

**COVENANTS, CONDITIONS AND RESTRICTIONS
FOR
WOODCREEK OAKS
COMMUNITY ASSOCIATION**

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DECLARATION
OF
COVENANTS, CONDITIONS AND RESTRICTIONS
FOR
WOODCREEK OAKS COMMUNITY ASSOCIATION

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**DECLARATION
OF
COVENANTS, CONDITIONS AND RESTRICTIONS
FOR
WOODCREEK OAKS COMMUNITY ASSOCIATION**

THIS DECLARATION is made on the date hereinafter set forth by U.S. HOME CORPORATION, a Delaware corporation ("USH"), and WINNCREST HOMES II, a California corporation ("Winncrest"), jointly and separately referred to herein as "Declarant."

WITNESSETH:

A. USH is the Owner of that portion and Winncrest is the owner of that portion of certain property in the County of Placer, State of California, which is more particularly described as the "USH portion" and the "Winncrest portion," respectively, in **Exhibit A** attached hereto and incorporated herein.

B. Declarant has established a general plan, set forth in this Declaration, for the subdivision, improvement and development of the real property, and each and every lot and parcel on the real property, and desires to secure the harmonious and uniform development of the real property in accordance with the plan.

Declarant hereby declares that the real property is, and shall be, held, conveyed, hypothecated, encumbered, subject to the following limitations, restrictions, easements, covenants, conditions, liens and charges, all of which are declared and agreed to be in furtherance of a planned development as described in California Civil Code Sections 1350 and following for the subdivision, improvement, protection, maintenance and sale of lots within the real property, and all of which are declared and agreed to be for the purpose of enhancing, maintaining and protecting the value and attractiveness of the real property. All of the limitations, restrictions, easements, covenants, conditions, liens and charges shall run with the land, shall be binding on and inure to the benefit of all parties having or acquiring any right, title or interest in the real property, and shall be binding on and inure to the benefit of the successors in interest of such parties. Declarant further declares that it is the express intent that this Declaration satisfy the requirements of California Civil Code Section 1354.

ARTICLE 1. DEFINITIONS.

1.01. The "Architectural Control Committee" or "Committee" means the committee of persons appointed and acting pursuant to Section 4.02 of this Declaration.

1.02. The "Articles" mean the Association's Articles of Incorporation and their amendments.

1.03. "Assessment" means any Regular or Special Assessment made or assessed by the Association against an Owner and his Lot in accordance with the provisions of Article 7 of this Declaration.

1.04. The "Association" means WOODCREEK OAKS COMMUNITY ASSOCIATION, a California nonprofit corporation, created and functioning pursuant to certain Articles of Incorporation for the purpose of maintaining and administering the Common Area, and administering and enforcing these covenants, conditions and restrictions.

1.05. "Association Rules" mean the rules and regulations adopted by the Board from time to time as provided in Article 2.

1.06. The "Board" means the Board of Directors of the Association.

1.07. The term "Builder" means the purchaser of any two or more Lots who acquires such Lots for the purpose of constructing individual houses upon them for resale to the general public, except that, for purposes of this Declaration, Declarant shall not be within the definition of Builder. A Builder may be an individual or a corporation, partnership or any other entity with the legal right to hold title to real property.

1.08. The "Bylaws" mean and refer to the Association's Bylaws and their amendments.

1.09. The "Common Area" means all that portion of the Development owned by the Association for the common use and enjoyment of the Owners and shall include, upon conveyance to the Association, the plot(s) of land described in Exhibit B attached hereto, and any other plot of land conveyed to the Association and designated "Common Area" in any Supplement to this Declaration recorded pursuant to Article 13 of this Declaration. In this Development, the Common Area consists of:

A. The private roadways within the Development as designated on the recorded subdivision map thereof, or conveyed to the Association by easement deed prior to recordation of the subdivision map in the case of that portion of Krpan Drive which runs through Woodcreek Oaks Village 2, plus gates and other entrance fixtures at the primary entry points to the Development and the street lights located within the public utility easement area along the roadways; and

B. Landscaped areas within the Development on those Lots identified with letters rather than numbers which are to be maintained by the Association and are not to be improved with a Residence Unit.

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

1.11. The "Declarant" means USH and Winncrest jointly, and each of them separately, the successors and assigns of either of them, if such successors or assigns should acquire five or more undeveloped Lots from either of them for the purpose of development and sale and be designated as a successor Declarant in a recorded instrument. Upon its annexation of Woodcreek Oaks Village 2, Renown Enterprises, Inc., a Japanese corporation ("Renown"), shall also be a Declarant, as shall be its successors or assigns who acquire five or more undeveloped Lots for the purpose of development and sale and are designated by Renown as a successor Declarant in a recorded instrument.

