

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



ITEM
2.10
(ID # 9829)

MEETING DATE:

Tuesday, May 21, 2019


FROM : TLMA-TRANSPORTATION:

SUBJECT: TRANSPORTATION AND LAND MANAGEMENT AGENCY/TRANSPORTATION:
Approval of Final Tract Map 35477, a Schedule "A" Subdivision in the Hemet
Area. 3rd District. [Applicant Fees 100%]

RECOMMENDED MOTION: That the Board of Supervisors:

1. Approve the Improvement Agreements and Securities for Final Tract Map 35477 as approved by County Counsel;
2. Approve the Final Map; and
3. Authorize the Chairman of the Board to sign the Improvement Agreements and Final Tract Map 35477.

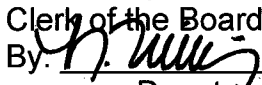
ACTION: Consent


Patricia Romo, Director of Transportation 5/8/2019

MINUTES OF THE BOARD OF SUPERVISORS

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

Ayes: Jeffries, Spiegel, Washington, Perez and Hewitt
Nays: None
Absent: None
Date: May 21, 2019
xc: Transp.

Kecia Harper
Clerk of the Board
By: 
Deputy

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

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

C.E.O. RECOMMENDATION: Approve

BACKGROUND:

Summary

Tract 35477 was approved by the Board of Supervisors on September 30, 2014 as Agenda Item 1.2. Final Map 35477 is a 2.69 acre subdivision that is creating a one lot subdivision for a 37 unit condominium complex in the Hemet area. This Final Tract 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.

G8 Development, Inc. desires to enter into Improvement Agreements to guarantee the construction of the required improvements and has submitted Improvement Agreements and Securities which have been approved by County Counsel. All costs for improvements will be the responsibility of the developer. The securities posted for the Tract are by Indemnity Company of California:

TR35477 \$186,000 - Bond # 803064S for the completion of street improvements.

TR35477 \$2,000 - Bond # 803064S for the completion of the water system.

TR35477 \$2,500 - Bond # 803064S for the completion of the sewer system.

Additional Fiscal Information:

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

ATTACHMENTS:

TR35477 Vicinity Map

TR35477 Improvement Agreements

TR35477 Mylars

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


Gregory V. Priapos, Director County Counsel 5/9/2019

**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 G8 Development Inc., hereinafter called Contractor.

WITNESSETH:

FIRST: Contractor, for and in consideration of the approval by County of the final map of that certain land division known as Tract Map 35477, hereby agrees, at Contractor's own cost and expense, to construct or cause to have constructed, within 24 months from the date this agreement is executed, in a good and workmanlike manner, a water distribution system, complete with all necessary pipes, valves, fire hydrants, connections and appurtenances necessary to the satisfactory operation of said distribution system, and, further, to extend main or mains from the existing supply system maintained and operated by 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 Two Thousand and no/100 Dollars (\$2,000.00).

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

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

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

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

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

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

EIGHTH: Contractor agrees to file with County, prior to the date this agreement is executed, a good and sufficient improvement security in an amount not less than the estimated cost of the work and improvements for the faithful performance of the terms and conditions of this agreement, and good and sufficient security for payment of labor and materials in the amount prescribed by Article XVII of Riverside County Ordinance 460 to secure the claims to which reference is made in Title 3 (commencing with Section 9000) of Part 6 of Division 4 of the Civil Code of the State of California. Contractor agrees to renew each and every said bond or bonds with good and sufficient sureties or increase the amount of said bonds, or both, within ten (10) days after being notified by the Director of Transportation that the sureties or amounts are insufficient. Notwithstanding any other provisions herein, if Contractor fails to take such action as is necessary to comply with said notice, Contractor shall be in default of this agreement unless all required improvements are completed within ninety (90) days of the date on which the Director of Transportation notified Contractor of the insufficiency of the security or the amount of the bonds or both.

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

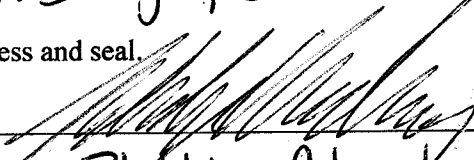
TENTH: It is understood and agreed by the parties hereto that if any part, term or provision of this agreement is by the courts held to be unlawful and void, the validity of the remaining portions shall not be affected and the rights and obligations of the parties shall be construed and enforced as if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

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

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


Contractor
G8 Development Inc.
4538 Cass Street
San Diego, CA 92109

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

Signed: 
Print Name: Philip Chodur
Title: President and Secretary

Signed: _____
Print Name: _____
Title: _____

CHAIRMAN OF THE BOARD OF SUPERVISORS
COUNTY OF RIVERSIDE

Signed: 
KEVIN JEFFRIES

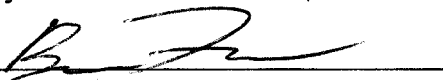
ATTEST:

KECIA R. HARPER,
Clerk of the Board

Signed: 
Deputy

APPROVED AS TO FORM

County Counsel

By: 

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

ACKNOWLEDGMENT

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

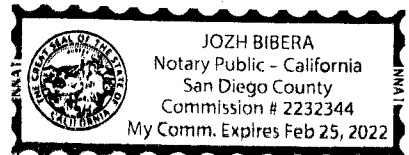
On 2/27/2019 before me, Jozh Bibera, Notary Public
(insert name and title of the officer)

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

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

WITNESS my hand and official seal.

Signature  (Seal)



**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 G8 Development Inc., hereinafter called Contractor.

WITNESSETH:

FIRST: Contractor, for and in consideration of the approval by County of the final map of that certain land division known as **Tract Map 35477**, hereby agrees, at Contractor's own cost and expense, to construct or cause to have constructed, within **24** months from the date this agreement is executed, in a good and workmanlike manner, a sanitary sewer system, complete with all necessary pipes, valves, fire hydrants, connections and appurtenances necessary to the satisfactory operation of said sanitary sewer system. Contractor further agrees to extend the main or mains from the existing sewer system maintained and operated by **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 **Two Thousand Five Hundred and no/100 Dollars (\$2,500.00)**.

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

THIRD: County shall not, nor shall any officer or employee of County, be liable or responsible for any accident, loss or damage happening or occurring to the works specified in this agreement prior to the completion and acceptance thereof, nor shall County or any officer or employee thereof, be liable for any persons or property injured by reason of the nature of the work, or by reason of the acts or omissions of Contractor, 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

MAY 21 2019 2.10

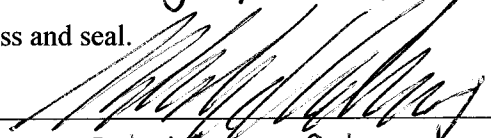
TENTH: It is understood and agreed by the parties hereto that if any part, term or provision of this agreement is by the courts held to be unlawful and void, the validity of the remaining portions shall not be affected and the rights and obligations of the parties shall be construed and enforced as if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

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

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


Contractor
G8 Development Inc.
4538 Cass Street
San Diego, CA 92109

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

Signed: 
Print Name: Philip Chodur
Title: President and Secretary

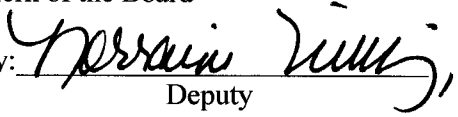
Signed: _____
Print Name: _____
Title: _____

CHAIRMAN OF THE BOARD OF SUPERVISORS
COUNTY OF RIVERSIDE

By: 
KEVIN JEFFRIES


ATTEST:

KECIA R. HARPER,
Clerk of the Board

By: 
Deputy

APPROVED AS TO FORM

County Counsel

By: 

SIGNATURES OF CONTRACTOR MUST BE ACKNOWLEDGED BY NOTARY

ACKNOWLEDGMENT

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 2/27/2019 before me, Jozh Bibera, Notary Public
(insert name and title of the officer)

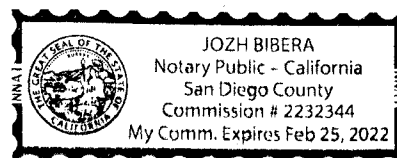
personally appeared Philip Chodur,
who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s)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

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

WITNESS my hand and official seal.

Signature 

(Seal)



**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 G8 Development Inc., hereinafter called Contractor.

WITNESSETH:

FIRST: Contractor, for and in consideration of the approval by County of the final map of that certain land division known as Tract Map 35477, hereby agrees, at Contractor's own cost and expense, to furnish all labor, equipment and materials necessary to perform and complete, within 24 months from the date this agreement is executed, in a good and workmanlike manner, all road and drainage improvements in accordance with those Road Plans for said land division which have been approved by the County Director of Transportation, and are on file in the office of the Riverside County Transportation Department, and do all work incidental thereto in accordance with the standards set forth in Riverside County Ordinance No. 461, as amended, which are hereby expressly made a part of this agreement. All the above required work shall be done under the inspection of and to the satisfaction of the County Director of Transportation, and shall not be deemed complete until approved and accepted as complete by the County. Contractor further agrees to maintain the above required improvements for a period of one year following acceptance by the County, and during this one year period to repair or replace, to the satisfaction of the Director of Transportation, any defective work or labor done or defective materials furnished. Contractor further agrees that all underground improvements shall be completed prior to the paving of any roadway. The estimated cost of said work and improvements is the sum of One Hundred Eighty-Six Thousand and no/100 Dollars (\$186,000.00).

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

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

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

MAY 21 2019

2.10

**ASSESSOR-COUNTY CLERK-RECORDER, RIVERSIDE COUNTY
RECORDS MANAGEMENT PROGRAM
RECORDS TRANSFER LIST, part 1**

1. Work Order # _____

1. Page _____ of _____

INSTRUCTIONS: Fax completed form to (909) 358-6961 and submit original form to the Records Center with the records being transferred.

DEPARTMENTAL INFORMATION					
3. DEPARTMENT Clerk of the Board of Supervisors			8. ORG.#	10. DATE 05/21/2019	
4. ORGANIZATION County of Riverside-CA.			9. ACCOUNT #	11. MEDIA CODE	
5. ADDRESS 4080 Lemon St., Room 127			12. NO. OF BOXES TRANSFERRED		
CITY Riverside, CA. 92501			13. RECORDS TRANSFERRED BY:		
6. MAIL STOP 1010		7. Name PHONE # FAX# Lorraine Williams 951-955-8092 951-955-1071		14. RECORDS COORDINATOR (must be Authorized):	
15. BOX # (Temp)	16. DESCRIPTION OF RECORDS Must be the same as records series title on schedule	17. RANGE OF YEARS	18. DESTRUCTION DATE	19. RECORD SERIES TITLE CODE	20. PERMANENT BOX # (Barcode label)
	Final Tract Map 35477 Schedule A Hemet area 3 rd District				
	Item 2.10 Board Date 5/21/2019				
21. RECORDS RECEIVED BY: <i>J. Williams</i>			30. REMARKS		
22. TITLE ACR-Facilities		23. RECEIVED VIA:			
24. DATE RECEIVED: 5/22/19		25. TIME RECEIVED:			
26. BOXES VERIFIED BY:		27. DATE BOXES VERIFIED:			
28. NAME\DATE SCANNED TO HOLDING AREA:					
29. NAME\DATE SCANNED TO LOCATION:					

RECEIVED RIVERSIDE COUNTY
 CLERK/BOARD OF SUPERVISORS
 2019 MAY 22 AM 10:22

TRACT MAP NO. 35477

BEING A DIVISION OF PARCELS 1 AND 2 OF PARCEL MAP NO. 124
BY MAP ON FILE IN BOOK 68 OF MAPS, PAGE 12 AND 13, RECORD
COUNTY, CALIFORNIA, IN SECTION 14 T. 5. S., R.1 W. SAN BERNARDINO

FOR CONDOMINIUM PURPOSES

LANDMARK ENGINEERING CORPORATION

NOVEMBER 2015

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LOTS FOR STREET

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MAP.

BOARD OF SUPERVISORS STATEMENT

THE COUNTY OF RIVERSIDE, STATE OF CALIFORNIA, BY ITS BOARD OF SUPERVISORS APPROVES THE TRACT MAP AND ACCEPTS THE OFFER OF DEDICATION MAP NO. 35477 FOR PUBLIC ROAD AND PUBLIC UTILITY PURPOSES, AND AS PART OF THE COUNTY ROAD SYSTEM, SUBJECT TO IMPROVEMENTS IN ACCORDANCE WITH COUNTY ORDINANCES.

DATE: May 21, 2019
COUNTY OF RIVERSIDE, STATE OF CALIFORNIA

ATTEST:
KECIA HARPER
CLERK OF THE BOARD OF SUPERVISORS

BY: [Signature]
CHAIRMAN OF THE BOARD OF SUPERVISORS

BY: [Signature]

TAX COLLECTOR'S CERTIFICATE

I HEREBY CERTIFY THAT ACCORDING TO THE RECORDS OF THIS OFFICE, AS OF THE DATE, THERE ARE NO LIENS AGAINST THE PROPERTY SHOWN ON THE WITH UNPAID STATE, COUNTY, MUNICIPAL, OR LOCAL TAXES, OR SPECIAL ASSESSMENTS COLLECTED AS TAXES, EXCEPT TAXES OR SPECIAL ASSESSMENTS COLLECTED NOW A LIEN BUT NOT YET PAYABLE, WHICH ARE ESTIMATED TO BE \$6.

DATE: February 6, 2019

JON CHRISTENSEN
COUNTY TAX COLLECTOR

BY: [Signature], DEPUTY

TAX BOND CERTIFICATE

Y
A



Patricia Romo, P.E.
Director of Transportation

COUNTY OF RIVERSIDE
TRANSPORTATION AND
LAND MANAGEMENT AGENCY

Mojahed Salama
Richard Lantis.
Deputy Directors of Transportation

Transportation Department

MEMORANDUM

To: Clerk of the Board
From: Maria Hernandez
Date: May 9, 2019
Subject: Form 11 and Attachments
MT No: 9829

TRANSPORTATION AND LAND MANAGEMENT AGENCY/TRANSPORTATION

DEPARTMENT: Approval of Final Tract Map 35477, a Schedule "A" Subdivision in the Hemet Area. 3rd District; [Applicant Fees 100%]

This item is scheduled for the May 21st Board of Supervisors meeting. The Form 11 contact is Dennis Odenbaugh and he can be reached at 51843.

Please notify me or Lisa Alexen if you have any questions via email, mehernan@rivco.org/lalexen@rivco.org or by phone at ext. 5-6744/5-6743.

Thank you

2.10

RECORDING REQUESTED BY:

Chicago Title
Order No. _____

WHEN RECORDED MAIL TO:

G8 Development, Inc.
c/o Fitch Law Firm, APC
3465 Camino del Rio South, Suite 250
San Diego, CA 92108-3905
Attn: Stephen J. Fitch, Esq

DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS

FOR

GIRARD TOWNHOMES

**NOTICE : THIS DECLARATION CONTAINS MANDATORY
PROCEDURES FOR RESOLUTION OF CONSTRUCTION
DEFECT DISPUTES**

This Declaration contains mandatory procedures for the resolution of construction defect disputes, including the waiver of the right to a jury trial for such disputes. Each and every Owner agrees to be bound by the terms of this Declaration thereby agrees to be bound by the mandatory procedures for the resolution of construction defect disputes, as an Owner and also as a Member of the owners association of the Project. Each and every prospective Owner should read Exhibit "C" of this Declaration carefully, and he/she/it should consult with his/her/its own independent legal counsel regarding any questions he/she/it has before becoming an Owner of a Lot in the Project.

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THIS DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS ("**Declaration**") made the 9th day of May, 2019 by G8 Development, Inc., a California corporation ("**Declarant**") is made with reference to the following facts:

RECITALS

A. Declarant is the owner of the real property located in Riverside County, California, hereinafter called the "Real Property", as more particularly described in **Exhibit "A"**.

B. Declarant is dividing the Real Property into Condominium estates. The Real Property is described and depicted on the Condominium Plan recorded or to be recorded in the official records of the County Recorder of Riverside County, and constitutes the Common Area and Lots in the Project covered by this Declaration. Declarant is improving the Real Property by constructing infrastructure improvements, utilities and structures containing 37 Lots each having a single family residence. Declarant is also improving and constructing Common Area, consisting of the facilities and systems as shown on the Map..

C. It is desirable for the efficient preservation of the value, desirability and attractiveness of the Real Property to create an incorporated association to which should be delegated and assigned the power of maintaining and administering the common area of the project and administering and enforcing these covenants, conditions and restrictions and collecting and disbursing funds pursuant to the assessments and charges hereinafter created and referred to.

D. GIRARD TOWNHOMES OWNERS ASSOCIATION, a California Non-Profit Mutual Benefit Corporation, is incorporated under the laws of the State of California for the purpose of exercising the aforementioned powers and functions. All persons who purchase ownership interests within this project shall be owners as defined herein and shall thereby automatically become members of said association and shall be subject to its powers and jurisdiction.

E. Upon completion of construction of improvements in the Project, Declarant intends to sell and convey Condominium estates to Owners, subject to the provisions of this Declaration, and, on or before the close of the first Condominium sale escrow, Declarant will convey the Common Area to the Association.

F. By this Declaration, Declarant intends to establish a plan of condominium ownership that is a "common interest development," consisting of a series of "condominium projects" which are part of a "planned development" under California Civil Code §4100, in compliance with applicable provisions of California law.

NOW, THEREFORE, Declarant hereby declares that the Real Property shall be held, conveyed, mortgaged, encumbered, leased, rented, used, occupied, sold, and improved, subject to the following declarations, limitations, covenants, conditions, restrictions and easements, all of

which are for the purpose of enhancing and protecting the value and attractiveness of the Real Property, and every part thereof, in accordance with the plan for its development. All of said declarations, limitations, covenants, conditions, restrictions and easements shall run with the land and shall be binding upon Declarant, its successors and assigns, and all parties having or acquiring any right, title or interest in or to any part of the Real Property.

ARTICLE I
DEFINITIONS

1.01. "**Assessments**" - the following meanings shall be given to the assessments hereinafter defined:

A. "**Regular Assessments**" shall mean the amount which is to be paid by each Owner to the Association for the Common Expenses.

B. "**Special Assessments**" shall mean a charge against a particular Owner and his Ownership Interest, directly attributable to the Owner, equal to the cost incurred by the Association for corrective action performed, attorneys' fees and other charges, and penalties payable by such Owner, pursuant to the provisions of this Declaration, plus interest thereon as provided for in this Declaration.

C. "**Capital Improvement Assessment**" shall mean a charge against each Owner and his Ownership Interest, representing a portion of the cost to the Association for installation or construction of any capital improvements on the Common Area which the Association may authorize.

1.02. "**Association**" shall mean and refer to GIRARD TOWNHOMES OWNERS ASSOCIATION, a California Non-Profit Mutual Benefit Corporation, its successors and assigns.

1.03. "**Board**" shall mean the Board of Directors of the Association.

1.04. "**Bylaws**" shall mean the Bylaws of the Association and any amendments thereto.

1.05. "**County**" shall mean Riverside County.

1.06. "**Common Area**" when that term is used in this Declaration by itself, means the entire Project, including the Common Area owned by the Association for the common use and enjoyment of all Owners as tenants in common, except that any portion of the Project that constitutes Lots, as defined and described in this Declaration or as shown on a Condominium Plan, shall not be Common Area, unless such Lots are subject to an easement, servitude or right of common use in favor of the Association or all Owners, in which case such easement, servitude or right of common use shall also be deemed to be Common Area hereunder.

1.07. "**Common Expenses**" shall mean the actual and estimated costs of: maintenance, management, operation, repair and replacement of the Common Area and Common Maintenance Areas, including unpaid Special 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 utilities, trash pick up and disposal, gardening and other services benefitting the Common Area and Common Maintenance Areas; the cost of fire, casualty, liability, worker's compensation and other insurance covering the Common Area; officers' and directors' liability insurance; reasonable reserves as appropriate; the costs of bonding of the members of the management body; taxes paid by the Association; amounts paid by the Association for discharge of any lien or encumbrance levied against the Common Area or portions thereof; costs incurred by committees appointed by the Board; adequate reserves for maintenance repairs and replacement of the Common Area and Common Facilities; and the costs of any other item or items designated by, or in accordance with other expenses incurred by the Association for any reason whatsoever in connection with the Common Area under this Declaration, the Bylaws or in furthering of the purposes of the Association.

1.08. "**Common Facilities**" shall mean all personal property owned by the Association for the common use and enjoyment of the Member.

