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Morrison Homes, Inc.  
1180 Iron Point Road, Suite 100  
Folsom, CA 95630



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DECLARATION  
OF  
COVENANTS, CONDITIONS AND RESTRICTIONS  
FOR  
Subdivision No. 00.003 - Bell South  
a.k.a. "Creekside"

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DECLARATION  
OF  
COVENANTS, CONDITIONS AND RESTRICTIONS  
FOR  
"Creekside"

THIS DECLARATION (this "Declaration"), dated November 6, 2003, is made by Morrison Homes, Inc. a Delaware Corporation. This party is individually referred to as provided above and hereinafter called the "Declarant."

The Declarant is the owner of all lots described in Exhibit "A" hereto and the Declarant desires to impose upon all of the lots in the Subdivision mutually beneficial covenants, conditions and restrictions constituting a common plan for the use and development of the Subdivision.

NOW THEREFORE, the Declarant declares that each and all of the lots in the Subdivision shall be reciprocally benefited and burdened by the covenants, conditions and restrictions hereinafter set forth which shall run with the lots so burdened and benefited and be enforceable by and binding upon the successors and assigns of the Declarant and that each of such lots shall be held, used, sold, conveyed, pledged, mortgaged and leased subject to and in accordance therewith.

ARTICLE 1  
DEFINITIONS

1.01. Article. "Article" shall mean any separate, numbered Article in this Declaration.

1.02. Commission. "Commission" shall mean and refer to the three (3) representatives appointed by the Declarant while the Declarant still owns any lot(s) in the Subdivision and thereafter to the replacement representatives appointed by Declarant or by majority vote of the Owners, as provided herein. The Commission is sometimes referred to herein as the "Design Review Commission."

1.03. Lot. "Lot" shall mean and refer to any plot of land shown upon any recorded subdivision map of the Property excluding any public streets and any other dedicated property shown on such subdivision map.

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

1.05. Occupant. "Occupant" shall mean and refer to any and all persons or entities occupying any Lot (whether as a tenant, guest, or otherwise) who are not also Owners of such Lot.

1.06. Owner. "Owner" shall mean and refer to the record owner, whether one or more persons or entities, of a fee simple title to any Lot which is a part of the Property, including contract sellers, but excluding those having such interest merely as security for the payment of a debt or the performance of an obligation.

1.07. Subdivision. "Subdivision" shall mean the map entitled "Subdivision No. 00.003 Bell South" filed in the office of the County Recorder of Sacramento County, California on September 29, 2003 in Book 172 of Parcel Maps, at page 14.

1.08. Vehicle. "Vehicle" shall mean and refer to automobiles (including cars, trucks and motorcycles), boats, planes and gliders (including experimental devices), and trailers.

## ARTICLE 2 USE OF PROPERTY

2.01. Permitted Buildings. No building other than one (1) detached single-family private residence, a private garage for the use of the occupants of such residence and other usual and appropriate outbuildings strictly incidental to and appurtenant to a private residence, shall be erected or maintained on any lot or plot in said Subdivision. The term "private residence" as used herein, is intended to exclude every form of boarding and lodging house, hotel or motel, sanitarium, acute care or convalescent hospital, and the like and preclude the conduct of any commercial activity, enterprise, trade or business on any lot. Notwithstanding anything herein to the contrary, (1) lots owned by the Declarant may be used as models and sales or construction offices, for the purpose of selling the lots (or lots together with completed dwellings) until all of the lots (or lots together with completed dwellings) have been sold by the Declarant, (2) an incidental use of a Lot for a commercial purpose is permissible provided such activity is not visible or audible from the street or any other Lot (or otherwise an annoyance or nuisance) and does not increase traffic to the Lot, and (3) a residence may be used as a family day care home for children as defined in California Health and Safety Code §1596.78 or its successor statute.

