

use and enjoy the Common Property. Declarant may install structures on Lots owned by Declarant in the Project as model residences or sales offices.

Notwithstanding any other provisions of the Governing Documents, until such time as Declarant no longer owns a Lot in the Project, the following actions, before being undertaken by the Members or the Association, shall first be approved in writing by Declarant:

(a) Any amendment or action requiring the approval of first Mortgagees, pursuant to this Declaration, or specifically requiring the approval of Declarant pursuant to the section entitled "Amendments" of the Article herein entitled "General Provisions";

(b) The levy of a Special Assessment for the construction of new facilities not originally included in the Common Area;

(c) Any significant reduction in the level of maintenance provided by the Association of the Common Area, Association Maintenance Areas or other services ordinarily contemplated in the Association budget; and

(d) The adoption of, and any amendment to, the Architectural Standards of the DRC, including any pre-approval of certain Improvements, such as exterior paint colors, etc.,

15.3 Reservation of Rights. Nothing in this Declaration shall limit the right of Declarant to alter or modify the Residences still owned by Declarant, or to construct such additional Improvements as Declarant deems advisable prior to the completion of Improvements in the Project. Such rights shall include, but shall not be limited to, erecting, constructing, maintaining and repairing within the Project model residence complexes, real estate sales offices and other structures, signs, banners and displays as may be reasonably necessary for the proper development, disposition and sale of the real property and Improvements within the Project, all such construction and development activities are categorically exempt from DRC and Board approvals. ~~Declarant shall repair any damage to and complete any restoration of Improvements within the Project caused or necessitated by such activities of Declarant.~~

15.4 Assignment of Declarant's Rights. Declarant shall have the right to assign any or all of its rights and obligations in this Declaration to any successor by an assignment expressed in a recorded instrument, including, without limitation, a deed, lease, option agreement, land sale contract or other instrument of assignment, as the case may be, transferring such interest if such assignee agrees in writing with Declarant to accept such assignment.

15.5 Creation and Relocation of Easements. Nothing in this Declaration shall limit the right of Declarant, at any time prior to the conveyance of title to a Lot to a Purchaser, to establish on that Lot, additional licenses, easements, reservations and rights-of-way, to itself, to utility companies, to the Association (by virtue of the creation of Association Maintenance Areas) or to others as reasonably necessary for the proper development of the Project and the maintenance and repair of the Common Area and Association Maintenance Areas. The Association Maintenance Areas may be relocated, modified or terminated by Declarant to accommodate the final development plans for a future Phase in which the designation of Association Maintenance Areas was originally contemplated.

15.6 Amendment of this Article. No provision of this Article may be modified, amended or deleted without the express written consent of Declarant, which consent may be withheld in Declarant's sole and absolute discretion, until all of the Annexation Property has been annexed to the Project, and all of the Lots in the Project owned by Declarant have been sold to members of the general public.

ARTICLE 16
ANNEXATION OF ADDITIONAL PROPERTY

Additional property may be annexed to and become subject to this Declaration by any of the methods set forth in this Article.

16.1 Phased Development of the Project. Declarant intends to develop and complete the Project in a series of Phases. However, Declarant is under no obligation to continue development and build-out of the Project. Declarant reserves the right to annex future Phases in any given order, provided that the requirements of Section 16.1 and Section 16.2 below are satisfied.

16.2 Annexation Pursuant to Declarant's Development Plans. All or any part of the real property described as Annexation Property herein, may be annexed to the Project and added to the scheme of this Declaration, and subjected to the jurisdiction of the Association without the assent of the Association or its Members, provided and on condition that:

(a) The development of the Annexation Property shall be in substantial conformance with the overall general plan of development for the Project originally submitted to and approved by the County and the BRE; and

(b) A Notice of Annexation, as described in Section 16.3 of this Article, shall be recorded covering the Annexation Property.

16.3 Notice of Annexation. The annexation of additional property authorized under this Article shall be made by recording a Notice of Annexation, or similar instrument, covering said property. The Notice of Annexation shall include at least the following:

(a) A reference to this Declaration, which shall include the date of recordation hereof and the instrument number, or other relevant recording data of the Office of the County Recorder;

(b) A statement that this Declaration shall apply to the Annexation Property as set forth herein;

(c) A description of the Annexation Property; and

(d) A description of the Common Area and/or Association Maintenance Areas, if any, located in the Annexation Property.

The Notice of Annexation may contain such complementary additions to and modifications of the Covenants set forth in this Declaration which are necessary to reflect the different character, if any, of the Annexation Property and which are not inconsistent with the general scheme of this Declaration. Except as set forth in this Section, no Notice of Annexation shall add, delete, revoke, modify or otherwise alter the Protective Covenants set forth in this Declaration.

