

Environmental Documents shall be enforced by the respective Public Agencies. The Master Association shall have the right, but not the obligation, to enforce compliance with the Environmental Documents as the Board, in its discretion, deems necessary or appropriate.

Section 27. Compliance with the Best Management Practices. The Master Association, any Sub-Association and each Owner shall maintain its respective structural Best Management Practices and shall perform its respective non-structural Best Management Practices to the extent applicable to their respective property (e.g., Master Association Property, Maintenance Area, Common Area and/or Lot or Condominium).

ARTICLE IX

DESIGN REVIEW

Section 1. Exemptions From Design Review. Declarant and each Merchant Builder shall be exempt from and shall not be obligated to comply with: (i) any of the Design Review provisions set forth herein; (ii) any Design Review provisions of any kind whatsoever which may be adopted by the Board, or by the Master Association; and (iii) any Design Review provisions of any kind whatsoever pertaining to, or adopted by, any Sub-Association. The provisions of this Article may not be amended without the prior express written consent of Declarant so long as Declarant or any Merchant Builder is offering any Lot or Condominium for sale, or so long as Declarant or any Merchant Builder owns any portion of the Annexable Property.

Section 2. Design Review. Except for purposes of proper maintenance and repair, and except as otherwise permitted hereunder, no Owner or Sub-Association shall build, construct, erect, plant or otherwise install any Improvement, without first: (i) submitting appropriate plans and specifications for such Improvement to the Design Review Committee; (ii) obtaining the express written approval of such plans and specifications by the Design Review Committee and by all appropriate Public Agencies;

(iii) obtaining any necessary permits from any applicable Public Agency; and (iv) thereafter complying with all applicable provisions of the Master Association Documents, any conditions imposed by the Design Review Committee, and with all requirements imposed by any Public Agency. Additionally, the Master Association shall not build, construct, erect, plant or otherwise install any Improvement to the Community Entry Facilities nor to any of the recreational amenities in the Community without the prior express written consent of the Declarant. Further, the Master Association shall not build, construct, erect, plant or otherwise install any Improvement to the Community Entry Facilities without the prior express written consent of the Golf Course Property Owner.

Section 3. Design Review Committee. The Design Review Committee is hereby authorized with the rights and powers set forth in this Article. Said Committee shall consist of not less than three (3) members, nor more than five (5) members, as fixed from time to time by a resolution of the Board. The Declarant shall appoint all of the original members of the Design Review Committee (and any replacements thereto). The original members of the Committee shall serve until the first meeting of the Board. Declarant reserves the power to appoint a majority of the members of the Design Review Committee until either (i) the fifteenth (15th) anniversary of the first Close of Escrow for the sale of a Lot pursuant to the Final Subdivision Public Report issued for the first Phase of the Community, or (ii) ninety percent (90%) of the Lots and Condominiums in the overall Community have been sold (i.e., approximately three hundred sixty [360] Lots and Condominiums), whichever occurs first (the "Turnover Date"). After one (1) year from the date of such first Close of Escrow, the member(s) of the Board who were elected by the Members, other than the Declarant and the Merchant Builders, shall have the power to appoint one (1) member to the Design Review Committee until the Turnover Date. From and after the Turnover Date, the Board shall have the power to appoint all of the members of the Design Review

Committee; provided however, if on the Turnover Date, the Declarant or any Merchant Builder owns any Lot in the Community or in any portion of the Annexable Property upon which an original Dwelling has not been constructed in accordance with plans and specifications that were approved by the Design Review Committee or that are exempt from approval as provided in Section 1 of this Article, Declarant hereby reserves the right to appoint one (1) member to the Design Review Committee (the "Declarant's Representative"). The Declarant's Representative shall serve on the Design Review Committee and shall have the rights and powers set forth herein until an original Dwelling has been constructed on every Lot in the overall Community as originally planned in accordance with plans and specifications approved by the Design Review Committee or that are exempt from approval as provided in Section 1 above. All persons appointed to the Design Review Committee by the Board shall be a Member of the Master Association. Any person appointed to the Design Review Committee by the Declarant, however, need not be a Member of the Master Association. No member of the Design Review Committee shall be liable to any person for his decisions or failure to act in making decisions as a member of the Design Review Committee. Declarant may, in its discretion and at any time prior to the Turnover Date, assign to the Master Association by written assignment its powers of removal and appointment with respect to the Design Review Committee, subject to such terms and conditions regarding the exercise thereof as Declarant may impose.

