

8.17 **Trash.** No trash may be kept or permitted upon the Covered Property or on any public street abutting or visible from the Covered Property except in containers located in appropriate areas screened from view. Such containers may be exposed to the view of neighboring Lots only when set out at a location approved by the Architectural Committee for a reasonable period of time (not to exceed twelve (12) hours before and after scheduled trash collection hours, except where a longer time period is authorized by the Design Architectural Committee).

8.18 **Pollutant Control.** The Community Association and the Owners shall comply with any NPDES requirements and the BMP guidelines (as defined below), as they apply to the Property.

8.18.1 **Compliance with Requirements Regarding Covered Property Storm Water Pollution.** Each Owner acknowledges that water that enters a storm drain flows directly to natural sources of water, including waterways, creeks, drains, rivers, and lakes. Each Owner further acknowledges that storm water runoff can carry eroded soils and other non-storm water substances and materials into natural sources of water, which can have an adverse impact on the environment. Unlike the water in the sewer system in the Residence which is being purchased by an Owner, which flows to wastewater treatment plants, water that enters a storm drain flows directly, without any treatment, to waterways, creeks, streams, rivers, lakes and/or oceans. Accordingly, the National Pollutant Discharge Elimination System (“NPDES”), the Federal Clean Water Act, the Regional Water Quality Control Board, and the policies and ordinances of the County prohibit, with minor exceptions, discharging anything other than natural storm water into storm drain systems, which include gutters and streets which drain into storm drains, and naturally occurring water flows, channels, stream beds, and canyons. The Community Association and the Owner shall not dispose of any substance into the storm drain system that will cause a violation of any such County, state, or federal law, statute, rule, or ordinance. Solid waste, garbage, rocks, sand, lawn clippings, yard waste, detergents, pet waste, toxic chemicals, fertilizers, or hydrocarbon compounds (including without limitation gasoline, motor oil, antifreeze, solvents, paints, paint thinners, and wood preservatives) and any other such materials or pollutants shall not be discharged into any street, public or private, gutters, or into storm drains or storm water conveyance systems. The Community Association and each Owner further acknowledges that the disposal of such pollutants and materials into a storm drain system may result in significant penalties and fines and that the Community Association and each Owner may be responsible for any activities by the Community Association and each Owner’s contractors (e.g., painters, landscapers, etc.) who dispose of such pollutants from the Community Association and each Owner’s or the Community Association Lot into a storm drain system. Use and disposal of all toxic chemicals, hydrocarbon compounds, pesticides, fungicides, herbicides, insecticides, fertilizers, and other such chemicals shall meet all federal, state, and County requirements and requirements of any other governmental agencies having jurisdiction over the Property. The Owners and the Community Association shall also store such materials in a way that prevents their contact with storm water. All Owners and the Community Association within the Covered Property are required to comply with the foregoing restrictions. Owners are encouraged to consult with the County and other governmental authorities concerning the proper storage, use, and disposal of any toxic or hazardous materials. Dumping any such materials into sewers, gutters or storm drains is against the law.

8.18.2 **Storm Water Pollution Prevention Best Management Practices.** The Community Association and the Owners shall comply with all applicable Best Management Practices (“BMP”) and perform all maintenance that may be imposed by any water quality management plan that may affect the Properties. To comply with the requirements of the County in connection with the storm water pollution prevention best management practices, each Owner and the Community Association each agrees that it will, at all times, maintain all Improvements located on a Lot in a clean, safe and attractive condition, free and clear of any and all debris. All landscaping shall be maintained by an Owner and the Community Association in a manner that will prevent soil erosion and minimize sediment transport. To the extent that the Declarant or Merchant Builder has installed any erosion protection devices (e.g., sandbags) an Owner shall not remove such devices unless and until all landscaping has been installed on a Lot, and has been sufficiently grown so as to prevent soil erosion and transport of any sediment. Owners and the Community Association shall remove all vegetative waste and dispose of it by composting in an appropriate location, by recycling in an approved facility, and/or by disposal in a landfill. Owners and the Community Association shall inspect all landscape irrigation on a weekly basis to make sure that there are no broken sprinkler heads or pipes which are creating run-off and erosion. All trash receptacles on an Owner’s or the Community Associations’ Lot shall be covered and closed at all times. The costs of the Community Association’s portion of such maintenance, if any, shall be treated as Common Expenses. In the event any construction or landscaping activities take place on Owner’s Lot, Owner shall ensure that all such activities are in compliance with all laws, statutes, ordinances, rules, or regulations (including without limitation erosion control measures related to storm water management) imposed by the County or any state or federal authority.

8.18.3 **Compliance With Laws, Etc.** No Owner shall permit anything to be done or kept in a Lot that violates any applicable laws, ordinances, statutes, rules or regulations of any Governmental Agency.

8.18.4 **Liability to Declarant.** So long as Declarant owns any Lot within the Covered Property, if an Owner or the Association is not in compliance with the provisions of this Section and as a result, Declarant may incur any liability, Declarant shall have the right but not the obligation to enter upon the applicable portion of the Covered Property to correct such violation. Any Owner who violates the requirements of this Section shall indemnify, protect, defend and hold Declarant and Declarant’s officers, directors, successors and assigns entirely free and harmless from and against any liabilities, penalties, costs, expenses and actions, including, without limitation, attorneys’ fees and costs arising from or attributed to a violation of the provisions of this Section and shall, within fifteen (15) days after request from Declarant, reimburse Declarant for any costs and expenses incurred by Declarant in correcting any violation by any Owner of this Section.

8.19 **Fuel Modification Areas.** Certain portions of the Covered Property are included within the Fuel Modification Areas, for which there are certain guidelines and regulations with respect to the use and maintenance thereof by the Owners, imposed by the County and other Governmental Agencies. Each Owner of a Lot located in a Fuel Modification Area and the Community Association as to any portion of the Community Common Area located in any Fuel Modification Area, shall be required to comply with the requirements imposed by the County, including without limitation, the Fire Protection Plan and any other applicable guidelines or

regulations as may be adopted by any Governmental Agency from time to time. By accepting a deed to a Lot, each Owner acknowledges that there may be restrictions on flammable structures, trees or shrubs in the Fuel Modification Areas. Each Owner shall comply with the restrictions set forth in the Fire Protection Plan on Exhibit "C" attached hereto and incorporated herein and any additional restrictions which may be set forth in a Supplementary Declaration.

8.20 **Fires**. There shall be no exterior fires on the Community Common Area, except barbecue fires contained within receptacles provided by the Community Association or as otherwise permitted by the Community Board.

8.21 **Restricted Yard Maintenance Areas**. The Owners of Lots upon which Restricted Yard Maintenance Areas are located shall be prohibited from damaging, altering, modifying or interfering with such Restricted Yard Maintenance Areas, including the erection, placement or construction of any building, obstruction or other structure, plant any tree, drill or dig any well, within that portion of the Lot upon which the Restricted Yard Maintenance Areas. All plantings in such areas shall be replaced with similar plantings, as necessary to maintain the attractive appearance thereof.

8.22 **No Subdivision of Lots**. No Lot shall be further subdivided nor shall be less than all of any such Lot be conveyed by an Owner thereof. No easement or other interest in a Lot shall be given without the prior written approval of the Architectural Committee. The Owners, other than Declarant and Merchant Builders, of two (2) or more contiguous Lots may apply to the Architectural Committee for permission to use such Lots as the site for a single Dwelling.

8.23 **No Alteration of Common Maintenance Area**. No Owner shall modify in any manner or install any new Improvements within any Common Maintenance Area located upon such Owner's Lot, without the written consent of the Community Association.

8.24 **Dig Alert**. Each Owner acknowledges that a voluntary organization called "Dig Alert" provides information regarding the presence of utility lines and offers other precautionary advice prior to digging or excavating any real property to Owners and other residents in the County. The Community Association maintains information regarding this program. Each Owner shall cooperate with the guideline established by "Dig Alert" for so long as such program remains in effect.

ARTICLE 9

INSTALLATION, REPAIR AND MAINTENANCE

9.1 **Repair and Maintenance by Community Association**. Without limiting the generality of the statement of duties and powers contained in this Declaration, and except for any maintenance districts created pursuant to the provisions of the Section of **Article 7** entitled "Establish Special Assessment Districts", the Community Association shall have the duty to accomplish the duties described below upon the Lots, Community Common Area, Common Maintenance Area or other land within the Covered Property in conformance with the Maintenance Obligations and the requirements of the Community Association Maintenance Manuals provided by Declarant, commencing as provided in **Section 7.6** hereof.

9.1.1 **Walkways.** The Community Association shall maintain all private and public walkways, paths, trails located on the Community Common Area.

9.1.2 **Community Common Area Improvements.** The Community Association shall maintain, repair, restore, replace and make necessary Improvements to the Community Common Area, including fences, gates, signage and private parks.

9.1.3 **Drainage.** The Community Association shall maintain all drainage and sewage facilities and easements located on the Community Common Area in accordance with the requirements of the County.

9.1.4 **Utility Easements.** The Community Association shall cause the appropriate public utility to maintain any utility easements located on the Community Common Area and Common Maintenance Area.

9.1.5 **Perimeter Walls and Fences.** The Association shall maintain all portions of the Perimeter Walls and Fences not facing the interior of a yard area on a Lot and shall be responsible for repair and replacement of the Perimeter Walls and Fences unless otherwise designated in a Supplementary Declaration .

9.1.6 **Common Maintenance Area.** The Community Association shall maintain all areas and Improvements designated as a Common Maintenance Area in a Supplementary Declaration or a separate maintenance and easement agreement in conformance with the Maintenance Obligations and the requirements of the Community Association Maintenance Manuals provided by Declarant, commencing as provided in **Section 7.6**. An easement or right over area which otherwise would be Common Maintenance Area may be conveyed to a special assessment or tax district, in which event the area conveyed shall be maintained by the special assessment or tax district. No provisions of this Declaration which require the Community Association to maintain any areas owned by the County as a portion of the Common Maintenance Area, including, without limitation, this **Section 9.1.6**, shall be amended without the prior written approval by the County.

9.1.7 **Fuel Modification Areas.** To the extent any Community Common Area is situated within any Fuel Modification Areas, the Community Association shall maintain such areas in accordance with the Fire Protection Plan and other requirements of the County or other applicable Governmental Agency.

9.1.8 **Dig Alert Information.** The Community Association shall maintain any Dig Alert materials which may be prepared by the organization known as "Dig Alert" and make such materials available to the Owners. Dig Alert has been formed to advise residents of the County regarding the presence of utilities prior to digging or excavating real property.

9.1.9 **Other Maintenance Obligations.** The Community Association shall maintain all other areas, facilities, signage, equipment, services or aesthetic components of whatsoever nature as may from time to time be requested by the vote or written consent of at least two-thirds (2/3) of the Voting Power.

9.2 **Repair and Maintenance by Owner.** Except for the obligations of the Community Association to repair and maintain as may be provided in this Declaration, every Owner shall perform the maintenance set forth below.

9.2.1 **Exterior of Dwelling.** Each Owner shall maintain the exterior of the Owner's Dwelling and/or other Improvements on such Owner's Lot, including, without limitation, the interior of any walls and fences (and the exterior, if the exterior is not maintained by another Owner or the Community Board) and roof of the Owner's Improvements in good condition and repair and in accordance with the Community Management Documents and all requirements of the County.

9.2.2 **Landscaping.** Each Owner shall install and thereafter maintain in attractive and harmonious condition front yard landscaping in accordance with the standards for maintenance set forth in **Section 10.4** below and in accordance with all requirements of the County and the Spring Mountain Ranch Entitlement Documents. Additionally, each Owner shall have the obligation to properly irrigate and maintain the tree installed by the Merchant Builder in the front yard of Owner's Lot and shall comply with the restrictions set forth in **Section 8.20** of this Declaration regarding the removal and replacement of such trees.

9.2.3 **Restricted Yard Maintenance Areas.** Each Owner shall maintain, repair and otherwise care for the maintenance, repair and replacement of the plantings located within the Restricted Maintenance Areas located on such Owner's Lot, if any. In the event the Owner of such Lot fails to maintain, repair or replace such area, the Community Association shall have the right to enter such area to perform such maintenance, repair or replacement and the cost of such work shall be paid by such Owner.

9.2.4 **Repair Damage.** In the event the Community Board shall determine that the any portion of Perimeter Walls and Fences, if any, have been damaged from within a Lot, notwithstanding that such Perimeter Walls and Fences are to be maintained by the Community Association, the Owner of the Lot shall be responsible for, at the election of the Community Board, (a) repairing such damage or (b) reimbursing the Community Association for costs incurred to repair such damage, all in a timely manner and in accordance with such rules as the Community Board or Architectural Committee shall from time to time adopt.

9.2.5 **Interior Walls and Fences.** The Owner of any Lot containing or adjacent to any portion of the Perimeter Walls or Fences maintained by the Community Association shall maintain the interior portion of such Perimeter Walls and Fences facing such Owner's Lot and shall not modify or supplement the Perimeter Wall or Fence. Each Owner shall maintain, in a good condition of maintenance and repair, and shall replace as necessary, all other fences and walls located on such Owner's Lot, that are not maintained by the Community Association or other entity. For any fencing or walls which separates two (2) Lots, each Owner shall have the obligation to maintain the interior of the fence or wall facing such Owner's Lot and the Owners shall share, on an equitable basis, the cost of replacing such fencing, as and when necessary. The Owner of each affected portion of the Lot upon which such a shared wall or fence is located shall have a reciprocal non-exclusive easement on the Lot immediately adjacent to the wall or fence for the limited purpose of maintaining the wall or fence.

9.2.6 **Compliance with Maintenance Manual.** Each Owner is required to comply with all of the Maintenance Obligations and any other requirements set forth in any Owner Maintenance Manual provided by the Merchant Builder and each Owner is further obligated to provide a copy of such Owner Maintenance Manual to any successor purchaser of such Owner's Lot.

9.3 **Standards for Maintenance and Repair.**

9.3.1 **Exterior of Dwellings and Other Improvements.** Maintenance of the exterior of Dwellings and any Improvements situated on any Lot including, without limitation, the walls, fences and roofs, shall be accomplished in accordance with the Architectural Standards and, if required by the Architectural Standards, only after approval of the Architectural Committee.

9.3.2 **Landscaping.** Unless the Merchant Builder installs landscaping on a particular Lot, all portions of a Lot which are improved with a Dwelling or Structure, except for Lots owned by Declarant or a Merchant Builder, shall be landscaped by the Owner thereof on or before a date which is six (6) months from the original conveyance of such Lot by a Merchant Builder in accordance with the Architectural Standards promulgated by the Community Board and pursuant to plans and specifications approved by the Architectural Committee pursuant to the provisions of **Article 6** hereof. Thereafter, such landscaping shall be maintained by the Owner in a clean, safe and attractive condition according to any rules promulgated by the Community Board.

9.3.3 **Right of Community Association to Maintain and Install.** In the event any Owner fails to maintain the exterior of the Owner's Dwelling and/or other Improvements on such Owner's Lot or the walls, fences and roofs of his Dwelling, or to install and thereafter maintain landscaping on the Owner's Lot or any other Improvements on the Owner's Lot in accordance with the requirements of this Article, the Community Association may cause such maintenance and installation to be accomplished in accordance with the procedure set forth in the Community Management Documents.

9.4 **Landscape and Irrigation Inspections.** The Community Association shall inspect, maintain and repair the landscaping, drainage walls, signs and irrigation systems serving or within the Community Common Area and Common Maintenance Area as deemed appropriate by the Community Association to (a) determine whether the Community Common Area and Common Maintenance Area is being maintained adequately in accordance with the standards of maintenance established in this Declaration and in the Community Association Maintenance Manual, (b) identify the condition of the Community Common Area and Common Maintenance Area and any Improvements thereon, including the existence of any hazards or defects, and the need for performing additional maintenance, refurbishment, replacement, or repair, and (c) recommend preventive actions which may be taken to reduce potential maintenance costs to be incurred in the future. The Community Board shall comply with the requirements of any Community Association Maintenance Manual provided to the Community Association by Declarant or otherwise adopted by the Community Board and shall update such Maintenance Manual as shall be reasonably and commercially prudent so long as such changes do not reduce the useful life or functionality of the items being maintained. The Community Association shall

employ the services of appropriate consultants as necessary to assist the Community Association in performing its duties hereunder. The inspectors shall provide written reports of their inspections to the Declarant and the Community Association promptly following completion thereof. Should such inspection require the inspection of any Lot, there is hereby created a nonexclusive easement in favor of the Community Association, and its officers, agents, employees and independent contractors, to conduct such inspections and to provide such maintenance, repair and replacement which entry shall be subject to Section 3.3.9 of this Declaration. Any damage to any structure, landscaping or other improvements caused by the Community Association, or any of its officers, agents, employees or independent contractors, while performing such maintenance, repair or replacement work shall be repaired by the Community Association at its sole cost and expense.

ARTICLE 10

INSURANCE

10.1 **Insurance.** The Community Association, to the extent available, shall obtain and continue in effect, in its own name, the types of insurance set forth below.

10.1.1 **Fire and Extended Coverage Insurance.** The Community Association shall keep (i) any Improvements on the Community Common Area and Common Maintenance Area insured against loss by fire and the risks covered by a standard all risk of loss perils insurance policy under an extended coverage casualty policy in the amount of the maximum insurable replacement value thereof, and (ii) all personal property owned by the Community Association insured with coverage in the maximum insurable fair market value of personal property as determined annually by an insurance carrier selected by the Community Association. Insurance proceeds for Improvements in the Community Common Area and Common Maintenance Area and/or personal property owned by the Community Association shall be payable to the Community Association. In the event of any loss, damage or destruction to the Community Common Area and Common Maintenance Area (excluding Lots), the Community Association shall cause the same to be replaced, repaired or rebuilt in accordance with the provisions of this Declaration. Premiums for all insurance carried by the Community Association are a Common Expense.

(a) **Description of Policy Coverages.** The policy shall cover the following real and personal property:

(i) **Community Common Area and Common Maintenance Area.** All Improvements, if any, within the Community Common Area and Common Maintenance Area; but excluding land, foundations, excavations, and other items typically excluded from property insurance coverage; and

(ii) **Landscaping.** Lawn, trees, shrubs and plants located in the Community Common Area and Common Maintenance Area.

(b) **Covered Cause of Loss.** The policy shall provide coverage against losses caused by fire and all other hazards normally covered by a “special form” policy or its equivalent.

(c) **Primary.** The policy shall be primary and noncontributing with any other insurance policy covering the same loss.

(d) **Endorsements.** The policy shall contain such endorsements as the Community Board in its discretion shall elect.

(e) **Waiver of Subrogation.** The Community Association waives all rights of subrogation against the Owners and their Invitees. All insurance policies obtained by the Community Association shall include a waiver of all subrogation rights against any Owner and their Invitees; provided, however, that a failure or inability of the Community Association to obtain such a waiver shall not defeat or impair the waiver of subrogation rights between the Community Association and the Owners and their Invitees set forth herein.

10.1.2 **Liability Insurance.** The Community Association shall procure and keep in force commercial general liability insurance written on a per occurrence basis in the name of the Community Association and the Owners against any liability for personal injury or property damage resulting from any occurrence in or about the Community Common Area or Common Maintenance Area with at least such minimum limits as are set forth in Section 1365.9 of the California Civil Code (but in any event not less than Three Million Dollars (\$3,000,000) combined single limit)), insuring each insured separately against liability for bodily injury, death and property damage arising from the Community Association’s activities or with respect to property the Community Association maintains or is required to maintain including, if obtainable, a cross-liability endorsement insuring each insured against liability to each other insured and a “cross party” endorsement. Such insurance shall include the following additional provisions provided they are available on a commercially reasonable basis:

(a) The policy shall not contain a cross-party exclusion clause which would abrogate coverage should litigation ensue between insureds;

(b) The policy shall contain the following severability clause (or language which is substantially the same): “The coverage shall apply separately to each insured except with respect to the limits of liability.”

10.1.3 **Fidelity Insurance.** The Community Association shall maintain fidelity insurance in an amount equal to the amount of funds held by the Community Association during the term of the insurance but not less than one-fourth (1/4) of the annual Regular Assessments plus reserves, naming the Community Association as obligee and insuring against loss by reason of the acts of the Community Board, officers and employees of the Community Association, and any management agent and its employees, whether or not such persons are compensated for their services.

10.1.4 **Worker’s Compensation Insurance.** The Community Association shall maintain worker’s compensation insurance to the extent necessary to comply with all applicable

laws of the State of California or the regulations of any governmental body or authority having jurisdiction over the Covered Property.

10.1.5 **Other Insurance.** The Community Association shall maintain other types of insurance as the Community Board determines to be necessary to fully protect the interests of the Owners. Anything contained herein to the contrary notwithstanding, the Community Association shall maintain such insurance coverage as may be required by the Federal National Mortgage Association (“FNMA”) or the Federal Home Loan Mortgage Corporation (“FHLMC”) so long as FNMA or FHLMC, respectively, holds a Mortgage on or owns any Lot. The Community Association shall also maintain such other insurance required by Declarant so long as Declarant pays in advance all costs of premiums related thereto for which funds are not then available in the Community Association’s budget.

10.1.6 **Named Insured.** The named insured under any such policies shall be the Community Association as a trustee for the Members or their authorized representative, including any trustee with which such Community Association may enter into any Insurance Trust Agreement, or any successor trustee, each of which shall be herein elsewhere referred to as the “Insurance Trustee” who shall have exclusive authority to negotiate losses under said policies.

10.2 **Copies of Policies.** Copies of all insurance policies (or certificates) showing the premiums to have been paid shall be retained by the Community Association and open for inspection by Owners at any reasonable time(s). All insurance policies shall (i) provide that they shall not be cancelable by the insurer without first giving at least ten (10) days’ prior notice in writing to the Community Association, and (ii) if obtainable, contain a waiver of subrogation by the insurer(s) against the Community Association, Community Board and Owners.

10.2.1 **Insurance to Satisfy Civil Code.** Section 5805 of the California Civil Code provides for a partial limitation on the liability of volunteer officers and directors of the Community Association, provided that certain requirements, as set forth in the Code Section are satisfied. The requirements include that general liability insurance and officers’ and directors’ liability insurance be carried by the Community Association in specified amounts. The Community Association shall maintain general liability insurance and officers’ and directors’ liability insurance in amounts which satisfy the requirements of the California Civil Code Section 5805 to limit the liability of volunteer officers and directors of the Community Association.

10.2.2 **Reimbursement of Community Association.** In the event any insurance policy deductible amount relating to an Owner’s property loss is charged to the Community Association, the Owner shall reimburse the Community Association upon written demand for the amount charged to the Community Association.

10.3 **Review of Insurance.** The Community Board shall review the adequacy of all insurance at least once every year. The review shall include a replacement cost appraisal of all insurable Community Common Area Improvements and Common Maintenance Area without respect to depreciation. The Community Board shall adjust and modify the policies to provide

coverage and protection that is customarily carried by and reasonably available to prudent owners of similar property in the area in which the Covered Property is situated.

10.4 **Individual Insurance.** Each Owner shall maintain property insurance against losses to real and personal property located within the Lot, including the Dwelling and to any upgrades or Improvements to any fixtures or Improvements located within the Lot and liability insurance against any liability resulting from any injury or damage occurring within the Lot. The Community Association's insurance policies will not provide coverage against any of the foregoing. All Owners hereby waive all rights of subrogation against the Community Association, and any insurance maintained by an Owner must contain a waiver of subrogation rights by the insurer as to the Community Association; provided, however, that a failure or inability of an Owner to obtain such a waiver shall not defeat or impair the waiver of subrogation rights between the Owners and the Community Association set forth herein. No Owner shall separately insure any property covered by the Community Association's property insurance policy as described above. If any Owner violates this provision and, as a result, there is a diminution in insurance proceeds otherwise payable to the Community Association, the Owner will be liable to the Community Association to the extent of the diminution. The Community Association may levy an Enforcement Assessment against the Owner's Lot to collect the amount of the diminution.

ARTICLE 11

EMINENT DOMAIN

11.1 **Condemnation.** The term "taking" as used in this Article shall mean condemnation by eminent domain or sale under threat of condemnation. In the event of a threatened taking of all or any portion of the Community Common Area or any action is brought to condemn all or any portion of the Community Common Area, or a sale of all or a part thereof is made in lieu of condemnation, the Members hereby appoint the Community Board and such persons as the Community Board may delegate to represent all of the Owners in connection with the taking. The Community Board shall act, in its sole discretion, with respect to any awards being made in connection with the taking and shall be entitled to make a voluntary sale to the condemnor in lieu of engaging in a condemnation action. Any awards received on account of the taking shall be paid to the Community Association, and used, held or distributed as reasonably deemed appropriate by the Community Board subject to the provisions hereof.

