

RECORDING REQUESTED BY:

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WHEN RECORDED, RETURN TO:

FLOYD PEDERSEN
901 "H" Street, #500
Sacramento, CA 95814

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GENERAL RECORDS
SACRAMENTO COUNTY, CALIF.

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DECLARATION OF
COVENANTS, CONDITIONS AND RESTRICTIONS

OF

LAGUNA WOODS AT LAGUNA CREEK

THIS DECLARATION is made on the date hereinafter set forth by FLOYD PEDERSEN and JEAN PEDERSEN (herein referred to as "Declarant").

SECTION 1: RECITALS

1.01 Description of Real Property. Declarant is the owner of that certain real property located in the County of Sacramento, California, which is more particularly described on Exhibit "A" attached hereto and incorporated herein.

1.02. Common Plan for Project. By this Declaration, Declarant intends to establish a common scheme and plan for use and control of the Project.

NOW, THEREFORE, Declarant is the owner of the real property described on Exhibit "A" which shall be held, conveyed, mortgaged, encumbered, leased, rented, used, occupied, sold and improved, subject to the following declarations, limitations, covenants, conditions, restrictions and easements, all of which are for the purpose of enhancing and protecting the value and attractiveness of the Project, and every part thereof, in accordance with the plan for improvement of the Property and the division thereof into lots. All of the limitations, covenants, conditions and restrictions and easements shall constitute covenants which shall run with the land and shall be binding upon Declarant and its successors and assigns, and all parties having or acquiring any right, title or interest in or to any part of the Project.

SECTION 2: DEFINITIONS

In addition to other definitions provided for herein, the following terms shall have the following meanings:

2.01. "Declarant" shall mean FLOYD PEDERSEN and JEAN PEDERSEN, their successors and assigns.

2.02. "Improvements" shall mean structures, as defined herein, substantial plants such as trees, hedges, shrubs, bushes and major landscaping of any kind. "Improvements" shall also mean any excavation, fill, ditch, diversion dam or other thing or device which affects or alters the natural flow of surface or subsurface water from, upon, under or across any portion of the Subdivision. "Improvements" shall also mean any utility line, conduit, pipe or other related facility or equipment.

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2.03. "Mortgage" shall mean a mortgage or deed of trust encumbering a Lot. A "Mortgagee" shall include the beneficiary under a deed of trust.

2.04. "Owner" shall mean each person or entity, including Declarant, holding a record fee ownership interest in a Lot. "Owner" shall not include persons or entities who hold an interest in a Lot merely as security for the performance of an obligation.

2.05. "Project" shall mean proposed Laguna Creek West Units 2 and 3 in their entirety.

2.06. "Property" shall mean the real property described on Exhibit "A" attached hereto, including any improvements erected thereon.

2.07. "Structure" shall mean any tangible thing or device to be fixed permanently or temporarily to real property including, without limitation, any building, garage, driveway, walkway, concrete pad, asphalt pad, fence, wall, pole, sign, antennae, irrigation system, swimming pool, spa, tennis court or trash enclosures.

SECTION 3: USE RESTRICTIONS

3.01. Use of Lots. No Lot, or any portion thereof, shall be occupied or used except for single family residential purposes by the Owners, their contract purchasers, lessees, tenants, or social guests.

No trade or business or commercial activity shall be carried on or conducted upon any Lot, except that Declarant, its successors or assigns, may use any Lot in the Project owned by Declarant for a model home site, display and sales office during construction and until the last lot is sold by Declarant. Declarant may establish a construction yard on a lot or lots for facilitating the construction of homes. The provisions of this section shall not prohibit home occupations so long as they are merely incidental to the use of the Lot as a dwelling, are permitted by local law, are conducted in such a manner as to not adversely affect other owner's use and enjoyment of the Project.

3.02. Garages and Vehicles. All driveways and garages shall be maintained in a neat and orderly condition. No automobiles, motorcycles, trucks, campers, trailers, boats or recreational vehicles of any type shall be kept or parked in the public streets in the Property, or outside of a garage on any Lot, for any period exceeding forty-eight (48) continuous hours. The time period of any intermittent parking shall be deemed to be continuous and shall cumulate towards the 48-hour limit unless separated by at least forty-eight hours. The intent of this limitation is for residents of a Lot or Parcel to park their vehicles in their garages, maintaining a clean and neat appearance of the Property, while allowing guests and visitors to park temporarily therein. Notwithstanding the above limitations, a trailer, boat or recreational vehicle (but only one of them, and only one per Lot or Parcel) may be parked on a Lot or Parcel and not within a garage, provided that any such vehicle is parked in an enclosed area, is maintained in a neat and clean manner, and is not visible from the public streets or from other Lots or Parcels. No vehicle of any type (including motorcycles), shall be parked in or upon the public streets within the Property, or any Lot or Parcel (excluding the garage) for purpose of accomplishing repairs.

