

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



**ITEM  
2.21  
(ID # 7699)**

**MEETING DATE:**

Tuesday, August 28, 2018

**FROM :** TLMA-TRANSPORTATION:

**SUBJECT:** TRANSPORTATION AND LAND MANAGEMENT AGENCY/TRANSPORTATION:  
Approval of Final Tract Map 31142, a Schedule "A" Subdivision in the Harvest Valley / Winchester area. 3rd District; [Applicant Fees 100%]

**RECOMMENDED MOTION:** That the Board of Supervisors:

1. Approve the Improvement Agreements and Lien Agreement for Final Tract Map 31142 as approved by County Counsel; and
2. Approve the Final Map; and
3. Authorize the Chairman of the Board to sign the Improvement Agreements, Lien Agreement and Final Tract Map 31142.

**ACTION:** Consent

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**MINUTES OF THE BOARD OF SUPERVISORS**

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

Ayes: Jeffries, Tavaglione, Washington, Perez and Ashley  
Nays: None  
Absent: None  
Date: August 28, 2018  
xc: Transp.

Kecia Harper-Ihem  
Clerk of the Board

By:   
Deputy

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

<b>FINANCIAL DATA</b>	<b>Current Fiscal Year:</b>	<b>Next Fiscal Year:</b>	<b>Total Cost:</b>	<b>Ongoing Cost</b>
<b>COST</b>	\$ 0	\$ 0	\$ 0	\$ 0
<b>NET COUNTY COST</b>	\$ 0	\$ 0	\$ 0	\$ 0
<b>SOURCE OF FUNDS:</b> Applicant fees 100%.			<b>Budget Adjustment:</b>	N/A
			<b>For Fiscal Year:</b>	N/A

**C.E.O. RECOMMENDATION:** Approve

**BACKGROUND:**

**Summary**

Tract 31142 was approved by the Board of Supervisors on January 11, 2005 as Agenda Item 16.2. Final Tract Map 31142 is a 78.26 acre subdivision that is creating 169 residential lots and 6 open space lots in the Harvest Valley / Winchester 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.

SR Conestoga, LLC desires to enter into Improvement Agreements to guarantee the construction of the required improvements and has submitted Lien and Improvement Agreements which have been approved by County Counsel. All costs for improvements will be the responsibility of the developer.

- \$6,837,341 for the completion of street improvements
- \$1,868,000 for the completion of the water system
- \$1,682,000 for the completion of the sewer system
- \$152,190 for the completion of the monumentation

**Additional Fiscal Information:**

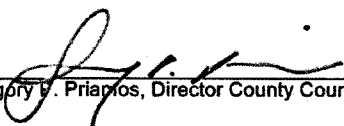
All fees paid by the applicant. There is no general fund obligation.

**ATTACHMENTS:**

- 31142 Vicinity Map
- 31142 Improvement Agreements
- 31142 Lien Agreements

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

31142 Mylars

  
\_\_\_\_\_  
Gregory T. Priamos, Director County Counsel 8/16/2018

**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 SR Conestoga, 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 31142**, hereby agrees, at Contractor's own cost and expense, to commence construction within **36** months and to furnish all labor, equipment and materials necessary to perform and complete construction within **48** 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 **Six million eight hundred thirty-seven thousand three hundred forty-one and no/100 Dollars (\$6,837,341.00)**.

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 or other security 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, his 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, his 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, his 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, his 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, he shall be in default of this agreement and notice of such default shall be served upon him. 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 bond or other 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, in all cases other than where a lien agreement is used, a 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 other security with good and sufficient sureties or increase the amount of said bond(s) or other security, 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, he 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: Whenever a lien agreement is used as security under the provisions of Government Code Section 66499 (a) (4) and Riverside County Ordinance 460 § 17.3, Contractor agrees, prior to commencing the work, to substitute the lien agreement with a good and sufficient improvement bond or other 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.

TENTH: It is further agreed by and between the parties hereto, including the surety or sureties on the bonds or other security 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 or other security. Contractor further agrees to maintain the aforesaid bonds or other security in full force and effect during the terms of this agreement, including any extensions of time as may be granted therein.

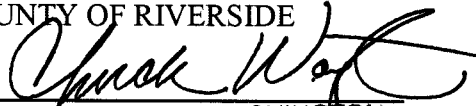
ELEVENTH: It is understood and agreed by the parties hereto that if any part, term or provision of this agreement is by the courts held to be unlawful and void, the validity of the remaining portions shall not be affected and the rights and obligations of the parties shall be construed and enforced as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

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

County	Contractor
Construction Engineer Riverside County Transportation Dept. 2950 Washington Street Riverside, CA 92504	SR Conestoga, LLC 41391 Kalmia Street, Ste 200 Murrieta, Ca 92562

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

By Please see attached signature block

COUNTY OF RIVERSIDE  
By   
CHUCK WASHINGTON  
CHAIRMAN, BOARD OF SUPERVISORS

Title \_\_\_\_\_

By \_\_\_\_\_

Title \_\_\_\_\_

ATTEST:

KECIA HARPER-IHEM,  
Clerk of the Board

By   
Deputy

APPROVED AS TO FORM

County Counsel

By 

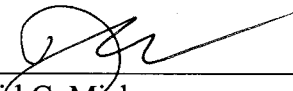
SIGNATURES OF CONTRACTOR MUST BE ACKNOWLEDGED BY NOTARY  
AND EXECUTED IN TRIPLICATE

Revised 02/02/10

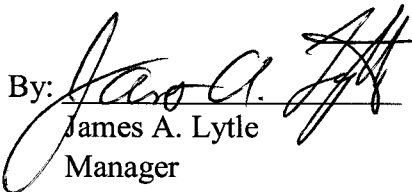
SIGNATURE PAGE FOR AGREEMENT FOR THE CONSTRUCTION OF  
ROAD/DRAINAGE IMPROVEMENTS – TRACT 31142

SR CONESTOGA, LLC, a Delaware Limited  
liability company

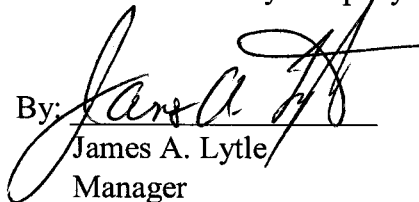
By: Strata Conestoga, LLC, a Delaware Limited  
liability company,  
Co-Managing Member

By:   
\_\_\_\_\_  
David C. Michan  
Manager

By: Conestoga Development, LLC, a California  
limited liability company, Co-Managing  
Member

By:   
\_\_\_\_\_  
James A. Lytle  
Manager

CONESTOGA DEVELOPMENT, LLC  
a California limited liability company

By:   
\_\_\_\_\_  
James A. Lytle  
Manager

SIGNATURE PAGE FOR AGREEMENT FOR THE CONSTRUCTION OF  
ROAD/DRAINAGE IMPROVEMENTS – TRACT 31142

Susan A. Stanaland, Trustee of the Susan Stanaland Family Trust dated January 11, 2016

By   
Susan A. Stanaland, Trustee



**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 RIVERSIDE )

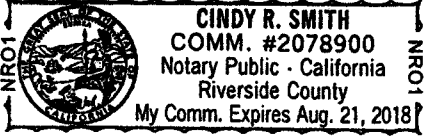
On April 13, 2017 before me, Cindy R Smith, Notary Public,  
Date Here Insert Name and Title of the Officer

personally appeared JAMES A LITTLE  
Name(s) of Signer(s)

who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) (s) are subscribed to the within instrument and acknowledged to me that (s) he/she/they executed the same in (s) his/her/their authorized capacity(ies), and that by (s) his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

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

WITNESS my hand and official seal.



Signature [Signature]  
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
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- Other: \_\_\_\_\_

Signer Is Representing: \_\_\_\_\_

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State of California )  
County of San Diego )

On April 24, 2017 before me, Denise Rogelia Davila, Notary Public  
Date Here Insert Name and Title of the Officer

personally appeared David C. Michan  
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 Denise Davila  
Signature of Notary Public

Place Notary Seal Above

**OPTIONAL**

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 Partner —  Limited  General  
 Individual  Attorney in Fact  
 Trustee  Guardian or Conservator  
 Other: \_\_\_\_\_  
Signer Is Representing: \_\_\_\_\_

Signer's Name: \_\_\_\_\_  
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 Individual  Attorney in Fact  
 Trustee  Guardian or Conservator  
 Other: \_\_\_\_\_  
Signer Is Representing: \_\_\_\_\_

**CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT**

**CIVIL CODE § 1189**

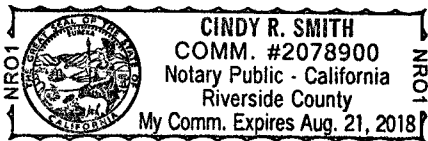
A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California )  
County of RIVERSIDE )  
On April 17, 2018 before me, Cindy R Smith, Notary Public,  
Date Here Insert Name and Title of the Officer  
personally appeared Susan A. STANLAND  
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 Cindy R. Smith  
Signature of Notary Public

Place Notary Seal Above

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Signer(s) Other Than Named Above: \_\_\_\_\_

**Capacity(ies) Claimed by Signer(s)**

Signer's Name: \_\_\_\_\_ Signer's Name: \_\_\_\_\_  
 Corporate Officer — Title(s): \_\_\_\_\_  Corporate Officer — Title(s): \_\_\_\_\_  
 Partner —  Limited  General  Partner —  Limited  General  
 Individual  Attorney in Fact  Individual  Attorney in Fact  
 Trustee  Guardian or Conservator  Trustee  Guardian or Conservator  
 Other: \_\_\_\_\_  Other: \_\_\_\_\_  
Signer Is Representing: \_\_\_\_\_ 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 SR Conestoga, 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 31142**, hereby agrees, at Contractor's own cost and expense, to commence construction within **36** months and cause to have constructed within **48** 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 **Eastern Municipal 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 **One million eight hundred sixty-eight thousand and no/100 Dollars (\$1,868,000.00)**.

SECOND: Contractor agrees to pay to County the actual cost of such inspections of the work and improvements as may be required by the Director of Transportation. Contractor further agrees that, if suit is brought upon this agreement or any bond or other security 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, his 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, his 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, his 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, his 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, he shall be in default of this agreement and notice of such default shall be served upon him. 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 bond or other 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, in all cases other than where a lien agreement is used, a 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 other security with good and sufficient sureties or increase the amount of said bond(s) or other security, 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, he 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: Whenever a lien agreement is used as security under the provisions of Government Code Section 66499 (a) (4) and Riverside County Ordinance 460 § 17.3, Contractor agrees, prior to commencing the work, to substitute the lien agreement with a good and sufficient improvement bond or other 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 a 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.

TENTH: It is further agreed by and between the parties hereto, including the surety or sureties on the bonds or other security 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 or other security. Contractor further agrees to maintain the aforesaid bonds or other security in full force and effect during the terms of this agreement, including any extensions of time as may be granted therein.


ELEVENTH: 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.

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

County	Contractor
Construction Engineer Riverside County Transportation Dept. 2950 Washington Street Riverside, CA 92504	SR Conestoga, LLC 41391 Kalmia Street, Ste 200 Murrieta, CA 92562

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

By Please see signature block attached

COUNTY OF RIVERSIDE  
By   
CHUCK WASHINGTON  
CHAIRMAN, BOARD OF SUPERVISORS


Title \_\_\_\_\_

By \_\_\_\_\_

Title \_\_\_\_\_

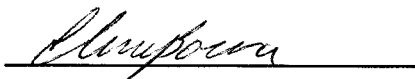
ATTEST:

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

Revised 02/02/10

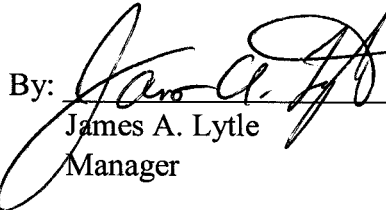
SIGNATURE PAGE FOR AGREEMENT FOR THE CONSTRUCTION OF  
WATER SYSTEM IMPROVEMENTS – TRACT 31142

SR CONESTOGA, LLC, a Delaware Limited  
liability company

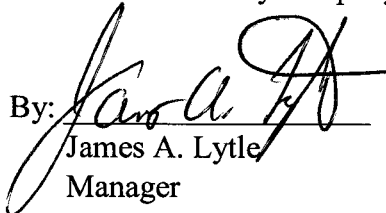
By: Strata Conestoga, LLC, a Delaware Limited  
liability company,  
Co-Managing Member

By:   
\_\_\_\_\_  
David C. Michan  
Manager

By: Conestoga Development, LLC, a California  
limited liability company, Co-Managing  
Member

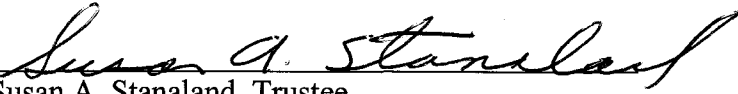
By:   
\_\_\_\_\_  
James A. Lytle  
Manager

CONESTOGA DEVELOPMENT, LLC  
a California limited liability company

By:   
\_\_\_\_\_  
James A. Lytle  
Manager

SIGNATURE PAGE FOR AGREEMENT FOR THE CONSTRUCTION OF  
WATER SYSTEM IMPROVEMENTS – TRACT 31142

Susan A. Stanaland, Trustee of the Susan Stanaland Family Trust dated January 11, 2016

By   
Susan A. Stanaland, Trustee



**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 RIVERSIDE )

On APRIL 13, 2017 before me, CINDY R SMITH, Notary Public,  
Date Here Insert Name and Title of the Officer

personally appeared JAMES A LITTLE  
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: \_\_\_\_\_

**CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT**

**CIVIL CODE § 1189**

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State of California )  
County of San Diego )

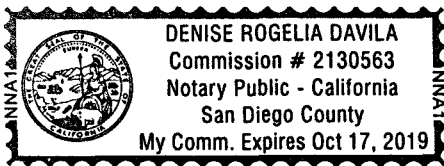
On April 24, 2017 before me, Denise Rogelio Davila, Notary Public,  
Date Here Insert Name and Title of the Officer

personally appeared David C. Michan  
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 Denise Davila  
Signature of Notary Public

Place Notary Seal Above

**OPTIONAL**

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

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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: \_\_\_\_\_

**CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT**

**CIVIL CODE § 1189**

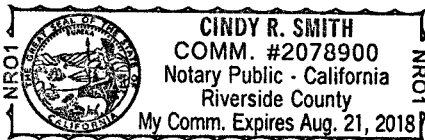
A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California )  
County of RIVERSIDE )  
On APRIL 17, 2018 before me, CINDY R. SMITH, Notary Public,  
Date Here Insert Name and Title of the Officer  
personally appeared SUSAN A. STANLANO  
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**

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Document Date: \_\_\_\_\_ Number of Pages: \_\_\_\_\_

Signer(s) Other Than Named Above: \_\_\_\_\_

**Capacity(ies) Claimed by Signer(s)**

Signer's Name: \_\_\_\_\_ Signer's Name: \_\_\_\_\_

Corporate Officer — Title(s): \_\_\_\_\_  Corporate Officer — Title(s): \_\_\_\_\_

Partner —  Limited  General  Partner —  Limited  General

Individual  Attorney in Fact  Individual  Attorney in Fact

Trustee  Guardian or Conservator  Trustee  Guardian or Conservator

Other: \_\_\_\_\_  Other: \_\_\_\_\_

Signer Is Representing: \_\_\_\_\_ 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 SR Conestoga, 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 31142**, hereby agrees, at Contractor's own cost and expense, to commence construction within **36** months and cause to have constructed within **48** 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 **Eastern Municipal Water District** to connect with the sanitary sewer system required to be constructed by this agreement. All the above required work shall be in accordance with those plans and specifications which have been approved by the Director of Transportation, and are on file in the office of the Riverside County Transportation Department. Said approved plans and specifications are hereby made a part of this agreement as fully as though set forth herein. All of the above required work shall be done under the inspection of, and to the satisfaction of, the County Director of Transportation and the County Health Officer, and shall not be deemed complete until approved and accepted as complete by the County and accepted by the above-named agency into its sewer system. Contractor further agrees to maintain the above required improvements for a period of one year following acceptance by the County, and during this one year period to repair or replace, to the satisfaction of the Director of Transportation, any defective work or labor done or defective materials furnished. The estimated cost of said work and improvements is the sum of **One million six hundred eighty-two thousand and no/100 Dollars (\$1,682,000.00)**.

