

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



ITEM: 2.13
(ID # 13481)

MEETING DATE:

Tuesday, December 08, 2020

FROM : TLMA-TRANSPORTATION:

SUBJECT: TRANSPORTATION AND LAND MANAGEMENT AGENCY/TRANSPORTATION:

Approval of Final Tract Map 34677, a Schedule "A" Subdivision in the Winchester area. District 3. [Applicant Fees 100%]

RECOMMENDED MOTION: That the Board of Supervisors:

1. Approve the Improvement Agreements and Lien Agreement for Final Tract Map 34677 as approved by County Counsel;
2. Approve the Final Map; and
3. Authorize the Chairman of the Board to sign the Lien Agreements, Improvement Agreements, and Final Map for Tract Map 34677.

ACTION:Consent



Patricia Romo, Director of Transportation 11/13/2020

MINUTES OF THE BOARD OF SUPERVISORS

On motion of Supervisor Spiegel, seconded by Supervisor Perez 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: December 8, 2020
xc: Transp.

Kecia R. 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 34677 was approved by the Board of Supervisors on June 16, 2009 as Agenda Item 16.4. Final Map 34677 is a 71.98 acre subdivision that is creating 420 residential lots and 13 open space lots and 2 park lots in the Winchester area. This Final Map complies in all respects with the provisions of the Subdivision Map Act 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. The Transportation Department recommends approval of this final tract map.

Ranchos Property a California general partnership and Rancon Real Estate Corporation, a California Corporation Desires to enter into Improvement Agreements to guarantee the construction of the required improvements and has submitted Lien and Improvement Agreements which have been approved by County Counsel. All costs for improvements will be the responsibility of the developer.

FTM 34677 \$10,659,000 for the completion of road and drainage improvements.

FTM 34677 \$176,000 for the completion of the water system.

FTM 34677 \$22,000 for the completion of the sewer system.

FTM 34677 \$428,400 for the completion of the monumentation.

FTM34677 / MC No. 4349 \$2,445,000 Bond for the completion of road and drainage improvements.

FTM34677 / MC No. 4349 \$128,000 Bond for the completion of the water system.

Additional Fiscal Information:

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

ATTACHMENTS:

FTM 34677 Vicinity Map

FTM 34677 Improvement Agreements

FTM 34677 Lien Agreement

FTM 34677 MC No. 4349 Improvement Agreements

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

FTM 34677 MC No. 4349 Lien Agreements
FTM 34677 Mylars



Jason Farin, Principal Management Analyst 11/30/2020



Gregory V. Priamos, Director County Counsel 11/16/2020

**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 Ranchos Property a California general partnership and Rancon Real Estate Corporation, a California Corporation, 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 34677, hereby agrees, at Contractor's own cost and expense, to commence construction within 36 months and to furnish all labor, equipment and materials necessary to perform and complete construction within 48 months from the date this agreement is executed, in a good and workmanlike manner, all road and drainage improvements in accordance with those Road Plans for said land division which have been approved by the County Director of Transportation, and are on file in the office of the Riverside County Transportation Department, and do all work incidental thereto in accordance with the standards set forth in Riverside County Ordinance No. 461, as amended, which are hereby expressly made a part of this agreement. All the above required work shall be done under the inspection of and to the satisfaction of the County Director of Transportation, and shall not be deemed complete until approved and accepted as complete by the County. Contractor further agrees to maintain the above required improvements for a period of one year following acceptance by the County, and during this one year period to repair or replace, to the satisfaction of the Director of Transportation, any defective work or labor done or defective materials furnished. Contractor further agrees that all underground improvements shall be completed prior to the paving of any roadway. The estimated cost of said work and improvements is the sum of Ten Million Six Hundred Fifty Nine Thousand and no/100 Dollars (\$10,659,000.00).

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

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

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

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

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

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

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

NINTH: Whenever a lien agreement is used as security under the provisions of Government Code Section 66499 (a) (4) and Riverside County Ordinance 460 § 17.3, Contractor agrees, prior to commencing the work, to substitute the lien agreement with a good and sufficient improvement bond or other security in an amount not less than the estimated cost of the work and improvements for the faithful performance of the terms and conditions of this agreement, and good and sufficient security for payment of labor and materials in the amount prescribed by Article XVII of Riverside County Ordinance 460 to secure the claims to which reference is made in Title 3 (commencing with Section 9000) of Part 6 of Division 4 of the Civil Code of the State of California.

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

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

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

County	Contractor
Construction Engineer Riverside County Transportation Dept. 2950 Washington Street Riverside, CA 92504	Ranchos Property, a California general partnership and Rancon Real Estate Corporation, a California Corporation. 41391 Kalmia Street, Ste 200 Murrieta, CA 92562

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

By Please see attached Signature block

Print Name _____

Title _____

By _____

Print Name _____

Title _____

COUNTY OF RIVERSIDE

By 

V. MANUEL PEREZ

CHAIRMAN, BOARD OF SUPERVISORS

ATTEST:

KECIA HARPER,
Clerk of the Board

By 
Deputy

APPROVED AS TO FORM

County Counsel
By 

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

Revised 02/02/10

SIGNATURE BLOCK-- FOR AGREEMENT FOR
THE CONSTRUCTION OF ROAD/DRAINAGE IMPROVEMENTS
TRACT 34677

RANCHOS PROPERTY, a California general partnership

By: 

Nancy Murakami
General Partner

RANCON REAL ESTATE CORPORATION, a
California corporation

By: 

Mike L. Diaz
Chief Executive Officer

By: 

Gene Steven Van Houten III
Chief Financial Officer

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 Los Angeles)

On 4/24/2020 before me, Eun Young Lee, Notary Public
(insert name and title of the officer)

personally appeared Nancy Murakami
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)



CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

CIVIL CODE § 1189

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

State of California }
County of RIVERSIDE

On APRIL 28, 2020 before me, CINDY R SMITH, Notary Public
Date Here Insert Name and Title of the Officer

personally appeared MIKE L DIAZ
Name(s) of Signer(s)

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



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

WITNESS my hand and official seal.

Signature Cindy R. Smith
Signature of Notary Public

Place Notary Seal and/or Stamp Above

OPTIONAL

Completing this information can deter alteration of the document or fraudulent reattachment of this form to an unintended document.

Description of Attached Document

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

Capacity(ies) Claimed by Signer(s)

Signer's Name: _____
 Corporate Officer – Title(s): _____
 Partner – Limited General
 Individual Attorney in Fact
 Trustee Guardian of Conservator
 Other: _____
Signer is Representing: _____

Signer's Name: _____
 Corporate Officer – Title(s): _____
 Partner – Limited General
 Individual Attorney in Fact
 Trustee Guardian of Conservator
 Other: _____
Signer is Representing: _____

CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

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State of California }
County of RIVERSIDE

On APRIL 25, 2020 before me, Cindy R. Smith, Notary Public
Date Here Insert Name and Title of the Officer

personally appeared GENE STEVEN VAN HOUTEN III
Name(s) of Signer(s)

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



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

WITNESS my hand and official seal.

Signature Cindy R. Smith
Signature of Notary Public

Place Notary Seal and/or Stamp Above

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Signer's Name: _____

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

Signer is Representing: _____

Signer's Name: _____

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

Signer is Representing: _____

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

This agreement, made and entered into by and between the County of Riverside, State of California, hereinafter called County, and Ranchos Property a California general partnership and Rancon Real Estate Corporation, a California Corporation, 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 34677, hereby agrees, at Contractor's own cost and expense, to commence construction within 36 months and cause to have constructed within 48 months from the date this agreement is executed, in a good and workmanlike manner, a water distribution system, complete with all necessary pipes, valves, fire hydrants, connections and appurtenances necessary to the satisfactory operation of said distribution system, and, further, to extend main or mains from the existing supply system maintained and operated by Eastern Municipal Water District to connect with the distribution system described above with all pipe laid at such a depth as to provide a full thirty-six inch (36") minimum cover from the top of the pipe to street grade, unless otherwise specified by the Director of Transportation, all in accordance with those plans and specifications which have been approved by both the County Health Director and Director of Transportation, and are on file in the office of the Riverside County Transportation Department. Said approved plans and specifications are hereby made a part of this agreement as fully as though set forth herein. All of the above required work shall be done under the inspection of, and to the satisfaction of, the County Director of Transportation and the County Health Officer, and shall not be deemed complete until approved and accepted as complete by the County. Contractor further agrees to maintain the above required improvements for a period of one year following acceptance by the County, and during this one year period to repair or replace, to the satisfaction of the Director of Transportation, any defective work or labor done or defective materials furnished. Contractor further agrees that all underground improvements shall be completed prior to the paving of any roadway. The estimated cost of said work and improvements is the sum of One Hundred Seventy Six Thousand and no/100 Dollars (\$176,000.00).

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

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

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

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


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

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

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

NINTH: Whenever a lien agreement is used as security under the provisions of Government Code Section 66499 (a) (4) and Riverside County Ordinance 460 § 17.3, Contractor agrees, prior to commencing the work, to substitute the lien agreement with a good and sufficient improvement bond or other security in an amount not less than the estimated cost of the work and improvements for the faithful performance of the terms and conditions of this agreement, and a good and sufficient security for payment of labor and materials in the amount prescribed by Article XVII of Riverside County Ordinance 460 to secure the claims to which reference is made in Title 3 (commencing with Section 9000) of Part 6 of Division 4 of the Civil Code of the State of California.

COUNTY OF RIVERSIDE

By 
V. MANUEL PEREZ
CHAIRMAN, BOARD OF SUPERVISORS

ATTEST:

KECIA HARPER,
Clerk of the Board

By 
Deputy

APPROVED AS TO FORM

County Counsel

By 

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

Revised 02/02/10

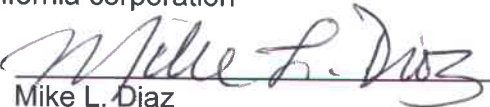
SIGNATURE BLOCK- FOR AGREEMENT FOR
THE CONSTRUCTION OF WATER SYSTEM IMPROVEMENTS
TRACT 34677

RANCHOS PROPERTY, a California general partnership

By: 

Nancy Murakami
General Partner

RANCON REAL ESTATE CORPORATION, a
California corporation

By: 

Mike L. Diaz
Chief Executive Officer

By: 

Gene Steven Van Houten III
Chief Financial Officer

ACKNOWLEDGMENT

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State of California
County of Los Angeles)

On 4/21/2020 before me, Eun Young Lee, Notary Public
(insert name and title of the officer)

personally appeared Nancy Murakami
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)



CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

CIVIL CODE § 1189

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State of California }
County of RIVERSIDE

On April 30, 2020 before me, Cindy R Smith, Notary Public
Date Here Insert Name and Title of the Officer

personally appeared MIKE L DIAZ
Name(s) of Signer(s)

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



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

WITNESS my hand and official seal.

Signature [Handwritten Signature]
Signature of Notary Public

Place Notary Seal and/or Stamp Above

OPTIONAL

Completing this information can deter alteration of the document or fraudulent reattachment of this form to an unintended document.

Description of Attached Document

Title or Type of Document: _____

Document Date: _____ Number of Pages: _____

Signer(s) Other Than Named Above: _____

Capacity(ies) Claimed by Signer(s)

Signer's Name: _____

Corporate Officer – Title(s): _____

Partner – Limited General

Individual Attorney in Fact

Trustee Guardian of Conservator

Other: _____

Signer is Representing: _____

Signer's Name: _____

Corporate Officer – Title(s): _____

Partner – Limited General

Individual Attorney in Fact

Trustee Guardian of Conservator

Other: _____

Signer is Representing: _____

CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

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State of California }
County of RIVERSIDE

On APRIL 28, 2020 before me, CINDY R SMITH, Notary Public
Date Here Insert Name and Title of the Officer

personally appeared ERIC STEVEN VAN HOUTEN III
Name(s) of Signer(s)

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



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

WITNESS my hand and official seal.

Signature [Handwritten Signature]
Signature of Notary Public

Place Notary Seal and/or Stamp Above

OPTIONAL

Completing this information can deter alteration of the document or fraudulent reattachment of this form to an unintended document.

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

Capacity(ies) Claimed by Signer(s)

Signer's Name: _____ Signer's Name: _____
 Corporate Officer – Title(s): _____ Corporate Officer – Title(s): _____
 Partner – Limited General Partner – Limited General
 Individual Attorney in Fact Individual Attorney in Fact
 Trustee Guardian of Conservator Trustee Guardian of Conservator
 Other: _____ Other: _____
Signer is Representing: _____ Signer is Representing: _____

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

This agreement, made and entered into by and between the County of Riverside, State of California, hereinafter called County, and Ranchos Property a California general partnership and Rancon Real Estate Corporation, a California Corporation, 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 34677, hereby agrees, at Contractor's own cost and expense, to commence construction within 36 months and cause to have constructed within 48 months from the date this agreement is executed, in a good and workmanlike manner, a sanitary sewer system, complete with all necessary pipes, valves, fire hydrants, connections and appurtenances necessary to the satisfactory operation of said sanitary sewer system. Contractor further agrees to extend the main or mains from the existing sewer system maintained and operated by Eastern Municipal Water District to connect with the sanitary sewer system required to be constructed by this agreement. All the above required work shall be in accordance with those plans and specifications which have been approved by the Director of Transportation, and are on file in the office of the Riverside County Transportation Department. Said approved plans and specifications are hereby made a part of this agreement as fully as though set forth herein. All of the above required work shall be done under the inspection of, and to the satisfaction of, the County Director of Transportation and the County Health Officer, and shall not be deemed complete until approved and accepted as complete by the County and accepted by the above-named agency into its sewer system. Contractor further agrees to maintain the above required improvements for a period of one year following acceptance by the County, and during this one year period to repair or replace, to the satisfaction of the Director of Transportation, any defective work or labor done or defective materials furnished. The estimated cost of said work and improvements is the sum of Twenty Two Thousand and no/100 Dollars (\$22,000.00).

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

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

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

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

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

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

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

NINTH: Whenever a lien agreement is used as security under the provisions of Government Code Section 66499 (a) (4) and Riverside County Ordinance 460 § 17.3, Contractor agrees, prior to commencing the work, to substitute the lien agreement with a good and sufficient improvement bond or other security in an amount not less than the estimated cost of the work and improvements for the faithful performance of the terms and conditions of this agreement, and good and sufficient security for payment of labor and materials in the amount prescribed by Article XVII of Riverside County Ordinance 460 to secure the claims to which reference is made in Title 3 (commencing with Section 9000) of Part 6 of Division 4 of the Civil Code of the State of California.

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

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

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

County	Contractor
Construction Engineer Riverside County Transportation Dept. 2950 Washington Street Riverside, CA 92504	Ranchos Property, a California general partnership and Rancon Real Estate Corporation, a California Corporation. 41391 Kalmia Street, Ste 200 Murrieta, CA 92562

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

By Please see attached signature block

Print Name _____

Title _____

By _____

Print Name _____

Title _____

COUNTY OF RIVERSIDE

By 
V. MANUEL PEREZ

CHAIRMAN, BOARD OF SUPERVISORS
ATTEST:

KECIA HARPER,
Clerk of the Board

By 
Deputy

APPROVED AS TO FORM

County Counsel

By 

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

Revised 02/02/10

SIGNATURE BLOCK- FOR AGREEMENT FOR
THE CONSTRUCTION OF SEWER SYSTEM IMPROVEMENTS
TRACT 34677

RANCHOS PROPERTY, a California general partnership

By: 

Nancy Murakami
General Partner

RANCON REAL ESTATE CORPORATION, a
California corporation

By: 

Mike L. Diaz
Chief Executive Officer

By: 

Gene Steven Van Houten III
Chief Financial Officer

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 Los Angeles)

On 4/21/2020 before me, Eun Young Lee, Notary Public
(insert name and title of the officer)

personally appeared Nancy Murakami,
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)



CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

CIVIL CODE § 1189

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

State of California }
County of RIVERSIDE

On APRIL 28, 2020 before me, CINDY R SMITH, NOTARY PUBLIC
Date Here Insert Name and Title of the Officer

personally appeared MIKE L. DIAZ
Name(s) of Signer(s)

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



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

WITNESS my hand and official seal.

Signature [Handwritten Signature]
Signature of Notary Public

Place Notary Seal and/or Stamp Above

OPTIONAL

Completing this information can deter alteration of the document or fraudulent reattachment of this form to an unintended document.

Description of Attached Document

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

Capacity(ies) Claimed by Signer(s)

Signer's Name: _____
 Corporate Officer – Title(s): _____
 Partner – Limited General
 Individual Attorney in Fact
 Trustee Guardian of Conservator
 Other: _____
Signer is Representing: _____

Signer's Name: _____
 Corporate Officer – Title(s): _____
 Partner – Limited General
 Individual Attorney in Fact
 Trustee Guardian of Conservator
 Other: _____
Signer is Representing: _____

CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

CIVIL CODE § 1189

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

State of California

County of RIVERSIDE

On April 28, 2020
Date

before me, CINDY R SMITH, Notary Public
Here Insert Name and Title of the Officer

personally appeared GENE STEVEN VAN HOUTEN III
Name(s) of Signer(s)

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



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

WITNESS my hand and official seal.

Signature

Signature of Notary Public

Place Notary Seal and/or Stamp Above

OPTIONAL

Completing this information can deter alteration of the document or fraudulent reattachment of this form to an unintended document.

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Document Date: _____ Number of Pages: _____

Signer(s) Other Than Named Above: _____

Capacity(ies) Claimed by Signer(s)

Signer's Name: _____

Corporate Officer – Title(s): _____

Partner – Limited General

Individual Attorney in Fact

Trustee Guardian of Conservator

Other: _____

Signer is Representing: _____

Signer's Name: _____

Corporate Officer – Title(s): _____

Partner – Limited General

Individual Attorney in Fact

Trustee Guardian of Conservator

Other: _____

Signer is Representing: _____

**AGREEMENT
FOR THE PLACEMENT OF SURVEY MONUMENTS**

This agreement, made and entered into by and between the County of Riverside, State of California, hereinafter called County, and Ranchos Property a California general partnership and Rancon Real Estate Corporation, a California Corporation 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 34677, hereby agrees, at Contractor's own cost and expense, to furnish all labor, equipment and materials necessary to set, within 48 months from the date this agreement is executed, in a good and workmanlike manner, all survey monuments and tie points and to furnish to the County Surveyor tie notes for said tract in accordance with the standards set forth in Riverside County Ordinance No. 461 and Section 8771 et seq. of the Business and Professions Code of the State of California. Contractor further agrees to pay, within 30 days of presentation to contractor of the final billing of any surveyor or engineer for work performed by him as provides for in Article 9 of Chapter 4, Division 2 of Title 7 of the Government Code of the State of California (commencing with Section 66495). Contractor further agrees that if payment to the surveyor or engineer is not made within 30 days, the surveyor or engineer notifies County that he has not been paid for setting the final monuments, and the Board of Supervisors, pursuant to Section 66497 of the Government Code, after providing Contractor with an opportunity to present evidence as to whether or not the surveyor or engineer has been paid, orders that payment be made by County to the engineer or surveyor, Contractor will, upon demand, and without proof of loss by County, reimburse County for any funds so expended. Notwithstanding any other provisions herein, the determination of County as to whether the surveyor or engineer has been paid shall be conclusive on Contractor, his surety, and all parties who may have an interest in the agreement or any portion thereof.

All of the above required work shall be done under the inspection of, and to the satisfaction of, the County Surveyor, and shall not be deemed complete until approved and accepted as complete by the County. The estimated cost of said work and improvements is the sum of Four Hundred Twenty Eight Thousand Four Hundred and no/100 Dollars (\$428,400.00).

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

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

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

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

SIXTH: Whenever a lien agreement is used as security under the provisions of Government Code Section 66499 (a) (4) and Riverside County Ordinance 460 § 17.3, Contractor agrees, prior to commencing the work, to substitute the lien agreement with a good and sufficient improvement bond or other security in an amount not less than the estimated cost of the work and improvements for the faithful performance of the terms and conditions of this agreement, and a good and sufficient security for the payment of the amount of the improvement security to the County for the benefit of any surveyor or engineer who has not been paid by the Contractor, as provided for by Section 66495 et seq. of the Government Code of the State of California.

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

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

COUNTY OF RIVERSIDE

By 

V. MANUEL PEREZ
CHAIRMAN, BOARD OF SUPERVISORS

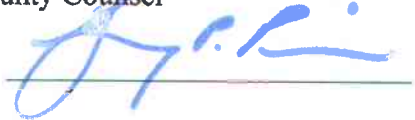
ATTEST:

KECIA HARPER,
Clerk of the Board

By 
Deputy

APPROVED AS TO FORM

County Counsel

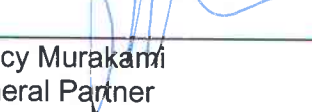
By 

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

Revised 02/02/10

SIGNATURE BLOCK- FOR AGREEMENT FOR
THE PLACEMENT OF SURVEY MONUMENTS
TRACT 34677

RANCHOS PROPERTY, a California general partnership

By: 

Nancy Murakami
General Partner

RANCON REAL ESTATE CORPORATION, a
California corporation

By: 

Mike L. Diaz
Chief Executive Officer

By: 

Gene Steven Van Houten III
Chief Financial Officer

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 Los Angeles)

On 4/21/2020 before me, Eun Young Lee, Notary Public
(insert name and title of the officer)

personally appeared Nancy Murakami,
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)



CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

CIVIL CODE § 1189

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

State of California }
County of RIVERSIDE

On April 25, 2020 before me, Cindy R Smith, Notary Public
Date Here Insert Name and Title of the Officer

personally appeared MIKE C. DIAZ
Name(s) of Signer(s)

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



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

WITNESS my hand and official seal.

Signature Cindy R Smith
Signature of Notary Public

Place Notary Seal and/or Stamp Above

OPTIONAL

Completing this information can deter alteration of the document or fraudulent reattachment of this form to an unintended document.

Description of Attached Document

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

Capacity(ies) Claimed by Signer(s)

Signer's Name: _____
 Corporate Officer – Title(s): _____
 Partner – Limited General
 Individual Attorney in Fact
 Trustee Guardian of Conservator
 Other: _____
Signer is Representing: _____

Signer's Name: _____
 Corporate Officer – Title(s): _____
 Partner – Limited General
 Individual Attorney in Fact
 Trustee Guardian of Conservator
 Other: _____
Signer is Representing: _____

CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

CIVIL CODE § 1189

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

State of California }
County of RIVERSIDE

On APRIL 28, 2020 before me, CINDY R SMITH, NOTARY PUBLIC
Date Here Insert Name and Title of the Officer

personally appeared GENE STEVEN VAN HOUTEN III
Name(s) of Signer(s)

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



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

WITNESS my hand and official seal.

Signature [Handwritten Signature]
Signature of Notary Public

Place Notary Seal and/or Stamp Above

OPTIONAL

Completing this information can deter alteration of the document or fraudulent reattachment of this form to an unintended document.

Description of Attached Document

Title or Type of Document: _____

Document Date: _____ Number of Pages: _____

Signer(s) Other Than Named Above: _____

Capacity(ies) Claimed by Signer(s)

Signer's Name: _____

Corporate Officer – Title(s): _____

Partner – Limited General

Individual Attorney in Fact

Trustee Guardian of Conservator

Other: _____

Signer is Representing: _____

Signer's Name: _____

Corporate Officer – Title(s): _____

Partner – Limited General

Individual Attorney in Fact

Trustee Guardian of Conservator

Other: _____

Signer is Representing: _____

**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 Ranchos Property a California general partnership and Rancon Real Estate Corporation, a California Corporation 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 Miscellaneous Case 4349, hereby agrees, at Contractor's own cost and expense, to commence construction within 36 months and to furnish all labor, equipment and materials necessary to perform and complete construction within 48 months from the date this agreement is executed, in a good and workmanlike manner, all road and drainage improvements in accordance with those Road Plans for said land division which have been approved by the County Director of Transportation, and are on file in the office of the Riverside County Transportation Department, and do all work incidental thereto in accordance with the standards set forth in Riverside County Ordinance No. 461, as amended, which are hereby expressly made a part of this agreement. All the above required work shall be done under the inspection of and to the satisfaction of the County Director of Transportation, and shall not be deemed complete until approved and accepted as complete by the County. Contractor further agrees to maintain the above required improvements for a period of one year following acceptance by the County, and during this one year period to repair or replace, to the satisfaction of the Director of Transportation, any defective work or labor done or defective materials furnished. Contractor further agrees that all underground improvements shall be completed prior to the paving of any roadway. The estimated cost of said work and improvements is the sum of Two Million Four Hundred Forty Five Thousand and no/100 Dollars (\$2,445,000.00).

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

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

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

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

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

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

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

NINTH: Whenever a lien agreement is used as security under the provisions of Government Code Section 66499 (a) (4) and Riverside County Ordinance 460 § 17.3, Contractor agrees, prior to commencing the work, to substitute the lien agreement with a good and sufficient improvement bond or other security in an amount not less than the estimated cost of the work and improvements for the faithful performance of the terms and conditions of this agreement, and good and sufficient security for payment of labor and materials in the amount prescribed by Article XVII of Riverside County Ordinance 460 to secure the claims to which reference is made in Title 3 (commencing with Section 9000) of Part 6 of Division 4 of the Civil Code of the State of California.

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

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

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

County	Contractor
Construction Engineer Riverside County Transportation Dept. 2950 Washington Street Riverside, CA 92504	Ranchos Property, a California general partnership and Rancon Real Estate Corporation, a California Corporation. 41391 Kalmia Street, Ste 200 Murrieta, CA 92562

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

By Please see attached signature block

Print Name _____

Title _____

By _____

Print Name _____

Title _____

COUNTY OF RIVERSIDE

By 
V. MANUEL PEREZ
CHAIRMAN, BOARD OF SUPERVISORS


ATTEST:

KECIA HARPER,
Clerk of the Board

By 
Deputy

APPROVED AS TO FORM

County Counsel

By 

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

Revised 02/02/10

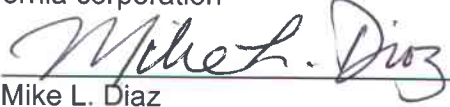
SIGNATURE BLOCK- FOR AGREEMENT FOR
THE CONSTRUCTION OF ROAD/DRAINAGE IMPROVEMENTS
MISCELLANEOUS CASE 4349

RANCHOS PROPERTY, a California general partnership

By: 

Nancy Mutakami
General Partner

RANCON REAL ESTATE CORPORATION, a
California corporation

By: 

Mike L. Diaz
Chief Executive Officer

By: 

Gene Steven Van Houten III
Chief Financial Officer

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 Los Angeles

On 4/21/2020 before me, Eun Young Lee, Notary Public
(insert name and title of the officer)

personally appeared Nancy Murakami,
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)



CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

CIVIL CODE § 1189

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

State of California }
County of RIVERSIDE }

On APRIL 28, 2020 before me, Cindy R Smith, Notary Public
Date Here Insert Name and Title of the Officer

personally appeared MIKE C DIAZ
Name(s) of Signer(s)

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



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

WITNESS my hand and official seal.

Signature [Handwritten Signature]
Signature of Notary Public

Place Notary Seal and/or Stamp Above

OPTIONAL

Completing this information can deter alteration of the document or fraudulent reattachment of this form to an unintended document.

