

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



ITEM: 2.11
(ID # 17716)

MEETING DATE:

Tuesday, December 14, 2021

FROM : TLMA-TRANSPORTATION:

SUBJECT: TRANSPORTATION AND LAND MANAGEMENT AGENCY/TRANSPORTATION:
Approval of Final Tract Map 37715 a Schedule "A" Subdivision in the French Valley area.
District 3. [Applicant Fees 100%]

RECOMMENDED MOTION: That the Board of Supervisors:

1. Approve the Improvement Agreements and Securities for Final Tract Map 37715 as approved by County Counsel;
2. Approve the Final Map; and
3. Authorize the Chair of the Board to sign the Improvement Agreements and Final Tract Map 37715.


ACTION:Consent


Mark Lancaster, Director of Transportation 11/24/2021

MINUTES OF THE BOARD OF SUPERVISORS

On motion of Supervisor Washington, seconded by Supervisor Spiegel 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 14, 2021
xc: Trans.

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 Map 37715 was approved by the Board of Supervisors on August 25, 2020 as Agenda Item 21.2. Final Map 37715 is a 16.63-acre subdivision creating 139 residential lots and one park space in the French Valley 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.

Meritage Homes of California, Inc., desires to enter into Improvement Agreements to guarantee the construction of the required improvements and has submitted Improvement Agreements which have been approved by County Counsel. All costs for improvements will be the responsibility of the developer. The securities posted by Nationwide Mutual Insurance Company are as follows:

FTM 37715 \$2,633,500 Bond #7901072300 for the completion of road and drainage improvements.

FTM 37715 \$321,500 Bond #7901072300 for the completion of the water system.

FTM 37715 \$318,000 Bond #7901072300 for the completion of the sewer system.

FTM 37715 \$156,400 Bond #7901072301 for the completion of the monumentation.

Additional Fiscal Information:

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

ATTACHMENTS:

FTM 37715 Vicinity Map

FTM 37715 Improvement Agreement

FTM 37715 Mylars

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



Jason Farin, Principal Management Analyst 12/6/2021



Gregory L. Priamos, Director County Counsel 11/29/2021



TRANSPORT FORM 11 SU

Improvement
Agenda back-up

IMPROVEMENT

2.11

FORM

RECEIVED RIVERSIDE COUNTY
CLERK/BOARD OF SUPERVISORS

2021 DEC -1 AM 8:22

BOARD APPROVAL REQUIRED: ☒ Yes ☐ No
COUNTY COUNSEL APPROVAL: ☒ Yes ☐ No

☐ AGREEMENT/CONTRACT

NO.:

REQUESTED BOARD DATE: 12/14/2021

CAN IT GO AT A LATER DATE: ☐ YES ☒ NO

<input type="checkbox"/> AMENDMENT	NO.	<input type="checkbox"/> CHANGE ORDER	NO.
<input type="checkbox"/> RESOLUTION	NO.	<input type="checkbox"/> ORDINANCE	NO.
<input type="checkbox"/> AWARD PACKAGE	<input checked="" type="checkbox"/> FINAL MAP	<input type="checkbox"/> ACQUISITION/EDA	<input type="checkbox"/> ADVERTISEMENT PACKAGE
<input type="checkbox"/> OTHER:	SUPERVISORIAL DISTRICT: 3		

PROJECT/SUBJECT:

FINAL TRACT MAP NO: 37715 (Schedule "A")

DESCRIPTION: APPROVAL OF FINAL TRACT MAP AND IMPROVEMENT AGREEMENTS.

CONTRACTING PARTY: PAUL HILLMER	W.O. NO.: FTM37715 (TC-SU21)(DBF)
PROJECT MANAGER: PAUL HILLMER	EXTENSION: 5-1843
FORM 11 AUTHOR/CONTACT: PAUL HILLMER	EXTENSION:

FISCAL

AMOUNT: \$ (0)	CHANGE ORDER AMOUNT: \$
FUNDING SOURCE (S): Applicant Fees	FUNDING SOURCE(S):

ROUTING

SPECIAL ROUTING INSTRUCTIONS (e.g., who receives original agreements, companion item, rush, etc.):
THE FINAL TRACT MAP AND IMPROVEMENT AGREEMENTS ARE TO BE EXECUTED BY THE CHAIR OF THE BOARD.
THE FINAL TRACT MAP, CC&R's & SUBDIVISION GUARANTEE ARE TO BE DELIVERED TO THE COUNTY RECORDER. COB
RETAINS ONE SET OF THE IMPROVEMENT AGREEMENTS AND RETURNS THE 2 REMAINING SETS OF THE
IMPROVEMENT AGREEMENTS TO TRANSPORTATION.

MINUTETRAQ (MT) NO:	TRANS TRACKING ID:	DATE RECEIVED:	INITIALS:
17716			

2021-12-15 1098
12/14/21

511

**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 Meritage Homes of California, Inc., hereinafter called Contractor.

WITNESSETH:

FIRST: Contractor, for and in consideration of the approval by County of the final map of that certain land division known as **Tract 37715**, hereby agrees, at Contractor's own cost and expense, to furnish all labor, equipment and materials necessary to perform and complete, within **24** months from the date this agreement is executed, in a good and workmanlike manner, all road and drainage improvements in accordance with those Road Plans for said land division which have been approved by the County Director of Transportation, and are on file in the office of the Riverside County Transportation Department, and do all work incidental thereto in accordance with the standards set forth in Riverside County Ordinance No. 461, as amended, which are hereby expressly made a part of this agreement. All the above required work shall be done under the inspection of and to the satisfaction of the County Director of Transportation, and shall not be deemed complete until approved and accepted as complete by the County. Contractor further agrees to maintain the above required improvements for a period of one year following acceptance by the County, and during this one year period to repair or replace, to the satisfaction of the Director of Transportation, any defective work or labor done or defective materials furnished. Contractor further agrees that all underground improvements shall be completed prior to the paving of any roadway. The estimated cost of said work and improvements is the sum of **Two Million Six Hundred Thirty Three Thousand Five Hundred and no/100 Dollars (\$2,633,500.00)**.

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

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

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

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

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

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

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

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

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

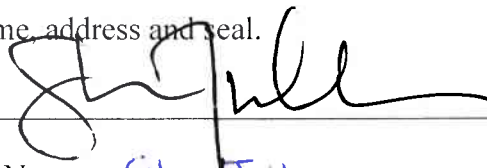
ELEVENTH: Any notice or notices required or permitted to be given pursuant to this agreement shall be served on the other party by mail, postage prepaid, at the following addresses:

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

Contractor
Meritage Homes of California, Inc.
5 Peters Canyon Road, Suite 310
Irvine, CA 92606

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

By



Print Name

Glen Turk

Title

VP National Land Development

By

Print Name

Title

COUNTY OF RIVERSIDE signature page to follow on page 4.

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

COUNTY OF RIVERSIDE SIGNATURE PAGE

COUNTY OF RIVERSIDE

By Karen S. Spiegel
KAREN SPIEGEL
CHAIR, BOARD OF SUPERVISORS

ATTEST:

KECIA R. HARPER,
Clerk of the Board

By [Signature]
Deputy

APPROVED AS TO FORM

County Counsel

By [Signature]

Revised 09/01/2020

ALL-PURPOSE 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 ARIZONA)SS
COUNTY OF MARICOPA)

On August 30, 2021 before me, Jeanne A. Malys, Notary Public, personally appeared Glen Tulk, Vice President - National Land Development of Meritage Homes of California, Inc.

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 Arizona that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature

Jeanne A. Malys



JEANNE A. MALYS
NOTARY PUBLIC - ARIZONA
MARICOPA COUNTY
COMMISSION # 590544
MY COMMISSION EXPIRES
OCTOBER 17, 2024

This area for official notarial seal.

OPTIONAL SECTION - NOT PART OF NOTARY ACKNOWLEDGEMENT CAPACITY CLAIMED BY SIGNER

Though statute does not require the Notary to fill in the data below, doing so may prove invaluable to persons relying on the documents.

- ☐ INDIVIDUAL
☐ CORPORATE OFFICER(S) TITLE(S)
☐ PARTNER(S) ☐ LIMITED ☐ GENERAL
☐ ATTORNEY-IN-FACT
☐ TRUSTEE(S)
☐ GUARDIAN/CONSERVATOR
☐ OTHER

SIGNER IS REPRESENTING:

Name of Person or Entity

Name of Person or Entity

OPTIONAL SECTION - NOT PART OF NOTARY ACKNOWLEDGEMENT

Though the data requested here is not required by law, it could prevent fraudulent reattachment of this form.

THIS CERTIFICATE MUST BE ATTACHED TO THE DOCUMENT DESCRIBED BELOW

TITLE OR TYPE OF DOCUMENT: _____

NUMBER OF PAGES _____ DATE OF DOCUMENT _____

SIGNER(S) OTHER THAN NAMED ABOVE _____

**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 Meritage Homes of California, Inc., hereinafter called Contractor.

WITNESSETH:

FIRST: Contractor, for and in consideration of the approval by County of the final map of that certain land division known as **Tract 37715**, hereby agrees, at Contractor's own cost and expense, to construct or cause to have constructed, within **24** months from the date this agreement is executed, in a good and workmanlike manner, a water distribution system, complete with all necessary pipes, valves, fire hydrants, connections and appurtenances necessary to the satisfactory operation of said distribution system, and, further, to extend main or mains from the existing supply system maintained and operated by **Eastern Municipal Water District** to connect with the distribution system described above with all pipe laid at such a depth as to provide a full thirty-six inch (36") minimum cover from the top of the pipe to street grade, unless otherwise specified by the Director of Transportation, all in accordance with those plans and specifications which have been approved by both the County Health Director and Director of Transportation, and are on file in the office of the Riverside County Transportation Department. Said approved plans and specifications are hereby made a part of this agreement as fully as though set forth herein. All of the above required work shall be done under the inspection of, and to the satisfaction of, the County Director of Transportation and the County Health Officer, and shall not be deemed complete until approved and accepted as complete by the County. Contractor further agrees to maintain the above required improvements for a period of one year following acceptance by the County, and during this one year period to repair or replace, to the satisfaction of the Director of Transportation, any defective work or labor done or defective materials furnished. Contractor further agrees that all underground improvements shall be completed prior to the paving of any roadway. The estimated cost of said work and improvements is the sum of **Three Hundred Twenty One Thousand Five Hundred and no/100 Dollars (\$321,500.00)**.

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

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

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

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

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

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

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

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

Agreement for the Construction of Water System Improvements

Tract 37715

Page 2

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

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

County

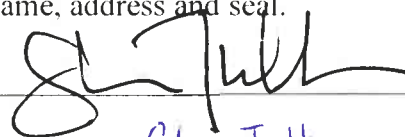
Contractor

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

Meritage Homes of California, Inc.
5 Peters Canyon Road, Suite 310
Irvine, CA 92606

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

By



Print Name

Glen Tulk

Title

VP National Land Development

By

Print Name

Title

COUNTY OF RIVERSIDE signature page to follow on page 4.

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

COUNTY OF RIVERSIDE SIGNATURE PAGE

COUNTY OF RIVERSIDE

By Karen S. Spiegel
KAREN SPIEGEL

CHAIR, BOARD OF SUPERVISORS

ATTEST:

KECIA R. HARPER,
Clerk of the Board

By [Signature]
Deputy

APPROVED AS TO FORM

County Counsel

By [Signature]

Revised 09/01/2020

ALL-PURPOSE 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 ARIZONA)SS
COUNTY OF MARICOPA)

On August 30, 2021 before me, Jeanne A. Malys, Notary Public, personally appeared

Glen Tulk, Vice President - National Land Development of Meritage Homes of California, Inc.

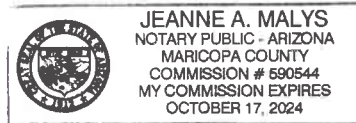
who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), 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 Arizona that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature

Jeanne A. Malys



This area for official notarial seal.

OPTIONAL SECTION - NOT PART OF NOTARY ACKNOWLEDGEMENT CAPACITY CLAIMED BY SIGNER

Though statute does not require the Notary to fill in the data below, doing so may prove invaluable to persons relying on the documents.

- ☐ INDIVIDUAL
☐ CORPORATE OFFICER(S) TITLE(S)
☐ PARTNER(S) ☐ LIMITED ☐ GENERAL
☐ ATTORNEY-IN-FACT
☐ TRUSTEE(S)
☐ GUARDIAN/CONSERVATOR
☐ OTHER

SIGNER IS REPRESENTING:

Name of Person or Entity

Name of Person or Entity

OPTIONAL SECTION - NOT PART OF NOTARY ACKNOWLEDGEMENT

Though the data requested here is not required by law, it could prevent fraudulent reattachment of this form.

THIS CERTIFICATE MUST BE ATTACHED TO THE DOCUMENT DESCRIBED BELOW

TITLE OR TYPE OF DOCUMENT: _____

NUMBER OF PAGES _____ DATE OF DOCUMENT _____

SIGNER(S) OTHER THAN NAMED ABOVE _____

**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 Meritage Homes of California, Inc., hereinafter called Contractor.

WITNESSETH:

FIRST: Contractor, for and in consideration of the approval by County of the final map of that certain land division known as **Tract 37715**, hereby agrees, at Contractor's own cost and expense, to construct or cause to have constructed, within **24** months from the date this agreement is executed, in a good and workmanlike manner, a sanitary sewer system, complete with all necessary pipes, valves, fire hydrants, connections and appurtenances necessary to the satisfactory operation of said sanitary sewer system. Contractor further agrees to extend the main or mains from the existing sewer system maintained and operated by **Eastern Municipal Water District** to connect with the sanitary sewer system required to be constructed by this agreement. All the above required work shall be in accordance with those plans and specifications which have been approved by the Director of Transportation, and are on file in the office of the Riverside County Transportation Department. Said approved plans and specifications are hereby made a part of this agreement as fully as though set forth herein. All of the above required work shall be done under the inspection of, and to the satisfaction of, the County Director of Transportation and the County Health Officer, and shall not be deemed complete until approved and accepted as complete by the County and accepted by the above-named agency into its sewer system. Contractor further agrees to maintain the above required improvements for a period of one year following acceptance by the County, and during this one year period to repair or replace, to the satisfaction of the Director of Transportation, any defective work or labor done or defective materials furnished. The estimated cost of said work and improvements is the sum of **Three Hundred Eighteen Thousand and no/100 Dollars (\$318,000.00)**.

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

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

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.

Agreement for the Construction of Sewer System Improvements

Tract **37715**

Page 1

DEC 14 2021 2:41

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

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

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

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

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

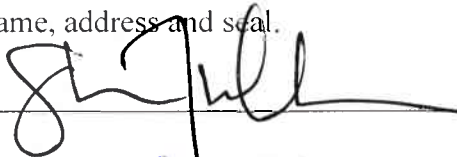
TENTH: It is understood and agreed by the parties hereto that if any part, term or provision of this agreement is by the courts held to be unlawful and void, the validity of the remaining portions shall not be affected and the rights and obligations of the parties shall be construed and enforced as if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

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

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

Contractor
Meritage Homes of California, Inc.
5 Peters Canyon Road, Suite 310
Irvine, CA 92606

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

By 
Print Name Glen Tolk
Title VP National Land Development

By _____
Print Name _____
Title _____

COUNTY OF RIVERSIDE signature page to follow on page 4.

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

COUNTY OF RIVERSIDE SIGNATURE PAGE

COUNTY OF RIVERSIDE

By Karen S. Spiegel
KAREN SPIEGEL
CHAIR, BOARD OF SUPERVISORS

ATTEST:

KECIA R. HARPER,
Clerk of the Board

By [Signature]
Deputy

APPROVED AS TO FORM

County Counsel

By [Signature]

Revised 09/01/2020

ALL-PURPOSE 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 ARIZONA)SS
COUNTY OF MARICOPA)

On August 30, 2021 before me, Jeanne A. Malys, Notary Public, personally appeared

Glen Tulk, Vice President - National Land Development of Meritage Homes of California, Inc.

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 Arizona that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature

Jeanne A. Malys



JEANNE A. MALYS
NOTARY PUBLIC - ARIZONA
MARICOPA COUNTY
COMMISSION # 680544
MY COMMISSION EXPIRES
OCTOBER 17, 2024

This area for official notarial seal.

OPTIONAL SECTION - NOT PART OF NOTARY ACKNOWLEDGEMENT CAPACITY CLAIMED BY SIGNER

Though statute does not require the Notary to fill in the data below, doing so may prove invaluable to persons relying on the documents.

- ☐ INDIVIDUAL
☐ CORPORATE OFFICER(S) TITLE(S)
☐ PARTNER(S) ☐ LIMITED ☐ GENERAL
☐ ATTORNEY-IN-FACT
☐ TRUSTEE(S)
☐ GUARDIAN/CONSERVATOR
☐ OTHER

SIGNER IS REPRESENTING:

Name of Person or Entity

Name of Person or Entity

OPTIONAL SECTION - NOT PART OF NOTARY ACKNOWLEDGEMENT

Though the data requested here is not required by law, it could prevent fraudulent reattachment of this form.

THIS CERTIFICATE MUST BE ATTACHED TO THE DOCUMENT DESCRIBED BELOW

TITLE OR TYPE OF DOCUMENT: _____

NUMBER OF PAGES _____ DATE OF DOCUMENT _____

SIGNER(S) OTHER THAN NAMED ABOVE _____

**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 Meritage Homes of California, Inc., hereinafter called Contractor.

WITNESSETH:

FIRST: Contractor, for and in consideration of the approval by County of the final map of that certain land division known as **Tract 37715**, hereby agrees, at Contractor's own cost and expense, to furnish all labor, equipment and materials necessary to set, within **24** months from the date this agreement is executed, in a good and workmanlike manner, all survey monuments and tie points and to furnish to the County Surveyor tie notes for said tract in accordance with the standards set forth in Riverside County Ordinance No. 461 and Section 8771 et seq. of the Business and Professions Code of the State of California. Contractor further agrees to pay, within 30 days of presentation to contractor of the final billing of any surveyor or engineer for work performed by him as provided for in Article 9 of Chapter 4, Division 2 of Title 7 of the Government Code of the State of California (commencing with Section 66495). Contractor further agrees that if payment to the surveyor or engineer is not made within 30 days, the surveyor or engineer notifies County that he has not been paid for setting the final monuments, and the Board of Supervisors, pursuant to Section 66497 of the Government Code, after providing Contractor with an opportunity to present evidence as to whether or not the surveyor or engineer has been paid, orders that payment be made by County to the engineer or surveyor, Contractor will, upon demand, and without proof of loss by County, reimburse County for any funds so expended. Notwithstanding any other provisions herein, the determination of County as to whether the surveyor or engineer has been paid shall be conclusive on Contractor, its surety, and all parties who may have an interest in the agreement or any portion thereof.

All of the above required work shall be done under the inspection of, and to the satisfaction of, the County Surveyor, and shall not be deemed complete until approved and accepted as complete by the County. The estimated cost of said work and improvements is the sum of **One Hundred Fifty Six Thousand Four Hundred and no/100 Dollars (\$156,400.00)**.

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 guaranteeing the completion of the monuments, all costs and reasonable expenses and fees incurred by County in successfully enforcing such obligations shall be paid by Contractor, including reasonable attorney's fees, and that, upon entry of judgment, all such costs, expenses and fees shall be taxed as costs and included in any judgment rendered.

