Architectural Committee.

9.15.6 No building or structure or any kind shall be moved from any other place on to any Lot, or from one Lot to another, without the prior written permission of the Rams Hill Architectural Committee.

9.15.7 No dwelling of more than one story, nor more than eighteen (18) feet, in height, shall be constructed or maintained on any Lot without the prior written approval of the Rams Hill Architectural Committee.

9.15.8 No air conditioning unit, solar appliance, duct work, piping or other equipment shall be constructed or installed on any Lot or the roof of any building on a Lot without the prior written approval of the Rams Hill Architectural Committee as to location, color, size, type and other factors determined by the Rams Hill Architectural Committee to be significant.

9.16 Interpretation of Restrictions: All questions of interpretation or construction of any of the terms or conditions herein shall be resolved by the Rams Hill Architectural Committee, and its decision shall be final, binding and conclusive on all the parties affected.

9.17 Construction Clean-Up and Conformity of Construction with Plans: When plans and specifications for the construction of improvements are submitted to Rams Hill Architectural Committee pursuant to these restrictions, said submission, shall at the request of the Rams Hill Architectural Committee, be accompanied by a deposit in such amount as determined by the Rams Hill Architectural Committee, to guarantee that the construction site during the course of construction will be maintained reasonably free of debris at the end of each working day and that the construction will be completed and Lot drainage swells and structures will correctly drain surplus water to the street or other approved locations, all as shown on the plans and specifications submitted to the Rams Hill Architectural Committee for approval. In the event of a

violation of this restriction, the Rams Hill Architectural Committee may give written notice thereof to the builder and Owner of the Lot in question that if such violation is not cured or work commenced to cure the same within five (5) working days after the mailing of said notice, the Rams Hill Architectural Committee may correct or cause to be corrected said violation and use said deposit, or as much thereof, as may be necessary to cover the cost of such correction work. In the event that the cost of curing said violation shall exceeds the amount of said deposit, said excess costs shall be paid by the Owner of the Lot in question to the Rams Hill Architectural Committee. Said deposit, or any part thereof remaining in the hands of the Rams Hill Architectural Committee at the completion of the construction work, shall be returned by the Rams Hill Architectural Committee to the person who made the deposit.

9.18 Variance. The Rams Hill Architectural Committee may authorize variances from compliance with any of the architectural provisions of this Declaration, including without limitation, restrictions upon height, size, floor area or placement of structures, or similar restrictions, when circumstances such as topography, natural obstructions, hardship, esthetic or environmental considerations may require. Such variances must be in writing, must be signed by a least two members of the Rams Hill Architectural Committee, and shall become effective upon recordation in the Office of the County Recorder of San Diego County. If such variances are granted, no violation of the covenants, conditions and restrictions contained in this Declaration shall be deemed to have occurred with respect to the matter for which the variance was granted. The granting of such a variance shall not operate to waive any of the terms or provisions of this Declaration for any purpose except as to the particular property and particular provision hereof covered by the variance, nor shall it affect in any way the Owners obligation to comply with all governmental laws and regulations affecting his use of the premises, including but not limited to, zoning, ordinances and Lot setback lines or requirements imposed by the County of San Diego, or any governmental authority.

ARTICLE X

DAMAGE, DESTRUCTION AND CONDEMNATION

10.1 Rams Hill Common Area: In the event of partial or total destruction of improvements upon the Rams Hill Common Area, it shall be the duty of the Rams Hill Community Association to restore and repair the same to its former condition as promptly as practical, as herein set forth:

10.1.1 If the cost of repairing or rebuilding the Rams Hill Common Area facilities does not exceed the amount of insurance proceeds initially offered or paid by the insurance carrier by more than ten percent (10%) of the cost of reconstruction:

(a) All insurance proceeds shall be paid to a commercial bank or trust company designated by the Rams Hill Board to be held for the benefit of the Rams Hill

Community Association and the Rams Hill Owners and their mortgages, as their interests shall appear.

(b) The Rams Hill Board shall levy a Reconstruction Rams Hill Assessment against the Owners in the Rams Hill Community in the same manner as provided in Article V, equal to the difference between the cost of repairing or rebuilding and the amount of available insurance proceeds, which sums shall be payable into the fund held by the insurance trustee. The Rams Hill Board may advance the amount of the Reconstruction Rams Hill Assessment to the insurance trustee from Rams Hill Community Association general funds or reserves.

(c) When the amount held by the insurance trustee is sufficient to pay the costs of repair and reconstruction, the Rams Hill Board shall thereupon contract for the repair or reconstruction of the improvements paying the cost of such work from the amount held by the insurance trustee, said repair or reconstruction to be for the purpose of returning the improvements substantially to their appearance and condition immediately prior to the casualty.

(d) The Rams Hill Community Association may rebuild such damaged or destroyed common facilities in a different manner, or in different locations on the Rams Hill Common Area, provided that such Rams Hill Board action shall require consent of eighty percent (80%) of the Rams Hill Board. If the Rams Hill Board cannot reach such an eighty percent (80%) decision, any such change shall require the vote or written assent of the Neighborhood Boards representing at least fifty-one percent (51%) of the Rams Hill voting rights, and the written consent of fifty-one percent (51%) of the Mortgagees. In any event, if such changed plans require additional capital so as to constitute a Capital Improvement Rams Hill Assessment as set forth in Article V, the written assent of the Neighborhood Boards representing at least fifty-one percent (51%) of the Rams Hill voting rights must be obtained if so required by Article V.

10.1.2 If the cost of such repairing or rebuilding exceeds the amount of available insurance by more than ten percent (10%) of the cost of reconstruction, then all insurance proceeds shall be deposited as provided in Section 10.1.1(a) above and the Rams Hill Board shall require a determination by written assent or vote of the Neighborhood Boards representing at least Sixty percent (60%) of the Rams Hill voting rights as to whether a Reconstruction Rams Hill Assessment equal to the difference between available insurance proceeds and the cost of such repairing or rebuilding shall be levied. If the Rams Hill members determine not to levy such assessment then the Rams Hill Board shall use the insurance proceeds available to make such restoration or repair as reasonably possible or to clear the site of the damaged premises and render the same safe and attractive. The Owners share of any insurance proceeds remaining thereafter shall be distributed to the Rams Hill Community Association.

10.2 Neighborhood Common Area and Lots: In the event of partial or total damage or destruction of Neighborhood Common Area or any Lot or Unit therein, the responsible Neighborhood Association or Owner shall either:

10.2.1 Diligently commence to rebuild the same if the insurance proceeds and other funds available to the Neighborhood Association or Owner are sufficient to pay the costs of such rebuilding; or

10.2.2 If there are not sufficient funds to rebuild, clear and level the Lot or Unit, removing all wreckage, foundations, slabs, debris and remains of the building or buildings therefrom and leaving the same in a level, clean and landscaped condition.

Upon reconstruction, the building shall be rebuilt substantially in accordance with the original plans and specifications therefor; provided, however that the exterior appearance thereof shall substantially resemble the appearance color prior to such damage and destruction. Notwithstanding the foregoing, however, the Owner of such damaged building may reconstruct or repair the same in accordance with new or changed plans or specifications with the prior written approval of the Rams Hill Architectural Committee. The Neighborhood Restrictions shall provide procedures and standards for repair or reconstruction of damaged or destroyed property within such Neighborhood including special reconstruction assessments for repair of Neighborhood Common Area so damaged or destroyed.

10.3 Non-Residential Improvements: If any improvements in a Non-Residential Area are destroyed or damaged, the Owner thereof shall cause said damage or destruction to be repaired or reconstructed as Promptly as is reasonable, but in no event in a time period greater than one (1) year from the date of the damage. In the event such repair or reconstruction is not Commenced within a reasonable time period the remnants of the damaged improvements shall be razed from the Site and all unsightly evidence of such damaged improvements shall be removed therefrom and the site fenced or otherwise rendered safe and attractive. In the event the Owner does not commence said work within a reasonable time, the Rams Hill Community Association may bring legal proceedings to compel the Owner to perform such reconstruction or repair, and may take such steps as the Rams Hill Board deems appropriate to render the property safe to the public, any costs of which shall be levied against the Owner as a Special Benefit Assessment.

10.4 Condemnation: In the event that an action in eminent domain is brought to condemn all or any portion of the Rams Hill Common Area within the Rams Hill Community, or a sale of all or a part thereof is made in lieu of condemnation, the Rams Hill Board shall exclusively represent all of the Rams Hill Owners in connection with the taking. The Rams Hill Board may appoint such persons as it determines appropriate as its agent or representatives in connection with such taking. The Rams Hill Board shall act in its sole discretion with respect to any awards made in connection with the taking and shall be entitled to make a voluntary sale to the condemn or in lieu of engaging in a condemnation action. Any awards received on account of the taking shall be paid to the Rams Hill Community Association, and used, held or distributed as reasonably deemed appropriate by the Rams Hill Board, subject to the provisions hereof.