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and then only to the extent necessary to enable movement of the vehicle. For any repairs conducted within a garage, the garage door(s) shall remain closed during any such repair work and any noise caused by such work shall not unreasonably disturb another Owner's quiet enjoyment of his Lot or Parcel.

3.03. Signs. No sign of any kind shall be displayed to the public view on or from any portion of the Property except as follows:

- a. One sign of customary and reasonable dimensions advertising a Lot for sale, lease, rent or exchange displayed from a Lot; and
- b. Such other signs or notices as are required by law or as are otherwise necessary to perfect a right provided for in law.
- c. Any signs utilized by the Declarant to advertise the Property during the construction and sales period.

3.04. Animals. No animals or birds of any kind shall be raised, bred, or kept on a Lot or portion of the Property; except that usual and ordinary household pets such as dogs, cats, or birds may be kept, provided that they are not kept, bred, or maintained for any commercial purposes, and they are kept under reasonable control at all times. Notwithstanding the foregoing, no pets may be kept on the Property which result in an annoyance or nuisance to other Owners.

3.05. Trash; Storage of Materials. All garbage and trash shall be regularly removed from the Property, and shall not be allowed to accumulate thereon. It shall be placed and kept in covered sanitary containers. All clotheslines or other outside clothes drying or airing facilities, refuse containers, woodpiles, storage areas, machinery and equipment shall be prohibited upon any Lot unless obscured from view of adjoining streets or Lots by a fence or appropriate screen. No Lot shall be used as a storage or dumping ground for inoperative vehicles.

3.06. Compost. No quantities of manure, composting materials, or decaying vegetation matter shall be stored in such quantities as to attract household pests or constitute an injury to the person. Such materials shall be stored in a manner so as to prevent the creation of obnoxious odors.

3.07. Trees. No existing trees shall be destroyed, uprooted, cut or removed without the prior written consent of the Declarant or its nominee.

3.08 Window Coverings. Windows shall be covered by drapes, shades or shutters and shall not be painted or covered by foil, cardboard, sheets or similar materials.

3.09 Drainage. No Owner shall do any act or construct any improvement which would interfere with the natural or established drainage systems or patterns within the Project.

3.10 Nuisances. No commercial activity, noxious, illegal, or offensive enjoyment of such Owner's Lot, or which shall be in any other part of the of insurance for any other Lot.

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3.11. Compliance with Declaration. Each owner, contract purchaser, lessee, tenant, guest, invitee or other occupant of a lot shall comply with the provisions of this Declaration.

3.12. Temporary Structures. No Structure which is temporary in character, including without limitation, any trailer, tent, shack, garage, barn or other out-building, shall be used as a residence on any lot at any time; provided, however, that Declarant reserves the right to construct and maintain temporary buildings, structures and vehicles on the Property in connection with the construction and administration of initial improvements.

3.13. Easements and Rights of Way. Easements and rights of way, as indicated upon the recorded plat of said subdivision, are intended for the installation and maintenance of sewers, pole lines and public utilities, and no Structures shall be placed upon such easements or interference made with the use of the same for the purposes intended.

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

3.15. Landscaping Requirements. Every owner of a Lot or Parcel within the Property shall be responsible for installing, within Ninety (90) days of occupancy, and maintaining in good and attractive conditions landscaping on those portions of the Lot or Parcel which are visible from any street within the Properties.

3.16. Roof Equipment. No heating, cooling or air conditioning equipment, including fans or similar devices shall be placed or permitted to remain on the roofs of any house or building constructed on a Lot.

3.17. Antennae. No television, radio or other electronic antennas or device of any type shall be erected, constructed, placed or permitted to remain on the ground surface of any of the Lots, or upon any of the houses or buildings constructed on such Lots unless the same be contained within a house or building.

3.18. Fences. No fences composed of chain-link or woven wire shall be allowed on a Lot or Parcel if visible from the public streets or other Lots or Parcels. Any such visible fencing shall be composed of wood, masonry and/or wrought iron. Every Owner of a Lot or Parcel shall be responsible for installing, within ninety (90) days of occupancy, and in cooperation with any neighbor, such fencing along his property line that will enclose his x x yard and may install such fencing to enclose some of its side yard(s) provided that no fencing exceeding three (3) feet in height shall be allowed to extend into a front yard (i.e., beyond the front of a dwelling unit).

