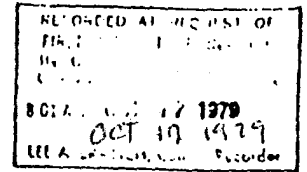
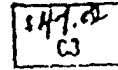


When Recorded, Mail To: Recorded in Orange County Recorders Office, Book 13356, pages 1040 through 1084.

Mr. Thomas K. Callister
c/o The Meister Company Incorporated
5100 Campus Drive
Newport Beach, California 92660

26448

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CANYON CREEK

DECLARATION OF RESTRICTIONS

THIS DECLARATION OF RESTRICTIONS ("Declaration"), made on the date hereinafter set forth by CANYON CREEK, a joint venture ("Declarant"), is made with reference to the following facts:

R E C I T A L S :

A. Declarant is the owner of certain real property ("Real Property") located in the County of Orange, State of California, more particularly described as follows:

Tract No. 9355 as recorded on August 31, 1977 in Book 415, pages 15 to 18, inclusive, in the Official Records of the Orange County Recorder, Orange County, California.

The Real Property consists of (i) lots 1 through 128 (which are residential lots), (ii) Lots A through G (which are common area lots), and (iii) the remaining portions of said Tract 9355, which consist of vehicular roadways and which are hereinafter referred to as "Streets."

B. Declarant intends to establish a residential development upon Lots 1 through 13, lots 22 through 26, Lots A, E and F and the Streets (hereinafter collectively referred to as the "Phase I Property"), and to impose upon the Phase I Property mutually beneficial restrictions under a general plan of improvement for the benefit of all of the lots in the development and their future owners.

C. The development is defined and referred to herein as the "Project." Declarant contemplates that all or additional portions of the Real Property may be annexed to the Project and hereinafter set forth. The owner of a residential lot shall receive title to his individual lot plus in appurtenant membership in the CANYON CREEK HOMEOWNERS ASSOCIATION, a California nonprofit corporation created for the purposes of administering and controlling the Common Area (as such term is hereinafter defined).

NOW, THEREFORE, Declarant hereby declares that the Phase I Property shall be held, conveyed, mortgaged, encumbered, leased, rented, used, occupied, sold, and improved, subject to the following declarations, limitations, covenants, conditions, restrictions and easements, all of which are for the purpose of enhancing and protecting the value and attractiveness of the Project, and every part thereof, in accordance with the plan for its development and the division thereof into a residential development or developments. All of the limitations, covenants, conditions, restrictions and easements shall run with the land and shall be binding upon Declarant, its successors and assigns, and all parties having or acquiring any right, title or interest in or to any part of the Project.

ARTICLE I

DEFINITIONS

1. "ARTICLES" means the Articles of Incorporation of the Association, as they may be amended from time to time.
2. "ASSESSMENT" means that portion of the cost of maintaining, improving, repairing, operating and managing the Common Area which is to be paid by each lot owner as determined by the Association.
3. "ASSOCIATION" means the CANYON CREEK HOMEOWNERS ASSOCIATION, a California nonprofit corporation.
4. "BOARD" or "BOARD OF DIRECTORS" means the governing body of the Association.
5. "BYLAWS" means the ByLaws of the Association, as they may be amended from time to time.
6. "COMMON AREA" means the portions of the Project owned by the Association and described as follows:
 - a. Lots A, E and F of Tract No. 9355 as recorded on August 31, 1977 in Book 415, pages 15 to 18, inclusive, in the official Records of the Orange County Recorder, Orange County, California; and
 - b. All Streets located upon the Real Property.

The Common Area shall also include Lots B through D and Lot G if and when such Lots are annexed to the Project.

7. "COMMON EXPENSES" means the actual and estimated expenses of operating the Project and any reasonable reserves for such purposes as found and determined by the Board, and all sums designated common expenses by or pursuant to the governing documents.
8. "DWELLING STRUCTURE" means the residential structure located or to be located upon a lot.
9. "DECLARANT" means CANYON CREEK, a joint venture, and shall include the successors and assigns of Declarant, if such successors and assigns should acquire more than one (1) undeveloped or partially developed Lot within the Project from Declarant for the purpose of development.
10. "DECLARATION" means this Declaration of Restrictions, as may be amended from time to time.
11. "GOVERNING DOCUMENTS" means this Declaration, the Articles, and the ByLaws, as they may be amended from time to time, and the rules and regulations for the members as established from time to time.
12. "INSTITUTIONAL LENDER" means any bank, savings and loan association, insurance company, or other financial Institution holding a recorded first mortgage on any lot in the Project.
13. "LOT" means any one of Lots 1 through 128 of Tract No. 9355, as recorded August 31, 1977, in the Official Records of the Orange County Recorder, Orange County, California and which lot is located within the Project.
14. "MEMBER" means a person entitled to membership in the Association as provided herein. Whenever "Member" or "membership" is used in this Declaration for the purpose of determining quorums, percentages, or minimum or maximum numbers for voting as specified in this Declaration, all persons who are members because of their joint ownership of a particular lot shall be counted as one.
15. "MORTGAGE" shall include a deed of trust as well as a mortgage. A "first mortgage" shall mean a mortgage or deed of trust which is recorded, which has first priority over all other mortgages and deeds of trust, and which was made in good faith and for value.
16. "MORTGAGEE" shall include a beneficiary or a holder of a deed of trust as well as a mortgagee.
17. "MORTGAGOR" shall include the trustee of a deed of trust as well as a mortgagor.
18. "OWNER" means the record holder or holders of title of a lot in the Project. "Owner" shall include any person having a fee simple title to any lot and shall include contract sellers, but shall exclude persons or entities having any interest merely as security for the performance of an obligation. Whenever "owner" is used in this Declaration for the purpose of determining quorums, percentages, or minimum or maximum numbers for voting as specified in this Declaration, all the owners of a particular lot shall be counted as one.
19. "PERSON" means a natural person, a corporation, a partnership, a trustee, or other legal entity.
20. "PHASE I PROPERTY" means the following portions of the Real Property: lots 1 through 13, lots 22 through 26, Lot 33, Lots A, E and F and all streets.
21. "PROJECT" means the Phase I Property and all improvements located and to be located thereon, and shall also include such additional portions of the Real Property as may be annexed from time to time, and all improvements located or to be located upon such additional portions.
22. "REAL PROPERTY" means the Real Property located in the County of Orange, State of California, more particularly described as follows:

All of Tract No. 9355, as recorded on August 31, 1977 in the official Records of the Orange County Recorder, Orange County, California.
23. "STREETS" means all of the Real Property with the exception of lots 1 through 128 and Lots A through G.