SECOND: Contractor agrees to pay to County the actual cost of such inspections of the work and improvements as may be required by the Director of Transportation. Contractor further agrees that, if suit is brought upon this agreement or any bond or other security 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, his 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, his 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, his 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, his 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, he shall be in default of this agreement and notice of such default shall be served upon him. 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 bond or other security prescribed by 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, in all cases other than where a lien agreement is used, a 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 other security with good and sufficient sureties or increase the amount of said bond(s) or other security, 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, he 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: Whenever a lien agreement is used as security under the provisions of Government Code Section 66499 (a) (4) and Riverside County Ordinance 460 § 17.3, Contractor agrees, prior to commencing the work, to substitute the lien agreement with a good and sufficient improvement bond or other 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.

TENTH: It is further agreed by and between the parties hereto, including the surety or sureties on the bonds or other security 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 or other security. Contractor further agrees to maintain the aforesaid bonds or other security in full force and effect during the terms of this agreement, including any extensions of time as may be granted therein.

ELEVENTH: 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.


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

County	Contractor
Construction Engineer Riverside County Transportation Dept. 2950 Washington Street Riverside, CA 92504	SR Conestoga, LLC 41391 Kalmia Street, Ste 200 Murrieta, Ca 92562

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

By Please see attached signature block

COUNTY OF RIVERSIDE )

By   
CHUCK WASHINGTON  
CHAIRMAN, BOARD OF SUPERVISORS


Title \_\_\_\_\_

By \_\_\_\_\_

Title \_\_\_\_\_

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

Revised 02/02/10


SIGNATURE PAGE FOR AGREEMENT FOR THE CONSTRUCTION OF  
SEWER SYSTEM IMPROVEMENTS – TRACT 31142

SR CONESTOGA, LLC, a Delaware Limited  
liability company

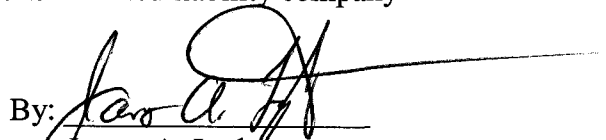
By: Strata Conestoga, LLC, a Delaware Limited  
liability company,  
Co-Managing Member

By:   
\_\_\_\_\_  
David C. Michan  
Manager

By: Conestoga Development, LLC, a California  
limited liability company, Co-Managing  
Member

By:   
\_\_\_\_\_  
James A. Lytle  
Manager

CONESTOGA DEVELOPMENT, LLC  
a California limited liability company

By:   
\_\_\_\_\_  
James A. Lytle  
Manager

SIGNATURE PAGE FOR AGREEMENT FOR THE CONSTRUCTION OF  
SEWER SYSTEM IMPROVEMENTS – TRACT 31142

Susan A. Stanaland, Trustee of the Susan Stanaland Family Trust dated January 11, 2016

By   
Susan A. Stanaland, Trustee



**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 RIVERSIDE )  
On April 13, 2017 before me, Cindy R Smith, Notary Public,  
Date Here Insert Name and Title of the Officer  
personally appeared JAMES A LITTE  
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 Cindy R Smith  
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: \_\_\_\_\_

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State of California )  
County of San Diego )

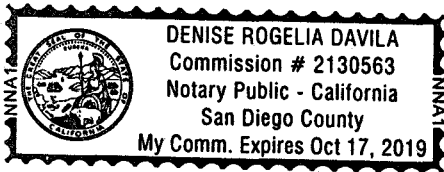
On April 24, 2017 before me, Denise Rogelia Davila, Notary Public,  
Date Here Insert Name and Title of the Officer

personally appeared David C. Michan  
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 Denise Davila  
Signature of Notary Public

Place Notary Seal Above

**OPTIONAL**

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**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: \_\_\_\_\_

**CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT**

**CIVIL CODE § 1189**

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State of California )  
County of RIVERSIDE )  
On April 17, 2018 before me, Cindy R. Smith, Notary Public  
Date Here Insert Name and Title of the Officer  
personally appeared Susan A. Stalano  
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 Cindy R. Smith  
Signature of Notary Public

Place Notary Seal Above

**OPTIONAL**

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Signer(s) Other Than Named Above: \_\_\_\_\_

**Capacity(ies) Claimed by Signer(s)**

Signer's Name: \_\_\_\_\_ Signer's Name: \_\_\_\_\_  
 Corporate Officer — Title(s): \_\_\_\_\_  Corporate Officer — Title(s): \_\_\_\_\_  
 Partner —  Limited  General  Partner —  Limited  General  
 Individual  Attorney in Fact  Individual  Attorney in Fact  
 Trustee  Guardian or Conservator  Trustee  Guardian or Conservator  
 Other: \_\_\_\_\_  Other: \_\_\_\_\_  
Signer Is Representing: \_\_\_\_\_ 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 SR Conestoga, 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 31142**, hereby agrees, at Contractor's own cost and expense, to furnish all labor, equipment and materials necessary to set, within **48** 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, his 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 fifty-two thousand one hundred ninety and no/100 Dollars (\$152,190.00)**.

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 or other security 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, his 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, his 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 or other security, and to the agents, employees and contractors of either of 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 him 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 other security with good and sufficient sureties or increase the amount of said bonds or other security, 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, he 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: Whenever a lien agreement is used as security under the provisions of Government Code Section 66499 (a) (4) and Riverside County Ordinance 460 § 17.3, Contractor agrees, prior to commencing the work, to substitute the lien agreement with a good and sufficient improvement bond or other 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 a good and sufficient security 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.

SEVENTH: 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, he 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 his 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, his 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.

EIGHTH: It is further agreed by and between the parties hereto, including the surety or sureties on the bonds or other security 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 or other security. Contractor further agrees to maintain the aforesaid bonds or other security in full force and effect during the terms of this agreement, including any extensions of time as may be granted therein.

NINTH: 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.

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

County	Contractor
Construction Engineer Riverside County Transportation Dept. 2950 Washington Street Riverside, CA 92504	SR Conestoga, LLC 41391 Kalmia Street, Ste 200 Murrieta, Ca 92562

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

By Please see attached signature block

COUNTY OF RIVERSIDE

By 

CHUCK WASHINGTON

CHAIRMAN, BOARD OF SUPERVISORS

ATTEST:

Title \_\_\_\_\_

By \_\_\_\_\_


Title \_\_\_\_\_

KECIA HARPER-IHEM,  
Clerk of the Board

By   
Deputy

APPROVED AS TO FORM

County Counsel

By 

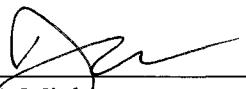
SIGNATURES OF CONTRACTOR MUST BE ACKNOWLEDGED BY NOTARY  
AND EXECUTED IN TRIPPLICATE

Revised 02/02/10

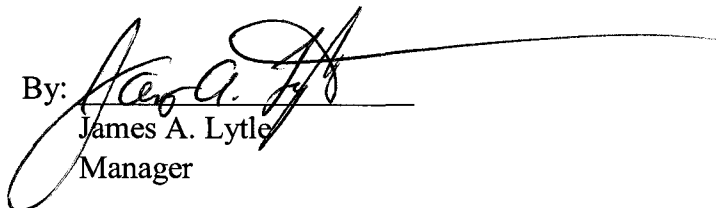
SIGNATURE PAGE FOR AGREEMENT FOR THE PLACEMENT OF  
SURVEY MONUMENTS – TRACT 31142

SR CONESTOGA, LLC, a Delaware Limited  
liability company

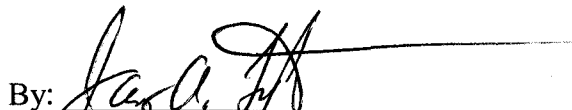
By: Strata Conestoga, LLC, a Delaware Limited  
liability company,  
Co-Managing Member

By:   
\_\_\_\_\_  
David C. Michan  
Manager

By: Conestoga Development, LLC, a California  
limited liability company, Co-Managing  
Member

By:   
\_\_\_\_\_  
James A. Lytle  
Manager

CONESTOGA DEVELOPMENT, LLC  
a California limited liability company

By:   
\_\_\_\_\_  
James A. Lytle  
Manager

SIGNATURE PAGE FOR AGREEMENT FOR THE PLACEMENT OF  
SURVEY MONUMENTS – TRACT 31142

Susan A. Stanaland, Trustee of the Susan Stanaland Family Trust dated January 11, 2016

By   
Susan A. Stanaland, Trustee



**CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT**

**CIVIL CODE § 1189**

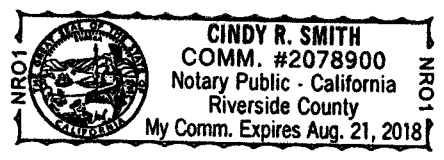
A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California )  
County of RIVERSIDE )  
On April 13, 2017 before me, Cindy R Smith, Notary Public,  
Date Here Insert Name and Title of the Officer  
personally appeared JAMES A. LITTLE  
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 Cindy R Smith  
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: \_\_\_\_\_

**CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT**

**CIVIL CODE § 1189**

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State of California )  
County of San Diego )

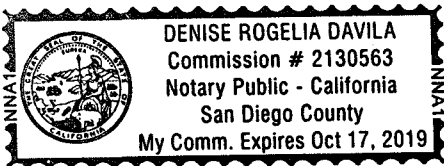
On April 24, 2017 before me, Denise Rogelia Davila, Notary Public,  
Date Here Insert Name and Title of the Officer

personally appeared David C. Michan  
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 Denise Davila  
Signature of Notary Public

Place Notary Seal Above

**OPTIONAL**

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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: \_\_\_\_\_

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**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 RIVERSIDE )  
On April 17, 2018 before me, Cindy R. Smith, Notary Public,  
Date Here Insert Name and Title of the Officer  
personally appeared Susan A. Stanaland  
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 Cindy R. Smith  
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.

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**Capacity(ies) Claimed by Signer(s)**

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

**WHEN RECORDED PLEASE RETURN TO:**

**RECORDING REQUESTED BY:**

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

***FOR THE BENEFIT OF THE COUNTY***

**LIEN AGREEMENT**

**As Subdivision Improvement Security for Tract 31142**

**THIS PAGE ADDED TO PROVIDE ADEQUATE SPACE FOR  
RECORDING INFORMATION**

8/28/18 2.21

RECORDED AS A BENEFIT  
COUNTY OF RIVERSIDE

WHEN RECORDED RETURN TO:

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

### LIEN AGREEMENT

THIS LIEN AGREEMENT ("Lien Agreement") is entered into this \_\_\_\_\_ day of \_\_\_\_\_, by and among the County of Riverside, a political subdivision of the State of California ("County") and \_\_\_\_\_ SR Conestoga, LLC ("Owner").

### RECITALS

- A. Owner has applied to County for approval of a Final Map for as **Tract 31142** referred to herein as "Map," pursuant to Ordinance No. 460 ("the Subdivision Ordinance").
- B. Owner is required to enter into secured agreements with County entitled "Subdivision Improvement Agreements" to perform certain acts and construct certain improvements as a condition of County's approval of said Map.
- C. Owner is required by the Subdivision Improvement Agreement, the Subdivision Ordinance, and the Subdivision Map Act (Gov. Code, §§ 66462 and 66499) to provide security satisfactory to the County to secure its obligations under the Subdivision Improvement Agreement.
- D. Owner warrants that Owner has not sold any of the individual lots in the real property to be divided, as identified on the Map.
- E. With the exception of grading commenced pursuant to a valid grading permit, Owner has not commenced to install or construct any of the improvements required by the Subdivision Improvement Agreement and has not been issued any construction permits, excluding a grading permit, on any of the real property to be divided as identified on the Map.
- F. Owner has provided a title insurance policy and current title report from a title company approved by the County and issued within the 60 days prior to the execution of this Lien Agreement that documents that the Owner is the record owner of the real property to be divided as identified on the Map and the real property to be divided is not subject to any mortgages, deeds of trust, or judgment liens.
- G. Pursuant to the Subdivision Ordinance, § 17.3, County is authorized to defer the posting of securities for the provision of improvements to the land division if the Owner enters into a secured agreement to defer making land division improvements required by Article X of the Subdivision Ordinance.
- H. County is authorized to accept the security proposed by Owner, known as a lien agreement, for the Subdivision Improvement Agreement under the provisions of Government Code Section 66499 (a) (4) and Subdivision Ordinance § 17.3.
- I. County has found and determined that it would not be in the public interest to require the installation of

the required improvements sooner than two years after the recordation of the Map.

J. Owner represents and County has confirmed that Owner has paid all plan check fees and has a deposit based fee account in good standing with the County.

NOW, THEREFORE, for valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

I. Owner's Performance and Obligations

A. Owner hereby grants to County, in accordance with the terms and conditions of this Lien Agreement, a lien upon the property ("Property") described in Exhibit "A" ("Grant Deed"), attached hereto, as security for the following obligations of Owner:

(1) Construction of the improvements ("Improvements") specified in the Subdivision Improvement Agreement, in the estimated amounts and for the purposes specified in Exhibit "B" attached hereto; provided, however, that Owner's obligation hereunder shall extend to the actual cost of construction of the Improvements, notwithstanding that such costs may exceed the estimate set forth in Exhibit "B"; and

(2) Payment of the balance of the fees or provision of the improvements or services described in Article X of the Subdivision Ordinance (collectively, "Fees"), in the amount required in accordance with Ordinance 671, as determined appropriate by the Director of Transportation.

This lien secures said obligation and the remedies provided herein for breach of said obligation.

B. For so long as title to the Property remains subject to this Lien Agreement, Owner shall not: (1) request issuance by the Department of Real Estate of the Final Subdivision Public Report for the Property; (2) sell or permit the sale of any lot shown on the Map; or (3) commence work on any portion of the Improvements except as necessary to correct or prevent threats to the public health, safety or general welfare with the consent of the County. Notwithstanding the above, fee title to the entire property encumbered by this Lien Agreement or to all lots designated on the Map may be sold in the aggregate to a single purchaser, provided that the proposed purchaser, prior to assuming title to the property, executes a new lien agreement or provides acceptable alternative security acceptable to the County.

C. At the time Owner executes this Lien Agreement, Owner shall file with County a cash deposit in the amount of Twelve Thousand Dollars (\$12,000), to be used by County to reimburse County for any costs which County may incur in processing a reversion to acreage initiated pursuant to this Lien Agreement. Any unused portion of such deposit shall be refunded to Owner following completion of such reversion. If the costs of reverting the Property to acreage exceed \$12,000, Owner shall pay such additional costs to County prior to recordation of the reversion to acreage map. The unused portion of this deposit may be applied to the deposit of fees for inspection, tests and other related purposes for the required Improvements upon termination of this Lien Agreement. If fee title to the entire property encumbered by this Lien Agreement or all lots designated on the Map are sold in the aggregate to a single purchaser and the purchaser executes a new lien agreement, the purchaser shall file with County a cash deposit in the amount of Twelve Thousand Dollars (\$12,000) for the purpose of reverting the property to acreage if the purchaser breaches the terms of the lien agreement. Upon receipt of the substitute deposit from the purchaser and execution of the new lien agreement, the original cash deposit will be refunded to Owner, minus Fees still owed to County by Owner.

D. Prior to obtaining a grading permit or commencing the installation and construction of any portion of the Improvements required by the Subdivision Improvement Agreement, Owner shall deposit fees for inspections, tests and other related purposes, and shall substitute other forms of security satisfactory to County in place of this Lien Agreement; provided, however, that Owner shall not be permitted to obtain said permits,

substitute such security or commence the installation and construction of any portion of the Improvements if less than two (2) years have elapsed since the date of recordation of this Lien Agreement.

E. Owner shall make the deposits specified in attached Exhibit "B" in the amounts prescribed for such purposes upon termination of this Lien Agreement. Owner also agrees to provide the substitute forms of security in the amounts and for the purposes set forth in the Subdivision Improvement Agreement, except that the amounts shall be calculated using the estimated cost of the Improvements at the time of substitution, as ascertained by County.