2.02. Rental. The Subdivision is designed and intended as an owner-occupied, residential development. The Owner of a Lot shall be responsible for any violation of this Declaration by a tenant or any other Occupant of such Lot. No Owner shall rent, lease or otherwise delegate the use and occupation of his, her or its Lot except upon all the following terms and conditions:

- (a) No Lot may be leased or rented for a period of less than thirty (30) days;
- (b) The lease or rental must apply to the entire Lot including its appurtenant rights (excluding only the Owner's voting rights, if any, pursuant to this Declaration);
- (c) Any lease or other rental must be by a written agreement which shall provide that the tenancy is subject to the terms of this Declaration and that any breach of any such terms shall constitute a default under such agreement; and
- (d) The lease must specifically give the Owner the right to evict the tenant if the tenant violates the terms of this Declaration.

2.03. Minimum Floor Area. No residence or dwelling shall be erected or permitted to remain on any lot in the Subdivision having a total floor area, exclusive of open porches, garage or other outbuildings, of less than 1,800 square feet. All roofing material shall be of wood shake or composition shingle or concrete tile construction and be in conformance with the accepted building and safety standards then in force by the County of Sacramento. If the pitch of the roof is less than 4' in 12' then the roof design and material shall be subject to approval by the Design Review Commission.

2.04. Setbacks. No building shall be located on any lot nearer to the front lot line or nearer to the side street line than the minimum building setback lines as required by the City of Elk Grove.

2.05. Minimum Lot Area. No dwelling shall be erected or placed on any lot having an area of less than 5,000 square feet except that a dwelling may be erected or placed on any original lot as shown on the recorded plat.

2.06. Occupancy; Diligent Prosecution of Construction. No trailer, recreation vehicle, garage or other outbuilding shall be used as a temporary or permanent residence. When the construction of any structure or improvement is once begun, the work thereon must proceed diligently. Should said structure or improvement suffer exterior damage or destruction, repair and reconstruction thereof shall be promptly commenced and proceed to completion of the structure, or said structure or improvement shall be demolished, all rubble and debris removed from the Subdivision and the lot (or portion thereof) formerly occupied by the demolished structure maintained in a neat and weed free condition.

2.07. Fences, Hedges and Walls. No front yard area fence, hedge, wall or landscape accessory (i.e. trellis, lattice work) over six (6) feet in height, measured from the ground on which it stands, shall be constructed or maintained on any lot frontage. Fences, walls, hedges or landscape accessories shall be submitted to the Design Review Commission for approval prior to installation. No fence, wall, shrub or tree planting at elevations between two (2) and six (6) feet above the roadways shall be placed on any corner lot which would obstruct sight lines at a street intersection; or on any lot which would obstruct sight lines from driveways. No fences composed of chainlink or woven wire shall be allowed on a lot or parcel if visible from the public streets or other lots or parcels, except until all lots owned by the Declarant have been sold, the Declarant may place such fence(s) on any lot or parcel owned by the Declarant. Any such visible fencing shall be built to the same design and material specifications as approved for the subdivision plans on file with the City of Elk Grove. Any deviation from existing fence design shall require approval of the Design Review Commission prior to installation.

2.08. Laundry. No exterior clothesline shall be erected or maintained on any lot nor shall there be any drying or laundering of clothes outside of any structure if such clothesline, laundering or clothes drying would be visible from any public street.

2.09. Exterior Landscaping and Maintenance of Fences, Walls and Hedges. Each owner or occupant of a dwelling shall maintain, in neat, attractive and weed free condition, the portions of its yards and landscaping and fences, walls and hedges which are visible to a public street. Additionally, each owner of a lot on which a concrete block wall is located shall be responsible for maintenance and repair of such wall, except to the extent such wall may be maintained or repaired by a lighting and landscaping district. No owner or occupant shall permit any thing or condition on its lot which would induce, breed or harbor infectious plants, diseases or noxious insects or vermin.

2.10. House Exterior. No house exterior shall be altered in any way without prior approval of the Commission. This includes, but is not limited to, changing any paint or stucco color, adding or removing shutters, awnings, security shutters, architectural trim/accessories or lighting.