11.2 **Total Taking.** If the taking is of the entire Community Common Area, the amount payable shall be paid to the Community Board as trustee for distribution to the Owners, subject to the rights of Mortgagees holding Mortgages covering the properties and all unpaid Community Assessments of each Owner, together with any interest charges attributable thereto. Said proceeds shall be distributed to the Owners and their respective Mortgagees according to the relative values of the respective properties in the Covered Property determined by an independent appraisal made by a qualified MAI real estate appraiser selected by the Community Board. The rights of an Owner and the Mortgagee of the Owner's Lot as to such pro rata distribution shall be governed by the provisions of the Mortgage encumbering such Lot.

11.3 **Minor Taking.** If the award is for the acquisition of only part of the Community Common Area and is less than ten percent (10%) of the value of all Community Common Area, the entire amount thereof shall be payable to the Community Board and such amount, together with any interest earned thereon, shall be held by the Community Association for the construction of capital Improvements on other portions of the Community Common Area.

11.4 **Major Taking.** If the award is for the acquisition of only part of the Community Common Area, but is in excess of ten percent (10%) of the value of all Community Common Area, the Community Board, in its sole discretion, may retain all or any part thereof in the general funds of the Community Association for the purpose of constructing alternative facilities for those so taken, or may distribute all or any part thereof to the Owners, as their interests appear, subject however, to any unpaid assessments and the rights of Mortgagees, in the manner set forth above.

ARTICLE 12

DESTRUCTION OF IMPROVEMENTS

12.1 **Restoration of Improvements.** In the event of partial or total destruction of Improvements upon the Community Common Area or Common Maintenance Area, it shall be the duty of the Community Association to restore and repair the same to its former condition as promptly as practical, as hereinafter set forth. Notwithstanding the foregoing, in the event of destruction, the Community Association shall have the right to restore the damaged Improvements with Improvements which are different but equal in value to the former Improvements provided that the Community Association shall have obtained the prior consent of a majority of the Voting Power.

12.1.1 **Insurance Proceeds Adequate.** If the cost of repairing or rebuilding Community Common Area and Common Maintenance Area does not exceed the amount of insurance proceeds initially offered or paid by the insurance carrier by more than ten percent (10%) of the cost of reconstruction then the following shall apply.

(a) All insurance proceeds shall be paid to a commercial bank or trust company designated by the Community Board to be held for the benefit of the Community Association and the Owners and their Mortgagees, as their interests shall appear.

(b) The Community Board shall levy a Reconstruction Assessment against the Owners in the same manner as provided in the Article hereof entitled "Community Funds and Assessments" equal to the difference between the cost of repairing or rebuilding and the amount of available insurance proceeds, which sums shall be payable into the fund held by the Insurance Trustee. The Community Board may advance the amount of the Reconstruction Assessment to the Insurance Trustee from Community Association general funds or reserves.

(c) When the amount held by the Insurance Trustee is sufficient to pay the costs of repair and reconstruction, the Community Board shall thereupon contract for the repair or reconstruction of the Improvements, paying the cost of such work from the amount held

by the Insurance Trustee, said repair or reconstruction to be for the purpose of returning the Improvements substantially to their appearance and condition immediately prior to the casualty.

(d) The Community Association may rebuild such damaged or destroyed common facilities in a different manner, or in a different location on the Community Common Area or Common Maintenance Area, provided that such Community Board action shall require consent of at least eighty percent (80%) of the Community Board. If the Community Board cannot reach such an eighty percent (80%) decision, any such change shall require the vote or written consent of the Members representing at least a majority of the Voting Power, and the written consent of a majority of the Mortgagees. In any event, if such changed plans require additional capital so as to constitute a Capital Improvement Assessment, the written assent of the Members representing at least of the Voting Power must be obtained if so required by the Article hereof entitled "Community Funds and Assessments."

12.1.2 **Insurance Proceeds Inadequate.** If the cost of such repairing or rebuilding exceeds the amount of available insurance by more than ten percent (10%) of the cost of reconstruction then all insurance proceeds shall be deposited as provided in the Section above entitled "Insurance Proceeds Adequate" and the Community Board shall require a determination by written assent or vote of the Members representing at least a majority of the Voting Power as to whether a Reconstruction Assessment equal to the difference between available insurance proceeds and the cost of such repairing or rebuilding shall be levied. A decision not to levy such a Reconstruction Assessment must be approved by at least a sixty-seven percent (67%) majority of each Class of Members of the Community Association. If the Members determine not to levy such assessment, then the Community Board shall use the insurance proceeds available to make such restoration or repair as soon as reasonably possible or to clear the site of the damaged premises and complete such repairs as the Community Board deems appropriate and the costs thereof shall be paid for with the insurance proceeds. Any deficiency may be raised by a Reconstruction Assessment in an amount determined by the Community Board. In the event any excess insurance proceeds remain, the Community Board, in its sole discretion, may retain such sums in the general funds of the Community Association or distribute pro-rata all or a portion thereof to the Members, subject to the prior rights of Mortgagees whose interest may be protected by insurance policies carried by the Community Association. The rights of the Owner and the Mortgagee of his Lot as to such pro-rata distribution shall be governed by the provisions of the Mortgage encumbering such Lot.

ARTICLE 13

DEVELOPMENT RIGHTS

13.1 **Limitations of Restrictions.** Declarant and the Merchant Builders are undertaking the work of developing Lots and other Improvements within the Covered Property. The completion of the development work and the marketing and sale, rental and other disposition of the Lots is essential to the establishment and welfare of Spring Mountain Ranch as a residential community. In order that the work may be completed and the Covered Property be established as a fully occupied residential community as rapidly as possible, nothing in this Declaration shall be interpreted to deny Declarant or, to the extent provided below, the Merchant Builders, the rights set forth in this Article.

13.2 **Rights of Access and Completion of Construction.** Declarant, and to the extent approved in writing by the Declarant, the Merchant Builders and their contractors and subcontractors shall have the rights set forth below.

13.2.1 **Access.** Declarant, the Merchant Builders and their contractors and subcontractors shall have the right to obtain reasonable access over and across the Community Common Area and Common Maintenance Area of the Covered Property or do within any Lot owned by it whatever is reasonably necessary or advisable in connection with the completion of Spring Mountain Ranch and the maintenance thereof.

13.2.2 **Construct Improvements.** Declarant, and to the extent approved in writing by the Declarant, the Merchant Builders and their contractors and subcontractors shall have the right to erect, construct and maintain on the Community Common Area and Common Maintenance Area of the Covered Property or within any Lot owned by it such structures or Improvements, including, without limitation, sales offices, flags, balloons, banners and signs, as may be reasonably necessary for the conduct of its business to complete the work, establish Spring Mountain Ranch as a residential community and dispose of Spring Mountain Ranch in parcels by sale, lease or otherwise, as determined by Declarant in its sole discretion and to perform or complete any work to improvements required for Declarant and the Merchant Builders to obtain a release of any bonds posted by Declarant or the Merchant Builders with the County or the Community Association.

13.2.3 **Grant Easements.** Declarant, and the Community Association, shall have the right to establish and/or grant over and across said Community Common Area and Common Maintenance Area such easements and rights of way on, over, under or across all or any part thereof to or for the benefit of the State of California, the County or County or any other political subdivision or public organization, or any public utility entity or cable television provider, for the purpose of constructing, erecting, operating and maintaining facilities and Improvements thereon, therein or thereunder at that time or at any time in the future, including: (i) poles, wires and conduits for transmission of electricity, providing telephone service and cable television service to Spring Mountain Ranch and for the necessary attachments in connection therewith; and (ii) public and private sewers, sewage disposal systems, storm water drains, land drains and pipes, water systems, sprinkling systems, water, heating and gas lines or pipes and any and all equipment in connection therewith. The Community Common Area and Common Maintenance Area shall be subject to any dedication stated in a Subdivision Map for any portion of Spring Mountain Ranch of an easement for public use for installation, maintenance and operation of facilities for public utilities over all of the Community Common Area and Common Maintenance Area. Said public utilities easement shall inure and run to all franchised utility companies and to the County or County and shall include the right of ingress and egress over the Community Common Area and Common Maintenance Area by vehicles of the County or County and such utility companies to properly install, maintain, repair, replace and otherwise service such utility facilities. The grant of said public utility easement shall not be interpreted to imply any obligation or responsibility of any such utility company or the County or County for maintenance or operation of any of the Community Common Area and Common Maintenance Area or the facilities located thereon or the repair, replacement or reconstruction thereof except as occasioned by such utility companies or County or County of the utility facilities for which they are responsible. The Community Common Area and Common Maintenance Area shall also be

subject to any easements granted by the Declarant to any public or private entity for cellular, cable or other similar transmission lines. The County and County furthermore is granted an easement across the Community Common Area and Common Maintenance Area for ingress and egress for use by emergency vehicles of the County or County.

13.2.4 **Exemptions.** Nothing in the Community Management Documents limits and no Owner or the Community Association will interfere with the right of Declarant or any Merchant Builder to subdivide and resubdivide any portion of the Covered Property or with the right of Declarant and Merchant Builders, either directly or through their respective agents and representatives, to sell, resell, rent or re-rent any portion of the Covered Property, or the right of Declarant or a Merchant Builder to complete excavation, grading, construction of Improvements or other development activities to and on any portion of the Covered Property owned by Declarant or a Merchant Builder, as applicable, or to alter the foregoing and the construction plans and designs, or to construct such additional Improvements as Declarant or a Merchant Builder deems advisable in the course of developing the Covered Property so long as any Lot in the Covered Property or any portion of the Community Common Area and Common Maintenance Area is owned by Declarant or a Merchant Builder. These rights include, but are not limited to, carrying on by Declarant, the Merchant Builders, and their respective agents and representatives of such grading work as may be approved by the Governmental Agency having jurisdiction, and erecting, constructing and maintaining on the Covered Property such structures, signs and displays reasonably necessary for the conduct of the business of completing the work and disposing of the Covered Property and the Community Common Area and Common Maintenance Area by sale, lease or otherwise. Each Owner, by accepting a deed to a Lot, acknowledges that any construction or installation by Declarant or a Merchant Builder may impair the view of such Owner, and each Owner consents to such impairment.

This Declaration does not limit the right of Declarant or, if approved in writing by Declarant a Merchant Builder, at any time prior to acquisition of title to a Lot by a purchaser from Declarant or a Merchant Builder, to establish on that Lot, additional licenses, easements, reservations and rights-of-way to itself, to utility companies, or to others as reasonably necessary to the proper development and disposal of the Covered Property and Community Common Area and Common Maintenance Area. Declarant and, if approved in writing by Declarant, the Merchant Builders may use any and all portions of the Community Common Area and Common Maintenance Area for access to the sales and leasing facilities of Declarant and Merchant Builders. Declarant and, if approved in writing by Declarant, Merchant Builders may use any structures or vehicles owned, respectively, by Declarant or Merchant Builders in the Covered Property as model home complexes, or real estate sales or leasing offices; provided that such uses within the Covered Property shall terminate on the last close of escrow for the sale of a Lot in Spring Mountain Ranch to a member of the homebuying public, at which time Declarant or Merchant Builders, as the case may be, shall restore their respective structures to their previous appearance. All or any portion of the rights of Declarant or a Merchant Builder, as applicable, hereunder and elsewhere in this Declaration may be assigned by Declarant or such Merchant Builder (with Declarant's prior written consent), as applicable, to any successor in interest to any portion of Declarant's or Merchant Builder's interest in any portion of the Covered Property or the Community Common Area and Common Maintenance Area (including without limitation, to any Merchant Builder) by an express written assignment which specifies the rights of Declarant or such Merchant Builder so assigned.

13.3 **Size and Appearance of the Covered Property.** Declarant shall not be prevented from increasing or decreasing the number of Lots that may be annexed to the Covered Property or from changing the exterior appearance of Community Common Area and Common Maintenance Area structures, the landscaping or any other matter directly or indirectly connected with the Covered Property in any manner deemed desirable by Declarant, if Declarant obtains governmental consents required by law.

13.4 **Marketing Rights.** Subject to the limitations of this Declaration, Declarant and the Merchant Builders shall have the right to: (i) maintain model homes, sales offices, storage areas and related facilities in any unsold Lots or Community Common Area and Common Maintenance Area within the Covered Property as are necessary or reasonable, in the opinion of Declarant, for the sale or disposition of the Lots; (ii) make reasonable use of the Community Common Area and Common Maintenance Area and facilities for the sale of Lots; (iii) post signs, flags and banners in connection with its marketing; and (iv) conduct their business of disposing of Lots by sale, lease or otherwise.

13.5 **Title Rights.** This Declaration shall not be construed to constitute a limitation on Declarant's title rights to the Annexable Property prior to its Annexation, nor shall it impose any obligation on Declarant or any other person or entity to improve, develop or annex any portion of the Annexable Property. The rights of Declarant under this Declaration may be assigned to any successor(s) by an express assignment in a recorded instrument, including without limitation, a deed, option or lease. This Declaration shall not be construed to limit the right of Declarant at any time prior to such an assignment to establish additional licenses, reservations and rights-of-way to itself, to utility companies or to others as may be reasonably necessary to the proper development and disposal of property owned by Declarant.

13.6 **Amendment.** The provisions of this Article may not be amended without the consent of Declarant or, if approved in writing by Declarant, the consent of any Merchant Builder, for so long as Declarant or such Merchant Builder owns, or is the holder or a mortgage or deed of trust against, any portion of Spring Mountain Ranch.

13.7 **Declarant Representative.** Until the later to occur of the date on which Declarant (i) no longer owns any portion of Spring Mountain Ranch or (ii) no longer holds a mortgage or deed of trust with respect to any portion of Spring Mountain Ranch, or (iii) no longer has an assignment of a Merchant Builder's voting rights or (iv) cannot unilaterally annex the Annexable Property to the Covered Property, the Community Association shall provide Declarant with written notice of all meetings of the Community Board as if Declarant were an Owner and Declarant shall be entitled, without obligation, to have a representative present at all such Community Board meetings ("Declarant's Representative"). The Declarant's Representative shall be in addition to any representative which the Declarant may have on the Community Board and, if Declarant elects to have an additional representative, the Declarant's Representative may be present in an advisory capacity only and shall not be a Community Board member or have any right to vote on matters coming before the Community Board.

ARTICLE 14

ANNEXATION OF REAL PROPERTY

14.1 **Annexation.** Declarant may annex any of the Annexable Property described in **Exhibit "B"** by any of the methods set forth hereinafter in this Article. Declarant intends to sequentially develop the Annexable Property on a phased basis. However, Declarant may elect not to develop all or any part of the Annexable Property, to annex the Annexable Property to this Declaration in increments of any size whatsoever, or to develop more than one such increment at any given time and in any given order. Moreover, Declarant reserves the right to subject the Annexable Property to one or more separate declarations of covenants, conditions and restrictions and to subject the Annexable Property to the jurisdiction and power of a non-profit mutual benefit corporation or other entity with powers and obligations similar to the Community Association and which is not subject to the provisions of this Declaration. Although Declarant shall have the ability to annex the Annexable Property as provided in this Article, Declarant shall not be obligated to annex all or any portion of the Annexable Property, and the Annexable Property shall not become subject to this Declaration unless and until a Supplementary Declaration covering it has been recorded. No party other than Declarant may annex any of the Annexable Property without the consent of Declarant.

14.2 **Annexation Without Approval.** All or any part of the Annexable Property may be annexed by Declarant and become subject to this Declaration and subject to the jurisdiction of the Community Association without the approval, assent or vote of the Community Association or its Members. The issuance of a Public Report by the BRE shall be deemed to be approval by the BRE of such annexation.

14.3 **Annexation Pursuant to Approval.** If any person desires to add property other than the property described on **Exhibit "B"** to the plan of this Declaration and to subject such property to the jurisdiction of the Community Association, then such property may be annexed, if the vote or written assent of at least sixty-seven percent (67%) of the Voting Power of the Community Association is obtained and the owner or owners of the property to be annexed have consented to such annexation.

14.4 **Covenants Running With the Land.** Declarant may transfer all or any portion of the Annexable Property to a Merchant Builder under a grant deed wherein Declarant reserves the right to annex such property and subject it to this Declaration. The restriction on the property described in **Exhibit "B"** wherein it may be made subject to this Declaration upon the recordation of a Supplementary Declaration is hereby declared to be an equitable servitude upon the Annexable Property in favor of the Covered Property subject to this Declaration and any other real property owned by Declarant in the vicinity of the Covered Property and shall run with the land and be binding on and inure to the benefit of all parties having or acquiring any right, title or interest, in such real property.

14.5 **Supplementary Declarations.** The recordation of a Supplementary Declaration shall constitute and effectuate the Annexation of said real property described therein, making said real property subject to this Declaration and subject to the functions, powers and jurisdiction of the Community Association, and thereafter said annexed real property shall be part of the

Covered Property and subject to all of the terms and provisions of this Declaration. Supplementary Declarations may also be recorded by Declarant with respect to a Phase prior to the commencement of Community Assessments with respect thereto, which may further delineate any Community Common Area, Common Maintenance Area within such Phase and any specific maintenance obligations with respect thereto or may also contain complementary additions and modifications as provided in this **Section 14.5**. In the event that the vote or written assent of a certain percentage of Members is required to annex any property as provided for above, then the recordation of a Supplementary Declaration certified to by the President or Vice President and Secretary or Assistant Secretary shall constitute and effectuate the Annexation of said real property and for the purpose of recording any such instrument, and each Owner with the exception of the Secretary, U.S. Department of Veteran Affairs, an Officer of the United States of America, hereby grants to the President or the Vice-President and Secretary or Assistant Secretary of the Community Association an irrevocable power of attorney for and on behalf of each and every owner in certifying, executing and recording said instrument. 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. The express desired intention of Declarant is to establish a cohesive plan of such covenants and servitudes to be uniformly applicable to the Covered Property, including those portions added thereto by annexation. If the signature or consent of any Merchant Builder which owns any portion of the Covered Property subject to a Supplementary Declaration is required, such Merchant Builder shall execute and consent to any such Supplementary Declaration. Supplementary Declarations may also be recorded by Declarant to identify Delegate Districts and/or to make technical or minor corrections to this Declaration or any previously recorded Supplementary Declaration.

14.6 **Community Common Area.** Any portion of the property being annexed that is intended or required to be Community Common Area shall be conveyed to the Community Association prior to the close of the first sale of any Lot in any subdivision in the annexed property to an Owner, other than the Declarant, a Merchant Builder.

14.7 **Rights and Obligations of Owners.** After the required annexation procedures are fulfilled, all Owners in the Covered Property shall be entitled to the use of any Community Common Area in such annexed property, subject to the provisions of **Section 7.6** of this Declaration and the Community Management Documents, and Owners of such annexed property shall thereupon be subject to this Declaration. After each Annexation, the Community Assessments shall be assessed in accordance with the provisions set forth in **Article 5** with the annexed property being assessed for a proportionate share of the total Common Expenses on the same basis as the other property in the Covered Property. Community Assessments for the year that such property is annexed shall be prorated on the basis of a three hundred and sixty (360) day year.

14.8 **Mergers or Consolidations.** Upon a merger or consolidation of the Community Association with another association, the Community Association's properties, rights and obligations may, by operation of law, be transferred to the surviving or consolidated association, or, alternatively, the properties, right and obligations of another association may, by operation of law, be added to the properties, rights and obligations of the Community Association as a

surviving corporation pursuant to a merger. The surviving or consolidated association may administer the covenants, conditions and restrictions established by this Declaration within the Covered Property, together with the covenants and restrictions established upon any other property as one plan.

14.9 **De-Annexation.** Declarant may delete all or any portion of the Covered Property from the coverage of this Declaration or any Supplementary Declaration, provided Declarant and/or a Merchant Builder are the sole Owner(s) of all of the real property to be deleted and, with respect to the Phase in which such Covered Property is located, no Lot has been conveyed to a member of the homebuying public, no Community Common Area has been conveyed to the Community Association and no Community Assessments have commenced; provided, however, that the consent of any Merchant Builder which owns any portion of the real property to be deleted shall be required. Such deletion shall be effective upon the recordation of a "Notice of Deletion of Territory," or similar instrument signed by Declarant and consented to by any applicable Merchant Builder.

ARTICLE 15

MORTGAGEE RIGHTS

15.1 **Special Mortgage Provisions.** It is anticipated that part or all of the Lots in the Covered Property may be financed for the Owners through various federal agencies ("Federal Agencies"). The interest of the Community Association and each of the Members is and shall be subject to and subordinate to the rules, regulations and requirements of such Federal Agencies purchasing Mortgages in the Covered Property, As the requirements of such agencies are subject to change, if necessary, Declarant shall execute and cause to be recorded a Supplementary Declaration, incorporating such additional covenants, conditions and restrictions as are required by such agencies affecting the properties. Notwithstanding prior acquisition of title to any portion of property in the Covered Property by the Community Association or any Owner, such Supplementary Declaration, shall be binding upon all Members, the Community Association. Declarant may execute as many such Supplementary Declarations as are required to comply with such lending agency's requirements from time to time throughout the course of sale of the Lots. Declarant may bind the Community Association and all Owners by written consent with such agencies.

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

15.3 **Liability for Unpaid Community Assessments.** Any Institutional Mortgagee who obtains title to a Lot pursuant to a foreclosure of a First Mortgage (except upon a deed in lieu of foreclosure), shall take the property free of any claims for unpaid assessments or charges against the Lot which accrue prior to the acquisition of title to the Lot by the Institutional Mortgagee.

15.4 **Payment of Taxes and Insurance.** Institutional Mortgagees may, jointly or singly, pay taxes or other charges which are in default and which may or have become a charge

against any Community Common Area or Improvements thereon and may pay overdue premiums on hazard insurance policies or secure new hazard insurance coverage on the lapse of a policy for such Community Common Area. Institutional Mortgagees making such payments shall be owed immediate reimbursement for such expenditures from the Community Association and, on demand, the Community Association shall execute an agreement in favor of all Institutional Mortgagees reflecting entitlement to reimbursement.

15.5 **Reserve Fund.** The Community Association shall maintain as a reserve fund the Reserve Account pursuant to the Section of **Article 3** entitled "Reserves" which shall be sufficient to pay for maintenance, repair, and periodic replacement of Common Area Improvements which the Community Association is obligated to maintain. This reserve fund shall be funded by Regular Assessments of Owners which are payable in installments rather than by Special Assessment; provided, however, that this provision shall not be deemed to limit the power of the Community Association to levy any other type of assessment or charge authorized by this Declaration.

15.6 **Termination of Contract and Agreements.**

15.6.1 **Contracts or Leases.** Except as provided in **Section 3.5.7(c)**, any contract or lease, including any contract providing for the services of Declarant, entered into by the Community Association while Declarant controls the Community Association shall not exceed three (3) years and shall provide that the Community Association has the right to terminate such contract or lease with cause upon thirty (30) days written notice and without cause and without penalty or the payment of a termination fee at any time after the transfer of control of the Community Association from Declarant upon not more than ninety (90) days notice to the other party. For purposes of this Section, the term "control" shall mean the right of Declarant to exercise unilateral control over the Community Association, the Community Board, or the Owners in any manner other than by Declarant's exercise of votes allocated to Declarant on the same basis as votes are allocated to other Owners.

15.6.2 **Professional Management Contracts.** Any agreement for professional management of the Covered Property or any agreement providing for services of the Declarant shall be for a term not to exceed one (1) year without the vote or written assent of a majority of each class of members; provided, however, that in no event shall such an agreement exceed a term of three (3) years. Any such agreement shall provide that the agreement may be terminated by either party without cause and without payment of a termination fee upon not more than ninety (90) days written notice.

