

AMENDED AND RESTATED  
DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS

THE HIGHLANDS COMMUNITY ASSOCIATION  
ORANGE COUNTY, CALIFORNIA

The Declaration of Covenants, Conditions, and Restrictions for Turtle Rock Highlands Garden Homes, executed by Donald L. Bren Company ("Declarant"), recorded on May 31, 1978, as Instrument No. 44337, in Book 12696, Pages 874, et seq., of the Official Records of Orange County, California ("Original Declaration"), as amended by the Declaration of Amendment to Declaration of Covenants, Conditions and Restrictions for The Highlands Community Association ("First Amendment"), recorded December 29, 1981, as Instrument No. 34324, in Book 14339, Pages 77, et seq., which affects all of the Properties described and commonly known as "The Highlands Community Association," is hereby amended and restated in its entirety to read as follows:

RECITALS

A. Declarant was the fee owner of the real property described in Exhibit A to this Declaration, as Covered Property.

B. Declarant deemed it desirable to establish covenants, conditions and restrictions upon the Covered Property and each and every portion thereof, to constitute a general scheme for the management of the Covered Property, and for the use, occupancy and enjoyment thereof, all for the purpose of enhancing and protecting the value, desirability and attractiveness of the Covered Property and enhancing the quality of life within the Covered Property.

C. It was desirable for the efficient management of the Covered Property and the preservation of the value, desirability and attractiveness of the Covered Property to create a corporation to which should be delegated and assigned the powers of managing the Covered Property, maintaining and administering the Community Facilities and administering and enforcing the Original Declaration and collecting and disbursing funds pursuant to the assessment and charges created and referred to and to perform such other acts as shall generally benefit the Covered Property.

D. The Highlands Community Association, a California nonprofit mutual benefit corporation, was incorporated under the laws of the State of California for the purpose of exercising the powers and functions aforesaid and has been assigned all rights, duties and responsibilities of the Declarant under the Original Declaration.

E. The Highlands Community Association ("Association"), acting through its Board of Directors, has deemed it advisable to restate the Original Declaration, to update the document to reflect current California law.

F. On \_\_\_\_\_, 200\_\_\_\_\_ percent (\_\_\_\_%) of the Owners of Lots within the Covered Property voted by written ballot to amend and restate the Original Declaration, all in accordance with the procedures for amendment set forth in the Original Declaration. It was the intention of said Owners to replace the Original Declaration, in its entirety, with the recordation of this Declaration. The Owners' action to amend and restate the Original Declaration as set forth herein, and the fact that the requisite percentage of affirmative votes required in the Original Declaration was achieved, is attested by the execution of this Amended and Restated Declaration (hereinafter referred to as "Declaration") by duly authorized officers of the Association, as required by California Civil Code Section 1355(a). As so amended and restated, the easements, covenants, restrictions and conditions set forth herein shall run with the Covered Property and shall be binding upon all parties having or acquiring any right, title or interest in the Covered Property or any portion thereof, and shall inure to the benefit of each Owner thereof.

G. A list of property Owners of Association required by Government Code Section 27288.1 is attached hereto as Exhibit "B" and incorporated herein by this reference.

NOW, THEREFORE, Declarant hereby covenants, agrees and declares that all of its interest as the same may from time to time appear in the Covered Property shall be held and conveyed subject to the following covenants, conditions, restrictions and easements which are hereby declared to be for the benefit of said interests in the Covered Property, and the owners of said interests, their successors and assigns. These covenants, conditions, restrictions and easements shall run with said interests and shall be binding upon all parties, having or acquiring any right or title in said interests or any part thereof, and shall inure to the benefit of each owner thereof and are imposed upon said interests and every part thereof as a servitude in favor of each and every of said interests as the dominant tenement or tenements.

## ARTICLE I DEFINITIONS

Unless the context clearly indicates otherwise, the following terms used in this Declaration are defined as follows:

Section 1. "Architectural Committee" shall mean and refer to the committee or committees provided for in the Article hereof entitled "Architectural Control."

Section 2. "Articles" and "Bylaws" shall mean and refer to the Articles of Incorporation and Bylaws of the Association as the same may from time to time be duly amended.

Section 3. "Assessments:" The following meanings shall be given to the Assessments hereinafter defined:

"Regular Assessment" shall mean the amount which is to be paid by each member of the Association for Common Expenses.

"Special Assessment" shall mean a charge against a particular Owner and his Residence, directly attributable to the Owner, to reimburse the Association for costs incurred in bringing the Owner and his Residence into compliance with the provisions of this Declaration, the Articles, Bylaws or Association Rules, or any other charge designated as a Special Assessment in this Declaration, the Articles, Bylaws, or Association Rules, together with attorneys' fees and other charges payable by such Owner, pursuant to the provisions of this Declaration, plus interest thereon as provided for in this Declaration.

"Reconstruction Assessment" shall mean a charge against each member and his Residence representing a portion of the cost to the Association for reconstruction of any portion or portions of the Community Facilities pursuant to the provisions of this Declaration.

"Capital Improvement Assessment" shall mean a charge against each Member and his Residence, representing a portion of the cost to the Association for installation or construction of any capital improvements on any of the Community Facilities which the Association may from time to time authorize pursuant to the provisions of this Declaration.

"Cable Television Service Assessment" shall mean a charge against a particular Owner and his Residence for cable television services obtained by the Association for the benefit of such Owner as provided in this Declaration.

Section 4. "Association" shall mean and refer to The Highlands Community Association, a nonprofit corporation, incorporated under the laws of the State of California, its successors and assigns.

Section 5. "Association Rules" shall mean rules adopted by the Association pursuant to the Article hereof entitled "Duties and Powers of the Association, and shall include the Architectural