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RECORDING REQUESTED BY, AND
WHEN RECORDED, RETURN TO:

WINCHESTER COMMUNITY ASSOCIATION
c/o BAYDALINE & JACOBSEN LLP
895 University Avenue
Sacramento, CA 95825
Attn: Rod A. Baydaline, Esq.

(Space Above For Recorder's Use)

FIRST RESTATED DECLARATION

OF

COVENANTS, CONDITIONS AND RESTRICTIONS

FOR

WINCHESTER

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This First Restated Declaration of Covenants, Conditions and Restrictions for Winchester is made by the Winchester Community Association, a California nonprofit mutual benefit corporation (the "Association.")

RECITALS

A. The Association is an "association," as that term is defined in California Civil Code Section 1351(a), which has been created to manage the common interest development located in the County of Placer, State of California commonly known as Winchester and more particularly described on Exhibit "A", attached hereto, (the "Development" or "Winchester").

B. Future phases may be annexed into the Development and made subject to this Declaration by annexing the Lots and Common Area within subsequent phases into Winchester pursuant to Article 14, below. The lands that are, from time to time, eligible for future annexation comprise the balance of the final description of the Development and are referred to herein as the "Annexable Territory" and are more particularly described in Exhibit "B". A Declarant may, but shall have no obligation to, annex all or any portion of the Annexable Territory into the Winchester Development and unless annexed, no portion of the Annexable Territory shall be subject to any provision of this Declaration.

C. The original developer of the Development, M/J Properties (referred to as "Original Declarant") executed a document entitled Declaration of Covenants, Conditions and Restrictions for Winchester, recorded on January 15, 1999, as Document No. 99-0003814, in the Official Records of Placer County, which was subsequently amended and supplemented by the following documents: (a) that certain document entitled "First Amendment to Declaration of Covenants, Conditions and Restrictions for Winchester" which was recorded in the Official Records of Placer County, California on March 4, 1999, as Document No. 99-0019766; (b) that certain document entitled "Supplemental Declaration of Covenants, Conditions, and Restrictions for Certain Winchester Phase I Properties" which was recorded in the Official Records of Placer County, California on February 10, 2000, as Document No. 2000-0008774; (c) that certain document entitled "Supplemental Declaration of Covenants, Conditions and Restrictions for Winchester Cottage Homes," which was recorded in the Official Records of Placer County, California on February 10, 2000, as Document No. 2000-0008775; (d) that certain document entitled "Second Amendment to Declaration of Covenants, Conditions and Restrictions for Winchester" which was recorded in the Official Records of Placer County, California on August 30, 2000, as Document No. 2000-0063669; (e) that certain document entitled “Declaration of Annexation and Reservation of Easements for Winchester Phase II” which was recorded in the Official Records of Placer County, California on December 7, 2000, as Document No. 2000-0094470; (f) that certain document entitled “Declaration of Annexation and Reservation of Easements for Winchester Phase III” which was recorded in the Official Records of Placer County, California on February 20, 2002, as Document No. 2002-00118084; (g) that certain document entitled "Supplemental Declaration of

Covenants, Conditions and Restrictions for Certain Winchester Homesites (Restriction on Size of Residence)" which was recorded in the Official Records of Placer County, California on October 8, 2002, as Document No. 2002-0121454; (h) that certain document entitled “Declaration of Annexation and Reservation of Easements for Winchester Phase IV” which was recorded in the Official Records of Placer County, California on June 30, 2003, as Document No. 2003-0107273; (i) that certain document entitled "Supplemental Declaration of Covenants, Conditions, and Restrictions for Winchester (Correcting Typographical Error)," which was recorded in the Official Records of Placer County, California on September 29, 2003, as Document No. 2003-0167788; (j) that certain document entitled “Declaration of Annexation and Reservation of Easements for Winchester Phase IV (Lots 354 through 357A, inclusive, Lot 357B, and Lots 358 through 384, inclusive; Winchester Phase 5)” which was recorded in the Official Records of Placer County, California on September 13, 2006, as Document No. 2006-0097653; (k) that certain document entitled “Rescission of Declaration of Annexation and Reservation of Easements for Winchester Phase IV” which was recorded in the Official Records of Placer County, California on September 13, 2006, as Document No. 2006-0097654; (l) that certain document entitled “Declaration of Annexation and Reservation of Easements for Winchester Phase IV (Lots 339 through 353, inclusive, and Lots 385 through 409, inclusive; Winchester Phase 6)” which was recorded in the Official Records of Placer County, California on September 13, 2006, as Document No. 2006-0097655; and (m) that certain document entitled "Third Amendment of Declaration of Covenants, Conditions and Restrictions for Winchester Community Association" which was recorded in the Official Records of Placer County, California, on April 1, 2012, as Document No. 2010-0024228 (collectively as amended, the "Original Declaration.")

D. Included within the boundaries of the Development, but not included within the Winchester common interest development is real property, approximately two hundred twenty-three (223) acres in size and more particularly described in Section 1.27, below, which has been developed as an 18-hole golf course, a country club building and related facilities and improvements (collectively referred to herein as the "Golf Course.") The Golf Course has not been annexed into the Winchester common interest development, is not subject to this Declaration, and is not owned by the Association. Membership in or use of the Golf Course is subject to the control of the owner of the Golf Course. Nevertheless, various provisions of this Declaration are for the benefit of the owner of the Golf Course.

E. Also included within the boundaries of the Development, but not included within the Winchester common interest development is real property, Lot N as shown on the Subdivision Map, and more particularly described in Section 4.32 below, which has been developed for a fire station and related facilities. The fire station has not been annexed into the Winchester common interest development and is not owned by the Association. Nevertheless, certain provisions of this Declaration apply to the fire station as set forth in Section 4.32 below.

F. The Original Declaration established certain limitations, easements, covenants, restrictions, conditions, liens and charges which run with and are binding upon all parties having or acquiring any right, title or interest in the real property comprising the Development.

G. The "Declarant," as that term is defined in the Original Declaration and herein referred to as the "Original Declarant," no longer owns any property within the Development. The term “Original Declarant” shall mean M/J Properties, as succeeded by Winchester Properties, LLC.

H. Following the purchase of sixty-four (64) Lots in Winchester and the Annexable Territory by Real Capital Solutions, the Board of Directors of the Winchester Community Association designated RCS-Winchester, LLC, a Colorado limited liability company, as a Declarant under this Declaration.

I. Not less than fifty-one percent (51%) of Members voted to amend, restate and supersede the Original Declaration pursuant to Section 20.02(a) of the Original Declaration.

NOW, THEREFORE, it is hereby declared as follows:

1. The Original Declaration is amended, restated and superseded in its entirety to read as set forth in this Declaration.

2. All of the real property comprising the Development constitutes a "planned development," as that term is defined in California Civil Code Section 1351(k).

3. All of the real property comprising the Development is held and owned and shall be held, owned, operated, managed, conveyed, hypothecated, encumbered, leased, used, occupied and improved subject to the following covenants, conditions and restrictions, all of which are declared and agreed to be in furtherance of a plan and purpose of protecting, preserving, and enhancing the value, desirability and attractiveness of the Development and any part thereof, and of fostering the development, management, improvement, enjoyment and sale of the real property comprising the Development and any part thereof.

4. All of the covenants, conditions, and restrictions set forth in this Declaration shall constitute enforceable equitable servitudes as provided in California Civil Code Section 1354, shall constitute covenants that run with the real property comprising the Development, and shall be binding upon and inure to the benefit of each Owner of any portion of such real property or of any interest therein and the Owner's heirs, successors, and assigns.

ARTICLE 1 DEFINITIONS

1.1 Absolute Majority. "Absolute Majority" shall mean a majority of the Total Voting Power of the Association.

1.2 Additional Charges. "Additional Charges" shall mean all costs, fees, charges and expenditures, including without limitation, interest, late charges, attorneys' fees, recording and filing fees and all other costs actually incurred by the Association in collecting and/or enforcing payment of Assessments, fines, and/or penalties.

1.3 Annexable Territory. "Annexable Territory" shall mean those portions of property not yet annexed at any time that an annexation of real property pursuant to the provisions of Article 14, below, is being contemplated. The Annexable Territory is more particularly described in Exhibit "B".

1.4 Articles. "Articles" shall mean the Articles of Incorporation of the Association, as they may be amended from time to time, and as filed with the Office of the Secretary of State of California.

1.5 Assessment. "Assessment" shall mean a charge levied by the Association against an Owner and the Owner's Lot as provided in Article 6 of this Declaration. "Assessment" shall include any or all of the following:

1.5.1 Annual Assessments, which shall have the meaning set forth in Section 6.7 of this Declaration.

1.5.2 Enforcement Assessments, which shall have the meaning set forth in Section 6.10 of this Declaration.

1.5.3 Reimbursement Assessments, which shall have the meaning set forth in Section 6.9 of this Declaration.

1.5.4 Special Assessments, which shall have the meaning set forth in Section 6.8 of this Declaration.

1.6 Association. "Association" shall mean the Winchester Community Association, a California nonprofit mutual benefit corporation, its successors and assigns.

1.7 Board of Directors. "Board of Directors" or "Board" shall mean the governing body of the Association.

1.8 Building Envelope. Each Site Envelope contains a smaller area, approximately one-third (1/3) of the size of the Lot, in which all Improvements, including outdoor amenities such as pools, patios, ancillary buildings and related Improvements to the Lot are to be located.

1.9 Bylaws. "Bylaws" shall mean the Bylaws of the Association as they shall be adopted by the Board of Directors and Members and any duly-adopted amendments thereto.

1.10 Common Area. "Common Area" shall mean the entire common interest development excluding the separate interests therein, and includes all real property and Improvements thereon owned or controlled by the Association for the common use and enjoyment of the Owners. The Common Area may consist of mutual or reciprocal easement rights appurtenant to the separate interests. Unless the context clearly indicates a contrary intent, any reference to the "Common Area" shall also include any Common Facilities located thereon. The Common Area to be owned or controlled by the Association is described as follows:

1.10.1 Common Area. Lots H and I (front entrance), Lots M and W (Woodland Preserve), Lot O (strip along Winchester Club Drive between Lots 51 and 234), Lots P and X-P (Nature Preserve), Lots Q, S, T, U and V (Wetland Preserve), Lot X (unbuildable property between Cottage Lots 35 and 36), Lot Y (unbuildable property between Cottage Lots 31 and 33), Lot Z (below golf club house and above Long View Drive), Lot AB (small parcel adjacent to Lot 21), and Lot AC (swim and tennis facility), as shown on the Subdivision Map;

1.10.2 Preserve Common Area. Unlike other portions of the Common Area, the Nature, Wetland and Woodland Preserves are protected environmental areas not available for use and enjoyment by the Owners, the maintenance of which is reviewed annually by the County;

1.10.3 Subsequent Phase Common Area. Any portion of the Annexable Territory described as Common Area in a declaration of annexation;

1.10.4 Signage and Entry Easement Areas. Any easement over a Lot conveyed to the Association by a Declarant before conveyance of the Lot to an Owner when the easement area is for landscaping, signage and monument purposes; and

1.10.5 Landscape Easements. Any "Landscape Easement," as shown on the Subdivision Map, for purposes of supplemental landscape maintenance.

1.11 Common Facilities. "Common Facilities" shall mean all facilities constructed or installed, to be constructed or installed, or currently located within any portion of the Common Area and owned or maintained by the Association, including without limitation the swim and tennis facility, the

parking area servicing that facility, pedestrian/bicycle trails, trees, hedges, plantings, lawns, shrubs, landscaping, fences, utilities, storm water retention/detention facilities, water quality enhancement facilities, landscape and vegetative buffer areas within landscape easements, berms, pipe lines, lighting fixtures, buildings, structures and any other facilities constructed or installed, or to be constructed or installed, or currently located within any portion of the Common Area of the Winchester Development. Common Facilities shall not include any portion of the Golf Course, including, without limitation, cart paths and easements that are appurtenant to, or otherwise a part of, the Golf Course. Notwithstanding the foregoing, while still owned or maintained by the Association and accessible to the Members for their use and enjoyment, some Common Facilities may not be located on a portion of the Common Area, but may be located on County property, public right-of-ways, property dedicated to public use, or private property.

1.12 Contract Purchaser and Contract Seller. "Contract Purchaser" and "Contract Seller" shall mean the purchaser and the seller, respectively, under an installment land contract in which title to the property is transferred after the final installment payment is made.

1.13 Cost Center. "Cost Center" shall mean a designation assigned by the Association to a discrete portion of Winchester, and to the Owners of Lots and Common Area, if any, located therein, for expense accounting and Assessment as more particularly provided in Section 6.3. When a Cost Center is established, the expenses of operating, maintaining and replacing the Improvements or maintenance areas, including, without limitation, reserve contributions, included within the Cost Center shall be borne solely or disproportionately by the Owners of the Lots within the designated Cost Center. These expenses shall be funded by a portion of the Regular Assessment paid by such Owners to the Association, the Cost Center assessment component. Cost Centers in any subsequently annexed phases of the Winchester common interest development shall be established in accordance with Sections 6.3 and 6.7.3, below.

1.14 County. "County" shall mean the County of Placer, State of California.

1.15 County Service Area. “County Service Area” (“CSA”) shall mean that entity in Placer County which fills the services gap between general County services and special benefit services. The conditions of approval for the Winchester common interest development require that road rehabilitation, storm drain maintenance, street lights and pedestrian/bicycle trails be provided and supported by a CSA per parcel charge. The County Board of Supervisors approved Resolution 99-5 establishing Zone of Benefit #148 in County Service Area #28, Winchester, on January 5, 1999. Under the CSA program, the Lot Owners, the Association and the Golf Course are responsible for the annual costs of its special benefit services, which maintenance services are provided by the County. Assessments for the CSA are collected in the same way real property taxes are collected by the County Tax Collector on behalf of the Zone of Benefit and are deposited by the County in a separate fund in the name of “Zone of Benefit 148 of County Service Area No. 28.” The amount of assessment may be adjusted annually for the ensuing fiscal year to reflect the San Francisco/Oakland/San Jose Metropolitan Area Consumer Price Index for all Urban Consumers. The amount of increase shall not exceed five percent (5%) in any one (1) year.

1.16 Declarant. "Declarant" shall mean the successor to the Original Declarant that has been assigned all of the Original Declarant's rights by a certificate signed by the Original Declarant and the successor Declarant stating that all rights are assigned by the Original Declarant and assumed by the successor Declarant, and so long as the successor Declarant acquires all of the Lots in the Development then owned by the Original Declarant and all of the Lots and Common Area in the Annexable Territory then owned by the Original Declarant. There may be more than one Declarant at any given time if the Board of Directors of the Association gives its written consent to multiple Declarants. In the event that other persons or entities are designated as Declarants in accordance with this Declaration, each such Declarant shall be a Declarant only with respect to those portions of the Winchester common interest development owned by that Declarant. A Declarant shall cease being a Declarant when it no longer owns any portion of Winchester and the balance of the Annexable Territory can no longer be annexed to

Winchester at the election of such Declarant and without the approval of the Members, pursuant to Section 14.1, below.

1.17 Declaration. "Declaration" shall mean this instrument, as it may be amended from time to time.

1.18 Design Review Committee. "Design Review Committee" shall mean the committee created pursuant to Article 9 of this Declaration.

1.19 Development. "Development" or "Winchester" shall mean all the real property described in Exhibit "A" of this Declaration as well as such other real property as may hereafter be brought within the jurisdiction of the Association.

1.20 Director. "Director" shall mean a member of the Board of Directors.

1.21 Dominant Tenement. "Dominant Tenement" shall mean real property for which the benefit or advantage of an easement exists or is enjoyed.

1.22 Equestrian Trail. "Equestrian Trail" shall mean that trail created as a condition of approval of the Winchester Development, which fifteen foot wide (15') Equestrian Trail was irrevocably dedicated to the County. The dedication for these trails, total approximately 4.7 miles and 5.0 acres. The trail system is routed throughout the perimeter of the Development with trail connections to the Christian Valley and Meadow Vista communities in two (2) separate locations. Maintenance of the Equestrian Trail system is the responsibility of the County Parks Division, and is not included in the Winchester County Service Area (CSA).

1.23 Exclusive Use Common Area. "Exclusive Use Common Area" shall mean that portion of the Common Area designated for the exclusive use of one or more, but fewer than all, Owners of Lots, if any, and shall include, without limitation, Improvements and other fixtures designed to serve a single separate interest but located outside the boundaries of the Lot.

1.24 Featured Builder. "Featured Builder" shall mean a person or entity: (a) which is designated as such by a Declarant in a written statement delivered to the Association and approved by the Board of Directors, which approval shall not be unreasonably withheld; and (b) which either owns or acquires from a Declarant the right to build on at least three (3) unimproved Lots in the Winchester common interest development or the Annexable Territory. A Featured Builder who owns five (5) or more Lots may also be a Declarant if designated as such by the Board of Directors pursuant to Section 5.17.

1.25 Golf Carts-Authorized. "Golf Carts-Authorized" shall mean only those golf carts permitted to be used within Winchester, which are golf carts defined in California Vehicle Code Section 345, and are owned and maintained by the Winchester Country Club, as further set forth in Section 4.18.1.

1.26 Golf Carts-Authorized Low-Speed Vehicles (Privately-Owned Golf Carts). "Golf Carts-Authorized Low-Speed Vehicles (Privately-owned Golf Carts)" shall mean those authorized low-speed vehicles which Owners of Lots may purchase, maintain and operate in Winchester, as defined by California Vehicle Code Section 385.5 and Federal Safety Standard 571.500, as set forth in Section 4.18.2.

1.27 Golf Course. "Golf Course" shall mean any portion of Lots A, B, C, D, E, F, G and AD, as shown on the Subdivision Map, which are from time to time utilized for golf course purposes, including, but not limited to, roughs, fairways and greens. The term "Golf Course" collectively includes an eighteen (18) hole golf course, a country club building, and related facilities and Improvements as set

forth in Recital "D" above. The term "Golf Course" shall also include any property added to the Golf Course, as defined herein, by lot line adjustment, parcel map, final map, record of survey or otherwise.

1.28 Governing Documents. "Governing Documents" shall mean the Articles, Declaration, Bylaws, Rules, and the policies and resolutions duly adopted by the Board and distributed to the Members.

1.29 Guest House. "Guest House" shall mean a free-standing guest quarter, casita or "granny unit". They are permitted so long as the same are not used or occupied as rental units for persons who are neither family members nor domestic employees of the Owners of the principal Residence on the Lot. The size of any Guest House is related to the size of the Lot and determined by the County.

1.30 Improvement(s). "Improvement(s)" shall mean without limitation, the construction, installation, alteration or remodeling of any Residence, structure, garage, out building, driveway, wall, fence, swimming pool, landscaping, landscape structure, skylight, patio, solar heating equipment, spa, antenna, television satellite reception equipment, utility line or any other structure of any kind. Any clearing or grading of a Lot or alteration of natural drainage courses shall be considered a work of "Improvement" requiring approval hereunder.

1.31 Lot. "Lot" shall mean any plot of land shown upon any Subdivision Map, with the exception of the Common Area. The Lots that are designated as Lots 19 through 31 and 33 through 43 on the Subdivision Map are referred to herein as "Cottage Lots." When appropriate, the term "Lot" shall also include the Residence and other Improvements located thereon.

1.32 Member. "Member" shall mean an Owner.

1.33 Member in Good Standing. "Member in Good Standing" shall mean a Member of the Association who is current in the payment of all dues, Assessments, fines, penalties and other charges imposed in accordance with the Governing Documents, and who is in compliance with all of the provisions of the Governing Documents, as may be more particularly set forth in the Bylaws.

1.34 Mortgage. "Mortgage" shall mean a mortgage or deed of trust encumbering a Lot or other portion of the Development. A "Mortgagee" and "Mortgage Holder" shall include the beneficiary under a Mortgage. An "Institutional Mortgagee" or "Institutional Holder" is a Mortgagee that is a bank or savings and loan association, established mortgage company or other entity chartered under federal or state laws, any corporation or insurance company, or any federal or state agency, and which holds a first Mortgage on any Lot or on the Common Area.

1.35 Nature Easement. "Nature Easement" shall mean and refer to the separate easements granted by the Original Declarant to the Association pursuant to Section 3.10.

1.36 Owner. "Owner" shall mean any person, firm, corporation or other entity in which fee title to a Lot is vested as shown by the official records of the office of the Placer County Recorder, including Contract Sellers, but excluding Contract Purchasers, and excluding those having such interest merely as security for the performance of an obligation. Where the context requires, the term "Owner" shall include the members of the Owner's household and the Owner's guests, tenants/lessees and invitees, provided, however, that such persons are not "Owners" for purposes of exercising voting rights in the Association.

1.37 Pedestrian/Bicycle Trails. "Pedestrian/Bicycle Trails" shall mean hard surface trails which are easements constructed across private property, Common Area and County property, maintained by the County, and built to serve the residents of Winchester, as well as the general public in perpetuity.

1.38 Preserves. "Preserves" shall collectively mean the Nature Preserve, Wetland Preserve and Woodland Preserve located within Winchester. The Preserves are more particularly defined as follows:

1.38.1 Nature Preserve. "Nature Preserve" shall mean Lots P and X-P as shown on the Subdivision Map, a total of 19.7 acres, which are owned in fee simple by the Association as Common Area and set aside for the protection and enhancement of Valley Elderberry Longhorn Beetle habitat.

1.38.2 Wetland Preserve. "Wetland Preserve" shall mean Lots S, T, Q, U and V, as shown on the Subdivision Map, a total of 16.1 acres, which Lots are owned in fee simple by the Association as Common Area to be protected and enhanced as wetlands and associated buffer areas.

1.38.3 Woodland Preserve. "Woodland Preserve" shall mean Lots M and W, as shown on the Subdivision Map, a total of 30.4 acres, which Lots are owned in fee simple by the Association as Common Area and set aside for the purpose of preserving, enhancing and reestablishing woodland and Valley Elderberry Longhorn Beetle habitat.

1.39 Quorum. "Quorum" shall mean the minimum number of Members who must be present in person or by proxy to conduct business.

1.40 Record. "Record" shall mean, with respect to any document, the recording or filing of such document in the office of the Placer County Recorder.

1.41 Residence. "Residence" shall mean a residential structure located upon a Lot which is designed for human residential use and occupancy.

1.42 Resident. "Resident" shall mean any person who resides in a Residence within the Development whether or not such person is an Owner as defined in Section 1.36 of this Declaration.

1.43 Rules. "Rules" shall mean the rules, regulations and policies governing the use, occupancy, management, administration and operation of the Development or any part thereof as adopted and published by the Board of Directors from time to time.

1.44 Servient Tenement. "Servient Tenement" means one which is subject to the burden of an easement existing for or enjoyed by another tenement (Dominant Tenement).

1.45 Shared Driveway. "Shared Driveway" shall mean a portion of one or more Lots shown on the Subdivision Map on which there is a private easement for access and maintenance if some portion of the easement area is used as a primary driveway for two (2) or more Residences.

1.46 Simple Majority. "Simple Majority" shall mean a majority of the votes of the Members: (a) represented and voting at a meeting at which a quorum is present; or (b) a majority of the votes cast by written ballot in conformity with California Corporations Code Section 7513.

1.47 Site Envelope. "Site Envelope" shall mean that area defined for each Lot based on minimum setbacks as set forth in Section 10.1, and any existing site conditions such as utility corridors, rock outcroppings, protected slope areas, drainage areas, jurisdictional areas, buffer zones, and any other site conditions existing and known at the time a Site Envelope is defined, and which is delineated in a development notebook filed with the County Planning Department.

1.48 Subdivision Map. "Subdivision Map" shall mean those maps referred to in Exhibit "A" and Exhibit "B".

1.49 Total Voting Power. "Total Voting Power" shall mean the total number of votes of all Members entitled to vote at a particular time, calculated on the basis of one vote for each Lot, excluding any Lots as to which an Owner is not then a Member in Good Standing.

1.50 Wetland Easement. "Wetland Easement" shall mean and refer to the separate easements granted by the Declarant to the Association pursuant to Section 3.11.

1.51 Winchester. "Winchester" or "Development" shall mean all the real property described in Exhibit "A" of this Declaration as well as such other real property as may hereafter be brought within the jurisdiction of the Association.

1.52 Winchester Country Club. "Winchester Country Club" or "Golf Course owner" shall mean the owner of the separate interest and entity which owns, manages and/or operates the Golf Course.

1.53 Winchester MPCUP Manual. "Winchester MPCUP Manual" shall mean the "Master Plan Conditional Use Permit, Winchester, Placer County, California" manual presenting the development standards for Winchester which were approved by the County Development Review Committee in 1993 and revised in 1995, and subsequently incorporated into the "Winchester Planned Unit Development, Vesting Tentative Map/Master Plan Conditional Use Permit (SUB-292/CUP-1550)" in 1993 and last revised in 2002.

1.54 Woodland Easement. "Woodland Easement" shall mean and refer to the separate easement granted by the Declarant to the Association pursuant to Section 3.12, below.

ARTICLE 2 COMMON AREA

2.1 Purpose of Common Area. Subject to the provisions of this Declaration, the Common Area shall be held and maintained by the Association, and shall be used to meet the common interests of the Owners, the members of the Owners' households, and the Owners' tenants, Residents, Contract Purchasers, and guests as provided in the Governing Documents.

2.2 Owner's Non-Exclusive Easements of Enjoyment. Every Owner shall have a non-exclusive easement of use and enjoyment in, to and throughout the Common Area (with the exception of those portions of the Common Area designated as Preserves), including ingress and egress to and from the Owner's Lot. Each such non-exclusive easement shall be appurtenant to and pass with the title to every Lot, subject to the following rights and restrictions:

2.2.1 The right of the Board to establish and enforce reasonable Rules governing use of the Common Area.

2.2.2 The right of the Board to establish and charge reasonable admission and other fees or to limit the number of guests who make use of Common Facilities.

2.2.3 The right of the Board, as more particularly addressed in the Bylaws, to suspend an Owner's right to use Common Facilities located on the Common Area for: (a) any period during which any Assessment against such Owner's Lot remains unpaid; and/or (b) for violations of the Governing Documents by an Owner or any person for whom an Owner is responsible.

2.2.4 The right of the Board, as set forth in Section 3.3 of this Declaration, to grant easements and rights of way in, on, over or under the Common Area.

2.2.5 The rights of the Board to sell, dedicate or transfer all or any part of the Common Area, subject to the requirements of Section 5.9 and Section 5.10.

2.2.6 The right of the Board to mortgage, pledge, encumber, or otherwise hypothecate the Common Area and Common Facilities thereon as security for money borrowed by the Association.

2.2.7 The right of the Board to borrow money in accordance with the Governing Documents.

2.2.8 The right of the Association, through its authorized agents, to enter any Lot or Residence to perform its obligations under this Declaration, including obligations with respect to construction, maintenance, repair or replacement for the benefit of the Common Area or the Owners in common, or to make necessary repairs that the Lot Owner has failed to perform. The right shall be immediate in case of an emergency originating in or threatening such Residence or Lot and the obligation can be performed whether or not the Owner is present.

2.2.9 The right of the Association, through its authorized agents, to establish, construct, maintain, repair and replace Common Facilities upon the Common Area, including without limitation, recreation facilities, storage facilities and workshops, which may be necessary or convenient in the discharge of the Association's duties and the exercise of its rights under the Governing Documents.

2.2.10 The right of the Board to assign, rent, lease or otherwise designate and control use of unassigned parking and storage spaces within the Common Area, if any.

2.2.11 The right of the Board to grant exclusive use of a portion of the Common Area to an Owner, if approved by an Absolute Majority of the Members.

2.3 Right to Use the Golf Course. Neither being an Owner of a Lot within the Winchester common interest development nor being a Member of the Association shall confer any property rights, ownership interest, or rights of access, use or enjoyment in and to the Golf Course. The Golf Course is not included in the Winchester common interest development and there is no guarantee that the property identified as the Golf Course will be operated as such indefinitely. However, for so long as the Golf Course property is operated as a golf and country club, the bylaws or other operational rules and regulations of the golf and country club facility shall include provisions which give Lot Owners preferred rights to membership and use of the Golf Course, which rights may be in the form of a waiting list or priority selections process to account for situations in which the demand for club memberships exceeds available membership vacancies. See also Sections 3.13, and Article 15, below, which pertain to access to the Golf Course.

2.4 Assignment of Rights of Use. Any Owner may assign the Owner's rights of use and enjoyment, including easements, in the Development to the members of the Owner's household, tenants, Contract Purchasers, guests and invitees, subject to the terms of the Governing Documents. Upon the leasing of a Lot, or upon occupancy of a Lot by a Contract Purchaser, the Owner shall be deemed to have assigned all such rights exclusively to the tenants or Contract Purchasers of such Lot except that such Owner shall continue to have an easement for ingress and egress to such Lot to the extent necessary to discharge of the Owner's obligations and rights as a landlord and the Owner shall retain the Owner's rights as a Member related to voting, document inspections, attendance at meetings, and other similar rights not related to the use and enjoyment of the Development. Each Owner shall notify the Secretary of the Association of the names of any tenants or any such Contract Purchasers, and in the case of a tenant provide a copy of the lease agreement. Each Owner, tenant, or Contract Purchaser shall also notify the

Secretary of the Association of the names of all members of his or her household to whom such Owner, tenant, or Contract Purchaser has assigned any rights of enjoyment in the Development as provided herein, and the relationship which each such person bears to such Owner, tenant, or Contract Purchaser. Any rights of enjoyment assigned pursuant to this section are subject to suspension to the same extent that rights of Owners are subject to suspension as provided in the Governing Documents. It is the express purpose and intent of the provisions of this section to limit the right of use and enjoyment of the Common Area to Residents and their guests.

2.5 Common Area Construction. Except as may be authorized by the Board, no person or entity other than the Association or its duly-authorized agents shall: (a) construct, reconstruct, refinish, alter, or maintain any Improvement upon the Common Area; (b) make or create any excavation or fill upon the Common Area; (c) change the natural or existing drainage of the Common Area; or (d) plant, remove or destroy any seed, plant material, tree, shrub or other vegetation upon the Common Area.