16.4 Effective Date of Annexation. A Notice of Annexation shall become effective upon the recordation thereof in the Official Records of Riverside County.

16.5 Right of De-Annexation. Subject to the rights of the County specified in Article 19 of this Declaration, Declarant hereby reserves the right to de-annex any property which may be annexed to the Project pursuant to this Declaration, and to delete said property from the scheme of this Declaration and from the jurisdiction of the Association, provided and on condition that the deannexation shall be made prior to the first close of an escrow for the sale of a Lot in the property to be de-annexed, and provided that: (a) Declarant has not exercised any voting rights with respect to such Phase; (b) Assessments have not commenced with respect to such Phase; (c) the Association has not made any expenditures or incurred any obligations with respect to such Phase; and (d) the Notice of Deannexation is recorded in the Official Records of the County.

16.6 Amendments to Notices of Annexation. Notwithstanding any other provisions in this Declaration to the contrary, a Notice of Annexation may be amended by the requisite affirmative vote of Members (and first Mortgagees, if applicable), as set forth in the Article herein entitled "General Provisions", in only the annexed property described in said Notice of Annexation, rather than all Members (and first Mortgagees, if applicable) in the Project, on the following conditions:

(a) Such amendment applies only to the annexed property described in said Notice of Annexation; and

(b) Such amendment shall in no way contradict, revoke or otherwise alter any of the Protective Covenants set forth in this Declaration.

16.7 Failure to Annex Annexation Property. If any Annexation Property is not annexed as provided herein, and the real property within the Annexation Property requires ingress, egress and access over private streets in the Project, and access to and use of the Common Area within the Project, valid easements shall exist for reasonable vehicular and pedestrian traffic and for reasonable use of the Common Area, provided, however, that the owner(s) of said property shall be obligated to pay their equitable share of the cost of maintenance and repair of said private streets and facilities, and shall be subject to a lien or liens for the maintenance and repair costs, as may be provided in a separate agreement between the Association and the owner(s) of said property.

ARTICLE 17
DISPUTE RESOLUTION

17.1 Exempt Disputes. The provisions of Section 17.3 below do not apply to the following disputes between any Owner on the one hand and Declarant on the other hand.

17.1.1 **Construction Defect Claims.** Certain construction defect disputes are exempt from the provisions of Section 18.3 hereof as provided herein. In connection with the construction and sale of residences at the Project, the original Declarant herein named (herein, the "**Original Builder**") has elected to be governed by, and obtain the benefits of, certain provisions of Title 7 of Part 2 of Division 2 of *California Civil Code Sections 895 et seq.* (the "**Right to Repair Law**"). To that end, the Original Builder has caused or will cause to be recorded against the Project or a Phase of the Project a certain Notice of Election (herein, as amended, if at all, from time to time, an "**Election Notice**"). Disputes between any Owner and/or the Association, on the one hand, and the Original Builder, on the other hand, that are within the purview of the Right to Repair Law or the Election Notice shall be exempt from the provisions of Section 18.3 below and shall be resolved pursuant to the provisions and conditions set forth in, or incorporated by reference into, the Original Builder's Election Notice. Furthermore, Original Builder reserves the right to amend its Election Notice at any time and from time to time as Lot(s) which Original Builder then owns and has not yet conveyed to any Owner. If the Original Builder transfers any portion of the Overall Property to another developer or builder, then that other developer or builder (a "**Subsequent Builder**") shall have the right, at its election, to record its own Election Notice against the portion of the Overall Property so purchased, and disputes concerning construction defects between any Owner and the Association, on the one hand, and any such Subsequent Builder, on the other hand, shall be subject to the terms, provisions and conditions set forth in said Subsequent Builder's Election Notice, if any.

17.1.2 **Contract Claims.** The procedures and requirements of Section 18.3 hereof shall not apply to any dispute or claim between an Owner on the one hand and Declarant on the other hand that is otherwise governed by a written contract (whether a purchase and sale agreement, a warranty agreement, or other contract or agreement) to which the disputing Owner and Declarant are parties and by which they are bound that contains express provisions for the resolution of the subject dispute, it being intended that this Declaration shall not supersede or replace any such agreed-upon procedure for resolving such a dispute.

17.1.3 **Delinquent Assessments.** The procedures and requirements set forth in Section 18.3 hereof shall not apply to any action taken by the Association against Declarant for delinquent assessments, which action shall be governed by Article 6 of this Declaration.

17.2 Owner Disputes; Election to Arbitrate. If there is a dispute (other than disputes involving Declarant) between two or more Owners ("**Disputing Owners**") concerning the enforcement or application of any of the limitations, easements, restrictions, conditions and/or covenants set forth in this Declaration, all Disputing Owners by unanimous consent shall be entitled to elect to resolve such dispute by arbitration in accordance with this Section 18.2.