Section 4. Meetings of the Design Review Committee and Delegation of Rights and Responsibilities. The Design Review Committee shall meet, from time to time, as necessary to perform its duties hereunder. The Design Review Committee may, by a majority vote of the members thereof, delegate any of its rights and responsibilities hereunder to one (1) or more duly licensed architects, who shall have full authority to act on behalf of the Design Review Committee on all matters so delegated, provided any

such assignment shall not limit or otherwise impair the rights and powers of the Declarant's Representative. Without limiting the generality of the foregoing, with respect to proposed Improvements to the Production Lots and/or Condominiums in the Community, the Design Review Committee, may be a majority vote of the members thereof, delegate any of its rights and responsibilities hereunder to either: (i) one (1) or more duly licensed architects, or (ii) a sub-committee which may consist of members who are not members of the Design Review Committee, who shall have full authority to act on behalf of the Design Review Committee on all matters so delegated. All referenced in the Master Association Documents to the Design Review Committee shall mean and refer to said Committee or to its delegatee(s), as the case may be.

Section 5. Design Guidelines. The Design Review Committee shall use the Design Guidelines as the basis for reviewing plans and specifications. A majority of a quorum of the Board may amend, from time to time, the Design Guidelines and also may adopt, from time to time, Rules and Regulations to supplement the Design Guidelines; provided however, for so long as the Declarant owns any Lot in the Community or any portion of the Annexable Property, the Board may not amend the Design Guidelines without the prior express written consent of the Declarant. The Design Guidelines may include, without limitation, procedures, policies, limitations and restrictions regarding the following:

(a) The construction, addition, change or alteration of any Improvement to a Lot or Condominium, including the nature, kind, shape, size, materials, exterior color, location and height of any Improvement;

(b) A description of any type of construction, addition, change or alteration which, if completed in conformity with the Design Guidelines, does not require approval of the Design Review Committee;

(c) Conformity of completed Improvements to plans and specifications approved by the Design Review Committee;

(d) Time limitations for the completion of the Improvements;

(e) Procedures for submission of plans and specifications to the Design Review Committee for review, including, without limitation, floor plans, site plans, drainage plans, elevation drawings, landscape plans and a description or samples of exterior colors and materials;

(f) Approved landscape palettes, including, without limitation, prohibitions on planting, seeding or otherwise introducing Invasive Exotic Plants on or within the Invasive Plant Areas and other restrictions controlling the species and placement of any trees, plants, shrubbery, ground cover, etc., to be placed, planted, irrigated and maintained in the Community (including requirements regarding the use of root barriers and/or other similar devices to prevent damage to hardscape and other Improvements constructed or installed on a Lot or Condominium);

(g) Applicable setbacks, height and coverage limitations for landscaping and accessory structures, (including, but not limited to, patio covers, gazebos, pools, spas, decks, guest houses, etc.); and

(h) A reasonable schedule of deposits and fees for the submission of plans and specifications and to ensure proper completion of the anticipated work, clean-up and compliance with the approved plans and specifications.

The Design Review Committee shall maintain a copy of the then current Design Guidelines on file at all times, and shall provide each Owner with a copy of the Design Guidelines upon written request. The Board shall establish a reasonable fee for copies of the Design Guidelines, and other related materials, to cover costs of reproduction, administration and handling.