2.6 Mechanic's Liens. In the event there shall be Recorded against the Common Area a notice of mechanic's lien for, or purporting to be for, labor or materials alleged to have been furnished or delivered for any Owner or the Owner's Lot, such Owner shall immediately cause such lien to be discharged by payment, bond or otherwise. If the Owner fails to cause the lien to be discharged, the Board may send written notice to the Owner specifying that unless the Owner causes the lien to be discharged within five (5) days from the date of such notice, the Board may cause the lien to be discharged. Within such five (5) day period, the Owner shall be granted a hearing before the Board regarding the validity of such lien and any offsets or defenses thereto. At the hearing, the Board shall determine whether the lien adversely and improperly affects and encumbers the rights and interests of the Association or the other Owners. If the Board determines that the lien does adversely and improperly affect and encumber such rights and interests and that adequate protection of such rights and interests has not been provided, the Board may cause the lien to be discharged by payment, bond or otherwise. The Board shall have the right to levy a Reimbursement Assessment pursuant to Section 6.9 against the Owner responsible for causing the lien to be discharged in an amount equal to all amounts paid by the Association together with interest thereon at the legal rate and all costs and expenses paid or incurred in connection therewith, including reasonable attorneys' fees.

2.7 Exclusive Use Common Area. Lot Owners may have Exclusive Use Common Area as described in their grant deeds. Additional Exclusive Use Common Area may be granted to a Lot Owner if approved by an Absolute Majority of the Members. Lot Owners shall cultivate, maintain, irrigate, fertilize and otherwise care for all landscaping and Improvements located within Exclusive Use Common Area. No Owner shall build or place or cause to be built or placed any shed, dog house, or other structure within the Exclusive Use Common Area without the prior written consent of the Design Review Committee or the Board of Directors.

ARTICLE 3 EASEMENTS

3.1 Easements in General. In addition to all easements reserved and granted on a Subdivision Map and the easements specified in Article 2, there are hereby specifically acknowledged, reserved and granted for the benefit of the Lots and the Owners in common and for each Lot and Owner severally, and for the Association, as their respective interests shall exist, the easements and rights of way as particularly identified in this Article.

3.2 Association Utility Easements. Easements over, under, upon and across the Development or any portion thereof for the installation, repair, maintenance and replacement of: (a) electric, telephone, water, gas, and sanitary sewer lines, meters and facilities; (b) master television antenna or cable lines and facilities; (c) drainage facilities; (d) walkways; and (e) landscaping and lighting are hereby reserved by the Association and shall exist in favor of the Association, together with the right to grant and transfer the

same. The Association shall maintain all utility installations located in the Common Area except for those installations maintained by utility companies whether public, private or municipal.

3.3 Easements Granted by Board. The Board shall have the power to grant and convey to any person or entity easements and rights of way, in, on, over or under the Common Area for the purpose of: (a) constructing, erecting, operating or maintaining thereon, therein or thereunder overhead or underground lines, cables, wires, conduits or other devices for electricity, cable television, power, telephones, public sewers, storm drains and pipes, water systems, sprinkling systems, water, heating and gas lines or pipes, and any similar public or quasi-public improvements or facilities; and (b) for any other purposes deemed by the Board to be appropriate and not inconsistent with the purposes and interests of the Association. Each purchaser, in accepting a deed to a Lot, expressly consents to such easements and rights of way. No such easements may be granted if they would materially interfere with the use, occupancy or enjoyment by an Owner or Resident of the Owner's Lot without the consent of the affected Lot Owner.

3.4 General Association Easements to Discharge Its Duties. The Association shall have an easement in, on, over or under every Lot as necessary to: (a) maintain and repair the Common Area; (b) maintain and repair those portions of the Lots for which such obligation is assigned to the Association pursuant to Section 8.1; (c) perform maintenance upon a Lot which is not performed by its Owner as provided by Section 8.2 and Section 8.6; and (d) otherwise perform its obligations under this Declaration.

3.5 Utility Company Maintenance and Repair Easements. All utility companies having easements on the property covered by this Declaration shall have easements for cleaning, repairing, replacing, and otherwise maintaining or causing to be maintained all underground utility lines. Any Owner or utility company exercising the rights granted in this section shall be obligated to substantially restore the Lot entered, as well as any Common Area thereby affected, to its former condition.

3.6 Encroachment Easements. Each Lot is hereby declared to have an easement over adjoining Lots and Common Area for the purpose of accommodating any encroachment due to roof overhang and fences or walls which are built in accordance with the original design, plans and specifications of the Development, caused by errors in engineering or original construction, settlement, shifting of the building, or similar causes. There shall be valid easements for the maintenance of said encroachments as long as they shall exist, and the rights and obligations of an Owner whose Lot is encroached upon shall not be altered in any way by said encroachment, settlement, or shifting; provided, however, that in no event shall a valid easement for encroachment be created in favor of an encroaching Owner or Owners if said encroachment occurs due to the willful misconduct of said encroaching Owner or Owners. In the event that a structure is partially or totally destroyed, and is repaired or rebuilt, the Owners of each adjoining Lot agree that minor encroachments over adjoining Lots shall be permitted and that there shall be valid easements for the maintenance of said encroachments so long as they shall exist.

3.7 Encroachment Easements for Cottage Lots. As to Cottage Lots only, non-exclusive rights and easements are reserved and granted: (a) for the benefit of each Cottage Lot as Dominant Tenement, over, under and across each other Cottage Lot and the Common Area as Servient Tenements; and (b) for the benefit of the Common Area as Dominant Tenement, over, under and across each Cottage Lot as Servient Tenement. Such easements shall be for the purposes of encroachment, support, occupancy and use of such portions of Cottage Lots and/or Common Area as shall be encroached upon, supported, occupied and used by the Dominant Tenement as a result of any design errors, accretion, erosion, deterioration, original construction errors, movement, settlement, shifting or subsidence in any building or structure on any portion thereof. If any portion of Winchester is partially or totally destroyed, the encroachment easement shall exist for any replacement structure which is rebuilt pursuant to the original construction design on a Cottage Lot. The easement for maintenance of the encroaching Improvement shall exist so long as the encroachment exists; provided, however, that no easement for encroachment shall be created due to the willful misconduct of the Association or any Owner. Any

easement for encroachment may, but need not be, cured by repair or restoration of the Improvement on the Cottage Lot that is causing the encroachment.

3.8 Boundary Changes. An easement shall exist for use and maintenance as Common Area over any portion of a Lot which, because of a change in the boundary of a private structure, including a fence, wall or patio, at the time of original construction lies between that boundary and a Lot line abutting the Common Area.

3.9 Easements in Favor of a Declarant in Common Area. For so long as a Declarant owns any Lots within the Development or has the right to annex property into the Development pursuant to the Governing Documents, such Declarant shall have an easement for ingress and egress over the Common Area for the purpose of completing Improvements on such Declarant's Lots, for performance of necessary repair work and for entry into the Annexable Territory in connection with the development of additional phases of the Development.

3.10 Nature Easements. The Association and its duly authorized agents and representatives shall have a nonexclusive right and easement under, over and upon various Lots only as necessary to protect, enhance and maintain potential habitat area for the Valley Elderberry Longhorn Beetle (the "Nature Easements.") The Association and its duly authorized agents and representatives shall also have reasonable access to the Nature Easements for this purpose.

3.11 Wetland Easements. The Association and its duly authorized agents and representatives shall have a nonexclusive right and easement under, over and upon various Lots only as is necessary to protect, enhance and maintain jurisdictional areas, including buffer zones (the "Wetland Easements.") The Association and its duly authorized agents and representatives shall also have reasonable access to the Wetland Easements for this purpose.

3.12 Woodland Easements. The Association and its duly authorized agents and representatives shall have a nonexclusive right and easement under, over, and upon various Lots only as is necessary to protect, enhance and maintain woodland habitat area and a potential habitat area for the Valley Elderberry Longhorn Beetle (the 'Woodland Easement.") The Association and its duly authorized agents and representatives shall also have reasonable access to the Woodland Easement for this purpose.

3.13 Easements for Golf Ball Intrusion and Watering Overspray. There is reserved for the benefit of the Golf Course owner and its successors and assigns, a nonexclusive right and easement appurtenant to the Golf Course for purposes of overspray in connection with the watering of the roughs, fairways and greens on the Golf Course and for the intrusion of golf balls from the roughs, fairways and greens. The Golf Course owner shall not be liable to any Owner or the Association for any damage to person or property occasioned by such overspray or intrusion.

3.14 Pedestrian/Bicycle Trails Easement. The general public shall have a nonexclusive easement over the Pedestrian/Bicycle Trails within Winchester as originally constructed and installed by the successor Declarant or Original Declarant for the purposes of walking, running and cycling. To the extent that such Trails, as originally constructed by the successor Declarant or Original Declarant, encroach on any Lot or any portion of the Golf Course property, this nonexclusive easement shall extend to the Trails as so located.

3.15 Storm Drain Easements. There are hereby reserved and granted over, under, and across each Lot and the Common Area, as servient tenements in favor of each other Lot and the Common Area, as dominant tenements, nonexclusive easements for drainage as established by the grading and natural course of surface and subsurface water run off, for surface and subsurface storm drains and the flow of storm waters in accordance with natural drainage patterns, and the drainage patterns and improvements installed or constructed by a Declarant or Original Declarant. Drainage shall include but not be limited to

catch basins or other underground drainage improvements, drainage swales, surface and subsurface water, and roof and gutter run-off. Within these easements, no structure, planting or other material shall be placed or permitted to remain which may damage or interfere with the installation or flow of drainage.

3.16 Shared Driveway Easements. As shown on the Subdivision Map, certain Lots, including Lots served by a Shared Driveway, shall have a private easement for access and maintenance over an adjacent Lot for ingress, egress and utilities purposes, for construction and maintenance of a driveway surface, and for maintenance of drainage and cut and fill slopes adjacent to the driveway surface only.

3.17 Owner Utility Easement. Each Owner shall have, appurtenant to each Owner's Lot, a non-exclusive right and easement over, under, across and through Winchester, except for portions of Winchester on which a structure is situated or which are located within ten feet (10') of a structure, for the use, maintenance and repair of underground utility lines, pipes, wires and conduits installed by a Declarant or Original Declarant. An easement five feet (5') in width shall also exist within a strip of land immediately adjacent to and along the front, side and rear property lines of any Lot for the purpose of installing, maintaining and repairing public utility facilities, including electric, water, sewer, cable television and other service or transmission lines.

3.18 Fence Access Easement. The Association and its duly authorized agents and representatives shall have a non-exclusive right and easement for access: (a) across Lots situated on the boundary of Winchester for the purpose of maintaining boundary fences along any portion of the perimeter of the Winchester development installed by a Declarant or Original Declarant; and (b) across Lots situated adjacent to Common Area for the purpose of maintaining fences along the common boundary of Lots and Common Area. The Association shall not enter a Lot pursuant to this section without first providing the Owner of the Lot notice not less than twenty-four (24) hours in advance, except in the event of an emergency.

3.19 Owner Maintenance Easement. The plan of development for the Lots within the Development is such that all Lots will have appurtenant to them the benefit of an Owner maintenance easement over the adjacent Lot for the purpose of maintaining Improvements located on the benefitted Lot. Each Owner, occupant or user of a Lot benefitted by such maintenance easement shall have the right to fully use such easement for maintenance purposes only, subject to the following easements and use restrictions:

3.19.1 Each Owner of a Lot burdened by such maintenance easement shall retain the right to pass over such maintenance easement for the purpose of providing reasonable maintenance repair and replacement of the structural Improvements located within that maintenance easement area on such burdened Lot.

3.19.2 Except in case of an emergency, such easement shall be exercised only at reasonable times after reasonable notice to Owners of the Lot burdened by such easement which notice shall be at least twenty-four (24) hours in advance.

3.19.3 Any damage to the Improvements located on the Lot burdened by the easement which is caused by the exercise of such easement, shall be the sole responsibility of the Owner, occupant or user of the Lot benefitted by the easement and shall be repaired promptly at the expense of that Owner, occupant, or user.

3.19.4 In the event of any dispute between the Owner of a Lot burdened by a maintenance easement and the Owner of a Lot benefitted by such easement regarding the easement rights and use restrictions described above, the dispute shall, at the request of either Owner, be submitted to the Board for resolution.

ARTICLE 4 USE RESTRICTIONS

4.1 Single Family Residential Use. Except as specifically provided in Section 4.3, no Lot or any portion thereof shall be occupied or used for other than single-family residential purposes by the Owners, their Contract Purchasers, lessees, tenants, or guests.

4.2 No Partition. There shall be no judicial partition of the Development or any part thereof, nor shall any Owner or any person acquiring any interest in the Development or any part thereof seek any judicial partition thereof; provided, however, that if any Lot shall be owned by two or more co-tenants as tenants in common or as joint tenants, nothing herein contained shall be deemed to prevent a judicial partition by sale as between such co-tenants.

4.3 Restriction on Businesses. No trade, business or commercial activity of any kind shall be established, maintained, operated, permitted or conducted within the Development except:

4.3.1 Those professional and administrative occupations as may be permitted by, and which are conducted in conformance with, all applicable governmental ordinances provided that there is no external evidence thereof, and further provided that the Board may, in its complete discretion, prohibit the conduct of any such activities which the Board determines to be incompatible with the nature and character of the Development or which, in the Board's opinion, may or does otherwise negatively impact the quality of life and property values within the Development. The Board may also adopt Rules regulating the conduct of such occupations.

4.3.2 Those trades, businesses or commercial activities which, by law, are permitted to be conducted within the Development.

4.4 Offensive Conduct, Nuisances, Noise. No noxious, harmful, unlawful or offensive activities shall be conducted upon or within any part of the Development, nor shall anything be done thereon which may be or become a nuisance; or cause unreasonable embarrassment, disturbance or annoyance to any Residents of the Development, or which shall in any way interfere with their use of the Common Area and Common Facilities thereon or the use and enjoyment of their Lots or Residences. Without limiting any of the foregoing, no Resident shall permit noise, including but not limited to the barking of dogs or excessively loud music, to emanate from the Resident's Lot, which would unreasonably disturb another Resident's enjoyment of that Resident's Lot or of the Common Area. Excessive noise levels may be determined at the sole discretion of the Board which may, but shall not be obligated to, rely on the standards established in applicable County codes regulating such matters. Nothing in this section shall be construed to limit the Board's ability to discharge its duties in accordance with the Governing Documents or otherwise manage the Development. Residents of Lots adjacent to Golf Course fairways shall be particularly attentive to restricting noise in yard areas adjacent to the Golf Course to levels that will not unreasonably disturb users of the Golf Course.

4.5 Use of the Common Area. All use of the Common Area is subject to the Governing Documents. No alterations or additions to the Common Area shall be made except as authorized by the Board pursuant to Section 2.5. Nothing shall be placed, kept, stored or parked on the Common Area without the prior written consent of the Association, except by the Association. Without limiting the foregoing, no Owner shall place rubbish, debris or other unsightly or unsanitary materials in the Common Area. Each Owner shall avoid causing damage to the Common Area.

4.6 Use of Nature, Wetland, Woodland Preserves and the Nature Wetland and Woodland Easements. The Association, the Owners and their invitees shall not alter, modify or change the physical, biological and ecological characteristics of lands within the Nature, Wetland and Woodland Preserves and the Nature, Wetland and Woodland Easements, except as may be necessary for the Association to

perform its maintenance duties pursuant to Section 8.1. Without limiting the foregoing, in no event shall trails or other recreational facilities be constructed within the Preserves.

4.7 Requirement of Architectural Approval. As addressed in greater detail in Article 9, construction, installation, modification or alteration of buildings, outdoor structures, fences, outdoor lighting, landscaping and all other exterior Improvements are subject to approval of the Design Review Committee and must comply with the requirements set forth in the Governing Documents, including without limitation the Minimum Construction Standards set forth in Article 10.

4.8 No Impairments. No Owner shall undertake any action or work that will impair the structural soundness or integrity of another Lot or Residence, or impair any easement.

4.9 Window Coverings. Window coverings within a Residence which are visible from neighboring Lots, streets, the Golf Course or the Common Area shall be attractive and well-maintained. Except for double-paned, energy-efficient windows tinted by the manufacturer, windows shall not be painted, tinted, coated with a reflective material or covered with foil, cardboard or similar materials. No window coverings shall be permitted on the outside of a Residence without the prior written approval of the Design Review Committee.

4.10 Signs. Except as otherwise provided in the Governing Documents, no sign of any kind shall be displayed to the public view from any portion of the Development except that this restriction shall not apply to: (a) signs posted or maintained by the Association within the Common Area; (b) a single sign of reasonable dimensions not to exceed eighteen (18") by twenty-four (24") inches on unsold Lots advertising such Lots for sale or lease by an Owner; (c) signs required by legal proceedings; (d) signs authorized by the Design Review Committee; (e) signs advertising the name of a builder or architect of a Residence under construction; (f) political signs; and (g) a wooden A-frame or other directional sign of a real estate broker advertising a Lot for sale or lease, which shall not be allowed within the Common Area or along roadways within Winchester. To the full extent permitted by law, the Association Rules may impose uniform color and design requirements for "for sale" or "for lease" signs so long as the criteria permit a reasonable display of the listing broker's name and logo. All signs of any type posted anywhere within Winchester must comply with all relevant government regulations and the Association Rules, if any.

4.11 Open House Signs. On Sundays between the hours of noon and 5:00 p.m., an Owner shall be allowed to place up to four (4) signs for the purpose of advertising Residences or Lots within Winchester for sale. All such signs shall be portable, not taller than thirty inches (30") and shall be of a color, size and design customarily used in the industry. All signs of any type posted anywhere within Winchester must comply with all relevant government regulations and the Association Rules, if any.

4.12 Antennas. No outside mast, tower, pole, antenna or satellite dish shall be erected, constructed or maintained on the Common Area or upon any Lot except: (a) those erected, constructed, or maintained by the Association; (b) those expressly approved by the Board of Directors; or (c) those specifically permitted by law. With respect to those outside masts, towers, poles, antennae and satellite dishes specifically permitted by law, the Association shall have the authority to regulate their installation and maintenance to the greatest extent permitted by law. The Owner of each Lot shall be responsible for the repair and maintenance of any outside mast, tower, pole, antenna or satellite dish installed on the Owner's Lot, and shall indemnify and reimburse the Association for any and all costs and expenses associated therewith, including without limitation, any increased costs incurred by the Association in the performance of its maintenance obligations as specified in Article 8. Owners shall remove, or cause to be removed, any mast, tower, pole, antenna or satellite dish that is no longer in use. Additional restrictions regarding the Cottage Lots are set forth in Section 4.34 below.

4.13 Garbage, Rubbish and Trash. All garbage, rubbish and trash shall be kept entirely within appropriate covered disposal containers located within the boundaries of a Lot. All Residents shall engage the services of the refuse removal service to provide weekly garbage removal service. Any extraordinary accumulation of garbage, rubbish, trash or debris shall be removed from the Development to a public dump or trash collection area by the Owner or Resident at their sole expense. The Association shall be entitled to impose reasonable fines and penalties for the collection of garbage and refuse disposed in any manner inconsistent with this section.

4.14 Storage. Storage of personal property shall be limited to garages, Residences or other locations on a Lot so long as it is not visible from the Common Area, other Lots, the Golf Course, or streets in the Development. There shall be no wood piles or storage piles accumulated on top of or outside of the areas designated for storage in this section. The Association shall have the right to establish and maintain in the Development appropriate storage yards and storage buildings for the maintenance of materials and equipment needed for planting, building, repairing, maintaining and preserving structures, gardens and other Improvements on Lots and the Common Area.

4.15 Construction Materials, Construction Debris. No portion of the Development shall be used for the storage of building materials other than in connection with construction projects approved in accordance with Article 9.

4.16 Street Obstructions. No Owner or Resident shall place any obstruction within the street, including but not limited to, vehicles, trash, trash cans, clippings or other similar items, unless otherwise permitted in this Declaration or by the Board of Directors.

4.17 Parking and Vehicles. The following parking and vehicle restrictions shall apply within the Development:

4.17.1 Driveways and Garages. Unless specifically approved by the Design Review Committee as to location and manner of screening (see Section 4.17.5), all vehicles, trucks, boats and trailers permitted to be parked within Winchester may only be parked on a paved driveway or within a garage. All driveways and garages shall be maintained in a neat and orderly condition and garage doors shall be kept in a closed position except as necessary to permit ingress and egress of vehicles or to clean or work in the garage area. Garages are to be used for the parking of standard passenger vehicles, trucks not to exceed three-quarter tons in gross weight, boats, trailers or the storage of similar items of personal property so long as such storage of personal property will not result in the regular parking of vehicles, trucks, boats or trailers on driveways or streets within Winchester. Furthermore, garages shall not be converted to living quarters or work shops which will preclude the parking of vehicles. (See additional provisions regarding the Cottage Lots set forth in Section 10.43 below.)

4.17.2 Limitations on Street Parking. No Owner or Resident shall park any vehicle, truck, boat or trailer on any street within Winchester except as specifically authorized by Section 4.17.5. In addition, persons visiting a Residence for social activities of limited duration may park on streets when the number of guests visiting the Residence precludes the parking of all visitor vehicles on driveways or other improved parking areas on the host's Lot. No Owner, Resident or visitor of an Owner or Resident shall park any vehicle, truck, boat or trailer overnight on any street within Winchester. The restrictions on street parking imposed by this section are intended to constitute enforceable equitable servitudes appurtenant to each Lot and therefore binding on all Owners and Residents, regardless of the fact that some or all streets within Winchester may be public right-of-ways.

4.17.3 Common Area Parking. Any parking areas constructed within the Common Area are to remain open for use by Owners, Residents, guests, visitors and staff, and are not to be used by Owners or Residents, either overnight or permanently, for the parking of their passenger vehicles or the storage of boats, trailers or similar items.

4.17.4 Repair of Vehicles. No motor vehicle shall be constructed, reconstructed or repaired within Winchester and no dilapidated or inoperable vehicle, including vehicles without wheel(s) or an engine, shall be stored at any location within Winchester; provided, however, that the provisions of this subsection shall not apply to emergency minor repairs and vehicle maintenance, or to construction, reconstruction, or repairs conducted completely within an Owner's garage.

4.17.5 Boats, Campers, Trailers, RVs. Campers, boats, trailers, motor homes, recreation vehicles, commercial vehicles and trucks in excess of three-quarter tons and inoperable vehicles may only be parked on Lots, and then only if the vehicle or trailer is located in a garage or to the side or rear of the Owner's Residence and screened so as to be totally isolated from view from other Lots, Common Area, the Golf Course or streets. The location and method of screening of such vehicles, boats or trailers stored outside of garages or driveways must be approved by the Design Review Committee and be consistent with the fencing restrictions of Section 10.35. As a result of this restriction it is likely that some large motor homes or other boats, trailers, or recreation vehicles may be prohibited from being parked or stored on a Lot, even when other, smaller, recreation vehicles will be authorized. This restriction shall not apply to short-term parking of boats, trailers, motor homes or other large trucks or recreation vehicles for purposes of loading or unloading for periods of four (4) hours or less, or the parking of commercial trucks and vehicles for periods when the owner of the vehicle is actively engaged in the provision of goods or services to the Owner or Resident of the Lot where the vehicle is being parked.

4.17.6 Restriction on Use of Garage for Storage. Garages may not be used for storing or parking any boat, motorcycle, camper, trailer, recreational vehicle or other personal property, unless the same is fully enclosed in the garage and the garage door is kept closed, other than for ingress and egress. At all times the garage must be maintained in a manner which will permit the parking of automobiles belonging to the Owner in each parking bay in the garage.

4.17.7 Rules and Enforcement. In order to prevent or eliminate parking problems within the Development, or to further define and enforce the restrictions contained in this section, the Board shall have the authority to adopt such further Rules and restrictions regarding vehicles and parking within the Development as the Board may deem prudent and appropriate. The Board shall also have the power to impose sanctions and/or fines for violations of provisions of the Governing Documents relating to vehicles and parking.

4.17.8 Towing. The Association shall have the power and authority to cause the towing, at the vehicle owner's expense, of vehicles which are parked within the Common Area of the Development in violation of any of the provisions of the Governing Documents, provided that towing of vehicles of guests and other non-Residents of the Development shall be subject to the provisions of applicable law. Costs incurred by the Association relating to the towing and/or storage of any vehicle parked in violation of any provision of the Governing Documents shall be assessed as a Reimbursement Assessment against the Lot Owner responsible or whose household members, tenants, Contract Purchasers, or guests are responsible for the presence of such vehicle.

4.18 Restrictions Relating to Golf Carts and Use of Cart Paths.

4.18.1 Authorized Golf Carts. The only "Authorized Golf Carts," as defined in California Vehicle Code Section 345, which shall be permitted to be operated within Winchester shall be Authorized Golf Carts that are owned and maintained by the Winchester Country Club and made available to members and other players for use during play at the Club.

4.18.2 Authorized Low-Speed Vehicles. In addition to Authorized Golf Carts, Owners of Lots may purchase, operate and keep at their residences "Authorized Low-Speed Vehicles" (privately-owned golf carts), defined in Vehicle Code Section 385.5 as "a motor vehicle with four wheels that can attain a speed of 20 miles per hour and not more than 25 miles per hour on a paved level surface," so long as such Authorized Low-Speed Vehicle meets all of the following requirements: (a) it is of a type and specification which is permitted to be operated on public streets by applicable state and local laws and regulations; (b) it meets the requirements of Federal Motor Vehicle Safety Standards, Section 571.500 (equipped with headlamps; front and rear turn signal lamps; tail lamps; stop lamps; reflex reflectors; interior mirror; parking brake and seatbelts); (c) it is manufactured by Club Car Inc. or other similar manufacturer of low-speed vehicles of similar appearance and specifications approved by the Association Board, and the Club if it is intended to be operated on cart paths within the Winchester Country Club; and (d) it is the same color of green as the Club's Authorized Golf Carts.

4.18.3 Operation of Golf Carts and Low-Speed Vehicles on Streets Within Winchester. The County of Placer established, as a condition for the approval of the development of Winchester, that no golf carts shall be permitted to operate on public roadways or Pedestrian/Bicycle Trails within Winchester. In order to put all Owners and potential Owners on notice of the County's golf cart operating restrictions, no golf cart shall be operated, parked or stored at any Lots within Winchester, or operated on any public streets within the Development. This restriction shall not prevent, however, Authorized Golf Carts from crossing streets at designated intersections of streets and golf cart paths, as necessary to use the Golf Course. Residents of Winchester may maintain Authorized Low-Speed Vehicles (privately-owned golf carts) at their residences and operate such vehicles on public streets within the Development to the full extent permitted by law.

4.18.4 Operation of Golf Carts and Low-Speed Vehicles (Privately-Owned Golf Carts) on Country Club Golf Cart Paths. Only Authorized Golf Carts and Authorized Low-Speed Vehicles (privately-owned golf carts), as defined in this Section 4.18, may be operated on Golf Course cart paths, and then only in accordance with Golf Course rules, which, among other things, restrict such use and operation to golf club members and guests who are playing the Golf Course.

4.18.5 Maintenance of Authorized Low-Speed Vehicles (Privately-Owned Golf Carts). Authorized Low-Speed Vehicles (privately-owned golf carts) must be maintained in a first class condition, consistent with the maintenance standards observed by the Winchester Country Club for its Authorized Golf Carts. This requirement may be enforced by either the Association or the Winchester Country Club.

4.19 Gates. No private, gated, entry structures are permitted anywhere within Winchester, except at the following locations: (a) Golf Course entrance; (b) Golf Course clubhouse; (c) Swim and Tennis Facility; (d) private driveways; (e) emergency access points approved by the County Development Review Committee; (f) appropriate emergency services agencies; and (g) other locations (including

streets and cul-de-sacs) as may be approved in writing by the County Development Review Committee. See additional restrictions regarding the Cottage Lots set forth in Section 4.34 below.

4.20 Camping, Outbuildings and Temporary Structures. Except as authorized by the Board, no outbuilding, tent, shack, trailer, shed, mobile home, camper or temporary building of any kind shall be located within the Development, except in strict compliance with the provisions of this Declaration, including Article 9. In no event shall any such structure be used as a living area. No camping shall be permitted on any Lot.

4.21 Animals.

4.21.1 Household Pets. No animals, reptiles, rodents, livestock or poultry shall be kept, cultivated, produced or bred on any Lot or elsewhere within the Development, except that a reasonable number domesticated pets (e.g., dog or cat) may be kept provided that: (a) they are not kept, bred or maintained for any commercial purposes; (b) they are maintained under reasonable control at all times; and (c) they are kept in conformance with any County ordinances, including any limitations on number or type. This provision shall not apply to aquarium type fish or small caged animals, such as hamsters and birds kept within the Residence at all times.

4.21.2 Common Area. While in the Common Area, including on streets and public right-of-ways, dogs must be restrained on a leash held by a responsible person capable of controlling it. Dogs may not be tethered anywhere on Common Area or in front of a Lot under any circumstance.

4.21.3 No Dangerous or Vicious Animals. The Association shall have the right to prohibit the keeping of any animal which constitutes, in the sole and exclusive opinion of the Board, a nuisance to any other person; or the right to require the removal of a vicious or dangerous animal.

4.21.4 Owner's Responsibility for Pets. Each Owner and Resident shall be responsible for immediately removing and disposing of any pet waste dropped anywhere in the Development by their pets or the pets of their guests and invitees. The Board shall have the power to impose fines and other sanctions for violations of provisions of the Governing Documents relating to pets, including without limitation fines for failure to remove and dispose of pet waste as required by this section. Each Owner, and the Owner’s household members, tenants, Contract Purchasers, guests or invitees and any other person bringing or keeping an animal within the Development shall be absolutely liable to the Association and all other persons for any injury or damage to persons or property caused by the animal. Each Owner and Resident shall indemnify the Association and its officers, directors, and agents against any and all claims, damages, losses, demands, liabilities and expenses, including but not limited to attorneys' fees, arising out of or resulting from the presence or conduct of any animal brought to or kept within the Development by the Owner or Resident, members of his or her household, guests, tenants, or invitees. See additional restrictions applicable to the Cottage Lots set forth in Section 4.34 below.

4.21.5 Pet Rules. The Board may adopt and enforce pet rules, which shall be Rules in addition to the provisions of this section. Such Rules may include, without limitation, regulations regarding the presence of pets on the Common Area, what constitutes a reasonable number of pets, and restrictions on breed and size.

4.22 Lease of Lots. The Development is designed and intended as an Owner-occupied residential development, and no Owner shall rent, lease or otherwise delegate the use and occupation of the Owner's Lot except upon the following terms and conditions:

4.22.1 Duration. No Lot or building thereon may be leased or rented for a period of less than six (6) months unless approved by the Board of Directors.

4.22.2 Subject to Governing Documents. Any lease or rental shall be by a written agreement which shall provide that the tenancy is subject to the terms of this Declaration, the Bylaws and the Rules and that any failure of the tenant to comply with the terms of this Declaration, the Bylaws or the Rules shall constitute a default under such agreement.

