

**RESTATED
MASTER DECLARATION
OF
COVENANTS, CONDITIONS AND RESTRICTIONS
FOR
SUN CITY LINCOLN HILLS
Revised 6/2/09**

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RESTATED MASTER DECLARATION
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FOR
SUN CITY LINCOLN HILLS

This Restated Master Declaration of Covenants, Conditions and Restrictions for Sun City Lincoln Hills is made by Sun City Lincoln Hills Community Association, a California Nonprofit Mutual Benefit Corporation (Community Association).

RECITALS

- A. Sun City Lincoln Hills (the "Development") was developed as an active adult Residential community in Phases of a multi-phased planned development pursuant to the Master Declaration of Covenants, Conditions and Restrictions for Sun City Lincoln Hills (the "original declaration") recorded on January 26, 1999 for public record as Document Number 99-0006621 of the Official Records of Placer County, the Specific Plan for Twelve Bridges, and the Development Agreement. As so developed, Sun City Lincoln Hills includes the Initial Covered Property and such portions of the Annexable Property as were from time to time annexed to the jurisdiction of the Development. A full legal description of the Development is included herein as Exhibit "A" and Exhibit "B".
- B. The first increment of Sun City Lincoln Hills, consisted of the Initial Covered Property, including approximately 13.83+acres of land upon which was constructed a recreation lodge facility approximately 68,000 square feet in size (the "Increment I Rec Center" or the "Rec Center") and Lots and Residences consistent with the Specific Plan, as described herein. Later increments or phases of the Sun City Lincoln Hills common interest development were annexed to the Initial Covered Property and included additional Lots and Residences, a second recreational lodge facility, commercial areas, church sites, parks, trails and open spaces.
- C. The Rec Centers are operated and maintained by the Community Association as Common Area, and as Common Facilities for the use and enjoyment of the Community Association's members, their guests and invitees. Access to, and use of, the Rec Centers by members of the general public shall also be permitted to the extent authorized by the Association Rules.
- D. Also included within the boundaries of the Overall Property, but not included within the Sun City Lincoln Hills common interest development, is real property, approximately 415.20 acres in size and more particularly described in Section 1.25, below, which has been developed as two 18-hole Golf Courses and related facilities and improvements (collectively referred to herein as the "Golf Courses"). It was not the intention of the developer to annex the Golf Courses to the Sun City Lincoln Hills common interest development, to subject the Golf Courses properties to the original declaration, or to convey any of the improvements or lands constituting the Golf Courses to the Association. Membership in any country club that may be established with respect to the Golf Courses and any other use or enjoyment of the Golf Courses is subject to the control of the owner of the Golf Courses. Nevertheless, various provisions of the Original Declaration are for the benefit of the owner of the Golf Courses.
- E. Lots were developed in Phases and annexed to the jurisdiction of the Community Association periodically. When sold, Lots, Residences, commercial areas, parks and open spaces in the

Annexable Property were similarly developed in Phases and annexed to the jurisdiction of the Community Association pursuant to one or more declarations of annexation. Among other things, the Specific Plan contemplated that some Phases of Sun City Lincoln Hills would include commercial parcels and multi-family housing Parcels, as well as Lots for single family Residences, Common Areas and Common Facilities.

- F. The Original Declaration restricts the occupancy of Residences within Sun City Lincoln Hills to Qualifying Residents, Qualified Permanent Residents and Permitted Health Care Residents, as these terms are defined in Sections 1.41, 1.39, and 1.42, below. By restricting occupancy, Sun City Lincoln Hills qualifies as a senior citizen housing development under section 51.3 of the California Civil Code. By adhering to the occupancy age restrictions, the Community Association intends for the project to constitute housing for older persons under the terms and conditions of the federal Fair Housing Act Amendments of 1988 and the Housing for Older Persons Act of 1995 and applicable regulations thereunder.
- G. The Community Association, is a California nonprofit mutual benefit corporation, created for the benefit of all Owners. The Community Association has all powers and duties described in, or imposed by, the Governing Documents, which include the following principal purposes:
1. to acquire, operate, manage and maintain the Community Association's Common Areas and Common Facilities and certain parcels owned by the City of Lincoln consisting of landscape medians and corridors along certain public streets within Sun City Lincoln Hills, all as more particularly described herein;
 2. to establish, levy and collect Rec Center Revenues, Assessments and other charges imposed hereunder;
 3. to pay all Community Association Common Expenses; and
 4. as the agent and representative of the Members, to administer and enforce all provisions and covenants of the Original Declaration, and any Supplemental Declaration as described herein.
- H. The Association and its Members desire to consolidate the Original Declaration and all amendments and Declarations of Annexation thereto into one document. Except as otherwise stated herein, the Original Declaration and all amendments and Declarations thereto are collectively referred to herein as the "Declaration".
- I. This Declaration subjects the lands comprising Sun City Lincoln Hills to the covenants, conditions, restrictions, assessments, liens, easements, and equitable servitudes (collectively, the "equitable servitudes") set forth in this Declaration. It is the intent of the Community Association that from and after the date of recordation of this Declaration the equitable servitudes imposed by this Declaration shall be binding on all Lots and parcels comprising Sun City Lincoln Hills and on the Owners of such Lots and parcels, their successors and assigns, and other Residents of the community.

J. By accepting deeds, leases, easements or other grants or conveyances to any portion of Sun City Lincoln Hills, the Owners, Residents and other transferees for themselves and their heirs, executors and administrators, trustees, personal representatives, successors and assigns, agree that they shall be personally bound by all of the provisions of this Declaration (including but not limited to the obligation to pay Assessments) hereinafter set forth except to the extent such persons are specifically excepted.

NOW, THEREFORE, it is hereby declared as follows:

1. The Original Declaration and all amendments and declarations of annexation thereto are hereby amended, restated and superseded in their entirety to read as set forth in this Declaration,
2. That the Declaration of Covenants, Conditions and Restrictions and Reservation of Easements for the Villas at Sun City Lincoln Hills, recorded for public record on February 9, 2007 as Document Number 20070014016 and Amended on April 3, 2007 as Document Number 20070033661 of the Official Records of Placer County is not included in this Restatement and continues to exist as a separate governing document for that Sub-Association.
3. All of the real property comprising the Development is held and owned and shall be held, owned, operated, managed, conveyed, hypothecated, encumbered, leased, used, occupied, and improved subject to the following covenants, conditions, and restrictions, all of which are declared and agreed to be in furtherance of a plan and purpose of protecting, preserving, and enhancing the value, desirability, and attractiveness of the Development and every part thereof, and of fostering the development, management, improvement, enjoyment, and sale of the real property comprising the Development and any part thereof.
4. All of the covenants, conditions, and restrictions set forth in this Declaration shall constitute enforceable equitable servitudes as provided in California Civil Code Section 1354, shall constitute covenants that shall run with the real property comprising the Development, and shall be binding upon and inure to the benefit of each Owner of any portion of such real property or of any interest therein and their heirs, successors, and assigns.

ARTICLE I
Definitions

Section 1.01. "Architectural Review Committee"

"Architectural Review Committee" means the committee created in accordance with Article V, below.

Section 1.02. "Articles"

"Articles" means the Articles of Incorporation of the Community Association, which are filed in the Office of the California Secretary of State, as such Articles may be amended from time to time.

Section 1.03. "Assessment"

"Assessment" means any Regular, Special or Special Individual Assessment made or assessed by the Association against an Owner and his or her Lot in accordance with the provisions of Article IV, below. As more particularly described in Section 4.02(b), below, for some Owners, the Regular Assessment may include a General Assessment Component and a Cost Center Assessment Component.

Section 1.04. "Board of Directors" or "Board"

"Board of Directors" or "Board" means the Board of Directors of the Community Association.

Section 1.05. "Bylaws"

"Bylaws" means the Bylaws of the Community Association as such Bylaws may be amended from time to time.

Section 1.06. "City"

"City" means the incorporated municipal City of Lincoln in the County of Placer, State of California, and its various departments, divisions, employees and representatives.

Section 1.07. "Common Area"

"Common Area" means all real property owned, controlled or maintained by the Community Association for the common use and enjoyment of the Owners. The Common Area is owned by the Community Association. Unless the context clearly indicates a contrary intent, any reference herein to the "Common Areas" shall also include any Common Facilities located thereon. In addition to Common Area described in Exhibit "B", the Community Association is obligated to maintain and repair certain portions of public property located within Sun City Lincoln Hills, all as more particularly described in Section 7.01(e), below.

The Common Area does not mean or include property which is described as common area in any Supplemental Declaration pertaining to a separate residential subdivision within a particular Phase of Sun City Lincoln Hills and which is owned or controlled by a separate Sub-Association

with jurisdiction within the Phase.

Section 1.08. "Common Expense"

"Common Expense" means any use of Common Funds authorized by Article IV, below, and Article IX of the Bylaws and includes, without limitation:

- (a) all expenses or charges incurred by or on behalf of the Community Association for the management, maintenance, administration, insurance, operation, repairs, additions, alterations or reconstruction of the Common Area and Common Facilities, any portions of the Lots that the Community Association is obligated to maintain or repair as a Cost Center, and the landscape corridors and medians adjacent to certain public streets (as more particularly described in Article VII, below);
- (b) all expenses or charges reasonably incurred to procure insurance for the protection of the Community Association and its Board of Directors;
- (c) any amounts reasonably necessary for reserves for maintenance, repair and replacement of the Common Areas and Common Facilities and any portions of any Lots that the Community Association is obligated to maintain, repair, or replace as a Cost Center, and for nonpayment of any Assessments; and
- (d) the use of such funds to defray the costs and expenses incurred by the Community Association in the performance of its functions or in the proper discharge of the responsibilities of the Board as provided in the Governing Documents.

Section 1.09. "Common Facilities"

"Common Facilities" means the facilities, landscaping and improvements located on or within the Common Area and owned by the Community Association. Without limiting the foregoing, the Common Facilities include any perimeter walls surrounding Sun City Lincoln Hills, walls along the internal streets which serve as fences for the back yards of Residences, the entrance areas of Sun City Lincoln Hills, the Rec Centers, and all other Recreational Facilities located within the Common Areas of Sun City Lincoln Hills. Also included are the landscaping, trees, shrubs, sidewalks, driveways, pavements, street lights, wires, conduits (excluding wires or conduits owned by third parties within the Common Areas). All drainage ways, areas and facilities, all flood detention, retention, control and dispersal basins, areas and facilities protecting, servicing or otherwise used or employed in connection with the operation of Sun City Lincoln Hills are included. All other real and personal property owned by the Community Association for the use, enjoyment or benefit of the Members of the Community Association are Common Facilities. The Golf Courses are not Common Facilities.

Section 1.10. "Community Association"

"Community Association ("Association")" means the Sun City Lincoln Hills Community Association, a California nonprofit mutual benefit corporation, its successors and assigns. The Community Association is an "Association" as defined in California Civil Code section 1351(a).

Section 1.11. "Community Association Rules" or "Association Rules"

"Community Association Rules" or "Association Rules" means the rules, regulations and Policies adopted by the Board of Directors, pursuant to Section 3.07, below, as the same may be in effect from time to time. The Architectural Review Committee is a committee whose members are all appointed by the Community Association's Board of Directors (see Section 5.03(a), below). The Community Association Rules shall also include the Design Guidelines of the Architectural Review Committee.

Section 1.12. "Compliance Committee"

"Compliance Committee" means that committee of the Community Association organized pursuant to Section 13.07, below.

Section 1.13. "Condominium"

"Condominium" means an undivided interest in common in a portion of a Condominium Project, coupled with a separate interest in space called a "Unit", all as more particularly defined in California Civil Code sections 783 and 1351(f).

Section 1.14. "Condominium Plan"

"Condominium Plan" means a recorded, diagrammatic plan of a Condominium Project as described in California Civil Code section 1351(e).

Section 1.15. "Condominium Project"

"Condominium Project" means a development consisting of Condominiums as described in California Civil Code section 1351(f).

Section 1.16. "Condominium Unit"

"Condominium Unit" means a Separate Interest in a space called a unit as described in Civil Code section 1351(f).

Section 1.17. "Cost Center"

A "Cost Center" means a designation assigned by the Community Association to a discrete portion of Sun City Lincoln Hills (and to the Owners of Lots or Condominium Units located therein) for the purpose of expense accounting and assessment, all as more particularly provided in Sections 4.01(e) and 4.02(b)(ii), below. A Cost Center is likely to be created when the Community Association is maintaining property or Common Facilities located within the designated Cost Center area the use and enjoyment of which are fully or partially restricted to Owners of the Lots or Condominium Units within the Cost Center.

Section 1.18. "County"

"County" means the County of Placer, State of California, and its various departments, divisions, employees and representatives.

Section 1.19. "Covered Property"

"Covered Property" means the Initial Covered Property and any real property subsequently annexed to Sun City Lincoln Hills.

Section 1.20. "Day"

The term "Day" as used in this Declaration means a calendar day unless otherwise stated in the Declaration or applicable law.

Section 1.21. "Declaration"

"Declaration" means this instrument, as it may be amended from time to time.

Section 1.22. "Design Guidelines"

"Design Guidelines" means the Design guidelines and procedural Rules of the Architectural Review Committee, adopted pursuant to Section 5.09, below.

Section 1.23. "Development Agreement"

"Development Agreement" means the Development Agreement dated April 14, 1998, by and between the City of Lincoln, a municipal corporation, Declarant, Placer Holdings, Inc., a California corporation, First American Trust Company, a California corporation, as Trustee for Trust # 82-0203-00, Paul and Alice Ferrari, Charlotte M. Leavell, Sally L. Raganit, Sandra Jean Schutte, and Judith Ann Leavell, and First American Trust Company, a California corporation, as Trustee for Trust Number SDS # 72.

Section 1.24. "Eligible Holder"

"Eligible Holder" shall mean any Institutional Holder, or an insurer or guarantor of the loan held by the Institutional Holder, who has provided the Community Association with a written request to be notified of the events described in Section 14.01, below, stating the name and address of such Holder and the address and legal description of the particular Lot encumbered.

Section 1.25. "Exempt Property"

- (a) "Exempt Property" shall mean the following parts of Sun City Lincoln Hills:
- (i) all land and improvements owned by or dedicated to and accepted by the United States, the State of California, Placer County, the City of Lincoln, or any political subdivision thereof, or any quasi-governmental agency, for as long as any such entity or political subdivision is the owner thereof or for so long as said ownership or dedication remains effective;
 - (ii) all parcels zoned and used for religious purposes, and park sites; and

- (iii) the Golf Courses.

Except as provided in the immediately succeeding paragraph of this Section 1.25, parcels which are "Exempt Property" are exempt from all of the provisions of this Declaration, except for Article V Architectural Approval of Improvement Projects, Article VII Community Association and Owner Maintenance Responsibilities and Article VIII Use of Covered Property and Restrictions, which shall remain applicable to all Exempt Property.

- (b) Application of this Declaration to Exempt Property to the extent described in the immediately preceding paragraph shall not apply to the following Exempt Property:
 - (i) property of the City of Lincoln, which shall be entirely exempt from the provisions of this Declaration;
 - (ii) the Golf Course parcels which shall only be subject to those sections of this Declaration listed in Section 17.01(b)(ii).

All Common Area shall be exempt from the Assessments provided in this Declaration for as long as the Community Association is the owner thereof.

Section 1.26. "Golf Courses"

"Golf Courses" means the Golf Courses constructed within the Initial Covered Property, the property upon which the Golf Courses are located and all related improvements. The term shall be deemed to include all Golf Courses and related property and improvements annexed to Sun City Lincoln Hills in the future (or located adjacent to or surrounded by future annexed property), if any, as if such property were originally part of the Initial Covered Property. Finally, the term shall include any property added to the Golf Courses, as defined herein, by lot line adjustment, parcel map, final map, record of surveyor or otherwise.

Section 1.27. "Governing Documents"

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

Section 1.28. "Government Mortgage Agency"

"Government Mortgage Agency" means the Federal Housing Administration, the Veterans Administration, the Federal Home Loan Mortgage Corporation, the Government National Mortgage Association, Federal National Mortgage Association or any similar entity, public or private, authorized, approved or sponsored by any governmental agency to insure, guarantee, make or purchase mortgage loans.

Section 1.29. "Improvement"

"Improvement" as used herein includes, without limitation any Improvement or project undertaken or contemplated by an Owner within any portion of Sun City Lincoln Hills

involving the construction, installation, alteration or remodeling of any Residence, structures, storm drainage systems, plans to alter any natural drainage course, garages, out buildings, walls, retaining walls, fences, swimming pools, landscaping, landscape structures, patio awnings, solar heating equipment, spas, antennas, television satellite reception equipment, utility lines or any other structure of any kind. Improvement projects are subject to design review and approval pursuant to Article V, below. As used herein, "Improvement" does not include any work or project that is completely confined to the interior of a Residence unless the project will materially change the use of the Residence or portion thereof, such as by converting a garage into a living or work area.

Section 1.30. "Initial Covered Property" and "Covered Property"

"Initial Covered Property" and "Covered Property" means the property more particularly described in Exhibit A.

Section 1.31. "Institutional Holder"

"Institutional Holder" means any beneficiary of a deed of trust or mortgage of a mortgagee which encumbers a Lot and which is a bank, savings and loan association, mortgage company, or any other entity chartered under federal or state laws, any corporation or insurance company, or any federal or state agency.

Section 1.32. "Lot"

"Lot" shall mean any legally subdivided parcel within Sun City Lincoln Hills which is identified as a numbered lot on any final Subdivision Map for Sun City Lincoln Hills, and which is intended for construction and use of only one single family Residence. Unless otherwise expressly indicated, any reference in this Declaration to a "Lot" shall also include the Residence and other improvements constructed thereon. As used herein, the term "Lot" shall include, to the extent reasonably necessary to effectuate the intent or context of any portion of the Declaration or any Supplemental Declaration, a Condominium Unit or any other Separate Interest, as that term is defined in Section 1351(1) of the California Civil Code.

Section 1.33. "Majority of a Quorum"

"Majority of a Quorum" means the vote of a majority of the votes cast at a meeting, or by secret ballot, or by written ballot when the number of Members attending the meeting in person or by proxy or the number of members casting written ballots equals or exceeds the quorum requirement for Member action, as specified by the Bylaws or otherwise by law.

Section 1.34. "Member"

"Member" means every person or entity who holds a membership in the Community Association and whose rights as a Member are not suspended pursuant to Section 13.06, below.

Section 1.35. "Mortgage"

"Mortgage" means any security device encumbering all or any portion of the Covered Property, including any deed of trust. "Mortgage" shall refer to a beneficiary under a deed of trust as well

as to a mortgage in the conventional sense.

Section 1.36. "Owner"

"Owner" means any person, firm, corporation or other entity which owns a fee simple interest in any Lot.

Section 1.37. "Owner of Record"

"Owner of Record" means any person, firm, corporation or other entity in which title to a Lot is vested as shown by the official records of the Office of the County Recorder.

Section 1.38. "Party Wall"

"Party Wall" means a wall or fence situated on a boundary line separating two or more Lots or a Lot and any portion of the Common Area.

Section 1.39. "Permitted Health Care Resident" as defined in California Civil Code sections 51.3(b)(7) and (i), as such sections may be amended from time to time, means:

person hired to provide live-in, long-term or terminal health care to a Qualifying Resident or a family member, of the Qualifying Resident providing that care. In accordance with Civil Code section 51.3(b)(7), the care provided must be substantial in nature and must provide either assistance with necessary daily activities or medical treatment, or both. In accordance with Civil Code section 51.3(i), the term "for compensation" shall include the provision of food and lodging in exchange for care.

Section 1.40. "Phase"

"Phase" means (i) one or more Lots annexed to the Covered Property that are collectively included within a single Public Report issued by the California Department of Real Estate; or (ii) one or more parcels zoned for commercial or multi-family residential development for which a Public Report is not required.

Section 1.41. "Qualified Permanent Resident" as defined in California Civil Code sections 51.3(b)(2) and (b)(3), as such sections may be amended from time to time, means:

- (a) A person who meets both of the following requirements:
 - (i) The person was residing with the Qualifying Resident prior to the death, hospitalization, or other prolonged absence of, or the dissolution of marriage with the Qualifying Resident; and
 - (ii) The person was forty-five (45) years of age or older, or was a spouse, co-habitant (co-habitants being defined as two persons who live together as husband and wife, or persons who are domestic partners within the meaning of Section 297 of the California Family Code), or person providing primary physical or economic support to the Qualifying Resident.

- (b) A disabled person or persons with a disabling illness or injury who is a child or grandchild of the Qualifying Resident, or Qualified Permanent Resident (as defined in subsection (a) above), who needs to live with the Qualifying Resident or Qualified Permanent Resident because of the disabling condition, illness or injury. A "disabling" injury or illness" means a physical or mental impairment that substantially limits one or more of the major life activities of the individual, as that term is defined in Civil Code section 54(b). For any person who would otherwise qualify as a Qualified Permanent Resident under subparagraph (a) and (b), the Board of Directors may take action to prohibit or terminate that person's occupancy within Sun City Lincoln Hills development in accordance with the violations set forth in Section 8.01(a), below.

Section 1.42. "Qualifying Resident"

"Qualifying Resident" means a person fifty-five (55) years of age or older who resides in his or her Residence as a primary residence on a permanent basis on the commencement of his or her occupancy of the Residence.

Section 1.43. "Recreational Center" ("Rec Center")

"Rec Center" means the Increment I Rec Center (Orchard Creek) and Increment II Rec Center (Kilaga Springs), the property upon which they are located and the Improvements thereon. The Rec Center is Common Area as defined herein.

Section 1.44. "Rec Center Revenue"

"Rec Center Revenue" means all revenues derived from operation and maintenance of the Rec Center including, without limitation, Special Use Fees charged by the Community Association (but not fees charged by chartered clubs for their respective individual purposes, except to the extent such club revenues are included in the Association's year-end financial statements) for the special use of the Rec Center or any of the Recreational Facilities as provided herein.

Section 1.45. "Record" and "Recordation"

"Record" and "Recordation" means, with respect to any document, the recordation or filing of such document in the Office of the County Recorder.

Section 1.46. "Recreational Facilities"

"Recreational Facilities" means all real property (including the improvements thereon) and personal property owned by the Community Association for the common recreational use and enjoyment of the Members, including any Common Facility parks and the Rec Center.

Section 1.47. "Regular Assessment"

"Regular Assessment" means an Assessment levied against an Owner and his or her Lot in accordance with Section 4.02, below.

Section 1.48. "Reserves"

"Reserves" means those Common Expenses for which Community Association funds are set aside pursuant to Article IV, below, and California Civil Code section 1365.5 for funding the periodic painting, maintenance, repair and replacement of the major components of the Common Areas and those portions of any Lot or Residence which the Community Association is obligated to maintain, repair and/or replace which would not reasonably be expected to recur on an annual or less frequent basis. The amounts required to properly fund Reserves shall be determined annually by the Board in accordance with the standards prescribed by maintenance cost guidelines prepared in accordance with California Civil Code sections 1365(a) and 1365.5(e) and prudent property management practices generally applied in "common interest developments" (as that term is defined in California Civil Code section 1351(c)) in the geographic region in which the Sun City Lincoln Hills common interest development is located.

Section 1.49. "Resident"

"Resident" means:

- (a) an Owner of a Lot actually residing thereon and /or therein; and
- (b) members of the immediate family, or other Qualifying Residents or Qualified Permanent Residents of each Owner and of each buyer and tenant referred to in subparagraph (b) actually living in the same household in Sun City Lincoln Hills with such Owner or such buyer or tenant.

Section 1.50. "Residence"

"Residence" means a private, Single Family dwelling constructed or to be constructed on any Lot. The term "Residence" shall also include any Condominium Unit within a Condominium Project.

Section 1.51. "Separate Interest"

"Separate Interest" shall have the same meaning as set forth in California Civil Code sections 1351(1)(2) and (3), i.e.:

- (a) with respect to any portion of the Covered Property developed as a Planned Development, as defined in California Civil Code section 1351(k). Separate Interest shall refer to the separately owned Lot, and
- (b) with respect to any portion of the Covered Property developed as a Condominium Project, as described in California Civil Code section 1351(f). Separate Interest shall mean each of the individual Condominium Units within the Project.

Section 1.52. "Single Family"

"Single Family" means a group of one (1) or more persons each related to the other by blood, marriage or legal adoption, or a group of not more than three (3) persons not all so related, who maintain a common household in a Residence.

Section 1.53. "Special Assessment"

"Special Assessment" means an Assessment levied against an Owner and his or her Lot in accordance with Section 4.03, below.

Section 1.54. "Special Individual Assessment"

"Special Individual Assessment" means an Assessment levied against an Owner and his or her Lot in accordance with Section 4.04, below.

Section 1.55. "Special Use Fees"

"Special Use Fees" means fees charged by the Community Association for the use of the Rec Center or any portion thereof or any other Recreational Facility situated upon the Common Areas. Residents who join chartered activity clubs or use facilities or equipment owned or operated by chartered activity clubs may also be charged reasonable separate membership or use fees by such clubs, which fees are not included in the definition of Special Use Fees.

Section 1.56. "Specific Plan"

"Specific Plan" means the Twelve Bridges Specific Plan, approved by the City of Lincoln on January 13, 1998, as the same may be from time to time amended. A copy of the Specific Plan shall be on file at all times in the office of the Community Association.

Section 1.57. "Sub-Association"

"Sub-Association" means an incorporated or unincorporated association of Owners within a Phase or Phases of Sun City Lincoln Hills which is established pursuant to a Supplemental Declaration in order to own and/or maintain Common Areas and/or to provide maintenance and repair services to portions of Lots or Lot improvements within the Phase or Phases in which the Sub-Association has jurisdiction. The membership of a Sub-Association shall be comprised of Owners of the Lots located within the Phase or Phases in which the Sub-Association has jurisdiction.

Section 1.58. "Subdivision Map"

"Subdivision Map" means the map for any portion of Sun City Lincoln Hills.

Section 1.59. "Sun City Lincoln Hills"

"Sun City Lincoln Hills" means the common interest development described in this Declaration, including any additions or annexations thereto. At times herein, the terms Covered Property and Sun City Lincoln Hills are used interchangeably.

Section 1.60. "Supplemental Declaration"

"Supplemental Declaration" means any declaration (as defined in California Civil Code section 1351(h)) which supplements this Declaration and which may affect solely a Condominium

Project, a commercial lot or parcel, or Lots within a particular Phase of the Covered Property. The term includes a Declaration of annexation which adds annexable property to Sun City Lincoln Hills or which supplements this Declaration.

Section 1.61. "Visible from Neighboring Property"

"Visible from Neighboring Property" means, with respect to any given object, that the object is visible to a six-foot tall person standing at the finished floor elevation (or in the case of streets or open space the finished grade thereof) of the neighboring property, whether a Lot, street or Common Area.

Section 1.62. "Voting Power"

"Voting Power" means those Members who are eligible to vote for the election of directors or with respect to any other matter, issue or proposal properly presented to the Members for approval at any time a determination of voting rights is made. To be part of the Voting Power, a Member must be in Good Standing, as defined in the Bylaws and/or the Community Association Rules.

ARTICLE II
Planned Development;
Property Subject to Sun City Lincoln Hills Declaration

Section 2.01. General Declaration Creating Sun City Lincoln Hills as a Development Providing Housing to Older Persons

All of the real property constituting the Covered Property is and shall be subject to this Declaration and any applicable recorded Supplemental Declaration, with the exception of any Exempt Property and properties which are dedicated to the public, a governmental entity for public purposes, or any quasi public entity or public utility (which properties shall not be subject to this Declaration while owned by the public or the governmental entity), although restrictions imposed in this Declaration upon the Owners and Residents concerning the use and maintenance of such Exempt Property and public areas shall at all times apply to the Owners and Residents.

Sun City Lincoln Hills is a senior citizen housing development that is intended to qualify as "housing for older persons" exempt from the age restriction prohibition contained in the Fair Housing Amendments Act of 1988 (the "Act") and as a Senior Citizen Housing Development under Section 51.3 of the California Civil Code (the "Civil Code"). In order to satisfy the requirements of the Act and the Civil Code, the Association shall:

- (a) comply with rules issued under the Act for verification of occupancy by reliable surveys and affidavits; and
- (b) publish and adhere to policies and procedures which demonstrate an intent by the Association to provide housing for persons fifty-five (55) years of age or older; and
- (c) maintain occupancy at all times by one person fifty-five (55) years of age or older in at least eighty percent (80%) of the Residences.

The requirements contained in this Section 2.01, above, are intended to comply with the exemption requirements under the Act, the Civil Code, and the regulations issued thereunder. If the Act, or the regulations are amended, modified or repealed, the provisions of this Section 2.01, above, and Section 8.01(a), below, automatically shall be amended, modified, or repealed in the same manner by action of the Board and without necessity of further Member approval.

Section 2.02. Purpose of Declaration

This Declaration and the Supplemental Declaration are declared and agreed to be in furtherance of a general plan for the subdivision, improvement and sale of the Covered Property and are established for the purpose of enhancing and maintaining the value, desirability and attractiveness of Sun City Lincoln Hills. This Declaration shall run with all Lots and Common Areas within the Covered Property for all purposes and shall be binding upon and inure to the benefit of the Community Association, all Owners and Residents and their successors in interest.

Section 2.03. Owners' Property Rights in Common Areas.

The interest of each Owner in and to the use and benefit of the Common Area and the Common Facilities shall be appurtenant to the Lot owned by the Owner and shall not be sold, conveyed or otherwise transferred by the Owner separately from the ownership interest in the Lot. Any sale, transfer or conveyance of such Lot shall transfer the appurtenant right to use and enjoy the Common Area and Common Facilities. There shall be no judicial partition of the Common Area or any part thereof, and each Owner, whether by deed, gift, devise, or operation of law for his or her own benefit and for the benefit of all other Owners specifically waives and abandons all rights, interest and causes of action for a judicial partition of any ownership interest in the Common Area and does further covenant that no action for judicial partition shall be instituted, prosecuted or reduced to judgment. The rights of all Owners in the Common Area shall be further subject to the requirements and restrictions set forth in Section 2.04, below.

Section 2.04. Owners' Nonexclusive Easements of Enjoyment.

Every Owner shall have a nonexclusive right and easement of enjoyment in and to the Common Area, including ingress and egress to and from his or her Lot, which shall be appurtenant to and shall pass with the title to every Lot, subject to the following provisions:

(a) Right of Community Association to Regulate Common Area Uses.

The Community Association has the right to limit the number of guests of Members who may use any Recreational Facility situated upon the Common Area or to impose Special Use Fees for use of the Rec Centers or other Recreational Facilities. Notwithstanding the foregoing and so long as an Owner is current in the payment of all Assessments and other charges owing to the Community Association, for each Lot owned, the Owner shall receive up to two (2) Membership Cards for each Owner of the Residence who is either a Qualifying Resident or a Qualified Permanent Resident. In addition, the Association Rules may provide for the issuance of additional Membership Cards for use by other persons residing in the Owner's Residence in accordance with the occupancy restrictions imposed by Section 8.01(a), below. The Board of Directors may impose a reasonable fee or charge for any additional Membership Cards issued to such Owner or Resident. In addition, the Board may at any time adopt a limit on the number of cards that may be issued for each Lot or on guest privilege cards, but no such action shall affect previously issued cards. To be eligible to use the Recreational Facilities of Sun City Lincoln Hills, a Resident must be either a Qualifying Resident, as defined in Section 1.42, above, or a Qualified Permanent Resident as defined in Section 1.41, above.

(b) Right of Community Association to Adopt Rules.