15.7 **Notice to Mortgage Holders.** A Mortgagee shall not be entitled to receive any notice which this Declaration requires the Community Association to deliver to Mortgagees unless and until such Mortgagee, or its mortgage servicing contractor, has delivered to the Community Board a written notice stating that such Mortgagee is the holder of a Mortgage encumbering a Lot within the Covered Property (herein any Mortgagee delivering such notice shall be referred to an "Eligible Holder"). Such notice shall state which Lot or Lots are encumbered by such Mortgage, and whether such Mortgagee is a First Mortgagee. Whenever the approval of all or a specified percentage of Mortgagees is required pursuant to this Declaration, it shall be deemed to mean the vote or approval of all or a specified percentage only

of those First Mortgagees which have delivered such notice to the Community Board. Notwithstanding the foregoing, if any right of a Mortgagee under this Declaration is conditioned on a specific written request to the Community Association, in addition to having delivered the notice provided in this Section, a Mortgagee must also make such request, either in a separate writing delivered to the Community Association or in the notice provided above in this Section, in order to be entitled to such right. Except as provided in this Section, a Mortgagee's rights pursuant to this Declaration, including, without limitation, the priority of the lien of First Mortgages over the lien of Community Assessments levied by the Community Association hereunder shall not be affected by the failure to deliver a notice to the Community Board. Any notice or request delivered to the Community Board by a Mortgagee shall remain effective without any further action by such Mortgagee for so long as the facts set forth in such notice or request remain unchanged. An Eligible Holder is entitled to timely written notice of:

15.7.1 Any condemnation loss or casualty loss which affects either a material portion of the Covered Property or the Lot on which the Eligible Holder holds a First Mortgage;

15.7.2 Any delinquency in the payment of assessments or charges owed by the Owner of a Lot which is subject to a First Mortgage held by the Eligible Holder if the delinquency is not cured within sixty (60) days after its' due date;

15.7.3 Any lapse, cancellation or material modification of any insurance policy or fidelity bond maintained by the Community Association;

15.7.4 Any proposal to take any action which requires the consent of a specified percentage of Eligible Holders of First Mortgages; or

15.7.5 Any default by an Owner-Mortgagor of a Lot in the performance of his obligations under the Community Management Documents which is not cured within sixty (60) days.

15.8 **Inspection of Books and Records.** Upon written request, a First Mortgagee shall be entitled to inspect the books, records and financial statements of the Community Association and the Community Management Documents and any amendments thereto during normal business hours or under other reasonable circumstances.

15.9 **Financial Statements.** The Community Association, at its expense, shall prepare an audited financial statement for the immediately preceding Fiscal Year and make the same available within one hundred twenty (120) days after the Community Association's Fiscal Year end to any Institutional Mortgagee that has submitted written request for it.

15.10 **Action Requiring Mortgagee Votes.** Neither the Community Association nor any Owner shall do any of the following, unless at least sixty-seven percent (67%) of the Eligible Holders (based on one vote for each First Mortgage owned) of First Mortgages have given their prior written approval:

15.10.1 By act or omission seek to abandon, partition, subdivide, encumber, sell or transfer any property or Improvements owned, directly or indirectly, by the Community Association for the benefit of the Lots and the Owners. (The granting of easements for public

utilities or for other public purposes consistent with the intended use of the property by the Community Association and Owners shall not be deemed a transfer within the meaning of this Section);

15.10.2 By act or omission change, waive or abandon any scheme of regulations, or enforcement thereof, pertaining to architectural design or exterior appearance of Lots, the exterior maintenance of Lots, the maintenance of party walls, fences or driveways, or the upkeep of lawns, plantings or other landscaping within the Covered Property;

15.10.3 By act or omission change the method of determining the obligations, assessments, dues or other charges which may be levied against an Owner;

15.10.4 Fail to maintain fire and extended coverage insurance on insurable portions of the Community Common Area on a current replacement cost basis in an amount not less than one hundred percent (100%) of the insurable value based on current replacement cost; or

15.10.5 Use hazard insurance proceeds for losses to any property or Improvements owned by the Community Association other than for the repair, replacement or reconstruction of the property and Improvements.

15.11 **Votes for Termination of Covered Property.** Any election to terminate the legal status or the Covered Property as a planned development project shall require:

15.11.1 The approval of at least a majority of the Eligible Holders of First Mortgages if the election to terminate the legal status is a result of substantial destruction or a substantial taking in condemnation of the Covered Property; or

15.11.2 The approval of at least sixty-seven percent (67%) of the total voting power of the Community Association and at least sixty-seven percent (67%) of the Eligible Holders of First Mortgages, if Section 15.11.1, above, is not applicable.

15.12 **Condemnation or Destruction.** In the event a portion of the Covered Property is either condemned or destroyed or damaged by a hazard that is insured against, restoration or repair shall be performed substantially in accordance with the provisions of this Declaration and the original plans and specifications for the Covered Property, unless at least a majority of the Eligible Holders of First Mortgages approve the taking of other action by the Community Association.

15.13 **Mortgage Protection.** A breach of any of the conditions contained in this Declaration shall not defeat nor render invalid the lien of any Mortgage made in good faith and for value as to any Lot within the Covered Property; provided, however, that the conditions contained in this Declaration shall be binding upon and effective against any Owner of a Lot if the Lot is acquired by foreclosure, trustee's sale or otherwise.

15.14 **Distribution of Insurance and Condemnation Proceeds.** No Owner, or any other party, shall have priority over any right of Institutional Mortgagees of Lots pursuant to their Mortgages in case of a distribution to Owners of insurance proceeds or condemnation

awards for losses to or a taking of units or common area. Any provision to the contrary in the Community Management Documents or other documents relating to the development is to such extent void. All applicable fire and all physical loss or extended coverage insurance policies shall contain loss payable clauses acceptable to the affected Institutional Mortgagees naming the Mortgagees, as their interests may appear.

15.15 **Mortgage Not Obligated to Cure Breach.** Any Mortgagee who acquires title to a Lot by foreclosure shall not be obligated to cure any breach of this Declaration that occurs prior to such acquisition.

15.16 **Loan to Facilitate.** Any Mortgage given to secure a loan to facilitate the resale of a Lot after acquisition by foreclosure or by a deed-in-lieu of foreclosure or by an assignment-in-lieu of foreclosure shall be deemed to be a loan made in good faith and for value and entitled to all of the rights and protections of this Article.

15.17 **Appearance at Meetings.** Because of its financial interest in the development, any Mortgagee may appear (but cannot vote except under the express circumstances set forth in this Article) at meetings of the Members and the Community Board to draw attention to violations of this Declaration that have not been corrected or made the subject of remedial proceedings or assessments.

15.18 **Right to Furnish Information.** Any Mortgagee can furnish information to the Community Board concerning the status of any Mortgage.

15.19 **Inapplicability of Right of First Refusal to Mortgagee.** No right of first refusal or similar restriction on the right of an Owner to sell, transfer or otherwise convey the Owner's Lot shall be granted to the Community Association without the written consent of any Mortgagee of the Lot. Any right of first refusal or option to purchase a unit that may be granted to the Community Association (or other person, firm or entity) shall not apply to any conveyance or transfer of title to such Lot, whether voluntary or involuntary, to a Mortgagee which acquires title to or ownership of the Lot pursuant to the remedies provided in its Mortgage or by reason of foreclosure of the Mortgage or deed or assignment in lieu of foreclosure.

ARTICLE 16

AMENDMENT AND TERM OF DECLARATION

16.1 **Amendments.** Prior to the close of escrow for the sale of the first Lot in the first Phase of the Covered Property to a member of the homebuying public, Declarant, without the consent of any Owner, except as specifically provided below, may amend this Declaration subject to the provisions of **Section 18.19.3** below. In such event, any Merchant Builder which owns any portion of the Covered Property then subject to this Declaration shall consent to any such amendment, including a complete amendment and restatement of this Declaration and shall execute any such amendment or restatement upon the request of Declarant. After the sale of a Lot to an Owner, other than Declarant or Merchant Builders, this Declaration may be amended by an instrument in writing, signed and acknowledged by the President or Vice President and Secretary or Assistant Secretary of the Community Board after approval of the amendment by

the vote or written consent of at least seventy-five (75%) of the voting power of each class of Members of the Community Association. After conversion of the Class B membership in the Community Association to Class A membership, this Declaration may be amended at any time and from time to time by the vote or written consent of (a) at least seventy-five percent (75%) of the total Voting Power of the Members of the Community Association, and (b) at least seventy-five percent (75%) of the voting power of the Members of the Community Association other than Declarant. The vote (in person or by proxy) or written consent of: (a) at least seventy-five percent (75%) of the Class A votes and at least seventy-five percent (75%) of Class B votes and (b) at least a majority of the Eligible Holders of First Mortgages (based on one vote for each Lot subject to a First Mortgage owned by such Eligible Holder) shall be required to add to, amend or modify, whether for final amendment or otherwise, any material provision of this Declaration which establishes, provides for, governs or regulates any of the following subjects:

16.1.1 Voting;

16.1.2 Community Assessments, as the case may be, assessment liens, or subordination of such liens;

16.1.3 Reserves for maintenance, repair, replacement of the Community Common Area;

16.1.4 Insurance;

16.1.5 Rights to use of the Community Common Area;

16.1.6 Responsibility for maintenance and repair of the Covered Property;

16.1.7 Expansion or contraction of the Covered Property or the addition, annexation, or withdrawal of property to or from the Covered Property;

16.1.8 Boundaries of any Lot;

16.1.9 Reallocation of interests in the Community Common Area;

16.1.10 Conversion of Lots into Community Common Area or the Community Common Area into Lots;

16.1.11 Leasing of single family residential Dwellings;

16.1.12 Imposition of any right of first refusal or similar restriction on the right of a Owner to sell, transfer or otherwise convey his or her Lot;

16.1.13 Any provisions which are for the express benefit of Mortgagees, Eligible Holders, or eligible insurers or guarantors of First Mortgages on Lots;

16.1.14 A decision by the Community Association to establish self-management when professional management has been required previously by an Eligible Holder of a First Mortgage;

16.1.15 Any action to terminate the legal status of the Covered Property after substantial damage or destruction occurs; or

16.1.16 Restoration or repair of the Covered Property (after a hazard damage or partial condemnation) in a manner other than that specified in this Declaration.

An addition or amendment to this Declaration shall not be considered material if it is for the purposes of correcting technical errors or for clarification only. Any Eligible Holder of a First Mortgage who received a written request to approve additions or amendments by certified or registered mail, return receipt requested, who does not respond within thirty (30) days, shall be deemed to have approved such addition or amendment. Notwithstanding the foregoing, the percentage of a quorum or the voting power of the Community Association or of Members other than the Declarant necessary to amend a special clause or provision of this Declaration shall not be less than the prescribed percentage of affirmative votes required for action to be taken under this clause or provision. An amendment or modification shall be effective when executed by the President or Vice President and Secretary or Assistant Secretary of the Community Association who shall certify that the amendment or modification has been approved as hereinabove provided, and shall record the amendment in the Official Records of Riverside County, California. The vote on a proposed amendment to the Declaration shall be held by secret written ballot in accordance with the procedures set forth in California Civil Code Section 5100 et seq and the rules adopted by the Community Board pursuant thereto. For the purpose of recording such instrument, each Owner, with the exception of the Secretary, U.S. Department of Veteran Affairs, an officer of the United States of America, hereby grants to the President or Vice President and Secretary or Assistant Secretary of the Community Association an irrevocable power of attorney to act for and on behalf of each and every Owner in certifying, executing and recording said instrument. Notwithstanding anything to the contrary contained herein, in no event may any of Declarant's rights or privileges under the Community Management Documents be terminated, altered or amended without Declarant's prior written consent.

16.2 **Conflict with Article 16 or Other Provisions of this Declaration.** To the extent any provisions of this Article conflict with the provisions of **Article 15** or any other provision of this Declaration, the provisions of **Article 15** or the other provisions shall control.

16.3 **Business and Professions Code Section 11018.7.** All amendments or revocations of this Declaration shall comply with the provisions of California Business and Professions Code, Section 11018.7, to the extent said Section is applicable.

16.4 **Reliance on Amendments.** Any amendments made in accordance with the terms of this Declaration shall be presumed valid by anyone relying on them in good faith.

ARTICLE 17

TERM AND ENFORCEMENT

17.1 **Term.** The covenants, conditions and restrictions of this Declaration shall run with and bind the Covered Property and shall inure to the benefit of and be enforceable by the Community Association or any Member, 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 each, unless an instrument, signed by at least sixty-seven percent (67%) of the then Members has been recorded, at least one (1) year prior to the end of any such period in the manner required for a conveyance of real property, in which it is agreed that this Declaration shall terminate at the end of the then applicable term.

17.2 **Enforcement and Nonwaiver.**

17.2.1 **Rights of Enforcement of Community Management Documents.** The Community Association or any Owner shall have a right of action against any Owner, and any Owner shall have a right of action against the Community Association, to enforce by proceedings at law or in equity, all restrictions, conditions, covenants and reservations, now or hereafter imposed by the provisions of the Community Management Documents or any amendment thereto, including the right to prevent the violation of such restrictions, conditions, covenants, or reservations and the right to recover damages or other dues for such violation except that Owners shall not have any right of enforcement concerning liens for Community Assessments or Covered Property Assessments, as the case may be. The Community Association shall have the exclusive right to the enforcement of provisions relating to architectural control and the Community Association Rules, unless the Community Association refuses or is unable to effectuate such enforcement, in which case any Owner who otherwise has standing shall have the right to undertake such enforcement. Failure of the Community Association, Declarant or any Owner to enforce any covenants or restrictions herein contained shall in no event be deemed a waiver of the right to do so thereafter.

17.2.2 **Procedure for Enforcement.** Notwithstanding anything to the contrary set forth in **Section 17.2.1**, in enforcing any action under the Governing Documents for monetary damages, the parties shall comply with the notice and delivery requirements and other provisions of California Civil Code Section 4000 et seq. relating to such enforcement action.

17.3 **Notice to Members Prior to Filing Civil Action.** No later than thirty (30) days prior to the filing of any civil action by the Community Association against the Declarant or any Merchant Builder of the Covered Property for alleged damage to Community Common Area or Common Maintenance Area, or alleged damage to any portion of a Lot that arises out of, or is integrally related, to damage to the Community Common Area or Common Maintenance Area that the Community Association is obligated to maintain or repair, the Community Board shall provide written notice to each Member who appears on the records of the Community Association at the time notice is given, specifying (a) that a meeting of Members will be held to discuss problems that may lead to the filing of a civil action, (b) the options, including civil actions, that are available to address the problems, and (c) the time and place of the meeting. If the Community Association has reason to believe that the applicable statute of limitations will expire before the Community Association files the civil action, the Community Association may give the foregoing notice no later than thirty (30) days after the filing of the action.

17.4 **Dispute Resolution.** Notwithstanding any provision of this Declaration to the contrary, any action or claim by, between or among the Declarant or any Merchant Builder, as the builders of any portion of the Covered Property or any director, officer, partner, member,

employee, consultant or agent of Declarant or any Merchant Builder or any contractor, subcontractor, design professional, engineer or supplier who provided labor, services or materials to the Covered Property and who is bound or has agreed to be bound to the following dispute notification and resolution procedure (collectively, the “Declarant Parties”) and either the Community Association or any Owner, relating to or arising out of the Covered Property, this Declaration or other governing documents for the Community Association, any other agreements between the Declarant Parties and an Owner or the Community Association (unless any such agreement specifies another form of dispute resolution), the sale of any portion of the Covered Property, the use or condition of the Covered Property or the design or construction of or any condition on or affecting the Covered Property, including, without limitation, construction defects, surveys, soils conditions, grading, specifications, installation of improvements or disputes which allege fraud, misrepresentation or breach of implied or express warranties as to the condition of the Covered Property (collectively, “Dispute(s)”), shall be subject to the provisions set forth below. A Supplementary Declaration or other document may be recorded by a Merchant Builder setting forth any alternative dispute resolution procedures relating to disputes or claims between an Owner and a Merchant Builder, which do not involve the Community Association and/or the Declarant, which shall apply in place of the provisions of **Section 17.5**.

17.5 **Construction Defect Disputes.**

17.5.1 **Notice of Construction Claims Statute.** California Civil Code Section 895 et seq., as hereafter amended (“Construction Claims Statute”), delineates standards for how various components of residential dwelling units should be constructed and function, limits the time frames for bringing various claims against the builder to anywhere from one (1) year to ten (10) years (as listed in the Construction Claims Statute) from the close of escrow for the residential dwelling unit, imposes an obligation on all Owners and the Community Association to follow Declarant’s and any Merchant Builder’s maintenance recommendations and schedules, or other applicable maintenance guidelines and establishes a non-adversarial claims resolution procedure that must be followed by an Owner and the Community Association before the Owner or the Community Association can initiate an adversarial claim and proceed to judicial reference or binding arbitration, as described in **Section 17.5.2** below. THE CONSTRUCTION CLAIMS STATUTE AFFECTS EACH OWNER’S AND THE COMMUNITY ASSOCIATION’S LEGAL RIGHTS. OWNERS, ON BEHALF OF THEMSELVES, AND AS MEMBERS OF THE COMMUNITY ASSOCIATION, ARE ADVISED TO READ THE STATUTE CAREFULLY AND SEEK LEGAL ADVICE IF OWNER HAS ANY QUESTIONS REGARDING ITS AFFECT ON OWNER’S OR THE COMMUNITY ASSOCIATION’S LEGAL RIGHTS. PURSUANT TO CALIFORNIA CIVIL CODE SECTION 914, DECLARANT IS PERMITTED TO ELECT TO USE ALTERNATE CONTRACTUAL NON-ADVERSARIAL PROCEDURES INSTEAD OF USING THE STATUTORY PRE-LITIGATION PROCEDURES PROVIDED IN THE CONSTRUCTION CLAIMS STATUTE, AND DECLARANT HAS ELECTED TO USE ITS OWN CONTRACTUAL NON-ADVERSARIAL PROCEDURES AS PROVIDED BELOW.

17.5.2 **Owners’ Construction Defect Claims.** Prior to the commencement of any legal proceeding by any Owner against Declarant or any of the Declarant Parties based upon a claim for defects in the design or construction of any Lot, Residence, or any improvements thereon, the Owner must first comply with the provisions of this Section. If at any time during

the ten (10) year period following the close of escrow for the original Owner's purchase of such Owner's Lot from a Merchant Builder, as such period may be extended by any applicable tolling statute or provision, or any shorter period as provided by applicable law, such Owner believes such Merchant Builder or Declarant has violated any of the standards set forth in the Construction Claims Statute ("Claimed Defect"), which such Owner feels may be the responsibility of such Merchant Builder or Declarant, such Owner shall promptly notify such Merchant Builder or Declarant in writing at such parties' address listed in the records of the Community Association, or, if none, at the address of such parties' agent for service of process registered with the California Secretary of State. Such notice shall be deemed a notice of intention to commence a legal proceeding and shall include: (a) a detailed description of the Claimed Defect, (b) the date upon which the Claimed Defect was first discovered, and (c) dates and times when Owner or Owner's agent will be available during ordinary business hours, so that service calls or inspections can be scheduled. All parties subject to the Claimed Defect shall be entitled to inspect the applicable property regarding the reported Claimed Defect and, within its sole discretion, shall be entitled to cure such Claimed Defect, within the sixty (60) day period following receipt of such notice. Nothing contained in this **Section 17.5** shall create any obligation to perform any such inspection or repair, nor shall this **Section 17.5** be deemed to increase any legal obligations to Owner. Owner's written notice delivered to the parties subject to the Claim Defect shall be a condition precedent to Owner's right to institute any legal proceeding and to proceed to binding arbitration as set forth in this **Section 17.5.2**, and Owner shall not pursue any other remedies available to it, at law or otherwise, including without limitation the initiation of any legal proceeding or action, until the parties subject to the Claim Defect has had the reasonable opportunity to inspect and cure the Claimed Defect. Neither Declarant nor any Merchant Builder shall be liable for any general, special or consequential damage, cost, diminution in value or other loss which Owner may suffer as a result of any Claimed Defect, which might have been avoided had Owner given timely notice and opportunity to cure as described above. Nothing contained herein shall establish any contractual duty or obligation on the part of Declarant or a Merchant Builder to repair, replace or cure any Claimed Defect. If Owner sells or otherwise transfers ownership of such Owner's Lot to any other person during the effective period of this Section, Owner covenants and agrees to give such person written notice of these procedures by personal delivery. Owner's continuing obligation under this covenant shall be binding upon Owner and Owner's successors and assigns.

17.5.3 Community Association's Construction Defect Claims. DECLARANT ELECTS TO USE THE ALTERNATE CONTRACTUAL NON-ADVERSARIAL PROCEDURES CONTAINED IN CIVIL CODE SECTION 6000, EXCEPT AS OTHERWISE PROVIDED HEREIN, RATHER THAN THE STATUTORY PRE-LITIGATION PROCEDURES OF THE CONSTRUCTION CLAIMS STATUTE, WITH RESPECT TO CLAIMS BY THE COMMUNITY ASSOCIATION AGAINST DECLARANT. Prior to the commencement of any legal proceeding by the Community Association against Declarant or any Declarant Party based upon a claim for defects in the design or construction of the Common Area, or any improvements thereon, or any other area within the Covered Property which the Community Association has standing to make a claim for defects in the design or construction thereof, the Community Association must first comply with all of the applicable requirements of California Civil Code Section 6000, as the same may be amended from time to time. For purposes of claims under this Section, notice to "builder" under California Civil Code Section 6000 shall mean notice to Declarant's agent for notice of construction defect claims on

file with the Secretary of State, with a copy of Declarant, as provided above. In addition to the requirements of said Section 6000, Declarant shall have an absolute right, but not an obligation, to repair any alleged defect or condition claimed by the Community Association to be in violation of the standards set forth in the Construction Claims Statute, within a reasonable period of time after completion of the inspection and testing provided for in California Civil Code Section 6000 and prior to submission of builder's settlement offer under California Civil Code Section 6000. If the parties to such Dispute are unable to resolve their Dispute in accordance with the procedures established under California Civil Code Section 6000, as the same may be amended from time to time, the Dispute shall be resolved in accordance with the alternative dispute resolution provisions of **Section 17.7** below and the parties to the Dispute shall each be responsible for their own attorneys' fees. The Community Association shall have the power to initiate claims against a Declarant Party for violations of Construction Claims Statute, as soon as the Community Association has one (1) Class A Member other than Declarant. Upon the written request of any Class A member to the Community Board of Directors, the Community Board shall establish a committee consisting exclusively of Class A Member(s) other than Declarant to investigate claimed violations of the standards of the Construction Claims Statute. Upon the committee's determination that cause exists to initiate a claim, the decision of whether to initiate a claim shall be made by a vote of the Class A members other than Declarant. A majority of the votes cast shall be deemed to be the decision of the Community Association, which the Community Board shall carry out by submitting the necessary claim to Declarant or the appropriate Declarant Party; provided, however, that the vote is either conducted at a properly convened meeting with the requisite quorum in accordance with the provisions of the Bylaws relating to meetings and voting, or the vote was conducted without a meeting in accordance with California Corporations Code Section 7513, as authorized by the Bylaws.

17.6 **Other Disputes.** Any other Disputes arising under this Declaration, or otherwise, between the Community Association or any Owner and Declarant or any Declarant Party (except for any action taken by the Community Association against Declarant for delinquent assessments, and any action involving enforcement of any completion bonds) shall be resolved in accordance with the alternate dispute resolution provisions of **Section 17.7** below; provided, however, that with regard to disputes between the Community Association and an Owner where the alternative dispute resolution procedure is invoked by the Community Association, the Owner may elect not to participate in the procedure. The dispute resolution procedure in **Section 17.7**, as it applies solely to disputes under this **Section 17.6**, shall be deemed to satisfy the alternative dispute requirements of California Civil Code Sections 5900 et seq. and 5925 et seq. as the same may be amended from time to time.

17.7 **Alternate Dispute Resolution Procedures.** The following procedures provide for resolution of Disputes not resolved as otherwise provided in this **Article 17** through general judicial reference or, in the alternative, binding arbitration.

17.7.1 **Judicial Reference.** Subject to compliance with the provisions of **Sections 17.4** through **17.6**, to the extent applicable, it is the intention of Declarant that, except as otherwise expressly provided herein, any and all disputes not otherwise resolved as provided therein (collectively, "Disputes"), based upon which litigation is filed, shall be resolved by judicial reference under California law. Accordingly, except as otherwise expressly provided in this Declaration (such as the collection of delinquent assessments, or disputes subject to

Section 17.5.2 above), any Dispute, between the Community Association or any Owner(s) and the Declarant, or any Merchant Builder, or between the Community Association and any Owner with respect to the interpretation of any of the provisions of this Declaration, or with respect to any alleged breach hereof, or with respect to any other claim related to the Community Common Area or any Common Maintenance Area, including, without limitation, any alleged latent or patent construction or design defect in the Covered Property, or any part thereof; any alleged violation of the standards set forth in the Construction Claims Statute, any judicial determination to be made under California Civil Code Section 6000, or for alleged damage to Community Common Area, alleged damage to Common Maintenance Area that the Community Association is obligated to maintain or repair, or alleged damage to any portion of a Lot that arises out of, or is integrally related, to damage to the Community Common Area or Common Maintenance Area that the Community Association is obligated to maintain or repair, shall be heard by a referee pursuant to the provisions of California Code of Civil Procedure Sections 638 through 645.1. Notwithstanding any other provision of this Declaration, this **Article 17** shall not be amended without the written consent of Declarant. In the event litigation is filed based upon any such Dispute, the following shall apply:

- (a) The proceeding shall be brought and held in the County in which the Covered Property is located, unless the parties agree to an alternative venue.
- (b) The parties shall use the procedures adopted by Judicial Arbitration and Mediation Services, Inc. ("JAMS") for judicial reference and selection of a referee (or any other entity offering judicial reference dispute resolution procedures as may be mutually acceptable to the parties).
- (c) The referee must be a retired judge or a licensed attorney with substantial experience in relevant real estate matters.
- (d) The parties to the litigation shall agree upon a single referee who shall have the power to try any and all of the issues raised, whether of fact or of law, which may be pertinent to the matters in dispute, and to issue a statement of decision thereon to the court. Any dispute regarding the selection of the referee shall be resolved by JAMS or the entity providing the reference services, or, if no entity is involved, by the court with appropriate jurisdiction in accordance with California Code of Civil Procedure Sections 638 and 640.
- (e) The referee shall be authorized to provide all remedies available in law or equity appropriate under the circumstances of the controversy.
- (f) The referee may require one or more pre-hearing conferences.
- (g) The parties shall be entitled to discovery, and the referee shall oversee discovery and may enforce all discovery orders in the same manner as any trial court judge.
- (h) A stenographic record of the trial shall be made.
- (i) The referee's statement of decision shall contain findings of fact and conclusions of law to the extent applicable.

