

FORM APPROVED COUNTY COUNSEL
DATE 6/17/15
BY: GREGORY P. PRAMOS

REVIEWED BY EXECUTIVE OFFICE
DATE 06/29/15
Tina Granda

Departmental Concurrence

Dept. Recomm. Policy Policy
Per Exec Ofc. Consent Consent

**SUBMITTAL TO THE BOARD OF SUPERVISORS
COUNTY OF RIVERSIDE, STATE OF CALIFORNIA**

408 B



FROM: TLMA - Transportation Department

SUBMITTAL DATE
June 25, 2015

SUBJECT: Approval of the Final Map for **Tract 36316**, a Schedule "A" Subdivision in the Glen Ivy Hot Springs Area. 1st District; [\$0]

RECOMMENDED MOTION: That the Board of Supervisors:

1. Approve the Improvement Agreements and Securities as approved by County Counsel; and
2. Approve the Final Map; and
3. Authorize the Chairman of the Board of Supervisors to sign the Improvement Agreements and Final Map for Tract Map 36316.

BACKGROUND:

Summary

Tract 36316 was approved by the Board of Supervisors on July 2, 2013, as Agenda Item 16-1. Tract 36316 is a 25.13 acre subdivision that is creating 87 new residential lots, 1 park lot, 1 water quality basin lot and 4 open space lots in the Glen Ivy Hot Springs Area. This Final Map complies in all respects with the provisions of Division 3 of Title 15 of the Government Code and applicable local ordinances. All necessary conditions of approval have been satisfied and departmental clearances have been obtained to allow for the recordation of the final map.

Patricia Romo
Assistant Director of Transportation

Juan C. Perez
Director of Transportation and Land Management

HS: If
Submittals: Vicinity Map
Road/Drainage Improvement Agreements
Water System Improvement Agreements
Sewer System Improvement Agreements
Monumentation Agreements

MINUTES OF THE BOARD OF SUPERVISORS

On motion of Supervisor Ashley, seconded by Supervisor Benoit and duly carried by unanimous vote, IT WAS ORDERED that the above matter is approved as recommended.

Ayes: Jeffries, Tavaglione, Washington, Benoit and Ashley
Nays: None
Absent: None
Date: July 7, 2015
xc: Transp., COBlc

Kecia Harper-Ihem
Clerk of the Board
By:
Deputy

2-3

SUBMITTAL TO THE BOARD OF SUPERVISORS, COUNTY OF RIVERSIDE, STATE OF CALIFORNIA
FORM 11: Approval of the Final Map for Tract 36316, a Schedule "A" Subdivision in the Glen Ivy Hot Springs Area. 1st District; [\$0]
DATE: June 25, 2015
PAGE: 2 of 2

BACKGROUND:

Summary (continued)

TRI Pointe Homes, Inc., A Delaware corporation desires to enter into Improvement Agreements to guarantee the construction of the required improvements and has submitted Improvement Agreements and Securities, which have been approved by County Counsel. All costs for improvements will be the responsibility of the developer. The securities posted by Westchester Fire Insurance Company are as follows:

- \$1,797,000 - Bond # PB03010401308 for the completion of street improvements
- \$335,500 - Bond # PB03010401308 for the completion of the water system
- \$169,500 - Bond # PB03010401308 for the completion of the sewer system
- \$40,600 - Bond # PB03010401309 for the completion of the monumentation

**AGREEMENT
FOR THE CONSTRUCTION OF ROAD/DRAINAGE IMPROVEMENTS**

This agreement, made and entered into by and between the County of Riverside, State of California, hereinafter called County, and TRI Pointe Homes, INC., hereinafter called Contractor.

WITNESSETH:

FIRST: Contractor, for and in consideration of the approval by County of the final map of that certain land division known as **Tract 36316**, hereby agrees, at Contractor's own cost and expense, to furnish all labor, equipment and materials necessary to perform and complete, within **24** months from the date this agreement is executed, in a good and workmanlike manner, all road and drainage improvements in accordance with those Road Plans for said land division which have been approved by the County Director of Transportation, and are on file in the office of the Riverside County Transportation Department, and do all work incidental thereto in accordance with the standards set forth in Riverside County Ordinance No. 461, as amended, which are hereby expressly made a part of this agreement. All the above required work shall be done under the inspection of and to the satisfaction of the County Director of Transportation, and shall not be deemed complete until approved and accepted as complete by the County. Contractor further agrees to maintain the above required improvements for a period of one year following acceptance by the County, and during this one year period to repair or replace, to the satisfaction of the Director of Transportation, any defective work or labor done or defective materials furnished. Contractor further agrees that all underground improvements shall be completed prior to the paving of any roadway. The estimated cost of said work and improvements is the sum of **One million seven hundred ninety-seven thousand and no/100 Dollars (\$1,797,000.00)**.

SECOND: Contractor agrees to pay to County the actual cost of such inspections of the work and improvements as may be required by the Director of Transportation. Contractor further agrees that, if suit is brought upon this agreement or any bond guaranteeing the completion of the road and drainage improvements, all costs and reasonable expenses and fees incurred by County in successfully enforcing such obligations shall be paid by Contractor, including reasonable attorney's fees, and that, upon entry of judgment, all such costs, expenses and fees shall be taxed as costs and included in any judgment rendered.

THIRD: County shall not, nor shall any officer or employee of County, be liable or responsible for any accident, loss or damage happening or occurring to the works specified in this agreement prior to the completion and acceptance thereof, nor shall County or any officer or employee thereof, be liable for any persons or property injured by reason of the nature of the work, or by reason of the acts or omissions of Contractor, its agents or employees, in the performance of the work, and all or said liabilities are assumed by Contractor. Contractor agrees to protect, defend, and hold harmless County and the officers and employees thereof from all loss, liability or claim because of, or arising out of the acts or omissions of Contractor, its agents and employees, in the performance of this agreement or arising out of the use of any patent or patented article in the performance of this agreement.

FOURTH: The Contractor hereby grants to County, or any agent or employee of County, the irrevocable permission to enter upon the lands of the subject land division for the purpose of completing the improvements. This permission shall terminate in the event that Contractor has completed work within the time specified or any extension thereof granted by the County.

FIFTH: The Contractor shall provide adequate notice and warning to the traveling public of each and every

hazardous or dangerous condition caused or created by the construction of the works of improvement at all times up to the completion and formal acceptance of the works of improvement. The Contractor shall protect all persons from such hazardous or dangerous conditions by use of traffic regulatory control methods, including, but not limited to, stop signs, regulatory signs or signals, barriers, or detours.

SIXTH: Contractor, its agents and employees, shall give notice to the Director of Transportation at least 48 hours before beginning any work and shall furnish said Director of Transportation all reasonable facilities for obtaining full information with respect to the progress and manner of work.

SEVENTH: If Contractor, its agents or employees, neglects, refuses, or fails to prosecute the work with such diligence as to insure its completion within the specified time, or within such extensions of time which have been granted by County, or if Contractor violates, neglects, refuses, or fails to perform satisfactorily any of the provisions of the plans and specifications, Contractor shall be in default of this agreement and notice of such default shall be served upon Contractor. County shall have the power, on recommendation of the Director of Transportation, to terminate all rights of Contractor because of such default. The determination by the Director of Transportation of the question as to whether any of the terms of the agreement or specifications have been violated, or have not been performed satisfactorily, shall be conclusive upon the Contractor, and any and all parties who may have any interest in the agreement or any portion thereof. The foregoing provisions of this section shall be in addition to all other rights and remedies available to County under law. The failure of the Contractor to commence construction shall not relieve the Contractor or surety from completion of the improvements required by this agreement.

EIGHTH: Contractor agrees to file with County, prior to the date this agreement is executed, a good and sufficient improvement security in an amount not less than the estimated cost of the work and improvements for the faithful performance of the terms and conditions of this agreement, and good and sufficient security for payment of labor and materials in the amount prescribed by Article XVII of Riverside County Ordinance 460 to secure the claims to which reference is made in Title 15 (commencing with Section 3082) of Part 4 of Division 3 of the Civil Code of the State of California. Contractor agrees to renew each and every said bond or bonds with good and sufficient sureties or increase the amount of said bonds, or both, within ten (10) days after being notified by the Director of Transportation that the sureties or amounts are insufficient. Notwithstanding any other provisions herein, if Contractor fails to take such action as is necessary to comply with said notice, Contractor shall be in default of this agreement unless all required improvements are completed within ninety (90) days of the date on which the Director of Transportation notified Contractor of the insufficiency of the security or the amount of the bonds or both.

NINTH: It is further agreed by and between the parties hereto, including the surety or sureties on the bonds securing this agreement, that, in the event it is deemed necessary to extend the time of completion of the work contemplated to be done under this agreement, extensions of time may be granted, from time to time, by County, either at its own option, or upon request of Contractor, and such extensions shall in no way affect the validity of this agreement or release the surety or sureties on such bonds. Contractor further agrees to maintain the aforesaid bond or bonds in full force and effect during the terms of this agreement, including any extensions of time as may be granted therein.

TENTH: It is understood and agreed by the parties hereto that if any part, term or provision of this agreement is by the courts held to be unlawful and void, the validity of the remaining portions shall not be affected and the rights and obligations of the parties shall be construed and enforced as if the agreement did not contain that particular part, term or provision held to be invalid.

ELEVENTH: Any notice or notices required or permitted to be given pursuant to this agreement shall be

served on the other party by mail, postage prepaid, at the following addresses:

County

Contractor


Construction Engineer
Riverside County Transportation Dept.
2950 Washington Street
Riverside, CA 92504

TRI Pointe Homes, INC.
19520 Jamboree Road, Suite 200
Irvine, CA 92612

IN WITNESS WHEREOF, Contractor has affixed his name, address and seal.

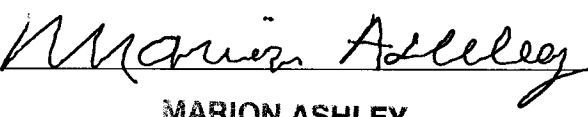
By 

Title Thomas J. Mitchell, President & COO

By 


Title Gregory A. Mendoza, Assistant Secretary

COUNTY OF RIVERSIDE

By 
MARION ASHLEY


ATTEST: **CHAIRMAN, BOARD OF SUPERVISORS**

KECIA HARPER-IHEM,
Clerk of the Board

By 
Deputy

APPROVED AS TO FORM

County Counsel

By  6/30/11

SIGNATURES OF CONTRACTOR MUST BE ACKNOWLEDGED BY NOTARY
AND EXECUTED IN TRIPPLICATE

Revised 09/29/09

ACKNOWLEDGMENT

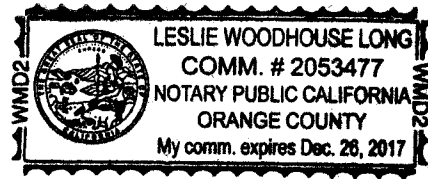
State of California
County of Orange

On May 1, 2014 before me, Leslie Woodhouse Long, a Notary Public,
(insert name and title of the officer)

personally appeared Thomas J. Mitchell & Gregory A. Mendoza,
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 Leslie Woodhouse Long (Seal)

**AGREEMENT
FOR THE CONSTRUCTION OF WATER SYSTEM IMPROVEMENTS**

This agreement, made and entered into by and between the County of Riverside, State of California, hereinafter called County, and TRI Pointe Homes, INC., hereinafter called Contractor.

WITNESSETH:

FIRST: Contractor, for and in consideration of the approval by County of the final map of that certain land division known as Tract 36316, hereby agrees, at Contractor's own cost and expense, to construct or cause to have constructed, within 24 months from the date this agreement is executed, in a good and workmanlike manner, a water distribution system, complete with all necessary pipes, valves, fire hydrants, connections and appurtenances necessary to the satisfactory operation of said distribution system, and, further, to extend main or mains from the existing supply system maintained and operated by Lee Lake Water District to connect with the distribution system described above with all pipe laid at such a depth as to provide a full thirty-six inch (36") minimum cover from the top of the pipe to street grade, unless otherwise specified by the Director of Transportation, all in accordance with those plans and specifications which have been approved by both the County Health Director and Director of Transportation, and are on file in the office of the Riverside County Transportation Department. Said approved plans and specifications are hereby made a part of this agreement as fully as though set forth herein. All of the above required work shall be done under the inspection of, and to the satisfaction of, the County Director of Transportation and the County Health Officer, and shall not be deemed complete until approved and accepted as complete by the County. Contractor further agrees to maintain the above required improvements for a period of one year following acceptance by the County, and during this one year period to repair or replace, to the satisfaction of the Director of Transportation, any defective work or labor done or defective materials furnished. Contractor further agrees that all underground improvements shall be completed prior to the paving of any roadway. The estimated cost of said work and improvements is the sum of Three hundred thirty-five thousand five hundred and no/100 Dollars (\$335,500.00).

SECOND: Contractor agrees to pay to County the actual cost of such inspections of the work and improvements as may be required by the Director of Transportation. Contractor further agrees that, if suit is brought upon this agreement or any bond guaranteeing the completion of the water system improvements, all costs and reasonable expenses and fees incurred by County in successfully enforcing such obligations shall be paid by Contractor, including reasonable attorney's fees, and that, upon entry of judgment, all such costs, expenses and fees shall be taxed as costs and included in any judgment rendered.

THIRD: County shall not, nor shall any officer or employee of County, be liable or responsible for any accident, loss or damage happening or occurring to the works specified in this agreement prior to the completion and acceptance thereof, nor shall County or any officer or employee thereof, be liable for any persons or property injured by reason of the nature of the work, or by reason of the acts or omissions of Contractor, its agents or employees, in the performance of the work, and all or said liabilities are assumed by Contractor. Contractor agrees to protect, defend, and hold harmless County and the officers and employees thereof from all loss, liability or claim because of, or arising out of the acts or omissions of Contractor, its agents and employees, in the performance of this agreement or arising out of the use of any patent or patented article in the performance of this agreement.

FOURTH: The Contractor hereby grants to County, or any agent or employee of County, the irrevocable permission to enter upon the lands of the subject land division for the purpose of completing the improvements. This permission shall terminate in the event that Contractor has completed work within the time specified or any extension thereof granted by the County.

FIFTH: The Landowner shall provide adequate notice and warning to the traveling public of each and every hazardous or dangerous condition caused or created by the construction of the works of improvement at all times up to the completion and formal acceptance of the works of improvement. The Landowner shall protect all persons from such hazardous or dangerous conditions by use of traffic regulatory control methods, including, but not limited to, stop signs, regulatory signs or signals, barriers, or detours.

SIXTH: Contractor, its agents and employees, shall give notice to the Director of Transportation at least 48 hours before beginning any work and shall furnish said Director of Transportation all reasonable facilities for obtaining full information with respect to the progress and manner of work.

SEVENTH: If Contractor, its agents or employees, neglects, refuses, or fails to prosecute the work with such diligence as to insure its completion within the specified time, or within such extensions of time which have been granted by County, or if Contractor violates, neglects, refuses, or fails to perform satisfactorily any of the provisions of the plans and specifications, Contractor shall be in default of this agreement and notice of such default shall be served upon Contractor. County shall have the power, on recommendation of the Director of Transportation, to terminate all rights of Contractor because of such default. The determination by the Director of Transportation of the question as to whether any of the terms of the agreement or specifications have been violated, or have not been performed satisfactorily, shall be conclusive upon the Contractor, and any and all parties who may have any interest in the agreement or any portion thereof. The foregoing provisions of this section shall be in addition to all other rights and remedies available to County under law. The failure of the Contractor to commence construction shall not relieve the Contractor or surety from completion of the improvements required by this agreement.

EIGHTH: Contractor agrees to file with County, prior to the date this agreement is executed, a good and sufficient improvement security in an amount not less than the estimated cost of the work and improvements for the faithful performance of the terms and conditions of this agreement, and good and sufficient security for payment of labor and materials in the amount prescribed by Article XVII of Riverside County Ordinance 460 to secure the claims to which reference is made in Title 15 (commencing with Section 3082) of Part 4 of Division 3 of the Civil Code of the State of California. Contractor agrees to renew each and every said bond or bonds with good and sufficient sureties or increase the amount of said bonds, or both, within ten (10) days after being notified by the Director of Transportation that the sureties or amounts are insufficient. Notwithstanding any other provisions herein, if Contractor fails to take such action as is necessary to comply with said notice, Contractor shall be in default of this agreement unless all required improvements are completed within ninety (90) days of the date on which the Director of Transportation notified Contractor of the insufficiency of the security or the amount of the bonds or both.


NINTH: It is further agreed by and between the parties hereto, including the surety or sureties on the bonds securing this agreement, that, in the event it is deemed necessary to extend the time of completion of the work contemplated to be done under this agreement, extensions of time may be granted, from time to time, by County, either at its own option, or upon request of Contractor, and such extensions shall in no way affect the validity of this agreement or release the surety or sureties on such bonds. Contractor further agrees to maintain the aforesaid bond or bonds in full force and effect during the terms of this agreement, including any extensions of time as may be granted therein.

TENTH: It is understood and agreed by the parties hereto that if any part, term or provision of this agreement is by the courts held to be unlawful and void, the validity of the remaining portions shall not be affected and the rights and obligations of the parties shall be construed and enforced as if the agreement did not contain that particular part, term or provision held to be invalid.

ELEVENTH: Any notice or notices required or permitted to be given pursuant to this agreement shall be served on the other party by mail, postage prepaid, at the following addresses:

| <u>County</u> | <u>Contractor</u> |
|---|--|
| Construction Engineer Riverside County Transportation Dept. 2950 Washington Street Riverside, CA 92504 | TRI Pointe Homes, INC. 19520 Jamboree Road, Suite 200 Irvine, CA 92612 |

IN WITNESS WHEREOF, Contractor has affixed his name, address and seal.

By 

Title Thomas J. Mitchell, President & COO

By 

Title Gregory A. Mendoza, Assistant Secretary

COUNTY OF RIVERSIDE

By 
MARION ASHLEY
CHAIRMAN, BOARD OF SUPERVISORS


ATTEST:

KECIA HARPER-IHEM,
Clerk of the Board

By 
Deputy

APPROVED AS TO FORM

County Counsel

By  6/30/14

SIGNATURES OF CONTRACTOR MUST BE ACKNOWLEDGED BY NOTARY
AND EXECUTED IN TRIPPLICATE

ACKNOWLEDGMENT

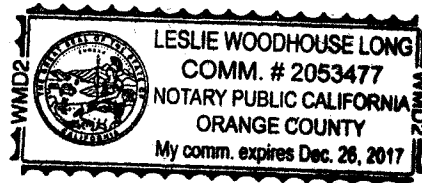
State of California
County of Orange

On May 1, 2014 before me, Leslie Woodhouse Long, a Notary Public,
(insert name and title of the officer)

personally appeared Thomas J. Mitchell & Gregory A. Mendoza,
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 Leslie Woodhouse Long (Seal)

**AGREEMENT
FOR THE CONSTRUCTION OF SEWER SYSTEM IMPROVEMENTS**

This agreement, made and entered into by and between the County of Riverside, State of California, hereinafter called County, and TRI Pointe Homes, INC., hereinafter called Contractor.