1.09. "**Common Maintenance Areas**" shall mean the Common Area conveyed to the Association and any easements which shall be conveyed to the Association at the time of the close of escrow of the first sale of a Lot of Declarant.

1.10. "**Condominium**" means an estate in real property as defined in California Civil Code §§783 and 4125(b), consisting of an undivided fee interest as a tenant-in-common in the Common Area, a separate fee interest in a Lot and the interests in other portions of the Project and in the Association described in the Condominium Plan, or in the deed conveying the Condominium.

1.11. "**Condominium Plan**" means a recorded or to be recorded Condominium Plan prepared to comply with California Civil Code §4120, covering the Project and any recorded amendments thereto.

1.12. "**Declarant**" shall mean and refer to G8 Development, Inc., a California corporation as the record holder(s) of title to the real property identified and legally described in **Exhibit "A"** as being within and a part of the Project, and shall also mean and refer to any and all successors and assigns of such person and/or entity by operation of law or pursuant to a recorded instrument or if such successor or assign is a Mortgagee acquiring Declarant's interest in the Project by foreclosure or deed in lieu of foreclosure.

1.13. "**Declaration**" shall mean this Declaration of Covenants, Conditions and Restrictions, as the same may be amended from time to time.

1.14. "**Lot**" means a separate interest in space and includes the elements of a Condominium

that are not owned in common with other Owners of Condominiums of the Project. The Lots and their respective elements and boundaries are shown and particularly described in the Condominium Plans, in the deeds conveying the Condominiums to Owners and in this Declaration. Each separate interest in space shall include all air, earth or water located within the boundaries of such space and shall include all real property improvements now located or hereafter constructed within the boundaries of such space, including, without limitation, buildings, structures, landscaping, entranceways, windows, outlets and utility lines, except utility lines that are located within easements for public utility or other purposes shown on the Subdivision Map and which are dedicated to a city or county or utility lines which are owned by a public utility or are otherwise described herein as part of the Common Area or are located within the Common Area. Lots shall be subject to the easements, servitudes or rights in favor of Declarant, individual Owners, all Owners, the Association, the County, any municipal corporation or special district, public utility companies or other persons, entities or governmental agencies as shown or described on the Subdivision Map, on the Condominium Plans, in this Declaration or as specifically granted or reserved in a deed conveying a Condominium or in an instrument creating such easement, servitude or right. Whenever reference is made to a Lot in this Declaration, in any Condominium Plan, in any deed or elsewhere, it shall be assumed that such reference is made to the Lot as a whole, including all of its component elements.

1.15. "**Map**" shall mean and refer to the final subdivision map for the Project that was approved by the appropriate governmental entity and that is recorded in the County in which the Project is located.

1.16. "**Member**" shall mean an Owner entitled to membership in the Association.

1.17. "**Institutional Mortgagee**" shall mean a mortgagee which is a bank or savings and loan association or established mortgage company or other entity chartered under Federal or state laws, any corporation or insurance company, any federal or state agency or any other institution specified by the Board in a recorded instrument.

1.18. "**Mortgage**" shall mean any duly recorded valid mortgage or deed of trust encumbering a Lot.

1.19. "**Mortgagee**" shall mean the mortgager or beneficiary under a Mortgage.

1.20. "**First Mortgage**" shall mean and refer to a Mortgagee whose Mortgage has priority over any other Mortgage encumbering a specific Ownership interest.

1.21. "**Owner**" means each person or entity holding a record ownership interest in a Condominium, including Declarant. "Owner" also means "Member" whenever the context relates to an Owner as a Member of the Association. "Owner" shall not include persons or entities that hold an interest in a Condominium merely as security for the performance of an obligation nor shall it include a lessee or tenant holding a possessory interest.

1.22. "**Ownership Interest**" shall mean the interest of an Owner in a Lot and a membership in the Association.

1.23. "**Project**" shall mean GIRARD TOWNHOMES which encompasses the Real Property including all improvements and structures situated thereon.

1.24. "**Project Documents**" and "**Governing Documents**" are synonymous terms and shall mean and refer to the Declaration, together with the other basic documents used to create and govern the Project, including the Map, the Articles, and the Bylaws, and any unrecorded Rules And Regulations adopted by the Board or the Association, as all of these documents may be amended from time to time.

1.25. "**Real Property**" shall mean that certain real property located in Riverside County California, as more particularly described in Exhibit "A" attached hereto and incorporated herein by reference.

1.26. "**Rules and Regulations**" shall mean and refer to those certain Rules and Regulations and amendments thereto from time to time adopted by the Board of Directors of the Association and/or Members thereof.

1.27. "**Trustees**" shall mean and refer to the insurance trustee as more fully described in the Article hereof entitled "Insurance".

1.28. "**Person**" means a natural person, a corporation, a partnership, a trustee, or other legal entity.

1.29. "**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.

1.30. "**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.

1.31 **Statutory References.** Unless otherwise indicated, all references in this Declaration to a specific statute or code section refer to the statutes and codes of the State of California, and shall automatically include any amendment(s) thereto or any successor statute to any referenced statute or code section without the necessity of an amendment to this Declaration to update or change such reference.

ARTICLE II
MEMBERSHIP AND VOTING RIGHTS IN ASSOCIATION

2.01 **Association to Own and Manage Common Areas.** The Association shall own and manage the Common Area in accordance with the provisions of the Project Documents. The members of the Association's Board of Directors shall be elected, removed and replaced as provided in the Corporations Code and as set forth in the Association's Bylaws.

2.02. **Membership.** Every Owner shall be a Member of the Association. The terms and provisions set forth in this Declaration, which are binding upon all Owners, are not exclusive, and as Owners shall, in addition, be subject to the terms and provisions of the Bylaws of the Association to the extent the provisions thereof are not in conflict with this Declaration. The foregoing is not intended to include persons or entities who hold an interest merely as security for the performance of an obligation. Membership of Owners shall be appurtenant to and may not be separated from the fee ownership of any Lot which is subject to assessment by the Association. Ownership of a Lot shall be the sole qualification for membership.

2.03. **Transfer.** The membership held by any Owner shall not be transferred, pledged or alienated in any way, except upon the conveyance or encumbrance of such Lot, and then only to the purchaser or Deed of Trust holder of such Lot. Any attempt to make a prohibited transfer is void and will not be reflected upon the books and records of the Association. In the event an Owner should fail or refuse to transfer the membership, the Association shall have the right to record the transfer upon the books of the Association.

2.04. **Membership Classes and Voting Rights.** Voting rights attributable to Lots shall not vest until Assessments against those Lots have been levied by the Association. Owners of all Lots shall have the same voting rights. A "majority vote" means a majority of votes in the Project as a whole. Initially, the Association shall have two (2) classes of voting membership:

A. Class A. Class A Members shall be all Owners with the exception of the Declarant, and shall be entitled to one (1) vote for each Lot owned. When more than one person holds an interest in any Lot, all such persons shall be Members, and the vote for such Lot shall be exercised as they among themselves determine, but in no event shall more than one vote be cast with respect to any Lot.

B. Class B. Class B Members shall be the Declarant and shall be entitled to vote as follows: voting shall be the same as for Class A Memberships, except that the Class B Members may triple their votes for each Lot owned. The Class B Member shall cease and be converted to Class A Membership on the happening of either of the following events, whichever occurs earlier:

(1) When the total outstanding votes held by the Class A Members equal the total outstanding votes held by the Class B Members; or

(2) On the second anniversary date of the first conveyance of a Lot in the original issuance of the final subdivision report for the Project.

2.05. **Organizational Meeting.** An organizational meeting of the members shall be held within forty-five (45) days from the date of the sale and conveyance of fifty-one percent (51%) of the Lots or within six (6) months of the sale and conveyance of the first Lot, whichever is sooner. Thereafter, an annual Owner's meeting shall be held at a time determined by the Bylaws of the Association. Provisions may also be made in the Bylaws for the calling of special meetings of the members.

2.06. **Approval of Owners.** Unless expressly set forth in this Declaration, during such time as Declarant retains Ownership Interest of a majority of the Lots, any action which expressly requires approval of a specified percentage of the voting power of the Association before being undertaken, shall require the approval of such specified percentage of the Association Members, other than Declarant.

ARTICLE III
DUTIES AND POWERS OF THE ASSOCIATION

3.01. **General Duties and Powers.** In addition to the duties and powers enumerated in its Bylaws, or elsewhere provided for and without limiting the generality thereof, the Association shall:

A. Enforce the provisions of this Declaration and the Bylaws by appropriate means and carry out the obligations of the Association hereunder, including without limitation, the expenditure of funds of the Association, the employment of legal counsel, the commencement of actions, and the promulgation of the Association Rules as provided in the Bylaws and the paragraph 3 entitled "Association Rules" of this Article, which shall include the establishment of a system of reasonable disciplinary proceedings, including, without limitation, fines or penalties, enforceable as Special Assessments, also as provided for in the Bylaws;

B. Pay taxes, water, sewer and assessments which are or could become a lien on the Common Area or some portion thereof unless separately assessed to the Members;

C. Contract for and maintain such policy or policies of insurance as may be required by the Declaration or as the Board deems necessary or desirable in furthering the purposes of and protecting the interests of the Association and its Members, and review the effectiveness and adequacy of such policies on an annual basis;

D. Contract for materials and/or services for the Common Area, facilities and interests or for the Association subject to the limitations set forth herein;

E. Prepare budgets and financial statements of the Association on an annual

basis;

F. Formulate rules for operation of the Common Area and the recreational facilities for adoption by the Association subject to the provisions of paragraph 9 below;

G. Initiate and carry out disciplinary proceedings against Members for violations of provisions of the Declaration and Bylaws in accordance with procedures set forth in the Declaration and Bylaws;

H. Enter upon any Lot when necessary in connection with construction, maintenance or repair for the benefit of the Common Area, or the Owners in common; provided, however, that such entry shall be made only after twenty-four (24) hours notice and at reasonable times except under emergency situations;

I. Maintain and otherwise manage the Common Area and all facilities, improvements, pavement, fences and walls and landscaping thereon, and all personal property acquired by the Association. Insure that the landscaping in the Common Area is routinely maintained, weeded and trimmed in a neat and orderly manner, watered and fertilized to achieve a good appearance. The Common Area landscaping shall be kept free of dead or dying plant materials, replacing materials as needed. The irrigation system in the Common Area shall be properly maintained and operated to provide appropriate watering to avoid inadequate and excessive watering;

J. Obtain, for the benefit of the Common Area all water, gas and electric, refuse collections and other services, unless such services are separately charged to the Owners;

K. Grant easements where necessary for utilities and sewer facilities over the Common Area to serve the Real Property;

L. Establish and maintain a working capital and contingency fund in an amount to be determined by the Board;

M. Have the duty to maintain Architectural Control over the Real Property and may act as the Architectural Committee;

N. Have the power but not the duty to contract and pay for trash pick up and disposal service for the benefit of Members and maintain an enclosed trash container;

O. Delegate its powers to committees, officers, or employees as provided herein or in the Bylaws, employ a manager or other persons and contract with independent contractors or managing agents who have professional experience in the management of property developments or planned lot developments to perform all or any part of the duties and responsibilities of the Association, provided that any contract with a person or firm appointed as a manager or managing

agent must provide for termination by either party without cause and without payment of a termination fee on ninety (90) days or less written notice and shall have a term of not more than one (1) year with successive one (1) year renewal periods upon mutual written agreement of the parties;

P. Fix and levy pursuant to this Declaration and the Bylaws, Assessments upon the Members; determine and fix the due date for the payment of such Assessments, and the date upon which the same shall become delinquent; provided, however, such Assessments shall be fixed and levied as authorized in this Declaration and in performing or causing to be performed any of the purposes of the Association for the general welfare of its Members, the Board is hereby authorized to incur any and all such expenditures for any of the foregoing purposes and to provide adequate reserves for replacement as it shall be deemed to be necessary or advisable in the interest of the Association or welfare of its Members;

Q. Borrow money and incur indebtedness for the purpose of the Association and cause to be executed and delivered therefore, in the Association's name, promissory notes, bonds, debentures, deeds of trust, mortgages, pledges and other evidence of debt and security therefore; and

R. Fix and levy pursuant to this Declaration and the By-laws, water assessments upon the members based upon their water usage; determine and fix the due date for the payment of such water assessment and the date upon which the same shall become delinquent.

S. Subject to California Civil Code §910 and §5980 institute, defend, settle or intervene on behalf of the Association in litigation, arbitration, mediation, or administrative proceeding in matters pertaining to (i) enforcement of the governing instruments, (ii) damages to the Common Areas, (iii) damages to the separate interests which the Association is obligated to maintain or repair, or (iv) damage to the separate interests which arises out of, or is integrally related to, damage to the Common Areas or separate interests that the Association is obligated to maintain or repair.

T. Except as provided in Article XVI, the Board may, but is not required, to perform any act reasonably necessary to resolve any civil claim or action through alternative dispute resolution proceeding such as mediation, binding arbitration or non-binding arbitration. The Board is also authorized, but not required to:

(i) Provide, or in good faith attempt to provide, one hundred twenty (120) days advance notice of the Association's intent to initiate the prosecution of any civil action and of the nature and basis of the claim to every member of the Association and every entity or person who is a prospective party to the civil action, provided that notice can be given (a) more than one hundred twenty (120) days prior to the expiration of any pertinent statute of limitations, and (b) without prejudice to the Association's right to enforce the governing documents, and further provided that no such notice need to be given prior to the filing of an action in small claims court or an action solely to enforce assessment obligations.

(ii) Prior to initiating the prosecution of a civil action solely for declaratory relief or injunctive relief to enforce the governing documents, or for declaratory relief or injunctive relief to enforce the governing documents, or for declaratory relief or injunctive relief to enforce the governing documents in conjunction with a claim for monetary damages not in excess of five thousand dollars (\$5,000), to endeavor to submit the matter to alternative dispute resolution in compliance with the provisions of Section 5930 of the Civil Code.

(iii) Immediately after initiating the prosecution or defense of any civil action, making a reasonable effort, in good faith, to meet and confer with every person who is a party concerning appropriate processes for resolving the civil action, including available alternative dispute resolution proceedings; concerning appropriate processes for avoiding or reducing costs or losses by the parties associated with the action; providing an opportunity to cure any alleged defect in common areas or facilities which is the basis for the action; and providing for the scope of discovery, if any, to be conducted prior to the inception of any alternative dispute resolution procedure.

(iv) Consider diversion of the prosecution or defense of any civil action to alternative dispute resolution proceedings such as mediation, non-binding arbitration, or binding arbitration.

(v) Agree to participate and participate fully and in good faith in the resolution of any civil action through any alternative dispute resolution proceedings, including but not limited to mediation, non-binding arbitration, and binding arbitration, and paying costs reasonably incurred by the Association on account of those alternative dispute resolution proceedings.

U. The Board shall not be required to:

(i) As a prerequisite to initiating any civil action, to conduct inspections, maintain inspection records, exhaust applicable casualty insurance coverage maintained by the Association, provide an opportunity to cure, meet with members or obtain the consent of members.

(ii) Except as provided in Article XVI and California Civil Code Section 5930 submit civil claims of any kind to binding or non-binding alternative dispute resolution procedures.

(iii) Notwithstanding the foregoing, the Association shall comply with the procedure set forth in California Civil Code Section 5925- 5965.

V. Utility Suppliers: The Association shall permit utility suppliers to use portions of the Common Area reasonably necessary to the ongoing development and operation of the Project. The Association has no duty or obligation to provide telephone lines, modem lines, or

D.L.-type lines to the Lots or Common Area.

W. Approval of Legal Actions: In the event that any claim or other action brought by the Association against Declarant or any Development Party, including, but not limited to claims brought under California Civil Code Section 895 et seq., as applicable, and any successor statutes or laws, involving allegations of construction defects relating to the Common Area is not resolved pursuant to the non-adversarial procedures set forth in California Civil Code Sections 910 through 938, as applicable, and any successor statutes or laws, the Association shall not initiate a further action or procedure against Declarant or any Development Party without first obtaining the consent of the Owners other than Declarant, constituting a quorum of more than fifty percent (50%) of the Owners of the Association casting a majority of the votes at a meeting or election of the Association conducted in accordance with the provisions of California Corporations Code Sections 7510 et seq. and 7613 and any successor statutes or laws. The Board and any Committee so authorized by the Board shall have the right and authority, without Member approval, to engage in non-adversarial proceedings or mediation with respect to a construction defect claim or Dispute.

X. Notice of Actions Against Declarant: Subject to the provisions of Sections 16.01 and Exhibit "C" of this Declaration, the Association shall comply with the provisions of Civil Code Section 6150, and Civil Code Sections 910 through 938, as applicable, prior to the filing of any civil action by the Association against the Declarant or any Development Party for either alleged damage to the Common Area or other property within the Project that the Association is obligated to maintain or repair, or alleged damage to any other portion of the Project that arises out of, or is integrally related to, such damage to the Common Area or other property within the Project that the Association is obligated to maintain or repair. Such notice shall specify all of the matters set forth in Civil Code Section 1368.5, and Civil Code Sections 910 through 938, as applicable.

Y. Appointment of Trustee: The Association, or the Board acting on behalf of the Association, has the power to appoint or designate a trustee to enforce Assessment liens by sale as provided in Section 5.03 of this Declaration and as provided in Civil Code Section 5675(c).

Z. Revision of Maintenance Manuals: The Board may, from time to time, make appropriate revisions to any Homeowner Maintenance Manual and any Association Maintenance Manual based on the Board's review thereof, to update such manuals to provide for maintenance according to current industry practices so long as such changes do not reduce the useful life or functionality of the items being maintained.

AA. Other Powers: In addition to the powers contained herein, the Association may exercise the powers granted to a nonprofit mutual benefit corporation under California Corporations Code Section 7140.

3.02. **General Limitations and Restrictions on Powers of the Board.** In addition to the limitations and restrictions enumerated in the Bylaws or elsewhere provided herein, and without limiting the generality thereof, the Board shall be prohibited from taking any of the following actions without the approval by vote or written assent of a majority of the voting power of the Association residing in Members other than Declarant:

A. Contract for materials or services for the Common Area or the Association for a term in excess of one (1) year, with the following exceptions:

(i) A management contract, the terms of which have been approved by the Federal Housing Administration or Veterans Administration;

(ii) A contract with a public utility company if the rates charged for the materials or services are regulated by the Public Utilities Commission; provided, however, that the term of the contract shall not exceed the shortest term for which the supplier will contract at the regulated rate;

(iii) Prepaid casualty and/or liability insurance policies are not to exceed three (3) years duration, provided that the applicable policy permits for short rate cancellation by the insured;

(iv) Lease agreements for laundry room fixtures and equipment is not to exceed five (5) years duration provided that the Lessor under the agreement is not an entity and the Declarant has a direct or indirect ownership interest of 10 percent (10%) or more;

(v) Agreements for cable television services and equipment or satellite dish television services and equipment of not to exceed five (5) years duration provided that the supplier is not an entity in which Declarant has a direct or indirect ownership interest of ten percent (10%) or more;

(vi) Agreements for sale or lease of burglar alarm and fire alarm equipment, installation and service of not to exceed five (5) years duration provided that the supplier or suppliers are not entities in which Declarant has a direct or indirect ownership interest of ten percent (10%) or more;

(vii) A contract for a term not to exceed three (3) years that is terminable by the Association after no longer than one (1) year without cause, penalty or other obligations upon ninety (90) days written notice of termination to the other party.

B. Incur aggregate expenditures for capital improvements to the Common Area in any fiscal year in excess of five percent (5%) of the estimated Common Expenses for the fiscal year as set forth in the Sections entitled "Regular Assessments" and "Capital Improvement

Assessments" of the Article hereof entitled "Covenant for Maintenance Assessments", and exclusive of the reserves as set forth in said Section entitled "Capital Improvement Assessments";

C. Sell any real or personal property of the Association during any fiscal year, with an aggregate fair market value in excess of five percent (5%) of the budgeted gross expenses for that fiscal year;

D. Pay compensation to Directors or to Officers of the Association for services performed in the conduct of the Association's business; provided, however, the Board may cause a Director or Officer to be reimbursed for expenses incurred in carrying on the business of the Association; and

E. Fill a vacancy on the Board caused by the removal of a Board member.

3.03. **Association Rules.** The Association shall also have the power, as provided in the Bylaws, to adopt, amend, and repeal such rules and regulations as it deems reasonable (the "Association Rules"). The Association Rules shall govern such matters in furtherance of the purposes of the Association, as the Board shall deem appropriate, including, without limitation, the use of the Common Area; provided, however, that the Association Rules may not discriminate among the Owners, and shall not be inconsistent with this Declaration or the Bylaws. A copy of the Association Rules as they may be adopted, amended or repealed, shall be mailed or otherwise delivered to each Owner in the same manner established in this Declaration for the delivery of notices and a copy shall be posted in a conspicuous place within the Common Area. Upon such mailing or delivery and posting, said Association Rules shall have the same force and effect as if they were set forth in and were part of this Declaration. The Association Rules, as adopted, amended or repealed, shall be available at the principal office of the Association to each Owner and Institutional Mortgagee upon request. In the event of any conflict between any such Association Rules and any other provisions of this Declaration or the Bylaws, the provisions of this Declaration or the Bylaws are determined to the extent of any such inconsistency.

