

F. HASLEY HILLS HOMEOWNERS ASSOCIATION, a California nonprofit, mutual benefit corporation ("Association"), has been or will be incorporated under the laws of the State of California for the purpose of exercising the aforesaid powers.

G. Declarant intends to convey the Project, and any and all portions thereof, subject to the covenants, conditions and restrictions set forth hereinbelow.

NOW, THEREFORE, Declarant covenants, agrees and declares that it does hereby establish a general plan for the development, maintenance, care, improvement, protection, use, occupancy, management and enjoyment of the Project, and that all or any portion of the Project shall be held, sold, conveyed, encumbered, hypothecated, leased, used, occupied and improved, subject to the covenants, conditions, restrictions, limitations, easements and rights ("Protective Covenants") set forth herein, all of which are for the purpose of uniformly enhancing and protecting the attractiveness and desirability of the Project, in furtherance of said general plan for the maintenance, protection, subdivision, improvement and sale of the Project, or any portion(s) thereof. Each and all of the Protective Covenants are hereby imposed as equitable servitudes upon the Property, which shall run with and burden the Project and shall be binding upon all persons having any right, title or interest in the Project, or any portion thereof, their heirs, successors and assigns, and shall inure to the benefit of and be binding upon Declarant, its successors and assigns, all subsequent owners of all or any portion of the Project, together with their grantees, heirs, executors, administrators, devisees, successors and assigns.

ARTICLE 1

DEFINITIONS

In addition to the capitalized terms and phrases found elsewhere herein, the following terms and phrases shall have the following meanings whenever used in this Declaration.

1.1 "Annexation Property" shall mean and refer to that certain real property described in Exhibit "B" attached hereto, including all Improvements constructed thereon, all or any portion of which may be annexed to the Project and become subject to the terms of this Declaration.

1.2 "Architectural Control Committee" (or "ACC") shall mean and refer to the architectural committee created pursuant to the Article herein entitled "Architectural and Landscaping Control."

1.3 "Architectural Standards" shall mean and refer to Hasley Hills Architectural Standards as promulgated and adopted by the Board of Directors of the Association pursuant to the Article herein entitled "Architectural and Landscaping Control."

1.4 "Articles" shall mean and refer to the Articles of Incorporation of Hasley Hills Homeowners Association, as filed in the Office of the Secretary of State of the State of California, as such Articles may be amended, from time to time.

1.5 "Assessments" shall be used as a generic term which shall mean and refer to the following:

a. "Regular Assessment" shall mean and refer to the charge against each Owner and his respective Lot representing a portion of the Common Expenses of the Association, which are to be paid by each Owner to the Association in the manner and in such proportions as set forth in the Article herein entitled "Assessments";

b. "Compliance Assessment" shall mean and refer to the charge against an Owner representing the costs incurred by the Association in the repair of any damage to the Common Property which such Owner was responsible, the costs incurred by the Association in bringing such Owner and his Lot into compliance with this Declaration, or any amount due the Association based upon disciplinary proceedings against an Owner in accordance with this Declaration; and

c. "Special Assessment" shall mean and refer to the charge against an Owner and his respective Lot representing a portion of the cost of reconstructing any damaged or destroyed portion or portions of all Community Property, of constructing or installing any capital improvements to the Community Property, of taking any extraordinary action for the benefit of the Community Property or the membership of the Association pursuant to the provisions of this Declaration.

1.6 "Association" shall mean and refer to Hasley Hills Homeowners Association, a California nonprofit, mutual benefit corporation, formed under the Nonprofit, Mutual Benefit Law of the State of California, in which all Owners shall have a membership interest, as more particularly described hereinbelow; provided that membership shall be limited to Owners.

1.7 "Association Maintenance Areas" shall mean and refer collectively to all real and personal property, and Improvements located thereon, which are owned in fee simple by the Association or over which the Association has rights or obligations by easement, license, permit or other agreement. The Association Maintenance Areas may also include off-site landscape maintenance areas, private streets, certain landscaped parkways and medians, Project Walls, other real and personal property. The Association Maintenance Areas in Phase I are shown and described in Exhibit "C" attached hereto and incorporated herein by this reference. Additional Association Maintenance Areas may be designated by Declarant and annexed to the Project, from time to time, in accordance with the Article herein entitled "Annexation."

1.8 "Association Management Documents" shall mean and refer collectively to the Articles, By-Laws, this Declaration, Notices of Annexation, Architectural Standards and Rules and Regulations, and amendments to any of the foregoing.

