

OLD CALIFORNIA TITLE COMPANY
465 TYLER STREET • POST OFFICE BOX 1688
MONTEREY, CALIFORNIA 93940

DECLARATION
OF
COVENANTS, CONDITIONS AND RESTRICTIONS
OF TRACT 912
THE GLEN OF PACIFIC GROVE

REEL 1565 PAGE 635

RECORDED AT REQUEST OF

G 28977 *Triley Seven Part.*

JUL 15 9 44 AM '82

OFFICE OF RECORDER
COUNTY OF MONTEREY
SALINAS, CALIFORNIA

PAID

THIS DECLARATION, made on the date hereinafter set forth by TRILEX SEVEN, a California Limited Partnership and TRILEX ELEVEN, a California Limited Partnership, hereinafter collectively referred to as "Declarant",

W I T N E S S E T H :

WHEREAS, Declarant is the owner of all that certain property in the City of Pacific Grove, County of Monterey, State of California, described as Lots 1 through 60; Lots G13, G16-17, G20-21, G24-25, G28-29, 332, G40, G44-45, G47-48, G52-53, G56-57, G60, and Lots A, B on the subdivision map of Tract 912, filed in the office of the County Recorder of Monterey County, California, on December 2, 1980, in Map Book 14 at page 47,

NOW, THEREFORE, Declarant hereby declares that Lots 1 through 4, 45 through 60, G45, G47, G48, G52, G53, G56, G57, G60 and Lot A described above shall be held, sold and conveyed subject to the following easements, restrictions, covenants and conditions, which are for the purpose of protecting the value and desirability of, and which shall run with, the real property and be binding on all parties having any right, title or interest in the described properties or any part thereof, their heirs, successors and assigns, and shall inure to the benefit of each owner thereof.

THE DECLARANT FURTHER DECLARES, that all of the properties may be developed, sold and conveyed in phases, with 20 lots in Phase I, 20 lots in Phase II, 20 lots in Phase III, and approximately 34 lots in Phase IV (Exhibit "A"). Phase II and III shall be annexed by the declarant prior to June 15, 1985. Phase IV may be annexed in accordance with Article XII, Section 4 of this Declaration.

ARTICLE I

DEFINITIONS

Section 1. "Association" shall mean and refer to Calabrese Homeowners' Association, Inc., a non-profit organization, its successors and assigns.

Section 2. "Owner" shall mean and refer to the record owner, whether one or more persons or entities, of a fee simple title to any lot which is a part of the Properties, including record fee title holders and contract vendees (buyers) in a contract of sale, but excluding those having such interest merely as security for the performance of an obligation.

Section 3. "Properties" shall mean and refer to that certain real property hereinbefore described, and such additions thereto as may be hereafter brought within the jurisdiction of the Association.

Section 4. "Common Area" shall mean lots A and all real property owned by the Association for the common use and enjoyment of the Owners.

Section 5. "Lot" shall mean and refer to any plot of land whether improved or unimproved shown upon any recorded subdivision map of the properties with the exception of the Common Area.

Section 6. "Declarant" shall mean and refer to TRILEX SEVEN and TRILEX ELEVEN, its successors and assigns, if such successors or assigns should acquire more than one undeveloped lot from the declarant for the purpose of development.

Section 7. "Mortgage" shall mean and include a deed of trust as well as a mortgage in the conventional sense.

Section 8. "Mortgagee" shall mean and include a beneficiary under or holder of a deed of trust as well as a mortgage.

Section 9. "Member" shall mean and refer to every person or entity who holds membership in the Association.

Section 10. "Unit" shall mean a residential unit constructed on a lot in the subdivision.

ARTICLE II

PROPERTY RIGHTS

Section 1. Owners' Easements of Enjoyment. Every owner shall have a right and easement of enjoyment in and to the common area and the right of ingress and egress over the private drives and street, which shall be appurtenant to and shall pass with the title to every lot, subject to the following provisions:

(a) the right of the Association to charge reasonable admission and other fees for the use of any recreational facility situated upon the common area;

(b) the right of the Association to suspend the voting rights and right to use of the recreational facilities by an owner for any period during which any assessment against his lot remains unpaid, and for a period not to exceed thirty (30) days for any infraction of its published rules and regulations. Any

suspension provided herein should be in accordance with Article XII,
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(c) the right of the Association to dedicate or transfer all or any part of the common area to any public agency, authority, or utility for such purposes and subject to such conditions as may be agreed to by the members. No such dedication or transfer shall be effective unless an instrument signed by two-thirds (2/3) of each class of members agreeing to such dedication or transfer has been recorded.

Section 2, Delegation of Use. Any owner may delegate, in accordance with the By-Laws, his right of enjoyment to the common area and facilities to the members of his family, his tenants, or contract purchasers who reside on the property.

Section 3. Easements of Encroachment.

A. There shall be reciprocal appurtenant easements of encroachment as between each lot and such portion or portions of the common area adjacent thereto and/or as between adjacent lots due to the unwillful placement or settling or shifting of the improvements constructed, reconstructed or altered thereon (in accordance with the terms of the restrictions) to a distance of not more than five (5) feet, as measured from any point on the common boundary at such lots, as the case may be, along a line perpendicular to such boundary at such point; provided, however, that in no event shall an easement for encroachment exist if such encroachment occurred due to willful conduct on the part of an owner, tenant or the Association.