3.19. Construction. No single-family detached residence shall be constructed having a total finished floor space, exclusive of the storage porches and overhangs, less than 1,800 square feet for one story or split level building, and 2,000 square feet for a two story building. Such square footage shall be exclusive of garages and patios.

3.20. Single-Family Detached Homes to Have Garages. The residential improvements constructed on any single-family detached Lot shall include an enclosed garage. Such garage may be detached or part of the residence structure.

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3.21. New Construction and Materials. No building or structure constructed elsewhere shall be moved or placed on any Lot or Parcel. Without limiting the generality of the preceding sentence, it shall be construed to proscribe prefabricated homes, modular homes and mobile homes. All buildings erected on any Lot or Parcel shall be of new construction. However, this subparagraph shall neither prevent the use of used brick or any other materials that may be attractive and preservative of property values. When the construction of a building is begun on a Lot or Parcel, work shall be pursued diligently and continuously to completion, subject to weather, strikes, acts of God, and other matters beyond the control of the Owner.

3.22. Roofs. All buildings shall have roofs of wood shake, of light, medium or heavy butt classifications, subject to the authority of the Declarant or its nominee to approve tile roofs, or other materials approved by the Declarant or its nominee, and subject to the authority of the Declarant or its nominee to approve different roof materials. If the pitch of a roof is less than 4" in 12", then the roof design and materials shall be subject to approval by the Declarant or its nominee. Such approval shall in no way imply any roof guarantee by the Declarant or its nominee.

3.23. Variety of Materials. Variation in Structures and buildings shall be achieved by incorporating a variety of materials including, but not limited to, stucco, wood siding and brick within each village and street. The use of variety of materials is intended to ensure attractive and interesting buildings and structures and be preservative of property values.

3.24. Right of Inspection. During reasonable hours and after reasonable notice, the Declarant or its nominee shall have the right to enter upon and inspect the Property or any portion thereof and the improvements thereon for the purpose of ascertaining whether or not the provisions of this Declaration are being complied with and shall not be deemed guilty of trespass by reason thereof.

3.25. Owner's Maintenance Obligations. Except as may be provided in any supplement declarations, each Owner shall be responsible for maintenance and repair of any structure which may be constructed or installed upon his Lot or Parcel, and of his yard areas. Such maintenance and repair shall be of high quality. Without limiting the generality of the foregoing, and except as may be provided in supplemental declarations referred to above, each Owner's repair and maintenance obligations shall extend to and include painting, repairing, replacing and caring for roofs, fences, exterior building surfaces, exterior glass surfaces, exterior building surfaces, exterior glass surfaces, exterior doors, and to maintenance of all yard areas. The owners of Lots 154, 155, 157 and 158 will be responsible for the repair, replacement and maintenance of the side yard fence appurtenant to such Lot lying adjacent to Lots B and C, respectively.

SECTION 4: ARCHITECTURAL CONTROL

4.01. The Architectural Control Committee is composed of three (3) members who are:

Robert W. Sexton, David W. Miller, and Judith M. Pringle

at
901 E Street, Suite 600
Sacramento, CA 95814

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A majority of the committee may designate a representative of the committee to act for it. In the event of the death or resignation of any member of the committee, the remaining members shall have full authority to designate a successor. Neither the members of the committee, nor its designated representative, shall be entitled to any compensation for services performed pursuant to this covenant.

4.02. Plans and Specification, etc. That no building or other structure or improvement shall be commenced upon any of said lots until the location and the complete plans and specifications including the color scheme or each building, fence and/or wall to be erected upon the lot have been approved in writing by the Architectural Committee. Provided, however, that in the event the committee fails to approve or disapprove such location, plans and specifications within sixty (60) days after the submission thereof to it, then such approval will not be required, provided any building so to be erected conforms to all other conditions and restrictions herein contained and is in harmony with similar structures, erected within said Laguna Creek West Unit No.'s 2 and 3.

4.03. Failure to Comply with Order of Architectural Committee. In the event of the failure of any individual lot owner to comply with a written directive or order from the Architectural Committee, thence in such event the Architectural Committee shall have the right and authority to perform the subject matter of such directive or order and the recovery of the cost of such performance shall be sought against the owner of the lot in question and may be recovered by the Architectural Committee in an action of law against such individual lot owner.

4.04. Claim of Breach. The declarant and any lot owner at any time that they deem a breach of these conditions and restrictions has occurred, notify the Architectural Committee of the same. The Architectural Committee shall investigate the same and take appropriate action, which action may include filing an action in a court of law for appropriate relief.