4.22.3 Entire Lot. The lease or rental shall apply to not less than the entire Lot including its appurtenant rights, except its voting rights in the Association. Owners may not rent individual rooms or Guest Houses.

4.22.4 Lease Agreement. The Owner shall provide the Association with a copy of the written rental agreement for the Owner's Lot.

4.22.5 Owner Responsibility. Each Owner leasing or renting a Lot shall be strictly responsible and liable to the Association for the actions of such Owner's tenant in or about the Development and for each tenant's compliance with the provisions of all Association Governing Documents.

4.22.6 Association Enforcement Rights. In the event a tenant's conduct involves a nuisance to Residents or damage to the Common Area, the Association shall be entitled to maintain an eviction action against such tenant to the same extent as the Owner, the Association being deemed to be a third party beneficiary of any lease or rental agreement involving any Lot within the Development. The Association's right to maintain an eviction action shall arise only in the event that: (a) the Association has given notice to the Owner detailing the nature of the infraction and the Owner has had a reasonable opportunity to take corrective action or to appear before the Board to present arguments as to why eviction by the Association is not necessary; and (b) the Owner has not prevented and/or corrected the actions of the tenant giving rise to the nuisance or damage.

4.22.7 Indemnification of Association. Every Owner of a Lot that is occupied by persons other than the Owner pursuant to a lease or rental agreement or otherwise, agrees to and shall indemnify and defend the Association, its officers, Directors, and agents and shall hold them harmless from any cost, loss, claim or damages of any kind, including but not limited to attorneys' fees, arising out of the conduct or presence of the occupants of the Lot upon the Development, including any arising or alleged to have arisen out of the enforcement or non-enforcement by the Association of the Governing Documents against such occupants. Without limiting the generality of the foregoing, all costs, including attorneys' fees incurred by the Association to enforce the Governing Documents against such occupants, including eviction as provided herein, shall be reimbursed to the Association by the Owner and may be assessed by the Association as a Reimbursement Assessment pursuant to Section 6.9.

4.22.8 Rental of Cottage Lots. Prohibition on Transient Lodging and Time-Share Uses:

4.22.8.1 All Cottage Lots are to be used for Residential purposes only, and except as provided in this subsection, shall not be used in whole, or in part, for

transient lodging purposes. Transient lodging shall include but not be limited to, a boarding house, a "bed and breakfast," or any other related uses.

4.22.8.2 Owners may rent or lease a Cottage Lot Residence so long as the term for any such rental or lease is not less than thirty (30) days, pursuant to a written agreement, and the lessee acknowledges the Declaration in writing and agrees to be bound thereby. The Owner of a Cottage Lot permitting a rental or lease shall inform the Association of such existing rental or lease, the contact name for individuals living in the rented or leased Cottage Lot Residence and the permanent address for contacting the Owner-lessor.

4.22.8.3 In no event shall a Cottage Lot Residence be used or offered as part of any time interval ownership or time-share project as defined in California Business & Professions Code Section 11003.5 (regardless of whether such a project is a "subdivision" as defined in Business & Professions Code Section 11004.5(d)).

4.22.8.4 No nightly rentals shall be allowed at any time. No Cottage Lot Residence shall be occupied by more than two persons per bedroom plus one (e.g., a total of five (5) persons could reside in a two-bedroom Cottage Lot Residence).

4.22.8.5 When a Cottage Lot Residence is leased or rented, rights to use the Winchester Common Facilities shall rest with the tenant or lessee, rather than the Owner-lessor. The Owner-lessor shall continue to have the same right as any Owner to access the Owner's property. In all other respects, the leasing and rental of Cottage Lot Residences shall be subject to Section 2.4 of the Winchester Declaration.

4.23 Clotheslines. Exterior clotheslines or other outside clothes drying or airing facility shall not be erected or maintained upon any Common Area or on any Lot if visible from other Lots, the Golf Course, the Common Area or streets in the Development without the written consent of the Board. The Board shall have the discretion to adopt Rules governing the use of clotheslines or other outside clothes drying or airing facility.

4.24 Machinery and Equipment. No machinery or equipment of any kind shall be placed, operated or maintained upon any Lot, except machinery and equipment which is normally used in connection with the occupancy and maintenance of a Residence.

4.25 Subdivision or Merger of Lots. No Lot may be further subdivided. One or more adjacent Lots may be combined upon approval of the Design Review Committee and the Board of Directors prior to any processing of governmental approvals, and in compliance with all applicable state and local laws and ordinances. New Site Envelopes and Building Envelopes shall be designated for combined Lots in accordance with the provisions of this Declaration, and approved by the Design Review Committee and the County Development Review Committee. If Lots are combined in accordance with this section, they shall be deemed a single Lot for Assessment purposes and shall give rise to only a single membership in the Association. See additional restrictions regarding the Cottage Lots set forth in Sections 4.34.3 and 4.34.4 below.

4.26 Mailboxes and Exterior Newspaper Tubes. There shall be no exterior newspaper tubes or freestanding mailboxes except as may have been originally installed by the successor Declarant or Original Declarant, or as may be approved by the Design Review Committee.

4.27 Mineral, Oil or Water Exploration. No property in the Development shall be used in any manner to explore for or to remove any water, oil, mineral, rock, earth or any other substance of any kind.

4.28 Water Reservoirs and Ponds. Pursuant to the Lake/Pond Management and Monitoring Plan, Owners shall be restricted in their use of any water reservoir within Winchester due to reservoir safety hazards. The reservoirs and ponds located within the Common Area open spaces and the Golf Course parcels shall not be used for body contact or other recreation purposes.

4.29 Petroleum and Other Chemicals. The discharge of fuels, oils or other petroleum products, detergents, cleaners or other similar chemicals in, on or around the ground or drainage ways within or adjacent to Winchester is prohibited.

4.30 Hazardous Materials. Before bringing any hazardous material to Winchester, Owners must notify the Division of Environmental Health at least ten (10) working days in advance, and must receive the Division's approval to do so. Owners that bring hazardous materials to Winchester are solely responsible for the removal of such material from Winchester. See also Section 10.26 concerning the right of the County Environmental Health Division to require builders and contractors to submit a hazardous materials emissions questionnaire prior to commencement of construction.

4.31 Burning. Within Winchester open burning is prohibited. Chipping, fuel wooding, and/or yarding are allowed. The Association shall have a chipper machine available, if possible, for use by Residents under appropriate supervision. All outdoor food preparation devices (barbecues and pizza ovens) located upon Lots and contained within receptacles designed for such purpose, and exterior fire places which conform to EPA emissions standards shall be permitted. Wood-burning devices (fireplaces and stoves) that are Phase II EPA certified are allowed. No open-hearth fireplaces are allowed even with a catalytic converter. No Owner or Resident shall permit any condition to exist on the Owner's Lot, including, without limitation, trash piles or weeds, which creates a fire hazard or is in violation of local fire regulations.

Notwithstanding the procedure for granting a variance set forth in Section 4.33, the Board shall provide written notice to all Members at least thirty (30) days before conducting a hearing pursuant to subsection 4.33.2 on a request for a variance from the prohibition on open burning. The notice shall include: (a) a description of the requested variance; (b) an explanation of the Board's initial determination under subsection 4.33.1 that application of the prohibition on open burning to the particular Owner will (1) cause substantial undue hardship to the Owner, or (2) fail to further or accomplish the common plan for the Development as contemplated by this Declaration; and (c) the date and time of an open meeting of the Board where Members shall have an opportunity to comment on the requested variance. If, after conducting a hearing on such variance, the Board makes a decision to grant the variance, the Board shall deliver written notice of the terms of the variance to every Member within fifteen (15) days.

4.32 Fire Station Site. Pursuant to that certain Agreement entitled "Will Serve Fire Protection Agreement" between the Placer Hills Fire Protection District ("Fire Protection District") and the Original Declarant dated August 7, 1996, the Original Declarant has conveyed to the Fire Protection District Lot N as shown on the Subdivision Map for purposes of construction on said Lot of a fire station and related facilities. As more particularly provided in subparagraph 5(d) of the "Will Serve Fire Protection Agreement," any fire station or other facilities constructed on the fire station site shall conform to design criteria applicable to other institutional or commercial development within the Winchester Development. In the event that plans for Improvements submitted by the Fire Protection District do not conform to the minimum construction standards set forth in Article 10, proposed Improvements may be denied on that basis; provided, however, that if the Fire Protection District disagrees with any decision of the Design Review Committee with respect to proposed Improvements, the matter shall be submitted to Placer County's Development Review Committee for final determination. Lot N shall not be subject to the provisions of Section 15.2, which pertain to Lots located adjacent to the Golf Course.

4.33 Variances. The Board shall be authorized to grant reasonable variances from the provisions of Article 4 of this Declaration upon written application from any Owner provided that the Board determines, in its sole discretion, that the specific application of the use restriction to such Owner will: (a) cause substantial undue hardship to the Owner; or (b) fail to further or accomplish the common plan for the Development as contemplated by this Declaration. The Board shall have the power to limit any variance granted in scope or duration or otherwise impose such specific requirements as the Board may, in its complete discretion, see fit to require. The Board shall adhere to the following procedures in acting on any request for a variance:

4.33.1 The Board, in its sole discretion, shall make an initial determination of whether or not the variance request on its face meets the requirements set forth in this section. Where the Board deems it appropriate, the Board may, but shall not be required to, obtain the input of the Design Review Committee in considering the variance request. If the Board determines that the variance request does not meet the requirements set forth in this section, the variance request shall be denied and the Board shall so notify the applicant within thirty (30) days of the Board's decision. If the Board determines that the variance request does on its face meet the requirements set forth in this section, the procedures set forth in the remainder of this section shall be followed.

4.33.2 Provided the Board determines that the variance request does on its face meet the requirements set forth in this section, the Board shall conduct a hearing on the variance within sixty (60) days of the receipt of the written request for a variance. No decision regarding the request for variance shall be made until the conclusion of the hearing.

4.33.3 After the conclusion of the hearing, the Board shall, in its sole discretion, either grant or deny the request for variance in accordance with the standards set forth in this section. As more fully discussed above, if the Board grants the variance request, the Board may impose such conditions as the Board deems appropriate and shall so notify the applicant within thirty (30) days of the Board's decision.

4.33.4 Failure to grant or deny any request for a variance from compliance with a use restriction shall not be deemed a waiver of the right to do so thereafter with respect to any other request for variance.

4.34 Use Restrictions Applicable to Cottage Lots. The following provisions are applicable only to the Cottage Lots, and the terms of this section supersede any contrary provisions in the Declaration solely with respect to the Cottage Lots.

4.34.1 Antennas, Satellite Dishes, and Solar Panels. Subject to the limitations imposed by California law, the Association Board of Directors shall be entitled to adopt reasonable regulations regarding the installation of solar energy systems. These rules may include limitations on the placement and design of such systems to the extent necessary to avoid an unsightly appearance from neighboring Lots, the Golf Course, golf club facilities or the Common Area. In addition to Section 4.12 of this Declaration, the Cottage Lot Residences shall also be subject to the following: (a) all antennas must be enclosed within the Residence; and (b) any satellite dish must be located and screened in a manner approved in advance by the Design Review Committee. In all other respects, the restrictions on antennas imposed by Section 4.12 of this Declaration shall apply to the Cottage Lots.

4.34.2 Kennels and Dog Runs. No kennels and/or dog runs will be allowed on the Cottage Lots. Any pets owned by Owners of the Cottage lots shall be indoor pets and shall not be housed or regularly maintained outside the home.

4.34.3 Subdivision. No Cottage Lot may be subdivided.

4.34.4 Combination of Lots. No Owner may combine two (2) or more adjoining Cottage Lots. This restriction shall prevail over Section 4.25 of this Declaration to the extent that section permits Lot combinations.

4.34.5 Entry Gates. Individual entry gates to the Cottage Lots will not be allowed.

4.35 No Right to Unobstructed View. Owners of Lots have no right to air, light or an unobstructed view. Owners of Lots have no guarantee that their view over and across other Lots, the Preserves, Common Area or the Golf Course will forever be preserved without impairment. The Association, Owners of Lots or the Golf Course owner have no obligation to prune, not prune, remove, relocate or abstain from planting trees or other landscaping, and have the right to add, change or reconfigure the Common Area, their Lots or the Golf Course, respectively, regardless of whether such changes diminish or obstruct the view from any other Lot, Common Area or the Golf Course. Limited thinning of trees on an Owner's property is permitted to create a view corridor, subject to approval by the Design Review Committee and the County, provided such thinning does not adversely impact surrounding Common Area, Lots or the Golf Course. (See also Section 15.2.2 regarding view across and over the Golf Course.)

4.36 Guest Houses. Guest Houses, casitas, or "granny units" shall not be leased or rented to persons who are neither family members nor domestic employees of the Owners of the principal Residence on the Lot.

ARTICLE 5 HOMEOWNERS ASSOCIATION

5.1 Management and Operation. The Association, through the Board of Directors, shall manage and operate the Development in accordance with the applicable provisions of the Governing Documents and the applicable provisions of California law. The Association shall have all of the powers set forth in the Governing Documents together with general power to do any and all things that a nonprofit mutual benefit corporation may lawfully do under the laws of the State of California, subject only to the limitations upon the exercise of such powers as are expressly set forth in the Governing Documents.

5.2 Membership. Each Owner of a Lot shall be a Member of the Association and shall remain a Member thereof until such time as the Owner's Lot ownership ceases for any reason. Membership shall be appurtenant to and may not be separated from ownership of a Lot and shall not be transferred, encumbered, pledged, alienated or otherwise hypothecated in any way, except in connection with the sale or encumbrance of the Lot to which it is appurtenant.

5.3 Voting. Only Members in Good Standing shall be entitled to vote, and only one vote shall be cast for each Lot, all as more particularly specified in the Bylaws.

5.4 Board of Directors. The affairs of the Association shall be managed by or under the direction of the Board. The number and qualifications of Directors shall be as established in the Bylaws, and the Directors shall be elected as provided in the Bylaws. The Board of Directors shall have all of the powers and duties set forth in any provision of the Governing Documents, including without limitation such powers and duties as may be expressly set forth in this Declaration.

5.5 Conflict of Interest.

5.5.1 Self-Dealing. Directors and committee members shall not engage in self-dealing. Self-dealing occurs when Directors or committee members make decisions that materially benefit themselves, their friends or their relatives at the expense of the Association. Benefits include money, privileges, special benefits, gifts or other items of value. No Director or committee member may: (a) solicit or receive any compensation from the Association for serving on the Board or any committee; (b) make promises to vendors, their friends or relatives unless with prior approval from the Board; (c) solicit or receive any gift, gratuity, favor, entertainment, loan or any other thing of value for themselves or their friends or relatives from a person or company who is seeking a business or financial relationship with the Association; (d) seek preferential treatment for themselves or their friends or relatives; or (e) use Association property, services, equipment or business for the gain or benefit of themselves or their friends or relatives, except as is provided for all Members of the Association.

5.5.2 Recusal. A Director or member of a committee shall not vote on any of the following matters: (a) discipline of the Director or committee member; (b) an assessment against the Director or committee member for damage to the Common Area or Common Facilities; (c) a request, by the Director or committee member, for a payment plan for overdue assessments; (d) a decision whether to foreclose on a lien on the separate interest of the Director or committee member; (e) review of a proposed physical change to the separate interest of the Director or committee member; or (f) a grant of exclusive use of Common Area to the Director or committee member.

5.6 Association Rules. The Board shall have the power and the authority to establish, promulgate, amend, repeal, and enforce such rules and regulations, which shall be known as "Rules," as the Board deems necessary for the management and operation of the Development and the conduct of the business and affairs of the Association. The Rules may concern, but need not be limited to, matters pertaining to: (a) use of the Common Area; (b) pets; (c) signs; (d) collection and disposal of refuse; (e) minimum standards for maintenance of property; (f) use of recreation facilities, if any; (g) parking and traffic regulations; (h) rental or leasing of Lots or Residences; and (i) any other subject matter within the jurisdiction of the Association as provided in the Governing Documents or by law. The Board shall have the power and authority to employ a manager and such other persons or entities as the Board shall deem appropriate to assist it in managing the Development and conducting the business and affairs of the Association, as more particularly set forth in the Bylaws.

5.7 Insurance. The Board shall procure and maintain liability insurance and property insurance as it shall deem proper and as more particularly set forth in the Bylaws.

5.8 Capital Improvements. The Board shall have the power and authority to provide for the construction, reconstruction, installation or acquisition of capital Improvements upon the Common Area provided that the Board shall not incur aggregate expenditures for capital Improvements to the Common Area in any fiscal year in excess of ten percent (10%) of the budgeted gross expenses of the Association for that fiscal year without the approval of at least a Simple Majority. For purposes of this section, capital Improvement shall mean Improvements not in existence as of the date this Declaration is recorded and unrelated to repairs or destruction of the existing Common Facilities.

5.9 Association Property. Subject to Section 5.10, the Board of Directors shall have the power to sell, transfer, lease or otherwise dispose of the Association's property, provided that the Board shall not, sell, transfer or otherwise dispose of real property owned by the Association having an aggregate value in excess of ten percent (10%) of the budgeted gross expenses of the Association for that fiscal year without the approval of at least a Simple Majority.

5.10 Dedication or Transfer of Common Area to Public Agency or Utility. The Board of Directors shall have the power to dedicate or transfer all or any part of the Common Area to a public agency, authority or utility. No such dedication or transfer shall be effective unless it has been approved by Members holding at least two-thirds (2/3) of the Total Voting Power.

5.11 Borrow Money. The Board of Directors shall have the power to borrow money in the name of the Association.

5.12 Mortgage of Association Property. The Board of Directors shall have the power and authority to mortgage, pledge, encumber or otherwise hypothecate the real and personal property of the Association for money borrowed or debts incurred by the Association.

5.13 Mergers and Consolidations. The Association may: (a) participate in mergers and consolidations with other nonprofit corporations organized for the same purposes as the Association; or (b) annex additional property to the Development, approved by vote or written consent of Members entitled to exercise not less than two-thirds (2/3) of the Total Voting Power of the membership of the Association.

5.14 Dissolution. So long as there is any Lot, parcel or area for which the Association is obligated to provide management, maintenance, preservation or control, the consent of all Members must be obtained for the Association to: (a) transfer all or substantially all of its assets; or (b) file a certificate of dissolution.

5.15 Transportation Programs. The County requires the Association to implement transportation control measures to encourage the use of alternative transportation modes by Residents of Winchester. The Association shall establish a ride share matching program. The purpose of the program shall be to maintain a database of Residents within Winchester and their commute patterns in order to promote the formation of carpools and vanpools. The Association shall prepare and circulate to all Owners an annual informational newsletter which describes the need for cooperative participation in the County-wide program, describes project programs currently underway and urges the participation of Residents in those programs.

5.16 Limitation of Liability. Neither the Association nor its Directors, officers, employees, agents or committee members (collectively and individually referred to as the "Released Party") shall be personally liable for damages or in equity to any of the Members, or to any other person, for any error or omission in the discharge of their duties and responsibilities or for their failure to provide any service required hereunder or pursuant to the Bylaws, even if such Released Party is negligent, provided that such Released Party has not acted in bad faith. This standard of care and limitation of liability shall extend, without limitation, to matters such as: (a) the establishment of the Association's annual financial budget; (b) the funding of Association reserve accounts; (c) the discharge of the Association's maintenance, repair and replacement obligations; (d) the enforcement of the Governing Documents; and (e) to any other fiduciary duties or responsibilities imposed by law or the Governing Documents.

5.17 Designation of Declarant. The Board of Directors of the Association shall have the power and authority to designate an Owner of five (5) or more Lots in the Winchester common interest development as a Declarant with all the rights and privileges of a Declarant as outlined in this Declaration and the Association's Governing Documents. There may be more than one Declarant at any given time if the Board of Directors designates multiple Declarants. In the event of multiple Declarants, each Declarant shall be a Declarant only with respect to those portions of the Winchester common interest development owned by that Declarant.

5.18 Designation of Featured Builder. A Declarant may designate a person or entity which either owns or acquires from said Declarant the right to build on at least three (3) or more unimproved

Lots in Winchester or the Annexable Territory as a Featured Builder with the approval of the Board of Directors, which approval shall not be unreasonably withheld. A Featured Builder shall have all the rights and privileges of a Declarant as outlined in this Declaration and any of the Association's Governing Documents as to only those Lots owned by the Featured Builder, with the exception that a Featured Builder shall have no authority to designate other Featured Builders.

ARTICLE 6 ASSESSMENTS AND LIENS

6.1 Covenant of Owner. Each Owner of a Lot within the Development, by acceptance of a deed or other conveyance thereof, whether or not it shall be so expressed in such deed or conveyance, shall be deemed to have covenanted and agreed to pay to the Association: (a) Annual Assessments; (b) Special Assessments; (c) Reimbursement Assessments; and (d) Enforcement Assessments levied by the Association as hereinafter provided, together with all Additional Charges. Such deed or conveyance shall be deemed to vest in the Association the right and power to initiate all actions and procedures as the Board shall deem necessary or appropriate for the collection of such Assessments and Additional Charges and for the enforcement of the liens hereinafter provided for.

6.2 Personal Debt of Owner. Each Assessment levied by the Association under this Article, together with all Additional Charges, shall be a separate, distinct, and personal debt and obligation of the Owner against whom it is assessed, and shall bind the Owner's heirs, devisees, personal representatives, successors and assigns. Such obligation to pay Assessments and Additional Charges and the right and power of the Association to initiate all actions and procedures for collection shall run with the land, so that each successive Owner or Owners of record of any Lot shall, in turn, become liable to pay all such Assessments and Additional Charges assessed during the time said Owner is record Owner of such Lot. After an Owner transfers of record any Lot, said Owner shall not be liable for any Assessments levied thereafter with respect to such Lot. Such Owner shall remain personally liable, however, for all unpaid amounts due and owing at the time of transfer, together with Additional Charges accruing until time of collection. A Contract Seller of any Lot shall continue to be liable for all Assessments and Additional Charges until a conveyance by deed of such Lot is Recorded.

6.3 Designation of Cost Centers. The Association shall have the power and authority to designate Lots and Common Area within phases of Winchester as Cost Centers for purposes of expense accounting and the equitable allocation of Assessments in accordance with this Article. Cost Centers may also be established at the time a phase is annexed to Winchester by an appropriate provision in a supplemental declaration applicable to the phase (see Article 14). A Cost Center is likely to be designated when: (a) the maintenance or use of a particular Improvement, or maintenance areas within the designated Cost Center are fully or partially restricted to Owners of Lots located within the area designated as a "Cost Center," as specified in one or more supplemental declarations or declarations of annexation; or (b) when Owners within a designated Cost Center are receiving services from the Association that are in addition to, or significantly greater than, the services provided to other Owners or Residents.

6.4 Creation of Lien. Each Assessment levied by the Association pursuant to this Declaration, together with all Additional Charges, shall be a charge upon the land, and upon levy shall be secured by a continuing lien upon the property against which such Assessment is levied. The Association shall have a separate lien and a separate lien is hereby created upon each Lot to secure the payment of any such Assessments and Additional Charges as may be levied under this Declaration. The lien provided for herein shall continue to secure all Assessments and Additional Charges levied upon any Lot notwithstanding the transfer of record title to such Lot, and any such transfer shall be subject to the Association's lien, provided that, prior to such transfer, a Notice of Delinquent Assessment has been Recorded as provided in this Declaration and by law. The priority of all such liens on each Lot shall be in inverse order so that any sale of such Lot pursuant to foreclosure of the lien for any particular charge on

any Lot will be made subject to all liens securing the respective monthly Assessments and Additional Charges on such Lot for succeeding months.

6.5 Purpose of Assessments. The Assessments levied by the Board shall be used exclusively for: (a) managing and operating the Development; (b) conducting the business and affairs of the Association; (c) promoting the recreation, health, safety, welfare, benefit and interests of the Owners in relationship to the Development; (d) improving and maintaining the Common Area and, to the extent provided for in the Governing Documents or by law, the Lots situated within the Development; (e) enforcing the Governing Documents; and/or (f) otherwise benefitting the Owners. In no event shall funds be raised, given, contributed, donated, loaned or spent from Assessments for the purpose of improving, maintaining, operating or otherwise funding the Golf Course, the Golf Course clubhouse or any other Golf Course facilities in any manner whatsoever, or under any circumstances, including but not limited to annexation of all or any portion of the Golf Course, whether in exchange for services or privileges to use the Golf Course, Golf Course clubhouse or Golf Course facilities, or not. This section shall not prohibit the Association from entering into shared agreements for security services. However, any such agreements shall be for shared services and shall not result in the Association funding, supporting or subsidizing the Golf Course, Golf Course clubhouse or any Golf Course facility.

6.6 Authority of the Board. The Board shall have the power and the duty to levy Annual and Special Assessments sufficient to meet the Association's obligations under the Governing Documents and applicable law.

6.7 Annual Assessment.

6.7.1 Estimate of Required Funds. Not less than thirty (30) days nor more than ninety (90) days prior to the beginning of each fiscal year, the Board shall complete and distribute to all Owners an estimate of the funds required by the Association for such fiscal year to: (a) manage, administer, operate, and maintain the Development; (b) to conduct the affairs of the Association; and (c) to perform all of the Association's duties in accordance with this Declaration. Such estimate shall include a reasonable amount allocated to contingencies and to a reserve fund for the restoration, repair, and/or replacement of those components for which the Association is responsible and which must be repaired or replaced on a periodic basis.

6.7.2 Allocation of Annual Assessment. The Board shall allocate and assess the estimated required funds equally among the Lots by dividing the amount by the number of Lots.

6.7.3 Cost Center Assessment Allocation. Whenever it is determined by a Declarant that a Cost Center should be designated to fairly allocate the expenses incurred or to be incurred by the Association to operate, maintain, repair and/or replace a particular Common Area Improvement(s) or maintenance area, this Declaration or any supplemental declaration applicable to a Lot that is subject to the Cost Center component shall: (a) identify the Cost Center, if existing, or describe the Cost Center, if proposed; (b) identify the Lots which are entitled to use the facilities of the Cost Center, or which are obligated to bear the exclusive or disproportionate maintenance of such Cost Center Improvement(s), and which shall be obligated to pay the estimated expenses attributable to the activity or Improvement designated as a Cost Center component. Unless otherwise provided, each Lot within a designated Cost Center shall be allocated an equal share of the Cost Center.

6.7.4 Commencement of Regular Assessments in Annexed Phases. Regular Assessments shall commence with respect to all Lots within any phase of Winchester on

the first day of the month following the month in which the first Lot in that phase is conveyed to an Owner other than a Declarant, and may commence prior to that date either at the option of a Declarant or as required by the contract conveying a phase from a Declarant to a new Owner. Conveyance of Lots constituting a phase by a Declarant to a new Owner which will then be improved and resold by the Owner pursuant to a Public Report issued by the California Department of Real Estate to third-party purchasers shall not cause Assessments to commence within the phase.

6.7.5 Payment of Annual Assessments. Unless the Board shall designate otherwise, Annual Assessments shall be levied on an annual basis and shall be paid in twelve (12) equal monthly installments during the fiscal year, and each installment shall be due and payable on the first day of each month.

6.7.6 Increases in Annual Assessment. Pursuant to California Civil Code Section 1366(b), except as otherwise provided by law, and notwithstanding more restrictive limitations placed on the Board by the Governing Documents, the Board shall not increase the Annual Assessment for any fiscal year above the amount of the Annual Assessment for the preceding fiscal year by more than the twenty percent (20%) maximum amount then permitted by law, except upon the affirmative vote or written consent of a majority of Members voting on any such increase in the Annual Assessment, provided that a quorum is established. In the case of an increase in a Cost Center Assessment Component, or imposition of a Cost Center Special Assessment, a majority of the Members owning Lots within the Cost Center to which the Cost Center Assessment Component or Cost Center Special Assessment is attributable must approve by vote or written consent of the increase in excess of the maximum amount permitted by law. For purposes of the preceding sentences, a quorum shall mean more than fifty percent (50%) of the Members of the Association, notwithstanding any lower quorum requirement which may be set forth in the Bylaws.

6.8 Special Assessments.

6.8.1 Purpose of Special Assessments. If at any time during any fiscal year the Annual Assessment proves inadequate for any reason, including nonpayment of any Owner's share thereof, or the unexpected repair, replacement or reconstruction of Improvements located in the Development, or if funds are otherwise required for any authorized activity of the Association, the Board may levy a Special Assessment in the amount of such actual or estimated inadequacy or cost. The Board may also levy a Special Assessment for capital improvements within the Common Area. The Special Assessment power conferred hereunder is not intended to diminish the Board's obligation to plan and budget for routine maintenance, repair and replacement of Common Facilities through Annual Assessments.

6.8.2 Allocation of Special Assessments. Special Assessments shall be allocated and assessed equally among all Lots in the Development, except any Assessment against an Owner as a result of a deficiency in insurance proceeds or condemnation awards as provided in Article 7 of this Declaration. If the purpose for the Special Assessment will benefit only or disproportionately those Owners of Lots within the Cost Center, the Special Assessment may be imposed as a Cost Center Special Assessment against only the Owners of Lots in that Cost Center.

6.8.3 Approval of Special Assessments. Except in the case of an emergency situation as defined in California Civil Code Section 1366, in any fiscal year the Board may not levy Special Assessments which, in the aggregate, exceed five percent (5%) of the

budgeted gross expenses of the Association for that fiscal year, except upon the affirmative vote or written consent of a majority of the Members voting on any such Special Assessment, provided that a quorum is established. For purposes of the preceding sentence, a quorum shall mean more than fifty percent (50%) of the Members of the Association, notwithstanding any lower quorum requirement which may be set forth in the Bylaws.

6.9 Reimbursement Assessments. The Association shall levy a Reimbursement Assessment against any Owner and the Owner's Lot if a failure by such Owner, or any person or pet for whom the Owner is responsible, to comply with any provision of the Governing Documents has necessitated or resulted in an expenditure of funds by the Association to deal with such lack of compliance or to bring such Owner or the Owner's Lot into compliance. The Association shall also levy a Reimbursement Assessment in the event that the Association has expended funds performing emergency repairs as authorized by this Declaration, for discharge of a lien on the Common Area, or for any other reason specifically authorized by the provisions of this Declaration. A Reimbursement Assessment shall include any costs incurred by the Association, including attorneys' fees and costs of collecting from an Owner any amount which the Owner is obligated to pay to the Association. A Reimbursement Assessment shall be due and payable to the Association when levied.