1.12. "Declaration" shall mean and refer to this Declaration of Covenants, Conditions and Restrictions and its amendments, modifications or supplements.

1.13. The "Development" means all that certain real property which is described on Exhibit A and such additions thereto as may hereafter be brought within the jurisdiction of the Association.

1.14. "Disciplinary Charges" means those charges assessed against an Owner to compensate the Association for costs of special repair or compliance actions as provided in Section 7.05.

1.15. The "Front Yard Area" means the portion of a Lot which is generally visible from any street within the Development, extending from the back of the street or sidewalk to the front-facing portions of the Residence Unit and abutting fences.

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

1.17. A "Lot" means any of the separate plots of land shown upon any recorded subdivision map of the Development with the exception of the Common Area.

1.18. A "Manager" means any professional managing agent to whom the Board has delegated certain powers, duties and responsibilities to manage and maintain the Development and administer the provisions of the Governing Documents.

1.19. A "Member" means a person entitled to membership in the Association as provided in this Declaration.

1.20. A "Mortgage" means a mortgage or deed of trust encumbering a Lot or other portion of the Development. A "Mortgagee" and "Mortgage Holder" shall include the beneficiary under a Mortgage and any guarantor or insurer of a Mortgage. An "Institutional Mortgagee" or "Institutional Holder" is a Mortgagee that is a bank or savings and loan Association, or established mortgage company or other entity chartered under federal or state laws, any corporation or insurance company, or any federal or state agency. A "first" Mortgage or "first" Mortgagee is one having priority as to all Mortgages or holders of Mortgages encumbering the same Lot or other portions of the Development.

1.21. The "Owner" means the record owner, whether one or more person or entity, of a fee simple title to any Lot which is part of the Development. Any reference to "him" or "his" in connection with an Owner (e.g., "Each Owner and the members of his family ...") is intended to and shall be deemed to include the feminine, neuter and plural pronouns (e.g., she, her, its, their) as appropriate to the nature of the Owner entity. If the Lot is subject to a recorded Land Installment Sale Contract, "Owner" shall mean and refer to the contract vendee. "Owner" shall not include those having any such interest merely as security for the performance of an obligation.

1.22. A "Phase" means a portion of the overall Development which is developed as a separate increment of the entire subdivision. Phase 1 is the portion of the Development described in Exhibit A; the property described in Exhibit C may be developed in subsequent Phases which may be annexed and become subject to this Declaration.

1.23. "Rear Drainage Lot" means any of the following Lots which are initially subject to this Declaration or which are hereafter annexed to the Development: 4, 7, 117, 145, 208, 239, 240, 246, 252, 264, 266, 267 and 300. Such Lots will include inlets or connections to a rear lot drainage system and are subject to the provisions of Section 4.14.

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

1.25. A "Residence Unit" or sometimes simply "Residence" means and refers to the improvements constructed for residential use on an individual Lot.

1.26. "Single-Family Residential Use" means occupancy and use of a Residence for single-family dwelling purposes in conformity with this Declaration and the requirements imposed by applicable zoning and other applicable laws or governmental regulations limiting the number of persons who may occupy single-family residential dwellings.

1.27. "Underlying Covenants" means and refers to the document and provisions thereof entitled "Declaration of Covenants, Conditions and Restrictions for Woodcreek Oaks" which was recorded on November 28, 1989, in Book 3770, beginning at page 410, Official Records of Placer County, California, and which is applicable to several large parcels of real property located within the Northwest Roseville Specific Plan Area, including the Development. The Development is more specifically governed by this Declaration, but it remains subject also to the Underlying Covenants.

1.28. "Voting Power" means the total votes outstanding and vested in 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 the time any determination of voting power is made.

ARTICLE 2. OWNERS ASSOCIATION.

2.01. Formation. The Association is a nonprofit mutual benefit corporation formed under the laws of California. On the close and recording of the first Lot sale to any Owner, the Association shall be charged with the duties and invested with the powers, subject to specified limitations, set forth in the Articles, the Bylaws and this Declaration.

2.02. Membership in Association. The Owner of each Lot in the Development shall be a Member of the Association. Membership shall be appurtenant to and may not be separated from ownership of any Lot. The voting rights of a membership shall vest as of the date when the Lot to which membership is appurtenant becomes subject to assessment.

2.03. Classes of Membership in Association. The Association shall have two classes of voting membership:

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

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

2.04. Termination of Class B Membership. The Class B membership referred to above shall be irreversibly converted to Class A membership on the occurrence of whichever of the following is first in time:

- (1) The second anniversary of the first conveyance of a Lot in the most recent Phase of the Development; or
- (2) The fourth anniversary of the first conveyance of a Lot in the first Phase of the Development.