Section 6. Review of Plans and Specifications. The Design Review Committee shall consider and act upon any and all plans and specifications submitted for its approval pursuant to

this Master Declaration, and perform such other duties as, from time to time, shall be assigned to it by the Board, including the inspection of construction and progress to ensure its conformance with the plans and specifications approved by the Design Review Committee. Subject to the provisions of Section 1 above, no grading, excavation, demolition, construction, installation, alteration, addition, modification or reconstruction of an Improvement shall be commenced until the plans and specifications therefor showing the nature, kind, shape, height, width, color, materials, location and other information required by the Design Guidelines shall have been submitted to the Design Review Committee and approved in writing by: (i) the Design Review Committee, and (ii) after the Turnover Date, by the Declarant's Representative if the plans and specifications consist of the initial Dwelling on a Custom Lot. The initial address for submission of such plans and specifications, until changed by the Design Review Committee, is:

Shady Canyon Community Association
550 Newport Center Drive
Newport Beach, CA 92660
Attention: Thomas Heggi

The Design Review Committee shall approve the plans and specifications submitted for its approval only if it determines that: (a) the proposed Improvements are in compliance with the Design Guidelines, the Fuel Modification Zones Maintenance Guidelines, the Custom Lot Declaration and this Master Declaration, as applicable; (b) the construction, alterations or additions contemplated thereby and the locations indicated will not be detrimental to the appearance of the surrounding area of the Community as a whole; (c) the appearance of any structure affected thereby will be in harmony with surrounding structures; (d) the construction thereof will not detract from the enjoyment of the Master Association Property by the Owners; and (e) the upkeep and maintenance thereof will not become a burden on the Master Association. In addition to the foregoing, approval by the Design

Review Committee of the plans and specifications may be based upon, among other things, scale of site dimensions; conformity and harmony of external design with neighboring Improvements; affect of location and use of Improvements (including landscaping) on neighboring Lots and/or Condominiums; relation of topography, grade and finish grade elevation of the Lot or Condominium being improved to that of the neighboring Lots and/or Condominiums; proper facing of all elevations; consideration of aesthetic beauty; and conformity of the plans and specifications to the purpose and general plan and intent of the Protective Covenants of this Master Declaration. The Design Review Committee may withhold approval of the plans and specifications for any proposed Improvement because of noncompliance with this Master Declaration, the Custom Lot Declaration, the Design Guidelines and/or the Fuel Modification Zones Maintenance Guidelines, as applicable; because of the dissatisfaction of the Design Review Committee with the proposed nature, kind, plan, design, shape, height, dimensions, proportions, architectural style, color, finish or materials to be used therein, the pitch or type of any proposed roof, or the size, type or location of any proposed trees or the landscaping to be planted on a Lot or Condominium; or because of the dissatisfaction of the Design Review Committee with any aspect of the proposed Improvement which could cause the proposed Improvement to be inappropriate, inharmonious or out of keeping with the general plan of improvement for the Community, or with the Improvements on or topography of the surrounding property (including, the Golf Course Property). The Design Review Committee may condition its approval of proposals or plans and specifications for any Improvement: (a) on such changes therein as it deems appropriate, (b) upon the agreement by the person submitting the same to grant appropriate easements to the Master Association for the maintenance of the Improvement, or (c) upon the agreement of the person submitting the same to reimburse the Master Association for the cost of such maintenance, or all of the above, and may require submission of additional plans and

specifications or other information prior to approving or disapproving the submission.

Section 7. Procedures and Timeframes for Decisions by the Design Review Committee. With respect to the initial construction of a Dwelling by an Owner of a Custom Lot, the procedures and the timeframes for the decisions by the Design Review Committee in connection with its review of each submittal required to be made by the Owner shall be as set forth in the Design Guidelines. With respect to all other proposed Improvements to a Lot or Condominium (including Improvements to a Custom Lot after the Dwelling has been completed and approved for occupancy), the Owner desiring to build, construct, erect, plant or otherwise install such Improvements shall submit to the Design Review Committee full and complete plans and specification and all other information as required by the Design Guidelines. Until receipt by the Design Review Committee of the required plans and specifications and other information as required in the Design Guidelines, the Design Review Committee may postpone review of any plans submitted for approval. Upon receipt of the submittal from the Owner, the Design Review Committee shall within a reasonable period not to exceed sixty (60) days notify the Owner either that the submittal was incomplete (and list the items required for a complete submittal), or notify the Owner of the date, time and place for the meeting of the Design Review Committee on the Owner's submittal. Failure of the Design Review Committee to act within sixty (60) days will be deemed a denial of the submittal. In the event of a denial due to inaction by the Design Review Committee, within thirty (30) days of such denial of the submittal, the Owner may request by mail (with return receipt requested) notification of the status of his submittal. Failure by the Design Review Committee act within forty-five (45) days of receipt of the Owner's status request will be deemed approval of the Owner's submittal. Disapproval of a submittal may be appealed to the Board as provided hereinbelow.