PROVIDED that a breach of any of the foregoing conditions and restrictions shall not affect, impair, defeat, or render invalid the lien, charge or encumbrance of any mortgage or deed of trust made for value of which may then exist upon said land, which said mortgage or trust deed shall be and is hereby declared to be prior and superior to the rights in favor of any person or persons under by virtue of these conditions and restrictions, provided, however, that in the event of a foreclosure of any such trust deed or mortgage, or if the owner of the note secured by such trust deed or mortgage acquired title to said land in any manner whatsoever in satisfaction of this indebtedness; then any purchase of the foreclosure or trustee's sale or any said note owner acquiring title as aforesaid agrees that said property so acquired by them immediately upon acquisition becomes subject to each and all of the conditions and restrictions and right herein contained, but free from the effects of any breach occurring prior thereto.

4.05. Legal Action in the Event of Breach. As to the Declarant and the owners of any of said lot or lots, including any bona fide purchaser under contract, the foregoing conditions and restrictions shall operate as covenants running with the land and a breach of any of them or continuance of any such breach may be enjoined, abated or remedied by appropriate proceedings by Declarant or the owner or owners of any lot or lots in the subdivision, their successors or by the Architectural Committee. Enforcement shall be by proceeding at law or in equity against any person or persons violation or to recover damages.

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4.05. Conveyance of Title. In the event Declarant shall convey all of its right, title and interest to any partnership, individual or individuals, corporation or corporations, in and to the real property described herein, then and in such event, Declarant shall be relieved of the performance of any further duty or obligations thereunder and such other partnership, individual or individuals, corporation or corporations shall succeed to all of the rights, powers, reservations, obligations and duties as though such other partnership, individual or individuals, corporation or corporations, had originally been named herein as declarant instead of Declarant. Notwithstanding the provisions of Section 5.02, a simple majority of the then lot owners may elect or appoint a new Architectural Control Committee, two members of which must be owners of property within the project.

SECTION 5: GENERAL PROVISIONS

5.01. Term. The covenants and restrictions of this Declaration shall run with and bind the property, and shall inure to the benefit of and be binding on the Owners of any Lots, their legal representatives, heirs, grantees, tenants, successors and assigns, subject to this Declaration for a term of 30 years from the date this Declaration is recorded. Thereafter, they shall be automatically extended for successive periods of 10 years, unless an instrument in writing, signed by a majority of the then Owners of the Lots, has been recorded within the year preceding the beginning of each successive period of 10 years, agreeing to change said covenants and restrictions in whole or in part, or to terminate the same.

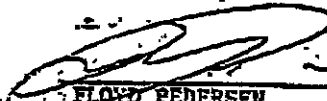

5.02. Amendments. Until conveyance of the first Lot, Declarant shall have the unilateral right to amend or revoke this Declaration. After the first conveyance of a Lot, this Declaration shall be amended only upon the written approval of sixty-six and two-thirds percent (66-2/3%) of the Owners. An amendment shall be effective when it has received the required percentage approval and has been recorded in the Office of the Sacramento County Recorder.

5.04. Severability. Should any provision or portion hereof be declared invalid or in conflict with any law of the jurisdiction where this Project is located, the validity of all other provisions and portions hereof shall remain unaffected and in full force and effect.

5.05. Headings. The headings used in this Declaration are for convenience only and are not to be used to interpret the meaning of any of the provisions of this Declaration.

IN WITNESS WHEREOF, Declarant has executed this Declaration.

Dated 12-9-87


FLOYD PEDERSEN

JEAN PEDERSEN

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EXHIBIT "A"

DESCRIPTION OF PROPERTY SUBJECT TO DECLARATION

All that certain real property situate in Sacramento County, California, more particularly described as follows:

Lots 65 through 184 inclusive, as shown on the Plat of "LAGUNA CREEK WEST UNIT NO. 2B", recorded in the Office of the Sacramento County Recorder, Book 181 of Maps, Map No. 16, on February 17, 1988.

STATE OF CALIFORNIA)
) ss.
COUNTY OF Sacramento)

On this 9th day of December in the year one thousand nine hundred and eighty-seven, before me, a Notary Public, State of California, duly commissioned and sworn, personally appeared FLOYD PEDERSEN and JEAN PEDERSEN

known to me to be (or proved to me on the basis of satisfactory evidence to be) the persons whose names are subscribed to the within instrument and acknowledged to me that they executed the same.

IN WITNESS WHEREOF I have hereunto set my hand and affixed my official seal in Sacramento County, California, the day and year in this certificate first above written.



Robert W. Sexton
Notary Public, State of California