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**AMENDED AND COMPLETELY RESTATED
CUSTOM HOMESITE DECLARATION OF
COVENANTS, CONDITIONS AND RESTRICTIONS
AND RESERVATION OF EASEMENTS
FOR COVENANT HILLS**

LADERA RANCH, CALIFORNIA

THIS AMENDED AND COMPLETELY RESTATED CUSTOM HOMESITE DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS AND RESERVATION OF EASEMENTS FOR COVENANT HILLS (the "*Custom Homesite Declaration*") is made this 25th day of March, 2004, by DMB Ladera, LLC, a Delaware limited liability company ("*Declarant*"), with reference to the following facts:

PREAMBLE:

- A. Declarant is the record owner of certain real property (the "*Initial Homesites*") located in the unincorporated area of the County of Orange, State of California, described on Exhibit CHP attached hereto.
- B. Declarant executed and caused that certain Custom Homesite Declaration of Covenants, Conditions and Restrictions and Reservation of Easements for Covenant Hills dated September 19, 2003 to be recorded on October 2, 2003 as Instrument No. 2003001214219 in the Official Records of Orange County, California (the "*Initial Declaration*").
- C. Declarant desires to amend and completely restate the Initial Declaration by this Custom Homesite Declaration.
- D. Since the recordation of the Initial Declaration, Declarant has not sold, transferred or conveyed any portion of the initial Custom Homesite Property to a Homeowner (as such terms are defined in the Initial Declaration); accordingly, the amendments to the Initial Declaration set forth herein are permitted pursuant to Section 6.13.1 of the Initial Declaration.

THE INSTRUMENT FILED FOR RECORD BY
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EXAMINED AS TO ITS EXECUTION OR AS TO
ITS EFFECT UPON TITLE

E. Concurrent with the recording of the Initial Declaration, Declarant recorded against the Initial Homesites that certain Supplemental Declaration of Covenants, Conditions, Restrictions, and Reservation of Easements for Ladera Ranch – Covenant Hills, Annexed Land 1 (Tract 15985 and Tract 15987) recorded in the Official Records of Orange County, California on October 2, 2003 as Instrument No. 2003001214220 and re-recorded on October 30, 2003 as Instrument No. 2003001332741 (as may be amended from time to time, including, without limitation, by that certain Second Amended and Restated Supplemental Declaration of Covenants, Conditions, Restrictions, and Reservation of Easements for Ladera Ranch – Covenant Hills, Annexed Land 1 (Tract 15985 and Tract 15987) recorded in the Official Records of Orange County, California on April 20, 2004 as Instrument No. 2004000334833, the “**1st Covenant Hills Supplemental Declaration**”). Among other things, the 1st Covenant Hills Supplemental Declaration annexes the Initial Homesites and other properties into the ‘Covered Property’ subject to the Master Declaration of Covenants, Conditions, Restrictions, and Reservation of Easements for Ladera Ranch, dated June 17, 1999 and recorded on June 18, 1999 as instrument number 19990456273 in the records of Orange County, California (as amended from time to time, the “**Master Declaration**”).

F. This Custom Homesite Declaration amends and completely restates the Initial Declaration and imposes covenants, conditions and restrictions upon the Initial Homesites, which have been selected by Declarant to be developed as a custom home project. This Custom Homesite Declaration imposes covenants, conditions and restrictions upon the Initial Homesites in addition to those imposed by the 1st Covenant Hills Supplemental Declaration and the Master Declaration. Further, this Custom Homesite Declaration is a “Supplemental Declaration” as that term is used in the Master Declaration and, subject to the terms hereof, is enforceable as a LARMAC Governing Document as contemplated in the Master Declaration. In the event of any inconsistency between this Custom Homesite Declaration and the Master Declaration and/or the 1st Covenant Hills Supplemental Declaration, with respect to the Initial Homesites, the provisions of this Custom Homesite Declaration shall prevail.

G. Subject to Declarant’s right to deannex property from this Custom Homesite Declaration as described below, Declarant has deemed it desirable for the efficient preservation and enhanced desirability and attractiveness of the Custom Homesite Property (as defined below) to establish the additional covenants, conditions and restrictions provided herein. As of the date hereof, the Initial Homesites, together with a portion of the Annexable Custom Homesite Property (defined below), are intended to be a multi-phase custom home project which will consist of up to two hundred fifty-five (255) residential homes and related LARMAC Property.

NOW, THEREFORE, Declarant hereby covenants, agrees and declares that all of the Custom Homesite Property shall be held and conveyed subject to the following covenants, conditions and restrictions (as well as those set forth in the Master Declaration, the 1st Covenant Hills Supplemental Declaration and any other Supplemental Declaration) which are hereby declared to be for the benefit of the Custom Homesite Property and the adjoining LARMAC Property and the owners thereof, their successors and assigns. These covenants, conditions and restrictions shall run with the land and shall be binding upon all parties who acquire any right or title in the Custom Homesite Property or any part thereof, and shall inure to the benefit of each Homeowner (defined below) and are imposed upon the Custom Homesite Property and every

part thereof as a servitude in favor of each and every portion of the Custom Homesite Property as the dominant tenement or tenements.

ARTICLE 1. DEFINITIONS

When the following words and phrases are used in this Custom Homesite Declaration, they will have the meanings given in this Article and be subject to the limits described in this Article. All terms capitalized in this Custom Homesite Declaration and not defined herein (whether in this Article or elsewhere) shall have the meanings provided in the Master Declaration. Certain of those terms defined in the Master Declaration and used herein may be set forth below for convenience in reading this Custom Homesite Declaration.

1.1. ***"Annexable Custom Homesite Property"*** shall mean that certain real property described and shown on Exhibit ACHP attached hereto. It is understood that the Annexable Custom Homesite Property may include a variety of residential housing products, including custom, semi-custom and production homes, and that portions of the Annexable Custom Homesite Property may be annexed to and become subject to the Master Declaration (including, without limitation, the 1st Covenant Hills Supplemental Declaration) but not be annexed to or become subject to this Custom Homesite Declaration (which may be imposed only on the portion(s) of the Annexable Custom Homesite Property as determined by Declarant). It is further understood that the Annexable Custom Homesite Property may include non-residential property, including LARMAC Property, and that any such portions of the Annexable Custom Homesite Property may or may not, at Declarant's sole discretion, be annexed to and/or become subject to either the Master Declaration (including, without limitation, the 1st Covenant Hills Supplemental Declaration) or this Custom Homesite Declaration.

1.2. ***"Architectural Style"*** means the applicable architectural style of a Custom Home, as selected by the Homeowner. The only Architectural Styles permitted with the Custom Homesite Property are: Spanish Revival; Italian Revival; Colonial Revival; Craftsman; English Revival and French Revival. The Architectural Styles are more particularly described in the Design Guidelines.

1.3. ***"Attic Areas"*** are those areas and spaces within a Custom Home which are completely located within the roof framing and which are above the highest Top-Plate Height of any supporting wall. Attic Areas are not included within the meaning of Indoor Area. Where the roof framing is supported by walls with different Top-Plate Heights, the Attic Area includes only the space situated above the highest Top-Plate Height.

1.4. ***"Basement Area"*** is the largest Indoor Area of any horizontal plane within a Custom Home that is located at or below three feet (3') above Rough Grade, but specifically excludes any Excluded Basement Area. Further, in the event that light wells, entrances, stairwells or other conditions in excess of three feet (3') in width are constructed, then the entire length of such condition/feature multiplied by a depth of fifteen feet (15') shall be included in and counted as Basement Area.

1.5. ***"Building Area"*** of a Custom Home is the total of the Basement Area, Covered Outdoor Area, First Story Area, Second Story Area and Third Story Area less the Covered Outdoor Area Credit. Attic Areas are not included within the definition of Building Area.

1.6. ***"Building Envelope"*** shall mean that portion of a Homesite within which the Homeowner thereof may construct a Custom Home. The Building Envelope is defined by reference to the applicable Homesite Type, Height Restrictions and Setback Requirements for a Homesite. The Building Envelope may be adjusted pursuant to Section 2.7 of this Custom Homesite Declaration.

1.7. ***"Building Wall Length"*** shall mean, with respect to any building wall, the length of the predominant exterior surface of a single continuous building wall, provided: (i) any Covered Outdoor Areas which extend beyond the adjoining building wall shall be included in the Building Wall Length of the applicable building wall; and (ii) building walls which are situated on substantially the same plane (which, for purposes hereof, shall mean wall planes which are located within five feet (5') of each other in depth) will be deemed to be a single continuous building wall unless separated by five feet (5') or more in length.

1.8. ***"Corner Homesite"*** refers to a Homesite which is designated as a 'Corner' Homesite Type on Exhibit HSI attached hereto or which will be attached to a Supplemental Custom Homesite Declaration.

1.9. ***"Corner Homesite Enhancement"*** shall mean the corner or other area of a Homesite which is identified as such on Exhibit HSI attached hereto or which will be attached to a Supplemental Custom Homesite Declaration. Corner Homesite Enhancement areas are generally located on Corner Homesites; however, not all Corner Homesites have Corner Homesite Enhancement areas and other Homesite Types may have Corner Homesite Enhancement areas.

1.10. ***"Covered Outdoor Area"*** is the area under roof which is open on one or more sides, excluding eaves and overhangs; provided, however, and except for porte-cocheres, where such areas exceed ten feet (10') in depth, the entire area will be counted as Indoor Area and not as Covered Outdoor Area. The square footage of the Covered Outdoor Area shall be measured from the exterior surface of any adjoining building walls to the exterior surface of any structural elements supporting the roof of the Covered Outdoor Area.

1.11. ***"Covered Outdoor Area Credit"*** means the lesser of: (i) the square footage specified as such for each Homesite on Exhibit HSI attached hereto, or (ii) square footage of any first-story Covered Outdoor Area situated on the Homesite. Covered Outdoor Area Credit is not applicable to any second- or third-story Covered Outdoor Areas.

1.12. ***"Custom Home"*** shall mean the Improvements on the Homesite intended for occupancy as a residence. Custom Home shall include the enclosed, habitable residence together with its garages and outbuildings. Custom Home shall not include roof overhangs, chimneys, exterior stairways, decks, balconies, bay windows, architectural enhancements, mechanical equipment and other elements, if any, as set forth in the Design Guidelines.

1.13. "**Custom Homesite Property**" shall mean the Initial Homesites described on Exhibit CHP and any real property that may become subject to or that remains subject to this Custom Homesite Declaration, all subject to the annexation or deannexation thereof pursuant to Article 5 below. Notwithstanding the preceding, Custom Homesite Property shall not include any real property owned by LARMAC.

1.14. "**Design Guidelines**" shall mean those certain architectural standards, landscape standards, guidelines, procedures and criteria initially established by Declarant for the Custom Homesite Property for use by a Homeowner in the preparation of plans and specifications for Improvements to be built, constructed, erected, planted or otherwise installed or maintained on his Homesite and for use by the Aesthetics Review Committee as a basis for its review of such plans and specifications. The Design Guidelines shall constitute part of the Aesthetics Standards for the Custom Homesite Property as described in the Master Declaration. The Design Guidelines may be revised from time to time as provided in the Master Declaration. A copy of the Design Guidelines may be obtained from the Aesthetics Review Committee.

1.15. "**Excavation**" shall mean any grading of the Homesite that results in the removal of earth or rock to a depth of more than six inches (6") and which would require the issuance of a grading permit.

1.16. "**Excluded Basement Area**" shall mean any subterranean basements, rooms and garages meeting all of the following criteria: a) maximum finished floor elevation of the first-story area located above shall not exceed three feet (3') above Rough Grade, b) perimeter walls may not extend beyond the perimeter walls of the First Story Area or any first story Covered Outdoor Area, c) the total Indoor Area of the Basement does not exceed the First Story Area plus any first story Covered Outdoor Area, and d) if approved by the Design Reviewer based on the location, length, detailing, visual screening and surrounding lightwells that do not exceed three (3) feet in width, as measured perpendicularly from the vertically-adjacent perimeter wall of the First Story Area.

1.17. "**Fill**" shall mean any added soil, rock or other materials to the surface of the Homesite that increases the existing elevation of such surface by more than six inches (6") and which would require the issuance of a grading permit.

1.18. "**First Story Area**" means the largest Indoor Area of any horizontal plane within the exterior building walls or surfaces of a Custom Home that is located at thirteen feet (13') or less above Rough Grade, excluding any Basement Areas or Excluded Basement Areas; provided, for One Story Mandatory Homesites, the First Story Area is the largest Indoor Area of any horizontal plane within a Custom Home, excluding any Basement Areas or Excluded Basement Areas.