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

Agreement for the Placement of Survey Monuments

Tract **37715**

Page 1

DEC 14 2021 **2.11**

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

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

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

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

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

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

County

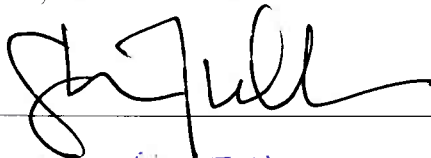
Contractor

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

Meritage Homes of California, Inc.
5 Peters Canyon Road, Suite 310
Irvine, CA 92606

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

By



Print Name Gen Tulk

Title VP National Land Development

By

Print Name

Title

COUNTY OF RIVERSIDE signature page to follow on page 4.

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

COUNTY OF RIVERSIDE SIGNATURE PAGE

COUNTY OF RIVERSIDE

By Karen S. Spiegel
KAREN SPIEGEL

CHAIR, BOARD OF SUPERVISORS

ATTEST:

KECIA R. HARPER,
Clerk of the Board

By Yvonne Rasso
Deputy

APPROVED AS TO FORM

County Counsel

By Burt

Revised 09/01/2020

ALL-PURPOSE 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 ARIZONA)SS
COUNTY OF MARICOPA)

On August 30, 2021 before me, Jeanne A. Malys, Notary Public, personally appeared

Glen Tulk, Vice President - National Land Development of Meritage Homes of California, Inc.

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 Arizona that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature

Jeanne A. Malys



JEANNE A. MALYS
NOTARY PUBLIC - ARIZONA
MARICOPA COUNTY
COMMISSION # 690544
MY COMMISSION EXPIRES
OCTOBER 17, 2024

This area for official notarial seal.

OPTIONAL SECTION - NOT PART OF NOTARY ACKNOWLEDGEMENT CAPACITY CLAIMED BY SIGNER

Though statute does not require the Notary to fill in the data below, doing so may prove invaluable to persons relying on the documents.

- ☐ INDIVIDUAL
☐ CORPORATE OFFICER(S) TITLE(S)
☐ PARTNER(S) ☐ LIMITED ☐ GENERAL
☐ ATTORNEY-IN-FACT
☐ TRUSTEE(S)
☐ GUARDIAN/CONSERVATOR
☐ OTHER

SIGNER IS REPRESENTING:

Name of Person or Entity

Name of Person or Entity

OPTIONAL SECTION - NOT PART OF NOTARY ACKNOWLEDGEMENT

Though the data requested here is not required by law, it could prevent fraudulent reattachment of this form.

THIS CERTIFICATE MUST BE ATTACHED TO THE DOCUMENT DESCRIBED BELOW

TITLE OR TYPE OF DOCUMENT: _____

NUMBER OF PAGES _____ DATE OF DOCUMENT _____

SIGNER(S) OTHER THAN NAMED ABOVE _____

1. Work Order

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

RECEIVED RIVERSIDE COUNTY
CLERK/BOARD OF SUPERVISORS
2021 DEC 15 AM 10:27

12/14/21 2.11
2021-12-151098



TRANSPORTATION DEPARTMENT

FORM 11 SUMMARY/ROUTING FORM

RECEIVED RIVERSIDE COUNTY
CLERK / BOARD OF SUPERVISORS
2021 DEC -1 AM 8:22

BOARD APPROVAL REQUIRED: ☒ Yes ☐ No

COUNTY COUNSEL APPROVAL: ☒ Yes ☐ No

☐ AGREEMENT/CONTRACT NO.:

REQUESTED BOARD DATE: 12/14/2021

CAN IT GO AT A LATER DATE: ☐ YES ☒ NO

<input type="checkbox"/> AMENDMENT	NO.	<input type="checkbox"/> CHANGE ORDER	NO.
<input type="checkbox"/> RESOLUTION	NO.	<input checked="" type="checkbox"/> ORDINANCE	NO.
<input type="checkbox"/> AWARD PACKAGE	<input checked="" type="checkbox"/> FINAL MAP	<input type="checkbox"/> ACQUISITION/EDA	<input type="checkbox"/> ADVERTISEMENT PACKAGE
<input type="checkbox"/> OTHER:	SUPERVISORIAL DISTRICT: 3		

PROJECT/SUBJECT:

FINAL TRACT MAP NO: 37715 (Schedule "A")

DESCRIPTION: APPROVAL OF FINAL TRACT MAP AND IMPROVEMENT AGREEMENTS.

CONTRACTING PARTY: PAUL HILLMER	W.O. NO.: FTM37715 (TC-SU21)(DBF)
PROJECT MANAGER: PAUL HILLMER	EXTENSION: 5-1843
FORM 11 AUTHOR/CONTACT: PAUL HILLMER	EXTENSION:

FISCAL

AMOUNT: \$ (0)	CHANGE ORDER AMOUNT: \$
FUNDING SOURCE (S): Applicant Fees	FUNDING SOURCE(S):

ROUTING

SPECIAL ROUTING INSTRUCTIONS (e.g., who receives original agreements, companion item, rush, etc.):
THE FINAL TRACT MAP AND IMPROVEMENT AGREEMENTS ARE TO BE EXECUTED BY THE CHAIR OF THE BOARD.
THE FINAL TRACT MAP, CC&R's & SUBDIVISION GUARANTEE ARE TO BE DELIVERED TO THE COUNTY RECORDER. COB RETAINS ONE SET OF THE IMPROVEMENT AGREEMENTS AND RETURNS THE 2 REMAINING SETS OF THE IMPROVEMENT AGREEMENTS TO TRANSPORTATION.

MINUTETRAQ (MT) NO:	TRANS TRACKING ID:	DATE RECEIVED:	INITIALS:
17716			

2021-12-15 1098
12/14/21 2.11

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: 6445893

SUBDIVISION GUARANTEE

TRACT NO. 37715

SUBDIVISION GUARANTEE

Fee: \$150.00

Tract No. 37715

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:

MERITAGE HOMES OF CALIFORNIA, INC., A CALIFORNIA CORPORATION (OWNER)

The map hereinbefore referred to is a subdivision of:

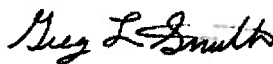
BEING A SUBDIVISION OF PARCEL 4 AS SHOWN ON LOT LINE ADJUSTMENT NO. 4294, PER DOCUMENT RECORDED MAY 31, 2001 AS INSTRUMENT NO. 2001-241374 OF OFFICIAL RECORDS AS DESCRIBED IN A QUITCLAIM DEED RECORDED JUNE 26, 2001 AS INSTRUMENT NO. 2001-290460 OF OFFICIAL RECORDS, LYING WITHIN SECTION 5, T.7S, R.2W, S.B.M.

Dated: November 3, 2021


First American Title Insurance Company



Dennis J. Gilmore, President



Greg L. Smith, Secretary


Michael Keough
Title Officer Assistant

Riverside County, CA**Jurisdiction****6445893**

1.510.340.1496

CACustomerService@GOePN.com**RECORD UPON RECEIPT****6649571**

Rec. Date:

Rec. Time:

Client: CA - First American Title**Homebuilder Services Southern****Branch:** Southern California Title**Department - 09784****Unit Name:** Corona - Duran**Officer Name:** Jesus Duran**Unit Phone #:** (951) 256-5800**Unit Extension:**

Pg Ct.	Seq #	Reference #1 (Order #)	Document Type	Actual Fee	Recording Fee	County Tax	City Tax	Instrument #
1		6445893	Tract Map					
2		6445893	Declaration Of Restriction					
3								
4								
5								
6								
7								
8								
9								
10								

ePN Operational QC

Received

Pre-Checked

Initial

Grantor/Seller's Name:

Buyer/Owner's Name:

Scanned/Uploaded

Submitted

Delivery Instructions**Special Instructions****Memo/Notes**

eRecord - In House

TRA and Trsfr Tax Amt 1st page of DEED, TTA required ALL documents, COMBINE City of Riv and County tax together

Doc 1: Tract Map 37715. Charge Code ePN. 1. Record Concurrently 2. Fill-ins 2. Conformed Copy 3. Please email confirmation to: jduran@firstam.com and mkeough@firstam.com firstamriv@goepn.com

Doc 2: Declaration of CC&Rs for Tierra Del Sol

ORIGIN ID: ONTA (951) 256-5827
MICHAEL KEOUGH

1250 CORONA POINTE COURT

CORONA, CA 92879
UNITED STATES US

SHIP DATE: 12NOV21
ACTWGT: 1.00 LB
CAD: 101854216MINET4400

BILL SENDER

TO JESUS DURAN

FIRST AMERICAN TITLE COMPANY

1250 CORONA POINTE

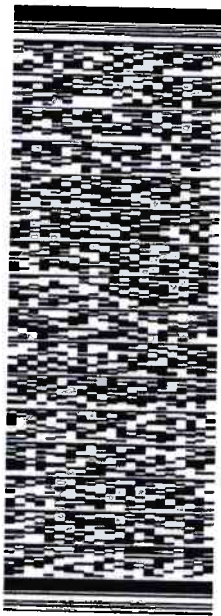
SUITE 200

CORONA CA 92879

(951) 256-5827
NV TRACT MAP 37715
PO

REF: 09784

DEPT. FATCO



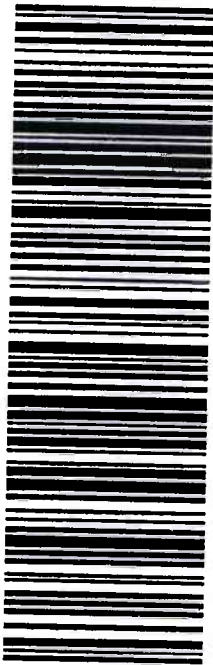
56D,28A7E/FE4A

TRK# 7751 9911 9040
0201

MON - 15 NOV 11:30A
PRIORITY OVERNIGHT

WM ONTA

92879
CA-US ONT



After printing this label:

1. Use the 'Print' button on this page to print your label to your laser or inkjet printer.
2. Fold the printed page along the horizontal line.
3. Place label in shipping pouch and affix it to your shipment so that the barcode portion of the label can be read and scanned.

Warning: Use only the printed original label for shipping. Using a photocopy of this label for shipping purposes is fraudulent and could result in additional billing charges, along with the cancellation of your FedEx account number. Use of this system constitutes your agreement to the service conditions in the current FedEx Service Guide, available on fedex.com. FedEx will not be responsible for any claim in excess of \$100 per package, whether the result of loss, damage, delay, non-delivery, misdelivery, or misinformation, unless you declare a higher value, pay an additional charge, document your actual loss and file a timely claim. Limitations found in the current FedEx Service Guide apply. Your right to recover from FedEx for any loss, including intrinsic value of the package, loss of sales, income interest, profit, attorney's fees, costs, and other forms of damage whether direct, incidental, consequential, or special is limited to the greater of \$100 or the authorized declared value. Recovery cannot exceed actual documented loss. Maximum for items of extraordinary value is \$1,000, e.g. jewelry, precious metals, negotiable instruments and other items listed in our Service Guide. Written claims must be filed within strict time limits, see current FedEx Service Guide.

Please use to send

Back confirmed copy.

IN THE UNINCORPORATED TERRITORY OF RIVERSIDE COUNTY, STATE OF CALIFORNIA
TRACT NO. 37715

BEING A SUBDIVISION OF PARCEL 4 AS SHOWN ON LOT LINE ADJUSTMENT NO. 4294, PER DOCUMENT RECORDED MAY 31, 2001 AS INSTRUMENT NO. 2001-241374 OF OFFICIAL RECORDS AS DESCRIBED IN A QUITCLAIM DEED RECORDED JUNE 26, 2001 AS INSTRUMENT NO. 2001-290460 OF OFFICIAL RECORDS, LYING WITHIN SECTION 5, T.7S, R.2W, S.B.M.

EDWARD L. REYNOLDS
L.S. 7725



DATE OF SURVEY:
JUNE 2020

3. STATEMENT

BY STATE THAT WE ARE THE OWNERS OF THE LAND INCLUDED WITHIN THE SUBDIVISION HEREON; THAT WE ARE THE ONLY PERSONS WHOSE CONSENT IS NECESSARY TO PASS A TITLE TO SAID LAND; THAT WE CONSENT TO THE MAKING AND RECORDING OF THIS SUBDIVISION MAP AS SHOWN WITHIN THE DISTINCTIVE BORDER LINE, THE REAL PROPERTY DEDICATED IS DEDICATED AS AN EASEMENT FOR PUBLIC PURPOSES: LOT A, LOT B, AND THE DEDICATION IS FOR STREET AND PUBLIC UTILITY PURPOSES. AS A CONDITION OF THE DEDICATION IS FOR LOT A, LOT B, AND LOT C, THE OWNERS OF LOTS 1 THROUGH 36, INCLUSIVE, 46 62, INCLUSIVE, AND LOTS 140 THROUGH 142, INCLUSIVE, ABUTTING THIS HIGHWAY AND SUCH TIME WILL HAVE NO RIGHTS OF ACCESS EXCEPT THE GENERAL EASEMENT OF ANY CHANGE OF ALIGNMENT OR WIDTH THAT RESULTS IN THE VACATION THEREOF SHALL BE THIS CONDITION OF ACCESS RIGHTS AS TO THE PART VACATED.

BY RETAIN LOTS D THROUGH N, INCLUSIVE, INDICATED AS "PRIVATE STREETS" AS SHOWN FOR PRIVATE USE, FOR THE SOLE BENEFIT OF OURSELVES, OUR SUCCESSORS, ASSIGNEES, OWNERS WITHIN THIS TRACT MAP.

PROPERTY DESCRIBED BELOW IS DEDICATED AS AN EASEMENT FOR PUBLIC PURPOSES: THROUGH N, INCLUSIVE. THE DEDICATION IS FOR PUBLIC UTILITY PURPOSES TOGETHER WITH RIGHT OF INGRESS AND EGRESS FOR EMERGENCY VEHICLES WITHIN LOTS D THROUGH N, INCLUSIVE.

PROPERTY DESCRIBED BELOW IS DEDICATED AS AN EASEMENT FOR PUBLIC PURPOSES: ALLEY-WIDE RECREATION AND PARK DISTRICT, COUNTY OF RIVERSIDE, STATE OF CALIFORNIA, LYING WITHIN LOT E AND LOT J, AS SHOWN HEREON, THE DEDICATION IS FOR OPEN AND LANDSCAPE MAINTENANCE PURPOSES.

BY RETAIN LOTS 140 AND 141 IN FEE INDICATED AS PRIVATE WATER QUALITY BASINS, AS HEREON FOR PRIVATE USE, FOR THE SOLE BENEFIT OF OURSELVES, OUR SUCCESSORS, ASSIGNEES AND LOT OWNERS WITHIN THIS TRACT MAP.

BY RETAIN LOT 142 IN FEE INDICATED AS A PRIVATE PARK AS SHOWN HEREON FOR USE, FOR THE SOLE BENEFIT OF OURSELVES, OUR SUCCESSORS, ASSIGNEES AND LOT OWNERS WITHIN THIS TRACT MAP.

BY RETAIN THE EASEMENT INDICATED AS "PRIVATE DRAINAGE EASEMENT", LYING WITHIN THROUGH 39, INCLUSIVE, AS SHOWN HEREON, FOR PRIVATE USE, FOR THE SOLE BENEFIT OF OURSELVES, OUR SUCCESSORS, ASSIGNEES, AND LOT OWNERS WITHIN THIS TRACT MAP.

BY RETAIN THE EASEMENT INDICATED AS "PRIVATE DRIVEWAY ACCESS" LYING WITHIN LOTS 5 AND 15 AS SHOWN HEREON, FOR PRIVATE USE, FOR THE SOLE BENEFIT OF OURSELVES, OUR SUCCESSORS, ASSIGNEES AND LOT OWNERS WITHIN THIS TRACT MAP.

TAX COLLECTOR'S CERTIFICATE

I HEREBY CERTIFY THAT ACCORDING TO THE RECORDS OF THIS OFFICE, AS OF THIS DATE, THERE ARE NO LIENS 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 LIEN, BUT NOT YET PAYABLE, WHICH ARE ESTIMATED TO BE \$ _____.

DATE: October 25, 2021

MATTHEW JENNINGS
COUNTY TAX COLLECTOR

BY: Stephene Egan
DEPUTY

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 COUNTY RECORDER ARE A LIEN AGAINST SAID PROPERTY BUT NOT YET PAYABLE AND SAID BOND HAS BEEN DULY APPROVED BY SAID BOARD OF SUPERVISORS.

DATE: _____, 2021

CASH OR SURETY BOND
MATTHEW JENNINGS
COUNTY TAX COLLECTOR

BY: _____
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.

SURVEYOR'S STATEMENT

THIS MAP WAS PREPARED IN CONFORMANCE WITH THE REQUIREMENTS OF THE SURVEYING ACTS OF 1907 AND 1917, AND THE MONUMENTS ARE BE SET IN ACCORDANCE WITH THE REQUIREMENTS OF THE SURVEYING ACTS OF 1907 AND 1917, AND THIS FINAL SURVEY IS 1

DATE: SEPTEMBER

E.L. Reynolds
EDWARD L. REYNOLDS
L.S. 7725

COUNTY SURVEY

THIS MAP CONFORMS TO THE REQUIREMENTS OF THE SURVEYING ACTS OF 1907 AND 1917, AND THE MONUMENTS ARE BE SET IN ACCORDANCE WITH THE REQUIREMENTS OF THE SURVEYING ACTS OF 1907 AND 1917, AND THIS FINAL SURVEY IS 1

DATE: 11-6

David L. McMulla
DAVID L. MCMULLA
L.S. 8488 EXP. 1

BOARD OF SUPERVISORS
THE COUNTY OF RIVERSIDE
APPROVES THE TRACT MAP

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 COUNTY RECORDER ARE A LIEN AGAINST SAID PROPERTY BUT NOT YET PAYABLE AND SAID BOND HAS BEEN DULY APPROVED BY SAID BOARD OF SUPERVISORS.

DATE: _____, 2021

CASH OR SURETY BOND
MATTHEW JENNINGS
COUNTY TAX COLLECTOR

BY: _____
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.

DATE: 10-15, 2021

BY: Dean Wettter
DEAN WETTER
GENERAL MANAGER

ABANDONMENT NOTE

PURSUANT TO SECTIONS 66434 AND 66499.20.2 OF THE SUBDIVISION MAP ACT, THE APPROVAL AND RECORDATION OF THIS TRACT MAP CONSTITUTES ABANDONMENT OF THE FOLLOWING:

THOSE PORTIONS OF AN EASEMENT FOR PUBLIC ROAD, DRAINAGE, PUBLIC UTILITY AND PUBLIC SERVICE PURPOSES RECORDED JULY 16, 2004, AS INSTRUMENT NO. 2004-0552053, OFFICIAL RECORDS LYNKS WITHIN PORTION OF LOTS 1 THROUGH 4, INCLUSIVE, LOTS 46 THROUGH 68, INCLUSIVE, AND LOTS 141 AND 142, PORTIONS ABANDONED BY THE FILING OF THIS MAP NOT SHOWN HEREON.

L.S. 7725

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 NO. 37715 AS FILED, AMENDED, AND APPROVED BY THE BOARD OF SUPERVISORS ON AUGUST 25, 2020. THE EXPIRATION DATE BEING AUGUST 25, 2023, AND THAT I AM SATISFIED THIS MAP IS TECHNICALLY CORRECT.

DATE: 11-24, 2021

DAVID L. MCWILLAN, COUNTY SURVEYOR
L.S. 8488 EXP. 12/31/2022



BOARD OF SUPERVISOR'S 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 OF LOTS A THROUGH C, INCLUSIVE, 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 OFFER OF DEDICATION FOR PUBLIC UTILITY PURPOSES ALONG WITH THE RIGHT OF INGRESS AND EGRESS FOR EMERGENCY VEHICLES WITHIN LOTS D THROUGH N, INCLUSIVE, INDICATED AS "PRIVATE STREETS" AS SHOWN HEREON IS HEREBY ACCEPTED.