WITNESSETH:

FIRST: Contractor, for and in consideration of the approval by County of the final map of that certain land division known as **Tract 36316**, hereby agrees, at Contractor's own cost and expense, to construct or cause to have constructed, within **24** months from the date this agreement is executed, in a good and workmanlike manner, a sanitary sewer system, complete with all necessary pipes, valves, fire hydrants, connections and appurtenances necessary to the satisfactory operation of said sanitary sewer system. Contractor further agrees to extend the main or mains from the existing sewer system maintained and operated by **Lee Lake Water District** to connect with the sanitary sewer system required to be constructed by this agreement. All the above required work shall be in accordance with those plans and specifications which have been approved by the Director of Transportation, and are on file in the office of the Riverside County Transportation Department. Said approved plans and specifications are hereby made a part of this agreement as fully as though set forth herein. All of the above required work shall be done under the inspection of, and to the satisfaction of, the County Director of Transportation and the County Health Officer, and shall not be deemed complete until approved and accepted as complete by the County and accepted by the above-named agency into its sewer system. Contractor further agrees to maintain the above required improvements for a period of one year following acceptance by the County, and during this one year period to repair or replace, to the satisfaction of the Director of Transportation, any defective work or labor done or defective materials furnished. The estimated cost of said work and improvements is the sum of **One hundred sixty-nine thousand five hundred and no/100 Dollars (\$169,500.00)**.

SECOND: Contractor agrees to pay to County the actual cost of such inspections of the work and improvements as may be required by the Director of Transportation. Contractor further agrees that, if suit is brought upon this agreement or any bond guaranteeing the completion of the water system improvements, all costs and reasonable expenses and fees incurred by County in successfully enforcing such obligations shall be paid by Contractor, including reasonable attorney's fees, and that, upon entry of judgment, all such costs, expenses and fees shall be taxed as costs and included in any judgment rendered.

THIRD: County shall not, nor shall any officer or employee of County, be liable or responsible for any accident, loss or damage happening or occurring to the works specified in this agreement prior to the completion and acceptance thereof, nor shall County or any officer or employee thereof, be liable for any persons or property injured by reason of the nature of the work, or by reason of the acts or omissions of Contractor, its agents or employees, in the performance of the work, and all or said liabilities are assumed by Contractor. Contractor agrees to protect, defend, and hold harmless County and the officers and employees thereof from all loss, liability or claim because of, or arising out of the acts or omissions of Contractor, its agents and employees, in the performance of this agreement or arising out of the use of any patent or patented article in the performance of this agreement.

FOURTH: The Contractor hereby grants to County, or any agent or employee of County, the irrevocable permission to enter upon the lands of the subject land division for the purpose of completing the improvements. This permission shall terminate in the event that Contractor has completed work within the time specified or any extension thereof granted by the County.

FIFTH: The Contractor shall provide adequate notice and warning to the traveling public of each and every hazardous or dangerous condition caused or created by the construction of the works of improvement at all times up to the completion and formal acceptance of the works of improvement. The Contractor shall protect all persons from such hazardous or dangerous conditions by use of traffic regulatory control methods, including, but not limited to, stop signs, regulatory signs or signals, barriers, or detours.

SIXTH: Contractor, its agents and employees, shall give notice to the Director of Transportation at least 48 hours before beginning any work and shall furnish said Director of Transportation all reasonable facilities for obtaining full information with respect to the progress and manner of work.

SEVENTH: If Contractor, its agents or employees, neglects, refuses, or fails to prosecute the work with such diligence as to insure its completion within the specified time, or within such extensions of time which have been granted by County, or if Contractor violates, neglects, refuses, or fails to perform satisfactorily any of the provisions of the plans and specifications, Contractor shall be in default of this agreement and notice of such default shall be served upon Contractor. County shall have the power, on recommendation of the Director of Transportation, to terminate all rights of Contractor because of such default. The determination by the Director of Transportation of the question as to whether any of the terms of the agreement or specifications have been violated, or have not been performed satisfactorily, shall be conclusive upon the Contractor, and any and all parties who may have any interest in the agreement or any portion thereof. The foregoing provisions of this section shall be in addition to all other rights and remedies available to County under law. The failure of the Contractor to commence construction shall not relieve the Contractor or surety from completion of the improvements required by this agreement.

EIGHTH: Contractor agrees to file with County, prior to the date this agreement is executed, a good and sufficient improvement security in an amount not less than the estimated cost of the work and improvements for the faithful performance of the terms and conditions of this agreement, and good and sufficient security for payment of labor and materials in the amount prescribed by Article XVII of Riverside County Ordinance 460 to secure the claims to which reference is made in Title 15 (commencing with Section 3082) of Part 4 of Division 3 of the Civil Code of the State of California. Contractor agrees to renew each and every said bond or bonds with good and sufficient sureties or increase the amount of said bonds, or both, within ten (10) days after being notified by the Director of Transportation that the sureties or amounts are insufficient. Notwithstanding any other provisions herein, if Contractor fails to take such action as is necessary to comply with said notice, Contractor shall be in default of this agreement unless all required improvements are completed within ninety (90) days of the date on which the Director of Transportation notified Contractor of the insufficiency of the security or the amount of the bonds or both.

NINTH: It is further agreed by and between the parties hereto, including the surety or sureties on the bonds securing this agreement, that, in the event it is deemed necessary to extend the time of completion of the work contemplated to be done under this agreement, extensions of time may be granted, from time to time, by County, either at its own option, or upon request of Contractor, and such extensions shall in no way affect the validity of this agreement or release the surety or sureties on such bonds. Contractor further agrees to maintain the aforesaid bond or bonds in full force and effect during the terms of this agreement, including any extensions of time as may be granted therein.

TENTH: It is understood and agreed by the parties hereto that if any part, term or provision of this agreement is by the courts held to be unlawful and void, the validity of the remaining portions shall not be affected and the rights and obligations of the parties shall be construed and enforced as if the agreement did not contain that particular part, term or provision held to be invalid.

ELEVENTH: Any notice or notices required or permitted to be given pursuant to this agreement shall be served on the other party by mail, postage prepaid, at the following addresses:

| <u>County</u> | <u>Contractor</u> |
|---|--|
| Construction Engineer Riverside County Transportation Dept. 2950 Washington Street Riverside, CA 92504 | TRI Pointe Homes, INC. 19520 Jamboree Road, Suite 200 Irvine, CA 92612 |

IN WITNESS WHEREOF, Contractor has affixed his name, address and seal.

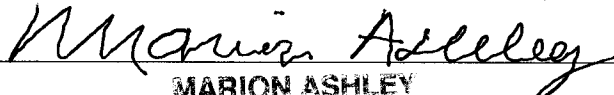
By 

Title Thomas J. Mitchell, President & COO

By 

Title Gregory A. Mendoza, Assistant Secretary

COUNTY OF RIVERSIDE

By 
MARION ASHLEY
CHAIRMAN, BOARD OF SUPERVISORS


ATTEST:

KECIA HARPER-IHEM,
Clerk of the Board

By 
Deputy

APPROVED AS TO FORM

County Counsel

By  6/30/14

SIGNATURES OF CONTRACTOR MUST BE ACKNOWLEDGED BY NOTARY
AND EXECUTED IN TRIPPLICATE

ACKNOWLEDGMENT

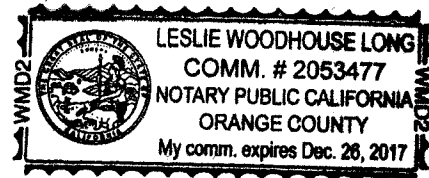
State of California
County of Orange)

On May 1, 2014 before me, Leslie Woodhouse Long, a Notary Public,
(insert name and title of the officer)

personally appeared Thomas J. Mitchell & Gregory A. Mendoza,
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 Leslie Woodhouse Long (Seal)

**AGREEMENT
FOR THE PLACEMENT OF SURVEY MONUMENTS**

This agreement, made and entered into by and between the County of Riverside, State of California, hereinafter called County, and TRI Pointe Homes, INC., hereinafter called Contractor.

WITNESSETH:

FIRST: Contractor, for and in consideration of the approval by County of the final map of that certain land division known as **Tract 36316**, hereby agrees, at Contractor's own cost and expense, to furnish all labor, equipment and materials necessary to set, within **24** months from the date this agreement is executed, in a good and workmanlike manner, all survey monuments and tie points and to furnish to the County Surveyor tie notes for said tract in accordance with the standards set forth in Riverside County Ordinance No. 461 and Section 8771 et seq. of the Business and Professions Code of the State of California. Contractor further agrees to pay, within 30 days of presentation to contractor of the final billing of any surveyor or engineer for work performed by him as provides for in Article 9 of Chapter 4, Division 2 of Title 7 of the Government Code of the State of California (commencing with Section 66495). Contractor further agrees that if payment to the surveyor or engineer is not made within 30 days, the surveyor or engineer notifies County that he has not been paid for setting the final monuments, and the Board of Supervisors, pursuant to Section 66497 of the Government Code, after providing Contractor with an opportunity to present evidence as to whether or not the surveyor or engineer has been paid, orders that payment be made by County to the engineer or surveyor, Contractor will, upon demand, and without proof of loss by County, reimburse County for any funds so expended. Notwithstanding any other provisions herein, the determination of County as to whether the surveyor or engineer has been paid shall be conclusive on Contractor, its surety, and all parties who may have an interest in the agreement or any portion thereof.

All of the above required work shall be done under the inspection of, and to the satisfaction of, the County Surveyor, and shall not be deemed complete until approved and accepted as complete by the County. The estimated cost of said work and improvements is the sum of **Forty thousand six hundred and no/100 Dollars (\$40,600.00)**.

SECOND: Contractor agrees to pay to County the actual cost of such inspections of the work and improvements as may be required by the County Surveyor. Contractor further agrees that, if suit is brought upon this agreement or any bond guaranteeing the completion of the monuments, all costs and reasonable expenses and fees incurred by County in successfully enforcing such obligations shall be paid by Contractor, including reasonable attorney's fees, and that, upon entry of judgment, all such costs, expenses and fees shall be taxed as costs and included in any judgment rendered.

THIRD: County shall not, nor shall any officer or employee of County, be liable or responsible for any accident, loss or damage happening or occurring to the works specified in this agreement prior to the completion and acceptance thereof, nor shall County or any officer or employee thereof, be liable for any persons or property injured by reason of the nature of the work, or by reason of the acts or omissions of Contractor, its agents or employees, in the performance of the work, and all or said liabilities are assumed by Contractor. Contractor agrees to protect, defend, and hold harmless County and the officers and employees thereof from all loss, liability or claim because of, or arising out of the acts or omissions of Contractor, its agents and employees, in the performance of this agreement or arising out of the use of any patent or patented article in the performance of this agreement.

FOURTH: The Contractor hereby grants to County, the Surety upon any bond, and to the agents, employees

and contractors of either or them, the irrevocable permission to enter upon the lands of the subject land division for the purpose of completing the monumentation. This permission shall terminate in the event that Contractor or the Surety has completed work within the time specified or any extension thereof granted by the County. It is further agreed that Contractor shall have control of the ground reserved for the installation of said work, and the streets in which they are to be placed, as is necessary to allow Contractor to carry out this agreement.

FIFTH: Contractor agrees to file with County prior to the date this contract is executed, an acceptable and sufficient improvement security in an amount not less than the estimated cost of the work, as above specified, for the faithful performance of the terms and conditions of this agreement, and for the payment of the amount of the improvement security to the County for the benefit of any surveyor or engineer who has not been paid by the Contractor, as provided for by Section 66495 et seq. of the Government Code of the State of California. Contractor agrees to renew each and every said bond or bonds with good and sufficient sureties or increase the amount of said bonds, or both, within ten (10) days after being notified by the Director of Transportation that the sureties or amounts are insufficient. Notwithstanding any other provisions herein, if Contractor fails to take such action as is necessary to comply with said notice, Contractor shall be in default of this agreement unless all required improvements are completed within ninety (90) days of the date on which the Director of Transportation notified Contractor of the insufficiency of the security or the amount of the bonds or both.

SIXTH: If contractor neglects, refuses, or fails to prosecute the work as to insure its completion within the time specifies, or within such extensions of time which have been granted by County, or if Contractor violates, neglects, refuses, or fails to perform satisfactorily any of the provisions of the plans and specifications, Contractor shall be in default of this agreement. County shall have the power, on recommendation of the Director of Transportation, to terminate all rights of Contractor in such agreement, but said termination shall not affect or terminate any of the rights of County as against Contractor or its Surety then existing or which thereafter accrue because of such default. The determination of the County Surveyor of the question as to whether any of the terms of the agreement or specifications have been violated, or have not been performed satisfactorily, shall be conclusive upon the Contractor, its Surety, and any and all parties who may have any interest in the agreement or any portion thereof. The foregoing provisions of this section shall be in addition to all other rights and remedies available to County under law. The failure of the Contractor to commence construction shall not relieve the Contractor or surety from completion of the improvements required by this agreement.

SEVENTH: It is further agreed by and between the parties hereto, including the surety or sureties on the bonds securing this agreement, that, in the event it is deemed necessary to extend the time of completion of the work contemplated to be done under this agreement, extensions of time may be granted, from time to time, by County, either at its own option, or upon request of Contractor, and such extensions shall in no way affect the validity of this agreement or release the surety or sureties on such bonds. Contractor further agrees to maintain the aforesaid bond or bonds in full force and effect during the terms of this agreement, including any extensions of time as may be granted therein.

EIGHTH: It is understood and agreed by the parties hereto that if any part, term or provision of this agreement is by the courts held to be unlawful and void, the validity of the remaining portions shall not be affected and the rights and obligations of the parties shall be construed and enforced as if the agreement did not contain that particular part, term or provision held to be invalid.

NINTH: Any notice or notices required or permitted to be given pursuant to this agreement shall be served on the other party by mail, postage prepaid, at the following addresses:

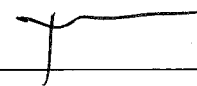
County

Contractor

Construction Engineer
Riverside County Transportation Dept.
2950 Washington Street
Riverside, CA 92504

TRI Pointe Homes, INC.
19520 Jamboree Road, Suite 200
Irvine, CA 92612

IN WITNESS WHEREOF, Contractor has affixed his name, address and seal.

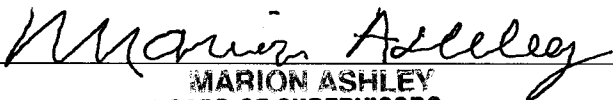
By 

Title Thomas J. Mitchell, President & COO

By 


Title Gregory A. Mendoza, Assistant Secretary

COUNTY OF RIVERSIDE

By 
MARION ASHLEY
CHAIRMAN, BOARD OF SUPERVISORS

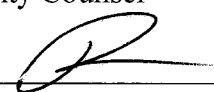
ATTEST:

KECIA HARPER-IHEM,
Clerk of the Board

By 
Deputy

APPROVED AS TO FORM

County Counsel

By  6/30/14

SIGNATURES OF CONTRACTOR MUST BE ACKNOWLEDGED BY NOTARY
AND EXECUTED IN TRIPPLICATE

ACKNOWLEDGMENT

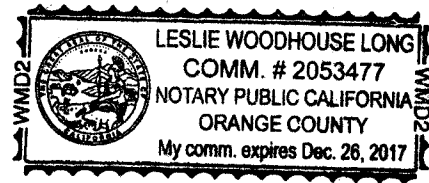
State of California
County of Orange)

On May 1, 2014 before me, Leslie Woodhouse Long, a Notary Public,
(insert name and title of the officer)

personally appeared Thomas J. Mitchell & Gregory A. Mendoza,
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 Leslie Woodhouse Long (Seal)



NOT TO SCALE

VICINITY MAP

TRACT MAP 36316

SEC. 12, TWP. 5S., RNG. 6W.

Supervisorial District: 1

RECORDING REQUESTED BY:

WHEN RECORDED, MAIL TO:

JACKSON|DeMARCO|TIDUS
|PECKENPAUGH (SLM)
2030 Main Street, Suite 1200
Irvine, CA 92614

(Space Above for Recorder's Use)

**DECLARATION OF COVENANTS, CONDITIONS, RESTRICTIONS
AND RESERVATION OF EASEMENTS
FOR
SERRANO RIDGE AT SYCAMORE CREEK**

NOTE: CERTAIN DISPUTES ARISING UNDER THIS DECLARATION, INCLUDING DISPUTES CONCERNING THE DESIGN OR CONSTRUCTION OF THE COMMUNITY, SHALL BE SUBMITTED TO JUDICIAL REFERENCE OR BINDING ARBITRATION, FORMS OF ALTERNATIVE DISPUTE RESOLUTION, IN ACCORDANCE WITH SECTION 12.4.

If this document contains any restriction based on race, color, religion, sex, gender, gender identity, gender expression, sexual orientation, familial status, marital status, disability, genetic information, national origin, source of income as defined in subdivision (p) of Section 12955, or ancestry, that restriction violates state and federal fair housing laws and is void, and may be removed pursuant to Section 12956.2 of the Government Code. Lawful restrictions under state and federal law on the age of occupants in senior housing or housing for older persons shall not be construed as restrictions based on familial status.

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FOR
SERRANO RIDGE AT SYCAMORE CREEK**

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**DECLARATION OF COVENANTS, CONDITIONS, RESTRICTIONS
AND RESERVATION OF EASEMENTS
FOR
SERRANO RIDGE AT SYCAMORE CREEK**

THIS DECLARATION OF COVENANTS, CONDITIONS, RESTRICTIONS AND RESERVATION OF EASEMENTS is made by TRI Pointe Homes, Inc., a Delaware corporation. The capitalized terms used in the Preamble below are defined in Article 1.

P R E A M B L E:

A. Declarant is the owner of real property ("*Phase 1*") located in the unincorporated area of Riverside County, California, described as follows:

Lots 48 to 55, inclusive, and Lots 75 to 83, inclusive, of Tract No. 36316, as shown on a Subdivision Map, filed on _____, 2015, in Book _____, Pages ____ to ____, inclusive, of Maps, in the Office of the Riverside County Recorder, California.

B. Declarant intends to create a "planned development," which is also a "common interest development," as such terms are defined in the CID Act, and a "subdivision" as defined in Section 11000 of the California Business and Professions Code. Declarant intends to impose mutually beneficial restrictions under a general plan for subdividing, maintaining, improving and selling the Lots in the Community for the benefit of all the Lots pursuant to the CID Act. The general plan of development will include forming an owners association under the California Nonprofit Mutual Benefit Corporations Law to which will be assigned the powers of (1) owning, maintaining and administering the Common Property, (2) administering and enforcing the Governing Documents, and (3) collecting and disbursing the Assessments and charges hereinafter created. Declarant will cause such corporation to be formed to exercise such powers, as required by the CID Act. The Members of the Association will be the Owners in the Community, as further provided in Article 4 herein.