E. There shall be reciprocal appurtenant easements for the maintenance and repair of a party wall or walls.

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Section 4. Other Easements.

A. Easements, reservations or rights of way for installation and maintenance of utilities and drainage facilities are shown on the record Map. Within these easements, no structure, planting or other material shall be placed or permitted to remain which may damage or interfere with the installation and maintenance of utilities, or which may damage, interfere or change the direction of flow of drainage facilities in the easements.

B. No dwelling unit and/or other structure of any kind shall be built, constructed or maintained upon any such easement, reservation, or right of way, and said easements, reservations, and rights of way shall be at all times open and accessible to public and quasi-public utility corporations, and other persons erecting, constructing and servicing such utilities and quasi-utilities, and to Declarant, its successors and assigns, all of whom shall have the right and privilege of doing whatever may be necessary in, under and upon said locations for the carrying out of any of the purposes for which said easements, reservations, and rights of way are hereby reserved, and may hereafter be reserved.

C. There shall be an exclusive easement appurtenant to any lot, comprising any area contiguous thereto, originally enclosed or fenced by Declarant. It shall be the responsibility of each owner of a lot with said appurtenant easement to maintain the area within said easement. Any such easements shall be subject to the Association's right to reasonable access to the easement area for the purpose of maintaining any utilities or for main-

taining or improving the drainage patterns for the project so long as the Association assumes the obligation to repair any damage caused by such entry.

D. There shall be a nonexclusive easement in favor of any owner to that portion of the common area or adjacent lot into which any eaves or other structures as originally built on said owner's unit extend.

Section 5. No Partition. There shall be no judicial partition of the common area, nor shall Declarant or any person acquiring any interest in the properties or any part thereof seek any judicial partition thereof; provided, however, that if any lot shall be owned by two or more co-tenants as tenants in common, or as joint tenants, nothing herein contained shall be deemed to prevent a judicial partition as between such co-tenants.

ARTICLE III

MEMBERSHIP AND VOTING RIGHTS

Section 1. Every owner of a lot which is subject to assessment shall be a member of the Association. Membership shall be appurtenant to and may not be separate from ownership of any lot which is subject to assessment.

Section 2. The Association shall have two classes of voting membership:

Class A. Class A member 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. The Class B member(s) shall be the Declarant and shall be entitled to three (3) votes for each lot owned. The Class B membership shall cease and be converted to Class A membership on the happening of any of the following events, whichever occurs earlier

- (a) when the total votes outstanding in the Class A membership equal the total votes outstanding in the Class B membership; or
- (b) two years from the date of issuance of the most recent final Public Report for a phase of overall development; or
- (c) Not later than the fourth anniversary of the original issuance of the subdivision public report.

Any provision herein calling for membership approval of action to be taken by the Association, except action under Article XII, Section 5. herein, shall require the vote or written assent of a bare majority of each class of membership during the time that there are two outstanding classes of membership. Thereafter any provision calling for membership approval shall require a bare majority of the total voting power of the Association as well as the vote or written assent of a bare majority of the total voting power of members other than the declarant.

ARTICLE IV

COVENANT FOR MAINTENANCE ASSESSMENTS

Section 1. Creation of the Lien and Personal Obligation for Assessments. The Declarant, for each lot owned within the properties, hereby covenants, and each owner of any lot by acceptance of a deed therefore, whether or not it shall be so expressed in such deed, is deemed to covenant and agree to pay the Association:

- (1) annual assessments or charges, and,
- (2) special assessments for capital improvements, such assessments to be established and collected as hereinafter provided.

The annual and special assessments, together with interest, costs, and reasonable attorney's fees, shall be a charge on the land and shall be a continuing lien upon the property against which each assessment is made. Each such assessment, together with interest, costs, and reasonable attorney's fees, shall also be the personal obligation of the person who was the owner of such property at the time when the assessment fell due. In each conveyance, both grantor and grantee are liable for prior assessments, however, grantee may obtain information from the Association relative to any delinquent assessments and can rely upon said information received; also grantee may collect from grantor.

Section 2. Purpose of Assessments. The assessments levied by the Association shall be used exclusively to promote the recreation, health, safety, and welfare of the residents in the properties and for the improvement and the maintenance of the Common Area, and of the units situated upon the properties. Said assessments shall include, but not be limited to, and the Association shall acquire and pay for out of the funds derived from said annual assessments, the following:

(a) Water, sewer, garbage, electrical, lighting, telephone, and gas and other necessary utility service for the common area.

(b) Maintenance and repair of storm drains, sanitary sewers, utility lines, street lighting, and private driveways, lying within the common area.

(c) Fire insurance covering the full insurable replacement value of the common area with a minimum of extended coverage

and blanket property insurance on the individual lots in form and amounts satisfactory to the Board and to mortgagees holding first mortgages covering said individual lots. REEL 1565 PAGE 643

(d) Liability insurance insuring the Association against any liability to the public or to any owner, their invitees or tenants incident to their occupation and/or use of the common area in a combined personal injury and property damage coverage of not less than \$500,000.00 for each occurrence (such limits and coverage to be reviewed at least annually by the Association and increased in its discretion).

(e) Worker's Compensation Insurance to the extent necessary to comply with any applicable laws, and other insurance deemed necessary by the Board of Directors of the Association.