17.2.1 Owner's Arbitration Panel. The Disputing Owners may elect that the dispute be resolved by arbitration before a panel composed of three (3) Owners ("**Arbitration Panel**"). If there are only two (2) Disputing Owners, each such Owner shall select one (1) uninvolved Owner ("**Selected Owner**") to sit on the Arbitration Panel and the two (2) Selected Owners shall select a third uninvolved Owner to complete the Arbitration Panel. If there are more than two (2) Disputing Owners the Arbitration Panel shall be composed of two (2) uninvolved Owners selected by a majority of the Disputing Owners, and one (1) uninvolved Owner selected by the two (2) Selected Owners. Within five (5) calendar days after selection of the Arbitration Panel, all Disputing Owners shall submit to the Arbitration Panel written consents (a) agreeing to be bound by the Arbitration Panel's determination regarding the dispute and (b) containing a statement of facts surrounding the dispute and issues to be resolved ("**Owner Consents**"). Within five (5) days after the Arbitration Panel receives the Owner Consents from all Disputing Owners, the Arbitration Panel shall deliver to all Disputing Owners a written summary of the facts and issues included in the Owner Consents, and any additional information, facts or statements deemed appropriate by the Arbitration Panel ("**Panel Notice**"). The Panel Notice shall also include a date which shall be no more than ten (10) calendar days after the date of the Panel Notice on which the Arbitration Panel shall conduct a hearing on the Dispute, and at which all interested parties shall have the opportunity to be heard. The foregoing Panel Notice requirement shall be deemed satisfied as to any Disputing Owner if the Disputing Owner attends the hearing. Within five (5) days following the hearing, the Panel shall meet to deliberate in good faith on a resolution of the Dispute, and within such time period shall deliver to each Disputing Owner a written statement as to the Arbitration Panel's decision.

17.2.2 Arbitration Before JAMS. The Disputing Owners may elect in the alternative that the dispute be resolved by arbitration in accordance with the Commercial Arbitration Rules of the JAMS before an arbitrator(s) selected from the panels of the arbitrators of the JAMS. Any fees or costs in initiating arbitration which must be paid prior to such arbitration shall be borne equally by the Disputing Owners, provided, however, that all such costs or fees and all other costs of the arbitration, including without limitation, reasonable attorneys' fees, shall be borne by the Disputing Owners in such amounts and such proportions as shall be determined by the JAMS arbitrator(s).

17.2.3 Effect of Arbitration. The decision of the Arbitration Panel or JAMS arbitrator(s), as applicable, shall be binding upon all Disputing Owners (except where the Arbitration Panel fails to act in good faith or acts arbitrarily or capriciously) and may, as long as not otherwise prohibited by applicable law, be entered as a judgment or order in any court of competent jurisdiction. The cost for the entry of such judgment shall be borne by the Disputing Owner or Owners that do not prevail in such arbitration. No members of the Arbitration Panel shall be entitled to any form of compensation for serving on the Arbitration Panel, nor shall they be reimbursed for any costs incurred in connection therewith, unless the amount and manner of allocation shall be agreed to in writing by all Disputing Owners.

17.3 Other Disputes Involving Declarant Parties. Any other disputes arising under this Declaration, or otherwise, between or among the Association or any Owner and Declarant or any Declarant Party (except for any action taken by the Association against Declarant for delinquent assessments and any action against Declarant involving enforcement of any

completion bonds) shall be resolved in accordance with the alternate dispute resolution provisions of Section 17.4 below.

17.4 Resolution Disputes by Binding Arbitration. All Disputes involving Declarant and the Association shall be resolved by binding arbitration in accordance with the procedures set forth in this Section. It is the desire and the intention of the Declarant, Owners and the Association to agree upon a mechanism and procedure under which any controversy, breach or dispute between Declarant, and Declarant parties and an Owner of the Association pertaining to Construction disputes will be resolved in a prompt and expeditious manner. The matter shall be submitted and resolved exclusively through binding arbitration in Riverside County, subject to the following claim resolution procedures:

i. **Applicable Rules.** All arbitrations shall be conducted in accordance with procedures established by Judicial Arbitration and Mediation Services ("JAMS"), its successor, or any other entity offering arbitration services agreed to by the parties in effect at the time of the initiation of the arbitration.

