

DECLARATION OF COVENANTS, CONDITIONS
AND RESTRICTIONS, AND
RESERVATION OF EASEMENTS FOR
LOS SERRANOS RANCH

THIS DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS is made by KAUFMAN AND BROAD OF SOUTHERN CALIFORNIA, INC., a California corporation (the "Declarant").

W I T N E S S E T H:

- A. Declarant is the owner of that certain real property located in the City of Chino Hills, County of San Bernardino, State of California, more particularly described in Exhibit "A" attached hereto and incorporated herein by this reference ("Phase 1").
- B. Declarant is also the owner of that certain real property located in the City of Chino Hills, County of San Bernardino, State of California, more particularly described in Exhibit "B" attached hereto ("Annexation Property"), which may, from time to time, be annexed to and become part of the Project (as hereinafter defined), in accordance with the Article herein entitled "Annexation of Additional Property."
- C. Declarant desires to develop Phase 1 and the Annexation Property as a common interest development, more particularly described in Section 1351(k) of the California Civil Code as a "planned development" (the "Project"), which includes facilities for the common use, benefit, and enjoyment of all Owners. The development of the Project shall be consistent with the overall plan of development submitted to and approved by the Department of Veterans Affairs and/or the Federal Housing Administration (the "VA/FHA").
- D. Declarant intends to establish a balanced community and to develop and convey Phase 1 and all other property within the Project pursuant to which general plan for the care, use, and management of the Project, and subject to certain protective covenants, conditions, restrictions, reservations, easements, liens and charges, under the general plan of improvement for the benefit of all Owners of Lots in the Project.
- E. Declarant deems it desirable for the efficient enforcement, protection and preservation of the desirability and attractiveness of the Project to create a corporation which shall be delegated and assigned the powers of administering and enforcing the Protective Covenants.
- F. LOS SERRANOS RANCH COMMUNITY ASSOCIATION, a California nonprofit, mutual benefit corporation, has been or will be incorporated under the laws of the State of California for the purpose of exercising the aforesaid powers.

G. Declarant intends to convey the Project subject to the Protective Covenants set forth hereinbelow.

NOW, THEREFORE, Declarant covenants, agrees and declares that it does hereby establish a general plan for the development, maintenance, care, improvement, protection, use, occupancy, management and enjoyment of the Project, and that all or any portion of the Project shall be held, sold, conveyed, encumbered, hypothecated, leased, used, occupied and improved, subject to the covenants, conditions, restrictions, limitations, easements and rights ("Protective Covenants") set forth herein, all of which are for the purpose of uniformly enhancing and protecting the attractiveness and desirability of the Project, in furtherance of said general plan for the maintenance, protection, subdivision, improvement and sale of the Project, or any portion(s) thereof. Each and all of the Protective Covenants are hereby imposed as equitable servitudes upon the Property, which shall run with and burden the Project and shall be binding upon all persons having any right, title or interest in the Project, or any portion thereof, their heirs, successors and assigns, and shall inure to the benefit of and be binding upon Declarant, its successors and assigns, all subsequent owners of all or any portion of the Project, together with their grantees, heirs, executors, administrators, devisees, successors and assigns.

ARTICLE 1

DEFINITIONS

1.1 "Annexation Property" shall mean and refer to that certain real property described in Exhibit "B" attached hereto, including all Improvements constructed thereof, all or any portion of which may be annexed into the Project as set forth in the Article herein entitled "Annexation of Additional Property." The maximum number of Residences that may be developed is five hundred (500).

1.2 "Architectural Control Committee" shall mean and refer to the architectural committee created pursuant to the Article herein entitled "Architectural Control."

1.3 "Articles" shall mean and refer to the Articles of Incorporation of the Association, as filed in the Office of the Secretary of State of the State of California, as such Articles may be amended, from time to time.

1.4 "Assessments" shall be used as a generic term which shall mean and refer to the following:

a. "Regular Assessment" shall mean and refer to the annual charge against each Owner and his respective Lot representing a portion of the Common Expenses of the Association;

b. "Compliance Assessment" shall mean and refer to the personal charge against an Owner representing the costs incurred by the Association in the repair

of any damage to the Association Property for which such Owner was responsible, the costs incurred by the Association in bringing such Owner and his Lot into compliance with this Declaration, any amount due the Association based upon disciplinary proceedings against an Owner in accordance with this Declaration, or any amount due the Association to reimburse the Association for administrative costs attributable to an Owner as provided herein;

c. "Special Assessment" shall mean and refer to the charge against an Owner and his respective Lot representing a portion of the cost of reconstructing any damaged or destroyed portion or portions of the Association Property, of constructing or installing any capital improvements to the Association Property, or of taking any extraordinary action for the benefit of the Association Property or the membership of the Association, pursuant to the provisions of this Declaration; and

d. "Reconstruction Assessment" shall mean and refer to a charge against each Owner and his Lot representing a portion of the cost to the Association for the repair, replacement or reconstruction of any portion or portions of Improvements within the Association Property, pursuant to the provisions of this Declaration.

1.5 "Association" shall mean and refer to Los Serranos Ranch Community Association, a California nonprofit, mutual benefit corporation and its successors and assigns. The Association is an "association" as defined in Section 1351(a) of the California Civil Code.

1.6 "Association Management Documents" shall mean and refer to this Declaration, Notices of Annexation, the Articles, By-Laws, Rules and Regulations, and any Architectural Standards from time to time adopted by the Board.

