

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



ITEM
2.7
(ID # 3304)

MEETING DATE:

Tuesday, February 7, 2017

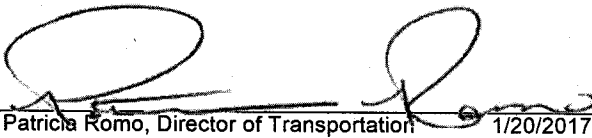
FROM : TLMA-TRANSPORTATION:

SUBJECT: TLMA TRANSPORTATION - Approval of Final Tract Map 36593-4, a Schedule "A" Subdivision in the Spanish Hills 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 to sign the Improvement Agreements and Final Map for Tract Map 36593-4.


ACTION: Consent


Patricia Romo, Director of Transportation 1/20/2017

MINUTES OF THE BOARD OF SUPERVISORS

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

Ayes: Jeffries, Tavaglione, Washington and Ashley
Nays: None
Absent: None
Date: February 7, 2017
xc: Transp.

Kecia Harper-Ihem
Clerk of the Board
By: 
Deputy

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

FINANCIAL DATA	Current Fiscal Year:	Next Fiscal Year:	Total Cost:	Ongoing Cost
COST	\$ 0	\$ 0	\$ 0	\$ 0
NET COUNTY COST	\$ 0	\$ 0	\$ 0	\$ 0
SOURCE OF FUNDS: N/A			Budget Adjustment:	N/A
			For Fiscal Year: 16/17	

C.E.O. RECOMMENDATION: Approve

BACKGROUND:

Summary

Tract 36593 was approved by the Board of Supervisors on April 7, 2015 as Agenda Item 1-1. Tract Map 36593-4 is a 30.83 acre subdivision that is creating 105 residential lots and two (2) open space lots in the Spanish Hills 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.

Government Code Section 66458 directs the Board of Supervisors to approve a final map, without any discretion, if the map conforms to all the requirements of the Subdivision Map Act and local ordinances applicable at the time of approval or conditional approval of the tentative map.

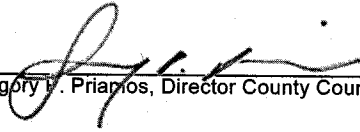
Pulte Home Company, LLC desires to enter into Improvement Agreements to guarantee the construction of the required improvements and has submitted Improvement Agreements and Securities which have been approved by County Counsel. All costs for improvements will be the responsibility of the developer. The securities posted by Argonaut Insurance Company are as follows:

- \$1,619,500 - Bond # SUR0040198 for the completion of street improvements
- \$318,500 - Bond # SUR0040198 for the completion of the water system
- \$266,500 - Bond # SUR0040198 for the completion of the sewer system
- \$102,000 - Bond # SUR0040199 for the completion of the monumentation

ATTACHMENTS:

- Vicinity Map
- Road/Drainage Improvement Agreement
- Water System Improvement Agreement
- Sewer System Improvement Agreement
- Monumentation Agreement
- Mylars

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


Gregory V. Priaplos, Director County Counsel 1/25/2017

**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 PUTTE HOME COMPANY LLC, 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 36593-4, 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 six hundred nineteen thousand five hundred and no/100 Dollars (\$1,619,500.00).

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 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.

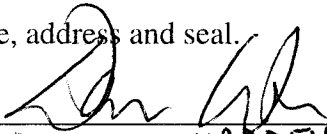
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ELEVENTH: Any notice or notices required or permitted to be given pursuant to this agreement shall be served on the other party by mail, postage prepaid, at the following addresses:

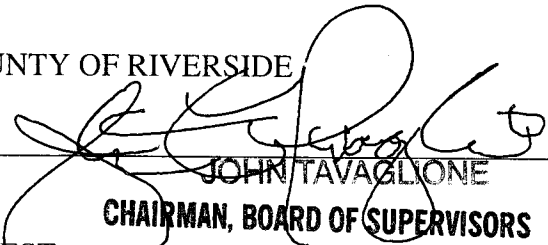
County
Construction Engineer
Riverside County Transportation Dept.
2950 Washington Street
Riverside, CA 92504

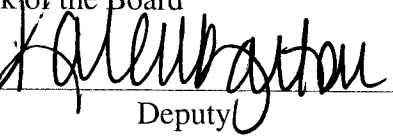
Contractor
Pulte Homes
27101 Puente Real Suite 300
Mission Viejo, CA 92684

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


By 
DARREN WARREN
Title DIVISION VICE PRESIDENT OF LANDS ACQUISITION & DEVELOPMENT

By _____
Title _____

COUNTY OF RIVERSIDE
By 
JOHN TAVAGLIONE
CHAIRMAN, BOARD OF SUPERVISORS

ATTEST:
KECIA HARPER-IHEM,
Clerk of the Board
By 
Deputy

APPROVED AS TO FORM

County Counsel
By 

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

CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

CIVIL CODE § 1189

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California)
County of Orange)

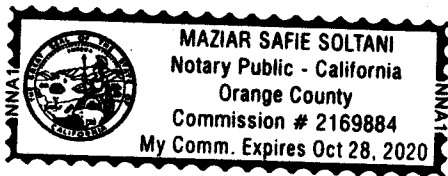
On 1/9/17 before me, MAZIAR SAFIE SOLTANI, Notary Public
Date Here Insert Name and Title of the Officer

personally appeared Darren Warren
Name(s) of Signer(s)

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 [Handwritten Signature]
Signature of Notary Public

Place Notary Seal Above

OPTIONAL

Though this section is optional, completing this information can deter alteration of the document or fraudulent reattachment of this form to an unintended document.

Description of Attached Document

Title or Type of Document: _____ Document Date: _____
Number of Pages: _____ Signer(s) Other Than Named Above: _____

Capacity(ies) Claimed by Signer(s)

Signer's Name: _____
 Corporate Officer — Title(s): _____
 Partner — Limited General
 Individual Attorney in Fact
 Trustee Guardian or Conservator
 Other: _____
Signer Is Representing: _____

Signer's Name: _____
 Corporate Officer — Title(s): _____
 Partner — Limited General
 Individual Attorney in Fact
 Trustee Guardian or Conservator
 Other: _____
Signer Is Representing: _____

**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 PULTE HOME COMPANY LLC, 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 36593-4**, 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 **Temescal Valley 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 eighteen thousand five hundred and no/100 Dollars (\$318,500.00)**.

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.

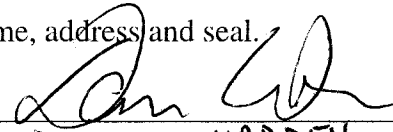
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ELEVENTH: Any notice or notices required or permitted to be given pursuant to this agreement shall be served on the other party by mail, postage prepaid, at the following addresses:

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

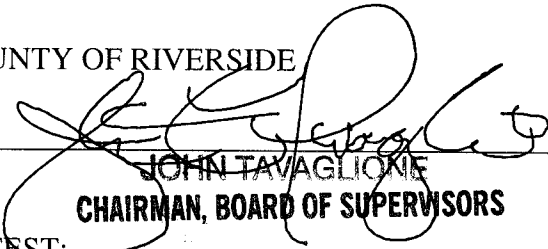
Contractor
PULCE Homes
27101 Puente Road Suite 300
Mission Viejo, CA 92621

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

By 
DARREN WARREN
Title DIVISION VICE PRESIDENT OF LANDS ACQUISITION & DEVELOPMENT

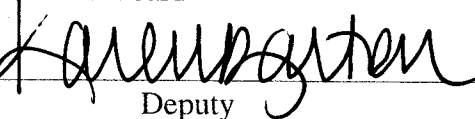
By _____
Title _____

COUNTY OF RIVERSIDE

By 
JOHN TAVAGLIONE
CHAIRMAN, BOARD OF SUPERVISORS


ATTEST:

KECIA HARPER-IHEM,
Clerk of the Board

By 
Deputy

APPROVED AS TO FORM

County Counsel

By 

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

CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

CIVIL CODE § 1189

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California)

County of Orange)

On 1/9/17 before me, Maziar Safie Soltani, Notary Public
Date Here Insert Name and Title of the Officer

personally appeared Darren Warren
Name(s) of Signer(s)

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 [Handwritten Signature]
Signature of Notary Public

Place Notary Seal Above

OPTIONAL

Though this section is optional, completing this information can deter alteration of the document or fraudulent reattachment of this form to an unintended document.

Description of Attached Document

Title or Type of Document: _____ Document Date: _____

Number of Pages: _____ Signer(s) Other Than Named Above: _____

Capacity(ies) Claimed by Signer(s)

Signer's Name: _____

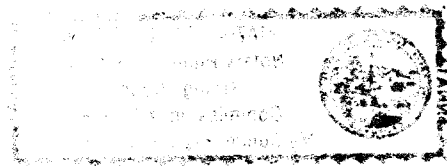
- Corporate Officer — Title(s): _____
- Partner — Limited General
- Individual Attorney in Fact
- Trustee Guardian or Conservator
- Other: _____

Signer Is Representing: _____

Signer's Name: _____

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

Signer Is Representing: _____



**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 ROUTE HOME COMPANY LLC, 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 36593-4, 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 Temescal Valley 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 Two hundred sixty-six thousand five hundred and no/100 Dollars (\$266,500.00).

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.

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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.

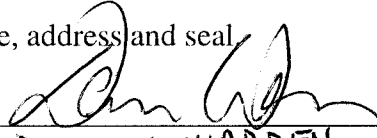
TENTH: It is understood and agreed by the parties hereto that if any part, term or provision of this agreement is by the courts held to be unlawful and void, the validity of the remaining portions shall not be affected and the rights and obligations of the parties shall be construed and enforced as if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

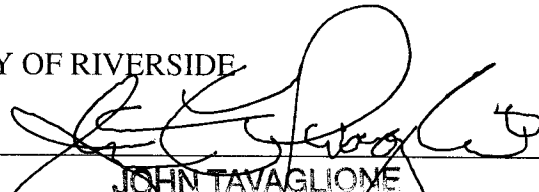
County
Construction Engineer
Riverside County Transportation Dept.
2950 Washington Street
Riverside, CA 92504

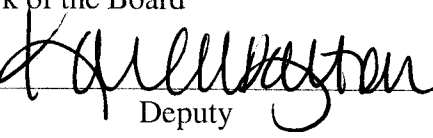
Contractor
Pulte Home Company LLC
27101 Puente Real Suite 300
Mission Viejo, CA 92621


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

By 
DARREN WARREN
Title DIVISION VICE PRESIDENT OF LANDS ACQUISITION & DEVELOPMENT

By _____
Title _____

COUNTY OF RIVERSIDE
By 
JOHN TAVAGLIONE
CHAIRMAN, BOARD OF SUPERVISORS

ATTEST:
KECIA HARPER-IHEM,
Clerk of the Board
By 
Deputy

APPROVED AS TO FORM
County Counsel
By 

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

CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

CIVIL CODE § 1189

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California)
County of Orange)

On 1/9/17 before me, Maziar Safie Soltani, Notary Public
Date Here Insert Name and Title of the Officer

personally appeared Darren Warren
Name(s) of Signer(s)

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 [Handwritten Signature]
Signature of Notary Public

Place Notary Seal Above

OPTIONAL

Though this section is optional, completing this information can deter alteration of the document or fraudulent reattachment of this form to an unintended document.

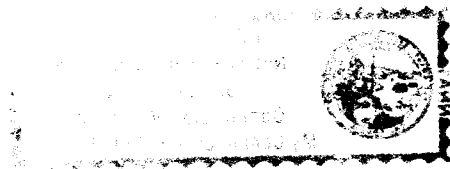
Description of Attached Document

Title or Type of Document: _____ Document Date: _____
Number of Pages: _____ Signer(s) Other Than Named Above: _____

Capacity(ies) Claimed by Signer(s)

Signer's Name: _____
 Corporate Officer — Title(s): _____
 Partner — Limited General
 Individual Attorney in Fact
 Trustee Guardian or Conservator
 Other: _____
Signer Is Representing: _____

Signer's Name: _____
 Corporate Officer — Title(s): _____
 Partner — Limited General
 Individual Attorney in Fact
 Trustee Guardian or Conservator
 Other: _____
Signer Is Representing: _____



**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 PURE Home Company LLC, 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 36593-4, 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 One hundred two thousand and no/100 Dollars (\$102,000.00).

SECOND: Contractor agrees to pay to County the actual cost of such inspections of the work and improvements as may be required by the 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.

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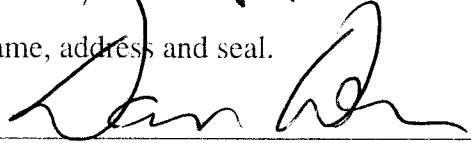
County

Contractor

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

POLTE HOME COMPANY LLC
27101 PUERTA REAL
Suite 300
MISSION Viejo, CA 92691

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

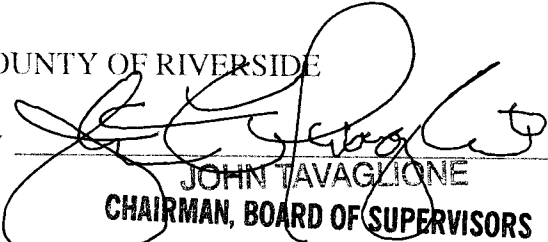
By 

Title DARREN WARREN
Division VICE PRESIDENT of Land Acquisition
and Development

By _____

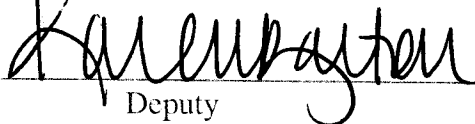
Title _____

COUNTY OF RIVERSIDE

By 
JOHN TAVAGLIONE
CHAIRMAN, BOARD OF SUPERVISORS


ATTEST:

KECIA HARPER-IHEM,
Clerk of the Board

By 
Deputy

APPROVED AS TO FORM

County Counsel

By 

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

CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

CIVIL CODE § 1189

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California)
County of Orange)

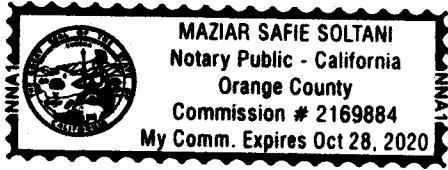
On 1/9/17 before me, Maziar Safie Soltani, Notary Public
Date Here Insert Name and Title of the Officer

personally appeared Darren Warren
Name(s) of Signer(s)

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 [Handwritten Signature]
Signature of Notary Public

Place Notary Seal Above

OPTIONAL

Though this section is optional, completing this information can deter alteration of the document or fraudulent reattachment of this form to an unintended document.

Description of Attached Document

Title or Type of Document: _____ Document Date: _____
Number of Pages: _____ Signer(s) Other Than Named Above: _____

Capacity(ies) Claimed by Signer(s)

Signer's Name: _____
 Corporate Officer — Title(s): _____
 Partner — Limited General
 Individual Attorney in Fact
 Trustee Guardian or Conservator
 Other: _____
Signer Is Representing: _____

Signer's Name: _____
 Corporate Officer — Title(s): _____
 Partner — Limited General
 Individual Attorney in Fact
 Trustee Guardian or Conservator
 Other: _____
Signer Is Representing: _____

TRACT 36593-4
(IP150008)

FEE				DUE PRIOR TO:
Transportation Inspection Fee				
\$66,135	+ 2% surcharge	\$1,322.70	= \$67,457.70	RECORDATION

RECORDING REQUESTED BY:

WHEN RECORDED, MAIL TO:

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

(Space Above for Recorder's Use)

**MASTER DECLARATION OF COVENANTS, CONDITIONS, RESTRICTIONS
AND RESERVATION OF EASEMENTS
FOR
TERRAMOR**

NOTE: CERTAIN DISPUTES ARISING UNDER THIS MASTER DECLARATION, INCLUDING DISPUTES CONCERNING THE DESIGN OR CONSTRUCTION OF THE MASTER COMMUNITY, SHALL BE SUBMITTED TO ARBITRATION OR JUDICIAL REFERENCE, FORMS OF ALTERNATIVE DISPUTE RESOLUTION, IN ACCORDANCE WITH SECTION 14.4 OF THIS MASTER DECLARATION.

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AND RESERVATION OF EASEMENTS
FOR
TERRAMOR**

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MASTER DECLARATION OF COVENANTS, CONDITIONS, RESTRICTIONS

AND RESERVATION OF EASEMENTS

FOR

TERRAMOR

This Master Declaration of Covenants, Conditions, Restrictions and Reservation of Easements for Terramor is made by Forestar Toscana Development Company, a Delaware corporation.

PREAMBLE:

A. Declarant is the Owner of real property in the unincorporated area of the County of Riverside, State of California that is intended to be developed as part of a cohesive residential planned development called "**Terramor.**" The real property that is intended to be the first Phase of Terramor is more particularly described on **Exhibit "CP"** ("**Initial Covered Property**") will be developed by Pulte Home Company, LLC, a Michigan limited liability company ("**First Neighborhood Builder**").

B. Declarant has determined that the Lots in the Initial Covered Property and the Lots and Condominiums in the Annexable Territory that are added to the Master Community by phased annexations will be developed with objectives designed to benefit all the property in the Master Community, even though some of the areas are of a different character from one another. This common development scheme created by Declarant and any Neighborhood Builders imposes reciprocal burdens and benefits on all of the Master Community, so that each portion and the entirety of the Master Community are both burdened and benefited by the provisions of this Master Declaration.

C. Declarant deems it desirable, for the efficient preservation of the amenities in the Master Community, to create a "planned development," as defined in Section 4175 of the California Civil Code, which is also a "common interest development" within the meaning of Section 4100 of the California Civil Code, pursuant to the Davis-Stirling Common Interest Development Act. The Master Community is planned to constitute a "subdivision" as defined in Section 11000 of the California Business and Professions Code, containing two (2) or more product types and may be constructed by two (2) or more builders. The general plan of development of the Master Community will include forming a corporation pursuant to the California Nonprofit Mutual Benefit Corporation Law to which will be assigned the powers of (1) owning, maintaining and administering the Master Association Property, (2) maintaining the Master Maintenance Areas, (3) administering and enforcing the Master Association Governing Documents, and (4) collecting and disbursing the assessments and charges hereinafter created. In addition, this corporation will perform social, connectivity and maintenance duties which will benefit the entire Master Community. Declarant will cause such corporation, the Members of which will be the Owners of real property in the Master Community, to be formed to exercise such powers, as required by the Davis-Stirling Common Interest Development Act. The members of the Master Association will be the Owners of Lots and Condominiums in the Master Community.

D. Declarant declares that the Master Community will be held, conveyed, encumbered, used, occupied and improved subject to the easements, restrictions, reservations, rights, covenants, conditions and equitable servitudes contained in this Master Declaration, all of which are for the purpose of enhancing the attractiveness and desirability of the Master Community, in furtherance of a general plan for the protection, maintenance, subdivision, improvement and sale of the Master Community. The covenants, conditions, restrictions, rights, reservations, easements and equitable servitudes set forth in this Master Declaration will (1) run with and burden the Master Community and will be binding upon all Persons having or acquiring any interest in the Master Community or any part thereof, their heirs, successors and assigns; (2) inure to the benefit of every portion of the Master Community and any interest therein; (3) inure to the benefit of and be binding upon Declarant, the Neighborhood Builders, and their respective successors-in-interest, the Master Association, each Owner and each Owner's successors in interest; and (4) may be enforced by Declarant, Neighborhood Builders, any Owner and the Master Association, except to the extent enforcement is specifically limited in this Master Declaration to one, or less than all, of the foregoing.

ARTICLE I DEFINITIONS

When the following words and phrases are used in this Master Declaration, they will have the meanings given in this Article and be subject to the limits described in this Article.

1.1 **ANNEXABLE TERRITORY.** Annexable Territory means the real property described as (i) Mandatory Annexable Territory on *Exhibit "MAT,"* which is required to be made subject to this Master Declaration and (ii) Permissible Annexable Territory on *"Exhibit "PAT,"* which may be made subject to this Master Declaration pursuant to the provisions of Article XVII. Any references in this Master Declaration to Annexable Territory are references to the Annexable Territory as a whole and to portions thereof. This Master Declaration shall not create an encumbrance on the Annexable Territory until such time as a Notice of Addition or Supplemental Master Declaration is recorded annexing such property to the coverage of the Master Declaration.

1.2 **APARTMENT AREA.** Apartment Area means the real property described in a recorded Notice of Addition or Supplemental Master Declaration as "Apartment Area" that is or will be developed with Improvements suitable for multi Family rental apartment use. The Apartment Area will be part of the Residential Area.

1.3 **ARTICLES.** Articles mean the Articles of Incorporation of the Master Association filed with the California Secretary of State, as amended or restated.