DATE: 12-14, 2021

COUNTY OF RIVERSIDE, STATE OF CALIFORNIA

ATTEST:
KECIA HARPER
CLERK OF THE BOARD OF SUPERVISORS

BY: Karen S. Spiegel
CHAIRMAN OF THE BOARD OF SUPERVISORS

BY: Blue Maynard
DEPUTY

SCHEDULE "A" T. 78 P. 2. W SECTION 5

RECORDING REQUESTED BY:

First American Title Company

AFTER RECORDING RETURN TO:

Glenn Mau
Mokri Vanis & Jones LLP
4100 Newport Place Drive, Suite 840
Newport Beach, California 92660
Telephone: 949.226.7040
Web: www.mvjllp.com

DECLARATION
OF
COVENANTS, CONDITIONS AND RESTRICTIONS
FOR
TIERRA DEL SOL
A COMMON INTEREST DEVELOPMENT

IF THIS DOCUMENT CONTAINS ANY RESTRICTION BASED ON RACE, COLOR, RELIGION, SEX, GENDER, GENDER IDENTITY, GENDER EXPRESSION, SEXUAL ORIENTATION, FAMILIAL STATUS, MARITAL STATUS, DISABILITY, NATIONAL ORIGIN, SOURCE OF INCOME AS DEFINED IN SUBDIVISION (P) OF SECTION 12955, ANCESTRY OR MILITARY AND VETERAN STATUS, THAT RESTRICTION VIOLATES STATE AND FEDERAL FAIR HOUSING LAWS AND IS VOID, AND MAY BE REMOVED PURSUANT TO SECTION 12956.2 OF THE GOVERNMENT CODE. LAWFUL RESTRICTIONS UNDER STATE AND FEDERAL LAW ON THE AGE OF OCCUPANTS IN SENIOR HOUSING OR HOUSING FOR OLDER PERSONS SHALL NOT BE CONSTRUED AS RESTRICTIONS BASED ON FAMILIAL STATUS

TABLE OF CONTENTS

	Page
ARTICLE I RECITALS	1
1.1 Description of Real Property	1
1.2 Phases of the Project.....	1
1.3 Ownership Interests	1
1.4 Common Plan for Project	1
1.5 Boundary Modifications	2
1.6 County Required Disclosure.....	2
 ARTICLE II DEFINITIONS	 3
2.1 “Accessory Dwelling Unit” or “ADU”	3
2.2 “Additional Charges”	3
2.3 “Alteration”	3
2.4 “Annexable Property”	3
2.5 “Antenna Equipment”	3
2.6 “Antenna Laws”	3
2.7 “Architectural Control Committee” or “ACC”	3
2.8 “Articles”	3
2.9 “Assessment”	4
2.10 “Association”	4
2.11 “Association Maintenance Areas” or “AMA”	4
2.12 “Association Property” or “AP”	4
2.13 “Association Rules”	4
2.14 “Authorized Vehicles”	4
2.15 “BMP Maintenance Agreement”	4
2.16 “BMPs”	4
2.17 “Board” or “Board of Directors”	4
2.18 “Bond”	4
2.19 “Budget”	5
2.20 “Bylaws”	5
2.21 “Commercial Vehicles”	5
2.22 “Common Expenses”	5
2.23 “Conditions of Approval”	5
2.24 “County”	5
2.25 “Declarant”	5
2.26 “Declaration”	5
2.27 “Declaration of Annexation”	5
2.28 “Design Guidelines”	6
2.29 “Dispute Resolution Declaration”	6
2.30 “DRE”	6
2.31 “Eligible First Mortgagee”	6
2.32 “Final Public Report”	6
2.33 “Homeowner’s Manual”	6
2.34 “Improvements”	6
2.35 “Initial Property”	7

TABLE OF CONTENTS
(continued)

	Page
2.36 "Institutional Mortgagee"	7
2.37 "Limited Warranty"	7
2.38 "Lot"	7
2.39 "Maintain," "Maintained," "Maintaining" or "Maintenance"	7
2.40 "Maintenance Obligations"	7
2.41 "Map"	8
2.42 "Member"	8
2.43 "Member in Good Standing"	8
2.44 "Model Home Lots"	8
2.45 "Mortgage"	8
2.46 "Notice of Lien"	8
2.47 "Owner(s)"	8
2.48 "Party Walls"	9
2.49 "Permitted Parking Areas"	9
2.50 "Phase"	9
2.51 "Prohibited Vehicles"	9
2.52 "Project"	9
2.53 "Project Documents"	9
2.54 "Quorum"	9
2.55 "Residence"	9
2.56 "Right to Repair Act"	10
2.57 "Shared Driveway"	10
2.58 "Shared Driveway Lot"	10
2.59 "Water Quality Management Plan" or "WQMP"	10
 ARTICLE III PROPERTY RIGHTS	 10
3.1 Association Property	10
3.2 Association Maintenance Areas	10
3.3 Lot	11
3.4 Party Walls	11
3.5 Non-severability	11
3.6 Partition Prohibited	11
3.7 Annexation and Deannexation Rights	11
3.8 Easements	12
3.9 Provisions Restricting Delegation of Use	14
3.10 No Restriction on Owner's Right to Ingress and Egress	15
 ARTICLE IV USE RESTRICTIONS	 15
4.1 Accessory Dwelling Units	15
4.2 Alterations	15
4.3 Animals	15
4.4 Antenna and Satellite Dish Equipment	16
4.5 Burning	16
4.6 Compliance with Project Documents	16

TABLE OF CONTENTS
(continued)

	Page
4.7 Disclosure – Airport Influence Area	16
4.8 Disclosure – California Energy Commission Requirement	17
4.9 Disclosure – Commercial/Industrial/Mixed Use Zoned Property	17
4.10 Disclosure – Flooding Due to Dam Inundation.....	17
4.11 Disclosure – Liquefaction.....	18
4.12 Disclosure – Possible Reclaimed Water Use.....	18
4.13 Disclosure – Proximity to Dairies and Other Agricultural Uses	18
4.14 Disclosure – Right to Farm.....	19
4.15 Disclosure – Right to Farm (County Notice).....	19
4.16 Disclosure – Very High Fire Hazard Severity Zone.....	20
4.17 Drainage.....	20
4.18 Exterior Apparatus.....	20
4.19 Invitees.....	20
4.20 Installation of Landscaping	21
4.21 Liability of Owners for Damages	21
4.22 Mailboxes	21
4.23 Mineral and Water Exploration	21
4.24 No Guarantee of View; Disclaimer.	21
4.25 No Roof-Mounted Mechanical Equipment	21
4.26 Nuisances.....	21
4.27 Parking and Vehicle Restrictions	22
4.28 Power Equipment and Car Maintenance	23
4.29 Prohibition of Dumping Oil and Chemicals	23
4.30 Rental of Lots	23
4.31 Restrictions in Shared Driveways.....	24
4.32 Restrictions on Business	24
4.33 Signs and Flags.....	25
4.34 Solar Energy Systems.....	26
4.35 Solar Shade Restrictions	26
4.36 Sports Apparatus.....	26
4.37 Storage of Waste and Other Materials.....	27
4.38 Use and Occupancy	27
4.39 Window Coverings.....	27
 ARTICLE V MAINTENANCE OBLIGATIONS	 27
5.1 Maintenance of Association Property.....	27
5.2 Maintenance of Association Maintenance Areas	28
5.3 Maintenance of Lots.	28
5.4 Maintenance of Shared Driveways.....	28
5.5 Maintenance of Walls and Fences.	30
5.6 Maintenance of Landscaping.....	30
5.7 Maintenance of Water Quality Systems	30
5.8 Utility Bills	31

TABLE OF CONTENTS

(continued)

	Page
5.9 Other Association Obligations.....	31
5.10 Inspection and Maintenance Guidelines.....	31
ARTICLE VI ARCHITECTURAL REVIEW AND APPROVAL PROCEDURES.....	31
6.1 Formation and Composition of ACC.....	31
6.2 Duties of the ACC	31
6.3 Design Guidelines.....	32
6.4 Submission of Plans.....	32
6.5 Basis for Review.....	32
6.6 Form of Approvals, Conditional Approvals and Denials	32
6.7 Reconsideration of Denial of Application	33
6.8 Proceeding with and Completion of Work	33
6.9 Compliance with Approval.....	33
6.10 Compliance with Governmental Agency Procedures.....	34
6.11 Waiver	34
6.12 No Liability.....	34
ARTICLE VII ASSOCIATION ADMINISTRATION, MEMBERSHIP AND VOTING.....	34
7.1 Association to Manage Project.....	34
7.2 Membership in the Association	34
7.3 Transferred Membership	34
7.4 Proxies	35
7.5 Classes of Membership and Voting.....	35
7.6 Special Voting Rights of Class A Members for Election of Directors.....	36
7.7 Commencement of Voting Rights	36
7.8 Action Without Meeting	36
7.9 Secret Ballot Voting	36
7.10 Conduct of Members Meetings	36
ARTICLE VIII POWERS, DUTIES AND LIMITATIONS OF THE ASSOCIATION.....	36
8.1 Powers and Duties of Association	36
8.2 Property Taxes and Assessments.....	39
8.3 Discharge of Liens.....	39
8.4 Payment of Expenses.....	39
8.5 Dispute Resolution	39
ARTICLE IX ASSESSMENTS	39
9.1 Agreement to Pay	39
9.2 Purpose of Assessments.....	40
9.3 Exemptions from Regular Assessments	40
9.4 Regular Assessments	41
9.5 Special Assessments	41
9.6 Reimbursement Assessments	41

TABLE OF CONTENTS (continued)

	Page
9.7 Commencement of Assessments	41
9.8 Accounts	42
9.9 Enforcement of Assessments	42
9.10 Satisfaction of Lien	43
9.11 Lien Eliminated by Foreclosure	43
9.12 Waiver of Homestead Protections	43
9.13 Subordination of Lien	43
 ARTICLE X AMENDMENT AND ENFORCEMENT OF RESTRICTIONS.....	 43
10.1 Amendment of Declaration.	43
10.2 Enforcement.....	46
 ARTICLE XI BUDGETS AND FINANCIAL STATEMENTS.....	 47
11.1 Preparation and Distribution of Budget.....	47
11.2 Annual Report.....	47
11.3 Quarterly Reconciliation.....	47
11.4 Reserve Account Study	47
11.5 Notice of Increased Assessments	48
11.6 Statement of Outstanding Charges	48
11.7 Owner's Right to Conduct an Independent Audit	48
 ARTICLE XII INSURANCE, DESTRUCTION AND CONDEMNATION	 48
12.1 Insurance.....	48
12.2 General Provisions and Limitations	48
12.3 Types of Coverage.....	49
12.4 Waiver of Subrogation.....	50
12.5 Insurance by Owner.....	50
12.6 Annual Review of Policies	51
12.7 Payment of Premiums.....	51
12.8 Damage or Destruction.	51
12.9 Condemnation.....	52
 ARTICLE XIII MORTGAGEE PROTECTIONS	 53
13.1 Mortgages Permitted.....	53
13.2 Priority of Mortgage	53
13.3 Rights of Institutional Mortgagees	53
13.4 Rights of Mortgagees Upon Default of Mortgagor	54
13.5 Payment of Taxes or Premiums by Mortgagees	54
13.6 Effect of Breach.....	54
13.7 Conflict with Declaration	54
13.8 Notice to Mortgagees.....	54
13.9 Inspect Books and Records.....	55

TABLE OF CONTENTS

(continued)

	Page
ARTICLE XIV DISPUTE RESOLUTION PROCEDURES.....	55
14.1 In General	55
14.2 Disputes Between Association and Owners	55
14.3 Disputes Between Owners	56
14.4 Exceptions; Admissibility of Communications; Statute of Limitations	58
14.5 Legal Proceeding Against Declarant	59
ARTICLE XV ENFORCEMENT OF BONDED OBLIGATIONS	59
15.1 Bonded Obligations	59
15.2 Release of Bond	60
ARTICLE XVI GENERAL PROVISIONS	60
16.1 Term.....	60
16.2 Owner's Compliance	60
16.3 Notices	60
16.4 Notice of Transfer.....	61
16.5 Delivery of Project Documents to Transferee	61
16.6 Easements Reserved and Granted.....	61
16.7 Termination of any Responsibilities of Declarant.....	61
16.8 Mergers and Consolidations	61
16.9 Limitation of Restriction on Declarant.....	61
16.10 Assignment by Declarant.....	62
16.11 Severability.....	62
16.12 Estoppel Certificate	62
16.13 Successor Statutes.....	62
16.14 Conflict with Project Documents	62
16.15 Exhibits.....	62
16.16 Headings	62
16.17 Owner's Acknowledgment	62
16.18 Construction of Provisions	62
EXHIBIT A – LEGAL DESCRIPTION OF PROPERTY SUBJECT TO DECLARATION	
EXHIBIT B – DEPICTION OF MAINTENANCE AREAS	

**DECLARATION
OF
COVENANTS, CONDITIONS AND RESTRICTIONS
FOR
TIERRA DEL SOL**

This DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS FOR TIERRA DEL SOL is made on the date hereinafter set forth by MERITAGE HOMES OF CALIFORNIA, INC., a California corporation (herein referred to as "**Declarant**").

Tierra del Sol is a residential community comprised of single family detached homes in an unincorporated area of Riverside County, State of California, being developed by Declarant. Declarant's current development plan is that community will have 139 detached homes, detention basins, landscaped areas, and passive recreational facilities. However, there is no guarantee that the entire community will be developed or completed as presently proposed, and nothing in this Declaration shall be construed to require Declarant to develop the maximum number of homes approved, and that there may be increases or decreases if there are any changes, amendments to the governmental approvals for the community.

ARTICLE I

RECITALS

1.1 Description of Real Property. Declarant is the record owner of that certain real property in an unincorporated area of Riverside County, California, more particularly described on **Exhibit A** attached hereto and incorporated herein by reference (the "**Project**").

1.2 Phases of the Project. Declarant has improved or intends to improve the Project by subdividing it into Lots, Association Property, and other Improvements, as defined hereinbelow. Declarant intends to sell each Lot to a separate party (each, an "**Owner**"). Declarant intends to develop the Project in two (2) or more Phases. The first Phase will consist of the Initial Property, as defined below. Prior to annexation, the Annexable Property shall not be subject to any provision of this Declaration. Declarant may, but shall have no obligation to, annex all or any portion of the Annexable Property to the Project by recording a Declaration of Annexation in compliance with the provisions of this Declaration.

1.3 Ownership Interests. Each Owner shall receive fee title to his/her Lot, mandatory membership in the Tierra del Sol Association ("**Association**"), a non-exclusive easement for use, enjoyment, ingress and egress over the Association Property, and such other interests as are provided herein.

1.4 Common Plan for Project. By this Declaration, Declarant intends to establish a common scheme and plan for the possession, use, enjoyment, repair, Maintenance, restoration and improvement of the Project and interests therein conveyed and to establish thereon a common interest development.

1.5 Boundary Modifications. If the boundaries of real property change as a result of one or more subsequently recorded final maps, amended final maps, parcel maps, amended parcel maps, certificates of correction, lot line adjustments and/or records of survey, then for all purposes of this Declaration.

1.5.1 Added to Lot. Real property which is removed from a Lot and added to another Lot shall thereafter be part of that other Lot;

1.5.2 Removed from Declaration. Real property which is removed from Association Property and added to real property which is not subject to this Declaration shall no longer constitute a part of such Association Property and shall no longer be subject to this Declaration; and

1.5.3 Added to Declaration. Real property not subject to this Declaration which is added to Association Property shall be part of the Association Property to which it is added and shall automatically be subject to all provisions of this Declaration.

1.6 County Required Disclosure. Notwithstanding any provision in this Declaration to the contrary, the following provisions shall apply:

1.6.1 The Association established herein shall manage and continuously maintain the "common area" (referenced herein as "Association Property"), more particularly depicted 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 Planning Director of the County of Riverside or the County's successor-in-interest.

1.6.2 The Association shall have the right to assess the Owners of each individual Lot 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.

1.6.3 This Declaration shall not be terminated, "substantially" amended, or property deannexed therefrom absent the prior written consent of the Planning 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.

1.6.4 In the event of any conflict between this Declaration and the Articles of Incorporation, the Bylaws or the Association's Rules and Regulations, if any, this Declaration shall control.

NOW, THEREFORE, Declarant hereby declares that the Initial Property and, upon annexation of all or any portion of the Annexable Property, shall be held, conveyed, mortgaged, encumbered, leased, rented, used, occupied, sold and improved, subject to the following declarations, limitations, covenants, conditions, restrictions and easements, all of which are for the purpose of enhancing and protecting the value and attractiveness of the Project, in accordance with the plan for improvement of the Project and all division thereof into Lots. Pursuant to California

Civil Code Sections 1468 and 5975, all of the limitations, covenants, conditions, restrictions and easements shall constitute covenants which shall run with the land, be enforceable as equitable servitudes, and shall be binding upon Declarant and its successors and assigns, and all parties having or acquiring any right, title or interest in or to any part of the Project.

ARTICLE II

DEFINITIONS

In addition to the definitions provided for herein, the following terms shall have the following meanings:

2.1 “Accessory Dwelling Unit” or “ADU” shall refer to structures to be used as habitable spaces and satisfies the requirements set forth in California Government Code Section 65852.2, or California Government Code Section 65852.22, as applicable, and which shall be subject to all requirements, restrictions and limitations that may be imposed by the County, the Association, and any other governmental agency or department.

2.2 “Additional Charges” shall mean costs, fees, charges and expenditures, including, without limitation, attorney’s fees, late charges, interest and recording and filing fees actually incurred by the Association in collecting and/or enforcing payment of Assessments, fines and/or penalties.

2.3 “Alteration” shall mean constructing, performing, installing, remodeling, repairing, replacing, demolishing, and/or changing the color or shade of any Improvement. The term “Alteration” does not include repainting or refinishing any Improvement in the same color, hue, intensity, tone, and shade or repairing any Improvement with the same materials.

2.4 “Annexable Property” shall mean all of the real property described in **Exhibit A**, and all Improvements situated on such real property, *excluding therefrom the Initial Property*, that is annexed by Declarant, and any other real property and Improvements annexed into the Project, as provided in this Declaration. However, there is no guarantee that any of the Annexable Property will be annexed into the Project as intended by Declarant.

2.5 “Antenna Equipment” shall individually and collectively refer to any and all television, video or radio poles, antennae, satellite dishes, cables, other transmission and/or reception fixtures, or other over-the-air receiving device or related or similar personal property.

2.6 “Antenna Laws” shall refer to Title 47 U.S.C. § 1 *et seq.*, 47 CFR § 1.4000 and any other applicable state, federal and local laws, rules and decisions promulgated with respect thereto, pertaining to the use, installation and maintenance Antenna Equipment.

2.7 “Architectural Control Committee” or “ACC” shall mean the committee referenced in ARTICLE VI of this Declaration.

2.8 “Articles” shall mean the Articles of Incorporation of Tierra del Sol Association, a California nonprofit mutual benefit corporation, and any amendments thereto.

2.9 “Assessment” shall mean that portion of the cost of Maintaining, improving, repairing, operating and managing the Project which is to be paid by each Owner as determined by the Association and as more particularly set forth in ARTICLE IX of this Declaration.