1.7 "Association Property" shall mean and refer to all the real property and Improvements located thereon, including, without limitation, the private streets, controlled access gates and related facilities, entry monument signs, slope maintenance areas, landscaped areas, storm drain facilities, slopes, greenbelts, Project perimeter walls and such other Improvements which are owned by the Association in fee, or over which the Association has an easement for maintenance purposes, or which the Association is otherwise obligated to maintain pursuant to this Declaration, any Notice of Annexation or any agreement, easement, license, permit or other similar document executed by Declarant as a condition to approval of the Project. Association Property may be designated by Declarant or Merchant Builders in Notices of Annexation recorded pursuant to the Article herein entitled "Annexation of Additional Property." The Association shall have nonexclusive easements for access on, over, across and through all Lots necessary for the Association to fulfill its maintenance responsibilities hereunder.

1.8 "Board" shall mean and refer to the Board of Directors of the Association, elected in accordance with the By-Laws of the Association and this Declaration.

1.9 "By-Laws" shall mean and refer to the By-Laws of the Association which have been, or will be, adopted by the Board, as such By-Laws may be amended, from time to time.

1.10 "City" shall mean and refer to the City of Chino Hills, a municipal corporation, its successors and assigns.

1.11 "Common Expenses" shall mean and refer to the actual and estimated costs to be paid by the Association for the following: (a) owning, maintaining, managing, operating, painting, repairing and replacing Improvements within the Association Property; (b) managing and administering the Association, including, but not limited to, compensation paid by the Association to managers, accountants, attorneys and any Association employees; (c) providing utilities and other services to the Association Property; (d) providing insurance as provided for herein; (e) paying that portion of any Assessment attributable to Common Expenses not paid by the Owner responsible for payment; (f) paying taxes for the Association; (g) funding adequate reserves for the repair and replacement of those elements of the Association Property which must be repaired and replaced on a periodic basis and to cover the deductible amounts under any insurance policies maintained by the Association; and (h) paying for all other goods and services designated by, or in accordance with, other expenses incurred by the Association for the benefit of all Owners.

1.12 "County" shall mean and refer to the County of San Bernardino, California.

1.13 "Declarant" shall mean and refer to Kaufman and Broad of Southern California, Inc., a California corporation, and to any person or entity acquiring some or all of Declarant's interest in the Project (including all of Declarant's rights and obligations as created and established herein) pursuant to a written assignment, deed or other instrument executed by Declarant which is recorded in the Office of the County Recorder. Any such instrument may include only certain specific rights and/or obligations of the Declarant, and may be subject to such conditions as Declarant may impose in its sole discretion.

1.14 "Declaration" shall mean and refer to this Declaration of Covenants, Conditions and Restrictions, and Reservation of Easements, and to all amendments to this Declaration as may be recorded, from time to time, in the Office of the County Recorder, in accordance with Section 1351(h) and Section 1353 of the California Civil Code.

1.15 "DRE" shall mean and refer to the Department of Real Estate of the State of California, and any successors thereto.

1.16 "Improvements" shall mean and refer to all structures and appurtenances thereto of every kind, including, but not limited to, Residences, swimming pools, spas, parking areas, street lights, pavement, sidewalks, driveways, walls, fences, decorative or informative signs, retaining walls, if any, mail kiosks, common trash receptacles, if any, screens, private utility line connections, poles, signs, and all Association Property landscaping and irrigation systems. Improvements shall also mean and refer to all additions and/or modifica-

tions to the exterior of Residences, including, but not limited to, (a) any change or alteration of any Improvement, either as originally installed and constructed or as approved by the Architectural Control Committee; (b) changing the roofing material on any Residence; and/or (c) building, constructing, installing, altering or replacing, as the case may be, any pools, spas, flooring and covers, exterior doors, screen doors, yard improvements, patio or balcony covers, gazebos, walls or fences, shades, awnings, screen doors, exterior doors, skylights, solar heating panels, exterior air conditioning and/or water softening fixtures or systems, and all hedges, windbreaks and other landscaping which left in its natural condition will grow to a height in excess of ten feet (10').

1.17 "Lot" shall mean and refer to a plot of land as shown upon the recorded subdivision map of the Project, and to all Improvements, including the Residence, constructed thereon. Only those plots of land which are designed and intended for the construction of a Residence and ownership by an individual Owner shall be deemed "Lots." "Lot" shall not mean or refer to any parcel of land owned in fee by the Association as Association Property.

1.18 "Member" shall mean and refer to every person or entity who holds membership in the Association, as more particularly set forth in the Article herein entitled "The Association," and shall be synonymous with the term "Owner."

1.19 "Merchant Builder" shall mean and refer to any person or entity identified herein or in any notice of annexation which has or will acquire from Declarant a portion of the Project for the purpose of developing and improving such property for the sale or lease of residences to the general public; provided, however, that the term Merchant Builder shall not mean or refer to Declarant, or its successors. M.J. Brock and Sons, a Delaware corporation, shall be a Merchant Builder, and shall be vested with all rights, responsibilities, benefits and burdens accorded Merchant Builders in the Association Management Documents. Declarant hereby reserves the right, in its sole and absolute discretion, to designate one or more additional Merchant Builders during the course of development of Los Serranos Ranch.

1.20 "Mortgage" shall mean and include any mortgage or deed of trust, or other conveyance of a Lot (or other portion of the Project) to secure the performance of an obligation, which conveyance will be reconveyed upon the completion of such performance. The term "Deed of Trust," when used herein, shall be synonymous with the term "Mortgage."

1.21 "Mortgagee" shall mean and refer to a person or entity to whom a Mortgage is made, and shall include the beneficiary of a Deed of Trust or the vendor under an installment land sales contract, as the case may be, and the assignees of a Mortgagee, beneficiary or vendor.

1.22 "Mortgagor" shall mean and refer to a person or entity who mortgages his or its property to another, i.e., the maker of a Mortgage, and shall include a trustor of a Deed of Trust.

1.23 "Notice and Hearing" shall mean and refer to written notice and the opportunity for a hearing before the Board or the Architectural Control Committee of the