The Community Association has the right to adopt Community Association Rules as provided in Section 3.07, below, regulating the use and enjoyment of the Covered Property for the benefit and well-being of the Owners in common. In the event of the breach of such rules or any provision of any Governing Document by any Owner or

tenant, the Association has the right to initiate disciplinary action against the violating Owner or tenant in accordance with Section 13.06, below. Such action may include, but is not limited to, the levying of fines and/or the temporary suspension of the voting rights and/or the right to use the Common Facilities, other than roads, by any Owner and the Owner's tenants and guests.

(c) Right to Incur Indebtedness.

The Community Association, in accordance with its Articles and Bylaws, has the right to borrow money for the purpose of improving, repairing, replacing the Common Area and Common Facilities. Member approval of the borrowing shall be required whenever the funding to amortize the obligation will be an assessment for which Member approval is required pursuant to either Section 4.02(c) (20% for Regular Assessment) or Section 4.03(b), below (limit of 5% of the budgeted gross expenses for the fiscal year for Special Assessments). Such required Member approval shall be the same as that set forth in Section 4.08, which is a Majority of a Quorum of fifty percent (50%) of the eligible Members.

(d) Rights of Dedication.

Subject to receipt of the approval (if required) of the Owners and/or Institutional Holders as set forth in Article XIV, below, the Community Association has the right to dedicate, release, alienate, transfer, or assign an interest in the Common Area to any public agency, authority, or utility for such purposes and subject to such conditions as may be agreed to by the Board of Directors. Notwithstanding the foregoing authority, no dedication shall be permitted that impairs the ingress and egress to any Lot (see also Section 9.07, below).

(e) Rights of Easement Holders.

All easements affecting the Common Area are described in Article IX, below.

(f) Right of Community Association to Grant Concessions.

The Community Association has the right to grant concessions for dining facilities, snack bars, professional services and other commercial activities relating to the use and enjoyment of the Common Area by the Members, provided any such contract shall be subject to the restrictions on contracts described elsewhere in this Declaration and in the Bylaws.

(g) Right to Close Facilities during Maintenance or Renovation.

The Community Association has the right to close or limit the use of the Common Areas and/or Common Facilities, or portions thereof, while maintaining, repairing, and replacing the same.

(h) Right of the Community Association to Make Common Area Boundary Line Adjustments.

With the exception of any Common Areas designated as open space or wetland mitigation areas, and subject to the restrictions stated in this subparagraph (h), the Community Association's Board of Directors shall have the power and authority to convey fee interests in portions of the Common Area and to make minor adjustments in the boundary lines between Lots or between Lots and any Common Areas when the Board, in its reasonable discretion, finds that any such conveyance or boundary line adjustment is necessary to:

- (i) eliminate the encroachment of Golf Course improvements on the adjacent Common Area;
- (ii) conform the boundaries of a Lot, the Golf Courses or Common Areas to the natural contour of the land for purposes of permitting or promoting an efficient division of maintenance responsibilities between the Owners, the owner of the Golf Courses and/or the Community Association; or
- (iii) account for on-site conditions or unique topographic features.

Such conveyances of Common Area and boundary line adjustments may be made with any Owner of adjacent property or the owner of the Golf Courses.

The party receiving a conveyance pursuant to this subparagraph (h) shall take the land so conveyed free of any requirement that such lands be devoted to use as Common Area. Any conveyance pursuant to this subparagraph shall conform to a final map or a parcel map approved by the County, comply with all applicable governmental lot line adjustment procedures, and require the consent of all owners of lands directly involved in the adjustment.

Upon such a conveyance, such lands may be used for any purpose not prohibited by the Declaration and which is otherwise permitted by law; provided that discussion of the intended use or uses thereof occurred in a meeting of the Board of Directors and reference to such discussion is made in the minutes of such meeting.

The Community Association's authority hereunder shall not extend to any Common Area that is designated on any Subdivision Map as open space or as a wetland mitigation area. In addition, transfers of fee estates in any portion of the Common Area to a Lot pursuant to this subparagraph (h) shall not exceed two thousand (2,000) square feet. Subject to the foregoing square footage limitation, the Community Association shall also be authorized and empowered to record an instrument designating portions of the Common Area as "exclusive use common area", as defined in California Civil Code section 1351(i), for the benefit of an appurtenant Lot, in lieu of conveying a fee interest in the portion of the Common Area that is being designated as exclusive use common area.

Section 2.05. Right to Use the Golf Courses.

The Golf Courses are not included in the Sun City Lincoln Hills common interest development and there is no guarantee that the property identified as the Golf Courses will be operated as such indefinitely. Accordingly, neither being an Owner of a Lot within Sun City Lincoln Hills

nor being a Member of the Community Association shall confer any property rights, ownership interest, or rights of access, use or enjoyment in and to the Golf Courses. Rights to use and enjoy the Golf Courses are within the exclusive control of the owner of the Golf Courses and will be given by such owner to such persons, including without limitation, members of the general public, and on such terms and conditions as the owner of the Golf Courses may determine from time to time. The owner of the Golf Courses may amend or waive its determinations and policies with respect to use of the Golf Courses at any time. See also Sections 3.06(b)(ii)(E) and 15.03, below, which also pertain to access to the Golf Courses.

Section 2.06. Delegation of Use.

(a) Delegation of Use.

Any Owner may delegate, in accordance with the Association Rules, his or her right to use and enjoy the Common Areas and Recreational Facilities to the Qualifying Resident (if the Owner is not the Qualifying Resident), Qualified Permanent Residents residing in Owner's Residence, and the Owner's Qualifying Resident tenants or contract purchasers who reside in the Owner's Residence.

Except as provided in this paragraph, during the period of any lease or rental of a Residence to Qualifying Resident lessees or tenants or during the sale of a Residence to contract purchasers, neither the Owner nor his or her family or other parties claiming use rights through Owner, shall be entitled to use the Community Association's Common Facilities during the period of delegation, unless the Owner-lessor is a Qualifying Resident who is contemporaneously residing in another Residence within Sun City Lincoln Hills. An Owner-lessor who is not contemporaneously residing in another Residence, shall surrender his or her membership cards to the Community Association for the period of delegation, and any issuance of cards to Qualifying Resident tenants or contract purchasers will be conditioned upon such surrender. Nothing in this paragraph shall preclude the Community Association from issuing temporary user cards to new purchasers of Residences who are in the process of selling another residence and who have not yet moved to their new Residence within Sun City Lincoln Hills.

Guests of an Owner may use the Common Areas and Recreational Facilities only in accordance with the Association's Rules and Regulations which may, among other things:

- (i) limit the number of guests;
- (ii) include a reasonable fee or charge for such use by guests;
- (iii) require that Owners accompany guests to the facilities and remain with guests under eighteen (18) years old at the facilities; and
- (iv) restrict the times during which guests may use certain facilities.

Nothing herein shall be interpreted as permitting transfer to tenants or contract purchasers of an Owner's voting rights, which shall not be delegated.

(b) Requirements That Must Be Observed in All Residential Leases.

The following specific limitations shall apply to all leases or tenancies of a Residence within the Covered Property:

- (i) no Residence may be leased or rented for a period of less than ninety (90) days;
- (ii) the lease or rental must be to a Single Family;
- (iii) the rental shall apply to not less than an entire Residence including its appurtenant rights (except voting rights in the Community Association which may not be transferred to a tenant or lessee); and
- (iv) any rental shall be evidenced by a written lease or rental agreement which shall provide that the tenancy is subject to the terms of the Governing Documents and that any failure of the lessee or tenant to comply with the terms of any Governing Document relating to residential leases, property use restrictions or the use and enjoyment of any portion of the Common Areas and Common Facilities shall constitute a default under the lease or rental agreement and shall entitle the Owner to terminate the tenancy upon thirty (30) days' written notice. The Owner- lessor's right to terminate a lease or rental agreement on account of the tenant's violation of the Governing Documents shall in no way restrict the right of the Community Association or any Owner to enforce the Governing Documents in accordance with Article XIII, below, when the Owner's lessee or tenant is violating the Governing Documents.

(c) Discipline of Lessees.

Subject to subparagraph (d) below, in the event that any tenant or lessee fails to honor the provisions of any Governing Document, the Community Association shall be entitled to take such corrective action as it deems necessary or appropriate under the circumstances in order to preserve the quiet enjoyment of other Owners and Residents within Sun City Lincoln Hills. Without limiting the foregoing, the Community Association's actions in response to a tenant's violation of the Governing Documents may include, but are not limited to:

- (i) suspension of the tenant's privileges to use the Association's Recreational Facilities, or
- (ii) the imposition of fines and penalties against the Owner-lessor of the Residence.

(d) Due Process Requirements for Disciplinary Action.

Except for circumstances in which immediate corrective action is necessary to prevent damage or destruction to any portion of the Covered Property or to preserve the rights of quiet enjoyment of other Owners, the Community Association shall have no right to initiate disciplinary action against an Owner-lessor (or the Owner's lessee or tenant) on account of the misconduct of the Owner's lessee or tenant unless and until the following

conditions have been satisfied:

- (i) the Owner has received written notice from the Community Association detailing the nature of the lessee's/tenant's alleged infraction or misconduct and advising the Owner of his or her right to a hearing on the matter in the event the Owner believes that remedial or disciplinary action is unwarranted or unnecessary;
- (ii) the Owner has been given a reasonable opportunity to take corrective action on a voluntary basis or to appear at a hearing, if one is requested by the Owner; and the Owner has failed to prevent or correct the lessee or tenant's objectionable actions or misconduct.

Any hearing requested hereunder shall be conducted in accordance with Section 13.06, below.

Section 2.07. Obligations of Owners.

Owners of Lots shall be subject to the following:

- (a) **Owner's Duty to Notify Community Association of Lessees/Tenants and Contract Purchasers.**

Each Owner shall notify the Community Association's Executive Director or designee of the names of any contract purchaser or tenant residing in the Owner's Residence. Each Owner, contract purchaser or tenant shall also notify the Community Association's Executive Director or designee of the names of all persons to whom such Owner, contract purchaser or tenant has delegated any rights to use and enjoy the Common Areas and Common Facilities within Sun City Lincoln Hills and the relationship that each such person bears to the Owner, contract purchaser or tenant.

- (b) **Contract Purchasers.**

A contract seller of a Lot must delegate his or her voting rights as a Member of the Community Association and his or her right to use and enjoy the Common Area and Common Facilities to any contract purchaser in possession of the property. Notwithstanding the foregoing, the contract seller shall remain liable for any default in the payment of Assessments by the contract purchaser until title to the property sold has been transferred to the purchaser.

- (c) **Notification Regarding Governing Documents.**

- (i) As more particularly provided in California Civil Code section 1368, as soon as practicable before transfer of title or the execution of a real property sales contract with respect to any Lot, the Owner thereof must give the prospective purchaser:

- (A) a copy of the Governing Documents;

- (B) a copy of the most recent documents distributed by the Community

Association to its Members pursuant to California Civil Code section 1365 (see Article XII and XIII of the Bylaws);

- (C) a copy or a summary of any notice previously sent to the Member pursuant to Civil Code section 1363(h) that sets forth any alleged violation of the Governing Documents that remains unresolved at the time of the request;
 - (D) a copy of the preliminary list of defects provided to each Member of the Association pursuant to Civil Code section 1375, unless the Community Association enters into an agreement under Civil Code section 1375.1;
 - (E) a copy of the latest information provided for in Civil Code section 1375.1;
 - (F) a true statement in writing from an authorized representative of the Community Association as to:
 - (1) the amount of any unpaid Assessments, together with information relating to late charges, attorneys' fees, interest, and costs of collection which, as of the date the statement is issued, are or may become a lien on the Lot being sold ("delinquency statement"); and
 - (2) the amount of the Community Association's current Regular and Special Assessments and fees; and
 - (G) a statement disclosing any change in the Community Association's current Regular and Special Assessments and fees which have been approved by the Board but have not become due and payable as of the date the information is provided.
- (ii) Within ten (10) days of the mailing or delivery of a request for the information described in subparagraph (c)(i), above, the Community Association shall provide the Owner with copies of the requested items. The Community Association shall be entitled to impose a fee for providing the requested items equal to (but not more than) the reasonable cost of preparing and reproducing the requested items.
 - (iii) The provisions of this Section, except for those provisions relating to the furnishing of a delinquency statement, shall not apply to any Owner who is subject to the requirements of California Business and Professions Code section 11018.1 (i.e., the obligation to provide prospective purchasers with a Department of Real Estate Public Report).
- (d) Payment of Assessments and Compliance with Rules.

Each Owner shall pay, when due, each Regular, Special and Special Individual Assessment levied against the Owner and his or her Lot and shall observe, comply with

and abide by any and all rules and regulations set forth in, or promulgated by the Community Association pursuant to, any Governing Document for the purpose of protecting the interests of all Owners or protecting the Common Area and Common Facilities.

(e) Discharge of Assessment Liens.

Each Owner shall promptly discharge any Assessment lien that may hereafter become a charge against his or her Lot.

(f) Joint Ownership of Lots.

In the event of joint ownership of any Lot, the obligations and liabilities of the multiple Owners under the Governing Documents shall be joint and several. Without limiting the foregoing, this subparagraph (f) shall apply to all obligations, duties and responsibilities of Owners as set forth in this Declaration, including, without limitation, the payment of Community Association Assessments levied on the jointly owned Lot.

ARTICLE III
Sun City Lincoln Hills Community Association

Section 3.01. Formation.

The Community Association is a California nonprofit mutual benefit corporation and an "association" as defined in the Davis-Stirling Common Interest Development Act (California Civil Code Section 1350 et. seq.). The Community Association shall be charged with the duties and shall possess the powers set forth in the Governing Documents, including, but not limited to, the ownership, control, maintenance and repair of the Common Areas and Common Facilities. Neither the Articles of Incorporation nor the Bylaws of the Community Association shall be amended or otherwise changed or interpreted so as to be inconsistent with this Declaration.

Section 3.02. Community Association Action; Board of Directors and Officers.

With the exception of those matters requiring approval of Members under the Governing Documents or California law, the affairs of the Community Association shall be conducted and all corporate powers shall be exercised by the Board of Directors and such officers and committees as the Board may elect or appoint. Except as otherwise provided in the Governing Documents or California law, all matters requiring the approval of Members shall be deemed approved if approved by a Majority of a Quorum of the Members.

Section 3.03. Membership.

(a) Qualifications.

Each Owner of a Lot shall be a Member of the Community Association. An Owner shall hold one membership in the Community Association for each Lot that the Member owns. Sole or joint ownership of a Lot shall be the sole qualification for membership in the Community Association. Each Owner shall remain a Member of the Community Association until his or her ownership of, or ownership interest in, all Lots in the Covered Property ceases, at which time the Owner's membership in the Community Association shall automatically cease. Persons or entities who hold an interest in a Lot merely as security for performance of an obligation are not Members.

(b) Members' Rights and Duties.

Membership in the Community Association shall give rise to the rights, duties, and obligations set forth in the Governing Documents and any amendments thereto.

Section 3.04. Membership Voting.

(a) Commencement of Voting Rights.

Unless the sale of Lots within the Covered Property is subject to a subsidization plan, approved by the California Commissioner of Real Estate, which provides otherwise, voting rights attributable to the ownership of Lots shall not vest until Assessments against those Lots have been levied by the Community Association. See Section 4.02(e),

below.

(b) Right to Vote.

- (i) no change in the ownership of a Lot shall empower the new Owner(s) of the Lot to exercise the voting rights of the Membership that is appurtenant to the Lot until the Community Association has received written notice of such change. Each Lot is entitled to one (1) vote regardless of the number of persons who appear as Owners of Record with respect to a Lot. If any Member casts a vote representing a certain Membership, it will be deemed that he or she was acting with the authority and consent of all other Owners of the Lot to which the Membership is appurtenant unless objection thereto is made at the time the vote is cast. In the event more than one vote is cast for a particular Membership, none of the said votes shall be counted and all said votes shall be deemed void.
- (ii) Any mortgagee who acquires title to a Lot pursuant to a judgment of foreclosure or a trustee sale shall automatically become entitled to exercise all voting rights which the Owner of said Lot would otherwise have had.
- (iii) In the event an Owner has leased or rented his or her Lot, the Owner shall retain the right to vote as a Member of the Community Association. The right to vote is not transferable or assignable except with a transfer of the Lot.

(c) Suspension of Voting Rights.

Voting rights may be temporarily suspended under those circumstances described in Section 13.06, below.

Section 3.05. Assessments.

The Community Association shall have the power to establish, fix and levy Assessments against the Owners of Lots within the Covered Property and to enforce payment of such Assessments, as more particularly provided in Article IV, below. Any Assessments levied by the Community Association against its Members shall be levied in accordance with, and pursuant to, the provisions of this Declaration.

Section 3.06. Powers and Authority of the Community Association.

(a) Powers.

The Community Association shall have the responsibility of owning, managing and maintaining the Common Areas and Common Facilities and discharging the other duties and responsibilities imposed on the Community Association by the Governing Documents. In the discharge of such responsibilities and duties, the Community Association shall have all of the powers of a nonprofit mutual benefit corporation organized under the laws of the State of California in the ownership and management of its Covered Property and the discharge of its responsibilities hereunder for the benefit of its Members, subject only to such limitations upon the exercise of such powers as are expressly set forth in the Governing Documents. The Community Association shall have

the power to do any and all lawful things which may be authorized, required or permitted to be done under and by virtue of the Governing Documents, and to do and perform any and all acts which may be necessary or proper for, or incidental to, the exercise of any of the express powers of the Community Association for the peace, health, comfort, safety or general welfare of the Owners. The specific powers of the Community Association and the limitations thereon are set forth in Article IX of the Bylaws.

- (b) Community Association's Limited Right of Entry.
 - (i) Right of Entry. Without limiting the foregoing description of powers, but in addition thereto, the Community Association and its agents shall have the right and power to enter any Lot to perform the Community Association's obligations under this Declaration, including:
 - (A) exterior maintenance or obligations with respect to the front yard areas of individual Lots;
 - (B) obligations to enforce the architectural review and approval requirements, minimum construction standards and/or land use restrictions of Articles V, VI and VII, below;
 - (C) any obligations with respect to construction, maintenance and repair of adjacent Common Facilities; or
 - (D) to make necessary repairs that an Owner has failed to perform which, if left undone, will pose a threat to, or cause an unreasonable interference with, any portion of the Covered Property or the Owners in common.
 - (ii) Limitations on Exercise of Right. The Community Association's right of entry pursuant to this subparagraph (b) shall be subject to the following:
 - (A) The right of entry may be exercised immediately and without prior notice to the Owner or Resident in case of an emergency originating in or threatening the Lot where entry is required or any adjoining Lots or Common Area. The Community Association's work may be performed under such circumstances whether or not the Owner or his or her lessee is present.
 - (B) In all nonemergency situations involving routine repair and/or maintenance activities, the Community Association, or its agents, shall furnish the Owner or his or her lessee with at least twenty-four (24) hours prior written notice of its intent to enter the Lot, specifying the purpose and scheduled time of such entry, and shall make every reasonable effort to perform its work and schedule its entry in a manner that respects the privacy of the persons residing on the Lot.
 - (C) In all nonemergency situations involving access by the Community Association for purposes of enforcing the Governing Documents against

an Owner in default, the Community Association's entry shall be subject to observance of the notice and hearing requirements imposed by Section 13.06, below.

- (D) In no event shall the Community Association's right of entry hereunder be construed to permit the Community Association or its agents to enter any Residence without the Owner's express permission.
- (E) Neither the Community Association nor any Owner shall have any right of entry onto the Golf Courses without the prior consent of the owner of the Golf Courses, unless an Owner's right of entry results from an Owner's status as golfer who is playing the course with the permission of the owner of the Golf Courses.

Section 3.07. Association Rules.

(a) Rule Making Power.

The Board may, from time to time and subject to the provisions of this Declaration, propose, enact and amend rules and regulations of general application to the Owners ("Association Rules"). The Association Rules may concern, but need not be limited to:

- (i) matters pertaining to use of the Common Area and Common Facilities;
- (ii) architectural control and the guidelines of the Architectural Review Committee adopted pursuant to Section 5.09, below;
- (iii) regulation of pet ownership, parking, signs, collection and disposal of refuse and other matters subject to regulation and restriction under Article VIII, below;
- (iv) collection of delinquent Assessments;
- (v) minimum standards of maintenance of landscaping or other Improvements on any Lot;
- (vi) the conduct of disciplinary proceedings in accordance with Section 13.06, below, and;
- (vii) any other subject or matter within the jurisdiction of the Community Association as provided in the Governing Documents.

Notwithstanding the foregoing grant of authority, the Association Rules shall not be inconsistent with or materially alter any provision of the Governing Documents or the rights, preferences and privileges of the Owners thereunder. In the event of any material conflict between any Association Rule and the provisions of any other Governing Document, the conflicting provisions contained in the other Governing Document shall prevail.

(b) Adoption and Amendment of Rules.

Association Rules may be adopted or amended from time to time by majority vote of the Board, provided, however, that with the exception of rules pertaining to the procedures for the conduct of Board meetings no Association Rule or amendment thereto shall be adopted by the Board until at least thirty (30) days after the proposed rule or rule amendment has been:

- (i) published in the Community Association newsletter, if any, or otherwise communicated to the Owners in writing, and
- (ii) posted in the Community Association's principal office.

The notice describing the proposed Association Rule or amendment shall also set forth the date, time and location of the Board meeting at which action on the proposal is scheduled to be taken.

Any duly adopted Association Rule or amendment to the Association Rules shall become effective immediately following the date of adoption thereof by the Board, or at such later date as the Board may deem appropriate. Any duly adopted Association Rule or rule amendment shall be distributed to the Owners by mail.

(c) Distribution of Rules.

A copy of the Association Rules, as they may from time to time be adopted, amended or repealed, shall periodically be mailed. Distribution will be supplemented by conspicuous posting in the Community Association newsletter and by broadcast on any Community Association television channel. A copy of the Association Rules shall also be available and open for inspection by any Owner during normal business hours at the principal office of the Community Association.

Section 3.08. Breach of Rules or Restrictions.

Any breach of the Association Rules or of any other Governing Document provision shall give rise to the rights and remedies set forth in Article XIII, below.

Section 3.09. Limitation on Liability of the Community Association and Its Directors and Officers.

(a) Claims Regarding Breach of Duty.

No Director or officer of the Community Association (collectively and individually referred to as the "Released Party") shall be personally liable to any of the Members, or to any other person, for any error or omission in the discharge of his or her duties and responsibilities or for his or her failure to provide any service required under the Governing Documents; provided that such Released Party has, upon the basis of such information as he or she possessed, acted in good faith, in a manner that such person believes to be in the best interests of the Community Association and with such care, including reasonable inquiry, as an ordinarily prudent person in a like position would use

under similar circumstances.

Without limiting the generality of the foregoing, this standard of care and limitation of liability shall extend to such matters as the establishment of the Community Association's annual financial budget, the funding of Community Association capital replacement and reserve accounts, repair and maintenance of Common Areas and Common Facilities and enforcement of the Governing Documents.

(b) Other Claims Involving Tortious Acts and Property Damage.

No person who suffers bodily injury (including, without limitation, emotional distress or wrongful death) as a result of the tortious act or omission of a Released Party shall recover damages from such Released Party if all of the following conditions are satisfied:

- (i) the Released Party owns no more than two Lots;
- (ii) the act or omission was performed within the scope of the Released Party's Community Association duties;
- (iii) the act or omission was performed in good faith;
- (iv) the act or omission was not willful, wanton, or grossly negligent;
- (v) the Community Association maintained and had in effect at the time the act or omission occurred and at the time a claim is made general liability insurance with coverage of at least One Million Dollars (\$1,000,000).

The payment of actual expenses incurred by a Released Party in the execution of such person's Community Association duties shall not affect such person's status as a volunteer Board member or officer for the purposes of this section. The provisions of this subparagraph (b) are intended to reflect the protections accorded to volunteer directors and officers of community associations pursuant to California Civil Code section 1365.7. In the event said Civil Code section is amended or superseded by another, similar provision of the California statutes, this subparagraph (b) shall be deemed amended, without the necessity of further Member approval, to correspond to the amended or successor Civil Code provision.

(c) Absence of Responsibility by Community Association to Resolve Traffic Noise Issues on Public Thoroughfares.

Within and adjacent to Sun City Lincoln Hills, there are many existing public streets and thoroughfares. It shall not be the responsibility of the Community Association to provide mitigation for any volume of traffic and noise associated with vehicles.

ARTICLE IV
Assessments

Section 4.01. Assessments.

(a) Covenant to Pay Assessments.

Each Owner of a Lot by acceptance of a deed therefore (whether or not it shall be so expressed in such deed), covenants and agrees to pay to the Community Association:

- (i) Regular Assessments;
- (ii) Special Assessments; and
- (iii) Special Individual Assessments in accordance with this Article IV.

Assessments shall be established, the obligation to pay Assessments shall commence, and Assessments shall be collected from the Owners who are obligated therefore as hereinafter provided.

(b) Extent of Owner's Personal Obligation for Assessments.

All Assessments, together with late charges, interest, and reasonable costs (including reasonable attorneys' fees) for the collection thereof, shall be a debt and a personal obligation of the person who is the Owner of the Lot at the time the Assessment is levied. Each Owner who acquires title to a Lot (whether by conventional conveyance, at a judicial sale, trustee's sale or otherwise) shall be personally liable only for Assessments attributable to the Lot which become due and payable after the date that the person acquires title. Accordingly, when a person acquires title to a Lot, he or she shall not be personally liable for delinquent Assessments of prior Owners unless the new Owner expressly assumes the personal liability. However, if the acquired Lot is conveyed subject to a valid lien for delinquent Assessments (and related costs of collection), the Community Association may continue to exercise its foreclosure remedies against the Lot, regardless of the change of ownership, and/or the Community Association may pursue its collection remedies against the prior Owner, individually.

(c) Creation of Assessment Lien.

With the exception of some Special Individual Assessments (see Section 4.10(b)(iii), below), all Assessments, together with late charges, interest, and reasonable costs (including reasonable attorneys' fees) for the collection thereof, shall be a charge on the Lot and shall be a continuing lien upon the Lot against which such Assessment is made. Any lien for unpaid Assessments created pursuant to the provisions of this article may be subject to foreclosure as provided in Section 4.10(b), below.

(d) No Avoidance of Assessment Obligations.

No Owner may exempt himself/herself or the Owner's Lot from liability or charge for the Owner's share of any Assessment made against the Owner or his or her share of any

Regular or Special Assessment made against the Owner's Lot, by waiving or relinquishing, or offering to waive or relinquish, the Owner's right to use and enjoy all or any portion of the Common Area or Common Facilities or by the abandonment or non-use of the Owner's Lot.

(e) Designation of Cost Centers.

The Community Association shall have the power and authority to designate Lots, parcels and Common Areas within the Covered Property as Cost Centers for purposes of expense accounting and the equitable allocation of Regular Assessments, in accordance with this Section 4.01(e) and Section 4.02(b)(ii), below. A Cost Center is likely to be designated when one of the following occurs:

- (i) the maintenance or use of a particular improvement, maintenance area or Common Facility within the designated Cost Center is fully or partially restricted to Owners of Lots located within the area designated as a "Cost Center" (such as a gate and related equipment at the entrance to any private streets that may be constructed within the development and the private streets behind the gate); or
- (ii) certain Owners of Lots within a designated Cost Center are receiving services from the Community Association that are in addition to, or significantly greater than, the services provided to other Owners or residents, such as front yard landscape maintenance or maintenance of some portion of the Residences within the Cost Center.

Ordinarily, a Cost Center shall be established whenever it is reasonable to anticipate that any Owner or group of Owners will derive as much as ten percent (10%) more than Owners in general in the value of a common service(s) supplied by the Community Association.

(f) New Cost Centers may be designated which shall;

- (i) identify the Lots comprising the Cost Center;
- (ii) identify the Common Facilities, maintenance areas or other services that will exclusively or disproportionately benefit the Owners of Lots within the Phase; and
- (iii) provide for the allocation of Common Expenses attributable to the identified Common Facilities or services to Owners within the Cost Center as a Cost Center Assessment Component of their Regular Assessment.

(g) Improper Assessment.

The Community Association shall not impose or collect an Assessment, penalty or fee which exceeds the amount necessary for the purpose or purposes for which it is levied.

Section 4.02. Regular Assessments.

(a) Regular Assessments.

In the annual budget prepared and distributed to the Members in accordance with Section 12.05(a) of the Bylaws, the Board shall determine the estimated Common Expenses of the Community Association for that fiscal year. Subject to the Member approval requirements for certain Assessment increases, as specified in subparagraph (c) of this Section 4.02, such estimated Common Expenses shall be assessed against all Owners as the Regular Assessment for that fiscal year (the "Aggregate Regular Assessment Amount").

(b) Components of the Regular Assessment: Cost Centers.

(i) General Assessment Component. The Common Expenses of the Community Association, exclusive of Common Expenses budgeted to any Cost Center, shall be the "General Assessment Component" of the Regular Assessment and shall take into account the amount of contributions to be made pursuant to any Maintenance Agreement or a Subsidy Agreement approved by the Department of Real Estate to defray Common Expenses included in the General Assessment Component.

(ii) Cost Center Assessment Component. When a Cost Center is established, the expenses of operating, maintaining and replacing the included Improvements or maintenance areas (including, without limitation, Reserve contributions and expenses for insurance and management, utility, legal, accounting, and patrol services) shall be borne solely or disproportionately by the Owners of the Lots within the designated Cost Center ("Cost Center Assessment Component"). The Cost Center Assessment Component shall take into account the amount of contributions to be made pursuant to any Use Maintenance Agreement (Section 7.05(c)) pertaining to expense items identified as part of the Cost Center.

(c) Establishment of Regular Assessment; Member Approval Requirements for Certain Assessment Increases.

Unless Member approval is required as a prerequisite to the imposition of an increase in the annual Regular Assessment as stated in this subparagraph (c), the total Common Expenses estimated in the Community Association's budget (less projected income from sources other than Assessments) shall become the Aggregate Regular Assessment Amount for the next succeeding fiscal year.

Subject to Section 4.05, below, ("Emergency Assessments"), the Community Association shall not levy, for any fiscal year, an annual Regular Assessment per Lot which is more than twenty percent (20 %) greater than the Regular Assessment levied in the immediately preceding fiscal year (the "Maximum Authorized Regular Assessment") without the prior approval of the Members in accordance with Section 4.08, below.

If an increase of more than twenty percent (20 %) in the amount of the Regular Assessment for any Lot or Lots (over the prior year's Regular Assessment for those Lots)

results solely from increases in the Cost Center Assessment Component of the Regular Assessment for such Lots, the required approval shall be of Members whose Lots are located within the Cost Center.

(d) Allocation of Regular Assessment.

(i) General Assessment Component. The Common Expenses of the Community Association exclusive of Common Expenses budgeted to any Cost Center (the "General Assessment Component") shall be allocated among and charged to all the Owners according to the ratio of the number of Lots owned by the assessed Owner to the total number of Lots subject to assessment so that each Lot bears an equal share of the aggregate General Assessment Component.

(ii) Cost Center Assessment Component. Whenever it is determined that a Cost Center should be designated in accordance with Section 4.01(e), above, each Lot within a designated Cost Center shall be allocated an equal share of the "Cost Center Assessment Component" of the Community Association's Common Expenses chargeable to the Cost Center. The Cost Center Assessment Component shall take into account the amount of contributions to be made pursuant to any Use Maintenance Agreement (Section 7.05(c)) which pertain to expense items identified as part of the Cost Center. If so specified in the Supplemental Declaration creating the Cost Center or if so directed by petition signed by a majority of the Owners of Lots within the Cost Center, any portion of the Cost Center Assessment component that is allocable to the exterior maintenance of structures, insurance on structures, or replacement reserves for particular structures shall be levied on each Lot in the Cost Center in proportion to the benefit received.

(e) Commencement Date for Regular Assessments.

Regular Assessments shall commence to the Owner of each Lot on the date of Close of Escrow.