(j) The referee shall have the authority to rule on all post-hearing motions in the same manner as a trial judge.

(k) The parties shall promptly and diligently cooperate with each other and the referee and perform such acts, as may be necessary for an expeditious resolution of the Dispute.

(l) Except as otherwise agreed by the parties or as required by applicable law, neither the Community Association nor any Owner shall be required to pay any fee of the judicial reference proceeding except to the extent of the cost that would be imposed upon the Community Association or Owner if the Dispute had been resolved as a dispute in court. The referee may not award against the Community Association or any Owner any expenses in excess of those that would be recoverable as costs if the dispute had been litigated to final judgment in court. Each party to the judicial reference proceeding shall bear its own attorney fees and costs in connection with such proceeding.

(m) The statement of decision of the referee upon all of the issues considered by the referee shall be binding upon the parties, and upon filing of the statement of decision with the clerk of the court, or with the judge where there is no clerk, judgment may be entered thereon. The decision of the referee shall be appealable as if rendered by the court. This provision shall in no way be construed to limit any valid cause of action that may be brought by any of the parties.

17.7.2 **Binding Arbitration.** If for any reason the judicial reference procedures in **Section 17.7.1** are legally unavailable or unenforceable at the time a Dispute would otherwise be referred to judicial reference, then such Dispute shall be submitted to binding arbitration under the rules and procedures in this **Section 17.7.2**. Any Dispute submitted to binding arbitration shall be administered by the American Arbitration Association (“AAA”) in accordance with AAA’s Construction Industry Arbitration Rules and AAA’s Supplementary Procedures for Residential Construction Disputes in effect on the date of the submission. If such entity is not then in existence, then the Dispute shall be submitted to JAMS, and administered in accordance with either the Streamlined Arbitration Rules and Procedures, or (if applicable) the Comprehensive Arbitration Rules of JAMS. Any judgment upon the award rendered by the arbitrator may be entered in and enforced by any court having jurisdiction over such Dispute. If the claimed amount exceeds Two Hundred and Fifty Thousand Dollars (\$250,000.00), or includes a demand for punitive damages, the Dispute shall be heard and determined by three (3) arbitrators. Otherwise, unless mutually agreed to by the parties, there shall be one (1) arbitrator. Arbitrators shall have expertise in the area(s) of dispute, which may include legal expertise if legal issues are involved. All decisions concerning the applicability of arbitration to any dispute shall be decided by the arbitrator(s). At the request of any party, the award of the arbitrator(s) shall be accompanied by a detailed written finding of fact and conclusions of law. Except as may be required by law or for confirmation of an award, neither party or the arbitrator(s) may disclose the existence, content, or results of any arbitration hereunder without the prior written consent of both parties.

17.7.3 **Applicability of Federal Arbitration Act.** The binding arbitration procedures contained in **Section 17.7.2** are implemented for the Covered Property 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.

17.8 **Disputes Relating To Enforcement Of Governing Documents.** In the event of a dispute between the Community Association and an Owner, or between an Owner and another Owner, relating to the enforcement of the governing documents of the Community Association, the parties shall comply with the provisions of California Civil Code Section 5925 et seq. prior to filing of any civil action.

17.9 **Civil Code Sections 6150, 6000 and 6100.** Nothing contained herein shall be deemed a waiver or limitation of the provisions of California Civil Code Sections 6150, 6000 and 6100.

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

17.11 **Miscellaneous.** Nothing in the Article shall constitute a waiver of any of the benefits of any statute of limitations or equitable defense of any party. Furthermore, notwithstanding any other provision of this Declaration, this Article may not be amended without the prior written consent of the Declarant.

ARTICLE 18

GENERAL PROVISIONS

18.1 **Equitable Servitudes.** The provisions of this Declaration shall be deemed covenants, conditions and restrictions and equitable servitudes, which may be enforced by any Owner or the Community Board, and which shall be liberally construed to effectuate the purpose of Declarant creating a uniform plan for the development and operation of the Covered Property. In the event of a default in the performance of any of the provisions of the Community Management Documents or the failure of any Owner to comply with the Community Management Documents, such default or failure may be resolved by all appropriate legal proceedings including without limitation by injunction, abatement of nuisance and damages.

18.2 **Severability.** In the event that any phrase, clause, sentence, paragraph, section, article or other portion of this Declaration shall become illegal, null or void or against public policy, for any reason, or shall be held by any court of competent jurisdiction to be illegal, null

or void or against public policy, the remaining portions of this Declaration shall not be affected thereby and shall remain in full force and effect.

18.3 **Construction**. The provisions of this Declaration shall be liberally construed to effectuate its purpose of creating a uniform plan for the development of a residential community or tract and for the maintenance of the Covered Property. The Article and Section headings, have been inserted for convenience only, and shall not be considered or referred to in resolving questions or interpretation or construction.

18.4 **Singular Includes Plural**. Whenever the context of this Declaration requires same, the singular shall include the plural and the masculine shall include the feminine.

18.5 **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 the Community Association or any Member. Such remedy shall be deemed cumulative and not exclusive.

18.6 **No Waiver**. Failure by the Community Association or by any Member to enforce any provision of the Community Management Documents 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 such provision.

18.7 **Cumulative Remedies**. All rights, options and remedies of Declarant, the Community Association, the Owners, Delegates or Mortgagees under this Declaration are cumulative, and no one of them shall be exclusive of any other. Declarant, the Community Association, the Owners, Delegates and the Mortgagees shall have the right to pursue any one or all of the such rights, options and remedies or any other remedy or relief which may be provided by law, whether or not stated in this Declaration.

18.8 **Attorneys' Fees**. In the event action is instituted to enforce any of the provisions contained in this Declaration, the party prevailing in such action shall be entitled to recover from the other party thereto as part of the judgment, reasonable attorneys' fees and costs of such suit. In the event the Community Association is a prevailing party in such action, the amount of such attorneys' fees and costs shall be an Enforcement Assessment with respect to the Lot involved in the action.

18.9 **Exhibits and Schedules**. All exhibits and schedules attached hereto are hereby incorporated into this Declaration.

18.10 **Statutory References**. All references in this Declaration to various statutes, codes, regulations, ordinances and other laws shall be deemed to include those laws in effect as of the date of this Declaration and any successor laws as may be amended from time to time.

18.11 **Notices**. Any notice to be given to an Owner or a Mortgagee or mortgage servicing contractor under the provisions of this Declaration shall be in writing and may be delivered as follows:

18.11.1 Notice to an Owner shall be deemed to have been properly delivered when delivered personally or placed in the first class United States mail, postage prepaid, to the most recent address furnished by such Owner in writing to the Community Association for the purpose of giving notice, or if no such address shall have been furnished, then to the street address of such Owner's Lot. Any notice deposited in the mail within Riverside County, California, 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 delivery on all such Co-Owners.

18.11.2 Notice to a Mortgagee or its mortgage servicing contractor shall be deemed to have been properly delivered when placed in the first class United States mail, postage prepaid, to the address furnished to the Community Association by such Mortgagee or such contractor for purposes of notice or, if no such address is furnished, to any office of the Mortgagee in Riverside County, California or, if no such office located in said County, to any office of such Mortgagee.

18.12 **Exemption of Declarant.** Neither Declarant nor the Merchant Builders shall be subject to or bound by the provisions of the Article entitled "Architectural Control" Declarant shall not be subject to or bound by the provisions of the Article entitled "Use Restrictions." The Merchant Builder shall not, prior to the occupancy of any Residences for residential purposes, be subject to the provisions of **Sections 8.6, 8.13.1, 8.19 and 8.24** of this Declaration. Thereafter upon occupancy of any Residence which is owned by a Merchant Builder for residential purposes, the Merchant Builder shall be subject to the above-referenced provisions.

18.13 **Conflicts Between Community Management Documents.** In the event of a conflict between any provisions of any of the Community Management Documents with the provisions of another Community Management Document, the provisions of the "Controlling Document" named below in the first column shall be deemed to supersede the provisions of the Subordinate Document or Documents named below in the second column to the extent of any such conflict.

CONTROLLING DOCUMENTS

SUBORDINATE DOCUMENTS

(a) Community Articles	Declaration, Supplementary Declaration, Community Bylaws, Architectural Standards, and Community Association Rules
(b) Declaration	Supplementary Declaration, Community Bylaws, Architectural Standards and Community Association Rules
(c) Supplementary Declaration	Community Bylaws, Architectural Standards and Community Association Rules
(d) Community Bylaws	Architectural Standards and Community Association Rules
(e) Architectural Standards	Community Association Rules

18.14 **Effect of Declaration.** This Declaration is made with the intent to establish a general scheme for the use, occupancy and enjoyment of the Covered Property and each and every Lot and portion thereof. 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.

18.15 **Transfers Subject to Declaration.** The grant deed conveying any Lot from a Merchant Builder shall provide that the Lot is conveyed subject to this Declaration.

18.16 **FHA/VA Approval.** After the first sale of a Lot to an Owner, other than Declarant or Merchant Builders, and for so long as there is a Class B Membership, the following actions will require the prior approval of the Federal Housing Administration and/or the U.S. Department of Veteran Affairs if a Phase has been approved by the Federal Housing Administration and/or the U.S. Department of Veterans Affairs for the purpose of guaranteeing or insuring Mortgages.

18.16.1 Dedication or other transfer of any portion of the Community Common Area;

18.16.2 A merger or consolidation or dissolution of the Community Association;

18.16.3 Establishment of any right of first refusal in the Community Association to purchase or lease a Lot; and

18.16.4 Any amendment or modification of this Declaration pursuant to the Section of Article 17 entitled "Amendments;" and

18.16.5 Any annexation or deannexation of Phases to the plan of this Declaration that are being or have been approved by the Federal Housing Administration and/or the U.S. Department of Veteran Affairs the purpose of guaranteeing or insuring Mortgages.

18.17 **Personal Liability.** No member of the Community Board, or of any committee of the Community Association, or any officer of the Community Association, or any manager, or Declarant or any Merchant Builder or any agent of Declarant or any Merchant Builder, shall be personally liable to any Owner, or to any other party, including the Community Association, for any error or omission of the Community Association, the Community Board, its authorized agents or employees or the Architectural Committee, if such person or entity has, on the basis of such information as may be possessed by him or her, acted in good faith without willful or intentional misconduct. In addition to the foregoing, as more particularly specified in California's Civil Code Section 5800, any person who suffers bodily injury, including, without limitation, emotional distress or wrongful death as a result of the tortious act or omission of a member of the Community Board who resides in the Covered Property either as a tenant or as an Owner of no more than two (2) Lots, and who, at the time of the act or omission, was a "volunteer" as defined in California Civil Code Section 5800, shall not recover damages from such Community Board member, if such Community Board member committed the act or omission within the scope of his or her Community Association duties, while acting in good faith

and without acting in a willful, wanton or grossly negligent manner, provided that all of the requirements of California Civil Code Section 5800, have been satisfied.

18.18 **Violation of Law.** Any violation of any state, municipal or local law, ordinance or regulation pertaining to the ownership, occupation or use of any portion of the Covered Property is hereby declared to be a violation of this Declaration and subject to any and all of the enforcement procedures herein set forth.

18.19 **County Requirements.** Notwithstanding, any provision in this Declaration to the contrary, the following provisions shall apply:

18.19.1 **Community Association Maintenance.** The Community Association established herein shall manage and continuously maintain the Common Maintenance Area and Community Common Area more particularly described on Exhibit “___”, attached hereto and shall not sell or transfer the Common Maintenance Area and Community Common Area or any part thereof, absent the prior written consent of the Planning Director of the County of Riverside or the County’s successor-in-interest. Said exhibit may from time to time be amended or supplemented by a Supplementary Declaration.

18.19.2 **Community Association Assessments.** The Community Association shall have the right to assess the Owners of each Lot or unit for the reasonable cost of maintaining such Common Maintenance Area and Community 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.

18.19.3 **Amendments to Declaration.** This Declaration shall not be terminated, ‘substantially’ amended, or property deannexed therefrom 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 Maintenance Area and Community Common Area established pursuant to this Declaration.

18.19.4 **Approval of Declaration.** Once approved by the Office of County Counsel, this Declaration shall be recorded the Planning Department with one copy retained for the case file, and one copy provided to the County Transportation Department - Survey Division.

18.20 **Governing Law.** This Declaration shall be governed by and construed under the laws of the State of California.

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

DECLARANT:

SMR PHASE 1 JOINT VENTURE LLC, a Delaware limited liability company

By: [Signature]
Name: R. Scott Hansen
Title: Director

By: _____
Name: _____
Title: _____

STATE OF CALIFORNIA)

COUNTY OF Riverside)

On May 30, 2014, before me, Jennifer R. Johnson, Notary Public, personally appeared R. Scott Hansen who 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.

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.

[Signature]
Signature

(Seal)



STATE OF CALIFORNIA)

)

COUNTY OF)

On _____, before me, _____, Notary Public,
personally appeared _____

who 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.

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.

Signature

(Seal)

EXHIBIT "A"

**Legal Description Of Real Property
Subject To Declaration**

Parcel 1:

Lots 1 through 109, inclusive of Tract No. 29597-1, as per Map recorded in Book _____
Pages _____ through _____, inclusive of maps, in the Office of the County Recorder of
Riverside County.

Lots 1 through 126, inclusive of Tract No. 29597-2, as per Map recorded in Book _____
Pages _____ through _____, inclusive of maps, in the Office of the County Recorder of
Riverside County.

EXHIBIT "B"

LEGAL DESCRIPTION OF ANNEXABLE PROPERTY

Real property in the County of Riverside, State of California, described as follows:

PARCEL 1: (255-170-010)

THE SOUTHERLY 15 ACRES OF THE SOUTHEAST QUARTER OF THE NORTHWEST QUARTER OF SECTION 9, TOWNSHIP 2 SOUTH, RANGE 4 WEST, SAN BERNARDINO BASE AND MERIDIAN.

PARCEL 2: (255-190-017)

PARCEL A OF LOT LINE ADJUSTMENT NO. 4691, RECORDED FEBRUARY 20, 2004, AS INSTRUMENT NO. 04-118105 OF OFFICIAL RECORDS, RIVERSIDE COUNTY, CALIFORNIA, BEING DESCRIBED AS FOLLOWS:

BEING A PORTION OF SECTION 9, TOWNSHIP 2 SOUTH, RANGE 4 WEST, SAN BERNARDINO BASE AND MERIDIAN, IN THE COUNTY OF RIVERSIDE, STATE OF CALIFORNIA, AND BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT THE CENTER OF SAID SECTION 9; THENCE ALONG THE CENTER LINE OF SPRING STREET, AS SHOWN ON RECORD OF SURVEY, RECORDED IN BOOK 40, PAGE 22 OF RECORDS OF SURVEY, RIVERSIDE COUNTY RECORDS, NORTH 89°17'25" WEST (RECORD SOUTH 89°59' WEST), 1167.54 FEET TO THE TRUE POINT OF BEGINNING; THENCE LEAVING THE CENTERLINE OF SAID SPRING STREET, SOUTH 00°37'43" WEST, 287.56 FEET; THENCE SOUTH 89°22'17" EAST, 844.63 FEET TO THE BEGINNING OF A CURVE CONCAVE SOUTHWESTERLY HAVING A RADIUS OF 610.00 FEET; THENCE SOUTHEASTERLY 355.29 FEET ALONG SAID CURVE THROUGH A CENTRAL ANGLE 33°22'17"; THENCE SOUTH 56°00'00" EAST, 761.82 FEET; THENCE SOUTH 30°55'00" WEST, 52.86 FEET TO THE BEGINNING OF A CURVE CONCAVE EASTERLY HAVING A RADIUS OF 500.00 FEET; THENCE SOUTHERLY 274.00 FEET ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 31°23'52" THENCE SOUTH 00°28'52" EAST, 170.44 FEET TO THE NORTHERLY RIGHT OF WAY LINE OF PIGEON PASS ROAD (60' WIDE), AS SHOWN ON SAID RECORD OF SURVEY; THENCE ALONG SAID NORTHERLY RIGHT OF WAY, NORTH 89°17'16" WEST, 276.41 FEET TO THE BEGINNING OF A CURVE CONCAVE SOUTHERLY HAVING A RADIUS OF 5030.00 FEET; THENCE WESTERLY 146.61 FEET ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 01°40'12" THENCE SOUTH 89°02'32" WEST, 103.78 FEET TO THE BEGINNING OF A CURVE CONCAVE SOUTHERLY HAVING A RADIUS OF 630.00 FEET; THENCE WESTERLY 174.32 FEET ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 15°51'12"; THENCE LEAVING SAID RIGHT OF WAY, NORTH 89°20'51" WEST, 1176.66 FEET; THENCE NORTH 00°37'17" EAST, 1317.92 FEET TO A POINT ON THE CENTERLINE OF SAID SPRING STREET;

THENCE ALONG SAID CENTER LINE, SOUTH 89°17'25" EAST, 150.07 FEET TO THE TRUE POINT OF BEGINNING.

PARCEL 3: (255-190-016)

PARCEL B OF LOT LINE ADJUSTMENT NO. 4691, RECORDED FEBRUARY 20, 2004, AS INSTRUMENT NO. 04-118105 OF OFFICIAL RECORDS, RIVERSIDE COUNTY, CALIFORNIA, BEING DESCRIBED AS FOLLOWS:

BEING A PORTION OF SECTION 9, TOWNSHIP 2 SOUTH, RANGE 4 WEST, SAN BERNARDINO BASE AND MERIDIAN, IN THE COUNTY OF RIVERSIDE, STATE OF CALIFORNIA, AND BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT THE CENTER OF SAID SECTION 9, SAID POINT BEING ON THE CENTERLINE OF SPRING STREET, BEARING NORTH 89°17'25" WEST (RECORD SOUTH 89°59' WEST), AS SHOWN ON RECORD OF SURVEY, RECORDED IN BOOK 40, PAGE 22 OF RECORDS OF SURVEY, RIVERSIDE COUNTY RECORDS; THENCE NORTHERLY ALONG THE CENTER OF SECTION 9, NORTH 00°45'45" EAST, 41.65 FEET TO THE BEGINNING OF A NON-TANGENT CURVE CONCAVE SOUTHERLY HAVING A RADIUS OF 600.00 FEET, TO WHICH A RADIAL LINE BEARS NORTH 20°46'07" WEST; THENCE NORTHEASTERLY 43.07 FEET ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 04°06'46"; THENCE NORTH 65°07'07" EAST, 249.36 FEET TO THE BEGINNING OF A CURVE CONCAVE SOUTHERLY HAVING A RADIUS OF 600.00 FEET; THENCE EASTERLY 699.17 FEET ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 66°45'57" THENCE SOUTH 48°06'56" EAST, 243.00 FEET; THENCE SOUTH 36°52'36" WEST, 209.09 FEET TO THE BEGINNING OF A CURVE CONCAVE SOUTHEASTERLY HAVING A RADIUS OF 1000 FEET; THENCE SOUTHWESTERLY 104.02 FEET ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 05°57'36"; THENCE SOUTH 30°55'00" WEST, 539.06 FEET; THENCE NORTH 56°00'00" WEST, 761.82 FEET TO THE BEGINNING OF A CURVE CONCAVE SOUTHWESTERLY HAVING A RADIUS OF 610.00 FEET; THENCE NORTHERLY AND WESTERLY 355.29 FEET ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 33°22'17"; THENCE NORTH 89°22'17" WEST, 844.63 FEET; THENCE NORTH 00°37'43" EAST, 287.56 FEET TO A POINT ON THE NORTHERLY LINE OF THE SOUTH HALF OF SAID SECTION 9; THENCE ALONG SAID LINE, SOUTH 89°17'25" EAST, 1167.54 FEET TO THE TRUE POINT OF BEGINNING.

PARCEL 4: (255-180-022)

PARCEL D OF LOT LINE ADJUSTMENT NO. 4691, RECORDED FEBRUARY 20, 2004, AS INSTRUMENT NO. 04-118105 OF OFFICIAL RECORDS, RIVERSIDE COUNTY, CALIFORNIA, BEING DESCRIBED AS FOLLOWS:

BEING A PORTION OF SECTION 9, TOWNSHIP 2 SOUTH, RANGE 4 WEST, SAN BERNARDINO BASE AND MERIDIAN, IN THE COUNTY OF RIVERSIDE, STATE OF CALIFORNIA, AND BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT THE CENTER OF SAID SECTION 9, SAID POINT BEING ON THE CENTERLINE OF SPRING STREET, BEARING NORTH 89°17'25" WEST (RECORD SOUTH 89°59' WEST), AS SHOWN ON RECORD OF SURVEY, RECORDED IN BOOK 40, PAGE 22 RECORDS OF SURVEY, RIVERSIDE COUNTY RECORDS; THENCE NORTHERLY ALONG THE CENTER OF SECTION 9, NORTH 00°45'45" EAST, 41.65 FEET TO THE TRUE POINT OF BEGINNING; THENCE CONTINUING ALONG SAID CENTER OF SECTION 9, NORTH 00°45'45" EAST, 1278.87 FEET;

THENCE NORTH 00°46'18" EAST, 4.13 FEET; THENCE LEAVING SAID CENTER OF SECTION 9, NORTH 79°53'26" EAST, 12.21 FEET TO THE BEGINNING OF A CURVE CONCAVE SOUTHERLY HAVING A RADIUS OF 980.00 FEET; THENCE EASTERLY 190.85 FEET ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 11°09'30"; THENCE SOUTH 88°57'04" EAST, 1023.32 FEET TO THE BEGINNING OF A CURVE CONCAVE SOUTHERLY HAVING A RADIUS OF 1480.00 FEET; THENCE EASTERLY

115.39 FEET ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 04°28'02" THENCE SOUTH 89°12'21" EAST, 316.64 FEET; THENCE SOUTH 00°47'35" WEST, 66.72 FEET; THENCE SOUTH 58°17'58" WEST, 122.73 FEET; THENCE SOUTH 44°29'26" WEST, 120.17 FEET; THENCE SOUTH 32°15'08" WEST, 118.61 FEET; THENCE SOUTH 26°10'23" WEST, 183.24 FEET; THENCE SOUTH 52°05'08" WEST, 89.60 FEET; THENCE SOUTH 59°03'09" WEST, 33.00 FEET; THENCE SOUTH 30°56'51" EAST, 96.63 FEET TO THE BEGINNING OF A CURVE CONCAVE NORTH WESTERLY HAVING A RADIUS OF 1000.00 FEET TO WHICH A RADIAL LINE BEARS NORTH 59°03'22" EAST; THENCE SOUTHEASTERLY 276.35 FEET ALONG SAID CURVE THROUGH CENTRAL ANGLE OF 15°50'01"; THENCE SOUTH 43°00'00" WEST, 211.26 FEET TO THE BEGINNING OF A CURVE CONCAVE

SOUTHEASTERLY HAVING A RADIUS OF 300.00 FEET; THENCE SOUTHWESTERLY 127.04 FEET ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 24°15'46"; THENCE SOUTH 18°44'14" WEST, 89.47 FEET TO THE BEGINNING OF A CURVE CONCAVE NORTHWESTERLY HAVING A RADIUS OF 500.00 FEET; THENCE SOUTHWESTERLY 158.30 FEET ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 18°08'22" THENCE SOUTH 36°52'36" WEST, 88.26 FEET; THENCE NORTH 48°06'56" WEST, 243.00 FEET TO THE BEGINNING OF A CURVE CONCAVE SOUTHERLY HAVING A RADIUS OF 600.00 FEET; THENCE WESTERLY 699.17 FEET ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 66°45'57" THENCE SOUTH 65°07'07" WEST, 249.36 FEET TO THE BEGINNING OF A CURVE CONCAVE NORTHWESTERLY HAVING A RADIUS OF 600.00 FEET; THENCE SOUTH WESTERLY 43.07 FEET ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 04°06'46" TO THE TRUE POINT OF BEGINNING.

