

**DECLARATION OF COVENANTS, CONDITIONS, RESTRICTIONS,
RESERVATIONS, AND EASEMENTS**

OF

Woodside Cascade, Inc.

DECLARATION OF COVENANTS, CONDITIONS, RESTRICTIONS, RESERVATIONS AND EASEMENTS (the "Declaration") is made this 12th day of July, 2007, by Woodside Cascade Inc., whose business address is 3509 Coffee Road, Suite D-10, Modesto, California, 95355, (herein "Declarant") owners of the real property in the City of Manteca, County of San Joaquin (the "County"), State of California, described in Exhibit A attached hereto and incorporated herein by reference (the "Property").

DECLARANT HEREBY CERTIFIES AND DECLARES that the covenants, conditions, restrictions, reservations, and easements, hereinafter collectively referred to as the provisions of this Declaration, constitute a general scheme for use, occupancy, and enjoyment, and are placed on the Property for the protection of the Property and all future grantees ("Owners") thereof. Except as may be provided to the contrary herein, such provisions, apply in their entirety to all Lots shown on any recorded map that may now or hereafter subdivide the Property (the "Lots").

Each and all of the provisions contained in this Declaration, whether affirmative or negative in nature, shall be covenants running with the land, and are intended to comply with requirements of Section 1468 of California Civil Code or any similar statute then in effect. The Declaration and all provisions herein shall bind and inure to the benefit of Declarant and all Owners for a term of fifty (50) years from the date this Declaration is recorded. At and after that

initial fifty (50) year term, this Declaration shall be automatically extended for successive terms of ten (10) years unless an instrument signed by Owners owning a majority of the Lots in the Property agreeing to terminate this Declaration at the end of the term then in effect has been recorded. The Declaration and all provisions herein shall also be mutual equitable servitude's upon the Property and each part thereof in favor of and appurtenant to each and every other part thereof.

“Declarant shall also mean and refer to any person or entity, his or its successors and assigns, to which the foregoing Declarant has assigned any or all of its rights and obligations by any express assignment incorporated in a deed, lease, option agreement, land sale contract, or assignment, as the case may be, transferring such interest if such assignee agrees in writing with Declarant to accept such assignment, except that any Owner who has acquired fee title to any of Declarant's Lots by reason of a foreclosure of the lien of a first mortgage or by acquisition of a first mortgage or by acquisition of a first mortgage by a deed in lieu of foreclosure shall automatically succeed to the rights and obligations of the Declarant notwithstanding that such rights may not have been expressly assigned or accepted.”

ARTICLE I. PROPERTY USAGE

Section 1.01 Use of Lots: No Lot shall be used for anything other than residential purposes. No building shall be erected, altered, placed or permitted to remain on a Lot other than one detached single-family dwelling, not to exceed two stories in height with a private garage capable of housing not less than two standard sized automobiles.

Section 1.02 Access: Each Owner, by accepting conveyance of a Lot, agrees to permit free access by Owners of adjacent or adjoining Lots to slopes or drainage paths located on that Owner's Lot when such access is reasonably necessary for the maintenance or permanent stabilization of slopes or maintenance of the drainage facilities for the protection of any portion of the Property.

Section 1.03 New Construction and Material: All buildings erected on any Lot 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, 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.

Section 1.04 Building Location: No building shall be located on any Lot nearer to the Lot boundary than the minimum standard established by the City of Manteca Municipal Code for front, side, and rear setbacks unless shown otherwise on the recorded plat for the properties.

Section 1.05 Landscaping Requirements: Every owner of a Lot within the Property shall be responsible for installing, within ninety (90) days of occupancy, and

maintaining in good and attractive condition, landscaping on those portions of the Lot which are visible from any street within the Properties.

Section 1.06 Window Covers: Only curtains, drapes, shutters or blinds may be installed as window coverings, and shall be placed in such windows. No window shall be covered with aluminum foil, newspaper, sheets, or any similar material.

Section 1.07 Trees: No existing trees shall be destroyed, uprooted, cut or removed without obtaining a Tree Permit from the City of Manteca.

Section 1.08 Fences: No fences composed of chain link or woven wire shall be allowed on a Lot if visible from the public streets or other Lots. Any such visible fencing shall be composed of wood, masonry or wrought iron. No fencing that exceeds three (3) feet in height shall be allowed to extend into a front yard (i.e. beyond the front of a dwelling unit).

Section 1.09 Garages and Vehicles: All driveways and garages shall be maintained in a neat and orderly condition. A trailer, boat or recreational vehicle (but only one of them and only one per Lot) may be parked on a Lot 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 within the Properties or from other Lots. No vehicle of any type, including motorcycles, shall be parked in or upon any Lot, excluding the garage, for the purpose of accomplishing repairs thereto or the reconstruction thereof, except for emergency repairs, 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.

Each Owner shall generally make use of his garage for parking any vehicle(s) which said Owner brings to the Subdivision. To assure appropriate use of the garages within the Subdivision, the following restrictions shall apply to each Lot:

(a) To the extent that any space remains after Owner's vehicles are accommodated in the garage, Owner may use the garage for storage or any other permitted purpose.