(f) Standard fidelity bond covering those certain members of the Board of Directors and those certain members of the Association who are authorized to sign checks on behalf of the Association in such amounts as the Board of Directors may determine from time to time.

(g) Painting, maintenance, repair, replacement and all landscaping of the common area, and such furnishings and equipment for the common area, as the Association shall determine are necessary and proper, including but without limiting the generality of the foregoing, all equipment, furnishings, and personnel for the recreational areas necessary or proper for the use thereof, and the facilities thereon, by the owners for recreational purposes; and the Association shall have the exclusive right and duty to acquire same.

hereof.

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(i) Landscape planting (including irrigation) and maintenance service for the common area; provided, however, that all landscaping inside patio or yard areas of any lot shall be provided and maintained by the owner thereof.

(j) Removal and replacement of any part of a patio or fence that extends into the common area under authority of an easement when access to a utility line underneath such patio or fence is requested by any utility company.

(k) Any other materials, supplies, furniture, labor, services, maintenances, repairs, structural alterations, insurance, taxes, or assessments which the Association is required to secure or pay for pursuant to the terms of these restrictions or by law.

Section 3. Maximum Annual Assessment. Until January 1 of the year immediately following the conveyance of the first lot to an owner, the maximum annual assessment shall be SEVEN HUNDRED EIGHTY DOLLARS (\$780.00) per lot.

(a) The board of directors may not, without the vote or written assent of a majority of the voting power of the Association residing in members other than the declarant, impose a regular annual assessment per subdivision interest which is more than 20% greater than the regular assessment for the immediately preceding fiscal year.

(b) The Board of Directors shall fix the annual assessment at an amount not in excess of the maximum. Failure to set annual assessments shall not be deemed a waiver and in such event the prior year assessment shall remain in effect.

(c) All incomplete units in a phase shall be exempted from that portion of the annual assessment which provides insurance, maintenance and reserves for the exterior structure of the unit and walkway lighting, until such time as a notice of completion is filed or 120 days have elapsed from issuance of the building permit whichever occurs first.

Section 4. Special Assessments for Capital Improvements.

In addition to the annual assessments authorized above, the Association may levy, in an assessment year, a special assessment applicable to that year only for the purpose of defraying, in whole or in part, the cost of any construction, reconstruction, repair or replacement of a capital improvement upon the common area, including fixtures and personal property related thereto, provided that if any such assessment in the aggregate shall exceed five (5%) percent of the budgeted gross expense of the Association for that fiscal year it shall have a vote or written consent of 51% of members, as well as the vote or written consent of a majority of the Association residing in members other than the declarant.

Section 5. Notice and Quorum for any Action Authorized Under Section 3 and 4. Any action requiring a vote or written consent of 51% of members as well as the vote or written consent of a majority of the Association residing in members other than the declarant authorized under Section 3 or 4, shall be taken at a meeting called for that purpose, written notice of which shall be sent to

all members not less than 15 days in advance of the meeting specifying the place, day and hour of the meeting, and in the case of a special meeting, the nature of the assessment for which the meeting has been called.

Section 6. Uniform Rate of Assessment. Both annual and special assessments must be fixed at a uniform rate for all lots and may be collected on a monthly basis.

Section 7. Date of Commencement of Annual Assessments - Due Dates. The annual assessments shall commence as to all lots for Phase I only on the first day of the month following the closing of the first sale in the first Phase to the purchaser thereof. The first annual assessment shall be adjusted according to the number of months remaining in the calendar year. Assessments for Phases II and III shall commence for all lots in the Phase on the first day of the month following the closing of the first sale in each subsequent phase to the purchaser thereof, or upon rent or lease of any unit therein, but in no event later than the first day of the month following automatic annexation three years after the original issuance of the subdivision public report for the first phase of the development. Assessments for Phase IV shall commence for all lots in the phase on the first day of the month following the closing of the first sale in that phase to the purchaser thereof.

The Board of Directors shall fix the amount of the annual assessment against each lot at least sixty (60) days in advance of each annual assessment period. Written notice of the annual assessments shall be sent to every owner subject thereto. The due dates shall be established by the Board of Directors. The Association shall, upon demand, and for a reasonable charge, furnish a certificate signed by an officer of the Association setting forth whether the assessments on a specified lot have been paid.

Section 8. Financial Statements and Budget. Each owner shall be entitled to have furnished to him financial statements as follows:

(a) a pro-forma operating statement or budget for each fiscal year not less than sixty (60) days before the first day of each such year.

(b) A balance sheet within sixty (60) days as of an accounting date which shall be the last day of the month closest in time to six months from the date of conveyance of the first lot and an operating statement for an accounting period from the aforesaid date of first closing to the aforesaid accounting date, which shall include schedules of assessments received or receivable

by itemized unit number and by the name of the Owner assessed:

(c) Within 120 days of the close of the fiscal year a balance sheet, an operating statement for the fiscal year, a statement of changes in financial position for the fiscal year, and any information required to be reported under Section 8322 of the Corporations Code:

(d) The reports referred to above shall be accompanied by a certificate signed by the Chief Financial Officer stating that the statements were prepared without audit from the books and records of the Association, unless said statements were prepared by an independent accountant. The reports shall be prepared by an independent accountant in any fiscal year in which the gross income to the Association exceeds \$75,000.