C. The Community is to be held, conveyed, encumbered, leased, used and improved subject to covenants, conditions, restrictions and easements in this Declaration, all of which are in furtherance of a plan for subdividing, maintaining, improving and selling the Lots in the Community. All provisions of this Declaration are imposed as equitable servitudes on the Community. All covenants, conditions, restrictions and easements in this Declaration shall run with and burden the Community, and be binding on and for the benefit of all of the Community and all Persons acquiring any interest in the Community. This Declaration is referred to as a "Subordinate Declaration" in the Master Declaration.

ARTICLE I
DEFINITIONS AND INTERPRETATION

1.1 **DEFINITIONS.** Unless otherwise expressly provided, the following words and phrases when used in this Declaration have the following meanings.

1.1.1 **Annexable Territory.** Annexable Territory means the real property described in *Exhibit A* which may be made subject to this Declaration pursuant to Article 16. Any references in this Declaration to Annexable Territory are references to the Annexable Territory as a whole and to portions thereof.

1.1.2 **Annual Assessment.** Annual Assessment means a charge against the Owners and their Lots representing their share of the Common Expenses. The Annual Assessment is a regular assessment as described in the CID Act.

1.1.3 **Articles of Incorporation.** Articles of Incorporation mean the Articles of Incorporation of the Association currently in effect. A copy of the initial form of Articles of Incorporation is attached as *Exhibit B*.

1.1.4 **Assessment.** Assessment means any Annual Assessment, Capital Improvement Assessment, Reconstruction Assessment and Special Assessment.

1.1.5 **Association.** Association means Serrano Ridge Community Association, a California nonprofit corporation (formed pursuant to the California Nonprofit Mutual Benefit Corporations Law or successor statutes), and its successors-in-interest. The Association is an "association" as defined in California Civil Code Section 4080, or its successor statutes. Association is referred to as a "Subassociation" in the Master Declaration.

1.1.6 **Association Maintenance Area.** Association Maintenance Area means those Improvements in residential Lots or other real property which are not owned in fee by the Association but which are designated for maintenance by the Association in this Declaration or in a Notice of Addition.

(a) **Generally.** The Association Maintenance Areas in a Phase may include one or more of the following:

(i) The structural and support components of all Community Walls (including pilasters, caissons, footing, cap, masonry, wood, glass, plexiglas, tubular steel and wrought iron), and all exterior surfaces thereof, except that the Owner of a Lot enclosed by any Community Wall shall maintain the Residence-facing surface of wood and masonry portions;

(ii) Landscaping, consisting of softscape and irrigation equipment located on certain areas of certain residential Lots; and

(iii) Landscaping, consisting of softscape and irrigation equipment located on certain portions of the Master Common Area that are owned by the Master Association or which Declarant will deed to the Master Association prior to the commencement

of the Association's maintenance obligations. The Association shall maintain those portions of the Master Common Area that are not being maintained by the County Service Area. The portion of Lot 92 that is not maintained by the County Service Area will be designated as an Association Maintenance Area when Phase 5 of the Community is annexed to this Declaration. The portion of Lot 90 that is not maintained by the County Service Area will be designated as an Association Maintenance Area when Phase 6 of the Community is annexed to this Declaration. The Association shall not have the obligation to maintain the portion of Lot 92 or 90 that is not designated as an Association Maintenance Area unless and until the County Service Area fails or refuses to maintain Lots 92 or 90 or the County Service Area or the County in its sole determination requires the Association to assume maintenance of all of Lots 92 or 90.

(b) **Association Maintenance Areas in Phase 1.** The Association Maintenance Areas in Phase 1 include the side yard landscaping located on Lot 78 as depicted on *Exhibit D*, and portions of the Community Wall located adjacent to Lots 75, 79, and 80, as depicted on *Exhibit E*; and

(c) **Association Maintenance Areas in Future Phases.** Association Maintenance Areas in each future Phase shall include the items listed in subparagraph (a) above as applicable to such Phase. Declarant may designate additional Association Maintenance Areas in a Notice of Addition or Supplemental Declaration.

1.1.7 **Association Maintenance Funds.** Association Maintenance Funds means the accounts created for Association receipts and disbursements pursuant to Article 7.

1.1.8 **Board or Board of Directors.** Board or Board of Directors means the Association's Board of Directors.

1.1.9 **Budget.** Budget means a written, itemized estimate of the Association's income and Common Expenses prepared pursuant to the Bylaws.

1.1.10 **CalBRE.** CalBRE means the California Bureau of Real Estate and any department or agency of the California state government which succeeds to the CalBRE's functions.

1.1.11 **Bylaws.** Bylaws mean the Bylaws of the Association as currently in effect. A copy of the initial form of Bylaws is attached as *Exhibit C*.

1.1.12 **Capital Improvement Assessment.** Capital Improvement Assessment means a charge against the Owners and their Lots representing their share of the Association's cost for installing or constructing capital Improvements on the Common Area. Capital Improvements Assessments shall be levied in the same proportion as Annual Assessments. Capital Improvement Assessments are special assessments as described in the CID Act.

1.1.13 **CID Act.** CID Act means the Davis-Stirling Common Interest Development Act and its successor provisions. References in the Governing Documents to the Davis-Stirling Common Interest Development Act or the CID Act shall be deemed to refer to Division 4, Part 5 of the California Civil Code at Sections 4000 to 6150, or to subsequently enact replacement statutes.

1.1.14 **Close of Escrow.** Close of Escrow means the date on which a deed is Recorded conveying a Lot pursuant to a transaction requiring the issuance of a Public Report by the CalBRE.

1.1.15 **Common Area.** Common Area means real or personal property owned in fee by the Association and therefore made subject to the restrictions on Common Area established in this Declaration. There is no Common Area in Phase 1 of the Community. Lots 88 and 89 of Tract No. 36316 will be designated as Common Area when they are annexed to Phase 2 of the Community. Lot 91 of Tract No. 36316 will be designated as Common Area when it is annexed to the Community in Phase 4. Any references in this Declaration to Common Area are references to the Common Area as a whole and to portions thereof unless differentiated herein. Common Area constitutes "Subassociation Common Area" as defined in the Master Declaration. The Common Area is "common area" as defined in California Civil Code Section 4095. Additional Common Area may be annexed to the Community pursuant to Article 16.

1.1.16 **Common Expenses.** Common Expenses means those expenses for which the Association is responsible under this Declaration. Common Expenses include the actual and estimated costs of and reserves for maintaining, managing and operating the Common Property (including amounts incurred for maintenance imposed on the Association by this Declaration), including:

(a) Common Area and Improvements thereon, including clustered mailboxes, address identification signs, entry monuments, landscaped and irrigated areas, all portions of the Community Walls that are constructed in Common Area and do not enclose a Lot, private streets, walls, fences, drainage facilities, detention basins, sidewalks, medians, curbs, gutters, replacement, maintenance and operation of street lights on private streets, ensure maintenance of treatment control best management practices ("**BMPs**") in connection with storm drain inlets in accordance with the requirements of the State of California and the County, parks (including, all Improvements in the parks), trails and other services benefiting the Common Area that are not maintained by a County Service Area;

(b) The Association Maintenance Areas, and the cost of maintenance services and utilities including landscaping service, irrigation water, brush clearance, and maintenance of those portions of the Community Wall that have been designated in this Declaration or a Notice of Addition for maintenance by the Association;

(c) The cost of all utilities (including sewer and water) and mechanical and electrical equipment serving the Common Property, and trash collection and removal from central receptacles on the Common Area;

(d) The costs and fees attributable to managing and administering the Association, compensating the Manager, accountants, attorneys and employees, all insurance covering the Community and the Directors, officers and agents of the Association, and bonding the members of the Board;

(e) The cost to repair damage to public utility Improvements if caused by the Association during installation, maintenance or repair of private utility Improvements;

(f) Unpaid Special Assessments, Reconstruction Assessments and Capital Improvement Assessments;

(g) Taxes paid by the Association;

(h) Amounts paid by the Association for discharge of any lien or encumbrance levied against the Community, and

(i) All other expenses incurred by the Association for the Community, for the common benefit of the Owners.

1.1.17 **Common Property.** Common Property means the Common Area, the Association Maintenance Areas and the Improvements constructed thereon. Any references to the Common Property are references to the Common Property as a whole and to portions thereof.

1.1.18 **Community.** Community means (a) Phase 1, and (b) each Phase described in a Notice of Addition. The Community is a "common interest development" and a "planned development" as defined in the CID Act. Any references in this Declaration to the Community are references to the Community as a whole and to portions thereof.

1.1.19 **Community Wall.** Community Wall means any wall, sound wall, retaining wall, or fence in the Community that is maintained entirely or partially by the Association. Party Walls and other fences or walls that are maintained entirely by the Owners are not Community Walls. The Community Walls in Phase 1 of the Community are depicted on *Exhibit E*. Declarant may designate additional Community Walls in a Notice of Addition or Supplemental Declaration. Community Walls in the Community in general (a) are constructed on or along a tract boundary; or (b) separate a Lot from Common Area or public property; or (c) are constructed entirely within Common Area; or (d) are designated as a Community Wall by Declarant in this Declaration, or in a Notice of Addition or Supplemental Declaration. Party Walls are not Community Walls.

1.1.20 **Conservation Easement Deed.** Conservation Easement Deed means that certain document entered into by Starfield Sycamore Investors, L.L.C., a Delaware limited liability company, and the Riverside-Corona Resource Conservation District, a government special district having offices at 4500 Glenwood Drive, Riverside, California 92501, recorded on December 30, 2011, as Instrument No. 2011-0579538, in Official Records, as may be amended or restated.

1.1.21 **County.** County means Riverside County, California, and its various departments, divisions, employees and representatives. If the Community is annexed into an incorporated city, then the term "County" includes the city in which the Community located.

1.1.22 **Declarant.** Declarant means TRI Pointe Homes, Inc., a Delaware corporation, its successors and any Person to which it shall have assigned any of its rights by an

express written assignment. As used in this Section, “successor” means a Person who acquires Declarant or substantially all of Declarant’s assets by sale, merger, reverse merger, consolidation, sale of stock or assets, operation of law or otherwise. Declarant shall determine in its sole discretion the time, place and manner in which it discharges its obligations and exercises the rights reserved to it under this Declaration. Declarant is a “builder” as described in California Civil Code Section 6000. Declarant is a “Guest Builder” as defined in the Master Declaration.

1.1.23 **Declaration.** Declaration means this instrument as currently in effect. This Declaration is a “Subordinate Declaration” as defined in the Master Declaration.

1.1.24 **Design Guidelines.** Design Guidelines mean the rules or guidelines setting forth procedures and standards for submission of plans for Design Review Committee approval.

1.1.25 **Design Review Committee or Committee.** Design Review Committee or Committee means the Design Review Committee created in accordance with Article 5.

1.1.26 **Family.** Family means natural individuals, related or not, who live as a single household in a Residence.

1.1.27 **Fannie Mae.** Fannie Mae means the Federal National Mortgage Association, a government-sponsored private corporation established pursuant to Title VIII of the Housing and Urban Development Act of 1968 and its successors.

1.1.28 **FHA.** FHA means the Federal Housing Administration of the United States Department of Housing and Urban Development and its successors.

1.1.29 **FHFA.** FHFA means the Federal Housing Finance Agency, established pursuant to the Housing and Economic Recovery Act of 2008.

1.1.30 **First Mortgage.** First Mortgage means a Mortgage with first priority over other Mortgages on a Lot.

1.1.31 **First Mortgagee.** First Mortgagee means the Mortgagee of a First Mortgage.

1.1.32 **Fiscal Year.** Fiscal Year means the fiscal accounting and reporting period of the Association.

1.1.33 **Freddie Mac.** Freddie Mac means the Federal Home Loan Mortgage Corporation created by Title II of the Emergency Home Finance Act of 1970 and its successors.

1.1.34 **Fire Protection Plan.** Fire Protection Plan means the Fire Protection Plan prepared by *FIREWISE* 2000, Inc., and dated as of August 16, 2010 (Revised July 28, 2014).

1.1.35 **Fuel Modification Zone.** Fuel Modification Zone means those areas designated as Fuel Modification Zones by the Fire Protection Plan, as may be amended or updated, by the County, and as shown on *Exhibit F* attached hereto.

1.1.36 **Ginnie Mae.** Ginnie Mae means the Government National Mortgage Association administered by the United States Department of Housing and Urban Development and its successors.

1.1.37 **Governing Documents.** Governing Documents means this Declaration, the Articles of Incorporation, Bylaws, Design Guidelines, Rules and Regulations, Supplemental Declarations and Notices of Addition.

1.1.38 **Improvement.** Improvement means any structure and any appurtenance thereto. The Design Review Committee may identify additional items that are Improvements.

1.1.39 **Include, Including.** Whether capitalized or not, include and including means “includes without limitation” and “including without limitation,” respectively.

1.1.40 **Local Government Agency.** Local Government Agency means the County, a public school district, a public water district, and any other local or municipal governmental entity or agency, including any special assessment district, maintenance district or community facilities district.

1.1.41 **Lot.** Lot means any residential Lot or parcel of land shown on any Recorded subdivision map or Recorded parcel map of the Community, except the Common Area owned in fee simple by the Association.

1.1.42 **Maintain, Maintenance.** Whether capitalized or not, maintain and maintenance mean “maintain, repair and replace” and “maintenance, repair and replacement,” respectively; provided however, that maintain or maintenance shall not include repair and replace(ment) where the context or specific language of this Declaration provides another meaning.

1.1.43 **Maintenance Guidelines.** Maintenance Guidelines means any current written guidelines, setting forth procedures and standards for the maintenance and operation of Common Property or the Lots. Maintenance Guidelines may be provided by Declarant, by the Association, or by any governmental agency. Maintenance Guidelines include any maintenance manual initially prepared at Declarant’s direction and containing recommended frequency of inspections and maintenance activities for components of the Common Property or pertaining to a Residence or Lot.

1.1.44 **Manager.** Manager means the Person retained by the Association to perform management functions of the Association as limited by the Governing Documents and the terms of the agreement between the Association and the Person.

1.1.45 **Master Association.** Master Association means Sycamore Creek Community Association, a California nonprofit corporation formed pursuant to the nonprofit

mutual benefit corporation law of the State of California, its successors and assigns. The powers and duties of the Master Association are more particularly set forth in the Master Declaration and in the Bylaws of the Master Association. Each Owner of a Lot the Association shall be a member of the Master Association, as well as a member of the Association.

1.1.46 **Master Association Documents.** Master Association Documents means the Articles, Bylaws, Master Declaration, and Notices of Annexation recorded for subsequent Phases of the Master Community, the Design Guidelines, the Maintenance Guidelines, and all Rules and Regulations adopted by the Master Association, as such documents may be amended from time to time.

1.1.47 **Master Declaration.** Master Declaration means the Master Declaration of Covenants, Conditions and Restrictions, and Reservation of Easements for Sycamore Creek, recorded on December 5, 2003, as Instrument No. 2003-956058 in the Office of the Riverside County Recorder, and all recorded Amendments thereto.

1.1.48 **Membership.** Membership means the voting and other rights, privileges, and duties established in the Governing Documents for members of the Association.

1.1.49 **Model Leaseback Agreement.** Model Leaseback Agreement means a lease or rental agreement pursuant to which the Declarant is permitted to use and occupy a Model Lot as a sales model, office, design center, or for a similar purpose, after the Close of Escrow for its sale.

1.1.50 **Model Lot.** Model Lot means a Lot that is being used by Declarant as a sales model, office, design center, or for a similar purpose, with or without a Model Leaseback Agreement.

1.1.51 **Model Lot Sale.** Model Lot Sale means the initial sale of a Model Lot by Declarant in a transaction requiring a Final Subdivision Public Report, subject to a Model Leaseback Agreement.

1.1.52 **Model Phase.** Model Phase means a Phase that contains one or more Model Lots. A Model Phase may include one or more Production Lots in addition to the Model Lots.

1.1.53 **Mortgage.** Mortgage means any Recorded document, including a deed of trust, by which a Lot, Lots, or Common Area is hypothecated to secure performance of an obligation.

1.1.54 **Mortgagee.** Mortgagee means a Person to whom a Mortgage is made, or the assignee of the Mortgagee's rights under the Mortgage by a recorded instrument. For purposes of this Declaration, the term Mortgagee shall include a beneficiary under a deed of trust.

1.1.55 **Mortgagor.** Mortgagor means a person who has mortgaged his property. For purposes of this Declaration, the term Mortgagor shall include a trustor under a deed of trust.

1.1.56 **Notice and Hearing.** Notice and Hearing means written notice and a hearing before the Board as provided in the Bylaws.

1.1.57 **Notice of Addition.** Notice of Addition means an instrument Recorded pursuant to Article 16 to annex additional real property to the Community.

1.1.58 **Official Records.** Official Records means the Official Records of the County.

1.1.59 **Operating Fund.** Operating Fund means that portion of the Common Expenses allocated for the daily operation of the Association.

1.1.60 **Owner.** Owner means the Person or Persons, including Declarant, holding fee simple interest to a Lot. The term "Owner" includes sellers under executory contracts of sale but excludes Mortgagees. The term "Owner" may be expanded in a Supplemental Declaration to include other Persons.

1.1.61 **Party Wall.** Party Wall means any wall or fence that is constructed by Declarant to separate adjacent Lots (whether or not constructed on the legal property boundary). Party Walls are not Community Walls.

1.1.62 **Person.** Person means a natural individual or any legal entity recognized under California law. When the word "person" is not capitalized, the word refers only to natural persons.

1.1.63 **Phase.** Phase means each of the following: (a) Phase 1, (b) all the real property covered by a Notice of Addition for which a Public Report has been issued by the CalBRE, and (c) real property consisting solely of Common Area as described in a Notice of Addition. Declarant may otherwise define the term "Phase" in a Notice of Addition or Supplemental Declaration.

1.1.64 **Phase 1.** Phase 1 means all of the real property described in Paragraph A of the Preamble of this Declaration.

1.1.65 **Production Lot.** Production Lot means a Lot that is not a Model Lot.

1.1.66 **Public Report.** Public Report means a Final Subdivision Public Report issued by the CalBRE.

1.1.67 **Reconstruction Assessment.** Reconstruction Assessment means a charge against the Owners and their Lots representing their share of the Association's cost to reconstruct any Improvements on the Common Area. Such charge shall be levied among all Owners and their Lots in the same proportions as Annual Assessments. Reconstruction Assessments are "special assessments" as described in California Civil Code Section 5605(b).

1.1.68 **Record or File.** Record, Recorded, Recoding, Recordation or File means, with respect to any document, the entry of such document in Official Records.

1.1.69 **Reserve Fund.** Reserve Fund means that portion of the Common Expenses allocated (a) for the future repair and replacement of, or additions to, structural elements, mechanical equipment and other major components of Association-maintained Improvements, and (b) amounts necessary to cover the deductibles under all insurance policies maintained by the Association.

1.1.70 **Residence.** Residence means the dwelling unit constructed on a Lot, excluding the garage area, which is designed and intended for use and occupancy as a residence by a single Family.