Section 8. Submittal to City - Right of Design Review Committee to Review. Upon obtaining the written approval of the Design Review Committee, the Owner shall thereafter submit plans and specifications to the City. In the event that all necessary approvals of the City for the issuance of a building permit or other permits required to commence the work contemplated in the plans and specifications are not obtained within six (6) months from the date of approval by the Design Review Committee, the Design Review Committee shall have the right, but not the obligation, to re-review all previously approved plans and specifications. In addition, in the event that the City requires modifications to the plans and specifications previously approved by the Design Review Committee, the Owner shall submit to the Design Review Committee all modifications to the plans and specifications previously approved by the Design Review Committee. In the event the Owner is obligated to resubmit plans and specifications to the Design Review Committee to reflect the modifications required by the City, said Committee shall have the right to review and to impose further conditions on any such modifications which are not inconsistent with the requirements imposed by the City.

Section 9. Approval of City. Approval of any Improvement by the Design Review Committee (or the Board upon appeal thereto) shall not be construed to warrant or represent in any way that the Improvement was approved by or complies with the ordinances, regulations and policies of the City or other Public Agencies. Similarly, approval of any Improvement by the City shall not be construed to constitute approval of such Improvement by the Design Review Committee or the Board.

Section 10. Conflicts Between the City and Design Review Committee. In the event of any conflict in the conditions of approval of any proposed Improvements imposed by the City and the Design Review Committee, the more restrictive of such conditions shall be controlling. Nothing herein shall limit the

Design Review Committee from imposing conditions of approval of any proposed Improvements which are more restrictive than conditions as may be imposed by the City.

Section 11. No Waiver of Future Approvals. The approval by the Design Review Committee of any submissions for any work done, or proposed to be done, or in connection with any other matter requiring the approval or consent of the Design Review Committee, shall not be deemed to constitute a waiver of any right to withhold approval or consent to any similar proposals, plans and specifications, drawings or other matters subsequently or additionally submitted for approval.

Section 12. Compensation of Members. The members of the Design Review Committee shall receive no compensation for services rendered, other than reimbursement by the Master Association for expenses incurred in the performance of such members' duties hereunder. This Section shall not be interpreted or construed to prohibit the Master Association from compensating any duly licensed Architect who has been delegated rights and duties as provided in this Article.

Section 13. Variances. Where circumstances such as topography, location of buildings, location of landscaping or other matters require, the Design Review Committee, by the vote or written assent of a majority of the members thereof, may allow reasonable variances as to any of the Protective Covenants contained in this Master Declaration or provisions on such terms and conditions as it shall require. The granting of such a variance shall not operate to waive any of the Protective Covenants of this Master Declaration for any purpose, except as to the particular Lot or Condominium and particular provision hereof covered by the variance, nor shall it affect in any way the Owner's obligation to comply with all governmental laws and regulations affecting the Owner's use of his Lot or Condominium, including, but not limited to, zoning ordinances, setbacks or requirements imposed by the City or other Public Agency.

Section 14. Inspection and Approval of Improvements.

Upon consent of the Owner, which consent shall not be unreasonably withheld, any member or authorized representative of the Design Review Committee may, at any reasonable hour and upon reasonable notice, enter and inspect any Improvement which has been the subject matter of an approval by the Committee. Upon completion of an Improvement, the Owner shall submit a written Notice of Completion to the Committee. The Committee's right to inspect the completed Improvement shall terminate sixty (60) days after receipt of such Notice. If the Design Review Committee finds that such work was not done in substantial compliance with the approved plans and specifications, it shall notify the Owner in writing of such noncompliance, specifying the particulars of noncompliance and shall require the Owner to remedy the same within thirty (30) days from the date of notification of such noncompliance. If the noncompliance is not cured within such thirty (30) day period, the Board, after Notice and Hearing, may levy a Compliance Assessment against such Owner for the costs of removing or remedying such noncompliance. If the Design Review Committee determines that an Improvement has been completed in substantial compliance with the approved plans and specifications, an Owner may request, and thereupon shall be entitled to receive, an executed and notarized notice of compliance executed by the president or secretary of the Master Association or by any other person authorized by resolution of the Board to execute such notice.