Description of Attached Document

Title or Type of Document: _____

Document Date: _____ Number of Pages: _____

Signer(s) Other Than Named Above: _____

Capacity(ies) Claimed by Signer(s)

Signer's Name: _____ Signer's Name: _____

Corporate Officer – Title(s): _____ Corporate Officer – Title(s): _____

Partner – Limited General Partner – Limited General

Individual Attorney in Fact Individual Attorney in Fact

Trustee Guardian of Conservator Trustee Guardian of Conservator

Other: _____ Other: _____

Signer is Representing: _____ Signer is Representing: _____

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

This agreement, made and entered into by and between the County of Riverside, State of California, hereinafter called County, and Ranchos Property a California general partnership and Rancon Real Estate Corporation, a California Corporation 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 Miscellaneous Case 4349, hereby agrees, at Contractor's own cost and expense, to commence construction within 36 months and cause to have constructed within 48 months from the date this agreement is executed, in a good and workmanlike manner, a water distribution system, complete with all necessary pipes, valves, fire hydrants, connections and appurtenances necessary to the satisfactory operation of said distribution system, and, further, to extend main or mains from the existing supply system maintained and operated by Eastern Municipal Water District to connect with the distribution system described above with all pipe laid at such a depth as to provide a full thirty-six inch (36") minimum cover from the top of the pipe to street grade, unless otherwise specified by the Director of Transportation, all in accordance with those plans and specifications which have been approved by both the County Health Director and Director of Transportation, and are on file in the office of the Riverside County Transportation Department. Said approved plans and specifications are hereby made a part of this agreement as fully as though set forth herein. All of the above required work shall be done under the inspection of, and to the satisfaction of, the County Director of Transportation and the County Health Officer, and shall not be deemed complete until approved and accepted as complete by the County. Contractor further agrees to maintain the above required improvements for a period of one year following acceptance by the County, and during this one year period to repair or replace, to the satisfaction of the Director of Transportation, any defective work or labor done or defective materials furnished. Contractor further agrees that all underground improvements shall be completed prior to the paving of any roadway. The estimated cost of said work and improvements is the sum of One Hundred Twenty Eight Thousand and no/100 Dollars (\$128,000.00).

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

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

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

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

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

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

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

NINTH: Whenever a lien agreement is used as security under the provisions of Government Code Section 66499 (a) (4) and Riverside County Ordinance 460 § 17.3, Contractor agrees, prior to commencing the work, to substitute the lien agreement with a good and sufficient improvement bond or other security in an amount not less than the estimated cost of the work and improvements for the faithful performance of the terms and conditions of this agreement, and a good and sufficient security for payment of labor and materials in the amount prescribed by Article XVII of Riverside County Ordinance 460 to secure the claims to which reference is made in Title 3 (commencing with Section 9000) of Part 6 of Division 4 of the Civil Code of the State of California.

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

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

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

County	Contractor
Construction Engineer Riverside County Transportation Dept. 2950 Washington Street Riverside, CA 92504	Ranchos Property, a California general partnership and Rancon Real Estate Corporation, a California Corporation. 41391 Kalmia Street, Ste 200 Murrieta, CA 92562

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

By Please see attached signature block

Print Name _____

Title _____

By _____

Print Name _____

Title _____

COUNTY OF RIVERSIDE

By 
V. MANUEL PEREZ

CHAIRMAN, BOARD OF SUPERVISORS


ATTEST:

KECIA HARPER,
Clerk of the Board

By 
Deputy

APPROVED AS TO FORM

County Counsel

By 

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

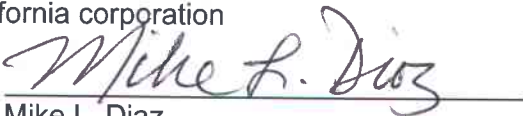
Revised 02/02/10

SIGNATURE BLOCK- FOR AGREEMENT FOR
THE CONSTRUCTION OF WATER SYSTEM IMPROVEMENTS
MISCELLANEOUS CASE 4349

RANCHOS PROPERTY, a California general partnership

By: 
Nancy Murakami
General Partner

RANCON REAL ESTATE CORPORATION, a
California corporation

By: 
Mike L. Diaz
Chief Executive Officer

By: 
Gene Steven Van Houten III
Chief Financial Officer

CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

CIVIL CODE § 1189

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

State of California }
County of RIVERSIDE }
On April 28, 2020 before me, Cindy R Smith, Notary Public
Date Here Insert Name and Title of the Officer
personally appeared MIKE C. DIAZ
Name(s) of Signer(s)

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



I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.
WITNESS my hand and official seal.

Signature [Handwritten Signature]
Signature of Notary Public

Place Notary Seal and/or Stamp Above

OPTIONAL

Completing this information can deter alteration of the document or fraudulent reattachment of this form to an unintended document.

Description of Attached Document
Title or Type of Document:
Document Date: Number of Pages:
Signer(s) Other Than Named Above:
Capacity(ies) Claimed by Signer(s)
Signer's Name:
Signer's Name:
[] Corporate Officer - Title(s):
[] Partner - [] Limited [] General
[] Individual [] Attorney in Fact
[] Trustee [] Guardian of Conservator
[] Other:
Signer is Representing:

RECORDING REQUESTED BY:

First American Title Company
Homebuilder Services Division

WHEN RECORDED MAIL TO:

Ranchos Property
41391 Kalmia Street, Suite 200
Murrieta, CA 92562
ATTN: Ms. Jennell Lawrence

Order: 4517503

APN: 461-150-006
TRA: 089-014

Documentary Transfer Tax is \$-0-. The value of the property in this conveyance, exclusive of liens and encumbrances is \$100.00 or less, and there is no additional consideration received by the grantor, R & T 11911.

**DECLARATION OF COVENANTS, CONDITIONS, RESTRICTIONS
AND RESERVATION OF EASEMENTS
FOR
TRACT NO. 34677**



LARRY W. WARD
COUNTY OF RIVERSIDE
ASSESSOR-COUNTY CLERK-RECORDER

Recorder
P.O. Box 751
Riverside, CA 92502-0751
(951) 486-7000

Website: www.riversideacr.com

DOCUMENTARY TRANSFER TAX AFFIDAVIT

WARNING

ANY PERSON WHO MAKES ANY MATERIAL MISREPRESENTATION OF FACT FOR THE PURPOSE OF AVOIDING ALL OR ANY PART OF THE DOCUMENTARY TRANSFER TAX IS GUILTY OF A MISDEMEANOR UNDER SECTION 5 OF ORDINANCE 516 OF THE COUNTY OF RIVERSIDE AND IS SUBJECT TO PROSECUTION FOR SUCH OFFENSE.

ASSESSOR'S PARCEL NO. 461--150--006
Property Address: Vacant Land

I declare that the documentary transfer tax for this transaction is: \$0.00.

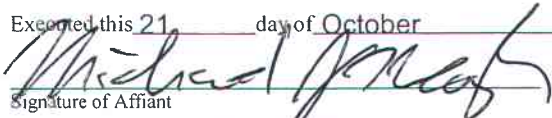
If this transaction is exempt from Documentary Transfer Tax, the reason must be identified below.

I CLAIM THAT THIS TRANSACTION IS EXEMPT FROM DOCUMENTARY TRANSFER TAX BECAUSE: (The Sections listed below are taken from the Revenue and Taxation Code with the exception of items 9 and 10 which are taken from Riverside County Ordinance 516). Please check one or explain in "Other".

1. Section 11911. The consideration or value of the property, exclusive of any liens and encumbrances is \$100.00 or less and there is no additional consideration received by the grantor.
2. Section 11911. The conveyance transfers to a revocable living trust by the grantor or from a revocable living trust to a beneficiary.
3. Section 11921. The conveyance was given to secure a debt.
4. Section 11922. The conveyance is to a governmental entity or political subdivision.
5. Section 11925. The transfer is between individuals and a legal entity or partnership, or between legal entities and does not change the proportional interests held.
6. Section 11926. The conveyance is to a grantee who is the foreclosing beneficiary and the consideration paid by the foreclosing beneficiary does not exceed the unpaid debt.
7. Section 11927. The conveyance relates to a dissolution of marriage or legal separation.
(A spouse must sign a written recital in order to claim this exemption. This form may be used for that purpose.)
8. Section 11930. The conveyance is an *inter vivos* gift* or a transfer by death.
*Please be aware that information stated on this document may be given to and used by governmental agencies, including the Internal Revenue Service. Also, certain gifts in excess of the annual Federal gift tax exemption may trigger a Federal Gift Tax. In such cases, the Transferor (donor/grantor) may be required to file Form 709 (Federal Gift Tax Return) with the Internal Revenue Service.
9. Section 8. The easement is not perpetual, permanent, or for life.
10. Section 9. The document is a lease for a term of less than (35) years (including written options.)
11. Other (Include explanation and legal authority) _____

I DECLARE UNDER PENALTY OF PERJURY THAT THE FOREGOING IS TRUE AND CORRECT.

Executed this 21 day of October, 2020 at Corona CA
City State


Signature of Affiant

Michael Keough
Printed Name of Affiant

First American Title - HSD
Name of Firm (if applicable)

1250 Corona Pointe, Suite 200, Corona, CA 92879
Address of Affiant (including City, State, and Zip Code)

951-256--5827
Telephone Number of Affiant (including area code)

This form is subject to the California Public Records Act (Government Code 6250 et. seq.)

For Recorder's Use:

Affix PCOR Label Here

RECORDING REQUESTED BY:

WHEN RECORDED MAIL TO:

Ranchos Property
41391 Kalmia Street
Suite 200
Murrieta, CA 92562
Attn.: Ms. Jennell Lawrence

(Space Above For Recorder's Use)

DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS

AND RESERVATION OF EASEMENTS

FOR

TRACT NO. 34677

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

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AND RESERVATION OF EASEMENTS

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EXHIBIT "A" LEGAL DESCRIPTION OF ANNEXABLE TERRITORY

EXHIBIT "B" MAINTENANCE EXHIBIT

**DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS
AND RESERVATION OF EASEMENTS
FOR
TRACT NO. 34677**

THIS DECLARATION is made by RANCHOS PROPERTY, a California general partnership and RANCON REAL ESTATE CORPORATION, a California corporation.

P R E A M B L E:

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

Lots 318 through 325, inclusive, and Lots UU and XX of Tract No. 34677, as per Map Recorded in Book ____, Pages ____ through ____, inclusive, of Maps, in the Office of the Riverside County Recorder.

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

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

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

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

ARTICLE I

1. Definitions.

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

1.1. Annexable Territory.

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

1.2. Annual Assessment.

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

1.3. ARC.

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

1.4. Articles.

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

1.5. Association.

Association shall mean TRACT 34677 HOMEOWNERS ASSOCIATION, a California nonprofit corporation (formed pursuant to the Nonprofit Mutual Benefit Corporation Law of the State of California), its successors and assigns. The Association is an "association" as defined in Section 4080 of the California Civil Code.

1.6. Association Maintenance Areas.

Association Maintenance Areas shall mean (i) the mailboxes in the Properties, and (ii) the perimeter wall surrounding the Properties and any wall or fence which separates a Lot from any area which is designated as "Home Owners Association Maintained" on **Exhibit "B"** hereto. ("**Association Walls and Fences**").

1.7. Association Maintenance Funds.

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

1.8. Beneficiary.

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

1.9. Board or Board of Directors.

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

1.10. Budget.

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

1.11. Bylaws.

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

1.12. Capital Improvement Assessment.

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

1.13. Close of Escrow.

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

1.14. Common Area.

Common Area shall mean (i) Lots D through Z and BB through YY of Tract No. 34677 (private streets and alleys), (ii) Lots 421 and 422 of Tract No. 34677 (parks), (iii) Lots 423 through 436 of Tract No. 34677 (water quality basins), (iv) Lots 437 through 446 of Tract No. 34677 (open space), and (v) any other areas which are designated as "Home Owners Association Maintained" on **Exhibit "B"** hereto.

1.15. Common Expenses.

Common Expenses shall mean those expenses for which the Association is responsible under this Declaration, including the actual and estimated costs of: maintenance, management, operation, repair and replacement of the Common Area and the Association Maintenance Areas; unpaid Compliance Assessments, Reconstruction Assessments and Capital Improvement Assessments; costs of management and administration of the Association including, but not limited to, compensation paid by the Association to managers, accountants, attorneys and other

employees; the costs of all utilities, gardening, trash pickup and other services benefiting the Common Area and the Association Maintenance Areas; the costs of fire, casualty and liability insurance, worker's compensation insurance, and other insurance covering the Common Area and the Association Maintenance Areas and the directors, officers and agents of the Association; the costs of bonding the members of the Board; taxes paid by the Association; amounts paid by the Association for discharge of any lien or encumbrance levied against the Properties or portions thereof; and the costs of any other items incurred by the Association pursuant to this Declaration.

1.16. Compliance Assessment.

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

1.17. County.

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

1.18. Declarant.

Declarant shall mean RANCHOS PROPERTY, a California general partnership and RANCON REAL ESTATE CORPORATION, a California corporation, their successors and any Person to which they shall have assigned any rights hereunder by an express written assignment. As used in this Section, "**successor**" means a Person who acquires a Declarant or substantially all of a Declarant's assets, or who merges with a Declarant by sale, merger, reverse merger, consolidation, sale of stock or assets, operation of law or otherwise. Except as expressly provided to the contrary in this Declaration, the entities comprising Declarant shall determine in their sole discretion the time, place and manner in which they discharge their obligations and exercises their rights under this Declaration.

1.19. Declaration.

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

1.20. Deed of Trust.

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

1.21. DRE.

DRE shall mean the California Department of Real Estate and any successors thereto.

1.22. Dwelling Unit.

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

1.23. Family.

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

1.24. FHA.

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

1.25. FHLMC.

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

1.26. Fiscal Year.

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

1.27. FNMA.

FNMA shall mean the Federal National Mortgage Association, a government-sponsored private corporation established pursuant to Title VIII of the Housing and Urban Development Act of 1968, and any successors to such corporation.

1.28. GNMA.

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

1.29. Governing Documents.

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

1.30. Improvement.

Improvement shall mean any structure or appurtenance thereto of every type and kind, including but not limited to Dwelling Units and other buildings, walkways, sprinkler pipes, recreational facilities, roads, driveways, parking areas, fences, walls, stairs, decks, trees, shrubs and other landscaping, satellite dishes, antennae, the paint on all exterior surfaces, hedges, windbreaks, patio covers, railings, poles, signs, storage areas, exterior air conditioning and water-softening fixtures or equipment.

1.31. Lot.

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

1.32. Manager.

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

1.33. Member, Membership.

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

1.34. Mortgage.

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

1.35. Mortgagee, Mortgagor.

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

1.36. Notice and Hearing.

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

1.37. Notice of Addition.

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

1.38. Owner.

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

1.39. Person.

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

1.40. Phase 1.

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

1.41. Phase of Development.

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

1.42. Properties.

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

1.43. Reconstruction Assessment.

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

1.44. Record, File, Recordation.

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

1.45. Rules and Regulations.

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

1.46. VA.

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

ARTICLE II

2. Owner's Property Rights.

2.1. Owners' Easements of Enjoyment.

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

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

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

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

(d) Subject to the provisions of Articles V and XIII and Article XV, Section 15.21 of this Declaration, the right of the Association to dedicate, release, alienate or transfer the Common Area to any public agency, authority or utility;

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

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

(g) The right of the Association to reconstruct, replace or refinish any Improvement or portion thereof upon the Common Area or Association Maintenance Areas in accordance with the original design, finish or standard of construction of such Improvement, or of the general Improvements within the Properties, as the case may be; and if not in accordance with such original design, finish or standard of construction only with the vote or written consent of the Owners holding sixty-seven percent (67%) of the voting power of the Association;

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

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

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

2.2. Easements for Vehicular/Pedestrian Traffic.

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

2.3. Easements for Public Service Use.

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

2.4. Waiver of Use.

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

2.5. Easements for Water and Utility Purposes.

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

2.6. Taxes.

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

in fee by the Association or any part thereof, they may be paid by the Association as a Common Expense.

2.7. Easement - Association Maintenance Areas.

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

2.8. Easement for Declarant Over Common Area.

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

2.9. Easements for Mailboxes.

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

2.10. Easements for Telecommunications.

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

As used herein, "**Telecommunications Facilities**" means (1) improvements, equipment and facilities for (i) telecommunications, (ii) transfer of audio, video and data signals, (iii) transfer of any other signals used for transmission of information by electrical, light wave, wireless frequencies or radio frequencies, and (iv) any other methods of communication and information transfer; (2) all associated improvements, equipment and facilities, including but not

limited to antennas, towers, broadcasting and receiving devices, conduits, junction boxes, wires, cables, fiber optics, and any other necessary or appropriate enclosures and connections; and (3) power generation serving the improvements, equipment and facilities described in subparts (1) and (2) of this sentence. The term "Telecommunications Facilities" shall be interpreted as broadly as possible and to include relocated facilities, expansion of facilities, and/or facilities used for any and all new technology that replaces the Telecommunications Facilities that are used when this Declaration is Recorded. If there is a doubt as to whether an item fits within the definition of Telecommunications Facilities, the term is to be interpreted to include that item.

2.11. Shared Utilities.

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

2.12. Easements for Encroachment.

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

2.13. Conveyance of Easements.

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

ARTICLE III

3. Tract 34677 Homeowners Association.

3.1. Organization of Association.

The Association is or shall be incorporated under the name of TRACT 34677 HOMEOWNERS ASSOCIATION, as a corporation not for profit under the Nonprofit Mutual Benefit Corporation Law of the State of California.

3.2. Duties and Powers.

The duties and powers of the Association are those set forth in the Declaration, the Articles and Bylaws, together with its general and implied powers of a nonprofit mutual benefit corporation, generally to do any and all things that a corporation organized under the laws of the State of

California may lawfully do which are necessary or proper, in operating for the peace, health, comfort, safety and general welfare of its Members, subject only to the limitations upon the exercise of such powers as are expressly set forth in the Articles, the Bylaws and in this Declaration.

3.3. Membership.

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

3.4. Transfer.

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

ARTICLE IV

4. Voting Rights.

4.1. Classes of Voting Membership.

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

Class A. Class A Members shall originally be all Owners except Declarant for so long as there exists a Class B Membership. Class A Members shall be entitled to one (1) vote for each Lot owned by such Class A Members and subject to assessment. Declarant shall become a Class A Member with regard to Lots owned by Declarant upon conversion of Declarant's Class B

Membership as provided below. When more than one (1) Person owns any Lot, all such Persons shall be Members. The vote for such Lot shall be exercised in accordance with Section 4.2, but in no event shall more than one (1) Class A vote be cast for any Lot.

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

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

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

4.2. Voting Rights.

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

(b) Class A Members shall be entitled to one (1) vote for each Lot in which they hold the interest required for Membership. When more than one (1) Person holds such interest or interests in any Lot ("**co-owner**"), all such co-owners shall be Members and may attend any meetings of the Association, but only one (1) such co-owner shall be entitled to exercise the vote to which the Lot is entitled. Co-owners owning the majority interests in a Lot shall from time to time designate in writing one (1) of their number to vote. Fractional votes shall not be allowed, and the vote for each Lot shall be exercised, if at all, as a unit. Where no voting co-owner is designated or if the designation has been revoked, the vote for the Lot shall

be exercised as the co-owners owning the majority interests in the Lot mutually agree. Unless the Board receives a written objection in advance from a co-owner, it shall be conclusively presumed that the corresponding voting co-owner is acting with the consent of his co-owners. No vote shall be cast for any Lot if the co-owners present in person or by proxy owning the majority interests in such Lot cannot agree to said vote or other action. The nonvoting co-owner or co-owners shall be jointly and severally responsible for all of the obligations imposed upon the jointly owned Lot and shall be entitled to all other benefits of ownership. All agreements and determinations lawfully made by the Association in accordance with the voting percentages established herein, or in the Bylaws, shall be deemed to be binding on all Owners, their successors and assigns.

ARTICLE V

5. Jurisdiction of Association.

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

(a) The power and duty to accept, maintain, repair and otherwise manage the Common Area and Association Maintenance Areas and all facilities, Improvements and landscaping thereon in accordance with the provisions of this Declaration.

(b) The power and duty to obtain for the benefit of the Properties all commonly metered water, gas and electric services, and the power but not the duty to provide for refuse collection and cable or master television service.

(c) The power and duty to grant easements and rights of way or fee interests in portions of the Common Area owned in fee by the Association to the extent any such grant is reasonably required for utilities or for purposes of conformity with the as-built location of Improvements constructed or installed by Declarant.

(d) The power but not the duty to grant or quitclaim easements, licenses or rights of way in, on or over the Common Area owned in fee by the Association for purposes not inconsistent with the intended use of the Properties as a planned residential development.

(e) The power and duty to maintain such policy or policies of liability and fire insurance with respect to the Common Area and the Association Maintenance Areas and personal property, if any, owned by the Association as provided herein in furthering the purposes of and protecting the interests of the Association and Members and as directed by this Declaration and the Bylaws of the Association.

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

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

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

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

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

(k) The power but not the duty to enter into contracts with Owners or other persons to provide services or to maintain and repair Improvements within the Properties and elsewhere which the Association is not otherwise required to provide or maintain pursuant to this

Declaration; provided, however, that any such contract shall provide for the payment to the Association for the costs of providing such services or maintenance.

ARTICLE VI

6. Covenant for Maintenance Assessments.

6.1. Creation of Assessment Obligation.

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

6.2. Maintenance Funds of Association.

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

6.3. Purpose of Annual Assessments.

The Assessments levied by the Association shall be used exclusively to promote the health, safety, recreation and welfare of the Owners and for the improvement and maintenance of the Common Area and Association Maintenance Areas, and to discharge any other obligations of the

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

6.4.Limitations on Annual Assessment Increases.

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

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

Until the first day of the Fiscal Year immediately following the Fiscal Year in which Annual Assessments commence, the Board may levy an Annual Assessment per Lot in an amount which exceeds one hundred twenty percent (120%) of the amount of Annual Assessments disclosed for the Properties in the most current Budget filed with and reviewed by DRE at the time Annual Assessments commence only if the Board first obtains the approval of a majority of a quorum of Members pursuant to California Civil Code Section 4070 at a Member meeting or election ("**Increase Election**"). The quorum for an Increase Election shall be more than fifty percent (50%) of the Members ("**Increase Election Quorum**"). Notwithstanding the foregoing, this

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

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

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

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

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

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

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

- (1) An extraordinary expense required by an order of a court;
- (2) An extraordinary expense necessary to repair or maintain the Properties or any part thereof for which the Association is responsible where a threat to personal safety on the Properties is discovered; and
- (3) An extraordinary expense necessary to repair or maintain the Properties or any part thereof for which the Association is responsible that could not have been reasonably foreseen by the Board in preparing and distributing the annual Budget report under

California Civil Code Section 5300. Prior to the imposition or collection of an assessment pursuant to this subparagraph (3), the Board shall pass a resolution containing written findings as to the necessity of the extraordinary expense involved and why the expense was not or could not have been reasonably foreseen in the budgeting process. The resolution shall be distributed to the Members with the notice of assessment.

6.5.Capital Improvements.

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

6.6.Uniform Rate of Assessment.

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

6.7.Date of Commencement of Annual Assessments.

The Board of Directors shall authorize and levy the amount of the Annual Assessment upon each Lot, as provided herein, by a majority vote of the Board. Annual Assessments shall commence on all Lots in a Phase of Development on the first day of the first calendar month following the first Close of Escrow for the sale of a Lot in such Phase (provided, however, that the Close of Escrow for the sale of a Lot which is being used by Declarant for model home, sales office, design center, constructions office or similar purposes shall not cause the commencement of Annual Assessments in a Phase until such Lot is occupied by the Owner thereof). The first Annual Assessment shall be adjusted according to the number of months remaining in the Fiscal Year as set forth in the Bylaws. The Board of Directors shall fix the amount of the Annual Assessment against each Lot at least thirty (30) days in advance of each Annual Assessment period. However, unless otherwise established by the Board, the initial Annual Assessments shall be assessed in accordance with the most recent Budget on file with and reviewed by the

DRE. Written notice of any change in the amount of any Annual Assessment, Capital Improvement Assessment or Reconstruction Assessment shall be sent via first-class mail to every Owner subject thereto, not less than thirty (30) nor more than sixty (60) days prior to the increased assessment becoming due. The due dates shall be established by the Board of Directors. The Association shall, upon demand, and for a reasonable charge, furnish a certificate signed by an officer or agent of the Association, setting forth whether the assessments on a specified Lot have been paid. A properly executed certificate of the Association as to the status of assessments against a Lot is binding upon the Association as of the date of its issuance.

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

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

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

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

6.8. Exempt Property.

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

(a) All portions of the Properties dedicated to and accepted by a public authority; and

(b) The Common Area owned by the Association in fee.

6.9. Assignment of Rents.

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

ARTICLE VII

7. Nonpayment of Assessments; Remedies.

7.1. Nonpayment of Assessments; Remedies.

Any installment of an assessment provided for in this Declaration shall be delinquent if not paid within fifteen (15) days of the due date as established by the Board of Directors of the Association. The Board shall be authorized to adopt a system pursuant to which any installment of Annual Assessments, Capital Improvement Assessments, Compliance Assessments, or Reconstruction Assessments not paid within thirty (30) days after the due date, plus all reasonable fees and costs of collection (including attorneys' fees) and late charges as provided herein, shall bear interest commencing thirty (30) days from the date the assessment becomes due until paid at the rate of up to twelve percent (12%) per annum but in no event more than the maximum rate permitted by law. The Board may also require the delinquent Owner to pay a late charge in accordance with California Civil Code Section 5650(b). The Association may bring an action at law against the Owner personally obligated to pay the same, or foreclose the lien against the Lot. No Owner may waive or otherwise escape liability for the assessments provided

for herein by nonuse of the Common Area owned in fee by the Association, if any, or abandonment of his Lot.

7.2. Notice of Delinquent Assessment.

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

7.3. Enforcement of Lien.

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

7.4. Curing of Default.

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

7.5. Cumulative Remedies.

The assessment liens and the rights to foreclosure and sale thereunder shall be in addition to and not in substitution for all other rights and remedies which the Association and its assigns may have hereunder and by law, including a suit to recover a money judgment for unpaid assessments.

7.6. Mortgage Protection.

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

7.7. Priority of Assessment Lien.

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

ARTICLE VIII

8. Architectural Control.

8.1. Members of Committee.

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

8.2. Review of Plans and Specifications.

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

The ARC may condition its approval of proposals or plans and specifications for any Improvement on any one (1) or more of the following: (1) upon the Applicant's furnishing the Association with security acceptable to the Association against any mechanic's lien or other encumbrance which may be Recorded against any portion of the Properties as a result of such work, (2) such changes therein as the ARC deems appropriate, (3) the Applicant's agreement to grant appropriate easements as are made reasonably necessary by the existence of the Improvement to the Association or other Owners, (4) the Applicant's agreement to install water, gas, electrical or other utility meters to measure any increased utility consumption, (5) the

Applicant's agreement to reimburse the Association for the cost of maintaining the Improvement (if the Association agrees to accept maintenance responsibility for the Improvement), or (6) upon the Applicant's agreement to complete the proposed work within a stated period of time, and may require submission of additional plans and specifications or other information prior to approving or disapproving material submitted. The ARC may hire architects, contractors and other professionals to assist the ARC in its decisions. The ARC may also issue rules or guidelines setting forth procedures for the submission of plans for approval, requiring a fee and/or a "security deposit" to accompany each application for approval, or stating additional factors which it will take into consideration in reviewing submissions. The ARC may provide that the amount of such fee or security deposit shall be uniform, or that it be determined in any other reasonable manner. The ARC may require such detail in plans and specifications submitted for its review as it deems proper, including, without limitation, landscape plans, floor plans, site plans, drainage plans, elevation drawings and description or samples of exterior material and colors. Until receipt by the ARC of any required plans and specifications, the ARC may postpone review of any plans submitted for approval. Decisions of the ARC shall be transmitted in writing by the ARC to the Applicant at the address set forth in the application for approval within forty-five (45) days after receipt by the ARC of all materials required by the ARC. If the decision of the ARC includes the disapproval of any item, the decision shall include an explanation of the reasons for the disapproval and a description of the procedure for reconsideration of the decision by the Board as described in Section 8.9 below. Any application submitted pursuant to this Section 8.2 shall be deemed approved unless written disapproval or a request for additional information or materials by the ARC shall have been transmitted to the Applicant within forty-five (45) days after the date of receipt by the ARC of all required materials. The Applicant shall meet any review or permit requirements of the County prior to performing any work permitted hereunder.

8.3.Meetings of the ARC.

The ARC shall meet from time to time as necessary to perform its duties hereunder. The ARC may from time to time, by resolution unanimously adopted in writing, designate an ARC representative (who may, but need not, be one of its members) to take any action or perform any duties for and on behalf of the ARC, except the granting of variances pursuant to Section 8.8. In the absence of such designation, the vote or written consent of a majority of the ARC shall constitute an act of the ARC.

8.4.No Waiver of Future Approvals.