10.4.1 Total Taking: If the taking is of the entire Rams Hill Common Area, the amount payable shall be paid to the Rams Hill Board as trustee for distribution to the Rams Hill Owners, subject to the rights of mortgagees holding mortgages covering the properties and all unpaid Rams Hill Assessments of each Owner, together with any interest charges attributable thereto. Said proceeds shall be distributed to the Rams Hill Owners and their respective mortgagees according to the relative values of the respective properties in the Rams Hill Community determined by an independent appraisal made by a qualified real estate appraiser selected by the Rams Hill Board.

10.4.2 Minor Taking: If the award is for the acquisition of only part of the Rams Hill Common Area and is less than ten percent (10%) of the value of all Rams Hill Common Area, the entire amount thereof shall be payable to the Rams Hill Board and such amount, together with any interest earned thereon, shall be held by the Rams Hill Community Association for the construction of capital improvements on other portions of the Rams Hill Common Area.

10.4.3 Major Taking: If the award is for the acquisition of only part of the Rams Hill Common Area, but is in excess of ten percent (10%) of the value of all Rams Hill Common Area, the Rams Hill Board in its sole discretion may retain all or any part thereof in the general funds of the Rams Hill Community Association for the purpose of constructing alternative facilities for those so taken, or may distribute all or any part thereof to the Rams Hill Owners, as their interests appear, subject, however, to the rights of mortgagees and any unpaid assessments, in the manner set forth in Section 10.4 above.

ARTICLE XI

DEVELOPMENT RIGHTS

11.1 Limitation of Restrictions: Declarant, the Builders and Owners of property in Non-Residential Areas shall be entitled to the development rights stated in this Article. As the completion of the construction and the improvement or modification of the Rams Hill Common Area and Non-Residential Area improvements of the Rams Hill Community and the development and marketing of the residential Lots or Units therein are essential to the establishment and development of the Rams Hill Community and the welfare of all Owners therein, nothing in the Master Declaration shall be understood or construed to:

11.1.1 Prevent Declarant, the Builders, Owners of properties in Non-Residential Area, any of their contractors, or subcontractors, from doing within the Rams Hill Common Area, the Non-Residential Area, or any Lot or Unit or Parcel thereof whatever is reasonably necessary or appropriate in connection with the completion of said improvements;

11.1.2 Prevent Declarant, the Builders, or Owners of properties in Non-Residential Area, or any of their representatives from erecting, constructing and maintaining on any part or parts of

the Rams Hill Community, such structures as may be reasonably necessary for the conduct of its business of completing said work and establishing said property as a residential community and disposing of the same in Parcels, Lots or Units by sale, lease or otherwise, including the establishment of a rental program for the Lots or Units whereby Declarant and others may rent Lots or Units on a short term (daily) or long term basis;

11.1.3 Prevent Declarant, the Builders, or Owners of properties in Non-Residential Area, from conducting on any part of the Rams Hill Community, their business of completing said work and of establishing said property as a residential community and of disposing of said property in Parcels or Lots by sale, lease or otherwise;

11.1.4 Prevent Declarant, the Builders or Owners of properties in Non-Residential Area, from maintaining such signs within the Rams Hill Community, as may be necessary for the sale, lease or disposition thereof, as Declarant may deem appropriate; or

11.1.5 Prevent Declarant from filing a supplemental Declaration by Declarant as may be deemed appropriate for annexation of additional property pursuant to Section 3.2 of this Master Declaration.

11.1.6 Nothing herein shall be construed as allowing Declarant, the Builders or Owners of properties in Non-Residential Area to unreasonably interfere with the use of the Rams Hill Common Area by any lot or unit purchasers in the Rams Hill Community.

11.2 Rights of Access; Completion of Construction: Until the tenth (10) anniversary of the recording of this Master Declaration, Declarant, its contractors and subcontractors shall have the right to:

11.2.1 Obtain reasonable access over and across the Rams Hill Common Area (including, but not limited to, all public and private streets in the Rams Hill Community), and do whatever is reasonably necessary or advisable in connection with the completion of the Rams Hill Community and any Neighborhood in Rams Hills Community; and

11.2.2 Erect, construct and maintain such structures as may be reasonably necessary for the conduct of its business to complete said work, establish said property as a residential community and dispose of the same in parcels by sale, lease, or otherwise.

11.3 Marketing Rights:

11.3.1 Declarant shall have the right to:

11.3.1.1 Subject to the restrictions in any Neighborhood Declaration, maintain model homes, sales offices, storage facilities or related such facilities on any unsold Lots or

Units within the Rams Hill Community necessary or reasonable, in the opinion of Declarant, for sale or disposition of said Lots or Units;

11.3.1.2 Make reasonable use of the Rams Hill Common Areas and Rams Hill Common Area facilities for undertaking its sale of said Lots or Units; or

11.3.1.3 Conduct its business of disposing of the Lots and Units by sale, lease or otherwise.

ARTICLE XII

MORTGAGEE RIGHTS

12.1 Special Mortgagee Provisions: It is anticipated that part or all of the Lots or Units in the Rams Hill Community may be financed for the Owners through special agencies, such as The Federal National Mortgage Association or Federal Home Loan Mortgage Corporation. The interest of the Rams Hill Community Association and each of the Rams Hill members is and shall be subject to and subordinate to the rules, regulations and requirements of such governmental agencies purchasing mortgages in the Rams Hill Community, to the extent that their rules and regulations are approved by the California Department of Real Estate. As the requirements of such agencies are subject to change, if necessary Declarant shall execute and cause to be recorded a Supplemental Declaration, incorporating such additional covenants, conditions and restrictions as are required by such agencies, approved by the California Department of Real Estate, affecting the properties. Notwithstanding prior acquisition of title to any portion of property in the Rams Hill Community by the Rams Hill Community Association, any Neighborhood Association, or any Rams Hill Owner, such supplemental covenants, conditions and restrictions shall be binding upon all Rams Hill members, the Rams Hill Community Association, and all Neighborhood Associations. Declarant may execute as many such Supplemental Declarations as are required to comply with such lending agency's requirements from time to time throughout the course of sale of the Properties. Declarant may bind the Rams Hill Community Association and all Rams Hill Owners by written consent with such agencies.

12.2 Additional Definitions: The term "Institutional Mortgagee" shall mean a Mortgagee which is (A) a bank, savings and loan association, insurance or mortgage company or other entity or institution chartered under federal law and/or state law; (B) an insurer or governmental, guarantor of a Mortgage; or (C) the State of California as the vendor under an installment land sales contract covering a Lot or Unit. The term Eligible Holder shall mean any Institutional Mortgagee who has given written notice to the Rams Hill Community Association specifying its name, address and the Lot or Unit number or address of the property encumbered by the Mortgage and requesting written notice of any or all of the events specified in Section 12.3.5 below.

12.3 Rights of Mortgagees: Notwithstanding any contrary provision contained elsewhere in this Master Declaration, or in the Rams Hill Bylaws, Rams Hill Articles or Rams Hill Rules, subject to such changes as may be required under the terms of Section 12.1 above, the provisions of this Article XII shall control with respect to the rights and obligations of Institutional Mortgagees.

12.3.1 Liability for Unpaid Assessments: Any Institutional Mortgagee who obtains title to a Lot or Unit pursuant to the remedies provided in the Mortgage (except upon a voluntary conveyance to the Institutional Mortgagee) or by foreclosure of the Mortgage, shall take the property free of any claims for unpaid assessments or charges against the Lot or Unit which accrue prior to the acquisition of title to the Lot or Unit by the Institutional Mortgagee.

12.3.2 Payment of Taxes and Insurance: Institutional Mortgagees may, jointly or singly, pay taxes or other charges which are in default and which may or have become a charge against any Rams Hill Common Area or improvements thereon and may pay overdue premiums on hazard insurance policies or secure new hazard insurance coverage on the lapse of a policy for such Rams Hill Common Area. Institutional Mortgagees making such payments shall be owed immediate reimbursement for such expenditures from the Rams Hill Community Association and, on demand, the Rams Hill Community Association shall execute an agreement in favor of all Institutional Mortgagees reflecting entitlement to reimbursement.

12.3.3 Reserve Fund: The Rams Hill Community Association shall maintain the Reserve Fund provided for under Section 5.1 hereof which shall be sufficient to pay for maintenance, repair and periodic replacement of Rams Hill Common Area improvements which the Rams Hill Community Association is obligated to maintain. This Reserve Fund shall be funded by regular assessments of Owners as specified in Section 5.3.1. hereof which are payable in installments rather than by special assessment; provided, however, that this provision shall not be deemed to limit the power of the Rams Hill Community Association to levy any other type of assessment or charge authorized by this Master Declaration.

12.3.4 Termination of Contract and Agreements:

12.3.4.1 Any contract or lease, including any contract providing for the services of Declarant, entered into by the Rams Hill Community Association while Declarant controls the Rams Hill Community Association shall provide that the Rams Hill Community Association has the right to terminate such contract or lease without cause and without penalty or the payment of a termination fee at any time after the transfer of control of the Rams Hill Community Association from Declarant upon not more than ninety (90) days notice to the other party. For purposes of this Subsection, the term "control" shall mean the right of Declarant to exercise unilateral control over the Rams Hill Community Association, the Rams Hill Board, the Rams Hill Community or the Owners in any manner other than by Declarant's exercise of votes

allocated to Declarant on the same basis as votes are allocated to Neighborhood Associations for Lots or Units not owned by Declarant or Builders.