PARCEL 5: (255-180-023)

PARCEL C OF LOT LINE ADJUSTMENT NO. 4691, RECORDED FEBRUARY 20, 2004, AS INSTRUMENT NO. 04-118105 OF OFFICIAL RECORDS, RIVERSIDE COUNTY, CALIFORNIA, BEING DESCRIBED AS FOLLOWS:

BEING THOSE PORTIONS OF SECTION 9, TOWNSHIP 2 SOUTH, RANGE 4 WEST, SAN BERNARDINO BASE AND MERIDIAN, IN THE COUNTY OF RIVERSIDE, STATE OF CALIFORNIA, AND BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT THE CENTER OF SAID SECTION 9, SAID POINT BEING ON THE CENTERLINE OF SPRING STREET, BEARING NORTH 89°17'25" WEST (RECORD SOUTH 89°59' WEST), AS SHOWN ON RECORD OF SURVEY, RECORDED IN BOOK 40, PAGE 22 OF RECORDS OF SURVEY, RIVERSIDE COUNTY RECORDS; THENCE NORTHERLY ALONG THE CENTER OF SECTION 9, NORTH 00°45'45" EAST, 41.65 FEET TO THE BEGINNING OF A NON-TANGENT CURVE, CONCAVE SOUTHERLY HAVING A RADIUS OF 600.00 FEET, TO WHICH A RADIAL LINE BEARS NORTH 20°46'07" WEST; THENCE NORTHEASTERLY 43.07 FEET ALONG SAID LINE THROUGH A CENTRAL ANGLE OF 04°06'46"; THENCE NORTH 65°07'07" EAST, 249.36 FEET TO THE BEGINNING OF A CURVE CONCAVE SOUTHERLY HAVING A RADIUS OF 600.00 FEET; THENCE EASTERLY 699.17 FEET ALONG A CURVE THROUGH A CENTRAL ANGLE OF 66°45'57", THENCE SOUTH 48°06'56" EAST, 243.00 FEET TO THE TRUE POINT OF BEGINNING; THENCE NORTH 36°52'36" EAST, 88.26 FEET TO THE BEGINNING OF A CURVE CONCAVE NORTHWESTERLY HAVING A RADIUS OF 500.00 FEET; THENCE NORTHEASTERLY 158.30 FEET ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 18°08'22"; THENCE NORTH 18°44'14" EAST, 89.47 FEET TO THE BEGINNING OF A CURVE CONCAVE SOUTHEASTERLY HAVING A RADIUS OF 300.00 FEET; THENCE NORTHEASTERLY 127.04 FEET ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 24°15'46"; THENCE NORTH 43°00'00" EAST, 211.26 FEET TO THE BEGINNING OF A NON-TANGENT CURVE, CONCAVE NORTHEASTERLY HAVING A RADIUS OF 1000.00 FEET, TO WHICH A RADIAL LINE BEARS SOUTH 43°13'21" WEST; THENCE NORTHWESTERLY 276.35 FEET ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 15°50'01"; THENCE NORTH 30°56'51" WEST, 96.63 FEET; THENCE NORTH 59°03'09" EAST, 33.00 FEET; THENCE NORTH 52°05'08" EAST, 89.60 FEET; THENCE NORTH 26°10'23" EAST, 183.24 FEET; THENCE NORTH 32°15'08" EAST, 118.61 FEET; THENCE NORTH 44°29'26" EAST, 120.17 FEET; THENCE NORTH 58°17'58" EAST, 122.73 FEET; THENCE NORTH 00°47'28" WEST, 66.72 FEET; THENCE SOUTH 89°12'21" EAST, 354.20 FEET; THENCE SOUTH 01°22'04" WEST, 207.00 FEET; THENCE SOUTH 83°44'05" EAST, 672.83 FEET; THENCE SOUTH 01°34'52" WEST, 2374.13 FEET TO THE NORTHERLY RIGHT OF WAY LINE OF PIGEON PASS ROAD (60' WIDE) AS SHOWN ON SAID RECORD OF SURVEY, BEING A POINT ON A NON-TANGENT CURVE CONCAVE SOUTHERLY HAVING A RADIUS OF 2030.00 FEET, TO WHICH A RADIAL LINE BEARS NORTH 09°02'01" EAST; THENCE WESTERLY 223.27 FEET ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 06°18'06"; THENCE NORTH 87°16'05" WEST, 223.67 FEET TO THE BEGINNING OF A CURVE CONCAVE SOUTHERLY HAVING A RADIUS 5030.00 FEET; THENCE WESTERLY 177.31 FEET ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 02° 01'11" THENCE NORTH 89°17'16" WEST, 1461.34 FEET; THENCE LEAVING SAID RIGHT OF WAY, NORTH 00°28'52" WEST, 170.44 FEET TO THE BEGINNING OF A CURVE CONCAVE

EASTERLY HAVING A RADIUS OF 500.00 FEET; THENCE NORTHERLY 274.00 FEET ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 31°23'52"; THENCE NORTH 30°55'00" EAST, 591.92 FEET TO THE BEGINNING OF A CURVE CONCAVE SOUTHEASTERLY HAVING A RADIUS OF 1000.00 FEET, THENCE NORTHEASTERLY 104.02 FEET ALONG SAID THROUGH A CENTRAL ANGLE OF 05°57'36" THENCE NORTH 36°52'36" EAST, 209.09 FEET TO THE TRUE POINT OF BEGINNING.

DESCRIBED PORTION OF PARCEL "C" CONTAINING 91.74 ACRES, MORE OR LESS.

TOGETHER WITH:

THAT PORTION OF SECTION 9, TOWNSHIP 2 SOUTH, RANGE 4 WEST, SAN BERNARDINO BASE AND MERIDIAN, IN THE COUNTY OF RIVERSIDE, STATE OF CALIFORNIA, AND BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT THE CENTER OF SAID SECTION 9, SAID POINT BEING ON THE CENTERLINE OF SPRING STREET, BEARING NORTH 89°17'25" WEST (RECORD SOUTH 89°59' WEST), AS SHOWN ON RECORD OF SURVEY, RECORDED IN BOOK 40, PAGE 22 OF RECORDS OF SURVEY, RIVERSIDE COUNTY RECORDS; THENCE NORTHERLY ALONG THE CENTER OF SECTION 9, NORTH 00°45'45" EAST, 41.65 FEET TO THE BEGINNING OF A NON-TANGENT CURVE, CONCAVE

SOUTHERLY HAVING A RADIUS OF 600.00 FEET, TO WHICH A RADIAL LINE BEARS NORTH 20°46'07" WEST; THENCE NORTHEASTERLY 43.07 FEET ALONG SAID LINE THROUGH A CENTRAL ANGLE OF 04°06'46" THENCE NORTH 65°07'07" EAST, 249.36 FEET TO THE BEGINNING OF A CURVE CONCAVE SOUTHERLY HAVING A RADIUS OF 600.00 FEET; THENCE EASTERLY 699.17 FEET ALONG A CURVE THROUGH A CENTRAL ANGLE OF 66°45'57" THENCE SOUTH 48°06'56" EAST, 243.00 FEET; THENCE NORTH 36°52'36" EAST, 88.26 FEET TO THE BEGINNING OF A CURVE CONCAVE NORTHWESTLY HAVING A RADIUS OF 500.00 FEET; THENCE NORTHEASTERLY 158.30 FEET ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 18°08'22", THENCE NORTH 18°44'14" EAST, 89.47 FEET TO THE BEGINNING OF A CURVE CONCAVE SOUTHEASTERLY HAVING A RADIUS OF 300.00 FEET; THENCE NORTHEASTERLY 127.04 FEET ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 24°15'46"; THENCE NORTH 43°00'00" EAST, 211.26 FEET TO A POINT ON A CURVE CONCAVE NORTHEASTERLY HAVING A RADIUS OF 1000.00 FEET, TO WHICH A RADIAL LINE BEARS SOUTH 43°13'21" WEST; THENCE NORTHWESTERLY 276.35 FEET ALONG

SAID CURVE THROUGH A CENTRAL ANGLE OF 15°50'01" THENCE NORTH

30°56'51" WEST, 96.63 FEET; THENCE NORTH 59°03'09" EAST, 33.00 FEET; THENCE NORTH 52°05'08" EAST, 89.60 FEET; THENCE NORTH 26°10'23" EAST, 183.24 FEET; THENCE NORTH 32°15'08" EAST, 118.61 FEET; THENCE NORTH 44°29'26" EAST, 120.17 FEET; THENCE NORTH 58°17'58" EAST, 122.73 FEET; THENCE NORTH 00°47'28" WEST, 66.72 FEET; THENCE SOUTH 89°12'21" EAST, 354.20 FEET; THENCE

SOUTH 01°22'04" WEST, 207.00 FEET; THENCE SOUTH 83°44'05" EAST, 672.83 FEET; THENCE SOUTH 01°34'52" WEST, 2434.66 FEET TO THE SOUTHERLY RIGHT OF WAY LINE OF PIGEON PASS ROAD (60' WIDE) AS

SHOWN ON SAID RECORD OF SURVEY AND BEING THE TRUE POINT OF

BEGINNING OF PORTION OF PARCEL "C"; THENCE SOUTH 01°34'52" WEST, A DISTANCE OF 25.47 FEET; THENCE NORTH 87°29'13" WEST, A DISTANCE OF 1817.31 FEET TO A POINT ON THE SOUTHERLY RIGHT OF WAY OF SAID PIGEON PASS ROAD; THENCE SOUTH 89°17'16" EAST, A DISTANCE OF 1194.67 FEET TO THE BEGINNING OF A CURVE CONCAVE SOUTHERLY HAVING A RADIUS OF 4970.00 FEET; THENCE EASTERLY 175.20 FEET ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 2°01'11"; THENCE SOUTH 87°16'05" EAST, A DISTANCE OF 223.67 FEET TO THE BEGINNING OF A CURVE CONCAVE SOUTHERLY HAVING A

RADIUS OF 1970.00 FEET; THENCE EASTERLY 224.52 FEET ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 6°31'48" TO THE TRUE POINT OF BEGINNING.

PARCEL 6: (255-180-016)

THAT PORTION OF THE EAST HALF OF THE NORTHEAST QUARTER OF THE NORTHEAST QUARTER OF SECTION 9, TOWNSHIP 2 SOUTH, RANGE 4 WEST, SAN BERNARDINO BASE AND MERIDIAN, IN THE COUNTY OF RIVERSIDE, STATE OF CALIFORNIA, ACCORDING TO THE OFFICIAL PLAT THEREOF;

BEGINNING AT THE SOUTHWEST CORNER OF SAID EAST HALF;

THENCE NORTH 01° 22' 04" EAST, 207.00 FEET ON THE WEST HALF OF SAID EAST HALF TO THE NORTHEAST CORNER OF THE LAND CONVEYED TO CHARLOTTE BROWN STEVNING, ET AL, BY DEED RECORDED AUGUST 22, 1978 AS INSTRUMENT NO. 177140 OF OFFICIAL RECORDS OF RIVERSIDE COUNTY, CALIFORNIA;

THENCE SOUTH 88° 15' 13" EAST, 100.00 FEET;

THENCE SOUTH 66° 45' 00" EAST, 37.00 FEET;

THENCE SOUTH 40° 15' 00" EAST, 120.00 FEET;

THENCE SOUTH 55° 30' 00" EAST, 62.00 FEET;

THENCE SOUTH 61° 00' 00" EAST, 116.00 FEET;

THENCE SOUTH 64° 00' 00" EAST, 137.93 FEET TO THE SOUTH LINE OF SAID EAST HALF;

THENCE NORTH 83° 44' 05" WEST, 495.91 FEET ON SAID SOUTH LINE TO THE POINT OF BEGINNING.

PARCEL 7: (255-220-008 AND 255-240-014)

PARCEL A OF LOT LINE ADJUSTMENT 4674 RECORDED DECEMBER 17, 2003 AS INSTRUMENT NO. 2003-983758 DESCRIBED AS FOLLOWS:

BEING A PORTION OF SECTION 10, TOWNSHIP 2 SOUTH, RANGE 4 WEST IN THE COUNTY OF RIVERSIDE, STATE OF CALIFORNIA, AND BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT THE NORTHWEST CORNER OF THE SOUTH HALF OF THE NORTHWEST QUARTER OF SECTION 10, TOWNSHIP 2 SOUTH, RANGE 4 WEST SAN BERNARDINO BASE AND MERIDIAN;

THENCE ALONG THE NORTHERLY LINE OF SAID SOUTH HALF, SOUTH 89° 58' 10" EAST, A DISTANCE OF 1510.98 FEET;

THENCE LEAVING SAID LINE SOUTH 09° 16' 30" EAST, A DISTANCE OF 307.87 FEET;

THENCE SOUTH 44° 21' 25" EAST, A DISTANCE OF 74.21 FEET;

THENCE SOUTH 01° 11' 54" WEST, A DISTANCE OF 330.01 FEET;

THENCE SOUTH 28° 34' 47" EAST, A DISTANCE OF 177.91 FEET;

THENCE SOUTH 85° 30' 57" EAST, A DISTANCE OF 72.30 FEET;

THENCE SOUTH 25° 57' 02" EAST, A DISTANCE OF 303.60 FEET;

THENCE SOUTH 14° 45' 58" EAST, A DISTANCE OF 695.92 FEET;

THENCE SOUTH 07° 24' 30" WEST, A DISTANCE OF 411.69 FEET;

THENCE SOUTH 42° 36' 02" WEST, A DISTANCE OF 158.20 FEET;

THENCE SOUTH 33° 11' 25" EAST, A DISTANCE OF 138.33 FEET;

THENCE SOUTH 23° 08' 49" EAST, A DISTANCE OF 63.55 FEET;

THENCE SOUTH 30° 53' 02" EAST, A DISTANCE OF 588.66 FEET;

THENCE SOUTH 09° 52' 13" WEST, A DISTANCE OF 335.32 FEET TO THE NORTHERLY RIGHT OF WAY LINE OF HIGHGROVE PASS ROAD, AS SHOWN ON RECORD OF SURVEY RECORDED APRIL 15, 1994 IN BOOK 96 OF RECORDS OF SURVEY AT PAGES 29 THROUGH 35, RIVERSIDE COUNTY RECORDS;

THENCE ALONG SAID RIGHT OF WAY LINE, NORTH 70° 27' 21" WEST, A DISTANCE OF 19.42 FEET TO THE BEGINNING OF A TANGENT CURVE CONCAVE SOUTHERLY AND HAVING A RADIUS OF 530.00 FEET;

THENCE ALONG THE ARC OF SAID CURVE, AN ARC DISTANCE OF 197.89 FEET THROUGH A CENTRAL ANGLE OF 21° 23' 34";

THENCE SOUTH 88° 09' 05" WEST, A DISTANCE OF 164.51 FEET TO THE WEST LINE OF THE EAST HALF OF THE SOUTHEAST QUARTER OF THE SOUTHWEST QUARTER OF SAID SECTION 10;

THENCE ALONG SAID LINE, NORTH 00° 59' 02" EAST, A DISTANCE OF 830.56 FEET TO THE SOUTH LINE OF THE NORTH HALF OF THE SOUTHWEST QUARTER OF SAID SECTION 10;

THENCE ALONG SAID LINE , NORTH 89° 44' 29" WEST, A DISTANCE OF 842.97 FEET TO THE NORTHERLY RIGHT OF WAY LINE OF PIGEON PASS ROAD (60.00 FEET WIDE) AS GRANTED TO THE COUNTY OF RIVERSIDE BY DOCUMENTS RECORDED FEBRUARY 13, 1952 IN BOOK 1341 AT PAGES 334 AND 338 OF OFFICIAL RECORDS;

THENCE ALONG SAID LINE, NORTH 67° 52' 26" WEST, A DISTANCE OF 35.81 FEET TO THE BEGINNING OF A TANGENT CURVE CONCAVE SOUTHERLY AND HAVING A RADIUS OF 630.00 FEET;

THENCE ALONG THE ARC OF SAID CURVE, AN ARC DISTANCE OF 373.85 FEET THROUGH A CENTRAL ANGLE OF 34° 00' 00";

THENCE SOUTH 78° 07' 34" WEST, A DISTANCE OF 11.34 FEET TO THE BEGINNING OF A TANGENT CURVE CONCAVE NORTHERLY AND HAVING A RADIUS OF 970.00 FEET;

THENCE ALONG THE ARC OF SAID CURVE, AN ARC DISTANCE OF 363.99 FEET THROUGH A CENTRAL ANGLE OF 21° 30' 00";

THENCE NORTH 80° 22' 26" WEST, A DISTANCE OF 331.16 FEET TO THE BEGINNING OF A TANGENT CURVE CONCAVE SOUTHERLY AND HAVING A RADIUS OF 2030.00 FEET;

THENCE ALONG THE ARC OF SAID CURVE, AN ARC DISTANCE OF 18.60 FEET THROUGH A CENTRAL ANGLE OF 0° 31' 30" TO THE EAST LINE OF SAID SECTION 10;

THENCE ALONG SAID LINE NORTH 01° 34' 56" EAST, A DISTANCE OF 2369.75 FEET TO THE POINT OF BEGINNING.

EXCEPTING THEREFROM THAT PORTION THEREOF DESCRIBED AS PARCEL NO. 8279-001, IN FINAL ORDER OF CONDEMNATION TO THE COUNTY OF RIVERSIDE,

RECORDED MAY 10, 1996 AS INSTRUMENT NO. 172062 OF OFFICIAL RECORDS OF RIVERSIDE COUNTY, CALIFORNIA.

PARCEL 8: (255-220-009)

PARCEL B OF LOT LINE ADJUSTMENT 4674 RECORDED DECEMBER 17, 2003 AS INSTRUMENT NO. 2003-983758 (LLA 4674) DESCRIBED AS FOLLOWS:

BEING A PORTION OF SECTION 10, TOWNSHIP 2 SOUTH, RANGE 4 WEST IN THE COUNTY OF RIVERSIDE, STATE OF CALIFORNIA, AND BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT THE NORTHEAST CORNER OF THE SOUTH HALF OF THE NORTHWEST QUARTER OF SECTION 10, TOWNSHIP 2 SOUTH, RANGE 4 WEST, SAN BERNARDINO BASE AND MERIDIAN;

THENCE ALONG THE NORTHERLY LINE OF SAID SOUTH HALF NORTH 89° 58' 10" WEST, A DISTANCE OF 1072.72 FEET TO THE EASTERLY LINE OF PARCEL "A" OF LLA 4674AS DESCRIBED ABOVE;

THENCE ALONG SAID EASTERLY LINE, SOUTH 09° 16' 30" EAST, A DISTANCE OF 117.87 FEET;

THENCE LEAVING SAID LINE, NORTH 77° 33' 46" EAST, A DISTANCE OF 74.79 FEET;

THENCE SOUTH 81° 42' 09": EAST, A DISTANCE OF 200.93 FEET;

THENCE SOUTH 42° 03' 57" EAST, A DISTANCE OF 173.34 FEET;

THENCE NORTH 76° 05' 44" EAST, A DISTANCE OF 114.72 FEET;

THENCE SOUTH 38° 05' 34" EAST, A DISTANCE OF 309.51 FEET;

THENCE SOUTH 89° 07' 21" EAST, A DISTANCE OF 211.69 FEET;

THENCE NORTH 46° 01' 08" EAST, A DISTANCE OF 204.51 FEET TO THE EAST LINE OF SAID SOUTH HALF;

THENCE ALONG SAID LINE, NORTH 00° 47' 14" EAST, A DISTANCE OF 334.60 FEET TO THE POINT OF BEGINNING.

PARCEL 9: (255-230-003)

LOT 1 OF EUREKA, AS SHOWN BY MAP ON FILE IN BOOK 4 PAGE (S) 67 OF MAPS, RECORDS OF RIVERSIDE COUNTY, CALIFORNIA.

PARCEL 10: (255-230-009)

LOT 2 OF EUREKA, AS SHOWN BY MAP ON FILE IN BOOK 4 PAGE(S) 67 OF MAPS, RECORDS OF RIVERSIDE COUNTY, CALIFORNIA;

EXCEPTING THEREFROM ALL THAT PORTION THEREOF DESCRIBED AS FOLLOWS:

BEGINNING AT THE MOST WESTERLY CORNER OF SAID LOT 2;

THENCE SOUTH 55° 13' EAST, 270.7 FEET;

THENCE NORTH 70° 06' EAST, 310 FEET TO AN ANGLE POINT ON THE SOUTH LINE OF SAID LOT 2;

THENCE NORTH TO A POINT ON THE NORTH LINE OF SAID LOT 2;

THENCE WEST ALONG THE NORTH LINE OF SAID LOT 2, TO THE POINT OF BEGINNING;

ALSO EXCEPTING THEREFROM PIGEON PASS ROAD AS CONVEYED TO THE COUNTY OF RIVERSIDE BY DEEDS RECORDED FEBRUARY 13, 1952 IN BOOK 1344 PAGES 334 AND 338 OF OFFICIAL RECORDS OF RIVERSIDE COUNTY, CALIFORNIA;

ALSO EXCEPTING THEREFROM THAT PORTION THEREOF DESCRIBED AS PARCEL NO. 8279-001A, IN FINAL ORDER OF CONDEMNATION TO THE COUNTY OF RIVERSIDE, RECORDED MAY 10, 1996 AS INSTRUMENT NO. 172062 OF OFFICIAL RECORDS OF RIVERSIDE COUNTY, CALIFORNIA.

EXCEPTING THEREFROM SAID LOT 2, THAT PORTION LYING WESTERLY OF THE EASTERLY LINE OF PIGEON PASS ROAD, THE ORIGINAL LOCATION, AS DELINEATED AND DESIGNATED ON SURVEY MAP ON FILE IN BOOK 5 PAGE 74 OF RECORDS, RECORDS OF RIVERSIDE COUNTY, CALIFORNIA.

PARCEL 11: (255-220-010, 255-240-010 AND 255-240-013)

PARCEL C OF LOT LINE ADJUSTMENT 4674 RECORDED DECEMBER 17, 2003 AS INSTRUMENT NO. 2003-983758 (LLA 4674) DESCRIBED AS FOLLOWS:

BEING A PORTION OF SECTION 10, TOWNSHIP 2 SOUTH, RANGE 4 WEST IN THE COUNTY OF RIVERSIDE, STATE OF CALIFORNIA, AND BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT THE CENTER POINT OF SECTION 10, TOWNSHIP 2 SOUTH, RANGE 4 WEST, SAN BERNARDINO BASE AND MERIDIAN AS SHOWN ON RECORD OF SURVEY RECORDED OCTOBER 28, 1969 IN BOOK 54 OF RECORDS OF SURVEY AT PAGES 66 AND 67, OFFICIAL RECORDS OF RIVERSIDE COUNTY;

THENCE ALONG THE NORTHERLY LINE OF THE SOUTHEAST QUARTER OF

SAID SECTION 10, NORTH 89°53'17" EAST, A DISTANCE OF 628.00 FEET TO THE EASTERLY LINE OF THE WEST HALF OF THE WEST HALF OF THE SOUTHEAST QUARTER OF SAID SECTION 10;

THENCE ALONG SAID LINE, SOUTH 00°57'47" WEST, A DISTANCE OF 738.15 FEET TO THE MOST NORTHERLY CORNER OF PARCEL "HG EXP-94" AS SHOWN ON RECORD OF SURVEY RECORDED APRIL 15, 1994 IN BOOK 96 OF RECORDS OF SURVEY AT PAGES 29 THROUGH 35, RIVERSIDE COUNTY RECORDS;

THENCE ALONG THE NORTHWESTERLY LINE OF SAID PARCEL, SOUTH 56°22'01" WEST, A DISTANCE OF 364.43 FEET;

THENCE ALONG THE WESTERLY LINE OF SAID PARCEL, SOUTH 00°57'47" WEST, A DISTANCE OF 1380.00 FEET TO THE NORTHERLY RIGHT OF WAY LINE OF HIGHGROVE PASS ROAD, AS SHOWN ON THE ABOVE SAID RECORD OF SURVEY;

THENCE ALONG SAID LINE, NORTH 70°27'21" WEST, A DISTANCE OF 634.21 FEET TO THE EASTERLY LINE OF PARCEL "A" DESCRIBED ABOVE;

THENCE ALONG SAID LINE, NORTH 09°52'13" EAST, A DISTANCE OF 335.32 FEET;

THENCE NORTH 30°53'02" WEST, A DISTANCE OF 588.66 FEET;

THENCE NORTH 23°08'49" WEST, A DISTANCE OF 63.55 FEET;

THENCE NORTH 33°11'25" WEST, A DISTANCE OF 138.33 FEET;

THENCE NORTH 42°36'02" EAST, A DISTANCE OF 158.20 FEET;

THENCE NORTH 07°24'30" EAST, A DISTANCE OF 411.69 FEET;

THENCE NORTH 14°45'58" WEST, A DISTANCE OF 695.92 FEET;

THENCE NORTH 25°57'02" WEST, A DISTANCE OF 303.60 FEET;

THENCE NORTH 85°30'57" WEST, A DISTANCE OF 72.30 FEET;

THENCE NORTH 28°34'47" WEST, A DISTANCE OF 177.91 FEET;

THENCE NORTH 01°11'54" EAST, A DISTANCE OF 330.01 FEET;

THENCE NORTH 44°21'25" WEST, A DISTANCE OF 74.21 FEET;

THENCE NORTH 09°16'30" WEST, A DISTANCE OF 190.00 FEET TO THE SOUTHERLY LINE OF PARCEL "B" AS DESCRIBED ABOVE;

THENCE ALONG SAID LINE, NORTH 77°33'46" EAST, A DISTANCE OF 74.79 FEET;
THENCE SOUTH 81°42'09" EAST, A DISTANCE OF 200.93 FEET;
THENCE SOUTH 42°03'57" EAST, A DISTANCE OF 173.34 FEET;
THENCE NORTH 76°05'44" EAST, A DISTANCE OF 114.72 FEET;
THENCE SOUTH 38°05'34" EAST, A DISTANCE OF 309.51 FEET;
THENCE SOUTH 89°07'21" EAST, A DISTANCE OF 211.69 FEET;
THENCE NORTH 46°01'08" EAST, A DISTANCE OF 204.51 FEET;
THENCE SOUTH 00°47'14" WEST, A DISTANCE OF 887.74 FEET TO THE POINT OF BEGINNING.