2.11. No Nuisance. No obnoxious, offensive or illegal activity shall be carried out on any lot, nor shall anything be done thereon which may be or become an annoyance or nuisance to the other residents of the Subdivision including, by way of example and without limitation thereto, maintenance of visible flashing lights or audible devices giving rise to noise outside the owner's

lot, or accumulation of rubbish or debris of any kind on any lot so as to permit odors to arise therefrom or so as to render any lot unsightly, unsanitary, offensive, or detrimental to any other lot. No portion of the Subdivision shall be used or maintained for the accumulation of rubbish or debris. Trash, garbage and other waste shall be kept in covered, sanitary fly-proof containers which shall be located so as not to be visible from any public street except as required for collection. There shall be no exterior fires of any kind, except barbecues which shall be contained within equipment designed for such purposes. No oil drilling, development, or refining, and no quarrying or mining operations of any kind shall be permitted in the Subdivision, nor shall oil wells, tanks, tunnels, or mineral excavations be permitted upon the surface, or within five hundred (500) feet of the surface, of the Subdivision, nor shall derricks or other structures designed for use in drilling for water, oil, natural gas, steam, or other hydrocarbons or minerals be erected, maintained, or operated on any portion of the Subdivision.

2.12. Alteration of Slopes; Drainage. There shall be no cutting, filling, grading or contouring or other altering of the slope of any lot in any manner, or construction of any improvement or allowing any obstruction which would cause the flooding or erosion of any adjoining lot or which would interfere with or alter the drainage pattern through the Subdivision, other than as provided or contemplated by the grading plan for the Subdivision approved by the City of Elk Grove in connection with its approval of the Map. These conditions run with the land and are binding on all subsequent owners.

2.13. Pets and Animals. No animals, livestock or poultry of any kind shall be raised, bred or kept on any lot, except that dogs, cats or other household pets may be kept provided that they are not kept, bred, or maintained for any commercial purposes or in such numbers or with such lack of control by the owners thereof as to constitute a nuisance or health hazard.

2.14. Vehicles. All driveways and garages shall be maintained in a neat and orderly condition. Trailers, mobile homes, boats, trucks (other than pickup trucks) campers and recreational vehicles, commercial vehicles or inoperable cars may be kept, maintained, repaired, reconstructed, remodeled or parked on the driveway of any lot for a period of time not to exceed twenty-four (24) consecutive hours. At all other times, such vehicles may be parked only entirely within an Owner's garage or in a parking area on the Lot approved by the Commission as to location, screening, and design. No vehicle of any kind shall be parked, kept, or permitted to remain on any driveway in such a manner as to encroach upon the public sidewalk. No Owner or Occupant, or any guests of any Owner or Occupant, shall cause or allow fuel, oil, coolant or any other automotive fluids to spill or be dumped onto the streets or gutters or to go into storm drainage system within the Subdivision.

2.15. Signs. No signs, banners or placards shall be installed or maintained anywhere on the exterior of a home or lot within the property, except any sign which is reasonably located, in plain view of the public, of reasonable dimensions and design, does not adversely affect public safety, including traffic safety, and (1) advertises the residence as for sale, lease, or exchange, (2) advertises directions to the Lot, or (3) is otherwise approved by the Design Review Commission. The determination of the Design Review Commission shall be subject to the provisions of Sections 712 and 713 of the California Civil Code and any successor statutes thereto and any local ordinances of the City of Elk Grove, promulgated pursuant thereto.

2.16. Airspace and Exterior. No outside antenna, aerial, satellite dish, tower or other device for the transmission or reception of television, radio or other waves shall be erected or placed anywhere in the Subdivision without the approval of the Design Review Commission.

Notwithstanding the foregoing, the installation, maintenance or use of any of the following is permissible without approval of the Commission:

- (a) an antenna designed to receive direct broadcast satellite service, including direct broadcast satellite service, that is one meter or less in diameter;
- (b) an antenna that is designed to receive video programming services via multipoint distribution services, including multichannel multipoint distribution services, instructional television fixed services, and local multipoint distribution services, and that is one meter or less in diameter or diagonal measurement;
- (c) an antenna that is designed to receive television broadcast signals; or
- (d) a mast supporting an antenna described in (a), (b), or (c), above.