The approval of the ARC of any proposals or plans and specifications or drawings for any work done or proposed or in connection with any other matter requiring the approval and consent of the ARC, shall not be deemed to constitute a waiver of any right to withhold approval or consent as to any similar proposals, plans and specifications, drawings or matters subsequently or additionally submitted for approval or consent.

8.5.Compensation of Members.

The members of the ARC shall receive no compensation for services rendered, other than reimbursement for expenses incurred by them in the performance of their duties hereunder.

8.6. Inspection of Work.

The ARC or its duly authorized representative may at any time inspect any work for which approval of plans is required under this Article VIII ("**Work**"), which right to inspect shall include the right to require any Owner to take such action as may be necessary to remedy any noncompliance with the ARC approved plans for the Work or with the requirements of this Declaration ("**Noncompliance**").

(a) Time Limit. The ARC's right to inspect the Work and notify the responsible Owner of any Noncompliance shall terminate sixty (60) days after the latest to occur of the following events: (i) submittal of the plans for the Work to the ARC for its approval as provided in this Article VIII; (ii) completion of the Work as provided in the ARC-approved plans; and (iii) written notice from the Owner to the ARC that the Work has been completed. If the ARC fails to send a notice of Noncompliance to an Owner before this time limit expires, the Work shall be deemed to comply with the approved plans.

(b) Remedy. If an Owner fails to remedy any Noncompliance within sixty (60) days from the date of notification from the ARC, the ARC shall notify the Board in writing of such failure. Upon Notice and Hearing, as provided in the Bylaws, the Board shall determine whether there is a Noncompliance and, if so, the nature thereof and the estimated cost of correcting or removing the same. If a Noncompliance exists, the Owner shall remedy or remove the same within a period of not more than forty-five (45) days from the date that notice of the Board ruling is given to the Owner. If the Owner does not comply with the Board ruling within that period, the Board, at its option, may Record a Notice of Noncompliance and/or commence a lawsuit for damages or injunctive relief, as appropriate, to remedy the Noncompliance.

8.7. Scope of Review.

The ARC's decisions shall be based solely on the considerations set forth in this Article VIII, and the ARC's approval of any Improvement does not constitute a finding or warranty by the ARC that the Improvement (i) incorporates good engineering practices, (ii) complies with applicable laws, ordinances, codes or regulations, including without limitation zoning laws, building and safety codes and fire codes, (iii) complies with the requirements of any utility provider, or (iv) is permissible under the terms of any easement, license, permit, Mortgage or other recorded or unrecorded document (other than the Governing Documents).

8.8. Variance.

The ARC may authorize variances from compliance with any of the architectural provisions of this Declaration, including without limitation, restrictions upon height, size, floor area or placement of structures, or similar restrictions, when circumstances such as topography, natural obstructions, hardship, aesthetic or environmental consideration may require. Such variances must be evidenced in writing, must be signed by a majority of the ARC, and shall become effective upon Recordation. After Declarant has lost the right to appoint a majority of the members of the ARC, the Board must approve any variance recommended by the ARC before any such variance shall become effective. If such variances are 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 such a variance shall not operate to waive any of the terms and provisions of this Declaration for any purpose except as to the particular property and particular provision hereof covered by the variance, nor shall it affect in any way the Owner's obligation to comply with all governmental laws and regulations affecting the use of his Lot and Dwelling Unit.

8.9. Reconsideration by the Board.

An Applicant shall have the right to appeal ARC decisions to the Board for reconsideration as required by Section 4765(a)(5) of the California Civil Code. In order to exercise such right, the Applicant must notify the Board in writing that the Applicant is electing to appeal within thirty (30) days following the Applicant's receipt of the decision of the ARC. The appeal shall be heard by the Board no later than sixty (60) days following the Board's receipt of the Applicant's notice of appeal. The decision of the Board shall be transmitted in writing to the Applicant at the address set forth in the Applicant's application to the ARC within forty-five (45) days following the Board's hearing of the appeal. The Board shall have the right, but not the obligation, to adopt additional policies and procedures related to such appeals.

8.10. Notice to Owners.

The Association shall annually provide each Owner with the notice required by Section 4765(c) of the California Civil Code.

ARTICLE IX

9. Maintenance and Repair Obligations.

9.1. Maintenance Obligations of Owners.

Subject to the provisions of Section 9.3 below and the provisions of this Declaration requiring ARC approval, each Owner, at his sole expense, shall maintain, repair, replace and restore his Lot and all Improvements thereon in a neat, sanitary and attractive condition, except for those portions of the Lot, if any, which constitute Association Maintenance Areas or which have been dedicated to and accepted for maintenance by a governmental or quasi-governmental agency or entity. In addition, each Owner, at his sole expense, subject to the provisions of this Declaration requiring ARC approval, shall maintain the interior surface (i.e., the surface facing such Owner's Lot) of any Association Walls and Fences (as defined in Section 1.6 hereof) located on or adjacent to such Owner's Lot except to the extent such Association Walls and Fences consist of wrought iron or tubular steel, in which case such Owner shall have no maintenance responsibility with respect thereto. In performing his maintenance obligations hereunder, each Owner shall follow all maintenance and preventative maintenance recommendations and schedules promulgated by Declarant and the manufacturers of any manufactured products or appliances, as well as commonly accepted maintenance practices. If any Owner shall permit any Improvement, the maintenance of which is the responsibility of such Owner, to fall into disrepair or to become unsafe, unsightly or unattractive, or to otherwise violate this Declaration, the Association shall have the right to seek any remedies at law or in equity which it may have. In addition, the

Association shall have the right, but not the duty, after Notice and Hearing, to enter upon such Owner's Lot to make such repairs or to perform such maintenance and to charge the cost thereof to the Owner. Said cost shall be a Compliance Assessment enforceable as set forth in this Declaration.

9.2. Maintenance Obligations of Association.

No improvement, excavation or work which in any way alters the Common Area or the Association Maintenance Areas shall be made or done by any person other than the Association or its authorized agents after the completion of the construction or installation of the Improvements thereto by Declarant. Subject to the provisions of Sections 6.3 and 9.5 hereof and the provisions of Section 9.1 hereof concerning the obligation of an Owner to maintain the interior surface of any Association Walls and Fences located on or adjacent to such Owner's Lot, upon commencement of Annual Assessments on the Lots in a Phase of Development the Association shall maintain, repair, replace and restore the Common Area and Association Maintenance Areas and all Improvements thereon in such Phase, including without limitation, (i) maintaining, repairing and replacing all portions of any Association Walls and Fences which are not located on or adjacent to a Lot, and (ii) maintaining, repairing and replacing the exterior and top surfaces and the structural integrity of the Association Walls and Fences located on or adjacent to a Lot which do not consist of wrought iron or tubular steel and maintaining, repairing and replacing all portions of such Association Walls and Fences which consist of wrought iron or tubular steel, in a safe, sanitary and attractive condition, and in good order and repair. The Association shall be entitled to add or remove any landscaping Improvements to or from the Common Area and Association Maintenance Areas and shall ensure that the landscaping on the Common Area and Association Maintenance Areas is maintained free of weeds and disease. In performing its maintenance obligations hereunder, the Association shall follow all maintenance and preventative maintenance recommendations and schedules promulgated by Declarant and any applicable product manufacturers, as well as commonly accepted maintenance practices. Notwithstanding the foregoing, the Association shall not be responsible for the maintenance of any portions of the Common Area or Association Maintenance Areas which have been dedicated to and accepted for maintenance by a governmental or quasi-governmental agency or entity.

No water intensive landscaping shall be included in the Common Area. Instead, low water use landscaping shall be utilized in accordance with County Ordinance No. 859 as adopted and any amendments thereto ("**Ordinance 859**"). The maintenance of such landscaping shall be accomplished in accordance with Ordinance 859 and the County of Riverside Guide to California Friendly Landscaping.

The Association shall inspect and, if required, clean all structural BMPs (as defined in Section 9.4 below) in the Common Area no later than October 15 each year.

The Association must accept ownership of and maintenance responsibility for each portion of the Common Area and Association Maintenance Areas when maintenance responsibility is tendered by Declarant.

The Association shall also be responsible for the maintenance, repair and replacement of any additional areas or Improvements designated for Association maintenance by a majority of the voting power of the Association. Any such property shall be deemed to be a portion of the Association Maintenance Areas.

9.3. Party Walls.

(a) General Rules of Law to Apply. Each wall and fence which is built as a part of the original construction of the Dwelling Units by Declarant and which is located on the Lot line or which serves as the effective boundary between two (2) or more Lots ("**Party Wall**") shall be deemed to be and shall be treated in the same manner as a party wall. To the extent not inconsistent with the provisions of this Section 9.3, the general rules of law regarding party walls and liability for property damage due to negligence or willful acts or omissions (including without limitation California Civil Code Section 841) shall apply thereto.

(b) Sharing of Repair and Maintenance. The cost of reasonable structural repair and maintenance of a Party Wall shall be shared equally by the Owners of the Lots sharing such Party Wall. However, each Owner shall be solely responsible for maintaining and painting the side of any Party Wall which faces such Owner's Lot.

(c) Destruction by Fire or Other Casualty. If a Party Wall is destroyed or damaged by fire or other casualty, any Owner whose Lot is affected thereby may restore it, and the Owner(s) of any other Lot(s) which is/are affected thereby shall contribute equally to the cost of restoration thereof without prejudice, however, to the right of any such Owner to call for a larger contribution from the other(s) under any rule of law regarding liability for negligent or willful acts or omissions.

(d) Right to Contribution Runs With Land. The right of any Owner to contribution from any other Owner for work performed under this Section 9.3 shall be appurtenant to and shall run with the land and shall be binding upon the Owners and their successors, assigns and grantees. Notwithstanding the foregoing, the obligation to pay contribution for work already performed shall not run with the land and be binding upon (i) any "first Mortgage" (as defined in Article XIII below) who obtains title to a Lot pursuant to foreclosure of its Mortgage or by deed in lieu of foreclosure, and (ii) any purchaser at a foreclosure sale of a first Mortgage.

9.4. NPDES Requirements.

The Properties are subject to any applicable Federal, State and local requirements of the National Pollutant Discharge Elimination System ("**NPDES**") adopted pursuant to the Federal Clean Water Act, including without limitation any Storm Water Pollution Prevention Plan, Water Quality Management Plan or similar plan for the Properties ("**Water Management Plan**") which identifies certain Best Management Practices ("**BMPs**") to reduce the discharge of pollutants to storm water facilities before, during and after construction on the Properties is completed. The Association and the Owners, as applicable, shall comply with all BMPs and

perform all maintenance imposed by the Water Management Plan and all other governmental requirements. Any costs incurred by the Association in connection with the foregoing shall be Common Expenses.

9.5. Damage to Common Area by Owners.

The cost of any maintenance, repairs or replacements by the Association within the Common Area or Association Maintenance Areas, arising out of or caused by the willful or negligent act of an Owner, his tenants, or their Families, guests or invitees shall, after Notice and Hearing, be levied by the Board as a Compliance Assessment against such Owner.

9.6. Damage to Dwelling Units-Reconstruction.

If all or any portion of any Lot or Dwelling Unit is damaged or destroyed by fire or other casualty, it shall be the duty of the Owner of such Lot to rebuild, repair or reconstruct the Lot and the Dwelling Unit on such Lot in a manner which will restore them substantially to their appearance and condition immediately prior to the casualty or as otherwise approved by the ARC. The Owner of any damaged Lot or Dwelling Unit and the ARC shall be obligated to proceed with all due diligence hereunder, and such Owner shall cause reconstruction to commence within six (6) months after the damage occurs and to be completed within one (1) year after damage occurs, unless prevented by causes beyond his reasonable control. A transferee of title to the Lot which is damaged or upon which is located a damaged Dwelling Unit shall commence and complete reconstruction in the respective periods which would have remained for the performance of such obligations if the Owner of the Lot at the time of the damage still held title to the Lot. However, in no event shall such transferee of title be required to commence or complete such reconstruction in less than three (3) months from the date such transferee acquired title to the Lot. Notwithstanding any of the foregoing, the provisions of this Section 9.6 shall not require an Owner to repair or reconstruct any portion of his Lot which constitutes Association Maintenance Areas which are required to be repaired or reconstructed by the Association pursuant to Article XI of this Declaration.

ARTICLE X

10. Use Restrictions.

All real property within the Properties shall be held, used and enjoyed subject to the following limitations and restrictions and the exemptions of Declarant set forth in this Declaration.

10.1. Single Family Residence.

Each Lot shall be used as a residence for a single Family and for no other purpose. An Owner may rent his Lot to a single Family provided that the Lot is rented pursuant to a lease or rental agreement which is (a) in writing, (b) subject to all of the provisions of the Governing Documents, (c) for a term of not less than thirty (30) days, and (d) not for transient occupancy purposes (including hotel, inn, bed and breakfast, vacation rental, time-share or similar temporary lodging). Upon the renting of a Lot, the Owner shall be deemed to have assigned all of the Owner's rights to use the Common Area owned in fee by the Association, if any, to the lessee or tenant. The Owner shall at all times be responsible for his tenant's or lessee's

compliance with all of the provisions of the Governing Documents. A lessee or tenant shall have no obligation to the Association to pay assessments imposed by the Association, nor shall any lessee or tenant have any voting rights in the Association. Copies of the Governing Documents shall be provided to each tenant or lessee by the Owner of the Lot. None of the foregoing shall prevent an Owner from renting his Lot to Declarant for use as a sales office, model home, parking area or for other residential or non-residential purposes.

10.2. Business or Commercial Activity.

No part of the Properties shall ever be used for any business, commercial (including auctions or similar events), manufacturing, mercantile, storage, vending or other nonresidential purposes, including without limitation any activity for which the provider is compensated in any way or receives any form of consideration, regardless of whether the activity is engaged in full or part-time, generates or does not generate a profit, or requires or does not require a license; except Declarant, its successors and assigns may use any portion of the Properties for a model home site and display and sales offices in accordance with Article XIV hereof. The provisions of this Section 10.2 shall not preclude any of the above-described activities without external evidence thereof, provided that all of the following conditions are fulfilled: (a) such activities are conducted in conformance with all applicable governmental ordinances; (b) the patrons or clientele of such activities do not visit the Lot or park automobiles or other vehicles within the Properties; (c) the existence or operation of such activities is not apparent or detectable by sight, sound or smell from outside of the boundaries of the Lot; (d) no such activity increases the liability or casualty insurance obligation or premium of the Association; and (e) such activities are consistent with the residential character of the Properties and conform with the provisions of this Declaration.

10.3. Nuisances.

No noxious or offensive activities shall be carried on upon the Properties or on any public street abutting or visible from the Properties. No horns, whistles, bells or other sound devices, except security devices used exclusively to protect the security of a Dwelling Unit and its contents and reasonable speakers (including exterior speakers) for home entertainment sound systems, shall be placed or used on any Lot. Noisy or smoky vehicles, large power equipment and large power tools (excluding lawn mowers and other equipment utilized in connection with ordinary landscape maintenance), off-road motor vehicles or items which may unreasonably interfere with television or radio reception of any Owner in the Properties, and objects which create or emit loud noises or noxious odors shall not be located, used or placed on any portion of the Properties or on any public street abutting the Properties. No unreasonable noise levels from a barking dog or other animal are permitted (e.g., chronic daily barking by a dog over extended periods of time). The Board shall have the right to determine if any noise, odor, or activity producing such noise or odor constitutes a nuisance. No Owner shall permit or cause anything to be done or kept on the Properties or on any public street abutting the Properties which may increase the rate of insurance in the Properties, or result in the cancellation of such insurance, or which will obstruct or interfere with the rights of other Owners, nor commit or permit any nuisance thereon or violate any law. Each Owner shall comply with all of the requirements of the local or state health authorities and with all other governmental authorities with respect to the occupancy and

use of a Dwelling Unit. Each Owner shall be accountable to the Association and other Owners for the conduct and behavior of children and other Family members or persons residing in or visiting his Lot. Any damage to the Common Area, personal property of the Association, Association Maintenance Areas or property of another Owner, caused by such children or other Family members, shall be repaired at the sole expense of the Owner of the Lot where such children or other Family members or persons are residing or visiting.

10.4. Signs.

Subject to the provisions of Sections 712, 713 and 4710 of the California Civil Code, no sign, poster, display, billboard or other advertising device of any kind shall be displayed to the public view on any portion of the Properties or on any public street abutting or visible from the Properties without the prior written consent of the ARC, except (a) one (1) sign for each Lot, not larger than eighteen (18) inches by thirty (30) inches, advertising the Lot for sale or rent, (b) traffic and other signs installed by Declarant as part of the original construction of the Properties, or (c) signs, regardless of size, used by Declarant to advertise the Properties during the construction and sales period or installed by Declarant to denote visitor parking on the Common Area. All signs or billboards shall conform to the requirements of all applicable laws.

10.5. Parking and Vehicular Restrictions.

(a) Prohibited Vehicles. The following vehicles are Prohibited Vehicles: recreational vehicles (e.g., motorhomes, travel trailers, camper vans, boats, etc.), commercial-type vehicles (e.g., stakebed trucks, tank trucks, dump trucks, step vans, concrete trucks, etc.), buses or vans designed to accommodate more than ten (10) people, vehicles having more than two (2) axles, trailers, inoperable vehicles or parts of vehicles, aircraft, other similar vehicles or any vehicle or vehicular equipment deemed a nuisance by the Board. Prohibited Vehicles shall not be parked, stored or kept within the Properties. The foregoing shall not preclude (i) the parking of commercial-type vehicles, buses or vans owned by third parties for purposes of loading or unloading or completing their intended tasks, and (ii) the parking of recreational vehicles for purposes of loading or unloading for periods not to exceed four (4) hours in any twenty four (24) hour period. The Association has the power to identify additional vehicles as Prohibited Vehicles and to adapt the foregoing restrictions to other types of vehicles that are not listed above.

(b) General Restrictions. Subject to the restriction on Prohibited Vehicles, all vehicles owned or operated by or within the control of an Owner or a resident of an Owner's Lot and kept within the Properties shall be parked in the garage of that Owner to the extent of the space available; provided that each Owner shall ensure that any such garage accommodates the number of vehicles for which it was originally constructed by Declarant. The Association, upon not less than two (2) days prior written notice to the Owner, shall have the right to inspect the garage of any Owner to verify compliance with the foregoing. No repair, maintenance or restoration of any vehicle shall be conducted on the Properties except within an enclosed garage when the garage door is closed (with proper ventilation to prevent the dangerous build-up of toxic fumes), provided such activity is not undertaken as a business, and provided that such

activity may be prohibited entirely by the Board if the Board determines that it constitutes a nuisance.

(c) Parking Regulations. There shall be no parking in the private alleys. The Board may establish additional regulations as it deems appropriate in its sole discretion with regard to any of the parking areas not assigned to individual Lots, including without limitation designating "parking," "guest parking," and "no parking" areas thereon; and shall have the power to enforce all parking and vehicle use regulations applicable to the Properties, including the power to remove violating vehicles from any of the Properties pursuant to California Vehicle Code Section 22658 or other applicable laws. If the Board fails to enforce any of the parking or vehicle use regulations, the County may, but need not, enforce such regulations in accordance with state and local laws and ordinances.

10.6. Animal Restrictions.

No livestock, insects, reptiles, poultry or other animals of any kind shall be raised, bred or kept on the Properties except that usual and ordinary domestic dogs, cats, fish, birds and other household pets (excluding, without limitation, equine, bovine, sheep, swine, goats and other such animals) may be kept on Lots, provided that they are not kept, bred or maintained for commercial purposes, in unreasonable quantities, or in violation of the Rules and Regulations. As used in this Declaration, "**unreasonable quantities**" shall mean more than two (2) dogs, cats or combination thereof per household. Small household pets such as fish and caged birds may also be kept in reasonable quantities so long as there is no external evidence of their presence in the Properties. Animals belonging to Owners, occupants or their licensees, tenants or invitees within the Properties must be either kept within an enclosure or on a leash being held by a person capable of controlling the animal. Furthermore, any Owner shall be liable to each and all remaining Owners, their Families, guests, tenants and invitees, for any unreasonable noise or damage to person or property caused by any animals brought or kept upon the Properties by such Owner or by members of his Family, his tenants or his guests. It shall be the duty and responsibility of each such Owner to clean up after such animals which have used any portion of the Properties, or public street abutting or visible from the Properties. In addition to the foregoing, any Owner who maintains any animal within the Properties, whether in compliance with or in violation of this Declaration, shall indemnify, defend and hold the Association and its officers, directors, agents and employees free and harmless from any and all claims, demands and causes of action (including without limitation attorneys' fees) brought by any party against the Association or its officers, directors, agents or employees for any personal injury, property damage or other damage caused by such animal.

10.7. Trash and Unsightly Items.

No rubbish, trash or garbage or other waste material shall be kept or permitted upon any Lot, the Common Area or on any public street abutting or visible from the Properties, except in sanitary containers located in appropriate areas screened and concealed from view, and no odor shall be permitted to arise therefrom so as to render the Properties, or any portion thereof, unsanitary, unsightly, offensive or detrimental to any other property in the vicinity thereof or to its occupants. Such containers shall be exposed to the view of neighboring Lots only from 5:00

p.m. the day before the trash collection to 10:00 p.m. the day of trash collection. There shall be no exterior fires whatsoever except barbecue fires contained within receptacles therefor and fire pits in enclosed areas and designed in such a manner that they do not create a fire hazard. No clothing, household fabrics or other unsightly articles shall be hung, dried or aired on or over any Lot in such a way as to be visible from any other Lot, and no lumber, grass, shrub or tree clippings or plant waste, metals, bulk material, scrap, refuse or trash shall be kept, stored or allowed to accumulate on any portion of the Properties except within an enclosed structure or if appropriately screened from view. No plants or seeds infected with noxious insects or plant diseases shall be brought upon, grown or maintained upon the Properties.

10.8. Temporary Buildings.

No outbuilding, basement, tent, shack, shed or other temporary building or Improvement of any kind shall be placed upon any portion of the Properties either temporarily or permanently (except for short term use of tents for recreational purposes in the back yards of the Lots). No garage, carport, trailer, camper, motor home, recreation vehicle or other vehicle shall be used as a residence in the Properties, either temporarily or permanently.

10.9. Outside Installations.

No radio station or shortwave operators of any kind shall operate from any Lot or Dwelling Unit unless approved by the ARC. Subject to the provisions of Section 4725 of the California Civil Code and any rules or regulations adopted by the Federal Communications Commission pursuant to the Telecommunications Act of 1996, no exterior radio antenna, "C.B." antenna, television antenna, earth receiving station, satellite dish or other antenna of any type shall be erected or maintained in the Properties unless approved by the ARC. However, a master antenna or antennae or cable television antenna or antennae may, but need not, be provided by Declarant for the use of all Owners, and Declarant may grant easements for such purposes. No basketball backboard or other sports apparatus shall be constructed or maintained in the Properties without the prior approval of the ARC. No patio cover, wiring, or air conditioning fixture, water softeners, or other devices shall be installed on the exterior of a Dwelling Unit or be allowed to protrude through the walls or roof of the Dwelling Unit (with the exception of those items installed during the original construction of the Dwelling Unit) unless the prior written approval of the ARC is obtained.

10.10. Drilling.

No oil drilling, oil, gas or mineral development operations, oil refining, geothermal exploration or development, quarrying or mining operations of any kind shall be permitted upon or in any Lot or the Common Area, nor shall oil wells, tanks, tunnels or mineral excavations or shafts be permitted upon the surface of any Lot or the Common Area or within five hundred feet (500') below the surface thereof. No derrick or other structure designed for use in boring for water, oil, geothermal heat or natural gas shall be erected, maintained or permitted upon any Lot or the Common Area.

10.11. Further Subdivision.

Except as otherwise provided herein, no Owner shall further partition or subdivide his Lot, including without limitation any division of his Lot into time-share estates or time-share uses; provided, however, that this provision shall not be construed to limit the right of an Owner (1) to rent or lease his entire Lot by means of a written lease or rental agreement subject to the restrictions of this Declaration; (2) to sell his Lot; or (3) to transfer or sell any Lot to more than one Person to be held by them as tenants-in-common, joint tenants, tenants by the entirety or as community property. Any failure by the lessee of such Lot to comply with the terms of this Declaration, the Bylaws of the Association or the Rules and Regulations shall constitute a default under the lease or rental agreement.

10.12. Drainage.

There shall be no interference with or alteration of the established surface and subsurface drainage patterns over any Lot within the Properties unless an adequate alternative provision is made for proper drainage with the prior written approval of the ARC. For the purpose hereof, "**established**" drainage is defined as the drainage which exists at the time that such Lot is conveyed to a purchaser from Declarant or as shown on any plan subsequently approved by the ARC, and shall include drainage from the Lots onto the Common Area and from the Common Area onto the Lots. The "**established drainage pattern**" may include roof mounted gutters and downspouts and "cross lot drainage" whereby water from a Lot drains across one (1) or more adjoining Lots or the Common Area or whereby water from the Common Area drains across one (1) or more adjoining Lots by means which include surface sheet flow, subsurface drain lines, bench drains, "v" ditches or other drainage facilities. Each Owner of a Lot affected by such cross lot drainage shall permit free access by the Association and/or other applicable Owners to all drainage facilities located on his Lot which affect the Common Area or adjoining Lots when such access is essential for the maintenance or permanent stabilization of slopes or the maintenance of such drainage facilities. Each Owner shall keep all such drainage facilities on his Lot in proper working order and free from dirt, debris and other obstructions. Declarant expressly reserves for the benefit of each Owner and his Lot and for the Common Area, reciprocal nonexclusive easements over the Lots and the Common Area for the drainage of water in accordance with the foregoing.

10.13. Water Supply Systems.

No individual water supply, sewage disposal system, or water softener system shall be permitted on any Lot in the Properties unless such system is designed, located, constructed and equipped in accordance with the requirements, standards and recommendations of any applicable water district, the County, the ARC, and all other applicable governmental authorities.

10.14. View Obstructions.

Each Owner, by accepting title to a Lot, hereby acknowledges that (a) there are no protected views within the Properties, and no Lot is assured the existence or unobstructed continuation of any particular view, and (b) any construction, landscaping or other installation of Improvements by Declarant, other Owners or others may impair the view from any Lot, and the Owners hereby consent to such view impairment.

10.15. Solar Energy Systems.

Each Owner may install a solar energy system on his Lot which serves his Dwelling Unit so long as (1) the design and location of the solar energy system meets the requirements of all applicable laws, and (2) said design and location receives the prior written approval of the ARC pursuant to Article VIII of this Declaration (subject to the provisions of Section 714 of the California Civil Code).

(a) System Described. Some or all of the Dwelling Units in the Properties may be improved with roof-mounted residential solar energy systems (each, including any modifications or replacements, a “**System**”). Each system may include some or all of the following components:

- (i) roof-mounted frames and brackets;
- (ii) roof-integrated photovoltaic roof tiles, roof-mounted or roof-inserted solar panels, or other roof-mounted devices or structures or part of a device or structure used to collect and transform solar energy into thermal, chemical or electrical energy for any or all of (i) water heating, (ii) space heating or cooling, or (iii) power generation (each a “**Solar Array**”);
- (iii) electrical wiring;
- (iv) an inverter that converts DC electricity generated by the Solar Array to AC electricity for home use;
- (v) a bi-directional electric meter compatible with solar energy generation; and
- (vi) a web-based solar energy monitoring system.

(b) Other System Requirements. To be subject to the protections of this Declaration, a Solar Array must be located on the roof, comply with the building codes and other applicable regulations of the local governmental agencies having jurisdiction over the Properties, and must be no less than ten (10) feet above the Grade Plane of the Lot on which the Solar Array is located. As used herein, “**Grade Plane**” means a reference plane representing the average of the finished ground level adjoining the Dwelling Unit along the exterior walls nearest the Solar Array. Where the finished ground level slopes away from the exterior walls, the Grade Plane shall be established by the lowest points within the area between the Dwelling Unit and the Lot line or, where the Lot line is more than six (6) feet from the Dwelling Unit, between the Dwelling Unit and a point six (6) feet from the Dwelling Unit. The components of a System may change due to the cost or availability of new or different technology. A System that is installed on a Lot may be purchased and owned by the Owner of the Lot, or it may be operated

under the terms of a written lease or power purchase agreement between the Owner and a third-party entity.