F. Owner shall substitute acceptable security for this Lien Agreement and commence to construct the Improvements required by the Subdivision Improvement Agreement within three (3) years following the date of recordation of the Map. At its sole discretion, the County may grant extensions of time in accordance with Section 17.3 of the Subdivision Ordinance. For each extension of time, Owner shall provide a title insurance policy and current title report from a title company approved by the County, and issued within the 60 days prior to the request for an extension of time, that documents that the Owner is the record owner of the real property to be divided as identified on the Map and the real property to be divided is not subject to any mortgages, deeds of trust, or judgment liens.

G. Owner shall pay the balance of the Fees prior to commencement of the work for which the Fees are required or prior to issuance of any building permit, whichever occurs first.

H. Owner agrees that if suit is brought upon this Lien Agreement, all costs and reasonable expenses and fees incurred by the County in successfully enforcing Owners obligations shall be paid by Owner, including attorneys' fees, and that, upon entry of judgment, all such costs, expenses and fees shall be taxed as costs and included in any judgment rendered.

I. Owner agrees to indemnify, and hold harmless, the County, its officers, employees and agents from any liability whatsoever based or asserted upon any act or omission of Owner, its employees and agents relating to or in any way connected with the accomplishment of work, obligations, or performance of service under this Lien Agreement. As part of the foregoing indemnity, Owner agrees to protect and defend at its own expense, including attorneys' fees, the County, its officers, employees and agents in any legal action based upon such alleged acts or omissions.

## II. County's Performance and Obligations

A. Following (1) County's approval of the substitute forms of security submitted by Owner pursuant to Paragraph I(D) hereof, (2) deposit by Owner of fees for inspections, tests and other specific purposes, and (3) Owner's payment or other performance of the obligations encompassed by the Fees required by Article X of the Subdivision Ordinance, performance of which are secured by this Lien Agreement, County shall release the Property, from the provisions of this Lien Agreement, and shall execute any necessary release to enable Owner or its transferee to clear the record of title of the Property so released of the lien herein imposed.

B. In no instances shall this Lien Agreement compel the County to construct the required Improvements.

## III. Effect of Lien Agreement

A. From the date of recordation of this Lien Agreement, a lien shall attach to the Property which shall have the priority of a judgment lien in an amount necessary to discharge all obligations contained in, the

Subdivision Improvement Agreement and any Fees. Under no circumstances shall the County agree to subordinate the lien.

B. Owner shall have the right to convey or sell fee title to the entire property encumbered by this Lien Agreement, so long as the purchaser agrees in writing to accept and be bound by the terms and provisions of this Lien Agreement, the applicable Subdivision Improvement Agreement, and the Fees, or has provided alternative security acceptable to the County per Subdivision Ordinance § 17.1.A. Any new lien agreement entered into by a purchaser of the Property must provide for completion of the Improvements by the same date as is specified herein.

C. This Lien Agreement shall expire upon release of the Property by the County, except that Owner's obligation to perform and complete the Improvements within four (4) years from the date of recordation of this Lien Agreement (or such date as may have been extended in accordance with the Subdivision Ordinance), as described in Section I(F) above, shall not expire but shall remain in full force and effect until satisfactory completion of the Improvements in full compliance with the Subdivision Improvement Agreement.

D. Notwithstanding any provisions of the Subdivision Ordinance to the contrary, so long as this Lien Agreement is utilized for security as described herein, the County is not obligated to accept offers of dedication for street or drainage purposes on the Property.

#### IV. Events of Default

Upon the occurrence of any one of the following events, Owner shall be deemed in default hereunder:

A. Failure by Owner to deposit fees for inspections, tests and other specified purposes or to substitute other forms of security satisfactory to County within the time allotted and as prescribed by this Lien Agreement.

B. Commencement of any work on the Improvements by Owner, its agents or employees, prior to substitution of acceptable security with the County in place of this Lien Agreement except as specifically authorized by County to correct or prevent threats to the public health, safety or general welfare.

C. Failure by Owner to substitute acceptable security for this Lien Agreement and complete construction of the Improvements described in the Subdivision Improvement Agreement within the time allotted and as prescribed by this Lien Agreement.

D. Failure by Owner to pay the Fees described in Section I (A) (2), above, at the time required herein.

E. Filing of any proceedings or action by or against Owner to declare Owner bankrupt or to appoint a receiver or trustee for Owner or to reorganize Owner or to make an assignment for the benefit of creditors or to do anything else of a similar nature or purpose under any state or federal bankruptcy or insolvency laws, if such proceedings or actions are not discharged within sixty (60) days.

F. Levy of any attachment or writ of execution against Owner and the Property whereby the Property is taken or occupied or attempted to be taken or occupied by someone other than Owner and such attachment or execution is not released within (60) days.

G. Sale of any lot shown on the Map prior to release of the lien created by this Lien Agreement, except as provided in subparagraph III (B).



H. Request by Owner of issuance by the Department of Real Estate of the Final Subdivision Public Report for the Property.

I. Breach by Owner of any other term or condition of this Lien Agreement or of the Subdivision Improvement Agreement or Owner's failure to fully and faithfully discharge its obligations hereunder within the time specified herein.

All references to Owner in this section shall be deemed to include Owner's successors, assignees and transferees.

#### V. County's Remedies

Upon the occurrence of any of the events described in Section IV, above, County may declare a breach of this Lien Agreement by giving thirty (30) days written notice to Owner, and may, at County's option, exercise any one or more of the following remedies:

A. Pursue any or all of the remedies provided in the Subdivision Improvement Agreement;

B. Enforce this lien by appropriate action in court or as provided by law and in the event the enforcement is by action in court, the Owner agrees that the amount of said lien shall include reasonable attorneys' fees which shall be taxed as a cost in any suit for such enforcement;

C. Estimate the cost of the work required to complete the Improvements, and all Fees, and foreclose said lien in said amount;

D. Initiate proceedings for reversion of the real property within the land division to acreage, at the expense of Owner, in accordance with the provisions of the Subdivision Map Act;

E. Pursue any other remedy, legal or equitable, for the foreclosure of a lien. Owner, its heirs and assigns, shall pay reasonable attorneys' fees to be taxed as a cost in said proceedings.

#### VI. General Provisions

A. Recordation. This Lien Agreement shall be recorded by County with the County Recorder immediately following execution of this Lien Agreement indexed by (1) all parties hereto, and (2) all parties having any record title interest in the subject real property, pursuant to Government Code Section 66436, acknowledging subordination of their interests to this Lien Agreement.

B. Contingency. This Lien Agreement shall not take effect until it has been approved by the County Board of Supervisors.

C. Entire Agreement. This Lien Agreement together with all exhibits and other agreements expressly referred to herein, constitutes the entire agreement between the parties with respect to the subject matter contained herein. All prior or contemporaneous agreements, understandings, representations, warranties and statements, oral or written, are superseded.

D. Further Assurances. The parties agree to perform such further acts and to execute and deliver such additional documents and instruments as may be reasonably required in order to carry out the provisions of this Lien Agreement and the intentions of the parties.

E. Governing Law. This Lien Agreement shall be governed, interpreted, construed and enforced in accordance with the laws of the State of California.

F. **Headings.** The captions and Section headings used in this Lien Agreement are inserted for convenience of reference only and are not intended to define, limit or affect the construction or interpretation of any term or provision hereof.

G. **Modification, Waiver.** No modification, waiver, amendment or discharge of this Lien Agreement shall be valid unless the same is in writing and signed by all parties.

H. **No Other Inducement.** The making, execution and delivery of this Lien Agreement by the parties hereto has been induced by no representations, statements, warranties or agreements other than those expressed herein.

I. **Severability.** If any term, provision, covenant or condition of this Lien Agreement is held to be invalid, void or otherwise unenforceable, to any extent, by any court of competent jurisdiction, the remainder of this Lien Agreement shall not be affected thereby, and each term, provision, covenant or condition of this Lien Agreement shall be valid and enforceable to the fullest extent permitted by law.

COUNTY OF RIVERSIDE ("COUNTY")

By: Chuck Wolf  
Chairman, Board of Supervisors

ATTEST:

KECIA HARPER IHEM,  
Clerk of the Board

By: Yvonne Miller  
Deputy

Please see signature block attached("OWNER")

By: \_\_\_\_\_

By: \_\_\_\_\_

APPROVED AS TO FORM

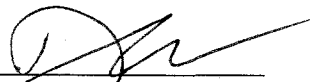
County Counsel

By: Clyde

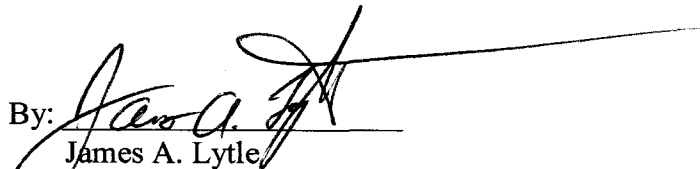
SIGNATURE PAGE FOR LIEN AGREEMENT – TRACT 31142

SR CONESTOGA, LLC, a Delaware Limited liability company

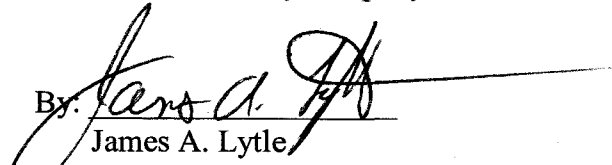
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Co-Managing Member

By:   
David C. Michan  
Manager

By: Conestoga Development, LLC, a California limited liability company, Co-Managing Member

By:   
James A. Lytle  
Manager

CONESTOGA DEVELOPMENT, LLC  
a California limited liability company

By:   
James A. Lytle  
Manager

SIGNATURE PAGE FOR LIEN AGREEMENT – TRACT 31142

Susan A. Stanaland, Trustee of the Susan Stanaland Family Trust dated January 11, 2016

By   
Susan A. Stanaland, Trustee

**CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT**

**CIVIL CODE § 1189**

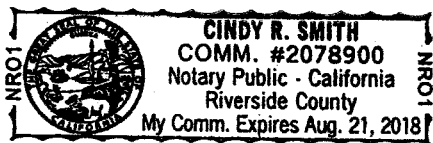
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State of California )  
County of RIVERSIDE )  
On April 13, 2017 before me, Cindy R. Smith, Notary Public  
Date Here Insert Name and Title of the Officer  
personally appeared JAMES A. LITTLE  
Name(s) of Signer(s)

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 [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: \_\_\_\_\_

**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 San Diego )

On April 24, 2017 before me, Denise Rogelia Davila, Notary Public  
Date Here Insert Name and Title of the Officer

personally appeared David C. Michan  
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 Denise Davila  
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: \_\_\_\_\_

**CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT**

**CIVIL CODE § 1189**

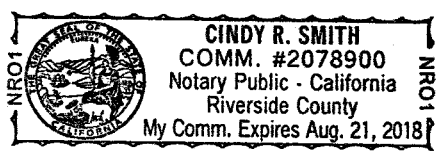
A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California )  
County of RIVERSIDE )  
On APRIL 17, 2018 before me, CINDY R SMITH, Notary Public  
Date Here Insert Name and Title of the Officer  
personally appeared SUSAN A. STANACAND  
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: \_\_\_\_\_



# EXHIBIT "A"

Recording Requested By:  
First American Title Company  
National Homebuilder Services  
Subdivision Department

DOC # 2014-0462631  
12/04/2014 10:58 AM Fees: \$28.00  
Page 1 of 2 Doc T Tax Paid  
Recorded in Official Records  
County of Riverside  
Larry W. Ward  
Assessor, County Clerk & Recorder

**RECORDING REQUESTED BY**  
First American Title Company

**AND WHEN RECORDED MAIL DOCUMENT TO:**

SR Conestoga, LLC  
C/O Strata Conestoga, LLC,  
4370 La Jolla Village Drive Ste 960  
San Diego, CA 92122

\*\*This document was electronically submitted  
to the County of Riverside for recording\*\*  
Received by: MGREGSTON

4743309.29

Space Above This Line for Recorder's Use Only

## GRANT DEED

The undersigned Grantor(s) declare(s) that Documentary Transfer Tax shall be shown on a separate Declaration or Statement of Tax Due and not of public record pursuant to revenue & taxation code 11932-11933.

A.P.N.: 461-210-032-7, 461-210-030-

T.R.A. No.071-290

File No.: OSA-4743309 (jg)

5

FOR A VALUABLE CONSIDERATION, receipt of which is hereby acknowledged, **Rancon Winchester Valley 155, LLC, a California limited liability company**

hereby GRANTS to **SR Conestoga, LLC, a Delaware limited liability company**

the following described property in the City of **Unincorporated**, County of **Riverside**, State of **California**:

**(APN: 461-210-030 AND 461-210-032)**

**PARCELS 1 AND LOTS "A" AND "B" OF PARCEL MAP 35983, IN THE COUNTY OF RIVERSIDE, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 229 PAGES 80 THROUGH 82, INCLUSIVE, OF PARCEL MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.**

**SUBJECT TO:**

1. Non-delinquent general and special real property taxes and assessments for the current fiscal year, and supplemental assessments accruing after the recordation of this Grant Deed; and
2. All covenants, conditions, restrictions, easements, reservations, rights and rights-of-way, dedications, offers of dedication, and other matters of record.

Grant Deed - continued

Date: 12/01/2014

A.P.N.: 461-210-032-7, 461-210-030-5

File No.: OSA-4743309 (jg)

Dated: **December 01, 2014**

Rancon Winchester Valley 155, LLC,  
a California limited liability company

By: [Signature]  
Daniel L Stephenson  
Its: MANAGER

STATE OF CALIFORNIA )SS  
COUNTY OF RIVERSIDE )

On DECEMBER 1, 2014, before me, PAULA B HACKBARTH, Notary  
Public, personally appeared DANIEL L STEPHENSON

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  
Paula B HackbARTH



*This area for official notarial seal*



EXHIBIT B

RIVERSIDE COUNTY TRANSPORTATION DEPARTMENT  
IMPROVEMENT REQUIREMENT WORKSHEET  
STREET IMPROVEMENTS

QUANTITY	UNIT	ITEM	UNIT COST	AMOUNT
		<b>ROADWAY EXCAVATION</b>		
7,950	C.Y.	1. Projects with Grading Plan Area x 0.50' (hinge point to hinge point)	\$ 20.00	\$ 159,000.00
		2. Projects without a Grading Plan Road area and side slopes to daylight Cut (c) =                      Fill (f) =		
	C.Y.	(a.) Excavate and Fill	\$ 0.40	\$ 0.00
	C.Y.	(b.) Excavate and Export	\$ 1.10	\$ 0.00
	C.Y.	(c.) Import and Fill	\$ 2.80	\$ 0.00
		If balance, provide (a.) only, either cut or fill If export, provide (a.)&(b.) a = fill, b = cut - fill If import, provide (a)&(c), a = cut, c = fill - cut (Unit costs for (a),(b), & (c) are 20% of actual costs to assure that work will be corrected to eliminate hazardous conditions.)		
350	L.F.	Sawcut Exist. A.C. Pavement	\$ 1.00	\$ 350.00
700	S.F.	Cold Plane A.C. Pavement	\$ 2.25	\$ 1,575.00
	S.Y.	Grinding A.C. , in place	\$ 2.00	\$ 0.00
13	S.Y.	Remove A.C. Pavement	\$ 1.45	\$ 18.85
170	L.F.	Remove Curb and Gutter	\$ 18.00	\$ 3,060.00
176	L.F.	Remove A.C. Dike	\$ 3.00	\$ 528.00
	EA.	Relocate Mailbox	\$ 250.00	\$ 0.00
	L.F.	Remove Chain Link Fence	\$ 7.50	\$ 0.00
	L.F.	Remove Barricade	\$ 10.00	\$ 0.00
5,305	TON	Asphalt Concrete (                      S.F.) ( 144 lbs/cu.ft)	\$ 90.00	\$ 477,450.00
6,210	C.Y.	Agg Base Class II (116,103S.F.)	\$ 50.00	\$ 310,500.00
9.0	Ton	Asphalt Emulsion (Fog Seal/Paint Binder)                      (1) ton = 240 gals) (116,103S.F.) apply at 0.05+0.03 = 0.08 gal/SY	\$ 600.00	\$ 5,400.00
700	S.F.	AC overlay (min. 0.10') (                      SF)	\$ 0.90	\$ 630.00
14,350	L.F.	Curb and Gutter (Type A-6)	\$ 15.00	\$ 215,250.00
	L.F.	Curb and Gutter (Type A-8)	\$ 17.00	\$ 0.00
	L.F.	Type "C" Curb	\$ 12.00	\$ 0.00
	L.F.	Type "D-1" Curb	\$ 12.00	\$ 0.00
50	L.F.	Type "D" Curb	\$ 15.00	\$ 750.00
170	L.F.	A.C. Dike (6")(incl. material & labor)	\$ 10.00	\$ 1,700.00
	L.F.	A.C. Dike (8")(incl. material & labor)	\$ 15.00	\$ 0.00
5,420	S.F.	P.C.C. Cross Gutter and Spandrels	\$ 10.00	\$ 54,200.00
81,350	S.F.	P.C.C. Sidewalk	\$ 6.00	\$ 488,100.00
29,400	S.F.	P.C.C. Drive Approach	\$ 8.00	\$ 235,200.00
	S.F.	P.C.C. Dip Section Std. 307	\$ 6.00	\$ 0.00
28	EA.	Handicapped Access Ramp	\$ 2,000.00	\$ 56,000.00
	C.Y.	Structural Reinforcement Concrete	\$ 400.00	\$ 0.00
	L.F.	Barricades	\$ 100.00	\$ 0.00
	L.F.	Metal Beam Guard Railing	\$ 50.00	\$ 0.00