1.4 **BOARD OR BOARD OF DIRECTORS.** Board or Board of Directors means the Master Association's Board of Directors.

1.5 **BUDGET.** Budget means a written, itemized estimate of the Master Association's income and Common Expenses.

1.6 **BYLAWS.** Bylaws means the Bylaws of the Master Association adopted by the Board, as may be amended or restated.

1.7 **CALBRE.** CalBRE means the California Department of Consumer Affairs, Bureau of Real Estate, and any department or agency of the California state government which succeeds to the CalBRE's functions.

1.8 **CAPITAL IMPROVEMENT ASSESSMENT.** Capital Improvement Assessment means a charge which the Board may levy against the Owners and their Lots or Condominiums representing a portion of the cost to the Master Association for installing or constructing any capital Improvements on any of the Master Association Property. Capital Improvement Assessments will be levied in the same proportion as Common Assessments. However, Capital Improvement Assessments for a particular Special Benefit Area shall be levied in the same proportion as Common Assessments only against Owners responsible for such Special Benefit Area. Capital Improvement Assessments are special assessments as described in California Civil Code Section 5605(b).

1.9 **CLOSE OF ESCROW.** Close of Escrow means the date on which a deed conveying a Lot or Condominium pursuant to a transaction requiring the issuance of a Public Report is Recorded. Among other exempt transfers, the term "*Close of Escrow*" shall not include the Recordation of a deed (a) between Declarant and (i) any successor to any rights of Declarant hereunder or (ii) any Neighborhood Builder, or (b) between Neighborhood Builders.

1.10 **COMMON ASSESSMENT.** Common Assessment means a charge against the Owners and their Lots, Condominiums or apartments to be used to satisfy Common Expenses, which is to be levied as provided in this Master Declaration. Common Assessments are composed of a "*General Assessment Component*" and, possibly, a "*Special Benefit Area Assessment Component*," as provided in Section 8.7.2. The Common Assessment is a regular assessment as described in California Civil Code Section 5605(b).

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

Master Association Property and Improvements thereon, as described herein or in a Notice of Addition or Supplemental Master Declaration;

Master Maintenance Areas and Improvements thereon, as described herein or in a Notice of Addition or Supplemental Master Declaration;

Restoring any Improvements damaged by the County in the exercise of its easement rights concerning public utility maintenance, repair and replacement;

Unpaid Capital Improvement Assessments, Common Assessments, Compliance Assessments, Extraordinary Assessments and Reconstruction Assessments;

Any commonly metered utilities or other commonly metered charges for the Master Community not paid for by a Neighborhood Association;

Any costs associated with maintenance of a community-wide wireless access point, if installed;

Managing and administering the Master Association;

Board, officer and committee member training and continuing education seminars or materials;

Compensation paid by the Master Association to managers, accountants, attorneys and the Master Association employees;

The costs and fees attributable to maintenance and management of all Fuel Treatment Zones, which have been assigned for maintenance by the Master Association;

The costs and fees attributable to compliance with post-construction BMPs (as defined in Section 2.25 below and set forth in detail in *Exhibit "STP"* (as such Exhibit may be amended) applicable to the Master Community, including distribution of educational literature to Owners regarding reducing pollution and informing them of the purpose, function and limitations of the structural BMPs applicable to the Master Community, as well as the costs and fees attributable to comply with post-construction BMPs set forth in Section 2.25 below and *Exhibit "STP"* providing BMPs for the Master Community, and reserve costs associated with potential need to remove pollutants or to repair or replace water quality features in the Master Community or serving the Master Community that the County fails or refuses to repair or replace;

Costs or expenses associated with compliance with all County requirements set forth in this Master Declaration, in a Supplemental Master Declaration or in a Notice of Addition;

All utilities, landscaping, trash pickup, maintenance of private storm drains and all associated trash capture devices, trash and litter control and sweeping of all Private Streets and other services benefiting the Master Association Property or Master Maintenance Areas;

The costs and fees attributable to providing Telecommunication Facilities and Telecommunication Services to the Master Community, including the cost of any Telecommunications Contract, if applicable;

Fire, casualty and liability insurance, worker's compensation insurance, and other insurance covering the Master Community and the directors, officers and agents of the Master Association;

Bonding the members of the Master Association Board of Directors or its officers;

Taxes paid by the Master Association;

Amounts paid by the Master Association for discharge of any lien or encumbrance levied against the Master Community, or portions thereof;

Reasonable Reserves;

Providing parking, enforcement and site control services for the Master Association Property or other portions of the Master Community;

Expenses designated as Common Expenses in a Notice of Addition or Supplemental Master Declaration; and

All other expenses incurred by the Master Association for any reason whatsoever in connection with the Master Community, for the common benefit of the Owners.

1.12 COMMUNITY MANAGER. Community Manager means the Person who provides professional community management for the Master Association and who is retained by the Master Association to perform functions of the Master Association as limited by the Master Association Governing Documents and the terms of the agreement between the Master Association and said Person. The Community Manager shall not be affiliated with any Board member and shall be certified by the California Association of Community Managers.

1.13 COMMUNITY WALL. Community Wall means any wall or fence in the Master Community that is maintained entirely or partially by the Master Association. Fences or walls maintained entirely by the Owners are not Community Walls. The Community Walls located on portions of residential Lots in the Initial Covered Property and Mandatory Annexable Territory are depicted on *Exhibit "CW"* attached hereto, and additional Community Walls for the Master Community may be designated in any applicable Notice of Addition or Supplemental Master Declaration; provided, however, the Master Association's obligation to maintain the Community Walls in a particular Phase will not arise until the commencement of Common Assessments in that Phase or as otherwise directed in this Master Declaration, or in a Notice of Addition or Supplemental Master Declaration. Owners whose Lot or Condominium is adjacent to a Community Wall shall maintain the structural integrity, footing, cap and interior surface of the Community Wall while the Master Association shall maintain the exterior surface (facing away from the residence) of the Community Wall, unless otherwise provided in a Supplemental Master Declaration. The Master Association shall remove graffiti from the exterior surface of all Community Walls and shall maintain the exterior surface of any glass walls in the Master Community that are designated as Community Walls on the schedule set forth in the Maintenance Guidelines. Owners who desire more frequent cleaning of such glass walls shall be required to perform such maintenance at their sole cost. The Owners shall maintain the entirety of any tubular steel fencing that may be located on top of a block wall that has been designated as a Community Wall. Declarant may designate additional Community Walls in a Notice of Addition or Supplemental Master Declaration. Community Walls in the Master Community in general (a) are constructed on or along a tract boundary; or (b) separate a Lot or Condominium from Master Association Property, Master Maintenance Areas or public property; or (c) are constructed entirely within Master Association Property; or (d) are designated as a Community Wall by Declarant in this Master Declaration, or in a Notice of Addition or Supplemental Master Declaration. Party Walls are not Community Walls.

1.14 COMPLIANCE ASSESSMENT. Compliance Assessment means a charge against a particular Owner or Neighborhood Association directly attributable to or reimbursable

by that Owner or Neighborhood Association equal to the cost incurred by the Master Association for corrective action, or a fine or penalty assessed by the Board, plus interest and other charges on such Compliance Assessments. Compliance Assessments shall not include any late payment penalties, interest charges or costs (including attorneys' fees) incurred by the Master Association in the collection of Common, Capital Improvement or Reconstruction Assessments because these costs are added to the Common, Capital Improvement or Reconstruction Assessment for which they are incurred. Compliance Assessments may include any other collection costs, expenses and reasonable attorneys' fees. Compliance Assessments are monetary penalties described in Section 2792.26(c) of Title 10 of the California Code of Regulations.

1.15 CONDOMINIUM. Condominium means an estate in real property as defined in California Civil Code Sections 783 and 4125. A Condominium consists of an undivided fee-simple ownership interest in a portion of the real property described in a Recorded condominium plan as "common area," together with a separate ownership interest in fee in a "unit" as described in the Recorded Condominium Plan and as defined in California Civil Code Section 4125, and any easements appurtenant thereto. The separate interest of any Condominium is referred to herein as the "Condominium Unit." The term "Condominium" excludes any condominium defined as a Lot for purposes of this Master Declaration.

1.16 CONDOMINIUM AREA. Condominium Area means the real property which is so classified in this Master Declaration, a Notice of Addition or a Supplemental Master Declaration. The Condominium Area will be a part of the Residential Area. There is no Condominium Area in the Initial Covered Property.

1.17 CONDOMINIUM COMMON AREA. Condominium Common Area means the volumes of airspace described in the Condominium Plans, which shall be owned by Owners in each Phase described in a Condominium Plan as tenants-in-common. Any references in this Master Declaration to Condominium Common Area are references to the Condominium Common Area as a whole and to portions thereof. The Condominium Common Area in each Phase constitutes the "undivided interest-in-common in a portion of the real property," in accordance with California Civil Code Section 4125. Condominium Common Area is not Master Association Property.

1.18 CONDOMINIUM PLAN. Condominium Plan means the Recorded plan, as currently in effect, for a Phase comprised of Condominiums or Lots consisting of (a) a description or survey map of the Phase or portion thereof, which shall refer to or show monumentation on the ground, (b) a three dimensional description of the Phase or portion thereof, one or more dimensions of which may extend for an indefinite distance upwards or downwards in sufficient detail to identify the Master Association Property, Condominium Common Area and each Condominium Unit, and (c) a certificate consenting to the Recordation thereof signed and acknowledged by the record owner of fee title to the Phase or portion thereof, and by either the trustee or the Mortgagee of each Recorded Mortgage encumbering the Phase or portion thereof.

1.19 CONDOMINIUM PROJECT. Condominium Project means a "condominium project" as defined in California Civil Code Section 4125, and all property designated in the Neighborhood Declaration for such Condominium Project as additional Phases if such

Condominium Project is developed in Phases. For purposes of this Master Declaration, the term "Condominium Project" also includes "community apartment" and "stock cooperative" projects as respectively defined in California Civil Code Sections 4105 and 4190.

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

1.21 **DECLARANT.** Declarant means Forestar Toscana Development Company, a Delaware corporation, or its successors and any Person to which it shall have assigned any rights hereunder by express written assignment. As used in this Section, "successor" means a Person who acquires Declarant or substantially all of Declarant's assets. Declarant shall determine in its sole discretion the time, place and manner in which it discharges its obligations and exercises its rights reserved to it under this Master Declaration. Declarant is a "builder" as described in California Civil Code Section 6000.

1.22 **DESIGN GUIDELINES.** Design Guidelines mean those certain design guidelines promulgated by the Master Association, as may be amended from time to time.

1.23 **DESIGN REVIEW COMMITTEE.** Design Review Committee means the Design Review Committee created in accordance with Article V.

1.24 **EXTRAORDINARY ASSESSMENT.** Extraordinary Assessment means a charge which the Board may levy against Owners and their Lots or Condominiums representing any expense incurred or to be incurred in accordance with the Master Association Governing Documents which cannot be imposed as a Capital Improvement Assessment or Reconstruction Assessment but which qualifies as a special assessment described in California Civil Code Section 5605(b). Extraordinary Assessments will be levied in the same proportion as Common Assessments.

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

1.26 **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.

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

1.28 **FIRST MORTGAGE.** First Mortgage means a Mortgage with first priority over other Mortgages on a Lot or Condominium.

1.29 **FIRST MORTGAGEE.** First Mortgagee means the Mortgagee of a First Mortgage.

1.30 **FISCAL YEAR.** Fiscal Year means the fiscal accounting and reporting period of the Master Association selected by the Board.

1.31 **FREDDIE MAC.** Freddie Mac means the Federal Residence Loan Mortgage Corporation created by Title II of the Emergency Residence Finance Act of 1970, and its successors.

1.32 **FUEL MODIFICATION PLAN.** Fuel Modification Plan means the Toscana Phase 1 Tentative TM 36593 Conceptual Fire Protection Plan prepared by Firewise 2000, Inc., dated as of November 26, 2013, and revised as of February 25, 2014. As of the date this Master Declaration is Recorded, the foregoing Fuel Modification Plan is the only plan prepared for the Master Community. Once additional plans are prepared, the Master Association and each Owner in the Master Community will be subject to the requirements of those plans as they relate to the Master Community or portions thereof. If any additional plans are prepared in the future, the Declarant has the right to record a copy of such plans on an Exhibit to a Notice of Addition or Supplemental Master Declaration.

1.33 **FUEL TREATMENT ZONE.** Fuel Treatment Zone means an area designated as such by the Fuel Modification Plan.

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

1.35 **IMPROVEMENT.** Improvement means any structure or other work of improvement in the Master Community and any appurtenance thereto, including condominium buildings, landscaping, irrigation equipment, paved areas, surface finishes, signs, light fixtures, driveways, walkways, and all other fixtures attached to the land. The Design Guidelines may, but are not required to, identify additional items that are Improvements.

1.36 **INCLUDE, INCLUDES, INCLUDING.** Whether capitalized or not, include, includes and including mean "*include without limitation*," "*includes without limitation*" and "*including without limitation*," respectively.

1.37 **INITIAL COVERED PROPERTY.** Initial Covered Property means all of the real property described in *Exhibit "CP"* attached to this Master Declaration.

1.38 **LOCAL GOVERNMENTAL AGENCY.** Local Governmental Agency means the County and any other local governmental entity or agency and any school district, special assessment district, maintenance district or community facilities district.

1.39 **LOT.** Lot means any residential Lot or parcel of land shown on any Recorded subdivision map or Recorded parcel map of the Master Community, except the Master Association Property owned in fee simple by the Master Association.

1.40 **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 Master Declaration provides another meaning.

1.41 MAINTENANCE GUIDELINES. Maintenance Guidelines means any current written guidelines, manuals, or recommendations setting forth procedures and standards for the operation, maintenance and preservation of the Master Common Property by the Master Association and the Lots and Condominiums by the Owners that may be provided to the Master Association and to each Owner by Declarant, a Neighborhood Builder, the Master Association or any Local Governmental Agency. Among other things, the Maintenance Guidelines specify suggested maintenance levels, recommended intervals for regularly scheduled maintenance items, and the scope of required maintenance practices and procedures. Maintenance Guidelines provided to the Master Association by Declarant may be supplemented, amended and updated by the Board; provided, however, that for so long as Declarant owns any portion of the Master Community or Annexable Territory, the Declarant's consent is necessary for any amendments or other revisions to the Maintenance Guidelines that would materially change or reduce the level of maintenance the Master Association is obligated to perform on the Master Common Property.

1.42 MANDATORY ANNEXABLE TERRITORY. Mandatory Annexable Territory means the real property described in *Exhibit "MAT"* which shall be made subject to this Declaration, as required by the County and described in Article XVII. Any references in this Master Declaration to Mandatory Annexable Territory are references to the Mandatory Annexable Territory as a whole and to portions thereof.

1.43 MASTER ASSOCIATION. Master Association means the Terramor Community Association, a California nonprofit mutual benefit corporation, formed pursuant to the California Nonprofit Mutual Benefit Corporation Law, its successors and assigns. The Master Association is an "association" as defined in Section 4080 of the California Civil Code.

1.44 MASTER ASSOCIATION GOVERNING DOCUMENTS. Master Association Governing Documents means this Master Declaration, all Supplemental Master Declarations, Notices of Addition, the Articles, Bylaws, the Rules and Regulations, the Design Guidelines and the Maintenance Guidelines.

1.45 MASTER ASSOCIATION MAINTENANCE FUNDS. The Master Association Maintenance Funds means the accounts created for the Master Association receipts and disbursements pursuant to Article VIII hereof.

1.46 MASTER ASSOCIATION PROPERTY. Master Association Property means real property owned in fee by the Master Association or designated by the Declarant as Master Association Property and therefore made subject to the restrictions on Master Association Property established in the Master Association Governing Documents. The Master Association Property shown on *Exhibit "MAP"* to this Master Declaration includes the real property the Master Association will be obligated to maintain in the Mandatory Annexable Territory; provided, however, this property shall not become Master Association Property until it is annexed pursuant to Article XVII. The Declarant shall have the right to designate easement areas over a portion of real property as Master Association Property in this Master Declaration or any Notice of Addition or Supplemental Master Declaration for maintenance by the Master

Association prior to the transfer of fee title to said real property to the Master Association. In addition, the County may require the Master Association to accept the ownership or maintenance obligations for any property within or adjacent to the Master Community that is maintained by a County Service Area for the benefit of the Master Community if such County Service Area is disbanded or defunded or if otherwise requested by the County Service Area or the County. Any references in this Master Declaration to Master Association Property are references to the Master Association Property as a whole and to portions thereof. The Master Association Property satisfies the definition of "common area" in California Civil Code Section 4095. The Master Association Property is intended to ultimately include, among other things, parks, recreation centers, a sports field, trails, paseos, Private Streets and maintenance roads and the access gates located thereon, one or more gate houses, alleyways, water quality basins, Fuel Treatment Zones, slope areas, landscaping, medians and other Improvements constructed on Master Association Property, including entry monumentation, signage, mailbox structures, street lights on Private Streets, private sewers and storm drains in Private Streets and other Master Association Property depicted or described on *Exhibit "MAP"* to this Master Declaration, a Notice of Addition or Supplemental Master Declaration, and the Community Walls. Additional Master Association Property may be annexed to the Master Community pursuant to Article XVII. There is no Master Association Property in the Initial Covered Property.

1.47 MASTER COMMON PROPERTY. Master Common Property means the Master Association Property and Master Maintenance Areas. Any references to the Master Common Property are references to the Master Common Property as a whole and to portions thereof.

1.48 MASTER COMMUNITY. The Master Community means all of the real property known as "*Terramor*," which is covered by this Master Declaration and subject to the jurisdiction of the Master Association, including (a) all of the real property described on *Exhibit "CP"* to this Master Declaration, (b) the Master Association Property designated in this Master Declaration, in a Notice of Addition or Supplemental Master Declaration to be owned and maintained by the Master Association, (c) any Master Maintenance Areas not owned in fee simple by the Master Association but designated for maintenance by the Master Association in this Master Declaration or a Notice of Addition or Supplemental Master Declaration, and (d) any property annexed by a Notice of Addition or Supplemental Master Declaration. The Master Community is a "common interest development" and a "planned development" as defined in Sections 4100 and 4175, respectively, of the California Civil Code. Any references in this Master Declaration to the Master Community are references to the Master Community as a whole and to portions thereof.

1.49 MASTER DECLARATION. Master Declaration means this entire instrument, including the Preamble, all other provisions, and the Exhibits incorporated herein, as amended or restated.

1.50 MASTER MAINTENANCE AREA. Master Maintenance Area means those Improvements in residential Lots or Condominiums, in public property or in other real property located within or outside the boundaries of the Master Community that are not owned in fee by the Master Association but which are designated for maintenance by the Master Association.

1.50.1 **Generally.** The Master Maintenance Areas in a Phase are designated in this Master Declaration or in the applicable Notice of Addition or Supplemental Master Declaration, and may include one or more of the following:

(a) The exterior surface (facing away from the Residence), including without limitation, graffiti removal and glass cleaning, of those portions of the walls that are constructed on or enclose any portion of a Lot or Condominium that are designated as a Community Wall on an exhibit to this Master Declaration or an exhibit to a Supplemental Master Declaration or Notice of Addition;

(b) Any Fuel Treatment Zones located on residential Lots or Condominiums that have been designated for maintenance by the Master Association in this Master Declaration, a Notice of Addition or a Supplemental Master Declaration;

(c) Landscaping on certain residential Lots and Condominiums, all as depicted on *Exhibit "MMA"* to this Master Declaration or on an exhibit to a Supplemental Master Declaration or Notice of Addition;

(d) Maintenance and replacement of street trees within the Master Community (except irrigation shall be supplied by Owner of adjacent Lot and ground cover in the parkway surrounding street trees shall be irrigated and maintained by the Owner of the adjacent Lot);

(e) Any Shared Driveways located on Lots or Neighborhood Property that are designated for maintenance by the Master Association;

(f) The Improvements located within a Special Benefit Area, if any;

(g) Certain private sewers and storm drains located on Neighborhood Property; and

(h) Any other Improvement designated as Master Maintenance Area in this Master Declaration, a Supplemental Master Declaration or a Notice of Addition.

1.50.2 **Master Maintenance Areas in the Mandatory Annexable Territory and Initial Covered Property.** The Master Maintenance Areas in the Mandatory Annexable Territory include portions of the Community Wall as depicted on *Exhibit "CW."* The Master Association's obligation to maintain any areas described generally in this Section 1.50 which are not applicable to the Initial Covered Property shall commence in accordance with Section 9.2 below.