The installation of solar energy systems shall require the prior approval of the Design Review Commission whose rights to disapprove such installation shall be subject to Section 714, *et seq.*, of the California Civil Code and any successor statutes thereto. Air conditioning units and similar electrical or mechanical devices which protrude through walls or are roof or exterior mounted shall be permitted without the approval of the Design Review Commission if the dwelling, as originally designed and constructed by Declarant, included such device or made provision for the installation thereof by an owner.

2.17. Window Covers. Curtains, drapes, shutters or blinds may be installed as window coverings. No window shall be covered with aluminum foil, sheets, blankets or similar inappropriate material.

2.18. Trees. No existing trees shall be damaged, destroyed, uprooted, cut or removed without the prior written consent of the Design Review Commission and the City of Elk Grove.

2.19. Sports Fixtures. No basketball standards or fixed sports apparatus shall be attached to any Residence or garage or erected on any Lot, unless the location of the standard or other sports fixture is not visible from the street or other adjacent Lots. This restriction shall apply to both permanent and portable basketball standards. When such portable standards are not in use, they shall be stored out of view.

2.20. Further Rules. The Commission shall have the authority to promulgate rules and restrictions concerning parking and vehicles within the Subdivision which shall become effective five (5) days after mailing to each Owner.

2.21. Illegal Dumping: No solid waste, liquid waste and yard trash shall be dumped into the storm drain system, open space, or creeks.

### ARTICLE 3 DESIGN REVIEW COMMISSION POWERS & DUTIES

3.01. Design Review Commission. The Design Review Commission ("Commission") shall have three (3) members. The initial members of the Commission, who are hereby appointed by the Declarant are: TERRY BALES, FORREST GRIMES and ROBERT WALTER. As long as the Declarant owns any part of the Subdivision, it shall have the power and authority to remove any or all of the members of the Commission and to appoint replacements who may or may not be Lot owners. WITHIN 30 DAYS AFTER DECLARANT HAS DISPOSED OF ALL ITS INTEREST IN THE SUBDIVISION, THE THEN EXISTING MEMBERS OF THE COMMISSION SHALL SELECT A NEW COMMISSION CONSISTING OF THREE (3) PERSONS, EACH OF

WHOM SHALL BE AN OWNER. The Declarant shall give notice to the Owners of the names of the new members of the Commission. If any elected or appointed Commission ceases to function and fails to select a new Commission, the owners of a majority of the improved Lots within the Subdivision may elect a new Commission by signing a written instrument setting forth the names and addresses of the members so elected. The execution of such instrument shall be acknowledged and it shall be recorded in Sacramento County. Except for the initial Commission members appointed by Declarant (and their replacements before Declarant has disposed of all its interest in the Property), only Owners may serve as members of the Commission.

Any construction, alteration, addition or other matter which is required to be approved by the Design Review Commission, shall be fully shown and described by appropriate plans and specifications, and submitted to the Commission. The request for approval and the plans and specifications shall be deemed submitted as of the date when they are mailed to the Commission, postage fully prepaid. The mailing address of the initial Commission is: **1180 Iron Point Road, Suite 100, Folsom, California 95630.** Any two (2) members of the Commission shall have the power to approve or disapprove any matter submitted to it. The Commission's approval or disapproval shall be in writing and shall be mailed to the Owner at the address given by the Owner in his request for approval. The Commission shall grant its approval only in the event that the Commission determines, in its sole discretion, that the proposed work will benefit and enhance the entire Subdivision in a manner generally consistent with the plan for development thereof. The Commission may grant minor variances or exceptions from the minimums and standards specified if the Commission determines that exceptional circumstances exist concerning a particular Lot or proposed plan, making a variance necessary or appropriate to achieve the general purposes of this Declaration. In the event that the Commission fails to approve or disapprove within 35 days after the appropriate plans and specifications have been received, approval will be deemed given and this Section will be deemed to have been fully complied with.