(c) Solar Array Shading Restriction. A System generates energy by exposure to the sun, and the generation of energy will be reduced or even eliminated if trees, landscaping, structures or other Improvements on any Lot are allowed to cause shading of the System's Solar Array. Solar Array shading restrictions are established to protect the reliable and beneficial production of solar energy from Systems.

As used in this Declaration, “**Prohibited Shading**” means any shadow cast over any portion of the surface of any Solar Array at any time by any trees, other landscaping, structures or other Improvements that do not comply with the requirements of Section 10.15(e) below. No Owner of a Lot may permit any trees, other landscaping, structures or other Improvements to be installed or maintained on such Lot that causes Prohibited Shading of a Solar Array, whether such Solar Array is located on such Owner's Lot or on a neighboring Lot. Further, no Owner of a Lot may permit the planting of any tree or other landscaping on the Lot that, at its generally accepted mature height, will likely cause Prohibited Shading.

Every Owner of a Lot must consider the height at maturity and the location of trees planted on such Owner's Lot, and the height and location of other Improvements installed on such Owner's Lot, in order to prevent Prohibited Shading of any Solar Array. This Prohibited Shading restriction will apply to any Solar Array installed in the future unless Prohibited Shading of such Solar Array exists at the time the Solar Array is installed or will occur at any time during the three hundred sixty four (364) days after installation as a result of pre-existing shading conditions. Notwithstanding the foregoing, no Prohibited Shading is ever permitted if the future Solar Array that is being shaded is or will be installed by or on behalf of Declarant as part of the original construction of a Dwelling Unit by Declarant (“**Declarant Installed Array**”), and every Owner must obtain from Declarant information concerning Declarant Installed Arrays planned for the future as described in Section 10.15(h) below. This Prohibited Shading restriction also applies regardless of the fact that an applicable local governmental agency or the ARC may have issued an approval or permit for the subject tree, other landscaping, structures or other Improvements causing the Prohibited Shading. This Prohibited Shading restriction does not apply to shading caused by Dwelling Units or other Improvements constructed by Declarant or to trees or other landscaping installed by Declarant.

(d) Design and Approval of Improvements. To prevent Prohibited Shading of Solar Arrays by Improvements installed by Owners of Lots or persons in control of such Lots (and except for Declarant installed trees as provided below), the distance of planted trees and other Improvements from the nearest point of a nearby Solar Array must be carefully planned. Mature trees are generally categorized by height as being small (up to twenty (20) feet), medium (up to thirty five (35) feet) or large (up to fifty (50) feet). An as example, a Solar Array on a one-story Dwelling Unit means that even a small tree, if planted too close to the Dwelling Unit, can cause shading of the Solar Array when the tree matures. Determining the height and

distance of mature trees and other Improvements is very important when Improvements to a Lot are planned by the Owner of such Lot.

(e) Height and Distance Requirements. The following table (“**Horizontal Distance Table**”) describes the closest horizontal distance that trees (as measured from the vertical prolongation of the tree trunk at grade) or other Improvements of various heights may be located from the nearest point of a nearby Solar Array on the roof of a one-story, two-story or three-story Dwelling Unit. The criterion used to determine these height and distance guidelines (“**Minimal Shading Criterion**”) is that no obstruction can be closer than a distance of twice the height the obstruction extends above the lowest point of the Solar Array.

(CONTINUED ON NEXT PAGE)

Solar Array Location	Small Tree Distance (up to 20 feet tall)	Medium Tree Distance (up to 35 feet tall)	Large Tree Distance (up to 50 feet tall)
1 story Dwelling Unit (lowest point of Solar Array is 12 feet above grade)	16 feet (minimum distance from nearest point on Solar Array)	46 feet (minimum distance from nearest point on Solar Array)	76 feet (minimum distance from nearest point on Solar Array)
2 story Dwelling Unit (lowest point of Solar Array is 22 feet above grade)	Any distance	26 feet (minimum distance from nearest point on Solar Array)	56 feet (minimum distance from nearest point on Solar Array)
3 story Dwelling Unit (lowest point of Solar Array is 32 feet above grade)	Any distance	6 feet (minimum distance from nearest point on Solar Array)	36 feet (minimum distance from nearest point on Solar Array)

(f) Application of Requirements. The Minimal Shading Criterion and the requirements established in the Horizontal Distance Table apply to the distance of trees, other landscaping, structures and other Improvements on a Lot from any Solar Array, whether the Solar Array is located on such Lot or on a neighboring Lot. When planning to plant a tree or install any Improvements, the Minimal Shading Criterion and Horizontal Distance Table must be used to determine the areas of maximum height at minimum distance from the nearest point or points on the Solar Array. For example, using the Minimal Shading Criterion, a tree having a mature height of forty (40) feet should be planted at a distance not less than fifty six (56) feet from the nearest point on a Solar Array on the roof of a one-story Dwelling Unit. The Horizontal

Distance Table and the Minimal Shading Criterion do not apply to the location of trees and other landscaping planted on a Lot, the Common Area, the Association Maintenance Areas, a public right-of-way or otherwise by Declarant.

(g) Tree Selection. Once the planned height and distance of trees has been determined, a tree variety must be selected that has the appropriate mature height characteristics. The ARC may issue rules or guidelines containing tree recommendations.

(h) Improvement Plan Approval. An Owner may not permit the planting of any tree or the installation of other Improvements on such Owner's Lot without the prior approval of the ARC under Article VIII of this Declaration. The Improvement plan submitted to the ARC must include, in a scaled drawing, the height and distance from the applicable Solar Arrays of the proposed Improvements and the types of planned trees and their mature heights. The foregoing includes the height and distance from any Declarant Installed Arrays that may be constructed at a later date, and as part of its application to the ARC the Owner shall obtain from Declarant and submit to the ARC information for Declarant Installed Arrays planned for the future that could be shaded by the Improvements planned by the Owner. If Declarant fails to provide such information within twenty (20) days of Declarant's receipt of a written request therefor, the Owner and the ARC shall be entitled to proceed based on the assumption that all adjacent Lots owned by Declarant will ultimately contain a one (1) story Dwelling Unit located five (5) feet from the side property lines and ten (10) feet from the rear property line. The ARC shall not issue any approval to the Owner if the planned Improvement will result in Prohibited Shading of any Solar Array, including any Declarant Installed Arrays planned for the future. In making this determination, the ARC may require that the Improvement plan submitted by the Owner include a certification ("**Certification**") from a licensed architect or a licensed landscape architect (as applicable) that the planned Improvement complies with this Section 10.15, including the prohibition against Prohibited Shading of Declarant Installed Arrays that may be constructed at a later date. The ARC shall be entitled to rely on the Certification, and the ARC shall have no liability for any error, inaccuracy or misrepresentation contained in the Certification.

(i) Maintenance Requirements. Each Owner must maintain the height of trees and other landscaping on such Owner's Lot to prevent Prohibited Shading of any Solar Array. This same obligation applies to the Association with respect to the Common Area and the Association Maintenance Areas. The height and distance standards in the Horizontal Distance Table and the Minimal Shading Criterion establish the maximum height of trees and other landscaping that may be maintained to minimize the shading of Solar Arrays. For example, for a Solar Array on the roof of a one-story Dwelling Unit, existing trees and landscaping must be maintained so that they do not exceeded twenty (20) feet in height at a distance of sixteen (16) feet from the nearest point on the Solar Array, thirty five (35) feet in height at a distance of forty six (46) feet from the nearest point on the Solar Array, and fifty (50) feet in height at a distance of seventy six (76) feet from the nearest point on the Solar Array.

(j) Impact of Shading Restriction. The restriction against Prohibited Shading of Solar Arrays by trees and other Improvements means that (i) the planting of trees or at least certain trees in the yard areas of a Lot, (ii) the installation of upper-floor additions, roof-mounted structures or other tall Improvements within a Lot, and (iii) the growth of trees to mature heights may be restricted or prohibited. In some cases, the Lots may be adjacent to other lots that are not encumbered by this Declaration. In such cases, these adjacent lots might not be restricted from causing Prohibited Shading of Solar Arrays installed on one or more of the Lots, which may result in the occurrence of Prohibited Shading which impairs the performance of one (1) or more Systems on the Lots.

(k) Effect of Applicable Laws. The provisions of this Declaration are in addition to other restrictions (for example, height, setback, landscaping and architectural design restrictions) that may also apply to the height, location and maintenance of trees and other Improvements installed on a Lot, whether such other restrictions are imposed by law (including without limitation California Civil Code Sections 714 and 714.1 and California Public Resources Code Sections 25980 et seq.) or by easements or other matters of record (collectively, the “**Other Restrictions**”). If there is a conflict between the Other Restrictions and this Declaration, the one that provides for greater protection of the Solar Arrays shall control.

10.16. Installation of Landscaping.

The Owner of each Lot shall complete the installation of landscaping on the front yard of his Lot and any other portions of his Lot which are visible from any street, in accordance with a plan approved by the ARC, within six (6) months after the Close of Escrow for the sale of such Lot from Declarant (except to the extent such landscaping has been installed by Declarant). Each Owner shall obtain all permits necessary and shall comply with all requirements of the County in connection with such landscaping.

10.17. Window Coverings.

No window in any Dwelling Unit shall be covered, in whole or in part, inside or outside, with sheets, aluminum foil, newspaper, paint, reflective tint or any other material reasonably deemed inappropriate for such use by the ARC; provided, however, that an Owner may use plain white sheets to cover windows for a period not to exceed three (3) months from the Close of Escrow or initial occupancy of the Dwelling Unit, whichever occurs first, pending the installation of drapes, curtains, shutters or other appropriate interior window coverings.

10.18. Hazardous Materials.

All Hazardous Materials shall be used and disposed of within the Properties in compliance with applicable law and any program established by the Association with respect thereto. Toxic chemicals or hydrocarbon compounds such as gasoline, motor oil, anti-freeze, solvents, paints, paint thinners, wood preservatives and other such fluids shall not be discharged into any street or any storm drain or storm water conveyance system within the Properties. Use and disposal of pesticides, fungicides, herbicides, insecticides, fertilizers and other such chemical treatments shall comply with all applicable laws. As used herein, “**Hazardous Materials**” means any waste, substance, chemical or material which is or becomes subject to any federal, state or local

law (including any regulation or ordinance) concerning toxic or hazardous substances, health, industrial hygiene or the environment.

10.19. Garage Doors.

All Dwelling Units shall have automatic roll-up garage doors.

ARTICLE XI

11. Damage and Condemnation.

Damage to or destruction of all or any portion of the Common Area or the Association Maintenance Areas and condemnation of all or any portion of the Common Area shall be handled in the following manner:

(a) If the Common Area or the Association Maintenance Areas are damaged or destroyed, the Association shall cause such Common Area or Association Maintenance Areas to be repaired and reconstructed substantially as they previously existed.

(b) If the cost of effecting total restoration of such Common Area or Association Maintenance Areas exceeds the amount of insurance proceeds, the Association shall cause the same to be repaired and reconstructed substantially as they previously existed, and the difference between the insurance proceeds and the actual cost shall be levied as a Reconstruction Assessment against each Lot and its respective Owner.

(c) To the extent of funds available for restoration, any restoration or repair of such Common Area or Association Maintenance Areas shall be performed substantially in accordance with the original plans and specifications unless other action is approved by sixty-seven percent (67%) of the voting power of the Association.

(d) Each Member shall be liable to the Association for any damage to the Common Area or the Association Maintenance Areas not fully reimbursed to the Association by insurance proceeds which may be sustained by reason of the negligence or willful misconduct of said Member or the Persons deriving their right and easement of use and enjoyment of the Common Area from said Member, or of his respective Family and guests, both minor and adult. The Association reserves the right, acting through the Board, after Notice and Hearing, to (1) determine whether any claim shall be made upon the insurance maintained by the Association and (2) levy against such Member a Compliance Assessment equal to any deductible paid and the increase, if any, in the insurance premium directly attributable to the damage caused by such Member or the Persons for whom such Member may be liable as described herein. In the case of joint ownership of a Lot, the liability of the owners thereof shall be joint and several, except to the extent that the Association has previously contracted in writing with such joint owners to the contrary. After Notice and Hearing, the cost of correcting such damage, to the extent not reimbursed to the Association by insurance, shall be a Compliance Assessment against such Member.

(e) If at any time all or any portion of the Common Area owned in fee by the Association, if any, or any interest therein, is taken for any public or quasi-public use, under any statute, by right of eminent domain or by private purchase in lieu of eminent domain, the award in condemnation shall be paid to the Association. Any such award payable to the Association shall be deposited in the Operating Fund. No Member shall be entitled to participate as a party, or otherwise, in any proceedings relating to such condemnation. The Association shall have the exclusive right to participate in such proceedings and shall, in its name alone, represent the interests of all Members.

ARTICLE XII

12. Insurance.

12.1. Casualty Insurance.

The Association shall cause to be obtained and maintained fire and casualty insurance with extended coverage for loss or damage to all insurable Improvements and fixtures originally installed by Declarant or installed by the Association on the Common Area or the Association Maintenance Areas for the full insurance replacement cost thereof without deduction for depreciation or coinsurance. The Association may obtain insurance against such other hazards and casualties as the Association may deem desirable. The Association may also insure any other property, whether real or personal, owned by the Association against loss or damage by fire and such other hazards as the Association may deem desirable, with the Association as the owner and beneficiary of such insurance. The insurance coverage with respect to the Common Area and the Association Maintenance Areas shall be written in the name of, and the proceeds thereof shall be payable to the Association. Subject to Article XI(d) and XIII(d) hereof, insurance proceeds shall be used by the Association for the repair or replacement of the property for which the insurance was carried. Premiums for all insurance carried by the Association are Common Expenses included in the Annual Assessments levied by the Association.

12.2. Insurance Obligations of Owners.

Each Owner shall insure the Improvements on his Lot, including his entire Dwelling Unit, against loss or damage by fire or by any other casualty, under the standard form of extended endorsement now in use in the State of California or under such other insurance as may be required by the Beneficiary of the first Mortgage on his Lot. All such insurance shall be in an amount as near as practicable to the full replacement value of the Dwelling Unit and appurtenant Improvements, without deduction for depreciation or coinsurance. All such policies shall contain a provision that the same shall not be cancelled or terminated except upon at least thirty (30) days' written notice to the Association. Each Owner shall notify the Association of the existence or nonexistence of an assignment of such insurance maintained by said Owner upon the sale of his Lot. The Association may, but is not obligated to, cure an Owner's failure to comply with this section by purchasing the insurance on behalf of the Owner, who shall then be required to reimburse the Association for its cost of obtaining the insurance. Such cost shall constitute a Compliance Assessment against the Owner.

It is the responsibility of each Owner to provide insurance on his personal property and upon all other property and Improvements within his Dwelling Unit. It shall also be the responsibility of each Owner to carry public liability insurance in the amount such Owner deems desirable to cover his individual liability for damage to person or property occurring inside his Dwelling Unit or elsewhere upon his Lot. Such policies shall not adversely affect or diminish any liability under any insurance obtained by or on behalf of the Association, and duplicate copies of such other policies shall be deposited with the Board upon the Board's request. If any loss intended to be covered by insurance carried by or on behalf of the Association shall occur and the proceeds payable thereunder shall be reduced by reason of insurance carried by any Owner, such Owner shall assign the proceeds of such insurance carried by him to the Association, to the extent of such reduction, for application by the Board to the same purposes as the reduced proceeds are to be applied.

12.3. Waiver of Subrogation.

All policies of physical damage insurance maintained by the Association shall provide, if reasonably possible, for waiver of: (1) any defense based on coinsurance; (2) any right of setoff, counterclaim, apportionment, proration or contribution by reason of other insurance not carried by the Association; (3) any invalidity, other adverse effect or defense on account of any breach of warranty or condition caused by the Association, any Owner or any tenant of any Owner, or arising from any act, neglect, or omission of any named insured or the respective agents, contractors and employees of any insured; (4) any rights of the insurer to repair, rebuild or replace, and, in the event any Improvement is not repaired, rebuilt or replaced following loss, any right to pay under the insurance an amount less than the replacement value of the Improvements insured; or (5) notice of the assignment of any Owner of its interest in the insurance by virtue of a conveyance of any Lot. As to each policy of insurance maintained by the Association which will not be voided or impaired thereby, the Association hereby waives and releases all claims against the Board, the Owners, the Manager, Declarant, and the 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 agreement by such persons, but only to the extent that insurance proceeds are received in compensation for such loss.

12.4. Liability and Other Insurance.

The Association shall have the power and duty to and shall obtain comprehensive public liability insurance, including medical payments and malicious mischief, in such limits as it shall deem desirable (but in no event less than Two Million Dollars (\$2,000,000.00)) covering all claims for personal injury and property damage arising out of a single occurrence), insuring against liability for bodily injury, death and property damage arising from the activities of the Association or with respect to property maintained or required to be maintained by the Association including, if obtainable, a cross-liability endorsement insuring each insured against liability to each other insured. The Association may also obtain Worker's Compensation insurance and such other insurance as it may deem desirable, the premiums for which shall be a Common Expense included in the Annual Assessments levied against the Owners. All insurance policies shall be reviewed at least annually by the Board of Directors and the limits increased in its discretion. The Association may also obtain such errors and omissions insurance, indemnity bonds, fidelity

bonds and other insurance as it deems advisable, insuring the Board, the officers of the Association and the Manager against any liability for any act or omission in carrying out their obligations hereunder, or resulting from their membership on the Board or on any committee thereof. However, fidelity bond coverage which names the Association as an obligee must be obtained by or on behalf of the Association for any person or entity handling funds of the Association, including, but not limited to, officers, directors, trustees, employees and agents of the Association and employees of the Manager of the Association, whether or not such Persons are compensated for their services, in an amount not less than the estimated maximum of funds, including reserve funds, in the custody of the Association or the Manager, as the case may be, at any given time during the term of each bond. However, in no event may the aggregate amount of such bonds be less than the sum equal to one-fourth (1/4) of the Annual Assessments on all Lots in the Properties, plus reserve funds. In addition, the Association shall continuously maintain in effect such casualty, flood and liability insurance and fidelity bond coverage meeting the requirements for planned unit developments established by FNMA, GNMA and FHLMC, so long as any of which is a Mortgagee or an Owner of a Lot in the Properties, except to the extent such coverage is not available or has been waived in writing by FNMA, GNMA and FHLMC, as applicable.

12.5. Notice of Expiration Requirements.

If available, each of the policies of insurance maintained by the Association shall contain a provision that said policy shall not be cancelled, terminated, materially modified or allowed to expire by its terms, without ten (10) days' prior written notice to the Board and Declarant and to each Owner and Beneficiary, insurer and guarantor of a first Mortgage who has filed a written request with the carrier for such notice, and every other Person in interest who requests such notice of the insurer.

ARTICLE XIII

13. Rights of Mortgagees.

Notwithstanding any other provision of this Declaration, no amendment or violation of the Declaration shall operate to defeat or render invalid the rights of the Beneficiary under any Deed of Trust upon one (1) or more Lots made in good faith and for value, provided that after the foreclosure of any such Deed of Trust such Lot(s) shall remain subject to this Declaration. For purposes of this Declaration, "**first Mortgage**" shall mean a Mortgage with first priority over other Mortgages or Deeds of Trust on a Lot, and "**first Mortgagee**" shall mean the Beneficiary of a first Mortgage. For purposes of any provisions of this Declaration or the other Governing Documents which require the vote or approval of a specified percentage of first Mortgagees, such vote or approval shall be determined based upon one (1) vote for each Lot encumbered by each such first Mortgage. In order to induce FHLMC, GNMA and FNMA to participate in the financing of the sale of Lots within the Properties, the following provisions are added hereto (and to the extent these added provisions conflict with any other provisions of the Governing Documents, these added provisions shall control):

(a) All Beneficiaries, insurers and guarantors of first Mortgages, upon written request to the Association, shall have the right to:

(1) examine current copies of the Association's books, records and financial statements and the Governing Documents during normal business hours; and

(2) receive written notice of all meetings of Owners; and

(3) designate in writing a representative who shall be authorized to attend all meetings of Owners.

(b) The Board may enter into such contracts or agreements on behalf of the Association as are required in order to satisfy the guidelines of FHLMC, FNMA or GNMA or any similar entity, so as to allow for the purchase, guaranty or insurance, as the case may be, by such entities of first Mortgages encumbering Lots. Each Owner hereby agrees that it will benefit the Association and the membership of the Association, as a class of potential Mortgage borrowers and potential sellers of their residential Dwelling Units, if such agencies approve the Properties as a qualifying subdivision under their respective policies, rules and regulations, as adopted from time to time. Each Owner hereby authorizes his Mortgagees to furnish information to the Board concerning the status of any Mortgage encumbering a Lot.

ARTICLE XIV

14. Declarant Exemption.

Declarant or its successors or assigns intend, but shall not be obligated to undertake the work of constructing Dwelling Units and developing all of the Lots included within the Properties. The completion of that work and sale, resale, rental and other disposal of Dwelling Units is essential to the establishment and welfare of the Properties as a quality residential community. As used in this Article and its subparagraphs, the words "its successors or assigns" specifically do not include purchasers of Lots pursuant to transactions requiring the issuance of a Final Subdivision Public Report. In order that such work may be completed and the Properties be established as a fully occupied residential community as rapidly as possible, no Owner nor the Association shall do anything to interfere with, and nothing in this Declaration shall be understood or construed to:

(a) Prevent Declarant, its successors or assigns, or its or their contractors or subcontractors, from doing on any Lot or other portion of the Properties owned by them whatever they determine to be necessary or advisable in connection with the completion of such work, including without limitation the alteration of construction plans and designs as Declarant deems advisable in the course of development; or

(b) Prevent Declarant, its successors or assigns, or its or their representatives, from erecting, constructing and maintaining on any portion of the Properties owned or controlled by Declarant, or its successors or assigns or its or their contractors or subcontractors, such structures as may be reasonably necessary for the conduct of its or their business of completing

such work and establishing the Properties as a residential community and disposing of the same by sale, resale, lease or otherwise; or

(c) Prevent Declarant, its successors or assigns, or its or their contractors or subcontractors, from conducting on any Lot, or any portion thereof, owned or controlled by Declarant, or its successors or assigns, its or their business of developing, altering, subdividing, grading and constructing Dwelling Units and other Improvements to or on any portion of the Properties as a residential community and of disposing of Lots or Dwelling Units by sale, lease or otherwise; or

(d) Prevent Declarant, its successors or assigns or its or their contractors or subcontractors, from maintaining such sign or signs on any portion of the Properties owned or controlled by any of them as may be necessary in connection with the sale, lease or other marketing of Lots or Dwelling Units in the Properties; or

(e) Prevent Declarant, at any time prior to acquisition of title to a Lot by a purchaser from Declarant, to establish on that Lot additional licenses, reservations and rights-of-way to itself, to utility companies, or to others as may from time to time be reasonably necessary to the proper development and disposal of the Properties.

Without in any way limiting the foregoing, there is hereby reserved to Declarant, together with the right to grant and transfer same:

(f) Easements (i) over the Common Area owned in fee by the Association, if any, for the purpose of constructing, erecting, operating and maintaining thereon, therein or thereunder roads, streets, walks, driveways and parkways, and (ii) over the Properties for the installation and maintenance of electric, telephone, cable television, water, gas, irrigation, sanitary sewer and drainage lines and facilities; and

(g) The right to place on, under or across the Properties transmission lines and other facilities for a cable television or a community antenna television system and the right to enter upon the Properties to service, maintain, repair, reconstruct and replace said lines and facilities.

Declarant has the right to develop the Annexable Territory with Improvements that may be different in design, size, character, style and price from those in Phase 1 or any other Phase.

Declarant need not seek or obtain ARC approval of any Improvement constructed or placed on the Properties by Declarant. Declarant, in the exercise of its rights under this Article, shall not unreasonably interfere with the use of the Common Area by any other Owner. Declarant hereby reserves for itself an easement over the Common Area and Association Maintenance Areas to complete such work and Improvements thereon as Declarant may determine in its sole discretion.

the Board for Notice and Hearing before the complaining Owner may resort to alternative dispute resolution if required by Sections 5925 et seq. of the California Civil Code or to litigation for relief.

(c) Legal Proceedings. Failure to comply with any of the terms of the Governing Documents by an Owner, his Family, guests, employees, invitees or tenants, shall be grounds for relief which may include, without limitation, an action to recover sums due for damages, injunctive relief, foreclosure of any lien, or any combination thereof; provided, however, that the procedures established in Sections 5900 et seq. and 5925 et seq. of the California Civil Code and in Sections 15.1(a) and (b) above must first be followed if they are applicable. The Rules and Regulations may, but shall not be required to, include the dispute resolution procedures contemplated by Sections 5905 and 5910 of the California Civil Code.

(d) Schedule of Fines. The Board may adopt a schedule of reasonable fines or penalties which, in its reasonable discretion, it may assess against an Owner for the failure of such Owner, or of a resident of or visitor to such Owner's Lot, to comply with any provisions of the Governing Documents. Such fines or penalties may only be assessed by the Board after Notice and Hearing.

(e) No Waiver. Failure to enforce any provision hereof shall not constitute a waiver of the right to enforce that provision, or any other provision hereof.

(f) Right to Enforce. The Association, any Owner or Declarant (so long as Declarant is an Owner) shall be entitled to enforce the Governing Documents as described in this Article, subject to Sections 5900 et seq. and 5925 et seq. of the California Civil Code. Each Owner shall have a right of action against the Association for the Association's failure to comply with the Governing Documents. Each remedy provided for in this Declaration shall be cumulative and not exclusive or exhaustive.

(g) Attorneys' Fees. Unless specifically provided herein to the contrary, any judgment rendered in any action or proceeding pursuant to this Declaration shall include a sum for attorneys' fees in such amount as the court or arbitrator, as applicable, may deem reasonable, in favor of the prevailing party, as well as the amount of any delinquent payment, interest thereon, costs of collection and costs of court or alternative dispute resolution, as applicable. As used herein, "prevailing party" includes a party who prevails as a result of the assertion of an affirmative defense.

15.2. Severability.

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

15.3. Term.

This Declaration shall continue in full force for a term of sixty (60) years from the date of Recordation hereof, after which the term shall be automatically extended for successive periods of ten (10) years unless a Declaration of Termination satisfying the requirements of an amendment to the Declaration as set forth in Section 15.5 is Recorded.

15.4. Interpretation.

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 and for the maintenance of the Common Area and Association Maintenance Areas, and any violation of this Declaration shall be deemed to be a nuisance. 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. As used herein, the singular shall include the plural and the plural the singular; and the masculine, feminine and neuter shall each include the other, unless the context dictates otherwise.

15.5. Termination and Amendment.

(a) Notice of the subject matter of a proposed amendment to this Declaration in reasonably detailed form shall be included in the notice of any meeting or election of the Association at which a proposed amendment is to be considered. To be effective, a proposed amendment must be adopted by the vote, in person or by proxy, or written consent of Members representing not less than (i) sixty-seven percent (67%) of the voting power of each class of Members of the Association, and (ii) sixty-seven percent (67%) of the voting power of the Association residing in Members other than Declarant; provided that the specified percentage of the voting power of the Association necessary to amend a specified Section or provision of this Declaration shall not be less than the percentage of affirmative votes prescribed for action to be taken under that Section or provision. In addition, (i) Article XIV hereof may not be amended, nor shall any amendment be effective which would be counter to Article XIV or any other rights of Declarant, without the prior written consent of Declarant, and (ii) an amendment to this Declaration shall require the prior written consent of the Assistant TLMA Director – Community Development of the County of Riverside or the County’s successor-in-interest if such consent is required under Section 15.21 of this Declaration.

(b) Termination of this Declaration shall require approval by the Members as provided in subsection (a) of this Section 15.5 and the prior written consent of the Assistant TLMA Director – Community Development of the County of Riverside or the County’s successor-in-interest as provided in Section 15.21 of this Declaration.