PARCEL 12: (255-200-009, 255-200-010 AND 257-100-012)

LOTS 6 AND 9 OF VIVIENDA RANCH, AS SHOWN BY MAP ON FILE IN BOOK 2, PAGE(S) 39 OF MAPS, RECORDS OF RIVERSIDE COUNTY, CALIFORNIA, AND THOSE PORTIONS SHOWN ON SAID MAP AS "BANK OF ARROYO 10.8 A", "ARROYO BANK 1.3 A" AND "HILLSIDE 1.06 A", TOGETHER WITH THAT PORTION OF PALMYRITA AVENUE, AS SHOWN ON SAID MAP WHICH WOULD PASS WITH A CONVEYANCE OF SAID LAND;

EXCEPT THEREFROM THAT PORTION INCLUDED WITHIN THE LINES OF THAT CERTAIN PARCEL OF LAND AS DESCRIBED IN THE QUITCLAIM DEED TO NATIONAL ORANGE CO., RECORDED JUNE 11, 1956 IN BOOK 1925 PAGE 469 OF RECORDS OF RIVERSIDE COUNTY, CALIFORNIA, BEING MORE PARTICULARLY DESCRIBED THEREIN AS FOLLOWS:

COMMENCING AT A POINT ON THE WEST LINE OF SECTION 9, TOWNSHIP 2 SOUTH, RANGE 4 WEST, SAN BERNARDINO BASE AND MERIDIAN, WHICH BEARS NORTH, A DISTANCE OF 773.00 FEET FROM THE SECTION CORNER COMMON TO SECTIONS 8, 9, 16 AND 17;

THENCE NORTH 86° 04' EAST, A DISTANCE OF 677.87 FEET TO THE POINT OF BEGINNING OF THE PARCEL OF LAND TO BE DESCRIBED.

THENCE NORTH 84° 08' WEST, A DISTANCE OF 92.00 FEET;

THENCE NORTH 49° 19' WEST, A DISTANCE OF 100.87 FEET;

THENCE NORTH 70° 04' EAST, A DISTANCE OF 110.00 FEET;

THENCE NORTH 62° 35' EAST, A DISTANCE OF 200.00 FEET;

THENCE SOUTH 02° 13' EAST, A DISTANCE OF 269.00 FEET;

THENCE NORTH 62° 32' WEST, A DISTANCE OF 139.00 FEET;

TO THE POINT OF BEGINNING.

EXCEPTING THEREFROM ANY PORTION INCLUDED WITHIN MOUNT VERNON AVENUE AS IT NOW EXISTS.

PARCEL 13: (255-230-011, 255-210-012, 257-170-007 AND 257-180-008)

LOTS 2 AND 3 AND THOSE PORTIONS OF LOTS 4, 8 AND 9 OF EUREKA, AS SHOWN BY MAP ON FILE IN BOOK 4, PAGE 67 OF MAPS, RECORDS OF RIVERSIDE COUNTY, CALIFORNIA, LYING NORTHEASTERLY OF THE FOLLOWING DESCRIBED LINE:

BEGINNING AT THE NORTHWEST CORNER OF LOT 22, AS SHOWN ON RECORD OF SURVEY ON FILE IN BOOK 5, PAGE 74 OF RECORDS OF SURVEY, RECORDS OF RIVERSIDE COUNTY, CALIFORNIA;

THENCE SOUTH ALONG THE WESTERLY LINE OF SAID LOT 22 TO POINT ON A NORTHERLY LINE OF LOT 10 OF SAID RECORD OF SURVEY (HAVING A BEARING OF SOUTH 48° 23' WEST AND A LENGTH OF 275.0 FEET);

THENCE NORTH 48° 23' EAST ALONG SAID NORTHERLY LINE OF SAID LOT 10 TO THE MOST NORTHERLY CORNER OF SAID LOT 10;

THENCE SOUTHEASTERLY ALONG THE NORTHEASTERLY LINE OF SAID LOT 10, THE VARIOUS COURSES AND DISTANCES TO THE MOST SOUTHERLY CORNER OF LOT 8 OF SAID RECORD OF SURVEY;

THENCE SOUTHWESTERLY ALONG THE NORTHWESTERLY LINE OF LOT 9 OF SAID RECORD OF SURVEY TO THE MOST WESTERLY CORNER OF SAID LOT 9;

THENCE SOUTHEASTERLY ALONG THE SOUTHWESTERLY LINE OF SAID LOT 9 TO THE MOST WESTERLY CORNER OF LOT 5 OF SAID RECORD OF SURVEY;

THENCE SOUTHEASTERLY ALONG THE SOUTHWESTERLY LINE OF SAID LOT 5 TO A POINT ON THE MOST WESTERLY LINE OF LOT 21 OF SAID RECORD OF SURVEY;

THENCE SOUTH ALONG SAID WESTERLY LINE OF SAID LOT 21 TO THE SOUTHWEST CORNER OF SAID LOT 21;

EXCEPT THEREFROM THAT PORTION AS DESCRIBED IN THE QUITCLAIM DEEDS TO H. A. LYNN, ET AL, RECORDED JUNE 11, 1956 IN BOOK 1925 PAGES 471, 477, 480, 483 AND 572 RECORDS OF RIVERSIDE COUNTY, CALIFORNIA, BEING MORE PARTICULARLY DESCRIBED THEREIN AS THAT PORTION OF LOTS 8 AND 22 AS

SHOWN ON A RECORD OF SURVEY MAP ON FILE IN BOOK 5, PAGE 74 OF RECORD OF SURVEY, DESCRIBED AS FOLLOWS:

BEGINNING AT THE NORTHWEST CORNER OF THE SOUTHEAST ONE-QUARTER OF THE SOUTHEAST ONE-QUARTER OF SECTION 9, TOWNSHIP 2 SOUTH, RANGE 4 WEST, SAN BERNARDINO BASE AND MERIDIAN;

THENCE SOUTH 89° 46' 20" EAST, ALONG THE NORTH LINE OF THE SAID SOUTHEAST ONE-QUARTER OF THE SOUTHEAST ONE-QUARTER, A DISTANCE OF 119.47 FEET;

THENCE SOUTH 73° 38' EAST, A DISTANCE OF 125.90 FEET;

THENCE SOUTH 50° 36' EAST, A DISTANCE OF 172.00 FEET;

THENCE SOUTH 53° 25' EAST, A DISTANCE OF 680.00 FEET;

THENCE SOUTH 55° 22' EAST, A DISTANCE OF 518.00 FEET;

THENCE SOUTH 40° 22' EAST, A DISTANCE OF 180.00 FEET;

THENCE SOUTH 24° 23' EAST, A DISTANCE OF 113.00 FEET;

THENCE SOUTH 44° 28' EAST, A DISTANCE OF 140.00 FEET;

THENCE SOUTH 34° 12' EAST, A DISTANCE OF 82.77 FEET;

THENCE NORTH 44° 10' WEST, A DISTANCE OF 133.24 FEET;

THENCE NORTH 55° 22' WEST, A DISTANCE OF 110.00 FEET;

THENCE NORTH 30° 55' WEST, A DISTANCE OF 100.00 FEET;

THENCE NORTH 52° 55' WEST, A DISTANCE OF 132.00 FEET;

THENCE NORTH 55° 53' WEST, A DISTANCE OF 230.00 FEET;

THENCE NORTH 68° 33' WEST, A DISTANCE OF 175.00 FEET;

THENCE NORTH 38° 10' WEST, A DISTANCE OF 160.00 FEET;

THENCE NORTH 58° 28' WEST, A DISTANCE OF 400.00 FEET;

THENCE NORTH 87° 28' WEST, A DISTANCE OF 80.00 FEET;

THENCE SOUTH 35° 13' WEST, A DISTANCE OF 230.00 FEET;

THENCE NORTH 58° 25' WEST, A DISTANCE OF 186.00 FEET;

THENCE NORTH 17° 32' WEST, A DISTANCE OF 380.00 FEET;

THENCE SOUTH 48° 58' WEST, A DISTANCE OF 45.92 FEET TO A POINT ON THE WEST LINE OF THE SAID SOUTHEAST ONE-QUARTER OF THE SOUTHEAST ONE-QUARTER OF SAID SECTION 9;

THENCE NORTH ALONG THE WEST LINE OF THE SAID SOUTHEAST ONE-QUARTER OF THE SOUTHEAST ONE-QUARTER, A DISTANCE OF 156.49 FEET TO THE POINT OF BEGINNING;

ALSO EXCEPT THEREFROM THAT PORTION LYING NORTHERLY AND NORTHEASTERLY OF THE SOUTHERLY AND SOUTHWESTERLY LINES OF PIGEON PASS ROAD, 60 FEET WIDE, AS DESCRIBED IN THE DEED TO RIVERSIDE COUNTY, RECORDED JANUARY 8, 1952 AS IN BOOK 1332 PAGE 122, RECORDS OF RIVERSIDE COUNTY, CALIFORNIA;

ALSO EXCEPT THEREFROM THAT PORTION LYING EASTERLY OF THE CENTER LINE OF PIGEON PASS ROAD, ADJOINING LOT 28 AS SAID ROAD AND LOT ARE SHOWN ON A RECORD OF SURVEY MAP ON FILE IN BOOK 5, PAGE 74 OF RECORDS OF SURVEYS, RECORDS OF RIVERSIDE COUNTY, CALIFORNIA, SAID CENTER LINE HAVING A BEARING AND LENGTH OF "NORTH 9° 00' WEST 486.00 FEET" AS SHOWN ON SAID RECORD OF SURVEY MAP.

PARCEL 14:

A 10 FOOT STRIP OF EASEMENT FOR ROAD PURPOSES ALONG THE NORTHEASTERLY LINE OF THE LAND DESCRIBED IN THE QUITCLAIM DEEDS TO H.A. LYNN, ET AL, RECORDED JUNE 11, 1956 IN BOOK 1925 PAGES 471, 480, 477, 483, AND 572 ALL OF OFFICIAL RECORDS OF RIVERSIDE COUNTY, CALIFORNIA.

PARCEL 15: (255-230-001)

THOSE PORTIONS OF LOTS 2 AND 3 OF EUREKA, AS SHOWN BY MAP ON FILE IN BOOK 4, PAGE(S) 67 OF MAPS, RECORDS OF RIVERSIDE COUNTY, CALIFORNIA, WITHIN THE SOUTHWEST QUARTER OF THE SOUTHWEST QUARTER OF SECTION 10, TOWNSHIP 2 SOUTH, RANGE 4 WEST, SAN BERNARDINO BASE AND MERIDIAN, WHICH LIES NORTHERLY OF THE NORTHERLY LINE OF PIGEON PASS ROAD, 60 FEET WIDE, AS DESCRIBED IN THE DEED TO RIVERSIDE COUNTY, RECORDED JANUARY 28, 1952 IN BOOK 1332, PAGE 122 OF OFFICIAL RECORDS OF RIVERSIDE COUNTY, CALIFORNIA;

EXCEPT THEREFROM THAT PORTION EASTERLY OF THE EASTERLY LINE , AND ITS SOUTHERLY PROLONGATION THEREOF, OF THE LAND DESCRIBED IN THE FIRST EXCEPTION OF PARCEL II OF THE DEED TO CALIFORNIA TRUST COMPANY, RECORDED JANUARY 12, 1951 IN BOOK 1235 PAGE 100, SAID EASTERLY LINE

BEING MORE PARTICULARLY DESCRIBED THEREIN AS FOLLOWS: BEGINNING AT THE MOST WESTERLY CORNER OF SAID LOT 2;

THENCE SOUTH 55° 13' EAST 270.7 FEET;

THENCE NORTH 70° 06' EAST 310 FEET TO AN ANGLE POINT ON THE SOUTH LINE OF SAID LOT 2 AND THE BEGINNING OF SAID EASTERLY LINE;

THENCE NORTH ALONG EASTERLY LINE TO THE NORTH LINE OF SAID LOT 2.

SAID LAND BEING A PORTION OF THE LAND AS SHOWN ON A RECORD OF SURVEY MAP ON FILE BOOK 5, PAGE 74 OF RECORD OF SURVEYS, RECORDS OF RIVERSIDE COUNTY, CALIFORNIA.

PARCEL 16: (255-200-002 AND 255-200-028)

COMMENCING AT A POINT ON THE WEST LINE OF SECTION 9, TOWNSHIP 2 SOUTH, RANGE 4 WEST, SAN BERNARDINO BASE AND MERIDIAN, WHICH BEARS NORTH, A DISTANCE OF 773.00 FEET FROM THE SECTION CORNER COMMON TO SECTIONS 8, 9, 16 AND 17;

THENCE NORTH 86° 04' EAST, A DISTANCE OF 677.87 FEET TO THE POINT OF BEGINNING OF THE PARCEL OF LAND TO BE DESCRIBED;

THENCE NORTH 84° 08' WEST, A DISTANCE OF 92.00 FEET;

THENCE NORTH 49° 19' WEST, A DISTANCE OF 100.87 FEET;

THENCE NORTH 70° 04' EAST, A DISTANCE OF 110.00 FEET;

THENCE NORTH 62° 35' EAST, A DISTANCE OF 200.00 FEET;

THENCE SOUTH 02° 13' EAST, A DISTANCE OF 269.00 FEET;

THENCE NORTH 62° 32' WEST, A DISTANCE OF 139.00 FEET TO THE POINT OF BEGINNING;

EXCEPTING THEREFROM THAT PORTION LYING WITHIN MT. VERNON AVENUE.

PARCEL 17: (255-140-019)

ALL THAT PORTION OF LOT 1 OF ROBINSON TRACT, AS SHOWN BY MAP ON FILE IN BOOK 2 PAGE(S) 17 OF MAPS, RECORDS OF RIVERSIDE COUNTY, CALIFORNIA, SHOWN AS "BANK OF ARROYO 1.9 ACRES AND 1.76 ACRES" AND SHOWN AS "ARROYO 4.4 ACRES;

AND THAT PORTION OF LOT 2 SHOWN AS "BANK OF ARROYO 2.6 ACRES" AND AS "ARROYO 3.8 ACRES";

THAT PORTION OF LOT 3 SHOWN AS "BANK OF ARROYO 2.26 ACRES AND .15 ACRES" AND AS "ARROYO 2.9 ACRES";

THAT PORTION OF LOT 4 SHOWN AS "BANK OF ARROYO 1.8 ACRES AND 1.55 ACRES" AND AS "ARROYO 3.9 ACRES";

THAT PORTION OF LOT 6 SHOWN AS "BANK ARROYO 1.6 ACRES" AND AS "ARROYO 1.2 ACRES";

THAT PORTION OF LOT 7 SHOWN AS "BANK OF ARROYO 2 ACRES" AND AS "ARROYO 1.5 ACRES AND THAT PORTION OF LOT 8 SHOWN AS "BANK OF ARROYO 4.2 ACRES: AND "ARROYO 0.5 ACRES";

EXCEPT THOSE PORTIONS OF SAID LOTS 1, 6, 7 AND 8 LYING ON THE ARROYO BANK, WHICH LIES SOUTHWESTERLY, SOUTHERLY, SOUTHEASTERLY AND EASTERLY OF THE FOLLOWING DESCRIBED LINE;

BEGINNING AT THE INTERSECTION OF THE APPROXIMATE CENTER LINES OF PALMYRITA AND MICHIGAN AVENUES, SAID INTERSECTION MARKING THE SOUTH QUARTER CORNER OF SECTION 8 TOWNSHIP 2 SOUTH, RANGE 4 WEST, SAN BERNARDINO BASE AND MERIDIAN;

THENCE NORTHERLY ON THE EAST LINE OF THE SOUTHWEST QUARTER OF SAID SECTION 8, NORTH 00° 22' 30" WEST, 829.54 FEET AND THE TRUE POINT OF BEGINNING OF THE LINE TO BE DESCRIBED;

THENCE NORTH 89°47' 43" EAST, 296.84 FEET;

THENCE SOUTH 61°25' 02" EAST, 165.12 FEET;

THENCE SOUTH 49°10' 23" EAST, 165.19 FEET;

THENCE SOUTH 89°06' 34" EAST, 193.02 FEET;

THENCE SOUTH 42°06' 31" EAST, 140.19 FEET;

THENCE SOUTH 79°34' 45" EAST, 473.84 FEET;

THENCE NORTH 50°49' 32" EAST, 140.63 FEET;

THENCE NORTH 71°04' 27" EAST, 61.27 FEET;

THENCE SOUTH 53°12' 51" EAST, 228.00 FEET;

THENCE SOUTH 83°21' 39" EAST, 228.93 FEET;
THENCE SOUTH 52°44' 49" EAST, 342.58 FEET;
THENCE NORTH 75°35' 06" EAST, 190.31 FEET;
THENCE NORTH 06°21' 52" WEST, 261.61 FEET;
THENCE NORTH 00°42' 58" WEST, 240.02 FEET;
THENCE NORTH 62°10' 33" EAST, 203.53 FEET;
THENCE SOUTH 75°05' 17" EAST, 153.14 FEET TO THE END THEREOF;

SAID PROPERTY IS ALSO SHOWN ON RECORD OF SURVEY ON FILE IN BOOK 9
PAGE 85 OF RECORDS OF SURVEY, RECORDS OF RIVERSIDE COUNTY,
CALIFORNIA.

PARCEL 18: (255-200-014, 255-200-026, 255-200-029, 255-200-032 AND 257-100-011)

PARCEL B OF LOT LINE ADJUSTMENT NO. 4704, RECORDED MARCH 5, 2004, AS
INSTRUMENT NO. 2004-157398 OF OFFICIAL RECORDS, DESCRIBED AS FOLLOWS:

BEING PORTIONS OF LOTS 2, 3, 4, 5 AND 15 OF VIVIENDA RANCH IN THE COUNTY
OF RIVERSIDE, STATE OF CALIFORNIA AS SHOWN ON MAP THEREOF ON FILE IN
BOOK 2, PAGE 39 OF MAPS, RECORDS OF RIVERSIDE COUNTY, AND BEING MORE
PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT THE SOUTHWEST CORNER OF SECTION 9, TOWNSHIP 2 SOUTH,
RANGE 4 WEST, SAN BERNARDINO BASE AND MERIDIAN;

THENCE ALONG THE SOUTHERLY LINE OF SAID SECTION SOUTH 89°49'06" EAST
30.00 FEET TO THE EASTERLY RIGHT OF WAY LINE OF MT. VERNON AVENUE AS
DESCRIBED IN THE RIGHT OF WAY DEED TO RIVERSIDE COUNTY RECORDED
DECEMBER 20, 1932 IN BOOK 97, PAGE 231 OF OFFICIAL RECORDS;

THENCE ALONG SAID LINE, NORTH 00°03'00" WEST, A DISTANCE OF 608.17 FEET
TO THE BEGINNING OF A TANGENT CURVE CONCAVE SOUTHEASTERLY AND
HAVING A RADIUS OF 170.00 FEET;

THENCE ALONG THE ARC OF SAID CURVE, AN ARC DISTANCE OF 168.01 FEET
THROUGH A CENTRAL ANGLE OF 56°37'27" TO THE TRUE POINT OF BEGINNING;

THENCE CONTINUING ON SAID RIGHT OF WAY LINE, AND ALONG THE ARC OF SAID CURVE, AN ARC DISTANCE OF 102.84 FEET THROUGH A CENTRAL ANGLE OF 34°39'33";

THENCE SOUTH 88°46'00" EAST, A DISTANCE OF 227.83 FEET TO THE BEGINNING OF A TANGENT CURVE CONCAVE NORTHERLY AND HAVING A RADIUS OF 320.00 FEET;

THENCE ALONG THE ARC OF SAID CURVE, AN ARC DISTANCE OF 154.60 FEET THROUGH A CENTRAL ANGLE OF 27°40'51" TO THE SOUTHERLY LINE OF THE 50 FOOT STRIP OF LAND CONVEYED TO THE COUNTY OF RIVERSIDE BY DEED RECORDED NOVEMBER 23, 1906 IN BOOK 233, PAGE 393 OF DEEDS, RECORDS OF RIVERSIDE COUNTY;

THENCE ALONG SAID SOUTHERLY LINE, SOUTH 82°21'00" EAST, A DISTANCE OF 52.85 FEET;

THENCE SOUTH 50°03'00" EAST, A DISTANCE OF 38.96 FEET TO THE BEGINNING OF A TANGENT CURVE CONCAVE NORTHERLY AND HAVING A RADIUS OF 220.00 FEET;

THENCE ALONG THE ARC OF SAID CURVE, AN ARC DISTANCE OF 315.01 FEET THROUGH A CENTRAL ANGLE OF 82°02'21" TO THE EASTERLY LINE OF SAID LOT 5;

THENCE ALONG SAID LINE SOUTH 61°29'06" EAST, A DISTANCE OF 63.62 FEET;

THENCE SOUTH 10°28'54" WEST, A DISTANCE OF 160.20 FEET;

THENCE SOUTH 30°54'06" EAST, A DISTANCE OF 86.35 FEET;

THENCE SOUTH 54°22'06" EAST, A DISTANCE OF 120.50 FEET;

THENCE SOUTH 46°42'06" EAST, A DISTANCE OF 224.75 FEET;

THENCE SOUTH 56°30'06" EAST, A DISTANCE OF 206.80 FEET;

THENCE SOUTH 10°06'06" EAST, A DISTANCE OF 187.20 FEET TO SOUTH LINE OF SECTION 9:

THENCE ALONG SAID LINE SOUTH 89°49'06" EAST, A DISTANCE OF 235.15 FEET TO THE EAST LINE OF SAID LOT 15;

THENCE ALONG SAID LINE SOUTH 42°05'06" EAST, A DISTANCE OF 11.82 FEET;

THENCE LEAVING SAID LINE SOUTH 43°51'54" WEST, A DISTANCE OF 185.42 FEET;
THENCE NORTH 89°32'06" WEST, A DISTANCE OF 266.00 FEET;
THENCE NORTH 79°30'06" WEST, A DISTANCE OF 232.00 FEET;
THENCE NORTH 54°55'06" WEST, A DISTANCE OF 174.73 FEET TO SAID SOUTH LINE
OF SECTION 9;
THENCE ALONG SAID LINE NORTH 89°49'06" WEST, A DISTANCE OF 25.43 FEET TO
THE EASTERLY LINE OF PARCEL "A" AS DESCRIBED ABOVE;
THENCE ALONG SAID LINE NORTH 00°10'54" EAST, A DISTANCE OF 208.10 FEET;
THENCE NORTH 21°36'19" WEST, A DISTANCE OF 243.06 FEET TO THE BEGINNING
OF A NON-TANGENT CURVE CONCAVE NORTHERLY AND HAVING A RADIUS OF
80.00 FEET, A LINE RADIAL TO SAID CURVE AT SAID POINT BEARS NORTH
21°36'19" WEST;
THENCE ALONG THE ARC OF SAID CURVE, AN ARC DISTANCE OF 102.06 FEET
THROUGH A CENTRAL ANGLE OF 73°05'54";
THENCE NORTH 89°49'29" WEST, A DISTANCE OF 143.65 FEET;
THENCE SOUTH 00°10'54" WEST, A DISTANCE OF 425.07 FEET TO THE NORTHERLY
RIGHT OF WAY LINE OF PALMYRITA STREET (33.00 FEET WIDE) AS SHOWN ON
SAID MAP;
THENCE ALONG SAID LINE NORTH 89°49'06" WEST, A DISTANCE OF 24.00 FEET;
THENCE LEAVING SAID LINE NORTH 00°10'54" EAST, A DISTANCE OF 425.06 FEET;
THENCE NORTH 89°49'29" WEST, A DISTANCE OF 44.00 FEET;
THENCE NORTH 00°10'54" EAST, A DISTANCE OF 276.39 FEET;
THENCE NORTH 83°08'14" WEST, A DISTANCE OF 328.53 FEET TO THE BEGINNING
OF A TANGENT CURVE CONCAVE SOUTHERLY AND HAVING A RADIUS OF 200.00
FEET;
THENCE ALONG THE ARC OF SAID CURVE, AN ARC DISTANCE OF 121.45 FEET
THROUGH A CENTRAL ANGLE OF 34°47'31" TO THE TRUE POINT OF BEGINNING.
DESCRIBED PORTION OF PARCEL 'B' CONTAINING 10.15 ACRES MORE OR LESS.