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

2.06. Powers; Delegation. The Association shall have all the powers of a nonprofit mutual benefit corporation organized under California law, subject only to such limitations on the exercise of such powers as are set forth in the Articles, the Bylaws and this Declaration. It shall have the power to do any lawful thing that may be authorized, required or permitted to be done by the Association under the Governing Documents, and to do and perform any act that may be necessary or proper for or incidental to, the exercise of any of the express powers of the Association. The Board can delegate its powers, duties and responsibilities to Committees or employees, including a Manager. Any agreement for professional management of the Development shall be terminable by either party with or without cause and without payment of a termination fee on 90 days' written notice. The term of any such agreement shall not exceed three years.

2.07. Association Rules. The Association shall have the power to adopt, amend and repeal reasonable Association Rules which shall apply to each Owner or his family, guests, invitees or to any contract purchaser, or tenant or their respective family members, guests or invitees. The Association Rules shall not, however, be inconsistent with or materially alter any other provisions of this Declaration, the Articles or the Bylaws. The Association Rules may concern, but need not be limited to: (i) matters pertaining to the maintenance, repair, management and use of the Common Area by any person(s) who have rights of use and enjoyment of such Common Area; (ii) architectural control and the rules of the Architectural Committee; (iii) the conduct of disciplinary proceedings in accordance with Article 8 hereof; (iv) regulation of parking, pet ownership and other matters subject to regulation and restriction under Article 4 hereof; (v) collection and disposal of refuse; (vi) minimum standards for the maintenance of

landscaping or other improvements on any Lot; and (vii) any other subject or matter within the jurisdiction of the Association as provided in the Governing Documents. In case of any conflict between any Association Rules and any other provisions of this Declaration, the Articles or Bylaws, the provisions of the Association Rules shall be deemed to be superseded by the provisions of this Declaration, the Articles or Bylaws to the extent of any such inconsistency.

A. Distribution of Rules. A copy of the Association Rules, as from time to time they may be adopted, amended or repealed, shall be mailed or otherwise delivered to each Owner. A copy of the Association Rules shall also be available and open for inspection during normal business hours at the principal office of the Association.

B. Adoption and Amendment of Rules. Association Rules may be adopted or amended from time to time by majority vote of the Board; however, no Association Rule or amendment thereto shall be adopted by the Board until at least 30 days after the proposed rule or rule amendment has been: (i) published in the Association newsletter, if any, or otherwise communicated to the Owners in writing; and (ii) posted in the Association's principal office. The notice describing the proposed 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 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 rule or rule amendment shall be distributed to the Owners by mail.

2.08. Limitations on Authority of Board. Except with the vote or written assent of 51% of each class of Members of the Association while there are two classes, and both the approval of 51% of all Members and 51% of the Members other than Declarant thereafter, the Board shall not take any of the following actions:

(1) Incur aggregate expenditures for capital improvements to the Common Area in any fiscal year in excess of 5% of the budgeted gross expenses of the Association for that fiscal year;

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

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

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

(a) A management contract, the terms of which comply with the requirements of Section 2.06 above or the requirements of the Federal Housing Administration or Veterans Administration.

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

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

(d) Agreements for cable television services and equipment or satellite dish television services and equipment of not to exceed five years' duration provided that

the supplier is not an entity in which Declarant has a direct or indirect ownership interest of 10% or more.

(e) Agreements for sale or lease of burglar alarm and fire alarm equipment, installation and services of not to exceed five years' duration, provided that the supplier or suppliers are not entities in which Declarant has a direct or indirect ownership interest of 10% or more.

(f) A contract for a term not to exceed three years that is terminable by the Association after no longer than one year without cause, penalty or obligation upon ninety days' written notice of termination to the other party.

2.09. Personal Liability. No member of the Board, or of any Committee of the Association, or any officer of the Association, or any Manager or Declarant, or any agent of Declarant, shall be personally liable to any Owner or to any other party, including the Association, for any damage, loss or prejudice suffered or claimed on the account of any act, omission, error or negligence of any such person or entity if such person or entity has, on the basis of such information as may be possessed by him or it, acted in good faith without willful or intentional misconduct.

ARTICLE 3. PROPERTY RIGHTS.