12.3.4.2 Any agreement for professional management of the Rams Hill Community or any agreement providing for services of the Declarant shall be for a term not to exceed one (1) year without the vote or written assent of the Neighborhood Boards representing at least 51% of the Rams Hill Voting Rights; provided, however, that in no event shall such an agreement exceed a term of three (3) years. Any such agreement shall provide that the agreement may be terminated by either party without cause and without payment of a termination fee upon not more than ninety (90) days' written notice.

12.3.5 Notice to Eligible Holders: An Eligible Holder is entitled to timely written notice of:

12.3.5.1 Any condemnation loss or casualty loss which affects either a material portion of the Rams Hill Community or the Lot or Unit on which the Eligible Holder holds a Mortgage;

12.3.5.2 Any delinquency in the payment of assessments or charges owed by the Owner of a Lot or Unit which is subject to a Mortgage held by the Eligible Holder if the delinquency is not cured within sixty (60) days after its due date;

12.3.5.3 Any lapse, cancellation or material modification of any insurance policy or fidelity bond maintained by the Rams Hill Community Association;

12.3.5.4 Any proposal to take any action specified in this Article; and

12.3.5.5 Any default by an Owner-Mortgagor of a Lot or Unit in the performance of his obligations under this Master Declaration or the Rams Hill Bylaws, which is not cured within sixty (60) days.

12.3.6 Inspection of Books and Records: Upon request, any Owner, Mortgagee or Institutional Mortgagee shall be entitled to inspect the books, records and financial statements of the Rams Hill Community Association, this Master Declaration, the Rams Hill Bylaws, the Rams Hill Articles and the Rams Hill Rules and any amendments thereto during normal business hours or under other reasonable circumstances.

12.3.7 Financial Statements: The Rams Hill Community Association, at its expense, shall prepare an audited financial statement for the immediately preceding fiscal year and furnish the same within one hundred twenty (120) days after written request from any Institutional Mortgagee.

12.3.8 Voting Rights of Mortgagees: For purposes of this Section 12.3.8, a Mortgagee shall be entitled to one (1) vote for each Mortgage owned.

12.3.8.1 Unless at least sixty-seven percent (67%) of the Institutional Mortgagees or sixty-seven percent (67%) of the Owners other than Declarant have given their prior written approval, the Rams Hill Community Association shall not be entitled to:

12.3.8.1.1 By act, or omission to abandon, partition, subdivide, encumber, sell or transfer any property or improvements owned, directly or indirectly, by the Rams Hill Community Association for the benefit of the Lots Or Units and the Owners. (The granting of easements for public utilities or for other public purposes consistent with the intended use of the property by the Rams Hill Community Association and Owners shall not be deemed a transfer within the meaning of this Subsection);

12.3.8.1.2 By act or omission change, waive or abandon any scheme of regulations, or enforcement thereof, pertaining to architectural design or exterior appearance of Lots or Units, the exterior maintenance of Lots or Units, the maintenance of party walls, fences or driveways, or the upkeep of lawns, plantings or other landscaping in the Rams Hill Community;

12.3.8.1.3 Fail to maintain fire and extended coverage insurance on insurable portions of the Rams Hill Common Area on a current replacement cost basis in an amount not less than one hundred percent (100%) of the insurable value based on current replacement cost;

12.3.8.1.4 Use hazard insurance proceeds for losses to any property or improvements owned by the Rams Hill Community Association other than for the repair, replacement or reconstruction of the property and improvements.

12.3.8.2 Any election to terminate the legal status of the Rams Hill Community as a planned development project shall require:

12.3.8.2.1 The approval of at least fifty-one percent (51%) of the Eligible Holders if the election to terminate the legal status is a result of substantial destruction or a substantial taking in condemnation of the property within the Rams Hill Community; or

12.3.8.2.2 The approval of sixty-seven percent (67%) of the total voting power of the Rams Hill Community Association and sixty-seven percent (67%) of the Eligible Holders, if Section 12.3.8.2.1, above, is not applicable.

12.3.8.3 In the event a portion of the Rams Hill Community is either condemned or destroyed or damaged by a hazard that is insured against, restoration or repair shall be performed substantially in accordance with the provisions of this Master Declaration and the

original plans and specifications for the Rams Hill Community, unless fifty-one percent (51%) of the Eligible Holders approve the taking of other action by the Rams Hill Community Association.

12.3.8.4 The vote or written consent of sixty-seven percent (67%) of the total voting power of the Rams Hill Community Association and fifty-one percent (51%) of the Eligible Holders shall be required to assume self-management of the Rams Hill Community, if professional management of the Rams Hill Community has been required by an Eligible Holder at any time.

12.3.9 Mortgage Protection: A breach of any of the conditions contained in this Master Declaration shall not defeat or render invalid the lien of any Mortgage made in good faith and for value as to any Lot or Unit in the Rams Hill Community; provided, however, that the conditions contained in this Master Declaration shall be binding upon and effective against any Owner of a Lot or Unit if the Lot or Unit is acquired by foreclosure, trustee's sale or otherwise.

ARTICLE XIII

MISCELLANEOUS PROVISIONS

13.1 Amendment: After the conveyance of the first Lot or Unit, amendments may be made only as follows:

13.1.1 Material Provisions of Master Declaration and Bylaws: The vote or written consent of (A) sixty-seven percent (67%) of each class of members of Rams Hill Community Association; (B) fifty-one percent (51%) of the Eligible Holders (based on one (1) vote for each Mortgage owned); and (C) Declarant, until termination of the Class "B" membership as set forth in Section 4.4, shall be required to add to, amend or modify, whether by formal amendment or otherwise, any material provision of this Master Declaration or the Bylaws which establish, provide for, govern or regulate any of the following subjects:

13.1.1.1 Voting;

13.1.1.2 Assessments, assessment liens, or subordination of assessment liens;

13.1.1.3 Reserves for maintenance, repair, and replacement of Rams Hill Common Area;

13.1.1.4 Insurance policies or fidelity bonds;

13.1.1.5 Rights to use the Rams Hill Common Area;

13.1.1.6 Responsibilities for maintenance and repair of any portion of the Rams Hill Community;

13.1.1.7 Expansion or contraction of the Rams Hill Community or the addition or annexation of property to or withdrawal of property from the Rams Hill Community;

13.1.1.8 The boundaries of a Lot or Unit;

13.1.1.9 Convertibility of Lots or Units into Rams Hill Common Area or of Rams Hill Common Area into Lots or Units;

13.1.1.10 Leasing of Lots or Units;

13.1.1.11 Imposition of any right of first refusal or similar restriction on the right of an Owner to sell, transfer or otherwise convey his Lot or Unit;

13.1.1.12 The provisions of Section 5.10, Article XII and this Section 13.1.1; and

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

Any amendment or addition to this Master Declaration or Bylaws regarding any of the foregoing subjects shall not be considered material and need not be approved by Eligible Holders if the amendment or addition is solely for the purposes of correcting technical errors or for clarification. Any Eligible Holder who receives a written request to approve an addition or amendment and who does not deliver or have its response postmarked within thirty (30) days of the date contained within the written request shall be deemed to approve the addition or amendment. All notices or other communications made pursuant hereto shall be in writing and shall be deemed properly delivered, given or served when (i) personally delivered; or (ii) mailed by certified or registered mail, postage prepaid to the parties at their last known address.

13.1.2 Other Provisions of Master Declaration: Any other provision of this Master Declaration may be amended by the vote or written consent of the Owners of (A) seventy-five percent (75%) of each class of members of Rams Hill Community Association; and (B) Declarant until Class "B" membership terminates in accordance with Section 4.4.2.

13.1.3 Recordation: Any amendment shall be effective upon the recordation in the Office of the Recorder of the County of San Diego of an instrument setting forth the terms thereof duly certified and executed by the President and Secretary of the Rams Hill Community Association.

13.2 Duration: The provisions of this Master Declaration, including the covenants, conditions and restrictions contained herein shall continue to be effective for a period of seventy-five (75) years from the date of recordation and shall be automatically extended for successive periods of

ten (10) years or until a majority vote of the Owners of all of the Lots and Units in the Rams Hill Community shall determine that they shall terminate.

13.3 Supplemental Rams Hill Restrictions: In addition to the Supplemental Rams Hill Restrictions herein provided for, Declarant reserves the right to record and impose a Supplementary Rams Hill Declaration of Covenants, Conditions and Restrictions or similar instrument, with respect to each additional increment, containing such complementary additions and modifications of these Master Restrictions as may be necessary to reflect and protect the different character, if any, of the annexed increment and as is not in conflict with the scheme of this Master Declaration. In no event, however, shall any such Supplementary Rams Hill Declaration revoke, modify, or add to the Master Declaration herein established as to the property in the Rams Hill Community previously made subject hereto except as otherwise herein provided.

