

PETERSON RANCH

HOMESITE # 24

BUYER #

RECORDING REQUESTED BY

WHEN RECORDED MAIL TO

NAME

MAILING
ADDRESS

CITY, STATE
ZIP CODE

K. Hovnanian Forecast Homes, Inc.
1976 Tribute Road, Suite 100
Sacramento, CA 95815
Attn: Mitch Bertero

2002-00120716

Recorded By:

ORANGE COAST TITLE

Official Records
County of Solano
Robert Blechschmidt
Assessor/Recorder

09:46

25-SEP-02

41 RecFee
SurMon
NoPCOR
IncFees
DTTax
Check \$ 58.00
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58.0

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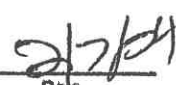


SPACE ABOVE THIS LINE RESERVED FOR RECORDER'S USE

DECLARATION OF COVENANTS, CONDITIONS,
RESTRICTIONS, RESERVATIONS AND EASEMENTS
OF
PETERSON RANCH UNIT No. 1

THIS DECLARATION is made this 23 day of September 2002, by K. Hovnanian Forecast Homes, Inc., a California corporation (herein, "Declarant"), whose business address is 3536 Concours, Suite 320, Ontario, California 91764, owner of the real property in the City of Suisun City ("City"), County of Solano (the "County"), State of California, described in Exhibit "A" attached hereto and incorporated herein by reference (the "Property").

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

Each and all of the provisions contained in this Declaration, whether affirmative or negative in nature, shall be covenants running with the land, and are intended to comply with requirements of Section 1468 of the California Civil Code or any similar statute then in effect. The Declaration and all provisions herein shall bind and inure to the benefit of Declarant and all Owners for a term of fifty (50) years from the date this Declaration is recorded. At and after that initial fifty (50) year term, this Declaration shall be automatically extended for successive terms of ten (10) years unless an instrument signed by Owners owning a majority of the Lots in the Property agreeing to terminate this Declaration at the end of the term then in effect has been recorded. The Declaration and all provisions herein shall also be mutual equitable servitudes upon the Property and each part thereof in favor of and appurtenant to each and every other part thereof.


Signature

Date

Signature

Date

ARTICLE I.
PROPERTY USAGE

1.01 Use of Lots. No Lot shall be used for anything other than residential purposes. No building shall be erected, altered, placed or permitted to remain on a Lot other than one detached single-family dwelling not to exceed two stories in height with a private garage capable of housing not more than three (3) standard sized automobiles, and such other structures as shall be approved by the City.

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

1.03 New Construction and Material. All buildings erected on any Lot shall be of new construction. However, this subparagraph shall neither prevent the use of used brick or any other materials that may be attractive and preservative of property values. When the construction of building is begun on a Lot, work shall be pursued diligently and continuously to completion, subject to weather, strikes, acts of God, and other matters beyond the control of the Owner.

1.04 Dwelling Size. No single-family residence herein shall be constructed having a total finished floor space, exclusive of storage, porches and overhangs, less than 950 square feet for a one story building or split level building and 1500 square feet for a two story building.

1.05 Building Location. No building shall be located on any Lot nearer to the front lot line or nearer to the side street line than the minimum building set-back lines shown on the recorded plat for the Property. No building shall be located nearer than the minimum standard established by the City to an interior lot line on the non-garage side of the house and the minimum standard established by the City on the garage side of the house, unless shown otherwise on the recorded plat for the Property. No building shall be located on any Lot nearer than the minimum standard established by the City to the rear lot line.

1.06 Lot Size. No dwelling shall be erected or placed on any Lot having a width of less than 50 feet at the minimum building set-back line nor shall any dwelling be erected or placed on any Lot having an area of less than 5000 square feet.

1.07 Landscaping Requirement. Every owner of a Lot within the Property shall be responsible for installing, within ninety (90) days of occupancy, and maintaining in good and attractive condition, landscaping on those portions of the rear of Lot that are visible from any street within the Property.