(c) A copy of each amendment or termination shall be certified by at least two (2) officers of the Association, and the amendment or termination shall be effective when a Certificate of Amendment or Termination is Recorded. The Certificate, signed and sworn to by at least two (2) officers of the Association that the requisite number of Owners have either voted

for or consented in writing to any termination or amendment adopted as provided above, when Recorded, shall be conclusive evidence of that fact. The Association shall maintain in its files the record of all such votes or written consents for a period of at least four (4) years.

(d) Notwithstanding any other provisions of this Section 15.5 but subject to the provisions of Section 15.21 of this Declaration, at any time prior to the first Close of Escrow for the sale of a Lot within Phase 1, Declarant may unilaterally amend or terminate this Declaration by Recording a written instrument which effects the amendment or termination and is signed and acknowledged by Declarant.

(e) Notwithstanding any other provisions of this Declaration other than Section 15.21 hereof, for so long as Declarant owns any portion of the Properties or the Annexable Territory, Declarant may unilaterally amend this Declaration or a Notice of Addition by Recording a written instrument signed by Declarant in order to (i) conform this Declaration or a Notice of Addition to applicable law, (ii) conform this Declaration or a Notice of Addition to the requirements of the County or other governmental agency or entity, DRE, FNMA, GNMA, FHLMC, VA or FHA then in effect, (iii) correct typographical or other errors, including without limitation errors to any exhibit to this Declaration or a Notice of Addition, or (iv) amend Section 15.14 of this Declaration with respect to any property then owned by Declarant.

(f) Notwithstanding any other provisions of this Declaration other than Section 15.21 hereof, after Declarant no longer owns any portion of the Properties or the Annexable Territory, the Board, on behalf of the Association, may amend this Declaration or a Notice of Addition by Recording a written instrument signed by at least two (2) officers of the Association certifying that the Board approved the amendment for one (1) or more of the purposes described in clauses (i), (ii) and (iii) of Section 15.5(e) above.

15.6. No Public Right or Dedication.

Nothing contained in this Declaration shall be deemed to be a gift or dedication of all or any part of the Properties to the public, or for any public use.

15.7. Constructive Notice and Acceptance.

Every person who owns, occupies or acquires any right, title, estate or interest in or to any Lot or other portion of the Properties does hereby consent and agree, and shall be conclusively deemed to have consented and agreed, to every limitation, restriction, easement, reservation, condition and covenant contained herein, whether or not any reference to these restrictions is contained in the instrument by which such person acquired an interest in the Properties or any portion thereof.

15.8. Exhibits.

All exhibits to this Declaration are incorporated herein by this reference. To the extent the location of any Common Area or other Improvements or areas depicted on any exhibit to this Declaration, a Notice of Addition or other document Recorded pursuant to this Declaration conflicts with the actual location of such Improvements or areas, the actual location shall control.

15.9. Notices.

Except as otherwise provided in the Governing Documents or Sections 4040, 4045, 4050 or 4055 of the California Civil Code, notice to be given to an Owner shall be in writing and may be delivered personally to the Owner. Except as otherwise provided in the Governing Documents, personal delivery of such notice to one (1) or more co-owners of a Lot or to any general partner of a partnership owning a Lot shall be deemed delivery to all co-owners or to the partnership, as the case may be. Personal delivery of such notice to any officer or agent for the service of process of a corporation shall be deemed delivery to the corporation, and personal delivery of such notice to any manager, managing member or agent for the service of process of a limited liability company shall be deemed delivery to the limited liability company. In lieu of the foregoing, except as otherwise provided in the Governing Documents or Sections 4040, 4045, 4050 or 4055 of the California Civil Code, such notice may be delivered by regular United States mail, postage prepaid, addressed to the Owner at the most recent address furnished by such Owner to the Association or, if no such address shall have been furnished, to the street address of such Owner's Lot, and such notice shall be deemed delivered three (3) business days after the time of such mailing. Except as otherwise provided in Section 4035 of the California Civil Code, any notice to be given to the Association may be delivered personally to any member of the Board, or sent by United States mail, postage prepaid, addressed to the Association at such address as shall be fixed from time to time and circulated to all Owners.

15.10. Enforcement of Bonded Obligations.

If (1) the Common Area and Association Maintenance Area Improvements in any Phase of Development are not completed prior to the issuance of a Final Subdivision Public Report for such Phase by the DRE, and (2) the Association is obligee under a bond or other arrangement ("**Bond**") required by the DRE to secure performance of the commitment of Declarant to complete such Improvements, the following provisions of this Section will be applicable:

(a) The Board shall consider and vote on the question of action by the Association to enforce the obligations under the Bond, with respect to any such Improvement for which a Notice of Completion has not been filed within sixty (60) days after the completion date specified for that Improvement in the Planned Construction Statement appended to the Bond. If the Association has given an extension in writing for the completion of any Common Area Improvement, 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 the extension.

(b) A special meeting of Members, for the purpose of voting to override a decision by the Board not to initiate action to enforce the obligations under the Bond or on the failure of the Board to consider and vote on the question, shall be held no fewer than thirty-five (35) days nor more than forty-five (45) days after receipt by the Board of a petition for such a meeting signed by Members representing five percent (5%) of the total voting power of the Association. A vote of a majority of the voting power of the Association residing in 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 this decision by initiating and pursuing appropriate action in the name of the Association.

15.11. Nonliability and Indemnification.

(a) General Limitation. Except as specifically provided in the Governing Documents, or as required by law, no right or power conferred on the Board or the ARC by this Declaration, the Articles or the Bylaws shall be construed as a duty, obligation or disability charged upon the Board, the ARC, any member of the Board or of the ARC, or any other officer, employee or agent of the Association. No such Person shall be liable to any party (other than the Association or a party claiming in the name of the Association) for injuries or damage resulting from such Person's acts or omissions within what such Person reasonably believed to be the scope of his Association duties ("**Official Acts**"), except to the extent that such injuries or damage result from such Person's willful or malicious misconduct. No such Person shall be liable to the Association (or to any party claiming in the name of the Association) for injuries or damage resulting from such Person's Official Acts, except to the extent that such injuries or damage result from such Person's negligence or willful or malicious misconduct.

(b) Damages Limitation. A volunteer Board member or volunteer Association officer shall not be personally liable in excess of the coverage of insurance specified below to any Person who suffers injury, including without limitation bodily injury, emotional distress, wrongful death or property damage or loss as a result of the tortious act or omission of the volunteer Board member or officer if all of the following conditions are satisfied:

(1) The Board member or officer is a tenant of a Lot or an Owner of no more than two (2) Lots;

(2) The act or omission was performed within the scope of the Board member's or officer's Association duties (the scope of the Board member's or officer's Association duties shall include but not be limited to (i) whether to conduct an investigation of the Properties for latent deficiencies prior to the expiration of the applicable statute of limitations, and (ii) whether to commence a civil action against the builder for defects in design or construction);

(3) The act or omission was performed in good faith;

(4) The act or omission was not willful, wanton or grossly negligent;
and

(5) The Association maintained and had in effect at the time the act or omission occurred and at the time a claim was made one (1) or more policies of insurance which shall include coverage for (A) general liability of the Association, and (B) individual liability of officers and Board members for negligent acts or omissions in that capacity; provided that both types of coverage are in the amount of at least five hundred thousand dollars (\$500,000.00) if the

Properties then consisted of one hundred (100) or fewer Lots, and at least one million dollars (\$1,000,000.00) if the Properties then consisted of more than one hundred (100) Lots.

A Board member or Association officer who at the time of the act or omission was the Declarant or received direct or indirect compensation as an employee from Declarant or from a financial institution that purchased a Lot at a judicial or nonjudicial foreclosure of a Mortgage is not a volunteer for purposes of this Section 15.11(b). The payment of actual expenses incurred by a Board member or Association officer does not affect the member's or officer's status as a volunteer for purposes of this Section 15.11(b).

(c) Indemnification. The Association shall pay all expenses incurred by, and satisfy any judgment or fine levied against, any person as a result of any action or threatened action against such person to impose liability on such person for his Official Acts, provided that:

(1) The Board determines that such person acted in good faith and in a manner such person reasonably believed to be in the best interests of the Association;

(2) In the case of a criminal proceeding, the Board determines that such person had no reasonable cause to believe his conduct was unlawful; and

(3) In the case of an action or threatened action by or in the right of the Association, the Board determines that such person acted with such care, including reasonable inquiry, as an ordinarily prudent person in a like position would use under similar circumstances.

Any determination of the Board required under this Section 15.11(c) must be approved by a majority vote of a quorum consisting of Directors who are not parties to the action or threatened action giving rise to the indemnification. If the Board fails or refuses to make any such determination, such determination may be made by the vote of a majority of a quorum of the Members of the Association voting at a meeting of the Association called for such purpose, provided that the person to be indemnified shall not be entitled to vote. Payments made hereunder shall include amounts paid and expenses incurred in settling any such action or threatened action. This Section 15.11(c) shall be construed to authorize payments and indemnification to the fullest extent now or hereafter permitted by applicable law. The entitlement to indemnification hereunder shall inure to the benefit of the estate, executor, administrator, heirs, legatees, or devisees of any person entitled to such indemnification.

15.12. 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.

15.13. Mergers or Consolidations.

Upon a merger or consolidation of the Association with another association, its properties, rights and obligations may, by operation of law, be transferred to another surviving or consolidated

association or, alternatively, the properties, rights and obligations of another association may, by operation of law, be added to the properties, rights and obligations of the Association as a surviving corporation pursuant to a merger. The surviving or consolidated association may administer and enforce the covenants, conditions and restrictions established by this Declaration governing the Properties, together with the covenants and restrictions established upon any other property, as one (1) plan.

15.14. Disputes With Declarant.

(a) Prelitigation Procedures. Before the Association commences any action for damages arising out of or related to deficiencies in the design or construction of the Properties or any portion thereof, the parties shall comply with the provisions of California Civil Code Section 6000 (and not with the "Statutory Procedures" described below to the extent such Statutory Procedures could be elected by Declarant). Chapter 4 of Title 7 of Part 2 of Division 2 of the California Civil Code (California Civil Code Sections 910 to 938, inclusive) establishes non-adversarial procedures (the "**Statutory Procedures**") for resolution of certain disputes between (i) homeowners and builders, and (ii) homeowners associations and builders, including claims for damages arising out of or related to deficiencies in the residential construction, design, specifications, surveying, planning, supervision, testing or observation of construction, or other alleged violations of the standards of Chapter 2 of said Title 7. Section 914(a) of the California Civil Code permits builders to elect to use alternative non-adversarial provisions instead of the Statutory Procedures. Section 15.14(b) below contains mediation provisions, which are alternative non-adversarial provisions. Declarant has elected to use the mediation provisions set forth in Section 15.14(b) below instead of the Statutory Procedures. This election is binding. Owners and the Association are not required to initiate the Statutory Procedures under Section 910 of the California Civil Code. Instead, the procedures described in Section 15.14(b) below must be followed. In connection with any civil action by the Association against Declarant for alleged damage to the Properties or any portion thereof, the Board of Directors shall provide any written notice to the Members which may be required by Section 6150 of the California Civil Code.

Commencing on the date of the first annual meeting of the Members, Declarant relinquishes control over the Association's ability to decide whether to initiate any claim related to deficiencies in the construction, design, specifications, surveying, planning, supervision, testing or observation of construction with respect to the Properties or any portion thereof pursuant to Sections 895 et seq. of the California Civil Code ("**Defect Claim**"). This means that Declarant, current employees and agents of Declarant, Board members who are appointed by Declarant, Board members elected by a majority of votes cast by Declarant, and all other persons whose vote or written consent is inconsistent with the intent of the preceding sentence, are prohibited from participating and voting in any decision of the Association or the Owners to initiate a Defect Claim.

The Association may not initiate legal proceedings relating to a Defect Claim without the approval of sixty-seven percent (67%) of the voting power of the Association residing in Members other than Declarant.

(b) Mediation by Owners and Other Parties. As provided in Section 15.14(a) above, before the Association commences any action for damages arising out of or related to deficiencies in the design or construction of the Properties or any portion thereof, the parties shall comply with the provisions of California Civil Code Section 6000 to the extent applicable. All parties, including without limitation any Owner personally and individually (i.e. without serving as a class representative for others or becoming a member of a class action commenced by others), as well as the Association except with respect to (i) matters subject to California Civil Code Section 6000 (“**Section 6000 Matters**”), and (ii) actions taken by the Association against Declarant to collect delinquent Assessments, agree to mediate any and all controversies, disputes or claims with Declarant arising out of, related to, or in any way connected with the Properties, the purchase agreement pursuant to which any Owner acquired a Lot from Declarant (“**Purchase Agreement**”) or any resulting transaction, including without limitation claims relating to personal injury or property damage alleged to have been sustained by any Owner, such Owner’s Family or other occupants of the Properties or invitees to the Properties (“**Disputes**”) before resorting to arbitration as described in Section 15.14(c) below. Mediation is a process in which the parties attempt to resolve a dispute by discussing the dispute in the presence of an impartial, neutral third party authorized by the parties to facilitate the resolution of the dispute (“**Mediator**”). The Mediator is not empowered to impose a settlement on the parties. The parties shall agree upon a Mediator within thirty (30) days of written notice of a Dispute delivered by one party to the other. Delivery of a notice of Dispute shall be in accordance with the notice provisions of the Purchase Agreement if the Dispute is between Declarant and the initial purchaser of a Lot from Declarant and otherwise in accordance with the notice provisions of this Declaration unless applicable law requires notice to be given in another manner. If the parties cannot agree upon the selection of a Mediator within such time period, the parties shall request JAMS, Judicial Arbitrator Group, Inc. or another mutually acceptable dispute resolution service provider (as selected, the “**ADR Provider**”) to appoint, within the shortest possible period of time, a Mediator to conduct the mediation. Any party who will be relying upon an expert report and/or or repair estimate at the mediation shall provide the Mediator and the other parties with a copy of such reports and/or estimates. If one or more issues directly or indirectly relate to alleged deficiencies in design, materials or construction, all parties and their experts shall be allowed to inspect, document (by photograph, videotape or otherwise) and evaluate the alleged deficiencies prior to mediation, and any Owner and the Association, as applicable, shall make the property that is the subject of the Dispute available for such purpose. All mediation fees shall be divided equally among the parties; provided, however, that Declarant shall be responsible for any initiation fee to commence mediation, the first eight (8) hours of the Mediator’s time, and any administrative fees charged by the ADR Provider for such initiation of mediation and the first eight (8) hours of mediation. Before the mediation begins and consistent with the laws of California, the parties shall agree in writing to limit the admissibility in any arbitration or court action of anything said, any admission made, and any documents prepared in the course of the mediation. If any party commences an arbitration or court proceeding based on

a Dispute without first attempting to resolve the matter through mediation, the other party shall have the right, at any time, to cause such proceeding to be dismissed or set aside, and the commencing party shall pay all costs, expenses and reasonable attorney fees incurred by such party to have such proceeding set aside or dismissed.

(c) ARBITRATION OF DISPUTES. FOR PURPOSES OF THIS SECTION 15.14(c) AND THE REMAINING PORTIONS OF THIS SECTION 15.14 BELOW, "DISPUTE" SHALL INCLUDE SECTION 6000 MATTERS. WITHOUT IN ANY WAY LIMITING THE PROVISIONS OF SECTIONS 15.14(a) AND (b) ABOVE, ALL PARTIES AGREE THAT THE TRANSACTION UNDERLYING ANY DISPUTE INVOLVES INTERSTATE COMMERCE AND THAT ANY DISPUTE NOT SETTLED DURING MEDIATION (OR DURING THE PROCEDURES DESCRIBED IN CALIFORNIA CIVIL CODE SECTION 6000 [**"SECTION 6000 PROCEDURES"**]) WITH RESPECT TO SECTION 6000 MATTERS BETWEEN DECLARANT AND THE ASSOCIATION) SHALL BE RESOLVED BY BINDING ARBITRATION AS PROVIDED IN THE FEDERAL ARBITRATION ACT (9 U.S.C. §§1 *ET SEQ.*) BY THE ADR PROVIDER SELECTED BY THE PARTIES, WHICH ADR PROVIDER MAY BE DIFFERENT THAN THE ADR PROVIDER THAT CONDUCTED THE MEDIATION, AND SUCH DISPUTE SHALL NOT BE RESOLVED BY OR IN A COURT OF LAW OR EQUITY. EACH OWNER AGREES TO PERSONALLY AND INDIVIDUALLY (I.E., WITHOUT SERVING AS A CLASS REPRESENTATIVE FOR OTHERS OR BECOMING A MEMBER OF A CLASS ACTION COMMENCED BY OTHERS WITH RESPECT TO THE DISPUTE) ARBITRATE SUCH DISPUTE. A WRITTEN NOTICE OF THE INTENT TO ARBITRATE SUCH DISPUTE SHALL BE DELIVERED BY THE PARTY DESIRING TO ARBITRATE SUCH DISPUTE TO THE OTHER PARTY WITHIN THIRTY (30) DAYS AFTER THE CONCLUSION OF THE MEDIATION (OR THE SECTION 6000 PROCEDURES, IF APPLICABLE) IN ACCORDANCE WITH THE NOTICE PROVISIONS IN THE PURCHASE AGREEMENT IF THE DISPUTE IS BETWEEN DECLARANT AND THE INITIAL PURCHASER OF A LOT FROM DECLARANT AND OTHERWISE IN ACCORDANCE WITH THE NOTICE PROVISIONS OF THIS DECLARATION UNLESS APPLICABLE LAW REQUIRES NOTICE TO BE GIVEN IN ANOTHER MANNER. THE ARBITRATION SHALL BE CONDUCTED IN ACCORDANCE WITH THE RULES SPECIFIED BY THE ADR PROVIDER ("**RULES**"), WHICH RULES MUST INCLUDE, AND IT IS THE EXPRESS INTENT OF ALL PARTIES TO THE DISPUTE, THAT EACH SHALL BE BOUND BY THE FOLLOWING:

(1) THE ARBITRATION SHALL BE CONDUCTED BY A SINGLE ARBITRATOR AGREED UPON BY THE PARTIES WITH AT LEAST TEN (10) YEARS OF EXPERIENCE IN THE SUBJECT MATTER OF THE DISPUTE WHO MAY BE, WITHOUT LIMITATION, AN ATTORNEY LICENSED TO PRACTICE LAW IN CALIFORNIA WITH EXPERIENCE IN REAL ESTATE OR CONSTRUCTION LAW, OR AN EXPERT IN THE CONSTRUCTION INDUSTRY ("**ARBITRATOR**"). IF THE PARTIES CANNOT AGREE UPON THE SELECTION OF AN ARBITRATOR, THE ARBITRATOR SHALL BE SELECTED BY THE ADR PROVIDER IN ACCORDANCE WITH THE RULES. AN ARBITRATOR SHALL BE SELECTED WITHIN THE SHORTEST POSSIBLE PERIOD

AFTER DELIVERY OF THE WRITTEN NOTICE OF INTENT TO ARBITRATE THE DISPUTE. EXCEPT AS OTHERWISE PROVIDED IN THIS SECTION 15.14, ANY FEES DUE TO THE ADR PROVIDER IN CONNECTION WITH SUCH SELECTION PROCESS SHALL BE SPLIT EQUALLY BY THE PARTIES. IF THE AMOUNT CLAIMED EXCEEDS ONE MILLION DOLLARS (\$1,000,000), THE ARBITRATION SHALL BE HEARD AND DETERMINED BY THREE (3) ARBITRATORS UNLESS THE PARTIES AGREE ON A SINGLE ARBITRATOR. IF THREE (3) ARBITRATORS ARE TO HEAR THE DISPUTE, DECLARANT AND THE OTHER PARTY SHALL EACH SELECT AN ARBITRATOR OF THEIR CHOICE AND THOSE TWO ARBITRATORS SHALL AGREE ON THE SELECTION OF THE THIRD ARBITRATOR.

(2) THE ARBITRATOR SHALL HAVE EXCLUSIVE AUTHORITY TO RESOLVE ANY DISPUTE, INCLUDING, BUT NOT LIMITED TO ANY CLAIM THAT ALL OR ANY PART OF THE PURCHASE AGREEMENT OR ANY ADDENDA OR AMENDMENT THERETO IS VOID OR VOIDABLE. THE ARBITRATOR'S AUTHORITY IS LIMITED TO RESOLUTION OF THE DISPUTE, AND OTHER CLAIMS MAY NOT BE JOINED OR CONSOLIDATED WITH THE DISPUTE UNLESS AGREED TO IN WRITING BY ALL PARTIES. THE ARBITRATOR SHALL BE AUTHORIZED TO PROVIDE ALL RECOGNIZED REMEDIES AVAILABLE AT LAW FOR ANY CAUSE OF ACTION, EXCEPT INJUNCTIVE RELIEF. THE ARBITRATOR SHALL MAKE A DETERMINATION OF THE DISPUTE AS SOON AS POSSIBLE AFTER COMPLETION OF THE ARBITRATION PROCEEDING. THE PARTIES AGREE THAT THE ARBITRATOR'S DECISION SHALL BE FINAL AND BINDING. TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, THE PARTIES AGREE THAT NO FINDING OR STIPULATION OF FACT, NO CONCLUSION OF LAW, AND NO ARBITRATION AWARD IN ANY ARBITRATION SHALL BE GIVEN PRECLUSIVE OR COLLATERAL ESTOPPEL EFFECT WITH RESPECT TO ANY ISSUE OR CLAIM IN ANY SUBSEQUENT ARBITRATION OR COURT ACTION, EXCEPT AMONG THE PARTIES TO THE ARBITRATION.

(3) IF THE ARBITRATOR REQUIRES ANY ADVANCE FEES TO BE PAID, DECLARANT SHALL PAY THE ADVANCE FEES. HOWEVER, THE FEES SHALL ULTIMATLEY BE SPLIT EQUALLY AMONG THE PARTIES AS SET FORTH IN SECTION 15.14(C)(1) ABOVE.

(4) JUDGMENT UPON THE AWARD RENDERED BY THE ARBITRATOR MAY BE ENTERED IN ANY COURT HAVING JURISDICTION.

(5) ALL ARBITRATIONS SHALL BE CONCLUDED, IF PRACTICABLE, WITHIN ONE HUNDRED EIGHTY (180) DAYS OF THE APPLICABLE PARTY PROVIDING A NOTICE OF INTENT TO ARBITRATE THE DISPUTE TO THE OTHER PARTY.

NOTICE: YOU ARE AGREEING TO HAVE ANY DISPUTE ARISING OUT OF THE MATTERS INCLUDED IN THE "ARBITRATION OF DISPUTES" PROVISION

DECIDED BY NEUTRAL ARBITRATION AS PROVIDED BY CALIFORNIA LAW AND YOU ARE GIVING UP ANY RIGHTS YOU MIGHT POSSESS TO HAVE THE DISPUTE LITIGATED IN A COURT OR JURY TRIAL. YOU ARE GIVING UP YOUR JUDICIAL RIGHTS TO DISCOVERY AND APPEAL, UNLESS THOSE RIGHTS ARE SPECIFICALLY INCLUDED IN THE "ARBITRATION OF DISPUTES" PROVISION. IF YOU REFUSE TO SUBMIT TO ARBITRATION, YOU MAY BE COMPELLED TO ARBITRATE UNDER THE AUTHORITY OF THE CALIFORNIA CODE OF CIVIL PROCEDURE.

(d) Additional Parties. Any dispute involving Declarant's affiliates, directors, officers, employees and/or agents shall also be subject to mediation and arbitration as described above, and shall not be pursued in a court of law or equity. Declarant may, at its sole discretion, include Declarant's contractors, subcontractors and/or suppliers, as well as any warranty company, insurer or other necessary or proper party as parties in the mediation and arbitration notwithstanding any contrary provision.

(e) Attorneys' Fees/Costs. Except as otherwise expressly provided in this Section 15.14, each party shall bear its own costs and expenses, including attorneys' fees and expert costs and fees, related to any Dispute. The fees and costs associated with mediation and/or arbitration proceedings will depend in large part on the nature of the Dispute. As such, it is not possible to estimate the fees and costs in advance.

(f) Time for Filing/Location. In no event shall the Dispute be submitted for mediation or arbitration after the date when institution of a legal or equitable proceeding based on the underlying claims in such Dispute would be barred by the applicable statute of limitations or statute of repose. Arbitration proceedings shall be conducted in the jurisdiction where the Properties are located.

(g) Consumer Due Process Protocol. Declarant supports the principles set forth in the Consumer Due Process Protocol developed by the National Consumer Dispute Advisory Committee and agrees that, notwithstanding the requirements for arbitration stated in this Section 15.14, an Owner or the Association, as applicable, shall have the option, after pursuing mediation (or the Section 6000 Procedures, if applicable) as provided herein, to seek relief in a small claims court for Disputes or claims within the scope of the court's jurisdiction in lieu of proceeding to arbitration. There shall be no appeal from a decision by a small claims court.

(h) Injunctive Relief. Notwithstanding anything in this Section 15.14 to the contrary, if any party seeks injunctive relief, and not monetary damages, from a court because irreparable damage or harm would otherwise be suffered by either party before mediation or arbitration could be conducted, such action shall not be interpreted to indicate or be deemed a waiver of the right to mediate or arbitrate.

(i) WAIVER OF CLASS ACTION. EACH PARTY WAIVES THE RIGHT FOR ANY DISPUTE TO BE COMMENCED, HEARD OR RESOLVED AS A CLASS ACTION. DECLARANT AND EACH OWNER WAIVE AND AGREE NOT TO ASSERT ANY

CLASS ACTION OR REPRESENTATIVE ACTION CLAIMS AGAINST THE OTHER IN MEDIATION, ARBITRATION OR OTHERWISE, AND AGREE THAT IT IS THE EXPRESS INTENT OF EACH PARTY THAT CLASS ACTION AND REPRESENTATIVE ACTION PROCEDURES NOT BE ASSERTED OR APPLIED WITH RESPECT TO ANY DISPUTE.

Notwithstanding any other provisions of this Declaration, this Section 15.14 may not be amended without the written consent of Declarant attached to and recorded with such amendment, regardless of whether Declarant continues to maintain an ownership interest in any Lot or Membership in the Association.

15.15. No Representations or Warranties.

No representations or warranties of any kind, express or implied, have been given or made by Declarant, or its agents or employees in connection with the Properties, or any portion thereof, its physical condition, zoning, compliance with applicable laws, fitness for intended use, or in connection with the subdivision, sale, operation, maintenance, cost of maintenance, taxes or regulation thereof as a planned development, except as specifically and expressly set forth in this Declaration and except as may be filed by Declarant from time to time with the DRE.

15.16. Compliance with Applicable Laws.

Notwithstanding the provisions contained in the Governing Documents, the Association and the Owners should be aware that various laws (including without limitation the Davis-Stirling Common Interest Development Act codified at Sections 4000 et seq. of the California Civil Code, the federal Fair Housing Act codified at Title 42 United States Code, Sections 3601 et seq. and the Regulations of the Real Estate Commissioner set forth in Title 10 of the California Code of Regulations, Sections 2790 et seq.) may affect the Properties. Additionally, various governmental bodies (including without limitation the California legislature, the United States Congress and various state and federal agencies) from time to time enact new laws and regulations and amend or repeal existing laws and regulations, and laws and regulations are interpreted by the courts. Accordingly, it is Declarant's intent that the Governing Documents be interpreted and construed to be consistent with applicable laws, which may supplement or override the Governing Documents. Declarant makes no representations or warranties regarding the enforceability of any portion of the Governing Documents.

15.17. References to Code Sections and Regulations.

All references in this Declaration and the other Governing Documents to a federal or state code section or regulation shall mean such code section or regulation as it may be amended or otherwise modified from time to time.

15.18. Post-Tension Concrete System.

Each Owner acknowledges and understands that his Dwelling Unit may have been built using a post-tension concrete system ("**System**"). The System involves placing steel cables under high tension in the concrete slab foundation located beneath the Dwelling Unit. Therefore, any attempt to alter or pierce the foundation (for example, cutting, drilling or installation of a subterranean floor safe) could damage the integrity of the System and/or cause serious injury or

damage to persons or property. Each Owner covenants and agrees that: (i) he shall not cut into or otherwise tamper with the System unless required in the event of an emergency (such as a plumbing leak); (ii) he shall not permit or allow any other person to cut into or tamper with the System unless required in the event of an emergency (such as a plumbing leak); (iii) he shall disclose the existence of the System to any tenant, lessee or subsequent purchaser of the Lot and to any person who may perform the emergency repairs authorized by clauses (i) and (ii) above; and (iv) Declarant shall not be responsible for any damage or injury resulting from or arising in connection with the alteration of the System by the Owner or any employee, agent, Family member or representative of the Owner.