1.50.3 **Master Maintenance Areas in the Annexable Territory.** Master Maintenance Areas in the Annexable Territory shall include the items listed in this Section 1.50 as applicable to the Lots and Condominiums in each tract of Annexable Territory. Declarant may designate additional Master Maintenance Areas in a Notice of Addition or a Supplemental Master Declaration.

1.51 **MEMBER; MEMBERSHIP.** Member means any Person holding a Membership and the Declarant. Membership means the property, voting and other rights and privileges of Members established in the Master Association Governing Documents, together with the correlative duties and obligations contained therein.

1.52 **MODEL RESIDENCES.** Model Residences mean any Lots or Condominiums used by Declarant or Neighborhood Builders for a model Residence, sales office, design center, other sales or marketing purposes, construction office or similar purposes. Commencing on the first day of the calendar month following the sale of a Lot or Condominium being used by Declarant or Neighborhood Builders as a Model Residence and ending on the date Common Assessments commence against such Lot or Condominium, Declarant or Neighborhood Builder, as applicable, shall be responsible for the maintenance of all portions of such Phase in which such Model Residence Lot or Condominium is located if the CalBRE consents to the delayed commencement of Common Assessments on such Model Residences.

1.53 **MORTGAGE.** Mortgage means any Recorded document, including a deed of trust by which a Lot, Condominium, Master Association Property or Neighborhood Property is hypothecated to secure the performance of an obligation.

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 Master Declaration, the term Mortgagee shall include a beneficiary under a deed of trust.

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

1.56 **NEIGHBORHOOD.** Neighborhood means an area in the Master Community covered by the jurisdiction of a Neighborhood Association. A Neighborhood may include one or more Phases of Lots or Condominiums in the Master Community.

1.57 **NEIGHBORHOOD ASSOCIATION.** Neighborhood Association means any California nonprofit corporation or unincorporated association, or its successor, established in connection with a Neighborhood Declaration, the membership of which is limited to the Owners of Lots or Condominiums in a particular Neighborhood. The Master Association is not a Neighborhood Association.

1.58 **NEIGHBORHOOD BUILDER.** Neighborhood Builder means a Person designated by Declarant in a Recorded document and who acquires a portion of the Master Community for the purpose of developing such portion for resale to the general public. The term "Neighborhood Builder" does not include Declarant. Each Neighborhood Builder is a builder as described in California Civil Code Section 6000.

1.59 **NEIGHBORHOOD DECLARATION.** Neighborhood Declaration means any declaration of covenants, conditions and restrictions, or similar document, which affects solely a portion of the Master Community. The Master Declaration, the Notice of Addition and the Supplemental Master Declarations are not Neighborhood Declarations.

1.60 NEIGHBORHOOD PROPERTY. Neighborhood Property means real or personal property designated by a Neighborhood Builder as Neighborhood Property in a Neighborhood Declaration or Neighborhood Supplemental Declaration. Neighborhood Property will consist of real property that is owned in fee or maintained under a maintenance easement by a Neighborhood Association in accordance with the applicable Neighborhood Declaration. Neighborhood Property will be annexed to the Master Community, but it will not be a part of the Master Association Property. There is no Neighborhood Property in the Initial Covered Property.

1.61 NEIGHBORHOOD SUPPLEMENTAL DECLARATION. Neighborhood Supplemental Declaration means a Recorded instrument solely affecting a Neighborhood or a portion thereof, which either annexes real property to the coverage of a Neighborhood Declaration, or imposes conditions, covenants, or restrictions or reserves easements in addition to the conditions, covenants, restrictions and easements established in the Neighborhood Declaration, or both. A Supplemental Master Declaration is not a Neighborhood Supplemental Declaration.

1.62 NOTICE AND HEARING. Notice and Hearing means written notice and a hearing before the Board as authorized in the Bylaws and this Master Declaration.

1.63 NOTICE OF ADDITION. Notice of Addition means an instrument Recorded pursuant to Article XVII to annex additional real property to the Master Community. A Notice of Addition may include a Supplemental Master Declaration.

1.64 OFFICIAL RECORDS. Official Records means the Official Records of the County.

1.65 OPERATING FUND. Operating Fund means that portion of the Common Expenses allocated for the daily operation of the Master Association.

1.66 OWNER. Owner means the Person or Persons, including Declarant and the Neighborhood Builders, holding fee simple interest of record to any Condominium or Lot. The Owner for an Apartment Area shall be the Owner of the Lot upon which the Apartment Area is located. Each Owner has a Membership in the Master Association, the rights and duties of which commence in accordance with Article VI and Section 17.3. The term "Owner" includes a seller under an executory contract of sale but excludes Mortgagees. The term "Owner" may be expanded in a Supplemental Master Declaration to include other Persons.

1.67 PARTY WALL. Party wall means any wall or fence that separates adjacent Lots.

1.68 PERMISSIBLE ANNEXABLE TERRITORY. Permissible Annexable Territory means the real property described in *Exhibit "PAT"* which may be made subject to this Master Declaration pursuant to Article XVII. Any references in this Master Declaration to Permissible Annexable Territory are references to the Permissible Annexable Territory as a whole and to portions thereof. Permissible Annexable Territory may become Mandatory Annexable Territory pursuant to County requirements for new tract maps, as set forth in a Supplemental Master Declaration.

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

1.70 **PHASE.** Phase means each of the following: (a) the Initial Covered Property, (b) all or any portion of the real property covered by this Master Declaration, a Notice of Addition or a Supplemental Master Declaration, which is described in a particular Final Subdivision Public Report issued by the CalBRE, and (c) real property consisting solely of Master Association Property as described in a Notice of Addition or Supplemental Master Declaration. Declarant may otherwise define the term "Phase" in a Notice of Addition or Supplemental Master Declaration.

1.71 **PRIVATE STREET.** Private Street means any street owned and maintained by either the Master Association or a Neighborhood Association. The approximate locations of the Private Streets in the Mandatory Annexable Territory are depicted in *Exhibit "PS"* to this Master Declaration. Portions of the Private Streets that are to be owned and maintained by a Neighborhood Association shall be shown or described in the applicable Neighborhood Declaration, Neighborhood Supplemental Declaration or shown on the Condominium Plan for such Neighborhood, or Phase thereof, and designated as Neighborhood Property.

1.72 **PUBLIC REPORT.** Public Report means any Final Subdivision Public Report issued by the CalBRE for a portion of the Master Community under authority of the California Business and Professions Code Section 11010, *et seq.*

1.73 **RECONSTRUCTION ASSESSMENT.** Reconstruction Assessment means a charge which the Board may levy against the Owners and their Lots or Condominiums representing their share of the Master Association's cost to reconstruct any Improvements on the Master Association Property. Reconstruction Assessments will be levied in the same proportion as Common Assessments. Reconstruction Assessments are special assessments as described in California Civil Code Section 5605(b).

1.74 **RECORD OR FILE.** Record or File means, with respect to any document, the entry of such document in the Official Records of the County Recorder.

1.75 **RESERVE FUND.** Reserve Fund means that portion of the Common Expenses allocated (a) for future repair and replacement of, or additions to, structural elements, mechanical equipment and other major components of Master Association-maintained Improvements, and (b) for amounts necessary to cover the deductibles under all insurance policies maintained by the Master Association. The amount of the Reserve Fund will be determined annually by the Board pursuant to reserve guidelines established in accordance with prudent property management practices generally applied for a "common interest development" (as defined in Section 4100 of the California Civil Code) in the County.

1.76 **RESIDENCE.** Residence means the dwelling which is intended for use and occupancy by a single Family. The term "Residence" includes each single-family dwelling located on a Lot (excluding the garage area), and each Condominium Unit (excluding the garage area) shown in a Recorded Condominium Plan.

1.77 RESIDENTIAL AREA. Residential Area means the real property which is so classified in this Master Declaration or a Supplemental Master Declaration. The Residential Area in each Phase will include Lots or Condominiums, may include an Apartment Area and may include Master Association Property and Neighborhood Property. The Initial Covered Property is hereby designated as Residential Area.

1.78 RIGHT TO REPAIR LAW. Right to Repair Law means Division 2, Part 2, Title 7 (commencing with Section 895) of the California Civil Code.

1.79 RIGHT TO REPAIR LAW CLAIM. Right to Repair Law Claim means any claim brought by one or more Owners or by the Master Association against one or more Declarant Parties (as defined in Section 14.4) on any design or construction defect matters that are governed by the Right to Repair Law.

1.80 RULES AND REGULATIONS. Rules and Regulations mean the rules and regulations for the Master Community adopted by the Board, as may be amended or restated.

1.81 SHARED DRIVEWAY. Shared Driveway means any common driveway in the Master Community that is used by two (2) or more Condominiums or Lots to provide access to their Residence and garage, whether such common driveway is located on a portion of the Lots or on Neighborhood Property.

1.82 SIDEYARD BENEFITED LOT. Sideyard Benefited Lot means a Lot that is benefited by an appurtenant Sideyard Easement reserved by Declarant in Section 7.1.14 of this Master Declaration over an adjacent Sideyard Burdened Lot. The Sideyard Benefited Lots in each applicable Phase of the Master Community will be designated in the applicable Notice of Addition or Supplemental Master Declaration.

1.83 SIDEYARD BURDENED LOT. Sideyard Burdened Lot means a Lot on which a Sideyard Easement has been reserved by Declarant in Section 7.1.14 of this Master Declaration. The Sideyard Burdened Lots in each applicable Phase of the Master Community will be designated in the applicable Notice of Addition or Supplemental Master Declaration.

1.84 SIDEYARD EASEMENT. Sideyard Easement means a portion of a Sideyard Burdened Lot over which Declarant has reserved exclusive easements for sideyard purposes described in Section 7.1.14 of this Master Declaration for the benefit of and appurtenant to an adjacent Sideyard Benefited Lot.

1.85 SPECIAL BENEFIT AREA. Special Benefit Area means a group of Lots or Condominiums that share the costs of either (a) maintaining specified Improvements on portions of the Master Common Property or Neighborhood Property, or (b) receiving certain services or programs provided by the Master Association. The additional administrative costs of operating each Special Benefit Area shall be a part of the Common Expenses allocated to a Special Benefit Area component of Common Assessments. Special Benefit Areas may be designated by Declarant in this Master Declaration or any Supplemental Master Declaration when Declarant, in its sole discretion, determines that a group of Lots or Condominiums benefits more from the Improvements or services than the Master Community as a whole. The Board of the Master Association may also designate Special Benefit Areas under circumstances authorized in this

Master Declaration or a Supplemental Master Declaration. Special Benefit Areas may be referred to as "cost centers" in the CalBRE reviewed Budget and/or Public Report. The Initial Covered Property is part of the Age-Restricted Special Benefit Area, more fully described in Article XIX of this Master Declaration.

1.86 SPECIAL BENEFIT AREA EXPENSES. Special Benefit Area Expenses means those expenses which are attributable solely to any Special Benefit Area and for which the Master Association is responsible under this Master Declaration or pursuant to a Supplemental Master Declaration.

1.87 SUPPLEMENTAL MASTER DECLARATION. Supplemental Master Declaration means an instrument Recorded by Declarant or by a Neighborhood Builder with Declarant's written consent against all or a portion of the Master Community in order to supplement, modify or clarify covenants, conditions and restrictions or easements established under this Master Declaration. A Supplemental Master Declaration may affect one (1) or more Lots or Condominiums and may cover one (1) or more Phases or portions of one (1) or more Phases. A Supplemental Master Declaration may modify this Master Declaration as it applies to the property encumbered by the Supplemental Master Declaration.

1.88 TELECOMMUNICATION FACILITIES. Telecommunication Facilities means Improvements constructed in the Master 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 Master Community.

1.89 TELECOMMUNICATION 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 Master Declaration.

1.90 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 VA's function of issuing guarantees of notes secured by Deeds of Trust on residential real estate.

ARTICLE II USE RESTRICTIONS

The Master Community shall be held, used and enjoyed subject to the following restrictions in this Master Declaration and further subject to the exemptions of Declarant, the Master Association and Neighborhood Builders set forth in this Master Declaration. Neighborhood Declarations may establish supplementary or more restrictive use restrictions for the property the Neighborhood Declarations encumber so long as the restrictions are consistent with the scheme of governance established in this Master Declaration and any Supplemental Master Declaration. Supplemental Master Declarations may add use restrictions or replace the use restrictions contained in this Article for the property the Supplemental Master Declarations encumber so long as the restrictions are consistent with the scheme of governance established in the Master Declaration.

2.1 **SINGLE FAMILY RESIDENCE.** The Residence shall be used as a dwelling for a single Family and for no other purpose. An Owner may rent his Lot or Condominium pursuant to the provisions of Section 2.4 below.

2.2 **BUSINESS OR COMMERCIAL ACTIVITY.** The following provisions set forth in this Section 2.2 may be modified by Declarant, or by a Neighborhood Builder with Declarant's consent, in a Supplemental Master Declaration for any Lot or Condominium to be constructed within the Master Community.

2.2.1 **General Rules.** No part of the Residential Area may be used in a manner that violates the restrictions in this Master Declaration, a Neighborhood Declaration, a County Code or State law for any business, commercial (including auctions or similar events), manufacturing, mercantile, storage, vending, gambling or other nonresidential purposes, including any activity for which the provider is compensated or receives any consideration, regardless of whether the activity is engaged in full or part-time, generates or does not generate a profit, or requires or does not require a license. In addition, no part of the Master Community may be used for any sober living houses, halfway houses or group housing for registered sex offenders.

2.2.2 **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 of any Improvement consistent with this Master Declaration or any Supplemental Master Declaration;

(b) Exercise by Declarant of any rights reserved to it under Article XVIII;

(c) The operation of small Residence-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 Master 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 Lot or Condominium;

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

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

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

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

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

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

(x) A Residence occupation permit and business license has been issued by the County (if applicable);

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

(e) The provision of family Residence 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 zoning requirements and state law; provided, however, that the Master Association has the power to limit or prohibit use of the Master Association Property by clientele of the business.

2.3 AGE-RESTRICTED SPECIAL BENEFIT AREA. The use restrictions imposed in Article XIX for the Age-Restricted Special Benefit Area supplement the restrictions imposed in this Article; however, if there is a conflict between Article XIX and this Article; the provisions of Article XIX shall control. The Rules and Regulations may establish rules applicable solely to the Age-Restricted Special Benefit Area. If there is a conflict between those rules and other portions of the Rules and Regulations, the rules applicable to the Age-Restricted Special Benefit Area shall control.

2.4 LEASE AND RENT RESTRICTIONS. The following lease and rental restrictions have been established for the benefit of the Master Community and the Owners. An Owner may lease or rent the Owner's Residence. Any lease or rental agreement is required to provide that the terms of said lease or rental shall be subject in all respects to the provisions of this Master Declaration and any Rules and Regulations adopted by the Master Association and that any failure by the lessee or tenant to comply with the terms of such documents shall be a default under the lease or rental agreement. The Owner shall, at all times, be responsible for their tenant's or lessee's compliance with all of the provisions of this Master Declaration. A lessee or tenant shall have no obligation to the Master Association to pay assessments imposed by the Master Association, nor shall any lessee or tenant have any voting rights in the Master Association. A copy of this Master Declaration and any Rules and Regulations affecting the Master Community shall be made available to each tenant or lessee by the Owner of the leased or rented Residence. All leases and rental agreements are required to be in writing.

2.5 FURTHER SUBDIVISION. Except as otherwise provided in this Master Declaration, no Owner may further partition or subdivide his Lot or Condominium, including

any division of such Owner's Lot or Condominium into time-share estates or time-share uses. This provision does not limit the right of an Owner to (a) rent or lease his entire Lot or Condominium by means of a written lease or rental agreement subject to the Master Association Governing Documents; (b) sell such Owner's Lot or Condominium; or (c) transfer or sell any Lot or Condominium 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 NUISANCES. Noxious or offensive activities are prohibited in the Master Community and on any public street abutting or visible from the Master Community, except as may be permitted by County ordinances, a Notice of Addition or Supplemental Master Declaration or applicable law. The Board is entitled to determine if any device, noise, odor or activity constitutes a nuisance.

2.6.1 Nuisance Devices. Nuisance devices may not be kept or operated in the Master Community or on any public street abutting the Master Community, or exposed to the view of other Lots, Condominiums or Master Association Property. 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 lawnmowers and other equipment used in connection with ordinary landscape maintenance), and Prohibited 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 Design Review Committee);

(e) Devices that unreasonably interfere with television or radio reception to a Lot or Condominium;

(f) Plants or seeds infected with noxious insects or plant diseases and invasive plant species;

(g) The presence of any other thing in the Master Community which may (i) increase the rate of insurance in the Master Community, (ii) result in cancellation of the insurance, (iii) obstruct or interfere with the rights of other Owners or the Master Association, (iv) violate any law or provisions of Master Association Governing Documents, or (v) constitute a nuisance or other threat to health or safety under applicable law or ordinance.

2.6.2 Nuisance Activities. Nuisance activities may not be undertaken in the Master Community or on any public street abutting the Master Community, or exposed to the view of other Lots, Condominiums or Master Association Property without the Board's prior written approval. Nuisance activities include the following:

- (a) The creation of unreasonable levels of noise from parties, recorded music, radios, television or related devices, or live music performance;
- (b) The creation of unreasonable levels of noise from a barking dog or other animal kept in the Master Community (*e.g.*, chronic daily nuisance barking by a dog over extended periods of time);
- (c) Repair or maintenance of vehicles or mechanical equipment, except in a closed garage or rear yard screened from view by other Lots, Condominiums or Master Association Property;
- (d) Outdoor fires, except in barbecue grills and fire pits designed and used in such a manner that they do not create a fire hazard;
- (e) Outdoor storage of bulk materials or waste materials except in temporary storage areas designated by the Design Review Committee; or
- (f) Any activity which may (i) increase the rate of insurance in the Master 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 Master Association Governing Documents, or (v) constitute a nuisance or other threat to health or safety under applicable law or ordinance.

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

2.7.1 **Declarant and Neighborhood Builder Signs.** Signs (regardless of size or configuration) that are used by Declarant and the Neighborhood Builders in connection with the development of the Master Community and the sale, lease or other disposition of Residences and the Annexable Territory;

2.7.2 **Entry Monuments.** Entry monuments and similar community identification signs, and traffic or parking control signs installed by Declarant or any Neighborhood Builder and either maintained by the Master Association or approved by the Design Review Committee and maintained by a Neighborhood Association;

2.7.3 **Lots or Condominiums.** Subject to the Design Guidelines, each Lot or Condominium may have one (1) nameplate or similar Owner name or address identification sign, and one (1) sign advising of the existence of security services protecting a Lot or Condominium; and

2.7.4 **For Sale and Lease Signs.** Each Lot or Condominium may have one (1) sign advertising the Lot or Condominium for sale or lease that complies with the following requirements:

(a) The sign shall be a single panel with no additional signs or other signs affixed to it;

(b) The sign has reasonable design and dimensions (which shall not exceed a total dimension of eighteen (18) inches by thirty (30) inches in size) and does not adversely affect public safety, including traffic safety; and

(c) The sign is of a color and style and location authorized by the Design Review Committee.

2.7.5 Noncommercial Signs. Each Lot or Condominium may have a noncommercial sign, poster, flag or banner that complies with the following requirements:

(a) A noncommercial sign or poster may not be more than nine (9) square feet in size and a noncommercial flag or banner may 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.

The Board has the power, but not the duty, to impose reasonable limits on the duration of display of noncommercial signs or posters, consistent with current law and decisions interpreting restrictions on time, place and manner of noncommercial speech (as applicable).

2.7.6 Other Signs. Each Lot or Condominium may have such other signs or displays that are authorized by the Design Review Committee and which comply with the County Code.

Declarant and the Board have the right to modify and improve upon the signage restrictions contained in this Section 2.7 in a Supplemental Master Declaration without requiring an amendment to the Declaration. In addition, Declarant and the Board have the right to relieve any portion of Annexable Territory from any restrictions contained in this Section 2.7 to the extent such restrictions are not consistent with the use of the Annexable Territory.

2.8 HOLIDAY DECORATIONS. Outdoor holiday decorations, or indoor holiday decorations that are visible from outside, shall be limited to a reasonable period of time prior to the date of the holiday, as determined by the Master Association in the Rules and Regulations, and shall be removed within no more than fourteen (14) days after such holiday, unless prior written authorization has been granted by the Master Association to remove them at a later date.