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

1.09 Window Covers. Only curtains, drapes, shutters or blinds may be installed as window

coverings, and shall be placed in those windows no later than ninety (90) days after the Close of Escrow by which the owner acquired title to the Lot. No window shall be covered with aluminum foil or any similar material.

1.10 Trees. No existing trees shall be destroyed, uprooted, cut or removed without the prior written consent of the Architectural Control Committee.

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

1.12 Garages and Vehicles. All driveways and garages shall be maintained in a neat and orderly condition. No automobiles, trucks, campers, trailers, boats, or recreational vehicles of any type shall be kept or parked outside of a garage on any Lot, for any period exceeding forty-eight (48) continuous hours. The time period of any intermittent parking shall be deemed to be continuous and shall cumulate towards the 48 hour limit unless separated by at least 48 hours. The intent of this limitation is for residents of a Lot to park their vehicles in their garages, maintaining a clean and neat appearance of the Property while allowing guest and visitors to park temporarily therein. Notwithstanding the above limitation, a trailer, boat or recreational vehicle (but only one of them and only one per Lot) may be parked on a Lot and not within a garage provided that any such vehicle is parked in an enclosed area, is maintained in a neat and clean manner, and is not visible from the public streets within the Property or from other Lots. No vehicle of any type (including motorcycles), shall be parked in or upon any Lot, excluding the garage, for the purpose of accomplishing repairs thereto or the reconstruction thereof; except for emergency repairs and then only to the extent necessary to enable movement of the vehicle. For any repairs conducted within a garage, the garage door(s) shall remain closed during any such repair work and any noise caused by such work shall not unreasonably disturb another Owner's quiet enjoyment of his Lot.

1.13 Diligent Construction. The work of construction and erection of any building or structure on the Property by any Owner which is a successor to Declarant shall be prosecuted diligently and continuously from the commencement thereof until the same is completed.

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

1.15 Business or Commercial Activity. No part of the Property shall ever be used, directly or indirectly, for any business, commercial, manufacturing, mercantile, storing, vending, or other such non-residential purposes, except that professional and administrative occupations without external evidence thereof may be conducted by Owners so long as such occupations are in conformance with local governmental ordinances, and such activities are merely incidental to the use of the Lot as a single family residence. No Lot or residence in the Property may be used for a public boarding house, child or adult

day care or nursing facility, sanitarium, hospital, asylum, or institution of any kindred nature, or any use not permitted by local law.

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

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

1.18 Animals. No animals or birds of any kind shall be raised, bred, or kept on any Lot, or on any portion of the Property, except that all of the following shall be allowed:

- (a) No more than two (2) dogs may be kept on any Lot, and
- (b) No more than three (3) cats may be kept on any Lot, and
- (c) Aquarium fish and caged birds may be kept on any Lot.

All animals belonging to Owners, occupants, or their licensees, tenants, or invitees within the Property must be either kept within an enclosure, or enclosed yard, or on a leash or other tether being held by a person capable of controlling the animal. All areas where animals are kept shall be maintained in a neat and sanitary condition. Notwithstanding anything herein to the contrary, no animal may be kept on any Lot which constitutes a nuisance to any Owner or any occupant of any Lot.

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

1.20 Garage Doors. Garage doors shall remain closed at all times when garages are not in use, and each Owner shall maintain his garage in a neat, clean, and sanitary condition.

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

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

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

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

1.25 Radio and Television Antennas. No Owner shall construct or use an external radio or television antenna or satellite dish except for one (1) exterior single-family residential television satellite dish per Lot, having a radius of no more than two (2) feet, screened from view from streets in and around the Property.

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

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

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

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

ARTICLE II **EASEMENTS**

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

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

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

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

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

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

d. The easement area of each Lot, as set forth on the recorded map of the Property or other recorded document or established herein, and all improvements on it shall be maintained continuously in good condition and repair by the Owner of said Lot, except for those improvements which a public authority or utility is responsible to maintain.