Section 9. Effect of Non-Payment of Assessments; Remedies of the Association. Any assessment not paid within 30 days after the due date shall bear interest from the date of delinquency at a rate of ten (10%) percent per annum. In the event of a default or defaults in payment of any assessment and in addition to any other remedies herein or by law provided, the Association may enforce each such obligation as follows:

(a) By suit or suits at law to enforce each such assessment obligation. Any judgment rendered in any such action shall include, where permissible under any law, a sum for reasonable attorney fees in such amount that the court may adjudge against such defaulting owner. Upon full satisfaction of any such judgment it shall be the duty of the Association by any authorized officer thereof to execute and deliver to the judgment debtor an appropriate satisfaction thereof.

(b) At any time more than thirty (30) days after the delinquency of any assessment, the Association may give a notice to the defaulting owner, which said notice shall state the date

of the delinquency, the amount of the delinquency, and the interest charge for such delinquency, and make demand for payment thereof. If such delinquency and interest is not paid within ten days after delivery of such notice, the Association may elect to file a claim of lien against the lot of such delinquent owner. Such claim of lien shall state (1) the name of the delinquent owner or reputed owner, (2) a description of the lot against which claim of lien is made, (3) the amount claimed to be due and owing (with any proper offset allowed), (4) that the claim of lien is made by the Association pursuant to the terms of these restrictions (giving the date of execution and the date, book and page reference of the recording thereof in the Office of the Recorder of the County mentioned on page 1 of this Declaration), and (5) that a lien is claimed against said described lot in an amount equal to the amount of the stated delinquency plus interest. Any such claim of lien shall be signed and acknowledged by an authorized officer of the Association. Upon recordation of a duly executed original copy of such claim of lien by the Recorder of the County mentioned on page 1 of this Declaration, the lien claimed therein shall immediately attach and become effective subject only to limitations hereinafter set forth. Each delinquency shall constitute a separate basis for a claim of lien or a lien. Any such lien may be foreclosed by appropriate action in court or in the manner provided by law for the foreclosure of a mortgage under power of sale. In the event such foreclosure is by action in court, reasonable attorney's fees shall be allowed to the extent permitted by law. In the event the foreclosure is as in the case

of a mortgage under power of sale, any authorized officer of the Association conducting said sale shall be entitled to actual expenses and such fees as may be allowed by law or as may be prevailing at the time the sale is conducted. A certificate of sale shall be executed and acknowledged by any authorized officer of the Association or by the person conducting the sale. A deed upon foreclosure shall be executed in like manner.

No owner may waive or otherwise escape liability for the assessments provided for herein by non-use of the common area or abandonment of his lot.

Section 10. Subordination of the Lien to Mortgages. The lien of the assessments provided for herein shall be subordinate to the lien of any first mortgage. Sale or transfer of any lot shall not affect the assessment lien. However, the sale or transfer of any lot pursuant to mortgage foreclosure shall extinguish the lien of such assessments as to payment which become due prior to such sale or transfer. No sale or transfer shall relieve such lot from liability for any assessments thereafter becoming due or from the lien thereof.

ARTICLE V

EXTERIOR MAINTENANCE

In addition to maintenance upon the common area, the Association shall provide exterior maintenance upon such lot which is subject to assessment hereunder as follows: paint, repair, replace and care for roofs, gutters, downspouts and exterior building surfaces. Such exterior maintenance shall not include

glass surfaces.

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In the event that the need for maintenance or repair is caused through the willful or negligent act of the owner, his family, guests, or invitees, the cost of such maintenance or repairs shall become a charge to which such lot is subject. Any action hereunder shall be in accordance with Article XII, Section 1. of this Declaration.

ARTICLE VI

ARCHITECTURAL CONTROL

Section 1. No building, fence, wall or other structure shall be commenced, erected or maintained upon the properties, nor shall any exterior addition to or change or alteration therein be made until the plans and specifications showing the nature, kind, shape, height, materials and locations of the same shall have been submitted to and approved in writing as to harmony of external design and location in relation to surrounding structures and topography by the Architectural Control Committee.

Section 2. The Architectural Control Committee shall consist of three (3) members all of which together with their replacements may be appointed by the declarant until the first anniversary of the issuance of the original public report for the first phase of the subdivision. The declarant reserves the right to appoint a majority of the members to the committee until 90% of all the subdivision interest in the overall development have been sold or until the fifth anniversary of the original issuance of the final public

report of the first phase of the subdivision, whichever occurs first. After one year from the date of issuance of the original public report for the first phase of the subdivision the Board of Directors of the Association shall have the power to appoint one member to the Architectural Control Committee until 90% of all the subdivision interest in the overall development have been sold or until the fifth anniversary date of the original issuance of the final public report for the first phase of the subdivision, whichever occurs first. Thereafter, the Board of Directors shall have the power to appoint all the members of the Architectural Control Committee. Members appointed to the Committee by the Declarant need not be members of the Association. Members appointed to the Architectural Control Committee by the Board of Directors shall be from the membership of the Association.

Section 3. Any adverse decision of the Architectural Control Committee may be appealed to the Board of Directors, in which case the Board of Directors shall take action upon said appeal within thirty (30) days. In the event the Committee fails to approve or disapprove of the design and location of any improvement within thirty (30) days after said plans and specifications have been submitted to it, approval will not be required and this Article will be conclusively deemed to have been followed.