2.9 PARKING AND VEHICULAR RESTRICTIONS. The Master Association may elect to delegate the responsibility for enforcing the restrictions contained in this Section 2.9 to one or more Neighborhood Associations. If the Master Association notifies a Neighborhood Association that the Master Association has delegated its responsibilities, the Neighborhood Association must enforce these restrictions as they apply to the property subject to the Neighborhood Association's jurisdiction. If the Neighborhood Association fails to enforce these

restrictions, the Master Association may revoke the delegation or impose a Compliance Assessment.

2.9.1 **Authorized Vehicles.** The following vehicles are "**Authorized Vehicles:**" (a) standard passenger vehicles, including automobiles, neighborhood use electric vehicles (not designed for major streets outside of Master Community), vehicles designed to accommodate ten (10) or fewer people, (b) motorcycles and (c) pick-up trucks having a manufacturer's rating or payload capacity of one and a half (1 ½) tons or less. Authorized Vehicles that belong to residents may be parked in any portion of the Master Community intended for parking of motorized vehicles, subject to the restrictions in the other portions of the Master Association Governing Documents; provided however, no Owner may park a vehicle in a manner which the Master Association determines either restricts the passage of pedestrians or vehicles over driveways, streets or sidewalks in the Master Community. The Master Association has the power to identify additional vehicles as Authorized Vehicles in the Rules and Regulations to adapt this restriction to new types of vehicles produced by manufacturers.

2.9.2 **Prohibited Vehicles.** The following vehicles are "**Prohibited Vehicles:**" (a) recreational vehicles (including motorhomes, travel trailers, camper vans, jet skis, motor boats and other motorized vehicles designed for travel over water), (b) commercial-type vehicles (including pick-up trucks having a payload capacity in excess of one and a half (1 ½) tons, stakebed trucks, tank trucks, dump trucks, step vans, concrete trucks, limousines, vehicles with commercial signage and other commercial purpose vehicles) or vehicles with advertisements, placards or other writing on the vehicle or any equipment on a vehicle used for any commercial purpose, (c) vehicles designed to accommodate more than ten (10) people, (d) vehicles having more than two (2) axles, (e) trailers, inoperable vehicles or parts of vehicles, (f) other similar vehicles, or (g) any vehicle or vehicular equipment deemed a nuisance by the Board. Prohibited Vehicles may not be parked, stored or kept on any public or Private Street in, adjacent to or visible from the Master Community or any other Master Association Property parking area unless (i) they are owned and used by the Master Association, or a Neighborhood Association in connection with management or maintenance of a part of the Master Community, (ii) they are parked for brief periods as may be defined in the Rules and Regulations (such as loading, unloading, making deliveries or emergency repairs), or (iii) they are parked in an Owner's fully enclosed garage with the door closed. Prohibited Vehicles may be parked in an Owner's garage only if, and to the extent that, an Owner has fewer Authorized Vehicles than the number of vehicles the garage and driveway were originally designed to hold. If a vehicle qualifies as both an Authorized Vehicle and a Prohibited Vehicle, then the vehicle is presumed to be a Prohibited Vehicle, unless the vehicle is expressly classified as an Authorized Vehicle in writing by the Board. The Master Association has the power, but not the duty, to identify additional vehicles as Prohibited Vehicles in the Rules and Regulations to adapt this restriction to new types of vehicles produced by manufacturers. Notwithstanding the foregoing, on-site parking of non-self-propelled recreational vehicles, including boats, and any self-propelled recreational vehicles not used for transportation are prohibited within the Master Community unless separate storage facilities are provided.

(a) **Garage and Parking Restrictions; Parking Permits.** Residential garages shall be solely used for parking purposes, unless as allowed in Section (b) below. The garage shall be used to park the number of Authorized Vehicles the garage was

designed to accommodate; provided, however, the Owner or resident shall have the option to park only one (1) Authorized Vehicle in the garage if all of the Owner's or resident's remaining Authorized Vehicles are parked on the driveway of the Residence. If the number of the Owner's or resident's vehicles exceeds the total amount of space available within the garage and on the driveway of the Residence, such Owner or resident shall seek a parking permit from the Master Association to authorize the parking of an additional vehicle(s) on the Master Community Private Streets, which parking permit shall be subject to the reasonable rules and restrictions placed on the issuance and use of such parking permit. The garage shall not be used for storage, living purposes (for people or animals) or recreational activities of any kind; provided, however, to the extent an Owner can park all of his or her Authorized Vehicles on the driveway of the Residence, if any, and at least one (1) Authorized Vehicle in the garage and there is excess garage area is not required for the parking of a Prohibited Vehicle, the excess garage area may be utilized for storage or recreational activities. Except for temporary loading and unloading and vehicles with parking permits, no Owner or resident shall leave his or her Authorized Vehicle parked or left within the Master Community in any location other than within such Owner's garage or within such Owner's driveway, as applicable. Vehicles may be that are parked in the Owner's driveway, if applicable, shall not encroach into the sidewalk area.

(b) ***Garage Restrictions.***

(i) Owners may not use any space within the garage for temporary or permanent living purposes, regardless of the number of vehicles the Owner possesses;

(ii) Owners may not, under any circumstances, use the garage as a temporary or permanent living space for animals of any kind, including dogs, cats, rodents (e.g., rats, mice and hamsters), rabbits and reptiles (e.g., snakes and lizards);

(iii) Garage doors shall be kept closed, unless the garage consists of a parking structure, except when in use for entering or exiting, or when necessary to clean or organize the garage or as otherwise permitted by the Rules and Regulations.

(iv) Each Owner shall be responsible for ensuring that their family members, guests, invitees and contractors comply with the restrictions and requirements set forth in this Master Declaration, any Neighborhood Declaration and any additional Rules and Regulations;

(v) Owner and Owner's family members, guests, invitees and contractors may be prohibited from parking on any Private Street in the Master Community, except in designated spaces;

(vi) Any Owner whose vehicle (including vehicles belonging to any members of the Owner's family, guests, invitees and contractors) is found to be in violation of this Section 2.9 shall be subject to towing, fines as permitted by law, and any other disciplinary action the Board may promulgate, including the subsequent verification of adherence to this Section 2.9 which may include the right to visually inspect the interior of the violating Owner's garage; and

(vii) The Master Association shall have the right, but not the obligation, to establish procedures in the Rules and Regulations to enforce and verify adherence to the parking and garage restrictions and requirements in this Section in the event a violation is discovered.

(c) **Alleys.** No vehicle of any kind may be parked in an alley, except for brief periods during loading or unloading (not to exceed two (2) hours in any twenty-four (24) hour period). When present in the alley, vehicles must be parked or moved so that they do not interfere with normal use of the alley by other Owners or visitors. Notwithstanding the foregoing, if any fire lanes are located in an alley, parking is strictly prohibited within these areas.

(d) **Shared Driveways.** When present in the Shared Driveways, vehicles must not interfere with the normal use of the Shared Driveways by other Owners or visitors. Parking is allowed on private driveways where designated by parking space or stripping or as such driveways are defined in the condominium plan for that Phase. No parking of any kind is allowed on Shared Driveways. The Shared Driveways must remain open to allow Fire Department access.

(e) **No Parking Zones, Fire Lanes and Street Sweeping.** Vehicles may not be parked in "no parking zones." Private Streets in the Master Community are to be posted for "No Parking," except in those areas designated as guest parking. Further, vehicles may not be parked in fire lanes. The fire lanes in the Master Community shall be marked and signed as a fire lane or with "No Parking" signs. In addition, the Master Association shall set a schedule for street sweeping and shall establish "no parking rules" on street sweeping days. Vehicles parked in no parking zones and fire lanes and on streets when street sweeping is scheduled to occur in the Master Community may be towed immediately without advance notice to vehicle owners and at the sole cost and expense of the vehicle owner.

(f) **Neighborhood Use Electric Vehicles.** Residents are permitted to use neighborhood use electric vehicles ("NUEVs") on the Private Streets within the Master Community. NUEVs are electric vehicles that cannot be driven on major streets outside of the Master Community or on State Highways, such as golf carts. Drivers of NUEVs must be legally permitted to drive a vehicle under the laws of the State of California and must follow all traffic signs within the Master Community.

(g) **Parking Permit Program.** There shall be no overnight parking on Private Streets in the Master Community unless a current parking permit issued by the Master Association is placed on the dashboard of the vehicle. The Master Association shall establish a temporary parking permit program to allow guests to park overnight on the Private Streets for limited periods of time. A parking permit is not required for guests who park within a garage or on the driveway of a Residence. In addition, the Master Association shall establish a parking permit or sticker program for Owners and residents who own more Authorized Vehicles than will fit in their garage and their driveway (based on size or quantity of vehicles) subject to reasonable rules and restrictions. The Master Association Rules and Regulations shall set forth the standards for issuing parking permits. Any vehicles parked on Private Streets without a

parking permit shall be subject to towing at the sole cost and expense of the owner of that vehicle.

(h) **Roving Patrols.** Roving patrols or security personnel may be retained by Declarant or the Master Association. They are not intended to provide security for persons, personal property, Lots or Condominiums within the Master Community. Declarant and the Master Association do not undertake to provide security for the Master Community nor do they make any representations or warranties whatsoever concerning the privacy and safety of the Master Community. If roving patrols or security personnel are retained by Declarant or the Master Association, their sole purpose is to protect the Master Association Property and Improvements, whether annexed or not, which are owned in fee simple by the Master Association or for which the Master Association has rights or obligations by easement, lease, encroachment permit, license or other agreement.

2.9.3 **Repair, Maintenance and Restoration.** No Person may repair, maintain or restore any vehicle in the Master Community, unless the work is conducted in the garage with the garage door closed. Such an activity may be prohibited entirely by the Board if the Board determines that it constitutes a nuisance. However, no Person may carry on in any portion of the Master Community any vehicle repair or maintenance (except in an emergency) or restoration business.

2.9.4 **Enforcement.** The Board has the power, but not the duty, to enforce all parking and vehicle use regulations applicable to the Master Community, including the removal of violating vehicles from alleys, motor courts, streets and other portions of the Master Community in accordance with California Vehicle Code Section 22658.2 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.

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

2.9.6 **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. Guest parking spaces are for temporary use, not to exceed, in the aggregate, seventy two (72) hours in one (1) week, by invitees of Owners only. No Owner of the Master 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 first-come-first-served basis. The Board has the right, but not the obligation, to establish additional restrictions and parking policies (which may include towing vehicles from the Master Community) in the Rules and Regulations.

2.10 ANIMAL RESTRICTIONS.

2.10.1 **In General.** The only animals that may be raised, bred or kept in the Residential Area are dogs, cats, fish, birds and other usual household pets; provided that they are not kept or bred for commercial purposes, in unreasonable quantities, or in violation of the Master Association Governing Documents or any local ordinances, and so long as there is no external evidence of their presence in the Master Community. As used in this Master Declaration, "unreasonable quantities" means more than three (3) pets per household; provided, however, that the Board may determine that a reasonable number in any instance may be more or less. The Board may limit the size of pets and may prohibit maintenance of any animal which, in the Board's opinion, constitutes a nuisance. The Board has the power and discretion to determine whether the types or numbers of 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 Master Association.

2.10.2 **Animal Keeping Areas.** Animals in the Master Community must be either kept in the Residence or an enclosure or on a leash held by a person capable of controlling the animal. Whenever outside of the enclosed area of the Lot or Condominium, animals must be kept under the control of a Person capable of controlling the animal either on a leash or other appropriate restraint carrier.

2.10.3 **Prohibition on Outside Feline Pets and Feral Cats.** Residents are prohibited from owning or keeping feline pets outside of their Residence for the protection of wildlife living in the area of the Master Community. All feline pets shall be kept inside the Residence and inside an enclosed pet carrier at any time they are taken out of the Residence. In addition, feral cat stations are prohibited in the Master Community.

2.10.4 **Pet Food Container Limitations.** Pet food containers should remain in the Residence or the garage to avoid drawing wildlife and feral cats to the Master Community. If it is necessary to keep food outside to feed pets, covered pet feeders must be used and food must be moved to inside the Residence or garage every evening. The Master Rules and Regulations may contain additional restrictions.

2.10.5 **Owner Responsibility.** Any Person shall be liable to each and every other Person and such Person's Family, guests, tenants and invitees for any unreasonable noise or damage to person or property caused by any animals brought or kept upon the Master Community by such Person. Persons shall clean up after their animal's use of the Master Community or public street abutting or visible from the Master Community. Any Person who keeps any animal, insect or reptile in the Master Community, whether in compliance with or in violation of the Master Association Governing Documents, shall indemnify, defend and hold harmless the Master Association, its officers, directors, contractors, agents and employees from any claim brought by any Person against the Master Association, its officers, directors, agents and employees for personal injuries or property damage caused by such animal, insect or reptile. Each Owner shall immediately remove any excrement or clean other unsanitary conditions caused by such Owner's animals on any portion of the Master Community. The Master Association, at its option, may elect to only enforce this Section in connection with the Master

Association Property, leaving the applicable Neighborhood Association the power to enforce this Section as it applies to a particular Neighborhood.

2.10.6 Aggressive Dog Breeds. For the purpose of this Section, the term "**Aggressive Dogs**" shall mean dogs which are of a breed known to be aggressive or commonly trained for fighting (for example, dogs commonly referred to as "pit bulls") or any dog that satisfies the definition of "vicious dogs" under the Potentially Dangerous and Vicious Dog Law at California Food and Agriculture Code Section 31601, *et seq.* Aggressive Dogs must at all times be securely confined indoors or confined in a securely and completely enclosed and locked pen in a backyard or enclosed side yard/court yard area. Under no circumstances shall an Owner construct such a pen in a front yard or front courtyard area. Any such pen shall be approved by the Design Review Committee in accordance with Article V, shall not exceed five (5) feet in height if it is to be located within fifteen (15) feet of a Lot or Condominium boundary line and shall include a conspicuous sign, either posted on such pen itself or in the immediate vicinity of the pen, displaying the words "Dangerous Dog" in a manner that complies with the Rules and Regulations and Design Guidelines. Any time an Aggressive Dog is not confined indoors or in a pen, the dog shall be leashed and muzzled in such a manner as to prevent it from biting or injuring any person or animal.

2.11 TRASH. Weeds, rubbish, debris, unsightly material or objects and trash may not be kept upon the Master Community or on any public street or Private Street abutting or visible from the Master Community. All trash containers shall be located so as to be out of public view, except when placed for pick up. Trash shall be kept in individual and sanitary containers in garages or screened sideyard, and each Owner shall at all times maintain adequate space in the garage or screened sideyard for storage of trash containers. Trash containers may be exposed to the view of neighboring Lots or Condominiums for a reasonable period from 5 p.m. the night before the scheduled trash collection and shall be promptly returned to the appropriate screened area after collection, but no later than 10 p.m. the day of trash collection. No odor may be permitted to arise from such containers so as to render any portion of the Master Community offensive or detrimental to any other property in the vicinity thereof or to its occupants. Trash containers owned by the Master Association or a Neighborhood Association may be kept on the Master Association Property or Neighborhood Property so long as they are contained in an enclosure installed by Declarant or a Neighborhood Builder or approved by the Design Review Committee. Each Neighborhood within the Master Community will have a designated location for placement of their trash and recycling containers on the day of trash collection and each Owner or resident within the Neighborhood shall be responsible for placing their trash and recycling containers in the location designated for their Neighborhood.

2.12 TEMPORARY BUILDINGS. No outbuilding, tent, shed, shack or other temporary building or Improvement may be placed on any portion of the Master Community either temporarily or permanently, without the prior written consent of the Design Review Committee. No garage, carport, trailer, camper, motor Residence, recreation vehicle or other vehicle may be used as a residence in the Master Community, either temporarily or permanently.

2.13 MASTER COMMON PROPERTY. Neighborhood Associations, Owners and all other Persons are prohibited from altering the Master Common Property without the prior written consent of the Board.

2.14 OWNER-INSTALLED IMPROVEMENTS. Neighborhood Associations, Owners and all other Persons are prohibited from altering the Master Common Property without the prior written consent of the Board.

2.14.1 Outdoors. No Person shall install any permanent outdoor Improvements on a Lot or Condominium if the Improvements are visible from other Lots or Condominiums, or from the streets or the Master Association Property, without the prior written approval of the Design Review Committee obtained in accordance with Article V and the Rules and Regulations and compliance with the Fuel Modification Plan. Examples of outdoor Improvements that require prior Design Review Committee approval include the following:

(a) Roof-mounted equipment, including heating, ventilation and air conditioning equipment, vents or ducts;

(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 stands, backboards attached to a Residence or any other Improvement on a Lot or Condominium, soccer goals, hockey goals, skate ramps or other such Improvements. However, portable athletic equipment (such as movable basketball stands, soccer goals, hockey goals and skate ramps) may be used in front yards or driveways or as otherwise authorized by the Board, but when not in use, they must be brought indoors or out of the view of other Lots, Condominiums and Master Association Property when not in use);

(e) Sunshades, awnings or patio covers, if visible from other Lots, Condominiums, Master Association Property, or public 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 Design Review Committee);

(h) Wiring shall not be exposed to the extent practical and if exposed shall be camouflaged by paint or other materials or hidden in or behind landscaping or structural elements such as eaves; and

(i) Side and rear yard landscaping and hardscape, including flatwork and fences or walls. No Improvements are permitted in front yards except in accordance with Section 9.1.1 of this Master Declaration.

The foregoing list is provided for guidance but it is not intended to be an exhaustive list. The Design Review 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 or Condominiums 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 Master Association, nor shall it apply to maintenance, repair, replacement or reconstruction of existing Improvements by Declarant or by the Master Association.

2.14.2 Installation of Side and Rear Yard Landscaping. If not installed by Declarant or Neighborhood Builder, the first Owner of each Lot or Condominium shall submit an application for installation of initial landscaping on the side and rear yards of the Lot or Condominium to the Design Review Committee within ninety (90) days of the Close of Escrow of such Lot or Condominium and shall complete construction of the initial landscaping on the side and rear yards in accordance with a plan approved by the Design Review Committee no later than six (6) months after the Close of Escrow; provided, however, a Neighborhood Declaration may provide for a shorter timeframe. Each Owner shall obtain all permits necessary and shall comply with all requirements of the County. The failure to timely complete the installation of landscaping under this Section is a violation of this Master Declaration, and the Owner may be subjected to penalties and other remedies available to the Master Association under Section 14.1.

(a) ***Drought Restrictions and Effects on Landscaping.*** If the State or local government places limitations on watering landscaping in the event of a government-declared drought, the Master Association shall comply with all laws and regulations concerning the enforcement of the landscape installation and maintenance provisions of this Master Declaration during the period of said drought and government intervention. However, after the drought declaration has been lifted or removed, the Master Association shall have the right to require Owners and residents to install, restore or replace sod, plants, trees or other landscaping improvements that are not in the condition required under this Master Declaration when a drought is not in effect; provided, however, that the Master Association shall at all times act in accordance with current laws or regulations impacting its enforcement rights.

2.14.3 Indoors. No Owner or other resident of the Master Community may apply paint, paper, foil, reflective film, or other reflective material to the glass portion of any window in the Residence. The Master Association also has the power in the Design Guidelines to authorize Owners to use temporary window coverings after the Close of Escrow pending installation of drapes, curtains, shutters or other appropriate interior window coverings for limited periods of time. This Section shall not be interpreted to prohibit the installation of blinds, shutters, curtains or other similar window coverings. Pending installation of permanent window coverings, Owners may cover windows with white sheets up to ninety (90) days after the Close of Escrow; provided, however, a Neighborhood Declaration may provide for a shorter timeframe.

2.14.4 **No Liability.** Neither the Declarant nor the Master 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.

2.15 DOWNSLOPE FENCE EASEMENTS AND COVENANTS.

2.15.1 **Downslope Easement.** Certain Lots in the Master Community ("**Benefitted Lots**") may be benefitted by an easement over a portion of an adjacent slope ("**Downslope Easement Area**") that will be depicted on an Exhibit to a Notice of Addition or Supplemental Master Declaration ("**Downslope Easement Exhibit**"). The slope will generally downward from the Benefitted Lot and will be or become Master Association Property (the "**Master Association Property Slope**"). The Master Association Property Slope will also be depicted on the applicable Downslope Easement Exhibit. There may be a low wall, mow strip or other Improvement constructed along the property line separating the Master Association Property Slope from the Benefitted Lot, which shall be owned and maintained by the Owner of the Benefitted Lot. An additional fence (the "**Downslope Fence**") may be installed on the Master Association Property Slope delineating the boundary of the Downslope Easement Area, which will be owned by the Master Association but maintained by the Owners of the Benefitted Lots in accordance with the restrictions imposed by this Section 2.15. The portion of the Master Association Property Slope enclosed by a Downslope Fence and assigned to a Benefitted Lot on a Downslope Easement Exhibit is referred to as the Downslope Easement Area for that particular Lot.