3.04. **Power to Enter Lots.** The Association or any person authorized by the Association may enter upon any Lot in the event of any emergency involving illness or potential danger to life or property or in non-emergency situations where necessary in connection with construction, maintenance or repair for the benefit of the Common Area, or the Owners as practicable, and any damage caused thereby shall be repaired by the Association.

3.05. **Delegation of Power.** The Association shall have the right to delegate any of its powers according to law under this Declaration and the Bylaws; provided, however, no such delegation, whether to a professional management company or otherwise, shall relieve the Association of its obligations to perform such delegated duty.

3.06. **Acts of Association.** All lawful agreements and determinations made by the Association in accordance with the applicable statutes of the State of California and the provisions of this Declaration and the Bylaws shall be binding on all Owners, their successors and assigns.

3.07. **Maintenance.** The Board at the Association's expense, shall provide for maintenance of the Common Area and any recreational facilities located thereon.

3.08. **Common Area Improvement.** The Association shall have the power, subject to the limitations contained herein, to from time to time improve the Common Area with recreational and/or landscape facilities for the use, benefit and enjoyment of its Members; provided, however, that any improvements to the Common Area shall comply with all building code and other requirements of County and other applicable regulatory agencies. In addition, no recreational improvements nor landscape improvements the cost of which in the aggregate exceeds Five Thousand Dollars (\$5,000.00), shall be made to the Common Area without the vote or the written consent of the Members owning a majority or more of the Lots subject to this Declaration and further that two-thirds (2/3) of the Members other than Declarant have consented to such improvements. Such improvements shall be paid for through the provisions of the Capital Improvement Assessments as provided for in Paragraph 4 of Article IV below as Assessments levied against the Owner provided that the requisite approval is obtained from the Members as provided. If such approval has been obtained, the Association may, but is not obligated to, in part pay for such improvements through exercising its rights to borrow as contained in Paragraph 1(q) of this Article III above.

3.09. **Rules Requirements.** The Board shall have the right to adopt reasonable rules not inconsistent with the provisions contained in this Declaration, and to amend the same from time to time relating to the use of the Common Area by their tenants or guests, and the conduct of such persons with respect to automobile parking, outside storage of boats, trailers, bicycles and other objects, disposal of waste materials, drying of laundry, control of pets and other activities which, if not so regulated, might detract from the appearance of the community or offend or cause inconvenience or danger to persons residing or visiting therein. The Board may impose monetary penalties on Owners who fail to comply with the Declaration, the Bylaws or rules and regulations adopted by the Board, provided that the imposition of monetary penalties shall require giving the Owners notice and an opportunity to be heard prior to the imposition of such penalties. Procedures for notice of hearing must satisfy the minimum requirements of Section 7341 of the California Corporations Code. Such penalties shall be a debt of the Owner; however, it may not be collected under the lien provisions of this Declaration.

3.10. **Use of Recreational Facilities.** The Association shall have the power to limit the number of an Owner's tenants or guests who may use the recreational facilities, provided that all limitations apply equally to all Owners, unless imposed for disciplinary reasons, after notice and hearing.

3.11 **Limitations on Entry Rights.** There shall be no entry into a Lot without the Owner's written consent except as herein provided. The Association's agents or employees shall have the right to enter any Lot and Common Maintenance Area in the event of emergency or at reasonable hours, after reasonable notice to the Owner for the purpose of performing the maintenance of the Common Area or for any other purpose reasonably related to the performance by the Board of its responsibility under this Declaration. When there is an entrance into any Lot, such entrance shall be made with as little inconvenience to the Owner as possible and any damage caused be repaired by the Association. The Association shall also have the right of entry in the event of breach as provided for in Article VI below.

3.12. **Limitation of Liability.** In discharging its duties and responsibilities, the Board acts on behalf of and as representative of the Association which acts on behalf of and as representative of the Owners, and no member thereof shall be individually or personally liable or obligated for performance or failure of performance of such duties or responsibilities unless he fails to act in good faith.

ARTICLE IV COVENANT FOR MAINTENANCE ASSESSMENTS

4.01. **Creation of Lien and Personal Obligation of Assessments.** The Declarant, for each Lot owned by it, hereby covenants and agrees to pay, and each Owner of any Lot by acceptance of a Deed or other conveyance, whether or not it shall be so expressed in any such Deed or other conveyance, is deemed to covenant and agree to pay the Association: Regular Assessments, Special Assessments, and Capital Improvement Assessments, such Assessments to be fixed, established and collected as hereinafter provided. The Assessments, together with interest thereon and costs of collection thereof, as hereinafter provided, shall be a charge on the Lot and shall be a continuing lien upon the Lot against which each such Assessment is made. Each such Assessment, together with such interest, costs and reasonable attorneys' fees, shall also be the personal obligation of the Owner of such Lot at the time when the Assessment fell due. The personal obligation shall not pass to his successors in the title unless expressly assumed by them. Owner may not waive or otherwise escape liability for these assessments by nonuse of the Common Area, water or abandonment of the Owner's Lot.

4.02. **Purpose of Assessments.** The Assessments levied by the Association shall be exclusively for the purpose of promoting the recreation, health, safety and welfare of the Members and enhancing the value of the Real Property including, without limitation, the improvement and maintenance of the Common Area, and the services and facilities related thereto.

4.03. **Regular Assessments.** The Association has and shall have the right and power to fix and determine from time to time regular assessments to be paid by each Owner according to the ratio of the number Lots owned by the Owner assessed to the total number of Lots subject to assessment. The initial regular assessment shall be as set forth in the Final Public Report issued by

the California Department of Real Estate. Nothing contained herein shall limit assessment increases for the purpose of the maintenance or repair of the Common Areas, including, but not limited to, the payment of insurance premiums, the payment of utility bills, the costs incurred in maintaining or repairing structures or improvements, and funding reserves and addressing emergency situations as defined in California Civil Code Section 5600. The regular assessments shall be payable in regular installments as provided in this Declaration and shall include adequate reserve funds for contingencies and for maintenance, repairs and replacement of the Common Area improvements that must be replaced on a periodic basis sufficient to satisfy the requirements of any Mortgagee. Unless the Association is exempt from federal or state taxes, all reserves shall be accounted as contributions to the capital of the Association and as trust funds segregated from the regular income of the Association or in any other manner authorized by law or regulations of the Internal Revenue Service and the California Franchise Tax Board that will prevent such funds from being taxed as income of the Association. The Board may not, without the vote or written assent a majority of the members impose a regular annual assessment per unit which is more than 20% greater than the regular assessment for the immediately preceding fiscal year. The Board shall provide notice by first-class mail to each Owner not less than 30 nor more than 60 days prior to any increased assessment becoming due.

4.04. **Special Assessments.** In addition to the annual regular assessments authorized above, the Association may levy, in any assessment year, a special assessment applicable to that 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 upon the Common Area, including fixtures and personal property related thereto and for emergency needs of the Association, provided that any such assessment which exceeds five percent (5%) of the annual budget of the Association shall require the vote or written assent of fifty-one percent (51%) or more of the members of the Association other than the Declarant. The provisions herein with respect to special assessments do not apply in the case where the special assessment against an Owner is a remedy utilized by the Board to reimburse the Association for costs incurred in bringing the Owner and his subdivision interest into compliance with the provisions of this Declaration. The Board shall provide notice by first-class mail to each Owner not less than 30 nor more than 60 days prior to any increased special assessment becoming due. Any special assessment shall comply with California Civil Code §5605 (b).

4.05. **Association Membership Approval.** Any action authorized under Sections 3 or 4 above shall be taken at a meeting called for that purpose, written notice of which shall be sent to all members not less than thirty (30) days nor more than sixty (60) days in advance of the meeting. A quorum for such meeting shall be fifty-one percent (51%) of the members of the Association. If the required quorum is not present, another meeting shall be called subject to the same notice requirement, and the required quorum at the subsequent meeting shall be one-half (½) of the required quorum for the preceding meeting. If the proposed action is favored by a majority of the votes cast at such meeting, but such vote is less than the requisite fifty-one percent (51%), members who were not present in person or by proxy may give their assent in writing, provided the same is obtained by the appropriate officers of the Association not later than thirty (30) days from the date of such

meeting.

4.06. **Uniform Rate of Assessment.** Both regular assessments and special assessments shall be fixed at a uniform rate for each Lot and may be collected on a monthly basis or otherwise as determined by the Board. Any assessment not paid within thirty (30) days after the due date shall be delinquent and shall accrue interest at the rate of twelve percent (12%) per annum from the due date until paid. A late charge equal to the greater of ten percent (10%) of the delinquent assessment or ten dollars (\$10.00) shall be enacted on any assessment not paid within fifteen (15) days of the due date.

4.07. **Date of Commencement of Regular Assessments.** The regular Assessments provided for herein shall commence as to each Lot covered by this Declaration, including all Lots owned by Declarant, on the first day of the month following the conveyance of the first Lot to an individual Owner. Notwithstanding the foregoing Declarant and any other owner shall be exempt from the payment of that portion of the Regular Assessment which is for the purpose of defraying expenses and reserves directly attributable to the existence and use of Common Areas that are not in existence at the time of the assessment. This exemption shall be in effect only until the earliest of the following events (i) a notice of completion of the Common Facility has been recorded or (ii) the Common Facility has been placed into use. The Board shall determine and fix the amount of the annual Regular Assessment against each Lot at least thirty (30) days in advance of each annual assessment. Written notice of the annual assessment shall be sent to every Owner subject thereto. The due dates shall be established by the Board.

4.08. **Certificate of Payment.** The Association shall, upon demand, furnish to any Member liable for Assessment a certificate in writing signed by an officer or authorized agent of the Association, setting forth whether the Assessment on a specified Lot has been paid, and the amount of delinquency, if any. A reasonable charge may be made by the Board for the issuance of these certificates. Such certificates shall be conclusive of payment of any Assessment therein stated to have been paid.

4.09. **Exempt Property.** The following portions of the Real Property shall be exempt from the Assessments created herein: all properties dedicated to and accepted by a local public authority; provided, however, no land or improvements devoted to dwelling use shall be exempt from said Assessments.

4.10. **Special Assessments.** Special Assessments shall be levied by the Board of Directors of the Association against Lots with respect to which particular costs have been incurred by the Association other than Common Maintenance Areas. No such Special Assessment shall exceed five percent (5%) of the budgeted gross expenses of the Association for that fiscal year absent the written consent of a majority of the Members other than Declarant. In the event the Association undertakes to provide materials or services which benefit individual Lots and which can be accepted or not by individual Owners, such as tree trimming, such Owners in accepting such materials or services may

agree in writing that statements therefor from the Association shall be special Assessments. The lack of such writing shall not diminish the enforce ability of a special Assessment.

4.11. **No Offsets.** All Assessments shall be payable in the amount specified by the Assessments and no offsets against such amount shall be permitted for any reason, including, without limitation, a claim that the Association is not properly exercising its duties of maintenance or enforcement.

4.12. **Emergency Situations.** Notwithstanding any other provisions contained in this Article the Board may increase assessments necessary for emergency situations in accordance with California Civil Code §5610. For purposes of this Article in an emergency situation is any one of the following:

- A. An extraordinary expense required by an order of the Court;
- B. An extraordinary expense necessary to repair or maintain the common interest development or any part of it for which the association is responsible where a threat to personal safety on the property is discovered;
- C. An extraordinary expense necessary to repair or maintain the common interest development or any part of it 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 Section 5300. However, prior to the imposition or collection of an assessment under this subdivision, 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, and the resolution shall be distributed to the members with the notice of assessment.

4.13. **Reserve Funds.** The Board shall not expend funds designated as Reserve Funds for any purpose other than the following in accordance with California Civil Code § 5510:

- A. 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.

Notwithstanding the above, the Board:

- A. may authorize a temporary transfer of funds from the Reserve Account to the Association's Operating account to meet short term cash flow requirements or other expenses, if the board has provided notice of the intent to consider the transfer in a board meeting notice provided pursuant to Civil Code § 4920;

B. shall cause the transferred funds to be restored to the Reserve Account within one (1) year of the date of the initial transfer, except that the board may, after giving the same notice required for considering a transfer, and, upon making a finding supported by documentation that a temporary delay would be in the best interests of the common interest development, temporarily delay the restoration;

C. shall exercise prudent fiscal management in maintaining the integrity of the reserve account, and shall, if necessary, levy a special assessment to recover the full amount of the expended funds within the time limits required by this section. This special assessment is subject to the limitation imposed by Civil Code § 5605. The board may, at its discretion, extend the date the payment on the special assessment is due. Any extension shall not prevent the board from pursuing any legal remedy to enforce the collection of an unpaid special assessment.

4.14. **Reserve Account Study.** The Board shall in accordance with California Civil Code §5550 do all of the following:

A. At least once every three years, the board shall cause to be conducted a reasonably competent and diligent visual inspection of the accessible areas of the major components that the association is obligated to repair, replace, restore, or maintain as part of a study of the reserve account requirements of the common interest development, if the current replacement value of the major components is equal to or greater than one-half of the gross budget of the association, excluding the association's reserve account for that period;

B. shall review this study, or cause it to be reviewed, annually and shall consider and implement necessary adjustments to the board's analysis of the reserve account requirements as a result of that review;

C. cause the Reserve Account Study to include at a minimum:

(i) identification of the major components which the Association is obligated to repair, replace, restore or maintain which as of the date of the Study have a remaining useful life of less than thirty (30) years;

(ii) identification of the probable remaining useful life of these components listed above;

(iii) an estimate of the cost of repair, replacement, restoration or maintenance of each major component referenced above during and at the end of its useful life;

(iv) an estimate of the total annual contribution necessary to defray the costs of repair, replace, restore or maintain each major component during and at the end of its useful life after subtracted total Reserve funds as of the date of the Study.

(v) A reserve funding plan that indicates how the association plans to fund the contribution identified in paragraph (4) to meet the association's obligation for the repair and replacement of all major components with an expected remaining life of 30 years or less, not including those components that the board has determined will not be replaced or repaired

For the purposes of this subsection, the term "Reserve Account Requirements" means the estimated funds which the Association of which the Board has determined or required to be available at a specified point and time to repair, replace or restore those major components, which the Board is obligated to maintain and the funds received and not yet expended or disposed from either a compensatory damage award or settlement to an association from any person or entity for injuries to property real or personal arising from any construction or design defect.

ARTICLE V NON-PAYMENT OF ASSESSMENTS

5.01. **Delinquency.** Any Assessment provided for in this Declaration which is not paid when due shall be delinquent. If any such Assessment is not paid within fifteen (15) days after the delinquency date, a late charge equal to the greater of ten percent (10%) or Ten Dollars (\$10.00) shall be levied. The Assessment shall bear interest at the rate of twelve percent (12%) per annum commencing thirty (30) days after the assessment become due. The Association may, at its option, bring an action at law against the Member personally obligated to pay the same, and/or upon compliance with the notice provisions in this Article, to foreclose the lien against the Lot. If action is commenced, there shall be added to the amount of such Assessment, the late charge, interest, the costs of preparing and filing the complaint in such action, and in the event a judgment is obtained, such judgment shall include late charge, interest and reasonable attorneys' fees, together with the cost of action. Each Member vests in the Association or its assigns, the right and power to bring all actions at law or lien foreclosure of such delinquent Assessments.

5.02. **Notice of Lien.** No action shall be brought to foreclose said Assessment lien or to proceed under the power of sale herein provided until thirty (30) days after the date of claim of lien is deposited in the United States mail, certified or registered, postage prepaid, to the Owner of said Lot, and a copy thereof is recorded by the Association in the Office of the Riverside County Recorder; said notice of claim of lien must recite a good and sufficient legal description of any such Lot, the record Owner or reputed Owner thereof, the amount claimed (which shall include interest on the unpaid Assessment at the rate of twelve percent (12%) per annum, a late charge equal to the greater of ten percent (10%) or Ten Dollars (\$10.00), plus reasonable attorneys' fees and expenses of collection in connection with the debt secured by said lien), and the name and address of the claimant.

5.03. **Foreclosure Sale.** Said Assessment lien may be enforced by sale by the Association, its attorney or any other person authorized to make the sale after failure of the Owner to make the payments specified in the notice of claim of lien within said thirty (30) days period. Any such sale

provided for above is to be conducted in accordance with the provisions of Sections 2924, 2924(b) and 2924 (c) of the Civil Code of the State of California, applicable to the exercise of powers of sale in mortgages and Deeds of Trust, or in any other manner permitted or provided by law. The Association, through its duly authorized agents, shall have the power to bid on the Lot, using Association funds, or funds borrowed for such purpose, at the sale, and to acquire, hold, lease, mortgage and convey the same.

5.04. **Curing of Default.** Upon the timely curing of any default for which a notice of claim of lien was filed by the Association, officers of the Association are hereby authorized to file or record, as the case may be, an appropriate release of such notice, upon payment by the defaulting Owner of a fee, of One Hundred Dollars (\$100.00), to cover the costs of preparing and filing or recording such release together with the payment of such other costs, interest or fees as shall have been incurred.

5.05. **Cumulative Remedies.** The Assessment lien, the rights to foreclosure and sale and discontinuance of water supply 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, as above provided.

5.06. **Reserve Contribution.** Notwithstanding the above, upon acquisition of record title to a Lot from Declarant, each Owner shall make a contribution to the capital of the Association in an amount equal to two (2) times the amount of regular monthly assessments as determined by the Board. Said capital contributions shall be limited to the first sales of Lots by Declarant and shall not apply to any resale of Lots. Said payment is not a prepayment of the regular assessment.

ARTICLE VI **USE OF LOTS AND COMMON AREA**

6.01. **Residential Purposes.** Each Lot shall be improved, used and occupied for private, single-family dwelling purposes only, and no portion thereof nor the Common Area shall be used for any commercial purpose except that a sales office and/or sales display area may be maintained by Declarant in a Lot or in the Common Area until the sale of all Lots has been consummated which shall be no longer than one (1) year from the sale of the first Lot. Use of Common Area by Declarant shall be pursuant to agreement between the Association and Declarant providing that Declarant shall be responsible for any and all damage to Common Area caused by usage at the Common Area by Declarant.

6.02. **Rental Rights.** Each Owner shall have the right to lease or rent his Lot for so long as Owner desires, provided that such lease or rental agreement is in writing and proves that the tenant shall be bound by and obligated to the provisions of this Declaration, the Bylaws and the rules and regulations of the Board.

6.03. **Use/Insurance Rates.** No Lot or improvements situated therein shall be occupied or used for any purpose or in any manner which shall cause such improvements to be uninsurable against loss by fire or the perils of the extended coverage endorsement to the California Standard Fire Policy form, or cause any such policy or policies representing such insurance to be canceled or suspended, or the company issuing the same to refuse renewal thereof.

6.04. **Pets and Animals.** Owners, tenants or other occupants of Lots may keep within their Lot a reasonable number of dogs and/or cats, and within their residence structure a reasonable number of other usual and ordinary household pets, such as birds in ordinary and reasonably sized cages and fish in standard household aquariums, provided that no pets or animals are kept, bred, or maintained for any commercial purposes, and further provided that all pets and animals are kept under reasonable control at all times and are of the types and do not exceed the number allowed by the County. Notwithstanding the foregoing, no pets may be kept on the Project which result in a serious annoyance to other Owners, tenants or residents within the Project. No pets shall be allowed in the Common Area except as may be permitted by Rules And Regulations of the Board. No person shall allow his or her pets or animals to enter the Common Area except on a leash, or otherwise under such person's control. All persons with pets shall be fully responsible for any damages caused by their animals, and shall promptly clean up any mess left by their pets in the Common Area or elsewhere in the Project.