ARTICLE VII

PARTY WALLS

Section 1. General Rules of Law to Apply. Each wall which is built as a part of the original construction of the units upon the properties and placed on the dividing line between the lots shall constitute a party wall, and, to the extent not inconsistent with the provisions of this Article, the general rules of law regarding party walls and liability for property damage due to negligence

or willful acts or omissions shall apply thereto.

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Section 2. Sharing of Repair and Maintenance. The cost of reasonable repair and maintenance of a party wall shall be shared by the owners who make use of the wall in proportion to such use.

Section 3. Destruction by Fire or Other Casualty. If a party wall is destroyed or damaged by fire or other casualty, any owner who has used the wall may restore it, and if the other owners thereafter make use of the wall, they shall contribute to the cost of restoration thereof in proportion to such use without prejudice, however, to the right of any such owners to call for a larger contribution from the others under any rule of law regarding negligent or willful acts or omissions.

Section 4. Right to Contribution Runs with Land. The right of any owner to contribution from any other owner under this article shall be appurtenant to the land and shall pass to such owner's successors in title.

Section 5. Arbitration. In the event of any dispute arising concerning a party wall, or under the provisions of this article, each party shall choose one arbitrator, and such arbitrators shall choose one additional arbitrator, and the decision shall be by a majority of all the arbitrators.

ARTICLE VIII

OWNERS' OBLIGATION TO REPAIR AND RESTORE

Except for those portions which the Association is required to maintain and repair hereunder (if any) each owner shall, at his sole expense and cost, maintain and repair his unit, keeping the

same in good condition and making all structural repairs as they may be required.

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ARTICLE IX

INSURANCE: DAMAGE OR DESTRUCTION

In the event of damage to or destruction to the interior of any unit, except for damage that is covered by the blanket property insurance policy as herein provided, the Owner shall reconstruct the same as soon as reasonably practicable, and substantially in accord with the original plans and specifications thereof.

The Association shall obtain and continue in effect, blanket property insurance in form and amounts satisfactory to the Board and to mortgagees holding first mortgages covering residential units but without prejudice to the right of the Owner of a unit to obtain individual insurance.

Insurance premiums for any blanket insurance coverage shall be a common expense to be included in the monthly assessments levied by the Association; and the portion of such payments necessary for the insurance premiums shall be held in a separate account of the Association and shall be used solely for the payment of the blanket property insurance premiums as such premiums become due.

If any of the Project improvements are damaged by fire or other casualty, insurance proceeds payable to the Association (if any) shall be used to rebuild or repair such damage in accordance with the original plans and specifications therefor. Custom-built items added by Owners to their Unit shall be rebuilt or replaced at the expense of Owners or their insurers. Any excess

insurance proceeds shall be deposited to the general funds of the Association. In the event the proceeds of the Association's insurance policy are insufficient to rebuild or repair a Unit or Units, then the Association may use funds from its account or if necessary from levying a special assessment on all Unit Owners to restore or rebuild said Unit or Units.

Any special assessment for rebuilding or major repair of the structural common area or housing units shall be levied upon the basis of the ratio of the square footage of the floor area of the unit to be assessed to the total square footage of floor area of all units to be assessed.

In the event the property subject to this Declaration is totally or substantially damaged or destroyed, the repair, reconstruction or disposition of the property and insurance proceeds shall be as provided by an agreement approved by more than fifty-one (51%) percent of the votes of the Association as such voting interests are established in this Declaration, including an affirmative vote of the majority of the voting power of the Association other than Declarant.

In the event of a condemnation award or a partial or complete destruction, and the owner's election not to rebuild, affecting all or part of the structural common area, is not apportioned among the owners by court judgement or by agreement between the condemning authority and each of the affected owners in the subdivision, shall be distributed among the affected owners in the subdivision and their respective mortgagees according to the relative fair market values of each unit affected by the condemnation or destruction as

determined by an independent appraisal contracted for by the Board of Directors.

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ARTICLE X

USE RESTRICTIONS

The property shall be occupied and used as follows:

Section 1 Each lot shall be used for private residential purposes only.

Section 2. No business of any kind whatsoever shall be established, maintained, operated, permitted or conducted on the Properties, or any portion thereof, excepting the business of Declarant in completing the development and sale of the units in the project, and excepting further such professional and administrative professions as may be permitted by ordinance, provided there is no external evidence thereof.

Section 3. No noxious or offensive activity shall be carried on in, or upon, any lot or the common area, nor shall anything be done therein which may be or become an annoyance or nuisance to

other owners.

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Section 4. No sign of any kind shall be displayed to the public view on any lot or the common area without the prior written consent of the Association, except customary name and address signs and lawn signs of not more than five square feet in size advertising the property for sale.

Section 5. No owner of a lot shall park, store or keep any truck, boat, trailer or aircraft or any vehicle other than a private passenger vehicle or pickup truck not to exceed 1/2 ton within the parking spaces, except such temporary parking as may be permitted by Association Rules. No owner of a lot shall repair or restore any motor vehicle, boat, trailer, aircraft, or other vehicle upon any portion of any lot or upon the common area except for emergency repairs thereto and then only to the extent necessary to enable movement thereof to a proper repair facility. All garages and open parking spaces shall be kept free and clear and available for the parking of vehicles.