1.1.71 **Right to Repair Law.** Right to Repair Law means Division 2, Part 2, Title 7 (commencing with Section 895) of the California Civil Code.

1.1.72 **Right to Repair Law Claim.** Right to Repair Law Claim means any claim brought by one or more Owners or by the Association against one or more Declarant Parties (as defined in Section 12.4) on any design or construction defect matters that are governed by the Right to Repair Law.

1.1.73 **Rules and Regulations.** Rules and Regulations or "Rules" means the current rules and regulations for the Community.

1.1.74 **Special Assessment.** Special Assessment means (a) a reasonable monetary penalty imposed against an Owner and the Owner's Lot in accordance with California Civil Code Section 5725(b), as a disciplinary measure for the failure of an Owner to comply with the Governing Documents, or (b) a monetary charge imposed against an Owner and the Owner's Lot in accordance with California Civil Code Section 5725(a) to recover costs incurred by the Association for reimbursement of costs incurred in the repair of damage to Common Property, all as further described in this Declaration.

1.1.75 **Street Access Easement Deed.** Street Access Easement Deed means the Street Access Easement Deed Recorded concurrently herewith by which Declarant grants to the Association and the Owners nonexclusive easements for vehicular and pedestrian access, ingress, use and enjoyment over the private street Improvements on Lots C through J, inclusive, of Tract No. 36316, subject to the rights of Declarant set forth in the Street Access Easement Deed, including the right to close off all or a portion of said street lots as necessary or desirable to construct, install and develop the Lots and Common Area in the Community and the Annexable Territory so long as alternative access points are provided to the Owners and the Association.

1.1.76 **Supplemental Declaration.** Supplemental Declaration means an instrument Recorded by Declarant against all or a portion of the Community in order to supplement, modify, or clarify conditions, covenants, restrictions or easements established under this Declaration. A Supplemental Declaration may affect one or more Lots and Common Area, and it may annex additional real property to the coverage of the Declaration so long as it satisfies the requirements of a Notice of Addition in Article 16. A Supplemental Declaration may modify this Declaration only as it applies to the property encumbered by the Supplemental Declaration.

1.1.77 **Telecommunications Facilities.** Telecommunications Facilities means Improvements constructed in the Community, including cables, conduits, ducts, vaults, connecting hardware, wires, poles, transmitters, towers, antennae and other devices now existing or that may be developed in the future to provide Telecommunication Services to the Community.

1.1.78 **Telecommunications Services.** Telecommunications Services means the reception, distribution or transmission of video, audio, data, telephony, all related vertical services, and any other similar services now existing or that may be developed in the future. Declarant may expand this definition in any Supplemental Declaration.

1.1.79 **VA.** VA means the Department of Veterans Affairs of the United States of America and any department or agency of the United States government which succeeds to the VA's function of issuing guarantees of notes secured by Mortgages on residential real estate.

1.2 **INTERPRETATION.**

1.2.1 **General Rules.** This Declaration shall be liberally construed to effectuate its purpose of creating a uniform plan for subdividing, maintaining, improving and selling the Community. As used in this Declaration, the singular includes the plural and the plural the singular. The masculine, feminine and neuter each includes the other, unless the context dictates otherwise.

1.2.2 **Articles, Sections and Exhibits.** The Article and Section headings are inserted for convenience only and may not be considered in resolving questions of interpretation or construction. Unless otherwise indicated, any references in this Declaration to articles, sections or exhibits are to Articles, Sections and Exhibits of this Declaration. *Exhibit A* and *Exhibits D* through *F*, inclusive, attached to this Declaration are incorporated in this Declaration by this reference. The Articles of Incorporation and the Bylaws that are attached as *Exhibits B* and *C* are attached for informational purposes only. Either may be amended from time to time without having to amend this Declaration. In such event, the amended version shall supersede the version attached hereto. The locations and dimensions of any Improvements depicted on the Exhibits attached hereto and to any Notice of Addition are approximate only and the as-built location and dimension of any such Improvements shall control.

1.2.3 **Priorities and Inconsistencies.** In accordance with the County Planning Department Specific Plan Final Conditions of Approval contained in Section 17.1 of this Declaration, if there are conflicts or inconsistencies between this Declaration and the Articles of Incorporation, Bylaws, or Rules and Regulations, then the provisions of this Declaration shall prevail. However, the conflicting documents shall be construed to be consistent with the Declaration to the extent possible.

1.2.4 **Supplemental Declarations.** As each Phase of the Community is developed, Declarant may, concerning that Phase, Record one (1) or more Supplemental Declarations, which may (a) supplement this Declaration with such additional covenants, conditions, restrictions, easements and land uses as Declarant may deem appropriate for the real

property described therein or affected thereby, and (b) clarify Declarant's intent as to covenants, conditions, restrictions, easements and land uses in the real property described therein or affected thereby. The provisions of any Supplemental Declaration may impose such additional, different or more restrictive conditions, covenants, restrictions, land uses and limitations as Declarant may deem advisable, taking into account the particular requirements of the real property described therein or affected thereby. If there is a conflict between any Supplemental Declaration and the Declaration, the Supplemental Declaration shall control concerning the real property described in such Supplemental Declaration.

1.2.5 **Severability.** The provisions of this Declaration are independent and severable. If for any reason, any provision of this Declaration becomes invalid, partially invalid, unenforceable, illegal, null and void, or against public policy, or if for any reason, a court of competent jurisdiction determines that any provision of this Declaration is invalid, partially invalid, unenforceable, illegal, null and void, or against public policy, the validity and enforceability of the remaining provisions of this Declaration shall remain in effect to the fullest extent permitted by law.

1.2.6 **Statutory and Regulatory References.** All references made in the Governing Documents to statutes or regulations are to those statutes or regulations as currently in effect or to subsequently enacted replacement statutes or regulations.

ARTICLE II MAINTENANCE COVENANTS AND USE RESTRICTIONS

The Community shall be held, used and enjoyed subject to the following restrictions and subject to the exemptions of Declarant set forth in the Governing Documents.

2.1 REPAIR AND MAINTENANCE.

2.1.1 By Owners.

(a) **The Lot.** Each Owner shall maintain all of the Owner's Lot (except for any Association Maintenance Area or Improvements that are designated for maintenance by a governmental entity in a Recorded map or in a Governing Document), and the Residence and all other Improvements on the Owner's Lot in a clean, sanitary and attractive condition and as directed in the Governing Documents and all applicable Maintenance Guidelines. In addition, each Owner shall be required to maintain the landscaped parkway and any street trees that are adjacent to such Owner's Lot, including any irrigation equipment serving these areas. Owner-maintained Improvements shall include the following:

(i) **Landscaping.** All Owner-maintained landscaping that is visible from other Lots or from the Common Area shall be properly maintained, evenly cut, evenly edged, free of bare or brown spots, debris and weeds above the level of the lawn. All trees and shrubs shall be trimmed so they do not impede pedestrian traffic and root-pruned to prevent root damage to sidewalks, driveways and structures.

(ii) **Fuel Modification Zones.** Each Owner shall maintain the Fuel Modification Zones located on such Owner's Lot, if any, in accordance with the

requirements of the Fire Protection Plan, Section 17.4.1 of this Declaration any additional County requirements; provided, however, that the Owner is not responsible for maintenance of any Fuel Modification Zone that has been designated as an Association Maintenance Area in this Declaration or a Notice of Addition unless the Association has failed to perform the required maintenance.

(iii) Party Walls. To the extent not inconsistent with the provisions of this Section, the general rules of law regarding Party Walls and liability for property damage due to negligence or willful acts or omissions shall apply.

(1) **Sharing of Repair and Maintenance**. The cost of reasonable repair and maintenance of a Party Wall shall be shared equally by the Owners of the Lots connected by such Party Wall. However, each Owner shall be solely responsible for repainting the side of any Party Wall facing the Owner's Lot.

(2) **Destruction by Fire or Other Casualty**. Unless covered by a blanket insurance policy maintained by the Association under Section 8.1, if a Party Wall is destroyed or damaged by fire or other casualty, any Owner whose Lot is affected thereby may restore it, and the Owner of the other Lot affected thereby shall contribute equally to the cost of restoration thereof, without prejudice. However, such an Owner may call for a larger contribution from the other under any rule of law regarding liability for negligence or willful acts or omissions.

(3) **Weatherproofing**. Notwithstanding any other provision of this Article, an Owner who by his negligence or willful act causes a Party Wall to be exposed to the elements, to deteriorate, or to require repair or replacement shall bear the whole cost of furnishing the necessary protection against such elements or the necessary repairs or replacement.

(4) **Right to Contribution Runs With Land**. The right of any Owner to contribution from any other Owner under this Article is appurtenant to the land and passes to such Owner's successors in title.

(iv) Community Walls. The Owner of any Lot that is partially or completely enclosed by a portion of the Community Wall (whether constructed on the Lot or adjacent to the Lot) is responsible for maintaining only the Residence-facing surface of wood, glass, Plexiglas, and masonry portions of the Community Wall. No Owner may modify or remove any glass, Plexiglas, tubular steel or wrought iron portions of any Community Wall, wherever located.

(v) Other Responsibilities.

(1) Each Owner shall regularly inspect the Improvements on the Lot for wood-destroying pests, and if such pests are found, the Owner shall be responsible for the costs of eradication and future prevention.

(2) Each Owner whose Lot utilizes a sewer system lateral is responsible for the maintenance and repair of the portion of the lateral lying in the boundaries of the Lot.

(vi) Fire Sprinklers and Smoke Detectors. Each Owner shall regularly inspect any fire sprinklers and smoke detectors that are in the interior of the Residence, arrange for regular pressure testing of the fire sprinkler system and conduct regular inspection and testing of the smoke detectors. Keep sources of direct heat away from fire sprinklers. Owners should report any leaking or malfunctioning fire sprinklers and malfunctioning smoke detectors to the service provider designated in the Maintenance Guidelines, or if none is designated, the Owner must contact a suitable servicer immediately.

2.1.2 **By Association.** The Association shall maintain everything it is obligated to maintain in a clean, sanitary and attractive condition reasonably consistent with the level and frequency of maintenance reflected in the current adopted Budget; provided, however, that the Association shall at all times at least perform the level and frequency of maintenance specified in the applicable Maintenance Guidelines.

(a) **Commencement of Obligations.** The Association's obligation to maintain the Common Area in a Phase composed solely of Common Area shall commence on conveyance of such Common Area to the Association either in fee or by maintenance easement. The Association's obligation to maintain the Common Property in any Phase that includes Lots commences on the date on which Annual Assessments commence on the Lots in the Phase, unless the terms of the Governing Documents applicable to the real property on which the Common Property is located provide otherwise. Until the Association is responsible for maintaining the Common Property in a particular Phase, Declarant shall maintain such Common Property.

(b) **Acceptance of Common Property.** The Association must accept ownership of and maintenance responsibility for each portion of Common Property when title and maintenance responsibility are tendered by Declarant, whether in fee simple, by easement or otherwise, and the Association shall execute each deed and any accompanying escrow instructions if requested to do so by Declarant, and it shall execute any bond exonerations when presented if the bonded obligations are satisfied. No Owner shall interfere with the exercise of the foregoing obligations by the Association, or with the rights or obligations of Declarant.

(c) **Maintenance Requirements for Certain Improvements.** Unless specifically provided in any Maintenance Guidelines, the Board shall determine, in its sole discretion, the level and frequency of maintenance of the Common Property. The Association shall be responsible for maintaining the Common Property and for all other maintenance not provided by the Owners pursuant to Section 2.1.1 above or by a Local Government Agency.

(i) Landscaping. All Association-maintained landscaping that is visible from Lots or from the Common Area shall be properly maintained, evenly cut, evenly edged, free of bare or brown spots, debris and weeds above the level of the lawn. All

trees and shrubs shall be trimmed so they do not impede pedestrian traffic along the walkways. All trees shall also be root-pruned to eliminate exposed surface roots and damage to sidewalks, driveways and structures.

(ii) Exclusive Use Common Areas. The Association shall perform periodic structural repair, resurfacing, sealing, caulking, replacement or painting of the Exclusive Use Common Area, so long as the need for any of these activities is not caused by the negligence or willful acts of the Owner of the Lot to which the Exclusive Use Common Area is appurtenant or any of such Owner's Family, guests, tenants or invitees.

(iii) Fuel Modification Zones. The Association is responsible for maintaining, in accordance with the Fire Protection Plan and any additional County requirements, those portions of the Common Area or the Association Maintenance Areas that are identified as Fuel Modification Zones in any Supplemental Declaration, Notice of Addition, or in the Fire Protection Plan. The Association is not responsible for maintaining Fuel Modification Zones that are located on Master Common Area. Fuel Modification Zones on the Common Area are maintained by the Master Association, or by the Riverside-Corona Resource Conservation District ("**RCRCD**"), which has certain maintenance responsibility pursuant to the Conservation Easement Deed as more fully described in Section 3.9 hereof. In accordance with the Fire Protection Plan for the Community, no combustible structures (e.g., gazebos, patio overhangs, playhouses, room additions, tool sheds or wood fences) or devices that produce flames or sparks (e.g., fire pits, barbecues, outdoor fireplaces or gas heaters for pools or spas) may be placed or constructed on, in or above the combustible restricted zone. The Association shall ensure that only plant materials that are specified in the Fire Protection Plan shall be installed and maintained in the Fuel Modification Zones. The Association shall have the right and the duty to enforce the required fuel treatment measures around all structures and restrictions on placing combustible structures within the Fuel Modification Zones located on the Lots or the Common Area. In addition, the Association shall have the right and the duty to enforce the ban on "No trash dumping or disposal of green waste in the open space areas or in the Fuel Modification Zones." The Association shall approve all landscaping plans, including any proposed additional structures, in accordance with Article V of this Declaration, the Fire Protection Plan and the requirements of the Riverside County Fire Department. The Association is also responsible to the Riverside County Fire Department for the completion of all required "Fuel Modification Treatments" in the Common Areas as described in the Fire Protection Plan. Required on-going maintenance shall be accomplished on an as needed basis. The Riverside County Fire Department has the right to abate any treatment zone they deem a threat to the Sycamore Creek master community or adjoining properties due to failure of the Association to properly maintain such areas in accordance with the Fire Protection Plan; provided, however, that any costs associated with the Riverside County Fire Department's abatement of a treatment zone shall be paid by the Association within thirty (30) days of receipt of a bill for such work. The Fire Marshal shall have the discretion to conduct yearly or more frequent inspections of the treatment areas.

(iv) Community Wall. The Association is responsible for maintaining the Association Maintenance Area portions of the Community Walls described in Section 1.1.6(a)(i) and depicted in **Exhibit E**, and any other portions designated for Association maintenance in a Notice of Addition or Supplemental Declaration. The Association is also

responsible for all portions of any wall constructed entirely in the Common Area, or that separate Common Area from public property, or from other real property lying outside the Community.

(v) Ingress and Egress Improvements. The Association shall maintain all walks, private driveways and other means of ingress and egress in the Common Area (but not the walks, driveways or other hardscape on the Lots) in accordance with the Governing Documents and applicable Maintenance Guidelines.

(vi) Additional Items. The Association shall also be responsible for maintaining any Improvements that a majority of the voting power of the Association designates for maintenance by the Association. Such Improvements shall be deemed Association Maintenance Areas and subject to provisions of the Governing Documents that are applicable to the Common Property.

2.1.3 **Inspections.** No later than October 15th each year, the Board shall cause a compliance inspection of the Community to be conducted by the Design Review Committee to report any violations thereof. The Board shall also cause condition inspections of the Common Property and all Improvements thereon to be conducted in conformity with the applicable Maintenance Guidelines, and in the absence of inspection frequency recommendations in any applicable Maintenance Guidelines at least once every three (3) years, in conjunction with the inspection required for the reserve study to be conducted pursuant to the requirements of the Bylaws, to (a) determine whether the Common Property is being maintained adequately in accordance with the standards of maintenance established in Section 2.1, (b) identify the condition of the Common Property 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 Board shall, during its meetings, regularly determine whether the recommended inspections and maintenance activities set forth in any applicable Maintenance Guidelines have been followed and, if not followed, what corrective steps need to be taken to assure proper inspections and maintenance of the Common Property. The Board shall keep a record of such determinations in the Board's minutes. The Board shall keep Declarant fully informed of the Board's activities under this Section 2.1.3. The Board shall employ, consistent with reasonable cost management, such experts, contractors and consultants as are necessary to perform the inspections and make the reports required by this Section.

2.1.4 **Reporting Requirements.** The Association shall prepare a report of the results of the inspection required by this Section (each, a "**Condition Report**"). The Condition Report shall be furnished to Owners and Declarant within the time set for furnishing the Budget to the Owners. The Condition Report must include at least the following:

(a) a description of the condition of the Common Property, including a list of items inspected, and the status of maintenance, repair and need for replacement of all such items;

(b) a description of all maintenance, repair and replacement planned for the ensuing Fiscal Year and included in the Budget;

- (c) if any maintenance, repair or replacement is to be deferred, the reason for such deferral;
- (d) a summary of all reports of inspections performed by any expert or consultant employed by the Association to perform inspections;
- (e) a report of the status of compliance with the maintenance, replacement and repair needs identified in the inspection report for preceding years; and
- (f) such other matters as the Board considers appropriate.

For a period of ten (10) years after the date of the last Close of Escrow in the Community, the Board shall also furnish to Declarant (a) the Condition Report performed for the Board, whenever such inspection is performed and for whatever portion of the Common Property that is inspected, within thirty (30) days after the completion of such inspection, and (b) the most recent Condition Report prepared for any portion of the Common Property, no later than the date that is ten (10) days after the Association receives Declarant's written request.

2.1.5 Damage by Owners. Each Owner is liable to the Association for all damage to the Common Property that is sustained due to the negligence or willful act of the Owner, the Owner's Family, tenants or invitees, and any other Persons who derive their use of the Common Property from the Owner or from the Owner's Family, tenants or invitees. The Association may, after Notice and Hearing, levy a Special Assessment against the Owner representing a monetary charge imposed as a means of reimbursing the Association for costs incurred by the Association in the repair of damage to Common Area and facilities for which the Owner or the Owner's Family, tenants or invitees were responsible. The amount of the Special Assessment may include (a) the amount of any deductible payable on the insured portion of the loss (if the Association elects to make a claim under its insurance policy), (b) all costs and expenses actually incurred by the Association to correct damage that is not covered by the Association's insurance or for which no claim has been made, and (c) the amount of the increase in premiums payable by the Association, to the extent the increase is directly caused by damage that was attributed to the Owner or the Owner's Family, tenants or invitees. In accordance with the CID Act, the Association shall have the power to impose a lien for the foregoing Special Assessment. If a Lot is jointly owned, the liability of its Owners for damage to Common Property is joint and several, except to the extent that the Association and the joint Owners have otherwise agreed in writing.