Section 15. Non-Liability of Design Review Committee

Members. The Declarant, the Merchant Builders, the Master Association, the Board and the Design Review Committee, and their respective directors, officers, employees, members and agents, shall not be liable for damages to any Owner submitting plans and specifications for approval, or to any Owner in the Community by reason of mistake in judgment, negligence or nonfeasance, unless due to willful misconduct or bad faith of the Design Review Committee. The Design Review Committee's approval or disapproval of

a submission shall be based solely on the considerations set forth in this Article, and in such rules and regulations as may be promulgated by the Design Review Committee, and the Design Review Committee shall not be responsible for reviewing, nor shall its approval of any plan or design be deemed approval of, any plans or design from the standpoint of structural safety and/or conformance with building or other codes.

Section 16. Appeal. In the event plans and specifications submitted to the Design Review Committee are disapproved, the party making such submission may appeal in writing to the Board. The written request must be received by the Board not more than thirty (30) days following the final decision of the Design Review Committee. The Board shall submit such request to the Design Review Committee for review, and the written recommendations of the Design Review Committee will be submitted to the Board. Within forty five (45) days following receipt of the request for appeal, the Board shall render its written decision. The failure by the Board to render a decision within said forty five (45) day period shall be deemed a decision in favor of the party making such submission.

Section 17. Design Review of Custom Lots. Each Custom Lot which is annexed into the Community shall be subject to the provisions of this Master Declaration as well as the Custom Lot Declaration. The provisions of the Custom Lot Declaration, which may be more restrictive than the provisions of this Article, shall be implemented and enforced by the Design Review Committee. In accordance with the Custom Lot Declaration and/or Design Guidelines, the Design Review Committee may establish and collect deposits and fees relating to its review of plans and specifications and to the construction of Improvements on a Lot or Condominium in the Community. The Design Review Committee shall bill the Owner of a Custom Lot for all of the direct costs and expenses incurred by the Master Association in connection with the review and approval by the Design Review Committee of plans and

specifications for the Improvements proposed to be constructed on a Custom Lot. Such direct costs may include, but are not limited to, the fees paid to consultants engaged by the Design Review Committee to review proposed plans and specifications, the costs to duplicate an Owner's plans and specifications and the costs to inspect the progress of the Improvements. Unless otherwise agreed to by the Design Review Committee and the Owner, the Owner shall pay the amount billed within thirty (30) days of receipt of the invoice from the Design Review Committee.

Section 18. Design Review of Improvements to Lots or Condominiums Subject to a Sub-Association. All Improvements proposed to be made to any Lot or Condominium within the Community shall be subject to the Design Review provisions set forth in this Article. No Sub-Association may form a design review or architectural control committee without the prior express written approval of the Board which shall have the right to review and approve all design standards and criteria to be utilized by such committee for a Sub-Association.

Section 19. Prohibited Improvements and Activities. Notwithstanding that the Design Review Committee may approve an Improvement or authorize an activity which is prohibited as set forth in this Section, any approval or authorization by the Design Review Committee which contravenes the provisions of this Section shall not be valid, binding or enforceable.