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

f. Upon Declarant's sale of the last Lot owned by Declarant in the Property, the blanket easement described in the first paragraph of this section shall terminate and each Owner's Lot shall be

subject only to the particularly described Special Easement(s) actually conveyed by Declarant prior to the sale of such last Lot as otherwise provided in this section.

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

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

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

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

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

ARTICLE III ARCHITECTURAL CONTROL COMMITTEE

3.01 Formation of Committee. Declarant reserves the right to form an architectural control committee (hereinafter the "Committee") for the purposes set forth below; provided, Declarant shall not be obligated to form such Committee or, if formed, to continue its operation for any specified period of time. At any time during the first ten (10) years after recordation of this Declaration that a Committee formed pursuant to the provisions of this Article is not then in existence, the Owners of two-thirds (2/3rds) of the Lots may, by recording notice in the Official Records of the County, form such Committee. The purpose of the Committee, if formed, is to achieve and maintain the aesthetic goals of Declarant. It is not the intent of Declarant to deprive an Owner from having a residence of unique design but to protect the community as a whole, and the individuals comprising same, from undesirable construction. In the case of a hardship or other good reason, exceptions to any of the restrictions contained in any portion of this Declaration may be made by the Committee at any time after proper

application therefor in writing. An assignment of rights as Declarant under this Declaration by way of conveyance of the covered Property or otherwise shall not constitute an assignment of rights by Declarant under this Article III unless expressly so provided in such assignment.

3.02 Members; Termination. If the Committee is formed by Declarant, it shall consist of three (3) persons to be appointed by Declarant, and such persons shall be subject to removal by Declarant at any time. If the Committee is formed by action of the Owners as provided in the preceding section, the Committee shall consist of three (3) persons to be elected by affirmative vote of the Owners of more than one-half (1/2) of the Lots. In the event of death, resignation or removal of any member of the Committee, the remaining member or members shall appoint a new member or members. The power and duties of the Committee shall cease on and after ten years from the date of recordation of this Declaration, or earlier upon recording of a written notice so stating signed by any two (2) members of the Committee. Thereafter, a written instrument may be executed and recorded by the then record Owners of a majority of the Lots appointing a representative or representatives who shall thereafter exercise the same powers previously exercised by the Committee.

3.03 Duties; Liability. The Committee members shall work as a panel, to review plans and specifications for improvements proposed to be constructed on any Lot. Written approval of two (2) members of the Committee will constitute approval of said preliminary or final submittals as the case may be, or if no notice of rejection is received after thirty (30) days from the date of receipt of said submittals, such inaction shall be deemed to be approval. Written notice of approval or rejection shall be sent in letter form to the applicant by certified mail, return receipt requested. All decisions of the Committee shall be final. The actions or inactions of the Committee or its agents, when said Committee is exercising its discretion in enforcing this Declaration in good faith, shall not be a basis for damages to any Owner herein or any other person, nor shall any such actions or inactions by Declarant or the Committee or any member of the Committee or their officers or agents, individually or collectively, constitute a cause of action for damages or equitable relief to any Owner herein or any other person. Declarant, its successors or assigns, the Committee or any member of the Committee, or their officers or agents, all acting singularly or together, shall not be responsible for any loss or damage, or be liable in any other way for any errors or defects, either latent or patent, in the plans and specifications submitted for approval, or any building or structure erected, constructed, placed, altered or maintained in accordance with or pursuant to such plans and specifications.

3.04 Review of Proposed Alterations. No alterations in the exterior design or color of any structure, including additions, shall be made without the prior approval of the Committee. The materials used for any such approved alteration must harmonize and compliment the original building or buildings and must be approved by the Committee in writing prior to such alterations. No approval is required to repaint or re-stain or restore any structure with the same color scheme or material as previously used and approved. All fences, including the location, style, material, color, height, and function thereof, shall be subject to the written approval of the Committee prior to installation thereof. The Committee shall consider the topography of the land and the maintenance of views before granting such approval. Fences, walls, rails or hedges shall be limited to seventy-two (72) inches in height, as measured from any one side of the walls, fences, rails or hedges. The Owners will maintain, and keep in good condition and repair, fences located on their respective Lots.