EXHIBIT B

RIVERSIDE COUNTY TRANSPORTATION DEPARTMENT  
IMPROVEMENT REQUIREMENT WORKSHEET  
STREET IMPROVEMENTS

QUANTITY	UNIT	DESCRIPTION	UNIT COST	AMOUNT
7,610	L.F.	Utility Trench, one side (Edison, Telephone, Cable) (total length of Streets)	\$ 10.00	\$ 76,100.00
	L.F.	Chain Link Fence ( 6' )	\$ 80.00	\$ 0.00
	L.F.	Relocate Fence	\$ 12.00	\$ 0.00
	EA.	Pipe Gate	\$ 1,000.00	\$ 0.00
	EA.	Relocate Power Pole	\$ 10,000.00	\$ 0.00
42	EA.	Street Lights (including conduit)	\$ 5,000.00	\$ 210,000.00
	EA.	Concrete Bulkhead	\$ 2,500.00	\$ 0.00
	EA.	Slope Anchors for Pipes	\$ 300.00	\$ 0.00
7	C.Y.	Cut Off Wall ( Std 2' )	\$ 400.00	\$ 2,800.00
	EA.	A. C. Overside Drain	\$ 800.00	\$ 0.00
	EA.	Rectangular Channel Per Cal Trans Rev Std Plan D77A	\$ 2,000.00	\$ 0.00
	EA.	Double Rectangular Channel Per Cal Trans Std Plan D77	\$ 4,000.00	\$ 0.00
1	EA.	Curb Drain Per SPPWC Std Plan 150-3 Type II Inlet	\$ 2,000.00	\$ 2,000.00
	EA.	Under Sidewalk Drain Std 309	\$ 2,000.00	\$ 0.00
	EA.	Flat Outlet Drainage Structure Std 303	\$ 2,000.00	\$ 0.00
	EA.	Curb Outlet Drainage Structure Std 308	\$ 2,000.00	\$ 0.00
	EA.	Private Drainage Structure Std 310	\$ 500.00	\$ 0.00
6,280	S.F.	Terrace Drain & Down Drain	\$ 6.50	\$ 40,820.00
	S.F.	Interceptor Drain	\$ 6.50	\$ 0.00
423	S.F.	3' V-Drain	\$ 6.50	\$ 2,749.50
	C.Y.	R.C. Box Culvert	\$ 400.00	\$ 0.00
	C.Y.	Concrete Channel	\$ 200.00	\$ 0.00
	C.Y.	Rip Rap ( 1/4 Ton ) Method B	\$ 40.00	\$ 0.00
	C.Y.	Rip Rap ( 1/2 Ton ) Method B	\$ 45.00	\$ 0.00
	C.Y.	Rip Rap ( 1 Ton ) Method B	\$ 50.00	\$ 0.00
	C.Y.	Rip Rap ( 2 Ton ) Method B	\$ 55.00	\$ 0.00
	C.Y.	Grouted Rip Rap ( 1/4 Ton ) Method B	\$ 60.00	\$ 0.00
	C.Y.	Grouted Rip Rap ( 1/2 Ton ) Method B	\$ 67.00	\$ 0.00
	C.Y.	Grouted Rip Rap ( 1 Ton ) Method B	\$ 75.00	\$ 0.00
	C.Y.	Grouted Rip Rap ( 2 Ton ) Method B	\$ 80.00	\$ 0.00
765	L.F.	18" R.C. P. Or 21" x 15" RCPA	\$ 113.00	\$ 86,445.00
965	L.F.	24" R.C. P. Or 28" x 20" RCPA	\$ 140.00	\$ 135,100.00
60	L.F.	30" R.C. P. Or 35" x 24" RCPA	\$ 150.00	\$ 9,000.00
1860	L.F.	36" R.C. P. Or 42" x 29" RCPA	\$ 155.00	\$ 288,300.00
	L.F.	42" R.C. P. Or 49" x 33" RCPA	\$ 160.00	\$ 0.00
	L.F.	48" R.C. P. Or 57" x 38" RCPA	\$ 165.00	\$ 0.00
	L.F.	54" R.C. P. Or 64" x 43" RCPA	\$ 170.00	\$ 0.00
	L.F.	60" R.C. P. Or 71" x 47" RCPA	\$ 175.00	\$ 0.00
	L.F.	72" R.C. P.	\$ 175.00	\$ 0.00
	L.F.	84" R.C. P.	\$ 175.00	\$ 0.00
	L.F.	18" C.S.P. HDPE Or Equal	\$ 40.00	\$ 0.00
	L.F.	24" C.S.P. HDPE Or Equal	\$ 50.00	\$ 0.00
	L.F.	30" C.S.P. HDPE Or Equal	\$ 60.00	\$ 0.00
	L.F.	36" C.S.P. HDPE Or Equal	\$ 70.00	\$ 0.00
	L.F.	42" C.S.P. HDPE Or Equal	\$ 80.00	\$ 0.00
	L.F.	48" C.S.P. HDPE Or Equal	\$ 100.00	\$ 0.00

UNIT COSTS 3/01/2015  
FORMAT 3/01/2015

## EXHIBIT B

Sheet 4 of 9

RIVERSIDE COUNTY TRANSPORTATION DEPARTMENT  
IMPROVEMENT REQUIREMENT WORKSHEET  
STREET IMPROVEMENTS

		UNIT	UNIT COST	TOTAL COST
	L.F.	54" C.S.P. HDPE Or Equal	\$ 110.00	\$ 0.00
	L.F.	60" C.S.P. HDPE Or Equal	\$ 120.00	\$ 0.00
2	EA.	5'X5' Modified Drop Inlet Per Std CB 110	\$ 4,000.00	\$ 8,000.00
1	EA.	Drop Inlet Per Std CB 110	\$ 4,000.00	\$ 4,000.00
6	EA.	Catch Basin W=4'	\$ 2,200.00	\$ 13,200.00
3	EA.	Catch Basin W=7'	\$ 4,000.00	\$ 12,000.00
7	EA.	Catch Basin W=14' (Includes W=10')	\$ 7,800.00	\$ 54,600.00
1	EA.	Catch Basin W=21'	\$ 12,000.00	\$ 12,000.00
2	EA.	Catch Basin W=28' (Includes W=24')	\$ 15,000.00	\$ 30,000.00
	EA.	Type IX Inlet	\$ 2,500.00	\$ 0.00
	EA.	Type X Inlet	\$ 2,500.00	\$ 0.00
	EA.	Junction Structure No. 1	\$ 3,000.00	\$ 0.00
2	EA.	Junction Structure No. 2	\$ 3,000.00	\$ 6,000.00
	EA.	Junction Structure No. 3	\$ 3,000.00	\$ 0.00
	EA.	Junction Structure No. 6	\$ 3,700.00	\$ 0.00
	EA.	Transition Structure No. 1	\$ 12,500.00	\$ 0.00
	EA.	Transition Structure No. 2	\$ 12,500.00	\$ 0.00
2	EA.	Transition Structure No. 3	\$ 2,700.00	\$ 5,400.00
1	EA.	Manhole No. 1	\$ 2,700.00	\$ 2,700.00
2	EA.	Manhole No. 2	\$ 3,300.00	\$ 6,600.00
	EA.	Manhole No. 3	\$ 2,700.00	\$ 0.00
3	EA.	Manhole No. 4	\$ 5,000.00	\$ 15,000.00
2	EA.	Concrete drop inlet	\$ 2,500.00	\$ 5,000.00
	EA.	Adjust Water Valve to Grade ( if no water plan )	\$ 250.00	\$ 0.00
	EA.	Adjust MH to Grade ( if no sewer plan )	\$ 600.00	\$ 0.00
	EA.	Street Name Sign	\$ 400.00	\$ 0.00
4	EA	PCC Head wall and Wing wall per Std. D-34	\$ 8,000.00	\$ 32,000.00
				\$ 0.00
				\$ 0.00
<b>SIGNING, STRIPING AND SIGNALS</b>				
	S.F	Remove Traffic Stripes and Paint Markings	\$ 2.50	\$ 0.00
	EA.	Remove, Sign, Salvage	\$ 100.00	\$ 0.00
1	EA.	Relocate Roadside Sign	\$ 150.00	\$ 150.00
10	EA.	Street Name Sign	\$ 400.00	\$ 4,000.00
	EA.	Install Sign ( Strap and Saddle Bracket Method)	\$ 150.00	
	EA.	Install Sign Mast Arm Hanger Method)	\$ 150.00	\$ 0.00
21	EA.	Road Sign - One Post	\$ 250.00	\$ 5,250.00
	EA.	Road Sign - Two Post	\$ 400.00	\$ 0.00
	EA.	Object Marker - Modified Type "F" Delineator	\$ 60.00	\$ 0.00
	EA.	Delineator ( Class 1 Type F)	\$ 40.00	\$ 0.00
	EA.	Delineator ( Class 2 )	\$ 45.00	\$ 0.00
25	EA.	Pavement Marker, Reflective	\$ 3.75	\$ 93.75
	L.F.	Paint Traffic Stripe (2 Coats)	\$ 0.38	\$ 0.00
	L.F.	Remove Barricade	\$ 10.00	\$ 0.00
	L.F.	4" Thermoplastic Traffic Stripe	\$ 0.50	\$ 0.00
	L.F.	8" Thermoplastic Traffic Stripe	\$ 1.40	\$ 0.00



## EXHIBIT B

Sheet 6 of 9

RIVERSIDE COUNTY TRANSPORTATION DEPARTMENT  
IMPROVEMENT REQUIREMENT WORKSHEET.  
**WATER IMPROVEMENTS**

QUANTITY	UNIT	DESCRIPTION	UNIT PRICE	AMOUNT
	L.F.	4" Waterline	\$ 50.00	\$ 0.00
	L.F.	6" Waterline	\$ 60.00	\$ 0.00
7,485	L.F.	8" Waterline	\$ 70.00	\$ 523,950.00
	L.F.	10" Waterline	\$ 27.00	\$ 0.00
	L.F.	12" Waterline	\$ 90.00	\$ 0.00
	L.F.	18" Waterline	\$ 175.00	\$ 0.00
	EA.	4" Gate Valve	\$ 1,000.00	\$ 0.00
	EA.	6" Gate Valve	\$ 1,500.00	\$ 0.00
31	EA.	8" Gate Valve	\$ 2,500.00	\$ 77,500.00
	EA.	10" Gate Valve	\$ 1,050.00	\$ 0.00
	EA.	12" Gate Valve	\$ 5,500.00	\$ 0.00
	EA.	18" Gate Valve	\$ 20,000.00	\$ 0.00
	EA.	Fire Hydrant (6") Super	\$ 6,500.00	\$ 0.00
24	EA.	Fire Hydrant (6") Standard	\$ 5,500.00	\$ 132,000.00
	EA.	4" Misc. Fittings	\$ 150.00	\$ 0.00
4	EA.	6" Misc. Fittings	\$ 200.00	\$ 800.00
18	EA.	8" Misc. Fittings	\$ 250.00	\$ 4,500.00
	EA.	10" Misc. Fittings	\$ 280.00	\$ 0.00
2	EA.	12" Misc. Fittings	\$ 320.00	\$ 640.00
	EA.	18" Misc. Fittings	\$ 440.00	\$ 0.00
	EA.	Blowoffs (6")	\$ 5,000.00	\$ 0.00
169	EA.	1" Service Connections	\$ 1,500.00	\$ 253,500.00
	EA.	Adjust Water Valve to Grade	\$ 200.00	\$ 0.00
	EA.	Relocation of Blowoff	\$ 1,000.00	\$ 0.00
7	EA.	1" Air and Vacuum Valve.	\$ 5,000.00	\$ 35,000.00
			\$	\$ 0.00
			\$	\$ 0.00
			\$	\$ 0.00
	A.	<b>Subtotal</b>		\$ <b>1,027,890.00</b>
	B.	Administrative Contingency ( 25 % x A)		\$ 256,972.50
		NOTE: Use 25% for TR and PM Use 5% for PP, CU, PU, MS and VL Cases		
	C.	<b>Water Total (A + B)</b>		\$ <b>1,284,862.50</b>
		BOND AMOUNT FOR RECORDATION PRIOR TO HAVING SIGNED PLAND ( ORD.460, SEC. 10.3E)		
	D.	20% x C		\$ 256,972.50
	E.	<b>Water Total (C + D)</b>		\$ <b>1,541,835.00</b>



EXHIBIT B

RIVERSIDE COUNTY TRANSPORTATION DEPARTMENT  
IMPROVEMENT REQUIREMENT WORKSHEET  
RECYCLED WATER IMPROVEMENTS

QUANTITY	UNIT	DESCRIPTION	UNIT PRICE	TOTAL AMOUNT
	L.F.	4" Recycled Waterline	\$ 50.00	\$ 0.00
	L.F.	6" Recycled Waterline	\$ 60.00	\$ 0.00
2,805	L.F.	8" Recycled Waterline	\$ 70.00	\$ 196,350.00
	L.F.	10" Recycled Waterline	\$ 27.00	\$ 0.00
	L.F.	12" Recycled Waterline	\$ 90.00	\$ 0.00
	L.F.	18" Recycled Waterline	\$ 175.00	\$ 0.00
	EA.	4" Gate Valve	\$ 1,000.00	\$ 0.00
	EA.	6" Gate Valve	\$ 1,500.00	\$ 0.00
	EA.	8" Gate Valve	\$ 2,500.00	\$ 0.00
	EA.	10" Gate Valve	\$ 1,050.00	\$ 0.00
	EA.	12" Gate Valve	\$ 5,500.00	\$ 0.00
	EA.	18" Gate Valve	\$ 20,000.00	\$ 0.00
	EA.	Fire Hydrant (6") Super	\$ 6,500.00	\$ 0.00
	EA.	Fire Hydrant (6") Standard	\$ 5,500.00	\$ 0.00
	EA.	4" Misc. Fittings	\$ 150.00	\$ 0.00
	EA.	6" Misc. Fittings	\$ 200.00	\$ 0.00
	EA.	8" Misc. Fittings	\$ 250.00	\$ 0.00
	EA.	10" Misc. Fittings	\$ 280.00	\$ 0.00
	EA.	12" Misc. Fittings	\$ 320.00	\$ 0.00
	EA.	18" Misc. Fittings	\$ 440.00	\$ 0.00
1	EA.	Blowoffs (6")	\$ 5,000.00	\$ 5,000.00
4	EA.	1" Service Connections	\$ 1,500.00	\$ 6,000.00
	EA.	Adjust Water Valve to Grade	\$ 200.00	\$ 0.00
	EA.	Relocation of Blowoff	\$ 1,000.00	\$ 0.00
2	EA.	1" Air and Vacuum Valve.	\$ 5,000.00	\$ 10,000.00
			\$	\$ 0.00
			\$	\$ 0.00
			\$	\$ 0.00
	A.	<b>Subtotal</b>		\$ <b>217,350.00</b>
	B.	Administrative Contingency ( 25 % x A)		\$ 54,337.50
		NOTE: Use 25% for TR and PM Use 5% for PP, CU, PU, MS and VL Cases		
	C.	<b>Recycled Water Total (A + B)</b>		\$ <b>271,687.50</b>
		BOND AMOUNT FOR RECORDATION PRIOR TO HAVING SIGNED PLAND ( ORD.460, SEC. 10.3E)		
	D.	20% x C		\$ 54,337.50
	E.	<b>Recycled Water Total (C + D)</b>		\$ <b>326,025.00</b>



EXHIBIT B

Sheet 9 of 9

RIVERSIDE COUNTY TRANSPORTATION DEPARTMENT  
**PLANCHECK DEPOSIT CALCULATION SHEET**

PARCEL MAP OR TRACT NO. TR31142

SCH: A DATE: 3/3/2017

PP, CU, PU, MS OR VL NO.