2.10 “Association” shall mean the Tierra del Sol Association, a California nonprofit mutual benefit corporation, the Members of which shall be the Owners of Lots in the Project, their successors and assigns.

2.11 “Association Maintenance Areas” or “AMA” shall mean those portions of the Project that are not owned in fee by the Association but for which the Association shall have the obligation to Maintain, as set forth in this Declaration. “Association Maintenance Areas” shall include, without limitation, parkway landscaping and irrigation along the public streets on the perimeter of the Project on San Remo Drive and Benton Road. “Association Maintenance Areas” shall also mean any real property and Improvements described as “Association Maintenance Areas” in a Declaration of Annexation.

2.12 “Association Property” or “AP” shall, unless otherwise identified, collectively refer to (a) Association Maintenance Areas, and (b) Lot 140 to 142, inclusive, and D of the Map. Association Property shall include, but not be limited to, the private streets, detention basins, and landscaped areas. The term “Association Property” shall also mean any real property and Improvements described as “Association Property” in a Declaration of Annexation for a particular Phase. Association Property shall be held in fee title by the Association and is “common area” as that term is defined in California Civil Code Section 4095.

2.13 “Association Rules” shall mean rules and regulations regulating the use and enjoyment of the Project which may be adopted and/or amended by the Board from time to time.

2.14 “Authorized Vehicles” shall include, but not be limited to, standard passenger vehicles, motorcycles and trucks (unless otherwise defined as a Commercial Vehicle below) used for personal transportation. Any vehicle that is not an Authorized Vehicle is deemed a “Prohibited Vehicle,” as set forth below. The Board shall have the discretion to modify, amend or change the definition of “Authorized Vehicles” through Association Rules so long as the minimum standards set forth in Section 4.27 of this Declaration are satisfied.

2.15 “BMP Maintenance Agreement” shall mean the agreement recorded against the Project that ensures that the BMP facilities are installed in dedicated easements and that sufficient legal access to the BMPs are provided to comply with the WQMP.

2.16 “BMPs” shall mean Best Management Practices as it pertains to the management of storm water and water quality, as set forth in this Declaration.

2.17 “Board” or “Board of Directors” shall mean the Board of Directors of the Association.

2.18 “Bond” shall mean a bond, security or other arrangement to secure performance of the commitment of Declarant to complete Association Property Improvements.

2.19 "Budget" shall mean the budget (as set forth in ARTICLE IX below) that shall cover those portions of the expenses for the entirety of the Project, and for which the Regular Assessment payable by each Owner of a Lot is required to pay under ARTICLE IX of this Declaration.

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

2.21 "Commercial Vehicles" shall mean any truck or vehicle that is primarily used or maintained for the transportation of persons for hire, compensation, or profit (e.g., taxi or limousine), or is designed, used, or maintained primarily for the transportation of property, or requires a specialized driver's license (e.g., a California Class A, Class B or commercial Class C licenses). A "Commercial Vehicle" is also any truck or vehicle that (a) has more than (2) axles, (b) is longer than twenty-one (21) feet in length from bumper to bumper, (c) exceeds 10,000 pounds gross vehicle weight rating, and/or (d) is not used for personal transportation.

2.22 "Common Expenses" shall mean and include the actual and estimated expenses of operating the Project and any reasonable reserve for such purposes as found and determined by the Board and all sums designated as Common Expenses by or pursuant to the Project Documents.

2.23 "Conditions of Approval" shall mean all resolutions, ordinances, regulations and directives approved and adopted by the County for the Project including the Conditions of Approval for Tentative Tract Map 37715.

2.24 "County" shall mean the County of Riverside, California, the County in which the Project is located.

2.25 "Declarant" shall mean Meritage Homes of California, Inc., a California corporation, its successors and assigns, if such successors and assigns are assigned the rights of Declarant pursuant to Section 16.10 hereof or if such successor or assign is a mortgagee acquiring Declarant's interest in the Project by foreclosure or by deed in lieu of foreclosure.

2.26 "Declaration" shall mean this "Declaration of Covenants, Conditions and Restrictions for Tierra del Sol," and any amendments, modifications, annexations, or supplements thereto.

2.27 "Declaration of Annexation" shall mean and refer to those certain declarations of covenants, conditions and restrictions or similar instruments, annexing any portion of the Annexable Property and extending the plan of this Declaration to that Annexable Property as provided in Section 3.7 of this Declaration. The Declaration of Annexation shall (a) describe the portion of Annexable Property to be annexed; (b) describe any Association Property with the property to be annexed; (c) set forth the ownership of any such Association Property; (d) specify that all of the covenants, conditions and restrictions of this Declaration shall apply to the annexed Annexable Property in the same manner as if it were originally covered by this Declaration; and (e) include any additional terms, provisions, easements or conditions that may be applicable to the real property and Improvements described in the Declaration of Annexation. A Declaration of Annexation may include additional terms, provisions, easements, restrictions or conditions that cover all or a portion of the Project described in the Declaration of Annexation in order to supplement, modify, or clarify conditions, covenants, restrictions or easements established under

this Declaration. The provisions of any Declaration of Annexation may impose such additional, different or more restrictive conditions, covenants, restrictions, land uses and limitations as Declarant may deem advisable, taking into account the particular requirements of the real property encumbered thereby. In the event of any conflict between the provisions of this Declaration and the provisions of a Declaration of Annexation, this Declaration shall control.

2.28 “Design Guidelines” shall mean architectural rules, regulations and guidelines that the ACC, from time to time and in its sole discretion, may adopt and utilized for approval of Alterations, as set forth in ARTICLE VI of this Declaration. The Design Guidelines may impose specific requirements on individual Lots and/or Residences if those requirements are reasonable in light of specific Lot topography, visibility or other factors. Adoption, repeal or modification of Design Guidelines shall comply with the provisions of California Civil Code Section 4340, *et seq.* and shall constitute “Association Rules.”

2.29 “Dispute Resolution Declaration” shall mean the “Notice of Alternative Non-Adversarial and Dispute Resolution Procedures for Tierra del Sol,” recorded in the Official Records of Riverside County, California, applicable to the Project, as may be amended or supplemented.

2.30 “DRE” shall mean the California Department of Real Estate, and any successor bureau, entity, agency, department, commission and/or council.

2.31 “Eligible First Mortgagee” shall mean any Institutional Mortgagee who holds a Mortgage(s) secured against a Lot(s) and who shall receive written notice from the Association of any or all of the events specified in Section 13.8 of this Declaration.

2.32 “Final Public Report” shall mean the final subdivision public report issued by the DRE or any successor state agency pursuant to the Subdivided Lands Act (California Business & Professions Code Section 11000, *et seq.*) as it may be amended from time to time.

2.33 “Homeowner’s Manual” shall mean the documents provided to original Owners by Declarant, as may be updated and amended from time to time, that pertain to Improvements within a Lot and/or Residence including, but not limited to, fixtures, appliances, windows, siding, landscaping, *etc.*, originally installed by Declarant, and which sets forth obligations, procedures, operation and schedules pertaining to certain products manufactured by others and installed on the Lot and/or Residence, including warranty terms, usage instructions, Maintenance Obligations and schedules for the Owner to Maintain the Improvements for which an Owner is responsible. Each Owner shall be responsible to ensure that the subsequent purchaser of such Owner’s Lot is aware of and is given the Homeowner’s Manual.

2.34 “Improvements” shall mean all structures and improvements on the Project, including, but not limited to, all BMPs, storm drain pump system, storm drain underground detention system, buildings, outbuildings, underground installations, slope, grading, roads, curbs, gutters, storm drains, utilities (private sanitary sewer, private domestic and fire water), driveways, parking areas, fences, walls, screening walls and barriers, retaining walls, stairs, decks, swimming pools, spas, saunas, patios, patio covers, painting, light standards, sound equipment, windbreaks, plantings, shrubbery, landscaping, irrigation system, drainage ditches, streets, street lighting,

monuments, and other works of Improvement as defined in California Civil Code Section 8050, excluding only those Improvements, or portions thereof, that are dedicated to the public or a public or quasi-public entity or utility company, and accepted for Maintenance by the public, such entity or utility company.

2.35 “Initial Property” shall mean Lots 6 to 10, inclusive, 63 to 67, inclusive, and 140, of the Map, and all Improvements thereon.

2.36 “Institutional Mortgagee” shall mean a First Mortgagee that is (a) a federally or state chartered or licensed bank or savings and loan association; (b) a mortgage company or other entity chartered or licensed under federal or state laws whose principal business is lending money on the security of real property or investing in such loans; (c) an insurance company; (d) a federal or state agency or instrumentality including, without limitation, FNMA and FHLMC; or (e) an insurer or governmental guarantor of a First Mortgage including the FHA and the VA.

2.37 “Limited Warranty” shall mean the Limited Warranty and Performance Standards included in the Warranty Information section of the Homeowner’s Manual provided by Declarant to Owners. Each Owner shall be responsible to ensure that the subsequent purchaser of such Owner’s Lot is aware of and is given the documents provided by Declarant including, but not limited to, the Homeowner’s Manual and Limited Warranty, and the procedures and forms which must be followed and executed to transfer such Limited Warranty, if applicable, to said subsequent purchaser.

2.38 “Lot” shall mean any Lot, as shown on the Map, and any other parcel of land designated as “Lot” in any recorded supplement to the Declaration or in any Declaration of Annexation. Numbered Lots shall refer to Lots on which Residences and other Improvements are to be constructed, installed and built. Lettered Lots shall refer to Association Property and Improvements thereon. The term “Lot” also includes a “Shared Driveway Lot” as defined below.

2.39 “Maintain,” “Maintained,” “Maintaining” or “Maintenance” means the taking of all actions reasonably necessary and the exercise of reasonable care to keep the buildings, roads, landscaping, lighting and other related Improvements and fixtures in first class condition and repair in a state similar to their original condition, normal wear and tear excepted. The actions to be taken include, but are not limited to, regular inspections, painting, Maintenance, refinishing, repairing, replacing and reconstructing the Improvement, and in the case of landscaping, irrigating, fertilizing, and other garden practices necessary to promote a healthy, weed free environment for optimum plant growth. Owners shall have no responsibility to Maintain any Improvement Maintained by a third party or the public or quasi-public entity or utility company even if the third party or the public or quasi-public entity or utility company fails to perform all actions required by this Declaration.

2.40 “Maintenance Obligations” shall mean the Owner’s or Association’s obligation to perform: (a) all reasonable Maintenance consistent with the terms of any Maintenance manual provided by Declarant, any Maintenance obligations and schedules in any warranty offered by Declarant or any manufacturer, and any Maintenance obligations and schedules otherwise provided to the Owner or Association by Declarant or any manufacturer, as applicable; (b) any commonly accepted Maintenance practices to prolong the life of the materials and construction of

all Improvements; and (c) any Maintenance Obligations and requirements set forth in this Declaration, as amended and updated from time to time.

2.41 "Map" shall mean the final map of "Tract No. 37715," filed for record on _____, 20____, in Book _____ of Maps, at Pages ____ to ____, inclusive, in the Official Records of Riverside County, State of California, as the same may be amended, and any final maps, parcel maps and/or lot line adjustments.

2.42 "Member" shall mean a person or entity holding a membership in the Association as provided herein. Upon close of escrow, each Owner of a Lot shall automatically become a Member of the Association. Membership in the Association is inseparable from ownership of a Lot. If there is more than one Owner per Lot, the co-owners collectively shall constitute a single Member.

2.43 "Member in Good Standing" shall mean an Owner who is not delinquent in payment of Assessments, is not in violation of any provision of the Project Documents, and/or does not otherwise have any disciplinary action pending between said Owner and the Association, as further identified in the Bylaws.

2.44 "Model Home Lots" shall mean those Lots within the Project which are initially used by Declarant for the sole purpose of marketing other Lots constructed by Declarant and such Lots are not initially occupied or used for residential purposes. It is intended and anticipated that the sale of the Model Home Units, which shall be open to the viewing public for business hours during the active sales period, will be in the last Phase of the Project.

2.45 "Mortgage" shall mean a mortgage or deed of trust encumbering a Lot or other portion of the Project. A "Mortgagee" shall include the beneficiary under a deed of trust and any guarantor or insurer of a Mortgage. "First Mortgagee" or "Eligible First Mortgagee" is one having priority over all other Mortgages or holders of Mortgages encumbering the same Lot or other portion of the Project. An "Eligible First Mortgagee" shall include any holder (including FHLMC and FNMA), insurer (including FHA), or guarantor (including VA) of a First Mortgage on a Lot or other portion of the Project who has requested the Association to notify the First Mortgagee of any proposed action that requires the consent of a specified percentage of Eligible First Mortgagees. "FHA" shall mean the United States Department of Housing and Urban Development, Federal Housing Administration. "VA" shall mean the United States Department of Veterans Affairs. "FHLMC" shall mean the Federal Home Loan Mortgage Corporation. "FNMA" shall mean the Federal National Mortgage Association. Where any provision of the Project Documents requires the approval of an Eligible First Mortgagee, the approval of the holder, insurer or guarantor of that First Mortgage shall be deemed to be the required approval.

2.46 "Notice of Lien" shall mean the notice of delinquent Assessment (or similar document) that the Association or a trustee nominated by the Association shall record in the Official Records of the County prior to commencing and maintaining proceedings to establish and/or foreclose Assessment liens, as set forth in ARTICLE IX of this Declaration.

2.47 "Owner(s)" shall mean the record holder or holders of title, if more than one, to any Lot in the Project. "Owner" includes Declarant, except where specified as mutually exclusive. This

shall not include contract sellers or persons or entities having any interest merely as security for the performance of an obligation. If a Lot is sold under a recorded contract of sale (or a recorded memorandum of such contract), the purchaser, rather than the fee Owner, shall be considered the "Owner."

2.48 "Party Walls" shall mean any fence or wall (including retaining walls) constructed or composed of any material or combination of materials that are originally constructed and placed on, near or adjacent to the common boundary of two (2) or more adjacent Lots. "Party Wall" shall not include fences or walls separating Lots and Association Property, or fences and walls along the perimeter of the Project.

2.49 "Permitted Parking Areas" shall mean driveways and garages that are designed and established for the parking of Authorized Vehicles. Permitted Parking Areas may also include those areas determined to be such areas by the Board of Directors as part of the Association Rules. Permitted Parking Areas **do not** include Shared Driveways, sidewalks, driveway aprons, streets marked with "No Parking" signs and/or red-painted curbs, or adjacent residential, commercial or industrial properties. Use of the Permitted Parking Areas is described in Section 4.27 of this Declaration.

2.50 "Phase" shall mean any Lots and/or Association Property which are made subject to the provisions of this Declaration either by recording this Declaration or by recording a Declaration of Annexation; provided, a single Declaration of Annexation may establish more than one Phase in accordance with the terms of that Declaration of Annexation. Each Phase shall be designated as such in a Declaration of Annexation for such Phase, in accordance with Section 3.7 of this Declaration.

2.51 "Prohibited Vehicles" shall include, but not be limited to, non-motorized vehicles, trailers or motorized vehicles that exceed 7 feet in height, 7 feet in width, and 19 feet in length (unless otherwise defined as a Commercial Vehicle above). The Board shall have the discretion to modify, amend or change the definition of "Prohibited Vehicles" through Association Rules so long as the minimum standards set forth in Section 4.27 of this Declaration are satisfied.

2.52 "Project" shall mean the Initial Property and any portion of the Annexable Property which may be brought within the jurisdiction of the Association and be subject to this Declaration, including all structures and Improvements erected or to be erected thereon.

2.53 "Project Documents" shall mean and include this Declaration, as amended from time to time, the exhibits, if any, attached hereto, together with the other basic documents used to create and govern the Project, including the Map, Articles, Bylaws and Association Rules. The Dispute Resolution Declaration shall not be considered a "Project Document."

2.54 "Quorum" shall mean a majority of those entitled to act, except in the case of a quorum necessary for the imposition of Regular and Special Assessments set forth in ARTICLE IX herein.

2.55 "Residence" shall mean the residential dwelling (including the garage), and accessory structures constructed on a Lot.

2.56 “Right to Repair Act” shall refer to California Civil Code Sections 895-945.5, as may be amended from time to time.

2.57 “Shared Driveway” shall mean those portions of certain Lots upon which a driveway has been installed by Declarant that serves more than one Lot and which provides ingress and egress for those Lots. Each Shared Driveway is shown on the Map as an easement for private driveway access. The boundaries of the Shared Driveway are as shown on the Map. The Shared Driveway does not include those portions of a driveway that are outside of the boundaries of the easements shown on the Map, and serve only a single Lot and are generally located from the garage door and extend to the point where the driveway connects with the Shared Driveway. Not all Shared Driveway Lots (defined below) will have useable portions of a driveway that only serves that particular Lot. Each Shared Driveway includes the entire Shared Driveway surface and all utilities, including water, sewer and storm drainage along with other Improvements within the Shared Driveway which (a) serve more than one (1) Lot, (b) are not Maintained by the Association, and (c) are not publicly Maintained.

2.58 “Shared Driveway Lot” shall mean a Lot that is subject to a Shared Driveway and shares a driveway with one or more other Lots. Lots 4, 5, 14 and 15 of the Map are Shared Driveway Lots.

2.59 “Water Quality Management Plan” or “WQMP” shall mean the Project-specific Water Quality Management Plan approved by the County with a revision date of December 2020 that is applicable to the Project.

ARTICLE III

PROPERTY RIGHTS

3.1 Association Property. Title to or a legal ownership interest in Association Property shall be conveyed to the Association prior to or concurrently with the conveyance of the first Lot within a particular Phase to an Owner. The Association shall be deemed to have accepted the Association Property conveyed to it when (a) a grant deed conveying title to the Association Property has been recorded in the Official Records of the County, (b) Assessments have commenced pursuant to ARTICLE IX of this Declaration, and/or (c) the Association has commenced use and/or Maintenance of the Association Property. The Association Property shall be Maintained by the Association as provided in ARTICLE V of this Declaration. When Association Property is conveyed by Declarant, an easement shall be deemed automatically reserved over the Association Property in favor of Declarant for drainage and encroachment purposes and for ingress and egress from the Association Property for the purpose of completing Improvements thereon or for the performance of necessary repair work. Said easement in favor of Declarant shall automatically terminate ten (10) years after the sale of the last Lot covered by this Declaration.

3.2 Association Maintenance Areas. The Association shall be and is hereby conveyed non-exclusive easements to the Association Maintenance Areas concurrent with the conveyance of the first Lot within a particular Phase to an Owner. The Association Maintenance Areas shall be Maintained by the Association as provided in ARTICLE V of this Declaration.

3.3 Lot. Each Owner of a Lot, and all Improvements thereon, shall be conveyed fee title to said Lot. Each Lot with a Residence shall be a "separate interest" (as defined in California Civil Code Section 4185).

3.4 Party Walls. Each Owner of a Lot upon which a Party Wall is constructed shall own to the center of the Party Wall.

3.5 Non-severability. An Owner's membership in the Association is mandatory, inseparable and indivisible from ownership of a Lot in the Project. No Owner shall have the right to sever his/her rights, duties and obligations as a Member of the Association and under this Declaration from his/her ownership of a Lot.

3.6 Partition Prohibited. Except as provided in California Civil Code Section 4610, there shall be no judicial partition of Association Property or of any part thereof. Each Owner specifically waives and abandons all rights, interests, and causes of action for judicial partition of the Association Property. Each Owner agrees that no action for judicial partition of the Association Property shall be instituted, prosecuted or reduced to judgment, except in compliance with California Civil Code Section 4610. If a Lot is owned by two or more Owners as partners, tenants-in-common, or joint tenants, or as community property, nothing contained in this Section shall be deemed to prevent a judicial partition of their co-ownership.