(f) Assessment Roll.

That portion of the estimated Common Expenses assessed against and charged to each Owner shall be set forth and recorded in an Assessment roll which shall be maintained and available with the records of the Community Association. The Assessment roll (which may be maintained in the form of a computer printout) shall show, for each Lot, the name and address of the Owner of Record, all Regular, Special and Special Individual Assessments levied against each Owner and his or her Lot, and the amount of such Assessments which have been paid or remain unpaid. The delinquency statement required by Section 2.07(c)(i)(F), above, shall be conclusive upon the Community Association and the Owner of such Lot as to the amount of such indebtedness appearing on the Community Association's Assessment roll as of the date of such statement, in favor of all persons who rely thereon in good faith.

(g) Mailing Notice of Assessment.

The budget materials distributed by the Community Association pursuant to the Bylaws, Section 12.05(a), shall be mailed to each Owner at the street address of the Owner's Lot, or at such other address as the Owner may from time to time designate in writing to the Community Association and shall include a statement of the amount of the Regular Assessment and any Special Assessment (stated both in the aggregate and for each assessed Lot) for the next succeeding fiscal year. Owners of Lots that are located within a designated Cost Center shall receive a separate budget for the Cost Center Assessment Component of their Regular Assessment and any Special Assessment.

(h) Failure to Make Estimate.

If, for any reason, the Board of Directors fails to make an estimate of the Common Expenses for any fiscal year, then the Regular Assessment made for the preceding fiscal year, together with any Special Assessment made pursuant to Section 4.03(a)(i), below, for that year, shall be assessed against each Owner and his or her Lot on account of the then current fiscal year, and installment payments (as hereinafter provided) based upon such automatic Assessment shall be payable on the regular payment dates established by the Board.

(i) Installment Payment.

The Regular Assessment levied against each Owner and his or her Lot shall be an annual Assessment which is due within fifteen (15) days following the first day of the Community Association's fiscal year; provided, however, that the Board of Directors, in its discretion can implement an Assessment payment policy that calls for payment of the Regular Assessment in equal quarterly or monthly installments, so long as the installment method of payment is clearly disclosed in the budget materials distributed to the Members. If installment payments are implemented by the Board, each installment shall be due and payable in advance to the Community Association on the first day of each month or quarter, as the case may be, and shall be delinquent if not paid within fifteen (15) days of the due date established by the Board.

Section 4.03. Special Assessments.

(a) Purposes for Which Special Assessments May Be Levied.

Subject to the membership approval requirements set forth in subparagraph (b), below, the Board of Directors shall have the authority to levy Special Assessments against the Owners and their Lots for the following purposes:

- (i) Regular Assessment Insufficient in Amount. If, at any time, the Regular Assessment for any fiscal year is insufficient in amount due to extraordinary expenses not contemplated in the budget prepared for said fiscal year and the Board determines that other funds are not available to defray such expenses, then the Board of Directors, in its discretion, may levy and collect a Special Assessment, applicable to the remainder of such year only, for the purpose of defraying, in whole or in part, any deficit which the Community Association might otherwise incur in the performance of its duties and the discharge of its obligations hereunder.

(ii) Capital Improvements. The Board may also levy Special Assessments for additional capital improvements within the Common Area (i.e., Improvements not in existence on the date of this Declaration that are unrelated to repairs for damage to, or destruction of, the existing Common Facilities). The Special Assessment power conferred hereunder is not intended to diminish the Board's obligation to plan and budget for normal maintenance, replacement and repair of the Common Area or existing Common Facilities through Regular Assessments (including the funding of reasonable reserves) or the Board's obligation to maintain adequate insurance on the Common Area and any Common Facilities in accordance with Article X, below.

(b) **Special Assessments Requiring Membership Approval.**

The following Special Assessments require prior membership approval in accordance with Section 4.08, below:

- (i) any Special Assessments which, in the aggregate, exceed five percent (5 %) of the Community Association's budgeted gross expenses for the fiscal year in which the Special Assessment(s) is/are levied; and
- (ii) any Special Assessments imposed pursuant to subparagraph (a) (i) of this section when the Board has failed to distribute a budget to the Members within the time specified in Section 12.05(a) of the Bylaws. The foregoing Member approval requirements shall not apply, however, to any Special Assessment imposed to address any "emergency situation" as defined in Section 4.05, below.

(c) **Cost Center Special Assessments.**

In the event that a Special Assessment is only needed to fund an extraordinary expense or new capital improvement within a Cost Center, the Board may levy a Special Assessment that is applicable solely to that Cost Center.

(d) **Allocation and Payment of Special Assessments.**

When levied by the Board or approved by the Members as provided above, the Special Assessment shall be divided among, assessed against and charged to each Owner who is subject to the Special Assessment and his or her Lot in the same manner prescribed for the allocation of Regular Assessments pursuant to Section 4.02(d), above. The Special Assessment so levied shall be recorded on the Community Association's Assessment roll and notice thereof shall be mailed to each Owner.

Special Assessments for purposes described in subparagraph (a)(i) of this Section 4.03 shall be due as a separate debt of the Owner and a lien against his or her Lot, and shall be payable to the Community Association in equal monthly installments during the remainder of the then current fiscal year. Special Assessments for purposes described in subparagraph (a)(ii) of this Section 4.03 shall be due as a separate debt of the Owner and a lien against his or her Lot, and shall be payable in full to the Community Association within thirty (30) days after the mailing of such notice or within such extended period as

the Board shall determine to be appropriate under the circumstances giving rise to the Special Assessment.

Section 4.04. Special Individual Assessments.

(a) Circumstances Giving Rise to Special Individual Assessments.

In addition to the Special Assessments levied against all Owners in accordance with Section 4.03, above, the Board of Directors may impose Special Individual Assessments against an Owner in any of the circumstances described in subparagraphs (i) through (iii) below, and, if appropriate, has been given a reasonable opportunity to comply voluntarily with the Governing Documents. See Section 13.06(a) below.

- (i) Damage to Common Area or Common Facilities. In the event that any damage to, or destruction of, any portion of the Common Area or the Common Facilities, or any portions of the Lots which the Community Association is obligated to repair and maintain, is caused by the willful misconduct or negligent act or omission of any Owner, any member of his or her family, or any of his or her tenants, guests, servants, employees, licensees or invitees, the Board shall cause the same to be repaired or replaced, and all costs and expenses incurred in connection therewith (to the extent not compensated by insurance proceeds) shall be assessed and charged solely to and against such Owner as a Special Individual Assessment.
- (ii) Expenses Incurred in Gaining Member Compliance. The Community Association may incur costs or expenses to:
 - (A) accomplish the payment of delinquent Assessments;
 - (B) perform any repair, maintenance or replacement to any portion of the Common Area or the Common Facilities (or any other areas that the Community Association is obligated to repair, maintain or replace pursuant to this Declaration or the Specific Plan) that the Owner is responsible to maintain under the Association is obligated to repair, maintain or replace pursuant to this Declaration or the Specific Plan) that the Owner is responsible to maintain under the Governing Documents but has failed to undertake or complete in a timely fashion; or
 - (C) otherwise, bring the Owner and/or his or her Lot into compliance with any provision of the Governing Documents.

In the event that the Community Association incurs such costs or expenses, the amount incurred by the Community Association (including reasonable fines and penalties duly imposed hereunder, title company fees, accounting fees, court costs and reasonable attorneys' fees) shall be assessed and charged solely to and against such Owner as a Special Individual Assessment.

- (iii) Required Maintenance on Lots. If any Lot is maintained so as to become a nuisance, fire or safety hazard for any reason, the Community Association shall

have the right to enter said Lot, correct the condition and recover the cost of such action through imposition of a Special Individual Assessment against the offending Owner. Any entry on the property of any Owner by the Community Association shall be effected in accordance with Section 3.06(b), above.

(b) Levy of Special Individual Assessment.

Once a Special Individual Assessment has been levied against an Owner for any reason described, and subject to the conditions imposed, in subparagraph (a) of this section, such Special Individual Assessment shall be recorded on the Community Association's Assessment roll and notice thereof shall be mailed to the affected Owner. The Special Individual Assessment shall thereafter be due as a separate debt of the Owner payable in full to the Community Association within thirty (30) days after the mailing of notice of the Assessment.

Section 4.05. Assessment to Address Emergency Situations.

(a) The requirement of a membership vote to approve the following shall not apply to Assessments necessary to address an emergency situation:

- (i) Regular Assessment increases in excess of twenty percent (20 %) of the previous year's Regular Assessment; or
- (ii) Special Assessments which, in the aggregate, exceed five percent (5%) of the Community Association's budgeted gross expenses for the fiscal year in which the Special Assessment(s) is/are levied.

(b) For purposes of this section, an emergency situation is any of the following:

- (i) an extraordinary expense required by an order of a court;
- (ii) an extraordinary expense necessary to repair or maintain the Common Areas or Common Facilities or any portion of the Lots or any public properties which the Community Association is obligated to maintain where a threat to personal safety is discovered;
- (iii) an extraordinary expense necessary to repair or maintain the Common Areas or Common Facilities or any portion of the Lots or any public properties which the Community Association is obligated to maintain that could not have been reasonably foreseen by the Board in preparing and distributing the budget pursuant to Section 4.02(a), above; provided, however, that prior to the imposition or collection of an Assessment under subparagraph 4.03(a)(i), the Board shall pass a resolution containing written findings as to the necessity of the extraordinary expense involved and why the expense was not or could not have been reasonably foreseen in the budgeting process. The Board's resolution shall be mailed to the Members together with the notice of the emergency Assessment.

Section 4.06. Purpose and Reasonableness of Assessments.

Each Assessment made in accordance with the provisions of this Declaration is hereby declared and agreed to be for use exclusively:

- (a) to promote the recreation, health, safety and welfare of individuals residing within any portion of Sun City Lincoln Hills;
- (b) to promote the enjoyment and use the community of Sun City Lincoln Hills by the Owners and their families, tenants, invitees, licensees, guests and employees; and
- (c) to provide for the repair, maintenance, replacement and protection of the Common Area and Common Facilities and those portions of the Lots which the Community Association is obligated to maintain.

Without limiting the foregoing, it is specifically recognized that many Common Facilities, including the Rec Centers and the lodge restaurant and bar, exist and are operated and maintained for the benefit of the Owners and residents of Sun City Lincoln Hills regardless of whether such amenities generate revenues in excess of their allocable operating and maintenance expenses. In no event shall funds be raised or spent from Assessments for the purpose of improving or maintaining the Golf Courses or any other facilities of the Golf Courses.

Each and every Assessment levied hereunder is further declared and agreed to be a reasonable Assessment, and to constitute a separate, distinct and personal obligation of the Owner of the Lot against which the Assessment is imposed that shall be binding on the Owner's heirs, successors and assigns; provided, however, that the personal obligation of each Owner for delinquent Assessments shall not pass to the Owner's successors in title unless expressly assumed by them. Subject to the limitations imposed by Section 4.10(b)(iii), below, limiting the right of the Community Association to impose a lien as a remedy for collecting Special Individual Assessments, the Community Association shall also be entitled to collect delinquent Assessments through the use of lien and foreclosure remedies.

Section 4.07. Exemption of Certain of the Covered Property from Assessments.

The following real property subject to this Declaration shall, unless devoted to use as a residential dwelling, be exempt from the Assessments and the lien thereof provided herein:

- (a) any portion of the Covered Property dedicated and accepted by a local public authority;
- (b) the Common Area, Common Facilities and any Exempt Property.
- (c) any Lot owned by the Community Association.

Section 4.08. Notice and Procedure for Member Approval Pursuant to Sections 4.02 and 4.03.

In the event that Member approval is required in connection with any increase or imposition of

Assessments pursuant to Sections 4.02 and 4.03, above, the affirmative vote required to approve the increase shall be a Majority of a Quorum of the Members who are or may be liable for payment of the Assessment ("eligible Members"). The quorum required for such membership action shall be a majority of the eligible Members, and the required affirmative vote shall be at least:

- (a) in the case of an increase in the General Assessment Component, a Majority of a Quorum of the total membership of the Community Association; and
- (b) in the case of an increase in a Cost Center Assessment Component or a Cost Center Special Assessment, a Majority of a Quorum of the Members owning Lots within the Cost Center to which the Assessment pertains.

The minimum quorum percentage for any vote pursuant to this Section shall be the attendance in person or by proxy, of eligible Members comprising at least fifty percent (50 %) of the total Voting Power of the eligible Members. In the event that Member approval by secret ballot is solicited, by use of a written ballot, the minimum quorum percentage shall be satisfied when ballots have been cast (within the prescribed balloting period) by at least fifty percent (50 %) of the total Voting Power of the eligible Members.

Section 4.09. Maintenance of Assessment Funds.

- (a) **Bank Accounts and Investment of Community Association Funds.**

All sums received or collected by the Community Association from Assessments, together with any interest or late charges thereon, shall be promptly deposited in one or more insured checking, savings or money market accounts in one or more banks or other financial institutions selected by the Board of Directors of the Community Association. In addition, the Board shall be entitled to make prudent investment of reserve funds in insured certificates of deposit, money market funds or similar investments consistent with the investment standards normally observed by trustees and any investment policy promulgated by the Board of Directors. The Board and such officers or agents of the Community Association as the Board shall designate shall have exclusive control of said account(s) and investments and shall be responsible to the Owners for the maintenance at all times of accurate records thereof. The withdrawal of funds from Community Association accounts shall be subject to the minimum signature requirements imposed by California Civil Code section 1365.5 and Section 12.02 of the Bylaws. Any interest received on deposits shall be credited proportionately to the balances of the various Assessment fund accounts maintained on the books of the Community Association as provided in subparagraph (b), below.

- (b) **Expenditure of Assessment Funds.**

Except as provided below, the proceeds of each Assessment shall be used only for the purpose for which such Assessment was made, and such funds shall be received and held in trust by the Community Association for such purpose. Notwithstanding the foregoing, the Board, in its discretion, may make appropriate adjustments among the various line items in the Board's approved general operating budget if the Board determines that it is prudent and in the best interest of the Community Association and its Members to make

such adjustments. If the proceeds of any Special Assessment exceed the requirement for which such Assessment was levied, such surplus may, in the Board's discretion, be:

- (i) returned proportionately to the contributors thereof;
- (ii) reallocated among the Community Association's reserve accounts if any such account is, in the Board's opinion, under-funded; or
- (iii) credited proportionately on account of the Owners' future Regular Assessment obligations.

(c) **Separate Accounts; Commingling of Funds.**

To preclude a multiplicity of bank accounts, the proceeds of all Assessments may be commingled in one or more accounts and need not be deposited in separate accounts so long as the separate accounting records described herein are maintained. For purposes of accounting, but without requiring any physical segregation of assets, the Community Association shall keep a separate accounting of all funds received in payment of each Assessment and of all disbursements made therefrom; provided, however, that receipts and disbursements of Special Assessments levied pursuant to Section 4.03(a)(i), above, shall be accounted for together with the receipts and disbursements of Regular Assessments, and a separate accounting shall be maintained for each capital Improvement for which reserve funds for replacement are allocated.

Unless the Community Association is exempt from federal or state taxes, all sums allocated to capital replacement funds shall be accounted for as contributions to the capital of the Community Association and as trust funds segregated from the regular income of the Community Association or in any other manner authorized by law or regulations of the Internal Revenue Service and the California Franchise Tax Board that will prevent such funds from being taxed as income of the Community Association.

(d) **Reserve Funds.**

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

The transferred funds shall be restored to the reserve fund within one (1) year of the date of the initial transfer, except that the Board may, upon making a finding supported by documentation that a temporary delay would be in the best interests of the Covered Property, temporarily delay the restoration. The Board shall exercise prudent fiscal management in delaying restoration of these funds and in restoring the expended funds

to the reserve account, and shall, if necessary, levy a Special Assessment to recover the full amount of the expended funds within the time limits required by this subparagraph (d). This Special Assessment is subject to the Member approval requirements of California Civil Code section 1366 and Section 4.03(b), above, if the aggregate amount of the Special Assessment exceeds five percent (5 %) of the budgeted gross expenses of the Community Association for the year in which the Special Assessment is imposed. The Board may, at its discretion, extend the date the payment on the Special Assessment is due. Any extension shall not prevent the Board from pursuing any legal remedy to enforce the collection of an unpaid Special Assessment.

When the decision is made to use reserve funds or to temporarily transfer money from the reserve fund to pay for litigation, the Community Association shall notify the Members of that decision in the next available mailing to all Members pursuant to California Corporations Code section 5016, and of the availability of an accounting of those expenses. The Community Association shall make an accounting of expenses related to the litigation on at least a quarterly basis. The accounting shall be made available for inspection by Members at the Community Association's principal office.

Section 4.10. Collection of Assessments; Enforcement of Liens.

(a) Delinquent Assessments

If any installment payment of a Regular assessment or lump sum or installment payment of any Special Assessment or Special Individual Assessment assessed to any Owner is not paid within fifteen (15) days after the same becomes due, such payment shall be delinquent and the amount thereof may, at the Board's election, bear interest at the maximum rate allowed by law commencing thirty (30) days after the due date until the same is paid. In addition to the accrual of interest, the Board of Directors is authorized and empowered to promulgate a schedule of reasonable late charges for any delinquent Assessments, subject to the limitations imposed by California Civil Code sections 1366(c) and 1366.1 or comparable successor statutes.

(b) Effect of Nonpayment of Assessments. (See Bylaws, Article XII, Section 12.05(d), and Bylaws, Exhibit "A" for Annual Statement Regarding Delinquency/Foreclosure Policy)

(i) Creation and Imposition of a Lien for Delinquent Assessments. As more particularly provided in California Civil Code section 1367.1 comparable successor statute, the amount of any delinquent Regular or Special, or Special Individual Assessment, together with any late charges, interest and costs (including reasonable attorneys' fees) attributable thereto or incurred in the collection thereof, shall become a lien upon the Lot of the Owner so assessed only when the Community Association Records a Notice of Delinquent Assessment executed by an authorized representative of the Community Association, setting forth:

- (A) the amount of the delinquent Assessment(s) and other sums duly imposed pursuant to this article and California Civil Code Section 1366;
- (B) the legal description of the Owner's Lot against which the Assessments

and other sums are levied;

- (C) the name of the Owner of Record of such Lot;
- (D) the name and address of the Community Association; and
- (E) in order for the lien to be enforced by nonjudicial foreclosure, the name and address of the trustee authorized by the Community Association to enforce the lien by sale.

Upon payment in full of the sums specified in the Notice of Delinquent Assessment, the Community Association shall cause to be recorded a further notice stating the satisfaction and release of the lien, thereof and a reasonable charge can be imposed for the preparation and recordation of that release.

- (ii) Remedies Available to the Community Association to Collect Assessments. The Community Association may bring legal action against the Owner personally obligated to pay the delinquent Assessment to recover a money judgment for unpaid Assessments, reasonable costs of collection and attorneys' fees or (subject to the limitations stated in subparagraph (iii) below) foreclose its lien against the Owner's Lot or accept a deed in lieu of foreclosure. Foreclosure by the Community Association of its lien may be by judicial foreclosure or by nonjudicial foreclosure by the trustee designated in the Notice of Delinquent Assessment or by a trustee substituted pursuant to California Civil Code section 2934a. Any sale of a Lot by a trustee acting pursuant to this Section shall be conducted in accordance with California Civil Code sections 2924, 2924b and 2924c applicable to the exercise of powers of sale in mortgages or deeds of trust.
- (iii) Remedies Available for Collection of Special Individual Assessments. Any Special Individual Assessment, as more particularly described in Section 4.04, imposed on an Owner by the Community Association may be recoverable through the use of lien and foreclosure remedies and may become a lien against Owner's Lot subject to the requirements of Civil Code Section 1367.1 and 1367.4.
- (iv) Nonjudicial Foreclosure. Nonjudicial foreclosure shall be commenced by the Community Association by Recording a notice of default, which notice shall state:
 - (A) all amounts which have become delinquent with respect to the Owner's Lot and the costs (including attorneys' fees), penalties and interest that have accrued thereon;
 - (B) the amount of any Assessment which is due and payable although not delinquent;
 - (C) a legal description of the property with respect to which the delinquent Assessment is owed; and the name of the Owner of Record or reputed Owner thereof.

The Notice of Default shall also state the election of the Community Association to sell the Lot or other property to which the amounts relate and shall otherwise conform with the requirements for a notice of default under California Civil Code section 2924(c), or comparable successor statute.

The Community Association shall have the rights conferred by California Civil Code section 2934(a) to assign its rights and obligations as trustee in any nonjudicial foreclosure proceedings to the same extent as a trustee designated under a deed of trust and for purposes of said section 2934(a), the Community Association shall be deemed to be the sole beneficiary of the delinquent Assessment obligation. Furthermore, in lieu of an assignment of trusteeship, the Community Association shall be entitled to employ the services of a title insurance company or other responsible person authorized to serve as a trustee in nonjudicial foreclosure proceedings to act as an agent on behalf of the Community Association in commencing and prosecuting any nonjudicial foreclosure hereunder.

(v) Owner's Payment Under Protest

(A) If a dispute exists between the owner of a separate interest and the association regarding any disputed charge or sum levied by the association, including, but not limited to, an assessment, fine, penalty, late fee, collection cost, or monetary penalty imposed as a disciplinary measure, and the amount in dispute does not exceed the jurisdictional limits stated in Sections 116.220 and 116.221 of the Code of Civil Procedure, the owner of the separate interest may, in addition to pursuing dispute resolution pursuant to Article 5 (commencing with Section 1363.810) of Chapter 4, pay under protest the disputed amount and all other amounts levied, including any fees and reasonable costs of collection, reasonable attorney's fees, late charges, and interest, if any, pursuant to subdivision (e) of Section 1366, and commence an action in small claims court pursuant to Chapter 5.5 (commencing with Section 116.110) of Title 1 of the Code of Civil Procedure.

(B) Nothing in this subsection shall impede the Community Association's ability to collect delinquent assessments as provided in Sections 1367.1 and 1367.4.

Section 4.11. Transfer of Lot by Sale or Foreclosure.

The following rules shall govern the right of the Community Association to enforce its Assessment collection remedies following the sale or foreclosure of a Lot:

(a) Except as provided in subparagraph (b), below, the sale or transfer of any Lot shall not affect any Assessment lien which has been duly Recorded against the Lot prior to the sale or transfer, and the Community Association can continue to foreclose its lien in spite of the change in ownership.

- (b) The Community Association's Assessment lien shall be extinguished as to all delinquent sums, late charges, interest and costs of collection incurred prior to the sale or transfer of a Lot pursuant to a foreclosure or exercise of a power of sale by the holder of a prior encumbrance (but not pursuant to a deed-in-lieu of foreclosure). A "prior encumbrance" means any first Mortgage or other Mortgage or lien Recorded against the Lot at any time prior to Recordation of the Community Association's Assessment lien (see Section 4.12, below).
- (c) No sale or transfer of a Lot as the result of foreclosure, exercise of a power of sale, or otherwise, shall relieve the new Owner of such Lot (whether it be the former beneficiary of the first Mortgage or other prior encumbrance or a third party acquiring an interest in the Lot) from liability for any Assessments which thereafter become due with respect to the Lot or from the lien thereof.
- (d) Any Assessments, late charges, interest and associated costs of collection which are lost as a result of a sale or transfer of a Lot covered by subparagraph (b), above, shall be deemed to be a Common Expense collectible from the Owners of all of the Lots, including the person who acquires the Lot and his or her successors and assigns.
- (e) No sale or transfer of a Lot as the result of foreclosure, exercise of a power of sale, or otherwise, shall affect the Community Association's right to maintain an action against the foreclosed previous Owner personally to collect the delinquent Assessments, late charges, interest and associated costs of collection incurred prior to and/or in connection with the sale or transfer.

Section 4.12. Priorities.

When a Notice of Delinquent Assessment has been recorded, such notice shall constitute a lien on the Lot prior and superior to all other liens except:

- (a) all taxes, bonds, assessments and other levies which, by law, would be superior thereto; and
- (b) the lien or charge of any first Mortgage of record (meaning any Recorded Mortgage with first priority over other Mortgages) made in good faith and for value.

Such subordination shall apply only to the Assessments which have become due and payable prior to the transfer of such property pursuant to the exercise of a power of sale or a judicial foreclosure involving a default under such first Mortgage or other prior encumbrance.

Section 4.13. Property Exempt from Assessments.

Association property and all property dedicated to and accepted by a local public authority, and all property owned by a charitable nonprofit organization exempt from taxation by the laws of the State of California, shall be exempt from Assessment by the Association. However, no land or improvements within Sun City Lincoln Hills which are devoted to dwelling use shall be exempt from Assessments by the Association; provided, however, that the Owners shall be exempt from paying any portion of Regular Assessments which is for the purpose of defraying expenses and reserves directly attributable to the existence of any Improvements within the

Common Area which are not complete at the time Assessments commence, which exemption shall be in effect only until the earlier to occur of the following:

- (a) a notice of completion for the subject Common Facility has been rendered or
- (b) the subject Common Facility has been placed into use.

Section 4.14. Unallocated Taxes.

In the event that any taxes are assessed against the Common Area, or the personal property of the Community Association, rather than being assessed to the Lots, such taxes shall be included in the Regular Assessments imposed pursuant to Section 4.02, above, and, if necessary, a Special Assessment may be levied against the Lots pursuant to Section 4.03, above, in an amount equal to such taxes to be paid in two installments, thirty (30) days prior to the due date of each tax installment.

ARTICLE V
Architectural Approval of Improvement Projects

Section 5.01. Architectural Review Committee.

The Association shall have an Architectural Review Committee consisting of not less than three (3) and up to ten (10) persons.

Section 5.02. Purpose of Architectural Review.

(a) Requirement of Architectural Review and Approval.

The purpose of the Architectural Review Committee is to review all proposed additions of or alterations to Improvements (including, without limitation, landscaping) on developed Lots and other areas of Sun City Lincoln Hills to determine whether such additions are consistent with the provisions of this Declaration, the Rules and Regulations and the Design Guidelines; and are otherwise beneficial to the enhancement of Sun City Lincoln Hills. The Architectural Review Committee's scope of authority shall include:

- (i) approval of the Lot landscape plans, requests for new construction or alterations to existing structures;
- (ii) proposing amendments to the Design Guidelines for consideration and possible adoption by the Board in accordance with Section 5.09, below. The term "Improvement" is defined in Section 1.29, above.

(b) Modifications to Approved Plans Must Also Be Approved.

Once a proposed work of Improvement has been duly approved by the Architectural Review Committee, no material modifications shall be made in the approved plans and specifications therefore and no subsequent alteration, relocation, addition or modification shall be made to the work of Improvement, as approved, without a separate submittal to, and review and approval by, the Committee. If the proposed modification will have, or is likely to have, a material effect on other aspects or components of the work, the Committee, in its discretion, may order the Owner and his or her contractors and agents to cease working not only on the modified component of the Improvement, but also on any other affected component.

In the event that it comes to the knowledge and attention of the Community Association, its Architectural Review Committee, or the agents or employees of either that a work of Improvement, or any modification thereof, is proceeding without proper approval, the Community Association shall be entitled to exercise the enforcement remedies specified in Section 5.11, below, including, without limitation, ordering an immediate cessation and abatement of all aspects of the work of Improvement by "red tagging" the project until such time as proper Architectural Review Committee review and approval is obtained.

Section 5.03. Composition of the Architectural Review Committee

Composition of the Committee.

(a) The Committee shall be a committee of the Community Association and all members shall be appointed by the Board of Directors.

(b) Qualifications for Appointment.

All persons appointed to the Architectural Review Committee by the Board shall be Members of the Community Association and Residents of Sun City Lincoln Hills.

(c) Terms of Office of Committee Members.

Community Association shall implement a system of staggered terms for Committee members, all members of the Architectural Review Committee can serve two (2) consecutive two (2) year terms. The Committee members shall name one Committee member as chairperson. The members shall serve until the expiration of the term for which they were appointed or until they resign or are replaced.

(d) No Compensation for Services; Reimbursement of Expenses.

Neither the members of the Architectural Review Committee nor its designated representatives shall be entitled to any compensation for services performed pursuant hereto. The Committee members shall be entitled to reimbursement for reasonable out-of-pocket expenses incurred by them in the performance of any Architectural Review Committee functions. Requests for reimbursement shall be supported by adequate documentation and shall be submitted to, and approved by, the Board of Directors. Nothing herein shall limit the right of the Association from retaining the services of a person or persons as employees or independent contractors (including an architect and/or engineer) with responsibility for assisting the Committee in such matters as:

- (i) the day-to-day administration of the process of architectural review and approval;
- (ii) the intake and review of plans and specifications;
- (iii) communications with plan applicants;
- (iv) making recommendations to the Committee with respect to the approval, denial or modification of submitted plans and specifications; and
- (v) communications with Owners and contractors during the course of construction.

(e) Appointment of Subordinate Committees.

The Committee shall have the authority to designate a subcommittee with jurisdiction to review and approve minor projects and modifications to existing, approved structures. The requirements for representation on the Committee shall also apply to the subcommittee. The scope of the subcommittee's duties and responsibilities may be further

defined in the Design Guidelines.

Section 5.04. Architectural Review Committee Procedures.

The procedures governing the operation of the Architectural Review Committee, including the right of an Owner or Resident to appeal a decision to the Board, shall be described in the Design Guidelines (see Section 5.09, below). The owner of the Golf Courses, shall be given at least forty-eight (48) hours' written notice of any meeting of the Committee at which action is scheduled to be taken on any improvement project on a Lot located adjacent to any portion of the Golf Courses property.

The Committee shall not be obligated to begin its review of a proposal until a complete application is submitted. Any application for approval of swimming pools and other structural improvements must include grading and drainage plans and specifications and plans for structural improvements must show four elevations. The Architectural Review Committee may require that a model of the proposed construction be submitted as a condition of its final review, if the Committee deems a model to be necessary. Finally, approval from the Architectural Review Committee must be obtained by an Owner prior to the Owner's submission of the same Improvement project to the City of Lincoln for a building permit or other governmental approvals.

Section 5.05. Prior Approval for Construction or Alterations.

Prior written approval by the Architectural Review Committee shall be required for all new construction in Sun City Lincoln Hills. In addition, no alteration to an existing Lot or other structure previously approved by the Architectural Review Committee shall be constructed and no alteration of the established drainage or grading shall be made unless complete plans and specifications have been first submitted to and approved in writing by the Architectural Review Committee. All such changes, improvements and alterations should conform to and harmonize with the existing surroundings, residences, landscaping and structures.

After receiving the Architectural Review Committee approval on a submission, the Owner shall implement the proposed changes within one (1) year from such approval date, or the approval shall thereafter be deemed rejected.

Section 5.06. Basis for Approval of Improvements.

When a proposed Improvement is submitted to the Architectural Review Committee for review, the Committee shall grant the requested approval only if the Committee, in its sole discretion, makes the following findings regarding the proposed project:

- (a) The Owner's plans and specifications conform to this Declaration and to the Design Guidelines in effect at the time such plans are submitted to the Committee;
- (b) The Improvement will be in harmony with the external design of other structures and/or landscaping within the Covered Property;

- (c) The Improvement, as a result of its appearance, location or anticipated use, will not interfere with the reasonable enjoyment of any other Owner of his or her property; and
- (d) The proposed Improvement(s), if approved, will otherwise be consistent with the architectural and aesthetic standards prevailing within the Covered Property and with the overall plan and scheme of development within the Covered Property.
- (e) Without limiting the foregoing, the exterior elevations of any structures (including fencing) and rear yard landscaping undertaken by any Owner or Resident on any Lot located adjacent to any Golf Course fairway must be approved by the representative of the Golf Courses' owner and said approval not to be unreasonably withheld. While it is recognized that the Architectural Review Committee' s determination will, of necessity, be subjective to some degree, the members of the Committee shall act reasonably and in good faith and shall consider such factors as the quality of workmanship and materials proposed for the Improvement project, the harmony of its exterior design, finished materials and color with that of other existing structures, and the proposed location of the Improvement in relation to the existing topography, finished grade elevations, roads, Common Areas and other existing structures.