IMPROVEMENT COSTS (Including Contingencies)	
I. Streets/Drainage (Line C from Street Improvement Calculations)	\$ 4,468,522.31
II. Water (Line C from Water Improvement Calculations)	\$ 1,284,862.50
III. Recycled Water (Line C from Recycled Water Improvement Calculations)	\$ 271,687.50
IV. Sewer (Line C from Sewer Improvement Calculations)	\$ 1,401,627.50
<b>PLAN CHECK DEPOSIT CALCULATION</b>	
A. Street/Drainage ( CASE TYPE % x I FROM ABOVE) NOTE: CASE TYPE % IS 1% for TR & COMM PM, 6% for PM & 6.5% FOR ALL OTHERS -PP,	\$ 44,685.22
B. Water, Recycled Water and Sewer (1% x II and III.) (Do not include for Tract or Commercial Maps)	\$ 29,581.78
C. Total Plan Check Deposit (A + B)	\$ 74,267.00
<b>SURCHARGE FEE CALCULATION</b>	
D. Surcharge Fee (2% x C)	\$ 1,485.34
E. Total Plan Check Deposit and Surcharge Fee	\$ 75,752.34
<b>MINIMUM PLAN CHECK DEPOSIT REQUIREMENTS</b>	
Note: If Plan Check Deposit calculated in "Line E" is less than the minimum as shown below, then following deposit schedule will apply, otherwise pay the full deposit.	
For TR (Schedule. A, B, C, D) and PM (Schedule. E, F, G) - minimum \$2,000	
For PM (Schedule H, I) - minimum \$2,000.00	
For PP/CU/PU/MS/VL - minimum \$2,000.00	
<b>COMMENTS</b>	

EXHIBIT B  
**RIVERSIDE COUNTY TRANSPORTATION DEPARTMENT**  
**OFFICE OF THE COUNTY SURVEYOR**  
**MONUMENT BOND COMPUTATION**

MAP # TR-31142 SCHEDULE A MAP CHECKER Dennis Odenbaugh

IP # 160032

Drive Time: Hrs. to Map	Net Work Hrs./Day	Cost per 10 Hr. Day	Cost per Monument
-------------------------	-------------------	---------------------	-------------------

Schedule "A" through "H" Maps

0.5	9	\$2500.00*	\$300
1.0	8		\$342
1.5	7		\$400
2.0	6		\$478

Out of town Monumentation Surveys

8	\$**	\$415
---	------	-------

Schedule "I" Maps

0.5	9	\$2500.00*	\$600
1.0	8		\$685
1.5	7		\$800
2.0	6		\$960

Out of town Monumentation Surveys

8	\$**	\$830
---	------	-------

Total Monuments to be Bonded	x	Cost per Monument	+	20%	=	Total Bond Amount
<u>445</u>	x	<u>\$342</u>	x	120%	=	<u>\$152,190.00</u>

Monument Inspection Fee \$ \$2,500.00 (Deposit Based)

Submitted Monument Bond Computation to Transportation Plan Check Review Date: 2/22/2017

\* Based on a crew of, 1) Registered Principal Eng. Technician, 1) Senior Eng. Technician.

\*\* 10-hour work day, meals, and lodging for a 2 person crew, per day, in a 4-day, 40-hour work week.

## EXHIBIT B

JASON E. UHLEY  
General Manager-Chief Engineer



1995 MARKET STREET  
RIVERSIDE, CA 92501  
951.955.1200  
FAX 951.788.9965  
www.rcflood.org  
211048

RIVERSIDE COUNTY FLOOD CONTROL  
AND WATER CONSERVATION DISTRICT

March 14, 2017

Mr. Michael Mueting, Engineering Project Manager  
Riverside County Transportation Department  
County Administrative Center  
4080 Lemon Street  
Riverside, CA 92501

Dear Mr. Mueting:

Re: Tract 31142  
Winchester Hills Line 2, Stage 1 and Stage 2  
Bonding Estimate  
Project Nos. 4-0-0576-01 and 4-0-0576-02  
Drawing No. 4-0898  
Account No. 137-0-3-75256

Please find below a detailed construction cost estimate of the drainage facilities to be constructed as part of the improvements for Tract 31142, Winchester Hills Line 2, Stage 1 and Stage 2. The District will inspect and assume operation and maintenance responsibilities for these facilities as shown below. The estimated cost of these facilities is \$1,254,451. The developer shall pay the appropriate inspection fee to the District prior to scheduling a pre-construction meeting. The \$37,634 shall be the basis upon which the District shall collect field inspection fee.

ITEM	QUANTITY	UNIT	UNIT COST	RCFC TOTAL
Reinforced Concrete Box	953	CY	\$ 590.00	\$562,270.00
Headwall & Wingwall	1	EA	8,000.00	8,000.00
84" RCP	40	LF	464.00	18,560.00
72" RCP	65	LF	376.00	24,440.00
54" RCP	460	LF	266.00	122,360.00
48" RCP	50	LF	235.00	11,750.00
42" RCP	510	LF	204.00	104,040.00
Manhole No. 2	1	EA	6,500.00	6,500.00
Manhole No. 3	4	EA	2,100.00	8,400.00
Manhole No. 4	2	EA	6,500.00	13,000.00
TS No. 1	1	EA	14,770.00	14,770.00
TS No. 3	1	EA	4,725.00	4,725.00
JS No. 2	2	EA	4,730.00	9,460.00
JS No. 1 & 3	5	EA	3,550.00	17,750.00
Structural Excavation	5,478	CY	8.00	43,824.00
Riprap 1/4 Ton	680	CY	100.00	68,000.00
Concrete Bulkhead	2	EA	2,500.00	5,000.00
Concrete Apron	8	SF	\$20.00	160.00
Concrete Collar	1	EA	1,000.00	1,000.00
Cutoff Wall	10	LF	13.50	135.00
Fencing/Handrail	70	LF	17.60	1,232.00

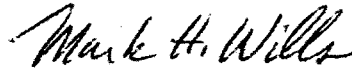
Mr. Michael Muetting  
Re: Tract 31142  
Winchester Hills Line 2, Stage 1 and Stage 2  
Bonding Estimate  
Project Nos. 4-0-0576-01 and 4-0-0576-02  
Drawing No. 4-0898  
Account No. 137-0-3-75256

-2-

March 14, 2017

Subtotal:	<u>\$1,045,376</u>
20% Contingency:	<u>\$ 209,075</u>
Total Cost:	<u>\$1,254,451</u>
120% for Map Recordation:	<u>\$1,505,341</u>
Inspection Fee = 3% of Total Cost:	<u>\$ 37,634</u>

Very truly yours,



MARK H. WILLS  
Chief of Planning Division

c: Conestoga Development, LLC  
Attn: Jim Lytle  
Albert A. Webb Associates  
Attn: Deborah Saulina  
ec: Henry Olivo  
Jeanine Rey  
Cassandra Sanchez  
Everett Duckworth  
Sharon Johnson

ED:blm

Exhibit B

**COUNTY OF RIVERSIDE  
DEPARTMENT OF TRANSPORTATION**

**NAME AND ADDRESS SHEET**

Please list the names and **business and residential addresses** of all persons who have executed the bonds and agreements, according to the partnership status of the entity (see pages 2 and 3 of this form) executing the bonds and agreements.

<u>NAME</u>	<u>ADDRESS</u>	<u>CITY</u>	<u>STATE</u>	<u>ZIP</u>
David Michan	5870 Blazing Star Lane	San Diego	CA	92130
	4370 La Jolla Village Dr. Ste 960	San Diego	CA	92122
James Lytle	32881 Northshire Circle	Temecula	CA	92592
	41391 Kalmia Street, Ste 200	Murrieta	CA	92562

RECORDING REQUESTED BY:

WHEN RECORDED MAIL TO:

SR Conestoga, LLC  
41391 Kalmia Street  
Suite 200  
Murrieta, CA 92562  
Attn.: Ms. Jennell Lawrence

---

(Space Above For Recorder's Use)

**DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS**

**AND RESERVATION OF EASEMENTS**

**FOR**

**TRACT NO. 31142**

**SECTION 15.14 OF THIS DECLARATION CONTAINS ALTERNATIVE DISPUTE RESOLUTION PROCEDURES WHICH REQUIRE, AMONG OTHER THINGS, THAT CERTAIN DISPUTES (INCLUDING DISPUTES CONCERNING THE DESIGN OR CONSTRUCTION OF THE PROPERTIES) BE SUBMITTED TO BINDING ARBITRATION. IF YOU HAVE ANY QUESTIONS CONCERNING THESE ALTERNATIVE DISPUTE RESOLUTION PROCEDURES OR ANY OF THE OTHER PROVISIONS OF THIS DECLARATION, YOU SHOULD SEEK LEGAL ADVICE.**



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**DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS**

**AND RESERVATION OF EASEMENTS**

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EXHIBIT "A" LEGAL DESCRIPTION OF ANNEXABLE TERRITORY

EXHIBIT "B" COMMON AREA

**DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS  
AND RESERVATION OF EASEMENTS  
FOR  
TRACT NO. 31142**

THIS DECLARATION is made by SR CONESTOGA, LLC, a Delaware limited liability company.

**P R E A M B L E:**

A. Declarant is the Owner of certain real property ("**Phase 1**") in the County of Riverside, State of California, described as follows:

Lots 1 through 10, inclusive, of Tract No. 31142, as per Map Recorded in Book \_\_\_\_, Pages \_\_\_\_ through \_\_\_\_, inclusive, of Maps, in the Office of the Riverside County Recorder.

B. Declarant has deemed it desirable, for the efficient preservation of the values and amenities in the Properties (as hereinafter defined) to create a planned development pursuant to the Davis-Stirling Common Interest Development Act, including a corporation under the Nonprofit Mutual Benefit Corporation Law of the State of California to which shall be delegated and assigned the powers of owning, maintaining and administering the Common Area, maintaining the Association Maintenance Areas, administering and enforcing the covenants and restrictions, and collecting and disbursing the assessments and charges hereinafter created. Declarant will or has caused such corporation, the Members of which shall be the respective Owners of Lots in the Properties, to be formed for the purpose of exercising such functions.

C. Declarant intends to develop and convey all of the Properties pursuant to a general plan for all of the Properties and subject to certain protective covenants, conditions, restrictions, rights, reservations, easements, equitable servitudes, liens and charges, all running with the Properties as hereinafter set forth, pursuant to the Davis-Stirling Common Interest Development Act.

D. Declarant hereby declares that all of the Properties shall be held, sold, conveyed, encumbered, hypothecated, leased, used, occupied and improved subject to the easements, restrictions, reservations, rights, covenants, conditions and equitable servitudes contained in this Declaration, all of which are for the purpose of uniformly enhancing and protecting the value, attractiveness and desirability of the Properties, in furtherance of a general plan for the protection, maintenance, subdivision, improvement and sale of the Properties or any portion thereof. The covenants, conditions, restrictions, rights, reservations, easements, and equitable servitudes set forth herein shall run with and burden the Properties and shall be binding upon all

persons having or acquiring any right, title or interest in the Properties, or any part thereof, their heirs, successors and assigns; shall inure to the benefit of every portion of the Properties and any interest therein; and shall inure to the benefit of and be binding upon, and may be enforced by Declarant, each Owner and their respective heirs, executors and administrators, and successive Owners and assigns.

## ARTICLE I

### 1. Definitions.

Unless otherwise expressly provided, the following words and phrases when used herein shall have the following specified meanings.

#### 1.1. Annexable Territory.

Annexable Territory shall mean the real property described on **Exhibit "A"** hereto, all or any portion of which may from time to time be made subject to this Declaration pursuant to the provisions of Article XVI hereof. Unless otherwise permitted by the County, all of the Annexable Territory must ultimately be annexed to this Declaration.

#### 1.2. Annual Assessment.

Annual Assessment shall mean a charge against each Owner and his Lot to be used to satisfy a portion of the Common Expenses, which is to be levied among all Owners and their Lots in the Properties in the manner and proportions provided herein. The Annual Assessment is a "regular assessment" as described in Section 5600 of the California Civil Code.

#### 1.3. ARC.

ARC shall mean the Architectural Review Committee created pursuant to Article VIII hereof.

#### 1.4. Articles.

Articles shall mean the Articles of Incorporation of the Association, as amended from time to time.

#### 1.5. Association.

Association shall mean TRACT 31142 HOMEOWNERS ASSOCIATION, a California nonprofit corporation (formed pursuant to the Nonprofit Mutual Benefit Corporation Law of the State of California), its successors and assigns. The Association is an "association" as defined in Section 4080 of the California Civil Code.

#### 1.6. Association Maintenance Areas.

Association Maintenance Areas shall mean (i) the mailboxes in the Properties, (ii) the perimeter wall surrounding the Properties and any wall or fence which separates a Lot from any portion of the Common Area ("**Association Walls and Fences**"), and (iii) any other areas designated as Association Maintenance Areas herein, in a Notice of Addition or in any other document executed by Declarant.

1.7. Association Maintenance Funds.

Association Maintenance Funds shall mean the accounts for receipts and disbursements of the Association created pursuant to Article VI hereof.

1.8. Beneficiary.

Beneficiary shall mean a Mortgagee under a Mortgage or a Beneficiary under a Deed of Trust, as the case may be, and the assignees of such Mortgagee or Beneficiary.

1.9. Board or Board of Directors.

Board or Board of Directors shall mean the Board of Directors of the Association.

1.10. Budget.

Budget shall mean a written, itemized estimate of the income and Common Expenses of the Association in performing its functions under this Declaration, prepared pursuant to the Bylaws.

1.11. Bylaws.

Bylaws shall mean the Bylaws of the Association, as amended from time to time.

1.12. Cal BRE.

Cal BRE shall mean the Bureau of Real Estate of the California Department of Consumer Affairs and any successors thereto.

1.13. Capital Improvement Assessment.

Capital Improvement Assessment shall mean a charge which the Board may from time to time levy against each Owner and his Lot, representing a portion of the cost to the Association for installation or construction of any capital Improvements on any of the Common Area or Association Maintenance Areas. Such charge shall be levied among all of the Owners and their Lots in the same proportion as Annual Assessments. Capital Improvement Assessments are "special assessments" as described in Section 5600 of the California Civil Code.

1.14. Close of Escrow.

Close of Escrow shall mean the date on which a deed is Recorded conveying a Lot pursuant to a transaction requiring the issuance of a Final Subdivision Public Report by the Cal BRE.

1.15. Common Area.

Common Area shall mean (i) Lots 169 to 171, inclusive, and Lots 174 to 176, inclusive, of Tract No. 31142, (ii) any portions of Lot 172 of Tract No. 31142 which are designated for maintenance by the "H.O.A." on **Exhibit "B"** hereto, which shall be maintained by the Association as provided herein notwithstanding the fact that such lot may be owned by Valley Wide Recreation and Park District, and (iii) any other areas which are designated for maintenance by the "H.O.A." on **Exhibit "B"** hereto.