1.19. "**Garage Class**" shall mean the designated "Garage Class" for each Homesite set forth on Exhibit HSI attached hereto or which will be attached to a Supplemental Custom Homesite Declaration. There are three (3) Garage Classes: "A", "B" and "C."

1.20. "**Height**" as to any given point of a Residence, shall mean the vertical distance between the Rough Grade elevation of the applicable Homesite and a plane parallel to the Rough Grade at said point.

1.21. "**Height Restrictions**" refers to the various limitations on Height for Residences which are contained in this Custom Homesite Declaration. No portion of a Residence may exceed the applicable Height Restrictions. The Height Restrictions for the initial Custom Homesite Property are set forth in Section 2.4.3 below.

1.22. "**Homeowner**" shall mean the Person or Persons, including Declarant, holding fee simple interest of record to any Homesite. The term "Homeowner" includes a seller under an executory contract of sale but excludes Beneficiaries.

1.23. "**Homesite**" shall mean a lot shown on a final tract map or a parcel shown on a parcel map filed for record in Orange County, California, which lot or parcel is described in this Custom Homesite Declaration or any Supplemental Custom Homesite Declaration as part of the Custom Homesite Property, as such lot or parcel may be adjusted from time to time by any Homesite line adjustment, parcel map or other governmental approval for the purpose of merging portions thereof into adjacent property. The term "Homesite" shall not mean or include the LARMAC Property.

1.24. "**Improvement**" shall mean:

1.24.1 all structures and appurtenances thereto of every kind whatsoever, including but not limited to, buildings, residences, outbuildings (e.g., guest or caretaker units, sheds, etc.), game courts, swimming pools, spas and other recreational facilities, gazebos, barbecues, garages, carports, open parking areas, driveways, mechanical entry gate systems and related equipment, lights, sidewalks, walkways, pavements and other hardscape, trails, fences, screens, awnings, patio and balcony covers, stairs, decks, planters, trellises, sunshades, screening walls, wind screens, screen doors, skylights, poles, retaining walls, other walls, footings, columns, gates, decorative or informative signs, private utility lines and connections, storm drains and catch basins and sewer lines and laterals, antennas, signs, solar or windpowered energy systems or equipment, and water softener or heater or air conditioning and heating fixtures and equipment, landscaped slopes, trees, shrubs, hedges, flowers and other landscaping and all landscape irrigation systems;

1.24.2 all exterior modifications to any of the foregoing, including but not limited to, the painting of the exterior of any home or other exterior surface of any visible structure; changing the roof material, windows or exterior doors of any home or other structure; the building, constructing or erecting of any additions and/or demolishing or conducting any exterior remodeling;

1.24.3 the demolition or destruction by voluntary action of any structure or appurtenance thereto of every type and kind;

1.24.4 the grading, excavation, filling, or similar disturbance to the surface of the land, including, without limitation, change of grade, change of ground level, change of drainage pattern or change of streambed;

1.24.5 all trees, shrubs, landscaping, plantings, vines and other vegetation, as well as the clearing or removal thereof; and

1.24.6 any change or alteration of the foregoing, including any change of exterior appearance, color or texture.

1.25. **"Indoor Area"** means the area of a Custom Home enclosed within the perimeter building walls at a specified Height. Only those areas which are at or below the Top-Plate Height of one or more perimeter building walls will be considered to be enclosed within the perimeter building walls; Attic Areas are not considered Indoor Areas except as specifically provided otherwise in this Custom Homesite Declaration. Indoor Areas include all structures constructed on the Custom Lot, including, without limitation, garages and detached structures. Courtyards and patios that are enclosed on all sides by building walls and/or walls in excess of six feet (6') in height shall be deemed to be as Indoor Areas.

1.26. **"LARMAC"** shall mean Ladera Ranch Maintenance Corporation, a California nonprofit public benefit corporation, established for the purpose of administering, implementing and enforcing the provisions of the Master Declaration and maintaining the LARMAC Property.

1.27. **"Homesite Type"** shall mean the designated "Homesite Type" for each Homesite set forth on Exhibit HSI attached hereto or which will be attached to a Supplemental Custom Homesite Declaration. There are five (5) Homesite Types: Standard; Corner; Promontory; One-Story Dominant; and One-Story Mandatory.

1.28. **"Maximum Building Area"** shall mean the maximum Building Area that may be constructed and maintained on a Homesite. The Maximum Building Area for each Homesite is shown on Exhibit HSI attached hereto or which will be attached to a Supplemental Custom Homesite Declaration. The Maximum Building Area may be adjusted pursuant to Section 2.7 of this Custom Homesite Declaration.

1.29. **"Maximum Lower Story Area"** means the maximum amount of First Story Area plus Basement Area plus first story Covered Outdoor Area (net of the Covered Outdoor Area Credit) that may be constructed and maintained within a Homesite. The Maximum Lower Story Area for each Homesite is shown on Exhibit HSI attached hereto or which will be attached to a Supplemental Custom Homesite Declaration. The Maximum Lower Story Area may be adjusted pursuant to Section 2.7 of this Custom Homesite Declaration.

1.30. **"Maximum Upper Story Area"** means the maximum amount of Second Story Area, Third Story Area and any second or third story Covered Outdoor Area that may be constructed and maintained within a Homesite. The Maximum Upper Story Area for each Homesite is shown on Exhibit HSI attached hereto or which will be attached to a Supplemental Custom Homesite Declaration, provided, however, that for One-Story Mandatory and Promontory Homesites, the Maximum Upper Story Area is determined with reference to the actual Building Area of a Residence (see Sections 2.5.5 and 2.5.7 below). The Maximum Upper Story Area may be adjusted pursuant to Section 2.7 of this Custom Homesite Declaration.

1.31. ***"One-Story Dominant Homesite"*** refers to a Homesite which is designated as a 'One-Story Dominant' Homesite Type on Exhibit HSI attached hereto or which will be attached to a Supplemental Custom Homesite Declaration.

1.32. ***"One-Story Mandatory Homesite"*** refers to a Homesite which is designated as a 'One-Story Mandatory' Homesite Type on Exhibit HSI attached hereto or which will be attached to a Supplemental Custom Homesite Declaration.

1.33. ***"Parkway"*** shall mean that area adjacent to a Homesite which is generally bounded by: (i) the property line separating the Homesite from any adjoining street, (ii) the back of the curb of such street, as constructed by Declarant, and (iii) the extension of the Homesite's side property boundary lines to said street. The Parkway for a particular Homesite is shown on Exhibit HSI attached hereto or which will be attached to a Supplement Homesite Declaration. The Parkway is owned by LARMAC, but is to be landscaped and maintained by the Homeowner pursuant to Section 4.2.

1.34. ***"Pre-Wire Guidelines"*** shall mean those certain standards, specifications and criteria initially established by Declarant for the Custom Homesite Property for use by a Homeowner in the preparation of plans and specifications for structured wiring systems to be built, constructed, erected or otherwise installed or maintained in a Residence and for use by the Aesthetics Review Committee as a basis for its review of such plans and specifications. The Pre-Wire Guidelines shall constitute part of the Aesthetics Standards for the Custom Homesite Property as described in the Master Declaration. The Pre-Wire Guidelines may be revised from time to time as provided in the Master Declaration. A copy of the Pre-Wire Guidelines may be obtained from the Aesthetics Review Committee.

1.35. ***"Promontory Homesite"*** refers to a Homesite which is designated as a 'Promontory' Homesite Type on Exhibit HSI attached hereto or which will be attached to a Supplemental Custom Homesite Declaration.

1.36. ***"Residence"*** shall mean a Custom Home, together with all appurtenant roof overhangs, chimneys, exterior stairways, decks, balconies, bay windows, architectural enhancements and mechanical equipment.

1.37. ***"Roof Height"*** means the Height of the top of the finish roofing material of a particular roof.

1.38. ***"Rough Grade"*** shall mean the rough grade elevation for a Homesite as initially established by Declarant. The Rough Grade for each Homesite is set forth on Exhibit HSI attached hereto or which will be attached to a Supplemental Custom Homesite Declaration. The Rough Grade for each Homesite may vary from the actual rough grade elevation at the time Declarant initially conveys title of a Homesite to a Homeowner; in the event of such a variance, the Rough Grade elevation set forth on Exhibit HSI will control and apply for purposes of this Custom Homesite Declaration. The Rough Grade for each Homesite may be amended pursuant to Section 6.13.2 of this Custom Homesite Declaration.

1.39. ***"Second Story Area"*** means the sum of (i) the largest Indoor Area of any horizontal plane within a Custom Home situated at a Height above thirteen feet (13') but at or

below twenty-three feet (23'), and (ii) to the extent an area is not included in (i), the First Story Area located under any roof that has a Roof Height which exceeds twenty-three feet (23'). The determination of Second Story Area shall be made after determining First Story Area.

1.40. "**Setback Area**" shall mean all portions of a Homesite other than the Building Envelope and includes the front yard, rear yard and side yard areas. The Setback Area for each Homesite is described in relation to the front, rear and side yards and is controlled by Section 2.4.4 below. The installation of Improvements in the Setback Area is restricted as described in Article 2 hereof, the Design Guidelines and Orange County regulations and ordinances governing land development. The Setback Area may be adjusted pursuant to Section 2.7 of this Custom Homesite Declaration.

1.41. "**Setback Requirements**" refers to the various setback requirements and limitations within which no portion of the Custom Home may be constructed. The Setback Requirements for the initial Custom Homesite Property are set forth in Section 2.4.4 below.

1.42. "**Standard Homesite**" refers to a Homesite which is designated as a 'Standard' Homesite Type on Exhibit HSI attached hereto or which will be attached to a Supplemental Custom Homesite Declaration.

1.43. "**Supplemental Custom Homesite Declaration**" shall mean an instrument that annexes additional property to the Custom Homesite Property and extends the plan of this Custom Homesite Declaration to such additional property as provided in Article 5 hereof.

1.44. "**Third Story Area**" is the sum of (i) the largest Indoor Area of any horizontal plane within a Custom Home situated at a Height above twenty-three feet (23') but at or below thirty-one feet (31'), and (ii) to the extent an area is not included in (i), the Second Story Area located under any roof that has a Roof Height which exceeds thirty-one feet (31'). The determination of Third Story Area shall be made after determining Second Story Area.

1.45. "**Top-Plate Height**" is the Height of the top of the uppermost horizontal member of a frame wall supporting ceiling joists, rafters and other members (or in the case of a basement, the Height of the finished floor of the first story will be used as the Top-Plate Height).

1.46. "**Visible Side Yard**" shall mean the side of a Homesite which is identified as such on Exhibit HSI attached hereto or which will be attached to a Supplemental Custom Homesite Declaration. Visible Side Yards are generally limited to Corner Homesites or Promontory Homesites; however, not all such Homesites will have a Visible Side Yard identified.

ARTICLE 2. BUILDING AND LANDSCAPING RESTRICTIONS

2.1. **Design Control.** Unless exempted pursuant to Section 3.2 below, no Improvement, including but not limited to a Residence or landscaping, shall be commenced, erected or maintained on the Custom Homesite Property by a Homeowner unless the same has been reviewed and approved by the Aesthetics Review Committee and is in compliance with the Design Guidelines, the Master Declaration and this Custom Homesite Declaration; provided,

however, that any Improvement may be repainted, reconstructed or repaired without Aesthetics Review Committee approval so long as the exterior elevations of the Improvement as repainted, reconstructed or repaired is identical (including color) to the Improvement which was last approved by the Aesthetics Review Committee or Declarant. Approval by the Aesthetics Review Committee is provided solely for Aesthetics considerations, consistency with the Design Guidelines, this Custom Homesite Declaration and other LARMAC Governing Documents; and the overall benefit or detriment which would result to the immediate vicinity and the Custom Homesite Property. The Aesthetics Review Committee is not responsible for reviewing, nor may its approval of any plan or design be deemed approval of, any plan or design from the standpoint of structural safety or conformance with building or other codes.

2.2. Architectural Styles. All Residences and other Improvements within a Homesite shall be designed and maintained in accordance with and consistent with one of the following Architectural Styles: Spanish Revival; Italian Revival; Colonial Revival; Craftsman; English Revival; and French Revival. More detailed treatment of the materials, colors and forms that generally constitute each of the permitted Architectural Styles is set forth in the Design Guidelines.

