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STEIN & BAYDALINE LLP
Attn: Bruce R. Inman, Esq.
895 University Avenue
Sacramento, California 95825



PLACER, County Recorder
JIM MCCAULEY

DOC- 2003-0150873

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DECLARATION OF ANNEXATION,
SUPPLEMENTAL DECLARATION,
AND
RESERVATION OF EASEMENTS
FOR
PHASE 3, PARCEL 72, UNIT 39

**DECLARATION OF ANNEXATION, SUPPLEMENTAL DECLARATION,
AND RESERVATION OF EASEMENTS
FOR WHITNEY OAKS PHASE 3, PARCEL 72, UNIT 39**

This Declaration of Annexation, Supplemental Declaration, and Reservation of Easements for Whitney Oaks Phase 3, Parcel 72, Unit 39 ("Declaration of Annexation") is made by WL Homes, LLC, a Delaware limited liability company ("Declarant"), in reference to the following facts:

RECITALS

A. Declarant is the record owner of that certain real property located in the unincorporated portion of Placer County, California, more particularly described as follows:

Units 1 through 28, and the Condominium Common Area, as shown on the Condominium Plan entitled "Whitney Oaks Phase 3, Parcel 72, Unit 39 Condominium Plan" filed for Record on 09/03, 2003, as Document No. 2003-0150870, Placer County Records, together with Lot 1 and Abby Court, as shown on the subdivision map of "Whitney Oaks Phase 3, Parcel 72, Unit 39 Condominium", filed for Record on 09-03, 2003 in Book 2 of Maps, at Page 28, Placer County Records.

In this Declaration of Annexation the above described real property is referred to as the "Annexed Property", and subdivision map is referred to as the "Subdivision Map", and the condominium plan is referred to as the "Condominium Plan".

B. Cal-Stanford Oaks, LLC executed that certain Master Declaration of Covenants, Conditions and Restrictions for Whitney Oaks, which was Recorded on August 20, 1997, as Document No. 97-0049461, and that certain First Amendment to Master Declaration of Covenants, Conditions and Restrictions for Whitney Oaks, Recorded October 7, 1997, as Document No. 97-0062255, in the Official Records of Placer County, California, ("Master Declaration"). The Master Declaration covers, and is binding upon the Association, and all Owners of Lots and Units which are more particularly described in the Master Declaration as the Properties. The Overall Property, also known as Whitney Oaks, consists of the Properties and all property which may be annexed to the Properties, including the Annexed Property.

C. Section 13.02 of the Master Declaration provides for the unilateral annexation by the Declarant of any and all portions of the Overall Property to Whitney Oaks and Sections 1.53 and 13.06 of the Master Declaration provide for the Recordation of a Supplemental Declaration which may modify terms of the Master Declaration. Declarant desires to add the Annexed Property to the Property and thereby subject the Annexed Property to this Declaration of Annexation and the Master Declaration, as modified by this Supplemental Declaration.

NOW, THEREFORE, Declarant declares as follows:

1. Annexation.

1.01. Annexation of the Annexed Property. Declarant, as the owner of the Annexed Property, declares that the Annexed Property is hereby annexed to and made a part of the Property. This Declaration of Annexation constitutes a "Declaration of Annexation" as described in Sections 1.19 and 13.05 of the Master Declaration, and also constitutes a "Supplemental Declaration" as described in 1.53 and 13.06 of the Master Declaration to the extent this Declaration of Annexation modifies any provision of the Master Declaration. The

Annexed Property, and each part thereof, shall be held, sold, leased, transferred, occupied and conveyed subject to the terms, provisions, covenants, conditions, restrictions, easements and equitable servitudes of the Master Declaration and this Declaration of Annexation. The Annexed Property constitutes a single condominium project as defined by California Civil Code Section 1351(f).

1.02. Phase. For purposes of determining when Regular Assessments shall commence with respect to the Condominium Units located within the Annexed Property in accordance with Section 4.02(c) of the Master Declaration, the Condominiums within the Annexed Property constitute a Phase as that term is defined in Section 1.38 of the Master Declaration.

1.03. Assessment Obligation.

(A) Commencement of Assessments. Common Assessments shall commence with respect to all Condominium Units within the Phase on the first day of the first month following the month in which the first Condominium Unit is conveyed to a person other than the Declarant or a Merchant Builder. Notwithstanding the above, any real property within the Annexed Property which is Common Area shall be exempt from Assessment.