1.16. Common Expenses.

Common Expenses shall mean those expenses for which the Association is responsible under this Declaration, including the actual and estimated costs of: maintenance, management, operation, repair and replacement of the Common Area and the Association Maintenance Areas; unpaid Compliance Assessments, Reconstruction Assessments and Capital Improvement Assessments; costs of management and administration of the Association including, but not limited to, compensation paid by the Association to managers, accountants, attorneys and other employees; the costs of all utilities, gardening, trash pickup and other services benefiting the Common Area and the Association Maintenance Areas; the costs of fire, casualty and liability insurance, worker's compensation insurance, and other insurance covering the Common Area and the Association Maintenance Areas and the directors, officers and agents of the Association; the costs of bonding the members of the Board; taxes paid by the Association; amounts paid by the Association for discharge of any lien or encumbrance levied against the Properties or portions thereof; and the costs of any other items incurred by the Association pursuant to this Declaration.

1.17. Compliance Assessment.

Compliance Assessment shall mean a charge against a particular Owner, directly attributable to, or reimbursable by, that Owner, equal to the cost incurred by the Association for corrective action performed pursuant to the provisions of the Governing Documents, or a reasonable fine or penalty assessed by the Board, plus interest and other charges on such Compliance Assessment as provided for herein. Compliance Assessments shall not include any late payment penalties, interest charges or costs (including attorneys' fees) incurred by the Association in the collection of Annual, Capital Improvement or Reconstruction Assessments.

1.18. County.

County shall mean the County of Riverside in the State of California, and its various departments, divisions, employees and representatives. If any portion of the Properties becomes a portion of an incorporated city, then the term "County" shall be deemed to include the city in which the Properties are located.

1.19. Declarant.

Declarant shall mean SR CONESTOGA, LLC, a Delaware limited liability company, its successors and any Person to which it shall have assigned any rights hereunder by an express written assignment. As used in this Section, "**successor**" means a Person who acquires Declarant or substantially all of Declarant's assets, or who merges with Declarant by sale, merger, reverse merger, consolidation, sale of stock or assets, operation of law or otherwise. Except as expressly provided to the contrary in this Declaration, Declarant shall determine in its sole discretion the time, place and manner in which it discharges its obligations and exercises its rights under this Declaration.

1.20. Declaration.

Declaration shall mean this instrument as it may be amended from time to time.

1.21. Deed of Trust.

Deed of Trust shall mean a Mortgage as further defined herein.

1.22. Dwelling Unit.

Dwelling Unit shall mean a building located on a Lot designed and intended for use and occupancy as a residence by a single Family.

1.23. Family.

Family shall mean one or more natural persons related to each other by blood, marriage or adoption, or a group of natural persons not all so related, but who maintain a common household in a Dwelling Unit on a Lot.

1.24. FHA.

FHA shall mean the Federal Housing Administration of the United States Department of Housing and Urban Development and any department or agency of the United States government which succeeds to the FHA's function of insuring notes secured by Mortgages on residential real estate.

1.25. FHLMC.

FHLMC shall mean the Federal Home Loan Mortgage Corporation created by Title II of the Emergency Home Finance Act of 1970, and any successors to such corporation.

1.26. Fiscal Year.

Fiscal Year shall mean the fiscal accounting and reporting period of the Association selected by the Board from time to time.

1.27. FNMA.

FNMA shall mean 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 any successors to such corporation.

1.28. GNMA.

GNMA shall mean the Government National Mortgage Association administered by the United States Department of Housing and Urban Development, and any successor to such association.

1.29. Governing Documents.

Governing Documents shall mean this Declaration, any Notices of Addition, the Articles, the Bylaws and the Rules and Regulations.

1.30. Improvement.

Improvement shall mean any structure or appurtenance thereto of every type and kind, including but not limited to Dwelling Units and other buildings, walkways, sprinkler pipes, recreational facilities, roads, driveways, parking areas, fences, walls, stairs, decks, trees, shrubs and other

landscaping, satellite dishes, antennae, the paint on all exterior surfaces, hedges, windbreaks, patio covers, railings, poles, signs, storage areas, exterior air conditioning and water-softening fixtures or equipment.

1.31. Lot.

Lot shall mean any residential lot or parcel of land shown upon any Recorded subdivision map, parcel map or lot line adjustment covering any portion of the Properties, with the exception of the Common Area.

1.32. Manager.

Manager shall mean the Person employed by the Association pursuant to and limited by the provisions of this Declaration and delegated the duties, powers or functions of the Association as limited by this Declaration, the Bylaws and the terms of the agreement between the Association and said Person.

1.33. Member, Membership.

Member shall mean any Person holding a membership in the Association, as provided in this Declaration. Membership shall mean the property, voting and other rights and privileges of Members as provided herein, together with the correlative duties and obligations contained in the Governing Documents.

1.34. Mortgage.

Mortgage shall mean any Recorded mortgage or deed of trust or other conveyance of one or more Lots or other portion of the Properties to secure the performance of an obligation, which will be reconveyed upon the completion of such performance.

1.35. Mortgagee, Mortgagor.

Mortgagee shall mean a Person to whom a Mortgage is made and shall include the Beneficiary of a Deed of Trust. Mortgagor shall mean a Person who mortgages his or her Lot to another (i.e., the maker of a Mortgage), and shall include the Trustor of a Deed of Trust. The term "Trustor" shall be synonymous with the term "Mortgagor" and the term "Beneficiary" shall be synonymous with the term "Mortgagee."

1.36. Notice and Hearing.

Notice and Hearing shall mean written notice and a hearing before the Board, at which the Owner concerned shall have an opportunity to be heard in person, or by counsel at the Owner's expense, in the manner further provided in the Bylaws.

1.37. Notice of Addition.

Notice of Addition shall mean an instrument Recorded pursuant to Article XVI hereof to annex all or any portion of the Annexable Territory to the Properties.

1.38. Owner.

Owner shall mean the Person or Persons, including Declarant, holding fee simple interest of record to any Lot. The term "Owner" shall include a seller under an executory contract of sale but shall exclude Mortgagees.

1.39. Person.

Person shall mean a natural individual or any entity with the legal right to hold title to real property.

1.40. Phase 1.

Phase 1 shall mean all of the real property described in Paragraph A of the Preamble of this Declaration.

1.41. Phase of Development.

Phase of Development or Phase shall mean both of the following: (a) Phase 1, and (b) all the real property covered by a Notice of Addition Recorded pursuant to Article XVI hereof for which a Final Subdivision Public Report has been issued by the Cal BRE, unless otherwise defined in such Notice of Addition.

1.42. Properties.

Properties shall mean (a) Phase 1, and (b) each Phase of Development described in a Notice of Addition. The Properties are a "common interest development" and a "planned development" as defined in Sections 4100 and 4175, respectively, of the California Civil Code.

1.43. Reconstruction Assessment.

Reconstruction Assessment shall mean a charge which the Board may from time to time levy against a particular Owner and his Lot, representing a portion of the cost to the Association for reconstruction of any Improvements on the Common Area or Association Maintenance Areas. Such charge shall be levied among all Owners and their Lots in the same proportion as Annual Assessments. Reconstruction Assessments are "special assessments" as described in Section 5600 of the California Civil Code.

1.44. Record, File, Recordation.

Record, File, or Recordation shall mean, with respect to any document, the recordation or filing of such document in the office of the Riverside County Recorder.

1.45. Rules and Regulations.

Rules and Regulations shall mean the rules, regulations, architectural standards and guidelines adopted by the Board or the ARC pursuant to this Declaration or the Bylaws, as such Rules and Regulations may be amended from time to time.

1.46. VA.

VA shall mean 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 mortgages on residential real estate.

ARTICLE II

2. Owner's Property Rights.

2.1. Owners' Easements of Enjoyment.

Every Owner shall have a right and easement of ingress and egress and of enjoyment in, to and over the Common Area owned in fee by the Association, and such easement shall be appurtenant to and shall pass with title to every Lot, subject to the following:

(a) Subject to the provisions of Section 4510 of the California Civil Code, the right of the Association to reasonably limit the number of guests and tenants of the Owners using the Common Area;

(b) The right of the Association to establish uniform Rules and Regulations for the use of the Common Area;

(c) The right of the Association in accordance with the Articles, Bylaws and this Declaration, with the vote or written assent of two-thirds (2/3) of the voting power of the Association, to borrow money for the purpose of improving, repairing, or adding to the Common Area or the Association Maintenance Areas, and in aid thereof, subject to the provisions of Article XIII of this Declaration, to mortgage, pledge, deed in trust, or hypothecate any or all of its real or personal property as security for money borrowed or debts incurred, provided that the rights of any such Mortgagee shall be subordinated to the rights of the Owners;

(d) Subject to the provisions of Articles V and XIII of this Declaration, the right of the Association to dedicate, release, alienate or transfer the Common Area to any public agency, authority or utility;

(e) The right of Declarant and its sales agents, representatives and prospective purchasers to the nonexclusive use of the Common Area and any facilities thereon, without cost, for access, ingress, egress, use and enjoyment, in order to show and dispose of the Properties and the Annexable Territory as provided herein, until the last Close of Escrow for the sale of a Lot in the Properties and the Annexable Territory; provided, however, that such use shall not unreasonably interfere with the rights of enjoyment of the other Owners as provided herein;

(f) The rights and reservations of Declarant as set forth in this Declaration;

(g) The right of the Association to reconstruct, replace or refinish any Improvement or portion thereof upon the Common Area or Association Maintenance Areas in

accordance with the original design, finish or standard of construction of such Improvement, or of the general Improvements within the Properties, as the case may be; and if not in accordance with such original design, finish or standard of construction only with the vote or written consent of the Owners holding sixty-seven percent (67%) of the voting power of the Association;

(h) The right of the Association to maintain and repair the Common Area, including without limitation the right to replace destroyed trees or other vegetation and plant trees, shrubs and ground cover upon any portion of the Common Area;

(i) Subject to the provisions of Section 4510 of the California Civil Code, the right of the Association, acting through the Board, to reasonably restrict access to portions of the Common Area; and

(j) The easements, rights and interests reserved in this Article II and elsewhere in this Declaration.

#### 2.2. Easements for Vehicular/Pedestrian Traffic.

In addition to the general easements for use of the Common Area reserved herein, there shall be, and Declarant hereby reserves and covenants for itself and all future Owners within the Properties, nonexclusive easements appurtenant to all the Lots in the Properties for vehicular and pedestrian traffic over the private streets and walkways within the Common Area owned in fee by the Association, if any, subject to the parking provisions set forth in Section 10.5 hereof.

#### 2.3. Easements for Public Service Use.

In addition to the foregoing easements over the Common Area, there shall be and Declarant hereby reserves and covenants for itself and all future Owners within the Properties; easements for public services of the County, including but not limited to, the right of the police and fire departments to enter upon any part of the Common Area for the purpose of carrying out their official duties.

#### 2.4. Waiver of Use.

No Owner may exempt himself from personal liability for assessments duly levied by the Association, nor release the Lot or other property owned by him from the liens and charges hereof, by waiving the use and enjoyment of the Common Area or any facilities thereon or by abandonment of his Lot or any other property in the Properties.

#### 2.5. Easements for Water and Utility Purposes.

In addition to the foregoing easements over the Common Area, there shall be and Declarant hereby reserves and covenants for itself and all future Owners within the Properties, easements for public and private utility purposes, including but not limited to, the right of any public utility or water district of ingress or egress over the Common Area owned in fee by the Association, if any, for purposes of reading and maintaining meters, and using and maintaining fire hydrants located on the Common Area.

#### 2.6. Taxes.

Each Owner shall execute such instruments and take such action as may reasonably be specified by the Association to obtain separate real estate tax assessment of each Lot. If any taxes or assessments may, in the opinion of the Association, become a lien on the Common Area owned in fee by the Association, if any, or any part thereof, they may be paid by the Association as a Common Expense.

#### 2.7. Easement - Association Maintenance Areas.

Declarant hereby reserves for the benefit of the Association, an easement over the Association Maintenance Areas for maintenance thereof and over the Lots for access, ingress and egress necessary to such maintenance. No Owner shall interfere with the exercise by the Association of its rights under the easement reserved in this Section.

#### 2.8. Easement for Declarant Over Common Area.

For so long as Declarant owns any Lot in the Properties or any portion of the Annexable Territory, Declarant hereby expressly reserves for its benefit, for the benefit of its agents, employees and contractors, and for the benefit of its successors and assigns, a nonexclusive easement appurtenant to the Annexable Territory, in, to, and over the Common Area owned in fee by the Association, if any, for access, ingress, egress, use and enjoyment, in order to show the Properties or Annexable Territory to its prospective purchasers, or to develop, market, sell, lease or otherwise dispose of the Properties or the Annexable Territory.

#### 2.9. Easements for Mailboxes.

Declarant hereby reserves for the benefit of the United States Postal Service easements over the Common Area owned in fee by the Association and the Lots for the delivery and deposit of mail. To the extent the mailboxes located on any Lot are "clustered" or otherwise serve Lots other than the Lot on which such mailboxes are located, Declarant hereby reserves for the benefit of such other Lots easements over the Lot containing such mailboxes for the retrieval of mail.

#### 2.10. Easements for Telecommunications.

Declarant hereby reserves easements ("**Telecommunications Easements**") over the Properties for access and for purposes of constructing, installing, locating, altering, operating, maintaining, inspecting, upgrading, removing and enhancing Telecommunications Facilities (as defined below) for the benefit of Declarant and the Properties. Such easements are freely transferable by Declarant to any other party. All Telecommunications Facilities shall be owned, leased or licensed by Declarant as determined by Declarant in its sole and absolute discretion. Transfer of the Properties or any portion thereof does not imply transfer of any Telecommunications Easements or Telecommunications Facilities. Any exercise of the Telecommunications Easements shall not unreasonably interfere with the reasonable use and enjoyment of the Properties by the Owners. If the exercise of any Telecommunications Easement results in damage to the Properties, the holder of the Telecommunications Easement shall repair such damage within a reasonable period of time.

As used herein, “**Telecommunications Facilities**” means (1) improvements, equipment and facilities for (i) telecommunications, (ii) transfer of audio, video and data signals, (iii) transfer of any other signals used for transmission of information by electrical, light wave, wireless frequencies or radio frequencies, and (iv) any other methods of communication and information transfer; (2) all associated improvements, equipment and facilities, including but not limited to antennas, towers, broadcasting and receiving devices, conduits, junction boxes, wires, cables, fiber optics, and any other necessary or appropriate enclosures and connections; and (3) power generation serving the improvements, equipment and facilities described in subparts (1) and (2) of this sentence. The term “Telecommunications Facilities” shall be interpreted as broadly as possible and to include relocated facilities, expansion of facilities, and/or facilities used for any and all new technology that replaces the Telecommunications Facilities that are used when this Declaration is Recorded. If there is a doubt as to whether an item fits within the definition of Telecommunications Facilities, the term is to be interpreted to include that item.

2.11. Shared Utilities.

Whenever sanitary sewer, storm drain, water, gas, electricity, telephone, cable television or other utility lines, cables or facilities in the Properties serve more than one (1) Lot, the Owner of each Lot served thereby shall be entitled to the full use and enjoyment thereof to the extent necessary for the same to serve his Lot. Declarant hereby reserves for the benefit of each such Owner and his Lot, an easement to enter upon such other Lots or to have the utility companies enter upon such other Lots to maintain, repair and replace said utility lines, cables and facilities, provided that such Owner shall promptly repair any damage to such other Lots caused by such entry.

2.12. Easements for Encroachment.

Declarant hereby reserves for the benefit of each Lot and the Common Area owned in fee by the Association, an easement over any adjoining Lot or Common Area for the encroachment by any Improvement as originally constructed by Declarant and for the encroachment by any Improvement resulting from subsequent settling, shifting or other movement of such Improvement.

2.13. Conveyance of Easements.

All easements in favor of or reserved for the benefit of the Association or the Owners in this Declaration or in a Notice of Addition are hereby granted to the Association and the Owners, as applicable, effective as to each Phase of Development upon the first Close of Escrow for the sale of a Lot in such Phase of Development.

ARTICLE III

3. Tract 31142 Homeowners Association.

3.1. Organization of Association.

The Association is or shall be incorporated under the name of TRACT 31142 HOMEOWNERS ASSOCIATION, as a corporation not for profit under the Nonprofit Mutual Benefit Corporation Law of the State of California.