(a) Master Association Walls. No Owner or Sub-Association shall modify or otherwise alter any Master Association Walls originally constructed by Declarant or a Merchant Builder, as generally shown and depicted on Exhibit "MAW" attached hereto or on an Exhibit attached to a Notice of Annexation recorded on a subsequent Phase of the Community. Similarly, no Owner or Sub-Association shall modify or otherwise alter any Sub-Association Walls originally constructed by Declarant or a Merchant Builder as generally shown and depicted on an Exhibit attached to a Supplemental

Declaration or to a Declaration of Annexation recorded on a Phase of the Community. Notwithstanding the foregoing, in the event that the Design Review Committee determines that it is reasonably necessary for an Owner to temporarily remove a Master Association Wall and/or a Sub-Association Wall in order to install a pool, spa or other similar Improvement in his rear yard, an Owner may temporarily remove a Master Association Wall and/or a Sub-Association Wall provided and on condition that such Owner satisfy each of the following conditions: (i) the Owner, at his sole cost, shall reconstruct such Wall with the same types of materials as originally used by Declarant or the Merchant Builder and restore any damaged Master Association Property and/or Maintenance Area to substantially the same condition as existed prior to such work; (ii) if applicable, the Owner shall re-stucco and/or repaint extended portions of the Wall as reasonably necessary to avoid a patched appearance; and (iii) the Owner shall obtain all approvals and permits as required in this Article.

(b) Fire Protection Easements. The Master Association, any Sub-Association and any Owner shall not build, construct, erect or install any Improvement of any kind whatsoever (including, but not limited to, speed bumps, entry gates, etc.) which may obstruct access over any street with the Community without the prior express written consent of the City Fire Department and the Orange County Fire Authority.

(c) Setbacks for Accessory Structures. No Owner or any Sub-Association shall build, construct, erect or install any accessory structure (including, but not limited to, patio cover, gazebo, pool, spa, deck, guest house, etc.) on his Lot or Condominium or its Common Area which does not comply with the setback, height, coverage and other restrictions set forth in the Design Guidelines, the Fuel Modification Zones Maintenance Guidelines, the Custom Lot Declaration and the Environmental Documents, as applicable.

(d) Legal Requirements. The Master Association, any Sub-Association and any Owner shall not build, construct, erect or install any Improvements which would violate any laws, ordinances and/or regulations of the City or any other Public Agency (including, but not limited to, ordinances and/or regulations regarding building setbacks). Additionally, no grading shall be permitted nor any Improvements built, constructed, erected or installed in those portions of the Master Association Property consisting of Conservation/Long Term Habitat Maintenance Areas without the prior express written consent of the applicable Public Agencies (including the issuance of any and all necessary permits).

(e) Height Limitations. No Owner of a Custom Lot shall build, construct, erect, plant or otherwise install any Improvement of any kind whatsoever on his Custom Lot that will exceed any height limitation imposed on such Custom Lot by the Custom Lot Declaration, the Design Guidelines, and/or this Master Declaration. Similarly, no Owner of a Condominium or Production Lot shall build, construct, erect, plant (except for trees) or otherwise install any Improvement of any kind whatsoever on his Condominium or Production Lot that will extend above the upper roof line of the Dwelling (excluding the chimney) on such Condominium or Lot. Further, if the Dwelling constructed on a Production Lot or a Condominium is a single story Dwelling, the Owner of such Production Lot or Condominium may not build, construct, erect or otherwise install a second story addition to such Dwelling.

(f) Tree Height Limitations. No Owner of a Lot or Condominium shall permit or allow any trees located on his Lot or Condominium to exceed the tree height limitation set forth in the Design Guidelines.

(g) Fencing Adjacent to the Golf Course. No Owner or Sub-Association shall build, construct or erect any fencing on any portion of the Community which adjoins the Golf Course Property; provided however, an Owner may maintain, repair and/or replace the fencing originally installed by Declarant or a Merchant Builder or approved by the Design Review Committee with the same fencing materials as originally installed. For purposes of this paragraph, fencing shall include, but not be limited to, fences, walls, netting and other barriers (other than shrubs, hedges, vines and other landscaping). Further, in order to restrict direct access onto the Golf Course Property, except for gates originally constructed by Declarant or a Merchant Builder, no gate may be installed in any fencing located on any portion of the Community which adjoins the Golf Course Property. Any fencing or gates approved by the Golf Course Property Owner shall not be deemed to be in violation of this paragraph.

(h) Fuel Modification Zones. No Owner or Sub-Association shall (i) build, construct, erect or install any structural Improvements of any kind whatsoever within any of the Fuel Modification Zones; or (ii) install, modify or in any way alter any landscaping within any of the Fuel Modification Zones in a manner which is inconsistent with the Fuel Modification Zones Maintenance Guidelines.