3.01. Owners' Easements of Enjoyment in Common Area. Prior to the first transfer of a Lot in a particular Phase by Declarant to an Owner, Declarant shall convey the Common Area in that Phase to the Association by grant deed. In connection with the development of Phase 1 of the overall Development, Declarant will install the roadway and utility lines in that portion of Krpan Drive which runs through Woodcreek Oaks Village 2, although Village 2 itself is not part of Phase 1. Upon completion of the portion of Krpan Drive which runs through Village 2, Renown, which owns that property, shall convey or cause to be conveyed to the Association an easement for nonexclusive access and right-of-way over such portion of Krpan Drive in favor of the Association so that such portion of Krpan Drive will become subject to the same use rights and maintenance obligations as the other portions of Krpan Drive and Common Area within the Development. When the Woodcreek Oaks Village 2 property is formally annexed to the Development, in accordance with Article 13 of this Declaration, Renown, or its successor, shall convey to the Association in fee that portion of Krpan Drive to which it is presently conveying an easement. Renown is joining in the execution of this Declaration for the purpose of acknowledging and confirming: the status of that portion of Krpan Drive which runs through Village 2 as Common Area; and its obligation to convey the same to the Association as provided herein. Every Owner shall have a right and nonexclusive easement of enjoyment in and to the Common Area in all Phases of the Development, subsequent to such Phases being annexed, including ingress and egress to and from his Lot, which shall be appurtenant to and shall pass with the title to every Lot. The Owner's property rights are subject to the following provisions:

(1) **Rules.** The right of the Association to adopt Association Rules regulating the use and enjoyment of the Common Area;

(2) **Penalties.** The right of the Association to impose reasonable monetary fines or penalties and/or suspend the voting rights of an Owner for any period during which the Assessment against his Lot remains unpaid, subject to due process requirements described in Article 8;

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

(4) **Easements.** The right of the Association to grant permits, licenses and easements over the Common Areas for utilities, access, repair and other purposes reasonably necessary or useful for the proper maintenance or operation of the Development.

3.02. Ownership Subject to Governing Documents and Easements. Ownership of any Lot within the Development is subject to the covenants, restrictions and easements referred to in this Declaration, including the following:

A. **Association Easements for Maintenance and Repair.** The Association shall have an easement in and to every Lot within the Development for the purpose of maintaining and repairing the adjoining Common Area; for performance of any of its maintenance responsibilities as set forth in Article 5; for cleaning, repairing, replacing and otherwise maintaining or causing to be maintained service in underground utility lines and storm drainage system including inlets owned by the Owners of various Lots in the event that the Owner fails to maintain or cause to be maintained such utility or storm drainage lines; for the continued location, maintenance, repair and replacement of street lights as initially installed by Declarant in connection with the roadway improvements; for enforcing the architectural controls as set forth in Article 6; and for entry into individual Lots for admittance of such authorized persons as are reasonably necessary in the event of an emergency.

B. **Utility Maintenance and Repair Easements.** Wherever sanitary sewer connections or water connections or electricity, gas or telephone, television lines or drainage facilities are installed in or through two or more Lots within the Development, each Owner of any Lot served by such connections, lines or facilities shall have the right, and are hereby granted an easement to the full extent necessary therefor, to enter any other Lot where such connections are located or to have utility companies enter therein, to repair, replace and generally maintain such connections as and when the same may be necessary. Wherever sanitary sewer house connections and/or water house connections or electricity, gas or telephone lines or drainage facilities are installed within the Development, which connections serve more than one Lot, the Owner of each Lot served by such connections shall be entitled to the full use and enjoyment of such portions of such connections as service his Lot. All utility companies having easements on the Development covered by this Declaration shall have easements for cleaning, repairing, replacing and otherwise maintaining or causing to be maintained service in all underground utility lines, including, when reasonably necessary, the entry into an improvement constructed upon a Lot for uncovering any such lines. Any Owner or utility company exercising the rights granted in this section shall be obligated to restore the Residence Unit entered to substantially its former condition.

C. **Persons Subject to Governing Documents.** All present and future Owners, tenants and occupants of Lots within the Properties shall be subject to, and shall comply with, each and every provision of the Governing Documents, as the same or any of them shall be amended from time to time, unless a particular provision is specifically restricted in its application to one or more of such classes of persons (i.e., Owners, tenants, invitees, etc.). The acceptance of a deed to any Lot, the entering into a lease, sublease or contract of sale with respect to any Lot, or the occupancy of any Lot shall constitute the consent and agreement of such Owner, tenant or occupant that each and all of the provisions of this Declaration, as the same or any of them may be amended from time to time, shall be binding upon him and that he will observe and comply within the Governing Documents.

3.03. Delegation of Use.

A. **Delegation of Use and Leasing of Residences.** Any Owner may delegate his rights to use and enjoy the Common Area to his family members, tenants, lessees or contract purchasers who reside in the Residence. However, any rental or lease may only be to a single family for Single-Family Residential use. Any rental or lease of a Residence shall be subject to the provisions of the Governing Documents, all of which shall be deemed incorporated by reference in the Lease or rental agreement. Each Owner-lessor shall provide any tenant or lessee with a current copy of all Governing Documents and shall be responsible for compliance by the tenant or lessee with all of the provisions of the Governing Documents during the tenant's/lessee's occupancy and use of the Residence.

B. **Discipline of Lessees.** Subject to Section 3.03, paragraph C, below, if any tenant or lessee fails to honor the provisions of any Governing Document, the Association shall be entitled to take such corrective action as it deems necessary or appropriate under the circumstances which may include the imposition of fines and penalties against the Owner or tenant.