15.19. No Enhanced Protection Agreement.

No provisions of the Governing Documents are intended by Declarant to constitute an "enhanced protection agreement" as defined in California Civil Code Section 901. No provisions of the Governing Documents shall be interpreted to constitute such an enhanced protection agreement.

15.20. Providing Documents to Subsequent Owners.

Each Owner of a Lot shall provide to any subsequent Owner of such Lot all warranties, maintenance recommendations and other documents and information related to such Lot which were provided to the original purchaser of such Lot by Declarant.

15.21. County Required Provisions.

The County's conditions of approval for the Properties require that the provisions set forth below be included in this Declaration verbatim. The "property owners' association" referred to in the provisions below is defined in this Declaration as the "Association."

"Notwithstanding any provision in this Declaration to the contrary, the following provisions shall apply:

The property owners' association established herein shall manage and continuously maintain the 'common area' more particularly described on Exhibit "B" attached hereto, and shall not sell or transfer the 'common Area' or any part thereof, absent the prior written consent of the Assistant TLMA Director of the County of Riverside or the County's successor-in-interest.

The property owners' association shall have the right to assess the owners of each individual lot or unit for the reasonable cost of maintaining such 'common area' and shall have the right to lien the property of any such owner who defaults in the payment of a maintenance assessment. An assessment lien, once created, shall be prior to all other liens recorded subsequent to the notice of assessment or other document creating the assessment lien.

This Declaration shall not be terminated, 'substantially' amended or property deannexed therefrom absent the prior written consent of the Assistant TLMA Director of the County of Riverside or the County's successor-in-interest. A proposed amendment shall be

considered "substantial" if it affects the extent, usage or maintenance of the 'common area' established pursuant to this Declaration.

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

16. Annexation of Additional Property.

Additional real property may be annexed to Phase 1 and such additional real property may become subject to this Declaration by any of the methods set forth hereinafter:

16.1. Additions by Declarant.

Declarant or its successors or assigns shall have the right from time to time to add the Annexable Territory, or any portion or portions thereof (including any Common Area located therein), to the Properties and to bring such added territory within the general plan and scheme of this Declaration without the approval of the Association, its Board of Directors or Members. As each Phase of Development is developed, Declarant may, with respect thereto, record a supplemental declaration ("**Supplemental Declaration**") which may supplement this Declaration with such additional covenants, conditions, restrictions, reservations and easements as Declarant may deem appropriate for that Phase of Development. Unless otherwise permitted by the County, all of the Annexable Territory must ultimately be annexed to this Declaration.

16.2. Other Additions.

In addition to the provisions for annexation specified in Section 16.1 above, additional real property may be annexed to the Properties and brought within the general plan and scheme of this Declaration upon the approval by vote or written consent of Members entitled to exercise no less than two-thirds (2/3) of the voting power of the Association.

16.3. Rights of Added Territory Members.

Subject to the provisions of Section 16.4, upon the Recording of a Notice of Addition containing the provisions as set forth in this Section, all provisions contained in this Declaration shall apply to the real property described in such Notice of Addition (the "**added territory**") in the same manner as if it were originally covered by this Declaration. Thereafter, the rights, powers and responsibilities of the parties to this Declaration with respect to the added territory shall be the same as with respect to the property originally covered hereby, and the rights, powers and responsibilities of the Owners, lessees and occupants of Lots within the added territory, as well as within the property originally subject to this Declaration, shall be the same as if the added territory were originally covered by this Declaration. From and after the first day of the first month following the first Close of Escrow for the sale of a Lot in the added territory, the Owners of Lots located in the added territory shall share in the payment of assessments to the Association to meet Common Expenses of the entire Properties as provided in Section 6.7 hereof. Voting

rights attributable to the Lots in the added territory shall not vest until Annual Assessments have commenced as to such Lots.

16.4. Notice of Addition of Territory.

The additions authorized under Sections 16.1 and 16.2 shall be made by Recording a Notice of Addition of Territory, or other similar instrument with respect to the added territory ("**Notice of Addition**") which shall extend the general plan and scheme of this Declaration to such added territory. The Notice of Addition for any addition under Section 16.1 shall be signed by Declarant. The Notice of Addition for any addition under Section 16.2 shall be signed by at least two (2) officers of the Association to certify that the requisite approval of the Members under Section 16.2 was obtained. The Recordation of said Notice of Addition shall constitute and effectuate the annexation of the added territory described therein, and thereupon said added territory shall become and constitute a part of the Properties, become subject to this Declaration and encompassed within the general plan and scheme of the covenants, conditions, restrictions, reservation of easements and equitable servitudes contained herein, and become subject to the functions, powers and jurisdiction of the Association; and the Owners of Lots in the added territory shall automatically become Members of the Association. Such Notice of Addition may contain a Supplemental Declaration with such additions and modifications of the covenants, conditions, restrictions, reservation of easements and equitable servitudes contained in this Declaration as may be necessary to reflect the different character, if any, of the added territory, or as Declarant may deem appropriate in the development of the added territory, and as are not inconsistent with the general plan and scheme of this Declaration. In no event, however, shall such Notice of Addition or Supplemental Declaration revoke, modify or add to the covenants, conditions, restrictions, reservation of easements, or equitable servitudes established by this Declaration as the same shall pertain to the real property originally covered by this Declaration. Concurrently with the first Close of Escrow for the sale of a Lot in any Phase of Development annexed to the Properties in accordance herewith, Declarant shall pay to the Association an appropriate amount (as determined by the DRE) for reserves for replacement or deferred maintenance of the Common Area in such Phase necessitated by or arising out of the use and occupancy of the Dwelling Units in such Phase under a rental program conducted by Declarant if such rental program was in effect for at least one (1) year prior to such first Close of Escrow.

16.5. Deannexation and Amendment.

Declarant may amend a Notice of Addition or delete all or a portion of a Phase of Development or other property subject to this Declaration from coverage of this Declaration and the jurisdiction of the Association, so long as Declarant is the owner of all of such Phase of Development or other property, and provided that (1) an amending instrument or a Notice of Deletion of Territory, as applicable, is Recorded in the same manner as the applicable Notice of Addition was Recorded, (2) Declarant has not exercised any Association vote with respect to any portion of such Phase of Development or other property, (3) assessments have not yet commenced with respect to any portion of such Phase of Development or other property, (4) Close of Escrow has not occurred for the sale of any Lot in such Phase of Development or other property, (5) the Association has not made any expenditures or incurred any obligations with respect to any portion of such Phase of Development or other property, and (6) the prior written

consent of the Assistant TLMA Director – Community Development of the County of Riverside or the County’s successor-in-interest has been obtained if such consent is required under Section 15.21 of this Declaration.

[SIGNATURES ON FOLLOWING PAGE]

This Declaration is dated for identification purposes 12/10, 2018.

RANCHOS PROPERTY, a California general partnership

By: 

Nancy Murakami
General Partner

RANCON REAL ESTATE CORPORATION, a California corporation

By: 

Mike L. Diaz
Chief Executive Officer

“Declarant”

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 RIVERSIDE)

On DECEMBER 17, 2018, before me, CINDY R SMITH
_____, Notary Public, personally appeared _____

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

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

WITNESS my hand and official seal.



Signature Cindy R Smith (Seal)

EXHIBIT "A"

LEGAL DESCRIPTION OF ANNEXABLE TERRITORY

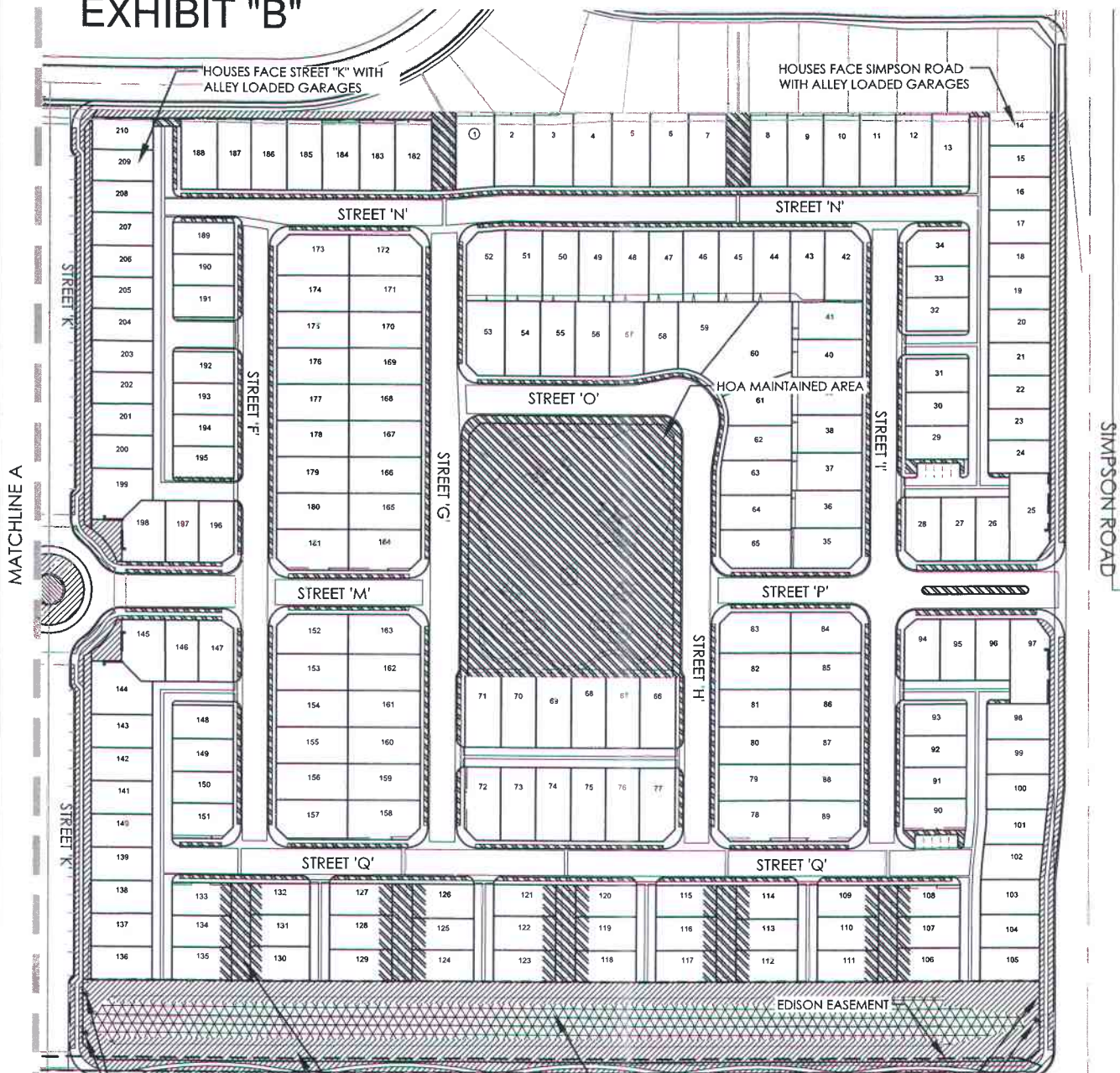
That certain real property in the County of Riverside, State of California which is more particularly described as follows:

All of Tract No. 34677, as per Map Recorded in Book ____, Pages ____ through ____, inclusive, of Maps, in the Office of the Riverside County Recorder; excepting therefrom, Phase 1.

EXHIBIT "B"

MAINTENANCE EXHIBIT

EXHIBIT "B"



PROVIDE NORMALLY OPEN T.S. GATE TO BE CLOSED DURING LARGE RAIN EVENTS

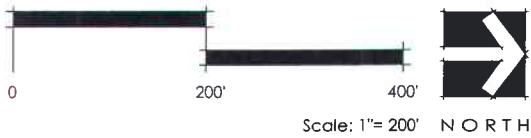
DEPTH D.G. OVER CLASS II BASE AT ACCESS ROAD / PEDESTRIAN TRAIL TYP.

PROVIDE NORMALLY OPEN T.S. GATE TO BE CLOSED DURING LARGE RAIN EVENTS REMOVABLE BOLLARDS AT TRAIL ENTRANCES (TYP.)

MAINTENANCE LEGEND

VALLEY WIDE MAINTAINED	
	TOTAL SQ FT FOR AREA 273,854 SF TOTAL ACREAGE FOR AREA 6.29 ACRES
FLOOD CONTROL MAINTAINED	
	TOTAL SQ FT FOR AREA 110,222 SF TOTAL ACREAGE FOR AREA 2.53 ACRES
HOA MAINTAINED	
	TOTAL SQ FT FOR AREA 375,986 SF TOTAL ACREAGE FOR AREA 8.63 ACRES
	V.W. BLOCK WALL 1,430 L.F.
	V.W. VIEW FENCE 1.5' SPLIT 5' T.S. 2,435 L.F.
	V.W. VINYL VIEW FENCE 2,741 L.F.
	V.W. 3-RAIL FENCE 205 L.F.
	V.W. 16' VINYL GATE 7 EACH

- NOTES:**
- IN ADDITION TO THE PRIVATE HOA MAINTAINED PARKS, REQUIRED BY THE COUNTY OF RIVERSIDE, PUBLIC PARK OBLIGATIONS TO VALLEY-WIDE PER SPECIFIC PLAN 293 SUBSTANTIAL CONFORMANCE 7 CONDITIONS ARE REQUIRED
 - VALLEY-WIDE MAINTENANCE RESPONSIBILITY DOES NOT INCLUDE ANY WATER QUALITY BMPs.
 - WATER QUALITY TREATMENT WILL BE PROVIDED WITHIN HOA MAINTAINED LOTS.
 - NO TREES SHALL BE PLANTED WITHIN THE EDISON EASEMENT. NO METAL FENCING SHALL BE PERMITTED PROVIDE A 10' BUFFER AROUND ALL TRANSMISSION POLES. FREE OF LANDSCAPE. IRRIGATION VALVES AND CONTROLLERS SHALL BE LOCATED OUTSIDE THE EASEMENT
 - ONCE FUTURE STREETScape / LANDSCAPING PLANS ARE PREPARED, SOUTHERN CALIFORNIA EDISON REQUESTS THE RIGHT TO REVIEW SUCH PLANS TO EVALUATE HOW THE PROPOSED LANDSCAPING WITHIN THEIR EASEMENT AREA COULD AFFECT THE ABILITY TO ACCESS AND MAINTAIN THEIR TRANSMISSION FACILITIES.

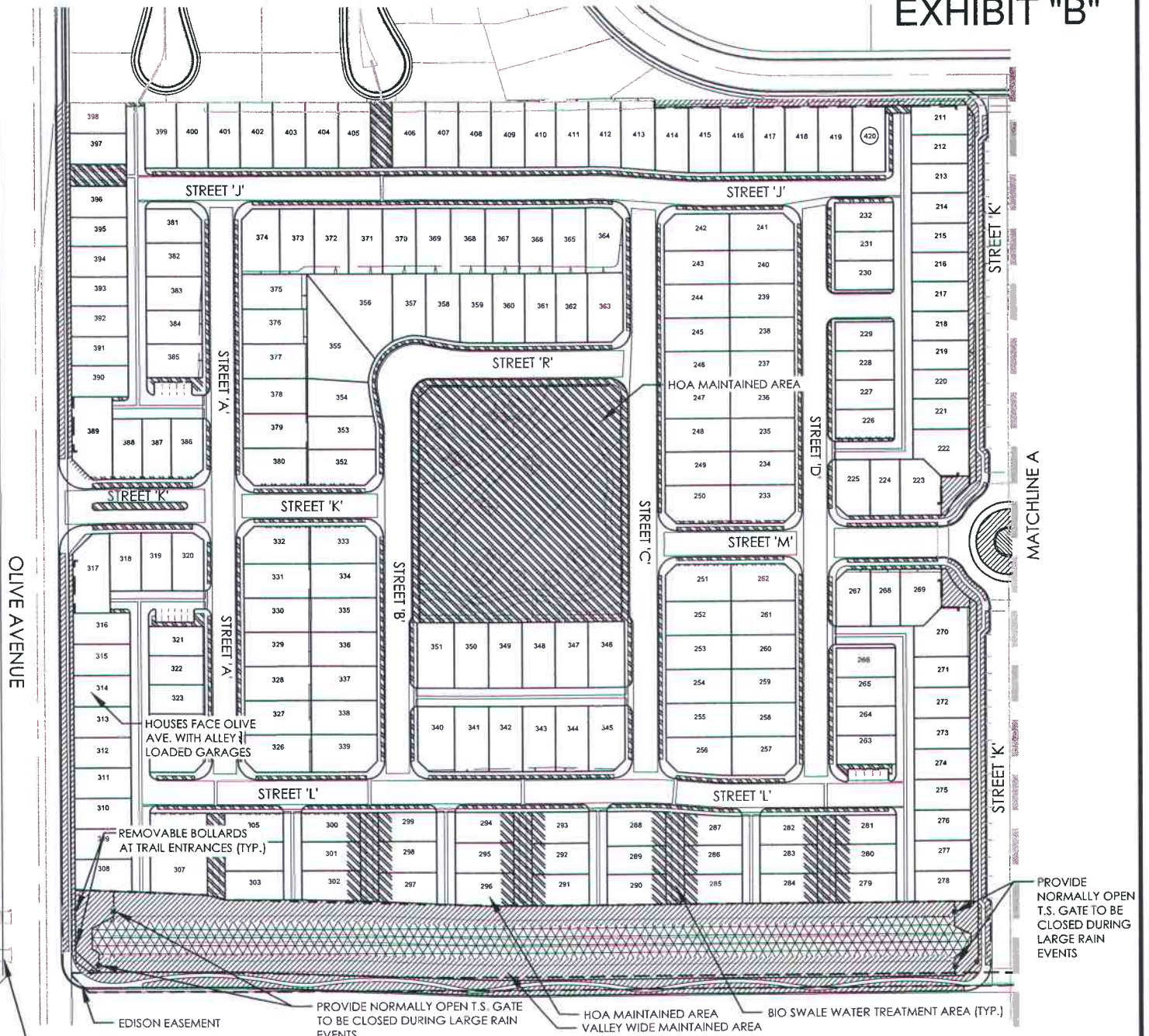


MAINTENANCE EXHIBIT

LANDSCAPE CONCEPT PLAN LAS PRADERAS - TR. 34677



EXHIBIT "B"



MAINTENANCE LEGEND

VALLEY WIDE MAINTAINED

TOTAL SQ FT FOR AREA 273,854 SF
TOTAL ACREAGE FOR AREA 6.29 ACRES

FLOOD CONTROL MAINTAINED

TOTAL SQ FT FOR AREA 110,222 SF
TOTAL ACREAGE FOR AREA 2.53 ACRES

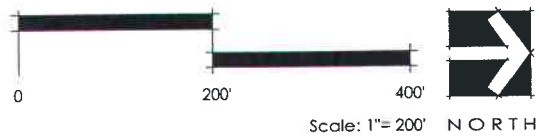
HOA MAINTAINED

TOTAL SQ FT FOR AREA 375,986 SF
TOTAL ACREAGE FOR AREA 8.63 ACRES

--- V.W. BLOCK WALL 1,430 L.F.
--- V.W. VIEW FENCE 1.5" SPLIT S.T.S. 2,435 L.F.
--- V.W. VINYL VIEW FENCE 2,741 L.F.
--- V.W. 3-RAIL FENCE 205 L.F.
* V.W. 16" VINYL GATE 7 EACH

NOTES:

- IN ADDITION TO THE PRIVATE HOA MAINTAINED PARKS, REQUIRED BY THE COUNTY OF RIVERSIDE, PUBLIC PARK OBLIGATIONS TO VALLEY-WIDE PER SPECIFIC PLAN 293 SUBSTANTIAL CONFORMANCE 7 CONDITIONS ARE REQUIRED.
- VALLEY-WIDE MAINTENANCE RESPONSIBILITY DOES NOT INCLUDE ANY WATER QUALITY BMPs. WATER QUALITY TREATMENT WILL BE PROVIDED WITHIN HOA MAINTAINED LOTS.
- NO TREES SHALL BE PLANTED WITHIN THE EDISON EASEMENT. NO METAL FENCING SHALL BE PERMITTED. PROVIDE A 10' BUFFER AROUND ALL TRANSMISSION POLES. FREE OF LANDSCAPE. IRRIGATION VALVES AND CONTROLLERS SHALL BE LOCATED OUTSIDE THE EASEMENT.
- ONCE FUTURE STREETScape / LANDSCAPING PLANS ARE PREPARED, SOUTHERN CALIFORNIA EDISON REQUESTS THE RIGHT TO REVIEW SUCH PLANS TO EVALUATE HOW THE PROPOSED LANDSCAPING WITHIN THEIR EASEMENT AREA COULD AFFECT THE ABILITY TO ACCESS AND MAINTAIN THEIR TRANSMISSION FACILITIES.



MAINTENANCE EXHIBIT

LANDSCAPE CONCEPT PLAN LAS PRADERAS - TR. 34677

PDS West



David REALTY ASSOCIATES Inc.
951 | 296 | 3430
www.dnassociates.com

COUNTY OF RIVERSIDE

10/12/20

RECORDING REQUESTED BY:

First American Title Company
Homebuilder Services Division

WHEN RECORDED MAIL TO:

First American Title Company
1250 Corona Pointe, Suite 200
Corona, CA 92879

Order: 4517503

**SUBDIVISION GUARANTEE
TRACT MAP 34677**

SUBDIVISION GUARANTEE

Fee: \$150.00
Tract No. 34677

First American Title Insurance Company
a corporation

GUARANTEES

The County of Riverside and any City within which said subdivision is located in a sum not exceeding \$10,000.00.

That, according to those public records which, under the recording laws, impart constructive notice of matters affecting the title to the land included within the exterior boundary shown on the map of the above referenced subdivision, the only parties having any record title interest in said land whose signatures are necessary, under the requirements of the Subdivision Map Act, on the certificates consenting to the recordation of said map and offering for dedication any streets, roads, avenues and other easements offered for dedication by said map are:

RANCHOS PROPERTY, G.P., AN UNDIVIDED 98% INTEREST
A CALIFORNIA GENERAL PARTNERSHIP

RANCON REAL ESTATE CORP., AN UNDIVIDED 2% INTEREST

The map hereinbefore referred to is a subdivision of:

BEING A SUBDIVISION OF PARCEL 2 OF PARCEL MAP NO. 19086, ON FILE IN BOOK 115, PAGES 84 AND 85, OF PARCEL MAPS, BOTH RECORDS OF RIVERSIDE COUNTY, LYING WITHIN SECTION 30, TOWNSHIP 5 SOUTH, RANGE 2 WEST, S.B.M.

Dated: October 13, 2020

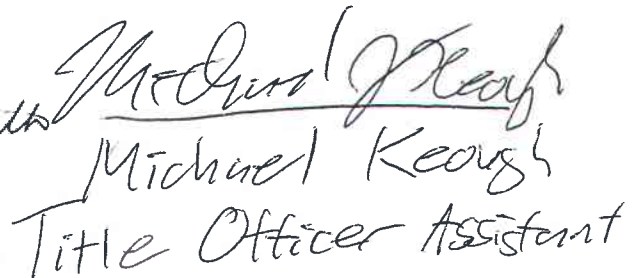
First American Title Insurance Company



Dennis J. Gilmore, President



Greg L. Smith, Secretary



Michael Keough
Title Officer Assistant

IT

AT WE ARE THE OWNERS OF THE LAND INCLUDED WITHIN THE SUBDIVISION SHOWN
E THE ONLY PERSONS WHOSE CONSENT IS NECESSARY TO PASS A CLEAR TITLE TO
CONSENT TO THE MAKING AND RECORDING OF THIS SUBDIVISION MAP AS SHOWN
E BORDER LINE: THE REAL PROPERTY DESCRIBED BELOW IS DEDICATED AS AN
PURPOSES: LOTS "A", "B", "C", AND "AA" THE DEDICATION IS FOR STREET AND
SES.

EDUCATION OF LOT "A" (SIMPSON ROAD), LOT "B" (LEON ROAD), LOT "C" (OLIVE AVENUE), AND
SUE), THE OWNERS OF LOTS 14 THROUGH 25 INCLUSIVE, LOTS 97 THROUGH 105 INCLUSIVE,
17 INCLUSIVE, LOTS 389 THROUGH 398 INCLUSIVE, LOT 423, LOTS 437 THROUGH 440 INCLUSIVE,
GH 448 INCLUSIVE, ABUTTING THESE HIGHWAYS AND DURING SUCH TIME WILL HAVE NO RIGHTS
E GENERAL EASEMENT OF TRAVEL, ANY CHANGE OF ALIGNMENT OR WIDTH THAT RESULTS IN
K SHALL TERMINATE THIS CONDITION OF ACCESS RIGHTS AS TO THE PART VACATED.

JTS "D" THROUGH "A", INCLUSIVE, AND ALLEYS "A" THROUGH "CC", INCLUSIVE, INDICATED AS
S SHOWN HEREON FOR PRIVATE USE, FOR THE SOLE BENEFIT OF OURSELVES, OUR SUCCESSORS,
OWNERS WITHIN THIS TRACT MAP.

JTS 423 THROUGH 426 INCLUSIVE, AND LOTS 437 THROUGH 446, INCLUSIVE, INDICATED AS "OPEN
" FOR PRIVATE USE FOR THE SOLE BENEFIT OF OURSELVES, OUR SUCCESSORS, ASSIGNEES AND
THIS TRACT MAP.

JTS 427 THROUGH 436, INCLUSIVE, INDICATED AS "WATER QUALITY BASIN", AS SHOWN HEREON,
R THE SOLE BENEFIT OF OURSELVES, OUR SUCCESSORS, ASSIGNEES AND LOT OWNERS WITHIN THIS
TRACT MAP.

JTS 421 AND 422, INDICATED AS "PARK" AS SHOWN HEREON, FOR PRIVATE USE, FOR THE SOLE
S, OUR SUCCESSORS, ASSIGNEES AND LOT OWNERS WITHIN THIS TRACT MAP.

DESCRIBED BELOW IS DEDICATED AS AN EASEMENT FOR PUBLIC PURPOSES: STORM DRAIN
OF LOTS 447 AND 448, AS SHOWN HEREON, THE DEDICATION IS FOR THE CONSTRUCTION AND
OD CONTROL FACILITIES.

DESCRIBED BELOW IS DEDICATED AS AN EASEMENT FOR PUBLIC PURPOSES:
R, INCLUSIVE, AND ALLEYS "A" THROUGH "CC", INCLUSIVE, AS SHOWN HEREON, THE DEDICATION IS
PURPOSES TOGETHER WITH THE RIGHT OF INGRESS AND EGRESS FOR EMERGENCY VEHICLES WITHIN
R, INCLUSIVE, AND ALLEYS "A" THROUGH "CC", INCLUSIVE.

DESCRIBED BELOW IS DEDICATED AS AN EASEMENT FOR PUBLIC PURPOSES: "WATER QUALITY
OF LOTS 427 THROUGH 436, INCLUSIVE, AS SHOWN HEREON, THE DEDICATION IS FOR WATER
TON PURPOSES.

DESCRIBED BELOW IS DEDICATED IN FEE FOR PUBLIC PURPOSES TO VALLEY-WIDE RECREATION AND
TY OF RIVERSIDE, STATE OF CALIFORNIA: LOTS 437 THROUGH 446, INCLUSIVE, THE DEDICATION IS
LANDSCAPE MAINTENANCE PURPOSES.

DESCRIBED BELOW IS DEDICATED AS AN EASEMENT FOR PUBLIC PURPOSES TO VALLEY-WIDE
K DISTRICT, COUNTY OF RIVERSIDE, STATE OF CALIFORNIA: LOTS 447 AND 448, AS SHOWN
TON IS FOR OPEN SPACE, LANDSCAPE MAINTENANCE, AND TRAIL PURPOSES.