ii. **Applicability of Federal Arbitration Act.** The binding arbitration procedures contained in this Section are implemented for the Community in accordance with the philosophy and intent of the Federal Arbitration Act (9 U.S.C. Section 1 et seq.) ("FAA"), which is designed to encourage the use of alternative methods of dispute resolution and avoid costly and potentially lengthy traditional court proceedings. The binding arbitration procedures in said Section are to be interpreted and enforced as authorized by the FAA. Parties interpreting this Section shall follow the federal court rulings, which provide among other things that: (1) the FAA is a congressional declaration of liberal federal policy favoring alternate dispute resolution notwithstanding substantive or procedural state policies or laws to the contrary; (2) alternate dispute resolution agreements are to be rigorously enforced by state courts; and (3) the scope of issues subject to alternate dispute resolution are to be interpreted in favor of alternate dispute resolution.

iii. **Selection of Arbitrator.** The proceeding shall be conducted by one (1) qualified arbitrator selected in accordance with the rules of JAMS. The term "qualified" shall mean a retired judge who has experience with the laws governing residential real estate development and construction or an attorney who has actively practiced law in California for at least fifteen (15) years and who has experience with laws governing residential real estate development and construction.

iv. **Expenses of Arbitration.** The fee to initiate the arbitration proceedings shall be advanced by Declarant. However, the arbitrator shall have the sole authority to reallocate such arbitration fees and costs in the arbitrator's final award; provided, however, each party shall bear its own attorney's fees and costs (including expert costs, for the arbitration. This provision does not modify any provision of any contract between Declarant and any third party requiring indemnification or establishing a different allocation of costs as between Declarant and such third party.

v. **Preliminary Procedures Required by Law.** If a state or federal law requires any of the Parties to take steps or follow procedures before commencing an action in court, such Party must take the steps or follow the procedures, as applicable, before commencing the arbitration. For example, the non-adversarial procedures contained in California Civil Code Sections 910 through 938, inclusive, must be followed with respect to any construction dispute governed by California Civil Code Sections 895, et seq.

vi. **Rules of Law.** The arbitrator must follow California substantive law.

vii. **Counsel.** Each party to the arbitration proceeding shall have the right to be represented by counsel.

viii. **Discovery.** The parties may conduct discovery as if the matter were pending before a California court, and the arbitrator shall have the power to issue and enforce subpoenas and to award sanctions; provided, however, that the parties may apply to the arbitrator or the courts of the State of California for protective orders with respect to such discovery.

ix. **Final and Binding Award.** The parties agree to be bound by the decision of the arbitrator, which shall be final and non-appealable.

x. **Written Decision of Arbitrator.** The arbitrator must issue a written decision within a reasonable period of time following the conclusion of the matter.

xi. **AGREEMENT TO ARBITRATE AND WAIVER OF JURY TRIAL.**

(i) **ARBITRATION OF DISPUTES.** BY EXECUTING THIS DECLARATION, DECLARANT AND BY ACCEPTING A DEED TO ANY PORTION OF THE PROPERTY, EACH OWNER AGREE TO HAVE ANY DISPUTE DECIDED BY NEUTRAL ARBITRATION IN ACCORDANCE WITH THE FEDERAL ARBITRATION ACT AND THE CALIFORNIA ARBITRATION ACT, TO THE EXTENT THE CALIFORNIA ARBITRATION ACT IS CONSISTENT WITH THE FEDERAL ARBITRATION ACT, DECLARANT AND EACH OWNER ARE GIVING UP ANY RIGHTS DECLARANT AND EACH OWNER MIGHT POSSESS TO HAVE THE DISPUTE LITIGATED IN A COURT OR JURY TRIAL. DECLARANT AND EACH OWNER ARE GIVING UP JUDICIAL RIGHTS TO DISCOVERY AND APPEAL, UNLESS THOSE RIGHTS ARE SPECIFICALLY INCLUDED IN THIS "ARBITRATION OF DISPUTES" PROVISION. IF DECLARANT OR ANY OWNER REFUSES TO SUBMIT TO ARBITRATION AFTER AGREEING TO THIS PROVISION, DECLARANT OR SUCH OWNER MAY BE

COMPELLED TO ARBITRATE UNDER THE AUTHORITY OF THE CALIFORNIA CODE OF CIVIL PROCEDURE. DECLARANT'S AND EACH OWNER'S AGREEMENT TO THIS ARBITRATION PROVISION IS VOLUNTARY.