3.02. Powers of the Design Review Commission. The Design Review Commission shall have the following powers:

(a) to review and approve, disapprove or conditionally approve all plans, submittals, applications and requests made or tendered to it by Owners of Lots, or their agents, pursuant to the provisions of this Declaration. In connection therewith the Design Review Commission may investigate and consider the architecture, design, layout, landscaping, energy conservation measures, water conservation measures, fence detail, and other features of the proposed improvements.

(b) to adopt rules and regulations for the transaction of business, scheduling of meetings, conduct of meetings and related matters;

(c) to require the submission of site plans, diagrams, photographs, materials or other presentation material as may be necessary for complete review and consideration of the proposed development. All such plans and specifications shall be submitted in writing in duplicate and each shall be signed by the Owner of the Lot or his authorized agent;

(d) to adopt criteria, consistent with the purpose and intent of this Declaration, to be used in making its determination to approve, disapprove or conditionally approve any matter submitted to it for decision; and,

(e) to enjoin any action taken in violation of the covenants relating to architectural control.

3.03. Duties of the Design Review Commission. The Design Review Commission shall:

- (a) publish and make available to Owners and prospective Owners all of its rules, regulations and criteria from time to time adopted, if any;
- (b) impose a requirement, at the time of granting any approval, that the improvements or landscaping be commenced within a stipulated time, failing which the approval is deemed revoked. Any failure to prosecute landscaping or improvements or alterations diligently to completion shall be deemed a breach of the Owner's covenants under this Declaration; and
- (c) as conditions precedent to approval of any matter submitted to it, the Design Review Commission shall find:
  - (i) general architectural considerations, including the character, scale, and quality of the design, the architectural relationship with the site and other buildings, building materials, colors, screening of exterior appurtenances, exterior lighting and similar elements have been incorporated in order to ensure the compatibility of the proposed improvement with its design concept and the character of adjacent buildings; and
  - (ii) general site considerations including site layout, open space and topography, orientation and locations of buildings, vehicular access, circulation and parking, setbacks, heights, walls, fences, and similar elements have been designed to provide a desirable environment.
- (d) If the Commission makes a negative finding on one or more of the matter set forth in Paragraph (c) above, as applicable to the matter before it, it shall disapprove such matter or condition its approval so as to allow such finding to be made.

3.04. Arbitration of Architectural Decisions. If an Owner seeking the approval of the Design Review Commission with respect to a matter affecting such Owner's Lot shall dispute the decision of the Design Review Commission in connection with such decision, the dispute shall be resolved by bringing arbitration between such Owner and the Design Review Commission. Such arbitration shall be conducted by a single neutral arbitrator in accordance with the provisions of Sections 1280 *et seq.* of the California Code of Civil Procedure. An Owner shall not undertake any construction, landscaping or other act in connection with the disputed matter, regardless of whether the construction, landscaping or other act was authorized, prohibited or not subject to a specific determination, until the award in arbitration is final.

3.05. No Liability for Architectural Review. Neither the Declarant, the Design Review Commission nor the members of designated representatives thereof shall be liable for damages to any one submitting plans or specifications to them for approval, or to any owner of property affected by this Declaration by reason of mistake in judgment, negligence, or nonfeasance arising out of or in connection with the approval or disapproval or failure to approve or disapprove any such plans or specifications, or for any defect, whether in design or construction, in any structure constructed from such plans and specifications. Neither the Declarant, the Design Review Commission nor any member thereof shall be responsible for reviewing or approving any plans with respect to the adequacy of engineering design in any aspect whatsoever. Every person who submits plans or specifications to the Design Review Commission for approval agrees, by submission of such plans and specifications, and every Owner or Occupant of any of said property also agrees, that it (they) will not bring any action, suit or claim against Declarant, the Design Review Commission or any of the members or designated representatives thereof with respect to any matters for which such persons or entities are relieved of liability pursuant to this Section. Each Owner, in addition to satisfying the requirements set forth in this Declaration, shall determine and satisfy the requirements imposed by the City of Elk Grove in connection with the necessary permits and the construction itself. Approval by the Design Review Commission does not constitute a representation that the proposed construction will be approved by the City of Elk Grove.