(b) Subject to any contrary municipal regulations, garages may be used for storing or parking any recreational vehicle or commercial vehicle if such vehicle is completely enclosed by the garage and there is a space available after all of the Owner's passenger vehicles have been enclosed in the garage.

(c) No Owner or resident shall permit overnight guests or frequent visitors to the Subdivision to park in any manner which violates the provisions of this Section.

Section 1.10 Diligent Construction: The work of construction and erection of any building or structure on the Property by any Owner which is a successor to

Declarant shall be prosecuted diligently and continuously from the commencement thereof until the same is completed.

Section 1.11 Drainage: For purposes of this Declaration, “established” drainage is defined as the drainage which existed at the time the overall grading of the Property was completed by Declarant or its agents. Each Owner, by accepting conveyance of a Lot, agrees to accept the burden of, and not in any way interfere with, the established drainage pattern over such Lot from adjoining or other Lots in the Property.

Section 1.12 Business or Commercial Activity: No part of the Property shall ever be used, directly or indirectly, for any business, commercial, manufacturing, mercantile, storing, vending, or other such non-residential purposes, except that professional and administrative occupations without external evidence thereof may be conducted by Owners so long as such occupations are in conformance with local governmental ordinances, and such activities are merely incidental to the use of the Lot as a single family residence. No Lot or residence in the Property may be used for any use not permitted by local law.

Section 1.13 No Mining or Drilling: No derrick or other structure designed for use in boring, mining, or quarrying for oil, natural gas or precious metals shall ever be erected, maintained, or permitted upon the surface of any Lot in the Property, nor shall any boring, mining, quarrying or similar operations be performed within five hundred (500) feet of the surface of the Property.

Section 1.14 Nuisance: No noxious or offensive activity shall be carried out upon any Lot nor anything be done thereon which may be or may become an annoyance or nuisance to the neighborhood.

Section 1.15 Animals: No animals or fowl, other than household pets, shall be kept or maintained on any Lot or any portions thereof, and none shall be kept, maintained, or raised on the premises for commercial purposes. Household pets shall not be kept in unreasonable numbers, or in violations of any law, ordinance, or regulation. Each owner shall be responsible for clean-up, waste, and removal of any unsanitary conditions created by Owner’s animals on any portion of the Property.

Section 1.16 Signs: No sign, poster, announcement, proclamation, personal statement, billboard, advertising device, or other display of any kind shall be displayed to the public view; provided however, this prohibition shall not apply to signs on any Owner’s Lot or on a Lot owned by another with that person’s consent, of reasonable dimensions and design typical of signs used in the general vicinity for the real estate resale business, advertising the Lot for sale, rent or exchange. Such sign may also provide directions to the Lot or give the Owner’s or agent’s name, address, or telephone number. Such restrictions shall not apply to signs used only in connection with the development and sale of any Lots owned by Declarant or a Successor (as defined below). Notwithstanding the foregoing, nothing herein contained shall be construed in such a manner as to permit the maintenance of any sign which is not in

conformance with any ordinance of the local government agency having jurisdiction thereof.

Section 1.17 Garage Doors: No garage doors are to remain open except for a temporary purpose.

Section 1.18 Electrical Interference: No electrical or electronic devices which may unreasonably interfere with television or radio reception of any Owner shall be located, used, or placed on any portion of the Property.

Section 1.19 Refuse: Trash, garbage, or other waste shall be disposed of only by depositing the same into a trash container, which shall be screened from view of other Lots and all streets. No portion of the Property shall be used for the deposit or storage of building materials, other than in connection with approved construction. No shrub or tree clippings, plant waste, scrap, refuse, or trash shall be kept, stored, or allowed to accumulate on any Lot.

Section 1.20 Temporary Buildings: No tent, shack, outbuilding or other temporary building or improvement of any kind may be located or built on any portion of a Lot, whether intended to be used temporarily or permanently. No type of motor vehicle, whatsoever, operative or inoperative, which is otherwise permitted by the terms of this Declaration, may be used as a temporary or permanent residence anywhere within the boundaries of the Property.

Section 1.21 Line of Sight Limitations: No fence, hedge, or shrub planting which obstructs line of sight at elevations between two (2) and six (6) feet above the roadways shall be placed or permitted to remain on any corner Lot within the triangular area formed by the street property lines and a line connecting them at points twenty-five (25) feet from the intersection of the street lines, or in the case of a round property corner, from the intersection of the street property lines extended. The same line of sight limitations shall apply on any Lot within ten (10) feet from the intersection of a street property line with the edge of a driveway or alley pavement. No tree shall be permitted to remain within such distances of such intersections unless the foliage line is maintained at sufficient height to prevent obstruction of such lines of sight.

Section 1.22 Radio and Television Antennas: No Owner shall construct or use an external radio or television antenna or satellite dish except for one (1) exterior single-family residential television satellite dish per Lot having a radius of no more than 1 meter and screened from view from streets in and around the Property.

Section 1.23 Right to Lease: The Lots shall be used only as single-family residences, and shall not be rented for transient purposes (defined as rental for a period of less than thirty (30) days). Subject to the foregoing restrictions, the Owners of the Lots shall have the right to lease same provided that the lease is in writing, it expressly provides that the tenancy is made subject to the covenants, conditions, limitations, and restrictions contained in this Declaration, and provides that any failure by the tenant to

comply with the terms of this Declaration shall be deemed to be a default under the lease.