2.3. Landscape Palettes. No landscaping (including trees, shrubs, vines and ground cover) shall be planted and/or maintained on a Homesite unless the same is listed in the landscape palette for the applicable Architectural Style (as the same are set forth in the Design Guidelines). The landscape palettes set forth in the Design Guidelines shall be administered through the Aesthetics Review Committee for the purpose of controlling the type, species and placement of any tree, plant, shrub, ground cover or other growing thing placed or planted on a Homesite. Additionally, any Corner Homesite Enhancement area situated on a Homesite must be improved with the additional landscaping and hardscaping elements described in and required by the Design Guidelines.

2.4. Building Envelope.

2.4.1 Custom Home within Building Envelope. Subject to Sections 2.4.2 and 2.7 below, the Custom Home constructed and maintained by a Homeowner on his Homesite shall at all times be located solely within the Building Envelope for such Homesite. The three-dimensional Building Envelope establishes the boundaries within which the Custom Home must be constructed, but does not represent the ultimate shape or architectural appearance of the Custom Home or the Residence.

2.4.2 Other Elements of Residence. An Improvement other than the Custom Home that is a part of the Residence (such as roof overhangs, chimneys, decks, balconies, architectural enhancements, mechanical equipment or other elements described in the Design Guidelines) may be permitted outside of the Building Envelope provided the same (a) is allowed by all applicable governmental restrictions, (b) is approved by the Aesthetics Review Committee and (c) otherwise complies with all other provisions of this Custom Homesite Declaration and the Design Guidelines. Additionally, Improvements consisting of fences, walls, pools, patios, gazebos and other structures auxiliary to the Residence shall also be permitted outside the Building Envelope provided the same, in each case, (x) is allowed by all applicable governmental restrictions, (y) is approved by the Aesthetics Review Committee and (z)

otherwise complies with all other provisions of this Custom Homesite Declaration and the Design Guidelines.

2.4.3 Height Restrictions.

(a) Improvements. The following Height Restrictions are dependent upon and specific to the Homesite Type identified for a particular a Homesite.

(i) Standard and Corner Homesites: With respect to any Improvements constructed on either Standard Homesites or Corner Homesites:

(A) the maximum Top-Plate Height of any building wall shall not exceed twenty-three feet (23') in Height, except that the Top-Plate Height of any wall enclosing Third Story Area shall not exceed thirty-one feet (31') in Height; and

(B) the maximum Roof Height shall not exceed thirty-one feet (31') in Height, except that the Roof Height of a roof covering any Third Story Area may not exceed thirty-four feet (34') in Height.

See Section 2.5.4 regarding the maximum amount of Third Story Area that is permitted on a Standard Homesite or Corner Homesite.

(ii) Promontory and One-Story Dominant Homesites: With respect to any Improvements constructed on either Promontory Homesites or One-Story Dominant Homesites:

(A) the maximum Top-Plate Height of any building wall shall not exceed twenty-three feet (23') in Height; and

(B) the maximum Roof Height of a Custom Home shall not exceed thirty-one feet (31') in Height.

(iii) One-Story Mandatory Homesites: With respect to any Improvements constructed on One-Story Mandatory Homesites:

(A) at least three (3) different Top-Plate Heights are required;

(B) the maximum Top-Plate Height shall be thirteen feet (13') in Height, except that the Top-Plate Height for any Second Story Area or any second story covered outdoor area (see Section 2.5.7 below) shall not exceed seventeen feet (17') in Height;

(C) at least three (3) different Roof Heights which are visible from the front of the Custom Home are required; and

(D) the maximum Roof Height shall not exceed

seventeen feet (17') in Height, except that the roof covering any Second Story Area or second story Covered Outdoor Area shall not exceed twenty-three feet (23') in Height.

(b) Landscaping. No Height Restrictions are established by this Custom Homesite Declaration for landscaping Improvements installed, maintained or permitted to grow within any portion of the initial Custom Homesite Property. The maximum height limits for landscaping in any property hereafter annexed into the Custom Homesite Property may (but are not required to) be established by Declarant and set forth on the Supplemental Custom Homesite Declaration by which such property is annexed to the Custom Homesite Property. Nothing herein is intended, or shall be deemed, to prohibit height limits on landscaping as imposed by the Design Guidelines or the Aesthetics Review Committee. Declarant or LARMAC may require the Homeowner of a Homesite to remove any landscaping, the installation of which was previously approved by the Aesthetics Review Committee or Declarant, at the Homeowner's expense if the Height thereof exceeds the maximum height limits set forth in the Design Guidelines or imposed by the Aesthetics Review Committee or Declarant.

(c) Supplemental Property. The foregoing Height Restrictions for Homesites hereafter annexed into the Custom Homesite Property shall be as established by Declarant and set forth on the Supplemental Custom Homesite Declaration by which such Homesites are annexed to the Custom Homesite Property; provided, however, that in the event that Height Restrictions are not specified in a Supplemental Custom Homesite Declaration, then the foregoing Height Restrictions shall apply and control.

(d) More Restrictive Height Restrictions. No Improvement shall exceed any applicable height limit imposed by the Design Guidelines, provided that in no event may the Design Guidelines impose a height limit for Custom Homes which is shorter than the Height Restrictions established herein. No Improvement shall exceed any applicable height limit imposed by applicable governmental restrictions.

2.4.4 Setback Requirements. No portion of a Custom Home may be constructed, placed or maintained within the Setback Areas described and required by this Section unless specifically permitted otherwise.

(a) Front Yard Setbacks.

(i) 15' Setback. Covered Outdoor Areas with Roof Heights and Top-Plate Heights not exceeding twenty-three feet (23') and thirteen feet (13'), respectively, in Height must be setback by at least fifteen feet (15') from the front property boundary line of the Homesite.

(ii) 20' Setback. First Story Areas must be setback by at least twenty feet (20') from the front property boundary line of the Homesite.

(iii) 25' Setback. All other Improvements (including any Second Story Areas and Covered Outdoor Areas with Roof Heights and Top-Plate Heights in excess of twenty-three feet (23') and thirteen feet (13'), respectively, in Height) must be setback at least twenty-five feet (25') from the front property boundary line of the Homesite.

(b) Rear Yard Setbacks.

(i) 15' Setback. Covered Outdoor Areas with Roof Heights and Top-Plate Heights not exceeding twenty-three feet (23') and thirteen feet (13'), respectively, in Height must be setback by at least fifteen feet (15') from the rear property boundary line of the Homesite.

(ii) 20' Setback. All other Improvements must be setback at least twenty feet (20') from the rear property boundary line of the Homesite.

(c) Side Yard Setbacks.

(i) Standard, One-Story Mandatory and One-Story Dominant Homesites – 15' Aggregate Setback. With respect to Standard Homesites, One-Story Mandatory Homesites or One Story Dominant Homesites: (A) an aggregate setback of at least fifteen feet (15') for both side yards must be provided for the entire length of the Homesite, and (B) a minimum setback of five feet (5') for each side yard must be provided.

(ii) Promontory Homesites - With respect to Promontory Homesites, a setback of at least ten feet (10') is required for the Visible Side Yard (if applicable), and a setback of at least five feet (5') is required for the opposite (shielded) side yard. If a Promontory Homesite has no Visible Side Yard, then the setback requirements set forth in the immediately preceding sub-section shall apply.

(iii) Corner Homesites. With respect to Corner Homesites, the following setbacks must be provided: (A) Covered Outdoor Areas must be setback at least ten feet (10') on the Visible Side Yard, (B) Indoor Areas must be setback at least fifteen feet (15') on the Visible Side Yard, and (C) a setback of at least five feet (5') is required for the opposite (shielded) side yard.

(d) Other Elements of Residence. An Improvement other than the Custom Home that is a part of the Residence (such as roof overhangs, chimneys, decks, balconies, architectural enhancements, mechanical equipment or other elements described in the Design Guidelines) may encroach into the Setback Areas provided the same (i) is allowed by all applicable governmental restrictions, (ii) is approved by the Aesthetics Review Committee and (iii) otherwise complies with all other provisions of this Custom Homesite Declaration and the Design Guidelines. Additionally, Improvements consisting of fences, walls, pools, patios, gazebos and other structures auxiliary to the Residence may also encroach into the Setback Areas provided the same, in each case, (x) is allowed by all applicable governmental restrictions, (y) is approved by the Aesthetics Review Committee and (z) otherwise complies with all other provisions of this Custom Homesite Declaration and the Design Guidelines.

2.5. Building Area Restrictions. Each Residence must comply with the following Building Area Restrictions:

2.5.1 The total Building Area of a Residence shall not exceed the Maximum Building Area for the applicable Homesite.

2.5.2 The First Story Area plus the Basement Area plus any first story Covered Outdoor Area less the Covered Outdoor Area Credit of a Custom Home shall not exceed the Maximum Lower Story Area for the Homesite.

2.5.3 The sum of the Second Story Area, the Third Story Area and any second or third story Covered Outdoor Area of a Residence shall not exceed the Maximum Upper Story Area for the Homesite.

2.5.4 The sum of the Third Story Area and the third story Covered Outdoor Area of a Residence shall not exceed ten percent (10%) of the Maximum First Story Area.

2.5.5 For Promontory Homesites, the Second Story Area plus the second story Covered Outdoor Area of a Residence shall not exceed thirty percent (30%) of the actual Building Area calculated and constructed for that Homesite. This restriction includes all designs where the Maximum Building Area is not fully realized. No Third Story Area or third story Covered Outdoor Area shall be permitted on Promontory Homesites.

2.5.6 For One-Story Dominant Homesites, the Second Story Area plus the second story Covered Outdoor Area of a Residence shall not exceed thirty percent (30%) of the Maximum Building Area for that Homesite. No Third Story Area or third story Covered Outdoor Area shall be permitted on One-Story Dominant Homesites.

2.5.7 For One-Story Mandatory Homesites, the sum of the Second Story Area and any second story Covered Outdoor Area of a Residence shall not exceed five percent (5%) of the actual Building Area calculated and constructed for that Homesite. No Third Story Area or third story Covered Outdoor Area shall be permitted on One Story Mandatory Homesites.

2.6. Massing Requirements: Building Wall Length. All Custom Homes must comply with the architectural articulation and massing restrictions and requirements set forth in the Design Guidelines. No exterior building wall may exist on a Homesite if the Building Wall Length thereof exceeds the following (as applicable to the referenced elevation of the Custom Home):

Front Elevation	Fifty feet (50')
Side Elevation (except Visible Side Yard elevations)	Forty feet (40')
Visible Side Yard Elevation	Thirty feet (30')
Rear Elevation	Forty feet (40')

All second and third story exterior building walls shall conform to the appropriate Building Wall Length requirements for front, side, Visible Side and rear elevations, except that second and third story walls that are recessed by at least ten feet (10') from the primary underlying first story elevation shall be allowed to be up to fifty feet (50') in length.

2.7. One Residence on Two Homesites. Notwithstanding anything to the contrary in this Custom Homesite Declaration, if the same Homeowner owns two (2) adjacent Homesites and intends to construct a single Residence that crosses the property boundary line separating such Homesites or otherwise causes any Improvements to encroach into a side yard Setback Area, then the Building Envelopes for such individual Homesites may be reconfigured to establish a single contiguous Building Envelope for the combined Homesites, and the Maximum Building Area for the Custom Home within such newly configured Building Envelope may be established, all in accordance with and subject to the following conditions:

(a) The Setback Areas for the combined Homesites shall be reconfigured such that the side yard setbacks shall be the aggregation of the side yard setbacks of each Homesite. (E.g. – If two Standard Homesites are combined, then the required side yard setback for the combined Homesites would be: (i) an aggregate setback of at least thirty feet (30') for both side yards, and (ii) a minimum of setback of ten feet (10') for each side yard.

(b) The Homesite Type of the combined Homesites shall be changed to be the more restrictive Homesite Type of the applicable Homesites (with the priority of the Homesite Types being, from most restrictive to least restrictive, as follows: (i) One-Story Mandatory, (ii) Promontory, (iii) One-Story Dominant, (iv) Corner and (v) Standard).

(c) In no event shall the Maximum Building Area, Maximum Lower Story Area, Maximum Upper Story Area and Covered Outdoor Area Credit on the combined Homesites be greater than the combined Maximum Building Area, combined Maximum Lower Story Area, combined Maximum Upper Story and combined Covered Outdoor Area Credit of each of the combined Homesites, respectively.