(B) Assessment Components. Each Condominium Unit within the Annexed Property shall be subject to the following Assessments:

1. General Assessment Component. Each Condominium Unit shall be subject to a General Assessment Component, as described in Section 4.02(b)(i) of the Master Declaration;
2. Condominium Cost Center Assessment Component. A Cost Center is established, (the "Condominium Cost Center"), which consists of all expenses associated with the maintenance, repairs, and replacement of certain Common Areas and Common Facilities which serve or are located within the Annexed Property. The Common Areas and Common Facilities within the Annexed Property which are subject the Condominium Cost Center (the "Condominium Cost Center Assessment Components"), shall include all of the following items: (i) all maintenance, repair, and replacement of the Common Area, excluding Abby Court, within the Annexed Property; (ii) all expenses associated with the implementation of the Fire Hazard Mitigation Plan and Fuel Modification Plan described in Section 3.04, below; (iii) reserves for replacement of the Common Area, excluding Abby Court, within the Annexed Property; and (iv) management, insurance premiums and deductibles, accounting, and legal expenses related to the Common Area, excluding Abby Court, within the Annexed Property. The Condominium Cost Center Assessment Components shall be allocated in equal shares among and charged to the Owners of Condominium Units within the Annexed Property; and
3. Recreational Facilities Assessment Component. Each Condominium Unit shall be deemed a Recreational Facilities Cost Center Lot and shall be subject to a Recreational Facilities Cost Center assessment component, as more particularly described in the Supplemental Declaration for Whitney Oaks, Unit 4 Common Facilities, Recorded March 19, 2003, as Document No. 2003-0041378, Official Records of Placer County.

1.04. Equitable Servitudes. The covenants, conditions and restrictions of this Declaration of Annexation and the Master Declaration are imposed as equitable servitudes upon the Annexed Property, and each Unit or Common Area located therein, as a servient tenement for the benefit of each and every other Unit, Lot and Common Area located in the Properties, as the dominant tenement.

1.05. Covenants Appurtenant. The covenants, conditions and restrictions of the Master Declaration, as modified by this Declaration of Annexation, shall run with, and shall inure to the benefit of, and shall be binding upon all of the Annexed Property, and shall be binding upon and inure to the benefit of all persons (and such persons' heirs, personal representatives, successors and assigns) having, or hereafter acquiring, any right, title or interest in all or any portion of the Annexed Property.

1.06. Membership in the Association. Upon the commencement of Common Assessments against the Condominium Units within the Annexed Property, as provided in Section 1.03, above, each Owner of a Condominium Unit within the Annexed Property shall automatically be a Member of the Association, with a separate membership being appurtenant to each Condominium Unit owned.

1.07. Voting Rights. The voting rights of the Owners of Condominium Units located in the Annexed Property shall be as set forth in the Master Declaration and in the Bylaws. Voting rights shall commence with respect to each Condominium Unit within the Annexed Property upon commencement of the payment of Common Assessments for such Condominium Unit, as provided in this Declaration of Annexation and in Section 3.04 of the Master Declaration.

1.08. Common Area. There are three (3) types of Common Area within the Annexed Property:

(A) Association Common Area. Lot 1 and Abby Court, as shown on the Subdivision Map and as referred to as Association Common Area in the Condominium Plan, shall be owned in fee by the Association and is Common Area as defined in Section 1.10(a) of the Master Declaration.

(B) Condominium Common Area. The Condominium Common Area shown on the Condominium Plan, shall be owned in joint tenancy by the Owners of the Condominium Units, with each Condominium Unit's Owner having an undivided 1/28th ownership interest in the Condominium Common Area. As more particularly described in California Civil Code Section 1351(f), the Condominium Common Area is the real property to be held in undivided interest within the condominium project. The Association shall have exclusive control over the use, if any, of the Condominium Common Area.

(C) Exclusive Use Common Area. Appurtenant to each Condominium Unit is a yard area which is Exclusive Use Common Area which consists of that portion of the Association Common Area which is shown as appurtenant to and designated for the exclusive use of one or more but fewer than all of the individual Owners. The Exclusive Use Common Area is further defined in Section 1.10(e) of the Master Declaration and California Civil Code Section 1351(i). The location of such Exclusive Use Common Area is shown on the Condominium Plan as "Exclusive Use Common Area" with the appurtenant Unit number.

2. Reservation of Easements.

2.01. Easements in Master Declaration. Declarant hereby reserves easements over the Annexed Property, as appropriate, for the purposes set forth in Article IX of the Master Declaration.