2.1.6 Stormwater Pollutant Control. The Community is subject to the provisions of the federal Clean Water Act by application of its municipal component known as the National Pollutant Discharge Elimination System ("**NPDES**"). NPDES is implemented by the State of California (through its statewide general NPDES permits) and the County (through its Municipal Storm Water Permit), each of which impose procedures known as best management practices ("**BMPs**") for the handling and discharge of runoff from the Community into storm drains and waterways. BMPs govern activities on the Community before, during, and after construction. The Association and the Owners shall comply with all applicable NPDES requirements and post-construction BMPs that may apply to the Community. The cost of the

Association's maintenance of and compliance with post-construction BMPs applicable to the Common Property, if any, shall be treated as a Common Expense.

The Association shall ensure maintenance of treatment control BMPs in perpetuity, including minimization of impervious surfaces, maintaining native vegetation in the Community, directing roof runoff to landscaped areas whenever possible, stenciling and tiling of storm drains, covered trash enclosures, four extended detention basins / water quality basins, enhanced grassy / biofiltration swales, efficient irrigation practices, landscaping of graded / steep slopes and natural areas, slope and channel protection and homeowner education. The Association shall inspect, and if required, clean all privately owned structural BMPs in the Community no later than October 15 of each year. The cost of the Association's portion of such maintenance, if any, shall be treated as a Common Expense.

2.2 SINGLE-FAMILY DWELLING. The Residence shall be used as a residential dwelling for a single Family and for no other purpose.

2.3 FURTHER SUBDIVISION. Except as otherwise provided in this Declaration, no Owner may physically or legally subdivide the Owner's Lot in any manner, including dividing such Owner's Lot into time-share estates or time-share uses. This provision does not limit the right of an Owner to rent or lease the Lot pursuant to Section 2.4 below.

2.4 LEASING AND RENTAL.

2.4.1 Leasing or Rental to Declarant. Nothing in this Declaration shall be deemed to prevent an Owner from leasing or renting the Lot to Declarant for use as sales offices, model home, parking area or for other residential or non-residential purposes. Declarant may not lease any portion of the Common Area to the Owners or the Association.

2.4.2 Leasing or Rental to Non-Declarant Parties. Nothing in this Declaration shall be deemed to prevent an Owner from leasing or renting the Lot for residential occupancy by a single Family, provided that: (i) the terms of the lease or rental agreement are set out in a written lease or rental agreement; (ii) the lease or rental agreement is expressly made subject to this Declaration and the other Governing Documents of the Community; (iii) the lease or rental agreement shall be for a term of not less than thirty (30) days; (iv) the lessor or landlord shall not provide any services normally associated with transient occupancy (including hotel, inn, bed & breakfast, vacation rental, time-share or similar temporary lodging); and (v) the lease or rental agreement shall provide that all lessees, tenants, and their Families, agents and invitees are bound by the Governing Documents when present in the Community, and any violation of the Governing Documents by a lessee, tenant or their Families, agents or invitees also constitutes a default under the lease or rental agreement.

2.5 RESALE. Nothing in this Declaration shall be deemed to prevent an Owner from transferring or selling the Lot, either to a single Person, or to more than one (1) Person to be held by them as tenants-in-common, joint tenants, tenants by the entirety or as community property.

2.6 BUSINESS AND COMMERCIAL ACTIVITIES.

2.6.1 **Generally.** No Owner or other occupant of the Community may undertake any activity in any Lot nor use any portion of the Common Area, for any business, commercial or non-residential purposes, nor for any other purpose that is inconsistent with the Governing Documents. Such purposes include manufacturing, storage, vending, auctions, vehicle or equipment repair, entering into any lease or rental agreement under which the Residence would be occupied by numbers of persons in excess of the maximum occupancy permitted under applicable law, and transient occupancy of the Residence (such as hotel, inn, bed & breakfast, vacation rental, time-share or similar temporary lodging). Any lease or rental agreement for a term of fewer than thirty (30) days, and any lease or rental agreement pursuant to which the lessor provides any services normally associated with transient occupancy, shall be deemed to be for transient purposes and prohibited under this Declaration. All of the foregoing activities are prohibited whether they are engaged in full-time or part-time, whether they are for-profit or non-profit, and whether they are licensed or unlicensed.

2.6.2 **Exceptions.** This Section shall not be interpreted to prohibit any of the following:

(a) The hiring of employees or contractors to provide maintenance, construction or repair services that are consistent with the Governing Documents;

(b) Rental or leasing of a Lot to Declarant for use as a sales office, model homes or parking area for any period of time;

(c) Exercise by Declarant of any rights reserved to it under Article 15;

(d) The provision of in-home health care or assisted-living services to any resident of the Community;

(e) The provision of family home child care services as defined in California Health and Safety Code Section 1597.40, *et seq.*, so long as such services comply with all applicable state and local laws, including licensing, inspection and zoning requirements; provided, however, that the Association has the power to limit or prohibit use of parks, recreational facilities and other common amenities in the Common Area by clientele of the business;

(f) Small home-based service businesses that comply with all of the following:

(i) The operator of the business lives in the Residence on a permanent, full-time basis;

(ii) When conducted in the Community, business activities take place solely inside the Residence;

(iii) Visits by clientele or suppliers are limited to regular business hours and clientele and suppliers park their vehicles only in the driveway or garage of the Residence;

(iv) The business complies with all laws, regulations and ordinances applicable to the Community, including zoning, health and licensing requirements;

(v) The business otherwise complies with the Declaration and is consistent with the residential character of the Community;

(vi) The operator of the business posts no business-related signage anywhere in the Community;

(vii) Other than visits by clientele or suppliers, there is no visible evidence in the Community of the business;

(viii) The business does not generate noise or odors that are apparent outside the Residence; and

(ix) The business does not increase the Association's liability or casualty insurance obligation or premium.

(g) Other activities that have been determined by governmental authorities to be consistent with the single-family residential uses in the Community, including, for example, residential care facilities that are operated in accordance with California Health and Safety Code Section 1566.5.

2.7 NUISANCES. Noxious or offensive activities are prohibited in the Community and on any street abutting or visible from the Community. The Board is entitled to determine if any device, noise, odor, or activity constitutes a nuisance.

2.7.1 Nuisance Devices. Nuisance devices may not be kept or operated in the Community or on any public street abutting the Community, or exposed to the view of other Lots or Common Area. Nuisance devices include the following:

(a) All horns, whistles, bells or other sound devices (except security devices used exclusively to protect the security of a Residence or a vehicle and its contents);

(b) Noisy or smoky vehicles, power equipment (excluding lawn mowers and other equipment used in connection with ordinary landscape maintenance), and Restricted Vehicles (defined below);

(c) Devices that create or emit loud noises or noxious odors;

(d) Construction or demolition waste containers (except as permitted in writing by the Committee);

- (e) Devices that unreasonably interfere with television or radio reception to a Lot;
- (f) Plants or seeds infected with noxious insects or plant diseases;
- (g) The presence of any other thing in the Community which may (i) increase the rate of insurance in the Community, (ii) result in cancellation of the insurance, (iii) obstruct or interfere with the rights of other Owners or the Association, (iv) violate any law or provisions of the Governing Documents, or (v) constitute a nuisance or other threat to health or safety under applicable law or ordinance.

2.7.2 **Nuisance Activities.** Nuisance activities may not be undertaken in the Community or on any street abutting the Community, or exposed to the view of other Lots or Common Area without the Board's prior written approval. Nuisance activities include the following:

- (a) Hanging, drying or airing clothing, fabrics or unsightly articles in any place that is visible from other Lots, Common Area or public streets;
- (b) The creation of unreasonable levels of noise from parties, recorded music, radios, television or related devices, or live music performance;
- (c) The creation of unreasonable levels noise from a barking dog or other animal kept in the Community (e.g., chronic daily nuisance barking by a dog over extended periods of time);
- (d) Repair or maintenance of vehicles or mechanical equipment, except in a closed garage or rear yard screened from view by other Lots and Common Area;
- (e) Outdoor fires, except in barbecue grills and fire pits designed and used in such a manner that they do not create a fire hazard;
- (f) Outdoor storage of bulk materials or waste materials except in temporary storage areas designated by the Committee.
- (g) Any activity which may (i) increase the rate of insurance in the Community, (ii) result in cancellation of the insurance, (iii) obstruct or interfere with the rights of other Owners, (iv) violate any law or provisions of the Governing Documents, or (v) constitute a nuisance or other threat to health or safety under applicable law or ordinance.

2.8 **SIGNS.** Subject to California Civil Code Sections 712, 713 and 4710, no sign, advertising device or other display of any kind shall be displayed in the Community or on any public street in or abutting the Community except for the following signs:

2.8.1 entry monuments, community identification signs, and traffic or parking control signs maintained by the Association;

2.8.2 for each Lot, one (1) nameplate or address identification sign which complies with Design Review Committee rules;

2.8.3 for each Lot, one (1) sign advising of the existence of security services protecting a Lot which complies with Design Review Committee rules;

2.8.4 for each Lot, one (1) sign advertising the Lot for sale or lease that complies with the following requirements:

(a) the sign has reasonable design and dimensions (which shall not exceed eighteen (18) inches by thirty (30) inches in size), provided the sign is promptly removed at the close of the resale escrow or the lease, or upon the Owner's withdrawal of the Lot from the resale or lease market;

(b) the sign is of a color, style and location authorized by the Design Review Committee;

2.8.5 for each Lot, a noncommercial sign, poster, flag or banner must comply with the following requirements:

(a) a noncommercial sign or poster must not be more than nine (9) square feet in size and a noncommercial flag or banner must not be more than fifteen (15) square feet in size; and

(b) a noncommercial sign, poster, flag or banner may not be made of lights, roofing, siding, paving materials, flora, or balloons, or any other similar building, landscaping, or decorative component, or include the painting of architectural surfaces.

2.8.6 other signs or displays authorized by the Design Review Committee.

2.9 **PARKING AND VEHICULAR RESTRICTIONS.**

2.9.1 **Definitions.** The following definitions shall apply to parking and vehicular restrictions set forth in this Declaration:

2.9.2 **Authorized Vehicle.** An "Authorized Vehicle" is an automobile, a passenger van designed to accommodate ten (10) or fewer people, a motorcycle, or a pickup truck having a manufacturer's rating or payload capacity of one (1) ton or less. The Association has the power to identify additional vehicles as Authorized Vehicles in the Rules and Regulations in order to adapt this restriction to other types of vehicles that are not listed above.

2.9.3 **Restricted Vehicles.** The following vehicles are "Restricted Vehicles:" (a) large commercial-type vehicles (for example, stake bed trucks, tank trucks, dump trucks, step vans, and concrete trucks), (b) buses, limousines or vans designed to accommodate more than ten (10) people, (c) inoperable vehicles or parts of vehicles, (d) aircraft, (e) boats, jet skis and other water craft, (f) trailers (for example, trailers designed for horses, boats, motorcycles or other equipment or materials), (g) motor homes and recreational vehicles (for example, fifth-wheels, folding camping trailers, travel trailers, but not including van conversions

and truck campers), (h) any vehicle or vehicular equipment deemed a nuisance by the Association, and (i) any other vehicle that is not classified as an Authorized Vehicle. If a vehicle qualifies as both an Authorized Vehicle and a Restricted Vehicle, then the vehicle is presumed to be a Restricted Vehicle, unless the vehicle is expressly authorized in writing by the Association. The Association has the power to identify additional vehicles as Restricted Vehicles in the Rules and Regulations to adapt this restriction to other types of vehicles that are not listed above.

2.9.4 **Parking Restrictions.**

(a) **Driveways.** If an Authorized Vehicle will not fit in a garage it may be parked in the driveway, provided that the Authorized Vehicle does not encroach onto the sidewalk or other public or private right-of-way.

(b) **Restricted Vehicles.** No Restricted Vehicle may be parked, stored or kept in the Community except for periods of two (2) hours or less in any 24-hour period during loading, unloading, or emergency repairs. However, a resident may park a Restricted Vehicle in a fenced side yard if the Restricted Vehicle is screened from view by other Lots and Common Area, or in the garage so long as the garage is kept closed and the presence of the Restricted Vehicle does not prevent at least one (1) Authorized Vehicle from being parked in the garage at the same time.

(c) **Garage Parking.** Each Owner shall at all times ensure that the garage physically accommodates at least the number of Authorized Vehicles for which it was originally constructed by Declarant. The garages shall be used for parking of vehicles and storage of personal property only. No garage may be used for any dwelling, commercial, recreational, or other purpose. Garage doors must be kept closed except as necessary for entry or exit of vehicles or Persons.

2.9.5 **Repair, Maintenance and Restoration.** No Person may repair, maintain or restore any vehicle in the Community, unless the work is conducted in the garage with the garage door closed. However, no Person may carry on in any portion of the Community any vehicle repair, maintenance or restoration business.

2.9.6 **Enforcement.** The Board has the right and power to enforce all parking and vehicle use regulations applicable to the Community, including the removal of violating vehicles from streets and other portions of the Community in accordance with California Vehicle Code Section 22658 or other applicable laws. The County may, but is not required to, enforce such restrictions, rules and regulations, in addition to applicable laws and ordinances.

2.9.7 **Regulation and Restriction by Board.** The Board has the power to: (a) establish additional rules and regulations concerning parking in the Common Area, including designating "parking," "guest parking," and "no parking" areas; (b) prohibit any vehicle parking, operation, repair, maintenance or restoration activity in the Community if it determines in its sole discretion that the activity is a nuisance; and (c) promulgate rules and regulations concerning vehicles and parking in the Community as it deems necessary and desirable.

2.9.8 **Guest Parking.** The Board has the power to designate some of the parking spaces in the private streets for temporary use by invitees of residents only. No resident of the Community may park any vehicle or leave any other property in any guest space. Guest parking spaces are unreserved and unassigned, and they are available on a strict first-come-first-served basis. Unless more restrictive rules are promulgated by the Board, no guest may occupy the same guest parking space more than seventy-two (72) hours in any seven (7) day period.

2.9.9 **Common Area Parking Spaces.** Parking spaces in the private streets (collectively, "**Common Area Parking Spaces**") are for temporary, short-term use by residents and invitees of residents only. Common Area Parking Spaces are unreserved and unassigned, and they are available on a strict first-come-first-served basis. However, the spaces shall not be used for long-term parking (more than 72 hours in any seven day period) or for the long-term or permanent storage of any vehicle or other personal property. Common Area Parking Spaces are for overflow parking when a garage is fully parked consistent with this Section. The Board may, but is not required to, impose additional restrictions on Common Area Parking Spaces.

2.10 ANIMAL REGULATIONS.

2.10.1 **General Restrictions on Numbers and Types of Animals.** No commercial or farm livestock, including poultry, may be kept in the Community. Subject to local ordinances and such rules and regulations as may be adopted by the Board, no person may keep more than two (2) dogs or two (2) cats or one (1) dog and one (1) cat in a Residence. In addition to dogs and cats, but subject to local ordinances and such Rules and Regulations as may be adopted by the Board, residents may keep in the Residence reasonable numbers of small household pets that live in containers or cages, including fish and birds, so long as there is no external evidence of their presence in the Community. Notwithstanding the foregoing, no person may bring or keep in the Community any dog that satisfies the definition of "vicious dog" under the Potentially Dangerous and Vicious Dogs Law at California Food and Agriculture Code Section 31601, *et seq.*, nor any animal that is determined by the Board to be a nuisance to other residents in the Community. The Board has the power and discretion to determine whether the types or numbers of any animals kept in a Residence are a nuisance, and the Board shall have the power to abate the nuisance through any legal procedure that is available to the Association.

2.10.2 **Animal Keeping Areas.** Animals belonging to Owners, tenants, residents or guests in the Community must be kept in the Residence or in fenced areas of the Lot. Whenever outside the enclosed area of the Lot, animals must be kept under the control of a Person capable of controlling the animal either on a leash or other appropriate restraint or carrier.

2.10.3 **Owner Responsibility.** The Owner of the Lot shall be solely responsible for ensuring that there is no external evidence of the presence of any animals kept by the Owner or by the other residents of the Lot (including unreasonable noise or noticeable odor). Furthermore, each Owner shall be absolutely liable to each and all other Owners, their Families, tenants, residents and guests for damages or injuries caused by any animals brought or kept in the Community by an Owner, by members of the Owner's Family, or by the Owner's guests, tenants or invitees. Each Owner shall immediately remove any excrement or clean other unsanitary conditions caused by such Owner's animals on any portion of the Community.

2.11 ANTENNA AND SATELLITE DISH RESTRICTIONS. No Person may install on any Lot any antenna, satellite dish or other over-the-air receiving device unless it meets the definition of an "Authorized Antenna" below and is installed in accordance with the following restrictions:

2.11.1 Definition. An Authorized Antenna is (a) an antenna designed to receive direct broadcast satellite service, including direct-to-home satellite service, that is one (1) meter or less in diameter, (b) an antenna designed to receive video programming service, including multi-channel multipoint distribution service, instructional television fixed service, and local multipoint distribution service, and is one (1) meter or less in diameter or diagonal measurement, (c) an antenna designed to receive television broadcast signals, or (d) an antenna used to receive and transmit fixed wireless signals. The foregoing definition is not intended to prohibit cordless or wireless telephones, PDAs, computers, wireless home data networking equipment or other portable wireless data or telephony devices that do not otherwise constitute a nuisance device under the Governing Documents.

2.11.2 Masts. An Authorized Antenna may be mounted on a mast to reach the height needed to receive an acceptable quality signal, subject to Local Government Agency permitting requirements for safety purposes. No mast shall be installed in such a way that it overhangs a neighboring Lot or Common Area, or poses a threat of damage to property or injury to persons.

2.11.3 Preferred Installation Locations and Restrictions on Installation. The Committee may adopt reasonable restrictions on installation and use of an Authorized Antenna as part of its Design Guidelines in order to minimize visibility of the Authorized Antenna from other Lots. Such restrictions may designate one (1) or more additional preferred installation locations, or require camouflage such as paint (subject to the antenna manufacturer's recommendations) or screening vegetation or other Improvements. However, no restriction imposed by the Committee may (a) unreasonably delay or prevent the installation, maintenance or use of an Authorized Antenna, (b) unreasonably increase the cost of the installation, maintenance or use of an Authorized Antenna, or (c) preclude acceptable quality reception.

2.11.4 Prohibitions on Installation. The Committee may prohibit the installation of an Authorized Antenna in a particular location if, in the Committee's opinion, the installation, location or maintenance of such Authorized Antenna unreasonably affects the safety of the Owners or any other Person, or for any other safety-related reason established by the Committee. The Committee may also prohibit an Owner from installing an Authorized Antenna on any real property which such Owner does not own or is not entitled to exclusively use or control under the Governing Documents, including the Common Area or any other property outside the Owner's Lot. The Committee also has the power to prohibit or restrict the installation of any antenna or other over-the-air receiving device that does not meet the definition of an Authorized Antenna as set forth above.

2.11.5 Review after Installation. The Committee may review the location and installation of an Authorized Antenna after it is installed. After its review, the Committee may require that the Authorized Antenna be moved to a preferred location (if one has been designated) for safety reasons or to comply with reasonable restrictions subject to this Section

and applicable law. Approvals shall not be unreasonably withheld or delayed but may include restrictions which do not significantly increase the cost of installation, maintenance or use of the device, or significantly decrease its efficiency or performance or preclude reception of an acceptable quality signal) and in compliance with all applicable ordinances of the County, California statutes (e.g., California Civil Code Section 4725), and federal regulations, as each may be amended or revised.