(i) Ground Cover. In the event the Master Association, any Sub-Association or any Owner whose Lot or Condominium adjoins the Golf Course Property desires to plant, seed, reseed or otherwise install any ground cover on the Master Association Property, Common Area or Lot or Condominium, respectively, the Master Association, Sub-Association or Owner shall install a minimum four inch (4") concrete mow strip along the common boundary with the Golf Course Property as a buffer and to help prevent such ground cover from encroaching onto the Golf Course Property.

(j) Prevention of Erosion of Slopes. No Owner or Sub-Association shall permit any act to be performed within the Community which would result in erosion of any slope, including, but not limited to, failing to maintain proper drainage on a Lot or Condominium (including, without limitation, failing to maintain any structural Best Management Practice, yard drain or other drainage device in proper operating condition at all times), over irrigating the slope or otherwise discharging excess water over the slope. If an Owner or Sub-Association permits any act to be performed which results in erosion of or other damage to such slope, said Owner or Sub-Association will be liable to the Master Association for such damage and a Compliance Assessment shall be levied against such Owner or Sub-Association to recover all costs and expenses incurred to repair or reconstruct such slope.

(k) Invasive Exotic Plants. The Master Association, any Sub-Association and any Owner shall not plant, seed or otherwise introduce any Invasive Exotic Plants into any portion of the Invasive Plant Areas.

(l) Light Spillage. The Master Association, any Sub-Association and any Owner shall not direct the rays from any exterior lights into any adjacent open space. All direct rays shall be confined to the respective site upon which such exterior lights are installed so that adjacent Lots and/or Condominiums, the Conservation/Long Term Habitat Maintenance Areas, the Golf Course Property and any other adjacent open space are protected from substantial light spillage and glare.

(m) Fire Sprinklers. No Owner shall remove, disable, alter or otherwise modify any fire sprinkler system installed in such Owner's Dwelling or appurtenant structures.

(n) No Encroachments into the Environmentally Sensitive Areas. The Master Association, any Sub-Association and any Owner shall not build, construct, erect, plant or

otherwise install any Improvements of any kind whatsoever nor permit any work to be performed within any portion of the Conservation/Long Term Habitat Maintenance Areas. Further, notwithstanding any other provision in this Master Declaration to the contrary, the Master Association may not grant or convey fee title, an easement or other interest, nor enter into any lot line adjustment or other arrangement of any kind whatsoever that would permit or otherwise enable any Improvements to be constructed within the Conservation/Long Term Habitat Maintenance Areas.

(o) Confinement of Work. An Owner (and his contractors) shall not perform any work upon or disturb any property outside the boundaries of such Owner's Lot or Condominium, other than on an adjoining Lot or Condominium with the prior written permission of the Owner of such adjoining Lot or Condominium, or on the adjoining Master Association Property with the prior written permission of the Master Association.

(p) Modifications to Landscape Easement Areas. No Owner of a Lot or Condominium that includes a Landscape Easement Area shall build, construct, erect, plant or install any Improvements of any kind whatsoever on such Landscape Easement Area other than landscaping (and related irrigation system) and fencing that is consistent with the Design Guidelines and approved by the Design Review Committee.

(q) Restrictions on Improvements to Lots Subject to Certain Easements. Various Lots in the Community are subject to certain easements ranging in width from approximately ten feet (10') to approximately twenty feet (20') for the installation, maintenance, repair and reconstruction of storm drains and related facilities ("Storm Drain Easement"), and/or for access for maintenance of the Fuel Modification Zones ("Fuel Mod Access Easement"). Each Storm Drain Easement and Fuel Mod Access Easement is shown and described on the

recorded map of Tract 15941 or other recorded map for a portion of the Community or other instrument of record, and is reserved for conveyance to the Master Association, but may also be used by the OCFA and/or other Public Agencies. Any Owner desiring to build, construct, erect, plant or otherwise install any Improvements in the portion of his Lot subject to a Storm Drain Easement and/or a Fuel Mod Access Easement shall strictly comply with the following restrictions:

(1) Improvements to the Storm Drain Easements.