C. Due Process Requirements for Disciplinary Action. Except for circumstances in which immediate corrective action is necessary to prevent damage or destruction of the Properties or to preserve the rights of quiet enjoyment of other Owners, the 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: (1) the Owner has received written notice from the Board, the Association's property manager or an authorized committee of the Board detailing the nature of the lessee's/tenant's alleged infraction or misconduct and advising the Owner of his right to a hearing on the matter in the event the Owner believes that remedial or disciplinary action is unwarranted or unnecessary; (2) 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 (3) the Owner has failed to prevent or correct the tenant's objectionable actions or misconduct. Any hearing requested hereunder shall be conducted in accordance with Section 8.09 hereof.

3.04. Obligations Incident to Ownership.

A. Payment of Assessments and Compliance with Rules. Each Owner shall pay, when due, all Assessments levied against the Owner and his Lot and shall observe, comply with and abide by any and all rules and regulations set forth in, or promulgated by the Association pursuant to, any Governing Document for the purpose of protecting the interests of all Owners or protecting the Common Area.

B. Discharge of Assessment Liens. Each Owner shall promptly discharge any Assessment lien that may become a charge against his Lot.

C. Notification Regarding Governing Documents.

(1) As more particularly provided in Section 1368 of the California Civil Code, 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) The Association's most recent financial statement;

(c) A true statement in writing from an authorized representative of the Association as to: (i) 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 (ii) the amount of the Association's current Regular and Special Assessments and fees; and

(d) Any change in the 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.

(2) Within 10 days of its receipt of a written request for any information described in subparagraph (1), above, the Association shall provide the Owner with copies of the requested items. The 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.

D. 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 as to all obligations, duties and responsibilities of Owners as set forth in this Declaration, including, without limitation, the payment of all Assessments.

E. Prohibition on Avoidance of Obligations. No Owner, by nonuse of the Common Area, abandonment of the Owner's Lot or otherwise may avoid the burdens and obligations

imposed on such Owner by the Governing Documents, including, without limitation, the payment of Assessments.

F. Termination of Obligations. Upon the conveyance, sale, assignment or other transfer of a Lot to a new Owner, the transferor-Owner shall not be liable for any Assessments levied with respect to such Lot which become due after the date of Recording of the deed evidencing the transfer and, upon such Recording, all Association membership rights possessed by the transferor by virtue of the ownership of the Lot shall automatically cease.

3.05. Notice and Disclaimer Matters Regarding Golf Course. The Woodcreek Oaks Golf Course, a 18-hole public golf course ("Golf Course"), surrounds much if the Development and the property which is planned to be annexed to the Development. Each Owner, by acceptance of his deed to any Lot, accepts and assumes the risk of the special benefits and burdens associated with proximity to such Golf Course and specifically acknowledges and agrees to the following:

A. Golf Balls. Each Owner, including most particularly, but not limited to, the Owner of any Lot which immediately adjoins the Golf Course, is advised that his Lot may be subject to intruding golf balls and players attempting to retrieve them. Each Owner expressly assumes the risk of such intrusion, including the risk of property damage or personal injury to the Residence Unit, Owner and family members, tenants or invitees.

B. View Impairment/Privacy. Owners, including Owners of Lots abutting the Golf Course, have no guarantee that their view over and across the Golf Course will be forever preserved without impairment or that the view from the Golf Course will not be impaired. The City of Roseville or other owner of the Golf Course has no obligation to prune or not prune trees or other landscaping and shall have the right, at its sole and absolute discretion, to add, change or reconfigure the Golf Course, including any trees, landscapes, tees, bunkers, fairways and greens.

C. Pesticides and Fertilizers. Pesticides, fertilizers and other chemicals will be utilized in connection with the Golf Course and each Owner acknowledges, accepts the use and assumes the risk of such pesticides, fertilizers and chemicals.

D. No Access. Notwithstanding the proximity of the Golf Course to any Lot, and notwithstanding that the Owner of any Lot may have a right to use the Golf Course facilities upon complying with payment and other conditions applicable to all members of the public alike, no Owner, resident or occupant of a Lot has a right of access to the Golf Course directly from his Lot.

E. Maintenance. Golf courses require frequent 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, particularly Owners of Lots in close proximity of the Golf Course, 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.

F. Declarant and City Not Liable; Owners' Release and Waiver of Liability. In acknowledging the facts set forth in this Section 3.05 and assuming all risk in connection therewith, each Owner also specifically understands and agrees that neither Declarant, or any agent or employee of Declarant, nor the City of Roseville, or any agent or employee of the City of Roseville, or any other owner or manager of the Golf Course, nor the Association 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 proximity of the Owner's Lot to the Golf Course. Each Owner of a Lot adjacent to the Golf Course hereby agrees to indemnify and hold harmless the Declarant, the City of Roseville and the owner and manager of the Golf Course, and their successors and assigns, against any and all such claims by the Owner or his or her invitees or against the Owner and the City and/or Declarant as co-defendants.

