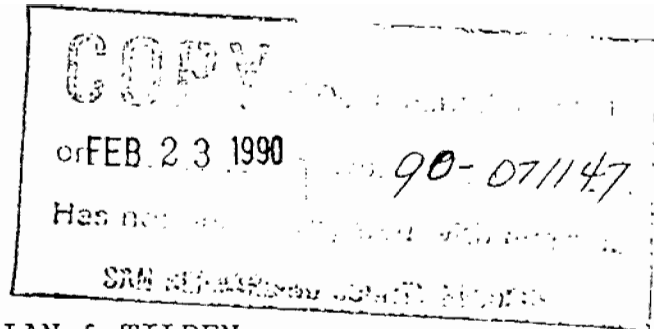


ORANGE COAST TITLE CO.

S-37427-4

Recording Requested By
and When Recorded Mail To:

Peter M. Barmack, Esq.
GRESHAM, VARNER, SAVAGE, NOLAN & TILDEN
600 North Arrowhead Avenue, Suite 300
San Bernardino, CA 92401



SUPPLEMENTAL DECLARATION OF COVENANTS,
CONDITIONS AND RESTRICTIONS
AND ANNEXATION FOR BEAR VALLEY HOMES

(Tract No. 11796-3 Phase 9)

This Supplemental Declaration of Covenants Conditions and Restrictions and Annexation for Bear Valley Homes ("Supplemental Declaration") is made this 21 day of JULY, 1989, Forecast Mortgage Corporation, a California corporation ("Declarant").

R E C I T A L S

A. On June 22, 1984, the predecessor in interest of Declarant recorded that certain Declaration of Covenants, Conditions and Restrictions for Bear Valley Homes ("Declaration"). The Declaration was recorded as Instrument Number 84-146937 of Official Records of San Bernardino County, California. The Declaration directly affected residential Lots 1 through 41, inclusive, and Common Area Lots X, Y & Z of Tract 11796-1 ("Properties") as per map recorded in Book 169, Pages 47-49 of Miscellaneous Maps, Records of San Bernardino County, California. Residential Lots 1 through 121, inclusive, of Tract 11796-1 have been previously annexed and are part of the Properties subject to the provisions of the Declaration and jurisdiction of the Jasmine Street Homeowners Association ("Association").

B. On September 27, 1984, the predecessor in interest of Declarant recorded a certain Supplemental Declaration of Restrictions for Bear Valley Homes adding Article XIX entitled "Zero Lot Line Walls and Easements" to the Declaration ("Zero Lot Line Declaration"). The Zero Lot Line Declaration was recorded as Instrument Number 84-232040 of Official Records of San Bernardino County, California.

C. Article XVI of the Declaration provides that certain real property may be annexed by the Declarant and become a part of the Properties subject to the provisions of the Declaration and jurisdiction of the Association. The property to be annexed at the

time under said Article XVI is owned by Declarant and is described as follows:

Residential Lots 263 through 293, inclusive, and Common Area Lot I of Tract 11796-3 as per map recorded in Book 231, Pages 58-64 of Miscellaneous Maps, Records of San Bernardino County, California ("Annexed Property").

D. By this Supplemental Declaration, Declarant hereby intends to cause the Annexed Property to become subject to the provisions of the Declaration, the Zero Lot Line Declaration, and all supplements, annexations and modifications to the Declaration previously recorded (collectively the "Declaration"), upon the terms and conditions stated herein.

NOW, THEREFORE, it is hereby declared that the Annexed Property shall be held, sold, conveyed and used subject to the Declaration on the following terms and conditions:

1. Declarant is the Owner of the Annexed Property and hereby declares that the Annexed Property is annexed to and made a part of the Properties of Bear Valley Homes development and that the Declaration shall include the Annexed Property.
2. The term "Properties" as defined in Article I, Section 26, of the Declaration and as used throughout the Declaration shall include the Annexed Property as defined above.
3. The term "Common Area" as defined in Article I, Section 12, of the Declaration and as used throughout the Declaration shall include Common Area Lot I of the Annexed Property as defined above.
4. Each purchaser of a Lot in the Annexed Property shall become an "Owner" as defined in Article I, Section 24 of the Declaration and shall automatically become a Member of the Association, as provided for in Article III of the Declaration.
5. The Common Assessments, Special Assessments, Reconstruction Assessments, Capital Improvements Assessments or other assessments as defined in the Declaration with respect to the Annexed Property shall commence on, but not before, the first day of the month following the closing of the first sale of a Lot in the Annexed Property. The assessment rights and obligations of all Owners of Lots located in the Annexed Property shall be the same as the rights and obligations of the Owners of Lots currently affected by the Declaration.
6. Declarant hereby grants to each Owner of a Lot in the Annexed Property, a nonexclusive easement appurtenant to his/her Lot for ingress, egress, use and enjoyment on and over all the

Common Area property as defined in the Declaration.

7. In accordance with the provisions of the Declaration, each Owner of a Lot in the Properties, (as defined in Article I, Section 26 of the Declaration, and as amended by all supplements, annexations and modifications to the Declaration previously recorded), shall have a nonexclusive easement appurtenant to his/her Lot for ingress, egress, use and enjoyment on and over all the Common Area property as defined in the Declaration.

8. The assessment share for each Lot shall be at a uniform rate and effective upon the first day of the month following conveyance of the first Lot in the Annexed Property pursuant to Article VI, Sections 7 and 8 of the Declaration.

9. The provisions of this Supplemental Declaration shall run with the land and shall inure to the benefit of, and be binding upon, the Declarant, its successors and assigns, and all subsequent Owners of all or any portion of the Annexed Property, together with their grantees, successors, heirs, executors, administrators, devisees and assigns.

IN WITNESS WHEREOF, the undersigned has executed this instrument as of the date first written above.

DECLARANT:

FORECAST MORTGAGE CORPORATION,
a California Corporation

By: [Signature]
Its _____
By: [Signature]
Its _____

STATE OF CALIFORNIA
COUNTY OF San Bernardino } ss.

On this 21st day of July, 1989, before me, the undersigned,
a Notary Public in and for said County and State, personally appeared _____
James P. Previti

personally known to me (or proved to me on the basis of satisfactory evidence) to be the _____
President, and James Rankin

personally known to me (or proved to me on the basis of satisfactory evidence) to be the Vice

Secretary of the corporation that executed the within instrument,
and known to me to be the persons who executed the within
instrument on behalf of the corporation therein named, and
acknowledged to me that such corporation executed the same,
pursuant to its by laws, or a resolution of its Board of Directors.

WITNESS my hand and official seal.

Patricia Cherone



Acknowledged: Corporation