2.15.2 **Restrictions on Owners.** The following restrictions shall apply to the Owners and the Benefitted Lots:

(a) **No Improvements or Modifications to Master Association Property Slope or Downslope Fence without the Master Association Approval.** Except for the maintenance and replacement of landscaping, related irrigation and the Downslope Fence as outlined below, no Owner shall build, construct or install any Improvements of any kind whatsoever on the Master Association Property Slope. No Improvements or modifications of any kind, including landscaping, may be constructed, installed or planted by the Owners, or anyone acting under the Owners' direction and/or control, on or within the Master Association Property Slope and the Downslope Fence must not be replaced or modified unless either (i) the Improvement or modification is approved in writing by the Master Association through its Design Review Committee; or (ii) the Improvement is replaced with an identical Improvement, of an identical size, composed of identical materials in the same location as the original Improvement. Owners shall not interfere with or alter the drainage pattern over the Master Association Property Slope unless the modification is approved by the Design Review Committee. Owners shall not relocate the Downslope Fence from its original location unless approved by the Design Review Committee. A low wall or mow strip may be installed to show the Downslope Easement Area on each Benefitted Lot, or the Owner may be notified in a written description or depiction of the approximate location of where the Benefitted Lot ends and the Master Association Property Slope begins. If an Owner's work of Improvement requires removing or modifying any low wall or mow strip, the Owner must clearly identify such

modification on the architectural application submitted to the Design Review Committee and install a replacement Improvement along the property line. The failure of the Master Association to identify an instance where an Owner installs an Improvement that extends into the Master Association Property Slope shall not constitute the basis for an adverse possession, prescriptive easement or other easement or right that will allow the Improvement to remain on the Master Association Property Slope. All installations are subject to Design Review Committee review and regulation by the Design Guidelines. The Design Review Committee has the right to require Owners to retain the services of a surveyor to confirm that property boundaries have been maintained and the right to require that the Improvement be removed or modified, at the Owner's cost, if it extends beyond the property line into the Master Association Property Slope.

(b) **Maintenance.** Each Owner must maintain all landscaping (including shrubs and trees), irrigation, the Downslope Fence and other Improvements on or within the Downslope Easement Area assigned to the Owner's Benefitted Lot. Owners must maintain all landscaping in accordance with maintenance standards and approved plant palettes set forth in the Design Guidelines. The irrigation for each Downslope Easement Area is connected directly to each Benefitted Lot's water meter. Each Owner must ensure that the Downslope Easement Area connected to the Owner's Benefitted Lot's meter is watered regularly and properly, in accordance with guidelines established by the Master Association. Downslope Fences must be maintained by the Owners of the Benefitted Lots. The lateral sections of the Downslope Fence that separate one Downslope Easement Area from another are to be treated as a Party Wall described in this Master Declaration. Owners of such Party Walls must share in maintenance and replacement costs. If a Downslope Fence separates a Downslope Easement Area from other Master Association Property, the Owner of the Benefitted Lot to which the Downslope Easement Area is assigned must perform all maintenance for the Downslope Fence; the Master Association has no maintenance responsibility. The Downslope Easement Area must be maintained at the same level of care and appearance as surrounding Master Association Property. If the Master Association requests that an Owner perform maintenance, the Owner shall do so as soon as possible. The Master Association retains the right, but not the obligation, to enter the Downslope Easement Area to perform maintenance that an Owner fails to perform, the cost of which shall be assessed to the Owner. The Master Association retains the right to enter the Downslope Easement Area to perform additional maintenance as needed at reasonable times and upon reasonable notice. Owners shall cooperate with the Master Association and provide the Master Association access on dates and at times convenient to the Master Association that do not cause undue burden on the Owner.

(c) **No Use by Residents of Benefitted Lots.** Except for performing maintenance required by this Master Declaration or the applicable Notice of Addition or Supplemental Master Declaration, the Owners shall not use or access the Master Association Property Slope or permit any other Person or pet, domesticated or otherwise, to do so for any reason or purpose. Except for maintenance, all other activities on the Master Association Property Slope by the Benefitted Lot's Owner and residents, and guests and invitees of the Owner or residents are strictly prohibited. Prohibited activities include, but are not limited to: grading or ground disturbing activities, gardening, walking, playing, barbequing and all other recreational activities or other activities unrelated to maintenance of the Downslope Easement Area.

(d) **No Entry on Slope.** Owners and residents of the Benefitted Lot shall ensure that no pets or children enter the Master Association Property Slope at any time for any reason.

(e) **Replacement Fencing and Landscaping.** If the Downslope Fence, landscaping or any other Improvement, in the Downslope Easement Area must be repaired or replaced, the Owner must do so in accordance with guidelines established in the Design Guidelines and only after obtaining Design Review Committee approval. If an Owner is granted permission to replace the Downslope Fence, the Downslope Fence must be reinstalled in its original location. The Master Association has the right to require Owners to retain the services of a surveyor to confirm that the Downslope Fence has been reinstalled in its original location. The Master Association has the right to establish a list of approved plants for the Master Association Property Slope as a part of the Design Guidelines. All costs of complying with this requirement and any cost to move the Downslope Fence to its proper location shall be borne by the Owner.

2.15.3 **Grant of Easements to Owners.** Declarant and each Neighborhood Builder hereby reserve a nonexclusive easement to each Owner of a Benefitted Lot over the Master Association Property Slope for the Downslope Easement Area assigned to that Lot for access to and maintenance of landscape, irrigation and any Downslope Fence surrounding the Downslope Easement Area. This easement is appurtenant to each Benefitted Lot, as assigned and depicted on the Downslope Easement Exhibit.

2.15.4 **Owner's Responsibility.** Benefitted Lot Owners shall be liable and responsible to pay for any demand, judgment, order, award, settlement or other claim for damage or injury to person or property, made by the Master Association or any third party for any person injured or property damaged as a result of the acts or failures to act of the Owners, or an Owner's guest, invitee, employee, agent, contractor, subcontractor, family member or the like, in the Owner's Downslope Easement Area.

2.15.5 **Owner's Indemnity.** Each Benefitted Lot Owner shall indemnify and defend the Master Association, its officers, directors, agents, contractors and subcontractors against all third party claims for damage or injury to person or property occurring in the Downslope Easement Area assigned to the Owner's Benefitted Lot. This obligation extends to claims by any person injured or for property damaged as a result of the action or failure to act of the Owner, an Owner's guest, invitee, employee, agent, contractor, subcontractor, family member or other person. Each Benefitted Lot Owner waives all right to make a claim against the Master Association for any injury or damage to person or property occurring in the Downslope Easement Area assigned to that Owner's Benefitted Lot, unless such claim arises from the sole negligence or willful misconduct of the Master Association, its directors, officers, agents, contractors or subcontractors.

2.15.6 **No Guaranteed Views.** The lack of a perimeter fence, or a low wall on the rear property line separating the Benefitted Lot from Master Association Property does not create or guarantee the existence or continuation of any view from all or any portion of the Benefitted Lot. The absence of a fence or placement of a low wall and the placement of the Downslope Fence is intended to enhance the aesthetics of the Benefitted Lots by giving them a

feeling of openness rather than to provide Residents with any particular view. This Section 2.15 does not amend, modify or otherwise affect Section 2.21 of the Master Declaration, which remains in full force and effect. There are no guaranteed views in the Master Community. The Benefitted Lots are not assured at any time of the existence or unobstructed continuation of any particular view.

2.15.7 Additional Remedy for Owner Noncompliance. If the Owner of a Benefitted Lot repeatedly violates the provisions of this Section, fails or refuses to correct violations of this Section, damages or destroys the Master Association Property Slope, or fails to reimburse the Master Association for damage caused to the Master Association Property Slope by the Owner, or the Owner's guest, invitee, employee, agent, contractor, subcontractor, or family member within a reasonable time; then, in addition to the other remedies established in the Master Association Governing Documents, the Master Association may require installation of a fence on the property line separating the Benefitted Lot from the Master Association Property Slope, remove the Downslope Fence, and unilaterally terminate the Owner's easement over the Downslope Easement Area. These costs of the fence relocation may be assessed to the Owner. The Board may amend any Notice of Addition or Supplemental Master Declaration to delete or reinstate any Lot from the list of Benefitted Lots after the Master Association exercises its rights under this Section.

2.16 ANTENNA AND SATELLITE DISH RESTRICTIONS. No Person may install on the exterior of any Residence, balcony railings or in a yard any antenna or over-the-air receiving device, unless it meets the definition of an "Authorized Antenna" below and is installed in accordance with the restrictions below.

2.16.1 Definition. An Authorized Antenna is (a) an antenna designed to receive direct broadcast satellite service, including direct-to-Residence satellite service, that is one (1) meter or less in diameter, (b) an antenna designed to receive video programming service, including multichannel 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 Residence data networking equipment or other portable wireless data or telephony devices that do not otherwise constitute a nuisance device under the Master Association Governing Documents.

2.16.2 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, Condominium or Master Association Property, or poses a threat of damage to property or injury to Persons.

2.16.3 Preferred Installation Locations and Restrictions on Installation. Rooftops or fascia boards at the rear of the Lot (but not a Condominium) and rear yards and fenced side yards are the preferred installation location in the Master Community. The Design Review 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 and Condominiums. Such restrictions may designate one (1) or more preferred installation locations, or require camouflage such as paint (subject to the antenna manufacturer's recommendations), screening vegetation or other Improvements. Owners shall make reasonable efforts to hide antenna cables and other outdoor wiring from view of neighboring Lots, Condominiums and Master Association Property by installing it under eaves or camouflaging it with paint or other materials. However, no restriction imposed by the Design Review 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.

2.16.4 Prohibitions on Installation. The Design Review Committee may prohibit the installation of an Authorized Antenna in a particular location if, in the Design Review 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 Design Review Committee. The Design Review 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 Master Association Governing Documents. Further, the Design Review Committee 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 above.

2.16.5 Review after Installation. The Design Review Committee may review the location and installation of an Authorized Antenna after it is installed. After its review, the Design Review 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 2.16 and applicable law.

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

2.17 DRILLING. 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 upon the Master Community, nor are oil wells, tanks, tunnels or mineral excavations or shafts permitted upon the surface of any Lot or Condominium or within five hundred feet (500') below the surface of the Master 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 in the Master Community.

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

2.18.1 Established Drainage. Any alteration of the established drainage pattern must at all times comply with all applicable local governmental requirements. For the

purposes 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 or Condominium by Declarant, or as shown on any plan approved by the Design Review Committee. Established drainage includes drainage from Lot to Lot, Condominium to Condominium, and to and from property lying outside the Master Community.

2.18.2 Surface Drainage Improvements. The established drainage system on a Lot or Condominium may also include 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*").

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

2.18.4 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 or Condominium, except those for which the Master Association, a Neighborhood Association, or a public authority or utility are responsible. To ensure adequate drainage within the Master 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 or Condominium 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.

2.19 GRADING. The grading design in the Master Community should not be altered to redirect surface water flow toward the Lots or Condominiums 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. Cross-lot drainage is expressly prohibited unless approved by the Design Review Committee and designed by a California Licensed Civil Engineer of record.

2.20 WATER SUPPLY SYSTEMS. Individual water supply or water softener systems are prohibited on any Lot or in any Condominium unless such system is designed, located, constructed and equipped in accordance with the requirements, standards and recommendations of any applicable water district, the Design Review Committee, and all other applicable Local Governmental Agencies.

2.21 VIEW OBSTRUCTIONS. Each Owner acknowledges that any construction, landscaping (including the growth of landscaping) or other installation of Improvements by Declarant, any Neighborhood Builder, the Master Association, any Neighborhood Association or other Owners may impair the view from any Lot or Condominium and each Owner hereby

consents to such view impairment. Each Owner acknowledges that there are no guaranteed views in the Master Community, and no Lot or Condominium is assured the existence or unobstructed continuation of any particular view.

2.22 SOLAR ENERGY SYSTEMS. Subject to reasonable restrictions imposed by the Master Association in accordance with California 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 his Lot or Condominium to serve his domestic needs, so long as (a) the design and location of the solar energy system meet the requirements of all applicable governmental ordinances, and (b) the design and location receive the prior written approval of the Design Review Committee.

2.23 RESIDENTIAL STREET TREES AND PARKWAYS. No Owner may remove or alter any trees or other landscaping installed by Declarant or a Neighborhood Builder on a Lot or Condominium without the prior written consent of the Board and the Design Review Committee. The Master Association is responsible for trimming the street trees. Owners are required to irrigate the street trees and will not be permitted to disconnect or otherwise alter the irrigation serving the street trees without the prior written consent of the Board and the Design Review Committee. In addition, Owners are required to irrigate and maintain the ground cover in the parkways located adjacent to such Owners' Lot.

2.24 POST TENSION CONCRETE SLABS. Concrete slabs for Residences constructed in the Master 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 the 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 the Declarant, Neighborhood Builders and all of their affiliated entities, officers, directors, agents and assigns 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.

2.25 STORMWATER POLLUTANT CONTROL. The Master Community is subject to stormwater pollutant control requirements under the federal Clean Water Act, California's Porter-Cologne Water Quality Control Act, and local regulations that may be adopted from time to time. In addition to applicable law and regulations, and the requirements of this Section 2.25, the Master Association, any Neighborhood Association and all Owners shall comply with the best management practices ("*BMPs*") for the handling and discharge of runoff from the Master Community into storm drains and waterways set forth or described in *Exhibit STP*, as may be amended. *BMPs* govern activities in the Master Community before, during, and after construction. Examples of *BMPs* include: (a) prevent non-stormwater discharges to surface and groundwater receiving waters; (b) reduce or eliminate pollutant discharges from Master Community; (c) treat water from pools, car washing areas (if any) and other sources of contamination through the sanitary sewer system where possible; (d) provide

measures to protect groundwater contamination from infiltration-based BMPs; and (e) provide funding mechanisms or other binding assurances for the ongoing operation and maintenance of instituted BMPs. Car washing is prohibited in the Master Community except where may be specifically permitted by the Master Association, if at all. The Master Association and any Neighborhood Association shall be responsible for enforcing compliance with all required BMPs. The Master Association shall insure that all stormdrain inlets it is responsible for maintaining shall be labeled with "No Dumping, Drains to Bay" language. Declarant shall provide to all new Owners who purchase a Lot or Condominium from Declarant or a Neighborhood Builder with educational materials on watershed science and water quality in their welcome packet. The Master Association shall be required to distribute copies of the same educational materials to new homeowners who purchase their Lot or Condominium from someone other than Declarant or a Neighborhood Builder. The Master Association shall also ensure that the approved Water Quality Management Plan is available for all Owners and occupants of any Residence.

2.26 RIGHTS OF DISABLED. Subject to the provisions of Article V hereof, each Owner may modify his Residence and the route leading to the front door of his Residence, at his sole expense, in order 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.

ARTICLE III DISCLOSURES

Because much of the information included in this Article (a) was obtained from other sources (e.g., governmental and other public agencies and public records) and (b) is subject to change for reasons beyond the control of Declarant, Neighborhood Builders and the Master Association, the Declarant, Neighborhood Builders and the Master Association do not guarantee the accuracy or completeness of any of the information in this Article. Further, Declarant, Neighborhood Builders and the Master Association are not obligated to advise any Person of any changes affecting the disclosures in this Article. Persons should make their own inquiries or investigations to determine the current status of the matters addressed in this Article III.

3.1 NO REPRESENTATIONS OR WARRANTIES. No representations or warranties, express or implied, have been given by Declarant, Neighborhood Builders, the Master Association or their agents in connection with the Master 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 Master Community as a planned development, except as expressly provided in this Master Declaration, as submitted by Declarant or Neighborhood Builders to the CalBRE, or as provided by Declarant or Neighborhood Builder to the first Owner of each Lot or Condominium.

3.2 NATURE OF THE MASTER COMMUNITY. The Master Community is a planned development community consisting of multiple planning areas. According to the Master Community approvals, the real property will be composed of many housing types, including single family residences, condominiums and apartments. All of these residential properties are planned to be encumbered by the Master Declaration and managed by the Master Association.

The Declarant, in its discretion, will determine which properties are annexed to the real property encumbered by the Master Declaration and which properties are developed separately. The Master Association is formed to manage the Master Community within its jurisdiction and maintain Master Common Property. If developed as planned, completion of the Master Community will take many years. Buyer preferences, economic conditions and government approvals can change. Accordingly, Declarant cannot guarantee that the Master Community will be completed in the form originally approved or in accordance with any interim modifications of the original planning concept. Declarant gives no assurance that any area presently planned for a particular housing type will actually be developed with that housing type or in accordance with any planned time schedule. Declarant has the right to build different housing types within the restrictions imposed by local ordinances.

The form, nature and extent of all future development of both private and public facilities within the Master Community is subject to regulation by all applicable government agencies, which may or may not exercise their authority in accordance with the desires of Declarant and which are, in any case, not within the control of the Declarant. Accordingly, all plans, models, displays and other materials are illustrative only and do not constitute a representation on the part of Declarant that any particular Improvements will, in fact, be built or, if built, that such Improvements will be of the type and in the location shown in any plans, models, displays and other materials.

Declarant only intends to sell property to Neighborhood Builders and buyers who support the overall development plan for the Master Community and understand Declarant's right to make changes to the original development plan. Owners understand that Declarant has relied on their representation to Declarant that they support the overall development plan and agree that Declarant has a unilateral right to make changes to the original development plan. Owners agree, by acceptance of a deed to a Lot or Condominium, that they consent to future development within the Master Community and that they will support (or at least not oppose) future applications for government approvals or future development of the Master Community that are consistent with the original development plan, as it may be amended by Declarant from time to time.

3.3 ACCESS FACILITIES. Vehicular and pedestrian access into the Master Community may be controlled by entry gates located at the private street entrances into the Master Community. There may also be controlled access pedestrian gates in the Master 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 Master 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. After completion of the Master Community, owners and residents of property outside of the Master Community will continue to have the right to use the vehicular and pedestrian access gates to travel between public streets and their property pursuant to Recorded easement agreements as more fully described in Section 3.7 below.

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

3.5 **MASTER ASSOCIATION BUDGETS.** Initial Master Association budgets are prepared by an independent professional and are based on information available at the time of preparation. They have been or will be reviewed by the CalBRE prior to commencement of Common Assessments in the Master Community. Budgets will change from time to time due to changing maintenance requirements, increases in utility costs, geographic impacts that are not anticipated when the budgets were prepared, the demand by Owners for different, higher, or enhanced services or standards of maintenance and/or unforeseen or unanticipated circumstances. In addition, actual maintenance costs may vary from the costs allocated in the CalBRE-reviewed Budget; therefore, there is no representation that the initial budgets reflect actual costs of operating the Master Association.

3.6 **SUPPLEMENTAL REAL PROPERTY TAXES.** The County Assessor has the authority to reassess new Residences after the Close of Escrow based on the difference between its appraised value and the Residence's unimproved value for the period after escrow closes. The Assessor will issue a supplemental tax bill to Owners for the difference in the taxes due based upon the reassessment. The Declarant and Neighborhood Builders have no control over the valuation, timing or the amount of the supplemental bill resulting from the reassessment. Owner is solely responsible for the payment of the supplemental tax bill.

The following notice is given pursuant to Section 1102.6c of the California Civil Code:

“California property tax law requires the Assessor to revalue real property at the time the ownership of the property changes. Because of this law, you may receive one or two supplemental tax bills, depending on when your loan closes. The supplemental tax bills are not mailed to your lender. If you have arranged for your property tax payments to be paid through an impound account, the supplemental tax bills will not be paid by your lender. It is your responsibility to pay these supplemental bills directly to the Tax Collector. If you have any question concerning this matter, please call your local Tax Collector’s Office.”

Neither Declarant nor Neighborhood Builders, nor any of their authorized agents, representatives, employees or sales people have made any representations or warranties regarding supplemental real property taxes.

3.7 **ACCESS RIGHTS OF NON-OWNERS.** Portions of the Master Community have provided access to owners and residents of property located outside of the Master Community (“*Benefited Properties*”) for many years. As a condition of approval for the Master

Community, the Declarant and Master Association are required to allow the owners and residents of the Benefited Properties to use the Private Streets in the Master Community to reach Temescal Canyon Road. In addition, the Master Association will be required to maintain access gates that allow the owners and residents of the Benefited Properties to travel between the Benefited Properties and the Master Community. Owners and residents of the Master Community will be prohibited from using these access gates and from using the private roads located inside and outside of the Master Community that solely benefit some or all of the Benefited Properties.