6.10 Enforcement Assessments. The Board may levy an Enforcement Assessment, which shall include any fine imposed by the Board in accordance with the provisions of the Governing Documents, for violation of any of the provisions of the Governing Documents. Any Enforcement Assessment shall be due and payable to the Association when levied.

6.11 Failure to Fix Assessments. The failure or omission by the Board to fix or levy any Annual Assessment provided for by the terms of this Declaration before the expiration of any fiscal year, for that fiscal year or the next fiscal year, shall not be deemed either a waiver or a modification in any respect of the provisions of this Declaration, or a release of any Owner from the obligation to pay Assessments or any installment thereof for that that fiscal year or the next fiscal year, but the amount of the Annual Assessment fixed for the preceding fiscal year shall be the amount of the Annual Assessment for that fiscal year or the next fiscal year until a new Annual Assessment is levied.

6.12 Offsets. All Assessments levied by the Board shall be payable in the full amount specified, including any Additional Charges imposed as provided by the terms of this Declaration, and no offsets against any such amounts shall be permitted for any reason whatsoever, including without limitation a claim that the Association has failed to properly exercise its duties of maintenance or enforcement.

6.13 Payment Under Protest. If a dispute exists between the Owner of a Lot and the Association regarding any disputed charge or sum levied by the Association, including, but not limited to an Assessment, fine, penalty, late fee, collection cost, or monetary penalty imposed as a disciplinary measure, and the amount in dispute does not exceed the jurisdictional limits set forth in the Code of Civil Procedure Sections 116.220 and 116.221, or comparable successor statute, the Owner may, in addition to pursuing dispute resolution, pay under protest the disputed amount and all other amounts levied, including any fees and reasonable costs of collection, reasonable attorney's fees, late charges, and interest, if any, pursuant to subdivision (e) of Section 1366, and commence an action in small claims court. Nothing in this section shall impair the Association's ability to collect delinquent assessments as provided by California law.

6.14 Delinquent Assessments. Any installment or other portion of an Assessment not paid within fifteen (15) days after its due date shall be delinquent and shall be subject to interest and late charges not to exceed the maximum rate permitted by law, as well as all other Additional Charges. The Board, on behalf of the Association, may enforce the payment of any delinquent Assessment plus

Additional Charges by bringing an action at law against any Owner personally obligated to pay the same, or by foreclosing the lien against the Owner's Lot by judicial or non-judicial foreclosure, except as prohibited by law. Except as prohibited by law, upon any delinquency in payment, the Association may, at its option, declare the entire balance of all sums then due from the Owner, immediately due and payable, which total sum may then be included in any suit, action, or other procedure initiated to collect such sums, including all Additional Charges. The Board may commence any procedure for the collection of delinquent Assessments upon its own decision. The remedies provided in this Declaration for collection of delinquent Assessments shall be cumulative and not exclusive.

6.15 Power of Sale. Each Owner does hereby appoint the Association as trustee to enforce and to foreclose any lien which is established pursuant to the terms of this Declaration, by private power of sale, as provided in Division III, Part 4, Title 14, Chapter 2, Article 1, of the California Civil Code, and does further grant to the Board, on behalf of the Association, the authority and power to sell the Lot of such Owner in the event of any default in payment of any Assessments or Additional Charges levied against such Lot, for lawful money of the United States, to the highest bidder, to satisfy such lien, except as prohibited by law. The Association or any Owner may purchase the Lot at the sale.

6.16 Certificate of Satisfaction and Release of Lien. Upon payment in full of a delinquent Assessment, including any Additional Charges, or the satisfaction thereof, the Board shall Record, in the same manner as the Notice of Delinquent Assessment, a further certificate stating the satisfaction thereof and the release of the lien.

6.17 Priority. Except as otherwise expressly provided by law, the lien securing each of the Assessments provided for under this Article shall have priority as of the date of Recording of the Original Declaration applicable to the Development over all other liens and encumbrances applicable to the Lots. Notwithstanding the preceding, a lien for Assessments which have become due and payable prior to the sale of a Lot pursuant to a decree of foreclosure of a first Mortgage, or pursuant to a power of sale contained in any such first Mortgage, shall be subordinate to the lien of any first Mortgage Recorded against the Lot. Such foreclosure sale shall not relieve the Lot from liability for any Assessments and Additional Charges thereafter becoming due, or from the lien of any subsequent Assessment.

6.18 Association Funds. All Association accounts shall be maintained in one or more banks or other depositories selected by the Board, which accounts shall be clearly designated as belonging to the Association. The Assessments collected by the Association shall be properly deposited into such accounts. The Assessments collected by the Association shall be used for the purposes set forth in Section 6.5.

6.19 Waiver of Exemptions. Each Owner, to the extent permitted by law, does hereby waive, to the extent of any liens created pursuant to this Article, the benefit of any homestead or exemption laws of the State of California in effect at the time any Assessment or installment thereof becomes delinquent or any lien is imposed pursuant to the terms of this Article.

6.20 Property Exempt from Assessments. The following property, Lots and Common Area subject to this Declaration shall be exempt from the Assessments, Additional Charges, and liens created herein:

6.20.1 All property dedicated to and accepted by the County of Placer or other local public authority and devoted to public use.

6.20.2 Any Lot acquired by the Association through foreclosure. Such exemption shall be applicable only during the period in which the Association is record Owner of such Lot.

6.20.3 All Common Area.

6.21 Owner Assignment of Rents. Each Owner hereby presently assigns to the Association, absolutely and regardless of possession of the Lot, all rents and other monies now due or which may hereafter become due under any lease, rental agreement or otherwise, for the use or occupation of any or all parts of any Lot owned by the Owner now existing or hereafter made, for the purpose of collecting all Assessments due the Association pursuant to this Declaration which are in default. The Association hereby confers on each Owner the authority to collect and retain the rents and other monies derived from any such lease or rental agreement as they become due and payable, provided that the Association at its sole discretion, may revoke such authority at any time, upon written notice to the Owner of a default in the payment of any Assessment due hereunder. Upon revocation of such authority, the Association may, pursuant to court order or by court-appointed receiver, collect and retain such monies, whether past due and unpaid or current.

ARTICLE 7 DAMAGE OR DESTRUCTION; CONDEMNATION

7.1 Common Facilities: Bids and Determination of Available Insurance Proceeds. In the event any Common Facilities are ever damaged or destroyed, as soon as practicable thereafter the Board of Directors shall: (a) obtain bids from at least two (2) licensed California contractors, which bids shall set forth in detail the work required to repair, reconstruct and restore the damaged or destroyed portions of the Common Facilities to substantially the same condition as they existed prior to the damage, and the itemized price asked for such work; and (b) determine the amount of all insurance proceeds available to the Association for the purpose of effecting such repair, reconstruction and restoration.

7.2 Common Facilities: Sufficient Insurance Proceeds. Subject to the provisions of Section 7.1 above, if in the event of damage to or destruction of any of the Common Facilities or any part thereof, the insurance proceeds available to the Association are sufficient to cover the cost of repair, reconstruction and restoration, then the Association may cause such Common Facilities to be repaired, reconstructed and restored to substantially the same condition in which they existed prior to the loss; provided, however, that in the event of a total destruction of any of the Common Facilities or any portion thereof, the Association shall not be obligated to restore such Common Facilities to their prior appearance and condition if in the Board's opinion, architectural or design modifications will result in providing the Members with improved Common Facilities available for substantially the same use and enjoyment as such destroyed Common Facilities.

7.3 Common Facilities: Insurance Proceeds Insufficient in an Amount. In the event that any of the Common Facilities or any portion thereof are totally or substantially damaged or destroyed, if the insurance proceeds and accumulated capital replacement reserves available to the Association to complete the required to repair, reconstruct and restore the damaged or destroyed Common Facilities are less than the cost of such work, the Board shall impose a Special Assessment to fund the shortfall if the unfunded portion of the project cost is less than five percent (5%) of the budgeted gross expenses of the Association for that year. If the shortfall is greater than five percent (5%) of the Association's budgeted gross expenses, then the Owners entitled to vote a Majority of a Quorum shall determine whether: (a) to repair, reconstruct and restore the damaged or destroyed Common Facilities and specially assess all Owners for such additional funds as may be needed for such purpose; or (b) not to repair, reconstruct and restore the damaged or destroyed Common Facilities, but to utilize the insurance proceeds available, together with any other funds otherwise available for such purpose, to demolish and remove the damaged or destroyed Common Facilities from the Common Area, and to level and landscape the sites thereof and apply any balance of such insurance proceeds and/or funds as the Members holding such voting power and their first mortgagees may determine.

Notwithstanding the foregoing, in the event that the damaged or destroyed Common Facilities or any portion thereof are a recreational facility in which members of the golf club have a right of use, the owner of the Golf Course shall be given notice of any intended vote by the Members to approve a Special Assessment to fund the shortfall in available insurance proceeds, and in the event that the Special Assessment is not approved, the owner of the Golf Course shall have the right, but not the obligation, to fund.

7.4 Damage or Destruction of Residences.

7.4.1 Obligation to Rebuild or Clear Damaged Structures. If all or any portion of any Residence is damaged or destroyed by fire or other casualty it shall be the duty of the Owner of said Residence to repair, rebuild or reconstruct said Residence or clear the Lot of all damaged or destroyed structures or portions thereof.

7.4.2 Design Review Committee Approval. Any Owner who has suffered damage shall apply to the Design Review Committee for approval of plans to repair, rebuild or reconstruct the Owner's Residence. Application for such approval shall be made in writing together with full and complete plans and specifications. The Design Review Committee shall grant such approval only if the design proposed by the Owner satisfies the requirements for approval set forth in Article 9.

7.4.3 Time Limitation for Reconstruction or Removal. The Owner of any damaged Residence, and the Design Review Committee shall be obligated to proceed with all due diligence hereunder, and the Owner shall commence to repair, rebuild, reconstruct or remove damaged structures within three (3) months after the damage occurs and complete the work within one (1) year, unless an extension of these time limitations is obtained from the Design Review Committee.

7.4.4 Residence on Lot 123. In the event that the ranch house that is located on Lot 123 as of the Recordation date of this Declaration is destroyed or is damaged to such an extent that the replacement cost is equal to or greater than fifty percent (50%) of the market value of the Residence (as of the date of the destruction or damage), no repair or reconstruction shall be made unless every portion of the Residence is made to conform to the minimum construction standards imposed by Article 10, without regard to Section 10.42. If the existing ranch house is damaged to an extent less than fifty percent (50%) of its market value at the time of the destruction or damage, the ranch house may be restored to its appearance prior to the destruction or damage, and without the necessity of eliminating or modifying elements of the ranch house that did not conform with the requirements of the minimum construction standards prior to the event causing the destruction or damage so long as the other requirements of this section are satisfied.

7.5 Condemnation.

7.5.1 Definition of a Taking. The term "taking" as used in this Article shall mean condemnation by eminent domain, or by sale under threat thereof, of all or part of the Common Area.

7.5.2 Representation by Association in Condemnation Proceeding. In the event of a taking, the Association shall represent the Members in an action to recover all awards, subject to the right of institutional first mortgagees who have requested the right to join the Association in the proceedings. The Association is designated as the sole representative of the Members in all aspects of condemnation proceedings.

7.5.3 Award for Common Area. In the event of a taking of all or any part of the Common Area, the Association shall distribute the award from the taking authority after deducting fees and expenses related to the condemnation proceeding including, without limitation, fees for attorneys and appraisers and court costs. In the event that the taking is by judgment of condemnation and said judgment apportions the award among the Owners and their respective institutional first mortgagees, the Association shall distribute the amount remaining after such deductions on the allocation basis set forth in the judgment. In the event that the taking is by sale under threat of condemnation, or if the judgment of condemnation fails to apportion the award, the Association shall distribute the amount remaining after such deductions among the Owners and institutional first mortgagees on a pro rata basis, with each Owner and institutional first mortgagees receiving an equal share of such award for each Lot owned by such Owner within the Winchester Development. Unless otherwise agreed to by the institutional first mortgagees, all amounts payable to an Owner shall be paid to the institutional first mortgagees.

7.5.4 Inverse Condemnation. The Association is authorized to bring an action in inverse condemnation. In such event, the provisions of this Article shall apply with equal force.

7.5.5 Notice to Members. The Association, immediately upon having knowledge of any taking or threat thereof, shall promptly notify all Members.

ARTICLE 8 MAINTENANCE OF PROPERTY

8.1 Association Responsibilities. The Association shall be responsible for maintaining the following in good condition and repair:

8.1.1 Common Area. The Association shall be solely responsible for all maintenance, repair, upkeep and replacement within the Common Area, including all Common Area landscaping. No person other than the Association or its duly authorized agents shall construct, finish, alter or maintain any Improvement upon, or shall create any excavation or fill or change the natural or existing drainage of any portion of, the Common Area. In addition, no person shall remove any tree, shrub or other vegetation from, or plant any tree, shrub, or other vegetation upon the Common Area without express approval of the Association. The Association's landscape maintenance obligations hereunder shall extend to all landscaping located on, or adjacent to Winchester within any Landscape Easement or Multipurpose Easement for which the Association has an encroachment permit from the County, as shown on the Subdivision Map.

8.1.2 Nature, Wetland and Woodland Preserves and Easements. The Association and its duly authorized agents and representatives shall be responsible for the maintenance, management and, if necessary, remediation of the Nature, Wetland and Woodland Preserves and Easements, and for the submission of an annual monitoring report to the County pursuant to the Winchester Development Conservation Reserve Plan dated February 2012, and for undertaking any required corrective action.

8.1.2.1 No Alteration of the Nature, Wetland and Woodland Preserves or Easements. Neither the Association, any Owner nor the owner of the Golf Course shall alter, modify or change the physical, biological or ecological characteristics of lands within the Nature, Wetland and Woodland Preserves and Easements, except as the Association and the County may determine to be

necessary to enhance, improve and maintain jurisdictional wetlands and potential habitat areas, except as the owner of the Golf Course may determine to be necessary to provide for golf cart paths as follows: from the green of hole 4 to the tee of hole 5, from the tee to the green of hole 11, from the green of hole 11 to the tee of hole 12, from the tee to the fairway of hole 17, from the green of hole 17 to the tee of hole 18; and to provide a driveway for Lot 172; and a shared driveway serving Lots 240 and 241.

8.1.2.2 No Dumping in the Nature, Wetland and Woodland Preserves or Easements. No placing or dumping of any fill materials, lawn clippings, weeds, branches, cuttings, oil, chemicals, garbage or trash of any kind shall be permitted within the Nature, Wetland and Woodland Preserves or Easements, or any other portion of the Common Area, the Golf Course or any on-site public park.

8.1.2.3 No Grading, Vegetation Removal, or Animal Grazing in the Nature, Wetland and Woodland Preserves or Easements. Except as provided above, no grading, vegetation removal, animal grazing, landscaping or other alteration of any kind is permitted within the Nature, Wetland and Woodland Preserves or Easements, or any other portion of the Common Area or any on-site public park without the express written approval of the County Development Review Committee. With respect to the Wetland Preserve only, in order to provide a measure of vegetation management and fire control without the necessity of mowing, the Association and the Golf Course owner or any other subsequent owner of the subject property may permit reasonable livestock grazing in the Wetland Preserve in accordance with past practices.

8.1.2.4 No Trails in the Nature, Wetland and Woodland Preserves or Easements. Neither the Association, an Owner, nor the owner of the Golf Course shall construct, maintain or use any portion of the Woodland Preserve for an equestrian or hiking trail.

8.1.2.5 Trimming Allowed for Fire Prevention and Maintenance in the Nature, Wetland and Woodland Preserves and Easements. Within the Preserves, trimming or other maintenance activities are only allowed when conducted by the Association or its contractors in the case of Preserves located within the Common Area, or by the owner of the Golf Course or its contractors in the case of Preserves located within the Golf Course property and then only for the purpose of fire prevention, elimination of diseased growth, thinning as required for the health or survival of the natural vegetation, or maintenance of the playing characteristics of the Golf Course. Such work by the Association or the Golf Course owner shall be subject to the limitations on tree removal imposed by Section 10.16.

8.1.3 Improvement Districts. Notwithstanding Section 8.1.1, the Association shall not be obligated to maintain, repair or replace any landscaping within public road rights-of-way, irrigation systems, drainage facilities, improvements, roads, streetlights, public trails, water quality enhancement facilities (BMPs) if contained within public easements and accepted by Placer County for maintenance, common and individual sewage disposal facilities, ground water monitoring program facilities, emergency access roads within Winchester (including gates and barriers, if appropriate) and/or geological hazards which are maintained, repaired or replaced by the County, a County Service Area or any other district or governmental entity.

8.1.4 County Service Area (CSA). Pursuant to the conditions of approval for the Winchester Development a County Service Area (CSA), Zone of Benefit identified as CSA 28, Zone 148 has been established to provide the following services within the Winchester Development: (a) street lighting; (b) maintenance of public roads; (c) maintenance of pedestrian/bicycle trails; and (d) maintenance of storm drainage facilities within public easement areas.

8.1.4.1 Association Responsible if CSA Abolished. If the County abolishes the Winchester CSA, or any other public agency which provides this maintenance, and repair and replacement services, or the responsible agency is otherwise unable to function, the Association shall, in addition to its other obligations under this Article 8, be responsible for the services no longer provided by said agency and the funding provided by the CSA. If such maintenance responsibilities are assumed by the Association there is likely to be an increase in the Association Assessment and a concomitant reduction in governmental fees on obligations pertaining to the activities being assumed. Accordingly, at the time CSA duties are transferred to the Association, the Association's Board may exercise its Emergency Assessment powers to fund the expenses associated with the Association's expanded maintenance obligations.

8.1.4.2 Pedestrian/Bicycle Path Maintenance Program. As a condition of development, a County Service Area (CSA) was established to fund the maintenance of, among other things, the Pedestrian/Bicycle Trails. The Pedestrian/Bicycle Trails maintenance program is based upon the cost to: (a) reseal the pavement with a slurry seal every four (4) years; (b) manage vegetation along edges of paths, including weed removal and herbicide applications; (c) prune and remove trees; (d) maintain signage and striping; (e) maintain drainage components of trail design; (f) remove litter and sweep trail regularly; (g) repair asphalt; and (h) reserve funds for eventual overlay. The County provides the actual maintenance functions funded in part by an annual parcel charge appearing on each individual Lot Owner's Assessor Tax Bill. See Section 3.14 and additional provisions regarding the CSA set forth in Section 1.15 above.

8.1.5 Authority to Permit Limited Owner Maintenance of Common Area. There may exist within the Winchester common interest development small portions of Common Area adjacent to Lots that are not suitable for use and enjoyment of all Owners and residents and which are, for some reason, difficult or uneconomic for the Association and its staff to properly maintain. Under such circumstances, the Owner of the adjacent Lot may petition the Design Review Committee for the right (which shall be a revocable license) to install and maintain landscaping on the adjacent Common Area so long as: (a) the proposal involves no structural Improvements other than an irrigation system, a path or stepping stones; and (b) the area proposed to be landscaped does not exceed two thousand square feet (2,000 sf) in size; and (c) the Design Review Committee finds that the subject Common Area is either not suitable for general use and enjoyment or is difficult or costly to maintain. The Design Review Committee shall condition its approval on the Owner's execution of an agreement acknowledging that the use is permissive and has been undertaken with the consent and approval of the Association. Once a Common Area landscape project has been approved, it shall not be expanded or materially altered without the prior consent of the Design Review Committee. The petitioning Owner and the Owner's successor in interest, shall be obligated to install the landscaping described in the proposal and thereafter to maintain and replace that landscaping in accordance with the standards imposed for landscape maintenance on the

Owner's Lot. If an Owner proceeds with the landscaping of Common Area without Design Review Committee approval, no such use may ripen into prescriptive rights and the Association may Record against its Common Area property a Notice of Consent, as specified in Civil Code Section 813, to prevent any such prescriptive rights from accruing.

8.1.6 Execution of Maintenance Agreements. The Association may enter into maintenance agreements for periods not to exceed one (1) year with a Declarant and/or the owner of the Golf Course in order to achieve economies of scale or to efficiently and cost-effectively share maintenance equipment, maintenance personnel, contractors and other resources. However, any such maintenance agreements between the Association and the Golf Course shall be for shared services only and shall not result in the Association funding, supporting, or subsidizing the Golf Course, Golf Course clubhouse or any Golf Course facility. Except as otherwise provided in this Declaration, neither a Declarant nor a Featured Builder nor any of their agents shall enter into any contract which would bind the Association or the Board without the Board's written consent.

8.1.7 Vector Prevention and Control. The County requires the Association to maintain and operate portions of the Vector Prevention and Control Plan for all Lots. Implementation of the plan shall be funded by the Association, except with respect to provisions of the plan which affect the Golf Course. Implementation of Golf Course related provisions of the plan shall be funded by the owner of the Golf Course. (Refer to the Vector Prevention and Control Plan, dated May 1996, for more information.)

8.1.8 Mosquito Abatement Program. The Association shall develop or cause to be developed a written biota-oriented management plan for Common Area ponds, drainage channels and easements to reduce potential and/or actual mosquito breeding habitat.

8.2 Owner Responsibilities. Except as specifically provided in Section 8.1 above, each Owner shall be responsible for the maintenance and repair of the Owner's Residence and Lot, including without limitation:

8.2.1 Lots and Residences. Generally, each Owner shall be responsible for the maintenance and repair of the Owner's Residence and Lot, and all other Improvements and landscaping located thereon, in a manner consistent with the standards established by the Governing Documents and other well-maintained residential areas in the vicinity of Winchester. Each Owner of a Lot, shall commence and complete installation of permanent landscaping within the time specified in Section 9.8.

8.2.2 Landscaping. Without limiting the foregoing, vegetation and landscaping on any Lot shall be planted or maintained by the Owner or Resident in such a manner as to reduce the risk of fire, prevent or retard shifting or erosion of soils, encourage the growth of indigenous ground cover and to cause the proper diversion of water into streets and natural drainage channels. The obligations identified in the preceding sentence shall exist regardless of whether the Owner has commenced construction of a Residence on the Owner's Lot. Owners of unimproved Lots shall undertake reasonable weed abatement measures on portions of the Lot adjacent to roads or neighboring Lots on which Residences and other improvements have been constructed. However, in undertaking weed abatement measures, consideration shall be given to preserving the natural beauty and aesthetics of the Lots. Defoliants shall not be used to clear large areas on Lots and trees shall be pruned and/or cut only in strict compliance with Section 10.16. Landscaping within thirty feet (30') of any Golf Course fairway shall be maintained in a

manner, and shall be comprised of trees, plants and/or other ground cover, that will not unreasonably interfere with the play of the Golf Course.

8.2.3 Maintenance of On-Site Septic Systems. No Owner may perform any work, repair or maintenance to any component of the on-site portion of any sewage disposal system located on the Owner's Lot without the prior consent of the Association. Each Residence shall be connected to a public sanitary sewer system (see Section 10.25).

8.2.4 Requirement of Back-Flow Prevention Devices. Each Owner shall maintain water back flow prevention devices as required by the Meadow Vista County Water District.

8.2.5 Compliance with Architectural Provisions. An Owner's right and responsibility for maintaining, repairing or replacing any portions of the Owner's Lot, including landscaping, shall be subject to any applicable provisions of the Governing Documents relating to landscaping and architectural control, including Article 9.

8.2.6 Owner Responsibility for All Repairs and Consequential Damages. An Owner is responsible for the cost of repair of those portions of the Owner's Residence which are required to be maintained by the Owner, those portions of Common Area and Exclusive Use Common Area which are to be maintained by the Owner, and the fixtures and personal property located on the Owner's Lot, or Residence, even if the cause of the damage which necessitates the repair originates from an element maintained by the Association, unless the cause is the gross negligence of the Association or its agents.

8.3 Maintenance Rights and Responsibilities of the Owner of the Golf Course.

8.3.1 Golf Course Appearance. Each Owner acknowledges and agrees that neither any Owner nor the Association shall have any right to compel the Golf Course owner to maintain the Golf Course or any Improvements thereon to any particular standard of care and that the appearance of the Golf Course and Improvements shall be determined in the sole discretion of the Golf Course owner.

8.3.2 Golf Course Cart Path Maintenance. Portions of the Golf Course cart path system may be situated within the Common Area. The Golf Course owner shall have the sole duty and obligation to maintain, repair and replace all portions of the Golf Course cart path system, including those portions of the system located within the Common Area.

8.3.3 Authority to Maintain Property Adjacent to Golf Course. If either the Association or an Owner fails to maintain any landscaping situated within thirty feet (30') of the Golf Course ("defaulting party"), the Golf Course owner shall have the right, but not the duty, to maintain the landscaping or to clear brush at the sole cost and expense of the defaulting party. If the Golf Course owner desires to perform any such maintenance authorized by the preceding sentence, the Golf Course owner shall first notify the defaulting party in writing and provide the defaulting party with at least thirty (30) days from the date of the notice to perform such maintenance. If the defaulting party fails to commence and complete such maintenance within the thirty (30) day period, the Golf Course owner shall have the right, in the nature of an easement, to enter the Lot or Common Area on which the maintenance is required (i.e., the thirty foot (30') area adjacent to the Golf Course) during reasonable business hours and perform such maintenance. The defaulting party shall reimburse the Golf Course

owner for the costs of performing any such maintenance within ten (10) days after receipt of a demand for reimbursement.

8.3.4 No Overspray or Water from Lots or Common Area onto Golf Course. Neither the Association nor any Owner may permit any irrigation water to overspray or drain from the Common Area or any Lot onto any portion of the Golf Course except through storm drainage Improvements constructed by a Declarant, a successor Declarant or Original Declarant. Neither the Association nor any Owner may permit any fertilizer, pesticides or other chemical substances to overspray, drain, flow or be disposed of in any manner upon the Golf Course. If the Association or any Owner violates the provisions of this section, they shall be liable to the Golf Course owner for all damages to the turf resulting from their violation and all damages, including consequential damages, suffered by the Golf Course owner.

8.4 Drainage Structures, Ditches and Swales.

8.4.1 Within Common Areas. All drainage structures, culverts and canals improved by a Declarant or the Association for the major collection of storm runoff and any natural drainage courses within the Common Area shall be maintained regularly by the Association. Any open drainage channels or ditches shall be maintained by the Association so as to reduce potential or actual mosquito breeding habitat. Any streets, parking areas, catch basins or other pavement within the Common Area shall be swept and cleaned on a regular basis, particularly in the summer and fall seasons, so as to minimize the amount of urban runoff pollutants that can be washed into any drainage course within Winchester.

8.4.2 On Lots. Except as provided in Section 8.4.1, each Owner at the Owner's sole cost and expense shall keep drainage courses, ditches and swales and other storm drainage Improvements on the Owner's Lot free and clear of all obstructions, and shall in cooperation with contiguous property Owners, including the Association and a Declarant as to any contiguous parcels owned by them, maintain all such drainage ditches, swales and culverts common to their Lots in good order so as to reduce potential or actual mosquito breeding habitat.

8.4.3 Alterations, Obstructions or Additions to Water Volume. No Owner or Resident shall alter or obstruct a natural drainage course, or materially add to the natural water volume of said drainage course without making adequate provisions with respect to neighboring Lots, Common Area and the Golf Course. Any such alterations, obstructions, or additions to water volume shall be considered an Improvement project that is subject to prior review and approval by the Design Review Committee; provided, however, that the Design Review Committee shall be entitled to rely upon plans prepared by a California registered civil or geo-technical engineer qualified in grading or erosion control matters, and in the event such plans are provided by an Owner or the Owner's agent, neither the Association nor the Design Review Committee members shall have any responsibility or liability for the adequacy or impacts of the drainage systems.

8.5 Water.

8.5.1 Water Quality Enhancement Facilities. All water quality enhancement facilities located within the Common Area shall be maintained by the Association, but not those contained within public easements and accepted by Placer County for maintenance.

8.5.2 Educational Materials. The County requires that annually the Association shall provide notice to Owners, and employees and operators of water quality enhancement facilities within Winchester, educational materials as provided by the County regarding conventional water conservation practices and surface water quality protection. These materials shall be accessible on the Association's website and updated as required by the County.

8.6 Owner Failure to Maintain. The Board shall have the absolute discretion to: (a) determine whether any maintenance, repair or replacement which is the responsibility of an Owner is necessary to preserve the appearance and value of the property comprising the Development, or any portion thereof; and (b) give written notice to the offending Owner with a request to correct the failure or condition within fifteen (15) days after receipt thereof. If an Owner refuses or fails to perform such work the Board may, after providing notice and an opportunity for a hearing, and subject to the authority of the Board to authorize immediate emergency repairs as specified in Section 8.8, cause such work to be done and charge the cost thereof to the Owner as a Reimbursement Assessment.

8.7 Owner Liability. In the event the need for any maintenance, repair, or replacement by the Association is necessitated by the willful or negligent act or omission of an Owner, members of the Owner's household, the Owner's tenants, Contract Purchaser, guests, invitees or household pets, the cost of such maintenance, repair or replacement, including the cost of materials, labor, supplies, and services, shall be charged to and paid by such Owner in the form of a Reimbursement Assessment.

8.8 Authority for Entry of Lot. The Association or its agents may enter any Lot or Residence, whenever such entry is necessary, in the Board's sole discretion, in connection with the performance of any monitoring, maintenance, repair, construction or replacement for which the Association is responsible, or which it is authorized to perform, including without limitation the authorization provided in Section 8.6.

8.8.1 Emergency Repairs. Although under no obligation to do so, the Board in its sole discretion may enter or authorize the Association's agents to enter any Lot to effect emergency repairs where such repairs are necessary for safety reasons or to prevent or discontinue damage to the entered Lot, any other Lot or the Common Area. The cost of performing any such emergency repairs shall be charged to the Owner as a Reimbursement Assessment. Such entry shall be made with as little inconvenience to the Residents as practicable and only upon reasonable advance written notice of not less than twenty-four (24) hours, except in emergency situations.

8.8.2 Chemical Spraying. The Association or its agents may enter any Lot to remove, or to apply herbicides or other chemicals to, noxious, invasive or non-native weeds or shrubs including, but not limited to, Star Thistle, Scotch Broom, Poison Oak or Manzanita for the purpose of eradication. Before undertaking application of herbicides or other chemicals, the Association shall provide notice and an opportunity to refuse such application to all affected Lot Owners.

8.9 Association Liability. Except as specifically provided in Section 8.1, the Association shall not be responsible or liable for any maintenance, repair or replacement of a Lot or any Improvement thereon, except to the extent that the need for such maintenance, repair or replacement results from the gross negligence of the Association, its employees, contractors or agents.