3.06. Appointment and Designation. The Design Review Commission, may, from time to time, by a majority vote of the members thereof, delegate any of its rights or responsibilities hereunder to one or more duly licensed architects or other qualified persons who shall have full authority to act on behalf of the Design Review Commission in all matters delegated.

3.07. Inspection by Design Review Commission. Any member or agent of the Design Review Commission may, from time to time, at any reasonable hour or hours and upon reasonable notice, enter and inspect any property subject to the jurisdiction of the Design Review Commission as to its improvement or maintenance in compliance with the provisions hereof.

ARTICLE 4  
GENERAL

4.01. Article and Section Headings. Article and section headings where used herein are inserted for convenience only and are not intended to be a part of this Declaration or in any way to define, limit or describe the scope and intent of the respective Articles and sections to which they refer.

4.02. Construction. The provisions of this Declaration shall be liberally construed to effectuate its purpose of creating a uniform plan for the development of the Property.

4.03. Rights and Remedies of Owner. This Declaration shall not be construed to limit the legal rights and remedies available to an Owner to the extent that such rights and remedies are not inconsistent with the provisions of this Declaration.

4.04. Singular Includes Plural. Whenever the context of this Declaration requires same, the singular shall include the plural and the masculine shall include the feminine.

4.05. Notice. Any and all notices or other communications required or permitted by this Declaration or by law to be served on or given to Declarant or any Owner shall be in writing and shall be deemed duly served and given when personally delivered to the person to whom it is directed, or in lieu of which personal service, when deposited in the United States mail, certified mail, return receipt requested, addressed as follows:

To Declarant at: Morrison Homes  
1180 Iron Point Road, Suite 100  
Folsom, CA 95630

Declarant may change its address for the purposes of this Section by informing each then Owner in writing within thirty (30) days of the change of address.

To the Commission at: Morrison Homes  
1180 Iron Point Road, Suite 100  
Folsom, CA 95630

The Commission may change its address for the purposes of this Section by informing each then Owner in writing within thirty (30) days of the change of address.

To any Owner at: The address of such Owner shown in the records of the County Assessor's Office.

4.06. Severability. If any provision of this Declaration or any part thereof is invalid or for any reason becomes unenforceable, no other provision or any part thereof, shall be thereby affected or impaired.

4.07. Notice of Noncompliance or Noncompletion. Notwithstanding anything to the contrary contained herein, after the expiration of the later of (i) one (1) year from the date of issuance of a building permit by municipal or other governmental authority for any improvements or (ii) one (1) year from the date of the commencement of construction within the Subdivision of any improvements, said improvements shall, in favor of purchasers and encumbrancers in good faith and for value, be deemed to be in compliance with all provisions of this Declaration unless actual notice of such noncompliance or noncompletion, executed by the Design Review Commission is given to Owner and recorded with the Recorder of Sacramento County, State of California, or unless legal proceedings shall have been instituted to enforce compliance or completion.

4.08. Mortgagee Protection. Nothing contained in this Declaration shall impair or defeat the lien of any mortgage or deed of trust made in good faith and for value, but title to any property subject to this Declaration, obtained through foreclosure sale in satisfaction of any such mortgage or deed of trust or deed in lieu thereof, shall thereafter be held subject to all of the restrictions and provisions hereof.

4.09. No Waiver. The provisions of this Declaration are declared to constitute mutual equitable servitudes and covenants running with the land pursuant to Section 1468 of the California Civil Code for the protection and benefit of each lot in the Subdivision. Failure by the Declarant or any other person or persons entitled to enforce any measure or provision upon violation thereof, shall not preclude any enforcement thereafter or be deemed a waiver of the right to do so.