3.7.1 **Further Subdivision.** The Non-Owner Access Rights are subject to the rights of owners of the Benefited Properties to further subdivide the Benefited Properties. Such subdivision may result in increased use of the Private Streets in the Master Community by owners and residents of the new lots created by the subdivision of the Benefited Properties. In addition, the Master Association will be required to maintain certain access gates and private roads that allow the owners and residents of the Benefited Properties to travel between the Benefited Properties and Temescal Canyon Road through the Master Community. Some access gates and private roads are intended to solely benefit the Benefited Properties. Owners and residents of the Master Community will be prohibited from using the access gates and from using the private roads located both inside and outside of the Master Community that solely benefit some or all of the Benefited Properties.

3.7.2 **Master Association Property and Amenities Use by Non-Owners.** Certain owners and residents of the Benefited Properties have the right to use the Master Association Property and amenities constructed thereon (e.g., clubhouse, pools, parks) consistent with the use rights of the Owners but without the obligation to contribute to the costs of maintaining the Master Association Property and amenities. Such use rights may be conveyed by the owners of the Benefited Properties to their successors and assigns, which may result in the increased use by additional persons of the Master Association Property and amenities constructed thereon.

3.7.3 **Spanish Hills Residents.** The residents of the Spanish Hills development on the northern border of the Master Community have emergency access rights through the Master Community. A call box will be installed at the access gate that will serve the Spanish Hills development to permit access in the event of an emergency. The Master Association will be required to maintain the access gate and call box for the benefit of the Spanish Hills development as part of the conditions of approval for the Master Community.

3.7.4 **Other Access Rights.** The Federal Bureau of Land Management, the State of California, local and regional public agencies and conservation entities will have the right to use the access gates and Private Streets within the Master Community without the obligation to contribute to the costs of maintaining the access gates and Private Streets.

3.8 **RECREATION CENTER & CELLULAR PHONE TOWER.** Declarant will construct or cause to be constructed one or more recreation centers in the Master Community. As currently planned, Declarant will use a portion of the recreation center for a sales office. If Declarant transfers ownership of the recreation center to the Master Association before the completion of sales from that office, Declarant will enter into an agreement with the Master Association concerning the use of such space for a limited period of time. In addition, Declarant

intends to lease space within the area of the recreation center to a cellular phone company who would use the space to install a cellular phone tower. Declarant will receive the fees generated by such lease until such time as the Declarant assigns the rights for receipt of payment to the Master Association.

Owners and residents should be aware that there is ongoing research on the possible adverse health effects associated with the electromagnetic radiofrequency energy fields and forms of non-ionizing radiation, which are generated by cellular phone towers. It is generally agreed by the scientific community and governmental agencies that further research is needed to determine what effects actually occur and whether they are dangerous to people. In the meantime, standard-setting organizations and government agencies, including the U.S. Food and Drug Administration (“*FDA*”) and the Federal Communications Commission (“*FCC*”) are continuing to monitor the latest scientific findings to determine whether changes in safety limits are needed to protect human health. For further information regarding the potential health effects associated with living near cellular phone towers, Owners and residents should contact the FCC Consumer Center at 1-888-225-5322 or visit the FCC’s website at fcc.gov; and the FDA at 1-888-463-6332 or visit the FDA’s website at fda.gov.

3.9 EMERGENCY ACCESS ROADS. The Master Community will include one or more emergency access roads and may be located adjacent to one or more emergency access roads. Owners and residents in the vicinity of these emergency access roads may experience noise from sirens and emergency personnel traffic and other impacts from the use of the emergency access road. By acceptance of a deed to a Lot or Condominium, each Owner acknowledges and accepts that Declarant, Neighborhood Builders, and the Master Association have no control over the use of emergency access road or the impact on Owners and residents.

3.10 COUNTY MAINTENANCE OF CERTAIN ROADS AND STREETS. It is anticipated that the County will maintain the public bridges that act as entrance roads for the Master Community to the boundaries of the access gates. The County has the right to close off all or a portion of a bridge for maintenance and repair purposes. Owners may be inconvenienced by the County’s maintenance activities. The County has the right to contract with a third party to perform this maintenance.

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

3.11.1 Community Facilities District No. 4 (Terramor) of the Temescal Valley Water District. Community Facilities District No. 4 is a Mello-Roos Community Facilities District formed to provide water quality maintenance services. Mello-Roos Community Facilities Districts are created by Local Government Agencies to finance public improvements and services when no other source of funds is available. Once formed and approved, the district will levy a special tax lien against each Lot and Condominium in the district’s boundaries. District charges will appear on each Owner’s property tax bill. Such districts also have the power to sell municipal bonds to raise additional funds if they are necessary to build the public improvements or fund the services. Such districts have rights to accelerated foreclosure if assessments are delinquent for more than a specified amount of time.

The amount of the special tax and any other information pertaining to any such district can be obtained from the County Assessor's office.

3.11.2 **County Service Area No. 134.** The Master Community is located within the boundaries of County Service Area 134 ("**CSA 134**"). CSA 134 was formed by the County of Riverside to maintain street lighting, maintain parks and certain landscaping. The special taxes levied under CSA 134 constitute a lien on Lots and Condominiums located within CSA 134, 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.

3.11.3 **County Service Area No. 152.** The Master Community lies within the boundaries of the County of Riverside's County Service Area No. 152 ("**CSA 152**"). CSA 152 will levy a special assessment against each Lot and Condominium in the district's boundaries. CSA 152 charges will appear on each Owner's property tax bill. The amount of the special assessment and any other information pertaining to CSA 152 can be obtained from the County Assessor's office.

3.11.4 **County Service Area No. 152B.** The Master Community lies within the boundaries of the County of Riverside's County Service Area No. 152B ("**CSA 152B**"). CSA 152B will levy a special assessment against each Lot and Condominium in the district's boundaries. CSA 152B charges will appear on each Owner's property tax bill. The amount of the special assessment and any other information pertaining to CSA 152B can be obtained from the County Assessor's office.

3.11.5 **Landscape and Lighting Maintenance District 89-1.** The Master Community lies within the boundaries of the County of Riverside's Landscape and Lighting District No. 89-1 ("**LLMD**"). The LLMD will maintain catch basins and filters within the Master Community and other areas that are part of the LLMD. The LLMD will levy a special assessment against each Lot and Condominium in the district's boundaries. The LLMD charges will appear on each Owner's property tax bill. The amount of the special assessment and any other information pertaining to the LLMD can be obtained from the County Assessor's office.

3.11.6 **Other Districts.** This Section is not intended to be an exhaustive list of districts that presently affect the Master Community. The Master 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.

3.12 **AGE-RESTRICTED NEIGHBORHOODS.** Multiple Neighborhoods in the Master Community may be developed and operated as a "senior citizen housing development" as defined in Section 51.11 of the California Civil Code, and as "housing for older persons," in accordance with the requirements of the federal Fair Housing Amendments Act of 1988 (Title 42 U.S.C. Section 3601, *et seq.*), and the exemptions provided under Title 42 U.S.C. Section 3601(b)(2) and the Fair Employment and Housing Act at California Government Code Section 12900, *et seq.*, all as amended. In the event a Neighborhood in the Master Community is developed and operated as a "senior citizen housing development" (an "**Age-Restricted**

Neighborhood”), such Age-Restricted Neighborhood shall be classified in a Supplemental Master Declaration as an Age-Restricted Special Benefit Area and shall be subject to the provisions set forth in Article XIX of this Master Declaration.

By accepting a deed to a Lot or Condominium in the Master Community, each Owner acknowledges that one (1) or more Age-Restricted Neighborhoods may exist in the Master Community and any Owners purchasing a Lot or Condominium in an Age-Restricted Neighborhood must comply with the requirements of Article XIX of this Master Declaration. However, over time, there is no guarantee that the age and occupancy restrictions in this Master Declaration will remain in effect as presently written. The age and occupancy restrictions may change as a result of state or federal legislative or court action, or they may be terminated by action of a state or federal agency or court if the Master Association fails to provide proper enforcement of the restrictions. Therefore Declarant makes no assurances that applicable law or regulations, or the age and occupancy restrictions set forth in this Master Declaration, will remain unchanged throughout the life of the Master Community.

3.13 SOIL CONDITIONS. For in-depth information regarding the geotechnical aspects of the Master Community, Owners should review the soils reports for the Master Community (the “*Soils Report*”). A copy of the Soils Report is available for viewing at the County’s Community Development Department. Owners should consider the following information and recommendations before making or modifying any Improvements:

3.13.1 Expansive Soil. The soil in the Master 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.

3.13.2 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 slab. 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.

3.13.3 Oversized Rock Materials. A “rock hold-down zone” may be located beneath some Lots and Condominiums, meaning that Owners are likely to encounter oversized rocks (i.e., rocks greater than eight (8) inches) below three (3) feet. Owners should take the rock hold-down zone into consideration and special construction equipment and methods may be required when making excavations to accommodate swimming pools, spas, and other Improvements. Owners should contact the County to obtain a copy of the final compaction report for details concerning rock materials that affect such Owner’s Lot or Condominium prior to performing any work within a rock hold-down zone.

3.13.4 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 gutters should be carefully designed and installed with professional assistance and then maintained in an unobstructed condition. Drainage devices installed by Declarant or Neighborhood Builders designed to serve more than one (1) Lot or Condominium or the Master 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 shall 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 or Neighborhood Builders.

3.13.5 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.

3.13.6 Fill Soil. Some or all Residences in the Master Community are constructed on fill soil in accordance with the recommendations and inspection of licensed civil and soils engineers. Buildings constructed on fill soil will demonstrate some post-placement settlement. A soils report certifying the compaction of fill soil is available for review at the County.

3.13.7 Slope Area. If an Owner's Lot or Condominium includes a slope, the Owner will be required to maintain the slope at the Owner's expense, unless the slope is designated for maintenance by the Master Association or a Neighborhood Association. If the Master Association or a Neighborhood Association will maintain a landscaped slope, an Owner must not interfere with or modify any portion of the slope including, but not limited to, the construction of any structure. If an Owner's Lot or Condominium is adjacent to or near the bottom of a slope, or if drainage otherwise flows onto an Owner's Lot or Condominium, then an Owner shall accept that drainage on the Owner's Lot or Condominium and the Owner shall not obstruct the flow of that drainage or divert it away from the Owner's Lot or Condominium or otherwise alter the flow of that drainage in any manner that will have any effect on an Owner's neighbor.

3.13.8 Interior Gases and Other Contaminants. The aging process of soil and natural soil elements, as well as the aging of man-made building materials, may create

unwanted and undesired gases and other contaminants in Residences, both new and previously occupied. In addition, a lower rate of air exchange between outdoor and indoor environments has resulted from modern construction techniques, which comply with energy conservation requirements enacted by the State of California. A lower air exchange rate can result in the build-up of unwanted gases and other contaminants in varying degrees. As the quality of the air we breathe can affect our health, Owners should frequently air out their Residence by opening the windows.

3.13.9 Corrosive Soil. Soils in the Master Community may be corrosive. Corrosive soil may corrode buried metal Improvements. Owners should advise their consultants that below-ground Improvements must be constructed of materials that are compatible with corrosive soils.

3.13.10 Homeowners Maintenance Guidelines. Homeowners Maintenance Guidelines are attached as *Exhibit "HMG"* which include information regarding drainage, expansive soils, landscaping, irrigation, sulfate exposure, and slope maintenance. Owners are required to maintain their Lot or Condominium in accordance with these Homeowners Maintenance Guidelines.

3.14 EXTERIOR LIGHTING. The Master Community is subject to restrictions for the benefit of Mount Palomar Observatory, which are set forth in "County Ordinance No. 655, an Ordinance of the County of Riverside Regulating Light Pollution" ("**Ordinance 655**"). All exterior lighting systems and fixtures in the Master Community must comply with the restrictions in Ordinance 655 applicable to Zone B. General requirements of Ordinance 655 include the designation of low-pressure sodium lamps as a preferred illuminating source, shielding of lighting to minimize light spill into the night sky and onto adjacent properties, prohibiting certain light sources entirely, and limiting the hours of operation for all nonexempt light sources. A copy of Ordinance 655 is available on the County website: <http://www.co.riverside.ca.us/depts/brdofsup/ords/655.htm>.

3.15 NATURAL HAZARD ZONES. According to the Natural Hazard Disclosure Statement dated as of September 30, 2014 and prepared by Disclosure Source (the "**Natural Hazard Disclosure Statement**"), the Master Community is affected by the following natural hazard zones:

3.15.1 Earthquakes. California is subject to a wide range of seismic activity. California has many known earthquake fault zones as well as yet undiscovered earthquake fault zones. Declarant has been advised that the Master Community is not located within an Earthquake Fault Zone as defined by California Public Resources Code Section 2621.9; however, according to the Soils Report, the active Elsinore Fault is located approximately two (2) miles west of the Master Community and the active San Jacinto Fault is located approximately twenty (20) miles east of the Master Community. The Glen Ivy segment of the Elsinore Fault Zone is estimated to be capable of a 6.8 Maximum Moment Magnitude earthquake and segments of the San Jacinto Fault Zone are estimated to be capable of 6.9 Maximum Moment Magnitude earthquakes. Declarant and Neighborhood Builders make no representations or warranties as to the degree of earthquake risk within the Master Community. Owners must evaluate the potential for future seismic activity that might seriously damage

Owners' Lot or Condominium. A major earthquake, which some have predicted will occur in our lifetimes, could cause very serious damage to Residences 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. Owners should read "The Homeowner's Guide to Earthquake Safety" prepared by the State of California and consult with the County, other public agencies, and appropriate experts to evaluate the potential risk.

3.15.2 Seismic Hazard Zones. 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, the State of California has not yet produced any seismic hazard zone maps for the Master Community. When such maps are released, they will be available for inspection at the offices of the County. According to the Soils Report, all or a portion of the Master Community has been classified by the County as having high susceptibility to liquefaction and the access roads to Temescal Canyon Road, including two (2) proposed bridges and Improvements to Temescal Canyon may be subject to liquefaction owing to saturated alluvium. Further, there is moderate potential for liquefaction in Temescal Canyon Wash. Declarant makes no representations or warranties as to whether the Master Community is in a Seismic Hazard Zone, or whether seismic activity poses any elevated degree of risk to the Master 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."

3.15.3 Special Flood Hazard Area. The Federal Emergency Management Agency ("**FEMA**") is required by federal law to compile "Flood Insurance Rate Maps" identifying areas of potential flooding, known as Special Flood Hazard Areas. If a property is located in a Special Flood Hazard Area ("**SFHA**"), the cost and availability of flood insurance may be affected. Property located in a SFHA is subject to a one percent (1%) or greater chance of complete or partial flooding in any given year. FEMA defines this type of flood as the "base flood" which is more commonly known as a "100-year flood." A 100-year flood has a 26% chance of occurring during any thirty (30) year period. If a property is located in a Special Flood Hazard Area, the cost and availability of flood insurance may be affected. According to the Natural Hazard Disclosure Statement, a portion of the Master Community is located in a Special Flood Hazard Area, designated as Zone A or Zone V on maps issued by FEMA, which designations indicate a flood plain. Flood maps are updated periodically, and Declarant makes no representations, guarantees or warranties concerning any future flood zone determinations. Declarant is informed that the Special Flood Hazard Areas only impact the Master Association Property and that FEMA is considering issuing a Letter of Map Revision for the Master Community. No residential Lots or Condominiums are planned to be constructed within a Special Flood Hazard Area. A Letter of Map Revision advises when FEMA intends to revise its flood insurance rate map. If issued, FEMA may remove the Master Community from its Special Flood Hazard Area designation. FEMA maps are updated and revised periodically, but Declarant makes no representations, guarantees or warranties as to when the Letter of Map Revision will be issued, or when, if ever, the FEMA maps will be updated. Owners are advised

that real property may sustain flood damage even if FEMA states that the property lies outside a designated Special Flood Hazard Area.

3.15.4 Dam Inundation Area. According to the Natural Hazard Disclosure Statement, a portion of the Master Community is located within Dam Inundation Zone (or an Area of Potential Flooding) pursuant to applicable maps due to the Corona Lake Dam. Declarant is informed that the Dam Inundation Area only affects Master Association Property in the Master Community. The Office of Emergency Services is required to designate areas within which personal injury or death would, in its determination, result from the partial or total failure of any dam. These areas of potential flooding, as defined in the California Emergency Services Act (California Government Code Section 8984.4, *et seq.*), are shown on maps released by the Office of Emergency Services, copies of which are also on file with the County. These maps are updated periodically, and Declarant makes no representations, guarantees or warranties with respect to any future dam inundation zone determinations. Please contact the Office of Emergency Services for further information concerning Areas of Potential Flooding.

3.15.5 State Fire Responsibility Area. State Fire Responsibility Areas are usually wildland areas that may contain substantial risk of forest fire and hazards. All or a portion of the Master Community is located within a State Fire Responsibility Area and Supplemental Fire Hazard Zone. Due to dry conditions and high winds, the vegetation in the wildlands may ignite due to natural or manmade causes, resulting in a wildland fire that may be dangerous to persons or property in the area. Government regulations may impose restrictions and requirements on building that could substantially limit or otherwise impact the Owner's right to construct and remodel improvements pursuant to Section 4125 of the Public Resources Code. An Owner's Lot is subject to the maintenance requirements of Section 4291 of the Public Resources Code. It is not the state's responsibility to provide fire protection services to any building or structure located within the State Responsibility Area, unless the Department of Forestry and Fire Protection has entered into a cooperative agreement with a local agency for those purposes pursuant to Section 4142 of the Public Resources Code. These maps are updated periodically, and Declarant makes no representations, guarantees or warranties with respect to any future State Fire Responsibility Area determinations.

3.16 SPECIAL BENEFIT AREA. Certain Residences in the Master Community may be part of a Special Benefit Area, the Owners of which are either responsible for the costs associated with the Master Association maintaining specified Improvements on the Master Common Property, or they are entitled to receive specified services provided by the Master Association. A Special Benefit Area Assessment Component shall be assessed by the Master Association uniformly and equally only against Owners who fall within the respective Special Benefit Area.

3.17 PROPOSED PARKS. Several parks are planned to be constructed within and adjacent to the Master Community. If constructed as planned, the parks are expected to include a variety of passive and active uses, with some parks including sports facilities and one or more parks including a recreation center. There is no guarantee that any of these facilities will be included in the parks. Residents in the vicinity of the parks may experience noise, traffic and parking congestion and other impacts from normal use of the parks and maintenance activities.

3.18 PUBLIC PARK AND PUBLIC PARKING LOT. Declarant plans to construct a public park and public parking lot to be located adjacent to the Master Community on the southwest at the intersection of Temescal Canyon Road and Temescal Hills Drive that has been or will be dedicated to the County. The facilities in this public park may include multi-use sports fields, restrooms or other popular park facilities. There is no guarantee that any of these facilities will be included in the public park. Residents may experience noise, traffic and parking congestion, light spillage, glare and other impacts from the activities occurring at the public park, including sports events, and may be inconvenienced by these impacts. Owners are advised that neither Declarant, Neighborhood Builders, nor the Master Association have any control over the public park or public parking lot after the completion of the construction thereof.

3.19 SURROUNDING USES. The Master 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 Master Community include the items listed below.

North of the Neighborhood: Existing Residential; Open Space

South of the Neighborhood: Temescal Canyon Road; Interstate 15 Freeway; Existing Residential; Fire Station; Commercial Center.

East of the Neighborhood: Existing Residential; Open Space

West of the Neighborhood: Existing Residential; Open Space

Existing and proposed uses in surrounding areas may change without notice. Neither Declarant, Neighborhood Builders nor the Master Association have any control over uses of property lying outside the Master Community. Owners are advised to contact applicable Local Governmental Agencies for updated information concerning the development plan for the surrounding community.

3.20 RIGHT TO FARM DISCLOSURE. According to the Natural Hazard Disclosure Statement referenced above, the Master Community is located within one mile of a farm or ranch land. California Civil Code Section 1103.4 requires notice if a property is presently located within one mile of a parcel of real property designated as "Prime Farmland," "Farmland of Statewide Importance," "Unique Farmland," "Farmland of Local Importance," or "Grazing Land" on the most current county-level GIS "Important Farmland Map" issued by the California Department of Conservation, Division of Land Resource Protection, and if so, accompanied by the following notice:

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.

3.21 GAS AND HAZARDOUS LIQUID TRANSMISSION PIPELINES. 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 Master Community, 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.

Declarant, Neighborhood Builders and the Master Association make no representations or warranties and provide no guarantee whatsoever concerning whether any information contained on the NPMS website is accurate or complete.