8.10 Board Discretion. The Board shall have the discretion to determine the manner, method, extent and timing of the performance of any and all maintenance, repair and replacement obligations imposed upon the Association by this Article.

8.11 Owner's Obligation to Cooperate with the Association and Golf Course Owner.

8.11.1 Cooperation Among Association, Owners and Golf Course Owner. To the extent necessary or desirable to accomplish the Association's maintenance obligations hereunder, individual Owners shall cooperate with the Association, and with respect to Lots adjacent to the Golf Course the Golf Course owner, and the agents and maintenance personnel of the Association and/or the Golf Course owner in the prosecution of their respective maintenance activities. Owners of Lots adjacent to the Golf Course may enter into agreements with the Golf Course owner whereby the Owner shall undertake responsibility for the landscaping and future maintenance of roughs adjacent to the landscaped Golf Course fairway, regardless of whether the rough is within the boundaries of the Owner's Lot, on the Golf Course, or partially on both. Notwithstanding the foregoing, neither the Association nor any Owner shall have any right of entry onto the Golf Course without the prior written consent of the Golf Course owner or agents.

8.11.2 Assumption of Association Maintenance Responsibilities by Golf Course Owner. Any of the following Association maintenance responsibilities, either expressly or impliedly referred to in Section 8.1, above, may be assumed by the owner or operator of the Golf Course pursuant to a maintenance agreement negotiated between the Association and the Golf Course owner: storm water retention and detention facilities; water quality enhancement facilities; the Nature, Wetland and Woodland Preserves and Easements; private recreational facilities; private parking and circulation areas; Common Area, landscaping and entrance features; roads within Winchester (including fire breaks and trails); street lighting; and other facilities for which the maintenance by the owner or operator of the Golf Course is deemed appropriate by the County Development Review Committee. However, any such maintenance agreements between the Association and the Golf Course shall be for shared services only and shall not result in the Association funding, supporting or subsidizing the Golf Course, Golf Course clubhouse or any Golf Course facility.

8.11.3 Cooperation Among Owners With Shared Driveways. Any two (2) or more Owners of Lots with a common Shared Driveway (see Section 1.45, and Section 3.16) shall contribute equally to the costs of: (a) repairing and maintaining the Shared Driveway in a good, safe and usable condition, in good repair, and in compliance with all applicable state, County and local ordinances; (b) maintaining all cut and fill slopes adjacent to any driveway surface; and (c) maintaining all storm drainage Improvements within the Shared Driveway or the adjacent cut and fill slopes. Notwithstanding the preceding sentence, any repair or maintenance work which is required as a result of the willful or negligent act of any such Owner, or its invitees shall be the responsibility of the Owner to whom the willful or negligent act is attributed. The Owners covenant and agree that no maintenance or repair work shall be done, or caused to be done, without first obtaining the written consent of the other Owner. Such consent shall not be unreasonably withheld. If a dispute should arise between the Owners with respect to the necessity for or standard of maintenance, the contractors to be engaged to perform any repair or maintenance work, or any other matters pertaining to the use or maintenance of the Shared Driveway, the dispute shall be submitted to the Board for arbitration and the decision of the Board shall be final.

8.11.4 Access and Sharing of Private Roadway Repair and Maintenance Expenses for Cottage Lots. Some Cottage Lots may have access onto private roadways that are also used by members and guests of the Golf Course and/or the Association. Each Cottage Lot which is accessed from a private roadway within Winchester shall be responsible for paying a fair and equitable allocable share of the costs for maintenance and repair of the

private roadway, along with all other adjacent property Owners with access over and along that same private roadway. The allocable share of the roadway common expense attributable to the Cottage Lots shall be determined from time to time by the Association and shall be allocated equally among and assessed against all Cottage Lots using the private roadway as a Cost Center assessment component as outlined in Section 6.3 of this Declaration. In the event there is any dispute among the Association, the Owners of the Cottage Lots, and/or the Golf Course owner regarding the fair allocation of private roadway maintenance and repair expense with respect to the shared cost allocation, the cost shall be shared proportionately to the use made of the private roadway by each Owner according to California Civil Code Section 845(b).

8.12 Fire Management Standards. Vegetation thinning for Winchester will achieve State and County fire safety objectives while accommodating native tree and site preservation, and soil stabilization. The goal of these fire management standards is to reduce the amount of potential fire fuel surrounding a Residence.

8.12.1 Defensible Space on Improved Lot. State law imposes a duty on the Owner of any Lot on which there is located a structure, including a dwelling, house, building, or other type of flammable construction including a wood fence attached to or near any other structures to maintain defensible space of 100 feet around the structure, but not beyond the property line, unless a greater distance is required by state law, local ordinance, rule or regulation. The amount of fuel modification necessary will vary depending upon the structure, its location and the surrounding vegetation. The intensity of fuel modification may vary within the 100-foot perimeter of the structure, the most intense being within the first 30 feet around the structure. It is the Owner's responsibility to comply with applicable State law and County ordinances, codes and regulations.

8.12.2 Defensible Space on Unimproved Lot. Placer County ordinance imposes a duty on every Owner, occupant, and person in control of any unimproved Lot to abate all combustible material and hazardous vegetation that constitutes a fire hazard and public nuisance which may endanger or damage an adjacent improved Lot or forestland. Some or all of the 100 feet of defensible space may be on the unimproved Lot depending upon the location of the structure on the improved Lot. The ordinance does not apply where an improved parcel is adjacent to another improved parcel. It is the Owner's responsibility to comply with applicable County ordinances, codes and regulations.

8.12.3 Defensible Space Guidelines. Guidelines for creating adequate defensible space vary widely depending upon terrain, climate conditions and vegetation characteristics. These guidelines are for informational purposes only.

8.12.3.1 Within the first 30 feet around a structure: (a) remove all dead or dying grass, plants, shrubs, trees, branches, leaves, weeds and pine needles, including from roofs and rain gutters; (b) remove dead tree or shrub branches that overhang roofs, are below or adjacent to windows or walls, and keep all branches ten feet (10') away from chimney and stovepipe outlets; (c) cover any exposed firewood piles with a wind-blown-ember resistant material; and (d) remove flammable vegetation which is adjacent to or under combustible decks, balconies and stairs.

8.12.3.2 Between 30 feet and 100 feet: (a) create horizontal spacing between shrubs and trees; (b) create vertical spacing between grass, shrubs and trees by removing all tree branches that are six feet or less from the ground; (c) avoid accumulation of loose surface litter, normally consisting of fallen leaves or needles, twigs, bark, cones, and small branches greater than a depth of three

inches (3"); (d) cut annual grasses and forbs to a maximum height of four inches (4"); and (e) stack wood piles with no less than ten feet (10') of non-combustible surface clearance.

ARTICLE 9 ARCHITECTURAL CONTROL

9.1 Submission of Plans and Specifications. Except for Improvements made or constructed by or on behalf of the Association, no Improvements including: (a) construction of any new buildings; (b) renovation, restoration, rebuilding, expansion or refinishing of the exterior of existing buildings; (c) major site or landscape Improvements where the costs will exceed ten thousand dollars ($10,000.00); (d) Improvements that require work in a setback; and (e) Improvements that involve modification to a Common Facility such as the Pedestrian/Bicycle Trails, shall be made until the plans and specifications showing the nature, kind, shape, color, height, size, materials and location of the same shall have been submitted to and approved in writing by the Design Review Committee as to compliance with the minimum construction standards set forth in Article 10 of this Declaration. Minimum construction standards set forth in this Declaration that are described as "encouraged" or "discouraged" are not enforceable under the terms of this Declaration and are provided merely as guidelines for consideration by Owners in designing Improvements. Under no circumstance shall a failure to follow either an "encouraged" or a "discouraged" minimum construction standard be deemed a failure to build in conformance with the minimum construction standards, or a basis for disapproval of an Improvement.

9.2 Cottage Lot Residences. Plans and specifications for each of the Cottage Lot Residences shall be subject to review and approval by the Winchester Design Review Committee. In addition to the minimum construction standards set forth in Article 10, all Cottage Lot Residences must be uniform in appearance, one to the other, without being identical. While some diversity in design and exterior appearance is considered desirable, the Cottage Lot Residences shall be designed and constructed so as to be harmonious in appearance with the Golf Course clubhouse building. Such conformance and harmony shall include, but not be limited to, consideration of such design and architectural elements as roof pitch; color, type and texture of exterior materials, including doors and windows; and landscaping.

9.3 Priority of Approvals. Building plans requiring a building permit shall be submitted to the Association's Design Review Committee prior to being submitted to Placer County for building permits. Building plans shall comply with the design guidelines provided in the Development Notebook required by the MPCUP.

9.4 Establishment of Design Review Committee.

9.4.1 Members. Except as provided in Sections 9.4.2 and 9.4.4 below, the Board shall appoint at least five (5) Members to a Design Review Committee, who shall serve at the pleasure of the Board. At the discretion of the Board, one (1) member of the Design Review Committee may be a current Director. Members of the Design Review Committee shall serve two (2) year, staggered terms beginning in January. Members may serve more than one (1) term with the approval of the Board. The Board shall have the full authority to remove any Member of the Design Review Committee with or without cause. In the event of the death, resignation or removal of any Member of the Design Review Committee, the Board shall have the full authority to designate a successor. The Golf Course owner shall be entitled to have a representative on the Design Review Committee who shall have all of the rights and responsibilities as a Design Review Committee Member, but only as to Lots sharing a common boundary with the Golf Course.

9.4.2 Board as Design Review Committee. The Board may, in its discretion, elect to act as the Design Review Committee without appointing the separate committee provided

for in Section 9.4.1, provided that the Golf Course owner shall have the right to cast a single vote on all decisions before the Board with respect to applications for Improvements on Lots sharing a common boundary with the Golf Course.

9.4.3 Duties. It shall be the duty of the Design Review Committee to consider and act upon proposals or plans submitted to it, to perform such other duties as may be delegated to it by the Board, and to carry out all duties imposed upon it by this Declaration including, but not limited to: (a) interpret and implement the provisions of this Article provided, however, that the Design Review Committee shall not take any action in derogation of the minimum construction standards required by Article 10 of this Declaration; (b) impose restrictions and regulations which the Board deems appropriate to limit the impact of construction activities on Residents; (c) require the payment of application fees to defray costs incurred by the Committee for retaining experts and processing applications; (d) require payment of compliance deposits or completion bonds to ensure that Improvements are completed as approved in accordance with the plans and Governing Documents, and to reimburse the Association in the event of damage to the Common Area arising from work on such Improvements; (e) grant variances from specific minimum construction standards, subject to the approval of the Board of Directors; and (f) propose design guidelines for consideration by Owners in designing Improvements, which design guidelines shall be approved by the Board of Directors; and shall not be enforceable under this Declaration, or serve as the basis for disapproval of an Improvement.

9.4.4 Meetings. The Design Review Committee may meet as necessary to properly perform its duties hereunder. Every act done or decision made by a majority of the members of the Design Review Committee shall be the act or decision of the Design Review Committee. The Design Review Committee shall keep and maintain a record of all actions taken by it at any meetings or otherwise. The Design Review Committee and its members shall be entitled to reimbursement for reasonable out-of-pocket expenses incurred by them in the performance of any Design Review Committee function. In the event the Golf Course owner is not represented on the Design Review Committee, the Golf Course owner shall be given at least forty-eight (48) hours written notice of any meeting at which action is scheduled to be taken on any Improvement on a Lot located adjacent to any portion of the Golf Course property.

9.5 Optional Pre-Design Meeting. Prior to preparing and submitting to the Design Review Committee any plans and specifications relating to: (a) construction of a Residence or other building on a Lot; (b) landscaping of a Lot; (c) grading of a Lot; or (d) construction of a swimming pool, tennis court, or similar recreational Improvement, the Owner may at the Owner's option contact the Committee and arrange for a pre-design meeting. The purpose of this optional pre-design meeting is to permit the Owner and the members of the Committee to inspect the Lot, to identify any particular features of the Lot that may influence the project, and to avoid the Owner incurring substantial expenses related to architects, engineers or other design professionals for projects that are not likely to meet the minimum construction standards set forth in Article 10, or which will only be approved with substantial modification.

In the event that the Golf Course owner does not have a representative serving on the Committee, the Golf Course owner shall receive at least forty-eight (48) hours prior notice of any pre-design meeting pertaining to any Lot sharing a common boundary with the Golf Course so that any issues relating to play of the Golf Course or the aesthetics of the Development when viewed from the Golf Course can be identified and discussed.

9.6 Employment of Architect or Engineer. Residences constructed within Winchester shall be designed by a licensed architect. All plans shall bear the architect's certification that the plans meet

the applicable minimum construction standards set forth in Article 10 of this Declaration. The Design Review Committee may further require, after having obtained the advice of a professional consultant, that an applicant retain a licensed engineer to design or review a proposed Improvement or part thereof, and submit additional specifications or plans as appropriate bearing the engineer's certification.

9.7 Application Requirements and Penalties.

9.7.1 Application. Any Owner proposing to perform any work which requires prior approval pursuant to this Article, shall notify the Association in writing of the nature of the proposed work, and furnish such information, documentation and application fee as the Design Review Committee or Board may require, including without limitation, paint colors and other finish materials, and any plans depicting site, grading, drainage or landscape elements.

9.7.2 Staking. The Owner shall be responsible for staking the location of corners of proposed buildings and all other major improvements upon submittal of the plans. Trees to be removed must be properly tagged, and height poles erected at either end of the major ridge line to indicate the proposed height of buildings.

9.7.3 Compliance Deposits and Completion Bonds. After the Design Review Committee approves an Owner's plans for construction of a Residence and prior to the commencement of any construction activity, the Owner shall deliver a compliance deposit to the Association as security for the Owner's full performance of the Owner's construction in accordance with the approved final plans. The amount of the compliance deposit shall be the same for all Owners regardless of the estimated cost of the project, and may be adjusted annually by the Board of Directors in its sole discretion. The Association shall return the compliance deposit to the Owner within thirty (30) days after the issuance of a Notice of Completion. In addition, the Design Review Committee may require a construction bond with the approval of and in an amount determined by the Board of Directors. Any Declarant duly designated by the Board is exempt from the requirement to pay a compliance deposit or obtain a completion bond for construction on Lots owned by such Declarant.

9.7.4 Penalties. In accordance with Section 12.5.3, and in addition to any other remedies the Association may have, the Board may impose a fine against any Owner who fails to obtain the approval required by this Article prior to proceeding with any Improvement, or any alteration to an existing Improvement, for which approval is required pursuant to this Article.

9.8 Landscaping.

9.8.1 Approval of Landscaping Required. As specified in Section 9.1 above, landscaping of Lots is a work of Improvement requiring Design Review Committee approval, and all Owners must install landscaping within the times specified in this section and consistent with the standards imposed by Section 10.15. The plans and specifications for any landscaping on Lots where the proposed landscaping is adjacent to and within thirty feet (30') of a common boundary between the Lots and any portion of the Golf Course must also be approved by the Golf Course owner so as to avoid to the extent reasonably possible the creation of hazardous conditions, or the development of trees or other foliage that might interfere with the play of the Golf Course. See Section 10.23, for additional Golf Course owner approvals for grading and drainage Improvements.

9.8.2 Landscape Requirements. The submission of landscape plans shall include: (a) a letter stating that no disallowed plants are included in the planting plan; (b) a plant legend with the scientific and common names and quantities of plants; (c) irrigation; (d) lighting; (e) patios and walkways; and (f), fencing and retaining walls.

9.8.3 Landscape Application. An application package is available from the Association office listing required information and documents for review. The Owner or the Owner's representative must attend the Design Review Committee meeting.

9.8.4 Time for Completion of Landscape Improvements. All approved landscaping must to be completed before occupancy occurs. If an Owner begins to occupy a Residence for any length of time, the landscaping must first be completed whether the County has issued a Certificate of Occupancy or not. A compliance deposit to provide assurance for the faithful and timely installation of the landscape Improvements may be required by the Design Review Committee in an amount fixed by the Board in its sole discretion. The intent of this section is to require that landscaping be installed in accordance with approved plans and specifications prior to occupancy of a Residence unless hardship or Acts of God prevent timely completion of landscaping. The Board of Directors may initiate appropriate enforcement actions if the Owner fails to complete the landscape work prior to occupancy.

9.9 Grant of Approval. The Design Review Committee shall grant the requested approval only if: (a) the Owner has complied with the provisions of Section 9.1 above; and (b) the Design Review Committee finds that the plans and specifications conform to the minimum construction standards set forth in Article 10 of this Declaration, unless a variance is granted from the same.

9.10 Form of Approval. All approvals and denials of requests for approval shall be in writing except as provided in Section 9.11. The Design Review Committee shall approve any plans that it finds comply with the minimum construction standards set forth in Article 10, and may include comments for the benefit of the Owner. Any approval shall become effective immediately, unless subject to Board review as provided in Section 9.12. Any denial of a request for approval shall include: (a) an explanation of why the request for approval was denied; and (b) a description of the procedure for Board review of the denial as set forth in this Article.

9.11 Time for Design Review Committee Action. The Design Review Committee shall act on a complete application for approval within ten (10) days from the date of receipt thereof by the Design Review Committee. Any request for approval which has not been acted on by the Design Review Committee within the preceding time frame shall be deemed approved. The Owner requesting approval shall have the burden of establishing the date of receipt of the request for approval by the Design Review Committee by evidence in the form of either a copy of such request for approval date-stamped by the Association or by certified mail provided by the U.S. Postal service acknowledging that such request for approval was delivered to the Association.

9.12 Commencement. Upon receipt of approval by the Design Review Committee, the Owner shall, as soon as practicable, pay the compliance deposit, if any, and diligently proceed with the commencement and completion of all work pursuant to such approval. Commencement shall occur, in all cases, within ninety (90) days from the effective date of such approval or upon such later date as the Board may in its discretion designate. If the Owner fails to comply with this section, any approval previously given shall be deemed revoked unless the Board, upon written request of the Owner made prior to the expiration of the time for commencement, extends the time for such commencement. In granting an extension, the Board shall consider any change in circumstances since the original approval was granted, or any other information the Board in its sole discretion finds relevant.

9.13 Completion. The Owner shall, complete the work of any Improvement within eighteen (18) months after commencing construction, or in the case of projects under construction when this Declaration is Recorded, within one (1) year after the date of Recordation, except: (a) for as long as such completion is rendered impossible or would result in great hardship to the Owner due to strikes, fires, national emergencies, natural calamities, or other supervening forces beyond the control of the Owner or the Owner's agents; or (b) the Board approves a longer period of time for completion . If an Owner fails to comply with this section, the Board shall proceed in accordance with the provisions of Section 9.18, below, as though the failure to complete the Improvements was a non-compliance with approved plans.

9.14 Inspection. Inspection of work and correction of defects therein shall proceed as follows:

9.14.1 Upon the completion of any Improvement to the exterior of a Lot or Residence, or any other work for which approved plans are required under this Article, the Owner shall give written notice of completion to the Design Review Committee.

9.14.2 Within ten (10) days after the receipt of such written notice of completion, the Design Review Committee, or its duly authorized representative, may inspect the Improvement for substantial compliance with the approved plans. If the Design Review Committee finds that it was not completed in substantial compliance with the approved plans, it shall provide written notice to the Owner within such ten (10) day period of the details of noncompliance and the requirement to remedy the same.

9.14.3 If the Owner fails to remedy such noncompliance within thirty (30) days from the date of such notification, the Design Review Committee shall notify the Board in writing of such failure. The Board shall then set a date on which a hearing before the Board shall be held regarding the alleged noncompliance. The hearing shall be noticed and conducted in accordance with Section 8.1.4 of the Bylaws.

9.14.4 At the hearing, the Owner, the Design Review Committee and, in the Board's discretion, any others, may present information relevant to the alleged noncompliance. After considering all such information, the Board shall determine whether there is a noncompliance, and, if so, the nature thereof. If a noncompliance exists, the Board shall require the Owner to remedy the same within a period to be determined by the Board. If the Owner does not comply with the Board's ruling within such period or within any extension of such period as the Board may grant, the Board may: (a) remove or remedy the non-complying Improvement and all expenses incurred in connection therewith shall be assessed against the Owner as a Reimbursement Assessment; and (b) exercise any of the enforcement rights specified in Section 12.5.

9.14.5 If, for any reason, the Design Review Committee fails to notify the Owner of any noncompliance within ten (10) days after receipt of a notice of completion from the Owner, the Improvement shall be deemed to be in accordance with the approved plans. The Owner shall have the burden of establishing the date of receipt of the notice of completion by the Design Review Committee by evidence in the form of either a copy of such notice date-stamped by the Association's office or by certified mail provided by the U. S. Postal service acknowledging that such notice was delivered to the Association.

9.15 Reconsideration of Disapproval by the Design Review Committee. If a proposed Improvement, including landscaping, is disapproved by the Design Review Committee, the Owner is entitled to reconsideration by the Board of Directors at an open meeting.

9.15.1 Disapproval Shall Not Be Arbitrary or Violate the Law. A decision of the Design Review Committee on a proposed Improvement shall be made in good faith and may not be unreasonable, arbitrary, or capricious; and may not violate any provision of law, including, but not limited to, the Fair Employment and Housing Act, or a building code or other applicable law governing land use or public safety.

9.15.2 Disapproval Shall Be In Writing. If a proposed Improvement is disapproved, the written decision shall include both an explanation of the reason for disapproval, and a description of the procedure for reconsideration of the decision by the Board of Directors.

9.15.3 Annual Notice of Requirements. The Association shall annually provide its Members with notice of any requirements for Association approval of Improvements. The notice shall describe the types of Improvements that require Association approval and shall include a copy of the procedure used to approve or disapprove a proposed Improvement.

9.15.4 Procedure for Request For Reconsideration. An Owner may request reconsideration within ninety (90) days following receipt of the Design Review Committee's written decision by delivering a written request for reconsideration by first class mail, postage prepaid, to the Winchester Community Association, 1400 Legends Drive, Meadow Vista, CA 95722. The Design Review Committee's decision shall be deemed received by an Owner four (4) days after deposit in the United States mail.

9.15.5 Reconsideration in Open Meeting. The Board of Directors shall hear the request for reconsideration at the first open meeting of the Board of Directors immediately following receipt of an Owner's written request for reconsideration, which meeting shall take place no sooner than ten (10) days and no longer than thirty (30) days after receipt of such request. The Board of Director's shall render its decision during the open meeting. The Board shall send a copy of its decision in writing to an Owner within fifteen (15) days following the open meeting.

9.16 Non-Waiver. The approval by the Design Review Committee of any plans, drawings, or specifications for any work done or proposed, or for any other matter requiring the approval of the Design Review Committee under this Declaration, shall not be deemed to constitute a waiver of any right to withhold approval of any similar plan, drawing, specification or matter subsequently submitted for approval.

9.17 Estoppel Certificate. Within thirty (30) days after written demand is delivered to the Association by any Owner, and upon payment to the Association of a reasonable fee (as fixed from time to time by the Board), the Board shall Record an estoppel certificate, if permitted by the County of Placer, certifying (with respect to any Lot of such Owner) that as of the date thereof, either: (a) all Improvements made and other work completed by such Owner comply with this Declaration; or (b) such Improvements or work do not so comply, in which event the certificate shall also identify the non-complying Improvements or work and set forth with particularity the basis of such noncompliance. Any purchaser from the Owner, or from anyone deriving any interest in a Lot through the Owner, shall be entitled to rely on such certificate with respect to the matters therein set forth, such matters being conclusive as between the Association and all Owners and such persons deriving any interest through them.

9.18 Notice of Noncompliance. If any Improvements installed within the Development are not in conformance with this Declaration, the Association is authorized to Record a notice of noncompliance, if permitted by the County. The notice of noncompliance shall provide: (a) a legal description of the Lot affected; (b) the name of the record Owner as most recently reported to the Association; and (c) a description of the general nature of the noncompliance. If and when such Lot is

brought into compliance with this Declaration, as determined by the Board, the Association shall issue and, if permitted by the County of Placer, Record an estoppel certificate in accordance with Section 9.17. Each Owner of a Lot, by acceptance of a deed or other conveyance thereof, whether or not it shall be so expressed in such deed or conveyance, shall be deemed to have covenanted and agreed to the Recording of notices of noncompliance as set forth in this section.

9.19 Liability. Neither the Board, the Design Review Committee nor any member or representative thereof shall be liable to the Association or to any Owner for any damage, loss or prejudice suffered or claimed on account of: (a) the approval or disapproval of any plans, drawings, and specifications, whether or not defective; (b) the construction or performance of any work, whether or not pursuant to approved plans, drawings, and specifications; (c) the development of any property within the Development; (d) the execution and filing of an estoppel certificate pursuant to Section 9.17, whether or not the facts therein are correct; provided, however, that the Design Review Committee, the Board or any member or representative thereof has acted in good faith on the basis of such information as may be possessed by it or them; or (e) the execution and filing of a notice of noncompliance pursuant to Section 9.18, whether or not the facts therein are correct; provided, however, that the Design Review Committee, the Board or any member or representative thereof has acted in good faith on the basis of such information as may be possessed by it or them. Without in any way limiting the generality of the foregoing, the Design Review Committee, the Board or any member or representative thereof, may, but is not required to, consult with or hear the views of the Association or any Owner with respect to any plans, drawings, specifications, or any other proposal submitted to the Design Review Committee. Every purchaser, by acquiring title to a Lot or portion thereof agrees not to bring any action or suit against the Board, the Design Review Committee, or their members or representatives seeking to recover any such damages.

9.20 Compliance with Governmental Requirements. The application to the Association, and the review and approval of any proposals, plans, or other submittals, shall in no way be deemed to be in satisfaction of or compliance with any building permit process or any other governmental requirements, the responsibility for which lies solely with the respective Owner, nor shall it constitute the assumption of any responsibility by or impose any liability on the Board, the Design Review Committee, or their members as to the accuracy, efficacy or sufficiency of such proposals, plans or other submittals.

9.21 Variances. The Design Review Committee may, with approval of the Board, grant reasonable variances in order to overcome practical difficulties, avoid unnecessary expense or prevent unnecessary hardship, provided the following conditions are met:

9.21.1 The Design Review Committee must make a good faith written determination that: (a) the requested variance does not constitute a material deviation from the overall plan and scheme of the Development, or from any restriction contained in this Declaration unless the proposal allows the objectives of the violated restriction to be substantially achieved despite noncompliance; or (b) that the variance relates to a restriction or requirement that is unnecessary or burdensome under the circumstances; or (c) that the variance, if granted, will not result in a material detriment, or create an unreasonable nuisance, with respect to any other Lot, Common Area or Owner in the Development.

9.21.2 After reaching its decision, the Design Review Committee shall obtain the Board's approval to either grant or deny the request for variance in accordance with the standards set forth in this section.

9.21.3 Failure to grant or deny any request for a variance shall not be deemed a waiver of the right to do so thereafter with respect to any other request for variance.

ARTICLE 10 MINIMUM CONSTRUCTION STANDARDS

10.1 Site Envelope. A Site Envelope is the total area of a Lot defined by minimum setbacks and any existing site conditions such as utility corridors, rock outcroppings, protected slope areas, easements, drainage areas, jurisdictional areas, buffer zones, wetlands, and any other site conditions existing and known at the time the Site Envelope is defined. The Site Envelope shall be set forth in a development notebook filed with the County Planning Department ("Development Notebook.") An Owner may apply to the Design Review Committee in order to obtain a Site Envelope adjustment based on restrictive site conditions not known at the time the Site Envelope was initially defined, but in no case shall the Site Envelope be adjusted such that the setbacks are less than those specified below. Design Review Committee approval of the adjustment to the Site Envelope shall not be unreasonably withheld.

Homesite Type	Min Front Setback [1] [2]	Mid Side Setback [1]	Min Rear Setback [1]
Fairway	50'	30'	30'
Perimeter	50'	30'	55' (75' along roads and 55' from any trail right of way [2]
Interior	50'	30'	30'
Cottage	20'	5'	10'

[1] The setbacks presented above are minimum specifications and greater setback requirements may be imposed as a condition of approval for a particular construction project

[2] Along Sugar Pine, Meadow Vista and Bancroft Roads, the setback is 75' measured from the edge of the road right-of-way to the Homesite's Site Envelope, which is to be a vegetative buffer which may not be modified in a manner which would detrimentally affect the visual screening properties of the buffer, although trail easements may be located in a vegetative buffer. No structures, fences, portable buildings, signs, recreational equipment, vehicles, etc. are permitted within the buffer. No land, vegetation or Improvement within the buffer shall be altered, by anyone (including the Owner of any Homesite burdened by a vegetative buffer easement), except by the Association pursuant to the discharge of its maintenance responsibilities as further described in Article VIII.

[3] Front setbacks apply whenever a Homesite borders a street, except as noted in footnote 2, above, where the greater setback applies. Front setbacks for lots on the west side of Forest View are 20' and Front setbacks for Flag lots are 30'. Front setbacks for the Swim & Tennis Clubhouse are 20', both from Winchester Club Drive and Lodge View Drive.

10.1.1 No Structures In Front Setback. With the exception of driveway entry monuments and address monuments approved by the Design Review Committee in accordance with Article 9, above, no structure, including any fence over three (3) feet in height, may be installed in a front setback area adjacent to any private or public road without the approval of the County Development Review Committee and the Design Review Committee. It shall be the responsibility of the Owner to determine if approval from the County Development Review Committee is necessary. (See additional provisions regarding the Cottage Lots set forth in Section 10.43.)

10.1.2 No Lot Smaller than One Acre. No residential Lot shall be smaller than one (1) acre net (43,560 sq. ft.), except for the Cottage Lots which shall not be smaller than six thousand (6,000) square feet in net area.

10.1.3 No More Than 409 Residences. The Placer County Planned Unit Development (PUD) Ordinance (Section 1010(a), Chapter 30, Placer County Code) requires that the allowable number of dwelling units within the Winchester PUD be determined by multiplying the Land Use Intensity (LUI) factor of 0.39 dwelling units per acre by the total land area within the project of 1117.25 acres, exclusive of public roads rights-of-

way of 68.3 acres, or 1048.95 acres multiplied by 0.39 du/acre equals 409 allowable dwelling units.

10.2 Building Envelope. Each Site Envelope will contain a smaller area described as the Building Envelope. The Building Envelope is that portion of a Lot upon which Improvements can be constructed.

10.2.1 The Building Envelope shall: (a) not exceed thirty percent (30%) of the total square footage of the Lot, including but not limited to the Residence, garage, Guest House, driveway, parking area, patios, pools and related Improvements; and (b) must be located within the Site Envelope as defined in Section 10.1 above.