2.11.6 **Restatement of Applicable Law.** This Section is intended to be a restatement of the authority granted to the Committee under the law. All amendments, modifications, restatements and interpretations of the law applicable to the installation, use or maintenance of an antenna or over-the-air receiving device shall be interpreted to amend, modify, restate or interpret this Section.

2.12 **TRASH.** Trash and recyclables must be stored in closed sanitary containers. No trash, recyclable materials or containers may be stored in view of other Lots or the Common Area, except that closed containers may be set out in the area designated by the Committee for a reasonable period of time on trash collection days (not to exceed twelve (12) hours before and after scheduled trash collection hours). At all other times, Owners must store closed containers in the garage or within a fenced yard area, out of sight of other Lots and Common Area, until scheduled collection times.

2.13 **OWNER-INSTALLED IMPROVEMENTS.**

2.13.1 **Outdoors.** No Person shall install any permanent outdoor Improvements on a Lot if the Improvements are visible from other Lots, or from the streets or the Common Area, without the prior written approval of the Design Review Committee obtained in accordance with Article 5 and the Rules and Regulations. Examples of outdoor Improvements that require prior Committee approval, in addition to any approvals required by the County Planning Department, include the following:

(a) Roof-mounted equipment, including heating, ventilation and air conditioning equipment, vents or ducts (which also require approval of the County Planning Department);

(b) Screening structures that are intended to hide roof-mounted Improvements (such Improvements may be hidden from view only by extension of the main structure);

(c) Modifications to the building exteriors including room additions, second-story additions or other cosmetic or structural changes in the architectural elements of the Residence;

(d) Permanently installed athletic equipment, including freestanding basketball standards, backboards attached to a Residence or any other Improvement on a Lot, soccer goals, hockey goals, skate ramps or other such Improvements. However, portable athletic equipment (such as movable basketball standards, soccer goals, hockey goals and skate ramps) may be used in yards or driveways or in other areas authorized in writing by the

Board , but when not in use they must be brought indoors or stored out of the view of streets, other Lots and Common Area;

(e) Sunshades, awnings or patio covers, if visible from other Lots, Common Area, or streets;

(f) Accessory structures such as sheds, barns and casitas;

(g) Paint or other surface finishes (unless the paint or finish used is the same as originally used by Declarant on the Improvement or the same as previously approved in writing by the Committee); and

(h) Front yard or parkway landscaping and hardscape, including flatwork, fences or walls, or statuary, if visible from other Lots, Common Area or streets; and

(i) Rear yard landscaping and hardscape, including flatwork and fences or walls.

The foregoing list is provided for guidance but it is not intended to be an exhaustive list. The Committee has the power to require prior review and approval of other Improvements that are not listed above. Outdoor patio or lounge furniture, potted plants and portable barbecue equipment may be kept pursuant to the Rules and Regulations.

Persons who intend to install or construct outdoor Improvements on their Lots must consult the Design Review Committee prior to installation to determine if prior review and approval are required. This Section shall not apply to any Improvements installed by Declarant or by the Association, nor shall it apply to maintenance, repair, replacement or reconstruction of existing Improvements by Declarant or by the Association.

2.13.2 Installation of Yard Landscaping. Each Owner shall complete the installation of landscaping on all portions of the yard not landscaped by Declarant in accordance with a plan approved by the Design Review Committee no later than six (6) months after the Close of Escrow. Each Owner shall obtain all permits necessary and shall comply with all requirements of the County. The types of trees and landscaping an Owner may install on his Lot are set forth in the Design Guidelines pursuant to County requirements.

2.13.3 Windows. No Owner or other resident of the Community may apply paint, foil, film, or other reflective material to the glass portion of any window in the Residence. This Section shall not be interpreted to prohibit the installation of blinds, shutters, curtains and other similar window coverings. Pending installation of permanent window coverings, Owners may cover windows with white sheets up to ninety (90) days following the Close of Escrow.

2.13.4 No Liability. Neither the Declarant nor the Association shall be liable or responsible for any damage that results from Improvements installed, constructed or modified by or at the direction of an Owner. Owners are advised to consult and use qualified consultants and contractors when installing, constructing or modifying Improvements on the Owner's Lot.

2.14 **MECHANICS' LIENS.** No Owner may cause or permit any mechanic's lien to be filed against the Common Property or another Owner's Lot for labor or materials alleged to have been furnished or delivered to such Owner. Any Owner who permits a mechanics' lien to be so filed shall cause the lien to be discharged no later than five (5) days after receipt of written notice to discharge the lien is received from the Board. If the Owner fails to remove a mechanic's lien after written notice from the Board, the Board may discharge the lien and levy a Special Assessment against the violating Owner's Lot to recover the cost of discharge.

2.15 **DRAINAGE.** There shall be no interference with or obstruction of the established surface drainage pattern(s) over any Lot in the Community, unless an adequate alternative provision is made for proper drainage.

2.15.1 **Established Drainage.** Any alteration of the established drainage pattern must at all times comply with all applicable Local Government Agency requirements. For the purpose hereof, "established" drainage is defined as the drainage which exists at the time of the first Close of Escrow for the sale of the Lot by Declarant, or as shown on any plan approved by the Committee. Established drainage includes drainage from Lot to Lot and to and from property lying outside the Community.

2.15.2 **Surface Drainage Improvements.** The established drainage system on a Lot may consist of any or all of the following: earthen or concrete drainage swales, concrete channels, catch basins with underground drainage pipelines, roof-mounted gutters or downspouts (collectively, "**Surface Drainage Improvements**"). Each Owner shall maintain, repair, and replace and keep free from debris or obstructions all Surface Drainage Improvements, if any, located on the Owner's Lot, except those for which a public authority or utility is responsible.

2.15.3 **Sub-Drains.** Owners are advised that Declarant may have installed one or more drain lines beneath the surface of the Lot (each, a "**Sub-Drain**"). Sub-Drains and appurtenant Improvements constructed or installed by Declarant (if any) provide for collection and drainage of surface waters from each Lot and from elsewhere in the Community to proper points of disposal.

2.15.4 **Maintenance of Drainage Improvements.** Each Owner must maintain, repair, replace and keep free of debris and obstructions all Surface Drainage Improvements and Sub-Drains located on the Lot, except those for which the Association or a public authority or utility are responsible. To ensure adequate drainage within the Community, it is essential that the Surface Drainage Improvements and the Sub-Drains, if any, not be modified, removed or blocked without having first made alternative drainage arrangements. Therefore, no Owner may install, alter, modify, remove or replace any Surface Drainage Improvements or Sub-Drains on the Owner's Lot without first making alternative drainage arrangements approved in writing by the Committee and by applicable governmental agencies. Owner-installed irrigation systems must be installed and maintained to prevent excess runoff and accumulation of surface water.

2.15.5 **Grading.** The grading design in the Community should not be altered to redirect surface water flow toward the Lots or onto adjacent property, or to trap water so that it

ponds or floods. Grading modifications are subject to law, approval by the Board, and the terms of any Recorded drainage easements.

2.16 **WATER SUPPLY SYSTEM.** No individual water supply, sewage disposal or water softener system is permitted on any Lot unless such system is designed, located, constructed and equipped in accordance with the requirements, standards and recommendations of any water district having jurisdiction, the County, the Design Review Committee and all other applicable Local Government Agencies with jurisdiction.

2.17 **VIEW OBSTRUCTIONS.** Each Owner acknowledges that (a) there are no protected views in the Community, and no Lot is assured the existence or unobstructed continuation of any particular view, and (b) any construction, landscaping (including the growth of landscaping) or other installation of Improvements by Declarant or other Owners may impair the view from any Lot, and each Owner hereby consents to such view impairment.

2.18 **SOLAR ENERGY SYSTEMS.** In accordance with Civil Code Sections 714 and 714.1, each Owner may install a solar energy system (as defined in California Civil Code Section 801.5), on the Owner's Lot to serve the Owner's domestic needs, so long as (a) the design and location of the solar energy system be permitted with County Planning Department approval, and (b) the design and location receive the prior written approval of the Design Review Committee.

2.19 **RIGHTS OF DISABLED.** Subject to Article 5, each Owner may modify such Owner's Residence and the route over the Lot leading to the front door of his Residence, at his sole expense to facilitate access to his Residence by persons who are blind, visually impaired, deaf or physically disabled, or to alter conditions which could be hazardous to such persons, in accordance with California Civil Code Section 4760 or any other applicable law.

2.20 **TEMPORARY BUILDINGS.** No outbuilding, tent, shack, shed or other temporary building or Improvement may be placed upon any portion of the Community, either temporarily or permanently, without the prior written consent of the Design Review Committee.

2.21 **PROHIBITED RESIDENTIAL USES.** No garage, carport, trailer, camper, motor home, recreational vehicle or other vehicle may be used as a residence in the Community, either temporarily or permanently.

2.22 **COMMON PROPERTY.** The Common Property may not be altered without the Board's prior written consent.

2.23 **MINERAL EXPLORATION AND EXTRACTION.** No oil drilling, oil, gas or mineral development operations, oil refining, geothermal exploration or development, quarrying or mining operations of any kind may be conducted on the Community, nor are oil wells, tanks, tunnels or mineral excavations or shafts permitted upon the surface of any Lot or within five hundred (500) feet of the surface of the Community. No derrick or other structure designed for use in boring for water, oil, geothermal heat or natural gas may be erected, maintained or permitted on any Lot.

2.24 **POST-TENSION CONCRETE SLABS.** Concrete slabs for Residences constructed in the Community may be reinforced with a grid of steel cable installed in the concrete slab and then tightened to create extremely high tension. This type of slab is commonly known as a "Post-Tension Slab." Cutting into a Post-Tension Slab for any reason (*e.g.*, to install a floor safe, to remodel plumbing, etc.) is very hazardous and may result in serious damage to the Residence, personal injury, or both. Each Owner shall determine if his Residence has been constructed with a Post-Tension Slab and, if so agrees: (a) Owner shall not cut into or otherwise tamper with the Post-Tension Slab; (b) Owner shall not permit or allow any other Person to cut into or tamper with the Post-Tension Slab so long as Owner owns any interest in the Residence; (c) Owner shall disclose the existence of the Post-Tension Slab to any Person who rents, leases or purchases the Residence from Owner; and (d) Owner shall indemnify and hold Declarant and Declarant's agents, free and harmless from and against any and all claims, damages, losses or other liability (including attorneys' fees and costs of court) arising from any breach of this covenant by Owner.

2.25 **EASEMENTS.** The ownership interests in the Lots and Common Area are subject to the easements granted and reserved in this Declaration. Each of the easements reserved or granted herein shall be deemed to be established upon the recordation of this Declaration and shall henceforth be deemed to be covenants running with the land for the use and benefit of the Owners, the Association and the Declarant, and each of their respective properties, superior to all other encumbrances applied against or in favor of any portion of the Community. Individual grant deeds to Lots and Common Area may, but shall not be required to, set forth the easements specified in this Article or elsewhere in this Declaration.

ARTICLE III DISCLOSURES

This Article discloses information that was obtained from third-party sources such as consultants, government and public records. No Person should rely on the ongoing accuracy or completeness of the information discussed in this Article because many of the matters discussed below are outside the control of Declarant and the Association. Accordingly, Declarant does not make any guarantee as to the accuracy or completeness of the matters disclosed below. Furthermore, Declarant is under no obligation to update or revise any matter disclosed in this Article. This Article is intended to provide Owners with information known or provided to Declarant as of the date this Declaration was Recorded, to be used as a starting point for further independent investigation.

3.1 **NO REPRESENTATIONS OR WARRANTIES.** No representations or warranties, express or implied, have been given by Declarant, the Association or their agents, in connection with the Community, its physical condition, zoning, compliance with law, fitness for intended use, or in connection with the subdivision, sale, operation, maintenance, cost of maintenance, taxes or regulation of the Community as a planned unit development, except as expressly provided in this Declaration, as submitted by Declarant to the CalBRE, or as provided by Declarant to the first Owner of each Lot.

3.2 **ACCESS FACILITIES.** Vehicular and pedestrian access into the Community may be controlled by entry gates located at the private street entrances into the Community.

There may also be controlled access pedestrian gates in the Community. There are no assurances that any entry gates will be installed or staffed. If staffing is provided, the schedule for commencing staffing operations and the hours of staffing will be subject to change as development progresses and will be affected by the construction and marketing access requirements of Declarant and the commencement of assessments in future Phases. Until the last Close of Escrow occurs in the Community, (a) the access gate may be open to the general public, (b) Declarant may change the hours of access gate operation in its sole discretion without notice to accommodate construction and marketing activities, (c) interim access gate staffing may be provided or eliminated, and (d) operation of the access gate may be limited.

3.3 SECURITY AND PRIVACY DISCLAIMER. Access gates and their staffing are not intended to provide security or privacy for persons, personal property or Lots in the Community. Neither Declarant nor the Association undertakes to provide security or privacy for the Community or Owners, nor do they make any representations or warranties concerning the security or privacy of the Community or Owners.

3.4 SPECIAL DISTRICTS. The Community lies within the boundaries of the following special districts:

3.4.1 Community Facilities District No. 1 (Sycamore Creek) of the Lee Lake Water District. The Community is located within the boundaries of Community Facilities District No. 1 (Sycamore Creek) of the Lee Lake Water District ("**CFD No. 1**"). CFD No. 1 was formed to pay for the purchase, construction, expansion, improvement or rehabilitation of various public improvements to serve the property within CFD No. 1, including, but not limited to, sewer, water, storm drain and street improvements. The improvements may not yet have all been constructed or acquired and it is possible that some may never be constructed or acquired. All property located in the Community is subject to any taxes, assessments and obligations associated with CFD No. 1. Prior to Buyer's execution of a purchase agreement, Buyer will be provided with the "Notice of Special Tax, Community Facilities District No. 1 (Sycamore Creek) of the Lee Lake Water District" (the "**Notice**"). The Notice contains important information about the function of CFD No. 1, Buyer's obligations, the rights of CFD No. 1, and information on how to contact the administrator of CFD No. 1 for additional information. You should carefully read and understand the information contained in the Notice. The special taxes levied under CFD No. 1 constitute a lien on Lots located within CFD No. 1, which will be added to the annual real property tax bill issued by the County for those Lots. If you fail to pay your special taxes when due, California law permits foreclosure of your Lot for payment of the tax lien.

3.4.2 Lighting and Landscaping District 89-1-Consolidated. As required by the County of Riverside, the property within the boundaries of Tract Map No. 36316 has been annexed into the Landscaping and Lighting Maintenance District No. 89-1-Consolidated ("**L&LMD No. 89-1-C**"). As a result of the annexation into the L&LMD No. 89-1-C, each owner of a lot is subject to annual assessments levied on behalf of the L&LMD No. 89-1-C, in perpetuity, as part of the property tax bill, to support the services provided by the L&LMD No. 89-1-C. The L&LMD No. 89-1-C provides funding for the maintenance and servicing of Storm Drain Catch Basin Fossil Filters. The annual assessment is subject to the greater of an annual inflation escalator of 2% or the Consumer Price Index for all Urban Consumers ("**CPI-U**") as it stands on March of each year over the base Index for March in the election year.

Any increase larger than the greater of 2% or the CPI-U annual adjustment requires a majority approval of all the property owners within the boundaries of Tract Map No. 36316.

For information concerning the L&LMD No. 89-1-C, you may contact the Riverside County Transportation Department, Special Assessment Districts, 4080 Lemon Street, 8th Floor, Riverside, CA 92501.

3.4.3 **Other Districts.** This Section is not intended to be an exhaustive list of districts that presently affect the Community. The Community may at present lie within other special tax districts, or they may be annexed to other special tax districts from time to time in the future. Owners are advised to consult the County Assessor's office for further information.

3.5 **SOIL CONDITIONS.** For in-depth information regarding the geotechnical aspects of the Community, Owners should review the geotechnical reports ("*Soils Report*"), which are available for viewing at the County's Community Development Department.

3.5.1 **Expansive Soil.** The soil in the Community may be composed of materials that have "expansive" characteristics. Owners should perform soils testing, use special construction techniques and take precautions when constructing new Improvements or modifying existing Improvements because the soil expands when it is wet and can cause Improvements to lift and crack. Owners should consider the following information and recommendations before making or modifying any Improvements.

3.5.2 **Concrete and Masonry Improvements.** Special attention is required in designing and constructing concrete and masonry Improvements such as masonry walls and planters, concrete slabs, pools, patios, sidewalks, spas and decking. For example, steel reinforcing bars may be required in lieu of steel mesh in concrete patio slabs. Block walls may require extra horizontal and vertical steel reinforcing bars. Pools and spas located at or near the top or bottom of a slope or on expansive soils may require special design and construction methodology.

3.5.3 **Drainage and Irrigation.** Owners must use adequate drainage and irrigation control. The construction or modification of Improvements by Owners should not result in ponding of water. Owner-installed drainage devices, including, but not limited to, concrete ditches, area drain lines and gutter should be carefully designed and installed with professional assistance and then maintained in an unobstructed condition. Drainage devices installed by Declarant designed to serve more than one (1) Lot or the Common Property should not be altered in a manner that will redirect or obstruct the drainage through these drainage devices. All Owner-installed landscape irrigation systems should be designed, constructed, and operated to prevent excessive saturation of soils. All Owner-installed landscaping (if any) must be designed to ensure that water drains away from the Residence footings and other Improvements. Obstructions such as walls should not be constructed across swales unless adequate replacement drainage Improvements have been installed or created. Planters should be lined with an impervious surface and should contain outlets to drain excess water. Owners shall maintain and keep clear of debris any drainage or facility or device constructed by Declarant.

3.5.4 **Slope Creep.** While horizontal and vertical movement of earth at or near tops or bottom of slopes (often described as “slope creep”) is generally minor in nature and does not always occur, it may affect Improvements such as pools, spas, patios, walls, slabs, planters, decking and the like. Slope creep can cause pools, spas and walls to tilt and crack and may cause cracking or lifting in brickwork or concrete in a manner that will allow these Improvements to function yet not meet the Owner’s cosmetic expectations. Professional soils and structural engineers should be retained to design and construct such Improvements to mitigate the effects of slope creep and to ensure compliance with special rules for such Improvements that are required under the applicable Building Code or other applicable regulations. If possible, Improvements should not be constructed within ten (10) feet of the edge, top or bottom of a slope. Even with professional assistance, minor lifting and cracking can occur.

3.5.5 **Corrosive Soil.** Soils in the Community may be corrosive. Corrosive soil may corrode buried metal Improvements or concrete Improvements. Owners should seek the advice of a corrosion engineer to determine if buried metal improvements or concrete improvements must be constructed of materials that are compatible with corrosive soils.