No Owner shall build, construct, erect or otherwise install any structural Improvements (including, but not limited to, retaining walls, swimming pools, spas, room additions, etc.), nor place any fill, upon a Storm Drain Easement. All Improvements within such Easement are subject to approval by the Design Review Committee as provided herein and may be limited to turf, ground cover, irrigation systems, fences, sidewalks and other similar non-structural Improvements (collectively the "Permitted Improvements"). No trees of any size shall be permitted within any Storm Drain Easement nor within eight feet (8') of the centerline of the actual in-place storm drain lines. Each Owner acknowledges that the Master Association may enter in and upon a Storm Drain Easement and perform any work it deems necessary or appropriate. Subject to the limitation set forth hereinbelow, the Master Association shall, at its cost, repair or replace all Permitted Improvements located within the Storm Drain Easement that were removed or damaged in connection with work performed by the Master Association. The Master Association's duty to repair or replace Permitted Improvements shall be limited to turf and ground cover and related irrigation systems and standard finish concrete surfaces. In no event shall the Master Association's duty be interpreted or construed to include

the repair or replacement of exotic or extraordinary landscaping, or enhanced hardscape Improvements (e.g., bricks, rock work, etc.,) The Owner shall, at his sole cost and expense, repair, replace and/or restore all other Improvements located within the Storm Drain Easement that were removed or damaged in connection with the work performed by the Master Association.

(2) Improvements to Fuel Modification Access Easements. No Owner shall build, construct, erect or otherwise install any structural Improvements (including, but not limited to, retaining walls, swimming pools, spas, room additions, etc.) upon a Fuel Mod Access Easement. All Improvements within such Easement are subject to approval by the Design Review Committee as provided herein and may also be subject to approval by the OCFA, at its sole discretion, and may be limited to turf, ground cover, low shrubs, irrigation systems, fences, sidewalks and other similar non-structural Improvements to ensure that access over such Easement is not obstructed. If the Owner obtains permission to construct a fence across such Easement, the fence must include an entry gate approved by the Master Association and the OCFA. Additionally, the Master Association and/or the OCFA may require the installation of an emergency knock box to enable keyed entry through any lock installed on such gate. Each Owner acknowledges that the Master Association and/or OCFA may enter in and upon any Fuel Mod Access Easement as it deems necessary or appropriate. Each Owner further acknowledges that neither the Master Association nor the OCFA will be responsible for any damage to any Improvements located within a Fuel Mod Access Easement, nor for the removal of any Improvements which are located within (or encroach within) such Easement and which are deemed by the Master

Association or the OCFA as unreasonably impeding access over such Easement.

Section 20. Governmental Regulations. All of the provisions of this Article regulating the construction of Improvements within the Community are in addition to and shall not limit the effect of any applicable laws, regulations or other governmental or public utility requirements. The Declarant, the Merchant Builder, the Master Association, the Design Review Committee, and their respective directors, officers, Members, employees, consultants and agents do not make any representations whatsoever that said laws, regulations or other requirements permit construction of any Improvements to the same degree as permitted by this Master Declaration, the Custom Lot Declaration, or the Design Guidelines. It shall be the responsibility of each Owner to ascertain the applicability of all laws, regulations and other governmental and public utility requirements to any proposed Improvements to his Lot or Condominium. Notwithstanding any other provision in this Master Declaration to the contrary, all Improvements to any Lot or Condominium must be designed, constructed, installed and maintained in accordance with all applicable laws, regulations and other governmental and public utility requirements; provided however, if any such laws, regulations or other requirements are less restrictive than the provisions of this Master Declaration, the Custom Lot Declaration or the Design Guidelines, the provisions of this Master Declaration, the Custom Lot Declaration and the Design Guidelines shall nonetheless apply.

Section 21. Rights of the Disabled. The Design Review Committee shall neither construe nor apply the provisions of this Article so as to unreasonably restrict the right of any Owner who is blind, deaf or otherwise physically disabled to modify his Lot or Condominium, at such Owner's sole cost and expense, to accommodate such Owner's disability.