Section 6. Nothing shall be done or kept on the lot or common area which will increase the rate of insurance relating thereto without the prior written consent of the Association and no owner shall permit anything to be done or kept on his lot or the common area which would result in the cancellation of insurance on any residence or any part of the common area or which would be in violation of any law.

Section 7. No animals, livestock or poultry of any kind shall be raised, bred or kept on any lot or the common area, except that dogs, cats and other household pets may be kept on lots subject to rules and regulations adopted by the Association, pro-

vided that they are not kept, bred or maintained for any commercial purposes.

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Section 8. No rubbish, trash, garbage or other waste material shall be kept or permitted upon any lot or common area except in sanitary containers located in appropriate areas, screened and concealed from view.

Section 9. No fence, hedge, wall or other dividing instrumentality over six feet in height measured from the ground on which it stands shall be constructed or maintained on any lot, except as Declarant may vary or exceed said height or location of any fence in accordance with its architectural plans.

Section 10. No masts, tower or pole or outside television antenna, aerial or radio pole shall be erected, constructed or maintained on any lot located in such manner as to be visible from the outside of such lot.

Section 11. No drapes may be displayed in any exterior windows except white or off-white drapes or sheer drapes with a solid white or off-white backing.

Section 12. No outbuilding, basement, tent, shack, garage, trailer or shed or temporary building of any kind shall be used as a residence either temporarily or permanently.

Section 13. Nothing shall be altered or constructed in or removed from the common area except upon the written consent of the Association.

Section 14. Declarant or Declarant's transferees will undertake the work of developing all of the lots included within the Properties. The completion of that work and sale, rental, and

other disposal of residential units is essential to the establishment and welfare of said property as a residential community. In order that said work may be completed and the Properties established as fully occupied residential community as rapidly as possible, nothing in this Declaration shall be understood or construed to:

(a) Prevent Declarant, its transferees, or its or their contractors or subcontractors, from doing on the Properties or any part thereof owned or controlled by Declarant whatever they determine to be reasonably necessary or advisable in connection with the completion of said work; or

(b) Prevent Declarant, its transferees, or its or their representatives from erecting, constructing and maintaining on any part or parts of the Properties owned or controlled by Declarant, or its transferees, or its or their contractors or subcontractors, such structures as may be reasonably necessary for the conduct of its business of completing said work and establishing the Properties as a residential community and disposing of the same in parcels by sale, lease or otherwise; or

(c) Prevent Declarant, or its transferees, or its or their contractors or subcontractors, from conducting on any part or parts of said property owned or controlled by Declarant, or its transferees, its or their business of completing said work and of establishing said property as a residential community and of disposing of the Properties in parcels by sale, lease or otherwise; or

(d) Prevent Declarant, or its transferees, or its or their contractors or subcontractors, from maintaining such sign or signs on any of said lots owned or controlled by any of them

as may be necessary in connection with the sale or lease of the
Properties.

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As used in this section and its subparagraphs, the words
"its transferees" specifically do not include purchasers of lots
improved with completed residences.

ARTICLE XI
MORTGAGE PROTECTION

Section 1. Mortgage Protection Clause. No breach of any
of the covenants, conditions and restrictions herein contained
nor the enforcement of any lien provisions herein, shall defeat
or render invalid the lien of any first mortgage or deed of trust
on any Unit made in good faith and for value, but all of said
covenants, conditions and restrictions shall be binding upon and
effective against any Owner whose title is derived through fore-
closure or trustee's sale, or otherwise.

Section 2. Restrictions on Certain Changes. Unless 75% of first
mortgagees of units have given their prior written approval, neither
the Association or the owners shall be entitled:

- (a) by act or omission to seek to abandon or terminate
this planned unit development, except for abandonment provided by
statute in case of substantial loss to the units and common area;
- (b) to change the pro rata interest or obligations of
any unit for purposes of levying assessments;
- (c) to partition or subdivide any unit;
- (d) by act or omission to seek to abandon, partition,
subdivide, encumber, sell or transfer the common area, owned
directly or indirectly by the Association. The granting of easements

for public utilities or for other public purposes consistent with the intended use of the common area by the Association or the owners shall not be deemed a transfer within the meaning of this clause;

(e) to use hazard insurance proceeds for losses to unit or common area in the development for other than the repair, replacement or reconstruction of improvements, except as provided by statute in case of substantial loss to the units or common area of the development.

Section 3. Notice to Mortgagee. A first mortgagee, upon request, shall be entitled to written notification from the Association of any default in the performance by an individual owner of any obligation under this declaration or under the By-Laws of the Association which is not cured within sixty (60) days from the date of default.

Section 4. Distribution of Insurance and Condemnation Proceeds. No owner, or any other party, shall have priority over any right of first mortgagees pursuant to their mortgages in case of a distribution to owners of insurance proceeds or condemnation awards for losses to or a taking of lots or common area. Any provision to the contrary in this declaration or in the bylaws or other documents relating to the development is to such extent void. All applicable fire and all physical loss or extended coverage insurance policies shall contain loss payable clauses acceptable to the affected mortgagees naming the mortgagees, as their interests may appear.