### 3.2. Duties and Powers.

The duties and powers of the Association are those set forth in the Declaration, the Articles and Bylaws, together with its general and implied powers of a nonprofit mutual benefit corporation, generally to do any and 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 peace, health, comfort, safety and general welfare of its Members, subject only to the limitations upon the exercise of such powers as are expressly set forth in the Articles, the Bylaws and in this Declaration.

### 3.3. Membership.

Every Owner, upon becoming the Owner of a Lot, shall automatically become a Member of the Association and shall remain a Member thereof until such time as his ownership ceases, at which time his membership in the Association shall automatically cease. Ownership of a Lot shall be the sole qualification for membership in the Association. Memberships in the Association shall not be assignable, except to the Person to which title to the Lot has been transferred, and every membership in the Association shall be appurtenant to and may not be separated from the fee ownership of such Lot.

### 3.4. Transfer.

The Membership held by any Owner shall not be transferred, pledged or alienated in any way, except upon the sale or encumbrance of such Owner's Lot, and then only to the purchaser or Mortgagee of such Lot. A prohibited transfer is void and will not be reflected upon the books and records of the Association. A Class A Member who has sold his Lot to a contract purchaser under an agreement to purchase shall be entitled to delegate to the contract purchaser his Membership rights in the Association. The delegation shall be in writing and shall be delivered to the Board before the contract purchaser may vote. However, the contract seller shall remain liable for all charges and assessments attributable to his Lot until fee title to the Lot sold is transferred. If the Owner of any Lot fails or refuses to transfer his Membership to the purchaser of the Lot upon transfer of fee title thereto, the Board of Directors shall have the right to record the transfer upon the books of the Association. Until satisfactory evidence of such transfer has been presented to the Board, the purchaser shall not be entitled to vote at meetings of the Association. The Association may levy a reasonable transfer fee against a new Owner and his Lot (which fee shall be added to the Annual Assessment chargeable to such new Owner) to reimburse the Association for the administrative cost of transferring the membership to the new Owner on the records of the Association provided such fee does not exceed the Association's actual cost involved in changing its records of ownership.

## ARTICLE IV

### 4. Voting Rights.

#### 4.1. Classes of Voting Membership.

The Association shall have two (2) classes of voting Membership.

Class A. Class A Members shall originally be all Owners except Declarant for so long as there exists a Class B Membership. Class A Members shall be entitled to one (1) vote for each Lot owned by such Class A Members and subject to assessment. Declarant shall become a Class A Member with regard to Lots owned by Declarant upon conversion of Declarant's Class B Membership as provided below. When more than one (1) Person owns any Lot, all such Persons shall be Members. The vote for such Lot shall be exercised in accordance with Section 4.2, but in no event shall more than one (1) Class A vote be cast for any Lot.

Class B. The Class B Member shall be Declarant. The Class B Member shall be entitled to three (3) votes for each Lot owned by Declarant and subject to assessment. The Class B Membership shall cease and be converted to Class A Membership immediately upon the first to occur of the following events:

- (a) The second anniversary of the first Close of Escrow in the most recent Phase of Development of the Properties; or
- (b) The fourth anniversary of the first Close of Escrow in Phase 1 of the Properties.

In addition, Declarant shall be entitled to appoint a majority of the members of the Board at the first annual meeting of the Association ("**Declarant's Board Appointment Right**").

#### 4.2. Voting Rights.

(a) All voting rights shall be subject to the Governing Documents. Except as provided in Section 15.11 of this Declaration and Section 4.8 of the Bylaws, as long as there exists a Class B Membership, any provision of this Declaration, the Articles or Bylaws which expressly requires a vote or written consent of a specified percentage (i.e., other than actions requiring merely the vote or written consent of a majority of a quorum) of the voting power of the Association before action may be undertaken shall require the approval of such specified percentage of the voting power of each class of Membership. Except as provided in Section 15.11 of this Declaration and Section 4.8 of the Bylaws, upon termination of the Class B Membership, any provision of this Declaration, the Articles or Bylaws which expressly requires a vote or written consent of Owners representing a specified percentage (i.e., other than actions requiring merely the vote or written consent of a majority of a quorum) of the voting power of the Association before action may be undertaken shall then require the vote or written consent of Owners representing such specified percentage of both the total voting power of the Association and the voting power of the Association residing in Owners other than Declarant.

(b) Class A Members shall be entitled to one (1) vote for each Lot in which they hold the interest required for Membership. When more than one (1) Person holds such interest or interests in any Lot ("**co-owner**"), all such co-owners shall be Members and may

attend any meetings of the Association, but only one (1) such co-owner shall be entitled to exercise the vote to which the Lot is entitled. Co-owners owning the majority interests in a Lot shall from time to time designate in writing one (1) of their number to vote. Fractional votes shall not be allowed, and the vote for each Lot shall be exercised, if at all, as a unit. Where no voting co-owner is designated or if the designation has been revoked, the vote for the Lot shall be exercised as the co-owners owning the majority interests in the Lot mutually agree. Unless the Board receives a written objection in advance from a co-owner, it shall be conclusively presumed that the corresponding voting co-owner is acting with the consent of his co-owners. No vote shall be cast for any Lot if the co-owners present in person or by proxy owning the majority interests in such Lot cannot agree to said vote or other action. The nonvoting co-owner or co-owners shall be jointly and severally responsible for all of the obligations imposed upon the jointly owned Lot and shall be entitled to all other benefits of ownership. All agreements and determinations lawfully made by the Association in accordance with the voting percentages established herein, or in the Bylaws, shall be deemed to be binding on all Owners, their successors and assigns.

## ARTICLE V

### 5. Jurisdiction of Association.

The Association's obligation to maintain the Common Area and the Association Maintenance Areas in any Phase of Development shall commence on the date Annual Assessments commence on Lots in such Phase. Until commencement of Annual Assessments on Lots in any Phase, the Common Area and Association Maintenance Areas in such Phase shall be maintained by Declarant. The Association, acting through the Board, shall have:

- (a) The power and duty to accept, maintain, repair and otherwise manage the Common Area and Association Maintenance Areas and all facilities, Improvements and landscaping thereon in accordance with the provisions of this Declaration.
- (b) The power and duty to obtain for the benefit of the Properties all commonly metered water, gas and electric services, and the power but not the duty to provide for refuse collection and cable or master television service.
- (c) The power and duty to grant easements and rights of way or fee interests in portions of the Common Area owned in fee by the Association to the extent any such grant is reasonably required for utilities or for purposes of conformity with the as-built location of Improvements constructed or installed by Declarant.
- (d) The power but not the duty to grant or quitclaim easements, licenses or rights of way in, on or over the Common Area owned in fee by the Association for purposes not inconsistent with the intended use of the Properties as a planned residential development.
- (e) The power and duty to maintain such policy or policies of liability and fire insurance with respect to the Common Area and the Association Maintenance Areas and

personal property, if any, owned by the Association as provided herein in furthering the purposes of and protecting the interests of the Association and Members and as directed by this Declaration and the Bylaws of the Association.

(f) The power but not the duty to employ or contract with a professional Manager to perform all or any part of the duties and responsibilities of the Association, and the power to delegate its powers to committees, officers and employees. The maximum term of any such contract with a Manager ("**Management Contract**") shall be one (1) year, unless a longer term is approved either by vote or written assent of a majority of the voting power of the Association, in which case the maximum term of the Management Contract shall be three (3) years. The maximum term of any contract providing for Declarant's services to the Association or the Properties shall also be three (3) years. Each such contract for Declarant's services and each Management Contract shall provide for its termination by either party thereto with cause upon no more than thirty (30) days' written notice to the other party, and without cause and without payment of a termination fee upon no more than ninety (90) days' written notice to the other party.

(g) The power but not the duty, after Notice and Hearing, to enter upon any area of a Lot, without being liable to any Owner except for damage caused by such entry, for the purpose of enforcing by peaceful means the provisions of this Declaration, or for the purpose of maintaining or repairing any such area if for any reason whatsoever the Owner thereof fails to maintain or repair any such area as required by this Declaration. The cost of such enforcement, maintenance and repair shall be a Compliance Assessment enforceable as set forth in this Declaration. The Owner shall pay promptly all amounts due for such work, and the costs and expenses of collection may be added, at the option of the Board of Directors, to the amounts specially assessed against such Owner. Notwithstanding the foregoing, in the event of an emergency, entrance upon a Lot by or on behalf of the Board of Directors shall be permitted without Notice and Hearing for the purpose of enforcing the provisions of the Declaration or for the purpose of maintaining or repairing any area of the Lot improperly maintained by the Owner of the Lot.

(h) The power but not the duty to reasonably limit the number of guests and tenants of the Owners using the Common Area owned in fee by the Association, if any.

(i) The power but not the duty to adopt, amend, restate, delete, and create exceptions to, reasonable Rules and Regulations with respect to the Properties in accordance with Sections 4340 et seq. of the California Civil Code. The Rules and Regulations may concern use of the Properties, signs, parking restrictions, property maintenance and any other matters within the jurisdiction of the Association.

(j) The power and duty to adopt, amend, restate, delete, and create exceptions to, reasonable Rules and Regulations as required by Section 5105(a) of the California Civil Code.

(k) The power but not the duty to enter into contracts with Owners or other persons to provide services or to maintain and repair Improvements within the Properties and elsewhere which the Association is not otherwise required to provide or maintain pursuant to this Declaration; provided, however, that any such contract shall provide for the payment to the Association for the costs of providing such services or maintenance.

## ARTICLE VI

### 6. Covenant for Maintenance Assessments.

#### 6.1. Creation of Assessment Obligation.

Declarant, for each Lot owned by it, hereby covenants and agrees to pay, and each Owner, by acceptance of a deed to a Lot, whether or not it shall be so expressed in such deed, is deemed to covenant and agree to pay to the Association (1) Annual Assessments for Common Expenses, (2) Capital Improvement Assessments, (3) Compliance Assessments, and (4) Reconstruction Assessments; such assessments to be established and collected as provided herein. The Association shall not levy or collect any Annual Assessment, Capital Improvement Assessment, Compliance Assessment or Reconstruction Assessment that exceeds the amount necessary for the purpose or purposes for which it is levied. Except as provided in this Section 6.1 all such assessments (other than Compliance Assessments), together with interest, costs and reasonable attorneys' fees for the collection thereof, shall be a charge on the Lot and shall be a continuing lien upon the Lot against which such assessment is made. Each such assessment (including Compliance Assessments), together with interest, costs and reasonable attorneys' fees, shall also be the personal obligation of the Person who was the Owner of the Lot at the time when the assessment fell due. This personal obligation cannot be avoided by abandonment of a Lot or by an offer to waive use of the Common Area. The personal obligation for delinquent assessments shall not pass to any new Owner ("**Purchaser**") unless expressly assumed by the Purchaser.

#### 6.2. Maintenance Funds of Association.

The Board of Directors shall establish no fewer than two (2) separate Association Maintenance Fund accounts, into which shall be deposited all monies paid to the Association, and from which disbursements shall be made, as provided herein, in the performance of functions by the Association under this Declaration. The Association Maintenance Funds may be established as trust accounts at a banking or savings institution and shall include: (1) an Operating Fund for current Common Expenses of the Association, (2) an adequate Reserve Fund for capital Improvements, replacements, painting and repairs of the Common Area and Association Maintenance Area Improvements (which would not reasonably be expected to recur on an annual or more frequent basis), and (3) any other funds which the Board of Directors may establish to the extent necessary under the provisions of this Declaration. Nothing contained herein shall limit, preclude or impair the establishment of additional Maintenance Funds by the Association, so long as the amounts assessed to, deposited into, and disbursed from any such Fund are earmarked for specified purposes authorized by this Declaration.

### 6.3. Purpose of Annual Assessments.

The Assessments levied by the Association shall be used exclusively to promote the health, safety, recreation and welfare of the Owners and for the improvement and maintenance of the Common Area and Association Maintenance Areas, and to discharge any other obligations of the Association under this Declaration. All amounts deposited into the Maintenance Funds must be used solely for the common benefit of all of the Owners for purposes authorized by this Declaration. Disbursements from the Reserve Fund shall be made by the Board of Directors only for the specific purposes specified in this Article VI. The Board shall not expend funds designated as Reserve Funds for any purpose other than the repair, restoration, replacement, or maintenance of, or litigation involving the repair, restoration, replacement or maintenance of, major components that the Association is obligated to repair, restore, replace or maintain and for which the Reserve Fund was established. However, the Board may authorize the temporary transfer of moneys from the Reserve Fund to the Operating Fund to meet short-term cash-flow requirements or other expenses to the extent permitted by Section 5515 of the California Civil Code. The Board shall exercise prudent fiscal management in maintaining the integrity of the Reserve Fund, and shall, if necessary, levy a supplemental Annual Assessment to recover the full amount of the expended funds within the time limits required by Section 5515(d) of the California Civil Code. This supplemental Annual Assessment is subject to the limitations imposed by Section 6.4 of this Declaration. The Board may, at its discretion, extend the date the payment on the supplemental Annual Assessment is due. Any extension shall not prevent the Board from pursuing any legal remedy to enforce the collection of an unpaid supplemental Annual Assessment. When the decision is made to use reserve funds or to temporarily transfer money from the Reserve Fund to pay for litigation, the Association shall provide the Members with general notice pursuant to Section 4045 of the California Civil Code of that decision, and of the availability of an accounting of those expenses. Unless the Governing Documents impose more stringent standards, the Association shall make an accounting of expenses related to the litigation on at least a quarterly basis. The accounting shall be made available for inspection by Members at the Association's office. Disbursements from the Operating Fund shall be made by the Board of Directors only for such purposes as are necessary for the discharge of its responsibilities herein for the common benefit of all of the Owners, other than those purposes for which disbursements from the Reserve Fund are to be used. Nothing in this Declaration shall be construed in such a way as to permit the use of Association assessments or funds to abate any nuisance or annoyance emanating from outside the boundaries of the Properties. Annual Assessments shall be used to satisfy Common Expenses of the Association, as provided herein and in the Bylaws.

### 6.4. Limitations on Annual Assessment Increases.

The Board shall levy Annual Assessments in accordance with the following provisions:

#### (a) Maximum Authorized Annual Assessment for Initial Year of Operations.

Until the first day of the Fiscal Year immediately following the Fiscal Year in which Annual Assessments commence, the Board may levy an Annual Assessment per Lot in an amount which exceeds one hundred twenty percent (120%) of the amount of Annual Assessments disclosed for the Properties in the most current Budget filed with and reviewed by Cal BRE at the time Annual

Assessments commence only if the Board first obtains the approval of a majority of a quorum of Members pursuant to California Civil Code Section 4070 at a Member meeting or election ("**Increase Election**"). The quorum for an Increase Election shall be more than fifty percent (50%) of the Members ("**Increase Election Quorum**"). Notwithstanding the foregoing, this Section does not limit Annual Assessment increases necessary for addressing an "Emergency Situation" as defined in Section 6.4(d).

(b) Maximum Authorized Annual Assessment for Subsequent Fiscal Years. Starting with the first Fiscal Year immediately following the Fiscal Year in which Annual Assessments commence, the Board may levy Annual Assessments which exceed the Annual Assessments for the immediately preceding Fiscal Year only as follows:

(1) If the increase in Annual Assessments is less than or equal to twenty percent (20%) of the Annual Assessments for the immediately preceding Fiscal Year, then the Board must either (a) have complied with paragraphs (1), (2), (4), (5), (6), (7) and (8) of subdivision (b) of California Civil Code Section 5300 with respect to the current Fiscal Year, or (b) obtain the approval of a majority of an Increase Election Quorum at an Increase Election;

(2) If the increase in Annual Assessments is greater than twenty percent (20%) of the Annual Assessments for the immediately preceding Fiscal Year, then the Board must obtain the approval of a majority of an Increase Election Quorum at an Increase Election.

Notwithstanding the foregoing, this Section does not limit Annual Assessment increases necessary for addressing an "Emergency Situation" as defined in Section 6.4(d).