13.4 Construction of Provisions: The provisions of this Declaration shall be liberally construed to effect for purposes of creating a uniform plan for the development and operation of the Rams Hill Community as a master planned development. Failure to enforce any provision hereof shall not constitute a waiver of the right to enforce said provision or any other provision hereof.

13.5 Binding: This Declaration shall be for the benefit of and be binding upon all Owners, or Lots, Units or Parcels in the Rams Hill Community, their respective heirs, legatees, devisees, executors, administrators, guardians, conservators, successors, purchasers, lessees, encumbrancers, donees, grantees, mortgagees, lienors and assigns.

13.6 Severability of Provisions: The provisions hereof shall be deemed independent and severable, and the invalidity or unenforceability of any one provision shall not affect the validity or enforceability of any other provision hereof.

13.7 Gender, Number and Captions: As used herein, the singular shall include the plural and the masculine shall include the feminine. The titles and captions of each paragraph hereof are not a part hereof and shall not affect the construction or interpretation of any part hereof.

THIS MASTER DECLARATION was approved on this 8th day of April, 2005, by The Rams Hill Community Association, and The Rams Hill Community Association certifies that the Master Declaration received the requisite votes to approve the adoption of said Master Declaration.

THE RAMS HILL COMMUNITY ASSOCIATION, a California nonprofit mutual benefit corporation

By: Virginia O'Neel
Name: Virginia O'Neel
Its: President

[Corporate Seal]

Attest: Richard Dahlberg
Name: Richard Dahlberg
Its: Secretary

STATE OF CALIFORNIA)
) ss
COUNTY OF SAN DIEGO)

On December 27, 2005, before me, Faith A. Moore personally appeared Virginia O'Neel and Richard Dahlberg, ~~personally known to me or~~ proved to me on the basis of satisfactory evidence to be the persons whose names are subscribed to the within instrument and acknowledged to me that they executed the same in their authorized capacity, and that by their signatures on the instrument, the persons or entity upon behalf of which the persons acted, executed the instrument.

WITNESS my hand and official seal.

Faith A. Moore
Notary Public

(Seal)

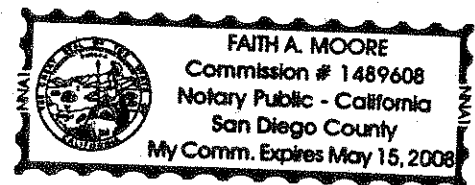


EXHIBIT "A"

Lots 8 to 106, inclusive, together with all those certain streets, designated as Rams Hill Drive, Hunter Drive, Firethorn Lane, Ironwood Lane, Chuparosa Lane, Silktree Lane, Palo Verde Lane, Rosewood Lane, Mesquite Lane, Calliandra Lane, and Lugo Drive, lying within County of San Diego Tract 4053-2, in the County of San Diego, State of California, according to Map thereof No. 10506, filed in the office of the County Recorder of San Diego County, October 27, 1982.

EXHIBIT "B"

ORDER NO. 41819

LEGAL DESCRIPTION:

PARCEL A:

Parcel 2 of Parcel Map 10960, in the County of San Diego, State of California, as filed in the Office of the County Recorder of San Diego, February 5, 1981, as File No. 81-37507 of Official Records.

EXCEPTING THEREFROM that portion being described as follows:

Commencing at the North Quarter corner of said Section 23; thence along the West line of the Northeast Quarter of Section 23, South 0°27'31" East, 692.13 feet to the TRUE POINT OF BEGINNING; thence continuing along said West line, South 0°27'31" East, 1972.24 feet to the center of said Section 23; thence along the West line of the Southeast Quarter of Section 23, South 0°27'52" East, 75.62 feet to an intersection with the Northeasterly right-of-way line of Borrego Springs Road (100.00 feet wide), as shown and delineated on Road Survey No. 1279, filed in the Office of the County Engineer, Department of Transportation, County of San Diego; thence along said right-of-way line, South 53°21'00" East, 75.23 feet; thence North 0°27'31" West, 334.50 feet; thence North 89°32'29" East, 387.10 feet; thence North 36°33'13" East, 350.00 feet; thence North 53°26'47" West, 748.63 feet; thence North 36°33'13" East, 405.23 feet; thence South 53°26'47" East, 259.27 feet; thence North 36°33'13" East, 380.00 feet; thence North 53°26'47" West, 926.39 feet to the TRUE POINT OF BEGINNING. Said above-described parcel contains 16.670 acres

ALSO EXCEPTING therefrom that portion being described as follows:

Commencing at the Southeast corner of Section 22; thence along the East line of said Section 22, North 0°36'25" West, 665.07 feet; thence South 89°31'17" West, 131.38 feet to an intersection with the center line of Yaqui Pass Road (100.00 feet wide) as shown and delineated on Road Survey No. 596, filed in the Office of the County Engineer, Department of Transportation, County of San Diego, said point being the TRUE POINT OF BEGINNING; thence along said center line, South 2°02'45" West, 361.84 feet; North 89°33'17" East, 361.54 feet, thence North 2°02'45" East, 361.84 feet; thence South 89°33'17" West, 361.54 feet to the TRUE POINT OF BEGINNING. Said above described parcel contains 3.000 acres.

ALSO EXCEPTING therefrom that portion being described as follows:

Commencing at the Southwest corner of said Section 35; thence North 87°40'33" East, 1898.24 feet; thence North 35°19'00" East 2186.78 feet to the TRUE POINT OF BEGINNING; thence

North 190.00 feet; thence East 260.00 feet; thence South 35°11'36" West, 232.51 feet; thence West 126.00 feet to the TRUE POINT OF BEGINNING.

ALSO EXCEPTING therefrom that portion being described as follows:

Commencing at Point "D" being the TRUE POINT OF BEGINNING for the description of Parcel F as shown on said Easement Dedication Plat; thence Southeasterly along the centerline of Parcel A which curves concave Northwesterly, having a radius of 1300.00 feet, through an angle of 26°45'45", 607.22 feet; thence South 36°33'59" West, 30.00 feet to a point on the Southerly line of Parcel A; thence South 53°26'01" East, 23.43 feet to the TRUE POINT OF BEGINNING; thence continuing South 53°26'01" East along the South line of Parcel A, a distance of 50.43 feet to the beginning of a tangent curve concave Northwesterly and having a radius of 700 feet; thence Southeasterly along the arc of said curve, through an angle of 10°35'04", 129.31 feet thence leaving said South line of Parcel A; South 7°13'54" West, 400.00 feet; thence North 82°46'06" West, 300.00 feet; thence North 46°15'04" West, 173.05 feet; thence North 43°44'56" East, 465.78 feet to the TRUE POINT OF BEGINNING.

ALSO EXCEPTING therefrom that portion being described as follows:

Beginning at the Northeast corner of Section 25 being the common corner of Section 24 and 25, Township 11 South, Range 6 East and Sections 19 and 30, Township 11 South, Range 7 East; thence South 0°00'02" East, 230.03 feet; thence South 89°59'58" West, 344.80 feet; thence North 0°00'02" West, 244.72 feet to a point on the North line of said Section 25; thence South 87°33'40" East, 345.11 feet to the Northeast corner of said Section 25 being the Point of Beginning. Contains 1.88 acres.

ALSO EXCEPTING therefrom that portion being described as follows:

Beginning at the Southwest corner of Section 26, Township 11 South, Range 6 East, San Bernadino Meridian, as shown on said Parcel Map 10960; thence North 0°52'32" East, 208.71 feet; thence North 89°07'28" West, 212.07 feet; thence South 0°52'32" West, 202.12 feet; thence South 87°20'38" East, 212.17 feet to the Point of Beginning.

Said above described parcel contains 1.00 acres.

ALSO EXCEPTING therefrom that portion being described as follows:

Commencing at a 2 inch pipe stamped RE 32 marking the center quarter corner of Section 23, Township 11 South, Range 6 East, San Bernadino Meridian as shown and delineated on Road Survey No. 1279; thence along the North/South center line thereof South 00°29'15" East, 138.40 feet (139.50 feet Rec.) to a point on the center line of Borrego Springs Road; thence along said center line South 53°22'15" East 5897.25 feet; thence South 53°20'55" East, 330.35 feet; thence leaving said center line North 36°39'05" East 50 feet to the TRUE POINT OF BEGINNING, being a point on the Northeasterly line of Borrego Springs Road according to Road Survey No.

1279; thence continuing North 36°39'05" East, 260.96 feet; thence South 53°20'55" East 300.00 feet; thence South 36°39'05" West 260.96 feet to the Northeasterly line of said Borrego Springs Road; thence North 53°20'55" West along the Northeasterly line of said Borrego Springs Road 300.00 feet to the TRUE POINT OF BEGINNING. Containing 1.80 acres.

ALSO EXCEPTING therefrom that portion being described as follows:

Commencing at a 2 inch pipe stamped RE 32 marking the center quarter corner of said Section 23, as shown and delineated on said Road Survey No. 1279; thence along the North/South center line thereof South 00°29'15" East, 138.40 feet (138.50 feet Rec.) to the center line of said Borrego Springs Road; thence along said center line South 53°22'15" East, 2094.82 feet; thence North 36°37'45" East 325.13 feet to the TRUE POINT OF BEGINNING; thence continuing North 36°37'45" East, 300.00 feet; thence South 53°22'15" East, 300.00 feet; thence South 36°37'45" West, 300.00 feet; thence North 53°22'15" West 300.00 feet to the TRUE POINT OF BEGINNING. Containing 2.07 acres.