ARTICLE II

DESCRIPTION OF PROJECT, DIVISION OF PROJECT AND PROPERTY RIGHTS

1. Description of Project: The Project consists of the Phase I Property and all improvements located and to be located thereon. Declarant intends to develop the Phase I Property by constructing dwelling structures and usual appurtenances and other facilities thereon. The Project shall also include such additional portions of the Real Property as may be annexed from time to time.
2. Division of Project and Property Rights: The Project is divided into lots and Common Area as follows:
 - a. Lots: A lot is a plot of land within the Project and shown upon the subdivision map referred to in Article I, Paragraph 13, with the exception of the Common Area.
 - b. Common Area: The "Common Area" is the portion of the Real Property to be owned by the Association. The Common Area is described in Article I, Paragraph 6 hereof, and includes all improvements located or to be located thereon. Each owner has a non-exclusive right and easement to use the Common Area (subject to the

provisions of the governing documents) in accordance with the purposes for which the Common Area is intended, so long as the rights of other owners are not hindered or encroached upon, and there is no restriction upon any owner's right of ingress to and egress from his lot. The foregoing right and easement shall not be conveyed or otherwise transferred separately from its respective lot, and said right and easement shall be deemed to be conveyed or encumbered with its respective lot even though the description in the instrument of conveyance or encumbrance may refer only to the fee title to the lot. The Common Area will be conveyed by Declarant to the Association concurrently with the first conveyance of a lot to an owner. Thereafter, except as to the Declarant's right to grant easements for public utilities and similar or related public purposes, the Common Area (including facilities located thereon) shall not be abandoned, partitioned, subdivided, sold, alienated, released, transferred, hypothecated, or otherwise encumbered without the prior written approval of one hundred percent (100%) of first mortgage liens of the lots (based upon one (1) vote for each first mortgage owned) and the prior written approval of seventy-five percent (75%) of the owners (other than the Declarant). Notwithstanding anything to the contrary, Declarant, its successors and assigns, hereby reserves the right to enter upon the Common Area after conveyance of the same to the Association, for the purposes of marketing, selling, constructing, leasing any lot or any additional part of the Real Property.

3. Annexation of Additional Real Property: Additional portions of the Real Property may be annexed to the Project and become subject to this Declaration by either of the methods set forth in this section. Upon annexation, additional parcels shall become subject to this Declaration without the necessity of amending individual sections hereof.

a. Annexation Pursuant to Plan: Additional portions of the Real Property may be annexed to and become a part of the Project, subject to this Declaration, and subject to the jurisdiction of the Association, without the assent of the Association, its members, or the owners, on condition that:

(1) Date for Annexation: Unless otherwise approved by the vote or written assent of at least two-thirds (2/3) of the total votes residing in Association members other than Declarant. Any annexation to the Project pursuant to this subsection a. shall be effected prior to the third anniversary of the original issuance of the most recently issued public report for a phase of the Project.

(2) Declaration of Annexation: A Declaration of Annexation shall be recorded cover the applicable portion of Real Property to be annexed. A Declaration of Annexation may contain such complementary additions and modifications of the covenants and restrictions contained in this Declaration as may be necessary to reflect the different character, if any, of the added property, and as are not inconsistent with the scheme of this Declaration. Each Declaration of Annexation shall constitute an amendment of this Declaration.

b. Annexation Pursuant to Approval: Upon approval in writing of the Association pursuant to the vote of a two-thirds (2/3) majority of the voting power of its members or the written assent of such two-thirds (2/3) majority, excluding the voting power or written assent of Declarant, the owner of any property who desires to add it to the scheme of this Declaration and to subject it to the jurisdiction of the Association may file of record a Declaration of Annexation containing complementary additions and modifications as described in the preceding paragraph. Each such Declaration of Annexation shall constitute an amendment to this Declaration.

4. Deannexation of Real Property: Declarant may delete all or a portion of a phase of the Project or all or a portion of the Real Property from coverage of this Declaration and the jurisdiction of the Association provided (1) Declarant is the Owner of all such real property previously added to the Project, (2) a Declaration of Deannexation is recorded in the same manner as the applicable Declaration of Annexation was recorded, (3) Declarant has not exercised any Association vote with respect to any portion of said phase of real property to be deannexed, (4) assessments have not yet commenced with respect to any portion of said phase of real property to be deannexed, (5) there has been no close of escrow for the sale of any lot in said phase of real property to be deannexed, and (6) the Association has not made any expenditures or incurred any obligations with respect to any portion of said phase of real property to be deannexed.

ARTICLE III

ASSOCIATION, ADMINISTRATION, MEMBERSHIP AND VOTING RIGHTS

1. Association to Manage Common Areas: The management of the common Area shall be vested in the CANYON CREEK HOMEOWNERS ASSOCIATION, a California nonprofit corporation. The owners of all the lots covenant and agree that the administration of the Project shall be in accordance with the provisions of the governing documents.

2. Membership: The owner of a lot shall automatically, upon becoming the owner of same, be a member of the Association, and shall remain a member thereof until such time as his ownership ceases for any reason, at which time his membership in the Association shall automatically cease.

3. Transferred Membership: Membership in the Association shall not be transferred, pledged, or alienated in any way, except upon the sale or encumbrance of the lot to which it is appurtenant (in which case the membership is automatically transferred), and then only to the purchaser (in the case of a sale) or mortgagee (in the case of an encumbrance) of such lot. Any attempt to make a prohibited transfer is void. In the event the owner of any lot should fail or refuse to transfer the membership registered in his name to the purchaser of his lot, the Association shall have the right to record the transfer upon its books and thereupon the old membership outstanding in the name of the seller shall be null and void. Within three (3) days of the transfer of any lot, the transferor and transferee thereof must each notify the Board of Directors of the transfer.

4. Membership Classes and Voting Rights:

Class A. Class A members shall be all owners with the exception of the Declarant. Each lot shall be entitled to one vote. When more than one person holds an interest in any lot, all such persons shall be members, and the vote for such lot shall be exercised as the majority of such persons among themselves determine. In no event shall more than one vote be cast with respect to any lot, and in no event shall a lot's vote be split. The owner (or valid proxy) exercising the vote for any lot at a meeting shall be conclusively held to be voting in the manner determined by the majority of the owners of that lot unless the Association is otherwise notified in writing prior to the meeting or an objection is made by another owner of that lot from the floor at the meeting.

Class B. The Class B member shall be the Declarant, who shall be entitled to vote as follows: voting shall be the same as for Class A memberships, except that the Class B member shall have three (3) votes for each lot owned by it. The Class B membership shall be converted to Class A membership and shall forever cease to exist on the occurrence of whichever of the following is first in time:

- (a) When the total outstanding votes held by Class A members equal the total outstanding votes held by the Class B member (tripled as stated above);
- (b) The date of the second anniversary of the original issuance of the most-recently-issued subdivision public report for a phase of the Project: or
- (c) The date of the fourth anniversary of the original issuance of the final subdivision public report for the first phase of the Project.

Upon conversion of Class B membership to Class A membership, the provisions of the governing documents which require action by both classes of the voting membership shall require the stated action by Class A members only.

ARTICLE IV

ASSESSMENTS

1. Creation of the Lien and Personal Obligations of Assessments: The Declarant, for each lot owned within the Project, hereby covenants, and each owner of any lot by acceptance of a deed therefor, whether or not it shall be so expressed in such deed, hereby is deemed to covenant and agree to pay to the Association: (a) annual assessments or charges (payable in equal monthly installments), and special assessments for capital improvements, payment of taxes, and as hereinafter set forth such assessments to be established and collected as hereinafter provided. Each annual and special assessment, together with interest, costs and reasonable attorneys' fees and expenses incurred by the Association in collecting any delinquent assessments, shall be a charge on the lot and shall be a continuing lien upon the lot against which each such assessment is made, the lien to become effective upon recordation of a notice of assessment. Each such assessment, together with interest, costs and reasonable attorneys' fees and expenses, shall also be the personal obligation of the person who was the owner of such lot at the time when the assessment fell due. The personal obligation for delinquent assessments shall not pass to an owner's successors in title unless expressly assumed by them. No owner of a lot may exempt himself from liability for his contribution towards the common expenses by waiver of the use or enjoyment of any of the Common Area or by the abandonment of his lot.