G.P., AN UNDIVIDED 98% INTEREST
L PARTNERSHIP
CORP., AN UNDIVIDED 2% INTEREST

IN THE UNINCORPORATED TERRITORY OF THE COUNTY OF RIVERSIDE, STATE OF CALIFORNIA
TRACT NO. 34677
BEING A SUBDIVISION OF PARCEL 2 OF PARCEL MAP NO. 19086, ON FILE IN BOOK 115, PAGES 84 AND
85, OF PARCEL MAPS, BOTH RECORDS OF RIVERSIDE COUNTY, LYING WITHIN SECTION 30, TOWNSHIP 5
SOUTH, RANGE 2 WEST, S.B.M.

ACS CONSULTING, INC.

JUNE 2019

NOTARY ACKNOWLEDGEMENT

A NOTARY PUBLIC OR OTHER OFFICER COMPLETING THIS CERTIFICATE
VERIFIES ONLY THE IDENTITY OF THE INDIVIDUAL WHO SIGNED THE
DOCUMENT TO WHICH THIS CERTIFICATE IS ATTACHED, AND NOT THE
TRUTHFULNESS, ACCURACY, OR VALIDITY OF THAT DOCUMENT.

STATE OF CALIFORNIA
COUNTY OF RIVERSIDE

BEFORE ME, Andy R. Smith A NOTARY PUBLIC,
PERSONAL APPEARED Miss L. Biss WHO PROVED TO ME ON THE BASIS OF
SATISFACTORY EVIDENCE TO BE THE PERSON(S) WHOSE NAME(S) ARE SUBSCRIBED TO THE WITHIN
INSTRUMENT AND ACKNOWLEDGED TO ME THAT HE/SHE/HEY EXECUTED THE SAME IN HER/HER/THER
AUTHORIZED CAPACITY(IES), AND THAT BY SIGNATURE 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 LAWS OF THE STATE OF CALIFORNIA THAT THE
FOREGOING PARAGRAPH IS TRUE AND CORRECT.

WITNESS MY HAND AND OFFICIAL SEAL.

[Signature]
SIGNATURE

Commission # 2252165
Commission Exp. 8/21/2022
Riverside County

TAX COLLECTOR'S CERTIFICATE

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

DATED: October 21 2020.

Matthew Jennings
TAX COLLECTOR
RIVERSIDE COUNTY TAX COLLECTOR

TAX BOND CERTIFICATE

I HEREBY CERTIFY THAT A BOND IN THE SUM OF \$ HAS BEEN
EXECUTED AND FILED WITH THE BOARD OF SUPERVISORS OF THE COUNTY OF RIVERSIDE, CALIFORNIA,
CONDITIONED UPON THE PAYMENT OF ALL TAXES, STATE, COUNTY, MUNICIPAL, OR LOCAL, AND ALL
SPECIAL ASSESSMENTS COLLECTED AS TAXES WHICH AT THE TIME OF FILING OF THIS MAP WITH THE

BY: Glenn Hayward DEPUTY
TAX COLLECTOR

SURVEYOR'S STATEMENT

THIS MAP WAS PREPARED BY A
CONFORMANCE WITH THE REQU
REQUEST OF RANGHOS PROPER
THE CHARACTER AND OCCUPY
THE TERMS OF THE MONUMENT
SUFFICIENT TO ENABLE THE SU
CONFORMS TO THE CONDITIONA
SHOWN.

DATED: 8-24

[Signature]
FRANK A. ARTIGA
L.S. NO. 8716
EXP. 06/30/22

COUNTY SURVEYOR'S STATEMENT

THIS MAP CONFORMS TO THE F
HEREBY STATE THAT THIS MAP
TO BE SUBSTANTIALLY THE SA
FILED, AMENDED, AND APPROV
EXPIRATION DATE BEING JUNE
CORRECT.

DATED: 11-30

[Signature]
DAVID L. MCQUILLAN
COUNTY SURVEYOR
L.S. 8488, EXP. 12/31/20

BOARD OF SUPERVISORS STATEMENT

Commission # 2752165
Commission Exp. 8/21/2022
Riverside County

EXP. 08/21/22

ORDS OF THIS OFFICE AS OF THIS DATE, THERE ARE
WITHIN MAP FOR UNPAID STATE, COUNTY,
MENTS COLLECTED AS TAXES, EXCEPT TAXES OR
W/ A TEN BUT NOT YET PAYABLE, WHICH ARE

Matthew Jennings
COUNTY TAX COLLECTOR

Sharon Kistner
DEPUTY

HAS BEEN
ORS OF THE COUNTY OF RIVERSIDE, CALIFORNIA,
TATE, COUNTY, MUNICIPAL, OR LOCAL, AND ALL
I AT THE TIME OF FILING OF THIS MAP WITH THE
ERTY BUT NOT YET PAYABLE AND SAID BOND HAS
IONS.

THE SALT CREEK CHANNEL AREA
RIVERSIDE OF THE COUNTY OF RIVERSIDE
N 66483, ET SEQ. OF THE GOVERNMENT
AND DRAINAGE AREA.

5 OF ORDINANCE 460, PAYMENT OF THE
ONEY ORDER ONLY TO THE RIVERSIDE
AT THE TIME OF ISSUANCE OF THE
OCCURS FIRST, AND THAT THE OWNER OF
ADING OR BUILDING PERMIT, SHALL PAY
ISSUANCE OF THE ACTUAL PERMIT.

COUNTY SURVEYOR'S STATEMENT

THIS MAP CONFORMS TO THE REQUIREMENTS OF THE SUBDIVISION MAP ACT AND LOCAL ORDINANCES. I
HEREBY STATE THAT THIS MAP HAS BEEN EXAMINED BY ME OR UNDER MY SUPERVISION AND FOUND
TO BE SUBSTANTIALLY THE SAME AS IT APPEARED ON THE TENTATIVE MAP OF TRACT MAP 34677 AS
FILED, AMENDED, AND APPROVED BY THE BOARD OF SUPERVISORS ON JUNE 16, 2009, THE
EXPIRATION DATE BEING JUNE 16, 2021, AND THAT I AM SATISFIED THIS MAP IS TECHNICALLY
CORRECT.

DATED: 11-30 2020.

DAVID L. McMILLAN
COUNTY SURVEYOR
L.S. 8488, EXP. 12/31/20



BOARD OF SUPERVISORS STATEMENT

THE COUNTY OF RIVERSIDE, STATE OF CALIFORNIA, BY ITS BOARD OF SUPERVISORS, HEREBY APPROVES THE TRACT
MAP AND ACCEPTS THE OFFERS OF DEDICATION MADE HEREON FOR PUBLIC ROAD AND PUBLIC UTILITY PURPOSES AND
AS PART OF THE COUNTY MAINTAINED ROAD SYSTEM SUBJECT TO IMPROVEMENTS IN ACCORDANCE WITH COUNTY
STANDARDS.

THE OFFERS OF DEDICATION FOR PUBLIC UTILITY PURPOSES ALONG WITH THE RIGHT OF INGRESS AND EGRESS FOR
EMERGENCY VEHICLES WITHIN THE "PRIVATE STREETS" IS HEREBY ACCEPTED. THE OFFERS OF DEDICATION MADE
HEREON OF THE STORM DRAIN EASEMENTS ARE HEREBY NOT ACCEPTED.

THE DEDICATION OF THE "WATER QUALITY EASEMENT" AS SHOWN HEREON, IS HEREBY ACCEPTED.

DATED: 12/01 2020.

COUNTY OF RIVERSIDE, STATE OF CALIFORNIA
BY: [Signature]
CHAIRMAN OF THE BOARD OF SUPERVISORS

ATTEST:
KECIA HARPER
CLERK OF THE BOARD OF SUPERVISORS
BY: [Signature]
DEPUTY

VALLEY-WIDE RECREATION AND PARK DISTRICT

THE VALLEY-WIDE RECREATION AND PARK DISTRICT, COUNTY OF RIVERSIDE, STATE OF CALIFORNIA,
HEREBY APPROVES THE TRACT MAP BUT DOES NOT NOW ACCEPT THE IRREVOCABLE OFFERS OF
DEDICATION MADE HEREON.

THE VALLEY-WIDE RECREATION AND PARK DISTRICT, STATE OF CALIFORNIA,
DATED: August 19, 2020, 2020.

BY: [Signature]
DEAN WETTER
GENERAL MANAGER

I.P. # 180056

SEC. 30, T. 5S., R. 2W.

SCHEDULE "A"

WHEN RECORDED PLEASE RETURN TO:

RECORDING REQUESTED BY:

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

FOR THE BENEFIT OF THE COUNTY

LIEN AGREEMENT

As Subdivision Improvement Security for Tract 34677

THIS PAGE ADDED TO PROVIDE ADEQUATE SPACE FOR
RECORDING INFORMATION

RECORDED AS A BENEFIT
COUNTY OF RIVERSIDE

WHEN RECORDED RETURN TO:

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

LIEN AGREEMENT

THIS LIEN AGREEMENT ("Lien Agreement") is entered into this 8TH day of December, by and among the County of Riverside, a political subdivision of the State of California ("County") and Ranchos Property a California general partnership and Rancon Real Estate ("Owner").
Corporation, a California Corporation

RECITALS

- A. Owner has applied to County for approval of a Final Map for as **Tract 34677** referred to herein as "Map," pursuant to Ordinance No. 460 ("the Subdivision Ordinance").
- B. Owner is required to enter into secured agreements with County entitled "Subdivision Improvement Agreements" to perform certain acts and construct certain improvements as a condition of County's approval of said Map.
- C. Owner is required by the Subdivision Improvement Agreement, the Subdivision Ordinance, and the Subdivision Map Act (Gov. Code, §§ 66462 and 66499) to provide security satisfactory to the County to secure its obligations under the Subdivision Improvement Agreement.
- D. Owner warrants that Owner has not sold any of the individual lots in the real property to be divided, as identified on the Map.
- E. With the exception of grading commenced pursuant to a valid grading permit, Owner has not commenced to install or construct any of the improvements required by the Subdivision Improvement Agreement and has not been issued any construction permits, excluding a grading permit, on any of the real property to be divided as identified on the Map.
- F. Owner has provided a title insurance policy and current title report from a title company approved by the County and issued within the 60 days prior to the execution of this Lien Agreement that documents that the Owner is the record owner of the real property to be divided as identified on the Map and the real property to be divided is not subject to any mortgages, deeds of trust, or judgment liens.
- G. Pursuant to the Subdivision Ordinance, § 17.3, County is authorized to defer the posting of securities for the provision of improvements to the land division if the Owner enters into a secured agreement to defer making land division improvements required by Article X of the Subdivision Ordinance.
- H. County is authorized to accept the security proposed by Owner, known as a lien agreement, for the Subdivision Improvement Agreement under the provisions of Government Code Section 66499 (a) (4) and Subdivision Ordinance § 17.3.

I. County has found and determined that it would not be in the public interest to require the installation of the required improvements sooner than two years after the recordation of the Map.

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

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

I. Owner's Performance and Obligations

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

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

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

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

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

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

D. Prior to obtaining a grading permit or commencing the installation and construction of any portion of the Improvements required by the Subdivision Improvement Agreement, Owner shall deposit fees for inspections, tests and other related purposes, and shall substitute other forms of security satisfactory to County in place of this Lien Agreement; provided, however, that Owner shall not be permitted to obtain said permits, substitute such security or commence the installation and construction of any portion of the Improvements if less than two (2) years have elapsed since the date of recordation of this Lien Agreement.

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

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

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

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

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

II. County's Performance and Obligations

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

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

III. Effect of Lien Agreement

A. From the date of recordation of this Lien Agreement, a lien shall attach to the Property which shall have the priority of a judgment lien in an amount necessary to discharge all obligations contained in the Subdivision Improvement Agreement and any Fees. Under no circumstances shall the County agree to subordinate the lien.

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

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

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

IV. Events of Default

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

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

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

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

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

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

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

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

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

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

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

V. County's Remedies

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

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

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

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

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

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

VI. General Provisions

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

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

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

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

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


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

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

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

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

COUNTY OF RIVERSIDE ("COUNTY")

By: 
Chairman, Board of Supervisors
V. MANUEL PEREZ

ATTEST:

KECIA HARPER,
Clerk of the Board

By: 
Deputy

Please see attached signature block _____ ("OWNER")

By: _____

By: _____

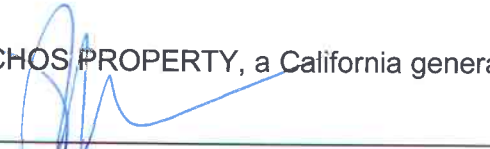
APPROVED AS TO FORM

County Counsel

By: 

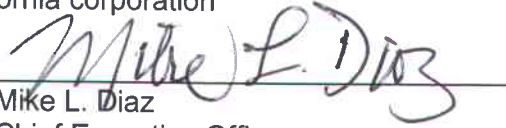
SIGNATURE BLOCK- FOR AGREEMENT FOR
LIEN AGREEMENT - TRACT 34677

RANCHOS PROPERTY, a California general partnership

By: 

Nancy Murakami
General Partner

RANCON REAL ESTATE CORPORATION, a
California corporation

By: 

Mike L. Diaz
Chief Executive Officer

By: 

Gene Steven Van Houten III
Chief Financial Officer

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 Los Angeles)

On 4/21/2020 before me, Eun Young Lee, Notary Public
(insert name and title of the officer)

personally appeared Nancy Murakami,
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)



CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

CIVIL CODE § 1189

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

State of California }
County of RIVERSIDE

On April 28, 2020 before me, Cindy R Smith, Notary Public
Date Here Insert Name and Title of the Officer

personally appeared MIKE L. DIAZ
Name(s) of Signer(s)

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



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

WITNESS my hand and official seal.

Signature [Handwritten Signature]
Signature of Notary Public

Place Notary Seal and/or Stamp Above

OPTIONAL

Completing this information can deter alteration of the document or fraudulent reattachment of this form to an unintended document.

Description of Attached Document

Title or Type of Document: _____

Document Date: _____ Number of Pages: _____

Signer(s) Other Than Named Above: _____

Capacity(ies) Claimed by Signer(s)

Signer's Name: _____

Corporate Officer – Title(s): _____

Partner – Limited General

Individual Attorney in Fact

Trustee Guardian of Conservator

Other: _____

Signer is Representing: _____

Signer's Name: _____

Corporate Officer – Title(s): _____

Partner – Limited General

Individual Attorney in Fact

Trustee Guardian of Conservator

Other: _____

Signer is Representing: _____

CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

CIVIL CODE § 1189

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

State of California }
County of RIVERSIDE }

On April 28, 2020 before me, Cindy R Smith, Notary Public
Date Here Insert Name and Title of the Officer

personally appeared Gene Steven Van Houten III
Name(s) of Signer(s)

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



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

WITNESS my hand and official seal.

Signature [Handwritten Signature]
Signature of Notary Public

Place Notary Seal and/or Stamp Above

OPTIONAL

Completing this information can deter alteration of the document or fraudulent reattachment of this form to an unintended document.

Description of Attached Document

Title or Type of Document: _____

Document Date: _____ Number of Pages: _____

Signer(s) Other Than Named Above: _____

Capacity(ies) Claimed by Signer(s)

Signer's Name: _____
 Corporate Officer – Title(s): _____
 Partner – Limited General
 Individual Attorney in Fact
 Trustee Guardian of Conservator
 Other: _____
Signer is Representing: _____

Signer's Name: _____
 Corporate Officer – Title(s): _____
 Partner – Limited General
 Individual Attorney in Fact
 Trustee Guardian of Conservator
 Other: _____
Signer is Representing: _____

EXHIBIT "A"

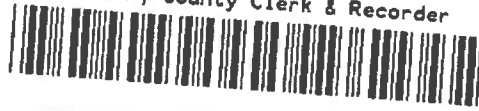
Exhibit "A"

RECORDING REQUESTED BY

NORTH AMERICAN TITLE CO.
AND WHEN RECORDED MAIL TO:
RANCHOS PROPERTY LTD
RANCON REAL ESTATE CORPORATION
c/o Central Escrow
3660 Wilshire Blvd, #108
Los Angeles, CA 90010
Attn: Nancy Murakami

DOC # 2008-0269684
05/20/2008 08:00A Fee:42.00
Page 1 of 2

Recorded in Official Records
County of Riverside
Larry W. Ward
Assessor, County Clerk & Recorder



S	R	U	PAGE	SIZE	DA	MISC	LONG	RFD	COPY
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A.P.N.: 461-150-006-9 TRA #: 089-014

Order No.: 7006710-27

Escrow Number: 2-3477

GRANT DEED

(43)



THE UNDERSIGNED GRANTOR(S) DECLARE(S) THAT DOCUMENTARY TRANSFER TAX IS: COUNTY \$-0-
The grantee herein was the beneficiary
The amount of the unpaid debt together with costs was \$ 8,200,000.00
The amount paid by the grantee over and above the unpaid debt was -0-
Said property is in the unincorporated area of Riverside County

FOR A VALUABLE CONSIDERATION, Receipt of which is hereby acknowledged,
PRADERA HEIGHTS, AN OREGON LLC

hereby GRANT(S) to RANCHOS PROPERTY LTD, A CALIFORNIA LIMITED PARTNERSHIP AS TO AN UNDIVIDED 98% INTEREST AND RANCON REAL ESTATE CORPORATION, A LICENSED REAL ESTATE BROKERAGE AS TO AN UNDIVIDED 2% INTEREST, ALL AS TENANTS IN COMMON

the following described property in the UNINCORPORATED AREA of , County of Riverside State of California;

PARCEL 2 OF PARCEL MAP 19086, IN THE COUNTY OF RIVERSIDE, STATE OF CALIFORNIA, AS SHOWN BY MAP ON FILE IN BOOK 115, PAGES 84 AND 85 OF PARCEL MAPS, RECORDS OF RIVERSIDE COUNTY, CALIFORNIA.

"THIS DEED IS AN ABSOLUTE CONVEYANCE, THE GRANTOR HAVING SOLD SAID LAND TO THE GRANTEE FOR A FAIR AND ADEQUATE CONSIDERATION, SUCH CONSIDERATION, IN ADDITION TO THAT ABOVE RECITED, BEING FULL SATISFACTION OF ALL OBLIGATIONS SECURED BY THE MORTGAGES (DEEDS OF TRUSTS) EXECUTED BY: PRADERA HEIGHTS, LLC TO RANCHOS PROPERTY LTD AND RANCON REAL ESTATE AS MORTGAGEE AS TRUSTEE'S RECORDED JUNE 20, 2007 AS INSTRUMENT NO.'S 2007-0402046 AND 2007-0402047 OFFICIAL RECORDS OF RIVERSIDE COUNTY, CALIFORNIA."

"GRANTOR DECLARES THAT THIS CONVEYANCE IS FREELY AND FAIRLY MADE, AND THAT THERE ARE NO AGREEMENTS, ORAL OR WRITTEN, OR OTHER THAN THIS DEED BETWEEN GRANTOR AND GRANTEE WITH RESPECT TO SAID LAND."

GRANT DEED CONTINUED ON NEXT PAGE

Mail Tax Statements to: SAME AS ABOVE or Address Noted Below

A.P.N.: 461-150-006-9

CONTINUATION OF GRANT DEED

PRADERA HEIGHTS, AN OREGON LLC

By: DAVID BRINGDULPH, MANAGER

Document Date: April 28, 2008

STATE OF CALIFORNIA OR egon)SS
COUNTY OF Washington)

On May 5, 2008 before me, Nancy L. Stephenson, a notary public in and for said state, personally appeared David L. Bringdulph 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 Nancy L. Stephenson

(Seal)



DOC # 2016-0088272

03/04/2016 03:44 PM Fees: \$18.00

Page 1 of 2

Recorded in Official Records

County of Riverside

Peter Aldana

Assessor-County Clerk-Recorder

RECORDING REQUESTED BY:

NORTH AMERICAN TITLE COMPANY

AND WHEN RECORDED MAIL TO:

RANCHOS PROPERTY
C/O CENTRAL ESCROW
3660 WILSHIRE BLVD., #108
LOS ANGELES, CA 90010
ATTN; NANCY MURAKAMI

**This document was electronically submitted
to the County of Riverside for recording**
Received by: TERESA #134

921108
TRA 099-014

SPACE ABOVE THIS LINE FOR RECORDER'S USE

GRANT DEED

THE UNDERSIGNED GRANTOR(S) DECLARE(S) THAT DOCUMENTARY TRANSFER TAX IS \$ None and CITY \$ None

- computed on full value of property conveyed, or
- computed on full value less liens or encumbrances remaining at the time of sale.
- unincorporated area:

FOR A VALUABLE CONSIDERATION, receipt of which is hereby acknowledged,
RANCHOS PROPERTY, A CALIFORNIA GENERAL PARTNERSHIP who erroneously acquired title as
RANCHOS PROPERTY LTD, A CALIFORNIA LIMITED PARTNERSHIP

hereby GRANT(S) to RANCHOS PROPERTY, A CALIFORNIA GENERAL PARTNERSHIP

the following described real property in the County of Riverside, State of California:

Legal Description attached hereto as "Exhibit A" and made a part hereof.

A.P.N. 461-150-006-9

"The grantors and the grantees in this conveyance are comprised of the same parties who continue to hold the same proportionate interest in the property, R&T 11923(d)"

Ranchos Property

By: Nancy Murakami, General Partner

This instrument filed for record by North American
Title Company as an accommodation only. It has
not been examined as to its execution or as to its
effect upon the 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 }
COUNTY OF Los Angeles }

On 3/3/2016, before me, Eun Young Lee, Notary Public

Personally appeared Nancy Murakami

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

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

WITNESS my hand and official seal.

Signature

[Handwritten Signature]

(Sea



Exhibit "A"

Legal Description

PARCEL 2 OF PARCEL MAP 19086, IN THE COUNTY OF RIVERSIDE, STATE OF CALIFORNIA, AS SHOWN BY MAP ON FILE IN BOOK 115, PAGES 84 AND 85 OF PARCEL MAPS, RECORDS OF RIVERSIDE COUNTY, CALIFORNIA.

"THIS DEED IS AN ABSOLUTE CONVEYANCE, THE GRANTOR HAVING SOLD SAID LAND TO THE GRANTEE FOR A FAIR AND ADEQUATE CONSIDERATION, SUCH CONSIDERATION, IN ADDITION TO THAT ABOVE RECITED, BEING FULL SATISFACTION OF ALL OBLIGATIONS SECURED BY THE MORTGAGES (DEEDS OF TRUSTS) EXECUTED BY: PRADERA HEIGHTS, LLC TO RANCHOS PROPERTY LTD AND RANCON REAL ESTATE AS MORTGAGEE AS TRUSTEE'S RECORDED JUNE 20, 2007 AS INSTRUMENT NO.'S 2007-0402046 AND 2007-0402047 OFFICIAL RECORDS OF RIVERSIDE COUNTY, CALIFORNIA."

"GRANTOR DECLARES THAT THIS CONVEYANCE IS FREELY AND FAIRLY MADE, AND THAT THERE ARE NO AGREEMENTS, ORAL OR WRITTEN, OR OTHER THAN THIS DEED BETWEEN GRANTOR AND GRANTEE WITH RESPECT TO SAID LAND."

EXHIBIT "B"

Exhibit "B"

RIVERSIDE COUNTY TRANSPORTATION DEPARTMENT
CONSTRUCTION COST WORKSHEET
AND PLAN CHECK FEE CALCULATION SHEET

Sht. 1 of 14

PARCEL MAP OR TRACT NO. TR 34677 DATE 08/15/19

PP, CU, PU, MS OR VL NO. IP 180056 BY: Frank Artiga

IMPROVEMENTS FAITHFUL PERFORMANCE SECURITY MATERIAL & LABOR SECURITY
(100% of Estimated Construction Costs) Estimated Construction

<u>STREETS/DRAINAGE</u>	<u>\$2,765,000.00</u>		
<u>FLOOD CONTROL *</u>	<u>= \$2,765,000.00</u>		<u>\$1,382,500.00</u>
<u>WATER DISTRICT EMWD</u>	<u>\$176,000.00</u>		<u>\$88,000.00</u>
<u>SEWER DISTRICT EMWD</u>	<u>\$22,000.00</u>		<u>\$11,000.00</u>
<u>TOTAL</u>	<u>\$2,963,000.00</u>		<u>\$1,481,500.00</u>
Warranty Retention (10%)	<u>\$296,300.00</u>		

DESIGN ENGINEERS CALCULATION OF IMPROVEMENT BONDING COSTS

Construction items and their quantities as shown on attached sheets are accurate for the improvements required to construct the above project and the mathematical extensions using County's unit costs are accurate for determining bonding costs.

Above amounts do include additional 20% for recordation prior to having signed plans (Ordinance 460, Section 10.3E).

Frank Artiga

Signature _____ Date 08/15/19

Frank A. Artiga
Name Printed _____



Stamp

*Flood Control Construction Cost Estimate to be provided by Flood Control District. Provide copy of F.C.D. letter stating cost estimate.

*****PLEASE READ INSTRUCTIONS BELOW*****

- Quantities to be taken from improvement plans. Unit costs to be as provided on "Riverside County Improvement Requirement Worksheet."
- Show Performance Bond Amounts to the nearest \$500. Material and Labor Bond amounts are 50% of Performance Bond Amounts. ** 100% for Flood Control Items.
- For Construction items not covered by "Riverside County Improvement Requirement Worksheet", Design Engineer is to provide his opinion of construction cost and use that cost. If Riverside County unit Costs are determined to be too low in the opinion of the Design Engineer, the higher costs as provided by the Design

RIVERSIDE COUNTY TRANSPORTATION DEPARTMENT
IMPROVEMENT REQUIREMENT WORKSHEET

Sht 2 of 14

PROJECT TR 34677

DATE 8/15/2019

STREET IMPROVEMENTS

QNTY.	JNIT	ITEM	UNIT COST	AMOUNT
Roadway Evcavation				
C.Y. 1.		Projects with a Grading Plan	\$20.00	\$0
		Area x 0.50' (hinge point to hinge point)		\$0.00
C.Y. 2.		Projects without a Grading Plan		\$0.00
		(Road area and side slopes to daylight)		\$0.00
		Cut (c)=	Fill (f)=	\$0.00
C.Y. (c or f)	(a.)	Excavate and Fill	\$0.40	\$0.00
C.Y. (c-f)	(b.)	Excavate and Export	\$1.10	\$0.00
C.Y. (f-c)	(c.)	Import and Fill	\$2.80	\$0.00
		If balance provide (a.) only, either cut or fill		\$0.00
		If export, provide (a.)&(b) a= fill, b= cut-fill		\$0.00
		If import, provide (a)&(c), a = cut, c = fill-cut		\$0.00
		(Unit costs for (a), (b), & © are 20% of actual		\$0.00
		Costs to assure that work will be corrected to		\$0.00
		Eliminate hazardous conditions.)		\$0.00
	L.F	Sawcut Exist. A.C. Pavement	\$1.00	\$0.00
	S.F	Cold plane A.C. Pavement	\$2.25	\$0.00
	S.Y.	Grinding A.C, in Place	\$2.00	\$0.00
13,492	S.Y.	Remove A.C. Pavement	\$1.45	\$19,563.40

RIVERSIDE COUNTY TRANSPORTATION DEPARTMENT
IMPROVEMENT REQUIREMENT WORKSHEET

Sht 3 of 14

PROJECT TR 34677

DATE 8/15/2019

STREET IMPROVEMENTS (Cont'd.)