2.02. Side Yard Easements.

(A) Description of Side Yards. Certain Condominium Units in the Annexed Property have appurtenant Exclusive Use Common Area side yards ("Side Yards") which are subject to the restrictions on use and easements described below. Declarant reserves for the Owner of each Condominium Unit ("Adjacent Unit") adjacent to a Condominium Unit with an Exclusive Use Common Area side yard ("Side Yard Unit"), on which all or a portion of a Residence has been constructed along the boundary line separating such

Condominium Units and Exclusive Use Common Area from one another, easements appurtenant to the Owner of the Adjacent Unit over the Side Yard of the Owner of the Side Yard Unit as described in (b) below.

(B) Access by Adjacent Unit Owners. The Owner of each Adjacent Unit shall have the right, at reasonable times, upon reasonable notice (twenty-four (24) hours notice unless in the case of an emergency which shall be immediate) to the Owner of the Side Yard Unit and in a reasonable manner, to enter upon the Side Yard Unit for the purposes of maintaining, repairing or restoring the structural wall of his Residence (subject to Section 2.02 (c)(iii) below), the structure of which the wall is a part, any gutter and downspout attached to his Residence, the drainage system serving the Adjacent Unit. Any damage to any portion of the Side Yard Unit, its Residence, or its Exclusive Use Common Area caused by any such entry shall be repaired by the Side Yard Unit Owner accessing the Side Yard Unit. In addition, such Owner entering the Side Yard Unit shall repair any damage to any Improvement occasioned by the exercise of any access rights herein.

(C) Restrictions on Side Yard Use. Each Side Yard shall be used and enjoyed subject to the following terms and conditions and no use of the Side Yard shall be made except as provided below:

- (1) Authorized Uses. The Side Yard may be used as a general recreation and garden area by the Owner of the Side Yard Unit. Said Owner shall have the right to plant vegetation and establish an irrigation system thereon, provided such system shall be first approved by the Architectural Committee. The Owner may affix any object, plant, vine, landscaping or device (subject to Section 2.02 (c)(ii) below) to the Residence, structural wall or fence on the Adjacent Unit adjoining and abutting the Side Yard with the prior written approval of the Architectural Committee; provided, however, that the Owner of the Side Yard Unit shall ensure that any attachment does not affect the structural integrity of the Residence, structural wall or fence, pierce any plumbing or electrical lines, cause leaks or otherwise damage the water seal thereof. The Owner of the Side Yard Unit shall indemnify, defend and hold the Owner of the Adjacent Unit harmless from any and all loss, damage or liability caused to the Adjacent Unit by the Owners of the Side Yard Unit.
- (2) Prohibited Uses. No storage of any kind shall be permitted in the Side Yard, nor shall the Owner of the Side Yard Unit affix any basketball hoop or other sports apparatus, barbecue, heating unit, or other object that may create a nuisance or be hazardous to the Residence, structural wall or fence on the Adjacent Unit adjoining the Side Yard.
- (3) Maintenance Responsibilities of Side Yard Owner. The Owner of the Side Yard Unit shall be responsible for maintaining the surface of the structural wall on the Adjacent Unit adjoining the Side Yard and for repairing any cosmetic damage thereto in accordance with the maintenance standards contained herein. The Side Yard and every Improvement thereon (with the exception of fences, if any, which shall be maintained as provided in Section 3.05, below), shall be repaired, replaced and maintained continuously in a neat and orderly condition by the Owner of the Side Yard Unit.
- (4) Structural Improvements. Except for the fences and structures installed by Declarant, and except as authorized by subparagraph (1) above, no fence, wall or other structure of any kind shall be constructed within, upon or adjacent to the Side Yard, without the prior written approval of the Architectural Committee. The foregoing is in addition to any required building permit or other City approval or requirements, including City setback requirements for patio covers, spas or similar Improvements.

- (5) Side Yard Drainage. No planting or other material or authorized structure (including patios) shall be constructed, altered, placed or permitted to remain on the Side Yard which may change the direction of flow of the established drainage on the Adjacent Unit or which may damage or alter any drainage system serving the Adjacent Unit or may obstruct, interfere or retard the flow of water through such system. The Owner of each Adjacent Unit shall have the right to use the drainage system established within the Side Yard adjoining and abutting such Owner's Adjacent Unit for the purpose of draining such Unit (including atriums), provided that such right shall not include the right to discharge noxious or offensive matter.

2.03. Roof and Eaves Overhang Easements. Each Unit is hereby declared to have a two-foot (2') encroachment easement over adjoining Common Area for the overhang of roofs, eaves, and gutters from the Residence constructed within the Unit.

2.04. Other Easements. Each Unit and all Common Area within the Annexed Property and its Owners are hereby declared to be subject to all the easements, dedications and rights-of-way granted or reserved in, on, over and under the Annexed Property as shown on the Subdivision Map and Condominium Plan.