10.2.2 The only Improvements which are permitted to be located outside the Building Envelope are utility connections, limited drainage facilities, driveway entry and address monuments, and a portion of the driveway. In no event shall the Building Envelope extend outside of the prescribed Site Envelope, exclusive of the driveway.

10.2.3 The Building Envelope shall not include any portion of a Lot where the natural slope of the ground exceeds thirty percent (30%) unless approved by the Design Review Committee, which approval shall not be unreasonably withheld. It shall be the responsibility of the Owner to determine if approval from the County Development Review Committee is required.

10.3 Licensed Contractor. Residential structures shall be constructed by a contractor licensed under the laws of the State of California.

10.4 Minimum Square Footage Requirements. With the exception of Residences constructed on Lots designated as Cottage Lots, each Residence constructed on any Lot shall have a minimum total floor area of the main structure, including all levels, but excluding open porches, garages, patios, exterior stairways and walkways, of not less than twenty-eight hundred square feet (2800 sf) for a one (1) story home, and thirty-five hundred square feet (3500 sf) for a two (2) story home, of which at least twenty-five hundred square feet (2500 sf) must be on the first (1^{st}) level. Because many Residences will be constructed on sloped Lots which require construction in several tiers, the Design Review Committee shall have the discretion to determine that the requirement that the first level of the Residence contain at least twenty-five hundred square feet (2500 sf) has been met by the combined floor area on more than a single tier. On Cottage Lots, the minimum total floor area of the Residence shall be as specified in Section 10.43.4 below. Building heights and scales for Cottage Lots Residences shall be compatible with the existing terrain and other surrounding Residences.

10.5 Building Height. Building height shall conform to the height standards outlined in the Placer County Zoning Ordinance. Building height exclusive of chimneys or other architectural or mechanical appurtenances will be limited to two stories or thirty-five feet (35') in height, whichever is less, as measured from the average of the highest and lowest point of that portion of the building to the topmost point of the building.

10.6 Building Masses, Forms and Styles. Buildings shall be subordinate to the surrounding landscape, residential in scale and preferably asymmetrical in form.

10.6.1 Length. Building length shall not exceed thirty feet (30') in one direction without a change in direction, roof alignment, wall offset or elevation change. Projections and recesses that create visual interest and respond to existing conditions on the Lot are encouraged.

10.6.2 Second Floor. The second (2^{nd}) floor area of a two (2) story building, including the covered exterior areas is limited to no more that seventy-five percent (75%) of the main floor area.

10.6.3 Style. Roofs with wide overhangs, windows which are deeply recessed, foundations which step to follow the existing terrain and buildings which are set into the natural landscape are encouraged. Extremely avante-garde designs and concepts, and period architecture, such as American Colonial, Spanish Colonial, Cape Cod, Victorian or Santa Fe are discouraged.

10.7 Ancillary Structures. All ancillary structures such as garages, Guest Houses, casitas and "granny units" are to be designed as integral parts or extensions of the main building in terms of materials and colors, even if physically separated from it. The size of any guest structure is related to the size of the Lot and determined by the County. All structures shall be located within the designated Building Envelope.

10.8 Doors and Windows. Large expanses of undivided glass which are visible from off site shall not be approved. No uninterrupted glass area shall exceed twelve feet (12') in any direction, with large openings divided through the use of mullions or the ganging of smaller window units. Large window areas shall be shaded by projecting roof overhangs, balconies or porches to minimize their visibility from off site. All windows shall appear recessed. Glass may be coated or tinted to control solar heat gain, but reflective, mirrored appearance is not permitted. All glazing is to be double-pane for its energy conservation and fire-resistant qualities. The exterior finishes of windows and doors shall be of wood, colorfast vinyl or bronze anodized finish. Unfinished aluminum and metal is prohibited.

10.9 Roofs.

10.9.1 Roof Materials. Roofs shall be designed to integrate the structure with the landscape and compliment the surrounding terrain using materials such as: (a) copper or zinc without additional finish coatings; (b) aluminum or steel, coated in an approved color; (c) fire-resistant wood shingles or shakes; (d) concrete or slate tiles of an approved color and shape; (e) roof flashings, trim, cants, crickets, and counter flashings in harmony both in color and material with the roof surfacing.

10.9.2 Roof Design. Building roof forms and skylines should be fragmented with roof lines that step to follow existing slopes. The following standards shall apply: (a) roof lines should appear to be below the height of the surrounding tree canopy; (b) roof shapes which are permitted are gable, clipped gable, gable-on-gable, intersecting gable and partial and full hip; (c) flat or shed roofs are allowed as ancillary or secondary roofs in limited areas; (d) roofs which are not permitted are gambrel, mansard and false mansard, shed curvilinear and domed, A-frames and Quonset roofs; (e) roof slope range considered acceptable is between 4/12 and 12/12 and lesser slopes are discouraged; (f) roofs shall truncate above the ground; (g) roofs on both sides of a ridge shall be the same slope, but not necessarily the same length; and (h) roofs must be built to code regarding the distance from the roof eaves to finish grade.

10.9.3 Roof Appurtenances. Roof appurtenances shall be integral parts of the architecture of the building. Clerestories, dormers and skylights shall also integrate with the overall exterior design.

10.9.3.1 Dormers generally shall be gable, shed, hip, or derivative types. Non-functional roof ornamentation shall be avoided.

10.9.3.2 Diverters, gutters, downspouts and similar accessories, if used, shall be compatible with the total roof design. Mechanical, electrical and roof access equipment, vents and antennas shall be integrated into the roof or dormer design and not be visible from public view. Ridge ventilators are acceptable. Skylights and clerestories shall be designed as masses at angles relating to the primary roof, not as applied forms.

10.9.3.3 In general, chimneys of masonry and stucco are encouraged. Chimney materials shall be similar to major exterior finish materials used on the Residence. Back draft and spark arrestors shall be considered in chimney designs. Exposed flues are discouraged.

10.10 Solar Energy System or Equipment. Installation or use of any solar energy system or equipment may not be prohibited or restricted under this Declaration pursuant to California Civil Code Section 714. The Design Review Committee may impose reasonable restrictions on a solar energy system that do not significantly increase the cost of the system or significantly decrease its efficiency or specified performance, or that allow for an alternative system of comparable cost, efficiency, and energy conservation benefits.

10.10.1 Solar Water Heating or Swimming Pool Heating Systems. For domestic water heating systems or solar swimming pool heating systems that comply with state and federal law, "significantly" means an amount exceeding 20 percent (20%) of the cost of the system or decreasing the efficiency of the system by an amount exceeding 20 percent (20%), as originally specified and proposed.

10.10.2 Photovoltaic Systems. For photovoltaic systems that comply with state and federal law, "significantly" means an amount not to exceed two thousand dollars ($2,000.00) over the system cost as originally specified and proposed, or a decrease in system efficiency of an amount exceeding twenty percent (20%) as originally specified and proposed.

10.10.3 Approval or Denial of Application. The approval or denial of a solar energy system application by the Design Review Committee shall be in writing. If an application is not denied in writing within sixty (60) days from the date of receipt of the application, the application shall be deemed approved, unless that delay is the result of a reasonable request for additional information.

10.11 Jurisdictional Areas and Buffer Zones.

10.11.1 Protection Measures. Where a Lot or the Golf Course contain part or all of an area subject to the jurisdiction of the U.S. Army Corps of Engineers ("jurisdictional area"), a buffer zone generally fifty feet (50') to one hundred feet (100') wide will be established around the jurisdictional area. The precise boundaries of the jurisdictional areas and buffer zones will be delineated on the Subdivision Map.

10.11.2 Drainage Measures. In order to protect and enhance major intermittent streams, a buffer zone shall be created and maintained along all significant drainage courses in Winchester. The buffer zone shall be a minimum of fifty feet (50') on both sides of such drainage courses. Lots affected by these drainage measures will be shown on the Subdivision Map.

10.12 Harmony with Surrounding Terrain and Structures. Visually conspicuous structures shall be avoided. Architectural designs for side slope and ridge crest residential structures shall be visually

adaptive and generally sensitive to the hillside topography. Buildings and foundations shall step to follow natural contours to the greatest extent possible, unless impractical. It shall be the responsibility of the Owner to determine if approval from the County Development Review Committee is necessary. The character, scale, and quality of the design, the architectural relationship with the site and other buildings, building materials, colors, screening of exterior appurtenances, exterior lighting and similar elements shall be compatible with the character of adjacent buildings on the same Lot.

10.13 Hillside and Ridge Line Homes and Structures. Hillside and ridge crest Residences are encouraged to be constructed in multiple levels in order to achieve a better fit with the existing side slopes, reduce the need for grading, increase overall visual compatibility with Sugar Pine Mountain, and maximize the structure's architectural interest. Residential designs shall be articulated to achieve low-profile forms on upper side slopes and ridge crests. (See additional provisions regarding the Cottage Lots set forth in Section 10.43.3 below.)

10.14 Site and Drainage Review. General site considerations including site layout, open space and topography, orientation and locations of buildings, vehicular access, circulation and parking, setbacks, height, walls, fences, and similar elements shall be designed to provide a desirable environment. In order to improve drainage water quality, a site drainage plan shall be prepared, incorporating residential shallow dry wells for roof downspouts and filter strips alongside of driveways, designed to the standards set forth in the Final Environmental Impact Report for the Proposed Winchester Planned Community, Vol. 3: Technical Appendices, Appendix 0, Section III, Figure 5. The Design Review Committee shall retain a licensed architect or engineer, who may be a member of the Committee, to review site drainage plans for compliance with these and other drainage standards contained in this Declaration.

10.15 Landscaping. The location, type, size, color, texture and coverage of plant materials and similar elements shall provide visual relief, complement buildings and structures, and provide an attractive environment for the enjoyment of the Owners in general and the enhancement of property values in Winchester generally. In addition a disapproved plant list that may be created, adopted and maintained by the Association, landscaping standards for Winchester shall include the following:

10.15.1 Irrigation. With the exception of landscaping on Lot 123 (with respect to which specific water rights are appurtenant) landscape irrigation shall be minimized; drip systems will be encouraged. Irrigation under the drip lines of oak trees is prohibited;

10.15.2 Compatibility. Landscaping shall be compatible with the overall Sugar Pine Mountain setting;

10.15.3 Screening. For maximum mitigating effect, landscaping for screening purposes shall be clustered in natural appearing groups in the immediate vicinity within ten (10') to thirty (30') feet of the buildings to be screened to the extent that fuel management provisions allow. Screening vegetation shall not be placed in unnatural appearing linear rows;

10.15.4 Colors. Landscaping shall emphasize use of the same planting "palette" throughout Winchester in order to unify Winchester and minimize its impact on offsite viewpoints;

10.15.5 Native Species. Native, drought-tolerant, wind-resistant species which are compatible with existing site vegetation, including ponderosa pine, sugar pine, and native oaks are preferred;

10.15.6 Artificial Materials. The use of plants, flowers or turf made of artificial materials or the use of imported, exotic or inorganic materials such as lava rock shall not be approved by the Design Review Committee if they are visible from the street, Common Area, Golf Course or adjacent Lots. Due to water conservation concerns, synthetic turf may be approved by the Design Review Committee if: (a) used inside a Building Envelope; (b) minimally visible from the street, Common Area, Golf Course or adjacent Lots; and (c) naturally appearing, with variation in color and length of grass blades;

10.15.7 Initial Tree Size. The tendency to use larger size tree containers in the planting program in order to provide better visual screening in the initial years is discouraged;

10.15.8 Solar Access. Care shall be used in the placement of new trees to avoid compromising solar access requirements of the Residence and adjacent Lots;

10.15.9 Preserve Natural Vegetation. Outside the Building Envelope, Owners shall integrate and preserve as much existing vegetation as possible. Clear cutting of the same is prohibited, and re-vegetation of all disturbed areas is required; and

10.15.10 Drought-Tolerant Plants. A Declarant shall provide Owners to whom it conveys a Lot with a list of drought-tolerant plants and materials, and information regarding drip irrigation systems designed to conserve water.

10.16 Trees.

10.16.1 Removal Shall Be Avoided Generally. The removal of trees on a Lot is to be avoided whenever possible. Owners and the Association shall make every effort to save trees. Prior to construction, any tree removal or selective tree thinning within a Site Envelope must be depicted on a site plan and approved by the Design Review Committee. Owners are encouraged to limit removal of trees to the minimum area required for construction of the Residence and driveway. Selective thinning of trees is permitted to create a "view corridor" where thinning and understory clearing will create a view to the Golf Course or other view corridor, provided the same does not adversely impact surrounding Lots or the Golf Course.

10.16.2 Removal Requires County Approval. Except as otherwise provided in this section, no Owner or the Association shall remove any native tree with a trunk diameter at breast height (generally four and one half feet from the ground on the high side of the tree) of six inches (6") or greater, or any multiple-trunk tree with an aggregate trunk diameter of ten inches (10") or greater without prior approval of the County Planning Department. All trees which are approved for removal shall be replaced in accordance with the Placer County Tree Protection Ordinance. No approval is required for removal of trees that are smaller than the referenced dimensions.

10.16.3 Removal of Live Trees. Removal of a live tree shall comply with the procedures delineated in Placer County Code, Article 12.16, titled "Tree Preservation Generally." Digger Pines and Manzanita trees of any size are exempt from this procedure. Owners intending to remove Digger Pines or Manzanita trees shall notify the Association's on-site Community Manager, who will verify that the trees intended for removal are Digger Pines or Manzanita, and no other approval is required.

10.16.4 Removal of Dead, Diseased, Infested or Hazardous Trees at Owner's Request. An Owner wishing to remove dead, diseased, insect-infested or hazardous trees shall

notify the Association's on-site manager, who will determine if the Owner must provide a report from a certified arborist indicating the reason for removal. If the tree is outside the Building Envelope, the Owner must also provide a copy of the Placer County Tree Permit. If no report is required, the on-site manager shall approve the tree removal. All diseased and insect-infested trees shall be treated prior to removal by approved methods to prevent the spread of disease or infestation.

10.16.5 Removal of Dead, Diseased, Infested or Hazardous Trees at Association's Request. The Association may determine, on the advice of the State Division of Forestry or a certified arborist that a tree on an Owner's property is dead, diseased, insect-infested, or hazardous to the public, and may declare such tree to constitute a fire danger or a public nuisance. Upon making such a determination, the Association shall notify the Owner of the condition, and the Owner's duty to abate it within a specified period of time. If the Owner refuses or fails to respond within the time specified, the Association shall abate the nuisance and charge the Owner the removal cost, which shall be a lien on the Owner's property, if not paid within fifteen (15) days. All diseased and insect-infested trees shall be treated prior to removal by approved methods to prevent the spread of disease or infestation. Any Owner notified of the Association's determination to abate a nuisance may appeal such decision within thirty (30) days by submitting a written report from a certified arborist and requesting a hearing before the Board.

10.16.6 Protection of Native Trees During Construction. No construction activity is permitted within fifty feet (50') of any protected tree unless the tree is first fenced at its drip line with a four foot (4') high, brightly-colored, synthetic, mesh material (or equivalent acceptable to the County Development Review Committee); and posted with a one foot (1') by two foot (2') sign attached to the fence labeled "This Tree To Be Saved." Any encroachment into the drip line of a tree designated to be saved must first be approved by the County Development Review Committee.

10.16.7 Oak Trees. The County requires that a Declarant shall provide a copy of the publication entitled *Living Among the Oaks,* published by the University of California Cooperative Extension, to each Owner to whom a Declarant conveys a Lot. This publication shall also be accessible on the Association's website.

10.17 Stilt Construction. Use of hillside "stilt" designs shall be avoided. Building elevations on the downhill sides shall continue to the ground and follow natural contours. The Design Review Committee may, with the approval of the Board, grant a reasonable variance where compliance with this section is not possible.

10.18 Decks. Cantilevered decks and balconies on any visible side-slope portion of a Residence shall be limited in size or avoided entirely, and approved by the Design Review Committee, which approval shall not be unreasonably withheld. (See additional provisions regarding the Cottage Lots set forth in Section 10.43.7 below.)

10.19 Owner of Golf Course Approval. No Owner may construct or alter any Improvement within thirty feet (30') of the Golf Course without the express written approval of the Golf Course owner.

10.20 Fire Regulations. The County requires that all Owners be advised that Winchester is included within a "State Responsibility Area" and is therefore subject to fire protection regulations established by the California State Board of Forestry. These regulations include provisions applicable to the construction of Residences.

10.21 Grading and Drainage Limitations Requirements.

10.21.1 Restrictions on Grading, Generally. The County requires that all Owners be advised that: (a) Lot grading is limited to construction of driveways and grading that is reasonably necessary for the construction of Residences and other improvements on Lots as authorized by the Design Review Committee; (b) no grading is permitted within the setback areas described in Section 10.1, above, except as required for driveways constructed in accordance with Section 10.21.3, below; and (c) concrete slab building foundation construction is not permitted, except for garages and basements, where existing slope grade is greater than fifteen percent (15%). It shall be the responsibility of the Owner to determine if approval from the County Development Review Committee is required.

10.21.2 Vegetation Disturbance. The area of soil and vegetation disturbance on each Lot shall be limited to that required for construction purposes. Except where required for access, there shall be no disturbance of areas of any Lot that are required to remain in a natural state. Construction traffic on Lots shall be limited to areas that are intended to be improved as driveways or parking areas.

10.21.3 Driveway Requirements Generally. All driveways shall: (a) be sited and designed to blend with the terrain and reduce impacts to the surrounding vegetation and Lot; (b) be constructed of asphalt, concrete, precast concrete pavers or as otherwise approved by the Design Review Committee; (c) use colors for finish paving which blend with the new construction and the surrounding earth tone colors; and (d) have a single entry from the street into the Site Envelope on the most direct route to minimize intrusion into the setback given the specific conditions on the Lot.

10.21.4 Driveway Grading and Specifications.

10.21.4.1 Gravel driveways shall only be permitted during the course of construction of the principal Residence on a Lot.

10.21.4.2 Construction of a gravel driveway that exceeds a twelve percent (12%) gradient or an all-weather surface driveway that exceeds a sixteen percent (16%) gradient may impair access by emergency and construction vehicles and equipment to Residences and building sites. Driveway gradient shall not exceed sixteen percent (16%) unless approved by means of a variance approved by the County and the serving fire protection district.

10.21.4.3 The extent and potential impact of proposed grading will be reviewed by the County before the start of any construction or the issuance of any building permits.

10.21.4.4 Subject to the foregoing restrictions, driveways and associated retaining walls shall be permitted in front and side setback areas of Lots in order to permit the location of garages at points other than the front facade of Residences.

10.21.5 Single Lot Driveway Specifications. Driveways serving a single Lot shall have a minimum paved width of ten feet (10'), a minimum structural section of two (2") inch AC (Asphalt Concrete) over four (4") inch AB (Aggregate Base) or equivalent surfacing, and shall extend from the roadway edge a minimum of twenty feet (20') into the Lot, or as otherwise deemed appropriate by the County Department of Public Works. On any Lot which is a flag Lot, the minimum constructed driveway shall be the entire length of the "pole" portion of the Lot.

10.21.6 Shared Driveway Specifications. Shared Driveways serving two (2) Lots must be approved by the County Department of Public Works, and shall:

10.21.6.1 Have a minimum paved width of eighteen feet (18') up to the point that it is no longer shared, then a minimum paved width of twelve feet (12'), and a minimum structural section of two inch (2") AC over four inch (4") AB or equivalent surfacing;

10.21.6.2 Have a minimum length as specified by the County Department of Public Works, but not less than fifty feet (50') into the Lot;

10.21.6.3 Meet all applicable County and serving fire protection district design standards;

10.21.6.4 Be constructed pursuant to any encroachment permits required by the County; and

10.21.6.5 Be constructed on such easements as are shown on the Subdivision Map as set forth more particularly in Section 3.16.

10.22 Graded Areas. Graded areas shall be generally limited to portions of each Lot covered by the grade beam and pier building foundations, driveways, minor drainage provisions, and areas covered by buildings and other Improvements.

10.23 Grading Requirements. No Owner shall grade or fill or otherwise alter the slope or contour of any Lot, construct or alter any drainage pattern or facility, construct or alter any foundation or permanent structure (including, but not limited to, swimming pools, ponds and spas), or perform any earth work without first: (a) retaining a licensed soils engineer or civil engineer, as appropriate, and receiving from such engineer written recommendations, plans and specifications regarding such proposed grade, fill, alteration, construction or earth work; and (b) obtaining the written approval of the Design Review Committee, which approval shall not be unreasonably withheld, and the Golf Course owner for Lots abutting the Golf Course. In addition, the extent and potential impact of proposed grading will be reviewed by the County prior to the start of any construction or the issuance of any building permits. No Owner shall perform any work except in conformance with the recommendations, plans and specifications of such engineer. Each Owner, by acceptance of a deed to a Lot, shall be deemed to covenant and agree to comply with and conform to such recommendations, plans and specifications and shall indemnify the Association against any losses, claims, liabilities, costs and attorneys' fees resulting from or related to any failure of that Owner or its engineers, contractors or agents to comply with this section.

10.24 Drainage Courses. No Owner shall improve a Lot in a manner which impedes, alters or otherwise interferes with the drainage courses and facilities within any portion of Winchester and the Golf Course until Lot improvement plans, including landscaping and related drainage plans, have been submitted and approved by the Design Review Committee and by the Golf Course owner and any public authority having jurisdiction thereof. No Owner shall intrude into a jurisdictional area or buffer zone maintained along a significant drainage course located on the Owner's Lot or the Golf Course and as identified on the Subdivision Map, in the Development Notebook, and as outlined in Section 10.11 above. Lots must be graded so as to provide positive drainage away from the entire foundation line of the Residence. Positive drainage is achieved by shaping and cutting drainage swales or channels in the ground. These swales are engineered progressively lower than the adjoining surface ground areas on the Lot and may provide a receptacle and conduit to drain water away from foundations and into natural swales or into the storm drainage system of the Winchester Development. Swales also help to prevent

surface drainage water from flowing onto building pads situated on adjacent Lots. In no event shall a Lot be graded or otherwise improved to allow water to drain into the Golf Course or adjacent Lots.

10.25 Sanitary Systems. The County requires that all Owners be advised that: (a) each Lot is served by an individual septic tank, and a low pressure septic tank effluent pump which discharges the liquid portion of the effluent into a small diameter pressure sewer line for transport to a County-maintained sewer system (Sewer Maintenance District #1); (b) the cost of installing the septic tank, effluent pump and individual low pressure sewer line from the Lot to the County low pressure sewer line will be borne by the Owner; and (c) inspection of septic tanks, pumping of the solids accumulations from septic tanks, and the maintenance and operation of the County sewer collection, treatment and disposal facilities are paid for by the Owner through service fees to Sewer Maintenance District 1.

10.26 Hazardous Materials Questionnaire Requirement. The County requires that all Owners be advised that builders and contractors may be required to submit a hazardous materials emissions questionnaire to the Hazardous Materials Section of the Environmental Health Division prior to beginning construction of a Residence. (See Sections 4.29 and 4.30 above, which also address hazardous waste control.)

10.27 Limitation on Kitchen Facilities. No more than one kitchen facility shall be installed or maintained in any Residence. Such restriction shall not preclude the installation of an additional kitchen facility on any outdoor patio area or in any Guest House on the same Lot as a Residence. A kitchen facility includes any appliances for the preparation or preservation of food, including but not limited to gas or electric ranges, ovens or stovetops, refrigerators, freezers of more than five cubic feet (5 cu ft) capacity, and cabinets designed to accommodate such appliances.

10.28 Flags and Poles. Flags of a modest size may be displayed if approved by the Design Review Committee. Flag poles must be in proportion to the approved flag size and may not extend above the nearest roof ridge. The Association may prohibit noncommercial flags or banners that are more than fifteen square feet (15 sf) in size pursuant to Civil Code Section 1353.6(c).

10.29 Play Equipment. Play structures, trampolines, swing sets, slides or other similar devices are only allowed when approved in advance by the Design Review Committee which shall grant approval if the structure or equipment is located within screened, rear yard areas, and does not exceed eight feet (8') in height. In considering the proposed location of play structures on a Lot the Committee shall consider the proximity to patios, decks and other outdoor entertainment and social areas on neighboring improved Lots.

10.30 Sports and Tennis Courts. Due to adverse impacts on the quiet enjoyment of neighboring Residents and the need for significant grading, sports and tennis courts will not generally be approved on Lots within Winchester. In no event shall approved courts have exterior lighting.

10.31 Basketball Standards and Other Sports Apparatus. Basketball hoops and standards shall be approved by the Design Review Committee where the hoop, backboard and all related hardware are either portable or, if attached to a Residence, the backboard is made of clear plexi-glass or fiberglass. When possible, Owners should locate basketball standards at a point on a Lot where they will not be seen from any street, Common Area, the Golf Course or any neighboring Lot. Basketball hoops are not allowed on Cottage Lots. Portable basketball standards are allowed provided they are not positioned in setbacks or on public or private roads. Portable basketball standards must also be made of clear plexi-glass or fiberglass and must be white or light in color. Tennis courts, sports courts and other outdoor play equipment shall only be permitted in accordance with Section 10.29 and 10.30, above.

10.32 Wood Burning Devices. No wood-burning fireplaces or stoves are permitted within Winchester, unless the wood-burning devices are Phase II EPA certified.

10.33 Hours and other Restrictions on Construction Activity.

10.33.1 Times of Permitted Activity. Construction noise emanating from construction activities for which a building permit is required is prohibited on Sundays and Federal holidays, and shall only occur Monday through Friday, from 7:00 a.m. to 6:00 p.m. and Saturdays from 8:00 a.m. to 6:00 p.m. unless prior approval is received from the Association and the Placer County Planning Director based on special circumstances, such as adverse weather conditions. Quiet activities which do not involve heavy equipment or machinery may occur at other times, including work occurring within an enclosed building with the roof and siding on.

10.33.2 Heavy Equipment Transport. Heavy equipment and materials transport to and from the project site shall be restricted to the hours of 8:30 a.m. to 4:00 p.m. to avoid peak traffic periods, except that delivery of asphalt concrete and Portland cement concrete shall be limited to between the hours of 6:00 a.m. and 8:00 p.m. weekdays and Saturdays, and 8:00 a.m. to 6:00 p.m. on Sundays.

10.34 Archaeological and Cultural Resources. No archaeological site or cultural resources within Winchester may be disturbed, damaged, or removed without the express written consent of the County Development Review Committee. If any paleontological resources or archaeological artifacts, exotic rock (non-native), or unusual amounts of shell or bone are uncovered during any on-site construction activities, all work must stop immediately in the area and a qualified expert, as appropriate, retained to evaluate the deposit. Notification of County officials may be required as described in the MPCUP.

10.35 Fencing.

10.35.1 Prohibition on Perimeter Fencing. Consistent with the rural setting of the Winchester Development, perimeter fencing along or parallel to the boundaries of a Lot shall not be permitted, although Owners of Lots located along the external boundaries of the Development may be authorized by the Design Review Committee to install fencing along the Lot property lines which form the external boundary. As used herein, perimeter fencing need not necessarily encompass an entire Lot, but shall also include any perimeter enclosure of a yard area. Fences or walls shall be architectural extensions of the house and patio areas and be used to define use areas such as pools, service areas and/or private gardens. (See additional provisions regarding the Cottage Lots set forth in Section 10.43.5 below.)

10.35.2 Additional Fencing Restrictions. In addition to the restrictions on perimeter fencing imposed elsewhere in this Declaration, the following additional fencing limitations are imposed on particular Lots, as identified:

10.35.2.1 Fencing Adjacent to Golf Course. Except for fencing originally constructed or approved by the Original Declarant, there shall be no fencing constructed, maintained or placed on any portion of Winchester which adjoins the Golf Course or which unreasonably interferes with the view from the Golf Course. For purposes of the preceding sentence, fencing includes fences, walls, netting, and other similar barriers, including landscaping. Any fencing approved in writing by the Golf Course owner shall be deemed not to be in violation of this section.

10.35.2.2 Signage Marking Boundaries of Preserves. Pursuant to the Conditions of Approval for the Winchester Development, Declarant has or will install

signage in lieu of fencing, approved by the County Development Review Committee, along and around all Wetland, Woodland, and Nature Preserve parcel boundaries in order to provide notice to future Owners and Golf Course users of the location of protected and restricted use areas within Winchester. No permanent signage installed by the Original Declarant or the Association adjacent to or around any of the Preserves may be removed, replaced or altered without the express written consent of the County Development Review Committee. No structure may be located closer than five feet (5') to any boundary marked by signage.

10.35.2.3 Limitation on Solid Fencing and Perimeter Fencing. No solid fencing may be installed by an Owner on a Lot within any setback areas described in Section 10.1, above, which abut to Sugar Pine, Meadow Vista or Bancroft Roads, or the Golf Course, any Preserve or open space. However, three-strand and four-strand wire fencing with metal posts may be permitted along the boundary of any multi-purpose trail easement or any other nonresidential parcels within Winchester in which is contained a multi-purpose trail.

10.35.2.4 Height and Materials. The County requires that walls and fences shall be a maximum of six feet (6') in height. The use of rock walls or horizontal split rail is encouraged. Where a solid wall is needed to screen service areas or define private areas, walls shall be natural extensions of the architecture. Dog runs shall use hog wire or similar material with wood fence structures and be located and screened from street, off-site, Golf Course and adjacent property views.

10.35.2.5 Protective Fencing For Native Trees During Construction. See Section 10.16.6.

10.36 Exterior Lighting Requirements.

10.36.1 Exterior Lighting On Lots. Except as otherwise provided below, all lights installed on the exterior of a Residence or on a Lot, including landscape lighting, shall be primarily directed downward or adequately and properly shielded from other Residences and the streets serving Winchester. Owners may not install mercury vapor, metal halide or halogen type exterior lighting (except low voltage). Incandescent, high-pressure sodium or low-voltage lighting is preferred. Lighting outside the Building Envelope is: (a) limited to reasonable illumination of address signs, driveways, pathways, trees and statues; (b) should be low-voltage or diffused light sources which minimize illumination of neighboring areas; and (c) may be further restricted by the Design Review Committee or Association Rules. General exterior house lighting should generally be off from midnight to 6:00 a.m. In order to preserve the rural character of the area surrounding the Development, security lighting installed on Lots shall be of the type triggered by movement, heat, sound or radio waves and shall not be illuminated for extended periods of time (i.e. dusk to dawn). These restrictions on exterior lighting shall not apply to a moderate quantity of holiday lights as determined by the Board of Directors in effect from Thanksgiving Day to January 2nd of the following year. During that time, Residents may display such lights from 8:00 a.m. to midnight.