6.05. **Nuisance.** No Lot shall be used in such manner as to obstruct or interfere with the enjoyment of occupants of other such areas or annoy them by unreasonable noise or otherwise, nor shall any nuisance be committed or permitted to occur in any Lot nor on the Common Area.

6.06. **Signs, Posters, Flags, Banners, Holiday Decorations.** Except as provided in Section 6.01 as to Declarant, or except as expressly authorized in advance by the Board, and except as permitted under Civil Code Sections 712 and 713 and 4705 and 4710, no signs, posters, flags or banners, other than one (1) sign of customary and reasonable dimensions advertising a Lot for sale or lease and displayed or erected in such Lot, shall be displayed to the public view on any Lot or any portion of the Project. No signs shall be erected or displayed on the Common Area except signs placed by authority of the Board. All signs on the Project must conform to the applicable ordinances of the County and county in which the Project is located. Any exterior holiday decorations may be displayed only during holiday periods (including a reasonable length of time before and after such periods, as determined by the Board) and thereafter shall be promptly removed. Anything contained in this Declaration to the contrary notwithstanding, Declarant shall have the right to install and maintain during the sales period such signs, poles and advertisements as it deems appropriate in connection with their sales program for the sale to the public of Lots.

6.07. **Antennas/Poles.** There shall be no outside radio antennas, masts, poles or flag poles constructed, installed or maintained on the Real Property whatsoever without the prior written consent of the Board except as provided in Civil Code § 4705. Each Lot may have an outside video or television antenna, including a satellite dish having a diameter or diagonal measurement of 36

inches or less, which is not visible from any street or common area provided they comply with Section 6.18 of this Article VI. Further any Owner desiring to install an outside video or television antenna, including a satellite dish shall:

- A. Provide Notice to the Association prior to installation.
- B. Be responsible for the maintenance, repair or replacement of the outside video or television antenna, including a satellite dish including any damage to the roof or balcony.
- C. Indemnify and have any installer indemnify the Association for any damage or injury from the installation of the outside video or television antenna, including a satellite dish.

6.08. **Improvements.** No building, fence, wall obstruction, balcony, screen, patio, cover, tent, awning, carport, carport cover, improvement or structure of any kind shall be commenced, erected, painted or maintained upon the Real Property, nor shall any alteration or improvement of any kind be made thereto until the same has been approved in writing by the Board. Plans and specifications showing the nature, kind, shape, color, size, materials and location of such improvements, alterations, etc., shall be submitted to the Board for approval as to quality of workmanship and design and harmony of external design with existing structures, and as to location in relation to surrounding structures, topography, finish grade elevation, and compliance with governmental regulations.

6.09. **Oil Drilling, Mining and Gravel Excavating Prohibited.** Prospecting, mining or boring for oil, natural gas, kindred substances, ore, or minerals on any part of the Real Property shall not be done or permitted at any time; and, no sand, gravel, or soil shall be excavated or dug out of any portion of the Real Property at any time, except for the specific purpose of laying the foundations of approved residences or related improvements thereon, grading for the construction of such residences or related improvements, improving the gardens or grounds thereof, or installing pipes and utilities; provided, however, that Declarant, in carrying out the initial improvement and development of the Real Property, shall have the right to remove or add to any soil on any portion of the Real Property, and shall have the right of ingress to and egress from any portion of the Real Property for the purpose of grading, constructing and completing street improvements, installation of utilities and the carrying out of all other matters necessary to complete Declarant's plans of improvement.

6.10. **Additional Restrictions.** No noxious or offensive activity shall be carried on in any Lot or on the Common Area, nor shall anything be done therein which may be or become an annoyance or nuisance to the other Owners other than construction or repair of improvements made at the Board's instruction or at Declarant's instruction. Nothing shall be done in any Lot or in, on or to the Common Area which will impair the structural integrity of any building, or which would structurally change any building located therein. Except as otherwise provided herein, nothing shall be altered or constructed in or removed from the Common Area except upon the written consent of

the Board. All equipment, garbage cans, wood piles or storage piles shall be kept screened and concealed from view of neighboring Lots, streets and Common Area. All rubbish trash or garbage shall be regularly removed from each Lot and shall not be allowed to accumulate thereon or on the adjacent Common Area. No fences, hedges or walls shall be erected or maintained upon the Real Property except such as are installed in accordance with the initial construction of the buildings located on the Real Property or as provided by the Board. No exterior clothes lines shall be erected or maintained and there shall be no outside drying or laundering of clothes on the Common Area.

6.11. Common Area Use. Except as otherwise provided herein, the Common Area shall be improved and used only for the following purposes:

A. Affording vehicular passage and pedestrian movement within the Real Property, including access to the Lots;

B. Recreational use by the Owners and occupants of Lots in the Real Property and their guests, subject to rules established by the Board;

C. Beautification of the Common Area and providing privacy to the residents to the Real Property through landscaping and such other means as the Board shall deem appropriate; and

D. There shall be no parking on the private street, which is part of the Common Area, except in locations so designated for parking. Parking of automotive passenger vehicles in areas provided therefor as may be designated and approved by the Board, upon such terms and conditions as may from time to time be determined by the Board.

No part of the Common Area shall be obstructed so as to interfere with its use for the purposes herein above permitted, nor shall any part of the Common Area be used for storage purposes, except as incidental to one of such permitted uses, or for storage of maintenance equipment used exclusively to maintain the Common Area, or parking of vehicles (except as otherwise herein provided for) nor in any manner which shall increase the rate of which insurance against loss by fire, or the perils of the extended coverage endorsement to the California Standard Fire Policy form, or bodily injury, or property damage liability insurance covering the Common Area and improvement situated thereon may be obtained, or cause such premises to be uninsurable against such risks or any policy or policies representing such insurance to be canceled or suspended or the company issuing the same to refuse renewal thereof.

6.12. Common Area Management. Except as otherwise provided herein, the Association shall have the sole and exclusive right and duty to manage, operate, control, repair, replace or restore all of the Common Area or any portion thereof, together with the improvements, trees, shrubbery, plants and grass thereon, all as more fully set forth herein.

6.13. **Common Area Improvements.** No Owner shall make any alteration or improvement to the Common Area or remove any planting, structure, furnishing or other object therefrom except with the prior written consent of the Board.

6.14. **Damage Responsibility.** Each Owner shall be legally liable to the Association for all damages to the Common Area or to any improvements thereof or thereto, including, but not limited to, the buildings, landscaping and other common areas caused by such Owner, his licensee(s) or any occupant of such Owner's Lot as such liability may be determined under California law.

6.15. **Roofs.** The Owner shall be solely responsible for the repair, maintenance and replacement of the roof on the home located on their Lot. In order to maintain the harmony of the external design of all homes within the Project the Owner covenants and agrees to repair, maintain and, if required, replace the roof on their home with roofing materials of the same size, color, design and texture as the roof materials on the home at time of construction. Notwithstanding the foregoing, the Board of the Association may by written notice approve and adopt alternative roofing materials for the Project in addition to those roofing materials used on the Project at time of construction. Further, the Board of the Association may adopt reasonable rules and regulations regarding the use, repair, maintenance and replacement of roofs within the Project.

6.16. **Garage and Parking.** The garage shall be used only for the purpose of parking standard automobiles. There shall be no conversion of any garage or for use other than parking and accessory storage. All garages shall have a minimum unobstructed area to allow for the parking of standard cars. All garages shall have automatic roll-up garage doors. Neither the garage nor any portion of the private street or driveway may be used for the storage of boats, trailers, RV's, camper shells or motor homes. No automobile overhaul or maintenance work, other than emergency work, shall be permitted in the garage, parking space, private streets or adjacent public streets. No other use of said areas may be made without the written approval of the Board. Garage doors shall be closed at all times other than when a vehicle is entering or leaving the garage. No garage may be converted for any use other than parking of vehicles; however, the garage may also be used for storage of a personal nature such as gardening tools, bicycles, luggage and the like, provided such storage does not restrict or reduce the use of the garage for the parking of two automobiles and which storage does not otherwise violate any law or ordinance, the provisions of this Declaration, the Bylaws or the rules and regulations of the Association. Parking in the guest parking spaces shall be for guests of Lot Owners. Lot Owners shall not use guest parking for their own vehicles. Use of guest parking shall be subject to the rules and regulations of the Association which can limit the duration that vehicles may be left in guest parking spaces. No parking is allowed in the fire lane, including the turn-around area. Vehicles not abiding by these regulations are subject to being towed by the Association at Owner's expense.

6.17. **Awnings.** No Owner shall be permitted to add any window awning unless same has been previously approved in writing by the Board in accordance with subsection 6.08 above and the design of such awning has been approved by the Planning Division staff of County.

6.18. **Outdoor Equipment (Satellite Dishes).** Outdoor equipment such as satellite dishes and back-flow prevention devices shall be visually screened or painted to match surroundings upon installation subject to approval in writing by the Board in accordance with subsection 7 above and the design of such outdoor equipment has been approved by the Planning Division staff of County.

6.19. **Yard Maintenance and Use.** The rear portions of each Lot shall be fenced by Declarant as part of the construction of a single-family residence on each Lot for the exclusive use of the Owner ("**Yard Area**"). Each Owner shall maintain the Yard Area upon his Lot and shall be responsible for maintaining and replacement of the exterior and interior portions of the fence enclosing his Yard Area; provided, however, that any painting of the fence shall be subject to Board approval. Each Owner shall maintain the Yard Area with landscaping consistent with landscaping maintained by the Association in the Common Area. Other than the installation of such landscaping, no improvement shall be constructed within the Yard Area without the prior written approval of the Board. Each Owner grants to the Association, an easement over those areas of the Lot not enclosed by fencing for the maintenance and installation of landscaping, irrigation, walkways and driveways by the Association. Said landscaping, irrigation, walkway and driveway shall be consistent with those in the common area.

6.20. **Commercial Activity.** No business, professional, or commercial activity of any kind shall be conducted on any Lot, except, that any Owner or tenant or family member actually residing on the Lot may use part of the dwelling structure for the purpose of operating a home-based small business provided that such use does not (as determined by the Board) involve an unreasonable number of invitees, customers or other persons coming to the Lot for business purposes, and does not (as determined by the Board) cause an unreasonable amount of business deliveries to the Lot, and further provided that such use does not (as determined by the Board) interfere with any other Owner's or tenant's quiet enjoyment of his Lot or otherwise violate any covenant or restriction of this Declaration regarding nuisances, and further provided that such business use is permitted by and is at all times in compliance with all applicable governmental laws and regulations.

6.21 **Lighting Fixtures.** All light fixtures shall be designed and adjusted to reflect light downward, and all such fixtures other than street lights shall be adjusted to reflect light away from any road or street or adjoining premises.

6.22 **Window Coverings.** All drapes, curtains, blinds, shutters and other window coverings visible from the street or Common Area shall be beige, white or off-white, or such other colors and patterns as are harmonious with the exterior appearance of the residence or approved in advance by the Board or its authorized committee. No windows visible from the street or Common Area shall be covered with bed sheets, newspaper or other paper, foil or any other such reflective or temporary material. No windows visible from the street or Common Area shall be tinted without the prior approval of the Board or its authorized committee.

6.23 **Basketball Standards.** Basketball standards and other sports apparatus, whether portable or attached to the exterior surface of a residence or garage or carport, are permitted on the Project, outside of the designated fire lane, unless specifically prohibited by any Rules And Regulations adopted by the Board.

6.24 **Clothes Lines.** A Clothesline and/or a Drying Rack, as defined below, shall only be located in the Yard Area of any Lot and then only for the use of those residing in the residence on that particular Lot. Any Clothesline and Drying Rack shall be no taller than the height of the fence surrounding the Yard Area so as to minimize the visibility of the Clothesline and Drying Rack from neighboring Lots and the Common Area. As used herein the term "Clothesline" shall mean a cord, rope, or wire from which laundered items may be hung to dry or air. A balcony, railing, awning, or other part of a structure or building on a Lot shall not qualify as a Clothesline nor may a Clothesline be attached to a balcony, railing, awning. As used herein the term "Drying Rack" shall mean an apparatus from which laundered items may be hung to dry or air. A balcony, railing, awning, or other part of a structure or building on a Lot shall not qualify as a Drying Rack nor may a Drying Rack be attached to a balcony, railing, awning.

6.25 **Trash Receptacles.** Trash receptacles (including yard waste and recyclables) shall be stored in the Yard Area of each Lot. Developer shall install gates in the fence that accesses the Yard Area to allow access on collection day. The Owner of a Lot shall maintain the gate to permit trash receptacles to not be seen from the front of a Lot or the common area. Trash receptacles shall not be permitted to block the private street and driveways. Further trash receptacles shall be returned to their storage location the same day as collection day. Pursuant to Section 4.2.2 of the Storm Water Management Plan for the Project trash storage will be located in the garage.

6.26 **Equipment/Screening.** Any and all equipment which maybe located on the roof of a structure, side of any structure or on the ground shall be screened. The method, material and appearance shall be as set forth in the rules and regulations of the Association. Notwithstanding the foregoing, roof-mounted mechanical equipment shall not permitted within the subdivision, however, solar equipment or any other energy saving devise shall be permitted with County Planning Department approval.

ARTICLE VII **MAINTENANCE RESPONSIBILITIES OF OWNERS**

7.01. **Maintenance By Owner.** Each owner shall keep and maintain in good repair and appearance all portions of his Lot and the single-family residence constructed thereon, except for the Common Maintenance Areas to be maintained by the Association. The Owner's responsibility shall include but not be limited to all interior and exterior surfaces, roof, plumbing (including plumbing and sewer connections to the Lot), electrical and heating systems servicing his Lot, and garages. Each Owner shall maintain and make repairs in such a manner as deemed necessary in the judgment of the Board to preserve the attractive appearance of the project and protect the property values

thereof. Owners of lots with shared walls shall jointly share responsibility for Maintenance of said shared walls. Owners shall further comply with the terms of the County conditions of approval.

7.02. **Storm Water Maintenance.** Each Owner shall comply with the terms of the Storm Water Maintenance Plan for this Project as to their Lot and agrees to maintain any storm water features located on their Lot. The Association shall comply with the terms of the Storm Water Maintenance Plan for this Project as to the Common Areas and agrees to maintain any storm water features located on the Common Areas. A copy of the operation and maintenance program section of the Storm Water Maintenance Plan for this Project is attached hereto as **Exhibit "B"** and incorporated by reference. A complete copy of the Storm Water Maintenance Plan for this Project is on file with the County and the Association.

ARTICLE VIII **ARCHITECTURAL CONTROL**

8.01 **Approval of Plans.** No building, fence, wall, pool, spa, obstruction, outside or exterior wiring, antenna, balcony, screen, patio, patio cover, tent, awning, carport, carport cover, trellis, improvement or structure of any kind shall be commenced, installed, erected, painted, or maintained upon the property, nor shall any alteration or improvement of any kind be made thereto, or to the exterior of any residence, until the same has been approved in writing by the Board, or by an Architectural Committee appointed by the Board. Plans and specifications showing the nature, kind, shape, color, size, materials, and location of such improvements, alterations, etc., shall be submitted to the Board or the Architectural Committee for approval as to quality of workmanship and design and harmony of external design with existing structures, and as to location in relation to surrounding structures, topography, and finish grade elevation. No fence or wall shall be erected, placed or altered on any Lot nearer to any street than the minimum building set back line. No permission or approval shall be required to repaint in accordance with Declarant's original color scheme previously approved by the Committee or the Board, or to rebuild in accordance with plans and specifications previously approved by the Committee or by the Board. Nothing contained herein shall be construed to limit the right of an Owner to remodel the interior of his residence, or to paint the interior of his residence any color desired.

8.02. **Architectural Committee.** The Architectural Committee shall each consist of three (3) members. Declarant may appoint all of the original members of the Committees and all replacements until the first anniversary of the issuance of the original final public report for the Project. The Declarant reserves to itself the power to appoint a majority of the members of the Committees until ninety (90%) percent of all the Lots in the Project have been sold or until the fifth anniversary of the issuance of the final public report for the Project whichever first occurs. After one (1) year from the date of the issuance of the original public report for the Project, the Board need not have the power to appoint one (1) member to each Committee until ninety (90%) percent of all the Lots in the overall development have been sold or until the fifth anniversary date of the issuance of the final public report for the Project, whichever first occurs. Thereafter, the Board shall have the

power to appoint all of each Committee. Members appointed to the Committees by the Board need not be from the membership of the Association. Members appointed to the Committees by the Declarant need not be Members of the Association. A majority of each Committee may designate a representative to act for it. In the event of death or resignation of any member of either Committee, the successor shall be appointed by the person, entity, or group which appointed such member until Declarant no longer has the right to appoint any members to that Committee, and thereafter the Board shall appoint such a successor. Neither the members of the Committee nor its designated representative shall be entitled to any compensation for services performed pursuant hereto. In the event the Architectural Committee fails to approve and disapprove plans and specifications within thirty (30) days after the same have been submitted to it, approval will not be required and the related covenants shall be deemed to have been fully complied with.

8.03 **Landscaping.** No landscaping of patios or yards or portions of Lots visible from the street or from any Common Area shall be undertaken by any Owner until plans and specifications showing the nature, kind, shape, and location of the materials shall have been submitted to and approved in writing by the Architectural Committee, or the Board. All landscaping shall be adequately watered and well maintained at all times. The Board, shall be responsible for the maintenance of the landscaping on any Common Area Lots.

8.04 **Governmental Approval.** Before the commencement of any alteration or any improvements approved by the Architectural Committee, the Owner shall comply with appropriate governmental laws and regulations. Approval by the Committee does not satisfy the appropriate approvals that may be required by any governmental entity with appropriate jurisdiction.

8.05 **Variances.** The Board may authorize variances from compliance with any of the architectural provisions of this Declaration. Any authorize variance must be evidenced in a writing signed by at least two members of the Board. Whenever a variance is granted, no violation of the covenants, conditions and restrictions contained in this Declaration shall be deemed to have occurred with respect to the matter for which the variance was granted. The granting of a variance shall not operate to waive any of the terms and provisions of this Declaration for any purpose except as to the particular Lot and/or part of the Common Area covered by the variance and the particular provision of this Declaration covered by the variance, nor shall it in any way affect any Owner's obligation to comply with any and all applicable governmental laws and regulations, including, but not limited to, zoning ordinances and other requirements imposed by the County or other governmental authority.

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ARTICLE IX
COMMON AREAS

9.01. **Common Area.** As set forth in Paragraph 3.01(i) of Article III above, the Association shall be responsible for maintaining the Common Areas. The Association shall be responsible for the maintenance of the landscaping, driveways and recreational facilities located in the Common Area. The Association shall pay all installation, maintenance, replacement and repair of the landscaping, driveways and recreational facilities. Each deed for the conveyance of a Lot from Declarant shall reserve an easement in favor of the Association for such maintenance. In the event any damage is incurred to the Common Area which is attributable to an Owner of a Lot, his agents, pets, guests or any occupant of such Owner's Lot, the responsible Owner shall reimburse the Association for costs of replacement and repair which if not paid shall be considered a Special Assessment against the Owner and Lot.

9.02 **Maintenance of Storm Water.** The Association shall maintain in the storm water features located in the Common Area in accordance the Storm Water Management Plan approved by County. A copy of the operation and maintenance program section of the Storm Water Maintenance Plan for this Project is attached hereto as **Exhibit "B"** and incorporated by reference. A complete copy of the Storm Water Maintenance Plan for this Project is on file with the County and the Association. The Association shall comply with all the terms contained herein. Declarant and County will enter into a Storm Water Facilities Maintenance Agreement ("**SWMP Agreement**") which will be recorded against the Lots. The Association shall comply with all the terms contained herein.

ARTICLE X
INSURANCE

10.01. **Liability Insurance.** The Association shall obtain and maintain in effect comprehensive public liability insurance insuring the Association, the Declarant and the agents and employees of each and the Owners and the respective family members, guests and invitees of the Owners against any liability incident to the ownership or use of the Common Area, and including, if obtainable, a cross-liability endorsement insuring each insured against liability to each other insured. The limits of such insurance shall not be less than Two Million Dollars (\$2,000,000.00) for death or injury to more than one person in any one occurrence, and Fifty Thousand Dollars (\$50,000.00) for property damage in any one occurrence. Notwithstanding the foregoing insurance limits, the Association shall at all times maintain insurance coverage at least equal to or greater than the limits set forth in Civil Code Sections 5800 and 5805.