ARTICLE 4. USE RESTRICTIONS.

4.01. Residential Use. No Lot, nor any portion thereof, shall be used for any purpose other than Single-Family Residential Use. Except as otherwise provided in this Declaration, with respect

to Declarant's or any Builder's development and sales activities, no part of the Development shall be used or caused, allowed or authorized to be used in any way, directly or indirectly, for any business, commercial, manufacturing, mercantile, storing, vending, mining, drilling or other such nonresidential purpose. This restriction is not, however, intended to preclude the use, within an individual Residence Unit, of computers, fax machines or telecommuting devices for business purposes not involving any customer, client, agent or employee visitation to the Residence.

4.02. Antennae, External Fixtures, Solar Panels, Other Equipment. No television or radio pole, antenna, satellite dish, flag pole, clothesline, basketball standard or other exterior fixture, other than those originally installed by Declarant or any Builder, and any replacements, shall be constructed, erected or maintained on any Lot or any structure on it if such fixture is visible from any street within the Development unless the same has first been reviewed and approved as to size and placement by the Architectural Control Committee. The Committee may not prohibit any video or television antenna or satellite dish which has a diameter or diagonal measurement of 36 inches or less and which is installed so as to not be visible from the Common Area or any street. The installation of solar panels shall be subject to the prior written approval of the Architectural Control Committee if the same are visible from the streets and the Committee may impose conditions or restrictions to reduce visual impact without unduly interfering with the effectiveness of such panels. Except for any chimneys, vent stacks, air conditioning or other items or equipment upon or projecting from the roof which are installed by Declarant or any Builder as part of the initial improvements, and their duplicate replacements, no such item shall be constructed, erected or maintained upon the roof of any building on the Property unless the same has been determined not to be visible from any street or otherwise specifically approved by the Architectural Control Committee.

4.03. Outside Drying, Laundering and Window Coverings. No exterior clothesline shall be erected or maintained on any Lot. No laundering, clothes drying or related activity shall be permitted outside any building. No sheets, aluminum foil, paper or other material not typically used for window covering shall be so used.

4.04. Additional Structures. No structures of a temporary character, trailer, tent, shack, garage, barn, or other outbuilding, shall be used on any Lot at any time as a Residence, either temporarily or permanently.

4.05. Fences, etc. No fences, awnings, ornamental screens, screen doors, sunshades or walls of any nature shall be erected or maintained on or around any portion of any structure or elsewhere within the Development except those existing as part of Declarant's or any Builder's original construction and their duplicate replacements, or those which are installed or authorized and approved by the Architectural Control Committee. Generally, fencing shall be composed of wood, masonry or wrought iron and chain link or wire fencing shall be prohibited.

4.06. Signs. No sign of any kind shall be displayed to the public view on or from any Lot or the Common Area without the approval of the Board or the Architectural Control Committee. In giving or withholding approval, the Board or Committee shall take into account, among other factors, the "Signage Guidelines" applicable to the Development, which are those prepared by Weidner 3 for Woodcreek Oaks and approved by the City of Roseville on June 7, 1990, and the necessity of obtaining a sign permit from the City of Roseville in accordance with its Planned Sign Permit Program. However, one sign of customary and reasonable dimensions advertising a Lot for sale or for rent may be placed within each Lot or within the Common Area immediately adjacent thereto by the Owner. In addition, during the period of Declarant's sales program, the Declarant may use signs within the Common Area or upon any Lot owned by Declarant which Declarant deems necessary and appropriate to advertise the Development and which comply with local planning regulations and/or review requirements, including the Signage Guidelines referred to above. Declarant shall be responsible for the maintenance of signs used in connection with such sales program.

4.07. Animals. No animals, reptiles, rodents, livestock or poultry shall be kept in any Lot or elsewhere within the Development except that fish in an aquarium, pet birds in a bird cage, other small animals kept in cages within the Residence and domesticated cats or dogs may be kept as household pets within any Residence Unit if they are not kept, bred or raised for commercial purposes or in unreasonable quantities as determined by the Board. The Board can prohibit maintenance of any animal which, in the sole and exclusive opinion of the Board, constitutes a nuisance or health hazard to any other

Owner. No dog shall be allowed in the Common Area except upon a leash held by a person capable of controlling it. Each person bringing or keeping a pet on the Development shall be absolutely and strictly liable to other Owners, their family members, guests, invitees, tenants and contract purchasers, and their respective family members, guests and invitees, for any injury to persons or damage to property caused by any pet brought on or kept on the Development by such person or by members of his family, his guests or invitees.