(c) Supplemental Annual Assessments. If the Board determines that the important and essential functions of the Association may be properly funded by an Annual Assessment in an amount less than the maximum authorized Annual Assessment described above, it may levy such lesser Annual Assessment. If the Board determines that the estimate of total charges for the current year is or will become inadequate to meet all Common Expenses for the Properties for any reason, it shall immediately determine the approximate amount of the inadequacy. Subject to the limitations described in Sections 6.4(a) and (b) above and (d) below, the Board shall have the authority to levy a supplemental Annual Assessment reflecting a revision of the total charges to be assessed against each Lot.

(d) Emergency Situations. For purposes of Sections 6.4(a), 6.4(b) and 6.5, an "**Emergency Situation**" is any one of the following:

- (1) An extraordinary expense required by an order of a court;
- (2) An extraordinary expense necessary to repair or maintain the Properties or any part thereof for which the Association is responsible where a threat to personal safety on the Properties is discovered; and

(3) An extraordinary expense necessary to repair or maintain the Properties or any part thereof for which the Association is responsible that could not have been reasonably foreseen by the Board in preparing and distributing the annual Budget report under California Civil Code Section 5300. Prior to the imposition or collection of an assessment pursuant to this subparagraph (3), the Board shall pass a resolution containing written findings as to the necessity of the extraordinary expense involved and why the expense was not or could not have been reasonably foreseen in the budgeting process. The resolution shall be distributed to the Members with the notice of assessment.

#### 6.5. Capital Improvements.

The Board of Directors of the Association may levy, in any Fiscal Year, a Capital Improvement Assessment or Reconstruction Assessment applicable to that Fiscal Year only for the purpose of defraying, in whole or in part, the cost of any construction, reconstruction, repair or replacement of a capital Improvement or other such addition upon the Common Area or Association Maintenance Areas including fixtures and personal property related thereto; provided that any proposed Capital Improvement Assessments in any Fiscal Year which, if added to the Capital Improvement Assessments already levied during such Fiscal Year, exceeds five percent (5%) of the Budgeted gross expenses of the Association for such Fiscal Year, shall require the approval of a majority of an Increase Election Quorum at an Increase Election. Notwithstanding the foregoing, the Board may levy in any Fiscal Year, a Capital Improvement Assessment applicable to that Fiscal Year which exceeds five percent (5%) of the Budgeted gross expenses of the Association for such Fiscal Year if such increase is necessary for addressing an Emergency Situation as defined in Section 6.4(d).

#### 6.6. Uniform Rate of Assessment.

Annual Assessments, Capital Improvement Assessments and Reconstruction Assessments provided for in this Article VI shall be assessed equally and uniformly against all Owners and their Lots. The Association may, subject to the provisions of Section 9.5 and Article XI(d) hereof, levy Compliance Assessments against selected Owners who have caused the Association to incur special expenses due to willful or negligent acts of said Owners, their tenants, families, guests, invitees or agents. All installments of Annual Assessments shall be collected in advance on a regular basis by the Board of Directors, at such frequency as the Board shall determine from time to time.

#### 6.7. Date of Commencement of Annual Assessments.

The Board of Directors shall authorize and levy the amount of the Annual Assessment upon each Lot, as provided herein, by a majority vote of the Board. Annual Assessments shall commence on all Lots in a Phase of Development on the first day of the first calendar month following the first Close of Escrow for the sale of a Lot in such Phase (provided, however, that the Close of Escrow for the sale of a Lot which is being used by Declarant for model home, sales office, design center, constructions office or similar purposes shall not cause the commencement of Annual Assessments in a Phase until such Lot is occupied by the Owner thereof). The first Annual Assessment shall be adjusted according to the number of months remaining in the Fiscal



Year as set forth in the Bylaws. The Board of Directors shall fix the amount of the Annual Assessment against each Lot at least thirty (30) days in advance of each Annual Assessment period. However, unless otherwise established by the Board, the initial Annual Assessments shall be assessed in accordance with the most recent Budget on file with and reviewed by the Cal BRE. Written notice of any change in the amount of any Annual Assessment, Capital Improvement Assessment or Reconstruction Assessment shall be sent via first-class mail to every Owner subject thereto, not less than thirty (30) nor more than sixty (60) days prior to the increased assessment becoming due. The due dates shall be established by the Board of Directors. The Association shall, upon demand, and for a reasonable charge, furnish a certificate signed by an officer or agent of the Association, setting forth whether the assessments on a specified Lot have been paid. A properly executed certificate of the Association as to the status of assessments against a Lot is binding upon the Association as of the date of its issuance.

Each installment of Annual Assessments may be paid by the Owner to the Association in one check or payment or in separate checks as payments attributable to deposits into specified Association Maintenance Funds. If any installment of an Annual Assessment payment is less than the amount assessed and the payment does not specify the Association Maintenance Fund or Funds into which it should be deposited, the receipt by the Association from that Owner shall be credited in order of priority first to the Operating Fund, until that portion of the Annual Assessment has been satisfied, and second to the Reserve Fund.

From time to time the Board may determine that all excess funds remaining in the Operating Fund be retained by the Association and used to reduce the following year's Annual Assessments. Upon dissolution of the Association incident to the abandonment or termination of the Properties, any amounts remaining in any of the Maintenance Funds shall be distributed to or for the benefit of the Owners in the same proportions as such monies were collected from the Owners.

Notwithstanding any other provisions of this Declaration, until the earlier to occur of (1) the Recordation of a notice of completion of an Improvement on the Common Area or Association Maintenance Areas, or (2) the placement into use of such Improvement, each Owner (including Declarant) shall be exempt from paying that portion of any Annual Assessment which is for the purpose of defraying expenses and reserves directly attributable to the existence and use of such Improvement.

Notwithstanding any other provisions of this Declaration or the Bylaws regarding the term and termination of contracts with Declarant for providing services to the Association, Declarant may enter into a written maintenance agreement with the Association under which Declarant shall pay all or any portion of the operating Common Expenses and perform all or any portion of the Association's maintenance responsibilities in exchange for a temporary suspension of Annual Assessments. Such maintenance agreement shall extend for a term and shall be on such conditions as are reviewed by the Cal BRE, and may require Owners to reimburse Declarant, through the Association, for a portion of the costs expended in satisfaction of Common Expenses.

6.8. Exempt Property.

The following property subject to this Declaration shall be exempt from the assessments herein:

- (a) All portions of the Properties dedicated to and accepted by a public authority; and
- (b) The Common Area owned by the Association in fee.

6.9. Assignment of Rents.

In addition to the foreclosure and other remedies granted the Association herein, each Owner, by acceptance of a deed to such Owner's Lot, hereby conveys to the Association all of such Owner's right, title and interest in all rents, issues and profits derived from and appurtenant to such Lot, together with the right, power and authority of the Association to collect and apply such rents, issues and profits to any delinquent assessments owed by such Owner, reserving to the Owner the right, prior to any default by the Owner in the payment of assessments, to collect and retain such rents, issues and profits as they may become due and payable. Upon any such default the Association may, upon the expiration of thirty (30) days following the mailing to the Owner of the "Notice of Delinquent Assessment" described in Section 7.2 hereof, either in person, by agent or by receiver to be appointed by a court, and without regard to the adequacy of any security for the indebtedness secured by the lien described herein, (a) enter in or upon and take possession of the Lot or any part thereof, (b) in the Association's name sue for or otherwise collect such rents, issues and profits, including those past due and unpaid, and (c) apply the same, less allowable expenses of operation, to any delinquencies of the Owner hereunder. The entering upon and taking possession of the Lot, the collection of rents, issues and profits and the application thereof, shall not cure or waive any default, notice of default or Notice of Delinquent Assessment hereunder or invalidate any act done pursuant to any such notice. The assignment of rents, issues and profits to the Association pursuant to this Section shall be subordinate to any assignment of rents, issues or profits in favor of a first Mortgagee.

ARTICLE VII

7. Nonpayment of Assessments; Remedies.

7.1. Nonpayment of Assessments; Remedies.

Any installment of an assessment provided for in this Declaration shall be delinquent if not paid within fifteen (15) days of the due date as established by the Board of Directors of the Association. The Board shall be authorized to adopt a system pursuant to which any installment of Annual Assessments, Capital Improvement Assessments, Compliance Assessments, or Reconstruction Assessments not paid within thirty (30) days after the due date, plus all reasonable fees and costs of collection (including attorneys' fees) and late charges as provided herein, shall bear interest commencing thirty (30) days from the date the assessment becomes due until paid at the rate of up to twelve percent (12%) per annum but in no event more than the maximum rate permitted by law. The Board may also require the delinquent Owner to pay a late

charge in accordance with California Civil Code Section 5650(b). The Association may bring an action at law against the Owner personally obligated to pay the same, or foreclose the lien against the Lot. No Owner may waive or otherwise escape liability for the assessments provided for herein by nonuse of the Common Area owned in fee by the Association, if any, or abandonment of his Lot.

7.2. Notice of Delinquent Assessment.

No action shall be brought to enforce any assessment lien herein, unless at least thirty (30) days has expired following the date a notice of delinquent assessment ("**Notice of Delinquent Assessment**") is Recorded by the Association. Said Notice of Delinquent Assessment shall state a legal description of the Lot, the record Owner thereof, the amount of the assessment and other sums imposed and any other items required by California Civil Code Section 5675, and in order for the lien to be enforced by nonjudicial foreclosure, the name and address of the trustee authorized by the Association to enforce the lien by sale, and shall be mailed by certified mail to every Person whose name is shown as an Owner of the Lot in the Association's records no later than ten (10) days after Recordation. Recordation of the Notice of Delinquent Assessment shall create a lien on the Lot as provided in California Civil Code Section 5675(a). The Notice of Delinquent Assessment shall be signed by any authorized officer or agent of the Association. The lien shall continue until fully paid or otherwise satisfied. At least thirty (30) days prior to Recording the Notice of Delinquent Assessment, the Association shall provide the delinquent Owner in writing by certified mail with all of the items required by Section 5660 of the California Civil Code. The Association shall also comply with all of the applicable provisions of Sections 5655, 5658, 5665, 5670, 5673 and 5705 of the California Civil Code.

7.3. Enforcement of Lien.

An Association lien may be enforced as described in Sections 5700 et seq. of the California Civil Code or in any other manner permitted by law. The Association, through duly authorized agents, shall have the power to bid on the Lot at foreclosure sale, and to acquire and hold, lease, mortgage and convey the same. Upon completion of the foreclosure sale, an action may be brought by the Association or the purchaser at the sale in order to secure occupancy of the defaulting Owner's Lot, and the defaulting Owner shall be required to pay the reasonable rental value of such Lot during any period of continued occupancy by the defaulting Owner or any persons claiming under the defaulting Owner.

7.4. Curing of Default.

Within twenty-one (21) days of the payment of the sums specified in the Notice of Delinquent Assessment, the Association shall Record an appropriate lien release or notice of rescission and provide the defaulting Owner with a copy of the same or notice that the delinquent assessment has been satisfied.

7.5. Cumulative Remedies.

The assessment liens and the rights to foreclosure and sale thereunder shall be in addition to and not in substitution for all other rights and remedies which the Association and its assigns may

have hereunder and by law, including a suit to recover a money judgment for unpaid assessments.

7.6. Mortgage Protection.

Notwithstanding all other provisions hereof, no lien created under this Article VII, nor any breach of this Declaration, nor the enforcement of any provision hereof shall defeat or render invalid the rights of the Mortgagee under any Recorded "first Mortgage" (as defined in Article XIII below) upon a Lot made in good faith and for value; provided that after such Mortgagee or other Person obtains title to such Lot by judicial foreclosure or by means of the powers set forth in such Mortgage, such Lot shall remain subject to the Declaration and the payment of all installments of Assessments accruing subsequent to the date such Mortgagee or other Person obtains title.

7.7. Priority of Assessment Lien.

The lien of the assessments provided for herein, including interest and costs (including attorneys' fees), shall be subordinate to the lien of any previously Recorded "first Mortgage" (as defined in Article XIII below) upon one or more Lots. Sale or transfer of any Lot shall not affect the assessment lien. However, the sale or transfer of any Lot pursuant to judicial or nonjudicial foreclosure of a first Mortgage shall extinguish the lien of such assessments as to payments which became due prior to such sale or transfer. No sale or transfer shall relieve such Lot from lien rights for any assessments thereafter becoming due. When the Beneficiary of a first Mortgage of record or other purchaser of a Lot obtains title pursuant to a judicial or nonjudicial foreclosure of the first Mortgage, such Person, his successors and assigns, shall not be liable for the share of the Common Expenses or assessments by the Association chargeable to such Lot which became due prior to the acquisition of title to such Lot by such Person. Such unpaid share of Common Expenses or assessments shall be deemed to be Common Expenses collectible from all of the Owners of the Lots including such Person, his successors and assigns.

ARTICLE VIII

8. Architectural Control.

8.1. Members of Committee.

The Architectural Review Committee of the Association, sometimes referred to herein as the "ARC," shall be comprised of three (3) members. The initial members of the ARC shall be appointees of Declarant until one (1) year after the original issuance of the Final Subdivision Public Report ("**Public Report**") for Phase 1 ("**First Anniversary**"). After the First Anniversary the Board may appoint and remove one (1) member of the ARC, and Declarant shall have the right and power at all times to appoint and remove a majority of the members of the ARC or to fill any vacancy of such majority until the earlier to occur of (i) Close of Escrow for the sale of ninety percent (90%) of all the subdivision interests in the Properties and the Annexable Territory, or (ii) expiration of five (5) years following the date of original issuance of the Public Report for Phase 1, after which the Board shall have the power to appoint and remove all of the members of the ARC. The ARC shall have the right and duty to promulgate reasonable

standards against which to examine any request made pursuant to this Article in order to ensure that the proposed plans conform harmoniously to the exterior design and existing materials of the buildings in the Properties. Board members may also serve as ARC members.

#### 8.2. Review of Plans and Specifications.

The ARC shall consider and act upon any and all plans and specifications submitted for its approval under this Declaration and perform such other duties as from time to time shall be assigned to it by the Board, including the inspection of construction in progress to assure its conformance with plans approved by the ARC. No construction, alteration, removal, relocation, repainting, demolishing, addition, installation, modification, decoration, redecoration or reconstruction of an outdoor Improvement in the Properties shall be commenced or maintained until the plans and specifications therefor showing the nature, kind, shape, height, width, color, materials and location of the same shall have been submitted to the ARC and approved in writing by the ARC; provided, however, that any Improvement may be repainted without ARC approval so long as the Improvement is repainted the identical color which it was last painted. The provisions of this Article apply to the construction, installation and alteration of solar energy systems as defined in Section 801.5 of the California Civil Code, subject to the provisions of Sections 714 and 714.1 of the California Civil Code, the applicable building code, zoning regulations and other laws. The ARC may consider the impact of the construction or installation of the proposed Improvement as well as the impact of the completed Improvement on (1) the safety of the Owners and the public, (2) the noise heard beyond the Lot on which the Improvement will be located, (3) fire safety, and (4) the Common Area and Association Maintenance Areas. The Owner submitting the plans and specifications ("**Applicant**") shall obtain a written, dated receipt therefor from an authorized agent of the ARC. Until changed by the Board, the address for submission of such plans and specifications shall be the principal office of the Association. The ARC shall approve plans and specifications submitted for its approval only if it determines that (a) the installation, construction or alteration of the Improvements in the locations indicated will not be detrimental to the appearance of the surrounding area of the Properties as a whole, (b) the appearance of the proposed Improvements will be in harmony with the existing Improvements and the overall design theme in the Properties, (c) the installation, construction or alteration of the proposed Improvements will not detract from the beauty, wholesomeness and attractiveness of the Common Area and Association Maintenance Areas or the enjoyment thereof by the Owners, (d) maintenance of the proposed Improvements will not become a burden on the Association, and (e) the proposed Improvements are consistent with the Governing Documents. Declarant and any Person to which Declarant may assign all or a portion of its exemption hereunder need not seek or obtain ARC approval of any Improvements constructed on the Properties by Declarant or such Person, as the case may be.

The ARC may condition its approval of proposals or plans and specifications for any Improvement on any one (1) or more of the following: (1) upon the Applicant's furnishing the Association with security acceptable to the Association against any mechanic's lien or other encumbrance which may be Recorded against any portion of the Properties as a result of such work, (2) such changes therein as the ARC deems appropriate, (3) the Applicant's agreement to