3.7 Annexation and Deannexation Rights. Real property may be annexed or deannexed pursuant to this Section.

3.7.1 Annexation Pursuant to Approval. Any portion of the Annexable Property may be added to the Project by Declarant as one or more subsequent Phases without the approval of the Association or any Owner if the annexation is in substantial conformance with the detailed plan of phased development submitted to the DRE with the Phase 1 Final Public Report application. Otherwise, any other Annexable Property may be annexed to the Project only with the approval of two-thirds ($\frac{2}{3}$) of each class of Members; provided, however, any annexation made while there are two (2) classes of membership requires the prior approval of the FHA and/or the VA, if either are First Mortgagees.

3.7.2 Procedure for Annexation. In addition to any required approval by Members, a final subdivision map(s) or final parcel map(s) and a Declaration of Annexation for the property to be annexed must be recorded. The Declaration of Annexation shall also provide that if and only if at the time of the first conveyance of a Lot in a Phase the Declarant has rented or leased Lots in that Phase for a period of at least one (1) year after the most recent review of a budget for that Phase by the DRE, Declarant shall either issue a written commitment to pay or pay to the Association the following amount: an amount equal to that portion of the Regular Assessment which would have been attributable to each Lot in that Phase and which would have been allocable to reserves for replacement and deferred Maintenance of Association Property and other Improvements had Regular Assessments in that Phase commenced at the time of the most recent review of a budget for that Phase. Such amount, if any, shall be paid to the Association prior to or concurrently with the first conveyance of a Lot in that Phase.

3.7.3 Proof Satisfactory to the DRE. In addition to the requirements set forth in Section 3.7.2 above, Declarant shall provide satisfactory proof to the DRE that the proposed annexation will not result in an overburdening of Association Property and/or Association Maintenance Areas, and that the proposed annexation will not cause a substantial increase in Assessments against existing Owners which was not disclosed in Final Public Reports under which prior Owners purchased their Lots.

3.7.4 Effect of Annexation. After complying with the procedures for annexation and upon the commencement of Assessments for Lots in the annexed Phase, Owners of Lots in the annexed Phase shall be Members, shall be subject to this Declaration, and shall be entitled to use all Association Property in the Project. The Association shall reallocate the Regular Assessments so as to assess each Owner in the Project for an equal and proportionate share of the Common Expenses of the Project. All Owners shall have ingress and egress to all portions of the Association Property and Association Maintenance Areas throughout the Project, subject to the provision of this Declaration, the Bylaws of the Association and the Association Rules in effect from time to time.

3.7.5 Deannexation. Subject to the restrictions, limitations and provisions of this Declaration, Declarant or the Association may remove any property in the Project by executing and recording a Declaration of Deannexation. Declarant may deannex property only if (a) no escrows have closed on the annexed Phase, (b) no Assessments have commenced on any portion of the annexed Phase, (c) Declarant has not exercised any votes attributable to the annexed Phase, and (d) a Declaration of Deannexation is recorded in the same manner as the Declaration of Annexation was recorded. If the Association desires to deannex property within the Project, the approval of Members constituting at least two-thirds ($\frac{2}{3}$) of each class of Members is required; provided, however, any deannexation made while there are two (2) classes of membership requires the approval of the FHA and/or the VA, if either are First Mortgagees.

3.8 Easements. In addition to any and all other easements contained in this Declaration, the Project shall be subject to the following easements:

3.8.1 Architectural Control Committee Easements. The ACC and its duly authorized agents and representatives shall have a non-exclusive right and easement as is necessary to perform its duties and obligations set forth in this Declaration, including the right to enter any Lot, subject to the limitations contained in this Declaration.

3.8.2 Association Maintenance Easements. There shall be reserved in favor of the Association, an easement across, over, in and on any Lot to Maintain those areas as set forth in this Declaration including, but not limited to, the Association Maintenance Areas, as described in this Declaration and in any Declaration of Annexation.

3.8.3 Clustered Mailbox Easements. Declarant reserves non-exclusive easements over, across and upon the Project for (a) placement of mailbox clusters in locations required by the United States Postal Service and local governmental agencies with jurisdiction over the Project; (b) delivery, deposit and pickup of United States mail; and (c) access to and maintenance and replacement of the mailbox clusters by the Association. The actual

locations of the easements referred to herein shall be determined by the as-built location of each mailbox cluster. The easements reserved hereby are appurtenant to each Lot in the Project, as necessary to ensure the Owner's reasonable access to their respective mailboxes.

3.8.4 Declarant's Reservation of Easements. Declarant hereby reserves easements over the Association Property for common driveway purposes, for drainage and encroachment purposes, for ingress and egress from and onto Lots for the purpose of completing Improvements thereon, for the performance of necessary repair work, for compliance with requirements of any governmental agency, for the purposes of reasonable ingress and egress from, over and across the Project, including private roads and sidewalks; and for inspection of the Association Property and each Lot to ensure that the Project and all Improvements thereon are being Maintained in accordance with the provisions of this Declaration. Said easements in favor of Declarant shall automatically terminate ten (10) years after the conveyance of the last Lot.

3.8.5 Easements for Utilities and Maintenance. Easements over and under the Project for the installation and Maintenance of electric, telephone, water, gas and sanitary sewer lines and facilities, heating facilities, cable or master television antenna lines, drainage facilities, walkways, and landscaping, as shown on the Map and/or as installed or constructed, and as may be hereafter required or needed to service the Project, are hereby reserved by Declarant and its successors and assigns, including the Association and appurtenant utility companies, together with the right to grant and transfer the same. No Owner or occupant shall commit any act that would interfere with the operation of any drainage system (including drainage swales, bioretention areas, *etc.*) installed in the Project.

3.8.6 Easements on the Map. The Project is subject to the easements and rights of way shown on the Map including, but not limited to, those for the purposes of drainage, Maintenance, and other purposes. Limitations on the construction and installation of Improvements within the easements and rights of way set forth on the Map are as outlined on said Map and incorporated herein by reference as if set forth in full.

3.8.7 Encroachment Easements. Each Lot is hereby declared to have an easement over any adjoining Lot or Association Property for the purpose of accommodating any encroachment due to minor engineering errors, minor errors in original construction, settlement or shifting of the Lot, or any other cause. There shall be valid easements for the Maintenance of said encroachments as long as they shall exist, and the rights and obligations of Owners shall not be altered in any way by said encroachment, settlement or shifting; provided, however, that in no event shall a valid easement for encroachment be created in favor of an Owner or Owners if said encroachment occurred due to the willful misconduct of said Owner or Owners. In the event a structure is partially or totally destroyed, and then repaired or rebuilt, the Owners agree that minor encroachments over adjacent Lot, Lots and the Association Property adjoining the Lot due to minor engineering errors, minor errors in construction, or settlement or shifting of the Lot, or restoration/reconstruction of Improvements originally constructed, shall be permitted and that there shall be valid easements for the existence and Maintenance of said encroachments so long as they shall exist.

3.8.8 Owners' Easements. Every Owner shall have a right and nonexclusive easement of enjoyment in and to the Association Property and Improvements located thereon, including ingress and egress to and from his/her Lot. Each such nonexclusive easement shall be appurtenant to and shall pass with the title to the Lot, subject to the following provisions:

(a) Section 10.2 of this Declaration authorizes the Board to impose monetary penalties, temporarily suspend an Owner's rights as a Member of the Association or other impose appropriate discipline for failure to comply with the Project Documents provided that the established procedures are followed for Notice and Hearing which satisfy the minimum requirements of California Corporations Code Section 7341 with respect to the accused Member before a decision to impose discipline is reached. These procedures are set out in Article XIII of the Bylaws.

(b) The right of the Association to dedicate or transfer all or any part of the Association Property to any public agency, authority, or utility for such purposes and subject to such conditions as may be agreed to by the Members. No such dedication or transfer shall be effective unless an instrument signed by two thirds ($\frac{2}{3}$) of the Members agreeing to such dedication or transfer has been recorded, provided, however, that no such dedication shall impair the ingress and egress to any Lot.

3.8.9 Party Wall Easements. Each Owner of a Lot containing a Party Wall shall have a reciprocal, non-exclusive easement over and across such portions of any adjacent and contiguous Lot as is necessary to Maintain the Party Wall.

3.8.10 Reciprocal Maintenance Easements. Each Owner of a Lot shall have a reciprocal non-exclusive maintenance easement over and across such portions of any adjacent or contiguous Lot or Association Property as is necessary to Maintain the Lot and/or any Improvement(s) on or in the Lot.

3.8.11 Right of Entry. The Board may authorize its agents and employees to enter upon or in any Lot when necessary in connection with any Maintenance, landscaping or construction for which the Association is responsible, to effect emergency repairs, to effect necessary repairs which the Owner has failed to perform as required by this Declaration, or to inspect and/or make a determination whether an Owner is complying with the provisions of this Declaration. Such entry shall be made with as little inconvenience to the Owner as practicable and any damage caused thereby shall be repaired by the Board at the expense of the Association. Except in case of emergencies, twenty-four (24) hour advance notice shall be given to the Owner or occupant.

3.9 Provisions Restricting Delegation of Use. Any Owner may delegate their rights of use and enjoyment of the Project to the members of their family, their guests, tenants, employees, and invitees, and to such other persons as may be permitted by the Bylaws and the Association Rules, subject however, to this Declaration. However, if an Owner has sold his/her Lot to a contract purchaser or has leased or rented it, the Owner, members of the Owner's family, guests, tenants, employees, and invitees shall not be entitled to use and enjoy any of such rights in the Project

while the Owner's Lot is sold to a contract purchaser or rented to tenants. Instead, the contract purchaser, or tenants, while occupying such Lot, shall be entitled to use and enjoy such rights and can delegate the rights of use and enjoyment in the same manner as if such contract purchaser or tenants were an Owner during the period of their occupancy. Each Owner shall notify the Secretary of the Association of the names of any contract purchasers of such Owner's Lot or tenants of such Owner's Lot. Each Owner, contract purchaser, or tenant also shall notify the Secretary of the Association of the names of all persons to whom such Owner, contract purchaser, or tenant has delegated any rights of use and enjoyment and the relationship that each such person bears to the Owner, contract purchaser, or tenant. Any delegated rights of use and enjoyment are subject to suspension to the same extent as are the rights of Owners. No such delegation shall relieve an Owner from liability to the Association or to other Owner for payment of Assessments or performance of the covenants, conditions and restrictions contained in this Declaration. Any lease, rental agreement or contract of sale entered into between an Owner and a tenant or contract purchaser of a Lot shall require compliance by the tenant or contract purchaser with all of the covenants, conditions and restrictions contained in this Declaration, which provision shall be for the express benefit of the Association and each Owner. The Association and each Owner shall have a right to action directly against any tenant or contract purchaser of an Owner, as well as against the Owner, for nonperformance of any of the provisions of this Declaration to the same extent that such right of action exists against such Owner.

3.10 No Restriction on Owner's Right to Ingress and Egress. Except as allowed in Section 16.9 of this Declaration, there shall be no restriction upon any Owner's right to ingress and egress to his/her Lot, which right shall be perpetual and appurtenant to his/her Lot ownership.

ARTICLE IV

USE RESTRICTIONS

4.1 Accessory Dwelling Units. If allowed by local ordinance adopted by the County, Owners may be allowed to construct and install an Accessory Dwelling Unit on his/her Lot, provided that prior written approval of the Association under ARTICLE VI of this Declaration and the County is obtained. Neither Declarant nor the Association warrant or guarantee that an Owner shall be granted permission for construction and installation of an ADU. ADUs shall not be sold separate and apart from the Lot, and any uses of ADUs shall be subject to all of the provisions of this Declaration, including, but not limited to, the restrictions on parking (see Section 4.27 below), leasing (see Section 4.30 below), and operating a business (see Section 4.32 below).

4.2 Alterations. Except as otherwise specifically provided in this Declaration, no Alterations may be made to any Lot, Residence or Improvements thereon until plans have been submitted and approved by the ACC and the County, as set forth in ARTICLE VI of this Declaration. Declarant shall be exempt from obtaining approval from the ACC.

4.3 Animals. An Owner may keep a reasonable number (as may be determined by the Board in its sole discretion and in accordance with local ordinances) of customarily uncaged household pets within the Owner's Lot. Each Owner may also maintain a reasonable number of small caged animals, birds or fish. No other animals are permitted in the Project. No animals may be kept for commercial purposes. No animals, livestock or poultry of any kind shall be raised, bred

or kept in any Lot, except that dogs, cats, and other household pets may be kept, provided that they are not kept, bred or maintained for any commercial purpose. Notwithstanding the foregoing, no pets may be kept on or in any Lot or anywhere in the Project that results in an annoyance or nuisance to other Owners. Owners shall take reasonable measures to quiet a barking dog whether or not the Owner resides in the Lot. The Association may prohibit the keeping of any animal that in the sole and exclusive opinion of the Board constitutes a nuisance to any other Owner. No pets shall be allowed in Association Property except as may be permitted by Association Rules. No dog or cat shall enter Association Property except while on a leash that is held by a person capable of controlling it. Owners shall prevent their pets from soiling any portion of the Association Property and shall clean up after their pets in the Association Property.

4.4 Antenna and Satellite Dish Equipment. No Owner shall install any Antenna Equipment (a) on any real property which such Owner is not entitled to exclusively use or control, as provided in any Antenna Laws, (b) in a particular location if, in the Association's or ACC's opinion, the installation, location or maintenance of such Antenna Equipment unreasonably affects the safety of the Owners or any other person, or for any other safety-related reason established by the Association, or (c) that is of a size larger than is permitted under the Antenna Laws. Reasonable restrictions which do not significantly increase the cost of the Antenna Equipment or significantly decrease its efficiency or performance may be imposed. No Antenna Equipment may be installed on a Lot, except as follows: (i) Antenna Equipment that is one (1) meter or less in length or diameter or diagonal measurement, provided that the location, color and screening requirements shall be in accordance with any guidelines imposed by the Association or the ACC referenced in this Declaration, which guidelines shall comply with all applicable Antenna Laws; or (ii) Antenna Equipment not covered under subpart (i) above, the installation of which shall be approved in advance by the Association or ACC. Nothing herein shall be construed to restrict in any manner the Declarant's or government agency's right to authorize a cable television franchisee or other provider of similar services to provide cable television, radio or other similar services to the Project.

4.5 Burning. Only barbecue fires and fires contained within receptacles designed for such purposes may be allowed, but not in garages or other enclosed spaces. Propane, natural gas or electric powered barbecues or other similar equipment may be used so long as such use does not create a nuisance to neighboring Lots and Residences. No Owner or resident shall permit any condition to exist on or in his/her Lot, including, without limitation, trash piles or weeds, which create a fire hazard or is in violation of local fire regulations.

4.6 Compliance with Project Documents. Each Owner, contract purchaser, lessee, tenant, guest, invitee or other occupant of a Lot or user of the Association Property shall comply with the provisions of the Project Documents, including the Association Rules.

4.7 Disclosure – Airport Influence Area. The Project is located in an "Airport Influence Area" and Declarant is required to provide the following notice:

"NOTICE OF AIRPORT IN VICINITY

This property is presently located in the vicinity of an airport, within what is known as an airport influence area. For that reason, the property may be subject to some

of the annoyances or inconveniences associated with proximity to airport operations (for example: noise, vibration, or odors). Individual sensitivities to those annoyances can vary from person to person. You may wish to consider what airport annoyances, if any, are associated with the property before you complete your purchase and determine whether they are acceptable to you.”

4.8 Disclosure – California Energy Commission Requirement. Based on climate zone maps issued by the California Energy Commission (“CEC”), the Community is located in a designated climate zone in which properties are subject to duct sealing and testing requirements set forth by the CEC. According to the CEC, most California homes have improperly sealed central air conditioning and heating system ducts such that approximately thirty percent (30%) of the conditioned air actually leaks outside the home. Effective July 1, 2014, in order to combat this waste of energy and money, the CEC updated its residential duct sealing and testing requirements in the 2013 Building Energy Efficiency Standards (Title 24). Previously, such duct sealing and testing was required only in certain CEC-designated climate zones when a central air conditioner or furnace is installed or replaced. The revised standards now make duct sealing and testing mandatory in all California climate zones when such a system is installed or replaced. Ducts found to leak more than 15 percent or more must be repaired. Once a contractor tests and fixes these ducts, you must have an approved third-party verifier determine that the ducts have been properly sealed. The CEC cautions homeowners that a contractor who fails to obtain a required building permit and fails to test and repair your ducts “is violating the law and exposing you to additional costs and liability.” If you do not obtain a permit, you may be required to bring your home into compliance with code requirements for that work and may incur additional penalties and fines that have to be paid prior to selling your home. Remember that you have a duty to disclose whether you obtained required permits for work performed to prospective Buyers and appraisers. Local governments may mandate more stringent requirements. Please note there are specific alternatives that allow high-efficiency equipment and added duct insulation to be installed instead of fixing duct leaks. Please also be advised that there are separate regulations which govern duct insulation levels required by climate zone and HVAC system. For more information on these requirements, please contact the California Energy Commission or visit the official CEC “2013 Building Energy Efficiency Standards” portal at <http://www.energy.ca.gov/title24/2013standards/index.html>.

4.9 Disclosure – Commercial/Industrial/Mixed Use Zoned Property. State law requires that the following notice be given: “The Project is located within one mile of a property that is zoned for commercial, industrial, or mixed use. This disclosure must be provided if a search of public records reveals even one parcel of property located within a one mile radius of the Project that is currently zoned for commercial, industrial or mixed use whether or not that property is actually being used for such purposes.”

4.10 Disclosure – Flooding Due to Dam Inundation. Owners are advised that the Project is located in a mapped area of potential flooding due to inundation as a result of sudden and/or total dam failure or an uncontrolled release of water, as delineated on inundation maps submitted to the California Office of Emergency Services and/or the Division of Safety of Dams of the California Department of Water Resources. Dam failures may be structural, mechanical, or hydraulic in nature, and the resulting flooding may cause severe damage, harm, injury and potential loss of life. Declarant makes no representations, warranties or guarantees concerning the uses, maintenance or operation of any dams in or near the Project.

4.11 Disclosure – Liquefaction. The Project is located within a County-mapped area that has a low or very low potential for liquefaction. Liquefaction is the sudden loss of soil strength when water-saturated soils become unstable under heavy shaking during an earthquake or other seismic event. The effect on structures and buildings can be devastating, and is a major contributor to urban seismic risk. Mapped liquefaction areas are those where historic occurrence of liquefaction, or local geological, geotechnical conditions indicate a potential for permanent ground displacement such that mitigation may be required. Many portions of California are subject to risks associated with seismic activity. The real property has been designed to current code requirements. However, any real property, utilities or other improvements within the Project are subject to damage and destruction during an earthquake and the Residences may be uninhabitable following an earthquake. The County, other public agencies and appropriate experts should be contacted to evaluate the potential risk of living in a Project that is located within an area of potential liquefaction.