QNTY.	JNIT	ITEM	UNIT COST	AMOUNT
		L.F Remove Curb and Gutter	\$18.00	\$0.00
		L.F Remove A.C. Dike	\$3.00	\$0.00
		S.F Remove Driveway	\$5.00	\$0
		EA. Relocate Mailbox	\$250.00	\$0.00
		L.F Remove Chain Link Fence	\$7.50	\$0.00
		L.F Remove Barricade	\$10.00	\$0.00
		8,807 Ton Asphalt Concrete (=287,157 S.F.)	\$90.00	\$792,630
		(144 lbs/cu.ft.)		\$0.00
		6,830 C.Y. Agg Base Class II (287,157 S.F.)	\$50.00	\$341,500
		11 Ton Asph. Emulsion (Fog Seal/Paint Binder)		\$0.00
		(1 ton = 240 gals) (287,157 S.F)	\$600.00	\$6,600
		Apply at 0.05 +0.03 = 0.08 gal/SY		\$0.00
		S.F A.C Overlay (min. 0.10') (S.F)	\$0.90	\$0.00
		3,470 L.F Curb and Gutter (Type A-6)	\$15.00	\$52,050
		2,387 L.F Curb and Gutter (Type A-8)	\$17.00	\$40,579
		L.F Type "C" Curb	\$12.00	\$0.00
		346 L.F Type "D-1" Curb	\$12.00	\$4,152.00
		L.F Type "D" Curb	\$15.00	\$0
		L.F A.C Dike (6") (incl. Material & labor)	\$10.00	\$0.00

RIVERSIDE COUNTY TRANSPORTATION DEPARTMENT
IMPROVEMENT REQUIREMENT WORKSHEET

Sht 4 of 14

PROJECT TR 34677

DATE 8/15/2019

STREET IMPROVEMENTS (Cont'd.)

QNTY.	JNIT	ITEM	UNIT COST	AMOUNT
		L.F A.C Dike (8") (incl. Material & labor)	\$15.00	\$0.00
5,280	S.F	P.C.C. Cross Gutter and Sprandreals	\$10.00	\$52,800
34,465	S.F	P.C.C. Sidewalk	\$6.00	\$206,790
1,440	S.F	P.C.C. Drive Approach	\$8.00	\$11,520.00
		S.F P.C.C. Dip Section Std. 307	\$6.00	\$0.00
14	EA.	Handicapped Access Ramp	\$2,000.00	\$28,000
		C.Y. Structural Reinforced Concrete	\$400.00	\$0.00
		L.F Barricades	\$100.00	\$0
		L.F Metal Beam Guard Railing	\$50.00	\$0.00
		L.F Utility Trench, one side (Edison, Telephone, Cable) (total length of streets)	\$10.00	\$0
		L.F Chain Link Fence (6')	\$80.00	\$0.00
		L.F Relocate Fence	\$12.00	\$0.00
		EA. Pipe Gate	\$1,000.00	\$0.00
3	EA.	Relocate Power Pole	\$10,000.00	\$30,000
19	EA.	Street Lights (including conduit)	\$5,000.00	\$95,000
		EA. Concrete Bulkhead	\$2,500.00	\$0.00
		EA. Slope Anchors for Pipes	\$300.00	\$0.00
		C.Y. Cut off wall (Std 2')	\$400.00	\$0.00
		EA. A.C. Overside Drain	\$800.00	\$0.00

RIVERSIDE COUNTY TRANSPORTATION DEPARTMENT
IMPROVEMENT REQUIREMENT WORKSHEET

Sht 5 of 14

PROJECT TR 34677

DATE 8/15/2019

STREET IMPROVEMENTS (Cont'd.)

QNTY.	JNIT	ITEM	UNIT COST	AMOUNT
	EA.	Under Sidewalk Drain Std 309	\$2,000.00	\$0.00
	EA.	Flat Outlet Drainage Structure Std 303	\$2,000.00	\$0.00
	EA.	Curb Outlet Drainage Structure Std 308	\$2,000.00	\$0.00
	S.F.	Terrace Drains and Down Drains	\$6.50	\$0.00
	S.F.	Interceptor Drains	\$6.50	\$0.00
	C.Y.	R.C. Box Culvert	\$400.00	\$0.00
	C.Y.	Concrete Channel	\$200.00	\$0.00
	C.Y.	Rip Rap (¼ Ton) Method B	\$40.00	\$0.00
	C.Y.	Rip Rap (½ Ton) Method B	\$45.00	\$0.00
	C.Y.	Rip Rap (1 Ton) Method B	\$50.00	\$0.00
	C.Y.	Rip Rap (2 Ton) Method B	\$55.00	\$0.00
	C.Y.	Grouted Rip Rap (¼ Ton) Method B	\$60.00	\$0.00
	C.Y.	Grouted Rip Rap (½ Ton) Method B	\$67.00	\$0.00
	C.Y.	Grouted Rip Rap (1 Ton) Method B	\$75.00	\$0.00
	C.Y.	Grouted Rip Rap (2 Ton) Method B	\$80.00	\$0.00
	L.F.	18" R.C.P.	\$113.00	\$0.00
	L.F.	24" R.C.P.	\$140.00	\$0.00

RIVERSIDE COUNTY TRANSPORTATION DEPARTMENT
IMPROVEMENT REQUIREMENT WORKSHEET

Sht 6 of 14

PROJECT TR 34677

DATE 8/15/2019

STREET IMPROVEMENTS (Cont'd.)

QNTY.	JNIT	ITEM	UNIT COST	AMOUNT
	L.F	30" R.C.P.	\$150.00	\$0.00
	L.F	36" R.C.P.	\$155.00	\$0.00
	L.F	42" R.C.P.	\$160.00	\$0.00
	L.F	48" R.C.P.	\$165.00	\$0.00
	L.F	54" R.C.P.	\$170.00	\$0.00
	L.F	60" R.C.P.	\$175.00	\$0.00
	L.F	18" C.S.P. Or 21" x 15" CSPA	\$40.00	\$0.00
	L.F	24" C.S.P. Or 28" x 20" CSPA	\$50.00	\$0.00
	L.F	30" C.S.P. Or 35" x 24" CSPA	\$60.00	\$0.00
	L.F	36" C.S.P. Or 42" x 29" CSPA	\$70.00	\$0.00
	L.F	42" C.S.P. Or 49" x 33" CSPA	\$80.00	\$0.00
	L.F	48" C.S.P. Or 57" x 38" CSPA	\$100.00	\$0.00
	L.F	54" C.S.P. Or 64" x 43" CSPA	\$110.00	\$0.00
	L.F	60" C.S.P. Or 71" x 47" CSPA	\$120.00	\$0.00
	EA.	Catch Basins W = 4'	\$2,200.00	\$0.00
	EA.	Catch Basins W = 7'	\$4,000.00	\$0.00
	EA.	Catch Basins W = 14'	\$7,800.00	\$0.00
	EA.	Catch Basins W = 21'	\$12,000.00	\$0.00

RIVERSIDE COUNTY TRANSPORTATION DEPARTMENT
IMPROVEMENT REQUIREMENT WORKSHEET

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PROJECT TR 34677

DATE 8/15/2019

STREET IMPROVEMENTS (Cont'd.)

QNTY.	JNIT	ITEM	UNIT COST	AMOUNT
		EA. Catch Basins W = 28'	\$15,000.00	\$0.00
		EA. Type IX Inlet	\$2,500.00	\$0.00
		EA. Type X Inlet	\$2,500.00	\$0.00
		EA. Junction Structure No.1	\$3,000.00	\$0.00
		EA. Junction Structure No.2	\$3,000.00	\$0.00
		EA. Junction Structure No.6	\$3,700.00	\$0.00
		EA. Transition Structure No.1	\$12,500.00	\$0.00
		EA. Transition Structure No.2	\$12,500.00	\$0.00
		EA. Transition Structure No.3	\$2,700.00	\$0.00
		EA. Manhole No.1	\$2,700.00	\$0.00
		EA. Manhole No.2	\$3,300.00	\$0.00
		EA. Manhole No.3	\$2,700.00	\$0.00
		EA. Manhole No.4	\$5,000.00	\$0.00
		EA. Adjust Water Valve (if no water plan)	\$250.00	\$0.00
		EA. Adjust MH to Grade (if no sewer plan)	\$600.00	\$0.00

RIVERSIDE COUNTY TRANSPORTATION DEPARTMENT
IMPROVEMENT REQUIREMENT WORKSHEET

Sht 8 of 14

PROJECT TR 34677

DATE 8/15/2019

STREET IMPROVEMENTS (Cont'd.)

QNTY.	JNIT	ITEM	UNIT COST	AMOUNT
SINGING, STRIPING, and SIGNALS				
	S.F	Remove Traffic Stripes and Paint Marking	\$2.50	\$0.00
	EA.	Remove Sign, Salvage	\$100.00	\$0.00
	EA.	Relocate Roadside Sign	\$150.00	\$0.00
7	EA.	Street Name Sign	\$400.00	\$2,800.00
	EA.	Install Sign (Strap and Saddle Bucket Me	\$150.00	\$0.00
	EA.	Install Sign Mast Arm Hanger Method	\$150.00	\$0.00
	EA.	Road Sign - One Post	\$250.00	\$0.00
	EA.	Road Sign - Two Post	\$400.00	\$0.00
	EA.	Object Marker - Modified Type "F" Deline	\$60.00	\$0.00
	EA.	Delineator (Class 1 Type F)	\$40.00	\$0.00
	EA.	Delineator (Class 2)	\$45.00	\$0.00
	EA.	Pavement Marker, Reflective	\$3.75	\$0.00
	L.F	Paint Traffic Stripe (2 Coats)	\$0.38	\$0.00

RIVERSIDE COUNTY TRANSPORTATION DEPARTMENT
IMPROVEMENT REQUIREMENT WORKSHEET

PROJECT TR 34677

DATE 8/15/2019

STREET IMPROVEMENTS (Cont'd.)

QNTY.	JNIT	ITEM	UNIT COST	AMOUNT
		L.F 4" Thermoplastic Traffic Stripe	\$0.50	\$0.00
		L.F 8" Thermoplastic Traffic Stripe	\$1.40	\$0.00
		S.F Thermoplastic Channelizing Limit Line and Pavement Marking	\$2.25	\$0.00
		S.F Thermoplastic Cross Walk and Pavement Ma	\$4.00	\$0.00
		L.S. Signal and Lighting	\$150,000.00	\$0.00
		LANDSCAPING		\$0.00
		S.F Maintenance Walk Std 113	\$6.00	\$0.00
		S.F Colored Stamped Concrete	\$15.00	\$0.00
		EA. Street Trees (15 Gallon)	\$140.00	\$8,700
		S.F Landscape and Irrigation	\$5.00	\$93,415
		C.Y. Landscape Fill Material	\$27.00	\$0.00
		EA. Water Meter	\$10,000.00	\$7,000.00
		EA. Electric Meter	\$10,000.00	\$0.00
		OTHER ITEMS NOT LISTED		
		EA. Construct 3'X3'A.C. PAD	\$ 100.00	

RIVERSIDE COUNTY TRANSPORTATION DEPARTMENT
IMPROVEMENT REQUIREMENT WORKSHEET

PROJECT TR 34677

DATE 8/15/2019

STREET IMPROVEMENTS (Cont'd.)

QNTY.	UNIT	ITEM	UNIT COST	AMOUNT
OTHER ITEMS NOT LISTED				
	EA	Relocate Exis. Tel. Pedestal	\$ 100.00	
	EA	Remove Exis. Storm Drain struc	\$ 200.00	
	EA	Remove and relocate water stru	\$ 150.00	
	EA	Adjust water valve can to grade	\$ 100.00	
	LF	5" Rolled Curb	\$ 15.00	
	LF	4" Curb	\$ 10.00	
	SF	4' Concrete Cross Gutter	\$ 10.00	
	EA	Reverse Parkway Drain	\$ 1,200.00	
	EA	Curb Transition from Rolled Curb- Curb/g	\$ 500.00	

A.	Subtotal	<u>\$1,793,099.40</u>
B.	Administrative Contigency (20% x A)	
	NOTE: Use 25% for TR and PM	<u>\$448,274.85</u>
	Use 5% for PP, CU, PU, MS VL Cases	
C.	Streets/Drainage Total (A + B)	<u>\$2,241,374.25</u>

BOND AMOUNT FOR RECORDATION PRIOR TO HAVING SIGNED PLAN
(ORD. 460, SEC. 10.3E)

D.	20% x C	<u>\$448,274.85</u>
	Streets/Drainage Total (C + D)	<u>\$2,689,649.10</u>

RIVERSIDE COUNTY TRANSPORTATION DEPARTMENT
IMPROVEMENT REQUIREMENT WORKSHEET

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PROJECT TR 34677

DATE 8/15/2019

WATER IMPROVEMENTS

Show quantities on this sheet only if project has a water plan. If no water plan is required then show applicable quantities as part of street improvements.

QNTY.	JNIT	ITEM	UNIT COST	AMOUNT
		L.F 4" Waterline	\$13.00	\$0.00
		L.F 6" Waterline	\$16.00	\$0.00
2,753		L.F 8" Waterline	\$21.00	\$57,813
		L.F 10" Waterline	\$27.00	\$0.00
		L.F 12" Waterline	\$31.00	\$0.00
1,004		L.F 27" Waterline	\$50.00	\$50,200
		EA. 6" Gatevalve	\$800.00	\$0.00
		EA. 8" Gatevalve	\$850.00	\$0.00
		EA. 10" Gatevalve	\$1,050.00	\$0.00
		EA. 12" Gatevalve	\$1,250.00	\$0.00
		EA. Fire Hydrants (6") Super	\$2,500.00	\$0.00
4		EA. Fire Hydrants (6") Standard	\$2,300.00	\$9,200
		EA. 4" Misc. Fittings	\$150.00	\$0.00
		EA. 6" Misc. Fittings	\$200.00	\$0.00
		EA. 8" Misc. Fittings	\$250.00	\$0
		EA. 10" Misc. Fittings	\$280.00	\$0.00
		EA. 12" Misc. Fittings	\$320.00	\$0.00
		EA. Blowoffs (4")	\$1,600.00	\$0

RIVERSIDE COUNTY TRANSPORTATION DEPARTMENT
IMPROVEMENT REQUIREMENT WORKSHEET

PROJECT TR 34677

DATE 8/15/2019

WATER IMPROVEMENTS (Cont'd.)

Show quantities on this sheet only if project has a water plan. If no water plan is required then show applicable quantities as part of street improvements.

QNTY.	JNIT	ITEM	UNIT COST	AMOUNT
	EA.	Service Connections	\$475.00	\$0
	EA.	Adjust Water Valve to Grade	\$200.00	\$0
	EA.	Relocation of Blowoff	\$1,000.00	\$0.00
	EA.	Air and Vacuum Valve	\$1,850.00	\$0
	EA.	Hot Tap Saddled Outlet Connection	\$1,500.00	
	LF	18" PVC Waterline	\$40.00	
	EA.	18" Gatevalve	\$2,100.00	
	EA.	18" Misc. Fittings	\$450.00	

A.	Subtotal			\$117,213.00
B.	Administrative Contingency (20% x A)			
	NOTE: Use 25% for TR and PM			\$29,303.25
	Use 5% for PP, CU, PU, MS VL Cases			
C.	Water Total (A + B)			\$146,516.25

BOND AMOUNT FOR RECORDATION PRIOR TO HAVING SIGNED PLAN
(ORD. 460, SEC. 10.3E)

D.	20% x C			\$29,303.25
	Water Total (C + D)			\$175,819.50

RIVERSIDE COUNTY TRANSPORTATION DEPARTMENT
IMPROVEMENT REQUIREMENT WORKSHEET

PROJECT TR 34677 DATE 8/15/2019

SEWER IMPROVEMENTS

Show quantities on this sheet only if project has a sewer plan. If no sewer plan is required then show applicable quantities as part of street improvements.

QNTY.	JNIT	ITEM	UNIT COST	AMOUNT
		L.F 4" V.C.P.	\$15.00	\$0.00
		L.F 6" V.C.P.	\$25.00	\$0.00
230		L.F 8" V.C.P.	\$30.00	\$6,900
		L.F 10" V.C.P.	\$35.00	\$0
		L.F 12" V.C.P.	\$40.00	\$0
3	EA.	Standard Manholes	\$2,500.00	\$7,500
	EA.	Drop Manholes	\$4,000.00	\$0.00
	EA.	Cleanouts	\$500.00	\$0
	EA.	Sewer Y's	\$30.00	\$0.00
	EA.	Temporary End Plug	\$250.00	\$0.00
	EA.	Adjust M.H. to grade	\$500.00	\$0
	EA.	Sewer Laterals	\$450.00	
	EA.	Remove Sewer Stub	\$750.00	

A.	Subtotal	\$14,400.00
B.	Administrative Contingency (20% x A)	
	NOTE: Use 25% for TR and PM	\$3,600.00
	Use 5% for PP, CU, PU, MS VL Cases	
C.	Sewer Total (A + B)	\$18,000.00

BOND AMOUNT FOR RECORDATION PRIOR TO HAVING SIGNED PLAN
(ORD. 460, SEC. 10.3E)

D.	20% x C	\$3,600.00
	Sewer Total (C + D)	\$21,600.00

JASON E. UHLEY
General Manager-Chief Engineer



226625
1995 MARKET STREET
RIVERSIDE, CA 92501
951.955.1200
FAX 951.788.9965
www.rcflood.org

RIVERSIDE COUNTY FLOOD CONTROL
AND WATER CONSERVATION DISTRICT

July 30, 2019

Mr. Mike Muetting
Engineering Project Manager
Riverside County Transportation Department
Post Office Box 1090
Riverside, CA 92502

Dear Mr. Muetting:

Re: Tract 34677 Bonding Estimate
Account No. 137-0-3-75280
Project Nos. 4-0-00580, 4-0-00585
and 4-0-00586
Drawing Nos. 4-0891 and 4-1136

In accordance with Section II of the Memorandum of Understanding (MOU) between the Riverside County Flood Control and Water Conservation District (District) and the Riverside County Transportation Department dated June 24, 2008, please find below a detailed construction cost estimate of the drainage facilities associated with the above-referenced project for which the District assumes inspection and maintenance responsibility.

Two bonding estimates have been provided below to follow the agreements written for Tract 34677. The first estimate is based on the construction of Winchester Hills – Line C Stage 4; the second estimate is based on the construction of Winchester Hills – Line C Stage 4, Stage 2 and Detention Basin. The estimated costs shown below shall be the basis upon which the District shall collect field inspection fees per the provisions of Section 17.1 of Subdivision Ordinance 460 and Fee Ordinance 671.6.

Bonding Estimate – Tract 34677 - Winchester Hills – Line C Stage 4

Total cost of facility \$1,601,995.00 (\$1,137,783.00 District/\$464,212.00 Transportation)

Item	Unit	Transportation Department Quantity	District Quantity	Unit Cost	Transportation Department Facilities Cost	District Facilities Cost
14" x 23" Elliptical Pipe	LF	65	0	\$160.00	\$10,400.00	0
18" RCP	LF	25	0	\$154.00	\$3,850.00	0
19" x 30" Elliptical pipe	LF	91	0	\$180.00	\$16,380.00	0
24" RCP	LF	1,079	371	\$176.00	\$189,904.00	\$65,296.00
30" RCP	LF	163	0	\$203.00	\$33,089.00	0
48" RCP	LF	0	8	\$304.00	0	\$2,432.00
72" RCP	LF	0	271	\$483.00	0	\$130,893.00
A.C. Paving and Base	SF	0	83,024	\$3.00	0	\$249,072.00
Cal Trans D73 Grated Inlet	EA	10	0	\$3,500.00	\$35,000.00	0
Cal Trans D80 RCB	CY	0	124	\$860.00	0	\$106,640.00
Cal Trans D86A Wingwall	EA	0	3	\$7,500.00	0	\$22,500.00
Catch Basin	EA	3	0	\$560.00	\$1,680.00	0
Catch Basin RCFC CB 110	EA	12	0	\$3,000.00	\$36,000.00	0
Chain link Fence	LF	0	2,823	\$21.30	0	\$60,129.90
Concrete Bulkhead	EA	0	1	\$1,000.00	0	\$1,000.00

Mr. Mike Mueeting

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July 30, 2019

Re: Tract 34677 Bonding Estimate
 Account No. 137-0-3-75280
 Project Nos. 4-0-00580, 4-0-00585
 and 4-0-00586
 Drawing Nos. 4-0891 and 4-1136

Item	Unit	Transportation Department Quantity	District Quantity	Unit Cost	Transportation Department Facilities Cost	District Facilities Cost
Concrete Collar	EA	1	0	\$1,000.00	\$1,000.00	0.00
Drainage Apron	CY	17	0	\$720.00	\$12,240.00	0.00
Junction Structure No. 2	EA	10	0	\$4,730.00	\$47,300.00	0.00
Junction Structure No. 6	EA	0	1	\$5,910.00	0.00	\$5,910.00
Junction Structure No. 8	EA	0	12	\$7,257.00	0.00	\$87,084.00
Manhole No. 1	EA	0	10	\$6,200.00	0.00	\$62,000.00
Manhole No. 4	EA	0	1	\$6,800.00	0.00	\$6,800.00
Trapezoidal Channel Excavation	CY	0	22,484	\$6.60	0.00	\$148,394.40
Subtotal					\$386,843.00	\$948,152.00
20% Contingency					\$77,369.00	\$189,631.00
Total Cost					\$464,212.00	\$1,137,783.00
Inspection Fee = 3% of Total Cost						\$34,134.00
Total Fee Due						\$34,134.00

Bonding Estimate – Tract 34677 - Winchester Hills – Line C Stage 4, Stage 2 and Detention Basin.

Total cost of facilities \$5,039,065.00 (\$4,515,573.00 District/\$523,492.00 Transportation)

Item	Unit	Transportation Department Quantity	District Quantity	Unit Cost	Transportation Department Facilities Cost	District Facilities Cost
14" x 23" Elliptical Pipe	LF	65	0	\$160.00	\$10,400.00	0.00
18" RCP	LF	25	0	\$154.00	\$3,850.00	0.00
19" x 30" Elliptical pipe	LF	91	0	\$180.00	\$16,380.00	0.00
24" RCP	LF	1,079	371	\$176.00	\$189,904.00	\$65,296.00
30" RCP	LF	163	0	\$203.00	\$33,089.00	0.00
48" RCP	LF	0	2,141	\$304.00	0.00	\$650,864.00
72" RCP	LF	0	271	\$483.00	0.00	\$130,893.00
90" RCP	LF	0	589	\$653.00	0.00	\$384,617.00
A.C. Paving and Base	SF	0	130,491	\$3.00	0.00	\$391,473.00
Cal Trans D73 Grated Inlet	EA	10	0	\$3,500.00	\$35,000.00	0.00
Cal Trans D80 RCB	CY	0	124	\$860.00	0.00	\$106,640.00
Cal Trans D86A Wingwall	EA	0	6	\$7,500.00	0.00	\$45,000.00
Catch Basin	EA	3	0	\$560.00	\$1,680.00	0.00
Catch Basin RCFC CB 110	EA	13	0	\$3,000.00	\$39,000.00	0.00
Chainlink Fence	LF	0	6,096	\$21.30	0.00	\$129,844.80
Concrete Access Roads	CY	0	154	\$720.00	0.00	\$110,880.00
Concrete Bulkhead	EA	0	1	\$1,000.00	0.00	\$1,000.00
Concrete Collar	EA	1	0	\$1,000.00	\$1,000.00	0.00

Mr. Mike Mueing

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July 30, 2019

Re: Tract 34677 Bonding Estimate
 Account No. 137-0-3-75280
 Project Nos. 4-0-00580, 4-0-00585
 and 4-0-00586
 Drawing Nos. 4-0891 and 4-1136

Item	Unit	Transportation Department Quantity	District Quantity	Unit Cost	Transportation Department Facilities Cost	District Facilities Cost
Concrete Rock Slope Protection	CY	0	1,134	\$130.00	0.00	\$147,420.00
Detention Basin	CY	0	186,000	\$6.60	0.00	\$1,227,600.00
Drainage Apron	CY	72	0	\$720.00	\$51,840.00	0.00
Junction Structure No. 2	EA	10	0	\$4,730.00	\$47,300.00	0.00
Junction Structure No. 4	EA	1	1	\$6,800.00	\$6,800.00	\$6,800.00
Junction Structure No. 6	EA	0	1	\$5,910.00	0.00	\$5,910.00
Junction Structure No. 8	EA	0	12	\$7,257.00	0.00	\$87,084.00
Manhole No. 1	EA	0	10	\$6,200.00	0.00	\$62,000.00
Manhole No. 2	EA	0	5	\$6,500.00	0.00	\$32,500.00
Manhole No. 4	EA	0	2	\$6,800.00	0.00	\$13,600.00
Rock Slope Protection	CY	0	152	\$80.00	0.00	\$12,160.00
Trapezoidal Channel Excavation	CY	0	22,484	\$6.60	0.00	\$148,394.40
Trash Rack	EA	0	3	\$1,000	0.00	\$3,000.00
Subtotal					\$436,243.00	\$3,762,977.00
20% Contingency					\$87,249.00	\$752,596.00
Total Cost					\$523,492.00	\$4,515,573.00
Inspection Fee = 3% of Total Cost						\$135,468.00
Total Fee Due						\$135,468.00

Very truly yours,



ALBERTO MARTINEZ
 Engineering Project Manager

c: Ranchos Property, Ltd
 Attn: Jim Lytle
 JLC Engineers
 Attn: Joe Castaneda

ec: Transportation Department
 Attn: Michael Mueing
 Benjie Cho
 Everett Duckworth
 Riverside County Flood Control District
 Attn: Alberto Martinez
 Jeanine Rey
 Sharon Johnson



Note: A copy of this letter should be submitted with the payment of the inspection fee.

ACL:blm

Date Prepared:
8/21/2019

**FEES SECURITIES WORKSHEET
RIVERSIDE COUNTY TRANSPORTATION DEPARTMENT**

TRACT / PARCEL / MS No. TR34677 **IP No.** 180056

- 100% Bond to record map
 120% Bond to record map before improvement plans are signed

PART 1 - FAITHFUL PERFORMANCE and MATERIALS & LABOR	FAITHFUL PERFORMANCE	MATERIALS & LABOR
A Streets & Local Drainage Improvements (Line C, Sheet 10, worksheet)*	\$ 3,229,078.00 (a)	\$ 1,614,539.00 (b)
B RCFC D Drainage Improvements - Based on letter dated: TR34677, 7/30/19	\$ 5,653,356.00 (a)	\$ 2,826,678.00 (b)
LINE A + B =	\$ 8,882,434.00	\$ 4,441,217.00
plus 20%=	<u>\$ 10,659,000.00</u>	
C Water Improvements (Line C, Sheet 6, worksheet) EMWD	\$ 146,516.00 (a)	\$ 73,258.00 (b)
plus 20%=	<u>\$ 176,000.00</u>	
D Sewer Improvements (Line C, Sheet 7, worksheet) EMWD	\$ 18,000.00 (a)	\$ 9,000.00 (b)
plus 20%=	<u>\$ 22,000.00</u>	
E Onsite L/S	\$ - (a)	\$ - (b)
F SUBTOTAL (A + B + C + D + E)	<u>\$ 10,857,000.00</u>	<u>\$ 4,523,475.00</u>
G * Includes the Transp Dept Facility cost from RCFC letter	\$ - (a)	\$ - (a)
H TOTAL SECURITY REQUIRED	\$ 10,857,000.00	\$ 4,523,500.00

PART 2 - WARRANTY RETENTION

10% of Faithful Performance \$ 1,085,700.00

PART 3 - MONUMENT SECURITY BOND

Based on Riverside County Surveyor estimate dated June 11, 2019 \$ 428,400.00

PART 4 - TRANSPORTATION DEPT INSPECTION FEE

I Base: 3% of Line F	\$ 325,710.00	
J Surcharge: 2% of Line I	<u>\$ 9,771.30</u>	
K SUBTOTAL (I + J)	\$ 335,481.30	
L Surcharge: 20% of Line H to record map prior to signed improvement plans	<u>\$ -</u>	
TOTAL TRANSPORTATION DEPARTMENT INSPECTION FEE	\$ 335,481.30	(\$75,000 max. deposit required)

SUMMARY

FAITHFUL PERFORMANCE	\$ 10,857,000.00	(Bond or Security)
MATERIALS & LABOR	\$ 4,523,500.00	(Bond or Security)
WARRANTY RETENTION	\$ 1,085,700.00	(Bond or Security)
MONUMENT SECURITY BOND	\$ 428,400.00	(Bond or Security)
TRANSPORTATION DEPARTMENT INSPECTION FEE	\$ 335,481.30	(Cash Deposit)

(a) 100% of estimated construction costs

(b) 50% of estimated construction costs

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