3. Supplemental Restrictions.

3.01 Common Area Use Restrictions. A use permit shall be required for any development or Improvement (except those included in this subdivision approval), including fencing and landscaping, within the Common Area.

3.02. Garbage Can Restrictions. Trash, garbage, accumulated waste plant material and all other waste and refuse shall be deposited only in covered sanitary containers or recycling containers in accordance with the following provisions:

(A) Required Screening. Except as provided in Section 3.02(B), the containers shall be maintained within the Condominium Unit garage or entirely within the Condominium Unit's Exclusive Use Common Area, or an approved enclosure and shall be screened or otherwise concealed from view from the Association Common Area or any other Residence.

(B) Waste Collection. The containers shall be placed on Abby Court for pickup at a reasonable time but in any event no longer than twenty-four (24) hours prior to trash collection and shall be promptly stored as specified in Section 3.02(A) after collection. The Board shall adopt Rules to the satisfaction of the Auburn-Placer Disposal Company and its successors and assigns, regulating the time periods and placement of containers for trash collection.

(C) Unauthorized Storage. No Owner or Resident shall permit or cause any garbage, trash or other waste or refuse to be kept upon any portion of any Condominium Unit or its Exclusive Use Common Area outside of the Residence, except in such containers.

3.03 Restrictions Regarding Rear Yard Improvements. No Improvements, personal property or landscaping in excess of six feet (6') in height shall be permitted within a Condominium Unit's Exclusive Use Common Area, including but not limited to patio umbrellas, lattices, trellises, playground equipment, wind-socks, banners, flags, fireplaces, shrubs, and trees. In addition, no spas, pools or water features shall be installed or placed within an Exclusive Use Common Area without the approval of the Architectural Review Committee. The Architectural Review Committee may not grant a variance of this restriction without the written permission of the City of Rocklin. Owners shall landscape their Exclusive Use Common Area within

six (6) months following the Close of Escrow.

3.04 Fire Hazard Mitigation Plan. Declarant has prepared a Fire Hazard Mitigation Plan, as approved by the Fire Chief of the City of Rocklin, for a portion of the Common Area adjacent to the Annexed Property. The Fire Hazard Mitigation Plan shall include a Fuel Modification Plan. The Master Association shall be responsible for the implementation of the Fire Hazard Mitigation Plan, and its Fuel Modification Plan. The property subject to the Fire Hazard Mitigation Plan and its Fuel Modification Plan which benefit the Annexed Property, as approved by the Fire Chief of the City of Rocklin, are shown as attached Exhibit "A" and Exhibit "B" of that certain Supplemental Declaration Adopting a Fire Hazard Mitigation Plan for Parcel 83, Large Lot Subdivision of Whitney Oaks for Phase 3 Parcel 72, Unit 39, recorded on 09/03, 2003, as Document No. 2003-0150874 Official Records of Placer County.

3.05 Design Guidelines. In accordance with Design Review DR-2002-22, adopted March 25, 2003 by Rocklin City Council Resolution No. 2003-84, Declarant has submitted to the City improvement and design guidelines for the Exclusive Use Common Area within the Annexed Property (the "Patio Design and Improvement Guidelines"). The Patio Design and Improvement Guidelines address the Improvements and personal property which are permitted within the Exclusive Use Common Area. The Patio Design and Improvement Guidelines shall be included as an attachment to Design Review DR-2002-22 and which shall be incorporated into the Master Association's Design Guidelines, as such term is defined in Section 1.18 of the Master Declaration. The Architectural Review Committee may not grant a variance from the Patio Design and Improvement Guidelines without the written permission of the City of Rocklin.

3.06 Maintenance of Exclusive Use Common Area. Each Owner of a Condominium Unit shall be responsible for the maintenance of his or her Residence and Exclusive Use Common Area. Each Owner shall maintain, repair and replace all party walls in accordance with the following provisions:

(A) General Rules of Law to Apply. Each wall, including patio fences and retaining walls, which are built as a part of the original construction of the Residences within the Annexed Property and placed on the dividing line between the Exclusive Use Common Area of two Condominium Units or dividing the Exclusive Use Common Area from the Association Common Area shall constitute a party wall. The general rules of law regarding party walls and liability for property damage due to negligence or willful acts or omissions shall apply thereto.

(B) Sharing of Repair and Maintenance. The cost of maintenance and repair of a party wall shall be shared by the Owners who make use of the wall in proportion to such use. For fences which separate an Owner's Exclusive Use Common Area from the Association Common Area, the Owner shall be responsible for the costs of maintenance of the surface of the fence facing the Exclusive Use Common Area, and the Master Association shall be responsible for the structural maintenance, repair, and replacement of such fence.