10.36.2 Exterior Lighting Within Common Areas. No open space lighting or recreational lighting is permitted on any Common Area parcel without the approval of the County Development Review Committee. No Owner shall remove, damage or disable any exterior light, regardless of where located, which is connected to the Association's electric service.

10.37 Parking and Garage Requirements. Each Lot shall provide a minimum of two (2) enclosed parking spaces, either attached or detached to the main Residence. In addition, two (2) guest parking spaces are required on each Lot. The driveway and garage layout shall minimize the visibility of garage doors and guest parking from views from adjacent Lots and streets. Garage doors should not face the street. Parking and turnaround areas must be located within the Building Envelope.

10.38 Address Markers. Individual address markers for Lots must be located within twenty feet (20') of the intersection of the road and driveway. The address marker shall be consistent with the design of the Residence and not exceed forty-eight inches (48") in height, if man made. The address information should be clearly illuminated using diffused light sources which do not throw excess light into neighboring areas. A native boulder approximating this size may also be used.

10.39 Site Utilities. All Lot utilities are to be installed underground. Utility meters and panels should not be visible from off-site. Overflow alarms for Septic Tank Effluent Pumps should be screened with landscaping.

10.40 Gates and Driveway Entrance Monuments. Driveways may include private entrance gates or monuments and attendant landscaping as follows:

10.40.1 Gates shall not exceed six feet (6') in height;

10.40.2 Gates shall be located a minimum of twenty feet (20') back from the property line;

10.40.3 Approved materials are native stone, wood or stucco finishes for supports and iron or wood for gates;

10.40.4 Natural groupings of trees and shrubs shall be used in conjunction with the gate to blend it with the site;

10.40.5 Mechanical gates are permitted and shall be of wrought iron or other approved material. Shiny aluminum, chain link or other shiny fencing materials are not permitted; and

10.40.6 Entrance columns must be made of a material that matches the exterior of the Residence and cannot exceed forty-eight inches (48") in height.

10.41 Colors. Muted earth-toned colors are required for large field application, while use of darker colors shall be reserved for trim, accents and applied features. The color of exterior materials, whether applied or innate, shall be subordinate and blend with the colors of the natural surroundings. Colors shall help buildings recede rather than stand out in the landscape and shall not seem synthetic or man-made. Accent colors shall integrate with the overall color scheme and form of the building. Discreet use of accent colors on wall surfaces is encouraged. A palette of suggested muted earth-toned colors is available for Owners' use.

10.42 Limited Exemption from Minimum Construction Standards and Property Use Restrictions for Existing Improvements on Lot 123. As of the recording date of the Original Declaration, Lot 123, as shown on the Subdivision Map for Phase One of the Winchester Development, is the site of a ranch house that was constructed on the Winchester property many years prior to its subdivision as a common interest development and prior to implementation of the plan of development contemplated by this Declaration. So long as Jerry Johnson and/or his wife Alysa Johnson are owners of record of Lot 123: (a) the existing ranch house structure shall be considered as an authorized structure within the Development which can be repaired and maintained without compliance with the minimum construction

standards set forth in this Article 10; and (b) Mr. Johnson and the members of his immediate family may continue to utilize the lake that lies within the boundaries of Lot 123 for uses and activities routinely undertaken or engaged in by the Johnson family prior to the date of this Declaration so long as such uses are otherwise in compliance with Section 4.4, and the terms of any governmental permits or regulations pertaining to the lake within Lot 123. In the event that neither Jerry Johnson nor Alysa Johnson are owners of record of Lot 123 the existing ranch house shall be demolished and the site cleared of debris within one hundred eighty (180) days following conveyance of Lot 123 to another Owner of record and thereafter this section and Section 7.4.4 shall be void and of no further force or effect. Nothing herein shall be construed as modifying the obligation of Jerry and Alysa Johnson to maintain Lot 123 and the improvements located thereon in a neat and attractive manner, consistent with the general standards of maintenance and care applicable to other Owners pursuant to Section 8.2. In the event that Jerry and Alysa Johnson convey title to Lot 123 to a revocable trust of which they are the present beneficiaries they shall nevertheless be considered as the Owners of record.

10.43 Construction Standards Applicable to Cottage Lots and Residences. The following provisions are applicable only to the Cottage Lots, and the terms of this section supersede any contrary provisions in this Declaration solely with respect to the Cottage Lots.

10.43.1 Setbacks.

10.43.1.1 The minimum setback requirements for the Cottages Lots shall be as Recorded on the Final Subdivision Map and Development Notebook sheets for the Winchester Cottage Residences as approved by Placer County.

10.43.1.2 Except as provided in Sections 10.43.1.3 and 10.43.1.4 below, no structural improvement of any kind shall be located closer than fifteen feet (15') from the rear boundary line of any Cottage Lot, however, if the final Subdivision Map shows a more restrictive setback, the more restrictive setback shall govern.

10.43.1.3 If approved by the Design Review Committee, the original construction of decks on Cottage Lots may be allowed to encroach within the fifteen foot (15') setback and maintenance, repair and replacement of such decks by the Cottage Lot Owner in substantially the same form or manner shall be allowed.

10.43.1.4 All decks adjoining Cottage Lot Residences shall be subject to the approval of the Design Review Committee and shall conform to all requirements for decks set by the Design Review Committee. Some Cottage Lots may not be appropriate for decks due to slopes, setbacks, or natural elements. Such determination shall be made by the Design Review Committee whether or not application for deck construction is made by the original builder of the Cottage Lot Residence or by a subsequent Owner.

10.43.2 Erosion Control.

10.43.2.1 Each Owner of a Cottage Lot shall be responsible to ensure that no erosion or water drainage shall take place on the Owner's Lot which may adversely affect neighboring properties, roads, and/or open spaces of Winchester. An erosion control and drainage plan shall be provided to the Design Review Committee for review and approval prior to modification of existing landscaping.

10.43.2.2 The Design Review Committee may require, after having obtained the advice of a professional consultant, Owners of Cottage Lots to provide the

Committee with an engineering report, prepared by a licensed engineer, to adequately address any questions or ambiguities regarding erosion and drainage.

10.43.3 Disturbance of Hillsides.

10.43.3.1 Any excavation, fill or other disturbance of the natural terrain or hillsides in connection with construction or Improvement projects after the original construction on Cottage Lots shall first be as reviewed and approved by the Design Review Committee. The Design Review Committee may deny approval of any such site work that the Committee has determined is unwarranted, and/or condition approval on the implementation of mitigation measures considered necessary or desirable by the Committee.

10.43.3.2 Hillside grading plans, retaining walls, and re-vegetation plans shall be included as part of the original submittal of plans and specifications to the Design Review Committee made by an Owner of a Cottage Lot Residence unless such work is proposed after construction of the Residence, in which case a separate submittal shall be required.

10.43.3.3 Any approval of grading or drainage work by the Design Review Committee shall not constitute a guaranty or warranty regarding the adequacy of the Owner's work. Instead, the laws generally applicable to the obligations of adjacent and upland property owners with respect to the management of water and drainage from and over their respective properties shall apply.

10.43.4 Residence Floor Area. Residences built on any Cottage Lot shall have a minimum total floor area, exclusive of garages, balconies, porches and patios, of one thousand five hundred square feet (l500 sf) for a one-story structure. Two-story structures shall have a minimum total floor area, exclusive of garages, balconies, porches and patios of one thousand eight hundred square feet (1800 sf). The Winchester Design Review Committee must approve any variation from these minimum requirements based on mitigating design considerations relating to the natural slope or size of the lot (see Section 9.21 of this Declaration regarding variances).

10.43.5 Perimeter Fences. Perimeter fencing of Cottage Lots shall not be permitted, except for such fencing as a Declarant or the Association may install along subdivision boundaries or as relates to the Golf Course, and approved by the Design Review Committee and the Golf Course owner. Perimeter fencing is defined to mean fences along or near Lot lines, or fencing not connected with a building or structure. Fencing screens or walls which are associated with or connected to a Cottage Lot Residence may be allowed by the Design Review Committee if they are of such design, material, location and height as to conform to the minimum construction standards set forth in Article 10.

10.43.6 Windows. Window frames installed in Cottage Lot Residences shall be wood, aluminum, vinyl-clad wood, or aluminum clad. All windows must be at least double-glazed. No mirrored or reflective glass may be used.

10.43.7 Balconies and Decks. The area under any deck on a Cottage Lot Residence must either be landscaped or screened from view by siding painted or stained to match the house. The area under any deck shall not be used for storage of any kind unless the area is screened from view by siding painted or stained to match the house. The Winchester Design Review Committee must approve landscaping and screening below decks.

10.43.8 Landscaping.

10.43.8.1 Owners of Cottage Lot Residences shall complete landscaping of their Lots in compliance with all requirements set forth in Sections 9.8 and 10.15.

10.43.8.2 All areas of the Lot damaged or disturbed by construction or by any other natural or man-made event must be re-vegetated. Retention or incorporation of natural vegetation is encouraged. Landscaping must be maintained in a healthy and well-preserved condition at all times.

10.43.8.3 Any modification of the landscaping which would alter the drainage of the Lot or incorporate substantial changes from the original landscaping plan previously approved by the Winchester Design Review Committee, must be approved by the Winchester Design Review Committee prior to installation.

10.43.9 Number of Dwellings, Garages. Only one (1) Cottage Lot Residence shall be constructed on any Cottage Lot. Each Cottage Lot Residence shall have an attached garage. No other storage building, outbuilding or inhabitable structure shall be permitted on any Cottage Lot. Each garage must be constructed in such a way as to accommodate at least two (2) vehicles and the garage space shall not be converted or used in any way which precludes the parking of a minimum of two (2) vehicles. No vehicles or trailers are to be parked in the driveways of Cottage Lots or on the street in front of any Cottage Lot on a daily or nightly basis. Accordingly, if a Resident of a Cottage Lot owns more than two (2) vehicles or a boat or trailer, the additional vehicle, boat or trailer must be parked or stored elsewhere.

ARTICLE 11 CONSTRUCTION AND BUILDER REGULATIONS

11.1 Construction Area Plan. Contractors shall provide the Community Manager or the Design Review Committee with a plan of any proposed construction area and how the remaining portions of the Lot will be protected. The construction area plan shall designate the location of material storage, parking, portable toilet, temporary trailer/structure, dumpster, debris storage, fire fighting equipment, utility trenching and the limits of excavation.

11.2 Access to Construction Areas. Access to the construction site for large trucks should be planned so as to minimize noise and other impacts to the site, adjacent Lot Owners and the community. Parking for construction personnel vehicles or machinery, other than within the approved construction area on-site, will occur only in specific areas designated by the Community Manager or the Design Review Committee so as to minimize damage and impacts to the existing landscape or vegetation. Construction crews will not park on adjacent Lots or in any other unapproved areas.

11.3 Storage of Materials and Equipment. All construction materials, equipment and vehicles will be stored within the boundary of the approved construction area, and outside of any tree protection fencing. Equipment and machinery will be stored on-site only while needed.

11.4 Construction Trailers. Any Owner or builder who desires to have a construction trailer or shack on a Lot must locate it so as to minimize impacts to the site, adjacent Lot Owners and the community. All such facilities must be removed prior to the issuance of a certificate of occupancy. Temporary living quarters for the Owner, contractor or their employees will not be permitted.

11.5 Sanitary Facilities. Sanitary facilities including potable water must be provided for construction personnel on-site in a location approved by the Community Manager or the Design Review

Committee. Such facilities shall be screened to the extent feasible from the direct view of adjacent Residences and streets and maintained regularly.

11.6 Debris and Trash Removal. Contractors must clean up all trash and debris on the construction site at the end of each day, and remove it from the construction site at least once a week. Lightweight materials, packaging and other items must be covered or weighted down to prevent them from blowing off the construction site. Contractors are prohibited from dumping, burying or burning trash on the construction site or elsewhere in Winchester. The construction site must be kept neat and tidy, and dirt, mud or other debris must be promptly removed from roads, driveways or other portions of Winchester. Any clean-up costs incurred by the Association in enforcing these requirements will be reimbursed from the compliance deposit or billed to the Owner.

11.7 Excavation and Grading. Blowing dust during grading, and erosion on exposed cut and fill slopes must be minimized through proper soil stabilization, water control and re-vegetation. The contractor is responsible for implementing all erosion control techniques required by County and project approvals. Grading operations should be suspended during periods of heavy rain or high wind. All topsoil disturbed by grading operations must be stockpiled within the construction area and reused as a part of the site restoration or landscaping plans.

11.8 Tree Protection. The contractor shall take extreme care during excavation to assure trees not authorized for removal are not damaged. Every effort must be made to reduce compaction or disturbance within the drip line of all trees located within and outside of an approved construction area. Contractors shall comply with all requirements for protection of trees during construction set forth in Section 10.16.6.

11.9 Damage Repair and Restoration. Damage and scarring to other property, including open space, adjacent Lots, roads, driveways or other Improvements shall not be permitted. If any such damage occurs, it must be repaired and restored promptly at the expense of the person causing the damage or the Owner of the Lot. Upon completion of construction, each Owner and contractor will be responsible for cleaning up the construction site, repairing any damaged property, restoring grades, planting shrubs, repairing streets, driveways, pathways, drains, culverts, ditches, signs, lighting and fencing.

11.10 Inspections. In addition to the building inspections required by Placer County, the following inspections shall be scheduled with the Design Review Committee.

11.10.1 Site Inspection. Prior to commencing construction, the foundation shall be marked and the surveyor of record shall certify that the foundation is located as shown per the approved plans. Such certification shall be provided in writing. The Design Review Committee shall inspect the construction site to observe corners of proposed buildings, the driveway, trees tagged and protected by fencing, and the location of sanitary facilities and construction trailers. This inspection must be completed and approved prior to any site clearing or disturbance of existing grade.

11.10.2 Completion Inspection. This inspection shall be done upon completion of all improvements given final design approval by the Design Review Committee.

11.11 Construction Signs. Temporary construction signs will be limited to one (1) per Lot. The sign shall not exceed sixteen square feet (16') of total area, and shall be located within ten feet (10') of the construction site entrance.

11.12 No Pets. Pets belonging to construction personnel must be kept within vehicles or leashed at all times while within Winchester.

11.13 Security. Security precautions at the construction site may include temporary fencing approved by the Design Review Committee. Security lights, audible alarms and guard animals shall not be permitted.

11.14 Noise. Contractors shall make every effort to keep noise to a minimum. Loud radios are not allowed on the construction site.

11.15 No Open Burning. During construction, open burning of cleared vegetation is prohibited. Alternative measures, including chipping, fuel wooding and yarding are permitted.

ARTICLE 12 ENFORCEMENT

12.1 Violations as Nuisance. Every act or omission constituting or resulting in a violation of any of the provisions of the Governing Documents shall be deemed to constitute a nuisance. In addition to any other remedies which may be available, such nuisance may be abated or enjoined by the Association, its officers, the Board or by any Owner. The Board shall not be obligated to take action to abate or enjoin a particular violation if, in the exercise of its discretion, the Board determines that acting to abate or enjoin such violation is not likely to foster or protect the interests of the Association and its Members as a whole.

12.2 Violation of Law. Any violation of a federal, state, municipal or local law, ordinance or regulation pertaining to the ownership, occupancy or use of any property within the Development is hereby declared to be a violation of this Declaration and subject to any and all of the enforcement procedures set forth herein.

12.3 Owner's Responsibility for Conduct and Damages. Each Owner shall be fully responsible for informing the members of the Owner's household and the Owner's tenants, Contract Purchasers, contractors, invitees and guests of the provisions of the Governing Documents, and shall be fully responsible for the conduct, activities, Governing Document violations and for any damage to the Development or the Association resulting from the negligent or intentional conduct of any of them or any household pets. If a Lot is owned jointly by two or more persons, the liability of each Owner in connection with the obligations imposed by the Governing Documents shall be joint and several.

12.4 No Avoidance. No Owner may avoid the burdens or obligations imposed by the Governing Documents through nonuse of any Common Area or Common Facilities, if any, or by abandonment of the Owner's Lot.

12.5 Rights and Remedies of the Association.

12.5.1 Enforcement Rights. The Association, its Directors, officers or agents, and any Owner shall have the right to enforce any and all provisions of the Governing Documents by any proceeding at law or in equity, or through the use of such other remedies as are available and deemed appropriate by the Board. Each remedy provided is cumulative and not exclusive. The Board shall not be obligated to take action to enforce a provision of the Governing Documents if, in the exercise of its discretion, the Board determines that acting to enforce the provision is not likely to foster or protect the interests of the Association and its Members as a whole.

12.5.2 Member Not In Good Standing. Upon a determination by the Board of Directors, after prior notice to the affected Member and an opportunity for a hearing, that such Member has violated any provision of the Governing Documents including a failure to pay any Assessment when due, the Board shall give notice in writing to such Member

that the Member is deemed not to be a Member in Good Standing. Such Member shall be deemed to remain in that status until such time as the Board shall determine in writing that the violation which resulted in the Board's determination has been cured or remedied or, on some other basis as in the judgment of the Board is just and proper, that such Member shall again be deemed to be a Member in Good Standing of the Association. Such Member shall be so notified in writing with a copy given to the Secretary.

12.5.3 Imposition of Sanctions. In the event of a breach or infraction of any provision of the Governing Documents by an Owner, members of an Owner's household, or the Owner's tenants, Contract Purchasers, contractors, guests or invitees, the Board shall have the power to impose sanctions against the Owner. Such sanctions may include, without limitation, the imposition of fines and/or the suspension of an Owner's rights as a Member, including an Owner's voting rights or an Owner's right to use the recreational or Common Facilities, if any, on the Common Area. Except as provided in Section 12.7 below, imposition of sanctions shall be effective only after notice and an opportunity for hearing as provided in Section 8.1.4 of the Bylaws. The payment of any fine imposed may be enforced as an Enforcement Assessment as provided in Section 6.10 of this Declaration as well as in any manner permitted by law. Further, each Owner shall be obligated to pay Reimbursement Assessments levied by the Board for reimbursement of any costs incurred by the Association relating to violation of any provisions of the Governing Documents by the members of such Owner's household and such Owner's tenants, Contract Purchasers, contractors, guests, invitees or household pets.

12.5.4 Inadequacy of Legal Remedy. Except for the nonpayment of any Assessment levied pursuant to the provisions of Article 6 of this Declaration, it is hereby declared that a remedy at law to recover damages for a default in the performance of, or breach or violation of any of the terms and provisions of any of the Governing Documents, is inadequate and that the failure of any Owner, members of such Owner's household, or the Owner's tenants, Contract Purchasers, contractors, guests, invitees or household pets or any other occupant or user of any of the property within the Development to comply with any provision of the Governing Documents may be enjoined in any judicial proceedings initiated by the Association, its Officers or Board of Directors, or by any Owner or by their respective successors in interest.

12.5.5 Limitation on Disciplinary Rights. The Association shall not have the power and authority to cause a forfeiture or abridgment of a Member's right to the full use and occupancy of the Owner's Lot as the result of the failure by such Owner, members of such Owner's household, or the Owner's tenants, Contract Purchasers, contractors, guests, invitees or household pets to comply with any provision of the Governing Documents, except where such forfeiture or abridgment is the result of the judgment of a court of competent jurisdiction, a decision arising out of an arbitration proceeding, or a foreclosure or sale under private power of sale for failure of such Owner to pay Assessments levied by the Association pursuant to Article 6 of this Declaration. The provisions of this subsection shall not affect the Association's right to impose fines or monetary penalties or to suspend an Owner's membership rights, as provided in the Governing Documents.

12.6 Disciplinary Rules. The Board, Rules Committee, or Covenants Committee may adopt rules and regulations that further elaborate upon and refine procedures for conducting disciplinary proceedings and otherwise imposing sanctions upon Members of the Association for violation of provisions of the Governing Documents. Such Rules, when approved and adopted by the Board, shall be deemed to be a part of the Association Rules provided for in, and constituting a part of, the Governing Documents.

12.7 Emergency Situations. Notwithstanding any other provisions of the Governing Documents, under circumstances involving conduct that constitutes an emergency situation, the Association may undertake immediate corrective or disciplinary action. Hearings with respect to such corrective or disciplinary action shall be in accordance with Section 8.1.4.5 of the Bylaws. The following shall constitute emergency situations: (a) an immediate and unreasonable threat to the safety of Residents of the Development; (b) a traffic or fire hazard; or (c) a threat of material damage to or destruction of the Development or any portion thereof.

12.8 Alternative Dispute Resolution. Compliance with California Civil Code Sections 1369.510 through 1369.590 and Civil Code Sections 1363.810 through 1363.850 shall be required with respect to any dispute subject to such sections.

12.9 Internal Dispute Resolution. Compliance with California Civil Code Sections 1363.810 through 1363.850 and Civil Code Section 1369.590 shall be required with respect to any dispute subject to such sections.

12.10 No Waiver. Failure to enforce any provision of the Governing Documents at any time shall not be deemed a waiver of the right to do so thereafter with respect to the same or any other violation of any provision of the Governing Documents.

12.11 Notices. Any notices required or given under this Article shall conform to Section 8.1.4 of the Bylaws.

12.12 Costs and Attorneys' Fees. In the event the Association shall take any action to enforce any of the provisions of the Governing Documents or shall determine that any Owner or members of the Owner's household or the Owner's tenants, Contract Purchasers, guests, invitees or household pets have violated any provision of the Governing Documents, and whether or not legal or judicial proceedings are initiated, the prevailing party shall be entitled to recover the full amount of all costs incurred, including attorneys' fees, in responding to such a violation and/or in enforcing any Governing Document provision. The remedies of the Association to recover the amount of such costs and attorneys' fees shall include, without limitation, the imposition of a Reimbursement Assessment as provided in Section 6.9 of this Declaration.

12.13 Indemnification. Each Owner, by acceptance of the Owner's deed, agrees for the Owner and for the members of the Owner's household, the Owner's Contract Purchasers, tenants, guests or invitees, to: (a) indemnify each and every other Owner for; (b) to hold each and every other Owner harmless from; and (c) to defend each and every other Owner against, any claim of any person for personal injury or property damage occurring within the Lot of such Owner, except that such Owner's liability may be diminished to the extent that the injury or damage occurred by reason of the negligence of any other Owner or person temporarily visiting such Lot or is fully covered by insurance.

12.14 Covenants Committee. Pursuant to Section 10.1 of the First Restated Bylaws of the Winchester Community Association, the Board of Directors may, but is not obligated to, establish a Covenants Committee to hear and decide matters involving alleged violations of the Governing Documents. If no committee is established, the Board shall perform this function.

12.14.1 Jurisdiction and Hearings. The Covenants Committee shall review written complaints from Owners or the Association's on-site Community Manager regarding violations of the Governing Documents or Association Rules, and when appropriate, conduct hearings, make findings, impose penalties and levy fines where violations are found.

12.14.2 Appeals. The decisions of the Covenants Committee shall be appealable to the Board of Directors. The Board shall have the discretion to hear any appealed matter or decline to take the appeal and thus affirm the decision of the Committee. Any decision to decline an appeal shall be based on a reasonable determination from the record that the appeal lacks merit.

ARTICLE 13 MORTGAGEE PROTECTION

13.1 Conflict. Notwithstanding any contrary provision contained elsewhere in the Governing Documents, the provisions of this Article shall control with respect to the rights and obligations of Mortgagees specified herein.

13.2 Liability for Unpaid Assessments. Any first Mortgagee who obtains title to a Lot pursuant to the remedies provided in the first Mortgage (except upon a voluntary conveyance to the first Mortgagee) or by foreclosure of the first Mortgage shall take title free of any claims for unpaid Assessments or charges against the Lot which accrue prior to the acquisition of title to the Lot by the first Mortgagee.

13.3 Inspection of Books and Records. Upon request, any Owner, or first Mortgagee shall be entitled to inspect and copy the books, records and financial statements of the Association, the Governing Documents and any amendments thereto during normal business hours.

13.4 Financial Statements for Mortgagees. The Association, at its expense, shall prepare an audited financial statement for the immediately preceding fiscal year. The audited financial statement shall be available within one hundred twenty (120) days of the end of the Association's fiscal year. The Association shall provide a copy of the audited financial statement to any Mortgagee who makes a written request for it.

13.5 Mortgagee Protection. A breach of any of the conditions or the enforcement of any lien provisions contained in this Declaration shall not defeat or render invalid the lien of any first Mortgage made in good faith and for value as to any Lot in Winchester; but all of the covenants, conditions and restrictions contained in this Declaration shall be binding upon and effective against any Owner of a Lot if the Lot is acquired by foreclosure, trustee's sale or otherwise.

ARTICLE 14 ANNEXATION, SUPPLEMENTAL DECLARATION

14.1 Unilateral Annexations by a Declarant. A Declarant shall have the right to annex from time to time all or any portions of the Annexable Territory, so as to be subject to this Declaration and so that membership in the Association shall be appurtenant to ownership of Lots within the annexed phase. Such annexation shall not require the approval of the Association, its Board or Members so long as the annexation is in substantial conformance with a detailed plan of phased development submitted to the Commissioner of the Department of Real Estate with the Original Declarant's application for a Public Report for the first phase of the Development. In order to be annexable at the option of a Declarant, the plan for phased development shall include at least the following:

14.1.1 Proof satisfactory to the Commissioner that no proposed annexation will result in an overburdening of Common Facilities;

14.1.2 Proof satisfactory to the Commissioner that no proposed annexation will cause a substantial increase in Assessments against existing Owners of Lots within Winchester

which was not disclosed in a Public Report under which such Owners purchased their Lots within the Winchester Development;

14.1.3 Identification of the phase proposed to be annexed and the total number of residential Lots or units then contemplated by a Declarant for the Development;

14.1.4 A written commitment by a Declarant to pay to the Association, concurrently with the closing of the escrow for the first sale of a Lot in the annexed property, an appropriate amount for reserves for replacement or deferred maintenance of Common Area Improvements in the annexed property necessitated by or arising out of the use and occupancy of Residences under a rental program conducted by a Declarant which has been in effect for a period of at least one (1) year as of the date of closing of the escrow for the first sale of a Residence in the annexed property.

14.2 Other Annexation Requiring Member Approval In addition to annexations made by a Declarant pursuant to Section 14.1, above, annexations of property other than portions of the Annexable Territory may be made by a Declarant with the approval by vote or written consent of Members entitled to exercise not less than two-thirds (2/3) of the Total Voting Power of the membership of the Association. Upon obtaining the requisite Member approval pursuant to this section, a Declarant shall Record a declaration of annexation and, if appropriate, a supplemental declaration, as more particularly described in Sections 14.4 and 14.5.

14.3 Conveyances of Common Area. Prior to the conveyance by a Declarant of any Lot within a phase annexed to this Declaration, fee simple title to any Common Area to be owned by the Association within such phase shall be conveyed to the Association free and clear of any and all encumbrances and liens, except current real property taxes, which taxes shall be prorated to the date of transfer, and reservations, easements, covenants, conditions and restrictions then of record, including those set forth in this Declaration.

14.4 Declaration of Annexation.

14.4.1 Effect of Recording a Declaration of Annexation. The annexations authorized under Sections 14.1 and 14.2, shall be made by Recording a declaration of annexation with respect to the annexed phase which shall be executed by a Declarant and shall extend this Declaration to the annexed property. The Recordation of such a declaration of annexation shall constitute and effectuate the annexation of Winchester described therein, and thereupon said real property shall become and constitute a part of the Winchester common interest development, become subject to this Declaration and encompassed within the general plan and scheme of the covenants, conditions and restrictions contained herein, and become subject to Assessment by the Association and to the functions, powers and jurisdiction of the Association; provided, however, that Assessments of Lots within the annexed phase shall not commence until the time provided in Section 6.7.4. The Owners of Lots in the annexed phase shall automatically become Members of the Association.

14.4.2 Contents of Declaration of Annexation. The declaration of annexation shall include the following:

14.4.2.1 Legal Description of the Annexed Property. A legal description of the annexed property, separately identifying Lots, parcels and any Common Areas;

14.4.2.2 Statement Regarding Commencement of Assessments. The declaration of annexation shall provide for a specified date on which Assessments shall

commence for Lots or parcels in the annexed property, provided that the date specified may not be later than the first (1st) day of the first month following the month in which the first Lot in the annexed property is conveyed to an Owner;

14.4.2.3 Declarant Commitment Concerning Reserve Contributions Relating to Rental Programs. A written commitment by a Declarant to pay to the Association, concurrently with the closing of escrow for the first sale of a Lot or parcel in an annexed phase, appropriate amounts for reserves for replacement or deferred maintenance of Common Facilities in the annexed phase necessitated by or arising out of the use and occupancy of Residences under a rental program conducted by a Declarant which has been in effect for a period of at least one (1) year as of the date of closing of escrow for the first sale of a Residence in the annexed phase;

14.4.2.4 Identification of Parcels and Allocated Assessment Units. The declaration of annexation should also contain a specific designation of the annexed property, if any, which are parcels, together with each such parcel's voting rights and proportionate share of Assessments for the parcels; provided however, that the failure to include such information shall in no way affect the validity of the annexation;

14.4.2.5 Application of Equitable Servitudes. A statement that all of the covenants, conditions and restrictions of this Declaration shall apply to the annexed property in the same manner as if the annexed property was originally covered by this Declaration; provided, however, that additional or revised covenants, conditions and restrictions applicable to the annexed property ("supplemental restrictions"), may be imposed when, in the discretion of a Declarant, and with the written approval of the Board of Directors, it is deemed necessary or appropriate to impose supplemental restrictions in order to reflect differences in the nature, design or use of the Improvements to be constructed on Lots, parcels or Common Area in the annexed property;

14.4.2.6 Supplemental Restrictions. A statement that supplemental restrictions may not alter the general common plan or scheme created by this Declaration, revise any restriction imposed by a governmental entity as a condition of Subdivision Map approval (without the consent of that entity) or revoke, modify or add to the covenants, conditions and restrictions imposed by this Declaration with respect to portions of Winchester initially subject to this Declaration or the property annexed prior to the annexed property. If supplemental restrictions are considered necessary or appropriate, they shall be set forth in a supplemental declaration attached to, or incorporated in, the declaration of annexation (see Section 14.5); and

14.4.2.7 Annexation Not Mandatory. A statement that additional real property may be annexed to Winchester and become subject to this Declaration in accordance with Sections 14.1 and 14.2. Nothing in this Declaration shall be construed or interpreted to commit a Declarant to the development or annexation of any portion of the Annexable Territory in accordance with any present planning.