(d) The reconfigured Building Envelope and modified Building Area restrictions must be approved by the Homeowner of the combined Homesites, the Aesthetics Review Committee and, for so long as Declarant retains any approval rights under Section 3.2 for any Homesite within the Custom Homesite Property, Declarant.

(e) The reconfigured Building Envelope and Building Area restrictions for the combined Homesites must be reflected in a separate, recorded amendment to this Custom Homesite Declaration which is acceptable in form to the Homeowner of the combined Homesites, the Aesthetics Review Committee and, for so long as Declarant retains any approval rights under Section 3.2 for any Homesite within the Custom Homesite Property, Declarant. The separate instrument must be executed by the Homeowner of the combined Homesites, two (2) members of the Aesthetics Review Committee, and, for so long as Declarant's approval is required, Declarant.

(f) Declarant, for so long as Declarant retains any approval rights under Section 3.2 for any Homesite within the Custom Homesite Property, and/or the Aesthetics Review Committee shall have the right to require that such grant deed or separate instrument include a covenant prohibiting the partition and sale of any of the individual Homesites within the combined Homesites or prohibiting such partition and sale until certain conditions have been met. By way of example, such conditions may include re-establishing the original Homesites

and all original Building Envelopes and removing Improvements that encroach into the original Setback Areas or are otherwise outside the original Building Envelopes.

(g) The approval of construction of a Residence on more than one Homesite shall not relieve the Homeowner from any obligations attributable to the ownership of more than one Homesite, including, but not limited to, the obligation to pay Assessments for each Homesite as provided for in the Master Declaration. Nothing contained herein shall preclude a Homeowner from merging two (2) Homesites into one (1) by recording a lot merger or parcel map, in which event the resulting Homesite shall constitute a single Homesite (and be subject to assessments applicable to a single Homesite).

(h) No more than two (2) Homesites (as originally conveyed by Declarant to a Homeowner) may be reconfigured and combined pursuant to this Section.

2.8. On-Site Parking. A minimum of four (4) vehicle parking spaces must be provided on each Homesite, with a minimum of two (2) spaces located within an enclosed garage and two (2) spaces outside of an enclosed garage (but in no event shall such outside spaces block more than one (1) of the spaces located within the garage).

2.9. Building Requirements.

2.9.1 Confine Work to Homesite Boundaries. In performing any work whatsoever in connection with the construction and maintenance of Improvements on a Homesite, each Homeowner shall, and shall have his contractor(s), stay within the boundaries of his Homesite, and in no event shall any Homeowner or his contractors perform any work or otherwise disturb any area outside his Homesite (other than as specifically permitted on other property pursuant to the provisions of this Custom Homesite Declaration or pursuant to written permission from the owner of such property).

2.9.2 Light Spillage. No Homeowner shall direct any exterior lights into any adjacent open space areas or Homesites. All direct rays shall be confined to the respective site upon which the exterior lights are installed so that adjacent Homesites and adjacent open space areas are protected from substantial and excessive light spillage and glare.

2.9.3 Condition of Homesite. Prior to the commencement of construction of any Improvements, each Homeowner shall maintain his Homesite in a clean, orderly and sightly manner, free of weeds, debris and deleterious material and in accordance with any governmental rules, regulations or permits, including, without limitation, any erosion control and storm water discharge permits. In the event that construction of the Residence has not commenced within two (2) years following the initial conveyance of the Homesite to a Homeowner, the Homeowner thereof shall plant the Homesite in grass (or other landscaping approved by the Aesthetics Review Committee) and thereafter irrigate, trim and maintain the same until commencing construction of the Residence (provided, however, that if the applicable Homeowner provides reasonable evidence to the Aesthetics Review Committee that construction of the Residence will commence within one (1) year, then such requirement shall be waived). In the event that the Homeowner fails to so maintain the Homesite in compliance with this Section 2.9.3 and such failure continues for thirty (30) days following notice from LARMAC of the same, then

LARMAC shall have the right (but not the obligation) to enter upon the Homesite and maintain the same at the Homeowner's sole cost and expense (with the same constituting a Compliance Assessment under the Master Declaration).

2.10. Grading, Excavation, Fill and Drainage.

2.10.1 Grading. Each Homeowner shall obtain all permits for grading cuts and fills, as are required by any and all governmental requirements, prior to commencement of any grading or filling, and shall thereafter abide by such permits and requirements. Prior to making submittal to any governmental agency, the Homeowner shall submit the grading plans showing such work to the Aesthetics Review Committee for its review and consideration.

2.10.2 Excavation and Fill.

(a) The grade and elevation of the Homesite as shown on Exhibit HSI shall be maintained for at least four feet (4') from all property boundary lines.

(b) Fill or top soil material used upon the Homesite by the Homeowner shall be free of adobe, termites, weeds, hazardous material and deleterious matter.

(c) All areas to be filled must be scarified and/or over-excavated, moisture-conditioned and recompacted to at least ninety percent (90%) relative compaction prior to fill placement or to such stricter standard as may be imposed by the applicable governmental restrictions. All work shall be inspected and performed in accordance with the recommendations of a registered soil engineer.

(d) All Excavation and Fill areas shall be shaped by varying slope grades, both vertically and horizontally, so as to blend into the adjacent land forms and shall be done so as not to adversely affect adjacent Homesites, LARMAC Property or other property.

(e) Whenever Excavation or Fill creates an unstable slope condition, or potentially unstable slope condition, the Homeowner shall take appropriate action to control and retain the embankment. Where retaining walls are used, the footings thereof must be designed and constructed to permit plant growth and berms and/or landscaping must be used to screen the visual impact of such walls. Excavation or Fill which in the judgment of the Aesthetics Review Committee creates a high and unsightly retaining wall, may be disapproved.

(f) Whenever Excavation or Fill requires the construction of a retaining wall, it shall be the Homeowner's responsibility to install and maintain the wall. No retaining walls shall exceed six feet (6') in Height.

(g) Whenever Excavation or Fill causes destruction of existing drainage swales or natural drainage patterns, it shall be the Homeowner's responsibility to restore such swales and drainage patterns, or to otherwise provide for adequate drainage, all in a manner approved by the Aesthetics Review Committee.

2.10.3 Drainage. All existing drainage systems shall be maintained as originally installed by Declarant, except to the extent that plans and specifications covering a modification

thereof are consistent with this Section 2.10.3, are prepared by a registered engineer and are submitted to the Aesthetics Review Committee prior to commencing any modifications. Drainage over the top of the slope located within or adjacent to the rear yard portion of the Setback Area of a Homesite is prohibited. The flow of surface or subsurface drainage onto, across or from each Homesite must not be obstructed. Such runoff shall be dispersed or channeled by surface swales or other facilities, in such a manner as to prevent erosion and damage to property including, but not limited to, the use of energy dissipaters. The Homeowner shall submit drainage plans to the Aesthetics Review Committee, and the Aesthetics Review Committee may suggest revisions to provide for acceptance or discharge at certain points or locations along Homesite boundaries. The Homeowner, however, will be responsible for the actual design of these facilities and be liable for all claims or damages resulting therefrom; further, each Homeowner shall indemnify LARMAC, Declarant and the other Homeowners from any damages resulting from any modifications to, or failure to maintain the, drainage systems originally installed by Declarant on such Homeowner's Homesite. The Aesthetics Review Committee may disapprove drainage facility designs which, in its opinion, are impractical or do not adequately consider the possible adverse effects on other Homesites, LARMAC Property or other adjacent property.

In the event of any violation by a Homeowner of any provision of this Section 2.10, the Homeowner shall restore the Homesite to its state existing immediately prior to such violation, including the filling of any Excavation or removal of any Fill. If the Homeowner fails or refuses to so restore the Homesite, then Declarant and/or LARMAC may perform such restoration work, and the Homeowner shall reimburse Declarant and/or LARMAC for all expenses so incurred by it in performing its obligations under this Section 2.10.

2.11. Governmental Regulations. All of the provisions of this Custom Homesite Declaration regulating the construction of Residences and other Improvements on a Homesite are in addition to and shall not limit the effect of any applicable law or governmental or public utility requirement. Neither Declarant, any Neighborhood Builder, LARMAC, the Aesthetics Review Committee, nor the agents, employees, attorneys or consultants of any of the foregoing, shall be deemed to have represented hereby that said statutes, ordinances, or regulations or requirements permit construction and/or landscaping to the same degree as permitted by this Custom Homesite Declaration, the Master Declaration or the Design Guidelines. It shall be the responsibility of each Homeowner to ascertain the applicability of laws and governmental and public utility requirements to the improvement and landscaping of his Homesite. And, notwithstanding anything to the contrary herein, all Improvements on a Homesite must be designed, constructed, installed and maintained in accordance with all applicable laws and governmental and public utility requirements. However, if such laws and requirements are less restrictive than the provisions of this Custom Homesite Declaration, the Master Declaration or the Design Guidelines, the provisions of this Custom Homesite Declaration, Master Declaration and the Design Guidelines shall nonetheless apply.

2.12. View Disclaimer. By promulgation and/or enforcement of the covenants, conditions, restrictions and provisions set forth herein or in the Master Declaration, Design Guidelines or otherwise, neither Declarant, LARMAC, the Board, the Aesthetics Review Committee, nor the directors, officers, members, agents, employees, representatives or consultants of the foregoing, have made any representation whatsoever concerning the view, if

any, that the Homeowner of a particular Homesite and the Residence thereon, or LARMAC and its Members as the owner of the LARMAC Property, will enjoy. Each Homeowner, by acceptance of a deed or other conveyance of his Homesite, acknowledges that any view that such Homeowner may have enjoyed at the time of the purchase of his Homesite may be impaired or totally obstructed by the installation of landscaping, growth of landscaping, or the construction or installation of homes and other Improvements by other Homeowners, Declarant, LARMAC, or any owner of any other property. Each Homeowner hereby acknowledges that any rights acquired in his Homesite do not include the right to any view or the preservation of any view and such Homeowner further consents to such impairment and/or obstruction. Each Homeowner further understands that the provisions of this Custom Homesite Declaration establish certain architectural and landscaping controls applicable to the Custom Homesite Property, and that each Homeowner is one of the benefited parties hereunder with the right to enforce such controls. Except as expressly set forth herein or in the Master Declaration, there are no rights concerning preservation of view.

2.13. Right of Entry. The Aesthetics Review Committee, Declarant (for so long as Declarant retains any approval rights under Section 3.2 for any Homesite within the Custom Homesite Property) and the Board or its/their representatives shall have the right to enter upon a Homesite for the purposes of verifying that the construction of a Residence and any other Improvement, including, without limitation, landscaping, or the growth of landscaping after installation, complies with the restrictions set forth herein. Unless otherwise permitted by the Homeowner, such entry may only be made after giving twenty-four (24) hours prior written notice to the Homeowner and during reasonable daytime hours, excluding legal holidays, and shall not unreasonably interfere with the construction and installation of any Improvement, or the use by an Homeowner of his Homesite except in the event of an emergency, in which event entry may be immediate.

2.14. Structured Wiring System. In order to facilitate the development and/or usage of technology facilities and related technology services in, about or otherwise for the benefit of Ladera Ranch (and the purchasers, owners and/or residents therein), LARMAC and/or any other person designated by Declarant from time to time, the Homeowner shall construct and/or otherwise maintain, at the sole cost and expense of the Homeowner, a structured wiring system for the Residence, which system shall be in accordance with the Pre-Wire Guidelines. By purchasing a Homesite, each Homeowner acknowledges that the Pre-Wire Guidelines: (i) specify the minimum requirements only with respect to the wiring system, and that the same are not designed to handle all technology or wiring solutions (including, without limitation, any business or commercial applications), and (ii) require the Homeowner to install conduit and cabling from the Residence to the property boundary for the Homesite.

2.15. Energy Star. Each Custom Home shall be designed and constructed so that it qualifies as an 'Energy Star Qualified New Home' under the U.S. Environmental Protection Agency's Energy Star program (as the program may be amended from time to time). In the event that the Energy Star program is discontinued, the Aesthetics Review Committee shall have the right to specify alternative standards and guidelines which result in energy efficiency that is consistent with the Energy Star program's requirements as of the date of discontinuance.

ARTICLE 3. AESTHETICS REVIEW

3.1. General. The Aesthetics Review Committee shall have the rights, duties and obligations to review, consider and approve or disapprove plans, specifications and other materials required by this Custom Homesite Declaration, the Design Guidelines and the other LARMAC Governing Document, all in accordance with Article 4 of the Master Declaration (which is hereby incorporated into this Custom Homesite Declaration as if set forth in full herein).