10.02. **Fire and Loss Insurance.** The Association shall keep (i) all buildings, if any, and improvements in the Common Area insured against loss by fire where applicable and the risks covered by a Standard All Risk of Loss Perils insurance policy under an extended coverage casualty policy in the amount of the maximum insurable replacement value thereof and (ii) all personally

owned by the Association insured with coverage in the maximum insurable fair market insurance proceeds for improvements in the Common Area and personally owned by the Association shall be payable to the Association. In the event of any loss, damage or destruction, the Association shall cause the same to be replaced, repaired or rebuilt if it occurred in the Common Area. In the event the cost of such replacement, repair or rebuilding of Common Area (i) exceeds the insurance proceeds available therefor, or (ii) no insurance proceeds are available therefor, the deficiency or full cost thereof shall be assessed to the Owners.

10.03. Fidelity Bond. The Board shall purchase and maintain fidelity bonds or insurance for any person or entity handling funds of the Association including, but not limited to, employees of any professional management firm with whom the Association has contracted, in an amount not less than one hundred fifty percent (150%) of each year's estimated annual operating expenses and reserves and which shall contain an endorsement of coverage of any person who may serve without compensation, sufficient to meet the requirements of any Institutional Mortgagee.

10.04. Waiver of Claims Against the Association and Others. All insurance obtained by the Association shall be maintained by the Association for the benefit of the Association, the Owners and the Mortgagees as their interests may appear. As to each of said policies which will not be voided or impaired thereby, the Owners hereby waive and release all claims against the Association, the Board, the Declarant and agents and employees of each of the foregoing, with respect to any loss covered by such insurance, whether or not caused by negligence of or breach of any agreements by said persons, but to the extent of insurance proceeds received in compensation for such loss only.

10.05. Premiums and Settlement. Insurance premiums for any such blanket insurance coverage obtained by the Association and any other insurance coverage deemed necessary by the Board shall be a Common Expense to be included in the Regular Assessment levied by the Association. That portion of the Regular Assessments attributable to the payment of insurance premiums shall be held in a separate account of the Association and used solely for the payment of such insurance premiums as they become due. The Association is hereby granted the authority to negotiate loss settlements with the appropriate insurance carriers. Any two (2) Directors of the Association may sign a loss claim, and such signatures shall be binding on the Association and the Owners.

10.06. Annual Insurance Review. The Board shall annually determine whether amounts and types of insurance it has obtained provide adequate coverage for the Real Property in light of increased construction costs, inflation, practice in the area in which the Real Property is located, or any other factor which tends to indicate that either additional insurance policies or increased coverage under existing policies are necessary or desirable to protect the interest of the Owners and of the Association. If the Board determines that increased coverage or additional insurance is appropriate, it shall obtain same.

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

ARTICLE XI EMINENT DOMAIN

11.01. **Eminent Domain.** In the event the Common Area or any portion thereof shall be taken for public purposes by condemnation as a result of any action or proceeding in eminent domain, or shall be transferred in lieu of condemnation to any authority entitled to exercise the power of eminent domain, then the award or consideration for such taking or transfer which is not apportioned among the owners by court judgment or by agreement between the condemning authority and each of the affected owners in the subdivision shall be distributed among the affected owners in the respective mortgagees according to the relative values of the lots affected by the condemnation as determined by an independent appraiser at the time of condemnation.

ARTICLE XII RIGHTS OF LENDERS

12.01. **Priority of Mortgage Lien.** No breach of the covenants, conditions or restrictions herein contained, nor the enforcement of any lien provisions herein, shall affect, impair, defeat or render invalid the lien or charge of any First Mortgage made in good faith and for value encumbering any Lot, but all of said covenants, conditions and restrictions shall be binding upon and effective against any Owner whose title is derived through foreclosure or Trustee's sale, or otherwise, with respect to a Lot except as otherwise provided in this Article.

12.02. **Curing Defaults.** A Mortgagee who acquires title by judicial foreclosure, deed in lieu of foreclosure or Trustee's sale shall not be obligated to cure any breach of the provisions of this Declaration which is noncurable or of a type which is not practical or feasible to cure.

12.03. **Resale.** It is intended that any loan to facilitate the resale of any Lot after judicial foreclosure, deed in lieu of foreclosure or Trustee's sale is a loan made in good faith and for value and entitled to all of the rights and protection afforded to other Mortgagees.

12.04. **Relationship with Assessment Liens.**

A. The lien provided for in the Article entitled "Nonpayment of Assessments" for the payment of Assessments shall be subordinate to the lien of any First Mortgage which was recorded prior to the date any such Assessment becomes due;

B. If any Lot subject to a monetary lien created by any provision hereof shall be subject to the lien of a First Mortgage: (1) the foreclosure of any lien created by anything set forth in this Declaration shall not operate to affect or impair the lien of such Mortgage; and (2) the foreclosure of the lien of said Mortgage, or sale under a power of sale included in such Mortgage (such events being hereinafter referred to as "**Events of Foreclosure**") shall not operate to affect or impair the lien hereof, except that any persons who obtain an interest through any of the Events of Foreclosure and their successors and assigns, shall take title free of the lien hereof or any personal obligation for said charges as shall have accrued up to the time of any of the Events of Foreclosure, but subject to the lien hereof for all said charges that shall accrue subsequent to the Events of Foreclosure;

C. Any Mortgagee who obtains title to a Lot by reason of any of the Events of Foreclosure or any purchaser at a private or judicial foreclosure shall take title to such Lot free of any lien or claim for unpaid Assessments against such Lot which accrue prior to the time such Mortgagee or purchaser takes title to the Lot, except for liens or claims for a share of such Assessments resulting from a reallocation of such Assessments to all Lots within the Project, acceptance of a deed-in-lieu of foreclosure will not extinguish any past due assessment; and

D. Nothing in this section shall be construed to release Owner from his obligation to pay for any Assessments levied pursuant to this Declaration.

12.05. Seventy-Five Percent (75%) Vote First Mortgagees. Except upon the prior written approval of at least seventy-five percent (75%) of all First Mortgagees, based on one (1) for each First Mortgage held, neither the Association nor the Members shall be entitled to do any of the following:

A. Abandon or terminate by any act of omission the Planned Residential Development legal status of the Project, or any part thereof, except for abandonment or termination provided by law and/or this Declaration in the case of substantial destruction by fire or other casualty or in the case of taking by condemnation or eminent domain.

B. Amend a material provision of this Declaration or the Bylaws for purposes of determining what provisions are material in this Declaration or the Bylaws, the provisions of this Article, the Article hereof entitled "Insurance", and such other provisions in these documents which are required by the rules, regulations or guidelines of programs administered by Federal National Mortgage Association (FNMA), Government National Mortgage Association (GNMA) or Federal Home Loan Mortgage Corporation (FHLMC) shall be deemed material;

C. Effectuate any decision to terminate professional management and assume self-management of the Project;

D. Abandon, partition, sell, alienage, subdivide, release, transfer, hypothecate or

otherwise encumber the Common Area; provided, however, the granting of easements for public utilities or other public purposes consistent with the intended use of the Common Area shall not require such approval;

E. Partition or subdivide a Lot or any elements thereof; and

F. Change any ownership interest as provided in the Section entitled "Ownership Interest" in the Article hereof entitled "Definitions".

12.06. Other Rights of First Mortgagees. Any First Mortgagee or its mortgage servicing contractor shall, upon written request to the Association, be entitled to:

A. Inspect the books and records of the Association during normal business hours;

B. Receive the annual audited financial statements of the Association ninety (90) days following the end of the Association's fiscal year;

C. Receive written notice of all annual and special meetings of the Members or of the Board, and First Mortgagees shall further be entitled to designate a representative to attend all such meetings in order to, among other things, draw attention to violations of this Declaration which have not been corrected or made the subject of remedial action by the Association; provided, however, nothing contained in this Section shall give a First Mortgagee the right to call a meeting of the Board or of the Members for any purpose or to vote at any such meeting; and

D. Receive written notification from the Association of any default in the performance of the obligations imposed by this Declaration by the Owner whose Lot is encumbered by such First Mortgagees Mortgage, which default has not been cured within thirty (30) days of a request therefor by the Association; provided, however, the Association shall only be obligated to provide such notice to First Mortgagees who have previously requested such notice in writing.

12.07. Mortgagees Furnishing Information. Mortgagees are hereby authorized to furnish information to the Board concerning the status of any loan encumbering a Lot.

12.08. Right of First Refusal. In the event this Declaration is amended to provide for any right of first refusal in the Association or others to purchase a Lot, a Mortgagee who comes into possession of a Lot pursuant to a judicial foreclosure, or a Trustee's sale shall be exempt therefrom. In addition, conveyances to and from third party foreclosure purchasers and mortgage insurers and guarantors shall also be exempt.

12.09. Conflicts. In the event of any conflict between any of the provisions of this Article and any of the other provisions of this Declaration, the provisions of this Article shall control.

12.10. **Notice of Destruction or Taking.** In the event that any Lot or Common Area and any improvements thereto, or any portion thereof, is damaged or made the subject of any condemnation proceeding in eminent domain or is otherwise sought to be acquired a condemning authority, the Board shall promptly notify the Institutional Mortgagee affected by such destruction, taking or threatened taking. As used herein, "**damaged**" or "**taking**" shall mean damage to or taking of the Common Area exceeding Ten Thousand Dollars (\$10,000.00) or damage to or taking of a Lot exceeding One Thousand Dollars (\$1,000.00). If requested in writing by an Institutional Mortgagee, the Association shall evidence its obligations under this Section in a written agreement in favor of such Institutional Mortgagee.

ARTICLE XIII
EASEMENTS AND CREATION OF PROPERTY RIGHTS

13.01. **Easements; Dedication of Common Area.** Each of the Lots shall have appurtenant to it (as the dominant tenement) an easement over the Common Area(s) (as the serviette tenement), now or hereafter owned by the Association, for ingress and egress, and for use, occupancy and enjoyment, and where applicable, for the construction, maintenance and operation of utilities. The foregoing easements are granted and reserved subject to the condition that their use and enjoyment shall not unreasonably interfere with the use, occupancy or enjoyment of all or any part of the Lot serviette to them or to which they are appurtenant. All of the easements are subject to the following provisions:

A. The right of the Association to discipline Members, and to suspend the voting rights of a Member and his right to use of any recreational facilities, for any period during which any Assessment against his Lot remains unpaid, and for any infraction of the rules contained in the Declaration, Bylaws, Articles or written Rules And Regulations, in accordance with the provisions of the Project Documents;

B. The right of the Association to dedicate, transfer or mortgage all or any part of the Common Area to any public agency, authority, or utility for such purposes and subject to such conditions as may be agreed to by the Members, provided, that in the case of the borrowing of money and the mortgaging of its property as security therefor, the rights of such mortgagee shall be subordinate to the rights of the Members of the Association. No such dedication, transfer or mortgage shall be effective unless as an instrument signed or approved three-fourths (3/4) of each class of Members agreeing to such dedication, transfer or mortgage has been recorded;

C. The right of the Association to grant easements under, in, upon, across, over, above or through any portion of the Common Area for purposes, including, by way of example and not by way of limitation, access, utilities, and parking, which are beneficial to the development of the properties in accordance with the general plan established by this Declaration;

D. Easements for work necessary to complete development and construction.

13.02. **Easements to Accompany Conveyance of Lot.** Easement that benefit or burden any Lot shall be appurtenant to that Lot and shall automatically accompany the conveyance of the Lot, even though the description in the instrument of conveyance may refer only to the fee title to the Lot.

13.03. **Owners' Rights and Easements for Utilities.** The rights and duties of the Owners of Lots within the Project with respect to sanitary sewer, drainage, water, electric, gas, television receiving, telephone equipment, cables and lines (hereinafter referred to, collectively, as "utility facilities") shall be as follows:

A. Whenever utility facilities are installed within the Project, which utility facilities or any portion thereof lie in or upon a Lot or Lots owned by other than the Owner of a Lot served by said utility facilities, the Owners of any Lots served by said utility facilities shall have the right of reasonable access for themselves or for utility companies or the County to repair, to replace and generally maintain said utility facilities as and when the same may be necessary, due to failure or inability of the Board to take timely action to make such repairs or perform such maintenance.

B. Whenever utility facilities are installed within the Project which utility facilities serve more than one (1) Lot, the Owner of each Lot served by the utility facilities shall be entitled to the full use and enjoyment of such portions of the utility facilities that service his Lot.

C. In the event of a dispute between Owners with respect to the repair or rebuilding of the utility facilities, or with respect to the sharing of the cost thereof, then, upon written request of one (1) of such Owners addressed to the other Owner(s), the matter shall be submitted to binding arbitration within sixty (60) days pursuant to the rules of the American Arbitration Association, and the decision of the Arbitrator(s) shall be final and conclusive on the parties, and judgment may be entered thereon in any court having jurisdiction.

13.04. **Encroachment Easements.** Each Lot (as the dominant tenement) shall have an easement over adjoining Lots and Common Area (as the servient tenements) for the purpose of accommodating any encroachment due to foundations, exterior walls, windows, roof overhang and fences or walls which are built in accordance with the original design, plans and specifications of Declarant, or due to engineering errors, errors or adjustments in original construction, settlement or shifting of the building, or similar causes. There shall be valid easements for the maintenance of said encroachments as long as they shall exist, and the rights and obligations of Owners shall not be altered in any way by said encroachment, settlement or shifting, provided, however, that in no event shall a valid easement for encroachment be created in favor of an Owner or Owners if said encroachment occurred due to the intentional conduct of said Owner or Owners other than adjustments by Declarant in the original construction. In the event a structure is partially or totally destroyed, and then repaired or rebuilt, the Owners of each adjoining Lot agree that minor encroachments over adjoining Lots and Common Area shall be permitted and that there shall be valid easements for the maintenance of said encroachments so long as they shall exist.

13.05. **Maintenance Easement.** An easement over each Lot (as the serviette tenement) is reserved by Declarant in favor of each other Lot (as the dominant tenement), and is hereby granted to the Association, for the purpose of allowing the Association's agents to enter the Lot to perform such maintenance, if any, as the Association elects or is required to do in accordance with the provisions of Sections 3.04 and 6.12 of this Declaration.

13.06 **Drainage Easements.** Reciprocal appurtenant easements between each Lot and the Common Area and between adjoining Lots are hereby created for the flow of surface water.

13.07. **Other Easements.** The Common Area and each Lot are subject to all easements, dedications, and rights of way granted or reserved in, on, over and under the property as shown on the Map.

13.08. **Rights of Entry and Use.** The Lots and Common Area shall be subject to the following rights of entry and use:

A. The right of the Association agents to enter any Lot to cure any violation of this Declaration or the Bylaws, provided that the Owner has received notice and a hearing as required by the Bylaws (except in the case of an emergency) and the Owner has failed to cure the violation or take steps necessary to cure the violation within thirty (30) days after the finding of a violation by the Association;

B. The access rights of the Association to maintain, repair or replace improvements or property located in the Common Area as described in Section 3.01(i);

C. The easements described in this Article of the Declaration;

D. The right of the Association's agent to enter any Lot to perform maintenance as described in Sections 7.01 and, if applicable, 3.01(h);

E. The rights of the Declarant during the construction period as described in Section 13.12; and,

13.09. **Partition of Common Area.** There shall be no subdivision or partition of the Common Area, nor shall any Owner seek any partition or subdivision thereof, except as herein below provided. Notwithstanding any provisions to the contrary contained in this Declaration and in order to provide for a means of terminating the Project if this should become necessary or desirable, on occurrence of any of the conditions allowing an Owner of a Lot to maintain an action for partition (as such conditions are presently set forth in California Civil Code Section 4610 or as such conditions in the future may be set forth in any amendment thereto or comparable provisions of law), two-thirds (2/3) of the Owners of Lots shall have the right to petition the Superior Court having jurisdiction to alter or vacate the recorded Subdivision Map of the property under California

Government Code Sections 66499.21 et seq., or any comparable provisions of law, and to vest title to the property in Owners as tenants in common and order an equitable partition of the property in accordance with the laws of the State of California. Nothing herein shall be construed to prohibit partition of a joint tenancy or co-tenancy in any Lot.

13.10. Party Walls:

A. General Rules of Law To Apply: Any wall or fence that is built as part of the original construction of the Project, is located on the boundary line with an adjacent Lot, and either is used in common with the residence on the adjacent Lot or abuts against a similar wall or fence on the adjacent Lot between two (2) Lots shall constitute a party wall, and, to the extent not inconsistent with the provisions of this Article, the general rules of law regarding party walls and liability for property damage due to negligence or willful acts or omissions shall apply thereto.

B. Sharing of Repair and Maintenance: The cost of reasonable repair and maintenance of a party wall shall be shared by the Owners who make use of the wall in proportion to such use.

C. Destruction by Fire or Other Casualty: If a party wall is destroyed or damaged by fire or other casualty, any Owner who has used the wall may restore it, and if the other Owners thereafter make use of the wall, they shall contribute to the cost of restoration thereof in proportion to such use; provided, however, that the Owner or Owners whose negligent act or omission proximately caused the damage or destruction, shall bear the full cost of restoration that is not covered by insurance.

D. Right to Contribution Runs with Land: The right of any Owner to contribution from any other Owner under this Article shall be appurtenant to the land and shall pass to such Owner's successors in title.

13.11. Zero Lot Line Walls and Easements. In any and all cases where a structural wall of a residence that was built as part of the original construction is located on or near the boundary line between adjacent Lots, the Owner of the residence shall have a nonexclusive easement over the adjacent Lot for access to and maintenance of the wall, the reconstruction of the wall in the event of the partial or total destruction of the same, drainage associated with the wall or the residence of which the wall is a part, and an easement to accommodate the foundation and/or roof or eave encroachment as per the original design, plans and specifications which were the basis for the original construction of the residence or residences on the Lot or Lots. The Owner of a Lot having a structural wall situated on or near the boundary line between his Lot and the adjoining Lot shall not attach anything to the outside of the wall which shall protrude across the boundary line into the adjoining Lot.

13.12. **Construction and Sales.** There is hereby reserved to Declarant, its successors and assigns, including without limitation, its sales agents and representatives, on the Project for the purpose of development and their successors in interest and prospective purchasers of Lots together with the right in Declarant, its successors and assigns, to grant and transfer the same, over the Common Area, easements for ingress and egress, drainage, entry on adjacent property in connection with the development of additional phases of the Project, construction, display and exhibit purposes in connection with the construction on and sale of Lots within the Real Property; provided, however, that such use shall not be for a period beyond the earlier of (i) the sale of all Lots to be constructed on the Real Property by Declarant including all phases, or (ii) three (3) years from the conveyance of the first Lot by Declarant; and provided, further, that no such use by Declarant and others shall otherwise restrict the Members in the reasonable use and enjoyment of the Common Areas or Common Facilities.

ARTICLE XIV
RIGHTS IN COMMON AREAS

14.01. **Members' Right and Easement of Enjoyment.** Declarant will grant the Association in the Common Area prior to conveyance of the first Lot. Every Member and the family and guests of a member shall have a right and easement of enjoyment in and to the Common Area, if any, and such right shall be appurtenant to and shall pass with fee title to every Lot, subject to:

A. The right of the Association to limit the number of guests of Members and to limit the use of the Common Area by persons not in possession of a Lot, but owning a portion of the interest in a Lot required for membership.

B. The right of the Association to establish reasonable rules and regulations pertaining to the use of the Common Area and the recreational facilities;

C. The right of the Association to suspend the voting rights and/or the right to use of the recreational facilities, if any, by a Member for any period during which any assessment against his Lot remains unpaid and delinquent; and for a period not to exceed thirty (30) days for any single infraction of this Declaration or the rules and regulations of the Association, provided that any suspension of such right to use the recreational facilities, except for failure to pay assessments, shall be made only by the Association or a duly appointed committee thereof, after notice and hearing given and held in accordance with the Bylaws of the Association; and

D. The right of the Association to dedicate or transfer all or any part of the Common Area to any public agency, authority, or utility for such purposes and subject to such conditions as may be agreed to by the Members. No such dedication or transfer may occur unless written notice of the proposed action is sent to every Member not less than thirty (30) days nor more than sixty (60) days in advance.

14.02. **Delegation of Use.** Any Member may delegate his right of enjoyment to the Common Area and facilities to the members of his family, his tenants, or contract purchasers who reside on his Lot.

14.03. **Waiver of Use.** No Member may exempt himself from personal liability for Assessments duly levied by the Association, nor release the Lot owned by him from the liens and charges hereof, by waiver of the use and enjoyment of the Common Area and the facilities thereon, or the abandonment of his Lot.