TOGETHER WITH:

THOSE PORTIONS OF SAID VIVIENDA RANCH AND BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT THE SOUTHWEST CORNER OF SECTION 9, TOWNSHIP 2 SOUTH, RANGE 4 WEST, SAN BERNARDINO BASE AND MERIDIAN;

THENCE NORTHERLY ALONG THE WESTERLY LINE OF SAID SECTION 9, NORTH 0°03'00" WEST, A DISTANCE OF 889.25 FEET TO THE TRUE POINT OF BEGINNING "A" OF THIS DESCRIPTION; THENCE CONTINUING NORTHERLY ALONG THE WESTERLY LINE OF SAID SECTION 9, NORTH 0°03'00" WEST A DISTANCE OF 426.60 FEET;

THENCE SOUTH 89°45'54" EAST, A DISTANCE OF 574.44 FEET TO THE BEGINNING OF A NON-TANGENT CURVE CONCAVE SOUTHWESTERLY AND HAVING A RADIUS OF 256.86 FEET, A LINE RADIAL TO SAID CURVE AT SAID POINT BEARS SOUTH 31°01'01" WEST;

THENCE ALONG THE ARC OF SAID CURVE, AN ARC DISTANCE OF 251.87 FEET THROUGH A CENTRAL ANGLE OF 56°11'01" TO THE BEGINNING OF A NON-TANGENT CURVE CONCAVE WESTERLY AND HAVING A RADIUS OF 260.00 FEET, A LINE RADIAL TO SAID CURVE AT SAID POINT BEARS SOUTH 87°12'02" WEST;

THENCE ALONG THE ARC OF SAID CURVE, AN ARC DISTANCE OF 154.60 FEET THROUGH A CENTRAL ANGLE OF 34°04'08";

THENCE SOUTH 62°32'00" WEST, A DISTANCE OF 55.41 FEET;

THENCE SOUTH 70°01'00" WEST, A DISTANCE OF 110.00 FEET;

THENCE SOUTH 49°22'00" EAST, A DISTANCE OF 42.93 FEET;

THENCE NORTH 80°21'00" WEST, A DISTANCE OF 358.10 FEET;

THENCE SOUTH 78°35'00" WEST, A DISTANCE OF 191.60 FEET TO THE TRUE POINT OF BEGINNING OF "A" OF THIS DESCRIPTION.

DESCRIBED PORTION OF PARCEL 'B' CONTAINING 6.27 ACRES MORE OR LESS.

TOGETHER WITH:

THOSE PORTIONS OF SAID VIVIENDA RANCH AND BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT THE SOUTHWEST CORNER OF SECTION 9, TOWNSHIP 2 SOUTH, RANGE 4 WEST, SAN BERNARDINO BASE AND MERIDIAN;

THENCE ALONG THE SOUTHERLY LINE OF SAID SECTION, SOUTH 89°49'06" EAST A DISTANCE OF 30.00 FEET TO THE EASTERLY RIGHT OF WAY LINE OF MT. VERNON AVENUE AS DESCRIBED IN THE RIGHT OF WAY DEED TO RIVERSIDE COUNTY RECORDED DECEMBER 20, 1932 IN BOOK 97, PAGE 231 OF OFFICIAL RECORDS;

THENCE ALONG SAID LINE, NORTH 00°03'00" WEST, A DISTANCE OF 608.17 FEET TO THE BEGINNING OF A TANGENT CURVE CONCAVE SOUTHEASTERLY AND HAVING A RADIUS OF 170.00 FEET;

THENCE ALONG THE ARC OF SAID CURVE, AN ARC DISTANCE OF 270.84 FEET, THROUGH A CENTRAL ANGLE OF 91°17'00";

THENCE CONTINUING ALONG ON SAID RIGHT OF WAY LINE, SOUTH 88°46'00" EAST, A DISTANCE OF 227.83 FEET TO THE BEGINNING OF A TANGENT CURVE CONCAVE NORTHERLY AND HAVING A RADIUS OF 320.00 FEET;

THENCE ALONG THE ARC OF SAID CURVE, AN ARC DISTANCE OF 231.08 FEET, THROUGH A CENTRAL ANGLE OF 41°22'28" TO THE NORTHERLY LINE OF THE 50 FOOT STRIP OF LAND CONVEYED TO THE COUNTY OF RIVERSIDE BY DEED RECORDED NOVEMBER 23, 1906 IN BOOK 233, PAGE 393 OF DEEDS, RECORDS OF RIVERSIDE COUNTY;

THENCE ALONG SAID NORTHERLY LINE, SOUTH 82°21'00" EAST, A DISTANCE OF 9.70 FEET;

THENCE SOUTH 50°03'00" EAST 53.44 FEET TO THE BEGINNING OF A TANGENT CURVE CONCAVE NORTHEASTERLY AND HAVING A RADIUS OF 170.00 FEET;

THENCE ALONG THE ARC OF SAID CURVE, AN ARC DISTANCE OF 13.99 FEET, THROUGH A CENTRAL ANGLE OF 4°42'54" TO THE TRUE POINT OF BEGINNING "B" OF THIS DESCRIPTION;

THENCE ALONG A NON-TANGENT LINE, SOUTH 62°36'31" EAST, A DISTANCE OF 46.40 FEET TO THE BEGINNING OF A NON-TANGENT CURVE CONCAVE NORTHEASTERLY AND HAVING A RADIUS OF 170.00 FEET, A LINE RADIAL TO SAID CURVE AT SAID POINT BEARS NORTH 19°32'52" EAST;

THENCE NORTHWESTERLY ALONG THE ARC OF SAID CURVE, AN ARC DISTANCE OF 46.54 FEET, THROUGH A CENTRAL ANGLE OF 15°41'14" TO THE TRUE POINT OF BEGINNING "B" OF THIS DESCRIPTION.

DESCRIBED PORTION OF PARCEL 'B' CONTAINING 49 SQUARE FEET, MORE OR LESS.

TOGETHER WITH:

THOSE PORTIONS OF SAID VIVIENDA RANCH AND BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT THE SOUTHWEST CORNER OF SECTION 9, TOWNSHIP 2 SOUTH, RANGE 4 WEST, SAN BERNARDINO BASE AND MERIDIAN;

THENCE ALONG THE SOUTHERLY LINE OF SAID SECTION, SOUTH 89°49'06" EAST A DISTANCE OF 30.00 FEET TO THE EASTERLY RIGHT OF WAY LINE OF MT. VERNON AVENUE AS DESCRIBED IN THE RIGHT OF WAY DEED TO RIVERSIDE COUNTY RECORDED DECEMBER 20, 1932 IN BOOK 97, PAGE 231 OF OFFICIAL RECORDS;

THENCE ALONG SAID LINE, NORTH 00°03'00" WEST, A DISTANCE OF 608.17 FEET TO THE BEGINNING OF A TANGENT CURVE CONCAVE SOUTHEASTERLY AND HAVING A RADIUS OF 170.00 FEET;

THENCE ALONG THE ARC OF SAID SURVEY, AN ARC DISTANCE OF 270.84 FEET, THROUGH A CENTRAL ANGLE OF 91°17'00";

THENCE CONTINUING ON SAID RIGHT OF WAY LINE, SOUTH 88°46'00" EAST, A DISTANCE OF 227.83 FEET TO THE BEGINNING OF A TANGENT CURVE CONCAVE NORTHERLY AND HAVING A RADIUS OF 320.00 FEET;

THENCE ALONG THE ARC OF SAID CURVE, AN ARC DISTANCE OF 231.08 FEET, THROUGH A CENTRAL ANGLE OF 41°22'28" TO THE NORTHERLY LINE OF THE 50 FOOT STRIP OF LAND CONVEYED TO THE COUNTY OF RIVERSIDE BY DEED RECORDED NOVEMBER 23, 1906 IN BOOK 233, PAGE 393 OF DEEDS, RECORDS OF RIVERSIDE COUNTY;

THENCE ALONG SAID NORTHERLY LINE, SOUTH 82°21'00" EAST, A DISTANCE OF 9.70 FEET;

THENCE SOUTH 50°03'00" EAST 53.44 FEET TO THE BEGINNING OF A TANGENT CURVE CONCAVE NORTHEASTERLY AND HAVING A RADIUS OF 170.00 FEET;

THENCE ALONG THE ARC OF SAID CURVE, AN ARC DISTANCE OF 112.97 FEET, THROUGH A CENTRAL ANGLE OF 38°04'35" TO THE TRUE POINT OF BEGINNING "C" OF THIS DESCRIPTION;

THENCE ALONG A NON-TANGENT LINE, NORTH 02°16'00" WEST, A DISTANCE OF 149.56 FEET;

THENCE SOUTH 36°25'02" EAST, A DISTANCE OF 117.07 FEET;

THENCE SOUTH 61°29'06" EAST, A DISTANCE OF 47.77 FEET TO THE BEGINNING OF A NON-TANGENT CURVE CONCAVE NORTHERLY AND HAVING A RADIUS OF 170.00 FEET, A LINE RADIAL TO SAID CURVE AT SAID POINT BEARS NORTH 36°01'56" WEST;

THENCE WESTERLY ALONG THE ARC OF SAID CURVE, AN ARC DISTANCE OF 112.47 FEET THROUGH A CENTRAL ANGLE OF 37°54'21" TO THE TRUE POINT OF BEGINNING "C" OF THIS DESCRIPTION.

PARCEL 19:

INTENTIONALLY DELETED

PARCEL 20: (PORTION OF 255-140-019)

THAT PORTION OF LOT 5 SHOWN ON THE MAP OF THE ROBINSON TRACT, AS SHOWN BY MAP ON FILE IN BOOK 2 PAGE(S) 17 OF MAPS, RECORDS OF RIVERSIDE COUNTY, CALIFORNIA, AS LYING ON THE MESA SOUTH AND EAST OF THE ARROYO BANK, WHICH SAID PORTION LIES NORTHERLY OF THE FOLLOWING DESCRIBED LINE;

BEGINNING AT THE INTERSECTION OF THE APPROXIMATE CENTER LINES OF PALMYRITA AND MICHIGAN AVENUES, SAID INTERSECTION MARKING THE SOUTH QUARTER CORNER OF SECTION 8, TOWNSHIP 2 SOUTH, RANGE 4 WEST, SAN BERNARDINO BASE AND MERIDIAN;

THENCE NORTHERLY ON THE EAST LINE OF THE SOUTHWEST QUARTER OF SAID SECTION 8, NORTH 00°22' 30" WEST, 829.54 FEET AND THE TRUE POINT OF BEGINNING OF THE LINE TO BE DESCRIBED;

THENCE NORTH 89°47' 43" EAST, 296.84 FEET;

THENCE SOUTH 61°25' 02" EAST, 165.12 FEET;

THENCE SOUTH 49°10' 23" EAST, 165.19 FEET;

THENCE SOUTH 89°06' 34" EAST, 193.02 FEET;

THENCE SOUTH 42°06' 31" EAST, 140.19 FEET;

THENCE SOUTH 79°34' 45" EAST, 473.84 FEET;

THENCE NORTH 50°49' 32" EAST, 140.63 FEET;

THENCE NORTH 71°04' 27" EAST, 61.27 FEET;

THENCE SOUTH 53°12' 51" EAST, 228.00 FEET;
THENCE SOUTH 83°21' 39" EAST, 228.93 FEET;
THENCE SOUTH 52°44' 49" EAST, 342.58 FEET;
THENCE NORTH 75°35' 06" EAST, 190.31 FEET;
THENCE NORTH 06°21' 52" WEST, 261.61 FEET;
THENCE NORTH 0°42' 58" WEST, 240.02 FEET;
THENCE NORTH 62°10' 33" EAST, 203.53 FEET'
THENCE SOUTH 75°05' 17" EAST, 153.14 FEET TO THE END THEREOF.

PARCEL 21: (255-120-011)

THAT PORTION OF THE SOUTHEAST QUARTER OF THE SOUTHWEST QUARTER OF SECTION 8, TOWNSHIP 2 SOUTH, RANGE 4 WEST, SAN BERNARDINO BASE AND MERIDIAN AS SHOWN BY UNITED STATES GOVERNMENT SURVEY, LYING EASTERLY OF THE RIGHT OF WAY OF THE GAGE CANAL AND MORE FULLY DESCRIBED AS FOLLOWS:

STARTING AT A POINT AT THE APPROXIMATE CENTER LINES OF PALMYRITA AND MICHIGAN AVENUES, SAID POINT MARKING THE SOUTH QUARTER CORNER OF SAID SECTION 8;

THENCE NORTH 0°22' 30" WEST, ALONG THE EAST LINE OF SAID SOUTHWEST QUARTER OF SECTION 8, 1,001.88 FEET TO THE POINT OF BEGINNING;

THENCE CONTINUING NORTH 0°22' 30" WEST, 321.90 FEET TO A POINT; SAID POINT BEING THE NORTHEAST CORNER OF SAID SOUTHEAST QUARTER OF THE SOUTHWEST QUARTER OF SECTION 8;

THENCE SOUTH 89°35' 30" WEST, 638.32 FEET TO A POINT ON THE EASTERLY PROPERTY LINE OF THE GAGE CANAL;

THENCE SOUTH 32°52' 12" WEST, 30.00 FEET ALONG THE EASTERLY PROPERTY LINE OF SAID GAGE CANAL;

THENCE SOUTH 66°01' 02" EAST, 718.74 FEET TO THE POINT BEGINNING.

PARCEL 22: (255-210-010, 257-180-009 AND 257-120-003)

LOTS 5, 6, 7 AND ALL THOSE PORTIONS OF LOTS 4, 8 AND 9 OF EUREKA (BEING THE CHASE NURSERY'S COMPANY'S SUBDIVISION OF SOUTH HALF OF

SOUTHEAST QUARTER OF SECTION 9, SOUTHWEST QUARTER OF SOUTHWEST QUARTER AND WEST HALF OF SOUTHEAST QUARTER OF SOUTHWEST QUARTER OF SECTION 10, NORTH HALF OF NORTHEAST QUARTER OF SECTION 16, AND A PORTION OF THE NORTHWEST QUARTER OF SECTION 15, ALL IN TOWNSHIP 2 SOUTH, RANGE 4 WEST), AS SHOWN ON MAP OF SUBDIVISION ON FILE IN BOOK 4 PAGE(S) 67 OF MAPS, RECORDS OF RIVERSIDE COUNTY, CALIFORNIA, LYING SOUTHWESTERLY OF THE LINE DESCRIBED AS FOLLOWS:

BEGINNING AT THE NORTHWEST CORNER OF LOT 22 AS SHOWN ON RECORD OF SURVEY ON FILE IN BOOK 5 PAGE 74 OF RECORDS OF SURVEY, RECORDS OF RIVERSIDE COUNTY, CALIFORNIA;

THENCE SOUTH ALONG THE WESTERLY LINE OF SAID LOT 22 TO A POINT ON A NORTHERLY LINE OF LOT 10 OF SAID RECORD OF SURVEY (HAVING A BEARING OF SOUTH 48°23' WEST AND A LENGTH OF 275.0 FEET);

THENCE NORTH 48°23' EAST ALONG SAID NORTHERLY LINE OF SAID LOT 10 TO THE MOST NORTHERLY CORNER OF SAID LOT 10;

THENCE SOUTHEASTERLY ALONG THE NORTHEASTERLY LINE OF SAID LOT 10, THE VARIOUS COURSES AND DISTANCES TO THE MOST SOUTHERLY CORNER OF LOT 8 OF SAID RECORD OF SURVEY;

THENCE SOUTHWESTERLY ALONG THE NORTHWESTERLY LINE OF LOT 9 OF SAID RECORD OF SURVEY TO THE MOST WESTERLY CORNER OF SAID LOT 9;

THENCE SOUTHEASTERLY ALONG THE SOUTHWESTERLY LINE OF SAID LOT 9 TO THE MOST WESTERLY CORNER OF LOT 5 OF SAID RECORD OF SURVEY;

THENCE SOUTHEASTERLY ALONG THE SOUTHWESTERLY LINE OF SAID LOT 5 TO A POINT ON THE MOST WESTERLY LINE OF LOT 21 OF SAID RECORD OF SURVEY;

THENCE SOUTH ALONG SAID WESTERLY LINE OF SAID LOT 21 TO THE SOUTHWEST CORNER OF SAID LOT 21;

EXCEPTING ANY PORTIONS THEREOF SHOWN AS ROADS OR STREETS ON THE ABOVE DESCRIBED MAP AND RECORD SURVEY;

ALSO EXCEPT THEREFROM PIGEON PASS ROAD AS CONVEYED TO THE COUNTY OF RIVERSIDE BY DEED RECORDED JANUARY 8, 1952 IN BOOK 1332 PAGE 121, OF OFFICIAL RECORDS OF RIVERSIDE COUNTY, CALIFORNIA.

PARCEL 23: (255-200-016 AND 255-200-017)

ALL OF LOTS 1, 7, 8 AND THAT PORTION OF LOT 2 LYING EAST OF THE CENTER LINE OF THAT CERTAIN STRIP OF LAND 60 FEET IN WIDTH AS GRANTED TO THE COUNTY OF RIVERSIDE BY DEED RECORDED DECEMBER 20, 1932 IN BOOK 97

PAGE 231 OF OFFICIAL RECORDS OF RIVERSIDE COUNTY, CALIFORNIA, OF VIVIENDA RANCH, AS SHOWN BY MAP ON FILE IN BOOK 2 PAGE(S) 39 OF MAPS, RECORDS OF RIVERSIDE COUNTY, CALIFORNIA,

EXCEPTING FROM LOTS 1 AND 2 PIGEON PASS ROAD AS GRANTED TO THE COUNTY OF RIVERSIDE IN THE DEED RECORDED JANUARY 8, 1952 IN BOOK 1332 PAGE 121, OF OFFICIAL RECORDS OF RIVERSIDE COUNTY, CALIFORNIA

PARCEL 24: (255-210-011)

THAT PORTION OF LOT 8 AND LOT 22 AS SHOWN ON MAP OF THE RE-SUBDIVISION OF EUREKA ON FILE IN SURVEY, BOOK 5 PAGE(S) 74 OF MAPS, RECORDS OF RIVERSIDE COUNTY, CALIFORNIA, DESCRIBED AS FOLLOWS:

BEGINNING AT THE NORTHWEST CORNER OF THE SOUTHEAST QUARTER OF THE SOUTHEAST QUARTER OF SECTION 9, TOWNSHIP 2 SOUTH, RANGE 4 WEST, SAN BERNARDINO BASE AND MERIDIAN;

THENCE SOUTH 89°46' 20" EAST ON THE NORTH LINE OF THE SAID SOUTHEAST QUARTER OF THE SOUTHEAST QUARTER, 119.47 FEET;

THENCE SOUTH 73°38' 00" EAST, 125.90 FEET;

THENCE SOUTH 50°36' 00" EAST, 172.00 FEET;

THENCE SOUTH 53°25' 00" EAST, 680.00 FEET;

THENCE SOUTH 55°22' 00" EAST, 518.00 FEET;

THENCE SOUTH 40°22' 00" EAST, 180.00 FEET;

THENCE SOUTH 24°23' 00" EAST, 113.00 FEET;

THENCE SOUTH 44°28' 00" EAST, 140.00 FEET;

THENCE SOUTH 34°12' 00" EAST, 82.77 FEET;

THENCE NORTH 44°10' 00" WEST, 133.24 FEET;

THENCE NORTH 55°22' 00" WEST, 110.00 FEET;

THENCE NORTH 30°55' 00" WEST, 100.00 FEET;

THENCE NORTH 52°55' 00" WEST, 132.00 FEET;

THENCE NORTH 55°53' 00" WEST, 230.00 FEET;
THENCE NORTH 68°33' 00" WEST, 175.00 FEET;
THENCE NORTH 38°10' 00" WEST, 160.00 FEET;
THENCE NORTH 58°28' 00" WEST, 400.00 FEET;
THENCE NORTH 87°28' 00" WEST, 80.00 FEET;
THENCE SOUTH 35°13' 00" WEST, 230.00 FEET;
THENCE NORTH 58°25' 00" WEST, 186.00 FEET;
THENCE NORTH 17°32' 00" WEST, 380.00 FEET;
THENCE SOUTH 48°58' 00" WEST, 45.92 FEET TO A POINT ON THE WEST LINE OF
THE SAID SOUTHEAST QUARTER OF THE SOUTHEAST QUARTER OF SAID SECTION
9;
THENCE NORTH ON THE WEST LINE OF THE SAID SOUTHEAST QUARTER OF THE
SOUTHEAST QUARTER, 156.49 FEET TO THE POINT OF BEGINNING;

EXCEPT THEREFROM PIGEON PASS ROAD AS CONVEYED TO THE COUNTY OF
RIVERSIDE BY DEED RECORDED JANUARY 8, 1952 IN BOOK 1332 PAGE 121, OF
OFFICIAL RECORDS OF RIVERSIDE COUNTY, CALIFORNIA.

PARCEL 25:

AN EASEMENT FOR TRAIL AND SLOPE PURPOSES AS CONTAINED IN THE GRANT
OF EASEMENTS RECORDED DECEMBER 24, 2003 AS INSTRUMENT NO. 2003-
1002778, OF OFFICIAL RECORDS.

PARCEL 26:

AN EASEMENT FOR TRAIL AND SLOPE PURPOSES AS CONTAINED IN THE GRANT
OF EASEMENTS RECORDED DECEMBER 30, 2003 AS INSTRUMENT NO. 2003-1010724
OF OFFICIAL RECORDS.

PARCEL 27:

AN EASEMENT FOR DRAINAGE AND SLOPE PURPOSES AS CONTAINED IN THE
GRANT OF EASEMENTS RECORDED DECEMBER 30, 2003 AS INSTRUMENT NO. 2003-
1010725 OF OFFICIAL RECORDS.

PARCEL 28:

AN EASEMENT FOR DRAINAGE AND SLOPE PURPOSES AS CONTAINED IN THE GRANT OF EASEMENTS RECORDED DECEMBER 30, 2003 AS INSTRUMENT NO. 2003-1010726 OF OFFICIAL RECORDS.

PARCEL 29:

AN EASEMENT FOR SLOPE PURPOSES AS CONTAINED IN THE GRANT OF EASEMENT RECORDED DECEMBER 30, 2003, AS INSTRUMENT NO. 2003-1010727 OF OFFICIAL RECORDS.

PARCEL 30:

AN EASEMENT FOR STORM DRAIN PURPOSES AS CONTAIN IN THE GRANT OF EASEMENT RECORDED DECEMBER 30, 2003 AS INSTRUMENT NO. 2003-1010728 OF OFFICIAL RECORDS.

PARCEL 31:

AN EASEMENT FOR TRAIL AND FUEL MODIFICATION AS CONTAINED IN THE GRANT OF EASEMENT RECORDED JANUARY 5, 2004 AS INSTRUMENT NO. 2004-3454 OF OFFICIAL RECORDS.