The approval by the Architectural Review Committee of any plans, drawings or specifications for any work of Improvement done or proposed, or for any other matter requiring the approval of the Architectural Review Committee under this Declaration, or any waiver thereof, 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 by the same or some other Owner. Factors which may cause the Committee to reject a proposal previously approved at another site within the Property include (but are not limited to):

- (i) poor drainage;
- (ii) unique topography on the proposed site;
- (iii) visibility from roads, Common Areas or neighboring Lots or parcels;
- (iv) proximity to other Residences or Common Facilities;
- (v) changes in the Design Guidelines; and/or prior adverse experience with the proposed Improvement or disapproved component(s) or design thereof.

Accordingly, the Committee shall be entitled to determine that a proposed Improvement or component thereof is unacceptable when proposed on a particular Lot, even if the same or a similar Improvement/component has previously been approved for use at another location if factors such as drainage, topography, noise or visibility from roads, Common Areas or other Lots or prior adverse experience with the product, the design or with similar Improvements mitigate against erection of the Improvement or use of a particular component thereof on the Lot involved in the Owner's submittal.

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

Section 5.07. Time Limits for Approval or Rejection.

Within thirty (30) days after submission of plans and specifications satisfying the requirements of the Design Guidelines, the Architectural Review Committee shall return one (1) set of such plans to the applicant, with either written notice of approval or disapproval or with written suggestions of changes required or recommended for approval. If written suggestions of changes required for approval accompany the returned set of plans, the applicant may implement such changes to the plans and resubmit plans incorporating such changes for approval to the Committee within such time as the parties may agree. So long as the resubmitted plans comply in all material respects with the requested changes, the plans shall be deemed approved without further action of the Committee (other than a review by the Committee to confirm that the requested changes have been properly made). Otherwise the Committee shall have thirty (30) days to review any resubmitted plans. A written notice of approval or disapproval will be provided to the applicant within thirty (30) days per Civil Code 1378 (a)(4) after the Owner's plans and specifications (or revisions thereto) are submitted to the Committee.

Section 5.08. Appeal of Architectural Review Committee's Decision to the Board

Pursuant to Civil Code Section 1378, the Board shall review (and affirm or alter) any decision of the Committee, provided that any such request for review shall be presented to the Board within thirty (30) days after the Committee's decision has been mailed or delivered to the Owner who submitted the application. The Board, at an open meeting, shall review such request and render a decision within sixty (60) days of receipt thereof or at the time of the next regular Board meeting, whichever is later. A written notice of the Board's decision shall be sent to the Owner within fifteen (15) days after the decision is made. This paragraph does not require reconsideration of a decision that is made by the board of directors or a body that has the same membership as the board of directors, at a meeting that satisfies the requirements of Section 1363.05.

Section 5.09 Design Guidelines

In addition to the minimum construction standards and architectural review and approval procedures contained herein, Design Guidelines can be adopted to interpret and implement the provisions of this Article V and Article VI (Minimum Construction Standards). The Board, upon recommendation from the Architectural Review Committee may, from time to time, adopt, amend and repeal the Design Guidelines. The Design Guidelines may include and address such matters as the following:

(a) Review Procedures.

The procedures for Architectural Review Committee review and approval of Owner submittals of proposed Improvement projects (including, without limitation, minimum requirements for plans, specifications and other requirements for submitting a complete application for project approval).

(b) Guidelines for Particular Projects or Approved Colors.

Guidelines for the construction of Improvements, including, without limitation, architectural design, placement on Lots, color schemes, exterior finishes and materials, pre-approved plans and specifications for commonly recurring minor projects such as trash enclosures, yard landscaping and fencing improvements. Guidelines can also address other features of typical improvement projects, which are recommended or required for use. Without limitation, such Guidelines may include charts of approved colors.

(c) Identification of Projects Eligible for Expedited Review.

The Guidelines can identify categories of Improvement projects or components of the plan review and approval process which can be administered by the Community Association staff or other designee of the Committee without the need for direct involvement by the Committee in order to expedite the processing of applications for approval. In the event that the Committee determines that certain project approvals or plan processing requirements can appropriately be administered by the Community Association staff or other Committee designee, such delegation and the scope thereof shall be specified in the Rules.

(d) Variances Procedures.

The criteria and procedures for requesting variances from any property use restrictions or minimum construction standards that would otherwise apply to the proposed Improvement under the Governing Documents (see Section 5.11, below).

(e) Construction Site Maintenance.

Minimum requirements for the maintenance, supervision and restoration of construction sites by Owners and their contractors. Without limiting the foregoing, the Guidelines may specifically regulate the activities of contractors and subcontractors (including, without limitation, hours of permitted construction activity), who shall be deemed to be the Owner's agents for purposes of rules enforcement and compliance matters.

(f) Landscape Requirements; Site Restoration.

Minimum requirements for the landscaping of areas of the Lot that are disturbed by construction activity, which require particular landscape Improvements or which encourage minimal use of landscape irrigation in order to control drainage, limit runoff, avoid erosion and/or risk to native oaks, to otherwise enhance the appearance of the Lot.

(g) Fees

Any requirements for the payment of inspection/plan processing fees and deposits to the Committee to assure the Owner's/contractor's proper and timely performance in accordance with the approved plans and specifications and the application, use and/or refund of such fees and deposits.

(h) Time for Completion of Projects.

Uniform and reasonable time limitations for completion of approved Improvement projects or other duly noted compliance matters. Said rules may also include procedures to request an extension of the usual completion time in order to avoid hardship or to accommodate other factors beyond the Owner's reasonable control which have interrupted the progress of the Improvement project.

Design Guidelines may impose different conditions upon various Lots or Parcels in light of Lot topography, visibility or other factors. Design Guidelines shall be effective when they are adopted by the Committee. Notwithstanding the foregoing, the Design Guidelines shall implement the provisions of this Master Declaration in a reasonable, uniform and nondiscriminatory manner and no Design Guideline shall be in derogation of the minimum standards required by this Declaration. In the event of any conflict between the Design Guidelines and this Declaration, the provisions of the Declaration shall prevail.

Section 5.10. Fees for Plan Review; Deposits.

As stated above, the Design Guidelines may include a reasonable processing fee to defray the costs of the Community Association in considering any requests for approvals submitted to it, which fee shall be paid at the time the request for approval is submitted. Requirements for reasonable deposits to assure the completion of Improvements in accordance with approved plans may also be required. Upon proper completion of Improvements in accordance with approved plans, any deposits shall be refunded to the Owner or other person who tendered the deposit without interest.

Section 5.11. Enforcement of Architectural Review Requirements.

(a) Stop Work Orders.

In addition to other enforcement remedies set forth in this Declaration, the Architectural Review Committee shall have the authority to order an abatement ("red tag") of any construction, alteration or other matter for which approval is required, to the extent that it has not been approved by the Committee or if it does not conform to the plans and specifications submitted to and approved by the Committee. If an Improvement project is "red tagged", the Owner and his or her contractor shall cease all construction activity until such time as the issue-giving rise to the "red tag" order is resolved. The "red tag" notice shall clearly state the reasons why the abatement has been ordered.

(b) No Waiver.

No work for which approval is required shall be deemed to be approved simply because it has been completed without a complaint, notice of violation, or commencement of a suit to enjoin such work.

(c) Effect of Failure to Remedy Noncompliance.

If the Owner fails to remedy any noticed noncompliance within thirty (30) days from the date of such notification, or if the Owner notifies the Committee in writing that the project has been "red tagged" without justification, the Committee shall notify the 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 noncompliance. The hearing shall be conducted in accordance with Section 13.06, below.

(d) Attorneys' Fees and Costs.

If any legal proceeding is initiated to enforce any of the provisions hereof, the prevailing party shall be entitled to recover reasonable attorneys' fees in addition to the costs of such proceeding.

Section 5.12. Variances.

The Architectural Review Committee, in its sole discretion, shall be entitled to allow reasonable variances in any procedures specified in this Article or any minimum construction standards specified in Article VI, below, to overcome practical difficulties, avoid unnecessary expense or prevent unnecessary hardships. Any grant of a variance shall be supported by a resolution of the Committee containing findings as to why the variance is justified under the circumstances presented. The Committee's resolution may also contain conditions, which the applicant must honor if the variance is to remain in effect. The Design Guidelines may contain additional procedures and/or criteria relating to requests for approval of variances.

Section 5.13. Compliance Certificate.

Within thirty (30) days after written demand is delivered to the Architectural Review Committee by any Owner, the Architectural Review Committee shall provide the requesting Owner with a certificate, executed by any two of its members, certifying (with respect to any Lot owned by the applicant Owner) that as of the date thereof, either:

- (a) all Improvements made and other work completed by said Owner comply with this Declaration; or
- (b) such Improvements or work do not so comply, in which event the certificate shall also identify the noncomplying improvements or work and set forth in detail the basis of such noncompliance.

Any purchaser from the Owner, or from anyone deriving any interest in said Lot through the Owner, shall be entitled to rely on the Committee's compliance certificate with respect to the matters therein set forth, such matters being conclusive as between the Community Association, the Committee, all Owners and any persons deriving any interest through them.

Section 5.14. Nonliability for Approval of Plans.

Architectural Review Committee approval of plans shall not constitute a representation, warranty or guarantee, whether expressed or implied, that such plans and specifications comply with good engineering design or with zoning or building ordinances, or other governmental regulations or restrictions. By approving such plans and specifications, neither the Architectural

Review Committee, the members thereof, the Community Association, any Member thereof, nor the Board assumes any liability or responsibility therefore, or for any defect in the structure constructed from such plans or specifications. Neither the Architectural Review Committee, any member thereof, the Community Association, nor the Board shall be liable to any Member, Owner, occupant, or other person or entity for any damage, loss, or prejudice suffered or claimed on account of:

- (a) the approval or disapproval of any plans, drawings and specifications, whether or not defective; or
- (b) the construction or performance of any work, whether or not pursuant to the approved plans, drawings, and specifications.

Section 5.15. Delegation of Authority.

The Architectural Review Committee may delegate its plan review responsibilities to one or more members of the Architectural Review Committee or a subcommittee comprised of Residents. The Committee may revoke the delegation of authority at any time, but any plans and specifications which were approved prior to the termination shall be deemed approved.

Section 5.16. Compliance with Governmental Regulations.

Review and approval by the Architectural Review Committee of any proposals, plans or other submittals pertaining to Improvements shall in no way be deemed to constitute satisfaction of, or compliance with, any building permit process or any other governmental requirements, the responsibility for which shall lie solely with the Lot Owner who desires to construct, install, or modify the Improvement.

Section 5.17. Community Association Funding for Architectural Review Costs.

It is anticipated that the Architectural Review Committee will require secretarial and administrative assistance, and that the Committee will incur out-of-pocket expenses in the performance of its responsibilities. The Community Association shall provide the Committee with reasonably required secretarial and administrative assistance, or, at the option of the Board, shall reimburse the Committee therefore, and shall reimburse the Committee for out-of-pocket expenses incurred by the Committee in the performance of its responsibilities. The Committee shall remit to the Community Association all plan review and/or site inspection fees, if any, collected by the Committee.

ARTICLE VI
Minimum Construction Standards

Unless a variance is requested from, and granted by, the Architectural Review Committee in accordance with Section 5.12, above, Improvements constructed on any Lot shall conform to the following minimum construction standards:

Section 6.01. Installation of Landscape Improvements.

The Design Guidelines can impose limitations on the height of trees and other landscaping installed by Owners in yard areas, so as to avoid excessive shade, the obstruction of views, limb overhang, and other interferences with the quiet enjoyment by neighbors of their property.

Section 6.02. Utility Installations.

No lines, wires or cables for the transmission of electrical power, or the reception or transmission of telephone, television, data transmissions, and radio signals that are subject to federal communications regulations, shall be erected, placed or maintained anywhere in or upon any Lot unless the same shall be contained in underground conduits (including cable drawn through a conduit or pre-manufactured cable in duct) or cable concealed in, under or on buildings, cabinets or other structures.

Section 6.03. Swimming Pools.

In the event an Owner of a Lot constructs a swimming pool, spa, pond, or other man-made body of water on the Lot, such Owner must comply with any local ordinances governing the construction of fences or other pool enclosures and obtain Architectural Review Committee approval. The Architectural Review Committee shall review the location and screening of pool cleaning pumps and apparatus. In areas without solid walls or fencing in rear yards of Lots, pool equipment shall be screened with either landscaping or approved screening material if the equipment is visible from other Lots or the Golf Courses. Screening material shall not extend more than six (6) inches above the top of the equipment.

Reasonable efforts shall be made to locate pool equipment on a Lot so as to minimize adverse noise impacts on neighboring Owners or Residents, however, other factors such as the need to locate the equipment in reasonable proximity to the pool can also be considered. It is recognized that all pool and spa equipment produces some noise, as does use of the pool by Residents and guests. Accordingly, noise associated with the use or operation of a swimming pool is not a basis, in and of itself, for denying approval to a pool improvement project. The Architectural Review Committee may grant waivers of the wall height requirements to the limited extent necessary to comply with minimum legal requirements for pool fence enclosures under applicable law.

Section 6.04. Oak Trees.

Some Lots may have native oak trees or oak trees planted on or transplanted to the Lot in conjunction with construction. Each Owner shall abide by the applicable ordinances of the City of Lincoln as amended from time to time and by such specific landscaping restrictions as may

be adopted by the Community Association which conform to such ordinances to protect oak trees. Such provisions may include, but shall not be limited to, provisions governing the type of landscaping around oak trees, provisions for minimum required maintenance of oak trees, provisions limiting landscape irrigation in the vicinity of oak trees and provisions restricting removal of oak trees.

Section 6.05. No Guarantee of Continued Views.

Neither the Community Association, the Architectural Review Committee, the Compliance Committee (see Section 13.07, below) the City of Lincoln nor any Owner shall have any responsibility to create or preserve any view in any direction from any Lot. Each Owner has acquired his or her Lot subject to the possibility that the view from such Lot existing at the time of purchase may be altered by the acts or failure to act of other Owners in Sun City Lincoln Hills, governmental or quasi-governmental agencies, the owners of other property, including, but not limited to, improvements or landscaping which may be constructed or installed on other Lots in the development, commercial sites, recreation centers, open space areas, park preserves and Golf Course areas.

Subject to the foregoing, any views from Lots backing up to a Golf Course or other open space area are limited to the air space within the prolongation of the side property lines of such Lot, do not include any side or diagonal views and may in any case be altered as set forth above. Any alteration or landscaping of any Lot in Sun City Lincoln Hills must be approved by the Architectural Review Committee in accordance with the terms of this Declaration.

Section 6.06. Walls and Fences.

Approved wall and fence materials and construction specifications shall be described in the Design Guidelines in accordance with the requirements of the City of Lincoln. The construction of any wall or fence on any Lot by any Owner or Resident is subject to the approval of the Architectural Review Committee in accordance with the provisions of Article V, above and subject to the foregoing:

- (a) no walls, fences or hedges shall be constructed in the front yard of any Lot closer than fifteen (15) feet from the front property line unless approved by the Architectural Review Committee; and
- (b) Owners of Lots adjacent to the Golf Courses or Common Areas shall be entitled to construct a wrought iron fence along the top of a knee wall separating the Lot from an adjacent Golf Courses or Common Area, so long as the project and its materials are first approved by the Architectural Review Committee with current Design Guidelines.

Section 6.07. No Temporary Structures.

No recreational vehicle, trailer, mobile home, camper, tent, shack, used structures, structures of a temporary character, or other outbuildings shall be used on any Lot at any time as a Residence.

Section 6.08. Solar Heating Systems.

Subject to limitations imposed by California law, the Architectural Review Committee shall be

entitled to adopt, as part of the Design Guidelines, reasonable regulations regarding the installation of solar heating systems. These rules may include limitations on placement and design of such systems to the extent necessary to avoid an unsightly appearance from neighboring Lots or Common Area.

Section 6.09. Exterior Lighting and Fixtures.

Outdoor lights of the type used for security must be installed and maintained in a manner that directs the light in a specific area without causing a visual impairment to passing motorist or a nuisance to neighboring Residences. The standards for outdoor lighting as well as the issue of whether a nuisance exists shall be determined by the Architectural Review Committee in its sole discretion.

Section 6.10. Antennas, Aerials and Satellite Dishes.

No outside television antenna, aerial, satellite dish or similar device for the transmission or reception of television, radio, satellite, or other signals of any kind are permitted, except:

- (a) The Community Association shall have the right, without obligation, to erect, place or install and maintain any such apparatus for the benefit of all or a portion of Sun City Lincoln Hills.
- (b) Antennas or satellite dishes which are subject to federal Communications regulations, and designed to receive direct broadcast satellite services, video programming services via multi-point distribution services, or television broadcast signals (collectively "Permitted Device[s]") may be erected, placed or installed on a Lot in accordance with specifications provided in the Design Guidelines, provided that:
 - (i) Any such permitted device is placed in the least conspicuous location on the Residence at which an acceptable quality signal can be received.
 - (ii) Reasonable restrictions which do not significantly increase the cost of installation of a permitted device or significantly decrease its efficiency or performance, including, without limitation, screening material, location or complimentary-color painting of the Permitted Device, may be imposed as part of the Design Guidelines.

Section 6.11. No Interference with Drainage.

There shall be no interference with the rain gutters, down spouts, or drainage systems originally installed or any other interference with the established drainage pattern over any Lot, parcel, Common Areas or adjacent Golf Courses, unless an adequate alternative provision is made for proper drainage. Any submittal for initial Improvements on a Lot or for additional Improvements which may affect drainage, shall include a drainage plan. Drainage plans shall conform to all applicable State laws or local ordinances pertaining to drainage. For purposes of this Section 6.11, "established" drainage is defined as the drainage pattern and drainage Improvements which exist at the time the Lot or parcel is originally conveyed to an Owner . There shall be no violation of the drainage requirements of the City of Lincoln or the County of Placer, notwithstanding any approval of the Architectural Review Committee, and if any Owner

or his or her contractor alters established drainage courses to the detriment of neighboring Owners, neither the Community Association nor the Architectural Review Committee shall have any liability therefore. Instead, the responsibility to initiate appropriate corrective or remedial action and to properly engineer any alterations in established drainage courses will rest solely with the Owner who has altered the drainage course. In no event shall the drainage on any Lot be altered so as to direct or divert water onto the Golf Courses.

Section 6.12. Patio Enclosures and Other Projects Involving Structures in Rear Yards.

No non-enclosed structures such as gazebos, patio improvements or screening material shall be placed, assembled, constructed or otherwise maintained on any Lot except as may be approved by the Architectural Review Committee. If a patio enclosure or structural project in a patio area or expansion of the patio surface, as originally constructed, is sought by an Owner, notification shall be given by the Committee to the immediately adjacent Owners. The decision of whether to approve or deny the project shall remain in the sole discretion of the Committee. The Design Guidelines may provide for a streamlined Architectural Review approval process, if certain Architectural Review parameters are met for certain types of non-enclosed structures.

Section 6.13. Owner of the Golf Courses' Approval With Respect to Certain Improvements on Lots Adjacent to any Golf Courses.

No Owner may construct or alter any Improvement within fifteen (15) feet of the Golf Courses without the express written approval of the owner of the Golf Courses.

ARTICLE VII
Community Association and Owner Maintenance Responsibilities

Section 7.01. Association Maintenance Responsibilities

(a) **Community Association Common Area Maintenance Obligations.**

The Community Association shall be solely responsible for all maintenance, repair, upkeep and replacement within the Common Area. No person other than the Community Association or its duly authorized agents shall construct, reconstruct, refinish, alter or maintain any Improvement upon, or shall create any excavation or fill or change the natural or existing drainage of any portion of the Common Area. In addition, no person shall remove any tree, shrub or other vegetation from, or plant any tree, shrub, or other vegetation upon the Common Area without express approval of the Community Association.

The Board shall manage the Common Areas in a manner consistent with the Design Guidelines and use a reasonably high standard of care in providing for the repair, management and maintenance of the Common Area so that the Sun City Lincoln Hills development will reflect and maintain a high pride of ownership. The Board shall be the sole judge as to the appropriate maintenance of all Common Areas and other properties maintained by the Community Association.

Notwithstanding the foregoing, the Community Association shall have no responsibility to provide the services referred to in this subparagraph (a) to:

- (i) any Improvement which is accepted for maintenance by any state, local or municipal governmental agency or entity;
- (ii) any Sub-Association Common Area (but the Community Association shall have the right to enforce the maintenance thereof by such Sub-Association, as provided in Section 7.03(c), below, or
- (iii) the exposed surface of any Common Area fence which immediately adjoins and faces any Lot, regardless of whether such fence is located on the common property line separating the Common Area from the Lot or wholly or partially within the Common Areas immediately adjacent to such common property line.

Such responsibility shall be that of the applicable agency, entity, Owner or Sub-Association.

(b) **Additional Maintenance/Repair Responsibilities Imposed by Supplemental Declarations.**

Supplemental Declarations may provide for additional Common Areas to be owned and maintained or simply maintained by the Community Association. In such cases, the Community Association shall accept and/or maintain the areas described and provided for therein. The Community Association shall maintain front yards of Residential Lots if so provided by any Supplemental Declaration or by any maintenance agreement between the Community Association and a Sub-Association. In the event that maintenance

obligations or other services are performed by the Community Association which do not benefit all Lots within the Covered Property, a Cost Center shall be established for those obligations or services pursuant to Sections 4.01(e) and 4.02(b)(ii), above.

(c) Commencement of Maintenance of Common Areas.

Notwithstanding any conveyance of Common Areas to the Community Association, the Community Association's responsibility to maintain the Common Areas located in any Phase shall begin upon inspection and approval of such Common Areas by the Community Association, not to be unreasonably withheld or delayed.

(d) Maintenance of Lot Areas Adjacent to Roadways.

The Community Association also has the right, by agreement with the Owners, to maintain parts of Lots directly adjacent to public or private rights-of-way at the expense of the Community Association when the Board determines that it is to the benefit of its Members that the Community Association accept such responsibility. However, in the absence of such an agreement, maintenance of these Lot areas shall be the responsibility of the Lot Owner. In neighborhoods where the landscaping and exterior maintenance of the Lot are provided by the Community Association, each Owner shall not modify, replant, change or otherwise assist in the maintenance of his/her yard, or the exterior of his or her Residence.

(e) Maintenance of Certain Publicly Owned Parcels within Sun City Lincoln Hills.

The Specific Plan and the Development Agreement obligate the Community Association to provide the maintenance and repair services with respect to landscaping and related improvements (including street lights) located or installed within the landscape corridor on the north side of Twelve Bridges Drive and within the east side landscape corridor and the median strips along East Joiner Parkway.

(f) Maintenance of Wetlands and Vernal Pool Areas.

Certain areas of the Overall Properties have been designated as wetlands and vernal pool preserves (collectively, "preserve areas") which must be managed by the Community Association pursuant to the Maintenance Agreement referenced in Section 18.01, below, as natural areas, as more particularly described in that certain permit issued by the United States Department of the of the Army Corps of Engineers (Corps permit number 199700375) and can be obtained upon request. To comply with these requirements the following restrictions shall apply to the preserve areas:

- (i) fencing, as approved by the Architectural Review Committee, shall be installed and maintained between the Golf Courses and open space and between any preserve areas and residential Lots.
- (ii) there shall be no vehicle use (including, but not limited to, passenger vehicles, motorcycles, and off-road recreational vehicles) within any preserve area.
- (iii) there shall be no alteration of existing topography or any other alteration or use

for any purposes, including the exploration for, or development of mineral or energy resources within any preserve area.

- (iv) except for the perimeter fencing described above, there shall be no other improvements or structures erected or maintained in the preserve areas.
- (v) there shall be no dumping, burning, and/or burning of rubbish, garbage, or any other wastes or fill materials in any preserve area.
- (vi) no new roads or trails shall be built or developed in any preserve area. Maintenance of existing trails, if any, within preserve areas shall not be undertaken if such maintenance would disturb vegetation, soils, or encourage erosion.
- (vii) there shall not be any killing, removal, alteration, or replacement of any existing native vegetation in any preserve area.
- (viii) no storm water drains or other diversion or alteration of water that would disturb the existing hydrologic characteristics of the preserve or its existing watershed shall be undertaken. No action shall be taken which would degrade the quality of runoff from the preserve area.
- (ix) there shall be no fire protection activities within the preserve areas, other than those required to protect existing structures at the project site.
- (x) no pesticides or herbicides shall be used within any preserve area.

Section 7.02. Owner Maintenance Responsibilities.

(a) Maintenance of Lots and Residences.

Except as otherwise specifically provided in Section 7.01, above, each Owner shall be responsible for the maintenance and repair of his or her Residence and Lot. Without limiting the generality of the foregoing, and except as may be provided in Supplemental Declarations referred to above, each Owner's repair and maintenance obligations shall extend to and include:

- (i) painting, repairing, replacing and caring for roofs, fences, exterior building surfaces, exterior glass surfaces, exterior doors, and maintaining all yard areas not expressly required to be maintained by the Community Association or a Sub-Association;
- (ii) except for yard areas expressly required to be maintained by the Community Association as a Cost Center or by a Sub-Association, weekly mowing, trimming, edging of lawns and other ground cover, and removal of dead or dying plants and weeds;

- (iii) watering at intervals necessary to keep grass, shrubs and trees in an attractive condition;
 - (iv) maintaining of drainage facilities, except that maintenance of drainage from private streets shall be the responsibility of the Community Association or Sub-Association, as the case may be;
 - (v) in the absence of a knee wall separating a Lot from an adjacent Golf Course fairway, maintaining any landscaping within thirty (30) feet of any Golf Course fairway and such landscaping shall be maintained in a manner and shall be comprised of trees, plants and or other ground cover, that will not unreasonably interfere with the play of the Golf Course;
 - (vi) in locations where a knee wall has been constructed along the property line that separates Lots from the fairways of any Golf Courses, it shall be the responsibility of the Owners of such Lots to maintain, repair and replace such knee walls; and
 - (vii) maintenance of the surface of any perimeter wall that faces the Owner's Lot (see Section 7.06(d), below).
- (b) Maintenance of Landscaping in Neighborhoods without Maintenance Provided by the Community Association.

All landscaping installed must be in accordance with the Sun City Lincoln Hills Design Guidelines as adopted by the Board. Certain plantings will be prohibited as defined by the Design Guidelines and as may be further prohibited by local governmental regulations. Approved landscaping after installation will be maintained as required to provide a neat and attractive appearance. If the landscaping plan as submitted and approved includes turf which is Visible From Neighboring Property, the Owner covenants to maintain such turf by properly watering and cutting and trimming the turf. Such Owner shall be responsible for removal of dead bushes, trees, flowers, plants and shrubs and removal of grass clippings, trash and debris. The Compliance Committee will be the sole and final judge as to whether or not landscaping after installation has met the approved criteria and whether or not it is, at any given time, maintained properly to the standards established by this Declaration and the Design Guidelines. The Community Association will have the right to require any Owner to landscape and/or maintain landscaped areas, or to maintain natural areas in their natural state on any right-of-way between a Lot and a sidewalk, street, or path which is immediately adjacent to such Lot.

Section 7.03. Community Association Recovery of Costs of Certain Repairs and Maintenance.

- (a) Community Association Maintenance Caused by Owner Negligence.

If the need for maintenance or repair, which would otherwise be the Community Association's responsibility hereunder, is caused through the willful or negligent acts of an Owner, his or her family, guests, tenants, or invitees, and is not covered or paid for by Community Association insurance policies or any liability insurance maintained by the

responsible Owner, the cost of such maintenance or repairs shall be subject to recovery by the Community Association through the imposition of a Special Individual Assessment against the offending Owner in accordance with Section 4.04, above.

(b) **Owner Defaults in Maintenance Responsibilities.**

If an Owner (or a Resident leasing from an Owner) maintains, or fails to maintain his/her Lot, so that it presents a public or private nuisance, or substantially detracts from the appearance or quality of the surrounding property, or in the event any portion of his/her Lot is being maintained in a manner which violates this Declaration, the Design Guidelines or the Community Association Rules, the Board may by Resolution make a finding to such effect, specifying the particular condition or conditions which exist, and give notice to the offending Owner that unless corrective action is taken within fifteen (15) days, the Board may cause such action to be taken at said Owner's cost. If, at the expiration of said fifteen (15) day period of time, the requisite corrective action, including entry to the Owner's Lot to perform the maintenance work (see Section 3.06(b), above) has not been taken, the Board shall be authorized and empowered to cause such action to be taken and the cost thereof shall be a Special Individual Assessment (see Section 4.04, above). In the event the Community Association undertakes corrective action, the Community Association shall not be liable for damage, loss, personal injury or property damage caused by such action.

(c) **Sub-Association Defaults in Maintenance Responsibilities.**

The same enforcement authority described in subparagraph (b), above, with respect to Owner defaults shall exist in favor of the Community Association with respect to any default by a Sub-Association in the performance of maintenance or repair obligations imposed on the Sub-Association pursuant to any Supplemental Declaration. The costs and expenses incurred by the Community Association under such circumstances shall be reimbursed, in full, by the Sub-Association.

Section 7.04. Maintenance Rights and Responsibilities of the Owner of the Golf Courses.

(a) **Golf Courses' Appearance.**

Each Owner acknowledges and agrees that neither any Owner nor the Association shall have any right to compel the Golf Courses' owner to maintain the Golf Courses or any improvements thereon to any particular standard of care and that the appearance of the Golf Courses and improvements shall be determined in the sole discretion of the Golf Courses' owner.

(b) **Golf Courses' Cart Path Maintenance.**

Portions of the golf cart path system may be situated within the Common Area. The Golf Courses' owner shall have the sole duty and obligation to maintain, repair and replace all portions of the golf cart path system, including those portions of the system located within the Common Area.

(c) Authority to Maintain Property Adjacent to Any Golf Courses.

If either the Association or an Owner ("defaulting party") fails to maintain any landscaping situated within thirty (30) feet of any Golf Courses or at or along the entry to the development, the owner of the Golf Courses shall have the right, but not the duty, to maintain the landscaping or to clear brush at the sole cost and expense of the defaulting party. If the owner of the Golf Courses desires to perform any such maintenance authorized by the preceding sentence, the owner of the Golf Courses shall first notify the defaulting party in writing and provide the defaulting party with at least thirty (30) days from the date of the notice to perform such maintenance. If the defaulting party fails to commence and complete such maintenance within such thirty (30) day period, the owner of the Golf Courses shall have the right, in the nature of an easement, to enter the Lot or Common Area on which the maintenance is required (i.e., the thirty (30) foot area adjacent to any Golf Courses) during reasonable business hours and perform such maintenance. The defaulting party shall reimburse the owner of the Golf Courses for the costs of performing any such maintenance within (10) days after receipt of a demand for reimbursement.

Neither the Association nor any Owner may permit any irrigation water to overspray or drain from their Common Area or Lot onto any portion of any Golf Courses except through street drainage Improvements. Neither the Association nor any Owner may permit any fertilizer, pesticides or other chemical substances to overspray, drain, flow or be disposed of in any manner upon any Golf Courses. If the Association or any Owner violates the provisions of this Section, they shall be liable to the owner of any Golf Courses for all damages to the turf resulting from their violation and all damages, including consequential damages, suffered by the owner of any Golf Courses.

Section 7.05. Cooperative Maintenance Obligations.

(a) Cooperation Among Community Association, Owners and Owner of Any Golf Courses.