3.05 Submittal of Plans. The Owner of each Lot on which construction is contemplated shall submit to the Committee preliminary working drawings or plans, which shall constitute of a plot plan floor plan and elevation. Upon review, the Committee may request additional drawings for clarification. Upon approval of the preliminary plans, two (2) sets of final plans and specifications shall be submitted to the Committee for final approval. Such plans and specifications shall describe in detail the floor plan arrangement, elevations, structural features, use of material, height and dimensions, site placement,

fences, grading, drainage plan access, landscape and patio plans and any other pertinent data as may be required to fully illustrate an intended design, construction and use. Physical samples of the exterior materials and colors shall also be submitted for approval. Before giving any such final approval, the Committee may require that said plans and specifications comply with any requirements that the Committee may impose as to structural features, types of building materials used, or characteristics not otherwise expressly covered by the provisions herein. The approval by the Committee shall not relieve the Owner from complying with any requirement of any public authority having jurisdiction and shall not constitute any representation or guarantee by the Committee of any member of the Committee, or Declarant, as to the structural sufficiency of any construction or its compliance with any statute or ordinance pertaining thereto. Approval of the Committee of any plans or specifications shall not be deemed to be a waiver by the Committee of its right to object to any other features or elements embodied in such plans or specifications if and when the same features or elements are embodied in any subsequent plans and specifications submitted for approval for the same or other Lots.

3.06 Inspection. During and after completion of construction, Declarant or any agent of Declarant or any member of the Committee may from time to time at any reasonable hour or hours, with reasonable notice, enter into and inspect the Lot as to compliance with the approved submittals. Deviations from the approved plans or non-conformity set forth in any notice of non-compliance issued by the Committee shall be corrected prior to final acceptance by Declarant, the Committee or any agent or officer thereof. Final acceptance shall be granted or withheld by the Committee, acting in good faith, within thirty (30) days of request by the applicant, and no person conducting such inspection for final acceptance shall be deemed guilty of, or become liable for, any manner of trespass for such entry or inspection.

ARTICLE IV **ANNEXABLE PROPERTY**

The real property described on Exhibit "B" attached hereto (the "Annexable Property") may be annexed to and become subject to this Declaration by any of the methods set forth hereinafter in this Article, as follows:

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

4.02 Annexation Pursuant to General Plan. All or any part of any the Annexable Property may be annexed to and become subject to this Declaration and subject to the jurisdiction of local municipalities; provided that a Supplementary Declaration covering the portion of the property to be annexed, shall be executed and recorded by Declarant. The recordation of said Supplementary Declaration shall constitute and effectuate the annexation of the said real property described therein, making said real property subject to this Declaration and subject to the functions, powers and jurisdiction of local municipalities, and thereafter said annexed real property shall be part of the property and all of the Owners of Lots in said annexed real property shall automatically be Owners.