The annual assessments for the lots in the Project shall commence upon the first day of the first calendar month following the first close of escrow for the sale of a lot in the Project, and thereafter, as additional portions of Real Property are annexed to the Project for additional phases, as to lots in each such additional phase upon the first day of the first calendar month following the first close of escrow for the sale of a lot in such additional phase.

2. Purpose of Assessments: The assessments levied by the Association shall be used exclusively to promote the recreation, health, safety, and welfare of all the residents in the Project, for payment of taxes assessed against the Common Area and other property of the Association, for the improvement and maintenance of the Common Area for the common good of the Project, and for other Association expenses.

3. Determining Annual Assessments: Within sixty (60) days before the close of each fiscal year of the Association, the Board of Directors shall determine the expenditure budget for the Association for the next succeeding fiscal year. The expenditure budget shall include all expenses of the Association, including reasonable adequate reserve funds for contingencies and for maintenance, repairs, and replacement of those elements of the Common Area and other property owned by the Association that must be replaced on a periodic basis and are payable in regular installments rather than by special Assessments. The amount so determined (less any surplus expected to be on hand from the prior year's expenditure budget) shall be the total Project annual assessment. The Board may appoint a Finance Committee to assist in the determination of the expenditure budget. A copy of the expenditure budget shall be distributed to each member of the Association not less than thirty (30) days before the beginning of the fiscal year. Upon the first close of escrow for the sale of a lot in any additional phase of the Project, the Board of Directors shall have the responsibility of redetermining (within thirty (30) days of said first close of escrow) the annual assessments for the Project (as expended) for that fiscal year, and once redetermined, the Board of Directors on behalf of the Association shall levy said redetermined assessment (to take effect on the first day of the first calendar month following the date of such redetermination) against the owners of the new number of lots in the Project (as expanded) subject to the provisions of paragraph 1 hereof relating to reduced assessments or exemption therefrom for the Declarant or other owner of a subdivision interest.

4. Procedure for Increasing Annual Assessments: From and after January 1 of the year immediately following the first conveyance of a lot to an owner, the Board of Directors may increase the maximum annual assessment by not more than twenty percent (20%) above the maximum annual assessment for the previous year. If the Board of

Directors desires to increase the maximum annual assessment by more than said twenty percent (20%) amount, such increase shall require the vote or written assent of a majority of each class of members of the Association.

5. Special Assessments: In addition to the annual assessments authorized above, the Board of Directors may levy (without the vote or written assent of a majority of the voting power of the Association residing in members other than the Declarant), in any fiscal year, special assessments applicable only to that year to defray the costs of any action or undertaking on behalf of the Association, provided that any such assessments in the aggregate shall not exceed five percent (5%) of the budgeted gross expenses of the Association for that fiscal year. If the Board of Directors desires to levy special assessments in any fiscal year in excess of such five percent (5%) amount, then such special assessments shall require the vote or written assent of a majority of the voting power of each class of members of the Association. The foregoing provisions of this Paragraph 5 with respect to special assessments do not apply in cases where a special assessment against a member is a remedy utilized by the Association to reimburse the Association for costs incurred in bringing the member or his lot into compliance with the provisions of the governing documents.

6. Division and Payment of Assessments: All assessments, both annual and special, shall be charged to and divided among the number of lots equally. The owners of each lot shall be jointly and severally liable for the assessment made against their lot. Each owner shall be obligated to pay to the Association his regular assessment in twelve (12) equal monthly installments on or before the fifteenth (15th) day of each calendar month, and to pay special assessments within thirty (30) days after their levy or at such other times as the Board of Directors shall designate. All assessments shall be paid at such place as the Board of Directors shall designate.

7. Annual Assessments - Miscellaneous: As stated in Article IV, Paragraph 1 above, the annual assessments provided for herein shall commence as to all lots in each phase of the Project on the first day of the month following the first conveyance of a lot in each respective phase of the Project. The first annual assessment shall be adjusted according to the number of months remaining in the calendar year. Written notice of the annual assessment shall be sent to every owner subject thereto. 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. A properly executed certificate of the Association as to the status of assessments on a lot is binding upon the Association as of the date of its issuance.

8. Nonpayment of Assessments; Recording of Lien: If any assessment is not paid and received by the Association within fifteen (15) days after the due date, an automatic late charge as established by the Board of Directors (from time to time) may be assessed for each month or fraction thereof from the due date until the assessment and all late charges are paid. The Association may bring an action at law against the owner personally obligated to pay the same, or foreclose the lien against the lot.

The Board of Directors may cause to be recorded as to any delinquent assessment in the office of the County Recorder of Orange County, California, a Notice of Assessment Lien, which shall state the amount of the assessment and such related charges as may be authorized by this Declaration and the other governing documents, a description of the lot against which the lien has been assessed, and the name of the record or reputed owner of the lot. The notice shall be signed by any director of the Association or by the Association's managing agent. The assessment lien shall also be deemed to secure all of the foregoing items which shall become due or incurred relative to the lot subsequent to the recordation of the Notice of Assessment Lien until the completion of the enforcement of the lien or the payment of the full amount secured by the lien, or other satisfaction to be made in connection therewith.

9. Subordination of the Lien to First Deeds of Trust and First Mortgages; Notice of Default: 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 foreclosure of a first mortgage shall extinguish the lien of such assessments as to payments which become due prior to such sale or transfer except for claims for a share of such assessments or charges resulting from a reallocation of such assessments or charges to all lots including the mortgaged lot. No sale or transfer shall relieve such lot from liability for any assessments thereafter becoming due or from the lien thereof.

Where the mortgagee of a first mortgage of record or other purchaser of a lot obtains title to the same as a result of such a foreclosure, such acquirer of title, and its successor and assigns, shall not be liable for the share of the common expenses or assessments by the Association chargeable to such lot which became due prior to the acquisition of title to such lot by such acquirer. However, such unpaid share of common expenses or assessments shall be deemed to be common expenses collectible from owners of all the lots, including such acquirer, its successors and assigns.

Upon the written request of a holder of a first mortgage encumbering a lot, the Association shall provide such holder with written notification of any then existing default by the owner of such lot in the performance of such owner's obligations under this Declaration or the ByLaws if such default has remained uncured for a period of thirty (30) days.

10. Priorities; Enforcement; Remedies: When a notice of Assessment Lien on a lot has been recorded, such assessment shall constitute a lien on such lot prior and superior to all other liens except (a) all taxes, bonds, assessments and other levies which, by law, would be superior thereto, and (b) the lien or charge of any first mortgage.

Such lien may be enforced by sale by the Association, its attorney, or by any other person authorized by the Association to make the sale; provided, however, that no proceeding or action shall be instituted to foreclose the lien, either judicially or under the power of sale granted herein, until notice of intention to proceed to foreclose the lien shall have been delivered by the Board of Directors to the owner of the lot affected by the lien at least thirty (30) days prior to the commencement of any such action or proceeding, and such sale shall be conducted in accordance with the provisions of Sections 2924-2924h of the California Civil Code applicable to the exercise of powers of sale in mortgages and deeds of trust, or in any other manner permitted by law.