To the extent necessary or desirable to accomplish the Community Association's maintenance obligations hereunder, individual Owners shall cooperate with the Association and (with respect to Lots adjacent to any Golf Courses) the Golf Courses' owner, and the agents and maintenance personnel of the Association and/or the Golf Courses' owner, in the prosecution of their respective maintenance activities.

(b) Assumption of Community Association Maintenance Responsibilities by Golf Courses' Owner.

Any of the following Association maintenance responsibilities, either expressed or implied in Section 7.01, above, may be assumed by the owner or operator of any Golf Courses pursuant to a maintenance agreement negotiated between the Association and the Golf Courses' owner (see subparagraph (c), below): storm water retention and detention facilities; private parking and circulation areas; Common Areas, including any roadway, landscaping and entrance features.

(c) Execution of Maintenance Agreements.

The Community Association may enter into Maintenance Agreements (for periods not to exceed one (1) year) with the owner of the Golf Courses, and/or the City of Lincoln or other local governmental agencies in order to achieve economies of scale or to efficiently and cost effectively share maintenance equipment, maintenance personnel or contractors and other resources and to discharge responsibilities imposed on the Community Association by the Development Agreement (see Section 18.01, below). In the case of any such Maintenance Agreements between the Community Association and any party who is liable for the payment of Assessments, the Agreement may provide for the provision of services to the Community Association and to the Common Areas in exchange for a temporary suspension or reduction of Regular Assessments.

Section 7.06. Shared Owner Maintenance and Repair Responsibilities with Respect to Party Walls.

Except as hereinafter provided, the rights and duties of Owners with respect to party walls, retaining walls or fences between Lots and between an Owner and the Community Association with respect to party walls between a Lot and Common Area shall be as follows:

- (a) The Owners of contiguous Residential Lots or Residences who have a party wall, retaining wall or fence along their common boundary line shall both equally have the right to use such wall provided that such use by one Owner does not interfere with the use and enjoyment of same by the other Owner. Retaining walls located along common Lot lines shall be maintained by the Owner of the downhill Lot; provided, however, that the Owner of the uphill Lot may install a fence along the top of the retaining wall with the prior consent of the Architectural Review Committee and the Owner of the adjacent downhill Lot.
- (b) In the event that any party wall is damaged or destroyed through the act of an Owner or any of his/her tenants, agents, guests, or members of his/her family (whether or not such act is negligent or otherwise culpable), it shall be the obligation of such Owner to rebuild and repair the party wall without cost to the Owner of the adjoining Lot. Any dispute over an Owner's liability for such damage shall be resolved as provided in subparagraph (f) below, but any liability imposed on an Owner hereunder shall not prevent the Owner from seeking reimbursement therefore from the persons causing such damage.
- (c) In the event any party wall is destroyed or damaged (including deterioration from ordinary wear and tear, lapse of time or act of God), other than by the act of an adjoining Owner, his/her tenants, agents, guests or family members, and excluding retaining wall, it shall be the obligation of all Owners whose Lots adjoin such party wall to rebuild and repair such wall at their joint expense, such expense to be allocated among the Owners in accordance with the frontage of their Lots on the party wall.
- (d) Any walls located along or adjacent to a Lot boundary line which separates the Lot from the perimeter of the Sun City Lincoln Hills development, or along the perimeter Lot line of any Phase of Sun City Lincoln Hills (i.e., a wall constructed along or adjacent to a Lot line or Lot lines and adjacent Common Area parcels or an adjacent interior street within the development) shall be maintained as follows:

- (i) the Owner of the adjacent Lot shall be responsible for maintenance of the interior surface of the perimeter wall in a clean and attractive appearance that is substantially the same as the wall's original appearance; and
 - (ii) in all other respects, the perimeter wall shall be repaired, maintained and replaced by the Community Association.
- (e) Notwithstanding anything to the contrary herein contained, there shall be no impairment of the structural integrity of any party wall without the prior consent of all Owners of any interest therein, whether by way of easement or in fee.
 - (f) In the event of a dispute between Owners with respect to the construction, repair or rebuilding of a party wall or with respect to any other matter in connection therewith, then upon written request of one of such Owners addressed to the Community Association the matter shall be submitted to arbitration under such rules as may from time to time be adopted by the Community Association.
 - (g) The provisions of this Section 7.06 shall not apply to any party wall which separates the interiors of two Residences (i.e., condominium units) and the rights and obligations of the Owners of such Residence with respect to party walls shall be governed by Supplemental Declarations.
 - (h) The right of any Owner to contribution from any other Owner under this Section shall be appurtenant to the Owner's Lot and shall pass to and be binding upon such Owner's heirs, assigns and successors in title.

Section 7.07. Drainage Structures, Ditches and Swales.

- (a) All drainage structures, culverts and canals improved by the Community Association for the major collection of storm runoff and any natural drainage courses within Common Areas shall be maintained regularly by the Community Association.
- (b) Except as provided in subparagraph (a), above, each Owner shall keep drainage courses, ditches and swales on his or her Lot free and clear of all obstructions, and shall, in cooperation with contiguous property Owners (including the Community Association and the owner of the Golf Courses as to any contiguous parcels owned by them), maintain all such drainage ditches, swales and culverts common to their Lots in good order.
- (c) No Owner or resident shall alter or obstruct a natural drainage course, or materially add to the natural water volume of said drainage course without making adequate provisions with respect to neighboring Lots and Common Areas. Any such alterations, obstructions, or additions to water volume shall be considered a work of Improvement that is subject to prior review and approval by the Architectural Review Committee. Any Owner or Resident who changes the existing grading or drainage shall be strictly liable for all costs and expenses of repairing such changes, and any costs, liabilities, damages or causes of action arising out of such changes.

ARTICLE VIII
Use of Covered Property and Restrictions

Notwithstanding the possible consent of immediate neighbors to alternate standards, the following covenants, conditions, restrictions and reservations of easements and rights shall apply to all Lots, Common Area, the Owners and all Residents, regardless of the land use classifications. Enforcement shall be by the Compliance Committee, with interpretation as to structures and landscaping by the Architectural Review Committee

Section 8.01. Use of Residential Lots.

(a) Age Restrictions.

Except as otherwise provided in subparagraph (b), below, each Residence within Sun City Lincoln Hills shall be occupied by at least one (1) person who is a qualifying Resident fifty-five (55) years of age or older and who intends to reside in the Residence as his or her primary residence on a permanent basis. All other persons occupying a Residence shall either be Qualified Permanent Residents or a Permitted Health Care Resident, as defined in Sections 1.41 and 1.39 above.

(i) Exceptions

(A) Continued Occupancy by Certain Qualified Permanent Residents.

Upon the death or dissolution of marriage, or upon hospitalization, or other prolonged absence of the Qualifying Resident from the Residence, any Qualified Permanent Resident shall be entitled to continue occupancy, residency or use of the Residence as a permitted Resident of Sun City Lincoln Hills, except as provided in paragraph (ii) below. This paragraph (A) shall not apply to a Permitted Health Care Resident.

(B) Right to Terminate Occupancy of Disabled Qualified Permanent Residents.

On six (6) months' prior written notice, the Board shall have the right to terminate the occupancy of any person who is a Qualified Permanent Resident because of disabling illness or injury whose disabling condition ends. However, the Board may permit the person to remain a Resident for up to one (1) year after the disabling condition ends. The Board shall also have the right to terminate the occupancy of a disabled Qualified Permanent Resident that the Board finds, based on credible and objective evidence, is likely to pose a significant threat to the health or safety of others. Any action to terminate occupancy is subject to the procedural requirements set forth in California Civil Code 51.3(b)(3)(B).

(C) Continued Occupancy by Certain Permitted Health Care Residents.

A Permitted Health Care Resident shall be entitled to continue occupancy, residency, or use of the Residence in the Absence of the Resident to whom care was being provided only if both of the following are applicable:

- (1) said Resident became absent due to hospitalization or other necessary medical treatment and expects to return to the Residence with ninety (90) days from the date the absence began; and
- (2) The absent Resident, or the Resident's authorized representative, submits a written request to the Board of Directors stating that the Resident desires that the Permitted Health Care Resident be allowed to continue occupancy in order to be present when the Resident returns to the Residence. Upon written request by the absent Resident, or the Resident's authorized representative, the Board of Directors, shall have the discretion to allow a Permitted Health Care Resident to remain for up to another ninety (90) days if it appears that the Resident will return within that time.

(D) Hardship Exceptions.

In addition to the foregoing exceptions, as provided in Section 8.18, below, in cases of hardship, the Board may grant a variance to the age restriction. However, no exception to these residency restrictions may be granted or continued if such exception results in less than eighty percent (80%) of the Residences being occupied by at least one Qualifying Resident.

(ii) Guests.

Any person under fifty-five (55) years of age may temporarily reside in a Residence as a guest of the Qualifying Resident or Qualified Permanent Resident, for up to sixty (60) days in any calendar year.

(iii) Intent to Comply with Law.

This Section 8.01(a) is intended to comply with California Civil Code Section 51.3, the Fair Housing Act Amendments of 1988, and the Housing for Older Persons Act of 1995, as they may be amended from time to time. In the event of any conflict between those statutes and the text of this restriction, the statutory restrictions shall prevail.

(b) Single Family Residential Use.

All Lots within Sun City Lincoln Hills which are zoned for residential use shall be used solely for the construction or re-construction of Residences whose occupancy and use shall be restricted to Single Family Residential Use. In no event shall a Residence be occupied by more individuals than permitted by applicable law, zoning or other local governmental regulation.

(c) Compliance with Minimum Construction Standards.

All Residences and related structures erected on any Lot shall conform to the minimum construction standards set forth in Article VI, above, and in the Design Guidelines unless a variance has been granted by the Architectural Review Committee in accordance with Section 5.12, above.

(d) Conveyance in Fee Simple.

Each Lot shall be conveyed as a separately designated and legally described fee simple estate, subject to this Declaration.

(e) Maintenance of Lots.

All Lots and the Residences and other Improvements erected or placed thereon (including, without limitation, landscaping) shall at all times be maintained in such a manner as to prevent their becoming unsightly. The vegetation and landscaping on any Lot shall be planted or maintained by the Owner or resident in such a manner as to reduce the risk of fire, prevent or retard shifting or erosion of soils, encourage the growth of indigenous ground cover and cause the proper diversion of water into streets and natural drainage channels.

(f) Maintenance of Buildings and Structures.

No building or structure on any Lot shall be permitted to fall into disrepair and each such building and structure shall at all times be kept in good condition and repair and adequately painted or otherwise finished. In the event any building or structure is damaged or destroyed, then, subject to the architectural review and approval requirements of Article V, above, such building or structure shall be immediately repaired or rebuilt or shall be demolished.

(g) One (1) Kitchen Unit

No more than one (1) kitchen facility shall be installed or maintained in any Residence unless included as an optional feature in floor plans offered by Pulte/DelWebb homes in Lincoln Hills. Any such proposed addition shall be subject to review and approval by the Architectural Review Committee, and shall be in compliance with current building code restrictions.

(h) Quiet Enjoyment.

Each Resident shall limit activities on his or her Lot that generate enough noise to be offensive to neighboring Lot Owners or Residents, to the hours between 9:00 a.m., and 7:00 p.m. Wind chimes shall be allowed unless such wind chimes are audible from the closed interior of a neighbor's Residence. Nothing in this paragraph is intended to limit the generality of the nuisance provisions hereof. (See Section 8.05, below.)

(i) Payment of Individual Utility Charges.

Each Owner shall be obligated to pay any and all assessments for sewage, garbage collections, water, electricity, cable television, telephone and other utilities, taxes, school assessments and other charges assessed individually against his/her Lot. In common maintenance areas, some or all utilities may be metered in common, in which case each affected Owner will be responsible for his/her pro rata share of the common utility expense.

Section 8.02. Household Pets.

The following restrictions regarding the care and maintenance of pets within the Covered Property shall be observed by each Owner and Resident:

(a) Reasonable Number of Common Household Pets.

A reasonable number of common household pets may be kept on each Lot so long as the same are not kept, bred or maintained for commercial purposes. No other animals, livestock, or poultry of any kind shall be kept, bred or raised on any Lot or in any Residence unless approved by the Compliance Committee. Upon the written request of any Member, the Compliance Committee shall conclusively determine whether, for the purposes of this Section, a particular animal, bird, fowl, reptile or any livestock is a generally recognized house or yard pet, whether such a pet is a nuisance, or whether the number of animals or birds on any such property is reasonable.

(b) Pet Facilities.

The Architectural Review Committee must approve all structures for the care or housing of a pet on any Lot. Such structures shall be maintained so that they are not Visible from Neighboring Property. The Committee may, with the approval of the Board, develop specific guidelines for this purpose.

(c) Control of Pets within the Common Area.

No pet shall be permitted upon Common Areas except as controlled on a leash or similar device, as defined in the Association Rules, and held by its owner or owner's agent.

(d) No Tethering.

No household pet shall be left chained or otherwise tethered in front of a Lot or in the Common Area. Pet owners shall be responsible for the prompt removal and disposal of

pet wastes deposited by their pets in the Covered Property and the Common Area.

(e) Responsibility of Pet Owners.

Each person bringing or keeping a pet on the Covered Property shall be solely responsible for the conduct of the owner's pets. The Community Association, its Board, officers, employees and agents shall have no liability (whether by virtue of this Declaration or otherwise) to any Owners, their family members, guests, invitees, tenants and contract purchasers for any damage or injury to persons or property caused by any pet.

(f) Additional Pet Rules and Regulations.

The Board of Directors shall have the right to establish and enforce additional rules and regulations defining in a uniform and nondiscriminatory manner, what constitutes a "reasonable number" of pets depending on their size, disposition and/or maintenance requirements and imposing standards for the reasonable control and keeping of household pets in, upon and around the Covered Property to ensure that the same do not interfere with the quiet and peaceful enjoyment of other Owners and Residents of Sun City Lincoln Hills and/or use by others of the Golf Courses.

Section 8.03. Temporary Occupancy and Temporary Buildings.

No trailer, basement of any incomplete building, tent, shack, garage or barn, and no temporary buildings or structures of any kind, shall be used at any time for a residence, either temporary or permanent. Temporary buildings or structures used during the construction of Improvements on any property shall be removed promptly after the completion of construction.

Section 8.04. Separate Buildings, Storage Sheds, Firewood Storage and Other Outside Storage.

Except as set forth for pet structures in Section 8.02, above, and except for firewood storage structures as set forth below, no separate enclosed buildings or structures, storage buildings or sheds, whether prefabricated, metal or of any other construction whatsoever, whether permanent or temporary, shall be placed, assembled, constructed or otherwise maintained on any Lot in areas subject to prohibition of solid rear walls and fences, nor on any other Lot in such manner as to be Visible From Neighboring Property. Any firewood storage structures in areas with open fences must be in side yards and all firewood storage structures in all areas must be approved by the Architectural Review Committee, subject to applicable zoning requirements and other local ordinances, and to size limitations and other regulations as may be adopted by the Board. Woodpiles or other material shall be stored in a manner so as not to attract rodents, snakes, and other animals and to minimize the potential fire danger. Except as provided for herein, or in any Supplemental Declaration, no furniture, fixtures, appliances, or other goods and chattels not in active use shall be stored in any building or open area or on any Lot in such manner that such material is Visible From Neighboring Property, provided, however, that in areas with open fencing firewood may be stored in side yards either in an approved storage structure or in a landscape-screened area as approved by the Architectural Review Committee.

Section 8.05. Prohibition of Noxious Activities.

No illegal, noxious or offensive activities shall be carried out or conducted upon any Lot or Common Area nor shall anything be done within the Covered Property which is or could become an unreasonable annoyance or nuisance to neighboring property Owners. Without limiting the foregoing:

(a) Noise Activities.

No Owner shall permit noise, including, but not limited to, barking dogs, the operation of stereo amplifier systems, television systems, horns, whistles, firecrackers, bells or other sound devices, except wind chimes and security devices used exclusively for security purposes, or power tools, to emanate from an Owner's Lot or from activities within the Common Area, which would unreasonably disturb any other Owner's or tenant's enjoyment of his or her Lot or the Common Area. Owners of Lots adjacent to any Golf Courses' fairways shall be obligated to be particularly attentive to restricting noise in yard areas adjacent to the fairways to levels that will not unreasonably disturb users of any Golf Courses. Normal construction activities and parking in connection with the building of improvements on a Lot shall not be considered a nuisance or otherwise prohibited by this Declaration. The Board in its sole discretion shall have the right to determine the existence of any nuisance.

(b) Trash and Debris.

No rubbish or debris of any kind shall be placed or permitted to accumulate upon or adjacent to any Lot, and no odors (excepting manure when used as a lawn fertilizer) shall be permitted to arise or emit therefrom so as to render any such property or any portion thereof, or activity thereon, unsanitary, unsightly, offensive or detrimental to any other property (including the Common Area) in the vicinity thereof or to the occupants of such other property.

(c) Outdoor Lighting.

No lighting will be permitted which causes unreasonable glare to neighboring Owners, neighborhoods or the Common Area; provided, however, the Community Association may maintain lighting on, in or around tennis courts, parking lots, Recreation Centers, Common Areas and other areas where such lighting is necessary or appropriate for the use and enjoyment of the community or for health and safety reasons.

(d) Exterior Fires.

No open fires shall be lighted or permitted within Sun City Lincoln Hills, except for

- (i) fires in a contained outdoor fireplace or fire pit with a permitted natural gas connection permanently attached to the unit as specified in the Design Guidelines; or

- (ii) fires in equipment in use for cooking purposes, so long as the fires are not located in a manner that directs an unreasonable amount of smoke onto a neighbor's property.
- (e) Diseases and Insects.

No Owner shall permit any thing or condition to exist upon any Lot which shall induce, breed or harbor infectious plant diseases or noxious insects.

Section 8.06. Trash Containers and Collection.

No garbage or trash shall be placed or kept on any Lot, except in covered containers of a type, size and style which are in accordance with City of Lincoln requirements. In no event shall such trash containers be maintained on any Lot so as to be Visible from Neighboring Property, unless the containers are being made available for collection and then only for the day of collection. No outdoor incinerators shall be kept or maintained on any Lot.

Section 8.07. Clothes Drying Facilities.

Outside clotheslines or other outside facilities for drying or airing clothes shall not be erected, placed or maintained on any Lot so as to be Visible from Neighboring Property.

Section 8.08. Machinery and Equipment.

No machinery or equipment of any kind shall be placed, operated or maintained upon or adjacent to any Lot except:

- (a) such machinery or equipment as is usual and customary in connection with the use, maintenance or construction (during the period of construction) of a building, appurtenant structures, or other Improvements;
- (b) that which the Community Association may require for the operation and maintenance of Sun City Lincoln Hills;
- (c) that used in connection with any business permitted under a Supplemental Declaration; or
- (d) any machinery used by a Resident in a hobby, provided such use does not interfere with neighboring Residents and is otherwise in compliance with the applicable provisions of this Declaration.

Section 8.09. Signs.

No signs whatsoever which are Visible from Neighboring Property shall be erected or maintained on any Lot except:

- (a) political signs;

- (b) signs required by legal proceedings;
- (c) no more than one identification sign for individual Residences unless approved by the ARC;
- (d) no more than one "for sale" sign for the individual Lot on which the sign is located;
- (e) other signs, such as open house or garage sale signs, or signs advising of the existence of security or surveillance services, or "no solicitation" signs, the nature, size, number, and location of which have been approved in advance and in writing by the Architectural Review Committee or are in accordance with written guidelines which may be developed and approved by the Architectural Review Committee;
- (f) signs posted by the Community Association on Common Area; and
- (g) such other signs, which are permitted under Civil Code Section 1353.6, which are in conformance with the requirements of, or approved by, the City of Lincoln and which have been approved in writing by the Architectural Review Committee as to size, quantity, colors, design, message content and location.

Section 8.10. Restriction on Further Subdivision, Property Restrictions and Rezoning.

No Lot shall be further subdivided or separated into smaller Lots by any Owner, and no portion less than all of any such Lot, nor any easement or other interest therein, shall be conveyed or transferred by any Owner, without the prior written approval of the Board, which approval must be evidenced on the instrument creating the subdivision, easement or other interest.

No further covenants, conditions, restrictions or easements shall be recorded by any Owner, or other person against any Lot without the provisions thereof having been first approved in writing by the Board, and any covenants, conditions, restrictions or easements recorded without such approval being evidenced thereon shall be null and void. No application for rezoning of any Lot and no applications for variances or use permits shall be filed with any governmental authority unless the proposed use of the Lot has been approved by the Board and the proposed use otherwise complies with this Declaration and any applicable Supplemental Declaration.

Section 8.11. Overhead Encroachments.

No tree, shrub, or planting of any kind on any Lot shall be allowed to impede vehicular or pedestrian traffic.

Section 8.12. Vehicle and Parking Restrictions.

The following vehicle and parking restrictions shall apply to the Covered Property:

- (a) Parking.
 - (i) Overnight Street Parking.

In order to maintain the aesthetic environment of Sun City Lincoln Hills, on-street parking is prohibited over night, except for vehicles parking pursuant to the Short Term Parking Exception described in subparagraph (d) below.

(ii) **Garages and Residential Driveways.**

Vehicles and vehicle equipment, including but not limited to motorcycles, scooters, golf carts, NEVs, and vehicles of every description, of all Owners, Residents, their guests and invitees, shall be kept overnight solely in garages and residential driveways on the Lot or in other designated parking areas, unless allowed under the Short Term Parking Exception described in subparagraph (d) below. Vehicles shall never be parked on any other portion of the Lot. Provided, however, this subparagraph, (a), shall not be construed to permit the parking in the above described areas of any vehicle whose parking in Sun City Lincoln Hills is otherwise prohibited or the parking of any inoperable vehicle outside of garages.

(b) **Trucks, Trailers, Recreational Vehicles, Campers and Boats.**

No motor vehicle classified by manufacturer rating as exceeding one (1) ton, recreational vehicle, mobile home, travel trailer, tent trailer, trailer, camper shell, detached camper, boat, boat trailer, or other similar equipment or vehicle may be parked, maintained, constructed, reconstructed or repaired on any Lot or on any street in Sun City Lincoln Hills so as to be Visible From Neighboring Property, except as provided under the Short Term Parking Exception described in subparagraph (d) below.

(c) **Pickup Trucks, Camper Shells, Mini-Motor Homes and Passenger Vans.**

Pickup trucks of one (1) ton or less capacity with camper shells not exceeding seven feet in height measured from ground level, and mini-motor homes and/or passenger vans not exceeding eight (8) feet in height and eighteen (18) feet in length, shall be parked in accordance with subparagraph (a) above, and are used on a regular and recurring basis for basic transportation but shall not be eligible for the Short Term Parking Exception.

(d) **Short Term Parking Exception.**

Those vehicles described in subparagraph (b) above, are eligible for the Short Term Parking Exception which allows for cleaning, loading and/or unloading, and short term parking of non-commercial vehicles not to exceed forty-eight (48) consecutive hours for a cumulative period not to exceed one-hundred and twenty (120) hours in any calendar month. Under no circumstances, will any vehicle be used for overnight occupancy in Sun City Lincoln Hills.

(e) **Motor Vehicle Maintenance/Inoperable Vehicles.**

No vehicle or vehicle equipment of any description shall be maintained, constructed, reconstructed or repaired upon any Lot, street or Common Area in Sun City Lincoln Hills, and no inoperable vehicle may be stored or parked on any such Lot or street, so as to be Visible From Neighboring Property, provided, however, that the provisions of this

subparagraph (e) shall not apply to:

- (i) emergency vehicle repairs or temporary construction shelters or facilities maintained during, and used exclusively in connection with, the construction of any improvement approved by the Architectural Review Committee;
 - (ii) the parking of such vehicles during normal business hours in areas designated for parking in a non-residential land use classification; and
 - (iii) vehicles parked in garages on Lots.
- (f) Restrictions Relating to Golf Carts and Use of Cart Paths.

- (i) Authorized Golf Carts.

The only golf carts (as defined in California Vehicle Code section 345) and Low Speed Vehicles (LSV)/Neighbor Electric Vehicle, (NEV) (as defined in California Vehicle Code Section 385.5) which shall be permitted to be operated within Sun City Lincoln Hills shall be golf carts that are either owned by the owner or operator of the Golf Courses and made available to Members and other players for use of carts or NEV's purchased by residents which are approved for use on the golf courses by the owner of the Golf Courses.

- (ii) Operation of Golf Carts LSV and NEV vehicles on Streets and Cart Paths within Sun City Lincoln Hills.

In accordance with the Twelve Bridges Golf Cart Transportation Plan (adopted August 8, 2006 and that might be amended from time to time) it shall be lawful to drive authorized golf carts, LSV's or NEV's on streets within Sun City Lincoln Hills in strict compliance with the rules and regulations set forth in the aforementioned Plan. Except as provided in the preceding sentence, authorized golf carts, LSV's or NEV's shall not be permitted to travel pedestrian bicycle path within Sun City Lincoln Hills, except to cross such roads or paths at designated locations. Golf carts, LSV's or NEV's shall remain on designated golf cart paths consistent with the above-described general restriction unless the Association Rules or rules of the Golf Courses provide otherwise.

- (iii) Restriction on Use of Cart Paths for Other Recreational Purposes.

Golf cart paths shall not be used by members of the general public and shall not be used by any person for recreational activities unrelated to the game of golf, such as jogging or bicycling, unless otherwise specifically authorized by the owner of the Golf Course.

- (iv) Enforcement by Golf Course.

The restrictions imposed by subparagraphs (i) and (iii), above are for the principal benefit of the owner of the Golf Course and shall be enforceable by such owner, rather than by the Community Association.

Section 8.13. Health, Safety and Welfare.

In the event additional uses, activities, and facilities are deemed by the Board to be a nuisance or to adversely affect the health, safety or welfare of Owners and Residents, the Board may make rules restricting or regulating their presence in Sun City Lincoln Hills as part of the Association Rules or may direct the Architectural Review Committee to make rules or Design Guidelines governing their presence on Lots. The Board may also provide for limited variances from use, activity and facility restrictions where necessary for reasons of health, safety and welfare.

Section 8.14. No Obstruction of Common Area.

There shall be no obstruction of the Common Area nor shall anything be stored by Owners or Residents in or upon the Common Area without the written consent of the Community Association.

Section 8.15. Window Covers.

Commonly accepted window coverings such as curtains, drapes, shutters, shades or blinds may be installed as window covers. No window shall be covered with aluminum foil, cardboard, bed sheets, newspaper or other not commonly accepted material.

Section 8.16. Business Activities.

No business or commercial activities of any kind whatsoever shall be conducted in any Residence, garage or out building or in any portion of any Lot without the prior written approval of the Board; provided, however, the foregoing restriction shall not apply to the activities of the Community Association in the discharge of its responsibilities under the Governing Documents, or the activities of the owner or operator of any Golf Courses. Furthermore, no restrictions contained herein shall be construed in such a manner so as to prohibit any Owner from:

- (a) maintaining his or her personal library in his or her Residence;
- (b) keeping his or her personal business records or accounts therein;
- (c) handling his or her personal or professional telephone calls or correspondence therefrom;
- (d) engaging in other activities related to the Resident's business profession that can be conducted from a Residence using computers and other technology so long as the home or business activities generate no traffic, noise, or involve other employees or contractors in the Residence;
- (e) leasing or renting his or her Residence in accordance with Section 2.06, above; or
- (f) conducting any other activities on the Owner's Lot otherwise compatible with residential use and the provisions of this Declaration which are permitted under applicable zoning laws or regulations without the necessity of first obtaining a special use permit or specific governmental authorization.

The uses described in (a) through (f), above, are expressly declared to be customarily incidental to the principal residential use and not in violation of this Section 8.16.

Section 8.17. Activities Affecting Insurance.

Nothing shall be done or kept on any Lot or within the Common Area which will increase the rate of insurance relating thereto without the prior written consent of the Community Association and no Owner shall permit anything to be done or kept on his or her Lot or the Common Area which would cause any Improvements to be uninsurable against loss by fire or casualty or result in the cancellation of insurance on any Residence or any part of the Common Area.

Section 8.18. Variances.

Upon application by any Owner, the Board of Directors shall be authorized and empowered to grant reasonable variances from the property use restrictions set forth in this Article VIII, if specific application of the restriction will, in the sole discretion of the Board, either cause an undue hardship to the affected Owner or fail to further or preserve the common plan and scheme of development contemplated by this Declaration.

Section 8.19. Enforcement of Property Use Restrictions.

The objective of this Declaration shall be to promote and seek voluntary compliance by Owners and tenants with the environmental standards and property use restrictions contained herein. Accordingly, in the event that the Community Association becomes aware of a design review or property use infraction that does not necessitate immediate corrective action under Section 13.06 below, the Owner or tenant responsible for the violation shall receive written notice thereof and shall be given a reasonable opportunity to comply voluntarily with the pertinent Governing Document provision(s). Such notice shall describe the noncomplying condition, request that the Owner or tenant correct the condition within a reasonable time specified in the notice, and advise the Owner or tenant of his or her right to be heard on the matter.

Section 8.20. Restricted Activities in Perpetual Conservation Easement.

The Covered Property is subject to a "Perpetual Conservation Easement" recorded as Document Number 2004-0101211 on August 2, 2004 in the Placer County Recorder's Office, a copy can be obtained by request. Owners, their tenants, guests and invitees shall be prohibited from engaging in all of the activities outlined in Paragraph 3 of the Perpetual Conservation Easement, Section 8.02 of this document and the Associations 'Rules and Regulations', including but not limited to doing any of the following activities on such areas:

- (a) erecting any building, structure, sign or other Improvement;
- (b) watering or applying herbicides or pesticides;
- (c) depositing soil, trash, grass clippings, landscape debris, potting soil or other debris;
- (d) excavating or adding rocks or other minerals;

- (e) hunting or discharging firearms;
- (f) introducing predatory fish or other aquatic species;
- (g) leveling, landscaping or altering such areas;
- (h) removing vegetation or trees;
- (i) operating motorized vehicles;
- (j) feeding or attempting to feed animals or birds including but not limited to the placement of bird feeders, dog food or other food sources;
- (k) walking, running or other recreational uses by persons and/or their domesticated animals; and/or
- (l) disposal of and/or failure to remove pet waste.

Such areas shall also be subject to the management plan established for such areas, a copy of which can be obtained by request. Violation of said restrictions shall subject the Owner to enforcement pursuant to Section 13.06 hereof.

ARTICLE IX
Easements

Section 9.01. Common Area Maintenance Easements.

The Community Association shall have an easement in and to that portion of any Lot or Parcel which adjoins the Common Area for the limited purpose of access to and maintenance of the adjoining Common Area. The Community Association shall have easements for access over such portions of Lots as are reasonably necessary for the Community Association to maintain the Common Areas, and no Owner shall interfere with the use of such easements by the Community Association or its agents or employees. The Community Association shall have easements for access over such portions of each Lot as are reasonably necessary for the Community Association to maintain drainage facilities to be maintained by the Owner, should the Owner fail to do so (which maintenance shall be at the sole cost and expense of the Owner), and to maintain drainage facilities to be maintained by the Community Association. No Owner shall interfere with the use of such easements by the Community Association or its agents or employees.

Section 9.02. Utility Easements.

A blanket easement is reserved and granted upon, across, over, and under the Common Area for utilities and the installation, replacement, repair, and maintenance of utilities including, but not limited to, water, sewer, gas, telephone, electricity, and cable television systems and the Community Association television antenna systems, if any, provided that said blanket easement shall not extend upon, across, over, or under any Residence constructed on a Lot. By virtue of this blanket easement, it shall be expressly permissible to erect and maintain the necessary facilities, equipment, and appurtenances on the Common Areas and to affix, repair, and maintain water and sewer pipes, gas, electric, telephone, and television wires, circuits, conduits and meters.

Section 9.03. Maintenance of Walls and Fences, Improvements, and Easement.