3.2. Declarant's Approval Rights; Exemption. Notwithstanding any other provision of the Design Guidelines, this Custom Homesite Declaration or any other LARMAC Governing Document, Declarant shall have the right (but not the obligation) to review and approve the site plans, preliminary plans, final plans and specifications therefor and other materials required to be submitted pursuant to this Custom Homesite Declaration or the Design Guidelines (and such other rights and privileges provided to the Aesthetics Review Committee hereunder) with respect solely to the initial Improvements constructed on a Homesite, and the same shall not be required to be reviewed or approved by the Aesthetics Review Committee. Accordingly, Declarant hereby exempts Homeowners and their respective Homesites from being required to seek Aesthetics Review Committee approval with respect solely to the initial Improvements constructed on a Homesite which are approved by Declarant. Declarant's approval rights shall terminate with respect to an individual Homesite and the exemption for such Homesite provided in the preceding sentence be rescinded for any Improvements which have not then been approved by Declarant upon the first to occur of:

(a) ninety (90) days following the issuance of a final certificate of occupancy by the County of Orange for the Improvements initially constructed on such Homesite; or

(b) Declarant's recordation of an amendment to this Custom Lot Declaration pursuant to Section 6.13.2 below wherein Declarant relinquishes all or any portion of its retained approval rights for such Homesite.

Nothing contained in this Section 3.2 shall alter or affect Declarant's rights pursuant to Section 4.4.5 of the Master Declaration.

3.3. Scope of Review. The Aesthetics Review Committee (or Declarant with respect to any Improvements approved by Declarant) shall review and approve, conditionally approve or disapprove all plans submitted for any proposed construction, installation or alteration of Improvements on the basis of any and all factors which it may deem relevant, including without limitation, consistency with the Design Guidelines and any other LARMAC Governing Documents, and the overall benefit or detriment which would result to the immediate vicinity and the Custom Homesite Property generally. Declarant or the Aesthetics Review Committee (as applicable) shall consider the Aesthetics aspects of the architectural designs, placement of buildings, landscaping, color schemes, exterior finishes and materials and similar features. Neither Declarant nor the Aesthetics Review Committee is responsible for reviewing, nor may its

approval of any plan or design be deemed approval of, any plan or design from the standpoint of structural safety, engineering or conformance with building or other codes or laws.

3.4. Variance. The Aesthetics Review Committee may authorize variances from compliance with any of the architectural and landscaping provisions of this Custom Homesite Declaration and the other LARMAC Governing Documents, including without limitation, restrictions upon height, size, floor area or placement of structures, or similar restrictions, when circumstances such as topography, natural obstructions, hardship, aesthetics or environmental consideration may require. Any such variances shall be made in conformance with Section 4.10 of the Master Declaration.

ARTICLE 4. EASEMENT RIGHTS AND OBLIGATIONS

4.1. Party Walls. There is hereby reserved, created, established and granted a non-exclusive easement appurtenant to each Homesite for the purposes of installing, maintaining, replacing and/or repairing any Party Wall (including footings and ancillary Improvements associated therewith) on, over and across the portion of the adjacent Homesite (but not any other property such as LARMAC Property) which is located within one (1) foot of the property line of such adjacent Homesite. Party Walls shall be maintained in accordance with the Master Declaration.

4.2. Parkway Improvements. There is hereby created, established and granted a non-exclusive easement appurtenant to each Homesite over the Parkway associated with such Homesite (as shown Exhibit HSI) for the purposes of installing, maintaining, replacing and/or repairing landscaping, irrigation and drainage facilities, hardscape elements, driveways and/or pedestrian access paths therein, subject to the following provisions and requirements:

(a) No Improvement, including, without limitation, landscaping, or work with respect to the Parkway shall be commenced, erected or maintained on the Parkway by a Homeowner unless the same has been approved by the Aesthetics Review Committee and is in compliance with the Design Guidelines, the Master Declaration and this Custom Homesite Declaration.

(b) All Improvements installed or maintained within the Parkway must reinforce and be consistent with the Architectural Style of the Residence constructed or to be constructed on the applicable Homesite.

(c) All existing drainage systems within the Parkway (including, without limitation, the swale system and any underground storm drain system) shall be maintained as originally installed by Declarant, except to the extent that plans and specifications covering a modification thereof are consistent with this Section 4.2(c), are prepared by a registered engineer and are submitted to the Aesthetics Review Committee prior to commencing any modifications. No trees may be installed within three feet (3') of the center of the drainage swale. The flow of surface or subsurface drainage onto, across or from each Homesite must not be obstructed within the Parkway. The Homeowner shall submit drainage plans to the Aesthetics

Review Committee, and the Aesthetics Review Committee may suggest or require revisions to provide for acceptance or discharge at certain points or locations along Homesite boundaries. The Homeowner, however, will be responsible for the actual design of these facilities and be liable for all claims or damages resulting therefrom; further, each Homeowner shall indemnify LARMAC, Declarant and the other Homeowners from any damages resulting from any modifications to, or failure to maintain the, drainage systems originally installed by Declarant on such Homeowner's Homesite. The Aesthetics Review Committee may disapprove drainage facility designs which, in its opinion, are impractical or do not adequately consider the possible adverse effects on other Homesites, LARMAC Property, or other adjacent property.

(d) No more than one (1) pedestrian access way may be installed within the Parkway.

(e) All existing improvements within the Parkway (including sidewalks) shall be maintained as originally installed by Declarant, except to the extent that plans and specifications covering a modification thereof are approved by the Aesthetics Review Committee. Any and all damage to such improvements caused during the construction of the applicable Residence shall be repaired to their preexisting condition by the Homeowner.

(f) The Parkway shall be improved concurrently and in connection with the initial construction of the Residence on the applicable Homesite. The Homeowner shall be responsible for installing within the Parkway one (1) California Pepper Tree for every thirty feet (30') of frontage on the Parkway; such trees shall be installed a maximum of thirty feet (30') on center.

Following the installation of landscaping within the Parkway, the landscaped areas of the Parkway shall be deemed 'Street Tree Areas' for purposes of the Master Declaration, and the maintenance responsibilities thereof shall be pursuant to Section 9.1.2 of the Master Declaration.

ARTICLE 5. ANNEXATION AND DEANNEXATION

Additional property may be annexed to and become subject to this Custom Homesite Declaration as set forth in this Article 5. Any or all of the Custom Homesite Property subject to this Custom Homesite Declaration may also be deannexed from this Custom Homesite Declaration as set forth in this Article 5.

5.1. Plan of Development. As of the date of this Custom Homesite Declaration, Declarant intends to develop the initial Custom Homesite Property and the Annexable Custom Homesite Property with custom homes and LARMAC Property. However, Declarant may elect to (a) develop all or a portion of the initial Custom Homesite Property and/or Annexable Custom Homesite Property with semi-custom homes or production homes, (b) not develop all or any part of the initial Custom Homesite Property and/or Annexable Custom Homesite Property and/or (c) permit a Neighborhood Builder or any other contractor to develop all or any portion of the initial Custom Homesite Property and/or Annexable Custom Homesite Property with semi-custom homes or production homes. Declarant shall have the right, but not the obligation, to annex all or any portion of the Annexable Custom Homesite Property to this Custom Homesite Declaration in

increments of any size whatsoever and/or develop one or more such increments at any given time and in any given order. Declarant shall also have the right to deannex all or any portions of the Custom Homesite Property subject to this Custom Homesite Declaration and still owned by Declarant or a Neighborhood Builder in accordance with Section 5.3 below. Moreover, Declarant may subject all or any portion of the Annexable Custom Homesite Property (or all or any portion of the initial Custom Homesite Property that is deannexed from this instrument) to one or more separate declarations of covenants, conditions and restrictions which subjects said property to the jurisdiction and powers of a homeowner's association or other entity with powers and obligations similar to the LARMAC but not subject to the provisions of this Custom Homesite Declaration.

5.2. Annexation Without Approval. All or any part of the Annexable Custom Homesite Property may be annexed to and become subject to this Custom Homesite Declaration by execution and recordation of a Supplemental Custom Homesite Declaration unilaterally by Declarant without the approval, assent or vote of LARMAC or its Members or the Homeowners, provided that all such property shall also have been, or concurrently therewith is, annexed to the Master Declaration.

5.3. Deannexation Without Approval. Prior to the close of escrow for the sale of a Homesite in the phase being deannexed, all or any part of the Custom Homesite Property owned by Declarant or a Neighborhood Builder may be deannexed from this Custom Homesite Declaration by the execution and recordation of a notice of deannexation unilaterally by Declarant without the approval, assent or vote of LARMAC or its Members or the Homeowners. For purposes of this Custom Homesite Declaration, "phase" shall mean any portion of the Custom Homesite Property that has been annexed into and is subject to this Custom Homesite Declaration pursuant to a Supplemental Custom Homesite Declaration recorded in the Official Records of Orange County, California. Further, any Custom Homesite Property which is conveyed in fee to LARMAC (by deed or through a lot line adjustment or similar process) shall automatically be deannexed from the Custom Homesite Property.

5.4. Annexation With Approval. Any Person who owns real property (other than the Annexable Custom Homesite Property) and desires to add such real property to the plan of this Custom Homesite Declaration, may record a Supplemental Custom Homesite Declaration for such property, provided (a) such Person shall have first obtained the written approval thereto from (i) Declarant (so long as Declarant retains any approval rights under Section 3.2 for any Homesite within the Custom Homesite Property), as evidenced by Declarant's execution of approval attached to the Supplemental Custom Homesite Declaration, and (ii) LARMAC, pursuant to the vote or written assent of sixty-seven percent (67%) of the Homeowners within the Custom Homesite Property, excluding Declarant; and (b) such property shall also have been, or concurrently therewith is, annexed to the Master Declaration and subjected to the jurisdiction of LARMAC. The certificate of any officer or officers authorized by resolution of the Board, or the president and secretary of LARMAC, attached to any Supplemental Custom Homesite Declaration recorded pursuant to this Section certifying that the required voting power of LARMAC has approved the recordation of such Supplemental Custom Homesite Declaration shall be deemed conclusive proof thereof.

5.5. Effect of Annexation. The recordation of a Supplemental Custom Homesite Declaration in the Official Records of Orange County as permitted in this Article 5 shall constitute and effectuate the annexation of the property described therein, making said property subject to this Custom Homesite Declaration and to the functions, powers and jurisdiction set forth herein, and thereafter said property shall be part of the "Custom Homesite Property." The Supplemental Custom Homesite Declaration shall incorporate by reference all of the provisions of this Custom Homesite Declaration, and shall contain such complementary additions or modifications thereto, applicable to the property annexed thereby, as called for in this Custom Homesite Declaration to be set forth in the Supplemental Custom Homesite Declaration.

ARTICLE 6. GENERAL PROVISIONS

6.1. Enforcement. LARMAC or any Homeowner shall have the right to enforce, in accordance with the terms and conditions set forth in Section 13.1 of the Master Declaration (which Section is hereby incorporated into this Custom Homesite Declaration), all restrictions, conditions, covenants and other provisions now or hereafter imposed by the provisions of this Custom Homesite Declaration and any amendment hereto, including the right to prevent the violation of any such restrictions, conditions, covenants and other provisions. Declarant (for so long as Declarant retains any approval rights under Section 3.2 for any Homesite within the Custom Homesite Property), shall have the right, but not the obligation, to enforce, by proceedings at law or in equity, all restrictions, conditions, covenants and other provisions now or hereafter imposed by the provisions of this Custom Homesite Declaration or any amendment hereto, including the right to prevent the violation of any such restrictions, conditions, covenants or other provisions and the right to recover damages for such violation. Notwithstanding anything to the contrary implied above, all disputes shall be handled pursuant to Section 6.14 hereof.

6.2. No Waiver. Failure by LARMAC, Declarant or any Homeowner 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 for either that particular breach or any future breach of the same or any other covenant, condition or restriction.

6.3. Severability. Invalidation of any one or a portion of these covenants, conditions or restrictions, by judgment or court order, shall in no way affect any other provision hereof, all of which shall remain in full force and effect.

6.4. Cumulative Remedies. All rights, options and remedies of Declarant, LARMAC and/or the Homeowners under this Custom Homesite Declaration are cumulative, and no one of them shall be exclusive of any other. Declarant, LARMAC and the Homeowners shall have the right to pursue any one or all of such rights, options and remedies or any other remedy or relief that may be provided by law, whether or not stated in this Custom Homesite Declaration. The violation of any of the covenants, conditions or restrictions contained herein is hereby declared to be and shall constitute a nuisance, and every remedy allowed by law or equity against such nuisance may be pursued.