4.10. Amendment. This Declaration may be amended by a recorded writing duly executed and acknowledged by the Owners, from time to time, of sixty-seven percent (67%) of the Lots encumbered hereby. However, no amendment which alters any of the rights of a Declarant shall be effective against such Declarant unless it joins in the execution and acknowledgment of the amending document.

4.11. Term of Declaration. This Declaration shall run with the land and shall continue in full force and effect until thirty-five (35) years from the date of recordation hereof. Thereafter, the same shall be automatically extended for successive periods of ten (10) years, unless, at the commencement of any such extension period, by a duly executed, acknowledged and recorded statement, the then owners of fifty-one percent (51%) or more of the lots in the Subdivision, elect to terminate this Declaration.

4.12. Binding Effect. Each grantee of a conveyance in fee, purchaser of an equitable estate or interest under a contract or agreement of sale and lessee owning a leasehold estate in a lot of any duration by accepting a deed, a contract of sale or an agreement of purchase, lease or rental agreement accepts the same, subject to all of the covenants, restrictions, easements, and agreements set forth in this Declaration and agrees to be bound by the same.

4.13. Rights of Enforcement. Any Owner, including any Declarant so long as it is an Owner, and the members of the Design Review Commission, acting jointly or individually, shall have the right to enforce, by any proceeding at law or in equity, all provisions of this Declaration. Failure by an Owner to enforce any provision hereof shall in no event be deemed a waiver of the right to do so thereafter.

4.14. Legal Fees. If any legal proceeding is initiated to enforce any of the provisions hereof, the prevailing party shall be entitled to recover reasonable attorneys' fees in addition to the cost of such proceeding. The prevailing party shall mean the party so designated by the court pursuant to Section 1717(b) of the California Civil Code or any successor party thereto. Legal fees shall include those arising in connection with an arbitration and determined pursuant to a confirmation of the award in arbitration.

4.15. Assignability of Declarant's Rights.

(a) For purposes of this Declaration, a Declarant means any and all of the original signatories hereto, any person or entity which succeeds thereto by merger, consolidation or acquisition of its assets substantially as an entirety and any assignee of a Declarant designated by the assigning Declarant in a writing recorded in the Official Records of Sacramento County.

(b) No Declarant may assign its rights as Declarant to any person or entity other than a purchaser of lots, who purchases all or a portion of the lots owned by such Declarant prior to the commencement of construction of any dwelling unit thereon and who purchases for purposes of resale in the ordinary course of its business. However, a Declarant may conditionally assign its rights as Declarant to an institutional lender providing financing for the construction of dwelling units. Any such assignment shall be deemed perfected upon completion of the foreclosure proceedings (or receipt by such lender of a deed in lieu of foreclosure) and the vesting of title to the foreclosed property in such lender.

IN WITNESS WHEREOF, the Declarant has executed this Declaration on the day and year first above written.

Morrison Homes, Inc.



Robert E. Walter  
Vice President

STATE OF CALIFORNIA )  
 ) ss.  
COUNTY OF SACRAMENTO )

On November 7, 2003,  
before me, the undersigned, a notary public for the  
state, personally appeared ROBERT E. WALTER,  
personally known to me (or proved to me on the basis  
of satisfactory evidence) to be the person(s) whose  
name(s) is/are subscribed to the within instrument  
and acknowledged to me that he/she/they executed  
the same in his/her/their authorized capacity(ies), and  
that by his/her/their signature(s) on the instrument the  
person(s), or the entity upon behalf of which the  
person(s) acted, executed the instrument.

WITNESS my hand and official seal

Notary Public



(This area for official notarial seal)

EXHIBIT "A"  
LEGAL DESCRIPTION

Lots 1 through 96 inclusive as shown on the map entitled "Subdivision No. 00.003 Bell South" filed in the office of the County Recorder of Sacramento County, California on September 29, 2003 in Book 172 of Parcel Maps, at page 14.