In the event a wall or fence has been constructed on any Lot which serves as a perimeter wall for the Sun City Lincoln Hills, or to separate the Lot from the Common Area, an easement in perpetuity is granted by such Lot Owner to the Community Association for the construction and location of such wall or fence on the Lot, and the maintenance required for such wall or fence from time to time. An easement is reserved and granted in favor of the Community Association, upon, over and across each Lot adjacent to any boundaries of Common Area for reasonable ingress, egress, installation, replacement, maintenance, and repair of any wall, fence or other Improvement which the Community Association may construct or cause to be constructed on or near any Common Area boundary.

Section 9.04. Drainage Easements.

There is hereby created a blanket easement upon, across, over and under Lots and the Common Area for drainage of surface water, whether such water originates from surface streets, drainage basins, retention areas, any Golf Course fairways, neighboring Lots or Common Area.

Section 9.05. Utility Easements.

There is hereby created a blanket easement in favor of the Community Association or any utility or service company providing service to such Lot, upon, across, over and under each Lot and Common Area for ingress to, egress from, and the installation, replacing, repairing and maintaining of, all utility and service lines and systems including, but not limited to, water, sewers, gas, telephones, electricity, television cable or communication lines and systems, etc., as such utilities are installed in connection with the initial development of the Lot and the construction of the Residence thereon.

Pursuant to this easement, a providing utility or service company may install and maintain facilities and equipment on the property and affix and maintain wires, circuits and conduits on, in and under the roofs and exterior walls of buildings on the Lots and other portions of the Covered Property. Notwithstanding anything to the contrary contained in this section, no sewers, electrical lines, water lines, or other utilities, service or cable television lines may be installed or relocated on any Lot or Common Area except as initially programmed and approved, or, if requested after recordation of a Supplemental Declaration, as approved by the Owner and the Architectural Review Committee, as applicable.

Section 9.06. Easement for Golf Courses' Maintenance, Intrusion of Golf Balls and Golf Courses' Watering Overspray.

There is reserved for the benefit of the owner of record of the Golf Courses, a nonexclusive right and easement appurtenant to the Golf Courses, as the dominant tenement, and burdening Lots and Common Areas as the servient tenement, for purposes of:

- (a) overspray in connection with the watering of the roughs, fairways and greens on the Golf Courses;
- (b) for maintenance of a clean, attractive fairway edge and transition from the Golf Courses to the unimproved areas, if any, of adjacent Lots; and
- (c) for the intrusion of golf balls from the roughs, fairways and greens.

Any person or entity for whose benefit the right and easement for overspray is reserved shall not be liable to any Owner or the Community Association for any damage to person or property occasioned by such overspray or intrusion of golf balls.

The rights and easements reserved by this Section shall be for the benefit of the owner of the Golf Courses and for the benefit of their employees, contractors, agents, guests, invitees, and members (collectively referred to as "beneficiaries") and shall burden any Lot or Common Area that shares a common boundary with any Golf Course fairway parcel. Notwithstanding the foregoing, this easement is not intended to confer on any beneficiary (as defined in this paragraph) the right to enter any Lot for purpose of retrieving or playing any golf ball that falls within the boundaries of the Lot.

Section 9.07 Easements and Rights-of-Way in Common Areas.

Subject to the provisions of Article XIV (Rights of Institutional Holders of Mortgages), below,

the Community Association shall have the power, but not the duty, to grant and convey to any person easements, licenses or rights-of-way in, on, over or under the Common Area and fee title to parcels or strips of land which comprise a portion of the Common Areas with a value base of \$5,000.00 or less, for purposes consistent with the terms of this Master Declaration, including without limitation constructing, installing, erecting, operating, maintaining or conducting thereon, therein and there under:

- (a) roads, streets, walks, trails, driveways, parkways, landscaping, park areas, open space areas and slope areas;
- (b) overhead or underground lines, cables, wires, conduits, or other devices for the transmission of power or signals for lighting, heating, television, telephone and other similar purposes;
- (c) sewers, storm water drains or retention basins and pipes, water systems, sprinkling systems, water, heating and gas lines or pipes; and
- (d) any similar Improvements, facilities or uses not inconsistent with the use of such property pursuant to this Master Declaration.

Pursuant to the authority granted herein, the Community Association may grant easements or designate exclusive use Common Areas (as defined in Civil Code section 1351(i)) in order to permit Owners to care, maintain and landscape portions of Common Areas adjacent to the Owner's Lot consisting of slope areas, drainage areas or other areas not to exceed 1,500 square feet in size that the Board determines to be unsuitable for general use and enjoyment by the Members, as a whole. The approval of fifty-one percent (51%) of the Owners is required to grant easements or designate exclusive use of Common Areas which exceed one thousand five hundred (1,500) square feet in size.

Section 9.08. Easements Deemed Created.

All conveyances of Lots hereafter made shall be construed to grant and reserve the easements contained in this Article IX, even though no specific reference to such easements or to this Article IX appears in the instrument of such conveyance.

Section 9.09. Perpetual Conservation Easement.

The Covered Property is subject to a "Perpetual Conservation Easement" recorded as Document Number 2004-0101211 on August 2, 2004 in the Placer County Recorder's Office, a copy of which a copy can be obtained by request. The Association is charged with enforcing the restrictions under such Perpetual Conservation Easement, as further detailed within the terms of said easement and the restrictions set forth in Section 8.20 of this Declaration. Violation of such restrictions by an Owner, his/her tenants and guests shall be subject to fines and penalties as outlined in Section 13.06, below.

ARTICLE X Insurance

Section 10.01. Insurance on Common Property.

The Community Association shall maintain the following types of insurance, to the extent that such insurance is reasonably available, considering the availability, cost, and risk coverage provided by such Insurance:

(a) **Casualty Insurance.**

A policy of all risk property insurance covering all real property insurable Improvements and personal property owned by the Community Association located on Common Area, with a "Replacement Cost Endorsement" providing that any claim shall be settled on a full replacement cost basis without deduction for depreciation. Such insurance as maintained by the Community Association pursuant to this subsection shall afford protection against such other risks as shall customarily be covered with respect to projects similar in construction, location, and use including, but not limited to, earthquake coverage.

(b) **General Liability Insurance.**

A policy of commercial general liability insurance insuring the Community Association in an amount not less than Five Million Dollars (\$5,000,000.00) covering bodily injury, including death of persons, personal injury, and property damage liability arising out of a single occurrence, and such other risks as shall customarily be covered with respect to projects similar in construction, location, and use.

(c) **Flood Insurance.**

If the Common Area or any portion thereof is located within an area identified by the Federal Emergency Management Agency ("FEMA") as having special flood hazards, and flood insurance coverage on Improvements on the Common Area has been made available under the National Flood Insurance Program, then such a policy of flood insurance on the Common Area located therein in an amount at least equal to the lesser of:

- (i) the maximum coverage available under the National Flood Insurance Program for all buildings and other insurable property located within a designated flood hazard area; or
- (ii) one hundred percent (100%) of current replacement cost of all buildings and other insurable property located within a designated flood hazard area.

To the extent Common Area Improvements are located in an area designed by FEMA as having special flood hazards, but the area has been modified through the land development process in a manner such that it is no longer located in such a FEMA area, but the FEMA maps have not been updated to reflect such development modification, then the insurance requirements of this Section 10.01(c) may, with respect to such Improvements, be waived.

Section 10.02. Other Insurance Maintained by the Community Association.

(a) Directors' and Officers' Liability Insurance.

To the extent such insurance is reasonably obtainable, the Association shall maintain individual liability insurance for its Directors and officers providing coverage for negligent acts or omissions in their official capacities. The minimum coverage of such insurance shall be at least One Million Dollars (\$1,000,000.00).

(b) Additional Insurance and Bonds.

To the extent such insurance is reasonably obtainable, the Association may also purchase with common funds such additional insurance and bonds as it may, from time to time, determine to be necessary or desirable, including, without limiting the generality of this Section, demolition insurance, and workers' compensation insurance. A policy or bond providing adequate fidelity coverage to protect against dishonest acts on the part of noncompensated officers, Directors, trustees, Committee Members, volunteers, and employees and agents (including Chartered Club officers) of the Community Association. Such fidelity coverage or bonds shall name the Sun City Lincoln Hills Community Association, Inc., its Board approved Chartered Clubs, Shared Interest Groups and Support Groups as additional insureds or as an "obligee" and shall contain waivers of any defense based upon the exclusion of persons who serve without compensation from any definition of "employee" or similar expression. The Board shall purchase and maintain such insurance on personal property owned by the Association and any other insurance that it deems necessary or desirable.

Section 10.03. Policy Terms.

All policies of insurance shall contain waivers of subrogation and waivers of any defense based on invalidity arising from any acts of a Member of the Community Association, shall provide that the policies may not be canceled or substantially diminished or reduced in coverage without at least thirty (30) day's prior written notice to the insured, as well as to any first Mortgage having previously requested such information in writing. Duplicate originals of all policies and renewals thereof, together with proof of payment of premiums, shall be delivered to any Eligible Holder upon written request.

Section 10.04. Other Insurance to Be Maintained by Owners.

The Community Association shall have the right, but not the obligation, to make arrangements with the Owners of Lots within any Cost Center to obtain a master policy of fire and casualty insurance for all Residences located in such Cost Center. In that event, the premiums for such master policy shall be assessed equally against Owners in such Cost Center as part of Regular Assessments.

Except to the extent that the Community Association elects to obtain such a master policy of fire and casualty insurance, each Owner of a Lot shall be responsible for obtaining his/her own policy of fire and casualty insurance with respect to such Lot. Further, in any event, each Owner shall be responsible for obtaining his/her own insurance to cover:

- (a) furnishings, fixtures and personal property within such Owner's Residence; and,
- (b) such Owner's personal liability for committing negligent or tortious acts while within Sun City Lincoln Hills.

Section 10.05. Notice of Loss to Eligible Holders.

In the event that there shall be any damage to or destruction of the Common Area which shall be in excess of One Hundred Thousand Dollars (\$100,000.00), then timely written notice of any such damage or destruction shall be given by the Community Association to Eligible Holders who request such a notice in writing.

Section 10.06. Annual Review of Association Insurance and Disclosure to Members.

The Board shall review the adequacy of all insurance, including the amount of liability coverage and the amount of property damage coverage, at least once every year. At least once every three years, the review shall include a replacement cost appraisal of all insurable Common Area Improvements without respect to depreciation. The Board shall adjust the policies to provide the amounts and types of coverage and protection that are customarily carried by prudent owners' associations operating in similar common interest developments in the greater Sacramento region. In accordance with California Civil Code Section 1365(f), the Community Association shall distribute annually to its Members a summary of the Community Association's property, general liability, and flood insurance, if any, such distribution to be made within sixty (60) days prior to the beginning of the Association's fiscal year.

Section 10.07. Board's Authority to Revise Insurance Coverage.

The Board shall have the power and right to deviate from the insurance requirements contained in this Article X in any manner that the Board, in its reasonable business discretion, considers to be in the best interests of the Association. If the Board elects to materially reduce the coverage from the coverage required in this Article X, the Board shall make all reasonable efforts to notify the Members of the reduction in coverage and the reasons therefor at least (30) days prior to the effective date of the reduction. The Association, and its Directors and officers, shall have no liability to any Owner or Mortgagee if, after a good faith effort, the Association is unable to obtain any insurance required hereunder because the insurance is no longer available; or, if available, the insurance can be obtained only at a cost that the Board, in its sole discretion, determines is unreasonable under the circumstances; or the Members fail to approve any Assessment increase needed to fund the insurance premiums.

ARTICLE XI
Damage or Destruction

Section 11.01. Common Facilities; Bids and Determination of Available Insurance Proceeds.

In the event any Common Facilities are ever damaged or destroyed, then, as soon as practicable thereafter, the Board of Directors shall:

- (a) obtain itemized bids from at least two (2) reputable, licensed contractors, which detail the work required to repair, reconstruct and restore the damaged or destroyed portions of the Common Facilities to substantially the same condition as they existed prior to the damage or destruction; and
- (b) determine the amount of all insurance proceeds available to the Community Association for this purpose.

Section 11.02. Common Facilities; Sufficient Insurance Proceeds.

Subject to the provisions of Section 11.01, above, if, in the event of damage to or destruction of any portion of any Common Facility, the insurance proceeds available to the Community Association are sufficient to cover the costs of repair, reconstruction and restoration, then the Community Association may cause such facilities to be repaired, reconstruction and restored to substantially the same condition in which they existed prior to the loss. However, in the event of a total destruction of a Common Facility, the Community Association shall not be obligated to restore the Facility to its prior appearance and condition if, in the Board's opinion, architectural or design modifications to the Facility will result in providing the Members with an improved Facility available for substantially the same use and enjoyment as the destroyed Facility.

Section 11.03. Common Facilities: Insurance Proceeds Insufficient in an Amount Exceeding Community Association Special Assessment Authority.

- (a) Subject to Sections 11.01 and 11.02, above, if the insurance proceeds, capital replacement reserves and funds, if any, offered or contributed to the Community Association from any other source for the repair, replacement or major reconstruction of the damaged or destroyed Common Facility are insufficient in an amount exceeding the dollar amount that the Board can raise without prior Member approval (see Sections 4.02 and 4.03, above), then the issue of funding the repair or replacement of the Common Facility by a Special Assessment shall be presented to the Members for approval in accordance with Section 4.08, above.
- (b) The solicitation materials distributed to the Members in connection with any such vote shall include sufficient replacement cost and bid information to enable to the Members to make an informed decision. The issue shall be presented on the ballot with the following alternatives:
 - (i) to repair, reconstruct and restore the damaged or destroyed Common Facilities and specially assess all Owners for such additional funds as may be needed for such purpose, with the amount of the Special Assessment stated; or

- (ii) to demolish and remove the damaged or destroyed Improvements from the Common Area and to level and landscape the sites thereof and apply any balance of such insurance proceeds and/or funds as the Members holding such Voting Power and Eligible Holders pursuant to Section 14.03 may determine.
- (c) If the Special Assessment is approved, the Community Association shall levy it and make the repairs or reconstruction. If the Special Assessment is not approved, the insurance proceeds may, after first being used to clear and landscape damaged areas, be applied in accordance with the wishes of the Membership upon the approval of Members and Eligible Holders as set forth in Article XIV, below, except that the proceeds shall not be distributed to the Owners, unless made jointly payable to Owners and the first Mortgagees, if any, of their respective Lots.

Section 11.04. Damage or Destruction of Residences.

- (a) **Obligation to Rebuild.**

If all or any portion of any Residence is damaged or destroyed by fire or other casualty, it shall be the duty of the Owner of said Residence to rebuild, repair or reconstruct said Residence in a manner which will restore it substantially to its appearance and condition immediately prior to the casualty.

- (b) **Architectural Review Committee Approval.**

Any Owner whose Residence, or other structural improvements have been damaged or destroyed, shall apply to the Architectural Review Committee for approval of plans for the reconstruction, rebuilding, or repair of the damaged or destroyed Residence or structure. Application for such approval shall be made in writing together with full and complete plans, specifications, working drawing and elevations showing the proposed reconstruction and the end result thereof. The Architectural Review Committee shall grant such approval only if the design proposed by the Owner satisfies the requirements for approval set forth in Section 5.06, above.

- (c) **Time Limitation for Reconstruction or Removal.**

The Owner or Owners of any damaged Residence(s) and the Architectural Review Committee shall be obligated to proceed with all due diligence hereunder to remove damaged structures, or portions thereof, prepare and process reconstruction plans and specifications and complete the repair and restoration work. At a minimum, whenever Owners are required to prepare and submit repair or reconstruction plans to the Architectural Review Committee, said submittal shall be made within sixty (60) days following the event and reconstruction shall commence within forty-five (45) days following receipt of approval from the Committee. Reconstruction shall be completed within six (6) months following receipt of Committee approval. For good cause, including, without limitation, delays caused by inclement weather or the processing of insurance claims, the Architectural Review Committee may waive or extend any of the deadlines imposed by this subparagraph (c).

ARTICLE XII
Eminent Domain

Section 12.01. Definition of Taking.

The term "taking" as used in this Article shall mean condemnation by eminent domain, or by sale under threat thereof, of all or part of the Common Area.

Section 12.02. Representation by Community Association in Condemnation Proceeding.

In the event of a taking, the Community Association shall represent all of the Members in an action to recover all awards, subject to the right of all Institutional Holders who have requested the right to join the Community Association in the proceedings. The Community Association is designated as the sole representative of the Members in all aspects of condemnation proceedings.

Section 12.03. Award for Common Area.

In the event of a taking of all or any part of the Common Area, the Community Association shall distribute the award from the taking authority after deducting therefrom fees and expenses related to the condemnation proceeding; including, without limitation, fees for attorneys and appraisers and court costs. In the event that the taking is by judgment of condemnation and said judgment apportions the award among the Owners and their respective Institutional Holders, the Community Association shall distribute the amount remaining after such deductions on the allocation basis set forth in the judgment. In the event that the taking is by sale under threat of condemnation, or if the judgment of condemnation fails to apportion the award, the Community Association shall distribute the award among the Owners and Institutional Holders on a pro rata basis, with each Owner and Institutional Holder receiving an equal share of such award for each Lot owned by such Owner within the Covered Property. Unless otherwise agreed to by the Institutional Holders, all amounts payable to an Owner shall be paid to the Institutional Holder.

Section 12.04. Inverse Condemnation.

The Community Association is authorized to bring an action in inverse condemnation. In such event, the provisions of this Article shall apply with equal force.

Section 12.05. Notice to Members.

The Community Association, immediately upon having knowledge of any taking or threat thereof, shall promptly notify all Members.

ARTICLE XIII
Breach and Default

Section 13.01. Remedy at Law Inadequate.

Except for the nonpayment of any Assessment, it is hereby expressly declared and agreed that the remedy at law is inadequate to recover damages for the breach, default or violation of any of the Covenants, Conditions and Restrictions, limitations, reservations, grants of easements, rights, rights-of-way, liens, charges or equitable servitudes contained in this Declaration. The failure of any Owner, tenant, occupant or user of any Lot, or any portion of the Common Area or Common Facilities, to comply with any provision of the Governing Documents may be enjoined by appropriate legal proceedings instituted by any Owner, the Community Association, its officers or Board of Directors, or by their respective successors in interest.

Section 13.02. Nuisance.

Without limiting the generality of the foregoing Section 13.01, the result of every act or omission whereby any covenant contained in this Declaration is violated in whole or in part is hereby declared to be a nuisance, and every remedy against nuisance, either public or private, shall be applicable against every such act or omission.

Section 13.03. Costs and Attorneys' Fees.

In any action brought because of any alleged breach or default of any Owner or other party hereto under this Declaration, the court may award to the prevailing party in such action such attorneys' fees and other costs as it may deem just and reasonable.

Section 13.04. Cumulative Remedies.

The respective rights and remedies provided by this Declaration, or by law, shall be cumulative. The exercise of any one or more of such rights or remedies shall not preclude or affect the exercise, at the same or at different times, of any other such rights or remedies for the same or any different default or breach or for the same or any different failure of any Owner or others to perform or observe any provision of this Declaration.

Section 13.05. Failure Not a Waiver.

The failure of any Owner, the Board of Directors, the Community Association or its officers or agents to enforce any of the Covenants, Conditions and Restrictions, limitations, reservations, grants or easements, rights, rights-of-way, liens, charges or equitable servitudes contained in this Declaration shall not constitute a waiver of the right to enforce the same thereafter, nor shall such failure result in or impose any liability upon the Community Association or the Board, or any of its officers or agents.

Section 13.06. Rights and Remedies of the Community Association.

(a) Rights.

In the event of a breach or violation of any Community Association Rule or of any of the

restrictions contained in any Governing Document by an Owner, his or her family, or the Owner's guests, employees, invitees, licensees, or tenants, the Board, for and on behalf of all other Owners, may enforce the obligations of each Owner to obey such Rules, Covenants, Conditions and Restrictions through the use of such remedies as are deemed appropriate by the Board and available in law or in equity. Such remedies include, but are not limited to, the hiring of legal counsel, the imposition of fines and monetary penalties, the pursuit of legal action, the suspension of the Owner's right to use recreation Common Facilities, and the suspension of the Owner's voting rights as a Member of the Community Association. The Community Association's right to undertake disciplinary action against its Members shall be subject to the conditions set forth consistent with Section 4.04.

The decision of whether it is appropriate or necessary for the Community Association to take enforcement or disciplinary action in any particular instance shall be within the sole discretion of the Community Association's Board or its duly authorized enforcement committee. If the Community Association declines to take action in any instance, any Owner shall have such rights of enforcement pursuant to California Civil Code Section 1369.510 through 1369.590 or otherwise by law.

(b) Schedule of Fines.

The Board may implement a schedule of reasonable fines and penalties for particular offenses that are common or recurring in nature and for which a uniform fine schedule is appropriate, such as fines for late payment of Assessments or illegally parked vehicles. Once imposed, it may be subject to the lien and foreclosure remedies stated in Section 4.10(b)(iii) and Section 4.10(b)(v)(a) and (b), above or by action in Small Claims Court, if appropriate and allowed by law.

(c) Definition of "Violation".

A violation of the Governing Documents shall be defined as a single act or omission occurring on a single day. If the detrimental effect of a violation continues for additional days, discipline imposed by the Board may include one component for the violation and, according to the Board's discretion, a per diem component for so long as the detrimental effect continues. Similar violations on different days shall justify cumulative imposition of disciplinary measures. The Community Association shall take reasonable and prompt action to repair or avoid the continuing damaging effects of a violation or nuisance occurring within the Common Area at the cost of the responsible Owner.

(d) Limitations of Disciplinary Rights.

- (i) The Community Association shall have no power to cause a forfeiture or abridgment of an Owner's right to the full use and enjoyment of his or her Lot due to the failure by the Owner, or his or her family members, tenants, guests or invitees, to comply with any provision of the Governing Documents; or of any duly enacted Community Association Rule except where the loss or forfeiture is the result of the judgment of a court of competent jurisdiction, a decision arising out of arbitration or a foreclosure or sale under a power of sale for failure of the Owner to pay Assessments levied by the Community Association, or where the

loss or forfeiture is limited to a temporary suspension of an Owner's rights as a Member of the Community Association or the imposition of monetary penalties for failure to pay Assessments; or otherwise comply with any Governing Documents so long as the Community Association's actions satisfy the due process requirements of subparagraph (ii), below.

- (ii) In accordance with Civil Code section 1363(h). When the Board of Directors are to meet to consider or impose discipline upon a Member, the Board shall notify the Member in writing, by either personal delivery or first class mail, at least ten (10) days prior to the meeting. The notification shall contain, at a minimum, the date, time, and place of the meeting, the nature of the alleged violation for which the Member may be disciplined, and a statement that the Member has a right to attend and may address the Board at the meeting, including the right to present evidence and to present or question witnesses on his or her behalf. The Board of Directors of the Association shall meet in executive session if requested in writing by the Member being disciplined.

If the Board imposes discipline on the Member, the Board shall provide the Member written notification of the disciplinary action, by either personal delivery or first-class mail, within fifteen (15) days following the action. A disciplinary action shall not be effective against a Member unless the board fulfills the requirements of this subdivision.

- (iii) The notice and hearing procedures set forth in this Section 13.06 shall not apply to any actions by the Community Association or its duly authorized agents to collect delinquent assessments. Assessment collections shall be subject to Section 4.10, above, and Section 15.05 of the Bylaws and any other notice, hearing and/or dispute resolution requirements or procedures as may be specifically applicable by law to Community Association assessment collection.

(e) Rules Regarding Disciplinary Proceedings.

The Board, or an appropriate committee designated by the Board to conduct a hearing and recommend discipline, shall be entitled to adopt rules that further elaborate and refine the procedures for conducting disciplinary proceedings. Such rules, when approved and adopted by the Board, shall become a part of the Community Association Rules.

Section 13.07. Compliance Committee.

(a) Appointment of Committee.

Acting pursuant to Section 10.01(d) of the Bylaws, the Board of Directors has established a Compliance Committee to hear and decide cases involving alleged violations of the Governing Documents.

(b) Jurisdiction and Hearing Procedures of the Committee.

The Compliance Committee shall review written complaints from Owners, the

Community Association's Executive Director, or the Architectural Review Committee, for violations other than those relating to specific Improvement projects within the jurisdiction of the Architectural Review Committee, of alleged violations of the Governing Documents or Community Association Rules, and, when determined appropriate, conduct hearings and make findings regarding the alleged violation(s).

The Compliance Committee may recommend penalties and/or fines, pursuant to a Board approved fine schedule, in the event the allegations regarding such violations are found to be true.

The Board of Directors may adopt rules of procedure for enforcement hearings by the Committee and, if adopted, the Committee shall conduct its hearings in accordance with such rules. Notwithstanding the foregoing, enforcement of specific violations of architectural review and approval requirements relating to Improvement projects submitted to, and reviewed by, the Architectural Review Committee shall remain the jurisdiction of the Architectural Review Committee pursuant to Section 5.11, above.

(c) Appeals.

The decisions of the Compliance Committee, shall be appealable by the affected Owner(s) to the Board of Directors within ten (10) calendar days following receipt of the Committee's decision. The Board shall have the discretion to hear any appealed matter or decline to take the appeal and thus affirm the decision of the Compliance Committee. Any decision to decline an appeal shall be based on a reasonable determination from the record that the appeal lacks merit. Decisions of the Board shall be final. Procedures for appeal and the hearing of appeals from the Compliance Committee shall be set forth in the Community Association Rules.

Section 13.08. Court Actions.

- (a) Court actions to enforce the Governing Documents may be initiated on behalf of the Community Association only by resolution of the Board. Prior to the filing of any court action seeking declaratory or injunctive relief to interpret or enforce the Governing Documents, including either such action coupled with a claim for monetary damages not in excess of five thousand dollars (\$5,000), the Community Association shall first comply with the provisions of California Civil Code Sections 1369.510 et. seq. relating to alternative dispute resolution. The Community Association's own notice and hearing procedures comply with these statutory requirements.
- (b) If a dispute exists between the Owner and the Community Association regarding any disputed charge or sum levied by the association, including, but not limited to, an Assessment, fine, penalty, late fee, collection cost, or monetary penalty imposed as a disciplinary measure, and the amount in dispute does not exceed the jurisdictional limits stated in Sections 116.220 and 116.221 of the Code of Civil Procedure, the Owner of the separate interest may, in addition to pursuing dispute resolution pursuant to Article 5 (commencing with Section 1363.810) of Chapter 4, pay under protest the disputed amount and all other amounts levied, including any fees and reasonable costs of collection, reasonable attorney's fees, late charges, and interest, if any, pursuant to subdivision (e) of Section 1366, and commence an action in small claims court pursuant

to Chapter 5.5 (commencing with Section 116.110) of Title 1 of the Code of Civil Procedure.

- (c) Nothing in this section shall impede an association's ability to collect delinquent assessments as provided in Sections 1367.1 and 1367.4 of the Civil Code.

ARTICLE XIV
Rights of Institutional Holders of Mortgages

The following provisions are for the benefit of Institutional Holders, insurers and guarantors of first mortgages on Lots within the Covered Property and shall apply notwithstanding any provision to the contrary set forth elsewhere in the Governing Documents. These provisions apply only to "Eligible Holders" as defined below.

Section 14.01. Notices of Actions.

Any Institutional Holder, Insurer or Guarantor of a first Mortgage who provides written request to the Community Association, stating the name and address of such Holder, Insurer or Guarantor and the address or legal description of the particular Lot encumbered, thus becoming an "Eligible Holder", will be entitled to timely written notice of:

- (a) any default by the Owner of such Lot in the performance of such Owner's obligations under the Declaration, Articles or Bylaws which is not cured within sixty (60) days from the date of such default;
- (b) any condemnation proceedings affecting any portion of the Sun City Lincoln Hills common interest development;
- (c) any substantial damage to or destruction of any portion of the Common Area;
- (d) any proposed termination of the Community Association;
- (e) any lapse, cancellation or material modification of any insurance policy maintained by the Community Association; or
- (f) any proposed action, which would require the consent of Eligible Holders as further described in this Article.

Section 14.02. Rights of Institutional Holders upon Foreclosure.

Any Institutional Holder of a first Mortgage on a Lot, which comes into possession of that Lot, pursuant to judicial foreclosure or foreclosure by power of sale shall:

- (a) acquire title in such Lot free of any claims for unpaid assessments or charges against the Lot accruing prior to the Institutional Holder's acquisition of title;
- (b) not be obligated to cure any breach of this Declaration, which is noncurable or of a type which is not practical or feasible to cure and which took place prior to acquisition of title to the Lot by the Institutional Holder; and
- (c) be exempt from any right of first refusal contained in this Declaration, or any amendment hereto, and such right of first refusal shall not impair the rights of an Institutional Holder to:
 - (i) foreclose or acquire title to a Lot pursuant to the remedies provided in the

Mortgage;

- (ii) accept an assignment in lieu of foreclosure in the event of default by the mortgagor; or
- (iii) sell or lease a Lot acquired by the Institutional Holder.

Section 14.03. Consent of Eligible Holders.

The consent of Eligible Holders shall be required in order to take the following actions with respect to the Community Association and rights and obligations of Members and Institutional Holders:

- (a) Any restoration or repair of the Common Area after a partial condemnation or damage due to an insurable hazard shall be substantially completed in accordance with this Declaration and the original plans and specifications unless the approval of the Eligible Holders of first encumbrances on Lots to which at least fifty-one percent (51 %) of the votes of the Owners of such Lots subject to encumbrances held by such Eligible Holders are allocated, is obtained.
- (b) Any election to terminate the Community Association after substantial destruction or a substantial taking in condemnation shall require the approval of the Eligible Holders of first encumbrances on Lots to which at least fifty-one percent (51 %) of the votes of Owners of such Lots subject to first encumbrances held by such Eligible Holders, are allocated.
- (c) Unless at least seventy-five percent (75%) of the Owners have given their prior written approval, the Community Association and the Owners shall not be entitled to:
 - (i) change the pro rata interest or obligations of any Lot for the purposes of levying assessments and charges or allocating distributions of hazard insurance proceeds or condemnation awards;
 - (ii) partition or subdivide all or any part of the Common Areas of Sun City Lincoln Hills;
 - (iii) by act or omission seek to abandon, partition, subdivide, encumber, sell or transfer the Common Area (The granting of easements for public utilities or for other public purposes consistent with the intended use of the Common Area or the granting of easements or designation if exclusive use Common Area pursuant to Section 9.07(d) shall not be deemed a transfer within the meaning of this provision); or
 - (iv) use hazard insurance proceeds for losses to any portion of the Common Area for other than the repair, replacement or reconstruction of such Improvements, except as provided by statute.

Section 14.04. Amendments to Documents.

The following provisions contained in this Section do not apply to amendments to the Bylaws or this Declaration or termination of the Community Association made as a result of destruction, damage or condemnation pursuant to subsections (a) and (b) of Section 14.03, above.

- (a) The consent of one hundred percent (100%) of the voting power of the Community Association shall be required to terminate the Community Association.
- (b) The consent of at least sixty-seven percent (67%) of Members and the approval of Eligible Holders of first Mortgagees on Lots to which at least fifty-one percent (51 %) of the votes of Members shall be required in order to amend any material provision of the Declaration, Bylaws, or Articles, or to add any material provisions thereto, which establish, provide for, govern or regulate any of the following:
 - (i) voting;
 - (ii) assessments, assessment liens or subordination of such liens;
 - (iii) reserves for maintenance, repair and replacement of the Common Area;
 - (iv) insurance or fidelity bonds;
 - (v) rights to use the Common Area;
 - (vi) responsibility for maintenance and repair of the Covered Property;
 - (vii) expansion or contraction of the Covered Property or the addition, annexation or de-annexation or withdrawal of property to or from the Community Association;
 - (viii) boundaries of any Lot or the Common Area;
 - (ix) leasing of Lots and Condominium Units;
 - (x) imposition of any right of first refusal or similar restrictions of the right of any Owner to sell, transfer or otherwise convey his or her Lot;
 - (xi) establishment of self-management by the Community Association where professional management has previously been required; or
 - (xii) any provisions included in the Declaration, Bylaws or Articles which are for the express benefit of Institutional Holders, Guarantors or Insurers of first encumbrances on Lots.