6.5. Covenants to Run with the Land: Term. The covenants, conditions and restrictions of this Custom Homesite Declaration shall run with and bind the Custom Homesite Property and shall inure to the benefit of and be enforceable by Declarant (for so long as Declarant retains any approval rights under Section 3.2 for any Homesite within the Custom Homesite Property), LARMAC or any Homeowner, their respective legal representatives, heirs, successors and assigns, for a term which is co-terminous with the Master Declaration

6.6. Priority of Mortgage Lien. No breach of the covenants, conditions, restrictions or reservations shall affect, impair, defeat or render invalid the lien or charge of any bona fide Mortgage made in good faith and for value encumbering any Homesite, but all of said covenants, conditions, reservations and restrictions shall be binding upon and effective against any Homeowner whose title is derived through foreclosure, a trustee's sale, or otherwise, with respect to a Homesite.

6.7. Construction. The Article and Section headings of this Custom Homesite Declaration have been inserted for convenience only and shall not be considered or referred to in resolving questions of interpretation or construction.

6.8. Number and Gender. Whenever the context of this Custom Homesite Declaration requires the same, the singular shall include the plural and the masculine shall include the feminine and the neuter.

6.9. Notices. Any notice or other communication to be given to an Homeowner set forth herein shall be delivered as provided in the Section entitled "Notices" of the Article entitled "General Provisions" in the Master Declaration.

6.10. Effect of Custom Homesite Declaration. This Custom Homesite Declaration is made for the purposes set forth in the Preamble to this Custom Homesite 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 Custom Homesite Declaration, or as to the compliance of any of these provisions with public laws, ordinances and regulations applicable thereto. In the event of any inconsistency between this Custom Homesite Declaration and the Master Declaration or the Design Guidelines, the provisions of this Custom Homesite Declaration shall prevail.

6.11. Exhibits. All Exhibits attached hereto (or to a Supplemental Custom Homesite Declaration) are hereby incorporated herein (or therein, as the case may be) by this reference.

6.12. Nonliability of Officials; Approval of Plan. To the fullest extent permitted by law, neither the Declarant, the Board, the Aesthetics Review Committee, or any other committees of LARMAC or any member or consultant of Declarant, the Board, the Aesthetics Review Committee or other committee shall be liable to LARMAC or any Homeowner for any damage, loss or prejudice suffered or claimed on account of any decision, approval or disapproval of plans or specifications (whether or not defective), course of action, act, omission, error, negligence, mistake or the like made in good faith that the Declarant, the Board, the Aesthetics Review Committee or other committees or persons reasonably believed to be within the scope of their duties. Without limiting the generality of the foregoing, plans and

specifications are not approved for engineering design, structural safety and/or conformance with building or other codes. By approving such plans and specifications neither the Aesthetics Review Committee, the members thereof, LARMAC, the Members, the Board nor Declarant assumes liability or responsibility therefor, or for any defect in any structure constructed or landscaping installed pursuant to such plans and specifications.

6.13. Amendments.

6.13.1 Unilateral Amendments by Declarant Prior to Property Transfer. Until the transfer by Declarant of any portion of the initial Custom Homesite Property to a Homeowner (other than Declarant), any amendment to this Custom Homesite Declaration shall require only the written assent of Declarant. In addition, any Supplemental Custom Homesite Declaration may be amended solely by Declarant until the transfer to a Homeowner (other than Declarant) of any portion of the property annexed by such Supplemental Custom Homesite Declaration into the Custom Homesite Property. Any such amendment shall be effective only when executed by Declarant and recorded in the Official Records of Orange County, California.

6.13.2 Unilateral Amendments by Declarant After Property Transfer In Limited Situations. After the transfer by Declarant of any portion of the Custom Homesite Property, Declarant may unilaterally amend this Custom Homesite Declaration (or Supplemental Custom Homesite Declaration, as the case may be) by recording an appropriate instrument executed solely by Declarant in the Official Records of Orange County, California, so long as such amendment is solely for any of the following purposes: (i) to conform this Custom Homesite Declaration (or Supplemental Custom Homesite Declaration, as the case may be) to applicable law; (ii) to correct typographical errors; (iii) to correct engineering or any other error in any exhibit or to cause an exhibit to conform to as-built conditions (including, without limitation, to correct or modify Exhibit HSI); (iv) to provide for the matters and modifications set forth and described in Section 2.7 above with respect to combined Homesites; (v) to supplement this Custom Homesite Declaration with provisions which pertain to rights and obligations of Declarant, LARMAC or Homeowners arising under Division 2, Part 2, Title 7 (commencing with Section 895) of the California Civil Code; or (vi) to relinquish all or any portion of Declarant's approval rights under Section 3.2 above.

6.13.3 Amendments to Supplemental Custom Homesite Declaration By Declarant and Homeowners After Property Transfer In Other Limited Situations. After the transfer by Declarant of any Homesite within a phase that has been annexed into the Custom Homesite Property pursuant to a Supplemental Custom Homesite Declaration, the Supplemental Custom Homesite Declaration for that phase may be amended by the vote or written consent of Declarant and fifty-one percent (51%) of the Homeowners other than Declarant (and Beneficiaries of the Deeds of Trust on Homesites in the Custom Home Property who have requested LARMAC to notify them of proposed action requiring the consent of a specified percentage of Beneficiaries of first Deeds of Trust, if applicable) within only that phase so long as the amendment (i) applies only to the Homesites described in the Supplemental Custom Homesite Declaration, and (ii) the amendment does not contradict, revoke or otherwise alter any of the covenants, conditions and restrictions set forth in this Custom Homesite Declaration. The requirements of this Section 6.13.3 do not apply to or limit the right of Declarant to unilaterally

amend a Supplemental Custom Homesite Declaration in the limited situations described in Section 6.13.2 above.

6.13.4 Amendments After Property Transfer in All Other Situations. After the transfer of a Homesite in any situation other than those described in Sections 6.13.2 and 6.13.3 above, any amendment to this Custom Homesite Declaration or to any Supplemental Custom Homesite Declaration shall require the affirmative assent or vote of:

(a) Declarant, until such time that Declarant no longer has approval rights under Section 3.2 for any Homesite within the Custom Homesite Property, after which time Declarant's assent shall no longer be required;

(b) At least sixty-seven percent (67%) of the Homeowners within the Custom Homesite Property, excluding Declarant;

(c) At least sixty seven percent (67%) of the Beneficiaries of the Deeds of Trust on Homesites in the Custom Home Property who have requested LARMAC to notify them of proposed action requiring the consent of a specified percentage of Beneficiaries of first Deeds of Trust; and

(d) An amendment or modification under this subsection 6.13.4 shall be effective only when (i) executed by Declarant, where applicable, (ii) executed by the president and secretary of the LARMAC, who shall certify that the amendment or modification has been approved as herein provided by the Homeowners and applicable Beneficiaries in the Custom Homesite Property, and (iii) recorded in the Official Records of Orange County, California.

6.14. Dispute Resolution. Any unresolved disputes relating to this Custom Homesite Declaration shall be resolved as provided in the Section of the Master Declaration entitled "Disputes with Declarant Parties" of the Article entitled "Enforcement" in the Master Declaration.

6.15. Attorneys' Fees. Should any Homeowner institute any action or proceeding against any other Homeowner, (a) to enforce or interpret this Custom Homesite Declaration, (b) for damages by reason of any alleged breach of this Custom Homesite Declaration or of any provision thereof, or (c) for a declaration of rights hereunder, the prevailing party in any such action or proceeding shall be entitled to receive from the other Homeowner all attorneys' and other fees incurred by the prevailing party in connection with such action or proceeding. The term "attorneys' and other fees" shall mean and include reasonable attorneys' fees, accountants' fees, expert witnesses' fees, and any and all other similar fees, costs and expenses incurred in connection with the action or proceeding and preparations therefor. The term "action or proceeding" shall mean and include claims, actions, suits, arbitrations, appeals and other similar proceedings and other nonjudicial dispute resolution mechanisms.

6.16. No Enhanced Protection Agreement. Notwithstanding anything to the contrary expressed or implied in this Custom Homesite Declaration, neither this Custom Homesite Declaration, any Supplemental Custom Homesite Declaration, the Design Guidelines nor any LARMAC Governing Document is intended by Declarant to constitute (and in no event shall any


of the same be interpreted to constitute) an "enhanced protection agreement," as defined in Section 901 of the California Civil Code.

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

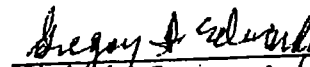
DMB LADERA, LLC,
a Delaware limited liability company

By: Rancho Mission Viejo, LLC,
a Delaware limited liability company,
its authorized agent and manager

By:
Its:


V.P.

By:
Its:

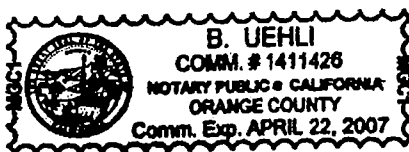

Chief Financial Officer

STATE OF California)
COUNTY OF Orange)^{ss}

On March 26, 2004 before me, B. UEHLI, NOTARY PUBLIC
personally appeared

DONALD T. STAHLIN & GREGORY S. EDWARDS
personally known to me (or proved to me on the basis of satisfactory evidence) to be the
person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that
he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their
signature(s) on the instrument the person(s) or the entity upon behalf of which the person(s)
acted, executed the instrument.

WITNESS my hand and seal.



B. Uehli
Signature

EXHIBIT ACHP

ANNEXABLE CUSTOM HOMESITE PROPERTY

EXHIBIT "ACHP"
LEGAL DESCRIPTION OF ANNEXABLE CUSTOM HOMESITE PROPERTY

All that real property in the Ladera Ranch area of the Unincorporated Territory of Orange County, California described as follows:

ALL OF TRACT MAP NO. 15985, IN THE UNINCORPORATED TERRITORY OF THE COUNTY OF ORANGE, STATE OF CALIFORNIA, AS SHOWN ON A MAP RECORDED IN MAP BOOK 842, PAGES 8 THROUGH 20, INCLUSIVE, OF MISCELLANEOUS MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

TOGETHER WITH:

THAT PORTION OF PARCEL 1 OF LOT LINE ADJUSTMENT NO. LL 96-026, IN THE UNINCORPORATED TERRITORY OF THE COUNTY OF ORANGE, STATE OF CALIFORNIA, AS SHOWN ON EXHIBIT "B" ATTACHED TO THAT CERTAIN DOCUMENT RECORDED NOVEMBER 21, 1996 AS INSTRUMENT NO. 19960587414 OF OFFICIAL RECORDS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY, DESCRIBED AS FOLLOWS:

BEGINNING AT THE NORTHERLY TERMINUS OF THAT CERTAIN COURSE IN THE WESTERLY LINE OF TRACT MAP NO. 15985, IN THE UNINCORPORATED TERRITORY OF THE COUNTY OF ORANGE, STATE OF CALIFORNIA, AS SHOWN ON A MAP RECORDED IN MAP BOOK 842, PAGES 8 THROUGH 20, INCLUSIVE, OF MISCELLANEOUS MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY SHOWN ON SAID MAP AS HAVING A BEARING AND DISTANCE OF NORTH 42°43'16" WEST 534.37 FEET; THENCE SOUTH 42°43'16" EAST 534.37 FEET; THENCE SOUTH 38°30'20" WEST 443.48 FEET; THENCE SOUTH 71°50'27" WEST 1032.04 FEET; THENCE NORTH 50°28'55" WEST 654.24 FEET; THENCE NORTH 39°44'43" WEST 155.00 FEET; THENCE NORTH 35°19'20" WEST 28.00 FEET; THENCE SOUTH 54°40'40" WEST 2.15 FEET; THENCE NORTH 35°19'20" WEST 28.00 FEET TO THE BEGINNING OF A NON-TANGENT CURVE CONCAVE WESTERLY HAVING A RADIUS OF 30.00 FEET, A RADIAL BEARING FROM SAID BEGINNING BEARS NORTH 35°19'20" WEST; THENCE NORTHERLY 47.12 FEET ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 90°00'00"; THENCE NORTH 35°19'20" WEST 95.61 TO THE BEGINNING OF A CURVE CONCAVE NORTHEASTERLY HAVING A RADIUS OF 370.00 FEET; THENCE NORTHWESTERLY 94.92 FEET ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 14°41'57" TO THE BEGINNING OF A REVERSE CURVE HAVING A RADIUS OF 30.00 FEET; THENCE