(C) Weatherproofing. Notwithstanding any other provision of this section, an Owner who by his or her negligent or willful act causes a party wall to be exposed to the elements shall bear the whole cost of furnishing the necessary protection against such elements.

3.07 Wood-Destroying Pests and Organisms. All maintenance or repair of a Residence made necessary by the presence of wood-destroying pests or organisms, the Owner of the Condominium Unit containing the Residence shall be solely responsible for such maintenance or repair, including the cost thereof. This allocation of maintenance responsibility is intended to alter the statutory maintenance obligations for wood-destroying pests and organisms provided by California Civil Code Section 1364.

4. Incorporation by Reference. The provisions of the Master Declaration are incorporated herein by this reference and are expressly declared to be applicable to the Annexed Property and to each Owner of a

Condominium Unit and Common Area therein, as if the Annexed Property was originally encumbered by the Master Declaration. Except as otherwise provided herein, all capitalized terms used in this Declaration of Annexation shall have the same meanings as set forth in the Master Declaration.

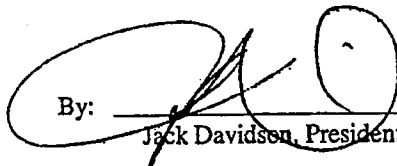
5. Effective Date. This Declaration of Annexation shall be effective as of the date of its Recordation in the Official Records of Placer County, California.

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NOT TO BE USED FOR TRANSFER OR RESALE

IN WITNESS WHEREOF, the undersigned, Declarant has executed this Declaration of Annexation as of July 16, 2003.

WL HOMES, LLC,
a Delaware limited liability company

By:  _____
Jack Davidson, President, *Executive Director*

By: _____

{Notary Acknowledgment Attached}

NOT TO BE USED FOR TRANSFER OR RESALE

STATE OF CALIFORNIA)

COUNTY OF Placer)

On July 16, 2003, before me, the undersigned notary public,
personally appeared JACK DAVIDSON

- personally known to me
 proved to me on the basis of satisfactory evidence

to be the person whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his authorized capacity, and that by his signature on the instrument the person, or the entity upon behalf of which the person acted, executed the instrument.

WITNESS my hand and official seal.

Signature

Karen J. Quick



Consent to Declaration of Annexation

The undersigned, as Beneficiary of that certain Deed of Trust Recorded April 29, 2003 as Document No. 2003-0065806, Official Records of Placer County, consents to this Declaration of Annexation as of 07/10, 2003.

RESIDENTIAL FUNDING CORPORATION,
a Delaware corporation

By: Peter Fischer
Peter Fischer, Director

By: Robert Phatak
Robert Phatak, Director

{Notary Acknowledgment Attached}

5317.02/316641.1

07-07-2003

CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

State of California }
County of LOS ANGELES } ss.

On JULY 10, 2003, before me, SONIA E. GARCIA, NOTARY PUBLIC
Date Name and Title of Officer (e.g., "Jane Doe, Notary Public")
personally appeared PETER FISCHER AND ROBERT J. PLAVCHAK
Name(s) of Signer(s)

personally known to me
 proved to me on the basis of satisfactory evidence

to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.



Place Notary Seal Above

WITNESS my hand and official seal.

Sonia E. Garcia
Signature of Notary Public

OPTIONAL

Though the information below is not required by law, it may prove valuable to persons relying on the document and could prevent fraudulent removal and reattachment of this form to another document.

Description of Attached Document

Title or Type of Document: _____

Document Date: _____ Number of Pages: _____

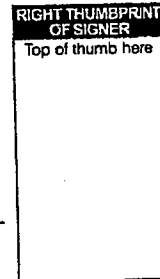
Signer(s) Other Than Named Above: _____

Capacity(ies) Claimed by Signer

Signer's Name: _____

- Individual
- Corporate Officer — Title(s): _____
- Partner — Limited General
- Attorney in Fact
- Trustee
- Guardian or Conservator
- Other: _____

Signer Is Representing: _____



GOVERNMENT CODE 27361.7

I certify under penalty of perjury that the notary seal on the document to which this statement is attached reads as follows:

Name of Notary SONIA E GARCIA

Date Commission Expires 05-09-07

Commission #1410605

County of Commission LOS ANGELES

MFG I.D. #NNA1

State of Commission CALIFORNIA

9/02/03, Auburn, CA
Date and Place

Signature *Mary E. Bennett*
FIRST AMERICAN TITLE COMPANY

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