14.04. **Compliance with Rules.** No activity shall be carried on in the Common Area, which shall be contrary to the rules and regulations of the Association relating to use of and activity of the Common Area.

14.05. **Liability.** The Owner of each Lot shall be liable to the Association for all damages to any part of the Common Area or to any improvements thereon or thereto, including but not limited to, buildings, recreational facilities and landscaping, which damage is caused by such Owner, its agents, pets, guests or any occupant of such Owner's Lot.

ARTICLE XV
PROVISION IN FAVOR OF COUNTY

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

A. The Association shall manage and continuously maintain the Common Area more particularly described on **Exhibit "A-1"** attached hereto, and shall not sell or transfer the Common Area or any part thereof, absent the prior written consent of the Planning Department of the County of Riverside or the County's successor-in-interest.

B. The Association shall have the right to assess the owners of each individual lot or unit for the reasonable cost of maintaining the common area, and shall have the right to lien the property of any such owner who defaults in the payment of a maintenance assessment.

C. An assessment lien, once created, shall be prior to all other liens recorded subsequent to the notice of assessment or other document creating the assessment lien. This Declaration shall not be terminated, materially amended, or property de-annexed therefrom absent the prior written consent of the Assistant TLMA Director - Community Development of the County of Riverside or the County's successor-in-interest. A proposed amendment shall be considered "substantial" if it affects the extent, usage, or maintenance of the common area established pursuant to the Declaration.

D. In the event of any conflict between this Declaration and the Articles of Incorporation, the Bylaws, or the property owners' association Rules and Regulations, if any, this Declaration shall control.

ARTICLE XVI
DISPUTE NOTIFICATION AND RESOLUTION

16.01. CONSTRUCTION / DESIGN DEFECT DISPUTES: (THIS SECTION OF THE DECLARATION APPLIES ONLY TO DISPUTES BETWEEN THE ASSOCIATION, OR ONE OR MORE OWNERS, AND THE DECLARANT, THAT INVOLVE ALLEGED DEFECTS IN THE DESIGN OR CONSTRUCTION / RENOVATION OF THE PROJECT.)

Any claim, dispute, or other controversy between the Association or any Owner(s) (Claimant) and the Declarant or any affiliated general contractor or affiliated contractor who is a "builder" within the meaning of Civil Code §911, or any director, officer, member shareholder, partner, employee, or agent thereof (individually and collectively the "Declarant" for purposes of this Article XVI) or any nonaffiliated general contractor, nonaffiliated contractor, subcontractor, material supplier, individual product manufacturer, design professional, or any other person that provided materials or services to the Development on behalf of Declarant, relating to this Declaration, the use, condition, design, specifications, surveying, grading, construction, installation, or operation of any Improvements or landscaping located within the Development, including any claims made under Civil Code §§896-897 (individually and collectively the "Claim") shall be subject to the claims procedures set forth in Exhibit "C" attached to and incorporated in this Declaration.

The claims procedures in Exhibit "C" do not apply to any action taken by the Association to enforce delinquent assessments against Declarant, which shall be governed by Article V of this Declaration. In the event any provision of law requires that the Association or an Owner shall not pursue the claims procedure set forth Exhibit "C", then such matter shall be pursued in accordance with the nonadversarial contract provisions recorded in the Office of the County Recorder of Riverside County, a copy of which is attached hereto as Exhibit "C-1" NOTICE OF NON-ADVERSARIAL. PROCEDURE, NOTICE TO SUCCESSORS IN INTEREST AND NOTICE OF BUILDERS AGENT FOR NOTICE PURSUANT TO CIVIL CODE SECTIONS 912 (F), 912 (H) AND 912 (E).

16.02. DISPUTES INVOLVING THE ENFORCEMENT OF THE GOVERNING DOCUMENTS: (THIS SECTION APPLIES ONLY TO DISPUTES BETWEEN OWNERS, OR BETWEEN THE ASSOCIATION AND ONE OR MORE OWNERS, THAT INVOLVE ENFORCEMENT OF THE GOVERNING DOCUMENTS.)

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16.02.01 Discussion and Mediation. In the event of a dispute arising between one or more Owners or between the Association and one or more Owners involving enforcement of any provision of this Declaration or the other Project Documents (“Enforcement Dispute”), the parties involved in such dispute shall meet to discuss and negotiate with each other in a good faith attempt to reach a fair and equitable solution that is acceptable to all such parties. If the Association is involved as a party, the Board shall act on behalf of the Association. Except as the parties may otherwise agree in writing, in the event that any Enforcement Dispute is not settled in this manner within ten (10) days after written notice of the Enforcement Dispute (“Enforcement Dispute Notice”) from the sending party has been served on or delivered to the other party(parties), the parties shall participate in mediation in an attempt to settle the Enforcement Dispute in an amicable manner, with the mediator selected by mutual agreement of the parties. In no event shall the provisions of this Section relieve any Owner or the Association from performing his/her/its obligations under the Project Documents.

16.02.02 Binding Arbitration. Any Enforcement Dispute that is not resolved pursuant to the foregoing subsection of this Section shall be settled by submission to binding arbitration in accordance with the rules then in effect under the provisions of California Code of Civil Procedure Sections 1280 et seq. (or any successor statute) and the procedures set forth in the following subsections of this Section. After the expiration of forty (40) days from the date of service or delivery of an Enforcement Dispute Notice, any member of the Board may commence an arbitration proceeding of an Enforcement Dispute that has not been resolved through mediation by giving written notice of his/her intention to arbitrate the Enforcement Dispute (“**Enforcement Dispute Arbitration Notice**”) to all other involved parties.

16.02.03 Appointment of Arbitration Panel. Unless another procedure is agreed upon by all parties to the Enforcement Dispute, a panel of three (3) arbitrators shall be appointed by the parties in the following manner and that panel shall constitute the “Arbitration Panel.” The first two arbitrators shall be appointed within ten (10) days after service or delivery of the Enforcement Dispute Arbitration Notice. If the Enforcement Dispute involves the Association or Board and the Owner(s) of only one Lot, the Board shall appoint one (1) arbitrator and the Owner(s) of that Lot shall appoint one (1) arbitrator. If the Enforcement Dispute involves the Association or Board and the Owners of more than one Lot, the Board shall appoint one (1) arbitrator, and the Owners of the other Lots involved in the Enforcement Dispute shall collectively appoint one (1) arbitrator. Any member of the Board that is also an Owner of any Lot involved in any Enforcement Dispute shall not participate in the Board’s appointment of one of the arbitrators. If the Enforcement Dispute involves only the Owners two Lots, the Owner(s) of each such Lot shall appoint one (1) arbitrator. If the Enforcement Dispute is such that it involves the Owners of a group of Lots with a common claim or position against the Owner(s) of a single Lot or against the Owners of another group of Lots with a common claim or position, the Owners of the first group of Lots shall collectively appoint one (1) arbitrator and the Owner(s) of the single Lot, or the Owners of the other group of Lots, acting collectively, shall appoint one (1) arbitrator. The two arbitrators appointed by the opposite sides of the Enforcement Dispute shall appoint the third arbitrator of the Arbitration

Panel within five (5) days after the last of their own appointments. In the event the arbitrators appointed by the opposite sides of the Enforcement Dispute are unable to agree upon the third arbitrator within that period of time, any party to the arbitration may apply to the Superior Court in the County where the Project is located for the appointment of the third arbitrator. If the Board or any Owner(s) or group of Owners fails to appoint an arbitrator within ten (10) days after service or delivery of the Enforcement Dispute Arbitration Notice, the arbitrator appointed by the party or parties on the other side of the Enforcement Dispute need not appoint any other second or third arbitrator and (acting alone) shall be deemed to be the Arbitration Panel. The decision of a majority of a three-member the Arbitration Panel or the decision of the sole arbitrator, if only one was duly appointed, shall be final and binding on the parties, unless an exemption from arbitration applies to any such party as provided in any section or subsection of this Article. Each arbitrator appointed shall have at least five (5) years of direct experience as a property or asset manager in the operation and management of a development similar (in facilities and permitted uses) to the Project and located in the County where the Project is located. Any arbitration proceeding under this Section shall take place in the County where the Project is located, unless the parties mutually agree otherwise.

16.02.04 Submission of Proposals and Materials. Each party to the arbitration (or each group, through its representative) shall submit a proposal for resolution of the Enforcement Dispute to the Arbitration Panel and to the other party or parties involved in the Enforcement Dispute. Each party may modify its proposed resolution until such time as the matter has been finally submitted for determination. Each party shall make available to the Arbitration Panel all of its books, records, documents and other information requested by the Arbitration Panel relating to the Enforcement Dispute, and shall do so at such times as are deemed reasonably necessary by the Arbitration Panel to make its decision in accordance with the provisions of this Section. Any party that submits written materials to the Arbitration Panel shall be required to at the same time deliver a copy to all other parties. Any party that plans to submit information orally shall give all other parties reasonable advance notice of the date and time of the submission so any other party may be present if desired. Prior to rendering a decision, the Arbitration Panel shall allow each party or its legal counsel an opportunity to express its point of view either orally or in writing regarding each party's proposed resolution and to respond to any written materials and oral information provided by another party. Any party may utilize an expert for the purpose of presenting evidence to the Arbitration Panel regarding such party's proposed resolution. Each party shall have reasonable access during normal business hours to examine and copy (at its own expense) such books, records, documents, and other data as are reasonably necessary for that party to analyze and evaluate the Enforcement Dispute.

16.02.05 Decision by Arbitration Panel. The Arbitration Panel shall diligently pursue the determination of the Enforcement Dispute under consideration and shall render its decision no later than thirty (30) days after the appointment of the Arbitration Panel. The determination of the Arbitration Panel shall be made by selecting only one of the proposals submitted to it, unless all of the parties to the Enforcement Dispute otherwise agree in advance and in writing. The decision of the Arbitration Panel shall be final and binding on all the parties to the

Enforcement Dispute and may be enforced in any court of competent jurisdiction. Each party to the Enforcement Dispute agrees to indemnify and hold harmless each member of the Arbitration Panel from and against any claim or liability arising out of the arbitration of the Enforcement Dispute, unless resulting from the willful misconduct of that arbitrator. The costs of the arbitration, including any attorney's fees and expert's fees, shall be allocated among all parties to the Enforcement Dispute as the Arbitration Panel in its sole discretion shall determine, except that any other party's costs shall not be allocated to the Association or Board.

16.02.06 No Cure or Waiver. Neither the delivery or service of any Enforcement Dispute Arbitration Notice nor the commencement of any arbitration or other proceeding under this Section shall cure or waive any alleged breach or default of any obligation under the terms of this Declaration, nor shall it have any impact on the applicable period for curing any such breach or default nor shall it in any way constitute a waiver or relinquishment of any rights granted under this Declaration or otherwise by any party with regard to any alleged breach or default, including, but not limited to, the obligation of any Owner to pay as and when due any and all Assessments, liens, fees, and/or charges required under this Declaration or otherwise and to perform such maintenance as is required under the Project Documents.

16.02.07 Provisional Relief. Nothing in this Section shall preclude an Owner or the Association from seeking provisional relief from a court of law with respect to the matter being disputed between any Owner(s) and/or the Association or Board, as applicable, including, but not limited to, injunctive relief under the Declaration, which may be brought in the Superior Court in the County where the Project is located. The procedures set forth in this Section shall not apply to any action taken by the Association against any Owner for delinquent Assessments; provided that any Enforcement Dispute related to the right or ability of the Association to enforce any remedies in connection with any Owner's failure to pay Assessments may be resolved as set forth in this Section.

16.02.08 Exception to Arbitration. Any Owner or any Board member appointed by such Owner shall not be required to participate in any arbitration proceeding under this Section if such participation would directly result in the denial of insurance coverage to such Owner or Board member for any damages or other relief awarded in connection with such proceeding.

16.02.09 Delinquent Assessment. The claims procedures in Section 16.02 do not apply to any action taken by the Association to enforce delinquent assessments against Declarant, which shall be governed by Article V of this Declaration.

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ARTICLE XVII
GENERAL PROVISIONS

17.01. **Enforcement.** The Association, or any Owner (including Declarant so long as Declarant has a record interest in the Real Property) shall have the right to enforce by proceedings at law or in equity, all restrictions, conditions, covenants, reservations, liens, and charges now or hereafter imposed by the provisions of this Declaration or any amendment hereto including the right to prevent the violation of any such restrictions, conditions, covenants or reservations and the right to recover damages or other dues or such violation provided, however, that with respect to assessment liens, the Association shall have the exclusive right to the enforcement thereof. The County shall have the right to enforce the provisions of this Declaration regarding the maintenance, cleanliness and repair of the Real Property as more fully outlined in Article XV, Section 1. Failure by the Association, any Member or the County to enforce any covenant, condition or restriction herein contained, shall in no event be deemed a waiver of the right to do so thereafter.

17.02. **Severability.** Invalidation of any one of these covenants, conditions or restrictions by judgment of court order shall in no way effect any other provisions which shall remain in full force and effect.

17.03. **Covenants to Run with the Land; Term.** The covenants, conditions and restrictions of this Declaration shall run with and bind the Real Property and shall inure to the benefit of and be enforceable by the Association or any Members, their respective legal representatives, heirs, successors and assigns, for a term of sixty (60) years from the date this Declaration is recorded, after which time said covenants, conditions and restrictions shall automatically be extended for successive periods of ten (10) years, unless an instrument, signed by a majority of the then Members has been recorded, agreeing to change said covenants, conditions and restrictions in whole or in part.

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

17.05. **Amendments.** Except as otherwise provided herein, the provisions of this Declaration may be amended, changed, added to, repealed, abandoned, terminated and/or replaced by an instrument in writing signed and acknowledged by record Owners holding sixty-six and two-thirds percent (66 2/3%) of the total voting power of the Association including at least a majority of the votes of Owners other than Declarant, which instrument shall be effective upon recordation in the Office of the Recorder of Riverside County. If required by other provisions of this Declaration, the requisite approval of Mortgagees and/or approval from the County pursuant to Section 15.01 shall be obtained for such amendment. During the Declarant control period, as set forth in this Declaration, all material amendments and extraordinary actions to the Declaration, the Articles of

Incorporation and/or the Bylaws must have the approval of the VA/FHA, if the VA has guaranteed or the FHA has insured, any loans secured by Lots in the Project. For the purposes of VA/FHA or County approval, the following definitions of the terms “material amendments” and “extraordinary actions” shall be applicable:

(1) A material amendment is an amendment which includes adding, deleting, or modifying any provision regarding the following:

- (a) Assessment basis or assessment liens;
- (b) Any method of imposing or determining any changes to be levied against individual Lot Owners;
- (c) Reserves for maintenance, repair, or replacement of common Area improvements;
- (d) Maintenance obligations;
- (e) Allocation of rights to use the Common Area;
- (f) Any scheme of regulation or enforcement of standards for maintenance, architectural design or exterior appearance of improvements on Lots;
- (g) Reduction of insurance requirements;
- (h) Restoration or repair of Common Area improvements;
- (i) The addition, annexation or withdrawal of land to or from the Project;
- (j) Voting rights;
- (k) Restrictions affecting leasing or sale of a Lot;
- (l) Any provision which is for the express benefit of mortgagees;

(2) Any amendment which concerns an “extraordinary action”. An extraordinary action includes:

- (a) Merger or consolidation of the Association (other than with another non-profit entity formed for purposes similar to the Project Association);

(b) A determination not to require professional management if professional management is required by the Restrictions, a majority of eligible mortgagees, or a majority vote of the Members;

(c) Expansion of the Association to include real property not included in this Declaration as "annexable property", which results in an increase of the real property in the Project or the number of Lots in the Project by more than ten percent (10%).

(d) Abandoning, partitioning, encumbering, mortgaging, conveying, selling or otherwise transferring or relocating the boundaries of the Common Area (except for (i) granting easements which are not inconsistent with or which do not interfere with the intended use of the Common Area; (ii) dedicating Common Area as required by a public authority; (iii) limited boundary line adjustments made in accordance with the provisions of this Declaration; (iv) transferring Common Area pursuant to a merger or consolidation with a non-profit entity formed for purposes similar to the Association.

(e) Using insurance proceeds for purposes other than the construction or repair of the insured improvements;

(f) Making capital expenditures (other than for repair or replacement of existing improvements) during any period of twelve (12) consecutive months costing more than twenty percent (20%) of the annual operating budget).

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

17.07. **Nuisance.** The result of every act or omission, whereby any provision, restriction, covenant, easement or reservation contained in this Declaration is violated in whole or in part, is hereby declared to be and constitutes a nuisance, either public or private, shall be applicable against every such result, and may be exercised by the Association or any Member. Such remedy shall be deemed cumulative and not exclusive.

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

A. Notice to an Owner shall be deemed to have been properly delivered when delivered personally or placed in the first class United States mail, postage prepaid, to the most recent address furnished by such Owner in writing to the Association for the purpose of giving

notice, or if no such address shall have been furnished, then to the street address of such Owner's Lot. Any notice so deposited in the mail in Riverside County, California, shall be deemed to have been delivered forty-eight (48) hours after such deposit. In case of Co-Owners, any such notice may be delivered or sent to any one (1) of the Co-Owners on behalf of all Co-Owners and shall be deemed delivered on all such Co-Owners; and

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

17.09. **Effect of this Declaration.** This Declaration is made with the intent to establish a general scheme for the use of, occupancy, and enjoyment of the Real Property and each and every Lot and portion thereof. Declarant makes no warranties or representations expressed or implied as to the binding effect or enforce ability of all or any portion of this Declaration.

17.10. **Personal Covenant.** To the extent the acceptance of a conveyance of a Lot creates a personal covenant between the Owners of such Lot and Declarant or other Owners, such personal covenant shall terminate and be of no further force or effect from and after the date when a person or persons or entity ceases to be an Owner except to the extent of this Declaration may provide otherwise with respect to the payment of money to the Association.

17.11. **Nonliability of Officials.** To the fullest extent permitted by law, neither the Board, any committees of the Association, or any Member thereof shall be liable to any Member of the Association for any damage, loss, or prejudice suffered or claimed on account of any decision, approval or disapproval of plans or specifications (whether or not defective), course of action, act, omission, error, negligence or the like made in good faith, within such Board, committee or persons reasonably believed to be in the scope of their duty. Further it is the intent of the Association that all volunteer officers and Directors as well as Owners, to the extent of any commonly owner interest in the Common Area, be afforded the full benefits of liability protection afforded by Civil Code Sections 5800 and 5805.

17.12. **Enforcement of Bonded Obligations.** In the event that the improvements to the Common Area of the Project have not been completed prior to the issuance of a Final Subdivision Public Report covering such Project by the California Department of Real Estate of the State of California, and the Association is obligee under a bond or other arrangement (hereinafter called "**Bond**") to secure performance of the commitment of the Declarant to complete such improvements, the following provisions shall apply:

A. The Board shall be directed to consider and vote on the question of action by the Association to enforce obligations under the Bond with respect to any improvements for which

a Notice of Completion has not been filed within sixty (60) days after the completion date specified for such improvement in the Planned Construction Statement appended to the Bond. If the Association has given an extension in writing for the completion of Common Area improvements, the Board shall be directed to consider and vote on the aforesaid question if a Notice of Completion has not been filed within thirty (30) days after the expiration of such extension.

A. In the event that the Board determines not to initiate action to enforce the obligations under the Bond, or in the event the Board fails to consider and vote on such question as provided above, the Board shall call a special meeting of the Members for the purpose of voting to override such decision or such failure to act by the Board. Such meeting shall be called according to the provisions of the Bylaws dealing with the meetings of the Members, but in any event such meeting shall be held not less than thirty-five (35) days no more than forty-five (45) days after receipt by the Board of a petition for such meeting, signed by Members representing five percent (5%) or more of the total voting power of the Association.

C. The only Members entitled to a vote at such meeting shall be the Owners other than Declarant, and

D. A vote at such meeting of the majority of the voting power of such Members, other than Declarant, to take action to enforce the obligations under the Bond shall be deemed to be the decision of the Association and the Board shall thereafter implement such decision by initiating and pursuing appropriate action in the name of the Association.

17.13. **No Partition.** There shall be no partition of the Project or any part thereof; except, however, that if any Lot shall be owned by two (2) or more co-tenants, nothing herein contained shall be deemed to prevent a judicial partition as such as between such co-tenants.