Section 1.24 Clothes Lines: No clothing or household fabrics shall be hung, dried, or aired in such a way upon any Lot so as to be visible from any street or other Lot in the Property.

Section 1.25 No Subdivision: No Lot shall be further subdivided by any owner into smaller lots and no portion less than all of any such Lot shall be conveyed, transferred or hypothecated by any Owner. Nothing in the foregoing shall preclude Declarant from re-platting the Property or re-subdividing any Lot.

Section 1.26 Model Homes: The provisions of this Declaration which prohibit non-residential use of Lots and regulate parking of vehicles shall not prohibit the construction and maintenance of model homes or temporary trailers for marketing by Declarant or other builders specifically designated by Declarant and parking incidental to the use of such model homes. Nor shall the provisions of this Declaration prohibit or restrict the right of Declarant or other builders designated by Declarant from erecting lights, flags, flagpoles, all improvements, fences, signs, and other features associated with the construction, operation and maintenance of such model homes. The Declarant may also permit other areas to be used for parking in connection with the showing of model homes.

Section 1.27 Maintenance by Owner: Each Owner shall maintain all Improvements upon his Lot in good condition and repair and in a clean and attractive condition. All slopes on any Lot shall be maintained so as to prevent any erosion thereof upon adjacent streets or adjoining property. Each Owner shall maintain, to the point where it meets the curb, all front yard and side yard landscaping, or other landscaping extending beyond such Owner's property line/fence lines. This includes any landscaping located between the curb and sidewalk on City property.

Section 1.28 Perimeter Wall and Theme Walls: Each Owner shall maintain all sides and surfaces and the structural integrity of that portion of the Perimeter Wall that forms the boundary of such Owner's Lot, if any, and the Theme Wall, if any, on such Owner's Lot. In the event that any Perimeter Wall or Theme Wall is damaged or destroyed, the Owner who is required to maintain that portion of the Perimeter Wall or Theme Wall shall repair or reconstruct such portion to its original condition. Such Perimeter Walls and Theme Walls may not be modified or altered, in any way whatsoever.

ARTICLE II. EASEMENTS

Section 2.01 2.01 Utility Easements: Each Owner agrees, by acceptance of his deed, that his Lot is granted subject to easements for utility installations and maintenance as shown on the Tract Map for the Property. Within these easements, no structure, planting, or other material shall be placed or permitted to

remain which may damage or interfere with the installation and maintenance of utilities and drainage facilities. These utility easement areas and all improvements therein shall be maintained continuously by the Owner of such Lot, except for those improvements for which a public authority or utility company is responsible.

Section 2.02 Reservation of Easements: Easements for installation and maintenance of utilities and drainage facilities, if any, are reserved as shown on the Tract Map or appearing in the public records of the County. Declarant hereby reserves a temporary blanket easement, subject to automatic termination as provided in this Article, upon, across, over, through, and under each Lot for ingress, egress, construction, installation, operation, replacement, repair, and maintenance of all utility and service lines, systems, and other devices and improvements which may be reasonably necessary or beneficial to the development, marketing and sale of the Lots within the Property, including, but not limited to, water, sewer, gas, telephone, electricity, television, cable and or communication lines and systems, and storm and water drains and pipes (each a “Facility”) as further provided below.

(a) Declarant shall have the power to grant and convey to any third party one or more particularly described easements and rights-of-way in, on, over, or under each Lot (“Special Easement(s)”) for the purposes described above. Each Owner, in accepting a deed to a Lot, expressly consents to such easements and rights-of-way and authorizes and appoints Declarant (so long as Declarant owns one or more Lots in the Property) as attorney-in-fact of such Owner to execute any and all instruments particularly describing and conveying such easements or rights-of-way. Each such Owner specifically recognizes that more than one particularly described Special Easement may be reasonably necessary or beneficial to the development, marketing, and sale of the Lots within the Property.

(b) The locations of each Special Easement shall be fixed at the earlier of (a) recordation in the public records of the County of a document whereby the Special Easement is granted, in which case the Special Easement shall be located at the location referenced in such document, or (b) initial construction or installation of the Facility, in which case the Special Easement shall be located at the location where the Facility is actually installed; provided, however, that such Special Easement locations may be moved or altered upon reconstruction of the Facility.

(c) Within the locations of each Special Easement so fixed, no structure, planting, or other material shall be placed or permitted to remain which may damage or interfere with the permitted use of such Special Easement or the operation of the applicable Facility, which may be in violation of any ordinance or resolution of a governmental agency, or which may change the direction or flow of drainage channels or may obstruct or retard the flow of water through such channels; provided, however, that an Owner may install property-line fencing or walls subject to removal or destruction at the Owner’s risk and expense if necessary to accommodate the purposes of this section.

(d) The easement area of each Lot, as set forth on the Tract Map or other recorded document or established herein, and all improvements on it shall be maintained

continuously in good condition and repair by the Owner of said Lot, except for those improvements which a public authority or utility is responsible to maintain.

(e) The grantee of each Special Easement shall, after exercising its rights under the Special Easement, expeditiously repair, replace, and reconstruct any damage to a Lot caused by the exercise of such rights to at least the condition existing prior to such exercise.