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

ARTICLE V. EXEMPTION AND RIGHTS OF DECLARANT; SUCCESSOR

Nothing in this Declaration shall limit, condition or abridge the unfettered right of Declarant to specify and approve the design for and complete construction of improvements on Lots owned by Declarant, or to alter or modify completed improvements, or to construct such additional improvements as Declarant deems advisable prior to the final sale by Declarant of all of the Lots in the Property. Such right shall include, but shall not be limited to, designing, erecting, constructing, and maintaining on any portion of the Property owned by Declarant such structures and displays as may be reasonably necessary for the conduct of its business of completing the work and disposing of the same by sale, lease, or otherwise. Declarant specifically reserves the right to use any unsold Lots on the Property for models and sales offices, and further reserves the right to rent any unsold Lots and the improvements thereon. This Declaration shall not limit the right of Declarant at any time prior to acquisition of title by a purchaser from Declarant to establish on the Property additional easements, reservations, and rights of way for itself, utility companies, or others as may from time to time be reasonably necessary for the proper development and disposal of the Lots. Declarant reserves the right to alter its construction plans and designs as it deems appropriate. Any rights of Declarant under this Declaration may be assigned by Declarant to an Owner designated by Declarant to be a successor ("Successor") to all or part of Declarant's interest in the Property by an express assignment incorporated in a recorded deed or supplemental declaration transferring such interest to such Successor.

ARTICLE VI DISCLOSURE - PETERSON BOUNDARY FENCE

The Easterly boundary of that portion of the Property that is Lot 1 of Peterson Ranch Unit No. 1 abuts that certain "U.S.A. Restrictive Easement For Safety Area" as described in that certain Deed recorded in Book 731 of Official Records, at Page 552, Solano County Records (the "Easement") that may not be accessed or entered from the Property. No Owner shall at any time install or permit to be installed any gate in, cut any hold in, or otherwise damage or alter in any way, any part of any fence located or to be located along the common boundary between the Property and the Easement. No Owner shall at any time construct or install or permit to be constructed or installed on the Property, or any portion thereof, any ladder, steps, ramp or other structure of any kind that would facilitate a bridging or circumvention of any part of any fence located or to be located along the common boundary between the Property and the Easement.

ARTICLE VII DISCLOSURE - TRAVIS AIR FORCE BASE

The Property is located within three (3) miles of the Travis Air Force Base, a military air terminal. Travis Air Force Base hosts aircraft of all types including, but not limited to, jet, refueling, passenger, cargo and aeromedical evacuation aircraft. Air traffic volume over and around the Property may be heavy and may include evening flight, training exercises, increased flight of American fight forces in support of

national objectives and/or national emergencies, or flight at any other time. The fact of the proximity of the Property to the air base, aircraft flights and/or military air force operations may cause the Property and/or its occupants to experience and/or be affected by noise, sound or shock waves, vibrations, odors, fumes, dust, fuel particles, smoke, light, thermal waves, air quality changes and other results transmitted from the operations of the air base and aircraft, including without limitation flight in the air, mid-air refueling, take-off, landing, approach patterns and maneuvering of aircraft.

ARTICLE VIII

GENERAL PROVISIONS

8.01 Enforcement. Each Owner, shall have the right to enforce, by proceedings at law or in equity, all restrictions, conditions, covenants and reservations, now or hereafter imposed by the provisions of this Declaration or any amendment thereto, including the right to prevent the violation of any such restrictions, conditions, covenants, or reservations and the right to recover damages or other dues for such violation.

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

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

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

8.05 Covenants to Run with the Land; Term. The covenants, conditions and restrictions of this Declaration shall run with and bind the Property and each Lot within the Property, and shall inure to the benefit of and be enforceable by the local municipalities or any Owner, their respective, legal representatives, heirs, successors and assigns, for a term of sixty (60) years from the date this Declaration is recorded, after which time said covenants, conditions and restrictions shall be automatically extended for successive periods of ten (10) years, unless an instrument, signed by a majority of the then Owners, has been recorded at least three (3) months prior to the end of any such period, agreeing to terminate said covenants, conditions and restrictions in whole or in part.

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

8.07 Amendments. This Declaration may be amended or terminated prior to the expiration date herein established only by the affirmative vote or written assent of the Owners of at least seventy-five percent (75%) of the Lots in the Property, and further, this amendment provision shall not itself be amended to allow amendments by vote of the Owners of less than seventy-five percent (75%) of the Lots thereof. In determining the number of votes that may be cast hereunder, it shall be understood that an Owner is entitled to one (1) vote for each Lot owned. When more than one (1) person holds an interest in any Lot, the vote for such Lot shall be exercised as they among themselves determine, but in no event shall more than one (1) vote be cast with respect to any Lot. However, notwithstanding the above, as long as Declarant, or a Successor is the Owner of a Lot in the Property the provisions of this Declaration shall not be altered or terminated without the prior written consent of Declarant and such Successor(s). All amendments, and the consent(s) so required, shall be recorded in the official records of the County prior to being effective.