17.14. **No Severance.** The Ownership Interest consisting of a Lot and an undivided interest in the Common Area is inseparable and each Owner agrees that he shall not, while his Declaration or any similar declaration is in effect, make any conveyance of less than his entire ownership interest. Any conveyance made in contravention of this Section shall be void. The provisions of this Section shall terminate on the date that judicial partition shall be decreed.

17.15. **Books/Records.**

A. Commencing not later than ninety (90) days after the close of escrow of the first interest in the Project, copies of the documents listed below, as soon as readily obtainable, shall be delivered by the Declarant to the governing body of the Association at the office of the Association, or at such other place as the governing body of the Association shall prescribe. The obligation to deliver the documents listed below shall apply to any documents obtained by the Declarant no matter when obtained, provided, however, such obligation shall terminate upon the earlier of (1) the conveyance of the last subdivision interest covered by a subdivision public report

or (2) three years after the expiration of the most recent public report, on the subdivision:

- (1) The recorded subdivision map or maps for the project.
- (2) The deeds and easements executed by the Declarant conveying the common area or other interest to the Association, to the extent applicable.
- (3) The recorded covenants, conditions and restrictions for the subdivision, including all amendments and annexations thereto.
- (4) The Association's filed articles of incorporation, if any, and all amendments thereto.
- (5) The Association's by laws and all amendments thereto.
- (6) All architectural guidelines and all other rules regulating the use of an owner's interest in the Project or use of the common area which have been promulgated by the Association.
- (7) The plans approved by the County for the construction or improvement of facilities that the Association is obligated to maintain or repair; provided, however, that the plans need not be as-built plans and that the plans may bear appropriate restrictions on their commercial exploitation or use and may contain appropriate disclaimers regarding their accuracy.
- (8) All notice of completion certificates issued for Common Area improvements (other than residential structures).
- (9) Any bond or other security device in which the Association is the beneficiary.
- (10) Any written warranty being transferred to the Association for common area equipment, fixtures or improvements.
- (11) Any insurance policy procured for the benefit of the Association, its governing board or the Common Area.
- (12) Any lease or contract to which the Association is a party.
- (13) The membership register, including mailing addresses and telephone numbers, books of account and minutes of meetings of the members, of the governing body and of committees of the governing body of the Association.
- (14) Any instrument referred to in Business and Professions Code

§11018.6(d) but not described above which establishes or defines the common, mutual or reciprocal rights or responsibilities of members of the Association.

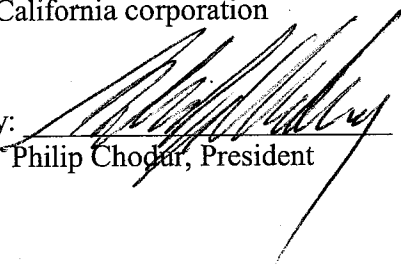
B. Commencing not later than ninety (90) days after the annexation of additional phases to the subdivision, copies of those documents listed under subdivision (a) which are applicable to that phase, shall, as soon as readily obtainable, be delivered by the Declarant to the governing body of the Association at the office of the Association, or at such other place as the governing body of the Association shall prescribe. The obligation to deliver the documents listed in subsection (a) shall apply to any documents obtained by the Declarant no matter when obtained, provided, however, such obligation shall terminate upon the earlier of (1) the conveyance of the last subdivision interest covered by a subdivision public report or (2) three years after the expiration of the most recent public report, on the subdivision.

17.16. **Priorities and Inconsistencies.** If there are conflicts or inconsistencies between this Declaration and either the Articles of Incorporation or the Bylaws of the Association, the terms and provisions of this Declaration shall prevail.

[Signature on next page]

IN WITNESS WHEREOF, the undersigned, being Declarant herein, has executed this instrument the date first herein above written.

G8 Development, Inc.
a California corporation

By: 
Philip Chodur, President

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 }
 } ss.
COUNTY OF SAN DIEGO }

On January 25th, 2019, before me, Shahrazad Abbasian, a notary public, personally appeared PHILIP CHODUR, 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.



Notary Public for said County
and State.



EXHIBIT "A"

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

LOT 1 OF TRACT MAP NO. 35477, RECORDED ON _____, 2019, AS
MAP BOOK _____, PAGES _____ - _____, RECORDS OF THE RECORDER OF THE
COUNTY OF RIVERSIDE, STATE OF CALIFORNIA.



EXHIBIT "A-1"

THE COMMON AREA CONSISTS OF ALL THAT PORTION OF LOT 1 OF TRACT MAP NO. 35477, RECORDED ON _____, 2019, AS MAP BOOK _____, PAGES _____ - _____, RECORDS OF THE RECORDER OF THE COUNTY OF RIVERSIDE, STATE OF CALIFORNIA NOT DESIGNATED AS A LIVING UNIT (TOTAL 37 LIVING UNITS) AS SHOWN ON THE CONDOMINIUM PLAN FOR THIS PROJECT.

EXHIBIT "B"
STORM WATER MAINTENANCE PLAN

2018-0464382

11/28/2018 02:19 PM Fee: \$ 0.00

Page 1 of 7

Recorded in Official Records
County of Riverside
Peter Aldana
Assessor-County Clerk-Recorder



Recorded at the request of:
COUNTY OF RIVERSIDE
TRANSPORTATION DEPARTMENT

THIS INSTRUMENT IS FOR THE BENEFIT
OF THE COUNTY OF RIVERSIDE AND
ENTITLED TO BE RECORDED WITHOUT
FEE.(GOV. CODE 6103)

780

RETURN TO:
RIVERSIDE COUNTY TRANSPORTATION
DEPARTMENT, STOP NO. 1080
4080 Lemon Street
Riverside, CA 92501

**COVENANT AND AGREEMENT REGARDING WATER QUALITY
MANAGEMENT PLAN BMP, CONSENT TO INSPECT, MAINTENANCE AND
INDEMNIFICATION**

447-150-044-9 &
APN: 447-150-045-9 PROJECT No. TR35477 IP No. 150056

OWNER(S): G8 Development, Inc.

PROPERTY ADDRESS: 26399 & 26400 Girard Street, Hemet, CA 92545

LEGAL DESCRIPTION: PARCEL 1 OF PM NO. 12464, IN THE AREA OF RIVERSIDE,
ON FILE IN BOOK 68, PAGES 12-13, OF PARCEL MAPS & PARCEL 2 OF PM NO. 12464,
IN THE AREA OF RIVERSIDE, ON FILE IN BOOK 68, PAGES 12-13, OF PARCEL MAPS.

THIS AGREEMENT is made and entered into in Riverside County, California,
this 27th day of November Year 2018, by and between G8 Development, Inc.,
(hereinafter referred to as "Covenantor" or "Owner") and the COUNTY OF RIVERSIDE via
its Department of Transportation, a political subdivision of the State of California
(hereinafter referred to as "County").

RECITALS

WHEREAS, the Covenantor owns real property ("Property") in the County of Riverside,
State of California, more specifically described in Exhibit "A" ~~and depicted in Exhibit "B"~~,
each of these exhibits is attached, and incorporated herein by this reference;

WHEREAS, the County is the owner of interests in that certain real property within the
unincorporated area of the County of Riverside, State of California, containing storm drains,
pipelines, and related appurtenances constituting the County's municipal separate storm
sewer system (the County's "MS4");

WHEREAS, Covenantor intends to develop, improve, and/or use the Property in such a way that approval by the County for such development, improvement, and/or use is required pursuant to applicable laws;

WHEREAS, As a condition for said approval by the County, County required Covenantor, and Covenantor desires to, restrict the use of the Property according to the conditions, covenants, equitable servitudes, and restrictions contained herein for the express benefit of the County's MS4, which include requirements that the Property incorporate post construction on-site stormwater quality control measures;

WHEREAS, the Covenantor/Owner has chosen to install one or more **Pervious Pavement & Infiltration Trench** hereinafter referred to as "Device", as the on-site control measure to minimize pollutants in urban runoff;

WHEREAS, said Device has been installed in accordance with plans and specifications accepted by the County;

WHEREAS, said Device, with installation on private property and draining only private property, is a private facility with all maintenance or replacement, therefore, the sole responsibility of the Covenantor/Owner in accordance with the terms of this Agreement;

WHEREAS, the Covenantor/Owner is aware that periodic and continuous maintenance, including, but not necessarily limited to, filter material replacement and sediment removal, is required to assure peak performance of Device and that, furthermore, such maintenance activity will require compliance with all Local, State, or Federal laws and regulations, including those pertaining to confined space and waste disposal methods, in effect at the time such maintenance occurs;

NOW THEREFORE, incorporating the foregoing Recitals and in consideration of the covenants and conditions contained herein, and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, and expressly for the benefit of, and to bind, their successors in interest, the parties hereto agree as follows:

1. Covenantor/Owner hereby provides the County or County's designee complete access to the Device and its immediate vicinity and such access onto the property to permit access to the device at any time, upon twenty-four (24) hour advance notice in writing, of any duration for the purpose of inspection, sampling and testing of the Device. County shall make every effort at all times to minimize or avoid interference with Owner's use of the Property.

2. Covenantor/Owner shall use its best efforts diligently to maintain the Device in a manner assuring peak performance at all times. All reasonable precautions shall be exercised by Owner and Owner's representative or contractor in the removal and extraction of material(s) from the Device and the ultimate disposal of the material(s) in a manner consistent with all relevant laws and regulations in effect at the time. As may be requested

from time to time by the County / Regional Water Quality Control Board (RWQCB), the Owner shall provide the RWQCB with documentation identifying the material(s) removed, the quantity, and disposal destination.

3. In the event Covenantor/Owner, or its successors or assigns, fails to accomplish the necessary maintenance contemplated by this Agreement, within five (5) days of being given written notice by the County, the County is hereby authorized to cause any maintenance necessary to be done and charge the entire cost and expense to the Owner or Owner's successors or assigns, including administrative costs and interest thereon at the maximum rate authorized by the Civil Code from the date of notice of expense until paid in full.

4. The County may require the Covenantor/Owner to post security in a form and for a time period satisfactory to the County to guarantee the performance of the obligations stated herein. Should the Owner fail to perform the obligations under this Agreement, the County may, in the case of a cash deposit, certificate of deposit or letter of credit, act for the Owner using the proceeds from it, or in the case of a surety bond, require the sureties to perform the obligations of the Agreement.

5. The County may, but shall not be obligated to, enforce this Agreement by a proceeding at law or in equity against any person or persons violating or attempting to violate any condition, covenant, equitable servitude, or restriction provided for herein, either to restrain such violation or to recover damages.

6. This Agreement constitutes the entire agreement and understanding between the parties with respect to the subject matter of this Agreement and supersedes all prior or contemporaneous agreements and understandings with respect to the subject matter hereof, whether oral or written.

7. If any part of this Agreement is declared by a final decision of a court of competent jurisdiction to be invalid for any reason, such shall not affect the validity of the rest of the Agreement. The other parts of this Agreement shall remain in effect as if this Agreement had been executed without the invalid part(s). The parties declare that they intend and desire that the remaining parts of this Agreement continue to be effective without any part(s) that have been declared invalid.

8. This Agreement may be executed in counterparts, each of which so executed shall, irrespective of the date of its execution and delivery, be deemed an original, and all such counterparts together shall constitute one and the same instrument.

9. This Agreement shall be recorded in the Office of the Recorder of Riverside County, California and shall constitute notice to all successors and assigns of the title to said Property of the obligation herein set forth.

10. In the event of legal action occasioned by any default or action of the Covenantor/Owner, or its successors or assigns, then the Covenantor/Owner and its

15. Any notice to a party required or called for in this Agreement shall be served in person, or by deposit in the U.S. Mail, first class postage prepaid, to the address set forth below. Notice(s) shall be deemed effective upon receipt, or seventy-two (72) hours after deposit in the U.S. Mail, whichever is earlier. A party may change a notice address only by providing written notice thereof to the other party.

COVENANTOR/OWNER:

G8 Development, Inc.
Attn: Philip Chodur
7626 El Cajon Blvd.
La Mesa, CA 91942

COUNTY:

Riverside County Department of Transportation
Attn: Transportation Director
4080 Lemon Street
Riverside, CA

**COUNTY OF RIVERSIDE
TRANSPORTATION DEPARTMENT**

COVENANTOR/OWNER

G8 Development, Inc.

for *Emilia De... 11-21-18*
Patricia Romo, P.E. Date
Director of Transportation

[Signature]
Company/Corporation/Partnership

Philip Chodur

(Print Name)

President

(Print Title)

Attach Notary

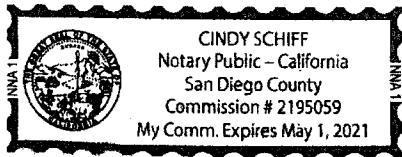
Briana Jimenez 11/27/18
(Attest) Date

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 }
 } ss.
COUNTY OF SAN DIEGO }

On November 8, 2018, before me, CINDY SCHIFF, a notary public, personally appeared PHILIP CHODUR, 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 Schiff, a notary public

LEGAL DESCRIPTION

Real property in the City of (unincorporated area), County of Riverside, State of California, described as follows:

PARCEL A: APN 447-150-044-9

PARCEL 1 OF PARCEL MAP NO. 12464, IN THE AREA OF HEMET, AS PER MAP RECORDED IN BOOK 68, PAGES 12 AND 13 OF PARCEL MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

PARCEL B: APN 447-150-045-0

PARCEL 2 OF PARCEL MAP NO. 12464, IN THE AREA OF HEMET, AS PER MAP RECORDED IN BOOK 68, PAGES 12 AND 13 OF PARCEL MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

EXHIBIT "C"
CLAIMS PROCEDURE

THIS EXHIBIT CONTAINS ALTERNATIVE DISPUTE RESOLUTION PROCEDURES. THESE PROCEDURES DO NOT INVOLVE RESOLUTION BY A JURY TRIAL. YOU ARE ADVISED TO READ THESE PROCEDURES CAREFULLY AND CONSULT WITH LEGAL COUNSEL IF YOU HAVE ANY QUESTIONS.

This document describes the procedures for filing claims against Declarant and certain other designated parties related to GIRARD TOWNHOMES ("**Development**"). Unless the context indicates otherwise, the definitions in Article 1 of the Declaration shall apply in this **Exhibit "C"**.

A. Any claim, dispute, or other controversy between the Association and/or any Owner(s) ("**Claimant**") and the Declarant or any affiliated general contractor or affiliated contractor who is a "builder" within the meaning of Civil Code §911 or any director, officer, member, shareholder, partner, employee, or agent of the Declarant or any such Builder (individually and collectively the "**Declarant**" for purposes of this Exhibit) or any nonaffiliated general contractor, nonaffiliated contractor, subcontractor, material supplier, individual product manufacturer, design professional, or any other Person that provided materials or labor or other services to the Development on behalf of Declarant, relating to this Declaration, the use, condition, design, specifications, surveying, grading, construction, installation, budgeting, or operation of any Improvements or landscaping located within the Development or maintained by the Association, including but not limited to any claims for violation of the functionality standards in Civil Code §§896-897, whether based in contract, tort, or statute violation (individually and collectively the "**Claim**"), shall be subject to the claim procedures set forth in Sections 1 of this Exhibit.

B. The intention and purpose of this Exhibit is to provide that all Claims against the Declarant relating to the Development be resolved in accordance with the claims procedures set forth in this Exhibit regardless of the legal theory upon which the Claim is based so that a certain and efficient method is established for resolution of the Claim. As a result, any Claim based on misrepresentation, fraud, breach of contract, violation of a statute or personal injury, as well as Claims for breach of the functionality standards, are subject to the claims procedures in this Exhibit.

C. The procedures in this Exhibit "C" do not apply to Declarant's normal customer service procedures. Owners are encouraged to resolve any potential Claim first through Declarant's normal customer service procedures.

D. Declarant, the Association and each Owner covenant not to commence any litigation without complying with the procedures described in Sections 1 and 2 of this Exhibit. If any party breaches this covenant, the other party may obtain an appropriate order compelling the breaching party to comply with the procedures set forth in this Exhibit. Except as is expressly authorized by law, nothing in this Exhibit shall reduce or extend any applicable time frame within which legal

action must be commenced, including applicable statutes of limitation or repose and time frames in Civil Code §§896, 897, and 941.

E. Title 7 of Part 2 of Division 2 of the Civil Code (Civil Code §§895 through 945.5) commonly known as SB 800 or the Builder's Right to Repair Law sets forth functionality standards in Civil Code §§896-897 that describe how the Improvements and landscaping within this Development should function during certain applicable time periods (Functionality Standards). SB 800 affects the legal rights of the Association and each Owner. The Association and Owner have certain rights under SB 800 if the Improvement or landscaping fails to meet a Functionality Standard during the applicable time period. These rights may be lost as described in Civil Code §945.5, including if the Association or Owner: (1) fails to follow the Declarant's or the manufacturer's reasonable recommendations on inspection and maintenance, including schedules; (2) fails to follow commonly accepted homeowner maintenance guidelines; (3) fails to provide Declarant with timely notice after a discovery of the violation of the Functionality Standard or to allow Declarant reasonable and timely access for repairs; or (4) unreasonably fails to minimize or prevent damages in a timely manner.

F. Civil Code §§910-938 contain prelitigation procedures to resolve a claim of violation of a Functionality Standards. As authorized by Civil Code §914, Declarant may elect to use these prelitigation procedures or use alternative procedures.

G. Declarant has elected to use the alternative nonadversarial prelitigation procedures set forth in Section 1. Declarant's election is made on behalf of Declarant and any affiliated general contractor or affiliated contractor that constitutes a "builder" within the meaning of Civil Code §911.

Section 1. Nonadversarial Prelitigation Procedures. The Claim is subject to the nonadversarial prelitigation procedures set forth in this Section 1 .

a. **Claim Notice.** The Claimant shall notify Declarant in writing of the Claim addressed to the agent for service of the Claim Notice described in Section 3. The notice shall (i) contain the Claimant's name and address and preferred method of contact, (ii) state that the Claimant elects to commence the procedures in this Exhibit to resolve the Claim, (iii) describe the Claim in reasonable detail sufficient to determine the nature and location, to the extent known, of the claimed violation, and (iv) if applicable, state that the Claimant alleges a violation of the Functionality Standards (the Claim Notice).

b. **Right to Inspect, and Right to Corrective Action.** Within 30 days after Declarant's receipt of the Claim Notice, the Claimant and Declarant's representatives shall meet at the Claimant's Property to discuss the Claim. At such meeting or at such other mutually agreeable time, Declarant's representatives shall have full access to the Property in order to inspect the Property and investigate the Claim. The parties shall negotiate in good faith in an attempt to resolve the Claim. If the Claimant and Declarant cannot agree on the validity of the Claim, the corrective action needed, the party to take the corrective action, or any other matter related to the Claim within

60 days after Declarant's receipt of the Claim Notice or such longer time as may be mutually acceptable to the Claimant and Declarant, either party may commence the mediation procedures described in Section 1(c) below. If the parties agree on any corrective action, Declarant's representatives shall be provided full access to the Property to take and complete corrective action. Declarant shall commence the corrective work no later than 30 days after the Claimant's acceptance of the proposed corrective action, and shall use commercially reasonable efforts to complete the work within 90 days. If Declarant fails to respond to the Claim Notice or fails to meet with the Claimant within the time period required in this Exhibit, the Claimant is released from any further obligation to comply with the nonadversarial procedures in this Section 1 and may proceed to initiate the binding adversarial procedures in Section 2 .

c. **Mediation.** If the Claim is not resolved in accordance with the procedures described in Section 1(b), and except as otherwise provided in Section 1(b), either the Claimant or the Declarant may submit the Claim to mediation under the mediation procedures adopted by the Judicial Arbitration and Mediation Services (JAMS) or any successor to JAMS or to any other entity offering mediation services that is acceptable to the Claimant and the Declarant. The parties shall cooperate so that the mediation hearing can be held as soon as practicable. If the mediation hearing cannot take place within 90 days after Declarant's receipt of the Claims Notice or such later date as may be acceptable to Claimant and Declarant, the parties are released from any further obligation under this Section 1(c) and either party may proceed to initiate the binding adversarial procedures described in Section 2 .

Each party shall bear their own mediation expenses except that the initial mediation administrative fee and the mediator's fee for a maximum of four hours shall be borne by Declarant and thereafter equally by the parties unless they agree otherwise. Any party to the mediation may at anytime after a minimum of four hours of mediation terminate the mediation by notifying the other parties and the mediator and may proceed to the binding adversarial procedures described in Section 2.