The Association, acting on behalf of the owners, shall have the power to bid for the lot at foreclosure sale and to acquire and hold, lease, mortgage and convey the same. Suit to recover a money judgment for unpaid common expenses, rent, and reasonable attorneys' fees and costs shall be maintainable without foreclosing or waiving the lien securing the same.

Subject to the provisions of the ByLaws, the Board may suspend the voting rights and right to use the recreational facilities located on the Common Area of a member who is in default in payment of any assessment.

ARTICLE V

RIGHTS AND OBLIGATIONS OF THE ASSOCIATION: MAINTENANCE AND USE OF COMMON AREA

1. General: In addition to the duties and powers enumerated elsewhere in this Declaration and in the other governing documents, and without limiting the generality thereof, the Association shall have the right, authority and obligation to:
 - a. Maintain, repair, replace, restore, operate and manage all of the Common Area and all facilities, improvements, furnishings, equipment and landscaping thereon, and all property that may be acquired by the Association, and establish an adequate reserve fund for repair, replacement and restoration thereof. The Streets shall be maintained by the Association in a manner consistent with the then minimum standards of the City of Irvine.
 - b. Maintain, repair, replace and restore the perimeter wall of the Project as shown on the Plot Plan attached hereto as Exhibit A and by this reference made a part hereof, including those portions which traverse any owner's lot, and maintain, repair, replace and restore that portion of any owner's lot lying outside of said perimeter wall and between the boundary of said owner's lot(s). For purposes of clarity only, the portion of any owner's lot lying outside the perimeter wall shall hereinafter be referred to as the "Exclusive Use Area."
 - c. Obtain, for the benefit of all of the lots all water, gas and electric service, refuse collection, and janitorial service in connection with the Common Area.
 - d. Grant easements where necessary for utilities, services and newer facilities over the Common Area to serve the Common Area and the lots.
 - e. Secure, if available, (i) appropriate fidelity bond coverage (naming the Association as obligee) for any person or entity handling funds of the Association, including, but not limited to, employees of any manager or managing agent; (ii) insurance for the protection of the Board of Directors and the officers from personal liability in the management of the Association's affairs; and (iii) such other policy or policies of insurance as the Board of Directors deems necessary or desirable in protecting the interest of the Association and its members.
 - f. Discharge by payment, if necessary, any lien against the Common Area, and assess the cost thereof to the member or members responsible for the existence of said lien.
 - g. Adopt reasonable rules not inconsistent with this Declaration relating to the use of the Common Area, all facilities located thereon, and the conduct of owners and their tenants and guests with respect to the Common Area.
2. Maintenance by Association of Common Area: The Association shall maintain all portions of the Common Area and the Exclusive Use Area of any owner's lot. In the event that the need for maintenance or repair of any area subject to maintenance by the Association is caused through the willful or negligent act of an owner or any occupant of such owner's lot, or any guests or invitees of such owner or occupant, the cost of such maintenance or repair in excess of any insurance proceeds payable to the Association for such maintenance or repair shall be added to and become a part of the assessment to which such owner's lot is subject.
3. Use of Common Area by Declarant: At any time prior to or after conveyance of the Common Area to the Association, as originally defined and later expanded, Declarant shall have a non-exclusive right to enter upon and use the Common Area for the purposes of constructing, marketing, selling, leasing and/or establishing the Project as a residential community. Such right shall terminate on the date which is five (5) years from the date of conveyance of the Common Area to the Association. Nothing in this paragraph shall be deemed to limit the right to the Declarant or its successors or assignee to enter upon any part of the Project pursuant to the provisions of Article VIII, paragraph 13.
4. Delegation of Right to Use Common Area: An owner may delegate (subject to the provisions of the governing documents) his right to use the Common Area to those of his family or tenants who reside upon the lot. An owner may permit guests to use the Common Area, but the Association shall have the right to limit the number of an owner's guests who may use any recreational facilities which may be located on the Common Area, and to limit the days and hours of such use.

ARTICLE VI

UTILITIES

1. Owner's Rights and Duties: The rights and duties of the owners with respect to sanitary sewer, water, electricity, gas, telephone lines and facilities, and heating and air-conditioning facilities shall be as follows:
 - a. Whenever sanitary sewer, water, electricity, gas, television receiving, telephone lines or connections, heating or air-conditioning conduits, ducts, or flues are installed within the Project, which connections or any portion

thereof lie in or upon lots owned by other than the owner of a lot served by said connections, the Association and affected owner shall have the right, and are hereby granted an easement to the full extent necessary therefor, to enter upon the lots or to have the utility companies enter upon the lots in or upon which said connections or any portion thereof lie, to repair, replace and generally maintain said connections as and when necessary.

b. Whenever sanitary sewer, water, electricity, gas, television receiving, telephone lines or connections, heating or air-conditioning conduits, ducts, or flues are installed within the Project which connections serve more than one lot, the owner of each lot served by said connection shall be entitled to the full use and enjoyment of such portions of said connections as service his lot.

2. Association's Duties: The Association shall maintain all utility installations located in the Common Area except for those installations maintained by utility companies, public, private, or municipal. The Association shall pay all charges for utilities supplied to the Common Area.

ARTICLE VII

USE RESTRICTIONS

In addition to all of the covenants contained herein, the use of the Project is subject to the following:

1. Lot Use: No lot shall be occupied or used for other than single family residential purposes, and no trade or business shall be conducted thereon, except that Declarant, its successors, assigns, may use any lot or lots in the Project owner or Declarant for a model site or sites, for display, and for sales and/or construction offices during construction and development of the Project. Such right shall terminate on the date which is five (5) years from the date of the close of escrow for the first sale of a lot in the Project.

2. Nuisances: No noxious or offensive activities shall be carried on upon any lot, or in any part of the Project, nor shall anything be done thereon which may be or may become an annoyance or a nuisance to or which may in any way interfere with the quiet enjoyment of another owner of his respective lot, or which shall in any way increase the rate of insurance for any part of the Project, or cause any insurance policy to be cancelled or to cause refusal to renew the same, or which will impair the structural integrity of any building.

3. Vehicle Restrictions: No trailer, camper, bus, motorhome, house trailer, mobile home, commercial vehicle, truck (other than standard size pickup truck), or similar vehicle, inoperable automobile, boat or similar equipment shall be parked, stored or permitted to remain upon any area within the Project, other than temporarily (no more than twelve (12) hours in any two (2) week period) or completely within an enclosed garage, without the prior written consent of the Board. Commercial vehicles shall not include sedans or standard size pickup trucks which are used both for business and personal use, provided that any signs or markings of a commercial nature on such vehicles shall be unobtrusive and inoffensive as determined by the Board. No noisy or smoky vehicles shall be operated on the Project. No off-road and/or unlicensed motor vehicles shall be operated upon the Project.

4. Signs: No signs shall be displayed to the public view on any lots or on any portion of the Project unless such signs are approved by the Board provided, however, that one "For Sale" or "For Rent" sign of customary and reasonable dimensions and as permitted by law may be displayed without approval of the Board.

5. Animals: No animals or birds or any kind shall be raised, bred, or kept on any portion of the Project, except that no more than two (2) usual and ordinary household pets such as dogs, cats, birds, and the like, may be kept, provided that they are not kept, bred, or maintained for any commercial purposes, and further provided they are kept under reasonable control at all times. Notwithstanding the foregoing, no pets may be kept on the Project which, in the determination of the Board, result in an unreasonable annoyance to the other lot owners. No pets shall be allowed in the Common Area except as may be permitted by rules of the Board, and in no case shall a dog enter the Common Area except while on a leash which is held by a person capable of controlling the dog. Owners shall prevent their pets from soiling all portions of the Common Area where other persons customarily walk, and in the event a pet does soil a portion of the Common Area, the owner or person in control of such pet shall immediately clean up after the pet.