(f) Upon Declarant's sale of the last Lot owned by Declarant in the Property, the blanket easement described in the first paragraph of this section shall terminate and each Owner's Lot shall be subject only to the particularly described Special Easement(s) actually conveyed by Declarant prior to the sale of such last Lot or as otherwise provided in this section.

Section 2.03 Encroachment Easements: Should any improvement made by Declarant or an Owner on a Lot, including walls or fences, encroach on any portion of the Property adjacent thereto due to engineering errors, errors in original construction, settlement or shifting of structures, or any other inadvertent cause, the Owner of the adjacent portion of the Property shall be deemed to have granted an appurtenant easement for such encroachment for so long as said improvement, as constructed or reconstructed, shall remain in a useful state, provided, however, that no valid easement for encroachment shall exist if said encroachment occurred due to negligence or willful misconduct of the Owner of the portion of the property to be benefited thereby.

Section 2.04 Amendment to Eliminate Easements: This Declaration cannot be amended to modify or eliminate the easements reserved to Declarant without prior approval of Declarant and any attempt to do so shall have no effect. Any attempt to modify or eliminate this Section shall likewise require the prior written approval of Declarant.

Section 2.05 Nature of Easements: Unless otherwise set forth herein any easement reserved to Declarant herein shall be nonexclusive.

Section 2.06 Emergency Vehicle Access: There is hereby reserved to Declarant, together with the right to grant and transfer the same to its successors and assigns, easements over the Property, for fire department and other emergency vehicle access, as needed to service the Property and/or the Lots, provided, however, such easements shall not unreasonably interfere with the use and enjoyment by the Owners of their Lots.

Section 2.07 Drainage and Overland Release Easements: There is hereby reserved to the Declarant together with the right to transfer and grant same, easements in and over portions of Lots for the purpose of: (i) the drainage of water from one Lot over one or more of the other Lots within the Property, (including, but not limited to, drainage from streets or open space) and (ii) installation and placement of drainage pipes in order to drain water from a roof of a Lot. No Owner shall interfere with the operation of such drainage, or such drainage pipes, gutters or other drainage device. These Drainage and Overland Release easement areas and all improvements therein

shall be maintained continuously by the Owner of such Lot, except for those improvements for which a public authority or utility company is responsible.

ARTICLE III.
INTEGRATED NATURE OF THE NEIGHBORHOOD

The Property or any other real property may be annexed to, or de-annexed from, and become subject to, or relieved of, this Declaration by any of the methods set forth hereinafter in this Article, as follow:

Section 3.01 Supplementary Declarations: A Supplementary Declaration shall be a writing in recordable form which annexes real property to the plan of this Declaration and which incorporates by reference all of the covenants, conditions, restrictions, easements and other provisions of this Declaration and shall contain such other provisions as set forth in this Declaration relating to Supplementary Declarations. Such Supplementary Declarations contemplated above may contain such complementary additions and modifications of the covenants, conditions and restrictions contained in this Declaration as may be necessary to reflect the different character, if any, of the annexed property and as are not inconsistent with the plan of this Declaration.

Section 3.02 Annexation Pursuant to General Plan: All or any part of any future annexed property may be annexed to and become subject to this Declaration, provided that a Supplementary Declaration covering the portion of the property to be annexed, shall be executed and recorded by Declarant. The recordation of said Supplementary Declaration shall constitute and effectuate the annexation of the said real property described therein, making said real property subject to this Declaration.

Section 3.03 De-Annexation: Any property that is subject, or annexed to the Property by the Declarant, in accordance with the provisions of this Declaration, may be removed by Declarant at any time by the recordation of any appropriate Declaration of Removal, provided that such removal shall take place before any Lot in the annexed parcel has been sold by Declarant to an Owner. Any property which is removed by Declarant may be annexed, at a future date, to the Property in accordance with the provisions of this Declaration.

ARTICLE IV.
EXEMPTION AND RIGHTS OF DECLARANT SUCCESSOR

Section 4.01 Exemption and Rights of Declarant Successor: Nothing in this Declaration shall limit condition or abridge the unfettered right of Declarant to specify and approve the design for the complete construction of improvements on Lots owned by Declarant, or to alter or modify completed improvements or to construct such additional improvements as Declarant deems advisable prior to the final sale by Declarant of all of the Lots in the Property. Such right shall include, but shall not be limited to, designing, erecting, constructing, and maintaining on any portion of the Property owned by Declarant such structures and displays as may be reasonably

necessary for the conduct of its business of completing the work and disposing of the same by sale, lease, or otherwise. Declarant specifically reserves the right to use any unsold Lots on the Property for models, construction offices, trailers, and sales offices, and further reserves the right to rent any unsold Lots and the improvements thereon. This Declaration shall not limit the right of Declarant at any time prior to acquisition of title by a purchaser from Declarant to establish on the Property additional easements, reservations, and rights of way for itself, utility companies, or others as may from time to time be reasonably necessary for the proper development and disposal of the Lots. Declarant reserves the right to alter its construction plans and designs as it deems appropriate. Any rights of Declarant under this Declaration may be assigned by Declarant to an Owner designated by Declarant to be a successor (“Successor”) to all or part of Declarant’s interest in the Property by an express assignment incorporated in a recorded deed or supplemental declaration transferring such interest to such Successor.