(ii) **WAIVER OF JURY TRIAL.** IN THE EVENT THE FOREGOING ARBITRATION PROVISION IS HELD NOT TO APPLY OR IS HELD INVALID, VOID OR UNENFORCEABLE IN ITS ENTIRETY FOR ANY REASON, ALL DISPUTES SHALL BE TRIED BEFORE A JUDGE IN A COURT OF COMPETENT JURISDICTION WITHOUT A JURY. THE JUDGE IN SUCH COURT OF COMPETENT JURISDICTION SHALL HAVE THE POWER TO GRANT ALL LEGAL AND EQUITABLE REMEDIES AND AWARD COMPENSATORY DAMAGES. DECLARANT, BY EXECUTING THIS DECLARATION AND EACH OWNER BY ACCEPTING A DEED TO ANY PORTION OF THE PROPERTY, HEREBY WAIVE AND COVENANT NOT TO ASSERT THEIR CONSTITUTIONAL RIGHT TO TRIAL BY JURY OF ANY DISPUTES, INCLUDING, BUT NOT LIMITED TO, DISPUTES RELATING TO CONSTRUCTION DEFECTS, MISREPRESENTATION OR DECLARANT'S FAILURE TO DISCLOSE MATERIAL FACTS. THIS MUTUAL WAIVER OF JURY TRIAL SHALL BE BINDING UPON THE RESPECTIVE SUCCESSORS AND ASSIGNS OF SUCH PARTIES AND UPON ALL PERSONS AND ENTITIES ASSERTING RIGHTS OR CLAIMS OR OTHERWISE ACTING ON BEHALF OF DECLARANT OR ANY OWNER AND THEIR RESPECTIVE SUCCESSORS AND ASSIGNS.

k. **Final and Binding Award.** The decision of the arbitrator shall be final and binding. A petition to confirm, vacate, modify or correct an award may be filed in any court of competent jurisdiction in San Bernardino County, but the award may be vacated, modified or corrected only as permitted by the Federal Arbitration Act.

l. **Not Applicable Unless Declarant is a Party.** This Article does not apply to any construction dispute in which Declarant has not been named as a party.

m. **No Amendment Without Declarant's Consent.** No amendment may be made to this Article without the express written consent of Declarant, which right to consent shall extend for a period of ten (10) years from the conveyance of: (i) the Common Area to the Association and (ii) a Lot (including the Residence) constructed thereon) to a member of the homebuying public.

17.5 **Use of Damage Award Amounts.** Any and all amounts awarded to a claimant on account of a claimed construction or design defect in the Community, or damage suffered as a result thereof, shall be expended by such claimant for the attorney fees and costs of the proceeding and the repair, rehabilitation, or remediation of the claimed defect or damage.

17.6 **Disputes Relating To Enforcement Of Governing Documents.** In the event of a dispute between the Association and an Owner, or between an Owner and another Owner,

relating to the enforcement of the governing documents of the Association, the parties shall comply with the provisions of California Civil Code Section 1354(b) through (j), prior to filing of any civil action.

ARTICLE 18

GENERAL PROVISIONS

18.1 Term. The Protective Covenants set forth in this Declaration shall run with and bind the Project, and shall inure to the benefit of the Association and be enforceable by the Board or the Owner of any land subject to this Declaration, their respective legal representatives, heirs, successors and assigns, for a term of fifty (50) years from the date this Declaration is recorded, after which time said Protective Covenants shall be automatically extended for successive periods of ten (10) years, unless an instrument, signed by a majority of the then Owners agreeing to terminate said Protective Covenants, in whole or in part, has been recorded within one (1) year prior to the termination of the initial minimum term of sixty (60) years.

18.2 Amendments.

(a) **Amendments by Declarant.** Prior to the Close of Escrow for the sale of a Lot to a member of the public, in accordance with a Final Subdivision Public Report issued by the BRE, this Declaration may be amended, restated or terminated by an instrument executed by Declarant. Notwithstanding any other provisions of this Declaration, for so long as Declarant owns any portion of the Project or the Annexation Property, Declarant may unilaterally amend this Declaration to conform the terms and provisions of this Declaration to the requirements of BRE, FNMA, FHLMC, the County or other public entity, by recording a written instrument signed solely by Declarant.

(b) **Amendments by Association.** This Declaration may be amended only by an affirmative vote, in person or by proxy, of Owners representing not less than sixty-seven percent (67%) of the Class A voting power and the Class B voting power of the Association. At such time when the Class B membership shall cease and be converted to Class A membership, any and all amendments to this Declaration shall be enacted by requiring the vote or written assent of Owners representing both: (a) sixty-seven percent (67%) of the total voting power of the Association, and (b) sixty-seven percent (67%) of the votes of Members, other than the Declarant; provided, however, that the percentage of the voting power necessary to amend a specific provision shall not be less than the percentage of affirmative votes prescribed for action to be taken under said provision. Any Owner or the Association may petition the Superior Court of the County for an order reducing the necessary percentage required under this section to amend this Declaration. The procedure for filing this petition is set forth in California Civil Code Section 4275, as the same may be amended, from time to time.