PARCEL 32:

AN APPURTENANT EASEMENT CONVEYED TO SMR VENTURES, A DELAWARE LIMITED LIABILITY COMPANY FOR ROADS OVER THOSE PORTIONS DESCRIBED IN EXHIBIT "C" OF THAT TEMPORARY GRANT OF EASEMENT, (ROAD, SLOPE AND UTILITIES) RECORDED DECEMBER 7, 2005 AS INSTRUMENT NO. 05-1012492, OF OFFICIAL RECORDS.

PARCEL 33:

AN APPURTENANT EASEMENT CONVEYED TO SMR VENTURES, A DELAWARE LIMITED LIABILITY COMPANY FOR WATER LINE, STORM DRAIN AND ACCESS ROAD OVER THOSE PORTIONS DESCRIBED IN EXHIBIT "C" OF THAT GRANT OF EASEMENT, (TEMPORARY CONSTRUCTION EASEMENT, WATER TANK FACILITIES, STORM DRAIN AND ACCESS ROAD) RECORDED DECEMBER 7, 2005 AS INSTRUMENT NO. 2005-1012495 OF OFFICIAL RECORDS.

PARCEL 34: (255-200-013)

THOSE PORTIONS OF LOT 4 AND "BANK OF ARROYO 4.3A" AS SHOWN ON MAP OF VIVIENDA RANCH RECORDED IN BOOK 2 PAGE 39 OF MAPS OF OFFICIAL RECORDS OF RIVERSIDE COUNTY, CALIFORNIA, TOGETHER WITH THAT PORTION OF BLUE MOUNTAIN AVENUE, (NOW MT. VERNON AVENUE), AS SHOWN ON SAID MAP OF VIVIENDA RANCH, DESCRIBED AS FOLLOWS:

BEGINNING AT THE NORTHWEST CORNER OF SAID "BANK OF ARROYO 4.3A", ALSO BEING THE SOUTHWEST CORNER OF LOT 3 OF SAID VIVIENDA RANCH;

THENCE SOUTHERLY ALONG THE MOST WESTERLY LINE, AND ITS SOUTHERLY PROLONGATION THEREOF, OF SAID "BANK OF ARROYO 4.3A", TO THAT CERTAIN CURVE CONCAVE SOUTHEASTERLY HAVING A RADIUS OF 230 FEET IN THE NORTHERLY LINE OF MT. VERNON AVENUE, AS DESCRIBED IN THE RIGHT OF WAY DEED TO RIVERSIDE COUNTY, RECORDED DECEMBER 20, 1932 IN BOOK 97, PAGE 231 OF OFFICIAL RECORDS OF RIVERSIDE COUNTY, CALIFORNIA;

THENCE NORTHEASTERLY AND EASTERLY ALONG THE STRIP OF LAND 60 FEET WIDE, AS DESCRIBED IN SAID RIGHT OF WAY DEED TO RIVERSIDE COUNTY, TO THE INTERSECTION WITH THAT CERTAIN COURSE HAVING A BEARING AND LENGTH OF "NORTH 49° 19' WEST, 100.87 FEET" AS DESCRIBED IN THE QUITCLAIM DEED TO NATIONAL ORANGE CO., A CORPORATION, RECORDED JUNE 11, 1956 AS INSTRUMENT NO. 40628 OF OFFICIAL RECORDS OF RIVERSIDE COUNTY, CALIFORNIA;

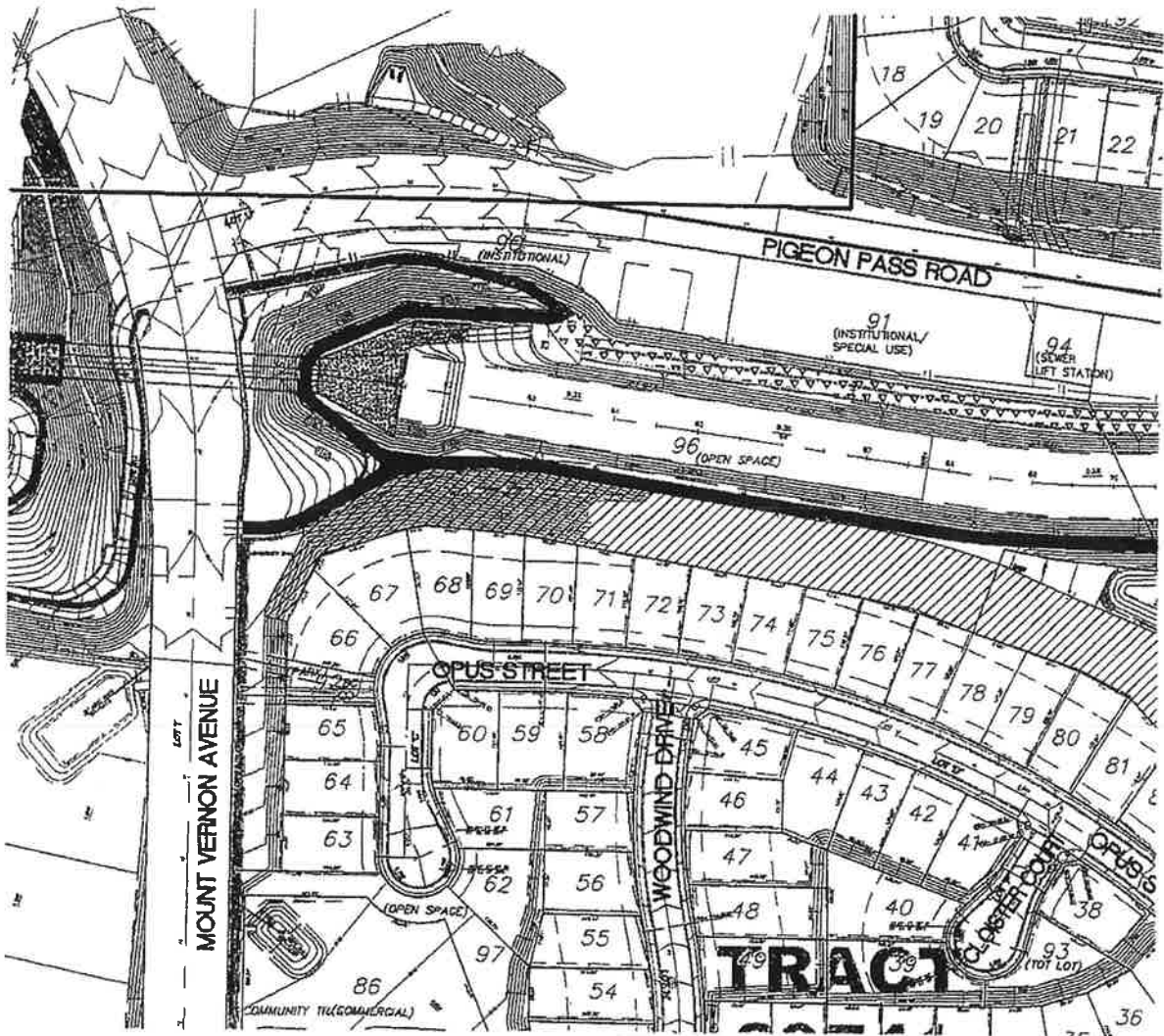
THENCE NORTHWESTERLY ALONG SAID CERTAIN COURSE TO THE NORTHERLY LINE OF SAID CERTAIN COURSE TO THE NORTHERLY LINE OF SAID "BANK OF ARROYO 4.3A", ALSO BEING THE SOUTHERLY LINE OF LOT 2 OF SAID VIVIENDA RANCH;

THENCE WESTERLY ALONG THE LAST MENTIONED NORTHERLY LINE, ALSO BEING THE SOUTHERLY LINE OF SAID LOTS 2 AND 3 TO THE POINT OF BEGINNING.

EXHIBIT "C"

FIRE PROTECTION PLAN

[Attached Hereto]



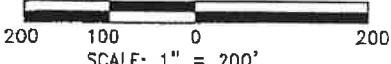
SEE EXHIBIT 2

SEE EXHIBIT 3

FUEL MODIFICATION ZONE LEGEND

	GRADED SLOPE: FUEL MODIFICATION ZONE A,B,C, OR D. TO BE IRRIGATED PER COUNTY GRADING ORDINANCE. PLANTING TO BE DESIGNED TO PREVENT EROSION & COMPATIBLE WITH FIRE FUEL MODIFICATION CRITERIA MAINTAINED BY C.S.A. 126
	ZONE A - "ON-LOT" (PAD) NON-COMBUSTIBLE STRUCTURAL SETBACK HOMEOWNER MAINTAIN
	ZONE B - "WET ZONE" EVERGREEN, FIRE RESISTANT SHRUB AND GROUND COVER 50 MIN. IRRIGATED MAINTAINED BY C.S.A. 126
	ZONE C - "THINNING ZONE" OF NATIVE UNDISTURBED VEGETATION SELECTIVE THINNING (100% THINNED) OF COMBUSTIBLE PLANT MATERIAL MAINTAINED BY C.S.A. 126
	ZONE D - NATIVE OPEN SPACE SELECTIVE THINNING (30% THINNED) OF COMBUSTIBLE PLANT MATERIAL MAINTAINED BY C.S.A. 126
	FIRE ACCESS

NOTE:
ALL INTERIOR MANUFACTURED SLOPES TO BE IRRIGATED, MAINTAINED BY H.O.A.



SCALE: 1" = 200'

SHEET 1 OF 16



**SPRING MOUNTAIN RANCH
TRACT NO. 29741**

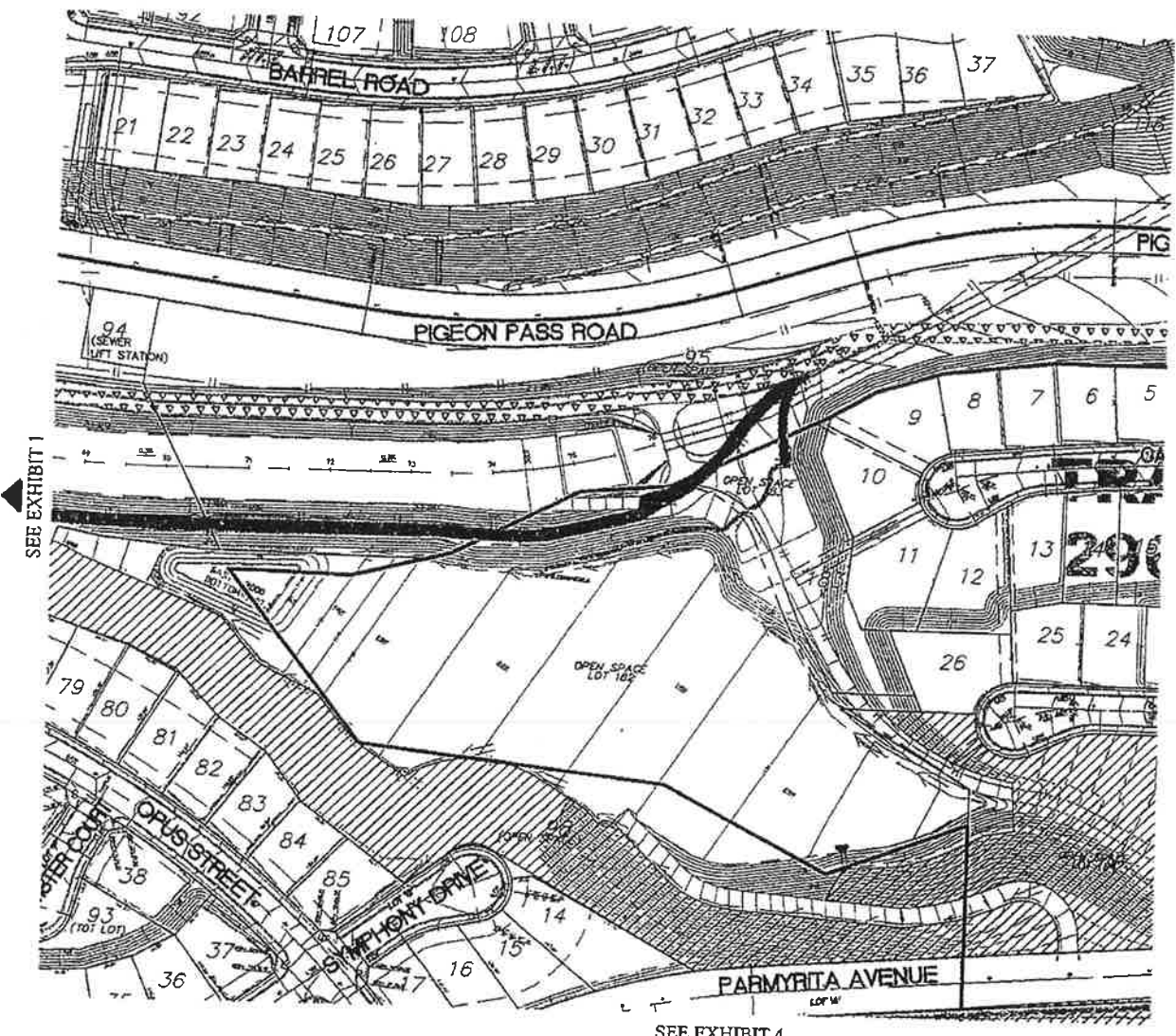
**EXHIBIT 1
FUEL MODIFICATION AREAS**



Stantec Consulting Inc.
277 Rancheros Drive Suite 300
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92069
Tel. 760.891.3200
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www.stantec.com

Stantec

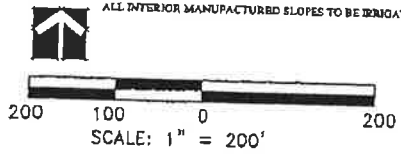
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FUEL MODIFICATION ZONE LEGEND

	GRADED SLOPE. FUEL MODIFICATION ZONE A, B, C, OR D. TO BE IRRIGATED PER COUNTY GRADING ORDINANCE. PLANTING TO BE DESIGNED TO PREVENT EROSION & COMPATIBLE WITH FIRE FUEL MODIFICATION CRITERIA MAINTAINED BY C.S.A. 126
	ZONE A- "ON-LOT" (PAD) NON-COMBUSTIBLE STRUCTURAL SETBACK HOMEOWNER MAINTAIN
	ZONE B- WET ZONE EVERGREEN, FIRE RESISTANT SHRUB AND GROUNDCOVER 50' MIN. IRRIGATED MAINTAINED BY C.S.A. 126
	ZONE C- THINNING ZONE OF NATIVE UNDISTURBED VEGETATION SELECTIVE THINNING (100% THINNED) OF COMBUSTIBLE PLANT MATERIAL MAINTAINED BY C.S.A. 126
	ZONE D- NATIVE OPEN SPACE SELECTIVE THINNING (30% THINNED) OF COMBUSTIBLE PLANT MATERIAL MAINTAINED BY C.S.A. 126
	FIRE ACCESS

NOTE:
ALL INTERIOR MANUFACTURED SLOPES TO BE IRRIGATED. MAINTAINED BY H.O.A.



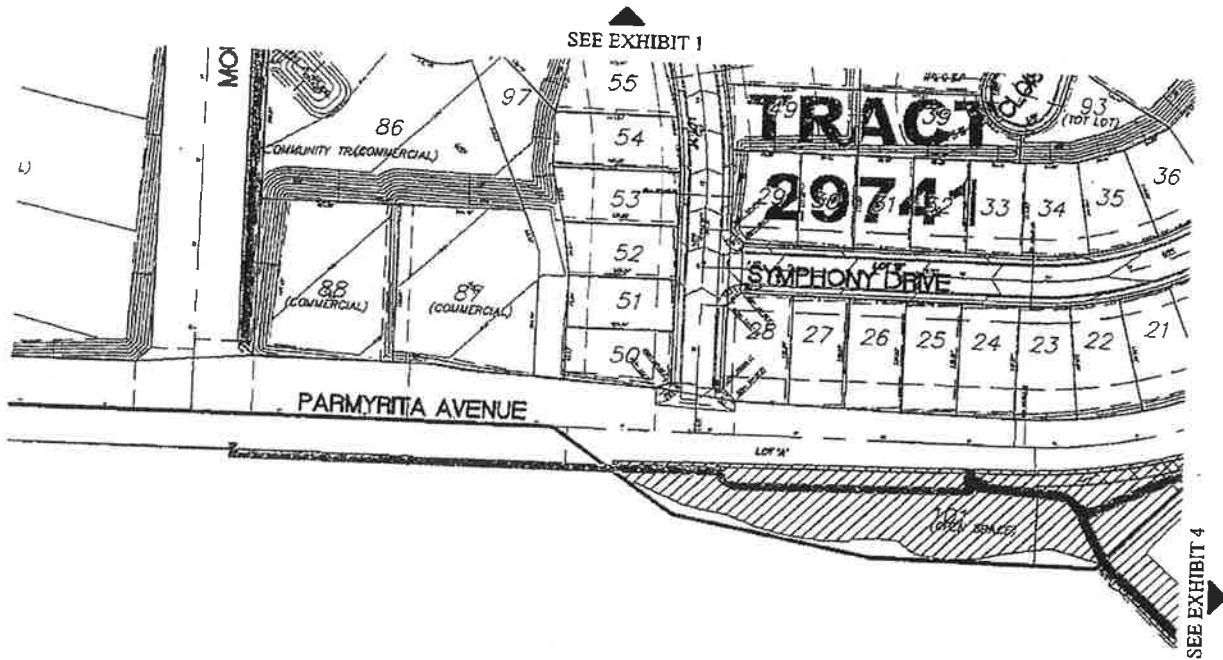
**SPRING MOUNTAIN RANCH
TRACT NO. 29741**

**EXHIBIT 2
FUEL MODIFICATION AREAS**









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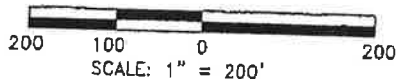


FUEL MODIFICATION ZONE LEGEND

	GRADED SLOPE. FUEL MODIFICATION ZONE A, B, C, OR D. TO BE IRRIGATED PER COUNTY GRADING ORDINANCE. PLANTING TO BE DESIGNED TO PREVENT EROSION & COMPATIBLE WITH FIRE FUEL MODIFICATION CRITERIA MAINTAINED BY C.S.A. 126
	ZONE A- "ON-LDT" (PAD) NON-COMBUSTIBLE STRUCTURAL SETBACK HOMEOWNER MAINTAIN
	ZONE B- "WET ZONE" EVERGREEN, FIRE RESISTANT SHRUB AND GROUND COVER 50 MIN. IRRIGATED MAINTAINED BY C.S.A. 126
	ZONE C- "THINNING ZONE" OF NATIVE UNDISTURBED VEGETATION SELECTIVE THINNING (100% THINNED) OF COMBUSTIBLE PLANT MATERIAL MAINTAINED BY C.S.A. 126
	ZONE D- NATIVE OPEN SPACE SELECTIVE THINNING (10% THINNED) OF COMBUSTIBLE PLANT MATERIAL MAINTAINED BY C.S.A. 126
	FIRE ACCESS

NOTE:

ALL INTERIOR MANUFACTURED SLOPES TO BE IRRIGATED, MAINTAINED BY H.O.A.



SHEET 3 OF 16



SPRING MOUNTAIN RANCH TRACT NO. 29741

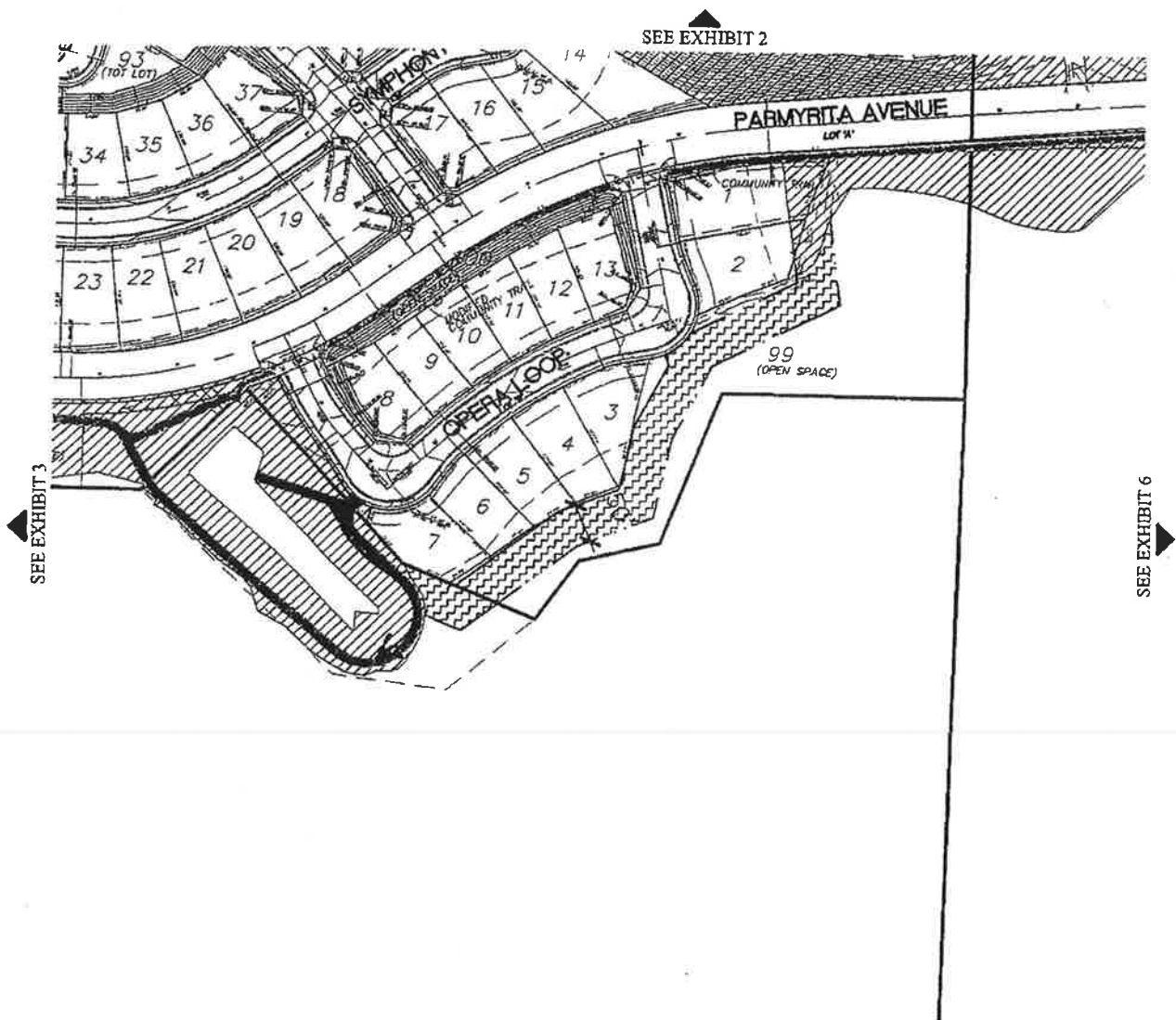
EXHIBIT 3 FUEL MODIFICATION AREAS









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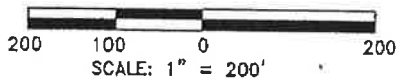
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FUEL MODIFICATION ZONE LEGEND

	GRADED SLOPE. FUEL MODIFICATION ZONE A,B,C, OR D. TO BE IRRIGATED PER COUNTY GRADING ORDINANCE. PLANTING TO BE DESIGNED TO PREVENT EROSION & COMPATIBLE WITH FIRE FUEL MODIFICATION CRITERIA MAINTAINED BY C.S.A. 126
	ZONE A- "ON-LOT" (PAD) NON-COMBUSTIBLE STRUCTURAL SETBACK HOMEOWNER MAINTAIN
	ZONE B- WET ZONE EVERGREEN, FIRE RESISTANT SHRUB AND GROUNDCOVER 50' MIN. IRRIGATED MAINTAINED BY C.S.A. 126
	ZONE C- "THINNING ZONE" OF NATIVE UNDISTURBED VEGETATION SELECTIVE THINNING (100% THINNED) OF COMBUSTIBLE PLANT MATERIAL MAINTAINED BY C.S.A. 126
	ZONE D- NATIVE OPEN SPACE SELECTIVE THINNING (80% THINNED) OF COMBUSTIBLE PLANT MATERIAL MAINTAINED BY C.S.A. 126
	FIRE ACCESS

NOTE:
ALL INTERIOR MANUFACTURED SLOPES TO BE IRRIGATED, MAINTAINED BY H.O.A.




SPRING MOUNTAIN RANCH
TRACT NO. 29741
EXHIBIT 4
FUEL MODIFICATION AREAS



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