ALSO EXCEPTING therefrom the following described Parcels 1-4:

PARCEL 1:

Lots 1, 2, 4-7 of COUNTY OF SAN DIEGO TRACT 4053-1, in the County of San Diego, State of California, according to Map thereof No. 10460, as filed in the Office of the County Recorder of San Diego County, August 19, 1982.

PARCEL 2:

Lots 8-106 of COUNTY OF SAN DIEGO TRACT 4053-2, in the County of San Diego, State of California, according to Map thereof No. 10506, as filed in the Office of the County Recorder of San Diego County, October 27, 1982.

PARCEL 3:

Lots 107-124 of COUNTY OF SAN DIEGO TRACT 4053-3, in the County of San Diego, State of California, according to Map thereof No. 10580, as filed in the Office of the County Recorder of San Diego County, January 31, 1983.

PARCEL 4:

Lots 1-84 of COUNTY OF SAN DIEGO TRACT 4341, in the County of San Diego, State of California, according to Map thereof No. 10673, as filed in the Office of the County Recorder of San Diego County, July 6, 1983.

PARCEL B:

Lots 1, 2, 4-7 of COUNTY OF SAN DIEGO TRACT 4053-1, in the County of San Diego, State of California, according to Map thereof No. 10460, as filed in the Office of the County Recorder of San Diego County, August 19, 1982.

PARCEL C:

Lots 8-106 of COUNTY OF SAN DIEGO TRACT 4053-2, in the County of San Diego, State of California, according to Map thereof No. 10506, as filed in the Office of the County Recorder of San Diego County, October 27, 1982.

PARCEL D:

Lots 107-124 of COUNTY OF SAN DIEGO TRACT 4053-3, in the County of San Diego, State of California, according to Map thereof No. 10580, as filed in the Office of the County Recorder of San Diego County, January 31, 1983.

PARCEL E:

Lots 1-84 of COUNTY OF SAN DIEGO TRACT 4341, in the County of San Diego, State of California, according to Map thereof No. 10673, as filed in the Office of the County Recorder of San Diego County, July 6, 1983.

EXCEPTING THEREFROM any portion of the above described Parcels A, B, C, D, and E which lie within the Southwest Quarter of Section 26, Township 11 South, Range 6 East, all coal, oil, gas, uranium, thorium, or other minerals contained in said land as reserved by United States of America in Patent to Alphonse A. Burnand, Jr., dated May 28, 1948 and recorded December 16, 1948 in Book 2532, page 67 of Official Records.

ALSO EXCEPTING therefrom any portion of the above described Parcel A, lying within Section 36, Township 11 South, Range 6 East, all oil, gas, oil shale, coal, phosphate, sodium, gold, silver, and all other mineral deposits, as reserved in patent from the State of California, dated October 4, 1946, recorded on March 13, 1947, in the Recorder's Office of San Diego County, in Book 2359, page 249.

EXHIBIT "C"

SPECIFIC PLAN MAP

"Specific Plan Map" shall mean the Rams Hill Community Specific Plan (SP 80-01) dated December 11, 1979 and approved May 7, 1980 by the Board of Supervisors of the County of San Diego pursuant to Resolution No. 31, which may be supplemented from time to time, recorded as Exhibit "C" to the Master Declaration of Covenants, Conditions, and Restrictions for The Rams Hill Community, recorded on September 26, 1983 by DiGiorgio Corporation, a Delaware corporation, as File No. 83-343525, of the Official Records of San Diego County, California, Office of the Recorder. Said Specific Plan Map and the recorded copy thereof are incorporated herein by reference thereto.



JAN 03, 2006 9:43 AM

F8
6P
pic

RECORDING REQUESTED BY:
The Rams Hill Community Association

OFFICIAL RECORDS
SAN DIEGO COUNTY RECORDER'S OFFICE
GREGORY J. SMITH, COUNTY RECORDER
FEES: 24.00
PAGES: 6

WHEN RECORDED, RETURN TO:
ANDERSON & KRIGER
8220 University Ave.
La Mesa, CA 91941
Attention: Joel Kriger

4657



2006-0000624

**FIRST AMENDMENT TO THE
FIRST RESTATED AND AMENDED
MASTER DECLARATION OF COVENANTS,
CONDITIONS, AND RESTRICTIONS
FOR
THE RAMS HILL COMMUNITY**

THIS FIRST AMENDMENT is made on this 27th day of December, 2005, by the Rams Hill Community Association, a California non-profit mutual benefit corporation ("Rams Hill Community Association").

WITNESSETH

WHEREAS, on December 27th, 2005, the Rams Hill Community Association recorded that certain First Restated and Amendment Master Declaration of Covenants, Conditions, and Restrictions for The Rams Hill Community as Instrument No. 2005-2006-0000622, of the Official Records of San Diego County, California (as amended and supplemented from time to time, the "First Restated Declaration"); and

WHEREAS, the First Restated Declaration was to amend and restate that certain Master Declaration of Covenants, Conditions, and Restrictions for The Rams Hill Community recorded on September 26, 1983 by DiGiorgio Corporation, a Delaware corporation ("Original Declarant"), as File No. 83-343525, of the Official Records of San Diego County, California, Office of the Recorder (as amended, the "Original Master Declaration"); and

WHEREAS, the Members of the Rams Hill Community Association desired to amend, restate, replace, and supersede the Original Master Declaration, including all amendments thereto, in their entirety, and to replace and confer all the rights of the Declarant, under the Original Master Declaration to Borrego Investors, LLC, a California limited liability company ("Declarant"); and

WHEREAS, the Members of the Rams Hill Community Association initiated the First Restated Declaration to confer such Declarant rights on Borrego Investors, LLC and such amendment and restatement was approved by the requisite votes as set forth in the Original Declaration; and

WHEREAS, the Rams Hill Community Association and Borrego Investors, LLC, the Declarant under the First Restated Declaration, desire to amend the First Restated Declaration to provide for a termination provision for the Declarant rights based on Declarant's duty to construct and complete the privately-owned golf course within the Rams Hill Community; and

WHEREAS, pursuant to Section 13.1 of the First Restated Declaration, the First Restated Declaration may be amended by the vote or written consent of (A) sixty-seven percent (67%) of each class of members of Rams Hill Community Association; (B) fifty-one percent (51%) of the Eligible Holders (based on one (1) vote for each Mortgage owned); and (C) Declarant, until termination of the Class "B" membership; and

WHEREAS, the Class "B" membership is still in existence, and the Class "B" member, Borrego Investors, LLC, is in agreement with this First Amendment;

NOW THEREFORE, sixty-seven percent (67%) of each class of members of Rams Hill Community Association, fifty-one percent (51%) of the Eligible Holders (based on one (1) vote for each Mortgage owned), and Declarant, approve this amendment of the First Restated Declaration, all in accordance with the procedures for amendments set forth therein. It is the intention of said Members to add an additional Section 4.10 to the First Restated Declaration with the recordation of this First Amendment to the First Restated and Amended Master Declaration of Covenants, Conditions, and Restrictions for Rams Hill Community. The parties' action to amend and restate the First Declaration as set forth herein and the fact that the requisite percentage of affirmative votes required in the First Restated Declaration was achieved, is attested by the execution of this First Amendment by duly authorized officers of the Association, as required by California Civil Code §1355(a). As so amended, the easements, covenants, restrictions, and conditions set forth herein shall run with the Rams Hill Community and shall be binding upon all parties having or acquiring any right, title or interest in the Rams Hill Community or any portion thereof, and shall inure to the benefit of each Owner thereof.

1.

Chapter 4 of the First Restated Declaration is hereby amended by adding Section 4.10 to read as follows:

4.10 Termination of Specified Declarant Rights: At the time of recording of this amendment to the Declaration, Declarant is constructing a privately-owned 18-hole golf course, as designed by the Fazio Design Group, and practice facility within the Rams Hill Community with an anticipated completion date of November 30, 2006 ("Anticipated Completion Date") as may be extended as provided below. The golf course is to be owned and operated by Declarant for the benefit of its members and guests. No Owner gains any right to enter or to use the golf course by virtue of membership in the Rams Hill Community Association or ownership or occupancy of a Lot. Access to and use of any golf course is strictly subject to the rules and procedures of the owner of such golf course.

If the construction of the golf course is not substantially completed by the Anticipated Completion Date and continuing and substantial construction activity has not occurred within the golf course within the sixty-day period prior to the Anticipated Completion Date, Declarant's

voting rights, as set forth in Sections 4.4.2 and 4.4.3, and the terms of the members of the Rams Hill Board appointed by Declarant as described in Section 4.5.3 may be terminated.