4.08. Trash. All garbage and trash shall be placed and kept in covered containers. In no event shall such containers be kept where they are visible from the Common Area or any neighboring Lot, except as may reasonably be necessary in connection with the collection thereof by the garbage collector. No portion of any Lot shall be used for the storage of building materials or other materials except in connection with approved construction.

4.09. Parking: Vehicles. Each Owner shall be entitled to the exclusive use of the garage located upon his Lot and each Owner shall generally make use of his garage for parking any vehicle(s) which he brings to the Development. To assure appropriate use of garages within the Development, the following restrictions shall be strictly enforced:

(1) No garage shall be remodeled, enclosed or structurally improved for use as a recreation room, workshop, storage space, hobby facility or for any other use or facility which would interfere with its use for the accommodation of two passenger vehicles.

(2) No Recreational Vehicle of any type shall be kept or parked in any driveway, sidewalk or yard area within a Lot or upon the Common Area. Garages may be used for storing or parking any Recreational Vehicle if such vehicle is completely enclosed by the garage and cannot be viewed from the street or any other Lot. Any parking spaces designated for use by guests may not be used for storing or parking any Recreational Vehicle. As used herein "Recreational Vehicle" means any van, boat, motorcycle, camper, trailer, motor home or other vehicle which is commonly referred to as an "RV" or is generally used for recreational rather than passenger purposes.

In order to prevent or eliminate any parking problems within the Development, or to further define and enforce the restrictions of this section, the Board of the Association shall have the power and authority to establish additional rules, restrictions and penalties and to impose fines or towing procedures for repeated violations of the parking restrictions, as determined by the Board. Rules adopted by the Board shall be generally consistent with the provisions of this Section 4.09 and shall not be less restrictive than the provisions of Section 5.3 of the Underlying Covenants.

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

4.11. Compliance with Laws, etc. Nothing shall be done or kept in any Lot or Residence Unit or in the Common Area that might increase the rate of, or cause the cancellation of insurance on the Development, or any portion of the Development, without the prior written consent of the Board. No Owner shall permit anything to be done or kept in his Lot or in the Common Area that violates any law, ordinance, statute, rule or regulation of any local, county, state or federal body. No Owner shall allow furniture, furnishings or other personalty belonging to such Owner to remain within any portion of the Common Area except as may otherwise be permitted by the Board.

4.12. Restrictions re Common Area. No person other than the Association or its duly authorized agents shall construct, reconstruct, refinish, alter or maintain any structural improvement upon, or shall make or create any excavation or fill upon, or shall change the natural or existing drainage of, or shall destroy or remove any tree or shrub or plant any tree, shrub or other vegetation upon Common Area or any landscaped area maintained by the Association.

4.13. Interference with Access or Drainage. No one shall interfere with or otherwise restrict the free right of passage of the Owners, their agents, servants, tenants, guests and employees over roadways, driveways or passages leading to their respective Lots and garages. No one shall interfere with any natural drainage pattern or constructed drainage system established for the Development by altering any slopes, constructing or destroying any retaining wall, or obstructing or changing the contour of any channel, swale, hillock or embankment, or undertaking any other action which will or is likely to retard, change or interfere with drainage or create erosion.

4.14. Rear Drainage Lots. Within those Lots identified in Section 1.23 as Rear Drainage Lots Declarant has installed elements of a special storm drainage system which connects from the rear of the Lots to public or private drainage lines, swales or creeks. This system was designed to benefit the Development by reducing the grading and removal of trees that would otherwise have been required to install a conventional drainage system. The following special provisions apply to the Rear Drainage Lots:

(1) Each Owner of a Rear Drainage Lot shall use special care to keep any drainage inlet clear of dirt, leaves or other debris that might clog the inlet.

(2) Each Rear Drainage Lot shall be subject to an easement in favor of the Association to conduct periodic inspection and any appropriate maintenance or replacement of the inlets and drainage lines as necessary to the effective functioning of the system. Except in emergency situations, the Association shall give Owner 24 hours' notice before entering on the Owner's Lot to perform the Association's maintenance obligations. In an emergency, the Association may enter without giving such notice.

(3) The Association shall indemnify, defend and hold the City of Roseville, its elective and appointive boards, commissions, officers, agents and employees harmless from any liability for damage, as well as from claims for property damage which may arise from the Association's or the Association's contractors', subcontractors', agents' or employees' maintenance of the Rear Lot Drainage System or failure to maintain such system.

ARTICLE 5. OWNER AND ASSOCIATION OBLIGATIONS.