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

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

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

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

8.12 Sale or Title Transfer. Any Owner, prior to the sale or transfer of his interest, must provide the prospective purchaser with a copy of: this^s Declaration, as well as disclose those items referenced in Article VI.

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

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

8.15 Nuisance. The result of every act or omission, whereby any provision, condition, restriction, covenant, easement, or reservation contained in this Declaration is violated in whole or in part, is hereby declared to be and constitutes a nuisance, and every remedy allowed by law or equity against a nuisance, either public or private, shall be applicable against every such result, and may be exercised by any Owner. Such remedy shall be deemed cumulative and not exclusive.

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

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

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

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

8.21 Right to Cure Alleged Defects. It is Declarant's intent that each Lot and all Improvements constructed on the Property be built in compliance with all applicable building codes and ordinances and that they be of a quality that is consistent with good construction and development practices for production housing of this type. Nevertheless, due to the complex nature of construction and the subjectivity involved in evaluating such quality, disputes may arise as to whether a defect exists and Declarant's responsibility therefor. It is Declarant's intent to resolve all disputes and claims regarding "Alleged Defects" (as defined below) amicably, and without the necessity of time consuming and costly litigation. Accordingly, all Owners, do hereby agree to be and shall be bound by the following claim resolution procedure:

(a) Right to Cure. In the event that any Owner or Owners (collectively, "Claimant") claim, contend or allege that any portion of the Owner or occupant of any Lot, and/or any Improvements constructed on the Property are defective or that Declarant, its agents, consultants, contractors or subcontractors (collectively, "Agents") were negligent in the planning, design, engineering, grading, construction or other development thereof (collectively, an "Alleged Defect"), Declarant hereby reserves and is granted the right for itself and any successor or assign to inspect, repair and/or replace such Alleged Defect as set forth herein.

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

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

(d) Legal Actions. In the event a Claimant initiates any reference proceeding against Declarant alleging damages (1) for the costs of repairing or the replacement of any Alleged Defect, (2) for the diminution in value of any real or personal property resulting from such Alleged Defect, or (3) for any consequential damages resulting from such Alleged Defect, any judgment or award in connection therewith shall first be used to correct and/or repair such Alleged Defect or to reimburse the Claimant for any costs actually incurred by such them in correcting and/or repairing the Alleged Defect. Failure to provide the notice required herein shall not prejudice any reference proceeding filed by the Claimant, but shall be admissible in the reference proceeding for any purpose Declarant may elect.

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

8.22 Alternate Dispute Resolution. It is the desire and intention of the parties to agree upon a mechanism and procedure under which any controversy, breach or dispute arising out of this Declaration or the condition of the Property, including without dispute between Declarant on the one hand, and any Owner or Owners on the other hand (including, without limitation, any dispute arising over the design, specifications, surveying, engineering, planning, supervision, testing or observation of construction or construction of an improvement to, or survey of, the Property, including without limitation any Lot), will be resolved in a prompt and expeditious manner. Accordingly, any controversy, breach or dispute arising

out of this Declaration or the condition of the Property, or relating to the interpretation of any term or provision of this Declaration, shall be heard by a referee pursuant to the provisions of the California Code of Civil Procedure, §§ 638 - 645.1, inclusive;

(a) The parties shall promptly and diligently cooperate with one another and the referee, and shall perform such acts as may be necessary to obtain a prompt and expeditious resolution of the dispute or controversy in accordance with the terms of the Declaration;

(b) The parties agree that the referee shall have the power to decide all issues of fact and law and report his/her decision thereon, and to issue all legal and equitable relief appropriate under the circumstances of the controversy before him/her;

(c) The parties shall agree upon a single referee who shall then try all issues, whether of fact or law, and report a finding and judgment thereon. If the parties are unable to agree upon a referee within ten (10) days of a written request to do so by any party, then any party may seek to have a referee appointed pursuant to the California Code of Civil Procedure §§ 638 and 640;

(d) The cost of such proceeding shall be borne as determined by the referee.