ARTICLE V.
GENERAL PROVISIONS

Section 5.01 Enforcement: Any Owner, and/or the holder of a mortgage of an Owner, (the “Mortgagee”) shall have the right to enforce, by proceedings at law or in equity, all restrictions, conditions, covenants, and reservations, now or hereafter imposed by the provisions of this Declaration or any amendment thereto, including the right to prevent the violation of any such restrictions, conditions, covenants, or reservations and the right to recover damages or other dues for such violation. Any Owner shall also have the right to enforce, by proceedings at law or in equity, the provisions of this Declaration and any amendments thereto. The Declarant has no obligation to enforce any provision of this Declaration, but shall have the right to do so provided the Declarant is an Owner of any Lot in the Property.

Section 5.02 No Waiver: Failure by any Owner or Mortgagee to enforce any covenant, condition, or restriction herein contained, in any certain instance or on any particular occasion shall not be deemed a waiver of such right on any such future breach of the same or any other covenant, condition or restriction.

Section 5.03 Cumulative Remedies: All rights, options and remedies of Declarant, the Owner or Mortgagees under this Declaration are cumulative, and not one of them shall be exclusive of any other. The Declarant, the Owners and the Mortgagees shall have the right to pursue any one or all of such rights, options and remedies, or any other remedy or relief which may be provided by law, whether or not stated in this Declaration.

Section 5.04 Severability: Invalidation of any one, or a portion of any one, of these covenants, conditions or restrictions by judgment or court order shall in no way affect any other provisions which shall remain in full force and effect.

Section 5.05 Covenants to Run with the Land: Term: The covenants, conditions and restrictions of this Declaration shall run with and bind the Property and each Lot within the Property, and shall inure to the benefit of and be enforceable by any

Owner, their respective legal representatives, heirs, successors and assigns for a term of fifty (50) years from the date this Declaration is recorded as set forth in the recitals, and then to the extent consistent with applicable law, this Declaration shall automatically be extended at the expiration of such period for successive 20-year periods unless terminated as provided above.

Section 5.06 Lender Protection: A breach of any of the provisions contained in this Declaration shall not affect, impair, or render invalid the lien or charge of any bona fide mortgage or deed of trust (the holder of which is defined as “Mortgagee” elsewhere in this Declaration) made in good faith and for value on any Lot or Lots or portions of Lots in the Property, and it is expressly understood and agreed that a violation of any of said provisions shall not result in a re-entry, forfeiture, or reversion of title. All Owners shall be bound by this Declaration, whether or not such Owner’s title was acquired by foreclosure, a trustee’s sale, a deed in lieu of foreclosure, or otherwise.

Section 5.07 Amendments: Unless otherwise provided herein, this Declaration may be amended or terminated prior to the expiration date herein established only by the affirmative vote or written assent of the Owners of at least fifty-one percent (51%) of the Lots in the Property, and further, this amendment provision shall not itself be amended to allow amendments by vote of the Owners of less than fifty-one percent (51%) of the Lots thereof. In determining the number of votes that may be cast hereunder, it shall be understood that an Owner is entitled to one (1) vote for each Lot owned. When more than one (1) person holds an interest in any Lot, the vote for such Lot shall be exercised as they among themselves determine, but in no event shall more than one (1) vote be cast with respect to any Lot. However, notwithstanding the above, as long as Declarant or a Successor is the Owner of a Lot in the Property the provisions of this Declaration shall not be altered or terminated without the prior written consent of Declarant and such Successor(s). All amendments, and the consent(s) so required, shall be recorded in the official records of the County prior to being effective.

Section 5.08 Declarant’s Exemption: Nothing contained in this Declaration shall be construed to prevent the erection or maintenance by Declarant or its duly authorized agents, of structures, improvements, construction trailers, equipment yards, landscape or materials storage or signs on any part of the Property as may be necessary or convenient to the development or sale of Lots within the Property.

Section 5.09 Declarant's Disclaimer of Representations: Anything to the contrary in this Declaration notwithstanding, and in addition to the disclaimers respecting drainage as set forth above, Declarant makes no warranties or representations whatsoever that the plans presently envisioned for the complete development of the Property can, or will be, carried out, or that any land now owned or hereafter acquired by any of them is, or will be, subjected to this Declaration, or that any such land (whether or not it has been subjected to this Declaration) is, or will be, committed to, or developed for, a particular (or any) use, or that if such land is once used for a particular use, such use will continue in effect. Declarant makes no representations or warranties that the use of any Property subject to this Declaration will not be changed in the future and Declarant makes no representations or warranties with regard to any neighboring property. Nothing contained in this Declaration and nothing which may be represented to a purchaser of a Lot by real estate brokers or salesmen representing the Declarant shall be deemed to create any implied covenants or restrictions with respect to the use of any Property. Each Owner acknowledges that Declarant may undertake development of the Property in phases and that by undertaking development of a phase, Declarant makes no representation that such phase or any other phase will be completed.