6. Garbage and Refuse Disposal: All rubbish, trash and garbage shall be regularly removed and shall not be allowed to accumulate upon any part of the Project. All trash, garbage and other waste shall be kept in sanitary containers. All trash containers or other equipment for the storage or disposal of such materials shall be kept in a clean and sanitary condition. All equipment, woodpiles, or storage piles shall be kept screened and concealed from view of other lots, streets and the Common Area.

7. Radio and Television Antennas: No alteration to or modification of the installed cable television system shall be permitted. No owner shall construct or use an external radio or television antenna without the prior written consent of the Board.

8. Right to Lease: The respective lots and dwelling structures shall be used only as single family residences, and shall not be rented for transient or hotel purposes. Transient or hotel purposes are defined as rental for any period less than thirty (30) days or any rental if the occupants of the lot are provided customary hotel service such as room service for food and beverage, maid service, furnishing laundry and linen, or bellboy service. Subject to the foregoing restrictions, the owners of the respective lots shall have the right to lease same provided that the lease is written, that it expressly provides that the tenancy is made subject to the covenants, conditions, restrictions, limitations and uses contained in this Declaration, the Articles, ByLaws, and other rules and regulations of the Board, and that it provides that any failure by the tenant to comply with the terms of such documents shall be a default under the lease.

9. Architectural Control Committee: No exterior portion of any dwelling structure, and no building, fence, wall obstruction, balcony, screen, patio, patio cover, tent, awning, carport, carport cover, improvement, or structure of any kind shall be commenced, erected, decorated, painted, resurfaced or otherwise maintained upon any part of the Project, nor shall any alteration or improvement of any kind be made thereto until the same has been approved in writing by an architectural control committee ("Committee") consisting of three (3) persons. Declarant shall appoint all of the original persons on the Committee and all replacements until the first anniversary of the issuance of a public report for the Project. Declarant hereby reserves the power to appoint a majority of the persons on the Committee until ninety percent (90%) of all lots in the Project (as the Project may be enlarged by the annexation of all or additional portions of the Real Property) have been sold or until the fifth anniversary of the issuance of the Final Subdivision Public Report for the first phase of the Project, whichever first occurs. After the first anniversary of the issuance of a Final Subdivision Public Report for the Project, the Board shall have the power to appoint one person to the Committee until ninety percent (90%) of all of the lots in the Project (as the Project may be enlarged by the annexation of all or additional portions of the Real Property) have been sold or until the fifth anniversary date of the issuance of the final public report for the first phase of the Project, whichever first occurs. Thereafter, the Board shall have the power to appoint all of the persons on the Committee. Persons appointed to the Committee by the Board shall be from the membership of the Association. Persons appointed to the Committee by the Declarant need not be from the membership of the Association.

Plans and specifications showing the nature, kind, shape, color, size, materials and location of such improvements, alterations, and the like shall be submitted in writing to the Committee for approval as to quality of workmanship and design and harmony of external design with existing structures, and as to location in relation to surrounding structures, topography, and finish grade elevation. No permission or approval shall be required to repaint in accordance with a color scheme previously approved by the Committee, or to rebuild in accordance with plans and specifications previously approved by the Committee.

No landscaping of lots visible from the street or from the Common Area shall be undertaken by any owner until plans and specifications showing the nature, kind, shape, and location of the materials shall have been submitted to and approved in writing by the Committee.

Whenever any plans and specifications are submitted in writing to the Committee pursuant to the provisions of this paragraph, said plans and specifications will be deemed approved for the purposes of this paragraph if the Committee fails to disapprove the plans and specifications within thirty (30) days after the date of receipt of such plans and specifications by the Committee.

Notwithstanding anything in this Declaration to the contrary, Declarant is and shall be exempt from the architectural controls and restrictions herein contained with regard to Declarant's construction and development of the Project.

10. Clothes Lines: No exterior clothes lines shall be erected or maintained on the Project and there shall be no outside laundering or drying of clothes.

11. Power Equipment and Car Maintenance: No power equipment, hobby shops, or car maintenance (other than emergency work) shall be permitted on the Project except within the dwelling structure or with prior written approval of the Board in the sole and absolute discretion of the Board. In deciding whether to grant approval, the Board shall consider the effects of noise, air pollution, dirt or grease, fire hazard, interference with radio or television reception, and similar objections.

12. Liability of Owners for Damage to Common Area: The owner of each lot shall be liable to the Association for all damages to the Common Area or improvements thereon caused by such owner or any occupant of his lot, or such owner's or occupant's guests; provided, however, that such owner shall not be responsible for that portion of said damage, if any, covered by insurance, the proceeds of which are payable to the Association. The amount for which such owner is responsible shall be added to and become a part of the assessment to which such owner's lot is subject.

13. Owners Not to Alter or Improve the Common Area: No owner shall make or cause to be made any alteration or improvement to the Common Area or remove any landscaping, structure, furnishing or other object therefrom without the prior written consent of the Board of Directors. Upon any violation of this Paragraph 13, the Association may restore the affected portion of the Common Area to the condition it was in immediately prior to the violation. The cost of such restoration shall be paid by the owner responsible for the violation, and shall be added to and become a part of the assessment to which such owner's lot is subject.

14. No Temporary Structures: No structure of a temporary character, tent, shack, garage, or other outbuilding shall be used on the Project at any time as a residence, either temporarily or permanently.

15. No Oil, Quarrying, or Mining Operations: No oil drilling, oil development operations, oil refining, quarrying, or mining operations of any kind shall be permitted upon the Project, nor shall oil wells, tanks, tunnels, or mineral excavations or shafts be permitted upon the Project. No derrick or other structure designed for use in boring for oil or natural gas shall be erected, maintained, or permitted upon the Project.

16. Water Run-off: No lot shall be improved or altered by any structure, fence, wall, planting or landscaping which will significantly alter the established drainage pattern of the lot. The established drainage pattern is defined as the drainage pattern established after finish grading and landscaping are completed by Declarant.

17. No Resubdivision: No lot may be further resubdivided.

GENERAL PROVISIONS

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 provisions of this Declaration and the other governing documents, and in such action shall be entitled to recover reasonable attorneys' fees and all costs. Failure of the Association or 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.

2. Invalidly of any Provision: Should any provision or portion of this Declaration be declared invalid or in conflict with any law of the jurisdiction where the Project is situated, the validity of all other provisions and portions hereof shall remain unaffected and in full force and effect.

3. Term: The covenants and restrictions of this Declaration shall run with and bind the Project and all parts thereof, and shall inure to the benefit of and shall be enforceable by the Association or the owner of any lot subject to this Declaration, their respective legal representatives, heirs, successors and assigns for a term of thirty (30) years from the date this Declaration is recorded, after which time they shall be automatically extended for successive periods of ten (10) years, unless an instrument in writing, signed by the owners of a majority of the lots and by seventy-five percent (75%) of the holders of first mortgages of the lots, has been recorded within the year preceding the beginning of each successive ten (10) year extension, agreeing to change the Declaration in whole or in part, or to terminate the same.