The completion of construction of the golf course by the Anticipated Completion Date shall be conditioned upon the absence of events or circumstances which are beyond the control of Declarant and prevent the completion of necessary work. If, due to acts of God, weather conditions, governmental restrictions or delays, unavailability of required materials or other events or circumstances beyond Declarant's control, the completion of the golf course cannot be accomplished by November 30, 2006, the Anticipated Completion Date shall be extended for a period corresponding to the period of such delay(s).

4.10.1 Notice: Prior to the termination of Declarant's rights under this Section, the "Golf Committee" shall call a meeting with Declarant or Declarant's representatives. The Golf Committee shall be comprised of the Presidents of the Neighborhood Associations and the members of the Rams Hill Board elected by the Presidents of the Neighborhood Associations. At least three of the Presidents of the Neighborhood Associations shall be required to call such meeting. The Golf Committee shall provide Declarant with at least 10 days' prior written notice of such meeting.

The purpose of such meeting shall be to obtain a progress report from Declarant and determine whether Declarant is making reasonable progress toward the substantial completion of the golf course. At such meeting, Declarant shall have the right to present evidence of progress and construction on the golf course, and at the conclusion of the presentation, the Golf Committee shall vote on whether reasonable progress has occurred. The presence of at least 75% of the members of the Golf Committee shall constitute a quorum for the transaction of business at a meeting of the Golf Committee.

4.10.2 Opportunity to Cure: In the event the Golf Committee determines that Declarant's rights should be terminated under section 4.10, the Golf Committee shall provide Declarant with notice of such default and shall provide Declarant 30 days to cure the default. At the conclusion of 30 days, the Golf Committee shall call a meeting to determine if Declarant has cured the default. If the Golf Committee determines that such a cure has not occurred, the Golf Committee shall provide Declarant with written notice of the termination of its rights under sections 4.4.2 and 4.4.3 and the termination of the Declarant-appointed members to the Rams Hill Board. Such termination shall not become effective until a final decision has been made, as provided below.

4.10.3. Appeal: Declarant shall have 15 days after receipt of written notice from the Golf Committee's to appeal its decision. The appeal hearing shall be before an arbitrator selected by the parties who shall have the power to make a decision which is enforceable in court. If the parties cannot agree on an arbitrator, the matter shall be submitted to Judicial Arbitration and Mediation Services of San Diego for resolution. The arbitrator shall be empowered to determine whether or not reasonable progress has occurred and either grant or deny Declarant's appeal. All costs of these proceedings shall be borne by both of the parties.

IN WITNESS WHEREOF, THIS FIRST AMENDMENT was approved on this 27th day of December, 2005, by The Rams Hill Community Association, and The Rams Hill Community Association certifies that the First Amendment received the requisite votes to approve the adoption of said First Amendment. The Rams Hill Community Association and the Declarant have executed this First Amendment under seal.

**THE RAMS HILL COMMUNITY
ASSOCIATION**, a California nonprofit
mutual benefit corporation

By: Virginia O'Neel
Name: Virginia O'Neel
Its: President

[Corporate Seal]

Attest: Richard Dahlberg
Name: Richard Dahlberg
Its: Secretary

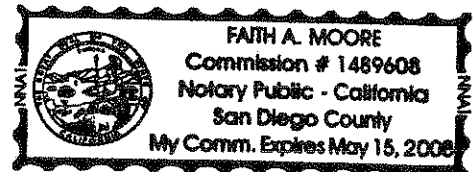
STATE OF CALIFORNIA)
) ss
COUNTY OF SAN DIEGO)

On December 27th, 2005, before me, Faith A. Moore, personally appeared Virginia O'Neel and Richard Dahlberg, ~~personally known to me~~ or proved to me on the basis of satisfactory evidence to be the persons whose names are subscribed to the within instrument and acknowledged to me that they executed the same in their authorized capacity, and that by their signatures on the instrument, the persons or entity upon behalf of which the persons acted, executed the instrument.

WITNESS my hand and official seal.

Faith A. Moore
Notary Public

(Seal)



[SIGNATURES CONTINUED ON NEXT PAGE]

4661

BORREGO INVESTORS, LLC, a
California limited liability company

By: [Signature]

Name: GREGORY PERLMAN

Its: MANAGER

[Corporate Seal]

Attest: _____

Name: _____

Its: _____

STATE OF CALIFORNIA)
) ss
COUNTY OF SAN DIEGO)

On December 27th, 2005, before me, _____, personally appeared
_____ and _____, personally known to me
or proved to me on the basis of satisfactory evidence to be the persons whose names are
subscribed to the within instrument and acknowledged to me that they executed the same in their
authorized capacity, and that by their signatures on the instrument, the persons or entity upon
behalf of which the persons acted, executed the instrument.

WITNESS my hand and official seal.

SEE ATTACHED

Notary Public

(Seal)

CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

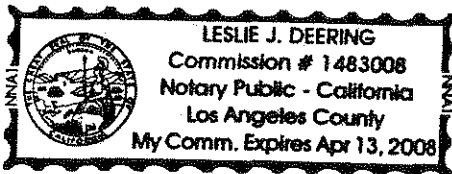
State of California

County of LOS ANGELES } ss.

On DECEMBER 27, 2005 before me, LESLIE J. DEERING, NOTARY PUBLIC
Date Name and Title of Officer (e.g., "Jane Doe, Notary Public")
 personally appeared GREGORY PERLMAN
Name(s) of Signer(s)

☒ personally known to me

☐ 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.



Place Notary Seal Above

WITNESS my hand and official seal.

Leslie J. Deering
 Signature of Notary Public

OPTIONAL

Though the information below is not required by law, it may prove valuable to persons relying on the document and could prevent fraudulent removal and reattachment of this form to another document.

Description of Attached Document

Title or Type of Document: _____

Document Date: _____ Number of Pages: _____

Signer(s) Other Than Named Above: _____

Capacity(ies) Claimed by Signer(s)

Signer's Name: _____

- ☐ Individual
☐ Corporate Officer — Title(s): _____
☐ Partner — ☐ Limited ☐ General
☐ Attorney in Fact
☐ Trustee
☐ Guardian or Conservator
☐ Other: _____

Signer Is Representing: _____

**RIGHT THUMBPRINT
OF SIGNER**
 Top of thumb here

Signer's Name: _____

- ☐ Individual
☐ Corporate Officer — Title(s): _____
☐ Partner — ☐ Limited ☐ General
☐ Attorney in Fact
☐ Trustee
☐ Guardian or Conservator
☐ Other: _____

Signer Is Representing: _____

**RIGHT THUMBPRINT
OF SIGNER**
 Top of thumb here



COMMUNITY ASSOCIATION LAW

formerly known as Anderson & Kriger, LLP • Joel M. Kriger, APC

April 23, 2014

ATTORNEY/CLIENT PRIVILEGED

The Rams Hill Community Association
c/o Ms. Kerin M. Shugart, Association Manager
1672 Las Casitas Drive
Post Office Box 119
Borrego Springs, California 92004-0119

Re: ORIGINAL 2014 Amendment to First Restated and Amended Master Declaration of Covenants, Conditions and Restrictions for Rams Hill Community Association

Dear Kerin:

Enclosed is the ORIGINAL 2014 CC&Rs Amendment that we received from the County Recorder's Office. The 2014 CC&Rs Amendment was recorded on April 2, 2014 as Document No. 2014-0129255 in the Official Records of the San Diego County Recorder's Office. It is effective as of the recording date.

This document should be kept with the other permanent records of the Association in a safe and secure location, *with a copy provided to the owners if one has not already been provided.*

Please let us know if you have any questions. Thank you again for allowing our firm to assist you with this project.

Sincerely yours,

KRIGER LAW FIRM


JOEL M. KRIGER, ESQ.

JMK/amj

Enclosures

ATTORNEYS

JOEL M. KRIGER
JAMIE L. SCHWARTZ
KATHY MILLS
BRADLEY SCHUBER
GARRETT WAIT

WEBSITE

www.a-khoa.com

ADDRESS

8220 UNIVERSITY AVENUE
SUITE 100
LA MESA, CALIFORNIA
91942-3821
TELEPHONE
(619) 589-8800
FACSIMILE
(619) 589-2680

AREAS OF PRACTICE

COMMUNITY
ASSOCIATION LAW
• GENERAL COUNSEL
• COLLECTIONS
• CC&R AMENDMENT
• CIVIL LITIGATION

SERVICING

SAN DIEGO, RIVERSIDE,
SAN BERNARDINO,
ORANGE AND
LOS ANGELES COUNTIES



RECORDING REQUESTED BY
Joel M. Kriger, Esq.

APR 02, 2014 3:31 PM

OFFICIAL RECORDS
SAN DIEGO COUNTY RECORDER'S OFFICE
Ernest J. Dronenburg, Jr., COUNTY RECORDER
FEES: 49.00

PAGES: 12

and WHEN RECORDED MAIL TO:
Kriger Law Firm
8220 University Avenue, Suite 100
La Mesa, CA 91942



(Space Above for Recorder's Use)

**2014 AMENDMENT TO FIRST RESTATED AND AMENDED MASTER
DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS
FOR RAMS HILL COMMUNITY ASSOCIATION**

THIS AMENDMENT TO DECLARATION was approved in accordance with the requirements of its Governing Documents.