ARTICLE XII

GENERAL PROVISIONS

REEL 1565 PAGE 662

Section 1. Enforcement. The Association, or any owner, shall have the right to enforce, by any proceeding at law or in equity, all restrictions, conditions, covenants, reservations, liens and charges now or hereafter imposed by the provision of this Declaration. The Board shall also have the right to impose monetary penalties not in excess of Fifty (\$50.00) Dollars, temporary suspension of any owner's rights as a member of the Association, not to exceed thirty (30) days, or other appropriate discipline for failure to comply with the governing instruments, provided that the procedures for notice and hearing, satisfying the minimum requirements of Section 7341 of the Corporation's Code, are followed with respect to the accused member before a decision to impose such additional charge is reached.

A monetary penalty imposed by the Association as a disciplinary measure for failure of a member to comply with the Declarations, By-laws or Rules or as a means of reimbursing the Association for costs incurred by the Association in the repair of damage to common areas and facilities for which the member was allegedly responsible or in bringing the member and his subdivision interest into compliance with the Declaration, Bylaws or Rules of the Association may not be characterized as an assessment which may become a lien against the member's subdivision interest enforceable by a sale of the interest in accordance with the provisions of Sections 2924, 2924(b) and 2924(c) of the Civil Code. This provision does not apply to charges imposed against an owner consisting of reasonable late payment penalties for delinquent assessments and/or charges to reimburse the Association

for the loss of interest and for costs reasonably incurred (including attorneys' fees) in its efforts to collect delinquent assessments. Failure by the Association or by any owner to enforce any covenant or restriction herein contained shall in no event be deemed a waiver of the right to do so thereafter.

Section 2. Severability. Invalidation of any one of these covenants or restrictions by judgment or court order shall in no way affect any other provision which shall remain in full force and effect.

Section 3. Amendment. The covenants and restrictions of this Declaration shall run with and bind the land, for a term of thirty-five (35) years from the date this Declaration is recorded, after which time they shall be automatically extended for successive periods of ten (10) years. This Declaration may be amended by an instrument signed by not less than 75% of the voting power of each class of members for so long as there are two classes of mem-

bership and thereafter by a vote of not less than 75% of the voting power of the Association, including 75% of the members other than Declarant; provided, however, that the percentage of voting power necessary to amend a specific clause or provision shall not be less than the prescribed percentage of affirmative votes required for action to be taken under that clause. Any amendment must be recorded in the Office of the Recorder of the County of Monterey and shall in no way impair or invalidate the lien of any mortgage or trust deed.

Section 4. Annexation. Additional residential property and common area may be annexed to the properties with the consent of not less than two-thirds (2/3), of the total voting power of members other than the declarant, provided that the property indicated in Exhibit "A" attached hereto consisting of Phases II and III of this subdivision, may be annexed by the Declarant without the written consent of the membership prior to the third anniversary of the original issuance of the final public report for the first phase of development, but shall be annexed no later than June 15, 1985,

Phase IV of this subdivision, may be annexed by the Declarant without the written consent of the membership provided that such annexation is effected prior to the third anniversary of the original issuance of the most recently issued final public report for any phase of the development. The Homeowners Association shall not be responsible for maintenance or annexed property until assessments commence.

Section 5. Enforcement of Bonded Obligation of Declarant. If any facilities, for which the declarant is required to post a Completion Bond in favor of the Association, are not completed by the Notice of Completion date specified in the Planned Construction

Statement appended to the bond, the Board shall consider and vote on the question of action by the Association to enforce the obligations under the bond. The Board may grant an extension in writing for the completion of any common area facility. The Board shall consider and vote on the aforesaid question if a

Notice of Completion has not been filed within thirty (30) days after the expiration of the extension.

REEL 1565 PAGE 666

Upon the written request by members representing 5% or more of the total voting power of the Association, the Board shall call a special meeting of members to be noticed as hereinbefore required and held not less than thirty-five (35) days nor more than forty-five (45) days after receipt of the written request, for the purpose of overriding a decision by the Board not to enforce the obligation under the Bond or upon the failure of the Board to consider and vote on the question.

A vote by a majority of the voting power of the Association residing in members other than Declarant to take action to enforce the obligation under the bond shall be deemed to be the decision of the Association and the Board shall thereafter implement the decision by initiating and pursuing appropriate action in the name of the Association.

All agreements and determinations lawfully made by the Association in accordance with the voting percentages established in this declaration or in the By-Laws, shall be deemed to be binding on all owners of lots, their successors and assigns.

IN WITNESS WHEREOF, the undersigned, being the Declarant herein, has hereunto set its hand and seal this 14 day of

July, 1982.

TRILEX SEVEN,
A Limited Partnership

TRILEX ELEVEN,
A Limited Partnership

By: Howard M. Evans
Howard M. Evans, President

By: Howard M. Evans
Howard M. Evans, President

By: _____

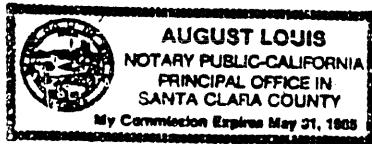
By: _____

STATE OF CALIFORNIA)
COUNTY OF SANTA CLARA) ss.