4. Amendments: Except as provided in the foregoing paragraph, this Declaration may be amended only by the written consent of at least seventy-five percent (75%) of the votes entitled to be cast by each class of members; provided, however, that Declarant reserves the right to unilaterally, without consent of the members, amend this Declaration at any time in order to conform the Declaration to the requirements of the Federal Home Loan Mortgage Corporation or the Federal National Mortgage Association. Any amendment must be recorded and shall become effective upon being recorded in the Office of the County Recorder of Orange County.

No amendment decreasing the Association's rights and obligations of maintenance of the Common Area of the Project shall become effective unless and until approved in writing by the Director of Community Development and the City Attorney of the City of Irvine and such approval shall be recorded in the Office of the County Recorder of the County of Orange. Such approval shall not be unreasonably withheld.

5. Encroachment Easements: Each owner of a lot within the Project is hereby declared to have an easement over all adjoining lots and the Common Area and facilities for the purpose of accommodating any encroachment due to engineering errors, errors in original construction, reconstruction, repair, settlement or shifting or movement of a dwelling structure or of the Real Property (as the same may be expanded through annexation), or any other similar cause. There shall be easements for the maintenance of said encroachments as long as they shall exist, and the rights and obligations of owners shall not be altered in any way by said encroachment, settlement or shifting; provided, however, that in no event shall an easement for encroachment be created in favor of an owner or owners if said encroachment occurred due to the willful misconduct of said owner or owners.

6. Exclusive Use Easements: Declarant hereby reserves for the benefit of itself and its successors in interest, with the right to convey the same, to the Association, an exclusive easement over and across that portion of any owner's lot referred to herein as the Exclusive Use Area, for the purpose of constructing, reconstructing, maintaining and repairing the perimeter wall of the Project and the Exclusive Use Area(s).

7. Owner's Right and Obligation to Maintain and Repair: Each owner shall, at his sole cost and expense, maintain and repair in good condition his lot and the dwelling structure thereon, except that portion of his lot known as the Exclusive Use Area. This obligation shall include, without limitation, maintenance and repair of the foundation, walls, doors, windows, roof, and exterior surfaces of the dwelling structure, and all plumbing, electrical, heating, air conditioning and other utility systems serving the lot and located anywhere upon the lot, and all portions of the yard area of his lot and any improvements made thereto, except the Exclusive Use Area.

8. Entry for Repairs: Upon consent of the owner, which consent shall not be unreasonably withheld, the Association or its agents may enter upon any lot when necessary in connection with any maintenance, landscaping or construction for which the Association is responsible; provided, however, that such consent shall not be required in connection with construction, maintenance, or emergency repair for the benefit of the Common Area or the owners in common or for the maintenance and repair of the Project's perimeter wall and the Exclusive Use Area of a lot. Such entry shall be made with as little inconvenience to the owner as practicable, and any damage caused by such entry shall be repaired by the Association at the expense of the Association.

9. Damage or Destruction to Dwelling Structures: In the event of damage or destruction to any dwelling structure on a lot, the owner thereof shall elect one of the following two alternatives: (1) the owner shall reconstruct the same as soon as reasonably practicable and substantially in accordance with the original plans and specifications therefor; provided, however, that any such owner may reconstruct or repair his dwelling structure pursuant to new or changed plans and specifications if such plans and specifications are approved by the Board of Directors or architectural control committee in the manner set forth in Article VII, Paragraph 9; or (2) the owner shall, with the prior written consent of the Board of Directors or the architectural control committee (which consent shall not be unreasonably withheld), maintain the lot in good condition in an unimproved state; provided, however, that at all times and whether the owner elects alternative (1) or (2) above, the owner is and shall be responsible for his full share of all assessments against the lot.

10. Damage or Destruction to Common Area: In the event of damage or destruction of the Common Area or facilities thereon, and the available proceeds from the insurance policy or policies then in force are sufficient to totally cover the cost of repair and replacement to a substantially similar configuration, upon the affirmative vote of a majority of

the owners, the Board of Directors shall promptly cause the repair or replacement to take place. However, should the available proceeds from the insurance policy or policies be inadequate to cover the aforementioned costs, then a special assessment to provide the requisite additional funds may be levied pursuant to Article IV, Paragraph 5 of this Declaration, and the repair or replacement shall only then take place. There shall be no use of hazard insurance proceeds for losses to any Common Area, or the facilities constructed thereon, or other property owned by the Association, for purposes other than the repair, replacement, or reconstruction of such property with the prior written approval of at least seventy-five percent (75%) of the holders of first mortgages on the lots (based upon one (1) vote for each first mortgage owned) or of the owners (other than Declarant). Unless the written consent of the Planning Director and City Attorney of the City of Irvine is first obtained, it shall be the obligation of the Association and each of the owners to rebuild the Streets, and private drainage facilities and utilities, if any, to the extent required as a condition of approval of the development of the Project by the City of Irvine, and private parks, open space and trails to the extent such areas have been accepted by the City of Irvine in lieu of the payment of fees pursuant to provisions of the Subdivision Map Act and the City's Subdivision Ordinance.

11. Condemnation of a Lot: In the event of a condemnation of eminent domain proceeding against a lot or any portion thereof or facilities thereon, the owner (and any holder of a first mortgage on the lot) shall be entitled to receive the award for such taking as their interests may appear.

12. Condemnation of Common Area: In the event of a condemnation of eminent domain proceeding against the Common Area or any portion thereof or facilities thereon, the condemnation award shall be distributed among the owners of the Project with each owner receiving that portion of the award equal to the number of lots owned by the owner divided by the total number of lots in the Project which quotient shall then be multiplied by the total award.

13. Limitation of Restrictions on Declarant: Declarant is undertaking to establish residential housing and incidental improvements upon the Project. The completion of that work and the sale, rental, and other disposal of the lots is essential to the establishment and welfare of the Project as a residential community. In order that said work may be completed and the Project be established as a fully occupied residential community as rapidly as possible, nothing in this Declaration shall be understood or construed to:

a. Prevent Declarant, its contractors, or subcontractors (and any assignee developer replacing Declarant in development of the Project or any phase) from doing on any phase of the Project, the Common Area or any lot, whatever in Declarant's (or such assignee developer's) sole discretion is appropriate in connection with the completion of said work, including but not limited to use of all streets, traffic control, blocking Streets (so long as owners have other access to their lots and public streets located outside of the Project); or

b. Prevent Declarant or its representatives from erecting, constructing or maintaining on any part or parts of the Project, including the Common Area, such structures as may be reasonable and necessary for the conduct of its business of completing said work and establishing said Project as a residential community and marketing the lots; or

c. Prevent Declarant from conducting on any part of its Project, including the Common Area, its business of completing said work, and of establishing a plan of lot ownership; or

d. Prevent Declarant from maintaining such sign or signs on any parts of the Project including but not limited to the Common Area as may be necessary in the sole discretion of Declarant.

So long as Declarant, its successors and assigns, owns one or more of the lots established and described herein, Declarant, its successors and assigns, shall not be subject to the provisions of this Declaration as such provisions may interfere with the original development and sale of the Project or any phase.

14. Owners' Compliance: Each owner, tenant or occupant of a lot shall comply with the provisions of this Declaration, the Articles, ByLaws, and decisions, resolutions, rules and regulations of the Association or its duly authorized representative, as lawfully amended from time to time, and failure to comply with any such provisions, decisions, resolutions, rules or regulations shall constitute the basis for an action to recover sums due for damages, or for injunctive relief, including reasonable attorneys' fees and all costs.