4.12 Disclosure – Possible Reclaimed Water Use. The local water provider may require the use of reclaimed water for irrigating landscaping certain Association Property and/or Association Maintenance Areas. Declarant does not represent, warrant or guarantee that it will install the infrastructure to connect to the reclaimed water main, if available to serve the Project. Declarant further states that it does not represent that claimed water will be used to irrigate any portion of the Project. In general, reclaimed water is non-potable water used for landscape irrigation (public parks and greenbelt areas, parkways and medians), agricultural irrigation, and construction sites for compaction and dust control. Use of reclaimed water is an effort to conserve water and is not potable or suitable for human or animal consumption. If used within the Project or in public rights-of-way adjacent to the Project, it is possible that reclaimed water may migrate onto Lots and Association Property. Because water overspray may occur in the use of reclaimed water, the repeated spray of reclaimed water may stain or discolor personal property, fencing and structural improvements over time. Reclaimed water is generally disinfected with chlorine and its clarity to the human eye is indistinguishable from potable water. The standards imposed for recycled water quality are established by various governmental regulatory agencies and these standards are subject to change. Declarant is not and will not be liable for any property damage or personal injury caused by the use of reclaimed water in or outside the Project.

4.13 Disclosure – Proximity to Dairies and Other Agricultural Uses. The Project is located within approximately one-half mile from dairies and other active agricultural uses, and as a result, the residents of the Project may be subject to excessive noise, dust, insects and unpleasant odors. Dairy and agricultural uses and operations can result in an accumulation of manure and other organic matters that decomposes and produces methane gas which is an unpleasant smell, and this is a condition is typical and commonly exists in many areas in the County that are or were used for dairy and agricultural purposes. In addition, agriculture practices may include the use of fans during winter and spring months to prevent or reduce frost damage. Fans typically are powered by the equivalent of V8 automobile engines which can be heard across long distances. Before harvest, various noise-generating techniques are used to scare birds away. Small tractors and all-terrain vehicles may also be used which also generate noise. During periods of the harvesting increased farm worker activity may be noticeable. Crop-duster airplanes may also be used in the vicinity of the Project and fly at low altitude in order to drop herbicides and pesticides onto farm fields in order to prevent weeds, pests and disease among the plants. Periodic burning of agricultural fields may also be practiced in the County. In addition to the above impacts, Owners

and residents are hereby notified that adverse impacts from agricultural activities also include, without limitation, noise, dust, odors, fumigation, vibration, pests and the application of chemicals and pesticides, which may have adverse impacts affecting the use and enjoyment of the Lots, Residences and Project. Declarant has no control over the dairy or agricultural operations in the vicinity of the Project. It is possible that in the future the dairy and agricultural areas may be developed into residential areas or other uses.

4.14 Disclosure – Right to Farm. Declarant provides the following notice as required California Civil Code Section 1103.4(c)(3):

NOTICE OF RIGHT TO FARM

This property is located within one mile of a farm or ranch land designated on the current county-level GIS "Important Farmland Map," issued by the California Department of Conservation, Division of Land Resource Protection. Accordingly, the property may be subject to inconveniences or discomforts resulting from agricultural operations that are a normal and necessary aspect of living in a community with a strong rural character and a healthy agricultural sector. Customary agricultural practices in farm operations may include, but are not limited to, noise, odors, dust, light, insects, the operation of pumps and machinery, the storage and disposal of manure, bee pollination, and the ground or aerial application of fertilizers, pesticides, and herbicides. These agricultural practices may occur at any time during the 24-hour day. Individual sensitivities to those practices can vary from person to person. You may wish to consider the impacts of such agricultural practices before you complete your purchase. Please be advised that you may be barred from obtaining legal remedies against agricultural practices conducted in a manner consistent with proper and accepted customs and standards pursuant to Section 3482.5 of the California Civil Code or any pertinent local ordinance.

4.15 Disclosure – Right to Farm (County Notice). Pursuant to County Ordinance No. 460 and the Conditions of Approval, Declarant provides the following notice:

The Project is located partly or wholly within 300 feet of land zoned for primarily agricultural purposes by the County of Riverside. It is the declared policy of the County that no agricultural activity, operation, or facility, or appurtenances thereof, conducted or maintained for commercial purposes in the unincorporated area of the County, and in a manner consistent with proper and accepted customs and standards, as established and followed by similar agricultural operations in the same locality, shall be or become a nuisance, private or public, due to any changed condition in or about the locality, after the same has been in operation for more than three (3) years, if it was not a nuisance at the time it began. The term "agricultural activity, operation, or facility, or appurtenances thereof" includes, but not is not limited to, the cultivation and tillage of soil, dairying, the production, cultivation, growing, and harvesting of any agricultural commodity, including timber, viticulture, apiculture, or horticulture, the raising of livestock, fur bearing animals, fish, or poultry, and any practices performed by a farmer or on a farm as incident

to or in conjunction with such farming operations, including preparation for market, delivery to storage or to market, or to carriers for transportation to market.

4.16 Disclosure – Very High Fire Hazard Severity Zone. The Project is located within a “Very High Fire Hazard Severity Zone” or “VHFHSZ” which means that the Project may have a higher risk for fire damage and therefore, may be subject to additional construction requirements for roofs for new construction or replacement of existing roofs, and additional Maintenance responsibilities such as adequate vegetation clearance near structures, spark screens on chimneys and stovepipes, leaf removal from roofs and gutters, brush clearance, weed abatement, and other basic fire-safety practices. Owners seeking additional information should contact the California Department of Forestry and Fire Protection (CAL FIRE) or local fire authorities. Inclusion of the Project within a VHFHSZ may impact premiums and rates for insurance policies that an Owner may obtain, and Declarant makes no representations about the premiums and rates for policies that an Owner may be required to obtain.

4.17 Drainage. There shall be no alteration of the drainage patterns initially installed and constructed by Declarant including, without limitation, drainage swales, drain pipes, area drains, catch basins or connections thereto, and as established by the grading and natural course of surface and subsurface water run-off without the prior approval of the ACC, and all necessary governmental approvals and permits. Drainage patterns may not be altered or modified without prior approval from the County.

This Declaration provides notice to the Association and each Owner to devote great care and attention to grading and to establish or Maintain positive drainage away from the entire foundation line of the Residences. Positive drainage is achieved by shaping grades, establishing drainage “swales” or installing underground area drains. The swales and drains provide a receptacle and conduit to drain water away from the foundation, and the rear, side and front of the Residences to offsite drainage disposal. Swales also prevent drainage water from moving across Lots, Lots or other property. This Declaration also provides notice to each Owner that if existing drainage swales established on or around your Residence are interrupted, blocked, filled, or otherwise altered serious damage can result. Drainage must not be allowed to pond in a yard or run against or under a Residence, foundation, garage floor, driveway or other Improvements. Serious damage may result even during a short period of time.

If a Residence constructed by Declarant has a roof gutter system and downspouts which are directly connected to the Project’s storm drainage system, the Residence shall remain connected to the Project storm drainage system at all times; the Association and the Owners may not perform any Alteration which results in additional roof waters draining anywhere other than directly into the Project’s storm drainage system.

4.18 Exterior Apparatus. No exterior clotheslines or other outside clothes drying or airing facility shall be erected or Maintained on any Lot in any location where the same would be visible from any street, Association Property or Lot. Further, no clothes washers, clothes dryers, refrigerators or freezers may be kept, stored, or operated from any exterior area of a Lot.

4.19 Invitees. Each Owner shall be responsible for compliance with the provisions of this Declaration by the Owner’s Invitees.

4.20 Installation of Landscaping. All Owners who purchase a Lot from Declarant are required to submit landscape plans to the ACC (or the Board if the ACC is not yet established), pursuant to ARTICLE VI of this Declaration for his/her Lot (with the exception of front yard landscaping and irrigation which will be installed initially by Declarant) within ninety (90) days after the close of escrow, unless installed by Declarant. Installation of the approved landscaping Improvements shall be completed within ninety (90) days after approval from the ACC (or the Board if the ACC is not yet established), or as extended in writing by the Association. The Conditions of Approval and County Ordinance No. 859 (as adopted and amended) prohibits the use of water-intensive landscaping and requires the use of low water use landscaping. In addition, per the Conditions of Approval, front yards are prohibited from having artificial turf lawns.

4.21 Liability of Owners for Damages. Each Owner shall be liable to the Association for all damages to the Association Property, Association Maintenance Areas, and/or Improvements thereon caused by such Owner, or any occupant or guest, regardless if that portion of said damage, if any, is fully covered by insurance of the Association. A Reimbursement Assessment (as set forth in ARTICLE IX of this Declaration) may be imposed on an Owner and his/her Lot for all damages to the Association Property. Liability of an Owner shall be established only after notice to the Owner and hearing before the Board, as set forth in Article XIII of the Bylaws.

4.22 Mailboxes. There shall be no exterior newspaper tubes or freestanding mailboxes placed on any Lot.

4.23 Mineral and Water Exploration. Owners are prohibited from exploring the Project for or to remove any water, oil, hydrocarbons, or minerals of any kind.

4.24 No Guarantee of View; Disclaimer. Declarant, for and on behalf of itself and the Architectural Control Committee, and the members, employees, consultants and agents of the foregoing, do not make any representations whatsoever concerning the view, if any, that a particular Lot will enjoy. Furthermore, the payment by an Owner of any premium for a Lot does not constitute a representation or warranty, express or implied, concerning the view, if any, a Lot will enjoy. There are no express or implied easements whatsoever appurtenant to any Lot for view purposes, or for the passage of light and air across any other Lot, or any other property (within or outside the Project) regardless of whether such property is owned by Declarant or other person or entity. Each Owner, by accepting a deed to a Lot, hereby expressly acknowledges and agrees that any view which his Lot may enjoy as of the date of purchase may be impaired or obstructed by the installation of trees, other landscaping or other types of barriers (both natural and artificial), the growth of landscaping, the construction or other installation of Improvements in the Project and/or on any property adjoining the Project in accordance with applicable ordinances and regulations, and each Owner hereby expressly consents to any such obstruction.

4.25 No Roof-Mounted Mechanical Equipment. With the exception of solar energy systems equipment and other energy savings devices that must meet the approval of the ACC and the County, roof-mounted mechanical equipment is not allowed on any roof of Residences within the Project.

4.26 Nuisances. No noxious, illegal or offensive activity shall be carried on upon any Lot, Residence, or in any part of the Project, nor shall anything be done thereon which may be or

may become an annoyance or nuisance to or in any way interferes with the quiet enjoyment of each Owner's Lot, Residence, or the Association Property, or which may increase the rate of insurance for the Project or for any Lot, or cause any insurance policy to be canceled or to cause a refusal to renew the same, or which will impair the structural integrity of any Residence, structure or Improvement.

4.27 Parking and Vehicle Restrictions. All parking within the Project (including enforcement of parking by the Association) shall comply with this Declaration and any Association Rules. The Association shall enforce its respective parking restrictions by all lawful means, including the levying of fines, citing and towing of any violating vehicle. The Association shall contract with a towing company to remove vehicles that violate the no parking restrictions and shall provide the Owners with a telephone number to report violations. The owner of such vehicle shall be responsible for all costs incurred to remedy the violation, including, but not limited to, towing costs, citations and legal fees.

4.27.1 Garages.

(a) Garages are to be used for the parking of not less than two (2) Authorized Vehicles, or the storage of similar items of personal property so long as such storage of personal property will not necessitate or result in the parking of less than two (2) Authorized Vehicles in the garage.

(b) Each Owner shall keep his/her garage area in a neat and orderly condition with any storage areas completely enclosed.

(c) Garage doors shall be kept closed at all times except as reasonably required for entry to and exit from the garage.

(d) Unless approved by the ACC and County, garages shall not be converted to living quarters, workshops or storage which will preclude the parking of the maximum number of Authorized Vehicles for which the garage was originally designed to hold.

4.27.2 Parking.

(a) Authorized Vehicles shall not be parked anywhere in the Project except in Permitted Parking Areas, as set forth in this Declaration. If the garages are fully occupied with the maximum number of Authorized Vehicles, parking is allowed on the driveway so long as the vehicle does not obstruct, block, impede or otherwise restrict the use of sidewalks or the adjacent street.

(b) There shall be no parking of any vehicle within the Shared Driveway, as applicable, temporarily or otherwise.

(c) Each Owner and resident, by accepting a deed to a Lot, consents to voluntary inspections of the garage by the Association to verify the parking availability as needed.

(d) No boat, trailer, camper, off-road vehicle, golf cart, commercial vehicle, mobile home, motor home, bus, other recreational vehicle or any dilapidated vehicle shall be parked or stored in any Permitted Parking Area.

(e) Commercial Vehicles shall not be parked within the Permitted Parking Areas or the Project except for purposes of loading or unloading, and then for periods not in excess of six (6) hours. This restriction shall not apply to Commercial Vehicles involved in construction activities in the Project or Commercial Vehicles owned and operated by persons providing services during the time when the services are being rendered.

4.27.3 Towing. In addition to the remedies available under Section 10.2 of this Declaration, the Association may establish and implement rules and procedures from time to time under the California Vehicle Code and other statutes for the issuance of citations for violations of parking or vehicle restrictions set forth herein, for enforcement of civil penalties resulting from such citations through government authorities, if applicable, and for the removal and towing of any vehicles based on, but not limited to, California Vehicle Code Section 22658.

4.27.4 Association Rules. The Board shall also have the authority to promulgate as part of the Association Rules such further rules and restrictions regarding parking and vehicles within the Project as may be deemed prudent and appropriate.

4.28 Power Equipment and Car Maintenance. No non-electrically powered power equipment, workshops (other than workshops that can be housed in a garage without necessitating or resulting in the parking of Authorized Vehicles in other Permitted Parking Areas in violation of Section 4.27, above) or major car maintenance (defined as any repair or other work on a car that takes in excess of two (2) hours to complete) of any nature shall be permitted on the Project without prior written approval of the Board. In deciding to grant approval, the Board shall consider the effects of noise, air pollution, dirt or grease, fire hazard, interference with radio or television reception, and similar objections. Nothing in this Section shall prohibit the use and storage of hand gardening tools reasonably necessary for routine household and yard Maintenance and upkeep.

4.29 Prohibition of Dumping Oil and Chemicals. Owners and residents are strictly prohibited from disposing of crank case oil and other chemicals in storm drains. Owners and residents are also cautioned in the practice of fertilizing and then over watering lawns and landscaping resulting in run-off into the storm drains. Owners and residents shall exercise the best methods to prevent the disposal of crank case oil and other chemicals and run-off from over watering lawns and landscaping because of the adverse environmental effects of such actions.

4.30 Rental of Lots. Except where expressly prohibited by some other agreement or written instrument including, but not limited to, an owner occupancy agreement, Owners may lease or rent his/her Lot. However, no Lot may be rented or leased for transient or hotel purposes which shall include, but not be limited to, rental for any period less than thirty (30) days. All leases must be in writing and be expressly subject to the Project Documents, including the Association Rules, and the breach of any provision shall be a default under the lease or rental agreement. Subject to the foregoing restrictions, Owners shall have the right to lease their Lot, provided that the Board

is notified of the name of the tenant and the duration of the lease. The Owner shall provide the tenant/lessee with a copy of the Project Documents. Short term or vacation rentals (e.g., Airbnb) are strictly prohibited.

4.31 Restrictions in Shared Driveways. By acceptance of a deed to a Shared Driveway Lot, each Owner of said Lot understands and acknowledges that the Shared Driveway shall be used for access to and from Residences, and for utility purposes only. No Owner shall unreasonably interfere with the other Owners' use of the Shared Driveway. No person shall use any portion of the Shared Driveway so as to interfere with the use and enjoyment of the Shared Driveway by any other person entitled to its use. The Shared Driveway shall be kept clear at all times, and no vehicles or property may be parked, stored or left unattended in the Shared Driveway, except as reasonably necessary for the temporary loading and unloading of passengers or property. There shall be no Alterations to the Shared Driveway unless approved by all Owners of Shared Driveway Lots sharing the same Shared Driveway, as set forth in Section 5.4 of this Declaration, and any approvals that may be required under ARTICLE VI of this Declaration.

4.32 Restrictions on Business. Except as may be allowed by County ordinances or laws, and subject to Association Rules, no Owner or other occupant of the Project may undertake any activity in or on any Lot, nor use any portion of the Association Property for any business, commercial or non-residential purposes, nor for any other purpose that is inconsistent with the Project Documents.

4.32.1 Generally. Examples of prohibited uses and purposes of Lots include, but are not limited to, manufacturing, storage, vending, auctions, vehicle or equipment repair, entering into any lease or rental agreement under which the Lot would be occupied by numbers of persons in excess of the maximum occupancy permitted under applicable law, and transient occupancy of the Lot (such as hotel, inn, bed & breakfast, hostel, vacation rental, time-share or similar temporary lodging). Any lease or rental agreement for a term of fewer than thirty (30) days, and any lease or rental agreement pursuant to which the lessor provides any services normally associated with transient occupancy, shall be deemed to be for transient purposes and prohibited under this Declaration. All of the foregoing activities are prohibited whether they are engaged in full-time or part-time, whether they are for-profit or non-profit, and whether they are licensed or unlicensed.

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

- (a) The hiring of employees or contractors to provide maintenance, construction or repair services that are consistent with the Project Documents;
- (b) Rental or leasing of a Lot to Declarant for use as a sales office, Model Home Unit(s) or parking area for any period of time;
- (c) Exercise by Declarant of any rights reserved to it under this Declaration;
- (d) The provision of in-home health care or assisted living services to any resident of the Project;

(e) The provision of family home child care services as defined in California Health and Safety Code Section 1597.40, *et seq.*, as may be amended, so long as such services comply with all applicable state and local laws including, without limitation, licensing, inspection and zoning requirements, provided, however, that the Association has the power to limit or prohibit use of parks, recreational facilities and other common amenities in Association Property by clientele of the business;

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

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

(ii) When conducted within the Project, business activities take place solely inside the Residence;

(iii) The business does not generate in-person visits by suppliers or clientele;

(iv) The business complies with all laws, regulations and ordinances applicable to the Project including, but not limited to, zoning, health and licensing requirements;

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

(vi) The operator of the business posts no business-related signage anywhere on or in the Lot or anywhere in the Project;

(vii) There is no visible evidence in the Project of the business;

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

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

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

4.33 Signs and Flags. Subject to the provisions of California Civil Code Sections 4705 and 4710 and the Association Rules, no signs or flags of any kind shall be displayed from view on or from any Lot, Association Property or any portion of the Project without the approval of the Association, except as follows: (a) non-commercial signs or posters not to exceed nine (9) square feet in size may be displayed from a Lot; (b) non-commercial flags or banners not to exceed fifteen

(15) square feet in size may be displayed from a Lot; (c) One sign of customary and reasonable dimensions, not to exceed four (4) feet in height and four (4) feet in width, advertising a Lot for sale, lease, rent or exchange may be displayed from a Lot; (d) Such signs as may be used by Declarant or its assignees in connection with the Project and sale of Lots; or (e) Such other signs or notices as are required by law.

4.34 Solar Energy Systems. Declarant will install a roof-mounted solar photovoltaic system and other equipment (including, but not limited to, solar arrays, panels, poles, platforms, all mechanical equipment, inverters, ducting, electrical connections, piping, wiring, conduits, framing, anchors and all other components necessary for the operation and function of the system) (collectively referred to as the "**System**") on each Residence that exclusively serves a Lot. The System will be either leased or purchased by each Owner from the provider and Maintenance of the System will be the responsibility of the Owner and solar provider. Notwithstanding, Declarant does not warrant, promise, represent or guarantee that the Residence will be "solar-ready" for any other particular type or manufacturer of solar energy systems, or that it will be compatible for solar energy systems in the future. Declarant shall not be responsible for any damage caused to or resulting from any solar energy system installed on the Residence if installed by someone other than Declarant or authorized by Declarant. Any Alterations by an Owner to the System (including any upgrades or different manufacturer of a solar voltaic system) requires the prior written approval of the ACC (or the Board, if the ACC does not exist), subject to any conditions, terms and requirements that may be imposed on said Owner. In every circumstance, all Conditions of Approval, regulations, orders and ordinances of the County with respect to the Project shall be satisfied with respect to the installation of a System. This Section, however, does not entitle any Owner to install a solar energy system on any Residence, Lot or anywhere in the Project if such installation potentially threatens, impedes or impairs the Association's ability to Maintain any portion of the Project or other areas that the Association is obligated to Maintain pursuant to this Declaration.