REEL 1565 PAGE 667

On this 14 day of July, 1982, before me August Louis a Notary Public in and for said State personally appeared Howard M. Evans known to me to be the President of Trilex Corporation the corporation that executed the within instrument and known to me to be the person who executed the within instrument on behalf of the said corporation, said corporation being known to me to be one of the partners of Trilex Seven, a limited partnership, the partnership that executed the within instrument, and acknowledged to me that such corporation executed the same as such partner and that such partnership executed the same.

WITNESS my hand and official seal.

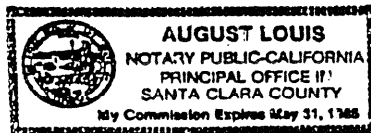


August Louis
Notary Public, State of California

STATE OF CALIFORNIA)
COUNTY OF SANTA CLARA) ss.

On this 14 day of July, 1982, before me August Louis a Notary Public in and for said State personally appeared Howard M. Evans known to me to be the President of Trilex Corporation the corporation that executed the within instrument and known to me to be the person who executed the within instrument on behalf of the said corporation, said corporation being known to me to be one of the partners of Trilex Eleven, a limited partnership, the partnership that executed the within instrument, and acknowledged to me that such corporation executed the same as such partner and that such partnership executed the same.

WITNESS my hand and official seal.



August Louis
Notary Public, State of California

EXHIBIT "A"

REEL 1565 PAGE 668

PHASE I

Lots 1 through 4, 45 through 60, G45, G47, G48, G52, G53, G56, G57, G60 as described in the Subdivision Tract 912 filed in the office of the County Recorder of Monterey County, California, on December 2, 1980, in Map Book 14 at page 47.

PHASE II

Lots 25 through 44, G44, G40, G32, G29, G28, and G25 as described in the Subdivision Tract Map 912 filed in the office of the County Recorder of Monterey County, California, on December 2, 1980, in Map Book 14 at page 47.

PHASE III

Lots 5 through 24, G24, G21, G20, G17, G16, and G13 as described in the Subdivision Tract Map 912 filed in the office of the County Recorder of Monterey County, California, on December 2, 1980, in Map Book 14 at page 47.

PHASE IV

Lot B as described in the Subdivision Tract 912 filed in the office of the County Recorder of Monterey County, California, on December 2, 1980 in Map Book 14 at page 47.

SUBORDINATION

REEL 1565 PAGE 669

The undersigned, being the beneficiary and the Trustee under that certain deed of trust recorded April 3, 1981, in Reel 1473 at page 641, Monterey County Official Records, does hereby subordinate same to the above Declarations of Covenants, Conditions and Restrictions executed by TRILEX SEVEN, A California Limited Partnership and TRILEX ELEVEN, A California Limited Partnership, and agrees that any sale made under the provisions of said deed of trust shall be subject to said Declarations of Covenants, Conditions and Restrictions.

The beneficiary hereby directs the trustee to execute this subordination.

BENEFICIARY:

CROCKER NATIONAL BANK,
a National Banking Corporation

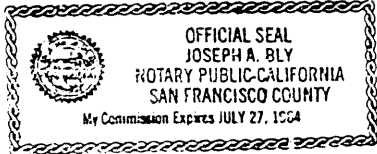
BY: *Duane R. Dawson*
Duane R. Dawson, Vice President

TRUSTEE:

CROCKER CUSTODY CORPORATION

BY: *Duane R. Dawson*
Duane R. Dawson, Vice President

STATE OF CALIFORNIA
COUNTY OF SAN FRANCISCO



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Cowdery's Form No. 28 — Acknowledgement
Corporation (C. C. Secs. 1190-1190.1)

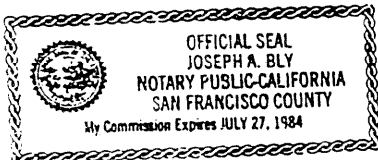
On this 14th day of July in the year one thousand nine hundred and SIXTY-TWO, before me, JOSEPH A. BLY, a Notary Public, State of California, duly commissioned and sworn, personally appeared _____

DIANE R. DOLSON known to me to be the VICE PRESIDENT of the corporation described in and that executed the within instrument, and also known to me to be the person _____ who executed the within instrument on behalf of the corporation therein named, and acknowledged to me that such corporation executed the same DOCUMENT.

IN WITNESS WHEREOF I have hereunto set my hand and affixed my official seal in the CITY AND County of SAN FRANCISCO the day and year in this certificate first above written.

Joseph A. Bly
Notary Public, State of California
My commission expires JULY 27, 1984

STATE OF CALIFORNIA
COUNTY OF SAN FRANCISCO



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Cowdery's Form No. 28 — Acknowledgement
Corporation (C. C. Secs. 1190-1190.1)

On this 14th day of July in the year one thousand nine hundred and EIGHTY TWO, before me, JOSEPH A. BLY, a Notary Public, State of California, duly commissioned and sworn, personally appeared DUANE R. DAWSON

known to me to be the VICE PRESIDENT of the corporation described in and that executed the within instrument, and also known to me to be the person who executed the within instrument on behalf of the corporation therein named, and acknowledged to me that such corporation executed the same DOCUMENT

IN WITNESS WHEREOF I have hereunto set my hand and affixed my official seal in the CITY AND County of SAN FRANCISCO the day and year in this certificate first above written.

Joseph A. Bly
Notary Public, State of California

My commission expires JULY 27, 1984

END OF DOCUMENT