5.01. Association Maintenance Obligations. The Association shall be responsible for maintaining the following in good condition and repair:

(1) **Common Area.** The Association shall maintain or provide for the maintenance of all Common Area improvements, including, but not limited to any of the following which are held by the Association by fee or easement: private roads, private drainage system for storm water, open parking areas, sidewalks, street lighting, any open space lots. In connection with Declarant's completion of the private driveway system within the Development, Declarant shall install entry gates at two access points from Pleasant Grove Boulevard and one from Woodcreek Oaks Boulevard. These gate systems shall be electronically operated with a common access code or device and shall include some mechanism for manual operation in the event of power failure and some device which will permit access as appropriate for fire, police and utility company personnel as required by the City of Roseville. The Association shall be responsible for maintaining these gates, mechanisms and devices as installed by Declarant including leaving the gates open during peak traffic flow hours to prevent cars from stacking up at entrances to the Development as required by the City of Roseville.

(2) **Landscaping: Irrigation and Drainage.** The Association shall provide gardening services to maintain and replace as necessary all the landscaping within any landscaped Common Area, including the landscaped strips designated by letter and identified in Exhibit B. The sprinkling systems originally installed in such areas in connection with the landscaping improvements shall also be operated and maintained by the Association. The Association shall also inspect, clear, maintain and repair the drainage system serving the Rear Drainage Lots and enforce Owners' obligations with respect thereto as needed to keep the system functional.

5.02. Owner Indemnification re Common Area. If any of the maintenance or repair work referred to above is necessitated by the willful or negligent acts of the Owner, his family, guests or invitees, the costs of such special restoration or repairs shall be chargeable to the Owner and shall be enforceable by an action for damages or by any other legal means subject to provisions of Section 7.05.

Each Owner shall be liable to the remaining Owners for any damage to the Common Area that may be sustained by reason of the negligence of that Owner, members of his family, his contract purchasers, tenants, guests or invitees, to the extent that any such damage is not covered by insurance. Each Owner, by acceptance of his deed, agrees for himself and for the members of his family, his contract purchasers, tenants, guests or invitees, to indemnify each and every other Owner, and to hold him harmless from, and to defend him against, any claim of any person for personal injury or property damage occurring within the Lot of that particular Owner, except that said Owner's liability may be diminished to the extent that the injury or damage occurs through the negligence of any other Owner or person temporarily visiting in said Lot or is fully covered by insurance.

5.03. Owners' Landscaping and Maintenance Obligations. Each Owner shall be responsible for maintenance and repair of his individual Lot and Residence Unit, including, without limitation:

(1) **Landscaping.** If an Owner acquires his Lot without landscaping already installed or imminently to be installed in the Front Yard Area by the Declarant or Builder, the Owner shall be responsible for completing the landscaping with suitable, healthy trees, ground cover and plantings within 180 days from such Owner's acquisition of the Lot. If an Owner is required to do such landscaping and fails to do it within such 180 days, the Association may complete the landscaping and charge the Owner for the cost thereof. If the Declarant or Builder furnishes the landscaping in the Front Yard Area, the Owner shall maintain the same and shall provide such watering, mowing, pruning, clipping, replacing and additional planting as is appropriate to keep the Front Yard Area growing, green, healthy, attractive and free from overgrowth. Each Owner shall also plant, landscape, prune and care for all rear and side yard areas of his Lot as he wishes but subject to any specific obligations or restrictions contained in this Declaration regarding, for example, fencing, nuisances, grading and drainage facilities.

(2) **Utility Connections.** Utility lines and connections, including sewer, electrical, plumbing, telephone and gas lines, which are located within a Lot and provide service to the Residence located upon that Lot, shall be maintained and repaired by the Owner of the Lot in question and/or the utility company involved.

(3) **Exterior: House Numbers.** Each Owner shall maintain, repair and replace as needed all fencing and siding and the roof of his Residence. Exterior painting, staining, decoration or alteration shall be subject to any applicable conditions or restrictions of the Architectural Control Committee. Outside street address numbers, initially installed by Declarant in accordance with requirements of the City of Roseville, shall also be maintained and replaced by each Owner, with illumination and color contrasting against the background color.

(4) **Interior.** Each Owner shall maintain the interior of his Residence and shall be entirely responsible for the painting, decorating, cleaning and maintenance thereof. Each Owner shall be responsible for maintaining, repairing and replacing all appliances within his home, including air-conditioning and heating equipment, water heaters, plumbing and lighting fixtures, or other mechanical equipment servicing his particular Residence.

(5) **Windows and Doors.** All windows and sliding glass doors shall be cleaned, outside as well as inside, and repaired and replaced by the individual Owners. All exterior doors, including garage doors and entry way doors, shall be repaired and replaced as necessary by the Owner. Locks and any automatic garage door openers are the sole responsibility of each Owner.

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

5.05. Insurance. All insurance maintained by the Association for the benefit of the Association and/or the Owners shall be deemed a common expense with premiums budgeted for and payable by Assessments.