4.35 Solar Shade Restrictions. After the installation of a System (as defined in Section 4.34, above), neither an Owner of an adjacent Lot nor the Association (the case of adjacent Association Property) shall allow a tree, shrub, structure or other Improvement to be placed or, if placed, to grow so as to cast a shadow in violation of the standards set forth in the Solar Shade Control Act (California Public Resources Code Section 25980, et seq.). The Owner or the Association, as circumstances warrant, shall bear the burden of calculating compliance of any such tree, shrub or other Improvement with the provisions of California Public Resources Code Section 25982. The restrictions of this Section 4.35 does not apply to a tree, shrub, structure or other Improvement that had been growing or installed prior to the installation of a System or to the replacement of a tree, shrub, structure or other Improvement that had been growing or installed prior to the installation of a System and which, subsequent to the installation of the System, dies or is removed for reasons of public health or safety. Approval by the ACC of the installation of particular trees, shrubs, structures or other Improvements on a Lot adjacent to a System or the installation of trees, shrubs, structures or other Improvements by the Association on Association Property adjacent to a System shall not be deemed to waive or alter the provisions of this Section 4.35, and the ACC shall not be liable to the Owner of the System for any such approval.

4.36 Sports Apparatus. No basketball standard, fixed sports apparatus, skateboard or bicycle ramps or similar equipment shall be attached to the exterior of any Residence or erected,

constructed or placed on a Lot or in any Association Property. Portable sports apparatus shall be kept out of view from Association Property or the Lots when not in use, and its use, including hours and locations, shall be subject to any Association Rules. The purpose of this restriction is to maintain uniformly high aesthetic standards, and to preserve the quiet enjoyment of the respective Lots by the Owners thereof.

4.37 Storage of Waste and Other Materials. Garbage, trash and/or recycling containers shall be kept out of view and contained within the side yards, garages and/or in specified locations and may not be placed in the Shared Driveway or where visible from the streets except in designated curbside areas on the night before and day that pick up is to occur. No rubbish, trash, garbage or other waste material shall be kept or permitted in any Lot except in appropriate sanitary containers, and shall be regularly removed from the Project. All storage piles shall be kept screened and concealed from view of other Lots, streets and Association Property.

4.38 Use and Occupancy. Except as may be allowed by local ordinance, no Lot or Residence, or any portion thereof, shall be occupied and used except for single family residential purposes by the Owners, their contract purchasers, lessees, tenants, or social guests. No trade, retail business or commercial activity shall be carried on or conducted within any Lot, Residence, or Association Property, except that Declarant, its successors or assigns, may use any Lot or Association Property in the Project owned by Declarant for a Model Home Unit and display and sales office during construction and until the last Lot is sold by Declarant. The provisions of this Section shall not prohibit home offices so long as they are merely incidental to the use of the Lot as a dwelling, are permitted by local law, are conducted in such a manner as to not adversely affect other Owner's use and enjoyment of the Project, and have received prior written approval of the Board.

4.39 Window Coverings. Windows shall be covered by drapes, shades, shutters or other window coverings in white, beige or other neutral color, and shall not be painted or covered by foil, cardboard or other similar material. Any drapes or other window covering installed in compliance with the Design Guidelines may remain for the useful life thereof. Window coverings must be installed on all windows visible from the streets serving the Project within ninety (90) days after conveyance of title to the Lot by Declarant, unless the Design Guidelines provide otherwise. All window coverings visible from other Lots or Association Property shall be of a material, design and color which, in the opinion of the Board or ACC, is compatible with the exterior design and coloration of adjacent portions of the Project, including other Lots.

ARTICLE V

MAINTENANCE OBLIGATIONS

5.1 Maintenance of Association Property. The Association shall Maintain or provide for the Maintenance of all Association Property and Improvements located thereon. The Association shall keep the Association Property and Improvements thereon in good condition and repair, and provide for all necessary services and cause all acts to be done which may be necessary or proper to assure the Maintenance of the Association Property in first class condition. The Association's Maintenance Obligations will include, but not be limited to, Maintenance of Lots A, B, C and D of the Map.

5.2 Maintenance of Association Maintenance Areas. The Association shall Maintain or provide for the Maintenance of all Association Maintenance Areas and Improvements located thereon including, but not limited to, (a) BMPs in accordance with the BMP Maintenance Agreement; and (b) parkway landscaping and irrigation, including street trees located therein, in the public right-of-way along the perimeter of the Project. The Association shall keep the Association Maintenance Areas and Improvements thereon in good condition and repair, and provide for all necessary services and cause all acts to be done which may be necessary or proper to assure the Maintenance of the Association Maintenance Areas in first class condition. A non-exclusive list of Association Maintenance Areas to be Maintained by the Association is generally depicted on **Exhibit B** attached hereto.

5.3 Maintenance of Lots.

5.3.1 Owner Obligation. Except as otherwise set forth in this Declaration and in addition to other provisions herein, each Owner shall Maintain the interior and exterior of his/her Lot and Residence thereon in good condition and repair, including all fixtures, appliances, appurtenances and fireplaces, if any. The Maintenance Obligations hereunder of each Owner includes, but is not limited to, the responsibility to (a) Maintain, paint, paper, panel, plaster, tile and finish the interior and exterior surfaces of the Residence within his/her Lot; (b) Maintain and clean the interiors and exteriors of any skylights, windows, sliding glass doors, and other glass surfaces of his/her Lot; (c) Maintain Party Walls; (d) Maintain doors, hardware, locks and screens covering doors and windows of his/her Lot, including the garage door; (e) Maintain water quality BMPs located on the Lot, if any; and (e) the System (see Section 4.34 above). Owners are strictly prohibited from modifying drainage facilities and/or flow patterns unless reviewed and approved by the County.

5.3.2 Failure of Owner to Maintain. If an Owner fails to Maintain his/her Lot, as provided herein, in a manner which the Board reasonably deems necessary to preserve the safety, appearance and/or value of the Project, the Board may notify the Owner of the work required and request that it be done within a reasonable and specific period. If the Owner fails to perform such Maintenance within said period, the Board shall, subject to the notice and hearing requirements set forth in the Bylaws, have the right to enter the Lot and Residence to cause such Maintenance to be performed. The costs of any such Maintenance shall be charged as a Reimbursement Assessment to the Owner as provided in ARTICLE IX hereof. Notwithstanding the foregoing, in the event of an emergency arising of the failure of an Owner to Maintain his/her Lot or Residence, the Board shall have the right, through its agents and employees, to immediately enter the Lot to abate the emergency and individually charge the cost thereof to such Owner.

5.4 Maintenance of Shared Driveways. The Shared Driveways shall be Maintained as set forth in this Section 5.4 to the extent not inconsistent with the general rules of law regarding shared Improvements and liability for property for damage due to negligence or willful acts or omissions.

5.4.1 Obligation to Repair and Maintain. Shared Driveways shall be jointly Maintained by the Owners of the Shared Driveway Lots sharing said Shared Driveways. Owners of Shared Driveway Lots may agree as to the nature, scope, cost and timing of

Maintaining the Shared Driveway and proceed with the work. The costs of reasonable Maintenance of the Shared Driveway shall be shared equally by the Owners of Shared Driveway Lots sharing the same Shared Driveway unless the Shared Driveway was damaged by an Owner or Owner's guests or Invitees in which case all costs of restoring the Shared Driveway to the condition prior to the damage shall be borne by the Owner responsible for the damage. There shall be no Alterations of Shared Driveways unless approved in accordance with ARTICLE VI of this Declaration.

5.4.2 Performance of Work. Maintenance of the Shared Driveway may be initiated as determined necessary or appropriate by any Owner of a Shared Driveway Lot ("**Initiating Owner**"). The Initiating Owner shall give the other Owners of the Shared Driveway Lots ("**Receiving Owners**") a written notice which describes the work deemed necessary or appropriate by the Initiating Owner, an estimate of the costs to perform the work, and the estimated time frame in which the work is to be performed (the "**Notice**"). The Receiving Owners must respond to the Initiating Owner within fifteen (15) calendar days of the date of delivery of the Notice. If the Receiving Owners agree to the Notice, the Initiating Owner may proceed with the commencement of work. If the Receiving Owners fail or refuse to respond to the Initiating Owner in writing within fifteen (15) calendar days of the date of delivery of the Notice, the Initiating Owner shall be permitted to commence the proposed work on the Shared Driveway described in the Notice. The Initiating Owner shall first obtain at least two (2) bids from licensed contractors, suppliers and laborers which includes a detailed description of the work and the total labor and material costs.

5.4.3 Reimbursement by Receiving Owners. Upon completion of the proposed work, the Initiating Owner shall provide the Receiving Owners with copies of all invoices, receipts, and lien releases for the work (the "**Bill**"). The Receiving Owners shall each pay their share of the Bill to the Initiating Owner. Each share shall be calculated based on the following formula: the numerator is 1 and the denominator is the number of Owners of the Shared Driveway Lots served by the Shared Driveway. Any Receiving Owner who fails to pay within thirty (30) calendar days of the date of delivery of the Bill shall be delinquent and legal interest at the highest allowed by law shall accrue to such amounts owing from the delinquent Receiving Owner to the Initiating Owner

5.4.4 Damage or Destruction by Fire or Other Casualty. If the Shared Driveway is destroyed or damaged by fire or other casualty, the Owners of Shared Driveway Lots who are responsible for the costs of the Maintenance, as set forth above, shall be responsible for its restoration in the same percentages, without prejudice. However, any Owner may require a larger contribution from the other Owners under any rule of law regarding liability for negligent or willful acts or omissions.

5.4.5 Emergency Exception. Any Owner of a Shared Driveway Lot may take any action that is reasonably necessary to prevent immediate injury to persons or damage to property without providing the requisite Notice. The Initiating Owner and Receiving Owners shall separately negotiate the allocation of the costs resulting only from the emergency nature of the work.

5.4.6 Resolution of Disputes. The Owners subject to the same Shared Driveway shall at all times act in good faith and cooperate to resolve disputes under this Section prior to resorting to litigation. The parties may agree to submit any dispute over the necessity of the work proposed to be performed, the costs of the proposed work, or the amount owed by each Owner of a Shared Driveway Lot, to the dispute resolution procedures described in Section 14.3 of this Declaration.

5.4.7 Right to Contribution Runs With Land. The right of an Owner of a Shared Driveway Lot to contribution from the other Owners of a Shared Driveway Lot under this Section is appurtenant to the land and passes to such Owner's successors in title even if not mentioned in any successive deeds or instruments of conveyance.

5.5 Maintenance of Walls and Fences.

5.5.1 Party Walls. Party Walls shall be Maintained with the costs to be shared equally by the Owners who share the Party Wall; provided, however, that all costs of any Maintenance necessitated by the negligent or willful action of an Owner shall be borne by that Owner. In the absence of negligent or willful conduct, any necessary Maintenance performed by an Owner shall entitle that Owner to a right of contribution from the other Owner(s) of the Party Wall. The right of contribution shall be appurtenant to the Lot and shall pass to the successor(s) in interest to the Owner entitled to contribution.

5.5.2 Other Walls and Fences. Unless Maintained by the County or other landscape and lighting district or entity, the Association shall Maintain walls and fences separating Residences from Association Property, and the perimeter walls and fences of the Project from public rights-of-way. Party Walls shall be jointly Maintained by Owners sharing the Party Walls. The costs of performing routine or normal Maintenance shall be shared equally by the Owners who share the Party Wall; provided, however, that all costs of any Maintenance necessitated by the negligent or willful action of an Owner shall be borne by that Owner. In the absence of negligent or willful conduct, any necessary Maintenance performed by an Owner shall entitle that Owner to a right of contribution from the other Owner(s) of the Party Wall. The right of contribution shall be appurtenant to the Lot and shall pass to the successor(s) in interest to the Owner entitled to contribution.

5.6 Maintenance of Landscaping. All landscaping, whether Association Property or within individual Lots, shall be Maintained in a healthy and thriving condition and relatively weed free. All plants which fail to thrive because of disease, damage, accident or other cause shall be immediately replaced with a plant of the same species and size as originally approved. Replacement of any plant materials that have been improperly Maintained shall be required at a size equal to the size of the plant had it been properly Maintained. In addition, all trees shall be Maintained in a manner that retains the natural form of the species. Topping and aggressive pruning will not be allowed. The use of native plants and trees and drought tolerant species are encouraged, to the extent feasible.

5.7 Maintenance of Water Quality Systems. By acceptance of fee title to Association Property and Lots by the Association and each Owner, respectively, the Association and each Owner shall be required to comply with and fulfill all requirements and standards for Maintenance

of all water quality system Improvements within the Project so as to preserve and keep said Improvements in good working condition throughout the Project pursuant to the BMP Maintenance Agreement and WQMP (as defined above).

5.8 Utility Bills. Payment of any Association Property water, electricity and street lighting bills are the obligation of the Association.

5.9 Other Association Obligations. The Association shall contract with a professional management firm to handle Maintenance operations. If any Maintenance work identified in this Declaration (including blockage of private sewer lines) is necessitated by the acts and/or omissions of the Owner, his/her family, guests or invitees, regardless if said acts and/or omissions were willful or negligent, the costs of such special restoration or repairs shall be chargeable to the Owner as a Reimbursement Assessment as provided in ARTICLE IX of this Declaration.

5.10 Inspection and Maintenance Guidelines. The Association and each Owner shall adopt and comply with the inspection and maintenance guidelines for all Improvements (including, but not limited to, Lots, Association Property, *etc.*) for the periodic inspection and maintenance of Association Property, Association Maintenance Areas, and any other Improvements that the Association is obligated to Maintain. The Association's inspection and maintenance guidelines shall include a plan for litter control, street sweeping and cleaning of all storm drain inlets. Each Owner shall provide the inspection and maintenance guidelines to any subsequent purchaser.

ARTICLE VI

ARCHITECTURAL REVIEW AND APPROVAL PROCEDURES

6.1 Formation and Composition of ACC. The ACC shall be formed and shall consist of at least three (3) but no more than five (5) Members. Until the first anniversary of the issuance of the original Final Public Report for the Project, Declarant may appoint all of the original members and any replacements of the ACC after which the Board shall have the power to appoint one member to the ACC. The Declarant shall have the power to appoint a majority of the members of the ACC until ninety percent (90%) of all Lots in the Project have been sold or until the fifth (5th) anniversary of the original issuance of the Final Public Report for the Project, whichever occurs first. Upon the sale of ninety percent (90%) of all Lots in the Project or the fifth (5th) anniversary date of the original issuance of the Final Public Report, whichever occurs first, the Board shall have the power to appoint all of the members of the ACC. The ACC may consist of only Board members. In the event of death or resignation of any member of the ACC, the successor shall be appointed by the person, entity or group which appointed such member until Declarant no longer has the right to appoint any members to the ACC, and thereafter the Board shall have the full authority to designate such a successor. The members of the ACC shall not be entitled to any compensation for services performed pursuant hereto.

6.2 Duties of the ACC. The ACC shall review and approve, conditionally approve, or deny all plans, submittals, applications and requests made or tendered to it by Owners or their agents for any Alterations, pursuant to the provisions of this Declaration. In connection therewith, the ACC may investigate and consider the architecture, design, layout, landscaping, energy conservation measures, water conservation measures, fence detail, and other features of the

proposed Alteration, modification or Improvement. With the consent of the Board, the ACC may hire and the Association shall pay consulting architects, landscape architects, urban designers, engineers, inspectors, and/or attorneys in order to advise and assist the ACC in performing its duties, the costs of which may be passed on to the Owner submitting an application to the ACC for approval.

6.3 Design Guidelines. The Design Guidelines shall interpret and implement the provisions of this Declaration by setting forth the standards and procedures for architectural materials, landscaping, fences, and similar features which may be used in the Project; provided, however, that the Design Guidelines shall not be in derogation of the minimum standards established by this Declaration. The Design Guidelines may include a schedule of fees for processing submittals (which shall not exceed the amount necessary to defray all costs incurred by the ACC in processing the submittals) and establish the time and manner in which such fees shall be paid. The Design Guidelines shall constitute Association Rules. However, In the event of any conflict between the Design Guidelines and the regulations of the County, the County's regulations shall control.

6.4 Submission of Plans. No Alterations, building, fence, wall, obstruction, screen, window, awning, landscape change or structure of any kind shall be commenced, erected or Maintained on or in any Lot by any Owner(s), including Alterations to facilitate access for persons who are blind, visually handicapped, deaf or physically disabled, nor shall any Alterations or modification of Declarant-installed Improvements by any Owner(s) of any kind be made to the exterior thereto until the same has been approved in writing first by the ACC. Plans and specifications showing the nature, kind, shape, color, size, materials and location of such Improvements, Alterations, *etc.*, shall be submitted to the ACC for approval as to quality of workmanship and design and harmony of external design with existing structures, and as to location in relation to surrounding structures, topography, and finish grade elevation. No Owner shall construct or place, and the ACC shall not approve, any building, fence, wall, obstruction, screen, window, awning, landscaping or structure of any kind that blocks or materially interferes with the views from any other Owner's Lot although no right to a view or view easement is created herein. Owners are prohibited from installing, constructing, altering or modifying the Residence without the express written approval of the ACC, the Board and the County. All proposed Alterations contained in this Article shall meet the Design Guidelines of the Association, and the Conditions of Approval of the County, which are incorporated herein by reference.

6.5 Basis for Review. The ACC may approve the proposal or application only if the ACC finds that (a) the plans and specifications conform to this Declaration and to the Design Guidelines in effect at the time the proposal was submitted, and (b) the proposed Alteration, modification or addition will be consistent with the standards of the Project and the provisions of this Declaration as to harmony of exterior design, visibility with respect to existing structures and environment, and location with respect to topography and finished grade elevation.

6.6 Form of Approvals, Conditional Approvals and Denials. All approvals, conditional approvals and denials shall be in writing. Any denial must state the reasons for the decision. The failure of the majority of the ACC to act within sixty (60) days after the plans have been submitted to it shall constitute approval.

6.7 Reconsideration of Denial of Application. If the ACC denies an application for Alterations, modifications, *etc.*, to a Lot or Residence, the decision may be appealed to the Board of Directors for reconsideration, unless the denial was made by the Board exercising the duties of the ACC, as set forth in Section 6.2, above, in which case, there shall be no right to reconsideration of the denial. An appeal by an Owner whose application was denied by the ACC shall follow the procedures set forth below:

(a) The appeal shall be in writing and must identify the grounds upon which the appeal or reconsideration is made to the Board.

(b) The appeal shall be delivered (pursuant to California Civil Code Section 4035) to the Board within sixty (60) days after the date of the ACC's written notice to the Owner denying the proposed Alterations, modifications, *etc.*

(c) The Board shall schedule a meeting within forty-five (45) days of receipt of the written appeal to allow the Owner an opportunity to be heard on his/her request for reconsideration, unless the parties mutually agree to a date beyond or less than the forty-five (45) day period.

(d) Unless expressly requested by an Owner, the meeting with the Board concerning the appeal of the ACC's decision shall not be held in executive session.

(e) The Board shall issue its decision in writing to the Owner within thirty (30) days after the date of the meeting, and said written decision shall be delivered in any manner allowed by California Civil Code Section 4040.