NORTHWESTERLY 42.76 FEET ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 81°39'46"; THENCE NORTH 12°17'09" WEST 28.00 FEET; THENCE SOUTH 77°42'51" WEST 0.29 FEET; THENCE NORTH 12°17'09" WEST 26.00 FEET TO THE BEGINNING OF A NON-TANGENT CURVE CONCAVE NORTHWESTERLY HAVING A RADIUS OF 30.00 FEET; A RADIAL BEARING FROM SAID BEGINNING BEARS NORTH 12°17'09" WEST; THENCE NORTHEASTERLY 42.91 FEET ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 81°57'08" TO THE BEGINNING OF A REVERSE CURVE HAVING A RADIUS OF 370.00 FEET; THENCE NORTHERLY 129.72 FEET ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 20°05'15" FEET; THENCE NORTH 15°50'58" EAST 92.18 FEET TO THE BEGINNING OF A CURVE CONCAVE SOUTHWESTERLY HAVING A RADIUS OF 225.00 FEET; THENCE NORTHWESTERLY 170.43 FEET ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 43°23'59"; THENCE NORTH 62°26'59" EAST 45.00 TO THE BEGINNING OF A CURVE CONCAVE NORTHWESTERLY HAVING A RADIUS OF 250.00 FEET; THENCE NORTHEASTERLY 37.77 FEET ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 8°39'25"; THENCE NORTH 36°12'26" WEST 30.00 FEET TO THE BEGINNING OF A NON-TANGENT CURVE CONCAVE NORTHWESTERLY HAVING A RADIUS OF 220.00 FEET; A RADIAL BEARING FROM SAID BEGINNING BEARS NORTH 36°12'26" WEST; THENCE NORTHEASTERLY 52.17 FEET ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 13°35'09"; THENCE NORTH 46°08'15" WEST 22.50 TO THE BEGINNING OF A NON-TANGENT CURVE CONCAVE SOUTHERLY HAVING A RADIUS OF 11.00 FEET; A RADIAL BEARING FROM SAID BEGINNING BEARS NORTH 46°08'15" WEST; THENCE WESTERLY 20.05 FEET ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 104°26'05"; THENCE NORTH 31°42'10" WEST 17.76 FEET; THENCE NORTH 35°20'55" WEST 37.61 FEET; THENCE NORTH 12°09'07" EAST 17.23 FEET TO THE BEGINNING OF A NON-TANGENT CURVE CONCAVE NORTHWESTERLY HAVING A RADIUS OF 333.00 FEET; A RADIAL BEARING FROM SAID BEGINNING BEARS SOUTH 47°35'27" WEST; THENCE NORTHWESTERLY 110.43 FEET ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 19°00'03" TO THE BEGINNING OF A REVERSE CURVE HAVING A RADIUS OF 30.00 FEET; THENCE 48.96 FEET ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 93°30'05" TO THE BEGINNING OF A COMPOUND CURVE HAVING A RADIUS OF 760.00 FEET; THENCE NORTHEASTERLY 62.07 FEET ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 4°40'45" TO THE BEGINNING OF A NON-TANGENT CURVE CONCAVE NORTHWESTERLY HAVING A RADIUS OF 209.00 FEET; A RADIAL BEARING FROM SAID BEGINNING BEARS SOUTH 51°42'14" EAST; THENCE NORTHEASTERLY 97.40 FEET ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 26°42'05"; THENCE NORTH 63°07'51" EAST 5.00 FEET; THENCE NORTH 10°41'36" EAST 40.65 FEET TO THE BEGINNING OF A CURVE CONCAVE

SOUTHEASTERLY HAVING A RADIUS OF 82.00 FEET; THENCE
NORTHEASTERLY 67.43 FEET ALONG SAID CURVE THROUGH A
CENTRAL ANGLE OF 47°06'47"; THENCE SOUTH 83°55'51" EAST 16.55
FEET TO THE BEGINNING OF A NON-TANGENT CURVE CONCAVE
SOUTHERLY HAVING A RADIUS OF 200.00 FEET; A RADIAL BEARING
FROM SAID BEGINNING BEARS SOUTH 22°31'29" EAST; THENCE
EASTERLY 34.38 FEET ALONG SAID CURVE THROUGH A CENTRAL
ANGLE OF 9°51'01" TO THE BEGINNING OF A NON-TANGENT CURVE
CONCAVE NORTHERLY HAVING A RADIUS OF 217.00 FEET; A RADIAL
BEARING FROM SAID BEGINNING BEARS NORTH 12°44'28" WEST;
THENCE EASTERLY 41.10 FEET ALONG SAID CURVE THROUGH A
CENTRAL ANGLE OF 10°51'07"; THENCE NORTH 66°24'25" EAST 38.88
FEET; THENCE SOUTH 83°05'51" EAST 12.25 FEET TO THE BEGINNING
OF A NON-TANGENT CURVE CONCAVE NORTHWESTERLY HAVING A
RADIUS OF 179.00 FEET; A RADIAL BEARING FROM SAID BEGINNING
BEARS NORTH 28°58'47" WEST; THENCE NORTHEASTERLY 56.87 FEET
ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 18°12'08";
THENCE NORTH 42°49'05" EAST 55.85 FEET; THENCE SOUTH 88°08'17"
EAST 7.94 FEET; THENCE NORTH 42°49'05" EAST 21.45 FEET TO THE
BEGINNING OF A CURVE CONCAVE NORTHWESTERLY HAVING A
RADIUS OF 113.00 FEET; THENCE NORTHEASTERLY 46.88 FEET
ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 23°46'07" TO
A REVERSE CURVE HAVING A RADIUS OF 62.00 FEET; THENCE 41.65
FEET ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF
38°29'22"; THENCE NORTH 57°32'20" EAST 10.13 FEET; THENCE SOUTH
76°17'53" EAST 8.32 FEET; THENCE NORTH 57°51'45" EAST 94.06 FEET;
THENCE SOUTH 78°16'46" EAST 8.06 FEET TO THE BEGINNING OF A
NON-TANGENT CURVE CONCAVE NORTHWESTERLY HAVING A
RADIUS OF 303.00 FEET; A RADIAL BEARING FROM SAID BEGINNING
BEARS NORTH 35°48'47" WEST; THENCE NORTHEASTERLY 85.48 FEET
ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 16°09'51";
THENCE SOUTH 85°38'33" EAST 6.88 FEET; THENCE NORTH 41°18'43"
EAST 55.05 FEET TO THE BEGINNING OF A CURVE CONCAVE
NORTHWESTERLY HAVING A RADIUS OF 70.00 FEET; THENCE
NORTHEASTERLY 19.41 FEET ALONG SAID CURVE THROUGH A
CENTRAL ANGLE OF 15°53'29"; THENCE NORTH 25°25'14" EAST 30.99
FEET TO THE BEGINNING OF A NON-TANGENT CURVE CONCAVE
SOUTHEASTERLY HAVING A RADIUS OF 223.00 FEET; A RADIAL
BEARING FROM SAID BEGINNING BEARS SOUTH 51°06'16" EAST;
THENCE NORTHEASTERLY 73.70 FEET ALONG SAID CURVE
THROUGH A CENTRAL ANGLE OF 18°56'12" TO A REVERSE CURVE
HAVING A RADIUS OF 50.00 FEET; THENCE 43.07 FEET ALONG SAID
CURVE THROUGH A CENTRAL ANGLE OF 4°56'06"; THENCE NORTH
52°53'50" EAST 21.82 FEET TO THE BEGINNING OF A CURVE CONCAVE
NORTHWESTERLY HAVING A RADIUS OF 88.00 FEET; THENCE
NORTHEASTERLY 37.50 FEET ALONG SAID CURVE THROUGH A

CENTRAL ANGLE OF 24°24'48"; THENCE NORTH 83°03'55" EAST 11.09 FEET; THENCE SOUTH 55°14'35" EAST 92.56 FEET; THENCE SOUTH 37°04'03" WEST 7.11 FEET TO THE BEGINNING OF A CURVE CONCAVE SOUTHEASTERLY HAVING A RADIUS OF 185.00 FEET; THENCE SOUTHWESTERLY 130.55 FEET ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 40°25'55" TO THE BEGINNING OF A COMPOUND CURVE HAVING A RADIUS OF 640.00 FEET; THENCE 65.99 FEET ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 5°54'27" TO THE BEGINNING OF A REVERSE CURVE HAVING A RADIUS OF 60.00 FEET; THENCE 40.02 FEET ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 38°13'04"; THENCE SOUTH 52°26'26" EAST 244.04 FEET; THENCE SOUTH 50°56'28" EAST 58.00 FEET TO THE BEGINNING OF A NON-TANGENT CURVE CONCAVE NORTHWESTERLY HAVING A RADIUS OF 604.00 FEET; A RADIAL BEARING FROM SAID BEGINNING BEARS NORTH 50°56'28" WEST; THENCE SOUTHWESTERLY 37.53 FEET ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 3°33'36"; THENCE SOUTH 78°20'11" EAST 18.33 FEET; THENCE SOUTH 44°05'47" EAST 116.46 FEET; THENCE NORTH 81°12'30" EAST 4.90 FEET; THENCE SOUTH 44°05'47" EAST 36.03 FEET TO THE BEGINNING OF CURVE CONCAVE NORTHEASTERLY HAVING A RADIUS OF 91.00 FEET; THENCE SOUTHEASTERLY 55.14 FEET ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 34°42'57"; THENCE SOUTH 78°48'44" EAST 27.21 FEET; THENCE NORTH 57°42'29" EAST 4.36 FEET; THENCE SOUTH 78°48'44" EAST 125.76 FEET; THENCE NORTH 55°08'09" EAST 4.16 FEET TO THE BEGINNING OF A NON-TANGENT CURVE CONCAVE SOUTHWESTERLY HAVING A RADIUS OF 145.00 FEET; A RADIAL BEARING FROM SAID BEGINNING BEARS SOUTH 11°29'52" WEST; THENCE SOUTHEASTERLY 80.80 FEET ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 31°55'33; THENCE NORTH 80°22'11" EAST 6.20 FEET TO THE BEGINNING OF A NON-TANGENT CURVE CONCAVE SOUTHWESTERLY HAVING A RADIUS OF 150.00 FEET; A RADIAL BEARING FROM SAID BEGINNING BEARS SOUTH 44°50'49" WEST; THENCE SOUTHEASTERLY 53.54 FEET ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 20°26'59"; THENCE SOUTH 73°07'42" EAST 5.05 FEET TO THE BEGINNING OF A NON-TANGENT CURVE CONCAVE WESTERLY HAVING A RADIUS OF 250.00 FEET; A RADIAL BEARING FROM SAID BEGINNING BEARS SOUTH 69°37'39" WEST; THENCE SOUTHERLY 64.54 FEET ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 14°47'31"; THENCE SOUTH 05°34'50" EAST 89.11 FEET TO THE BEGINNING OF A CURVE CONCAVE NORTHEASTERLY HAVING A RADIUS OF 145.00 FEET; THENCE SOUTHEASTERLY 107.77 FEET ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 42°34'59"; THENCE SOUTH 51°00'57" EAST 45.11 TO THE BEGINNING OF A CURVE CONCAVE NORTHEASTERLY HAVING A RADIUS OF 58.00 FEET; THENCE SOUTHEASTERLY 45.38 FEET ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF

44°49'50"; THENCE SOUTH 15°13'24" EAST 222.54 FEET TO THE POINT OF BEGINNING.

SAID PARCEL OF LAND IS A PORTION OF TENTATIVE TRACT MAP NO. 15988, NOT YET RECORDED.