(c) **County Approval of Certain Amendments.** The County shall have the right to review any amendment to this Declaration which purports to alter, modify, terminate or evocate any of the Protective Covenants set forth herein which ensure compliance with all applicable conditions of approval and County ordinances, including any purported decision of the Board of Directors to transfer and convey the Common Area to another entity. Likewise, any

amendment which would alter, modify, terminate, revoke or effect, in any manner, any condition of approval of the development or entitlement imposed pursuant to any County ordinance, rule, regulation, entitlement or approval shall also be approved in writing by the County. The failure of the County to respond to a request for approval of any amendment to this Declaration within thirty (30) days following receipt of written notice thereof shall constitute the County's approval of such proposed amendment.

(d) **Special Veto Rights of Declarant.** Notwithstanding anything in this section to the contrary, so long as Declarant is the owner of: (i) one (1) or more Lots in the Project; or (ii) all or any portion of the real property described herein as Annexation Property, no amendment, restatement or revocation of all or any of the following sections shall be valid, binding and enforceable without the prior written approval of Declarant, which approval may be withheld at Declarant's reasonable discretion: Article 2, Article 3, Sections 3.4, 3.5, 3.7 and 3.10; Article 4, Section 4.3; Article 7; Article 8, Section 8.23; Article 9, Sections 9.1 and 9.2; Article 14; Article 15; Article 16; Article 17, and this Section 18.2.

(e) **Recordation of Amendments.** Any amendment made in accordance with the provisions herein shall be effective when executed by two officers of the Association, who shall certify that the amendment has been approved by the requisite voting power of the Association and the requisite percentage of holders and insurers of first Mortgages, in the case of those amendments which this Declaration requires to be approved by first Mortgagees. Amendments shall be effective upon recordation in the Office of the County Recorder of San Bernardino County, California.

18.3 Encroachments. None of the rights and obligations of the Owners created herein or by the deed shall be altered in any way by encroachments due to settlement or shifting of structures or any other cause. There shall be valid easements for the maintenance of said encroachments so long as they shall exist; provided, however, that in no event shall a valid easement for encroachment be created in favor of an Owner if said encroachment occurred due to the willful conduct of said Owner.

18.4 Severability. Each of the provisions of this Declaration shall be deemed independent and severable, and the invalidity or partial invalidity of any provision or portion thereof by judgment or court order, shall not affect the validity or enforceability of any other provision or provisions hereof, which shall remain in full force and effect.

18.5 Construction. The provisions of this Declaration shall be liberally construed to effectuate its purpose of creating a uniform plan for the development and maintenance of the Project. The Article and section headings have been inserted for convenience only and shall not be considered or referred to in resolving questions of interpretation or construction.

18.6 Singular Includes Plural. Whenever the context of this Declaration may so require, the singular shall include the plural, and the masculine shall include the feminine and neuter.

18.7 Notices. Any notice permitted or required to be delivered as provided herein shall be in writing and may be delivered either personally or by mail. If delivery is made by registered

or certified mail, it shall be deemed to have been delivered forty-eight (48) hours after a copy of the same has been deposited in the United States mail, postage prepaid, addressed to any person at the address given by such person to the Association for the purpose of service of such notice, or to the Residence of such person if no address has been given to the Association. If such notice is not sent by regular or certified mail, it shall be deemed to have been delivered when received. Such address may be changed, from time to time, by notice in writing to the Association.

18.8 Distribution of Documents and Notices. All documents required to be delivered to Members by the Association and notices required to be given to the Members or others by the Association shall be delivered in accordance with the provisions of Section 4040 *et seq.* of the California Civil Code, as applicable.

18.9 Conflicts in Governing Documents. In the event of any conflict between and/or among the provisions of any of the Governing Documents for the Project, the Declaration shall be deemed to supersede the provisions of any conflicting documents (with the express exception of the Articles), including, without limitation, the Bylaws, Architectural Standards, and the Rules and Regulations, if any.

18.10 Violation as Nuisance. Every act or omission whereby any provision of this Declaration is violated in whole or in part is hereby declared to be a nuisance and every remedy allowed by law or in equity against a nuisance, either public or private, may be enjoined or abated by Declarant, any Owner or Owners, and/or the Association.

18.11 Exhibits. Any and all exhibits attached hereto shall be deemed and made a part hereof and incorporated by reference herein.

18.12 Indemnification of Corporate Agents. To the fullest extent permitted by and in accordance with the requirements and procedures of Section 7237 of the California Corporations Code, or any successor statutes, the Association shall reimburse, indemnify and hold harmless each present and future director, officer, employee or other agent of the Association (as the term "agent" is defined in said Section 7237) and each person, who, at the request of the Association, acts as a director, officer, employee or agent ("Association representative") from and against any loss, cost, liability and expense, including attorneys' fees, which may be imposed upon or reasonably incurred by an Association representative in such capacity.