3.22 MAJOR HIGHWAYS AND THOROUGHFARES. Major highways and thoroughfares are located within the vicinity of the Master Community, which include, among others, the Interstate 15 Freeway, Temescal Canyon Road, Mayhew Road and Campbell Ranch Road. There are also other arterial and regional roads in the vicinity of the Master Community. Temescal Canyon Road is used by many truckers, adding to the heavy traffic near the Master Community. These highways and thoroughfares are subject to construction for repair, restoration, widening and other purposes. Owners and other residents can expect to experience noise, vibration, dust and traffic congestion in the vicinity of these construction projects. Road and highway construction may also temporarily interrupt or otherwise adversely affect public and private utilities (water, electrical, cable television, sewers, storm drain, etc.) within the Master Community and/or servicing the Lots and Condominiums. Owners are required to exercise extreme caution, to observe all signs while driving through construction areas, and to observe the temporary closure of streets and rerouting of traffic. Declarant has no control over the use, maintenance or care of these highways and thoroughfares. Owners may experience

noise, dust and traffic within and in the vicinity of the Master Community based on the public's use of some of these highways and thoroughfares.

3.23 **GLEN EDEN SUN CLUB.** The Master 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.

3.24 **COMMERCIAL/INDUSTRIAL ZONE DISCLOSURE.** According to the Natural Hazard Disclosure Statement described above, the Master 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.

3.25 **MEGAN'S LAW NOTICE.** The following notice is given pursuant to Section 2079.10a of the California Civil Code:

"Pursuant to Section 290.46 of the Penal Code, information about specified registered sex offenders is made available to the public via an Internet Web site maintained by the Department of Justice at www.meganslaw.ca.gov. Depending on an offender's criminal history, this information will include either the address at which the offender resides or the community of residence and ZIP Code in which he or she resides."

Declarant makes no representations, warranties or guarantees regarding the presence or absence of registered sex offenders within the Master Community or in the surrounding area. Declarant has no obligation or duty to investigate existing residents or buyers to determine whether they are sex offenders. Owners are solely responsible for making their own investigation.

3.26 **ELECTRIC POWER LINES.** 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 Master Community. The Power Lines within and in the vicinity of the Master Community produce electric and magnetic fields ("**EMF**"). Antennas and other equipment for wireless telecommunications (for example, cell towers and cellular phones) may also be located in or in the vicinity of the Master 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.

There are currently plans to install one or more cell towers in the Master Community or within the immediate vicinity of the Master Community. A cell tower is currently planned to be placed on the roof of a recreation building on the Master Association Property, which may be leased to cellular providers and may also include a community-wide wireless access point. Buyers should consider this disclosure when deciding whether to purchase a Lot or Condominium within the Master Community and Owners should notify renters or other residents of this information.

Additional information about EMF and RF is available from the following agencies:

3.26.1 the World Health Organization's International EMF Project website at http://www.who.int/topics/electromagnetic_fields/en/;

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

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

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

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

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

This list is not meant to be all inclusive.

3.27 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 or Condominium. 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 Master Community is in accordance with easements created prior to or during the development of the Master Community. Each Owner, by accepting a deed to a Lot or Condominium in the Master Community, understands that each Lot and Condominium and portions of the Master Common Property are subject to one or more such easements for placement of utility Improvements and that the height

and number of such utility Improvements may increase without notice to any Owner. No Owner may modify, remove or otherwise interfere with utility Improvements on any Lot or Condominium or other portion of the Master Community. Declarant, the Master Association and Neighborhood Builders have no control over the exercise of the utility easements or the construction of any utility facilities by the holders of utility easements.

3.28 RECLAIMED WATER. In its efforts to conserve water, the County or local water district ("*Water District*") may require 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 and Neighborhood Builders have installed in parts of the Master 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 Master Community. There is no fixed date for the commencement of reclaimed water service, but all Persons in the Master 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, Neighborhood Builders, the Master 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.

3.29 WATER QUALITY BASINS, ARCHED CULVERT AND OTHER WATER HAZARDS. Water quality basins, arched culverts and other water quality features ("*Water Quality System*") in the Master Community are a part of the storm drain system and water quality management plan for the Master Community. The arched culvert has a fence on one side and a pedestrian walking path on the other side. If the arched culvert becomes filled with water, the water could cover the pedestrian walking path and become dangerous for anyone on the path. All persons are advised not to use the pedestrian walking path during a rainstorm or flash flooding event. Due to the nature of the Water Quality System, environmental monitoring and reporting may become necessary in conjunction with the maintenance thereof. Such monitoring and reporting as well as the regular maintenance of the Water Quality System may result in increased costs to Owners through their property tax bill or assessments paid to the Master Association. It is currently intended that CFD No. 4 will maintain the Water Quality System located outside of the access gates to the Master Community and the Master Association will maintain the Water Quality System located within the access gates to the Master Community; however, the Master Association shall be obligated to accept maintenance of all portions of the Water Quality System if CFD No. 4 ever transfers its maintenance obligations to the Master Association. CFD No. 4 representatives may access the Master Community for purposes of inspecting the Water Quality System located within the access gates to the Master Community and the Master Association's maintenance thereof. CFD No. 4 has the right to contract with a

third party to perform the maintenance of the Water Quality System it is responsible for performing. Owners and residents understand that during periods of heavy rain, water and debris will accumulate in the Water Quality System and in the Temescal Wash located within and adjacent to the Master Community. Other water hazards are located in the Master Community including floodways and drain inlets. Owners and other residents are advised to keep children and animals away from the Water Quality System, the Temescal Wash and other water hazards at all times.

3.30 WATER TANKS. Water tanks may be constructed within the Master Community. It is currently anticipated that there will be a 2.1 million gallon potable water tank and a 1 million gallon non-potable water tank constructed in the Master Community. Additional water tanks may be constructed as well. The Temescal Valley Water District's maintenance activities may include sandblasting and re-coating the interior of the water tanks, as well as draining the water tanks from time to time. The maintenance and operation of the water tanks may cause noise, odor and other inconveniences that may be disruptive to residents in the vicinity of the water tanks. In addition, Owners understand and agree, by acceptance of a deed to a Lot or Condominium, that water tanks constructed in the Master Community (before or after such Owner purchases such Lot or Condominium) may be visible from, and may impact any views that an Owner may have from such Owner's Lot or Condominium.

3.31 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 Owner's 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 Owner's Residence on a continual basis for excessive moisture, water and mold accumulation. For additional information regarding mold, please refer to the following websites: California Department of Health Services – <http://www.dhs.ca.gov>; Centers for Disease Control and Prevention – <http://www.cdc.gov/nceh>; U.S. Environmental Protection Agency – <http://www.epa.gov>.

3.32 RADON. Radon is a colorless, odorless radioactive gas that is produced by the natural decay of uranium, which is found in nearly all soils. Because radon is a gas, it can seep from the ground into the air in a house through openings in the ground, and its presence increases the risk of lung cancer. The U.S. Environmental Protection Agency (the "EPA") and U.S. Geological Survey have produced a map that assigns one to three zone designations based on radon potential to each county. According to the EPA, each zone designation reflects the average short-term radon measurement that can be expected to be measured in a building without the implementation of radon control measures. This map is not meant to be used to determine whether a particular Residence should be tested for radon, but is used to assist various government agencies and organizations in focusing their radon program resources. Declarant, Neighborhood Builders and the Master Association make no representations, warranties or guarantees as to the degree of radon risk within the Master Community. Owners are advised to consult with the County or other public agencies and appropriate experts to evaluate the potential risk. Additional information may be found at <http://eetd.lbl.gov/IEP/high-radon/USgm.htm>.

3.33 RURAL AREA/ANIMAL LIFE. The Master Community is located in a rural area that is near the Cleveland National Forest and other open space areas. Due to the proximity of open space to the Master Community, wild animals, including rattlesnakes, rats, mice, rabbits, raccoons, mountain lions, skunks, squirrels, opossums and coyotes have been found in surrounding areas. Depending on the season, typical insects encountered will be flies, mosquitos, fleas, ticks, spiders, ants, crickets, aphids and termites. Africanized Killer Bees and Red Fire Ants have also been found in regional parks in the County. Buyers understand and are aware of the potential danger, noises and odors connected with the existence of these animals in close proximity to the Master Community. Owners are strongly advised to (a) securely cover all food and trash located outside the home in order to avoid attracting such animals and to keep pets from straying outside of their Lot or Condominium, and (b) to exercise extreme caution and control of children in going on the Master Association Property and other adjacent areas. Owners acknowledge that it is their sole responsibility to control or otherwise abate the impact of rodents and pests. Declarant, Neighborhood Builders, and the Master Association are not responsible for wildlife control or eradication. Declarant, Neighborhood Builders and the Master Association make no representations or warranties concerning the safety of any person or animal from bites, nuisances or damage to property which may be caused by any animal, insect or reptile.

3.34 OFFERS OF DEDICATION. Portions of the Master Association Property are subject to irrevocable offers of dedication as shown on the Recorded tract maps for the Master Community. The County may accept the offer of dedication and assume responsibility for maintaining these portions of the Master Association Property 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 Master Association.

3.35 **CHANGE IN PLANS.** Declarant and Neighborhood Builders have the right to develop the Annexable Territory with Improvements that may be different in design, size, character, style and price from those in the Initial Covered Property or any other Phase.

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

3.37 **CONDOMINIUM SQUARE FOOTAGE DISCLOSURE LIMITATIONS.**

3.37.1 **Budget and Marketing Materials.** The Master Association Budget, a Neighborhood Association Budget, the sales brochures, website depictions, floor plans, architectural plans and other information and marketing materials that Declarant or Neighborhood Builders and its agents have made available to Owner may set forth approximations of square footage of the condominium units in the Master Community. These documents may provide (a) dimensions for the condominium units, (b) floor areas in square feet for the condominium units, (c) dimensions or locations of easements, and (d) other numerical information concerning the Units or any easements.

3.37.2 **Approximations and Subject to Change.** The dimensions, room sizes, square footage areas and scale in any of these documents are only approximations of the planned, not existing, improvements and are not intended to be precise representations of exact dimensions of the condominium unit. Declarant and Neighborhood Builder may change plans, materials, specifications and features without notice or obligation to Owner and such changes may affect the final, as-built dimensions, size, scale and floor area of a room or of the entire condominium unit. The final dimensions, size, scale and floor area of a room or condominium unit are dependent on the improvements as they are actually constructed and there may be variance between the as-built dimensions and the approximations described in this Section 3.37.2.

3.37.3 **Computation Methods Vary.** The computation of square footage also varies based upon the criteria used for measurement of floor area and there are multiple methods of calculating square footage. For example, the sales and marketing materials may set forth approximate floor areas calculated to include (a) requirements set forth by the County, which may include information contained in architectural and construction plans for the Condominiums, (b) both the legal boundaries described and approximately shown in this Master Declaration or Condominium Plans, and (c) certain portions of the structural elements of the Condominium building surrounding the condominium units as well as the exclusive use areas such as any patios, balconies or parking spaces appurtenant to the condominium unit. These calculations may include the entirety of the perimeter walls (as opposed to calculations covering only the interior surfaces of the walls, floors and ceilings within the Condominiums) and structural columns at the condominium unit boundaries and the patios and balconies adjacent to the condominium unit. Accordingly, stated floor areas that include within the calculation these other areas will typically be larger than stated floor areas that do not include such areas within their calculation. Furthermore, the tax assessor may assess the condominium units and lenders will make loans based on calculations in appraisals that may not include the walls and columns.

The reported floor areas determined by the assessor, lenders and appraisers may therefore be smaller than the square footage approximations derived from marketing materials, architectural plans or other documents.

3.37.4 Irregularly Shaped Rooms. Finally, room measurements on floor plans that may be shown in marketing materials generally reflect distances of the longest points in a room (as if the room was a perfect rectangle) without regard to any cutouts. Accordingly, the actual room area (for an irregularly shaped room) will typically be smaller than the amount that would be obtained by multiplying the stated length times width.

For the reasons stated above, each Owner of a Condominium acknowledges that the purchase price for each Condominium in the Master Community is derived from several factors, including without limitation, the location of the condominium unit within the Condominium building and the number of rooms within the condominium unit. Each Owner of a Condominium further acknowledges, understands and agrees that there is not a direct relationship between the square footage floor area of a particular condominium unit (however it may be calculated) and the purchase price of the condominium unit. In addition, each Owner of a Condominium acknowledges that such Owner has not relied on square footage information or dimensions that may have been stated in the Condominium Plan, any sales brochure, marketing materials, Master Community Budget, Neighborhood Budget, website depictions, property tax assessment information, architectural plans, floor plans or any other information provided by Declarant, Neighborhood Builder or their agents, pertaining to any Condominium or any other portion of the Master Community or Neighborhood in making the decision to purchase such Owner's Condominium. Each Owner of a Condominium, by acceptance of a deed, (a) confirms that based on such Owner's own investigation, the actual usable floor area of such Owner's Condominium (including exclusive use areas) as constructed and as determined by Owner is sufficient for Owner's use and enjoyment and (b) agrees to hold Declarant and Neighborhood Builder (as applicable) harmless in any dispute arising over any alleged representations concerning the square footage of such Owner's Condominium. Owners must also make sure that any person who subsequently purchases such Owner's Condominium fully understands the square footage calculation issues and limitations set forth in this Section 3.37.4.

3.38 NO ENHANCED PROTECTION AGREEMENT. No language contained in this Master Declaration, any Notice of Addition or any Supplemental Master 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.

3.39 FUEL TREATMENT ZONE. Many areas within the Master Community fall within Fuel Treatment Zones. Fuel Treatment Zones are established to help protect the Master Community from wildland fires. The Master Association is required to maintain all of the Fuel Treatment Zones that are designated for its maintenance in this Master Declaration, in a Notice of Addition or in a Supplemental Master Declaration. If there is a Fuel Treatment Zone located on a residential Lot or Condominium that is not designated for maintenance by the Master Association or a Neighborhood Association, the Owner of such Lot or Condominium shall be responsible for its maintenance.

3.40 SHARED DRIVEWAY. The Master Community may include one or more Shared Driveways. If the Shared Driveways are located on Master Association Property, the Master Association will be required to maintain them. If the Shared Driveways are located on Neighborhood Association Property, the Neighborhood Association will be required to maintain them. If the Shared Driveways are located on portions of residential Lots, the Notice of Addition or Supplemental Master Declaration for such Lots will state who is responsible for the maintenance of such Shared Driveways and will include any necessary easements to allow access by the benefited Lots.

3.41 STRUCTURAL SETBACK REQUIREMENTS. Certain homes in the Master Community have structural setback requirements that will impact an Owner's ability to install structural improvements in the yard, including gazebos and in-ground pools and spas, or additions to the Residence where there is an ascending or descending slope within or near the Lot or Condominium. The required setback is determined by calculating the adjacent slope height and dividing it by three (3), however, such setback shall not exceed twenty feet (20'). Owners are advised that any structure constructed within the structural setback is subject to differential settlement and is subject to settlement related distress without proper structural mitigation. Therefore, Owners are prohibited from installing structural improvements within said structural setback without proper structural mitigation, and the approval of the County Planning Department and the Design Review Committee.

3.42 WIND CONDITIONS. The Master Community may be subject to high wind conditions at times. Owners should take the high winds into consideration when constructing new Improvements and when placing temporary Improvements outside of the Residence.

3.43 PUBLIC TRAILS. The Master Community includes public trails that connect to a County-wide system, which will allow non-residents to access the Master Community on foot, bicycle, or similar vehicles. Equestrian uses are permitted on the County regional trails, so Owners and residents may experience odor and noise from such use, as well as limitations on privacy due to the elevation of the people riding horses. Many trails are located on Master Common Property and the Master Association shall be required to carry general liability insurance covering the trails located on Master Common Property within the Master Community. Portions of the trail will be maintained by the County Transportation Department and other portions will be maintained by the Master Association. If a trail is located near residential Lots or Condominiums, the Owners and residents of those Lots or Condominiums acknowledge that there is a limitation on privacy where yards or windows are visible from the trail (or from people riding bicycles, motorbikes or horses) and that noise often accompanies the use of the trail by others. Some portions of the trails may be lighted and other portions may not be lighted. Trail lighting may cast glare on portions of homes and lighting cannot be redirected after placed in compliance with County requirements. Owners and residents are advised to use caution on the trails and in particular in non-lighted portions of the trails. In addition, Owners and residents are advised that the trail that runs along the arched culvert may become covered with water and become dangerous for anyone on the path. All persons are advised not to use the pedestrian walking path along the arched culvert during a rainstorm or flash flooding event.

3.44 SOUND ATTENUATION. Pursuant to an acoustical analysis conducted for the Master Community, certain Lots and Condominiums in the Master Community may be

constructed with sound attenuation measures. These measures may include (a) construction of a minimum six (6) foot high sound barrier along Lot lines in proximity to Temescal Canyon Road, Temescal Hills Drive, and Terramor Drive, (b) upgraded windows and sliding glass doors in some Residences and the use of air conditioning or mechanical ventilation to circulate air while maintaining windows in a closed condition, (c) exterior walls, doors, and roofing with sound attenuation features, and (d) ventilation arrangements for habitable rooms such that any exterior door or window can be kept closed when the room is in use. Owners shall not alter or modify any sound attenuation measures. Owners acknowledge and understand that the indoor sound attenuation measures will only work as intended if the windows and doors remain closed. Owners further acknowledge that individuals have varying sensitivity to noise, and the sound attenuation measures installed by Declarant and Neighborhood Builders may not reduce noise to a level that will satisfy every expectation.

3.45 ENVIRONMENTAL CONDITIONS. A Phase I Environmental Site Assessment Report ("**Phase I Report**") dated as of March 26, 2013 was prepared for the master Community by McAlister Geoscience. According to the Phase I Report, at the time of the Phase I Report, "Potential Recognized Environmental Conditions" were found in connection with the property occupied by the Master Community (the "**Property**"), including: (a) potential improper disposal to the septic systems on the Property; (b) Poor housekeeping of the various possessions of the caretaker including, but not limited to paints, oils, solvents, and fuels; (c) the existence of unused and unmaintained aboveground storage tanks; (d) unused groundwater wells at the Property presenting a conduit to groundwater; and (e) potential hazardous building materials utilized in the construction of the ranch house, barn and associated buildings. In addition, according to the Phase I Report, three underground storage tanks ("**USTs**") formerly containing gasoline and diesel fuel were removed from the Property under the supervision of the Riverside Department of Environmental Health in 2004. Laboratory analysis of the soil samples collected at the time of UST removal indicated that concentrations of TPHg, TPHd, BTEX, and MtBE were below laboratory detection limits. Declarant makes no representations regarding the Potential Recognized Environmental Conditions described above and their impact on the Master Community. For more information regarding the environmental condition of the Master Community, Owners should review the Phase I Report on file with the County. Owners are encouraged to contact a soils engineer, environmental consultant, attorney or other qualified person to ensure that Owners understand the matters discussed herein and in the Phase I Report, and to consider the possible effects of these matters on their decision to buy a Lot or Condominium in the Master Community. By acceptance of a deed to a Lot or Condominium, Owners (for and on Owner's behalf, and the members of Owner's family, tenants, lessees, guests and invitees) expressly acknowledge and accept the existing and future impacts and forever waive any and all causes of action against the Declarant, and its 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

3.46 EL SOBRANTE LANDFILL. The El Sobrante Landfill ("**Landfill**") is a four hundred and sixty-eight (468) acre class three regional disposal facility located approximately 1.5 miles northwest of the Master Community. According to their website, the Landfill is operated by USA Waste of California, Inc., a subsidiary of Waste Management, Inc., and is open Monday through Saturday, twenty-four (24) hours a day. Declarant has been advised that the Landfill is authorized to accept approximately seventy thousand (70,000) tons of waste per week

from the counties of Los Angeles, Orange, Riverside, San Diego and San Bernardino. Residents in the Master Community may experience dust and unpleasant odors as a result of the Landfill. The upper surface of the Landfill is expected to be approximately three hundred (300) feet higher at build out of the Landfill, which is currently anticipated to occur in 2071, than it stands in 2016 (approximate elevation: 1,530), which may be visible from the Master Community and may partially block views from homes located on the northwest side of the Master Community. Owners acknowledge, understand and accept that Declarant, Neighborhood Builders, and the Master Association have no control over the use, operation, maintenance or odors caused by the Landfill. Although the Landfill may result in inconvenience or discomfort to Owners and other residents of the Master Community, Owners take title to their Lot or Condominium subject to this existing use, which is a part of living in the Master Community and may not be deemed a nuisance. For additional information, visit the El Sobrante website at <https://www.wm.com/location/california/inland-empire/corona/el-sobrante.jsp> and the County Environmental Health Department website at www.rivcoeh.org, or call (951) 277-1740.