ALSO TOGETHER WITH:

THAT PORTION OF PARCEL 1 OF LOT LINE ADJUSTMENT NO. LL 96-026, IN THE UNINCORPORATED TERRITORY OF THE COUNTY OF ORANGE, STATE OF CALIFORNIA, AS SHOWN ON EXHIBIT "B" ATTACHED TO THAT CERTAIN DOCUMENT RECORDED NOVEMBER 21, 1996 AS INSTRUMENT NO. 19960587414 OF OFFICIAL RECORDS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY, DESCRIBED AS FOLLOWS:

BEGINNING AT THE SOUTHERLY TERMINUS OF THAT CERTAIN COURSE IN THE WESTERLY LINE OF TRACT MAP NO. 15985, IN THE UNINCORPORATED TERRITORY OF THE COUNTY OF ORANGE, STATE OF CALIFORNIA, AS SHOWN ON A MAP RECORDED IN MAP BOOK 842, PAGES 8 THROUGH 20, INCLUSIVE, OF MISCELLANEOUS MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY SHOWN ON SAID MAP AS HAVING A BEARING AND DISTANCE OF NORTH 42°43'16" WEST 534.37 FEET; THENCE SOUTH 38°30'20" WEST 443.48 FEET; THENCE SOUTH 71°50'27" WEST 1032.04 FEET TO THE TRUE POINT OF BEGINNING; THENCE SOUTH 28°19'35" WEST 582.64 FEET; THENCE SOUTH 60°44'14" WEST 1204.11 FEET; THENCE NORTH 85°45'13" WEST 453.81 FEET; THENCE NORTH 51°07'25" WEST 744.81 FEET; THENCE NORTH 03°13'30" EAST 418.90 FEET; THENCE NORTH 23°46'04" EAST 191.83 FEET; THENCE NORTH 29°58'13" WEST 379.16 FEET; THENCE NORTH 49°54'13" EAST 408.86 FEET; THENCE NORTH 03°07'44" WEST 69.00 FEET; THENCE NORTH 26°32'38" EAST 26.00 FEET; THENCE NORTH 63°27'22" WEST 40.33 FEET; THENCE NORTH 26°32'38" EAST 26.00 FEET TO THE BEGINNING OF A NON-TANGENT CURVE CONCAVE NORTHEASTERLY HAVING A RADIUS OF 324.00 FEET, A RADIAL BEARING FROM SAID BEGINNING BEARS NORTH 26°32'38" EAST; THENCE NORTHWESTERLY ALONG SAID CURVE 244.81 FEET THROUGH A CENTRAL ANGLE OF 43°17'33"; THENCE NORTH 20°09'49" WEST 93.22 FEET TO THE BEGINNING OF CURVE CONCAVE EASTERLY HAVING A RADIUS OF 274.00 FEET; THENCE NORTHERLY ALONG SAID CURVE 154.94 FEET THROUGH A CENTRAL ANGLE OF 32°23'57"; THENCE NORTH 12°14'08" EAST 2.83 FEET TO THE BEGINNING OF A CURVE CONCAVE SOUTHERLY HAVING A RADIUS OF 30.00 FEET; THENCE ALONG SAID CURVE 44.47 FEET THROUGH A CENTRAL ANGLE OF 84°55'28" TO THE BEGINNING OF A NON-TANGENT CURVE CONCAVE NORTHERLY HAVING A RADIUS OF

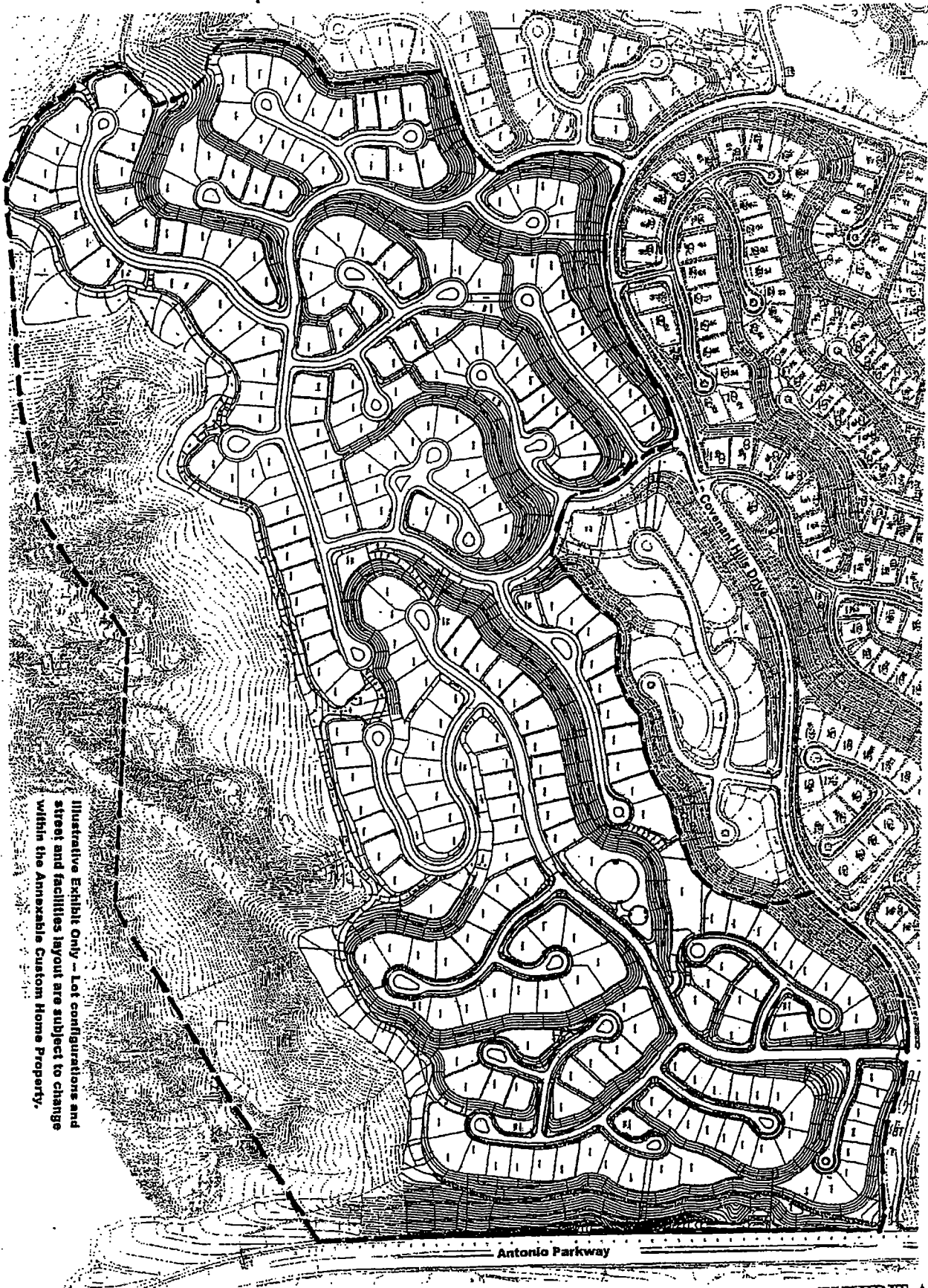
603.00 FEET, A RADIAL BEARING FROM SAID BEGINNING BEARS NORTH 07°09'36" EAST; THENCE EASTERLY ALONG SAID CURVE 635.04 FEET THOUGH A CENTRAL ANGLE OF 60°20'25"; THENCE NORTH 36°49'11" EAST 217.84 TO THE BEGINNING OF CURVE CONCAVE SOUTHEASTERLY HAVING A RADIUS OF 547.00 FEET; THENCE NORTHEASTERLY ALONG SAID CURVE 160.25 FEET THOUGH A CENTRAL ANGLE OF 16°47'06"; THENCE NORTH 53°36'17" EAST 44.67 FEET TO THE BEGINNING OF A CURVE CONCAVE SOUTHERLY HAVING A RADIUS OF 30.00 FEET; THENCE EASTERLY ALONG SAID CURVE 47.12 FEET THOUGH A CENTRAL ANGLE OF 90°00'00"; THENCE SOUTH 36°23'43" EAST 10.60 FEET TO THE BEGINNING OF A CURVE CONCAVE NORTHEASTERLY HAVING A RADIUS OF 276.00 FEET; THENCE SOUTHEASTERLY ALONG SAID CURVE 66.77 FEET THOUGH A CENTRAL ANGLE OF 13°51'40" TO THE BEGINNING OF A COMPOUND CURVE HAVING A RADIUS OF 30.00 FEET; THENCE SOUTHERLY ALONG SAID CURVE 43.25 FEET THOUGH A CENTRAL ANGLE OF 82°36'17"; THENCE SOUTH 57°39'06" EAST 28.00 FEET TO THE BEGINNING OF A NON-TANGENT CURVE CONCAVE NORTHWESTERLY HAVING A RADIUS OF 485.00 FEET, A RADIAL BEARING FROM SAID BEGINNING BEARS NORTH 57°39'06" WEST; THENCE NORTHEASTERLY ALONG SAID CURVE 4.64 FEET THOUGH A CENTRAL ANGLE OF 0°32'52"; THENCE SOUTH 58°11'58" EAST 22.00 FEET TO THE BEGINNING OF A NON-TANGENT CURVE CONCAVE SOUTHERLY HAVING A RADIUS OF 30.00 FEET, A RADIAL BEARING FROM SAID BEGINNING BEARS SOUTH 58°11'58" EAST; THENCE EASTERLY 42.25 FEET ALONG SAID CURVE THOUGH A CENTRAL ANGLE OF 80°41'41"; THENCE SOUTH 67°30'17" EAST 36.10 TO THE BEGINNING OF A CURVE CONCAVE SOUTHWESTERLY HAVING A RADIUS OF 224.00 FEET; THENCE SOUTHEASTERLY ALONG SAID CURVE 285.06 FEET THOUGH A CENTRAL ANGLE OF 72°54'54"; THENCE SOUTH 84°35'23" EAST 52.00 FEET TO THE BEGINNING OF A NON-TANGENT CURVE CONCAVE SOUTHEASTERLY HAVING A RADIUS OF 30.00 FEET, A RADIAL BEARING FROM SAID BEGINNING BEARS SOUTH 84°35'23" EAST; THENCE NORTHEASTERLY ALONG SAID CURVE 41.70 FEET THOUGH A CENTRAL ANGLE OF 79°38'44"; THENCE NORTH 85°03'21" EAST 100.37 FEET TO THE BEGINNING OF A CURVE CONCAVE SOUTHWESTERLY HAVING A RADIUS OF 225.00 FEET; THENCE SOUTHEASTERLY ALONG SAID CURVE 435.09 FEET THOUGH A CENTRAL ANGLE OF 110°47'37"; THENCE SOUTH 15°50'58" WEST 92.18 FEET TO THE BEGINNING OF A CURVE CONCAVE EASTERLY HAVING A RADIUS OF 370.00 FEET; THENCE SOUTHERLY ALONG SAID CURVE 129.72 FEET THOUGH A CENTRAL ANGLE OF 20°05'15" TO THE BEGINNING OF A COMPOUND CURVE HAVING A RADIUS OF 30.00 FEET; THENCE ALONG SAID CURVE 42.91 FEET THOUGH A CENTRAL ANGLE OF 81°57'08"; THENCE SOUTH 12°17'09" EAST 26.00 FEET; THENCE NORTH 77°42'51" EAST 0.29 FEET; THENCE

SOUTH 12°17'09" EAST 28.00 FEET TO THE BEGINNING OF A NON-TANGENT CURVE CONCAVE SOUTHWESTERLY HAVING A RADIUS OF 30.00 FEET, A RADIAL BEARING FROM SAID BEGINNING BEARS SOUTH 12°17'09" EAST; THENCE SOUTHEASTERLY ALONG SAID CURVE 42.76 FEET THOUGH A CENTRAL ANGLE OF 81°39'46" TO THE BEGINNING OF A COMPOUND CURVE CONCAVE NORTHEASTERLY HAVING A RADIUS OF 370.00 FEET; THENCE SOUTHEASTERLY ALONG SAID CURVE 94.92 FEET THOUGH A CENTRAL ANGLE OF 14°41'57"; THENCE SOUTH 35°19'20" EAST 95.61 FEET TO THE BEGINNING OF A CURVE CONCAVE WESTERLY HAVING A RADIUS OF 30.00 FEET; THENCE SOUTHERLY 47.12 FEET THOUGH A CENTRAL ANGLE OF 90°00'00"; THENCE SOUTH 35°19'20" EAST 28.00 FEET; THENCE NORTH 54°40'40" EAST 2.15 FEET; THENCE SOUTH 35°19'20" EAST 28.00 FEET; THENCE SOUTH 39°44'43" EAST 155.00 FEET; THENCE SOUTH 50°28'55" EAST 654.24 FEET TO THE TRUE POINT OF BEGINNING.

SAID PARCEL OF LAND IS A PORTION OF TENTATIVE TRACT MAP NO. 15989, NOT YET RECORDED.

The Annexable Custom Homesite Property is generally depicted on the following page.

EXHIBIT "ACHP"
Depiction of Annexable Custom Home Property



Illustrative Exhibit Only - Lot configurations and street and facilities layout are subject to change within the Annexable Custom Home Property.

Antonio Parkway