3.6 ELECTRIC POWER LINES, WIRELESS COMMUNICATIONS FACILITIES, AND HUMAN HEALTH. Underground and overhead electric transmission and distribution lines and transformers (“*Power Lines*”) are located within or in the vicinity of all residential communities, including this Community. The Power Lines within and in the vicinity of the Community produce electric and magnetic fields (“*EMF*”). Antennas and other equipment for wireless telecommunications (for example, cellular phones) may also be located in or in the vicinity of the Community. Like all wireless communications facilities, these facilities produce radio-frequency fields (“*RF*”). Numerous studies concerning the effects of EMF and/or RF on human health have been undertaken over the past several years and some are ongoing. There are studies that have reported a possible relationship between EMF exposure and some health conditions, such as childhood leukemia, miscarriages, and certain neurological disorders, while other studies found no such relationship. Some studies have reported associations between RF exposure and brain cancer, while other studies found no such relationship. Additional information about EMF and RF is available from the following agencies:

3.6.1 The World Health Organization’s International EMF Project website at http://www.who.int/topics/electromagnetic_fields/en/;

3.6.2 Southern California Edison website at <https://www.sce.com/wps/portal/home/safety/family/environmental-health>;

3.6.3 The U.S. National Institute of Environmental Health Sciences website at <http://www.niehs.nih.gov/health/topics/agents/emf/>;

3.6.4 San Diego Gas & Electric website at <http://www.sdge.com/safety/electric-and-magnetic-fields/emf-issue>; <http://www.sdge.com/safety/electric-and-magnetic-fields/links-emf-resources-web>;

3.6.5 Electric and Magnetic Fields Program at <http://www.ehib.org/emf/>;

3.6.6 Pacific Gas & Electric Company website at <http://www.pge.com/mybusiness/edusafety/systemworks/electric/emf/>; and

3.6.7 Sacramento Municipal Utility District website at <https://www.smud.org/en/residential/education-safety/powerlines-and-equipment/electric-and-magnetic-fields.htm>.

This list is not meant to be all inclusive.

3.7 **RURAL AREA.** The Community is located in a rural area which includes various rural land uses. As a result of the rural character of the area in the vicinity of the Community, Lots may be affected by wildlife, noises, odors, reptiles or insect life typically found in rural areas. Snakes, rodents, mountain lions and coyotes are some of the wildlife typically encountered in rural areas. Owners should expect to encounter insects of all types including flies, ticks, Africanized (killer) bees, mosquitoes, spiders, black and red fire ants, crickets and aphids. Declarant and the Association are not responsible for wildlife control or eradication.

3.8 **PROXIMITY TO AGRICULTURAL LANDS.** The Community is located in the vicinity of lands which are currently in use for agricultural purposes, including farming and dairy operations. By reason of such agricultural use, Owners and other residents in the Community may be subject to dust, noise and odors and may be exposed to pesticides, herbicides, insecticides and other chemicals. Many procedures normal and necessary to the operation of agricultural uses such as growing of field crops, dairy production, poultry farms and feed lots result in noise, noxious odors, chemical spraying, dust, irrigation or other potentially detrimental effects to residential use of adjacent properties. Each Owner, for and on behalf of himself, and the members of his family, his tenants, lessees, guests and invitees, expressly acknowledges and accepts these existing and future impacts and forever waives any and all causes of actions against the County, Declarant, the Association and their respective directors, officers, employees, agents, representatives and consultants for any damages or injuries which may arise from or relate to any such conditions or risks. Neither Declarant nor the Association has any control over agricultural operations on lands outside the Community.

3.9 **FUEL MODIFICATION ZONES AND CONSERVATION EASEMENT DEED.** There are Fuel Modification Zones located in and around the Community. Sections 2.1.1(a)(ii), 2.1.2(c)(iii), 17.4.1 of this Declaration and *Exhibit F* attached hereto contain information concerning the required maintenance of Fuel Modification Zones in and around the Community. The Association, Master Association, RCRC (defined in Section 2.1.2(c)(iii)), and Owners of certain Lots each have designated maintenance obligations. Fuel Modification Zones are established to include areas subject to a substantial risk of damage from uncontrolled forest (or wild land) fires. To mitigate this condition, Fuel Modification Zones are established by the County and the Riverside County Fire Authority. This allows a defensible space for fire suppression forces, and protects structures from radiant and convective heat. Owners are advised that the Fuel Modification Zones reduce, but do not eliminate, the risk of fire from wild land or forest fires. The Fuel Modification Zones will not reduce the risk of damage from other types of fires. Construction or maintenance of structural Improvements in fuel modification zones, construction or maintenance of any combustible structural Improvements on

or adjacent to Fuel Modification Zones and installation, maintenance or modification of any landscaping Improvements in Fuel Modification Zones which is inconsistent with any landscape palette required by the County are prohibited.

The RCRCDD's maintenance obligations are limited by the Conservation Easement Deed. The RCRCDD has the right to provide brush management activities, and the right in an emergency situation to maintain firebreaks. The Master Association and the RCRCDD will coordinate with each other to ensure that any brushing and thinning of vegetation within the Conservation Easement Deed area is limited to the minimum necessary to meet the Riverside County Fire Marshall's standards. Owners are advised that the RCRCDD may decide to allow burned areas to recover on their own and not to revegetate with re-seeding or planting these area. The RCRCDD may also install slope stabilization structures (e.g. hay bales, water bars) if erosion causes a problem after a burn. Owners acknowledge that the Association has no control over the Conservation Easement Deed areas, and that portions of the Conservation Easement Deed areas may be unsightly at times due to drought or the aftermath of fire.

3.10 OFFERS OF DEDICATION. Portions of the Common Area are subject to irrevocable offers of dedication as shown on the Recorded tract maps for the Community. The County may accept the offer of dedication and assume responsibility for maintaining these portions of the Common Area at any time. If accepted by the County at a later time, the level of maintenance provided by the County may not be the same as that provided by the Association.

3.11 SURROUNDING USES. The Community is located in an area that is experiencing rapid growth. This disclosure is intended to provide Owners with information on surrounding uses as of the date of Recordation. Uses and Improvements in the immediate vicinity of the Community include the items listed below:

North of the Community: Commercial; Residential.

South of the Community: Open Space Conservation.

East of the Community: Commercial; Residential.

West of the Community: Medium Density Residential.

Existing and proposed uses in surrounding areas may change without notice. Neither Declarant nor the Association has any control over uses outside the Community. Owners are advised to contact applicable Local Government Agencies for updated information concerning the development plan for the surrounding community.

3.12 GLEN EDEN SUN CLUB. The Community is located near the Glen Eden Sun Club, a one hundred fifty (150) acre nudist resort (the "**Club**"). The facilities of the Club include (a) several hundred recreational vehicle sites for short-term, extended-term and permanent occupancy, (b) swimming pools, (c) tennis courts, (d) lawn areas, (e) a café and clubhouse, (f) a softball field, and (g) other recreational and associated support facilities. Club operation may be carried on during nighttime hours as well as daylight hours. Noise and lights will be produced from the use of the Club and these uses will create noise and other disturbances which may impact Owners and any occupants of the Residences. Landscaping and other improvements have

been or will be constructed in order to shield the Club from Owners or other occupants of the community. Declarant provides no representations or promises that such improvements will minimize the impact of the Club on the Community.

3.13 **DETENTION BASINS AND OTHER WATER HAZARDS.** Detention basins in the Community are a part of the storm drainage system. During periods of heavy rain, water and debris may accumulate in the detention basins. Other water hazards are located in the Community including creeks, floodways and drain inlets. Owners and other residents are advised to keep children and animals away from the detention basins and other water hazards at all times.

3.14 **PROPERTY LINES.** The boundaries of each Lot in the Community and the Common Area owned in fee simple by the Association are delineated on subdivision (tract) maps, lot line adjustments or parcel maps that are public records and are available at the County Recorder's office.

3.15 **UTILITY IMPROVEMENTS.** There may be above-ground and subterranean utility Improvements such as transformers, lift stations, water or sewer facilities, telecommunications vaults and other visible Improvements necessary for the delivery of utilities or other services either on or adjacent to each Lot. Each Owner understands that the placement of such Improvements is dictated by the needs of the applicable utility or service provider, and the presence of such Improvements in the Community is in accordance with easements created prior to or during the development of the Community. Each Owner, by accepting a deed to a Lot in the Community, understands that each Lot and portions of the Common Property are subject to one or more such easements for placement of utility Improvements. No Owner may modify, remove or otherwise interfere with utility Improvements on any Lot or other portion of the Community.

3.16 **RECLAIMED WATER.** In its efforts to conserve water, the local water district ("*Water District*") requires the use of reclaimed water to irrigate parks, school yards, golf courses, greenbelt areas and other large landscaped areas. Reclaimed water is partially treated waste water. It is not treated to be suitable for consumption by humans or domestic animals.

Declarant has installed in parts of the Common Property irrigation equipment that is designated for reclaimed water service. Such equipment is purple in color for ready identification. The Water District may extend reclaimed water service to the Community. There is no fixed date for the commencement of reclaimed water service, but all Persons in the Community should always assume that water originating from purple irrigation equipment is reclaimed, and therefore never suitable for human or domestic animal consumption. There is no way to reliably tell the difference between potable water and reclaimed water without a chemical test. The water delivered to the Residences will at all times be domestic potable water.

As with any water overspray, the repeated spray of reclaimed water used in irrigation may stain or discolor personal property, fences, walls and other Improvements. Neither Declarant, nor the Association, nor their officers, directors, employees or agents, are liable for any property damage or personal injury caused by reclaimed water. Further information concerning reclaimed water is available at the Water District's headquarters.

3.17 **MOLD.** Molds are simple, microscopic organisms, present virtually everywhere, indoors and outdoors. Mold can be any color, but is usually green, gray, brown or black. Mold requires a food source (such as paper, wood, leaves or dirt), a source of moisture and a suitable temperature (generally 40-100 degrees Fahrenheit) to grow.

Individuals are exposed to molds on a daily basis, and in most instances there are no harmful effects. However, the buildup of molds in the indoor environment may contribute to serious health problems for some individuals. Due to a variety of factors, including the fact that sensitivities to various types of molds and other potential contaminants vary from person to person, there are currently no state or federal standards concerning acceptable levels of exposure to mold. Sources of indoor moisture that may lead to mold problems include, but are not limited to flooding, leaks, seepage, sprinkler spray hitting the Residence, overflow from sinks or sewers, damp basement or crawl space, steam from shower or cooking, humidifiers, wet clothes drying indoors, watering house plants, and clothes dryers exhausting indoors.

Each Owner should take precautions to prevent the growth of mold in the Residence from these and other sources. Preventative measures include, but are not limited to the following: (1) regularly cleaning the Residence; (2) regularly checking for accumulated moisture in corners and unventilated areas; (3) running fans, dehumidifiers and air conditioners to reduce indoor humidity; (4) stopping the source of any leak or flooding; (5) removing excess water with mops or a wet vacuum; (6) moving wet items to a dry, well-ventilated area; (7) regularly cleaning and disinfecting indoor and outdoor surfaces that may contain mold; (8) having major appliances, such as furnaces, heat pumps, central air conditioners, ventilation systems and furnace-attached humidifiers inspected, cleaned and serviced regularly by a qualified professional; (9) cleaning the refrigerator, air conditioner and dehumidifier drip pans and filters regularly and ensuring that refrigerator and freezer doors seal properly; and (10) avoiding over-watering of landscaping.

It is the Owner's responsibility to monitor the Residence and Lot on a continual basis for excessive moisture, water and mold accumulation. Additional information is available from the following agencies:

- 3.17.1 California Department of Public Health at <http://www.cdph.ca.gov>;
- 3.17.2 Centers for Disease Control and Prevention at <http://www.cdc.gov/nceh>;
- 3.17.3 U.S. Environmental Protection Agency at <http://www.epa.gov>;
- 3.17.4 Illinois Department of Public Health at <http://www.idph.state.il.us>; and
- 3.17.5 Washington State Department of Health at <http://www.doh.wa.gov>.

3.18 **NATURAL HAZARD ZONE DISCLOSURES.** According to the Natural Hazard Disclosure Statement dated as of February 25, 2014 and prepared by First American Natural Hazard Disclosures ("*Disclosure Report*"), all or a portion of the Community lies within the mapped boundaries of the following natural hazard zones:

3.18.1 **Earthquake Fault Zone.** California is subject to a wide range of earthquake activity. California has many known faults as well as yet undiscovered faults. The

Disclosure Report states that the Community is not located within an Earthquake Fault Zone, however, Owners are advised that a portion of the Master Community is located within an Earthquake Fault Zone. Each Owner must evaluate the potential for future seismic activity that might seriously damage an Owner's Lot. A major earthquake, which some have predicted will occur in our lifetimes, could cause very serious damage to Lots, located even many miles from the epicenter of the earthquake. A more moderate earthquake occurring on a more minor fault, or on an undiscovered fault, could also cause substantial damage.

Declarant makes no representations or warranties as to the degree of earthquake risk within the Community. All Owners should read "The Homeowner's Guide to Earthquake Safety," which is published by the California Seismic Safety Commission and is available from their offices or by free download from their website at <http://www.seismic.ca.gov/> and consult with the County, other public agencies, and appropriate experts to evaluate the potential risk.

3.18.2 Seismic Hazard Zone. Many portions of California are subject to risks associated with seismic activity. Areas that meet the definition of "Seismic Hazard Zone" in the Seismic Hazards Mapping Act (California Public Resources Code Section 2690, *et seq.*) are shown on maps that are prepared and released by the California Department of Conservation, Division of Mines and Geology. Such zones may pose an increased risk of damage to property from earthquakes and liquefaction. According to the Natural Hazard Disclosure Statement dated as of February 25, 2014 and prepared by First American Natural Hazard Disclosures, the State of California has not yet produced any seismic hazard zone maps for the Community. When such maps are released, they will be available for inspection at the offices of the County. Declarant makes no representations or warranties as to whether the Community is in a Seismic Hazard Zone, or whether seismic activity poses any elevated degree of risk to the Community. Owners are advised to consult with the County, other public agencies, and appropriate experts to evaluate the potential risk. For more information concerning seismic activity and risks, read "The Homeowner's Guide to Earthquake Safety."

3.18.3 County Level Hazardous Fire Area. The Community is located in a County level hazardous fire area as shown on a map on file with the Clerk of the Board of Supervisors. Any building or appurtenant structure constructed on the Lots shall comply with the special construction provisions contained in Riverside County Ordinance 787.2 and Sections 2.1 and 17.4 of this Declaration.

3.19 RIGHT TO FARM DISCLOSURE. According to the Disclosure Report, the Community is located within one (1) mile of a farm or ranch land.

NOTICE OF RIGHT TO FARM

This property is located within one mile of a farm or ranch land designated on the current county-level GIS "Important Farmland Map," issued by the California Department of Conservation, Division of Land Resource Protection. Accordingly, the property may be subject to inconveniences or discomforts resulting from agricultural operations that are a normal and necessary aspect of living in a community with a strong rural character and a healthy

agricultural sector. Customary agricultural practices in farm operations may include, but are not limited to, noise, odors, dust, light, insects, the operation of pumps and machinery, the storage and disposal of manure, bee pollination, and the ground or aerial application of fertilizers, pesticides, and herbicides. These agricultural practices may occur at any time during the 24-hour day. Individual sensitivities to those practices can vary from person to person. You may wish to consider the impacts of such agricultural practices before you complete your purchase. Please be advised that you may be barred from obtaining legal remedies against agricultural practices conducted in a manner consistent with proper and accepted customs and standards pursuant to Section 3482.5 of the Civil Code or any pertinent local ordinance.

3.20 NOTICE OF MINING OPERATIONS DISCLOSURE. According to the Disclosure Report, the Community is located within one (1) mile of a reported mining operation.

NOTICE OF MINING OPERATIONS

This property is located within one mile of a mine operation for which the mine owner or operator has reported mine location data to the Department of Conservation pursuant to Section 2207 of the Public Resources Code. Accordingly, the property may be subject to inconveniences resulting from mining operations. You may wish to consider the impacts of these practices before you complete your transaction.

3.21 COMMERCIAL/INDUSTRIAL ZONE DISCLOSURE. According to the Disclosure Report, the Community is located within one (1) mile of a property that is zoned by the County to allow commercial or industrial use. California Code of Civil Procedure Section 731a provides that, except in an action to abate a public nuisance brought in the name of the people of the State of California, no Person shall be enjoined or restrained by the injunctive process from the reasonable and necessary operation in any industrial or commercial zone or airport of any use expressly permitted therein, nor shall such use be deemed a nuisance without evidence of the employment of unnecessary and injurious methods of operation, provided any city, city and county, or county shall have established zones or districts under authority of law wherein certain manufacturing or commercial or airport uses are expressly permitted.

3.22 CALIFORNIA ENERGY COMMISSION DUCT SEALING AND TESTING. Based on climate zone maps issued by the California Energy Commission, the Community is located in a designated climate zone in which properties are subject to duct sealing and testing requirements set forth by the California Energy Commission. According to the California Energy Commission, certain duct sealing requirements apply when any of the following Improvements are replaced on a home: the air handler, the outdoor condensing unit of a split system air conditioner or heat pump, the cooling or heating coil or the furnace heat changer. Please refer to the Disclosure Report for more information regarding energy efficiency standards and duct sealing requirements applicable to the Community.

3.23 NOTICE REGARDING GAS AND HAZARDOUS LIQUID TRANSMISSION PIPELINES. This notice is being provided simply to inform you that information about the general location of gas and hazardous liquid transmission pipelines is available to the public via the National Pipeline Mapping System (“*NPMS*”) Internet Web site maintained by the United States Department of Transportation at <http://www.npms.phmsa.dot.gov/>. To seek further information about possible transmission pipelines near the property, you may contact your local gas utility or other pipeline operators in the area. Contact information for pipeline operators is searchable by ZIP Code and county on the NPMS Internet Web site.

3.24 CHANGE IN PLANS. Declarant has the right to develop the Annexable Territory with Improvements that may be different in design, size, character, style and price from those in Phase 1 or any other Phase, with the prior written approval of the Planning Director of the County of Riverside.

3.25 NO ENHANCED PROTECTION AGREEMENT. No language contained in this Declaration, any Notice of Addition or any Supplemental Declaration shall constitute, or be interpreted to constitute, an enhanced protection agreement (“*EPA*”), as defined in Section 901 of the California Civil Code. Further, no express or implied representations or warranties made by Declarant in any other writing are intended to constitute, or to be interpreted to constitute, an EPA.

3.26 ADDITIONAL PROVISIONS. There may be provisions of various laws, including the CID Act and the Federal Fair Housing Act codified at Title 42 United States Code, Section 3601, *et seq.*, which may supplement or override the Governing Documents. Declarant makes no representations or warranties regarding the future enforceability of any portion of the Governing Documents.

ARTICLE IV THE ASSOCIATION

4.1 GENERAL DUTIES AND POWERS. The Association has the duties and powers enumerated and described in the Governing Documents, in addition to the general and implied powers of a nonprofit mutual benefit corporation, generally to do all things that a corporation organized under the laws of the State of California may lawfully do which are necessary or proper in operating for the general welfare of the Owners, subject only to the limits on the exercise of such powers listed in the Governing Documents. Unless otherwise indicated in the Articles of Incorporation, Bylaws, this Declaration, or the Supplemental Declarations, the powers of the Association may be exercised by the Board.