1.9 "Board" shall mean and refer to the Board of Directors of the Association, elected in accordance with the By-Laws of the Association and this Declaration.

1.10 "Budget" shall mean and refer to the pro forma Operating Statement adopted by the Association which sets forth in writing the estimated annual income and Common Expenses of the Association prepared pursuant to this Declaration.

1.11 "By-Laws" shall mean and refer to the By-Laws of the Association which have been, or will be, adopted by the Board, as such By-Laws may be amended, from time to time.

1.12 "Close of Escrow" shall mean and refer to the date on which a Deed to a Lot is recorded in the Official Records of Los Angeles County, California. Close of Escrow shall not refer to (i) deeds between Declarant and any affiliate of Declarant, (ii) any Merchant Builder, or (iii) deeds between Merchant Builders.

1.13 "Common Area" shall mean and refer collectively to all real and personal property, and Improvements located thereon, which are owned in fee simple, from time to time, by the Association. The Common Area in Phase 1 is designated in Exhibit "A" attached hereto and incorporated herein by this reference. Additional Common Area shall be designated by Declarant and annexed to the Project, from time to time, in accordance with the Article herein entitled "Annexation."

1.14 "Common Expenses" shall mean and refer to the actual and estimated costs to be paid by the Association for the following: (a) maintaining, managing, operating, improving, painting, repairing and replacing the Common Property, as more fully set forth herein; (b) funding reserve accounts for the periodic replacement and repair of Improvements to the Common Property; (c) managing and administering the Association, including, but not limited to, compensation paid by the Association to managers, accountants, attorneys and any Association employees; (d) providing utilities, landscaping and other services to the Common Property; (e) providing insurance, as provided for herein; (f) paying that portion of any Assessment attributable to Common Expenses not paid by the Owner responsible for payment; (g) paying taxes levied against the Association, including real property taxes, if any; (h) funding reserves of the Association; (i) discharging any liens or encumbrances levied against the Common Area, or any portion thereof; and (j) paying for all other goods and services designated by, or in accordance with, other expenses incurred by the Association for the benefit of all Owners.

1.15 "Common Property" shall mean and refer collectively to the Association Maintenance Areas and Common Area.

1.16 "County" shall mean and refer to the County of Los Angeles, California, and its various departments, divisions, employees and representatives.

1.17 "Declarant" shall mean and refer to Kaufman and Broad of Southern California, Inc. a California corporation, its successors and assigns, and to any person or entity acquiring all, or any portion, of Declarant's interest in the Project (including all, or any portion, of Declarant's rights and obligations as created and established herein) pursuant to a written assignment from Declarant which is recorded in the Office of the County Recorder. As used in this Section, the term "successor" means a person or entity who acquires Declarant, or substantially all of its assets, or who merges with Declarant by sale, merger, reverse merger, consolidation, operation of law or otherwise. Declarant is a builder as described in California Civil Code Section 1375.

1.18 "Declaration" shall mean and refer to this Declaration of Covenants, Conditions and Restrictions, and Reservation of Easements recorded on the Project, and to all amendments to this Declaration recorded in the Office of the County Recorder.

1.19 "DRE" shall mean and refer to the Department of Real Estate of the State of California, which administers the sale of subdivided lands in the State of California.

1.20 "Improvements" shall mean and refer to:

a. All structures and appurtenances thereto of every kind, including, but not limited to, Residences, buildings, recreational areas, parks, parkways, swimming pools, spas, garages, open parking areas, pavement, sidewalks, private streets, driveways, theme walls and landscaping, perimeter walls, retaining walls, detention basins, drainage swales, slopes, berms, monument signs, patios and patio fencing, decks and deck railings, exterior air conditioning, soft water fixtures, landscaping, irrigation equipment and all related facilities, drainage swales, landscaped street medians and parkways, exterior lighting of Lots or Association Maintenance Areas, hedges, trees, poles and signs;

b. The demolition or destruction by voluntary action of any structure or appurtenance thereto of every type and kind;

c. The grading, excavation, filling or other modification to the established grade of a Lot or of a portion of the Association Maintenance Areas; and

d. Any modification or alteration of any previously approved Improvements, including any change of exterior appearance and color of a Residence, and any appurtenance thereto.