14.4.2.8 Declarant Obligation To Fund Reserves in Limited Circumstances. The declaration of annexation shall also provide that prior to, or concurrently with, the close of escrow for the sale of the first Lot in the annexed property a

Declarant shall pay to the Association an amount equal to that portion of the Regular Assessment which would have been attributable to each Lot in the annexed phase and which would have been allocable to reserves for replacement and deferred maintenance of the Common Area Improvements if and only if a Declarant has rented or leased Lots in the annexed phase for a period of one (1) year prior to the conveyance of title to an Owner of a Lot in the annexed Phase.

14.4.3 Budget Modifications. After a new phase has been annexed, the Board shall approve a budget, which is substantially based upon the operating budget accepted by the Department of Real Estate in connection with the Public Report for that phase, for the remainder of the current fiscal year for use upon commencement of Regular Assessments against Lots within the phase.

14.5 Supplemental Declarations.

14.5.1 Authority to Record Supplemental Declarations. During the course of developing Winchester, it may become appropriate for a Declarant to Record supplemental declarations, and the Recordation of such supplemental declarations may only be done with the written consent of the Board of Directors.

14.5.2 Content of Supplemental Declarations. Any supplemental declaration shall describe the portion of the annexed property to which it is to apply, recite that the supplemental declaration is being recorded pursuant to the authority conferred by this section and may include, without limitation:

14.5.2.1 Description of Annexed Common Areas. A legal description of any Common Area (including all Exclusive Use Common Area, as that term is defined in California Civil Code Section 1351(i)), if any, within the annexed property;

14.5.2.2 Establishment of Supplemental Restrictions. Provisions imposing supplemental restrictions applicable to the annexed property or to Improvements constructed therein, subject to the limitations described in Section 14.5;

14.5.2.3 Establishment of Additional or Separate Construction Standards. Provisions authorizing the adoption of separate or supplemental minimum construction standards applicable to Improvement projects on Lots located within the annexed phase;

14.5.2.4 Special Maintenance Areas. Provisions describing the nature and extent of the Association's duties and responsibilities if front yards or rear yards are to be maintained by the Association as a Cost Center or a sub-Association;

14.5.2.5 Provisions Establishing Sub-Associations. A supplemental declaration may, but need not, provide for the establishment of a sub-Association, to be comprised of Owners of Lots within the planned development which are intended to be developed in the annexed phase; and

14.5.2.6 Provisions Creating Cost Centers. A supplemental declaration may designate one or more Cost Centers within the annexed phase by including the information described in Section 6.3.

14.6 Reconciling Conflicts Among Documents. This Declaration shall control if there is any conflict between any declaration of annexation or supplemental declaration and the provisions of this Declaration; provided, however, that to the extent that any provision hereof is expressly modified by a supplemental declaration, no conflict shall be deemed to exist; and, provided further, that this Declaration and any supplemental declaration shall be construed to be consistent with one another to the extent reasonably possible. However, the inclusion in any supplemental declaration of covenants, conditions, restrictions, rights, reservations, easements, equitable servitudes, limitations, liens or charges which are more restrictive or more inclusive than the corresponding provisions of this Declaration or the Governing Document shall not be deemed to constitute a conflict with the provisions of this Declaration.

14.7 De-Annexation and Amendment. A Declarant has the right to amend a declaration of annexation or a supplemental declaration; remove from Winchester any property described in a recorded declaration of annexation or a supplemental declaration for a phase by executing and recording a rescission or amendment of the declaration of annexation or supplemental declaration, so long as all of the following conditions are satisfied at the time of the execution of the amendment or rescission: (a) no Lot in that phase has been conveyed to an Owner; and (b) Assessments have not commenced for any Lot in the annexed property. If Common Area in such a phase has been conveyed to the Association, then in the event of a rescission, such Common Area shall be conveyed back to a Declarant promptly after the rescission. In the event of an amendment, if the amendment is such that some portion of that Common Area within the annexed property theretofore conveyed to the Association is excluded from the annexation, such portion shall be conveyed back to a Declarant promptly after the amendment is adopted.

14.8 Taxes and Assessments. All taxes and other Assessments relating to Winchester in phases authorized under Sections 14.1 and 14.2, covering any period prior to the addition of Annexable Territory to Winchester, shall be paid or otherwise provided for by a Declarant.

14.9 Character of Common Area Improvements. The nature, design, quantity, quality and all other attributes of the Common Area, and the Common Facilities and amenities thereon, shall be consistent with existing Common Area of a similar design and appearance. If a Declarant intends to develop Common Area in the Annexable Territory that is different in nature, design, quantity, quality or other attributes from the Common Area already existing in the Development, such Declarant must obtain the Board's prior written approval. The Association shall be unconditionally obligated to accept title to and maintenance responsibility for the Common Area when such title and maintenance responsibility is tendered by a Declarant, so long as the terms of this section have been satisfied.

14.10 Infrastructure Improvements. All intended infrastructure improvements in phases authorized under Sections 14.1 and 14.2 shall be substantially completed or bonded to the satisfaction of the local governmental agency with authority therefor and the Federal National Mortgage Association prior to annexation and shall be consistent with the initial Improvements of Winchester in terms of quality of construction.

ARTICLE 15 GOLF COURSE

15.1 Lots Abutting the Golf Course. The provisions of this section shall be subject to modification by supplemental declarations affecting any Lots which abut property used as the Golf Course and its appurtenant uses. With the exception of said modifications, Lots which abut property used as a portion of the Golf Course may contain a non-development area extending into the Lot from its boundary with the property used as a portion of the Golf Course. Such areas shall serve primarily to buffer Golf Course areas from the lands comprising the common interest development. Where such non-development area exists, it will be owned by the Owner of the Lot in question, but it shall be subject to restrictions prohibiting structural Improvements (including fences) and other uses or activities that would interfere with the visual or practical advantage of such buffer areas. The existence and dimensions

of all such non-development areas within a Lot may be shown or noted in a supplemental declaration or in Improvement requirements applicable to the Lot. Specific obligations or prohibitions to be observed by the Owner of the affected Lot may be noted on the Subdivision Map for the phase that includes the Lot, or in the declaration of annexation or supplemental declaration.

15.2 Issues Resulting from Proximity to Golf Course. Each Owner who acquires a Lot that is near or adjacent to any portion of the Golf Course by acceptance of a deed to the Lot, acknowledges, accepts and assumes the risk of the special benefits and burdens associated with such facilities, including without limitation, those matters more particularly described below. The Golf Course owner and each and every member, guest, golfer, employee or agent of the Golf Course, disclaims any liability for personal injury or property damage resulting in any way, all or in part, from any of the following items set forth in Sections 15.2.1 through 15.2.9, inclusive, and each Owner accepts such disclaimer and agrees to release and waive any claims that the Owner, members of the Owner's household, the Owner's tenants, lessees, Contract Purchasers, guests, invitees, employees or contractors as a result of any such following items:

15.2.1 Errant Golf Balls. Owners of Lots, particularly Lots abutting the Golf Course, acknowledge the inherent risk of errant golf balls entering the boundaries of the Lot, and assume and accept such risk with respect to both personal injury and property damage, as to themselves, the members of their household, the Owner's tenants, lessees, Contract Purchasers, guests, invitees, employees or contractors. Owners acknowledge and accept the risk that golfers may attempt to retrieve or play errant golf balls from any Lot and each Owner agrees to release and waive any claims that the Owner or any person visiting or residing on the Owner's Lot may have as a result of such retrieval. Section 3.13 creates certain easements for water overspray, fairway maintenance and golf ball intrusion, which easements burden those Lots that share a common boundary with any Golf Course fairway parcels. Owners of such Lots are also advised that due to such factors as the location of a Lot along a Golf Course fairway, the contour of fairways, changes in topography and other factors some Lots may experience a greater incidence of intrusion by errant golf balls than other Lots.

15.2.2 View Impairment/Privacy. Owners of Lots, including Owners of Lots abutting the Golf Course, have no guarantee that their view over and across the Golf Course will be forever preserved without impairment or that the view from the Golf Course will not be impaired. The Golf Course owner has no obligation to prune or not prune trees or other landscaping and the Golf Course owner has reserved the right, at its sole and absolute discretion, to add, change or reconfigure the Golf Course, including any trees, landscapes, tees, bunkers, fairways and greens of the Golf Course, regardless of whether such changes diminish or obstruct the view from any Lot. (See also Section 4.35.)

15.2.3 Pesticides and Fertilizers. Pesticides, fertilizers and other chemicals will be utilized in connection with the Golf Course and Owners acknowledge, accept the use and assume the risk of such pesticides, fertilizers and other chemicals.

15.2.4 Overspray. Owners of Lots, particularly Owners of Lots abutting the Golf Course, may experience overspray from the Golf Course irrigation system, and the Owners acknowledge, accept and assume the risk of such overspray.

15.2.5 Light, Noise and Activity. Owners of Lots, particularly Owners of Lots in proximity to the Golf Course clubhouse or maintenance facilities, may be exposed to light, noise or activity resulting from use of the clubhouse for dining and entertainment and use of the parking lot, and Owners acknowledge, accept and assume the risk of such light, noise or activity.

15.2.6 No Direct Access to Golf Course Property from Adjacent Lots. Notwithstanding the proximity of the Golf Course to any Lot, and notwithstanding that the Owner of any Lot may have a right to use the Golf Course facilities as a result of membership or other rights acquired separately from ownership of a Lot or membership in the Association, no Owner, Resident or occupant of a Lot has a right of access to the Golf Course directly from their Lot without the prior written consent of the Golf Course owner.

15.2.7 No Damage to Golf Course Property from Adjacent Lots. Neither the Association nor any Owner may permit any irrigation water to overspray or drain from the Common Area or any Lot onto any portion of the Golf Course except through storm drainage Improvements constructed by a Declarant or Original Declarant. Neither the Association nor any Owner may permit any fertilizer, pesticides or other chemical substances to over spray, drain, flow or be disposed of in any manner upon the Golf Course. If the Association or any Owner violates the provisions of this section, they shall be liable to the Golf Course owner for all damages to the turf resulting from their violation and all damages, including consequential damages, suffered by the Golf Course owner.

15.2.8 Maintenance. Golf courses require daily maintenance, including mowing, irrigation and grooming, during early morning and evening hours, including without limitation the use of tractors, blowers, pumps, compressors and utility vehicles. Owners of Lots, particularly Owners of Lots in proximity to the Golf Course, will be exposed to the noise and other effects of such maintenance, and the Owners acknowledge, accept and assume the risk of such noise and effects.

15.2.9 Risk of Injury. Each Owner expressly assumes the above detriments and risks of owning property adjacent or in proximity to the Golf Course and agrees that neither a Declarant, the Golf Course owner and manager, the architect or designer of the Golf Course nor any of their successors or assigns shall be liable to the Owner or to anyone claiming any loss, damage or personal injury, destruction of property, trespass or any other alleged wrong, entitlement or remedy based upon or arising out of the proximity of the Owner's Lot to the Golf Course, or alleged errors in the design of the Golf Course fairways in relation to Lots, Common Area or other property in the Winchester Development. Each Owner of a Lot hereby agrees to indemnify and to hold harmless, a Declarant and the Golf Course owner and manager and their successors and assigns, against any and all such claims by the Owner or members of the Owner's household, the Owner's tenants, lessees, Contract Purchasers, guests, invitees, employees or contractors.

15.3 No Representations or Warranties. Ownership or operation of the Golf Course may change at any time. The consent of the Association or any Owner is not required to effect any change in the ownership or operation of the Golf Course. All Owners are hereby advised that no representations or warranties have been made or are made by a Declarant, Original Declarant or the Golf Course owner regarding the continuing existence, ownership or operation of the Golf Course.

15.4 Right to Use the Golf Course. The Golf Course is not included in the Winchester common interest development. Accordingly, the Golf Course owner may amend or waive its determinations and policies with respect to use of the Golf Course or membership in the Golf Course at any time.

15.5 Amendment to Article 15. The provisions of this Article may not be amended without the prior written consent of the Golf Course owner.

ARTICLE 16 DECLARANT DEVELOPMENT RIGHTS

16.1 Use of Common Area and Facilities. In order that work may be completed and the Winchester common interest development established as a fully occupied residential community as rapidly as possible, a Declarant, its Featured Builders, contractors, subcontractors, employees, sales agents, prospective purchasers, customers and representatives shall have the right to:

16.1.1 Reasonable Access Over Common Area. Enter the Common Area to complete the development, improvement and sale of Lots in Winchester, and Lots and Common Area in the Annexable Territory, and, the construction of any Improvements or landscaping thereon; and to do whatever is reasonably necessary or advisable in connection with the completion of the Winchester common interest development;

16.1.2 Use of Common Area/Facilities. Make reasonable use of the Common Area and Common Facilities without charge for activities related to the sale, lease, rental or other disposition of a Declarant's or a Featured Builder's Lots, including but not limited to exhibitions and occasional events for promotional purposes. Such use shall not unreasonably interfere with the rights of enjoyment of the other Owners provided herein;

16.1.3 Use of Lots. Use any Lots owned by a Declarant or Featured Builder in accordance with any promotional programs including on-site events, tours of homes and "Street of Dreams" promotions;

16.1.4 Sales Offices, Model Homes and Signs. Erect, construct and maintain on any Common Area in Winchester, or Lot owned by a Declarant or a Featured Builder sales offices, model homes, signs, flags, banners, poles or other structures reasonably necessary for the conduct of their business, completion of Improvements, and sale or other disposition of Lots and parcels, with the prior written approval of the Board of Directors, which approval shall not be unreasonably withheld;

16.1.5 Rent for Use of Common Facilities. Pay the Association reasonable rent for the use of any Common Facilities if a Declarant's or a Featured Builder's use of those Common Facilities materially interferes with the full use and enjoyment of the same by the Association or other Owners; and

16.1.6 Signs. Notwithstanding restrictions on signs set forth in this Declaration, a Declarant or a Featured Builder may erect and maintain signs and other advertising devices or structures within any portion of the Winchester Common Area, or on any Lot owned by a Declarant or a Featured Builder, including in the Annexable Territory Declarant as they may deem necessary in connection with the conduct of their operations for the development, improvement and sale of Lots in Winchester or the Annexable Territory. No signs shall be placed in the Common Area without the prior written approval of the Board of Directors, which approval shall not be unreasonably withheld.

16.2 Rights of Use Terminate. The rights of use provided herein shall terminate on the date when a Declarant or a Featured Builder no longer owns any Lots within the Development and a Declarant's or a Featured Builder's right to annex any portion of the Annexable Territory has terminated.

16.3 Termination of Any Responsibility of a Declarant or a Featured Builder. In the event a Declarant or a Featured Builder shall convey all of their rights, title and interest in and to Winchester to any partnership, individual or individuals, corporation or corporations, a Declarant or a Featured Builder shall be relieved of the performance of any further duty or obligation hereunder, and such partnership, individual or individuals, corporation or corporations shall be obligated to perform all such duties and

obligations of a Declarant or a Featured Builder. To be considered a successor Declarant or a successor Featured Builder, the following must occur: (a) a certificate, signed by a Declarant or a Featured Builder and a Declarant's or a Featured Builder's successor or assign, has been Recorded in the County in which the successor or assign assumes the rights and duties of a Declarant or a Featured Builder to some portion of Winchester; and (b) such successor or assign acquires all of Winchester and the Annexable Territory then owned by such Declarant or such Featured Builder.

16.4 Alterations to Subdivision Map. At any time within five (5) years from the date that the first Lot in a phase is conveyed to an Owner other than a Declarant or a Featured Builder, the boundaries of any Lot or Common Area in that phase may be altered by a lot line adjustment or other change reflected on a subsequently Recorded Record of Survey or Subdivision Map approved by the County, provided that the altered boundaries are approved by a Declarant or a Featured Builder, the Board of Directors, and all Owners of Winchester involved in the boundary adjustment. Any such alteration shall be effective upon Recordation of the Record of Survey or Subdivision Map and, upon such Recordation, the boundaries of the altered Lot or Common Area shall be altered for purposes of this Declaration to conform to the boundaries as shown on the Record of Survey or Subdivision Map.

16.5 Designation of a Featured Builder. A Declarant may designate a person or entity which either owns or acquires from a Declarant the right to build on at least three (3) or more Lots in Winchester or the Annexable Territory as a Featured Builder with the approval of the Board of Directors, which approval shall not be unreasonably withheld. A Featured Builder shall have all the rights and privileges of a Declarant as outlined in this Declaration and any of the Association's Governing Documents as to only those Lots owned by the Featured Builder, with the exception that a Featured Builder shall have no authority to designate other Featured Builders.

ARTICLE 17 AMENDMENT

17.1 Amendments by Members. This Declaration may be amended by the affirmative vote or written consent of Members representing at least an Absolute Majority. Any amendment of this Declaration shall be signed and acknowledged by the duly authorized officers of the Association and shall be Recorded.

17.2 Amendments by Board. The Board of Directors may, without the approval of the Members, amend any part of this Declaration to the limited extent necessary to comply with the lending requirements of any federally-chartered lending institution or to comply with a mandatory change in applicable federal, state or local legislation. Certain provisions of this Declaration reflect legal requirements prescribed by Federal law, California law, and other governmental statutes and regulations. In the event that any such laws, statutes or regulations are amended, revoked, or supplemented, the Board of Directors may, by the affirmative vote of a majority of the Directors present at a meeting at which a Quorum has been established, amend this Declaration to reflect the underlying law, statute or regulation. The purpose of this provision is to provide the Members with notice of current legal requirements which affect their rights and obligations as they pertain to their Lot and membership within the Association.

17.3 Restatement of Declaration. The Board of Directors may, by the affirmative vote of a majority of the Directors present at a meeting at which a Quorum has been established, restate this Declaration when it has been properly amended pursuant to this Article. Any such restatement shall supersede any prior declarations and amendments in their entirety, but shall not affect the priority of any previous declarations or amendments in the chain of title to all Lots within the Development as established by the initial date of Recordation of the original Declaration for the Development. Such restatement may also:

17.3.1 Add, delete, or rearrange the text of this Declaration to maintain consistency with any amendments including, but not limited to, altering the title and numbering of the restatement;

17.3.2 Delete material that is no longer legally effective;

17.3.3 Add text which indicates that the Board of Directors has authorized the restatement and otherwise describes the background of the Development and the restatement process; and

17.3.4 Correct any errors or inaccuracies in the Declaration, including but not limited to, the legal description of the properties in the Development.

17.4 Additional Approvals from Golf Course Owner. The following provisions in the Declaration cannot be amended without the prior written consent of the Golf Course owner: Sections 2.4, 4.4 (last sentence only), 3.3, 8.3, 10.22, 10.32, 10.31.1 and Article 15.

17.5 Additional Approvals from the County. Notwithstanding any provision of this Declaration to the contrary, none of the provisions required by the MPCUP, Condition # 25.S cited in Exhibit D may be amended without the prior written consent of the County.

17.6 Additional Approvals from a Declarant The following provisions in the Declaration can't be amended without the prior written consent of any Declarant: Sections 1.16, 1.24, 3.9, 5.17, 5.18, 8.3.4, 9.7.3, Article 14 and Article 16.

ARTICLE 18 GENERAL PROVISIONS

18.1 Headings. The headings used in this Declaration are for convenience only and are not to be used in interpreting the meaning of any of the provisions of this Declaration, or otherwise.

18.2 Severability. The provisions of this Declaration shall be deemed independent and severable, and the invalidity or partial invalidity or unenforceability of any provision hereof shall not invalidate any other provisions hereof.

18.3 Liberal Construction. The provisions of this Declaration shall be liberally construed to effectuate its purpose of fostering a plan of community ownership and occupancy and of management of the Development for the benefit of the community.

18.4 Number; Gender. The singular shall include the plural and the plural the singular unless the context requires the contrary, and the masculine, feminine, and neuter shall each include the masculine, feminine, or neuter, as the context requires.

18.5 Easements Reserved and Granted. Any and all easements referred to herein shall be deemed reserved or granted, or both reserved and granted, as appropriate, by reference to this Declaration in a deed to any Lot.

18.6 Term. The covenants, conditions, restrictions, limitations, reservations, grants of easement, rights, rights-of-way, liens, charges, and equitable servitudes contained in this Declaration shall run with and shall benefit and burden all of the real property subject to this Declaration, including without limitation the Lots and the Common Area, and shall inure to the benefit of and be binding upon the Owners, the Association, its Board of Directors and officers, and their respective agents and successors in interest, for a term of thirty (30) years from the date of Recordation of this Declaration. Thereafter the

term shall be automatically extended for successive periods of ten (10) years each, unless within the six (6) months prior to the expiration of the initial thirty (30) year term or any ten (10) year extension period a written instrument, approved by at least an Absolute Majority, terminating the effectiveness of this Declaration is Recorded.

***IN WITNESS WHEREOF**, Members of Winchester Community Association, consisting of not less than a fifty-one percent (51%) of the voting power of the Association, hereby affirm, approve, and adopt this First Restated Declaration of Covenants, Conditions and Restrictions for Winchester pursuant to Section 20.02 of the Original Declaration by means of the signatures of the President and Secretary of the Board of Directors of the Association.*

DATED: _____ , 2013 **WINCHESTER ASSOCIATION,** a California nonprofit mutual benefit corporation

_____

Frank DeMartino, Current President
(Print Name)

_____

David Bennett, Current Secretary
(Print Name)

_____

Terry Poore, Contributing Current Director
(Print Name)

_____

Steve Saxby, Contributing Former Director
(Print Name)

_____

Linda Deacon, Contributing Former Director
(Print Name)

_____

John Argent, Contributing Former Director
(Print Name)

Exhibit "A"

All the real property located in the County of Placer, State of California, more particularly described as follows:

PHASE I

Lots 1 through 134, inclusive, and Lots A, B, C, D, E, F, G, H, I, M, O, P, Q, S, T, U, V, W, X, Y, Z, AB, AC, AD, and X-P, as shown on the subdivision map of "Winchester-Phase I" filed for record on January 15, 1999, in Book V of Maps, Page 25 of the Official Records of the County of Placer, State of California.

PHASE II

Lots 135 through 235, inclusive, as shown on the subdivision map of "Tract No. 869, Winchester-Phase II" filed for record on 12-7,2000, in Book W of Maps, Page 96 of the Official Records of the County of Placer, State of California.

PHASE III

Lots 236 through 292, inclusive, as shown on the subdivision map of "Tract No. 876 Winchester Phase III" filed for record on December 19, 2001, in Book X of Maps, Page 89 of the Official Records of the County of Placer, State of California.

PHASE IV

Lots 293 through 338, inclusive, as shown on the Subdivision Map of "Tract No. 886, Winchester Phase IV", filed for record on June 30, 2003, in Book Z of Maps, at Page 3 of Official Records of the County of Placer, State of California.

Lots 339 through 353, inclusive, and Lots 385 through 409, inclusive, as shown on the Subdivision Map of "Tract No. 886, Winchester Phase IV", filed for record on June 30, 2003, in Book Z of Maps, at Page 3, in the Office of the Recorder, County of Placer, State of California.

PARCEL ONE:

A portion of tract of land shown and designated as "Lot AA" on the Plat of Winchester Phase I filed in Book V of Maps at Page 25, Placer County Records located in Section 11, Township 13 North, Range 8 East, M.D.M., Placer County, California.

EXCEPTING THEREFROM all as shown and delineated on the map of "Winchester Phase II", Tract No 869, filed December 7, 2000, in Book "W" of Maps, Page 96, in the office of the County Recorder, Placer County, California.

ALSO EXCEPTING THEREFROM all as shown and delineated on the map of "Winchester Phase III", Tract No. 876, filed December 19, 2001, in Book "X" of Maps, Page 89, in the office of the County Recorder, Placer County, California.

ALSO EXCEPTING THEREFROM:

A portion of the tract of land shown and designated as Lot 'AA' on the plat of Winchester Phase-1 filed in Book V of Maps at Page 25, Placer County Records, located in Section 11, Township 13 North, Range 8 East, Placer County, California.

Beginning at an angle point on the West line of said Lot 'AA', a point on the Westerly line of the above described Section 11 and from said point a 2 inch diameter capped iron pipe stamped LS 3062 marking the Northwest corner of said Section 11 bears North 00°58'50" West for a distance of 1496.40 feet; thence from the point of beginning along the Northerly line of said Lot 'AA', being coincident with the Southerly line of Lot 'F' as described in Parcel Four as Area 'A' and Area 'B', the following three (3) consecutive courses and distances: (1) North 88°10'42" East for a distance of 286.40 feet: (2) South 86°07'02" East for a distance of 319.96 feet; and (3) South 61°16'19" East for a distance of 573.18 feet; thence leaving said Northerly line North 87°22'23" West for a distance of 1105.20 feet to a point on the Westerly line of said Section 11; thence North 00°58'50" West along said Westerly line for a distance of 237.44 feet to the point of beginning.

ALSO EXCEPTING THEREFROM:

A portion of the tract of land shown and designated as Lot 'AA' on the plat of Winchester Phase 1 filed in Book 'V' of Maps at Page 25, Placer County Records, located in Section 11, Township 13 North, Range 8 East, M.D.M., Placer County, California.

Beginning at the most Northerly corner of the tract of land to be described hereby and from said point a three (3) inch capped iron pipe stamped 'LS 3728' marking the Northeast corner of the above described Section 11 bears North 69°29'12" East for a distance of 3165.35 feet; thence from the point of beginning South 60°42'47" East for a distance of 191.12 feet; thence South 19°24'32" East for a distance of 229.73 feet; thence along the arc of a non-tangent curve to the left, concave Southeasterly, having a radius of 315.00 feet, a central angle of 11°42'47", a length of 64.40 feet and a chord bearing South 30°18'09" West for a distance of 64.28 feet; thence North 79°11'29" West for a distance of 242.06 feet; thence North 71°44'47" West for a distance of 154.96 feet; thence North 04°20'32" East for a distance of 147.94 feet; thence North 53°11'31" East for a distance of 132.58 feet; thence along the arc of a tangent curve to the left, concave Northwesterly, having a radius of 1525.00 feet, a central angle of 02°43'23", a length of 74.48 feet and a chord bearing North 51°49'50" East for a distance of 72.47 feet to the point of beginning.

PARCEL TWO:

A portion of the tract of land shown and designated as Lot 'E' on the plat of Winchester Phase-1 filed in Book V of Maps at Page 25, Placer County Records, located in Section 11, Township 13 North, Range 8 East, Placer County, California.

Beginning at the Northerly most corner of the tract of land to be described hereby, a point on the Westerly line of the above described Lot 'E' at the Northerly terminus of the course shown as North 51°41'02" West 431.65 feet, and from said point a three-quarter inch diameter iron pin with a plastic cap stamped 'LS 6021' marking the Northerly most corner of the above described Lot 'E' bears North 13°02'26" East for a distance of 305.60 feet; thence from said point of beginning, leaving said Westerly line South 56°18'48" East for a distance of 433.64 feet; thence South 44°20'33" East for a distance of 602.37 feet; thence South 69°10'34" West for a distance of 100.00 feet to a point on the Westerly line

of said Lot 'E'; thence along said Westerly line for the following two consecutive courses and distances: (1) North 38°31'31" West for a distance of 561.45 feet; and (2) North 51°41'02" West for a distance of 431.65 feet to the point of beginning.

PARCEL THREE:

A portion of the tract of land shown and designated as Lot 'E' on the plat of Winchester Phase-1 filed in Book V of Maps at Page 25, Placer County Records located in Section 11, Township 13 North, Range 8 East, M.D.M., Placer County, California.

Beginning at a point on the Southerly line of the above described Lot 'E', a point coincident with the Northwest corner of the tract of land shown and designated as Lot 222 on the plat of Winchester Phase II filed in Book W of Maps at Page 96, Placer County Records, marked by three quarter inch diameter capped iron pin stamped LS 6021; thence from the point of beginning North 26°28'37" West along said Southerly line for a distance of 157.11 feet; thence leaving said Southerly line South 46°59'42" East for a distance of 103.93 feet; thence South 04°52'58" West for a distance of 70.00 feet to the point of beginning.

PARCEL FOUR:

Portions of the tract of land shown and designated as Lot 'F' on the plat of Winchester Phase-1 filed in Book V of Maps at Page 25, Placer County Records, located in Section 11, Township 13 North, Range 8 East, Placer County, California.

Area 'A':

Beginning at an angle point on the Northerly line of the above described Lot 'F' at the Southerly terminus of the course shown as North 32°18'41" East 583.95 feet, and from said point a drill steel tagged R.C.E. 18447 marking the North one-quarter corner of the above described Section 11 bears the following two courses and distances: (1) North 32°18'41" East along said Northerly line for a distance of 583.95 feet; and (2) North 79°43'39" East for a distance of 411.38 feet; thence from the point of beginning along the Westerly and Northerly lines of said Lot 'F' the following two (2) consecutive courses and distances: (1) North 32°18'41" East for a distance of 583.95 feet; and (2) along the arc of a non-tangent curve to the right having a radius of 300.00 feet, a central angle of 23°24'49", a length of 122.59 feet and a cord bearing South 75°27'33" East for a distance of 121.74 feet; thence leaving said Northerly line, South 42°53'04" West for a distance of 631.83 feet to the point of beginning.

Area 'B':

Beginning at an angle on the Easterly line of the above described Lot 'F' at the Southerly terminus of the course shown as North 35°46'07" East 570.24 feet, and from said point a drill steel tagged R.C.E. 18447 marking the North one-quarter corner of the above described Section 11 bears the following two consecutive courses and distances: (1) North 35°46'07" East along said Easterly line for a distance of 570.24 feet; and (2) North 17°41'46" East for a distance of 393.55 feet; thence from the point of beginning leaving said Easterly line North 26°45'34" East for a distance of 670.28 feet to a point on the Northerly line of said Lot 'F', thence, along said Northerly line, along the arc of a non-tangent curve to the right, having a radius 300.00 feet, a central angle of 26°52'26", a length of 140.71 feet and a chord bearing South 13°04'02" East for a distance of 139.42

feet to an angle point on the Easterly line of said Lot 'F'; thence South 35°46'07" West along said Easterly line for a distance 570.24 feet to the point of beginning.
APN: 058-010-007

Exhibit "B"

The following property may be annexed into the Development, unless such property has already been annexed, in which case it is no longer Annexable Territory:

Lots AA, AE, AF, and AG, as shown on the subdivision map of "Winchester Phase 1", filed for record on January 15, 1999, as Instrument No. 99-0003813 in the Official Records of the County of Placer, State of California

Exhibit "C"

Cottage Lots

Lots 19 through 43, inclusive, as shown on the subdivision map of "Winchester-Phase I" filed for record on January 15, 1999, in Book V of Maps, Page 25 of the Official Records of the County of Placer, State of California.