Section 5.10 References to the Covenants in Deeds: Deeds to, and instruments affecting, a Lot or any part of the Property, may contain the Covenants herein set forth by reference to this Declaration, but regardless of whether any such reference is made in any Deed or instrument, each and all of the Covenants shall be binding upon the grantee/Owner or other person claiming through any instrument and his heirs, executors, administrators, successors and assigns.

Section 5.11 Exempt Rights: Notwithstanding anything contained in this Declaration to the contrary, restrictions contained in this Declaration shall not be construed or deemed to limit or prohibit any act of Declarant or its employees, agents and subcontractors or parties designated by it in connection with the construction or completion of improvements upon or sale or leasing of the Lots or any other properties in the Property.

Section 5.12 Sale or Title Transfer: Any Owner, prior to the sale or transfer of his interest, must provide the prospective purchaser with a copy of this Declaration.

Section 5.13 Construction: The Section headings have been inserted for convenience only and shall not be considered in resolving questions of interpretation or construction.

Section 5.14 Singular Includes Plural: Whenever the context of this Declaration requires, the singular shall include the plural and the masculine shall include the feminine and the neuter.

Section 5.15 Nuisance: The result of every act or omission whereby any provision, condition, restriction, covenant, easement, or reservation contained in this Declaration is violated in whole or in part, is hereby declared to be and constitutes a

nuisance, and every remedy allowed by law or equity against a nuisance, either public or private, shall be applicable against every such result, and may be exercised by any Owner. Such remedy shall be deemed cumulative and not exclusive.

Section 5.16 Attorneys' Fees: In the event arbitration or any other legal action is instituted to enforce any of the provisions contained in this Declaration, the party prevailing in such arbitration or legal action shall be entitled to recover from the other party thereto as part of the judgment, reasonable attorneys' fees and costs of such suit.

Section 5.17 Notices: Any notice to be given to an Owner or a Mortgagee or mortgage servicing contractor under the provisions of this Declaration shall be in writing and may be delivered as follows:

(a) Notice to an Owner shall be deemed to have been properly delivered when delivered to the Owner's Lot, whether said Owner personally receives said notice or not, or placed in the first class United States mail, postage prepaid, to the most recent address, or if no such address shall have been furnished, then to the street address of such Owner's Lot. Any notice so deposited in the mail within the County shall be deemed delivered forty-eight (48) hours after such deposit in the mail, and within any such notice may be delivered or sent to any one of the co-Owners on behalf of all co-Owners and shall be deemed to be effective delivery on all such co-Owners, and

(b) Notice to a Mortgagee or its mortgage servicing contractor shall be deemed to have been properly delivered when placed in the first class United States mail, postage prepaid, to the address furnished by such Mortgagee or such contractor for the purposes of notice or, if no such address is furnished, to any office of the Mortgagee in the County, or if no such office is located in the County, to any office of such Mortgagee.

Section 5.18 Effect of Declaration: This Declaration is made for the purposes set forth in the Recitals to this Declaration and Declarant makes no warranties or representations, express or implied, as to the binding effect or enforceability of all or any portion of this Declaration, or as to the compliance of any of these provisions with public laws, ordinances and regulations applicable thereto.

Section 5.19 Personal Covenant: To the extent the acceptance of a conveyance of a Lot creates a personal covenant between the Owner of such Lot and Declarant or other Owners, such personal covenant shall terminate and be of no further force or effect from and after the date when a person or entity ceases to be an Owner.

Section 5.20 Right to Cure Alleged Defects: In the event that any Owner or Owners (collectively, "Claimant") claim contend or allege that any portion of any Lot, and or any improvements constructed on the Property are defective or that Declarant, its agents, consultants, contractors or subcontractors (collectively, "Agents") were negligent in the planning, design, engineering, grading, construction or other development thereof (collectively, an "Alleged Defect"). Declarant hereby reserves and

is granted the right for itself and any successor or assign to inspect, or repair such Alleged Defect as set forth herein.

(a) Notice: In the event that a Claimant discovers any Alleged Defect, Claimant shall, within a reasonable time after discovery, notify Declarant, in writing, within fifteen (15) days of discovery of the Alleged Defect and the specific nature of such Alleged Defect (“Notice of Alleged Defect”).

(b) Right to Enter, Inspect, Repair, and/or Replace: Within a reasonable time after the receipt by Declarant of a Notice of Alleged Defect or the independent discovery of any Alleged Defect by Declarant, as part of Declarant’s reservation of right, Declarant shall have the right, upon reasonable notice to Claimant and during normal business hours, to enter onto or into, any Lot, including any residential dwelling unit constructed thereon, or any Improvements for the purposes of inspecting and, if deemed necessary by Declarant, repairing or replacing such Alleged Defect. In conducting such inspection, repairs and/or replacement, Declarant shall be entitled to take any actions, as it shall deem reasonable and necessary under the circumstances.

(c) Legal Actions: In the event that a Claimant initiates any reference proceeding against Declarant alleging damages (1) for the costs of repairing or the replacement of any Alleged Defect, (2) for the diminution in value of any real or personal property resulting from such Alleged Defect, or (3) for any consequential damages resulting from such Alleged Defect, any judgment or award in connection therewith shall first be used to correct or repair such Alleged Defect or to reimburse the Claimant for any costs actually incurred by such Alleged Defect in correcting or repairing the Alleged Defect.

