

perform such delegated duty.

Section 7 - Pledge of Assessment Rights. The Association shall have the power to pledge the right to exercise its Assessment powers in connection with obtaining funds to repay a debt of the Association; provided, however, any such pledge shall require the prior affirmative vote or written assent of not less than seventy-five percent (75%) of the Members. Said power shall include, but not be limited to, the ability to make an assignment of Assessments which are then payable to or which will become payable to the Association; which assignment may be then presently effective but shall allow said Assessments to continue to be paid to and used by the Association as set forth in this Declaration, unless and until the Association shall default on the repayment of the debt which is secured by said assignment. The Association may levy Special Assessments against the Members to obtain such funds. Upon the failure of any Member to pay said Special Assessment when due, the Association may exercise all its rights, including, without limitation, the right to foreclose its lien, pursuant to the Article hereof entitled "Nonpayment of Assessments".

Section 8 - Emergency Powers. The Association or any person authorized by the Association may enter any Residence in the event of any emergency involving illness or potential danger to life or property. Such entry shall be made with as little inconvenience to the Owners as practicable, and any damage caused thereby shall be repaired by the Association unless covered by insurance carried by the Owner.

ARTICLE VII REPAIR AND MAINTENANCE

Section 1 - Repair and Maintenance by Association. Except to the extent that an Owner may be obligated to maintain and repair as hereinafter provided, and without limiting the generality of the statement of duties and powers contained in this Declaration, the Articles, Bylaws or Association Rules, the Association shall have the duty to accomplish the following upon the Covered Property or other land in such manner and at such times as the Board shall prescribe:

(a) maintain, repair, restore, replace and make necessary improvements to the Community Facilities, including, without limitation, the following:

(i) private walkways, bicycle paths, trails or other pedestrian paths;

(ii) drainage facilities and easements in accordance with the requirements of the Orange County Flood Control District;

(b) maintain the exterior (defined to mean the side fronting on any public right-of-way or Community Facilities) of those lot perimeter walls or fences identified on Exhibit "F". Exhibit "F" is, collectively, the original wall and fence Exhibits referenced within, and incorporated into the Original Declaration and the amendments and supplements thereto. A single map based upon those Exhibits is attached hereto as Exhibit "D" and incorporated herein for reference purposes. The location of the lot perimeter walls and fences generally depicted on Exhibits "F" and "D" shall be governed by as-built conditions, and in the event of any conflict between Exhibit "F" and Exhibit "D", Exhibit "F" shall control;

(c) maintain the public rights-of-way shown on Exhibit "E" according to the standards established by the City's Director of Public Works for public rights-of-way in the City. Exhibit "E" is, collectively, the original Association Maintenance Areas Exhibits referenced within, and incorporated into the Original Declaration and the amendments and supplements thereto. A single map based upon those Exhibits is attached hereto as Exhibit "D" and incorporated herein for reference purposes. The location of the public rights-of-way generally depicted on Exhibits "E" and "D", if any, shall be governed by as-built conditions, and in the event of any conflict between Exhibit "E" and Exhibit "D", Exhibit "E" shall control;

(d) maintain in a safe and attractive condition those slope areas shown on Exhibit "E". Exhibit "E" is, collectively, the original Association Maintenance Areas Exhibits

referenced within, and incorporated into the Original Declaration and the amendments and supplements thereto. A single map based upon those Exhibits is attached hereto as Exhibit "D" and incorporated herein for reference purposes. The location of the Association Maintenance Areas generally depicted on Exhibits "E" and "D" shall be governed by as-built conditions, and in the event of any conflict between Exhibit "E" and Exhibit "D", Exhibit "E" shall control;

(e) maintain, all other areas, facilities, equipment, services or aesthetic components of whatsoever nature as may from time to time be requested by the vote or written consent of two-thirds (2/3) of the voting power of the Members.

(f) the costs of any such maintenance and repair pursuant to this Section shall be paid out of the general funds of the Association, except as otherwise herein specified as payable by the particular Owners.

Section 2 - Repair and Maintenance by Owner. Except as the Association shall be obligated to maintain and repair as may be provided in this Declaration, every Owner shall:

(a) maintain the exterior of his Residence, walls, fences and roof of such Residence in good condition and repair; and

(b) install and thereafter maintain in attractive condition front yard landscaping in accordance with the provisions of this Article.