No one shall serve as a mediator who has any financial or personal interest in the result of the mediation, except by the written consent of all parties. Before accepting any appointment, the prospective mediator shall disclose any circumstances likely to create a presumption of bias or prevent a prompt commencement of the mediation process.

Each party shall submit a brief memorandum setting forth its position on the issues that need to be resolved within 10 days after the selection of the mediator or within such time frame established by the mediator. The mediation shall be commenced within 10 days after submittal of the memorandums. The mediation shall be held in the county in which the Property is located or in such other place as is mutually acceptable to the parties.

The mediator has discretion to conduct the mediation in the manner in which the mediator believes is most appropriate for reaching a settlement of the Claim. The mediator is authorized to conduct joint and separate meetings with the parties and to make oral and written recommendations

for settlement. Whenever necessary, the mediator may also obtain expert advice on technical aspects of the Claim, as long as the parties agree and assume the expenses of obtaining such advice. The mediator has no authority to impose a settlement on the parties.

The mediation shall be subject to Evidence Code §§1115-1128, or any successor statutes, except as the parties may agree otherwise in writing or orally under Evidence Code §1118.

Persons other than the parties, the representatives, and the mediator may attend mediation sessions only with the permission of the parties and the mediator. Confidential information disclosed to a mediator by the parties or by witnesses in the course of the mediation shall not be divulged by the mediator. All records, reports, or other documents received by the mediator while serving in such capacity shall be confidential. No stenographic record shall be made of the mediation process.

If the Claim is not resolved in accordance with these nonadversarial prelitigation procedures, the Claim shall be resolved in accordance with the binding adversarial procedures set forth in Section 2.

Section 2. Binding Adversarial Procedures. If Claimant and Declarant cannot resolve the entire Claim in accordance with the procedures in Section 1 of this Exhibit or if corrective action is undertaken by Declarant and the parties disagree on the adequacy of the corrective action or any other claims arising from the corrective action, the portion of the Claim not resolved, including any unresolved claims arising from the corrective action undertaken by Declarant or Declarant's agents, shall be resolved in accordance with the following binding adversarial procedure.

a. Either party may commence binding arbitration by submitting the Claim to American Arbitration Association ("AAA") under the commercial rules of the AAA. The arbitration will be heard by a single arbitrator unless the Claimant and Declarant otherwise agree in writing. CLAIMANT AND DECLARANT ACKNOWLEDGE THAT RESOLUTION OF THE CLAIM BY BINDING ARBITRATION DOES NOT INVOLVE RESOLUTION BY A JURY TRIAL.

b. The Association, each Owner, and Declarant acknowledge and agree that any Claim involving the design, specification, surveying, grading, construction, installation, or operation of any Improvement or landscaping within the Development, including any Claim under Civil Code §§896-897, involves interstate commerce and is subject to and governed by the Federal Arbitration Act, despite any State or local laws or ordinances to the contrary and despite the fact the parties have elected to use certain State law arbitration procedures to resolve the Claim. The following provisions and procedures shall apply in all cases unless the parties agree otherwise in writing:

- (a) The fee to initiate the arbitration shall be paid by the Declarant, and the arbitrator's fees shall be borne equally by Declarant and the Claimant, unless

Declarant agrees in writing to advance the arbitrator's fees, except that arbitration costs and fees, including any initiation fee and the arbitrator's fees, shall ultimately be borne as determined by the arbitrator;

- (b) The matter shall be heard by a single arbitrator, who shall be a retired judge or an attorney with at least fifteen years' experience in real estate matters;
- (c) The arbitrator shall be appointed within 60 days after the administrator receives a written request to arbitrate the dispute. In selecting the arbitrator, Code of Civil Procedure §1297.121 shall apply. The arbitrator appointed to serve shall be a neutral and impartial individual. The arbitrator may be challenged for any ground listed or in Code of Civil Procedure §1297.121 or §1297.124;
- (d) The proceedings shall be heard in the County in which the Property is located;
- (e) Each party shall bear its own attorney fees and costs (including expert costs) for the arbitration;
- (f) The arbitrator may require one or more prehearing conferences;
- (g) The parties shall be entitled to discovery to the extent allowed by Code of Civil Procedure §1283.05;
- (h) The arbitrator shall be authorized to provide all recognized remedies available in law or equity;
- (i) The arbitrator in his or her discretion may award costs (including the initiation fee and the arbitrator's fees) and attorney fees to the party that the arbitrator determines was the prevailing party;
- (j) The arbitrator's decision shall be final and binding on the parties unless corrected or validated under the grounds authorized in Code of Civil Procedure §1286.2 or §1286.6; and
- (k) The arbitrator's decision may be enforced in any court of competent jurisdiction.

If any provision of this Section 2 shall be determined to be unenforceable or to have been waived, the remaining provisions shall be deemed to be severable and enforceable according to their terms.

Despite anything to the contrary, if any party determines in good faith that not all necessary and appropriate parties, including, but not limited to, contractors, subcontractors, design professionals, and material suppliers, will participate in the arbitration in order to accomplish a complete and final resolution of the Claim, this party shall notify the other party or parties in writing, identifying the parties that will not participate; thereafter all parties to the Claim shall be released from any obligation to participate in the arbitration, and any party may file a lawsuit in any court of competent jurisdiction to resolve the Claim.

d. Additional Rules Applicable To Certain Cases: In any arbitration in which a claim of a Claimant or a Development Party exceeds \$250,000.00 in value, the following additional rules will supplement the AAA Rules and govern in the event of a conflict between the following rules and the rules set forth above, the AAA Rules, or both.

- (a) Qualifications of Arbitrator. In addition to the requirements of Section c (b) above, the arbitrator shall be a retired judge of the California Superior Court, a California Court of Appeal, or the California Supreme Court, with experience in construction related disputes.
- (b) Rules of Law; Transcript. The California Evidence Code shall apply. All hearings in which oral evidence is received must be recorded so a transcript can be prepared.
- (c) Written Decision. Within thirty (30) days after the hearing is closed, the arbitrator must issue a written decision. If either Claimant or a Development Party requests it, the arbitrator must issue a reasoned award.
- (d) Additional Discovery Rights. In addition to the discovery rights provided for in the AAA Rules, the parties will have the following discovery rights:
 - (i) Inspection, Examination and/or Test. The right to a reasonable inspection, examination and/or test of any site, defect, personal injury or property damage relevant to any claim;
 - (ii) Deposition of Opposing Party. The right to take one deposition of each opposing party for up to four hours. The deposition of a person designated by an entity or organization as most knowledgeable, or an individual officer or employee of an entity or organization, shall count as the deposition of a party which is not a natural person.
 - (iii) Deposition of Expert Witnesses. The right to take the deposition of each expert witness designated by an opposing party for up to four hours.

(iv) Additional Depositions. The arbitrator shall have the discretion to allow additional depositions and longer depositions upon a showing of good cause.

e. Procedures for Appeal of Certain Cases. In any arbitration in which a claim or arbitration award of a Claimant or a Development Party exceeds \$500,000.00 in value, Owner, the Association and Declarant, respectively, hereby adopt and agree to the AAA Rules and appeal procedures. The following additional rules will supplement the AAA Rules and appeal procedures. In the event of a conflict between the following rules and the AAA Rules and appeal procedures, the following rules shall govern and control.

- (a) Right to Appeal. There shall be no right to appeal unless the oral evidence received by the arbitrator was perceived in a manner such that it can be converted to an accurate and reliable written transcript.
- (b) Appellate Panel. The appeal shall be decided by one (1) neutral appeal arbitrator unless Claimant or a Development Party, within the time permitted for the appointment of the appeal arbitrator, elects to have the appeal decided by a panel of three (3) appeal arbitrators. Any party who elects to have an appeal decided by a panel of three appeal arbitrators agrees to be solely responsible for the extra cost of having the two (2) additional appeal arbitrators. The sole appeal arbitrator, or at least one member of any panel of three appeal arbitrators, shall have prior experience as a member of an appellate panel of the California Court of Appeal.
- (c) Issues on Appeal. The only issues that may be decided on appeal are whether or not: (1) the award of money was excessive; (2) the award of money was insufficient; (3) the arbitrator awarded non-monetary relief that was inappropriate; (4) a party that received non-monetary relief should have received other or additional relief. The appeal arbitrator (or a majority of the appeal arbitrators) may affirm the arbitration award or make any alternative award that he/she(they) find(s) to be just, but he/she(they) must not reject the arbitrator's decisions that a particular party is entitled to relief of some nature or amount, or that a particular party is responsible to provide relief of some nature or amount.
- (d) Expenses and Costs on Appeal. The fees charged by the appeal arbitrator(s) shall be advanced by the party that files the appeal, except as provided above in subsection (b). The party that files the appeal must, at its sole expense, provide the appeal arbitrator(s) and all non-appealing parties with a certified copy of the hearing transcript, and must provide the appeal arbitrator(s) with copies of all documentary evidence and all other tangible evidence received by the arbitrator. If more than one party appeals, the

appealing parties must equally share the costs of the transcript and copies of all other documentary and tangible evidence received by the arbitrator. The appeal arbitrator(s) may, within thirty (30) days of his/her(their) determination, award costs of the nature provided in the Federal Rules of Appellate Procedure. If the Development Party is the prevailing party on appeal, the appeal arbitrator(s) may, in his/her(their) discretion, and only to the extent permitted by law, include in the award of costs on appeal, the non-prevailing party's/parties' prorata share(s) of the arbitrator's/arbitrators' fee that was advanced by the Development Party.

- (e) New Evidence. The appeal arbitrator(s) must not receive any new evidence. The appeal arbitrator(s) must make his/her (their) decision based only on the evidence that was presented to the arbitrator, except that the appeal arbitrator(s) may visit any site involved in the Dispute and may receive written briefs and hear oral argument from the parties.

Section 3. Agent for Services of Claim Notice. Notice of any Claim against Declarant or any affiliated general contractor or affiliated contractor who is a "builder" within the meaning of Civil Code §911, including Civil Code §§896-897 claims, or requests for information, including requests for copies of the documents described in Section 4, shall be served on Declarant's agent by certified mail, overnight mail, or personal delivery. The name and address of Declarant's agent for this purpose is:

Philip Chodur
7624 El Cajon Blvd
La Mesa, California 91942

If the notice cannot be served on Declarant's agent at the above-referenced address because the agent is no longer located at the address or the agent has changed and Declarant has not given the Claimant an updated address or the name or the address of the new agent, the Claimant may serve the claim notice on Declarant's agent for notice under Civil Code §912(e) on file with the California Secretary of State's Office in Sacramento, California. The current telephone numbers and website for the Secretary of State's Office are (916) 657-5448 or (916) 653-3984 and www.ss.ca.gov. Written request can be mailed to the California Secretary of State, Special Filings, P.O. Box 942877, Sacramento, CA 94277-0001.

If the Claim notice is served by mail, it shall be assumed received by Declarant on the third business day after deposit into the U.S. Mail. If delivered by overnight mail, such as Federal Express or UPS, it shall be assumed received on the next business day. If delivered personally, it shall be assumed received on the date of personal delivery. These assumptions may be rebutted by Declarant if Declarant did not receive actual notice.

Section 4. Documents and Subsequent Owners. Declarant has provided copies

of the following documents to the initial purchasers of homes in this Development:

- (a) Inspection and maintenance schedules and guidelines;
- (b) A limited fit and finish warranty and manufacturers products' limited warranties;
- (c) A copy of Title 7 of Part 2 of the Civil Code (SB 800).

The initial purchasers shall retain the foregoing documents (Documents) and on transfer of title to the Property to a subsequent owner shall transfer the Documents or provide true and complete copies to the new owner(s) on or before transfer of title and instruct the new owner(s) that they are to retain the Documents and transfer or provide copies to any subsequent owner(s). Replacement copies of the Documents may be obtained from Declarant by contacting Declarant at Declarant's principal place of business or through the agent for claim notice purposes described in Section 3 of this Exhibit. Declarant may charge a reasonable fee for providing replacement copies. Initial purchasers and subsequent owners must comply with the inspection and maintenance guidelines provided by the Declarant and any manufacturer.

Section 5. Covenants. The covenants, restrictions, rights, duties, benefits, and burdens benefit and bind each Lot and each Owner and successive Owner as covenants running with the land and equitable servitudes and as authorized under Civil Code §§945 and 5975.

Section 6. Amendments. Despite anything in the Declaration to the contrary (i) the provisions in this Exhibit may not be modified or waived without the prior written consent of Declarant and (ii) the provisions in this Exhibit may be modified or waived with respect to any particular Claim with the written consent of Declarant and the Claimant or Claimants that made the Claim. The Board of Directors shall have full power and authority to approve any modifications or waivers with Declarant on any Claim made by the Association. In addition, the provisions in this Exhibit may be modified with respect to any lots owned by Declarant by filing an amendment to this Exhibit in the records of the county in which the Development is located. The amendment shall affect only lots owned by Declarant at the time the amendment is recorded and such other lots whose owners consent to the amendment in writing.

Section 7. Claims Filing Period. Nothing in this Exhibit tolls, stays, reduces or extends any time periods in which a Claim must be filed under Civil Code §896 or §897 or otherwise extends any applicable statutes of limitations or statutes of repose, except as expressly tolls, stays, reduces or authorized by law.

EXHIBIT "C-1"
CLAIMS NOTICE

RECORDING REQUESTED BY

WHEN RECORDED MAIL TO:

G8 Development, Inc.
c/o Fitch Law Firm, APC.
3465 Camino Del Rio South, Ste. 250
San Diego, CA 92108

(Space Above for Recorder's Use)

Tax Assessor's Parcel- No:

**NOTICE OF NON-ADVERSARIAL PROCEDURE, NOTICE TO
SUCCESSORS IN INTEREST AND NOTICE OF BUILDERS AGENT
FOR NOTICE PURSUANT TO CIVIL CODE SECTIONS 912 (F), 912 (H) AND 912 (E)**

This Notice is made by G8 Development, Inc., a California corporation ("Seller") with reference to the following:

A. Seller is the developer of a condominium project in Riverside County, State of California, more particularly in **EXHIBIT "A"** attached hereto and made a part hereof ("**Property**").

B. Civil Code Section 858 et. seq. ("**Right to Repair Law**") includes functionality standards for residential construction, design, specifications, surveying, planning, supervision, testing, and observations of construction with respect to any original construction. Chapter 4 of the Right to Repair Law (Civil Code Sections 910 to 958, inclusive) establishes non-adversarial dispute resolution procedures that an owner of a single family home in a common interest association, defined in Civil Code Section 1351 (b) must initiate before taking legal action against a party alleged to have contributed to a violation of the standard set forth in the Right to Repair Law.

C. Seller is required by Civil Code Section 912 (f) to record a notice of the existence of non-adversarial procedures applicable to certain construction defect claims against the Property and a notice that these procedures Impact the legal rights of the homeowners.

D. Seller intends to provide notice to all subsequent purchasers of any portion of the Property of their rights under Chapter 4 of the Right to Repair Law and of certain other obligations to deliver certain documents to subsequent purchasers of any Lot within the Property in accordance with Civil Code Section 912 (h).

E. Seller intends to provide notice to purchasers and all subsequent purchasers of a Lot of Seller's agent for notice under Civil Code Section 912 (e),

F, The contents of this Notice shall run with the land and bind the Original Purchaser and all subsequent owners of a Lot in accordance with Civil Code Section 1468.

NOW THEREFORE, Seller provides the following Notice:

1. Recitals. The Recitals set forth herein are incorporated by reference.
2. Non-Adversarial Procedure. In accordance with Civil Code Section 912 (f), notice is hereby given by Seller that Seller has elected to adopt the non-adversarial procedures set forth in Civil Code Sections 910-938, inclusive, which apply to certain claims which might arise regarding the Property and that these procedures impact the legal rights of buyers with respect to the Property. The Right to Repair Law requires Buyers to proceed through the statutory non-adversarial procedures prior to taking further legal action. The non-adversarial procedures will not apply if Seller does not comply with the requirements set forth therein if claim arises and the parties then proceed to arbitration in accordance with the purchase agreement. If the parties are unable to resolve the dispute through the statutory non-adversarial procedures (including mediation), the matter will then be resolved through an arbitration action, which will be binding upon and non-appealable by both parties.
3. Documents Provided. In addition to this Notice, the original homeowner has been provided the items noted in paragraph 5 herein, The items included in paragraph 5 will be binding on the homeowner.
4. Mediation/Arbitration. Subsequent purchasers are hereby advised that the purchase agreement and other contract documents contain provisions for mediation and arbitration, including the statutory non-adversarial procedure. which bind subsequent purchasers of the Property.
5. Subsequent Purchasers of the Property. In accordance with Civil Code Section 912 (h), notice is hereby given by Seller that at the time of purchaser or prior to the date of close of escrow, the original owner of the Property received documents from Seller which each homeowner shall provide to successors-in-interest and/or subsequent purchasers. The documents include the following:
 - a. Builder Fit and Finish Warranty In accordance with Civil Code Section 900;
 - b. A homeowners Schedule of Recommended Maintenance and Maintenance Guide;
 - c. Maintenance and limited warranty information from the manufacturers of the products defined in the Builder Fit and Finish Warranty;
 - d. Any other documents provided in the original sale of any portion of the Property by Seller ("Documents").
6. Failure to Maintain. The purchaser of a Lot is hereby advised that the Right to Repair Law provides that a Builder, as defined therein, may be excused from his obligations under the law if a Buyer: (1) fails to properly maintain the home; (2) fails to promptly give notice of damage, if damage to a component is caused by a third party or act of nature; or (3) under other circumstances set forth in Civil Code Section 945.5.

7. Copies of Documents to Successors. The original purchaser of a Lot must maintain complete copies of the documents included in paragraph 5 above and provide the documents to any successors-in-interest and/or subsequent purchasers.

8. Sellers Agent for Notice. In accordance with Civil Code Section 912 (e), notice is hereby given by Seller that, as of the date this Notice has been recorded in the Riverside County Recorder's Office, the agent for Notice to whom Right to Repair Claims and request for information should be submitted is:

Philip Chodur
7624 El Cajon Blvd
La Mesa, California 91942

9. Chance of Agent. The contact information set forth in paragraph 8 is subject to change. The name and address of Seller's Agent pursuant to Civil Code Section 912 (e) is also available at the office of the Secretary of State.

10. Preparation. of Notice Memorandum. This Notice is prepared to provide constructive notice of:

- a. The procedures that are applicable to construction defect claims relating to the Property.
- b. All owners, successors in interest and/or subsequent purchasers of any portion of the Property are under an obligation to provide copies of the Documents to successors-in-interest and/or subsequent purchasers.
- c. Notice of the name and address of the Setter's Agent.

11. Amendment. The Seller may record an amendment to this Notice without the consent of any purchaser of a Lot in the Property prior to the close of escrow of the last Lot owned by the Seller in the Property.

This Notice is dated for identification purposes on _____, 2018

G8 Development, Inc.
a California corporation

By: _____
Philip Chodur, President

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 }
 } ss.
COUNTY OF SAN DIEGO }

On _____, 2018 before me, _____, a notary public, personally appeared PHILIP CHODUR, 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.

Notary Public for said County
and State.

Exhibit "C-1"

EXHIBIT "A"

LOT 1 OF TRACT MAP NO. 35477, RECORDED ON _____, 2019, AS MAP
BOOK _____, PAGES _____ - _____, RECORDS OF THE RECORDER OF THE COUNTY
OF RIVERSIDE, STATE OF CALIFORNIA.

SUBORDINATION AGREEMENT

NOTICE: THIS SUBORDINATION AGREEMENT RESULTS IN YOUR SECURITY INTEREST IN THE PROPERTY BECOMING SUBJECT TO AND OF LOWER PRIORITY THAN THE LIEN OF SOME OTHER OR LATER SECURITY INSTRUMENT. (THIS NOTICE IS REQUIRED BY CALIFORNIA CIVIL CODE SECTION 2953.3)

The undersigned beneficiary under that certain Deed of Trust recorded _____ as Instrument No. 2018-_____ of Official Records, Riverside County, California, does hereby consent to each and all of the provisions contained in the Declaration of Covenants, Conditions and Restrictions dated _____ and does hereby agree that the lien and charge of said deed of trust shall be and is hereby made subordinate to junior to and subject to said Declaration of Covenants, Conditions and Restrictions and the entire effect thereof.

Dated: _____

By: _____
Name: _____
Title: _____

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 }
 } ss.
COUNTY OF SAN DIEGO }

On _____, 2018, before me, _____, a notary public, personally appeared _____, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument. I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Notary Public for said County
and State.