(d) No Additional Obligations; Irrevocability and Waiver of Right: Nothing set forth in this Section shall be construed to impose any obligation on Declarant to inspect, repair or replace any item or Alleged Defect for which Declarant is not otherwise obligated to do under applicable law or any limited warranty provided by Declarant in connection with the sale of the Lots or the Improvements constructed thereon. The right of Declarant to enter, inspect, repair, or replace reserved hereby shall be irrevocable and may not be waived or otherwise terminated except by a writing, in recordable form, executed and recorded by Declarant in the Official Records of the County.

Section 5.21 Limited Warranty; Mandatory Binding Arbitration for Matters Involving Declarant or a Declarant Affiliate: Each Owner, by taking title to a Lot and any improvements thereon, including, but not limited to a residential dwelling, acknowledges and agrees as follows:

(a) Limited Warranty by Declarant: For Lots on which Declarant or a Declarant Affiliate sells a completed residential dwelling, Declarant may issue a “Home Builder’s Limited Warranty” (the “Limited Warranty”) regarding the residential dwelling to each initial third-party Owner upon the close of escrow. The Limited Warranty is currently administered by Professional Warranty Service Corporation, or its successor (“PWC”). The actual terms of the Limited Warranty are defined by the Limited Warranty documents themselves, as may be issued to the original Unit Owner. If issued, a copy of the Limited Warranty will be provided to each initial third-party Owner, and may be obtained from PWC at

its current address of P.O. Box 800, Annandale, VA 22003-0800, or from Declarant or the Declarant Affiliate that sold the residential dwelling. Each Owner whether they are an initial purchaser of a Lot or a subsequent purchaser, are hereby advised and agree that:

- (b) The Limited Warranty is the only warranty provided by the Declarant;
- (c) That all allegations of “Construction Defects,” as that term is defined in the Limited Warranty documents provided to the initial third-party Owner will be resolved under and in accordance with the Limited Warranty;
- (d) That final, binding arbitration is the sole remedy for resolving disputes involving alleged Construction Defects;
- (e) That by taking title to a Lot, each Owner (whether an initial purchaser of a Lot or a subsequent purchaser) agrees to be bound by the terms of the Limited Warranty;
- (f) The length of time for coverage under the Limited Warranty shall be defined on the Limited Warranty Validation Form provided to the initial Owner.
- (g) **Mandatory Binding Arbitration for Matters Involving Declarant:** To the fullest extent permitted by law, all claims and disputes of any kind that an Owner may have arising from or in any way related to a Lot or the improvements thereon involving the Declarant, any Declarant Affiliate or any affiliate, agent, employee, executing officer, manager, or owner of Declarant or the Declarant Affiliates (a “Dispute”) shall be submitted to final and binding arbitration. Binding arbitration shall be the sole remedy for resolving disputes between the Declarant and any Owner. Disputes subject to binding arbitration include but are not limited to:
 - (h) Any disagreement that a condition in the Lot or the improvements thereon is a Construction Defect (as defined in the Limited Warranty) and is therefore covered by the Limited Warranty;
 - (i) Any disagreement as to whether a Construction Defect has been corrected in compliance with the Limited Warranty;
 - (j) Any alleged violations of consumer protection, unfair trade practice, or other statutes;
 - (k) Any allegation of negligence, strict liability, fraud, and/or breach of duty of good faith, and all other claims arising in equity or from common law;
 - (l) Any disputes concerning the issues that should be submitted to binding arbitration;
 - (m) Any disputes concerning timeliness of performance and the Buyer’s notifications under the Limited Warranty;
 - (n) Any dispute as to the payment or reimbursement of the arbitration filing fee;

(o) Any dispute as to whether the Limited Warranty, or any provision thereof, including, but not limited to any waiver under the Limited Warranty, is unenforceable; and

(p) Any other claim arising out of or relating to the sale, design, or construction of the Lot or the residential dwelling thereon, including, but not limited to, any claim arising out of, relating to or based on any implied warranty or claim for negligence or strict liability not effectively waived by the Limited Warranty.

(q) The arbitration shall be conducted by DeMars and Associates, LTD. or such other reputable arbitration service that PWC shall select, at its sole discretion, at the time the request for arbitration is submitted. The rules and procedures of the designated arbitration organization that are in effect at the time the request for arbitration is submitted will be followed.

(r) The arbitration shall be governed by the Federal Arbitration Act (9 U.S.C. §§ 1-16) to the exclusion of any inconsistent state law, regulation, or judicial decision. The award of the arbitrator shall be final and binding and may be entered as a judgment in any court of competent jurisdiction.

Each party shall bear its own attorneys fees and costs (including expert costs) for the arbitration. The arbitration filing fee and other arbitration fees shall be divided and paid equally as between the parties. This filing fee shall be no more than the amount charged by the arbitration service to PWC for arbitration. Owners may contact PWC to determine the arbitration filing fee in effect at the time arbitration is being requested. The arbitrator shall, as part of any decision, award to the party prevailing at the arbitration any applicable filing fees or other arbitration fees paid by that party.