4.2 SPECIFIC DUTIES AND POWERS. In addition to its general powers and duties, the Association has the following specific powers and duties.

4.2.1 Common Property. The power and duty to accept, maintain and manage the Common Property in accordance with the Governing Documents. The Association may install or remove capital Improvements on the Common Property. The Association may reconstruct, replace or refinish any Improvement on the Common Property.

4.2.2 **Utilities.** The power and duty to obtain, for the benefit of all the Community, all commonly metered water, gas and electric services, and the power, but not the duty, to provide for trash collection, recycling and cable or master television service.

4.2.3 **Granting Rights.** The power to grant exclusive or nonexclusive easements, licenses, rights of way or fee interests in the Common Area owned in fee simple by the Association, to the extent any such grant is reasonably required (a) for Improvements to serve the Community, (b) for purposes of conformity with the as-built location of Improvements installed or authorized by Declarant or the Association, (c) in connection with any lawful lot line adjustment, or (d) for other purposes consistent with the intended use of the Community. This power includes the right to create and convey easements for one or more Owners over portions of the Common Area. The Association may de-annex any portion of the Community from the encumbrance of the Declaration in connection with any lawful lot line adjustment.

After the Association acquires fee title to or any easement right over Common Area, the affirmative vote of members owning at least sixty-seven percent (67%) of the Lots in the Community shall be required before the Board may grant exclusive use of any portion of that Common Area to any member, except as provided in California Civil Code Section 4600. Any measure placed before the members requesting that the Board grant exclusive use of any portion of the Common Area shall specify whether the Association will receive any monetary consideration for the grant and whether the Association or the transferee will be responsible for providing any insurance coverage for exclusive use of the Common Area.

4.2.4 **Employ Personnel.** The power to employ Persons necessary for the effective operation and maintenance of the Common Property, including legal, management and accounting services.

4.2.5 **Insurance.** The power and duty to keep insurance for the Common Area in accordance with this Declaration.

4.2.6 **Sewers and Storm Drains.** The power and duty to maintain any private sewer systems, private storm drains, or private drainage facilities in the Common Area in accordance with the Governing Documents.

4.2.7 **Maintenance Guidelines.** The power and duty to (a) operate, maintain and inspect the Common Property and its various components in conformity with any Maintenance Guidelines and any maintenance manual, and (b) review any maintenance manual for necessary or appropriate revisions no less than annually after the Board has prepared the Budget.

4.2.8 **Rules and Regulations.** The power, but not the duty, to adopt, amend, repeal and create exceptions to, the Rules and Regulations.

(a) **Standards for Enforceability.** To be valid and enforceable, a Rule must satisfy all the following requirements:

- (i) The Rule must be in writing;

(ii) The Rule is within the authority of the Board conferred by law or by this Declaration, the Articles of Incorporation or the Bylaws;

(iii) The Rule is not inconsistent with governing law, this Declaration, the Articles of Incorporation or the Bylaws;

(iv) The Rule is adopted, amended or repealed in good faith and in substantial compliance with the requirements of the CID Act;

(v) The Rule is reasonable; and

(vi) The Rule complies with the requirements of California Civil Code Section 4350.

(b) **Areas of Regulation.** The Rules and Regulations may concern use of the Community, signs, parking restrictions, minimum standards of property maintenance, and any other matter under the Association's jurisdiction.

(c) **Limits on Regulation.** The Rules and Regulations must apply uniformly to all Owners and must comply with this Declaration and all applicable state and local laws. The rights of Owners to display in or on their Residences religious, holiday and political signs, symbols and decorations of the kinds normally displayed in single family residential neighborhoods shall not be abridged. However, the Association may adopt time, place and manner restrictions for such displays if they are visible outside the Residence. No modification to the Rules and Regulations may require an Owner to dispose of personal property that was in compliance with all rules previously in force; however, this exemption shall apply only during the period of such Owner's ownership of the Lot and it shall not apply to: (i) subsequent Owners who take title to a Lot after the modification is adopted; or (ii) clarifications to the Rules and Regulations.

(d) **Procedure for Adoption, Amendment and Repeal.** Rules or procedures concerning (1) the use of Common Area, (2) the use of a Lot, including any aesthetic standards or Design Guidelines that affect Lots, (3) Owner discipline, including any schedule of monetary penalties for violation of the Governing Documents, (4) any procedure for the imposition of penalties, (5) any standards for delinquent assessment payment plans, (6) any procedures adopted by the Association for resolution of assessment disputes, (7) any procedures for reviewing and approving or disapproving a proposed physical change to a Lot or to the Common Area, and (8) procedures for elections (each, a "**Covered Rule**") may only be adopted, amended or repealed (each, a "**Rule Change**") in accordance with the following procedure:

(i) The Board must provide written notice ("**Notice**") of a proposed Rule Change to the members at least thirty (30) days before making the Rule Change, except for an Emergency Rule Change (defined below). The Notice must include the text of the proposed Rule Change and a description of the purpose and effect of the proposed Rule Change;

(ii) The decision on a proposed Rule Change shall be made at a Board meeting after consideration of comments made by the members of the Association;

(iii) The Board shall deliver Notice of the Rule Change to every member of the Association within fifteen (15) days of adoption. If the change was an Emergency Rule Change, the Notice shall include the text of the Emergency Rule Change, and the date on which the Emergency Rule Change expires;

(iv) If the Board determines that an immediate Rule Change is required to address an imminent threat to public health or safety, or an imminent risk of substantial economic loss to the Association, it may make the change on an emergency basis ("**Emergency Rule Change**") and no Notice will be required. An Emergency Rule Change is effective for one hundred-twenty (120) days, unless the Emergency Rule Change provides for a shorter effective period. Any Rule Change that is adopted as an Emergency Rule Change may not be re-adopted under authority of this subpart;

(v) A Notice required by this Section 4.2.8(d) is subject to California Civil Code Section 4360;

(vi) A Rule Change made pursuant to this Section 4.2.8(d) may be reversed as provided in California Civil Code Section 4365.

(e) **Exceptions to Procedure.** The procedure in Section 4.2.8(d) does not apply to:

(i) Rules that do not meet the definition of Covered Rules above;

(ii) Decisions of the Board regarding maintenance of Common Property;

(iii) A decision on a specific matter that is not intended to apply generally;

(iv) A decision setting the amount of an Annual Assessment or a Special Assessment;

(v) A Rule Change that is required by law if the Board has no discretion as to the substantive effect of the changes; or

(vi) Issuance of a document that merely repeats existing law or the Governing Documents.

4.2.9 **Borrowings.** The power, but not the duty, to borrow money for purposes authorized by the Articles of Incorporation, Bylaws, Declaration, any Supplemental Declarations or any Notice of Addition, and to use the Common Area owned in fee simple by the Association as security for the borrowing.

4.2.10 **Contracts.** The power, but not the duty, to enter into contracts. This includes contracts with Owners or other Persons to provide services or to maintain

Improvements in the Community and elsewhere which the Association is not otherwise required to provide or maintain by this Declaration.

4.2.11 **Telecommunications Contract.** Notwithstanding anything in the Governing Documents to the contrary, the Board shall have the power to enter into, accept an assignment of, or otherwise cause the Association to comply with the terms and provisions of a telecommunications services contract ("**Telecommunications Contract**") with a telecommunications service provider ("**Service Provider**"), pursuant to which the Service Provider shall serve as the provider of Telecommunications Services to each Lot in the Community. The Board shall only enter into, accept an assignment of, or otherwise cause the Association to comply with the terms of the Telecommunications Contract if the Board determines that the Telecommunications Contract is in the best interests of the Association. Although not exhaustive, the Board shall consider the following factors in making such a determination in the exercise of its business judgment:

(a) **Initial Term and Extensions.** The initial term of the Telecommunications Contract should not exceed five (5) years, and, if the Telecommunications Contract provides for automatic extensions, the length of each such extension should also not exceed five (5) years.

(b) **Termination.** The Telecommunications Contract should provide that: (1) at least six (6) months prior to the expiration of either the initial or any extended term of the Telecommunications Contract, the entire Membership of the Association may, with the vote or written approval of more than fifty percent (50%) of all Members other than Declarant, prevent any automatic extension that the Telecommunications Contract may provide for (with or without cause), and thereby cause the Telecommunications Contract to expire, and (ii) at any time with reasonable notice periods, the Board may terminate the Telecommunications Contract if, in the sole discretion of the Board, the Service Provider fails to provide quality, state-of-the-art Telecommunications Services.

(c) **Fees.** Whether the monthly fee charged to the Association by the Service Provider for the provision of the Telecommunications Services to all of the Lots represents a discount from the comparable retail fees charged by the Service Provider in the general geographic area in which the Community is located, and, if so, the amount of such discount.

(d) **Installation of Telecommunications Facilities.** Whether the Service Provider is solely responsible for the installation, and the cost thereof, of all of the Telecommunications Facilities necessary to provide Telecommunications Services to each Lot.

(e) **Removal of Telecommunications Facilities.** Whether the Service Provider has the right to remove the Telecommunications Facilities upon expiration or termination of the Telecommunications Contract.

4.2.12 **Resale Program.** After Declarant no longer owns a Lot or portion of the Annexable Territory, or with Declarant's consent, the Association may provide services related to the sale of real property and may own, operate, and staff a center for the purpose of

facilitating sale of real property in the Community. Any such center shall be operated in accordance with policies and procedures adopted by the Association.

4.2.13 Indemnification.

(a) ***For Association Representatives.*** To the fullest extent authorized by law, the Association has the power and duty to indemnify Board members, Association officers, Design Review Committee members, and all other Association committee members for all damages, pay all expenses incurred, and satisfy any judgment or fine levied as a result of any action or threatened action brought because of performance of an act or omission within what such person reasonably believed to be the scope of the Person's Association duties ("***Official Act***"). Board members, Association officers, Design Review Committee members, and all other Association committee members are deemed to be agents of the Association when they are performing Official Acts for purposes of obtaining indemnification from the Association pursuant to this Section. The entitlement to indemnification under this Declaration inures to the benefit of the estate, executor, administrator and heirs of any person entitled to such indemnification.

(b) ***For Other Agents of the Association.*** To the fullest extent authorized by law, the Association has the power, but not the duty, to indemnify any other Person acting as an agent of the Association for damages incurred, pay expenses incurred, and satisfy any judgment or fine levied as a result of any action or threatened action because of an Official Act.

(c) ***Provided by Contract.*** The Association also has the power, but not the duty, to contract with any Person to provide indemnification in addition to any indemnification authorized by law on such terms and subject to such conditions as the Association may impose.

4.2.14 Annexing Additional Property. The power, but not the duty, to annex, pursuant to Section 16.2, additional property to the Community encumbered by this Declaration.

4.2.15 Vehicle and Parking Restrictions. The power granted in Section 2.9 to identify Authorized Vehicles or Restricted Vehicles and to modify the vehicle and parking restrictions in the Governing Documents.

4.2.16 License and Use Agreements. The Association may enter into agreements with Declarant or any homeowners association having jurisdiction over the Annexable Territory to share facilities located on the Common Area ("***Facility***") with the Owners of Residences in the Annexable Territory that is not annexed to the Community. Any such agreement shall be in form and content acceptable to Declarant, the Board of Directors (without the approval of Owners) and the board of directors of any adjacent homeowners association (if applicable) and shall include provisions regarding use and sharing of maintenance costs for the Facility.

4.2.17 Landscaping. The Board has the power, but not the duty, to grant Owners revocable licenses that allow Owners to replace and/or add landscaping Improvements to

any portion of the Common Area, subject to the prior written approval of the Board, any reasonable restrictions or conditions the Board may impose, and the right of the Board to revoke such license, remove the Improvements and charge the Owner for the cost of such removal.

4.2.18 Prohibited Functions.

(a) **Property Manager.** The Association shall not hire any employees, furnish offices or other facilities, or use any Common Area for an "on-site" Manager. The Association Manager shall at all times be a professional manager employed as an independent contractor or agent working at its own place of business.

(b) **Off-site Nuisances.** The Association shall not use any Association funds or resources to abate any annoyance or nuisance emanating from outside the physical boundaries of the Community.

(c) **Political Activities.** The Association shall not conduct, sponsor, participate in or expend funds or resources toward any activity, campaign or event, including any social or political campaign, event or activity which does not directly and exclusively pertain to the authorized activities of the Association. Furthermore, the Association shall not participate in federal, state or local activities or activities intended to influence a governmental action affecting areas outside the Community (e.g. endorsement or support of legislative or administrative actions by a Local Government Agency), nor shall it support or campaign for or against candidates for elected or appointed office or ballot proposals. There shall be no amendment of this Section so long as Declarant owns any portions of the Community.

4.2.19 Standing to Resolve Disputes. The Association shall have standing to institute, defend, settle or intervene in litigation, alternative dispute resolution or administrative proceedings (each, an "**Action**") in its own name as the real party in interest and without joining the Owners, in matters pertaining to (a) damage to the Common Area, (b) damage to portions of the Lots which the Association is obligated to maintain or repair, and (c) damage to portions of the Lots which arises out of, or is integrally related to, damage to the Common Area or portions of the Lots that the Association is obligated to maintain or repair (each, a "**Claim**"). However, the Association shall not have standing to institute, defend, settle or intervene in any Action in any matter pertaining only to an individual Lot and not included in clauses (b) and (c) above.

The Association may, in its sole discretion, elect to institute, intervene in, continue, settle or dismiss an Action at any time. If the Association institutes or intervenes in an Action on a Claim, the Association's standing shall be exclusive, and the Owners shall thereafter be barred from instituting a new Action or maintaining a pending Action on the same Claim. The Association's election to institute or intervene in an Action on a particular Claim shall not create any affirmative obligation on the part of the Association to maintain, settle or dismiss the Action, except in the Association's sole discretion, and subject to Section 12.4. If the Association elects to settle an Action, the terms of the settlement shall be binding on the Owners, and the Owners shall be barred from instituting or continuing any other Action on the same Claim. If the Association elects to dismiss an Action, the dismissal shall be with prejudice to the institution or continuation by one or more Owners of any Action on the same Claim.

4.3 STANDARD OF CARE, NON-LIABILITY.

4.3.1 Scope of Powers and Standard of Care.

(a) **General Scope of Powers.** Rights and powers conferred on the Board, the Design Review Committee or other committees or representatives of the Association by the Governing Documents are not duties, obligations or disabilities charged upon those Persons unless the rights and powers are explicitly identified as including duties or obligations in the Governing Documents or law. Unless a duty to act is imposed on the Board, the Design Review Committee or other committees or representatives of the Association by the Governing Documents or law, the Board, the Design Review Committee and the committees have the right to decide to act or not act. Any decision not to act is not a waiver of the right to act in the future.

(b) **Business Affairs.** This Section 4.3.1(b) applies to Board member actions in connection with management, personnel, maintenance and operations, insurance, contracts and finances, and Design Review Committee member actions. Each Board member shall perform the duties of a Board member in good faith, in a manner the Board member believes to be in the best interests of the Association and with such care, including reasonable inquiry, as an ordinarily prudent person in a like position would use under similar circumstances. When performing his duties, a Board member is entitled to rely on information, opinions, reports or statements, including financial data prepared or presented by:

(i) One (1) or more officers or employees of the Association whom the Board member believes to be reliable and competent in the matters presented;

(ii) Counsel, independent accountants or other Persons as to matters which the Board member believes to be within such Person's professional or expert competence; or

(iii) A committee of the Board upon which the Board member does not serve, as to matters under its designated authority, which committee the Board member believes to merit confidence, so long as, in any such case, the Board member acts in good faith, after reasonable inquiry when the need therefor is indicated by the circumstances and without knowledge that would cause such reliance to be unwarranted.

This Section 4.3.1(b) is intended to be a restatement of the business judgment rule established in applicable law as it applies to the Association. All modifications and interpretations of the business judgment rule applicable to the Association shall be interpreted to modify and interpret this Section 4.3.1(b).

(c) **Association Governance.** This Section 4.3 applies to Board actions and Design Review Committee decisions in connection with interpretation and enforcement of the Governing Documents, architectural and landscaping control, regulation of uses within the Community, rule-making and oversight of committees. Actions taken or decisions made in connection with these matters shall be reasonable, fair and nondiscriminatory.

4.3.2 **Non-liability.**

(a) **General Rule.** No Person is liable to any other Person (other than the Association or a party claiming in the name of the Association) for injuries or damage resulting from such Person's Official Acts, except to the extent that such injuries or damage result from the Person's willful or malicious misconduct. No Person is liable to the Association (or to any party claiming in the name of the Association) for injuries or damage resulting from such Person's Official Acts, except to the extent that such injuries or damage result from such Person's negligence or willful or malicious misconduct. The Association is not liable for damage to property in the Community unless caused by the negligence of the Association, the Board, the Association's officers, the Manager or the Manager's staff.

(b) **Non-liability of Volunteer Board Members and Officers.** A volunteer Board member or volunteer Association officer shall not be personally liable to any Person who suffers injury, including bodily injury, emotional distress, wrongful death or property damage or loss as a result of the tortious act or omission of the volunteer officer or Board member if all applicable conditions specified in California Civil Code Section 5800 are met.

(c) **Non-liability of Owners.** Pursuant to California Civil Code Section 5805, no Owner shall be liable for any cause of action in tort which can be brought against the Owner solely because of the Owner's undivided interest in the Common Area so long as the Association keeps one (1) or more policies of insurance which include coverage for general liability of the Association in the amount required by California Civil Code Section 5805 and that insurance is in effect for the cause of action being brought.

4.4 **MEMBERSHIP.**

4.4.1 **Generally.** Every Owner shall automatically acquire a Membership in the Association and retain the Membership until such Owner's Lot ownership ceases, at which time such Owner's Membership shall automatically cease. Ownership of a Lot is the sole qualification for Membership. Memberships are not assignable except to the Person to whom title to the Lot is transferred, and every Membership is appurtenant to and may not be separated from the fee ownership of the Lot. The rights, duties, privileges and obligations of all Owners are as provided in the Governing Documents.

4.4.2 **Transfer.** The Membership of any Owner may not be transferred, pledged or alienated in any way, except on the transfer or encumbrance of such Owner's Lot, and then only to the transferee or Mortgagee of the Owner's Lot. A prohibited transfer is void and will not be reflected in the records of the Association. Any Owner who has sold the Owner's Lot to a contract purchaser under an agreement to purchase may delegate the Owner's Membership rights to the contract purchaser. The delegation must be in writing and must be delivered to the Association before the contract purchaser may vote. The contract seller shall remain liable for all Assessments attributable to the contract seller's Lot which accrue before title to the Lot is transferred. If the contract seller fails or refuses to delegate his Membership rights to the contract purchaser before the Close of Escrow, the Association may record the transfer to the contract purchaser in the Association's records. However, no contract purchaser will be entitled