3.47 POTENTIAL FALLING ROCK HAZARD. Owners are advised that there is the potential for rockfall during grading and construction activity. In addition, loose rocks and the potential for rockfall may remain after construction of the Master Community has been completed. According to the Soils Report for the Master Community, some boulders may become dislodged on natural slopes during ground shaking events. In addition, high cut slopes may be subject to possible rockfall. Owners are advised to keep a safe distance from slopes during and after earthquakes and other seismic events due to the possibility that boulders and large rocks may become dislodged.

3.48 COUNTY MAINTENANCE OF STORM DRAINS LARGER THAN 36". The Riverside County Flood Control and Water Conservation District ("**RCFC&WCD**") will be responsible for maintaining storm drains larger than 36" located in the Master Community. RCFC&WCD employees and agents will access and enter upon the Master Common Property to perform these maintenance responsibilities.

3.49 BLASTING ACTIVITIES DURING CONSTRUCTION. In conjunction with the grading and construction of the Master Community, blasting of hard rock and other soils materials is expected to take place. Owners and other residents in the vicinity of these blasting activities may experience loud noises, strong vibrations, dust and other disturbances. In addition, Owners understand and agree, by acceptance of a deed to a Lot or Condominium, that Declarant shall have the right to (i) inspect all Lots and Condominiums (both inside the Residence and outside) that are located in the vicinity of the blast area and (ii) video tape, photograph or otherwise memorialize the condition of the Lots and Condominiums and Residence before and after blasting activities. Owners shall have the obligation to grant Declarant's representatives access to their Lot or Condominium and to the interior of the Residence in connection with such blasting activities.

3.50 HUNTING AND TARGET SHOOTING ON ADJACENT FEDERAL LANDS. Hunting and target shooting are permitted on public lands administered by the Federal Bureau of Land Management ("**BLM**"), which are located in the vicinity of the Master Community. Owners may experience noise and other disturbances associated with such hunting activity. According to BLM, shooting is prohibited within three hundred feet (300') of any man-

made structure, home, mobile home or inhabited area in Riverside County. Owners should notify the County Sheriff's Department if they witness someone violating this restriction. Owners are advised to exercise caution when near any lands administered by the BLM where hunting and firearms activity may be permitted as there is the possibility of errant bullets.

3.51 MINING ON TEMESCAL WASH. According to the Environmental Impact Report for the Master Community, portions of the Temescal Wash, including portions within and adjacent to the Master Community, were mined for sand and gravel under lease to Sunwest Materials from 1974 to approximately 1990. No mining has occurred since the 1990s and, due to the need to protect biological and other environmental resources in the Temescal Wash, no further mining is planned. Portions of the Temescal Wash are designated as wetlands. Although Declarant is advised that no further surface mining activities are planned within the Temescal Wash, Owners are advised that Lots and Condominiums within the Master Community may be located partly or wholly within six hundred (600) feet of a surface mining operation permitted pursuant to County Ordinance No. 555. If additional mining is undertaken in the future, an Owner's Lot or Condominium may be subject to vibration, noise, fumes, dust, odors and other disturbances from surface mining activities which include, but are not limited to, blasting, extraction, crushing, processing, grading, stockpiling and storage or transportation of mineral resources.

3.52 CELL TOWER AND COMMUNITY-WIDE WIRELESS ACCESS POINT. Declarant has the right, but not the obligation, to install one or more cell towers (collectively, the "*Cell Tower*") within areas that will later become Master Association Property and also to enter into a lease with one or more cellular providers to install their own improvements in the Cell Tower. Declarant also has the right, but not the obligation, to institute a community-wide wireless access point in the Cell Tower. All Owners and all successor Owners of any interest in all or any part of the Master Community hereby acknowledge and agree that the Cell Tower, if installed, may be used, maintained, improved and operated as a communications facility. The Cell Tower may include air conditioners, one or more back-up generators and related fuel supply. Owners and residents may experience noise, vibration, or other effects from the Cell Tower.

3.53 ADDITIONAL PROVISIONS. There may be provisions of various laws, including the Davis-Stirling Common Interest Development Act codified at Sections 4000, *et seq.* of the California Civil Code 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 GOVERNANCE BY THE MASTER ASSOCIATION

4.1 GENERAL DUTIES AND POWERS. The Master Association has the duties and powers set forth in the Master Association Governing Documents and also has 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 its Members, subject only to the limits

upon the exercise of such powers set forth in the Master Association Governing Documents. Unless otherwise indicated in the Articles, Bylaws, this Master Declaration or any Supplemental Master Declaration, the powers of the Master Association may be exercised by the Board.

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

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

4.2.2 Sewers and Storm Drains. The power and duty to maintain any private sewer systems, any private storm drains or private drainage facilities in the Master Common Property, in accordance with the Master Association Governing Documents, if the drains and systems are not maintained by a Neighborhood Association, a Local Governmental Agency or a utility company.

4.2.3 Utilities. The power and duty to obtain, for the benefit of the Master Community, all water, gas, electric services and renewable energy necessary for the Master Common Property.

4.2.4 Granting Rights. The power to grant exclusive or nonexclusive easements, licenses, leases, rights of way or fee interests in the Master Association Property owned by the Master Association, to the extent any such grant is reasonably required (a) for Improvements to serve the Master Community, (b) for purposes of conformity with the as-built location of Improvements installed or authorized by Declarant, Neighborhood Builders or the Master Association, (c) in connection with any lawful lot line adjustment, or (d) for other purposes consistent with the intended use of the Master Community; provided such grant is consistent with the conditions of approval for the Master Community. The Master Association may deannex any portion of the Master Community from the encumbrance of this Master Declaration in connection with any lot line adjustment.

After the Master Association acquires fee title to or any easement right over Master Common Property, the affirmative vote of members owning at least sixty-seven percent (67%) of the separate interests in the Lots and Condominiums shall be required before the Board may grant exclusive use of any portion of that Master Common Property to any member, except as provided in California Civil Code Sections 4202(a)(4) and 4600, as it may be amended; provided such grant is consistent with the conditions of approval for the Master Community. Any measure placed before the members requesting that the Board grant exclusive use of any portion of the Master Common Property shall specify whether the Master Association will receive any monetary consideration for the grant and whether the Master Association or the transferee will be responsible for providing any insurance coverage for exclusive use of the Master Common Property.

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

4.2.6 **Insurance.** The power and duty to keep insurance for the Master Association Property in accordance with this Master Declaration.

4.2.7 **Board, Officer and Committee Member Training.** The power, but not the duty, to make training and continuing education seminars or materials available to the Board members, officers and committee members either before or after the persons begin their service to the Master Association. Seminars can be designed to educate the Board, officers or committee members about their duties and responsibilities. All expenses associated with these training seminars shall be a Common Expense of the Master Association.

4.2.8 **Maintenance Guidelines.** The power and duty to (a) operate, maintain and inspect the Master Common Property and its various components in conformance with any Maintenance Guidelines, and any maintenance manual, and (b) review any maintenance manual for the Master Common Property for necessary or appropriate revisions no less than annually after the Board has prepared the Budget; provided however, that the Master Association shall not revise any maintenance manual without obtaining the prior written consent of Declarant as provided in Section 15.3.3 of this Master Declaration.

4.2.9 **Fuel Modification.**

(a) The power to enforce the ban on **No Trash Dumping Or Disposal Of Green Waste In The Open Space Areas Or In The Fuel Treatment Zones.**

(b) The power through the Design Review Committee to enforce the fuel treatment measures around all structures and restrictions on placing combustible structures within the Fuel Treatment Zones.

(c) The power through the Design Review Committee to approve all landscaping plans, including any plans for construction of additional structures.

(d) The power and the duty to inspect the Master Community for compliance with the Fuel Modification Plan, the power and duty to enforce the requirements of Zone 1A maintenance for residential Lots and Condominiums described in the Fuel Modification Plan, including performing any maintenance that the Owner fails to perform and the power to charge a Special Assessment against any Lot or Condominium Owner for the costs of such maintenance and enforcement. The Master Association shall follow all notice requirements of this Master Declaration and the CID Act concerning a recognized violation of the Fuel Modification Plan.

(e) The power and the duty to be responsible to the Riverside County Fire Department for the completion of all required Fuel Modification Treatments in the Master Association Property and Fuel Treatment Zones on residential Lots and Condominiums. Required on-going maintenance will be accomplished on an as needed basis. Should maintenance not be performed in a manner consistent with the Fuel Modification Plan, the

Riverside County Fire Department shall have the right to abate any treatment zone they deem a threat to the Master Community or adjoining properties. In doing so, all cost incurred will be billed to the Master Association. At the discretion of the Riverside County Fire Department Fire Marshal, yearly inspection of Fuel Treatment Zones may be required.

4.2.10 **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 Master Declaration, the Articles or the Bylaws;
- (iii) The Rule is not inconsistent with governing law, this Master Declaration, the Articles, or the Bylaws;
- (iv) The Rule is adopted, amended or repealed in good faith and in substantial compliance with the requirements of Article 4 of Title 6 of Part 4 of Division 2 of the California Civil Code (as amended from time to time);
- (v) The Rule is reasonable; and
- (vi) The Rule complies with the requirements of California Civil Code Section 4350 (as amended from time to time).

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

(c) **Limits on Regulation.** The Rules and Regulations must apply uniformly to all Owners and must comply with this Master Declaration and all applicable state and local laws.

(d) **Procedure for Adoption, Amendment and Repeal.** Rules or procedures concerning (1) the use of the Master Common Property, (2) the use of a Lot or Condominium, including any Design Guidelines or Design Guidelines that affect Lots or Condominiums, (3) member discipline, including any schedule of monetary penalties for violation of the Master Association Governing Documents, (4) any procedure for the imposition of penalties, (5) any standards for delinquent assessment payment plans, and (6) any procedures adopted by the Master Association for resolution of assessment disputes (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 in a Covered Rule 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 (a Notice is not required if the Board determines that an immediate change is required to address an imminent threat to public health or safety, or an imminent risk of substantial economic loss to the Master Association);

(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 Master Association;

(iii) The Board shall deliver Notice of the Rule Change to every member of the Master 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, a description of the purpose and effect 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 Master 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 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 4.2.10 is subject to California Civil Code Section 4360; and

(vi) A Rule Change made pursuant to this 4.2.10 may be reversed as provided in California Civil Code Section 4365.

(e) **Exceptions to Procedure.** The procedure in Section 4.2.10 does not apply to:

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

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

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

(iv) A decision setting the amount of a Common Assessment or an Extraordinary 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 Master Association Governing Documents.

4.2.11 **Borrowings.** The power, but not the duty, to borrow money for purposes authorized by the Articles, Bylaws, Master Declaration or any Supplemental Master Declaration, and in aid thereof, to mortgage, pledge, deed in trust, establish a line of credit or hypothecate any or all of its real or personal property as security for money borrowed or debts incurred.

4.2.12 **Contracts and Leases.** The power, but not the duty, to enter into contracts and leases, including the following:

(a) **Contracts for Services.** Contracts with Owners, the Neighborhood Associations or other Persons to provide services or to maintain Improvements in the Master Community and elsewhere which the Master Association is not otherwise required to provide or maintain pursuant to the Master Association Governing Documents; provided, however, that any such contract shall provide for reimbursement of the Master Association for the costs of providing such services or maintenance;

(b) **Community Services.** Contracts with Persons to provide various community services such as cultural programs, social services, community outreach programs, recreational programs and activities, educational programs and activities, festivals, holiday celebrations and activities, recycling programs or a community technology network to the residents of the Master Community. The Master Association has the right to require payment of compensation for (i) making the Master Association Property available for events that will include Persons who are not residents of the Master Community or (ii) providing any other services that benefit the Persons with whom the Master Association contracts;

(c) **Contracts with Declarant.** Contracts with Declarant to (i) permit the Master Association to use portions of the recreation center(s) before the transfer of such recreation center to the Master Association in fee title, and (ii) permit the Declarant to use portions of the recreation center(s) for sales and marketing purposes, and for cell tower transmission purposes, after the transfer of the recreation center(s) in fee title to the Master Association, subject to the review of such contracts by the CalBRE;

(d) **Cost Sharing.** Contracts to share costs with any neighboring property for, among other things, shared or mutually beneficial property or services or a higher level of Master Common Property maintenance;

(e) **Adjacent Owners.** Contracts with adjacent property owners to provide for preservation and maintenance of real property which contribute to the overall understanding, appreciation and preservation of the environment in the Master Community and the surrounding area; and

(f) **Telecommunications Contract.** Notwithstanding anything in the Master Association Governing Documents to the contrary, the Board shall have the power to enter into, accept an assignment of, or otherwise cause the Master Association to comply with the terms and provisions of an exclusive telecommunications services contract

“Telecommunications Contract” with a telecommunications service provider (***“Service Provider”***), pursuant to which the Service Provider shall serve as the exclusive provider of Telecommunications Services to each Lot and Condominium in the Master Community. The Board shall only enter into, accept an assignment of, or otherwise cause the Master Association to comply with the terms of the Telecommunications Contract if the Board determines in its sole discretion, that such action is in the best interests of the Master Association. Although not exhaustive, the Board shall consider the following factors in making such a determination:

(i) **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.

(ii) **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 Class A Members of the Master Association (excluding Declarant) may, without cause, by a sixty percent (60%) vote prevent any automatic extension that the Telecommunications Contract may provide for (with or without cause), and thereby allow the Telecommunications Contract to expire, and (2) at any time, 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.

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

(iv) **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 and Condominium.

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

4.2.13 **Indemnification.**

(a) ***For the Master Association Representatives.*** The Master Association has the power and the duty to indemnify Board members, the Master Association officers, Design Review Committee members, and all other Master Association committee members for all damages and pay all expenses incurred by, and satisfy any judgment or fine levied against, any Person as a result of any action or threatened action against such Person brought because of performance of acts or omissions within what the Person reasonably believed to be the scope of the Person’s Master Association duties (***“Official Acts”***) to the fullest extent authorized by California law. Board members, the Master Association officers, Design Review

Committee members, and all other Master Association committee members are deemed to be agents of the Master Association when they are performing Official Acts for purposes of obtaining indemnification from the Master Association pursuant to this Section 4.2.13. The entitlement to indemnification hereunder inures to the benefit of the successors, estate, executor, administrator, heirs, legatees, or devisees of any Person entitled to such indemnification.

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

(c) **Provided by Contract.** The Master 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 Master Association may impose.

4.2.14 **Annexing Additional Property.** The Master Association has the power, but not the duty, to annex additional property to the Master Community to encumber it by this Master Declaration pursuant to Section 17.2. Notwithstanding the foregoing, the Declarant and the applicable Neighborhood Builders shall have the obligation to annex all real property that is designated as Mandatory Annexable Territory on *Exhibit "MAT"* to this Master Declaration or that is designated as Mandatory Annexable Territory in a separately Recorded Supplemental Master Declaration.

4.2.15 **Vehicle Restrictions.** The power granted in Section 2.9 to identify Authorized Vehicles or Prohibited Vehicles and to modify the restrictions on vehicles.

4.2.16 **License and Use Agreements.** The Master Association may enter into agreements with Declarant, Neighborhood Builders, any Neighborhood Association or any homeowners association having jurisdiction over the Annexable Territory to share facilities located on the Master Association Property (the "*Facility*") with the Owners of Residences in the Annexable Territory that is not annexed to the Master Community. Any such agreement shall be in form and content acceptable to Declarant, any involved Neighborhood Builder or Neighborhood Association, the Board of Directors (without the approval of Owners) and the board of directors of any adjacent homeowners association 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 Master Association Property, 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 **Neighborhood Association or Special Benefit Area.** For so long as Declarant has a veto right under Section 6.5 of this Master Declaration, neither the Master

Association nor any Owner nor any Neighborhood Builder, without the prior written consent of Declarant, shall (a) form an association (as defined in Section 4080 of the California Civil Code) to manage any portion of the Master Community or (b) create a Special Benefit Area or other such device to apportion any Common Expenses of the Master Association against fewer than all of the Owners and their Lots or Condominiums.

4.2.19 Standing to Resolve Disputes. The Master 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 Master Association Property, (b) damage to portions of the Lots or Condominiums which the Master Association is obligated to maintain or repair, and (c) damage to portions of the Lots or Condominiums which arises out of, or is integrally related to, damage to the Master Association Property or portions of the Lots or Condominiums that the Master Association is obligated to maintain or repair (each, a "**Claim**"). However, the Master Association shall not have standing to institute, defend, settle or intervene in any Action in any matter pertaining only to an individual Lot or Condominium and not included in (b) and (c) above.

The Master Association may, in its sole discretion, elect to institute, intervene in, continue, settle or dismiss an Action at any time. If the Master Association institutes or intervenes in an Action on a Claim, the Master 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 Master 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 Master Association to maintain, settle or dismiss the Action, except in the Master Association's sole discretion, and subject to Section 14.4. If the Master 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 a new Action or maintaining a pending Action on the same Claim. If the Master 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 PERMITTED FUNCTIONS. The Master Association is formed exclusively for those social welfare purposes and activities which are specifically and directly related to (a) maintaining, operating and using the Master Association Property, including the social, recreational and other Improvements thereon, (b) collecting assessments to finance the maintenance and use of the Master Common Property, and (c) administering and enforcing the Master Association Governing Documents (collectively, the "**Permitted Functions**"). Permitted Functions do not include those activities prohibited by Section 4.4 below. The funds and resources of the Master Association shall be used exclusively for the direct costs of Permitted Functions. This Section does not preclude the use of the Master Association Property facilities by Declarant or the Neighborhood Builders for promotional special events and other purposes.

4.4 PROHIBITED ACTIVITIES. The Master Association is prohibited from undertaking or performing any of the following activities ("**Prohibited Activities**"), or expending or using the Master Association funds or resources for any Prohibited Activities without a vote of fifty-one percent (51%) of the voting power of each Class of the Master Association.

4.4.1 **Off-Site Nuisances.** Abating any annoyance or nuisance emanating from outside the physical boundaries of the Master Community. This is not a limit on the Master Association's ability to enforce Sections 2.6 and 2.9 in connection with public streets in or abutting the Master Community.

4.4.2 **Political Activities.** Engaging in any Federal, State or local political activities or activities intended to influence a governmental action affecting areas outside the boundaries of the Master Community (*e.g.* endorsement or support of legislative or administrative actions by a local government authority). These activities include endorsement or support of legislative or administrative actions by a Local Governmental Agency, candidates for elected or appointed office, initiatives, recall elections or other ballot proposals. The Master Association is prohibited from conducting, sponsoring, participating in or expending funds or resources on any activity, campaign or event, including any social or political campaign, event or activity, which does not directly and exclusively pertain to a Permitted Function. The foregoing is not intended to prohibit discussion of political and legislative issues by members of the Master Association.

4.4.3 **Abridging Rights.** Taking any action which is inconsistent with, or which would abrogate, any right or exemption in Article XVIII or elsewhere in the Master Association Governing Documents.

4.5 **STANDARD OF CARE, NONLIABILITY.**

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

(b) **Business Affairs.** This Section 4.5.1(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 his duties in good faith, in a manner the Board Member believes to be in the best interests of the Master 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 statements and other financial data, in each case prepared or presented by:

(i) One (1) or more officers or employees of the Master 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 in 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 within 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 4.5.1(b) is intended to be a restatement of the business judgment rule established in law. All amendments, modifications, restatements and interpretations of the business judgment rule applicable to the Master Association shall be interpreted to amend, modify, restate or interpret this Section 4.5.1(b)

(c) **Master Association Governance.** This Section 4.5 applies to Board actions and Design Review Committee decisions in connection with interpretation and enforcement of the Master Association Governing Documents, architectural and landscaping control, regulation of uses within the Master Community, rulemaking and oversight of committees. Actions taken or decisions made in connection with these matters shall be reasonable, fair and nondiscriminatory.

4.5.2 **Nonliability.**

(a) **General Rule.** No Person is liable to any other Person (other than the Master Association or a party claiming in the name of the Master 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 negligence or willful or malicious misconduct. No Person is liable to the Master Association (or to any party claiming in the name of the Master 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 Master Association is not liable for damage to property in the Master Community unless caused by the negligence of the Master Association, the Board, the Master Association's officers or the Community Manager or the Community Manager's staff.

(b) **Nonliability of Volunteer Board Members and Officers.** A volunteer Board Member or volunteer Master 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 of the applicable conditions specified in Section 5800 of the California Civil Code are met.

(c) **Nonliability 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