All Agreements and determinations lawfully made by the Association in accordance with the voting percentages established in this Declaration or in the Articles or ByLaws shall be deemed to be binding on all owners of lots, their successors and assigns.

15. Taxes: Except for those Lots owned by Declarant, all taxes assessed against lots shall be paid before delinquency by the owner of the lot against which the assessment is made. All taxes assessed against the Common Area or against other property owned by the Association shall be paid for out of annual assessments and, if necessary, a special assessment may be levied (in the manner set forth in Article IV, Paragraph 5) against the lots in an amount equal to said taxes.

16. Notices: Except as may otherwise be provided by specific provisions of this Declaration, the Articles, or the ByLaws, any notice permitted or required by this Declaration, the Articles, or the ByLaws, may be delivered either personally or by mail. If delivery is by mail, it shall be deemed to have been delivered forty-eight (48) hours after a copy of the same has been deposited in the United States mail, postage prepaid, addressed to the person at the current address given by such person to the secretary of the Association or addressed to the lot of such person if no address has been given to the secretary.

17. Amendment and Granting of Easements: Declarant shall have the absolute right and power, at any time, to enter into any written agreement with the County of Orange, changing the location of any of the easements to the County of Orange or other governmental or public agencies or utilities, in connection with the development and/or

improvement of the Project, or any portion or portions thereof. Each owner hereby appoints Declarant as his attorney-in-fact for the purposes of effecting such change, and also for the purposes of granting easements affecting the Project to other governmental or public agencies or utilities in connection with the development and/or improvement of the Project; the power herein granted Declarant shall be and is a power coupled with an interest.

18. Exemption: All properties owned by a public agency shall be exempt from the provisions of this Declaration and the assessments created herein.

19. Federal Home Loan Mortgage Corporation ("FHLMC") Requirements: For purposes of this paragraph, the holder of a first mortgage is referred to as a "first mortgagee." Notwithstanding anything to the contrary in this Declaration or any other governing documents, the following provisions shall control:

a. Any "right of first refusal" which may be contained in the governing documents shall not impair the right of a first mortgagee to:

- (1) foreclose or take title to a lot pursuant to the remedies provided in the first mortgage;
- (2) accept a deed (or assignment) in lieu of foreclosure in the event of default by a mortgagor; or
- (3) sell or lease a lot acquired by the first mortgagee.

b. A first mortgagee who obtains title to a lot pursuant to the remedies provided in a first mortgage or foreclosure of a first mortgage shall not be liable for such lot's unpaid dues or charges which accrue prior to the acquisition of title to such lot by the first mortgagee. However, such unpaid dues or charges shall be deemed to be common expenses collectible from all of the lot owners, including such first mortgagee, its successors and assigns.

c. Except in the case of any greater percentage required by other provisions of this Declaration, the Association shall not be entitled to do any of the following without the prior written approval of at least seventy-five percent (75%) of the first mortgagees (based on one vote for each first mortgage owned) or owners (other than the Declarant) of the individual lots:

(1) By act or omission, 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 shall not be deemed a transfer within the meaning of this subparagraph.);

(2) Change the method of determining the obligations, assessments, dues or other charges which may be levied against a lot owner;

(3) By act or omission, change, waive or abandon any scheme of regulations, or enforcement thereof, pertaining to the architectural design or exterior appearance of units, the exterior maintenance of units, the maintenance of the Common Area walkways, fences, driveways, and landscaping upkeep;

(4) Fail to maintain fire and extended coverage insurance on insurable Common Area on a current replacement cost basis in an amount as near as possible not less than one hundred percent (100%) of the insurable value (based on current replacement cost); and

(5) Use hazard insurance proceeds for losses to any Common Area for other than the repair, replacement or reconstruction of such Common Area.

d. First mortgagees of lots may, jointly or singly, pay taxes or other charges which are in default and which may or have become a charge against any part of the Common Area. First mortgagees may also pay overdue premiums on hazard insurance policies or secure new hazard insurance coverage on the lapse of a policy, for such Common Area. First mortgagees making such payments shall be entitled to immediate reimbursement therefor from the Association.

e. If insurance proceeds or condemnation awards for losses to or taking of lots or the Common Area are paid to lot owners, the first mortgagee of a lot shall be entitled to receipt of such proceeds to the extent of the amount due the first mortgagee under the first mortgage of such lot, and the balance shall be paid to the persons legally entitled thereto.

f. Assessments shall include an adequate reserve for maintenance, repairs and replacements of portions of the Common Area that must be replaced on a periodic basis, and such reserve shall be funded from regular (and not special) assessments.

g. Upon request, a first mortgagee is entitled to written notification from the Association of any default in the performance by the individual lot mortgagor of any obligation under the governing documents which is not cured within thirty (30) days from the date of such default.

h. Any agreement for professional maintenance of the Project, or any other contract providing for services by the Declarant, shall not exceed a term of three (3) years, subject to shorter maximum terms as may otherwise be specified in the governing documents. Any such agreement must also provide for termination by either party without cause or payment of a termination fee on ninety (90) days or less written notice.

IN WITNESS WHEREOF, the undersigned, being the Declarant herein, has executed this Declaration this 10th day of October, 1979.

CANYON CREEK, a joint venture

By: THE MEISTER COMPANY, INCORPORATED, a California corporation

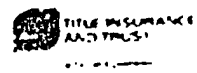
By: Howard W. Meister II
President

By: Thomas K. Callister
Assistant Secretary

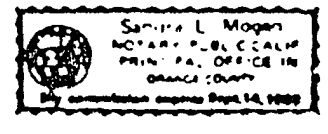
By: FINANCIAL SCENE, INC., a California corporation

By: Patricia R. Hiram (Title)
Asst. Sec.

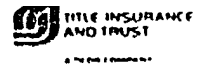
(Corporation as a Partner of a Partnership)
STATE OF CALIFORNIA
COUNTY OF Orange
On October 10, 1979, before me the undersigned a Notary Public in and for said State, personally appeared HOWARD W. MEISTER II known to me to be the Assistant Secretary of THE MEISTER COMPANY, INCORPORATED the corporation that executed the within instrument and known to me to be the persons who executed the within instrument on behalf of said corporation, said corporation being known to me to be one of the partners of CANYON CREEK HOMEOWNERS ASSOCIATION the partnership that executed the within instrument and acknowledged to me that said corporation executed the same as such partner and that said partnership executed the same.
WITNESS my hand and official seal.



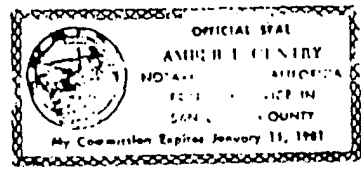
Signature of Howard W. Meister II



(Corporation as a Partner of a Partnership)
STATE OF CALIFORNIA
COUNTY OF SAN DIEGO
On OCTOBER 11, 1979, before me the undersigned a Notary Public in and for said State, personally appeared D. R. McARTHUR known to me to be the Exec. V. President and PATRICIA R. HIRAM known to me to be the ASST. Secretary of FINANCIAL SCENE, INC. the corporation that executed the within instrument and known to me to be the persons who executed the within instrument on behalf of said corporation, said corporation being known to me to be one of the partners of CANYON CREEK HOMEOWNERS ASSOCIATION the partnership that executed the within instrument and acknowledged to me that said corporation executed the same as such partner and that said partnership executed the same.
WITNESS my hand and official seal.