1.21 "Lot" shall mean and refer to a plot of land as shown upon the recorded subdivision map affecting all or any portion of the Project, and to all Improvements, including the Residence, constructed thereon. Only those plots of land which are designed and intended for the construction of a Residence and ownership by an individual Owner shall be deemed "Lots." "Lot" shall not mean or refer to any Common Area in the Project.

1.22 "Manager" shall mean and refer to the individual, corporation, partnership or any other entity or agent employed as an independent contractor by the Association to perform the functions of the Association, as limited by the Declaration and the terms of the management agreement between the Association and such individual or entity.

1.23 "Member" shall mean and refer to every person or entity who holds membership in the Association, as more particularly set forth in the Article herein entitled "The Association," including Declarant, so long as Declarant qualifies for membership pursuant to said Article.

1.24 "Merchant Builder" shall mean and refer to any individual, corporation, limited partnership, joint venture, limited liability company or other entity who or which acquires a portion of the Project for the purpose of developing such property for resale to the general public; provided, however, that the term "Merchant Builder" shall not mean Declarant.

1.25 "Mortgage" shall mean and include a duly recorded deed of trust, as well as a mortgage encumbering a Lot.

1.26 "Mortgagee" shall mean and refer to a person or entity to whom a Mortgage is made, and shall include the beneficiary of a deed of trust.

1.27 "Mortgagor" shall mean and refer to a person or entity who mortgages his or its property to another, i.e., the maker of a Mortgage, and shall include the trustor of a deed of trust.

1.28 "Notice and Hearing" shall mean and refer to written notice and a hearing before the Board or the ACC of the Association, at which the affected Owner shall have an opportunity to be heard in the manner provided herein and in the By-Laws.

1.29 "Notice of Annexation" shall mean and refer to that certain instrument utilized to annex all or any portion of the Annexation Property, in accordance with the provisions of this Declaration, and to subject such property to the Protective Covenants set forth in this Declaration and to the jurisdiction of the Association.

1.30 "Owner" shall mean and refer to the record owner, or owners, including Declarant, or the purchaser under a conditional sales contract of fee title to, or an undivided fractional fee or leasehold interest in, any Lot in the Project. Declarant is an Owner, as more particularly set forth throughout this Declaration. The foregoing is not intended to include persons or entities who hold an interest in a Lot merely as security for the performance of an obligation.

1.31 "Phase" shall mean and refer to one or more Lots, Common Area and/or Association Maintenance Areas within the Annexation Property which are simultaneously annexed to the Project by the recordation of a Notice of Annexation in the Official Records of Los Angeles County, and for which a Final Subdivision Public Report has been issued by the DRE.

1.32 "Project" shall mean and refer to Phase 1 and to all Improvements, including the residences constructed thereon, the Common Area and the Association Maintenance Areas and all Annexation Property which is made subject to this Declaration in accordance with the provisions of the Article herein entitled "Annexation of Additional Property."

1.33 "Project Walls" shall mean and refer any wall or fence which is designated as such either in Exhibit "D" to this Declaration or in a Notice of Annexation. The Association will be responsible for the structural integrity of each Project Wall as well as the exterior surfaces of such Project Wall. Each Owner of a Lot adjacent to a Project Wall will be responsible for maintaining the interior surfaces of such Project Wall which face such Owner's Lot. Project Walls are deemed to be Association Maintenance Areas.

1.34 "Public Agencies" shall mean and refer collectively to one (1) or more of the various local and State governmental agencies having jurisdiction over the Project, including the County.

1.35 "Residence" shall mean and refer to the individual single-family dwelling and the related Improvements which are constructed upon the same or a separate Lot, and which are designed and intended for use and occupancy as a single family dwelling, including the garage.

1.36 "Rules and Regulations" shall mean and refer to the Rules and Regulations adopted by the Board pursuant to the By-Laws and this Declaration, as they may be amended, from time to time.

1.37 "Tract Map(s)" shall mean and refer to any final subdivision map or parcel map, as those terms are defined in the California Subdivision Map Act, recorded in the Office of the County Recorder of Los Angeles County, California.

1.38 "VA/FHA" shall mean and refer individually or collectively, as applicable, to the United States Department of Veterans Affairs and/or the Federal Housing Administration of the United States Department of Housing and Urban Development, and any department or agency of the United States government which succeeds to the functions of either or both organizations.

1.39 Application of Definitions. The aforesaid definitions shall be applicable to this Declaration and to any supplements or amendments hereto, filed or recorded pursuant to the provisions of this Declaration, unless the context shall prohibit such application.