(c) In the event the Board shall determine that any lot perimeter walls and fences have been damaged from within a Residence, notwithstanding that such damage may be to the Lot perimeter walls and fences which are to be maintained by the Association pursuant to the terms of this Article, the Owner of the Residence shall be responsible for repairing such damage in a timely manner and in accordance with such rules as the Board or Architectural Committee shall from time to time adopt. In the event such repair is not so accomplished by the Owner, the Association or its delegates shall have the right at reasonable times to enter the Residence to effect such repair, and the cost thereof shall be charged to the Owner of the Residence, and, if not paid in a timely manner, shall be a Special Assessment.

Section 3 - Right of Association to Maintain and Install. In the event that an Owner fails to accomplish any maintenance or repair required by this Section, the Association or its delegates may, but shall not be obligated to, cause such maintenance and installation to be accomplished as hereinafter set forth.

(a) Upon finding by the Board of a deficiency in such maintenance or installation, the Board shall give notice of deficiency to the Owner which shall briefly describe the deficiency and set a date for hearing before the Board or a committee selected by the Board for such purpose. The Board may delegate its powers under this subsection to a duly appointed committee of the Association.

(b) Such hearing shall be held not less than ten (10) nor more than thirty (30) days from the date of said notice.

(c) Such hearing shall be conducted according to such reasonable rules and procedures as the Board shall adopt which shall provide the Owner with the right to present oral and written evidence and to confront and cross-examine any person offering at such hearing evidence adverse to such Owner. If the Board or any such committee renders a decision against the Owner, it shall further set a date by which the deficiency is to be corrected by the Owner. A decision of such committee may be appealed to the Board, but a decision of the Board shall be final.

(d) If the deficiency continues to exist after the time limitation imposed by a final decision of the Board or any such committee, the Board or such committee may cause such maintenance or installation to be accomplished.

(e) In the event the Board or such committee elects to cause such maintenance or installation to be accomplished, the following shall apply:

(i) The Owner shall have no more than ten (10) days following the receipt thereby of written notice of such election from the Board or such committee to select a day or days upon which such maintenance or installation work shall be accomplished;

(ii) The date which said Owner selects shall be not less than fifteen (15) days nor more than forty-five (45) days following the last day of said ten (10) day period;

(iii) If said Owner does not select such day or days within said ten (10) day period, the Board or such committee may select a day or days upon which such work may be accomplished which shall be not less than twenty-five (25) nor more than fifty-five (55) days from the last day of said ten (10) day period; and

(iv) Unless the Owner and the Board otherwise agree, such maintenance or installation shall take place only during daylight hours on any day, Monday through Friday, excluding holidays.

(f) If the Association pays for all or any portion of such maintenance or installation, such amount shall be a Special Assessment to the affected Owner and Residence.

Section 4 - Standards for Maintenance and Installation.

(a) Maintenance of the exterior of the Residences, including without limitation walls, fences and roofs shall be accomplished by the Owner of the Residence in accordance with the Architectural Standards and, if required by the Architectural Standards, only after approval of the Architectural Committee; and

(b) All portions of the front yard of a Residence, including hardscape and landscaping shall be maintained by the Owner in an attractive condition according to any rules promulgated by the Board.

(c) All slopes or terraces on any Residence shall be maintained by the Owner, so as to prevent any erosion thereof upon adjacent streets or adjoining property.

Section 5 - Right of Entry. The Association shall have the right to enter upon any Residence in connection with any maintenance, repair or construction in the exercise of the powers and duties of the Association.

Section 6 - Maintenance of Public Utilities. Nothing contained herein shall require or obligate the Association to maintain, replace or restore the underground facilities of public utilities which are located within easements in the Community Facilities owned by such public utilities. However, the Association shall take such steps as are necessary or convenient to ensure that such facilities are properly maintained, replaced or restored by such public utilities.

ARTICLE VIII INSURANCE

Section 1 Types. The Association, to the extent available, shall obtain and continue in effect in its own name the following types of insurance so long as such amounts or type of insurance coverage are not, in the good faith judgment of the Board, prohibitively expensive or no longer necessary or appropriate for the protection of the Covered Property, the Association and the Members:

(a) A comprehensive policy of public liability insurance covering the Community Facilities with a limit of not less than One Million Dollars (\$1,000,000) for claims for personal injury and/or property damage arising out of a single occurrence, such coverage to include protection against water damage liability, liability for non-owned and hired automobile and liability for