Signature of Patricia R. Hiram



CANYON CREEK
DECLARATION OF RESTRICTIONS
EXHIBIT "A"

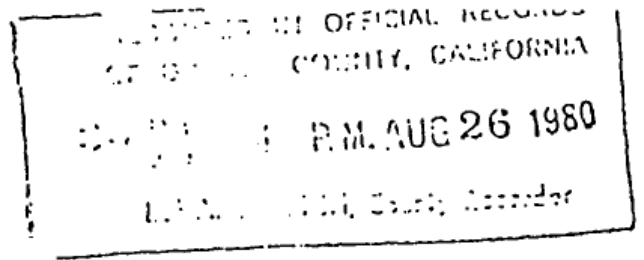
PLOT PLAN OF PROJECT

SHOWING LOCATION OF

PERIMETER WALL

(Refer to Book 13356, pages 107 through 1084 as Recorded in Orange County Records Office)

16721 Hale Avenue, Second Floor
Irvine, California 92714



FIRST AMENDMENT TO
CANYON CREEK
DECLARATION OF RESTRICTIONS

COMES NOW CANYON CREEK HOMEOWNERS ASSOCIATION, a California Corporation, being the Declarant, and by this instrument amends that certain Declaration of Restrictions dated October 10, 1979, and recorded October 17, 1979 as Document No. 26449 in the Official Records of Orange County, California, in the following respects only:

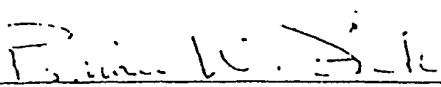
- 1. Revise Article VIII, 1. to read as follows:

ARTICLE VIII

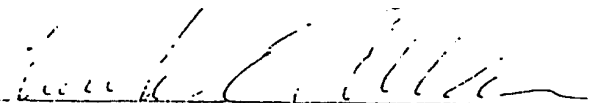
GENERAL PROVISIONS

"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 provisions of this Declaration and the other governing documents, and in such action shall be entitled to recover reasonable attorneys' fees and all costs. EACH VIOLATION FINE, TOGETHER WITH INTEREST, COSTS AND REASONABLE ATTORNEYS' FEES AND EXPENSES INCURRED BY THE ASSOCIATION IN COLLECTING ANY DELINQUENT VIOLATION FINES, SHALL BE A CHARGE ON THE LOT AND SHALL BE A CONTINUING LIEN UPON THE LOT AGAINST WHICH EACH SUCH VIOLATION IS MADE, THE LIEN TO BECOME EFFECTIVE UPON RECORDATION OF A NOTICE OF LIEN. Failure of the Association or 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."

IN WITNESS WHEREOF, CANYON CREEK HOMEOWNERS ASSOCIATION, by its President and Secretary execute this instrument this 22nd day of July, 1980.



PRESIDENT



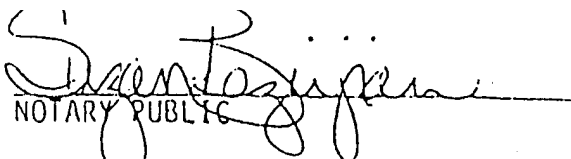
SECRETARY

ACKNOWLEDGMENT

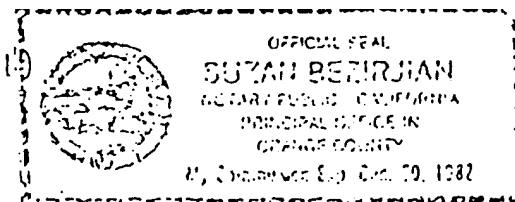
STATE OF CALIFORNIA) ss.
COUNTY OF ORANGE)

On July 22, 1980 before me, the undersigned, a Notary Public in and for said State, personally appeared Charles Allan, known to me to be the persons whose names are subscribed to the within instrument and acknowledged that they executed the same.

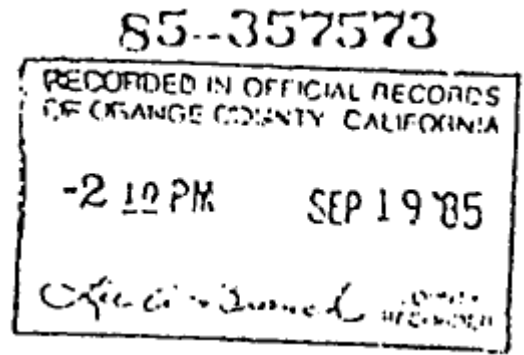
WITNESS my hand and official seal.



NOTARY PUBLIC



Keystone Pacific Property Management, Inc.
2082 S.E. Bristol, Suite 207
Santa Ana, California 92702



SECOND AMENDMENT
TO THE
CANYON CREEK HOMEOWNERS ASSOCIATION
DECLARATION OF RESTRICTIONS

COMES NOW CANYON CREEK HOMEOWNERS ASSOCIATION, a California corporation, being the declarant, having obtained the written consent: of more than 75% of the votes entitled to be cast by each class of members, and by this instrument amends that certain Declaration of Restrictions dated October 10, 1979 and recorded October 17, 1979 as document no. 26449 in the official Records Of Orange County, California, in the following respects only:

- 1. Revise Article VII, 4. to read as follows:


ARTICLE III

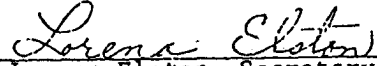
USE RESTRICTIONS

"4. Signs: No signs shall be displayed to the public view on any lots or on any portion of the Project unless such signs are approved by the Board of Directors. The following signs are permitted:

- a. One (1) Standard Canyon Creek "For Sale by Owner" sign, which will be provided by the Board of Directors, may be displayed in the front yard.
- b. Realtor "Open House" signs may be displayed only during the actual open house hours. The only permitted location for such signs shall be 1) the main gate and 2) the front yard."

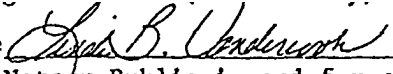
IN WITNESS WHEREOF, CANYON CREEK HOMEOWNERS ASSOCIATION, by its President and Secretary execute this instrument this 20th day of August, 1985.

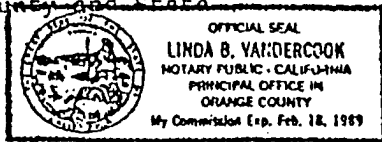

Robert Gumerman, President
Canyon Creek Homeowners Assoc.


Lorena Elston, Secretary
Canyon Creek Homeowners Assoc.

State of California)
County of ORANGE) SS

On this 20th day of August in the year 1985, before me, the undersigned, a Notary Public in and for said County and State, personally appeared Robert Gumerman personally known to me (or proved to me on the basis of satisfactory evidence) to be the person whose name is subscribed to this instrument, and acknowledged that he (she or they) executed it.

Signature 
Notary Public in and for said County and State



State of California)
County of ORANGE) SS

On this 22nd day of August in the year 1985, before me, the undersigned, a Notary Public in and for said County and State, personally appeared Lorena Elston personally known to me (or proved to me on the basis of satisfactory evidence) to be the person whose name is subscribed to this instrument, and acknowledged that he (she or they) executed it.

Signature *Gloria Schelin*
Notary Public in and for said County an State