18.13 Limitation on Liability of Officers, Directors and Committee Members. No Board member, committee member, officer of the Association or Declarant, or any agent of Declarant when acting in such capacity, shall be liable to any Owner or to any other party, including the Association, for any damage, loss or prejudice suffered or claimed on account of any act, omission, error or negligence of any such person or entity, provided that such person or entity has, upon the basis of such information as may be possessed by such person or entity, acted in good faith and without willful or intentional misconduct.

18.14 Additional Provisions. Notwithstanding the terms and provisions of this Declaration, the Board and the Owners should be aware that there may be provisions of various laws, including, without limitation, the Davis-Stirling Common Interest Development Act codified in California Civil Code Sections 4000, *et seq.* and the Federal Fair Housing Act

codified in Title 42, United States Code, Sections 3601, et seq., which may supplement or override the terms and provisions of this Declaration. Declarant makes no representation or warranty regarding the future enforceability of any portion of the Declaration.

18.15 Marketing Name. The Project shall be marketed under the name "Heritage Ranch," unless and until changed by Declarant in its sole and absolute discretion.

ARTICLE 19

COVENANTS IN FAVOR OF THE COUNTY OF RIVERSIDE

19.1 The Association; Assessments; Enforcement. The Association shall have the right to assess the Owner of each individual Lot for the reasonable cost of maintaining the Common Area, and shall have the right to lien the property of any such Owner who defaults in the payment of a maintenance assessment. An assessment lien, once created, shall be prior to all other liens recorded subsequent to the notice of assessment or other document creating the assessment lien.

19.2 Association Management of the Common Area; Limitations on Transfer. The property owners' association established herein shall manage and continuously maintain the 'common area', more particularly described on Exhibit "B" attached hereto, and shall not sell or transfer the 'common area' or any part thereof, absent the prior written consent of the Planning Department of the County of Riverside or the County's successor-in-interest.

19.3 Termination, "Substantial" Amendment or De-Annexation. This Declaration shall not be terminated or "substantially" amended, nor shall property be deannexed from this Declaration absent the prior written consent of the Planning Director of the County of Riverside or the County's successor-in-interest. A proposed amendment shall be considered "substantial" if it affects the extent, usage or maintenance of the Common Area established pursuant to this Declaration.

19.4 Conflicts in Governing Documents. In the event of any conflict between this Declaration and the Articles of Incorporation, the Bylaws, or the Rules and Regulations, if any, this Declaration shall control.

19.5 Management and Maintenance of the Common Area; Best Management Practices. The management and maintenance of the Common Area shall include the following best management practices (BMPs) to reduce the storm water pollution:

(a) All pesticides shall be applied in strict accordance to pesticide laws as stated in the State of California Agricultural Code. All pesticide applicators shall be certified by the State as a Qualified Applicator or be directly supervised by a Qualified Applicator. All fertilizers shall be applied at the rate stipulated by the manufacturer. Fertilizer Applicators shall be trained in the proper procedures of determining fertilizer rates and calibration of equipment. Fertilizer shall be applied in such a manner as to avoid application onto hardscape surfaces. Annual soil tests are recommended to advise on which fertilizer elements are needed to avoid application of unnecessary elements or over application. The local water agency or resource conservation district can assist with detailed information concerning this BMP (BMP N3).

(b) The Association is required to implement trash management and litter control procedures in the Common Areas aimed at reducing pollution of drainage water. The Association may contract with its landscape maintenance firms to provide this service during regularly scheduled maintenance which should consist of litter patrol, emptying trash receptacles in Common Areas, noting trash disposal violations by Owners or businesses and reporting the violations to the Association for investigation (BMP N5).

(c) The Association is required to have its privately-owned streets and parking lots, if any, swept prior to the storm season, no later than October 15th of each year (BMP N6).

* * * *

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

"DECLARANT"

Beazer Homes Holdings Corp.
A Delaware corporation

By: 

Name: Robert T. Shiota

Title: DIVISION President

Dated: 4/4/14

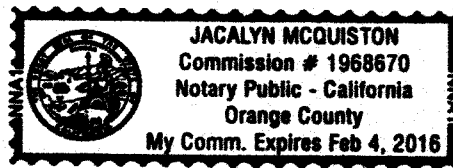
STATE OF CALIFORNIA)
) ss.
COUNTY OF ORANGE)

On APRIL 4, 2014, before me, JACALYN MCQUISTON, Notary Public, personally appeared ROBERT T. SHIOTA, who 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/~~she~~ executed the same in his/~~her~~ authorized capacity, and that by his/~~her~~ signature on the instrument, the person or the entity upon behalf of which the person acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Jacalyn McQuiston
Signature of Notary Public



(SEAL)

EXHIBIT "A"

PHASE 1

That certain real property located in the unincorporated area of the County of Riverside, State of California, more particularly described as follows:

Lots 72 through 81, inclusive, and Lots 95 through 104, inclusive, of Tract 31285-1, filed in Book ____, Pages ____, through ____, inclusive, in the Office of the County Recorder of Riverside County, California.