W I T N E S S E T H

WHEREAS, Rams Hill Community Association, a California non- profit corporation, has responsibility for the management and control of certain real property located in San Diego County, State of California, which is more particularly described in the First Restated and Amended Master Declaration of Covenants, Conditions, and Restrictions referenced below and is legally described in Exhibits "A" and "B" attached hereto.

WHEREAS, said property is subject to certain covenants, conditions, restrictions, reservations, liens and charges as set forth in the First Restated and Amended Master Declaration of Covenants, Conditions, and Restrictions recorded January 3, 2006 at File/Page No. 2006-0000622, in the Office of the Recorder of San Diego County.

WHEREAS, Article XIII of said Declaration provides that they may be amended at any time by an instrument in writing approved by sixty-seven (67%) percent or more of the Members and fifty-one (51%) percent of Eligible Holders (no entities qualified as Eligible Holders) and said written instrument shall become effective upon recording of the same in the County Recorder's Office of the County of San Diego, California.

NOW, THEREFORE, the Association hereby declares that the Declarations shall be amended to add Article XIV below:

ARTICLE XIV
CONSIDINE BORREGO, LLC AND GOLF COURSE FACILITY

14.1 Recitals

The Rams Hill Community Association ("Community Association") has a golf course and clubhouse facility adjacent to it known as the Rams Hill Golf Course ("Golf Course Facility"), which is not a part of the Association Common Area and owned by a separate entity. In 2011, the Golf Course Facility was sold and subsequently the new owner failed to maintain or irrigate allowing it to revert to its natural state. In May 2013, Considine Borrego, LLC and/or related affiliate entities ("Operator") have expressed an interest in purchasing the Golf Course Facility, restoring it and making it fully operational.

14.2 Letter of Intent

Operator has approached Community Association and requested its support in the revitalization of the Golf Course Facility. The primary form of support requested is a financial contribution of \$100.00 per month to be assessed against each Owner of an annexed Lot and/or Unit ("Golf Course Assessment") for twenty (20) years. On May 2, 2013, Community Association and Operator entered into a non-binding Letter of Intent outlining terms and conditions to be negotiated into a Final Agreement. The Letter of Intent signed May 2, 2013 ("Letter of Intent") contains preliminary proposals that are under discussion but as yet does not constitute a binding agreement.

14.3 Purpose of Final Agreement

The purpose of moving forward with a binding agreement with the Operator is two-fold. First, to benefit the Community Association, Neighborhood Associations, Members of the Neighborhoods, as it is believed that the restoration of the Golf Course Facility will result in improved property values, social membership benefits in the Golf Course Facility for Owners, and new home construction within Rams Hill. Second, to support the efforts of Operator in restoring and operating the Golf Course Facility that will be available not only to Owners but also to the general public.

14.4 Authority of Community Association to Negotiate

The Community Association is authorized and granted through this Amendment the power to negotiate with Operator the terms and conditions of a final agreement based upon the terms and conditions contained in the Letter of Intent ("Final Agreement"). Some proposals in the Letter of Intent may be adopted; others may be modified; and additional proposals may be added before reaching a Final Agreement.

14.5 Authority to Enter into Long-Term Contract

The Community Association is authorized and empowered to enter into a contract with the Operator for a twenty (20) year term providing financial support via a Golf Course Assessment with a two percent (2%) per year maximum increase, along with other terms and conditions it deems necessary and appropriate in order to facilitate the reopening, restoration and operation of the Golf Course Facility, including those terms and conditions set forth in the Letter of Intent.

14.6 Golf Course Assessment and Mandatory Social Membership

In accordance with terms of the Final Agreement, the Community Association shall increase Regular Assessments as defined in section 5.3.1 of the CC&Rs against all Owners of annexed Lots or Units currently subject to assessment by the Community Association by adding the Golf Course Assessment of \$100 per month. The Golf Course Assessment will be subject to a two percent (2%) per year maximum increase and become part of Regular Assessments as described in Section 5.3.1. The maximum time that any Lot or Unit will be subject to the Golf Course Assessment is twenty (20) years, unless any such Owner elects to continue to pay the Golf Course Assessment in consideration for continued benefits of the social membership in the Golf Course Facility as described below. The Owners of Lots or Units subject to the Golf Course Assessment will be provided a social membership in the Golf Course Facility, receive certain discounts for golf fees and restaurant prices, and also be provided preferential tee times, all subject to the Final Agreement between the Community Association and Operator.

14.7 Voting Rights Builders

On the effective date of the Final Agreement, Section 4.4.1 of the Community Association CC&R's shall be amended and restated to allow one vote for each Lot or Unit owned by Operator within a Neighborhood to be included in the overall vote of the Neighborhood for any matter which the Community Association CC&R's requires the vote of members of the Community Association.

14.8 Make-up of the Board

On the effective date of the Final Agreement, Section 4.5.1 of the Community Association CC&R's shall be amended and restated to provide that Operator shall have at least one seat on the Board of Directors of the Community Association.

14.9 Community Association Architectural Committee

On the effective date of the Final Agreement, Section 9.2 of the Community Association CC&R's shall be amended to provide that the Operator, at its discretion, shall be a member of the Architectural Committee.

14.10 Operator Right of Access

On the effective date of the Final Agreement, the Community Association will authorize Operator access over or under any Community Association Common Area to do whatever is reasonably necessary for the restoration and operation of the Golf Course Facility. If Operator damages any Common Area resulting from its activities in restoration or operation of the Golf Course Facility, it will make repairs to said property and restore it to its previous condition.

14.11 Further Amendments to the CC&Rs

On the effective date of the Final Agreement, Section 13.1.1 of the Community Association CC&Rs shall be amended to provide that certain amendments (as more fully described herein) to the Community Association CC&Rs shall be approved by the Operator representative on the Community Association Board before any such amendment can become effective. The following amendments will require approval of the Operator before they become effective; any amendment modifying in any respect the terms and conditions of the Final Agreement; any amendment reducing the amount of funds received by the Operator from the Golf Course Assessment; any amendment imposing additional costs or decreasing revenues generated by Operator from its operation of the Golf Course Facility; and, lastly, any amendment adverse to the business or financial interests of Operator.

14.12 Ratification by Neighborhood Associations

At such time as Operator and Community Association have negotiated a Final Agreement, and Community Association's Board of Directors has approved it, said Final Agreement will be submitted to the Boards of each Neighborhood Association for ratification and approval. Each Neighborhood Association Board of Directors will be required to ratify the Final Agreement before it becomes binding and operational.

14.13 Conflicts

In the event of a conflict between anything contained in this Article XIV and the Governing Documents of the Community Association, the provisions in this Article XIV shall supersede.

We, the undersigned, do hereby certify that:

I. We are the duly elected and acting President and Secretary of Ram's Hill Community Association, a California non-profit corporation; and

2. That on June 17, 2013, voting was concluded at which time sixty-seven (67%) percent or more of the Members voted in favor of the amendment to the Declaration of Restrictions which is contained in this document.

IN WITNESS WHEREOF, we have hereunto subscribed our names this 4th day of MARCH, 2014.

Rams Hill Community Association
A California Nonprofit Mutual Benefit Corporation

By: 
DAVID SHAACK, President, Rams Hill Community Association

By: 
BLYTHE CAVANAUGH, Secretary, Rams Hill Community Association

ACKNOWLEDGMENT

STATE OF CALIFORNIA]

: ss.

COUNTY OF SAN DIEGO]

On MARCH 4, 2014 before me, KERIN M. SHUGART, Notary Public, personally appeared David Schack, who 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.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Kerin M. Shugart



[seal]

ACKNOWLEDGMENT

STATE OF CALIFORNIA]

: ss.

COUNTY OF SAN DIEGO]

On March 17, 2014 before me, Lynn D. Trude, Notary Public, personally appeared Barbara Blythe Cavanaugh, who 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.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Lynn D. Trude

[seal]

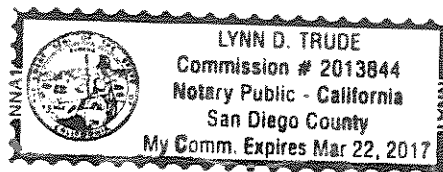


EXHIBIT "A"

Lots 8 to 106, inclusive, together with all those certain streets, designated as Rams Hill Drive, Hunter Drive, Firethorn Lane, Ironwood Lane, Chuparosa Lane, Silktree Lane, Palo Verde Lane, Rosewood Lane, Mesquite Lane, Calliandra Lane, and Lugo Drive, lying within County of San Diego Tract 4053-2, in the County of San Diego, State of California, according to Map thereof No. 10506, filed in the office of the County Recorder of San Diego County, October 27, 1982.

EXHIBIT "B"

ORDER NO. 41819

LEGAL DESCRIPTION:

PARCEL A:

Parcel 2 of Parcel Map 10960, in the County of San Diego, State of California, as filed in the Office of the County Recorder of San Diego, February 5, 1981, as File No. 81-37507 of Official Records.