Section 14.05. Additional Rights of Institutional Holders.

Any Eligible Holder will, upon request, be entitled to:

- (a) inspect the books and records of the Community Association during normal business hours;
- (b) receive an annual audited financial statement of the Community Association within ninety (90) days following the end of any fiscal year of the Community Association; provided, however, that such audited statements shall be made available only if they have been prepared by the Community Association in the regular course of business; and
- (c) receive written notice of all meetings of Owners and be permitted to designate a representative to attend all such meetings.

Section 14.06. Information.

Any Institutional Holder is authorized to furnish information to the Board concerning the status of any loan encumbering a Lot.

Section 14.07. Priority of Mortgage Lien.

No breach of the Covenants, Conditions and Restrictions contained in this Declaration, nor the enforcement of any lien provisions created herein, shall affect, impair, defeat or render invalid the lien of any first Mortgage made in good faith and for value, but all of the Covenants, Conditions and Restrictions shall be binding upon and effective against any Owner whose title to a Lot is derived through foreclosure, trustee's sale or otherwise.

Section 14.08. Insurance.

The Owners and the Community Association shall procure and maintain fire and liability insurance and such other insurance as may from time to time be required by Institutional Holders. All such insurance shall contain loss payable clauses naming the Institutional Holders which encumber a Lot by a first Mortgage, as their interests may appear.

Section 14.09. Special FNMA-FHLMC Provisions.

So long as required by the Federal National Mortgage Association ("FNMA") and the Federal Home Loan Mortgage Corporation ("FHLMC"), the following provisions shall apply in addition to and not in lieu of the foregoing provisions contained in this Article.

- (a) Unless two-thirds (2/3) of the Institutional Holders of first encumbrances or Owners of Lots subject to such encumbrances give their consent, the Community Association shall not:
 - (i) by act or omission seek to abandon, partition, subdivide, encumber, sell or transfer the Common Area which the Community Association owns, directly or indirectly;
 - (ii) change the method of determining the obligations, assessments, dues or other charges which may be levied against an Owner;
 - (iii) by act or omission change, waive or abandon any scheme of regulations or

enforcement thereof pertaining to the architectural design or the exterior appearance and maintenance of the Covered Property and the Common Area;

- (iv) fail to maintain fire or extended coverage insurance, as required by this Declaration; or
 - (v) use hazard insurance proceeds for any Common Area losses for other than the repair, replacement or reconstruction of such property.
- (b) The Community Association agrees to give written notice to the FNMA or FHLMC or its designated representative of any loss to, or taking of, the Common Area if such loss or taking exceeds Ten Thousand Dollars (\$10,000.00).
- (c) If any loan secured by a Mortgage encumbering a Lot is owned by the FNMA or FHLMC, its successors or assigns, or is tendered to the FNMA or FHLMC, its successors or assigns, for purchase, the Community Association and the Owners shall obtain and maintain in full force and effect all insurance coverage which may at any time be required by the FNMA or FHLMC, its successors or assigns, and shall otherwise comply in all respects with all insurance requirements of the FNMA or FHLMC which may be in effect at any time.

Section 14.10. Consent.

An Eligible Holder, which receives a written request to consent to an amendment or to any other action to which the Eligible Holder's consent is required or permitted by this Declaration, and which does not respond negatively within thirty (30) days after having received the request, shall be deemed to have consented to the amendment or other action.

Section 14.11. Provision of Financial Statement.

Upon request, the Community Association shall provide to any Eligible Holder an audited financial statement for the immediately preceding fiscal year, current copies of this Declaration, and the other Governing Documents of the Community Association.

ARTICLE XV
The Golf Courses

Section 15.01. Lots/Parcels Abutting Golf Courses.

The provisions of this Section shall be subject to modification by Supplemental Declarations affecting any Lots which abut property used as a Golf Course. Except as so modified, Lots which abut property used as a Golf Course may contain a nondevelopment area extending into the Lot from its boundary with the property used as a Golf Course. Such areas shall serve primarily to buffer Golf Course areas from development. Where such non-development area exists, it will be owned by the Owner of the Lot in question, but it shall be subject to restrictions prohibiting structural improvement, including fences, and other uses or activities that would interfere with the visual or practical advantage of such buffer areas. The existence and dimensions of all such non-development areas within a Lot may be shown or noted in a Supplemental Declaration or in Design Guidelines promulgated in connection with the Covered Property. Specific obligations or prohibitions to be observed by an Owner of such Lot may be noted on the Recorded map or Design Guidelines, or may be established by Rules of the Board to supplement, but not to contravene, this Master Declaration, or may be established in a Supplemental Declaration applicable to a particular Lot.

Section 15.02. Matters Regarding Lot Ownership Resulting from Proximity to Any Golf Courses.

The purpose of this Section is to provide notice to Owners of Lots adjacent to any portion of the Golf Courses of certain matters and conditions that may affect their use and enjoyment of their property. Each Owner who acquires a Lot acknowledges, accepts and assumes the risk of the special benefits and burdens associated with the proximity of the Owner's Lot to Golf Course facilities. The owner of any Golf Courses adjacent to, or located within the boundaries of, the Sun City Lincoln Hills common interest development, and each and every member, guest, golfer, employee or agent of any such Golf Courses, disclaims any liability for personal injury or property damage resulting in any way, all or in part, from any of the following items set forth in subparagraphs (a) through (f), inclusive, and each Owner accepts such disclaimer and agrees to release and waive any claims that the Owner, or any guest, invitee, employee or contractor of Owner, may have as a result of any such following items:

- (a) Errant Golf Balls; Risk of Injury.

Each Owner acknowledges that ownership of property adjacent or in proximity to a Golf Course results in certain foreseeable detriments and risks, including, without limitation, the risk of damage or injury from errant golf balls, that some Lots, due to location, will experience a greater volume of errant golf balls than other Lots, and that an Owner's use and enjoyment of his/her Lot may be limited as a result. Each Owner accepts the detriments and expressly assumes the risks of owning property adjacent or in proximity to a Golf Course and agrees that neither the owner or manager of a Golf Course, the Community Association, nor any of their successors or assigns, shall be liable to the Owner or to anyone claiming any loss, damage or personal injury, destruction of property, trespass or any other alleged wrong or entitlement to remedy based upon or arising out of the location or proximity of the Owner's Lot to a Golf Course. Each Owner of a Lot located in Sun City Lincoln Hills hereby agrees to indemnify and to hold

harmless the owner and manager of the Golf Courses, and the Community Association, and their successors and assigns, against any and all claims by the Owner, Resident, or his/her invitees arising from errant golf balls, including, without limitation, personal or property damage or injury.

(b) View Impairment/Privacy.

Owners of Lots, including Owners of Lots abutting a golf course, have no guarantee that their view over and across the Golf Courses will be forever preserved without impairment or that the view from the Golf Course will not be impaired. The owner of any Golf Courses adjacent to any portion of Sun City Lincoln Hills has no obligation to prune or not prune trees or other landscaping and the owner of any Golf Courses has reserved the right, at its sole and absolute discretion, to add, change or reconfigure the Golf Courses, including any trees, landscapes, tees, bunkers, fairways and greens.

(c) Pesticides and Fertilizers.

Pesticides, fertilizers and other chemicals will be utilized in connection with any Golf Courses and the Owners acknowledge, accept the use and assume the risk of such pesticides, fertilizers and chemicals.

(d) Overspray.

Owners of Lots, particularly Owners of Lots abutting any Golf Courses, may experience "overspray" from the Golf Courses' irrigation system, and the Owners acknowledge, accept and assume the risk of such "overspray." Water used to irrigate the Golf Courses may be untreated irrigation water obtained from the local water agency.

(e) Noise and Light.

Owners of Lots, particularly Owners of Lots in proximity to any clubhouse or maintenance facility, may be exposed to lights, noise or activities resulting from use of the clubhouse for dining and entertainment and use of the parking lot, and the Owners acknowledge, accept and assume the risk of such light, noise or activities.

(f) Maintenance.

Golf Courses require daily maintenance, including mowing, irrigation and grooming, during early morning and evening hours; including without limitation the use of tractors, blowers, pumps, compressors and utility vehicles. Owners of Lots, particularly Owners of Lots in proximity of the Golf Courses, will be exposed to the noise and other effects of such maintenance, and the Owners acknowledge, accept and assume the risk of such noise and effects.

Section 15.03. Golf Courses' Entry.

Neither the Community Association, nor any Owner or Sub-Association shall have any right of entry on to any Golf Courses without the prior written consent of the owner of the Golf Courses. Without limiting the foregoing, no Owner, Resident, or other occupant of a Lot, shall have a

right of access to any portion of the Golf Courses directly from any Lot. Neither the Community Association nor any Owner or Sub-Association may permit any irrigation water to overspray or drain from their Common Area or Lots onto any portion of the Golf Courses, except through storm drainage Improvements. Neither the Community Association nor any Owner or Sub-Association may permit any fertilizer, pesticides or other chemical substances to overspray, drain, flow or be disposed of in any manner upon the Golf Courses. If the Community Association or any Owner or Sub-Association violates the provisions of this subparagraph, they shall be liable to the owner of the Golf Courses for all damages to the turf resulting from their violation.

Section 15.04. No Representations or Warranties.

Ownership or operation of the Golf Courses may change at any time. The consent of the Community Association or any Owner is not required to effect any change in the ownership or operation of the Golf Courses. All Owners are hereby advised that no representations or warranties have been made or are made by the owner of the Golf Courses regarding the continuing existence, ownership or operation of the Golf Courses.

Section 15.05. Right to Use the Golf Courses.

Neither being an Owner of a Lot within the Covered Property nor being a Member of the Community Association confers any ownership interest in or right to use the Golf Courses. See Section 2.05, above.

Section 15.06. Amendment.

The provisions of this Article may not be amended without the written consent of the owner of the Golf Courses.

ARTICLE XVI
Notices

Section 16.01 Mailing Addresses.

Any communication or notice of any kind permitted or required herein shall be in writing and may be served, as an alternative to personal service, by mailing to the address listed. Written communication involving disciplinary action or the potential for disciplinary action shall conform to the provisions of Section 15.05 of the Bylaws – 'Notice Requirements'.

If to any Owner: To the street address of his or her Lot or to such other address as he or she may from time to time designate in writing to the Community Association for purposes of notice.

If to the Community Association: Sun City Lincoln Hills Community Association, at the principal office of the Community Association, or to such other address as the Community Association may from time to time designate in writing to the Owners.

Section 16.02. Personal Service upon Co-Owners and Others.

Personal service of a notice or demand to one of the Co-Owners of any Lot, to any general partner of a partnership which is the Owner of Record of the Lot, or to any officer or agent for service of process of a corporation which is the Owner of Record of the Lot, shall be deemed delivered to all such Co-Owners, to such partnership, or to such corporation, as the case may be.

Section 16.03. Deposit in United States Mail.

All notices and demands served by mail shall be by first-class or certified mail, with postage prepaid, and shall be deemed delivered seventy-two (72) hours after deposit in the United States mail in the County.

ARTICLE XVII
Amendment of Declaration and Termination

Section 17.01. Amendment

This Declaration may be amended or revoked in any respect upon compliance with the following provisions:

(a) Amendments Limited to Conforming Declaration to Mandated Changes in Statutory Law.

Many provisions of this Declaration reflect legal requirements imposed on the Association, its Directors, Officers and Members by the Davis-Stirling Common Interest Development Act, California Civil Code Section 1350 et seq, the Nonprofit Mutual Benefit Corporation Law, California Corporations Code Section 7110, et seq, and other state and federal statutes. In the event that any such statute is amended, revoked or supplemented in a manner which requires a corresponding amendments of this Declaration in order to properly reflect underlying state or federal law, the Board of Directors, upon written advice of legal counsel and after Notification of members, may approve the amendments by an affirmative vote of two-thirds (2/3) of the Directors. Any such amendments shall be recorded and a copy shall be provided to Members with the next mailing to Members.

(b) Member Approval Requirements.

Any amendment, other than stated in 17.01(a), shall be approved by the vote or assent by written ballot of the holders of not less than fifty-one percent (51 %) of the Voting Power of Members.

Notwithstanding the foregoing, the percentage of the Voting Power necessary to amend a specific clause or provision of this Declaration shall not be less than the percentage of affirmative votes prescribed for action to be taken under that clause.

(c) Additional Approvals for Amendments to Particular Provisions:

- (i) Mortgagee Approvals. Mortgagee approvals shall be required to amend any of the provisions described in Section 14.04(b), above.
- (ii) Approval of Golf Courses' Owner. The following provisions of this Declaration may not be amended or repealed without the prior written consent of the owner of the Golf Courses: 1.25, 1.26, 2.04(h), 2.05, 3.06(b)(ii)(E), 5.04, 5.06(e), 6.03, 6.05, 6.11, 6.13, 7.02(a)(v) and (vi), 7.04, 7.05, 7.07, 8.05, 8.12(f), 9.04, 9.06, Article XV, and this Section 17.01(b)(ii).
- (iii) Approval by the City of Lincoln. No amendment to, or repeal of, any provision of Article XVIII of this Declaration may be made without the prior written consent of the City of Lincoln.

- (d) Right of Amendment if Requested by Governmental Mortgage Agency or Federally Chartered Lending Institutions.

Anything in this Article to the contrary notwithstanding, the Board reserves the right to amend all or any part of this Declaration to such an extent and with such language as may be requested by Governmental Mortgage Agencies which require such an amendment as a condition precedent to such agency's approval of this Declaration, or by any federally chartered lending institution as a condition precedent to lending funds upon the security of any Lot(s) or Parcel(s) or any portions thereof. Any such amendment shall be effectuated by the recordation, by the Association of a Certificate of Amendment duly signed by or on behalf of the authorized agents, or authorized officers of the Association as applicable, with their signatures acknowledged, specifying the Governmental Mortgage Agency, or the federally chartered lending institution requesting the amendment and setting forth the amendatory language requested by such agency or institution. Recordation of such a Certificate shall be deemed conclusive proof of the agency's or institution's request for such an amendment, and such Certificate, when recorded, shall be binding upon all of Sun City Lincoln Hills and all persons having an interest therein.

- (e) Right of Amendment if Requested by City of Lincoln.

Anything in this Article to the contrary notwithstanding, the Board reserves the right to amend all or any part of Article XVIII, below, to such an extent and with such language as may be requested by the City of Lincoln to reflect a modification of the Development Agreement which requires a conforming amendment hereto as set forth in Article XVIII, below. Any such amendment shall be effectuated by the recordation by the Association of a Certificate of Amendment duly signed by or on behalf of the authorized agents, or authorized officers of the Association, as applicable, with their signatures acknowledged, specifying that the City of Lincoln requested the amendment and setting forth the amendatory language requested by the City. Recordation of such a Certificate shall be deemed conclusive proof of the City's request for such an amendment, and such Certificate, when recorded, shall be binding upon all of Sun City Lincoln Hills and all persons having an interest therein.

Section 17.02. Effective Date of Amendment.

The amendment will be effective upon the Recording of a Certificate of Amendment, duly executed and certified by the President and Secretary of the Community Association setting forth in full the amendment so approved and that the approval requirements of subsections (a) or (b), above have been duly met. If the consent or approval of any governmental authority, Mortgagee, or other entity is required under this Declaration to amend or revoke any provision of this Declaration, no such amendment or revocation shall become effective unless such consent or approval is obtained. For the purposes of recording such instrument, the President and Secretary of the Association are hereby granted an irrevocable power of attorney to act for and on behalf of each and every Owner in certifying, executing and recording said amendment with the Office of the County Recorder.

Section 17.03. Business and Professions Code Section 11018.7.

All amendments or revocations of this Declaration shall comply with the provision of California Business and Professions Code section 11018.7 to the extent said section is applicable.

Section 17.04. Reliance on Amendments.

Any amendments made in accordance with the terms of this Declaration shall be presumed valid by anyone relying on them in good faith.

Section 17.05. Termination.

This Master Declaration may be terminated at any time if one hundred percent (100 %) of the votes cast by Members shall be cast in favor of termination at an election held for such purpose, subject to the approval of the City of Lincoln. Anything in the foregoing to the contrary notwithstanding, no vote to terminate this Declaration shall be effective unless and until the written consent to such termination has been obtained, within a period from six (6) months prior to such vote, from Eligible Holders pursuant to the provisions of Article XIV, above. If the necessary votes and consents are obtained, the Board shall cause to be recorded with the County Recorder of Placer County, California, a Certificate of Termination, duly signed by the President or Vice President and attested by the Secretary or Assistant Secretary of the Community Association, with their signatures acknowledged. Thereupon these covenants shall have no further force and effect, and the Community Association shall be dissolved pursuant to the terms set forth in its Articles.

ARTICLE XVIII
Compliance with City of Lincoln Requirements

Section 18.01. Maintenance Agreement with City.

As provided in the Development Agreement, the Community Association shall enter into an agreement with the City for the maintenance of certain areas within Sun City Lincoln Hills ("Maintenance Agreement"). The Maintenance Agreement shall provide, at a minimum that the Community Association is responsible for:

(a) Park Sites and Open Space.

Except for the Open Space 147 and the McBean Park Expansion, the Community Association shall maintain, or provide for the maintenance of, the park sites and open space areas located within Sun City Lincoln Hills, irrespective of whether such park sites or open space areas are owned by the City or the Community Association.

(b) Street Lights.

The Community Association shall maintain, or provide for the maintenance of, the street lights within Sun City Lincoln Hills.

(c) Landscape Medians and Corridors.

Except for those landscape corridors excepted in Section 3.1.8 of the Development Agreement, the Community Association shall maintain, or provide for the maintenance of, landscape medians and corridors shown in, and in accordance with, the General Development Plan for Del Webb Lincoln.

(d) Drainage Facilities.

As required by the Development Agreement, maintenance of both the Ingram Slough channel improvements contained within Sun City Lincoln Hills and the Orchard Creek detention basins shall be the responsibility of the Community Association as further described in the Maintenance Agreement.

Section 18.02. Best Management Practices.

The Community Association shall have the responsibility to maintain the drainage facilities referenced in Section 18.01, above, and otherwise use Best Management Practices in accordance with the Storm Water Pollution Prevention and Monitoring Plan approved by the State of California Regional Water Quality Control Board. The City shall have backup maintenance rights with a reimbursement provision as set forth in Section 18.03, below.

Section 18.03. Backup Maintenance.

As provided for in Sections 7.01(e) and (f), above, and as to maintenance responsibilities referenced in the Development Agreement and in this Article XVIII, the City shall have backup maintenance rights, but not an obligation, with respect to park sites, wetland mitigation areas,

street lights, and landscape medians and corridors. In the event the City elects to perform such maintenance, the City is entitled to reimbursement by the Community Association of one hundred fifteen percent (115%) of its actual costs incurred to perform such work. A reasonable notice by the City to the Community Association of its maintenance responsibilities and a reasonable time by the Community Association to perform such maintenance shall be described in the Maintenance Agreement.

Section 18.04. City Hall Kiosk.

The Community Association will maintain, within the main Recreation Center of Sun City Lincoln Hills, a kiosk or counter location, which the City of Lincoln may use to distribute information to Members and which will include a drop box, which Members may use to make utility payments to the City.

Section 18.05. Indemnification of City and Waiver of Claims.

As required in the Development Agreement, the Community Association shall defend, indemnify and hold the City and its elected council and appointed commissions, officers, agents and employees harmless from and against all liability, (including attorneys' fees and costs), damages or claims for damage for personal injury, (death) and claims for property damage which may arise from the following:

- (a) Any act or omission of the Community Association, its successors in interest or their agents, employees, contractors or subcontractors pursuant to the Development Agreement related to property owned or maintained by the Community Association.
- (b) The maintenance, lack of maintenance or the condition of any property which the Community Association is required to maintain by the Development Agreement and the Maintenance Agreement as described in this Article XVIII, including park areas, medians, landscape corridors and drainage areas.
- (c) The City, its elected or appointed officers, officials, employees, agents and volunteers are to be covered as additional insureds on the general liability insurance policy described in Article X, Section 10.01(b), above, with respect to liability arising out of the maintenance described in this Article XVIII or in the Maintenance Agreement.

Further:

- (i) The Community Association's insurance shall be considered primary insurance as respects to this Section 18.05. Any insurance maintained by the City, including any self-insured retention the City may have, shall be considered excess only and shall not contribute with it.
- (ii) The insurer shall waive all rights as subrogation against the City, its elected or appointed officers, officials, employees or agents.
- (iii) The Community Association shall provide certificate(s) of insurance with original endorsements to City as evidence of the insurance coverage required herein. Certificates of such insurance shall be filed with the City on or before

commencement of performance of any maintenance described in the Maintenance Agreement. Current certification of insurance shall be kept on file with the City at all times during the term of the Maintenance Agreement.

Section 18.06. Extent of Obligations.

Notwithstanding anything to the contrary in this Declaration, and consistent with the Development Agreement, the covenants set forth in this Article XVIII are obligations of the Association, but are not otherwise binding on the Owners of Lots.

ARTICLE XIX
General Provisions

Section 19.01. Term.

The Covenants, Conditions and Restrictions, limitations, reservations, grants of easement, rights, rights-of-way, liens, charges and equitable servitudes contained in this Declaration shall run with, and shall benefit and burden the Lots and the Common Area as herein provided, and shall inure to the benefit of and be binding upon the Owners, the Community Association, its Board of Directors, and its officers and agents, and their respective successors in interest, for the term of sixty (60) years from the date of the recording of this Declaration. After the expiration of the initial term, the same shall be automatically extended for successive periods of ten (10) years each unless, within six (6) months prior to the expiration of the initial sixty (60) year term or any such ten (10) year extension period, a written instrument, approved by Owners entitled to vote and holding at least a majority of the voting power of the Community Association terminating the effectiveness of this Declaration, is Recorded.

Section 19.02. Construction.

(a) Restrictions Construed Together.

All of the Covenants, Conditions and Restrictions of this Declaration shall be liberally construed together to promote and effectuate the fundamental concepts of the development of the Covered Property as set forth in the Recitals of this Declaration. Failure to enforce any provision hereof shall not constitute a waiver of the right to enforce that provision in a subsequent application or any other provision hereof.

(b) Restrictions Severable.

Notwithstanding the provisions of subparagraph (a) above, the Covenants, Conditions and Restrictions of this Declaration shall be deemed independent and severable, and the invalidity or partial invalidity of any provision or portion thereof shall not affect the validity or enforceability of any other provision.

(c) Singular Includes Plural.

The singular shall include the plural and the plural the singular unless the context requires the contrary, and the masculine, feminine or neuter shall each include the masculine, feminine and neuter, as the context requires.

(d) Captions.

All captions or titles used in this Declaration are intended solely for convenience of reference and shall not affect the interpretation or application of that which is set forth in any of the terms or provisions of the Declaration.

(e) Exhibits.

All exhibits referred to herein are deemed to be incorporated herein by reference, whether or not actually attached.

(f) References to the Community Association.

Any reference in this Declaration to the Community Association shall include any successors or assignees of such entity's rights and powers hereunder.

Section 19.03. Rule against Perpetuities.

If any interest purported to be created by this Declaration is challenged under the Rule against Perpetuities or any related rule of law, the interest shall be construed as becoming void and of no effect as of the end of the applicable period of perpetuities computed from the date when the period of perpetuities starts to run on the challenged interest; the "lives in being" for computing the period of perpetuities shall be:

- (a) those which would be used in determining the validity of the challenged interest; plus
- (b) those of the issue of the Board who are living at the time the period of perpetuities starts to run on the challenged interest.

Section 19.04. Change of Circumstances.

No change of conditions or circumstances shall operate to extinguish, terminate or modify any of the provisions of this Declaration.

Section 19.05. References to the Covenants in Deeds.

Deeds to and instruments affecting any Lot may contain the covenants set forth in this Declaration or may incorporate this Declaration by reference; but regardless of whether any such reference is made in any deed or instrument, this Declaration shall run with the land, and be binding upon the grantee-Owner or other person claiming through any instrument and his/her heirs, executors, administrators, successors and assigns.

IN WITNESS WHEREOF, Sun City Lincoln Hills Community Association, A California Mutual Benefit Corporation, has executed this Declaration as of

SUN CITY LINCOLN HILLS
COMMUNITY ASSOCIATION
a California Mutual Benefit Corporation

By:

Its:

LIST OF EXHIBITS

- | | |
|-------------|--|
| Exhibit "A" | Initial Covered Property |
| Exhibit "B" | Description of Common Area Property |
| Exhibit "C" | Description of Preserve (Open Space) Areas |

EXHIBIT "A"
Initial Covered Property

Phase 1

All that certain real property situated in the City of Lincoln, County of Placer, State of California, described as follows:

Lots 1 through 99, inclusive, and Lots "A", "B" and 109 as shown on that certain map entitled "Plat of Sun City Lincoln Hills Village 14", which map was filed for record in the Office of the Placer County Recorder on December 3, 1998, in Book "V" of Maps, at Page 8.

Lots 1 through 112, inclusive, and Lots "A" and "B" as shown on that certain map entitled "Plat of Sun City Lincoln Hills Village 15", which map was filed for record in the Office of the Placer County Recorder on December 3, 1998, in Book "V" of Maps at Page 9.

Lots 1 through 173, inclusive, and Lots "A" and "B" as shown on that certain map entitled "Plat of Sun City Lincoln Hills Village 16", which map was filed for record in the Office of the Placer County Recorder on December 3, 1998, in Book "V" of Maps, at Page 10.

Lots 68 and 92 as shown on that certain map entitled "Final Map of Sun City Lincoln Hills, Phase 1 - Large Lot Subdivision" recorded on November 10, 1998 in Book "V" of Maps at Page 4.

Phase 2

Lots 1 through 69, inclusive, and Lots "A" and "B" as shown on the certain map entitled "Sun City Roseville Village 28" which map was filed for record in the Office of the Placer County Recorder June 4, 1999, Book "V" of Maps, at Page 50.

Lots 1 through 81, inclusive, and Lot "A" as shown on that certain map entitled "Sun City Roseville Village 29" which map was filed for record in the Office of Placer County Recorder June 4, 1999, Book "V" of Maps, at Page 51.

Phase 3

Lots 1 through 46, inclusive, as shown on that certain map entitled "Plat of Sun City Lincoln Hills Village 12" which map was filed for record in the Office of the Placer County Recorder June 29, 1999, in Book "V" of Maps, at Page 60.

Lots 1 through 20, inclusive, as shown on that certain map entitled "Plat of Sun City Lincoln Hills Village 27", which Map was filed for record in the Office of the Placer County Recorder June 25, 1999, in Book "V" of Maps, at Page 58.

Lots 1 through 406, inclusive, as shown on that certain map entitled "Plat of Sun City Lincoln Hills Village 30", which map was filed for record in the Office of the Placer County Recorder July 29, 1999, in Book "V" of Maps, at Page 65.

Lots "A" and "B" as shown on that certain map entitled Plat of Sun City Lincoln Hills, Village 27", which map was filed for record in the Office of the Placer County Recorder June 25, 1999, in Book "V" of Maps, at Page 58.

Lots "A", "B" and "C" as shown on that certain map entitled "Plat of Sun City Lincoln Hills Village 30", which map was filed for record in the Office of the Placer County Recorder July 29, 1999, in Book "V" of Maps, at Page 65, as modified by Lot Line Adjustments recorded February 24, 2000, Series Numbers 2000-11627, 2000-11628, and 2000-11629 as further described in Exhibits B, C and D attached hereto.

Phase 4

Lots 1 through 325, inclusive, and Lots "A", "B" and "C", as shown on that certain map entitled "Plat of Sun City Lincoln Hills Village 19", which map was filed for record in the office of the Placer County Recorder February 18, 2000, in Book "W" of Maps, at Page 19, and Lots 64a and 66a as shown on the certain map entitled "Sun City Lincoln Hills Phase 1 - Large Lot Subdivision", which map was filed for record in the office of the Placer County Recorder November 10, 1998 in Book "V" of Maps, Page 4.

Phase 5

Lots 1 through 65, inclusive, and Lots "A", "B" and "C", as shown on that certain map entitled "Plat of Sun City Lincoln Hills Village 8", which map was filed for record in the Office of the Placer County Recorder August 10, 1999, in Book "V" of Maps, at Page 71, and Lots 102, 103, 104, 108, 114, 115 and 118 as shown on that certain map entitled "Sun City Lincoln Hills Phase 1 - Large Lot Subdivision", which map was filed for record in the office of the Placer County Recorder November 10, 1998 in Book "V" of Maps, Page 4.

Phase 6

Lots 1 through 54, inclusive, and Lots "A", "B", and "C", as shown on that certain map entitled Plat of Sun City Lincoln Hills Village 7", which map was filed for record in the Office of the Placer County Recorder June 23, 2000, in Book "W" of Maps, at Page 39.

Phase 7

Lots 1 through 86, inclusive, and Lots "A", "B", "C", "D", "E" and "F", as shown that certain map entitled "Plat of Sun City Lincoln Hills Village 9", which map was filed for record in the Office of the Placer County Recorder June 23, 2000, in Book "W" of Maps, at Page 40.

Phase 8

Lots 1 through 171, inclusive, and Lots "A", "B", "C" and "D" as shown on that certain map entitled "Plat of Sun City Lincoln Hills Village 20", which map was filed for record in the Office of the Placer County Recorder September 1, 2000, in Book "W" of Maps, at Page 56.

Phase 9

Lots 1 through 132, inclusive, and Lot "A" as shown on that certain map entitled "Plat of Sun City Lincoln Hills Village 39", which map was filed for record in the Office of the Placer County Recorder September 1, 2000, in Book "W" of Maps, at Page 57.

Phase 10

Lots 1 through 12, inclusive, and Lots "A", "B", "C" and "D" as shown on that certain map entitled "Plat of Sun City Lincoln Hills Village 18D", which map was filed for record in the Office of the Placer County Recorder October 31, 2000, in Book "W" of Maps, at Page 82.

Phase 11

Lot 1 through 173, inclusive, and common area Lot "A" as shown on that certain map entitled "Plat of Sun City Lincoln Hills Village 38D", which map was filed for record in the Office of the Placer County Recorder March 9, 2001, in Book "X" of Maps, at Page 11.

Phase 12

Lots 1 through 46, inclusive, and common area Lots "A" and "B" as shown on that certain map entitled "Plat of Sun city Lincoln Hills Village 13", which map was filed for record in the Office of the Placer County Recorder June 25, 1999, in Book "V" of Maps, at Page 56.

Phase 13

Lots 1 through 145, inclusive, and common area Lot "A" as shown on that certain map entitled "Plat of Sun City Lincoln Hills Village 21, which map was filed for record in the Office of the Placer County Recorder December 18, 2000, in Book "W" of Maps, at Page 99.

Phase 14

Lots 1 through 45, inclusive, as shown on that certain map entitled "Plat of Sun City Lincoln Hills Village 23", which map was filed for record in the Office of the Placer County Recorder December 18, 2000, in Book "W" of Maps, at Page 101, and Lots "C", "D" and "E" as shown on that certain map entitled "Sun City Lincoln Hills Phase 4 - Large Lot Subdivision", which map was filed for record in the office of the Placer County Recorder September 1, 2000 in Book "W" of Maps, Page 55.

All that certain real property situate in a portion of Lot "B", as shown on the Final Map of "Sun City Lincoln Hills Phase 4 - Large Lot Subdivision" as filed for record in Book "W" of Maps, at Page 55 of the Records of the Placer County.