EXHIBIT "A"

EXHIBIT "B"

ANNEXATION PROPERTY

The Annexation Property shall be that certain real property situated in the unincorporated area of the County of Riverside, State of California, more particularly described as follows:

Residential Lots:

All of Tract Map No. 32185-1, as per map recorded in Book _____, at Pages __ through __, inclusive, of Maps, in the Office of the County Recorder of Riverside County, California, but excepting therefrom the real property described in Exhibit "A" attached hereto as "Phase 1".

Common Area Lot:

Lot 105 of Tract 32185-1, as per map recorded in Book _____, at Pages __ through __, inclusive, of Maps, in the Office of the County Recorder of said County.

EXHIBIT "B"

**Riverside County Board of Supervisors
Request to Speak**

Submit request to Clerk of Board (right of podium),
Speakers are entitled to three (3) minutes, subject
to Board Rules listed on the reverse side of this form.

SPEAKER'S NAME: Paul Jacobs

Address: _____
(only if follow-up mail response requested)

City: Temecula **Zip:** _____

Phone #: _____

Date: 6/3/14 **Agenda #** 2-24

PLEASE STATE YOUR POSITION BELOW:

Position on "Regular" (non-appealed) Agenda Item:

_____ **Support** _____ **Oppose** _____ **Neutral**

Note: If you are here for an agenda item that is filed
for "Appeal", please state separately your position on
the appeal below:

_____ **Support** _____ **Oppose** _____ **Neutral**

I give my 3 minutes to: _____

BOARD RULES

Requests to Address Board on "Agenda" Items:

You may request to be heard on a published agenda item. Requests to be heard must be submitted to the Clerk of the Board before the scheduled meeting time.

Requests to Address Board on items that are "NOT" on the Agenda:

Notwithstanding any other provisions of these rules, member of the public shall have the right to address the Board during the mid-morning "Oral Communications" segment of the published agenda. Said purpose for address must pertain to issues which are under the direct jurisdiction of the Board of Supervisors. YOUR TIME WILL BE LIMITED TO THREE (3) MINUTES.

Power Point Presentations/Printed Material:

Speakers who intend to conduct a formalized Power Point presentation or provide printed material must notify the Clerk of the Board's Office by 12 noon on the Monday preceding the Tuesday Board meeting, insuring that the Clerk's Office has sufficient copies of all printed materials and at least one (1) copy of the Power Point CD. Copies of printed material given to the Clerk (by Monday noon deadline) will be provided to each Supervisor. If you have the need to use the overhead "Elmo" projector at the Board meeting, please insure your material is clear and with proper contrast, notifying the Clerk well ahead of the meeting, of your intent to use the Elmo.

Individual Speaker Limits:

Individual speakers are limited to a maximum of three (3) minutes. Please step up to the podium when the Chairman calls your name and begin speaking immediately. Pull the microphone to your mouth so that the Board, audience, and audio recording system hear you clearly. Once you start speaking, the "green" podium light will light. The "yellow" light will come on when you have one (1) minute remaining. When you have 30 seconds remaining, the "yellow" light will begin flash, indicating you must quickly wrap up your comments. Your time is up when the "red" light flashes. The Chairman adheres to a strict three (3) minutes per speaker. **Note: If you intend to give your time to a "Group/Organized Presentation", please state so clearly at the very bottom of the reverse side of this form.**

Group/Organized Presentations:

Group/organized presentations with more than one (1) speaker will be limited to nine (9) minutes at the Chairman's discretion. The organizer of the presentation will automatically receive the first three (3) minutes, with the remaining six (6) minutes relinquished by other speakers, as requested by them on a completed "Request to Speak" form, and clearly indicated at the front bottom of the form.

Addressing the Board & Acknowledgement by Chairman:

The Chairman will determine what order the speakers will address the Board, and will call on all speakers in pairs. The first speaker should immediately step to the podium and begin addressing the Board. The second speaker should take up a position in one of the chamber aisles in order to quickly step up to the podium after the preceding speaker. This is to afford an efficient and timely Board meeting, giving all attendees the opportunity to make their case. Speakers are prohibited from making personal attacks, and/or using coarse, crude, profane or vulgar language while speaking to the Board members, staff, the general public and/or meeting participants. Such behavior, at the discretion of the Board Chairman may result in removal from the Board Chambers by Sheriff Deputies.