EXCEPTING THEREFROM that portion being described as follows:

Commencing at the North Quarter corner of said Section 23; thence along the West line of the Northeast Quarter of Section 23, South 0°27'31" East, 692.13 feet to the TRUE POINT OF BEGINNING; thence continuing along said West line, South 0°27'31" East, 1972.24 feet to the center of said Section 23; thence along the West line of the Southeast Quarter of Section 23, South 0°27'52" East, 75.62 feet to an intersection with the Northeasterly right-of-way line of Borrego Springs Road (100.00 feet wide), as shown and delineated on Road Survey No. 1279, filed in the Office of the County Engineer, Department of Transportation, County of San Diego; thence along said right-of-way line, South 53°21'00" East, 75.23 feet; thence North 0°27'31" West, 334.50 feet; thence North 89°32'29" East, 387.10 feet; thence North 36°33'13" East, 350.00 feet; thence North 53°26'47" West, 748.63 feet; thence North 36°33'13" East, 405.23 feet; thence South 53°26'47" East, 259.27 feet; thence North 36°33'13" East, 380.00 feet; thence North 53°26'47" West, 926.39 feet to the TRUE POINT OF BEGINNING. Said above-described parcel contains 16.670 acres

ALSO EXCEPTING therefrom that portion being described as follows:

Commencing at the Southeast corner of Section 22; thence along the East line of said Section 22, North 0°36'25" West, 665.07 feet; thence South 89°31'17" West, 131.38 feet to an intersection with the center line of Yaqui Pass Road (100.00 feet wide) as shown and delineated on Road Survey No. 596, filed in the Office of the County Engineer, Department of Transportation, County of San Diego, said point being the TRUE POINT OF BEGINNING; thence along said center line, South 2°02'45" West, 361.84 feet; North 89°33'17" East, 361.54 feet, thence North 2°02'45" East, 361.84 feet; thence South 89°33'17" West, 361.54 feet to the TRUE POINT OF BEGINNING. Said above described parcel contains 3.000 acres.

ALSO EXCEPTING therefrom that portion being described as follows:

Commencing at the Southwest corner of said Section 35; thence North 87°40'33" East, 1898.24 feet; thence North 35°19'00" East 2186.78 feet to the TRUE POINT OF BEGINNING; thence

North 190.00 feet; thence East 260.00 feet; thence South 35°11'36" West, 232.51 feet; thence West 126.00 feet to the TRUE POINT OF BEGINNING.

ALSO EXCEPTING therefrom that portion being described as follows:

Commencing at Point "D" being the TRUE POINT OF BEGINNING for the description of Parcel F as shown on said Easement Dedication Plat; thence Southeasterly along the centerline of Parcel A which curves concave Northwesterly, having a radius of 1300.00 feet, through an angle of 26°45'45", 607.22 feet; thence South 36°33'59" West, 30.00 feet to a point on the Southerly line of Parcel A; thence South 53°26'01" East, 23.43 feet to the TRUE POINT OF BEGINNING; thence continuing South 53°26'01" East along the South line of Parcel A, a distance of 50.43 feet to the beginning of a tangent curve concave Northwesterly and having a radius of 700 feet; thence Southeasterly along the arc of said curve, through an angle of 10°35'04", 129.31 feet thence leaving said South line of Parcel A; South 7°13'54" West, 400.00 feet; thence North 82°46'06" West, 300.00 feet; thence North 46°15'04" West, 173.05 feet; thence North 43°44'56" East, 465.78 feet to the TRUE POINT OF BEGINNING.

ALSO EXCEPTING therefrom that portion being described as follows:

Beginning at the Northeast corner of Section 25 being the common corner of Section 24 and 25, Township 11 South, Range 6 East and Sections 19 and 30, Township 11 South, Range 7 East; thence South 0°00'02" East, 230.03 feet; thence South 89°59'58" West, 344.80 feet; thence North 0°00'02" West, 244.72 feet to a point on the North line of said Section 25; thence South 87°33'40" East, 345.11 feet to the Northeast corner of said Section 25 being the Point of Beginning. Contains 1.88 acres.

ALSO EXCEPTING therefrom that portion being described as follows:

Beginning at the Southwest corner of Section 26, Township 11 South, Range 6 East, San Bernadino Meridian, as shown on said Parcel Map 10960; thence North 0°52'32" East, 208.71 feet; thence North 89°07'28" West, 212.07 feet; thence South 0°52'32" West, 202.12 feet; thence South 87°20'38" East, 212.17 feet to the Point of Beginning.

Said above described parcel contains 1.00 acres.

ALSO EXCEPTING therefrom that portion being described as follows:

Commencing at a 2 inch pipe stamped RE 32 marking the center quarter corner of Section 23, Township 11 South, Range 6 East, San Bernadino Meridian as shown and delineated on Road Survey No. 1279; thence along the North/South center line thereof South 00°29'15" East, 138.40 feet (139.50 feet Rec.) to a point on the center line of Borrego Springs Road; thence along said center line South 53°22'15" East 5897.25 feet; thence South 53°20'55" East, 330.35 feet; thence leaving said center line North 36°39'05" East 50 feet to the TRUE POINT OF BEGINNING, being a point on the Northeasterly line of Borrego Springs Road according to Road Survey No.

1279; thence continuing North 36°39'05" East, 260.96 feet; thence South 53°20'55" East 300.00 feet; thence South 36°39'05" West 260.96 feet to the Northeasterly line of said Borrego Springs Road; thence North 53°20'55" West along the Northeasterly line of said Borrego Springs Road 300.00 feet to the TRUE POINT OF BEGINNING. Containing 1.80 acres.

ALSO EXCEPTING therefrom that portion being described as follows:

Commencing at a 2 inch pipe stamped RE 32 marking the center quarter corner of said Section 23, as shown and delineated on said Road Survey No. 1279; thence along the North/South center line thereof South 00°29'15" East, 138.40 feet (138.50 feet Rec.) to the center line of said Borrego Springs Road; thence along said center line South 53°22'15" East, 2094.82 feet; thence North 36°37'45" East 325.13 feet to the TRUE POINT OF BEGINNING; thence continuing North 36°37'45" East, 300.00 feet; thence South 53°22'15" East, 300.00 feet; thence South 36°37'45" West, 300.00 feet; thence North 53°22'15" West 300.00 feet to the TRUE POINT OF BEGINNING. Containing 2.07 acres.

ALSO EXCEPTING therefrom the following described Parcels 1-4:

PARCEL 1:

Lots 1, 2, 4-7 of COUNTY OF SAN DIEGO TRACT 4053-1, in the County of San Diego, State of California, according to Map thereof No. 10460, as filed in the Office of the County Recorder of San Diego County, August 19, 1982.

PARCEL 2:

Lots 8-106 of COUNTY OF SAN DIEGO TRACT 4053-2, in the County of San Diego, State of California, according to Map thereof No. 10506, as filed in the Office of the County Recorder of San Diego County, October 27, 1982.

PARCEL 3:

Lots 107-124 of COUNTY OF SAN DIEGO TRACT 4053-3, in the County of San Diego, State of California, according to Map thereof No. 10580, as filed in the Office of the County Recorder of San Diego County, January 31, 1983.

PARCEL 4:

Lots 1-84 of COUNTY OF SAN DIEGO TRACT 4341, in the County of San Diego, State of California, according to Map thereof No. 10673, as filed in the Office of the County Recorder of San Diego County, July 6, 1983.

PARCEL B:

Lots 1, 2, 4-7 of COUNTY OF SAN DIEGO TRACT 4053-1, in the County of San Diego, State of California, according to Map thereof No. 10460, as filed in the Office of the County Recorder of San Diego County, August 19, 1982.

PARCEL C:

Lots 8-106 of COUNTY OF SAN DIEGO TRACT 4053-2, in the County of San Diego, State of California, according to Map thereof No. 10506, as filed in the Office of the County Recorder of San Diego County, October 27, 1982.

PARCEL D:

Lots 107-124 of COUNTY OF SAN DIEGO TRACT 4053-3, in the County of San Diego, State of California, according to Map thereof No. 10580, as filed in the Office of the County Recorder of San Diego County, January 31, 1983.

PARCEL E:

Lots 1-84 of COUNTY OF SAN DIEGO TRACT 4341, in the County of San Diego, State of California, according to Map thereof No. 10673, as filed in the Office of the County Recorder of San Diego County, July 6, 1983.

EXCEPTING THEREFROM any portion of the above described Parcels A, B, C, D, and E which lie within the Southwest Quarter of Section 26, Township 11 South, Range 6 East, all coal, oil, gas, uranium, thorium, or other minerals contained in said land as reserved by United States of America in Patent to Alphonse A. Burnand, Jr., dated May 28, 1948 and recorded December 16, 1948 in Book 2532, page 67 of Official Records.

ALSO EXCEPTING therefrom any portion of the above described Parcel A, lying within Section 36, Township 11 South, Range 6 East, all oil, gas, oil shale, coal, phosphate, sodium, gold, silver, and all other mineral deposits, as reserved in patent from the State of California, dated October 4, 1946, recorded on March 13, 1947, in the Recorder's Office of San Diego County, in Book 2359, page 249.