Notwithstanding any other provision of this Declaration, this Article VIII shall not be amended without prior written the consent of Declarant.

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

K. Hovnanian Forecast Homes, Inc.,
A California corporation

By:

Its:

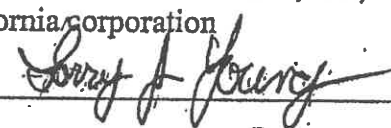

Division President

Exhibit List

Exhibit "A" - Description of the Property
Exhibit " - Description of Annexable Property

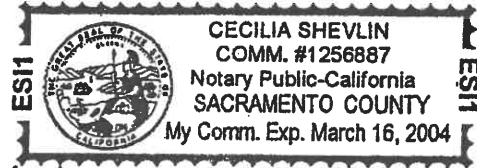
STATE OF CALIFORNIA)

COUNTY OF Sacramento)

) ss.

On September 23, 2002, before me, Cecilia Shevlin the undersigned, a Notary Public in and for said County and State, personally appeared Larry J. Young, personally known to me (or proved to me on the basis of satisfactory evidence) to be the person~~s~~ whose name~~s~~ ~~is~~ are subscribed to the within instrument and acknowledged to me that ~~he~~/she/they executed the same in ~~his~~/her/their authorized capacity~~(ies)~~, and that by ~~his~~/her/their signature~~(s)~~ on the instrument the person~~s~~, or the entity upon behalf of which the person~~s~~ acted, executed the within instrument.

WITNESS my hand and official seal.



Cecilia Shevlin
Notary Public

EXHIBIT "A"
DESCRIPTION OF THE PROPERTY

THE LAND REFERRED TO IS SITUATED IN THE CITY OF SUISUN CITY, COUNTY OF SOLANO, STATE OF CALIFORNIA, AND IS DESCRIBED AS FOLLOWS:

LOTS 1 THROUGH 77, INCLUSIVE, BEING A SUBDIVISION OF PARCEL 1 OF THAT CERTAIN PARCEL MAP FILED IN THE OFFICE OF THE SOLANO COUNTY RECORDER IN BOOK 43 OF PARCEL MAPS, AT PAGE 50.

EXHIBIT "B"
DESCRIPTION OF THE
ANNEXABLE PROPERTY

PARCEL 1: PETERSON RANCH UNIT 2:

THE LAND REFERRED TO IS SITUATED IN THE CITY OF SUISUN CITY, COUNTY OF SOLANO, STATE OF CALIFORNIA, AND IS DESCRIBED AS FOLLOWS:

LOTS 78 THROUGH 181, INCLUSIVE, BEING A SUBDIVISION OF LOT B OF THAT CERTAIN SUBDIVISION MAP ENTITLED PETERSON RANCH UNIT 1, FILED IN THE OFFICE OF THE SOLANO COUNTY RECORDER IN BOOK 73 OF MAPS, AT PAGE 75.

PARCEL 2: PETERSON RANCH UNITS 3 AND 4:

THE LAND REFERRED TO IS SITUATED IN THE CITY OF SUISUN CITY, COUNTY OF SOLANO, STATE OF CALIFORNIA, AND IS DESCRIBED AS FOLLOWS:

PARCEL 2 OF THAT CERTAIN PARCEL MAP FILED IN THE OFFICE OF THE SOLANO COUNTY RECORDER IN BOOK 43 OF PARCEL MAPS, AT PAGE 50.