Section 5.22 Prohibition of Dumping Oil Disclosure: All Owners shall receive a one page or less document explaining the prohibition of, and the consequences or environmental effects of disposing of crank case oil and other chemicals in storm drains and the practice of fertilizing and then over watering lawns and landscaping. This document shall be reviewed and signed by all purchasers prior to becoming Owners. An attachment to this declaration must be signed by any future buyers of any Lots so that this information shall be conveyed to all future Owners.

Section 5.23 Electric Substation Disclosure: Underground and overhead electric transmission and distribution lines may be located within or adjacent to the Property. These lines and substation are owned, operated, and maintained by the local utility purveyor. Numerous scientific and epidemiological studies have been conducted as to whether there are any adverse health effects from electric and magnetic fields (EMF) generated by electric power lines. Although the California State Department of Education has established site selection standards for locating new schools near power lines with voltages of 50kV or greater, no state agency has established any setback or other limitations on construction of residential housing in the vicinity of electric power lines. In November 1993, the California Public Utilities Commission (PUC) found that recent EMF studies have not concluded that an EMF health hazard actually exists. However, the PUC also found that additional research is necessary to determine if there is a health hazard from EMF. Not only is there concern among experts as to whether

health risks are associated with EMF exposure, but there may also be consequences resulting from perceptions relating to EMF exposure. Some people claim to experience emotional distress resulting from fears relating to EMF exposure. Others have worried about or believe they have experienced diminution of property values relating to proximity to sources of EMF exposure or the possibility of what may be discovered from further research on the subject. It is possible that future scientific research may lead to new conclusions on health risks associated with EMF's which could dramatically affect people's lifestyle choices and property values. The California Department of Health Services is conducting research in this area. Further information on this subject is available from the Electric and Magnetic Fields Program, California Department of Health Services, 5900 Hollis Street, Emeryville, California, 94608.

Section 5.24 View Obstructions: Each Owner, by accepting title to a Lot, hereby acknowledges that (a) there are no protected views within the Property, and no Lot is assured the existence or unobstructed continuation of any particular view or any particular source of natural light, and (b) that any construction, landscaping, or other installation of Improvements by Declarant or other Owners may impair the view from any Lot. The Owners hereby consent to such impairment of views or sources of natural light.

ARTICLE VI. PARTY WALLS

Section 6.01 Definition: Each wall or fence which is placed on the dividing line between two Lots shall constitute a party wall and to the extent not inconsistent with the provisions of this Article, the general rules of law regarding party walls and liability for property damage due to negligence or willful acts or omissions shall apply thereto. A party wall shall be considered to adjoin and abut against the property line dividing the Lots from the bottom of the foundation over the full length and height of any wall or fence.

Section 6.02 Use: Owners whose Lots are separated by a party wall shall equally have the right to use such party wall, except that each shall have the right to the exclusive use of the surface of the wall on his side. Neither such Owner shall use any portion of such party wall so as to interfere with the use and enjoyment of the other Owner.

Section 6.03 Sharing of Repair and Maintenance: The cost of reasonable repair and maintenance of a party wall shall be shared by the Owners who make use of the wall in proportion to such use.

Section 6.04 Destruction: If a party wall is destroyed or damaged by fire or other casualty, any Owner who has the use of such party wall may restore it, and any Owner who shares the use of the same wall shall contribute to the cost of restoration of that portion of the party wall that forms the boundary of such Owner's Lot without prejudice, notwithstanding, however, the rights of any such Owners to call for a larger

contribution from others under any rule of law regarding liability for negligent or willful acts or omissions.

Section 6.05 Right to Contribution Runs with Land: The right of an Owner to contribution from any other Owner under the Article shall be appurtenant to the land and shall pass to such Owner's successors in title.

ARTICLE VII.
MORTGAGEE PROTECTION

Section 7.01 Priority of Mortgage Lien: No breach of the covenants, conditions, or restrictions set forth in this Declaration shall affect, impair, defeat, or render invalid the lien or charge of any First Mortgage made in good faith and for value encumbering any Lot, but all of said covenants, conditions and restrictions shall be binding upon and effective against any Owner whose title is derived through foreclosure or trustee's sale, or otherwise, with respect to a Lot.

Section 7.02 Curing Defaults: A Mortgagee, or the immediate transferee of such Mortgagee, who acquires title by judicial foreclosure, deed in lieu of foreclosure, or trustee's sale shall not be obligated to cure any breach of the provisions of the this Declaration which is not reasonably economically feasible to cure.

Section 7.03 Resale: It is intended that any loan to facilitate resale of any Lot after judicial foreclosure deed in lieu of foreclosure or trustee's sale is a loan made in good faith and for value and entitled to all of the rights and protections afforded to other Mortgagees.

Section 7.04 Conflicts: In the event of any conflict between any of the provisions of this Article and any of the other provisions of this Declaration, the provisions of this Article shall control.

IN WITNESS WHEREOF, the Declarant has caused this Agreement to be signed as of the day and date first set forth above.

Woodside Cascade Inc.,
a California corporation

By _____

Its _____
President

Date: _____

STATE OF CALIFORNIA)ss
COUNTY OF _____)

On _____, 2006 before me, _____, a Notary Public in and for the County and State, personally appeared _____, 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 within instrument.

WITNESS my hand and official seal

Notary Public

(this area for official notary seal)

EXHIBIT A
Covered Property