Phase 15

Lots 1 through 109, inclusive, and common area Lot "C", as shown on that certain map entitled "Plat of Sun City Lincoln Hills Village 22A", which map was filed for record in the Office of the Placer County Recorder December 18, 2000, in Book "W" of Maps at Page 100.

Phase 16

Lots 1 through 47, inclusive, and common area Lots "A" and "B", as shown on that certain map entitled "Plat of Sun City Lincoln Hills Village 31A", which map was filed for record in the Office of the Placer County Recorder May 15, 2001, in Book "X" of Maps, at Page 19.

Phase 17

Lots 1 through 67, inclusive, and common area Lots "A" and "B", as shown on that certain map entitled "Plat of Sun City Lincoln Hills Village 31B", which map was filed for record in the Office of the Placer County Recorder July 6, 2001, in Book "X" of Maps, at Page 31.

Phase 18

Lots 110 through 261, inclusive, and common area Lots "A", "B" and "C" as shown on that certain map entitled "Plat of Sun City Lincoln Hills Village 22B", which map was filed for record in the Office of the Placer County Recorder July 6, 2001, in Book "X" of Maps, at Page 30.

Phase 19

Lots 1 through 201, inclusive, and common area Lots "A", "B", "C" and "D" as shown on that certain map entitled "Plat of Sun City Lincoln Hills Village 40", which map was filed for record in the Office of the Placer County Recorder September 26, 2001, in Book "X" of Maps, at Page 69.

Phase 20

Lots 1 through 40, inclusive, and common area Lots "A" and "B" as shown on that certain map entitled "Plat of Sun City Lincoln Hills Village 6", which map was filed for record in the Office of the Placer County Recorder September 20, 2001, in Book "X" of Maps, at Page 66.

Phase 21

Lots 1 through 42, inclusive, and common area Lots "A" and "B" as shown on that certain map entitled "Plat of Sun City Lincoln Hills Village 11", which map was filed for record in the Office of the Placer County Recorder August 14, 2001, in Book "X" of Maps, at Page 57.

Phase 22

Lots 1 through 130, inclusive, and common area Lots "A", "B" and "C" as shown on that certain map entitled "Plat of Sun City Lincoln Hills Village 38B", which map was filed for record in the Offices of the Placer County Recorder October 22, 2001, in Book "X" of Maps, at Page 73.

Phase 23

Lots 28 through 38, inclusive, Lots 44 through 47, inclusive, and Lots 49 through 52, inclusive, as shown on that certain map entitled "Plat of Sun City Lincoln Hills Village 18", which map was filed for record in the Office of the Placer County Recorder June 25, 1999 in Book "V" of Maps at Page 57.

Phase 24

Lots 2 through 14, inclusive, and Lot "C" as shown on that certain map entitled "Final Map No. 2002-58 Sun City Lincoln Hills Village 18E", which map was filed for record in the Office of the Placer County Recorder May 16, 2002, in Book "Y" of Maps, at Page 12.

Phase 25

Lots 1 through 166, inclusive, and Lots "A" and "B" as shown on that certain map entitled "Plat of Sun City Lincoln Hills Village 31C", which map was filed for record in the Office of the Placer County Recorder November 16, 2001, in Book "X" of Maps, at Page 82.

Phase 26

Lots 1 through 102, inclusive, and Lot "B" as shown on that certain map entitled "Plat of Sun City Lincoln Hills Village 38C", which map was filed for record in the Office of Placer County Recorder December 7, 2001, in Book "X" of Maps, at Page 88.

Phase 27

Lots 1 through 89, inclusive, and Lots "A", "B" and "C" as shown on that certain map entitled "Plat of Sun City Lincoln Hills Village 26B", which map was filed for record in the Office of the Placer County Recorder August 23, 2002, in Book "Y" of Maps, at Page 27.

Phase 28

Lots 1 through 117, inclusive, and Lots "A", "B" and "C" as shown on that certain map entitled "Plat of Sun City Lincoln Hills Village 5A", which map was filed for record in the Office of the Placer County Recorder October 18, 2002, in Book "Y" of Maps, at Page 42.

Phase 29

Lots 1 through 85, inclusive, and Lots "A" and "B" as shown that certain map entitled "Plat of Sun City Lincoln Hills Village 38A", which map was filed for record in the Office of the Placer County Recorder July 25, 2002, in Book "Y" of Maps, at Page 25, and Lot "A" as shown on that certain map entitled "Plat of Sun City Lincoln Hills Village 38C", which map was filed for record in the Office of the Placer County Recorder December 7, 2001, in Book "X" of Maps, at Page 88.

Phase 30

Lots 1 through 162, inclusive, and Lots "A", "B" and "200" as shown on that certain map entitled "Final Map No. 2002-139, Sun City Lincoln Hills Village 26C, which map was filed for record in the Office of the Placer County Recorder October 23, 2002, in Book "Y" of Maps, at Page 45.

Phase 31

Lots 1 through 92, inclusive, and Lots "A", "B" and "C" as shown on that certain map entitled "Final Map No. 2002-160, Sun City Lincoln Hills Village 24A", which map was filed for record in the Office of the Placer County Recorder November 19, 2002, Book "Y" of Maps, at Page 49.

Phase 32

Lots 1 through 60, inclusive, and Lot "A" as shown on that certain map entitled "Final Map No. 2002-171, Sun City Lincoln Hills Village 26A", which map was filed for record in the office of the Placer County Recorder November 27, 2002, in Book "Y" of Maps, at Page 53.

Phase 33

Lots 118 through 174, inclusive, and Lot "A" as shown on that certain map entitled "Final Map No. 2003-21, Sun City Lincoln Hills Village 5B, which map was filed for record in the Office of the Placer County Recorder February 27, 2003, in Book "Y" of Maps, at Page 73.

Phase 34

Lots 1 through 69, inclusive, and common area Lots "A" and "B" as shown on that certain map entitled "Final Map No. 2002-172, Sun City Lincoln Hills Village 37, which map was filed for record in the Office of the Placer County Recorder November 27, 2002, in Book "Y" of Maps, at Page 52.

Phase 35

Lots 1 through 89, inclusive, and common area Lot "A" as shown on that certain map entitled "Final Map No. 2002-188, Sun City Lincoln Hills Village 24B", which map was filed for record in the Office of the Placer County Recorder December 23, 2002, in Book "Y" of Maps, at Page 62.

Phase 36

Lots 1 through 26, inclusive, as shown on that certain map entitled "Final Map No. 2003-30, Sun City Lincoln Hills Village 24E, which map was filed for record in the Office of the Placer County Recorder March 12, 2003, in Book "Y" of Maps, at Page 75.

Phase 37

Lots 1 through 161, inclusive, and common area Lots "A" and "B" as shown on that certain map entitled "Final Map No. 2003-42, Sun City Lincoln Hills Village 2", which map was filed for record in the Office of the Placer County Recorder March 24, 2003, in Book "Y" of Maps, at Page 76.

Lot "D" as shown on that certain map entitled "Final Map No. 2003-21, Sun City Lincoln Hills Village 5B", which map was filed for record in the Office of the Placer County Recorder February 27, 2003, in Book "Y" of Maps, at Page 73.

Phase 38

Lots 1 through 129, inclusive, and common area Lots "A", "B" and "C" as shown on that certain map entitled "Final Map No. 2003-74, Sun City Lincoln Hills Village 36", which map was filed for record in the Office of the Placer County Recorder July 2, 2003, in Book "Z" of Maps, at Page 4.

Phase 39

Lots 1 through 22, inclusive, as shown on that certain map entitled "Final Map No. 2003-60, Sun City Lincoln Hills Village 26D", which map was filed for record in the Office of the Placer County Recorder May 20, 2003, in Book "Y" of Maps, at Page 88.

Phase 40

Lots 1 through 99, inclusive, and common area Lots "A", "B" and "C" as shown on that certain map entitled "Final Map No. 2003-94, Sun City Lincoln Hills Village 33", which map was filed for record in the Office of the Placer County Recorder August 26, 2003, in Book "Z" of Maps, at Page 26.

Phase 41

Lots 1 through 234, inclusive, and common area Lots "A", "B" and "C" as shown on that certain map entitled "Sun City Lincoln Hills Village 10", which map was filed for record in the Office of the Placer County Recorder August 27, 2003, in Book "Z" of Maps, at Page 27.

Phase 42

Lots 1 through 20, inclusive, and common area Lots "A", "B" and "C" as shown on that certain map entitled "Final Map No. 2003-32, Sun City Lincoln Hills Village 17", which map was filed for record in the Office of the Placer County Recorder March 12, 2003, in Book "Y" of Maps, at Page 74.

Phase 43

Lots 1 through 115, inclusive, and common area Lots "A", "B" and "C" as shown on that certain map entitled "Sun City Lincoln Hills Village 4", which map was filed for record in the Office of the Placer County Recorder November 14, 2003, in Book "Z" of Maps, at Page 39.

Common area Lot "A" as shown on that certain map entitled "Final Map No. 2003-60, Sun City Lincoln Hills Village 26D", which map was filed for record in the Office of the Placer County Recorder May 20, 2003, in Book "Y" of Maps, at Page 88.

Common area Lot "E" as shown on that certain map entitled "Sun City Lincoln Hills Village 33", which map was filed for record in the Office of the Placer County Recorder August 26, 2003, in Book "Z" of Maps, at Page 26.

Common area Lot "D" as shown on that certain map entitled "Sun City Lincoln Hills Village 10", which map was filed for record in the Office of the Placer County Recorder August 27, 2003, in Book "Z" of Maps, at Page 27.

Phase 44

Lots 1 through 101, inclusive, and common area Lot "A" as shown on that certain map entitled "Sun City Lincoln Hills Village 24C", which map was filed for record in the Office of the Placer County Recorder October 23, 2003, in Book "Z" of Maps, at Page 34.

Phase 45

Lots 1 through 41, inclusive, and common area Lots "A" and "B" as shown on that certain map entitled "Final Map No. 2003-214, Sun City Lincoln Hills Village 1A", which map was filed for record in the Office of the Placer County Recorder December 22, 2003, in Book "Z" of Maps, at Page 53.

Phase 46

Lots 1 through 36, inclusive, and common area Lots "A" and "B" as shown on that certain map entitled "Final Map No. 2003-239, Sun City Lincoln Hills Village 1B", which map was filed for record in the Office of the Placer County Recorder December 22, 2003, in Book "Z" of Maps, at Page 54.

Phase 47

Lots 1 through 62, inclusive, as shown on that certain map entitled "Final Map No. 2003-202, Sun City Lincoln Hills Village 24D", which map was filed for record in the Office of the Placer County Recorder December 21, 2003, in Book "Z" of Maps, at Page 40.

Common area Lot "C" as shown on that certain map entitled "Final Map No. 2003-171, Sun City Lincoln Hills Village 24C", which map was filed for record in the Office of the Placer County Recorder October 23, 2003, in Book "Z" of Maps, at Page 34.

Phase 48

Lots 1 through 93, inclusive, as shown on that certain map entitled "Final Map No. 2003-216, Sun City Lincoln Hills Village 34A", which map was filed for record in the Office of the Placer County Recorder December 22, 2003, in Book "Z" of Maps, at Page 52.

Common area Lot "A" as shown on that certain map entitled "Final Map No. 2003-215, Sun City Lincoln Hills Village 3A", which map was filed for record in the Office of the Placer County Recorder December 3, 2003, in Book "Z" of Maps, at Page 46.

Lot B as shown on that certain map entitled "Sun City Lincoln Hills Village 42A, which map was filed for record in the Office of the Placer County Recorder October 7, 2004, in Book "Z" of Maps at Page 95.

Phase 49

Lots 1 through 68, inclusive, and common area Lots "A" and "B" as shown on that certain map entitled "Sun City Lincoln Hills Village 32A", which map was filed for record in the Office of the Placer County Recorder April 7, 2004, in Book "Z" of Maps, at Page 62.

Phase 50

Lots 1 through 56, inclusive, and common area Lots "D" and "E", as shown on that certain map entitled "Final Map No. 2003-215, Sun City Lincoln Hills Village 3A", which map was filed for record in the Office of the Placer County Recorder on December 3, 2003, in Book "Z" of Maps, at Page 46, as modified by Certificate of Correction Recorder in the Office of the Placer County Recorder on December 19, 2003 as Document No. 2003-0209095.

Phase 51

Lots 1 through 89, inclusive, and common area Lot "A" as shown on that certain map entitled "Sun City Lincoln Hills Village 25B", which map was filed for record in the Office of the Placer County Recorder April 7, 2004, in Book "Z" of Maps, at Page 64.

Phase 52

Lots 69 through 137, inclusive, and common area Lot "A" as shown on that certain map entitled "Final Map No. 2004-50, Sun City Lincoln Hills Village 32B", which map was filed for record in the Office of the Placer County Recorder April 7, 2004, in Book "Z" of Maps, at Page 63.

Common area Lot "48" as shown on that certain map entitled "Plat of Sun City Lincoln Hills Village 18", which map was filed for record in the Office of the Placer County Recorder June 25, 1999, in Book "V" of Maps, at Page 57.

Phase 53

Lots 1 through 103, inclusive, as shown on that certain map entitled "Final Map No. 2004-99, Sun City Lincoln Hills Village 35A", which map was filed for record in the Office of the Placer County Recorder June 15, 2004, in Book "Z" of Maps, at Page 77.

Phase 54

Lots 90 through 150, inclusive, and common area Lots "B", "C" and "D" as shown on that certain map entitled "Final Map No. 2004-110, Sun City Lincoln Hills Village 25A", which map was filed for record in the Office of the Placer County Recorder June 18, 2004, in Book "Z" of Maps, at Page 79.

Phase 55

Lots 1 through 86, inclusive, and common area Lots "A" and "B" as shown on that certain map entitled "Final Map No. 2004-1006, Sun City Lincoln Hills Village 35B", which map was filed for record in the Office of the Placer County Recorder June 15, 2004, in Book "Z" of Maps, at Page 78.

Phase 56

Lots 1 through 107, inclusive, and common area Lot "A" as shown on that certain map entitled "Sun City Lincoln Hills Village 42A", which map was filed for record in the Office of the Placer County Recorder October 7, 2004, in Book "Z" of Maps, at Page 95.

Phase 57

Lots 1 through 85, inclusive, as shown on that certain map entitled "Sun City Lincoln Hills Village 3B", which map was filed for record in the Office of the Placer County Recorder December 23, 2003, in Book "Z" of Maps, at Page 55.

Lot "108A" as shown on that certain map entitled "Sun City Lincoln Hills Village 4", which map was file for record in the Office of the Placer County Recorder on November 14, 2003, in Book "Z" of Maps, at Page 39.

Lot "108B" as shown on that certain map entitled "Sun City Lincoln Hills Village 9", which map was filed for record in the Office of the Placer County Recorder on June 23, 2000, in Book "W" of Maps, at Page 40.

Lot "A" as shown on that certain map entitled "Sun City Lincoln Hills Village 35A", which map was filed for record in the Office of the Placer County Recorder on June 15, 2004, in Book "Z" of Maps, at Page 77.

Lot "F" as shown on that certain map entitled "Sun City Lincoln Hills Village 36", which map was filed for record in the Office of the Placer County Recorder on July 2, 2003, in Book "Z" of Maps, at Page 4.

Phase 58

Lots 1 through 63, inclusive, and common area Lots "A" and "B" as shown on that certain map entitled "Sun City Lincoln Hills Village 34B", which map was filed for record in the Office of the Placer County Recorder November 8, 2004, in "AA" of Maps, at Page 8.

Phase 59

Lots 1 through 37, inclusive, as shown on that certain map entitled "Sun City Lincoln Hills Village 42B", which map was filed for record in the Office of the Placer County Recorder October 7, 2004, in Book "Z" of Maps, at Page 96.

Common area Lot 70A as shown on that certain map entitled "Sun City Lincoln Hills Phase 1 Large Lot Subdivision", which map was filed for record in the office of the Placer County Recorder November 10, 1998 in Book "V" of Maps, Page 4.

Phase 60

Lots 1 through 6, inclusive, as shown on that certain map entitled "Sun City Lincoln Hills Village 43A", which map was filed for record in the Office of the Placer County Recorder October 8, 2004, in Book "Z" of Maps, at Page 100.

Lots 1 through 65, inclusive, and common area Lots "A", "B" and "C", as shown on that certain map entitled "Sun City Lincoln Hills Village 43B", which map was filed for record in the Office of the Placer County Recorder October 8, 2004, in Book "Z" of Maps, at Page 99.

Phase 61

Lots 1 through 40, inclusive, and Lots "B", "D" and "E" as shown on that certain map entitled "Final Map No. 2005-56, Sun City Lincoln Hills Village 43C", which map was filed for record in the Office of the Placer County Recorder March 24, 2005, in Book "AA" of Maps, at Page 25.

Lots "A", "C" and "F" as shown on that certain map entitled "Final Map No. 2005-56, Sun City Lincoln Hills Village 43C", which map was filed for record in the Office of the Placer County Recorder March 24, 2005, in Book "AA" of Maps, at Page 25 and pursuant to boundary line adjustment recorded October 31, 2006 as Document No. 2006-0116558 in Placer County records.

Phase 62

Lots 1 through 141, inclusive, and common area Lots "A" and "B", as shown on that certain map entitled "Final Map No. 2004-227, Sun City Lincoln Hills Village 41A", which map was filed for record in the Office of the Placer County Recorder December 2, 2004, in Book "AA" of Maps, at Page 13.

Phase 63

Common area Lot "C", as shown on that certain map entitled "Final Map No. 2002-58, Sun City Lincoln Hills Village 18E", which map was filed for record in the Office of the Placer County Recorder May 16, 2002, in Book "Y" of Maps at Page 12.

Lots 1 through 6, inclusive, and Lots 11 through 20, inclusive, and common area Lots "A", "E" and "F", as shown on that certain map entitled "Final Map No. 2002-146, Sun City Lincoln Hills Village 18G", which map was filed for record in the Office of the Placer County Recorder November 14, 2002, in Book "Y" of Maps, at Page 47.

Phase 64

Lot 39 as shown on that certain map entitled "Sun City Lincoln Hills Village 18", which map was filed for record in the Office of the Placer County Recorder June 25, 1999, in Book "V" of Maps at Page 57.

Lots 1 and Lots 15 through 20, inclusive, as shown on that certain map entitled "Final Map No. 2002-58, Sun City Lincoln Hills Village 18E", which map was filed for record in the Office of the Placer County Recorder May 16, 2002, in Book "Y" of Maps, at Page 12.

Lots 7 through 10, inclusive, as shown on that certain map entitled "Final Map No. 2002-146, Sun City Lincoln Hills Village 18G", which map was filed for record in the Office of the Placer County Recorder November 14, 2002, in Book "Y" of Maps, at Page 47.

Lot 1 through 6, inclusive, as shown on that certain map entitled "Final Map No. 2004-232, Sun City Lincoln Hills Village 18H", which map was filed for record in the Office of the Placer County Recorder November 24, 2004, in Book "AA" of Maps, at Page 12.

Phase 65

Lots 142 through 229, inclusive, and Lots 237 through 257, inclusive, and common area Lots "A" and "B", as shown on that certain map entitled "Final Map No. 2004-245, Sun City Lincoln Hills Village 41B", which map was filed for record in the Office of the Placer County Recorder December 14, 2004, in Book "AA" of Maps, at Page 15.

Phase 66

Lots 1 through 8, inclusive, as shown on that certain map entitled "Final Map No. 2005-202, Sun City Lincoln Hills Village 41C", which map was filed for record in the Office of the Placer County Recorder October 4, 2005, in Book "AA" of Maps, at Page "57".

Phase 67

Units 1 through 16, inclusive, located within residential Building 1, situated on Association Common Area 1, all as shown on the amended and restated Condominium Plan entitled "Condominium Plan, The Villas at Sun City Lincoln Hills - Resultant Lot "A" ("Plan"), which Plan was recorded on February 9, 2007 as Instrument No. 2007-0014015, in the Office of the County Recorder of Placer County, California.

"Association Common Area 1" as shown on that certain "Condominium Plan, The Villas at Sun City Lincoln Hills - Resultant Lot A" ("A"), which Plan recorded on February 9, 2007, as Instrument No. 20070015015 of Official Records of Placer County.

Phase 68

Units 17 through 32, inclusive, located within residential Building 2, situated on Association Common Area 3, all as shown on the amended and restated Condominium Plan entitled "Condominium Plan, The Villas at Sun City Lincoln Hills - Resultant Lot A" ("Plan"), which Plan was recorded on February 9, 2007 as Instrument No. 2007-0014015, in the Office of Placer County, California.

"Association Common Area 3" as shown on that certain "Condominium Plan, The Villas at Sun City Lincoln Hills - Resultant Lot A" ("A"), which Plan recorded on February 9, 2007, as Instrument No. 20070015015 of Official Records of Placer County.

Phase 69

Units 49 through 64, inclusive, located within residential Building 4, situated on Association Common Area 4, all as shown on the amended and restated Condominium Plan entitled "Condominium Plan, The Villas at Sun City Lincoln Hills - Resultant Lot A" ("Plan"), which Plan was recorded on February 9, 2007 as Instrument No. 2007-0014015, in the Office of Placer County, California.

"Association Common Area 4" as shown on that certain "Condominium Plan, The Villas at Sun City Lincoln Hills - Resultant Lot A" ("A"), which Plan recorded on February 9, 2007, as Instrument No. 20070015015 of Official Records of Placer County.

Phase 70

Units 33 through 48, inclusive, located within residential Building 3, situated on Association Common Area 5, all as shown on the amended and restated Condominium Plan entitled "Condominium Plan, The Villas at Sun City Lincoln Hills - Resultant Lot A" ("Plan"), which Plan was recorded on February 9, 2007 as Instrument No. 2007-0014015, in the Office of Placer County, California.

"Association Common Area 5" as shown on that certain "Condominium Plan, The Villas at Sun City Lincoln Hills - Resultant Lot A" ("A"), which Plan recorded on February 9, 2007, as Instrument No. 20070015015 of Official Records of Placer County.

Phase 71

Units 65 through 80, inclusive, located within residential Building 5, situated on Association Common Area 2, all as shown on the amended and restated Condominium Plan entitled "Condominium Plan, The Villas at Sun City Lincoln Hills - Resultant Lot A" ("Plan"), which Plan was recorded on February 9, 2007 as Instrument No. 2007-0014015, in the Office of Placer County, California.

Additional Common Area Lots

All that certain real property situated in the City on Lincoln, the County of Placer, State of California, more particularly described as follows:

Lot 18C, 42C and 42D as shown on that plat of "Sun City Lincoln Hills Phase 1 - Large Subdivision," filed for record on November 10, 1998, in Book "V" of Maps, at Page 4, Placer County Records.

APN: 330-015-003-000; 330-015-006-000; 330-015-007-000

Lot B, as shown on that plat of "Sun City Lincoln Hills Village 24C, filed for record on October 23, 2003 in Book "Z" of Maps at Page 34, Placer County Records.

APN: 330-017-019-000

Lot 111, as shown on the plat of "Sun City Lincoln Hills Phase 5 - Large Subdivision," filed for record on December 18, 2000 in Book "W" of Maps, at Page 98, Placer County Records.

APN 330-018-001; 330-018-002; 330-018-003; 330-018-004; 330-018-005;

Lot 112A, as shown on the plat of "Sun City Lincoln Hills Village 22B," filed for record on July 6, 2001 in Book "X" of Maps, at Page 30, Placer County Records.

APN: 330-018-006-000; 330-018-007-000; 330-018-008-000; 330-018-009-000; 330-018-010 000; 330-018-011-000; 330-018-012-000;

Lot 104A, as shown on the plat of "Sun City Lincoln Hills Village 12A," filed for record on October 31, 2000 in Book "W" of Maps, at Page 81, Placer County Records.

APN: 330-120-041-000; 330-120-042-000

Lot 110, as shown on the plat of "Sun City Lincoln Hills Village 12A," filed for record on October 31, 2000 in Book "W" of Maps, at Page 81, Placer County Records.

APN: 330-130-007-000; 330-130-010-000

Lot F, as shown on the plat of "Sun City Lincoln Hills Village 19," filed for record on February 18, 2000 in Book "W" of Maps, at Page 19, Placer County Records.

APN: 332-020-066-000

Lot D, as shown on the plat of "Sun City Lincoln Hills Village 37," filed for record on November 27, 2002 in Book "y" of Maps, at Page 52, Placer County Records.

APN: 333-270-036-000

Lots C, D and E, as shown on the plat of "Sun City Lincoln Hills Village 32A," filed for record on April 7, 2004 in Book "z" of Maps, at Page 62, Placer County Records.

APN: 336-010-014-000; 336-010-015; 336-010-016

Lot B, as shown on the plat of "Sun City Lincoln Hills Village 35A," filed for record on June 15, 2004 in Book "z" of Maps, at Page 77, Placer County Records.

APN: 336-010-021-000

Portion of Lot D, as shown on the plat of "Sun City Lincoln Hills Village 24C," filed for record on October 23, 2003 in Book "z" of Maps, at Page 34, Placer County Records.

APN: 336-150-052-000

Portion of Lot B, as shown on the plat of "Sun City Lincoln Hills Village 5B," filed for record on February 27, 2003 in Book "Y" of Maps, at Page 73, Placer County Records.

APN: 338-010-017-000

Portion of Lot D, as shown on the plat of "Sun City Lincoln Hills Village 4," filed for record on November 14, 2003 in Book "z" of Maps, at Page 39, Placer County Records.

APN: 338-010-026-000

Portion of Lot E, as shown on the plat of "Sun City Lincoln Hills Village 4," filed for record on November 14, 2003 in Book "z" of Maps, at Page 39, Placer County Records.

APN: 338-010-027-000

Resultant Lot 103, as shown on the plat of "Sun City Lincoln Hills Village 11," filed for record on August 14, 2001 in Book "X" of Map, at Page 57, Placer County Records, and as modified by Lot Line Adjustment recorded September 3, 2004, Series No. 2004-0118508, as further described on Exhibit "B" attached hereto.

APN: 338-030-005

Resultant Lot 105, as shown on the plat of "Sun City Lincoln Hills Phase 1 - Large Subdivision," filed for record on November 10, 1998 in Book "V" of Maps, at Page 4, Placer County Records, and as modified by Lot Line Adjustment recorded January 16, 2001, Series No. 2001-0003634, as further described on Exhibit "C" attached hereto.

APN~0-012-029-000

All that certain real property being a portion of Resultant Lot "0" conveyed to Del Webb Corp. as recorded per Document No. 2003-0120245 Official Records of Placer County, and a portion of Lot 103 of the Final Map for "Sun City Lincoln Hills Village 11", as filed for record in Book "X" of Maps, at Page 57, Placer County Records, lying within a portion of Section 23, Township 12 North, Range 6 East, M. D. M., City of Lincoln, County Placer, State of California.

EXHIBIT "B"

DESCRIPTION OF COMMON AREA PROPERTY

All that certain real property situated in the City of Lincoln, County of Placer, State of California, described as follows:

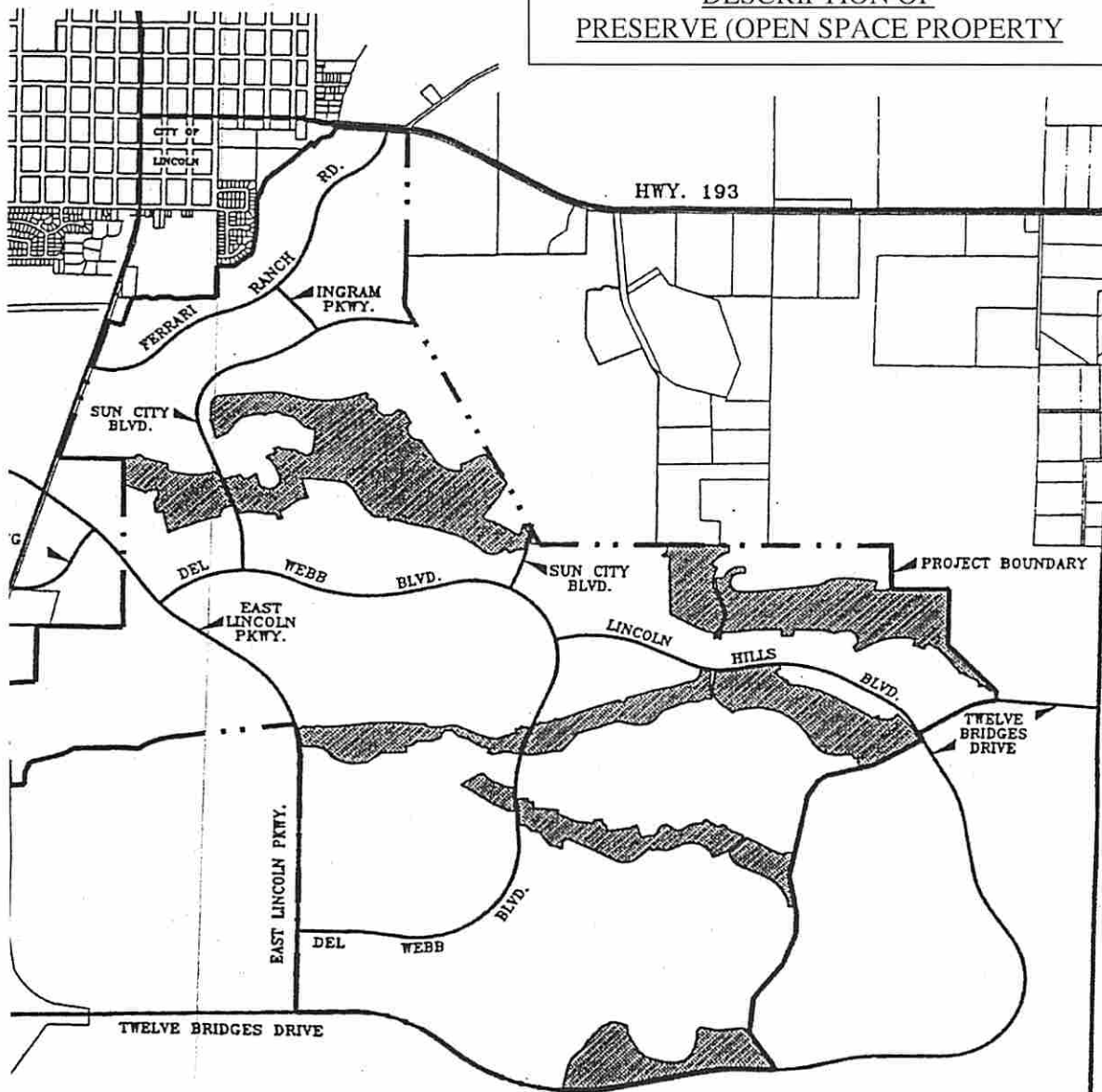
Lots "A", "B" and 109 as shown on that certain map entitled "Plat of Sun City Lincoln Hills Village 14", which map was filed for record in the Office of the Placer County Recorder on December 3, 1998, in Book "V" of Maps, at Page 8.

Lots "A" and "B" as shown on that certain map entitled "Plat of Sun City Lincoln Hills Village 15", which map was filed for record in the Office of the Placer County Recorder on December 3, 1998, in Book "V" of Maps, at Page 9.

Lots "A" and "B" as shown on that certain map entitled "Plat of Sun City Lincoln Hills Village 16", which map was filed for record in the Office of the Placer County Recorder on December 3, 1998.

Lots 68 and 92 as shown on that certain map entitled "Final Map of Sun City Lincoln Hills, Phase 1 - Large Lot Subdivision" recorded on November 10, 1998 in Book "V" of Maps at Page 4.

EXHIBIT "C"
DESCRIPTION OF
PRESERVE (OPEN SPACE PROPERTY)



OPEN SPACE
LOT