(f) The Board's decision on appeal shall be final, and not subject to further reconsideration by the Board.

6.8 Proceeding with and Completion of Work. Upon approval of the ACC, and any required approvals of the County or other governmental agency, the Owner shall diligently proceed with commencement and completion of all work so approved. Work must be commenced within one (1) year from the date of approval. All work approved by the ACC must be completed within eighteen (18) months from the date of approval. If the Owner fails to comply with the provisions of this Section, the approval given shall be deemed revoked unless the ACC extends the time for commencement. Any request for an extension, and decision, shall be in writing. No extension shall be granted unless the ACC finds that there has been a material change in the circumstances under which the original approval was granted, or completion is impossible, or would result in great hardship to the Owner due to strikes, fires, national emergencies, natural calamities or other supervening forces beyond the Owner's control.

6.9 Compliance with Approval. If the ACC determines that an Owner has not constructed the Alterations or Improvements consistent with the specifications of the approval granted or within the time permitted for completion and if the Owner fails to remedy such non-compliance in accordance with the directives or orders of the ACC, the Board shall provide Notice and Hearing, pursuant to the Bylaws, to consider the Owner's continuing non-compliance. If the Board finds that there is no valid reason for the continuing non-compliance, the Owner shall have

forty-five (45) days from the date of the Board's decision to remedy or remove the non-compliance. If the Owner fails to comply with the Board's directive or order, the Board, in its discretion, may either remove the non-complying Improvement or Alteration, remedy the non-compliance, or compel compliance pursuant Section 10.2 of this Declaration. The costs of such action shall be assessed against the Owner as a Reimbursement Assessment.

6.10 Compliance with Governmental Agency Procedures. Each Owner who seeks approval for Alterations shall first obtain written approval from the ACC prior to any approvals, permits, *etc.*, required by the County or any other governmental agency for permission to permit the start grading, demolition, construction, landscaping and/or any other work.

6.11 Waiver. Approval or conditional approval of any plans, drawings or specifications for any Alterations proposed, or for any other matter requiring approval shall not be deemed to constitute a waiver of any right to deny approval of any similar plan, drawing, specification or matter subsequently submitted for approval.

6.12 No Liability. Neither Declarant, the Association, the Board, the ACC, nor the members or designated representatives thereof shall be liable for damages to anyone submitting plans and specifications to them for approval, or to any Owner of property affected by this Declaration by reason of mistake in judgment, negligence, or nonfeasance arising out of or in connection with the approval or disapproval or failure to approve or disapprove any such plans or specifications for Alterations, or for any defect, whether in design or construction, in any structure constructed from such plans and specifications. Declarant, Association, Board, ACC, or any member or representative thereof, shall not be responsible for reviewing or approving any plans with respect to the adequacy of engineering design. Every person who submits plans or specifications to the ACC for approval agrees, by submission of such plans or specifications, and every Owner of said property agrees that he or she will not bring any action, suit or claim against Declarant, Association, Board, the ACC, or any members or designated representatives thereof with respect to any matters for which such persons or entities are relieved of liability pursuant to this Section.

ARTICLE VII

ASSOCIATION ADMINISTRATION, MEMBERSHIP AND VOTING

7.1 Association to Manage Project. The management of the Project shall be vested in the Association in accordance with the Project Documents, and all applicable laws, regulations and ordinances of any governmental or quasi-governmental body or agency having jurisdiction over the Project.

7.2 Membership in the Association. Each Owner shall be a Member of the Association, and shall remain a Member thereof until such time as ownership ceases for any reason, at which time such membership in the Association shall automatically cease.

7.3 Transferred Membership. Membership in the Association shall not be transferred, pledged, or alienated in any way, except upon the sale or encumbrance of the Lot to which it is appurtenant, and then only to the purchaser, in the case of a sale, or Mortgagee, in the case of an

encumbrance of such Lot. A Mortgagee does not have membership rights until it becomes an Owner by foreclosure or deed in lieu thereof. Any attempt to make a prohibited transfer is void. Any person or entity acquiring fee title or equitable title to a Lot, whether by reason of a deed from the Owner or through a foreclosure, shall within fifteen (15) days of acquiring such title inform the Association in writing of the date such title transferred and the name or names in which title is held.

7.4 Proxies. For all matters required by law or the Project Documents in which Members are required to vote, including, but not limited to, those matters set forth in California Civil Code Section 5105, and except as specifically allowed by law or a court of law, each Member may vote in person or by proxy. All proxies shall be in writing and filed with the Secretary before the appointed time of each meeting. Except for an irrevocable proxy permitted by California Corporations Code Section 7613(d), every proxy shall be revocable and shall automatically cease upon conveyance by the Member of his Lot, or upon receipt of notice by the Secretary of the Board of the death or judicially declared incompetence of such Member prior to the counting of the vote. No proxy shall be valid after the expiration of eleven (11) months from the date thereof unless otherwise provided in the proxy, except that the maximum term of any proxy, other than an irrevocable proxy permitted by California Corporations Code Section 7613(d), shall be three (3) years from the date of execution. Any form of proxy or written ballot distributed by any person to the Membership of the Association shall afford the opportunity to specify a choice between approval and disapproval of each matter or group of matters to be acted upon, except it shall not be mandatory that a candidate for election to the Board be named in the proxy or written ballot. The proxy or written ballot shall provide that, where the Member specifies a choice, the vote shall be cast in accordance with that choice. The proxy shall also identify the person or persons authorized to exercise the proxy and the length of time it will be valid. Except as specifically allowed by law or a court of law, proxies shall not be allowed, counted towards, or recognized by the Association in any election for establishing a Quorum.

7.5 Classes of Membership and Voting. The Association shall have two (2) classes of voting Members:

(a) Class A. Class A Members shall be all Owners except Declarant and shall be entitled to one (1) vote for each Lot owned, as applicable. When more than one person or entity owns a Lot, all such persons and entities shall be Members and the vote for such Lot shall be exercised as they among themselves determine, but in no event shall more than one (1) vote be cast with respect to any Lot.

(b) Class B. The Class B Member shall be the Declarant and shall be entitled to cast three (3) votes for each Lot it owns and is paying the Assessments levied by the Association. This voting right shall cease and Declarant shall automatically become a Class A Member entitled to cast one (1) vote for each Lot it owns and is paying the Assessments levied by the Association upon the first to occur of the following events:

(i) The second (2nd) anniversary of the first close of escrow for the sale of a Lot pursuant to the original issuance by the DRE of the most recently issued Final Public Report for a Phase of the Project; or

(ii) The fourth (4th) anniversary of the first close of escrow for the sale of a Lot pursuant to the original issuance by the DRE of the Final Public Report for the first Phase of the Project.

7.6 Special Voting Rights of Class A Members for Election of Directors. So long as the Declarant shall be entitled to exercise the Class B voting right to elect a majority of the members of the Board of Directors of the Association, as provided above, the Class A Members shall be entitled to solely elect at least twenty percent (20%) of the members of the Board.

7.7 Commencement of Voting Rights. Voting rights attributable to Lots shall not vest until Assessments against those Lots have been levied by the Association. The power to cast a particular Member's vote may be exercised by the Member's conservator, guardian, the parent(s) entitled to custody of a Member if the Member is a minor, or the executor or administrator of a deceased Member's estate if the Member's interest in the Lot is subject to estate administration.

7.8 Action Without Meeting. Any action which may be taken by the vote of Members at a regular or special meeting (except those matters set forth in California Civil Code Section 5100 may be taken without a meeting if done in compliance with California Corporations Code Section 7513. If an action is taken without a meeting, the Board shall distribute a written ballot to every Member entitled to vote on the matter. The ballot shall set forth the proposed action, provide an opportunity to specify approval or disapproval of such proposal, and provide a reasonable time within which to return the ballot to the Association. All such written ballots shall be filed with the Secretary of the Association and maintained in the Association's records. Approval by written ballot shall be valid only when the number of votes cast by ballot within the time period specified equals or exceeds the quorum required to be present at a meeting authorizing the action, and the number of approvals equals or exceeds the number of votes that would be required to approve at a meeting at which the total number of votes cast was the same as the number of votes cast by ballot.

7.9 Secret Ballot Voting. All voting on matters specified in California Civil Code Section 5100 shall be done by secret ballot and be in compliance with the Association Rules for elections and any and all other statutory provisions.

7.10 Conduct of Members Meetings. Meetings of the membership of the Association shall be conducted in accordance with the provisions of California Civil Code Sections 4900, *et seq.*, and 5000.

ARTICLE VIII

POWERS, DUTIES AND LIMITATIONS OF THE ASSOCIATION

8.1 Powers and Duties of Association. In addition to the powers and duties enumerated in its Articles and Bylaws or elsewhere provided for herein, and without limiting the generality thereof, the Association and the Board shall have the following powers and duties:

8.1.1 Delegation of Powers. To delegate all powers to committees, officers or employees of the Association as expressly authorized by the Project Documents.

8.1.2 Managing Agent. To employ a managing agent and to contract with independent contractors to perform all or any part of the duties and responsibilities of the Association, provided that any contract with a firm or person appointed as a managing agent or any other contract providing for services of the Declarant, developer, sponsor or builder shall not exceed a one (1) year term renewable by the parties for successive one year periods and shall provide for the right of the Association to terminate the same at the first annual meeting of the Members of the Association, to terminate the same for cause on thirty (30) days' written notice, and either party may terminate without cause and without payment of a termination fee on sixty (60) days written notice.

8.1.3 Maintenance. To Maintain the Project as required by the provisions of this Declaration.

8.1.4 Supervision. To supervise all officers, agents and employees of the Association and see that their duties are properly performed.

8.1.5 Assessments, Liens, and Fines. To levy and collect Assessments and as provided in the Project Documents, impose fines or take disciplinary action against an Owner for failure to pay Assessments or for violation of any provision of the Project Documents. Penalties may include, but are not limited to: fines, temporary suspension of voting rights or rights to use of the facilities on the Association Property, or other appropriate discipline for failure to comply with the Project Documents, provided that the accused Member is given notice and the opportunity to be heard by the Board with respect to the alleged violations before a decision to impose discipline is reached. Such notice and hearing procedures shall satisfy the minimum requirements of California Corporations Code Section 7341, which are set forth in Article XIII of the Bylaws.

8.1.6 Enforcement of Project Documents. To enforce applicable provisions of the Project Documents for the ownership, management and control of the Project.

8.1.7 Adoption of Association Rules. To adopt, amend and repeal reasonable rules consistent with this Declaration relating to the use of Association Property and all facilities thereon, and the conduct of Owners and their tenants and guests with respect to the Project and other Owners, in compliance with California Civil Code Section 4340, *et seq.* A copy of the Association Rules as adopted, amended or repealed shall be mailed or otherwise delivered to each Owner and a copy shall be posted in a conspicuous place within the Association Property. Any modifications, changes, or repeal of the Association, Rules shall follow these procedures:

(a) The Board shall provide written notice to its Members not less than thirty (30) days prior to making the rule change. The written notice shall include the text of the proposed rule change (or deletion, as the circumstances may warrant), and a description of the purpose and effect of the change. The written notice is not required if the Board determines that an immediate rule change is necessary to address an imminent threat to public safety or imminent risk of substantial economic loss.

(b) The decision on the proposed rule change shall be made at a meeting of the Board after consideration of any comments made by Members.

(c) Not more than fifteen (15) days after making the rule change, the Board shall deliver the modifications, changes or repeal of Association Rules to every Member in the manner allowed by California Civil Code Section 4045, unless the rule change was made on an emergency basis and in such an emergency basis the notice shall include the text of the change, a description of the purpose and effect of the rule change, and that the emergency rule change shall be in effect for not more than one hundred twenty (120) days.

8.1.8 Records. Cause to be kept a complete record of all its acts and corporate affairs and to present a statement thereof to the Members at the annual meeting of the Members, or at any special meeting when such statement is requested in writing by five percent (5%) or more of the total voting power of the Association; keep adequate and correct books and records of account, minutes of proceedings of its Members, Board and committees, and a record of its Members giving their names and addresses and classes of membership.

8.1.9 Water and Other Utilities. To acquire, provide and pay for water, sewer, garbage disposal, refuse and rubbish collection, electrical, telephone, gas and other utility services as necessary for the Association Property and other areas of the Project Maintained by the Association pursuant to this Declaration.

8.1.10 Granting of Easements. To grant easements where necessary for utilities and sewer facilities over the Association Property to serve the Association Property, Residences and Lots.

8.1.11 Exercise of Easements. To exercise all easement rights as granted to it in this Declaration for the purpose of performing the Maintenance authorized herein or for any other purpose reasonably related to the performance by the Association or the Board of their responsibilities, the Association's agents or employees.

8.1.12 Contracts. To contract for goods and/or services for the Association Property facilities and interests, for other areas of the Project that is Maintained by the Association, or for the Association, subject to limitations elsewhere set forth in the Project Documents.

8.1.13 Limit Number of Guests. To limit the number of an Owner's guests who may use any facilities on the Association Property.

8.1.14 Title to Association Property. To accept title to the Association Property conveyed to it by Declarant.

8.1.15 Acquisition of Property. To acquire (by gift, purchase or otherwise), own, hold, improve, build upon, operate, Maintain, convey, sell, lease, transfer, dedicate for public use or otherwise dispose of real or personal property in connection with the affairs of the Association.

8.1.16 Budgets. To prepare budgets and financial statements for the Association as prescribed in this Declaration.

8.1.17 Legal and Accounting. To obtain and pay the cost of legal, accounting and other professional services necessary or proper for the Maintenance and operation of the Project and the enforcement of the Project Documents.

8.1.18 Emergency Repairs. To enter upon any Lot, Residence or Lot as necessary in connection with construction, maintenance or emergency repair for the benefit of the Association Property or the Owners in common.

8.1.19 Election of the Board of Directors. To elect the Members of the Board.

8.1.20 Filling Vacancies. To fill vacancies on the Board created by the removal or resignation of a Board Member.

8.2 Property Taxes and Assessments. Each Owner shall be obligated to pay any taxes or assessments levied by the County Assessor against his/her Lot and personal property. To the extent not assessed to or paid directly by the Owners, the Association shall pay all real and personal property taxes and assessments levied upon any portion of the Association Property or other property owned by the Association. The Association shall prepare and file annual tax returns with the federal government and the State of California and make such elections as may be necessary to reduce or eliminate the tax liability of the Association.

8.3 Discharge of Liens. The Association shall discharge by payment, if necessary, any lien against the Association Property, and assess the cost thereof to the Owners responsible for the existence of said lien.

8.4 Payment of Expenses. The Association shall pay all expenses and obligations incurred by the Association in the conduct of its business including, without limitation, all licenses, taxes or governmental charges levied or imposed against the property of the Association.

8.5 Dispute Resolution. In any dispute in which the Association is a party, the Association may perform any act reasonably necessary to resolve any such civil claim or action through dispute resolution proceedings found in ARTICLE XIV, as applicable.

ARTICLE IX

ASSESSMENTS

9.1 Agreement to Pay. Declarant, and its successor in interest, if any, for each Lot owned by it, and each Owner, by acceptance of a deed therefore, whether or not it shall be so expressed in such deed, covenants and agrees to pay to the Association: (a) Regular Assessments; (b) Special Assessments for capital improvements or unusual expenses to be established and collected as hereinafter provided; and (c) Reimbursement Assessments and/or Additional Charges levied against an Owner, to be established and collected as provided in this Declaration and in the other Project Documents.

9.1.1 Liability for Payment. All Assessments and Additional Charges, together with any late charges, interest, collection costs and reasonable attorney's fees incurred in collecting delinquent Assessments and Additional Charges, as provided in California Civil Code Section 5650, shall be the obligation of the Owner of such Lot at the time when the Assessments or Additional Charges fell due. If more than one person or entity was the Owner of a Lot at the time the Assessments or Additional Charges fell due, the obligation to pay each Assessment and Additional Charge shall be joint and several. The obligation for delinquent Assessments and Additional Charges shall not pass to any transferee unless expressly assumed by him/her. No Owner may exempt himself from liability for his/her Assessments or Additional Charges obligation by waiver of the use or enjoyment of any of portion of the Project.

9.1.2 Funds Held in Trust. The Assessments collected by the Association shall be held by the Association for and on behalf of each Owner and shall be used solely for the operation, care and Maintenance of the Project as provided in this Declaration.

9.1.3 No Offsets. No offsets against any Assessment shall be permitted for any reason including, without limitation, any claim that the Association is not properly discharging its duties.

9.1.4 Assessments in Dispute. If an Owner has a dispute with the Association regarding an Assessment levied by the Association, the Owner shall have the option of (a) paying the disputed amount of the Assessment under protest and filing a small claims action (California Civil Code Section 5658), (b) request a meeting with the Board to discuss the possibility of a payment plan, if applicable (California Civil Code Section 5665), (c) request to participate in the "meet and confer" program (California Civil Code Section 5900, *et seq.*), or (d) or request that the dispute be resolved by alternative dispute resolution with a neutral third party (California Civil Code Section 5925, *et seq.*), or any combination of the above.

9.2 Purpose of Assessments. The Assessments levied by the Association shall be used exclusively for paying the costs of and creating reserves for the costs of all obligations which the Association is authorized or obligated to perform as described in this Declaration.

9.3 Exemptions from Regular Assessments. Notwithstanding any other provisions of this Declaration, Declarant and any other Owner may be exempt from the payment of that portion of any Regular Assessment:

9.3.1 Which are for the purpose of defraying expenses and reserves directly attributable to the existence and use of Association Property Improvements that are not complete at the time Assessments commence. Any exemption from the payment of Assessments shall be in effect only until (a) a Notice of Completion of the Association Property has been recorded (if required); or, (b) the common facility has been placed into use, whichever occurs earliest; and/or

9.3.2 Which is for the purpose of defraying expenses and reserves directly attributable to the existence and use of Association Maintenance Areas (for which the

Association is obligated to Maintain), and which are not complete and/or installed at the time Assessments commence. The obligation to pay that portion of Assessments attributable to the Association Maintenance Areas shall commence upon the date that the Improvements within the Association Maintenance Areas are complete and no one other than the Association has any obligation to Maintain the Improvements in the Association Maintenance Areas.

9.4 Regular Assessments. Regular Assessments shall be payable in equal monthly installments, due on the first day of each month, unless the Board adopts some other basis for collection. Regular Assessments may be increased pursuant to California Civil Code Section 5605. Notwithstanding any other provisions contained in this Article, the Board may increase Assessments necessary for emergency situations pursuant to California Civil Code Section 5610. If before expiration of any fiscal year the Association fails to fix Regular Assessments for the next fiscal year, the Regular Assessments established for the preceding year shall continue until a new Regular Assessment is fixed. Regular Assessments shall include costs and expenses for the Maintenance, repair and replacement of Association Property and other portions of the Project that the Association is required to Maintain as set forth in ARTICLE V of this Declaration, and for the management and operation of the Project and Association, which shall be assessed equally to each Lot.

9.5 Special Assessments. Special Assessments may be levied in addition to Regular Assessments for (a) constructing capital Improvements, (b) correcting an inadequacy in the Current Operating Account; (c) defraying, in whole or in part, the costs of any construction, reconstruction, unexpected repair or replacement of Improvements in the Association Property or in any other areas for which the Association is obligated to Maintain, or (d) paying for such other matters as the Board may deem appropriate for the Project. The Board may also levy Special Assessments, as circumstances warrant, to raise funds for unexpected operating or reserve funds, or the Maintenance of Association Property. Special Assessments shall be levied in the same manner as Regular Assessments. Notwithstanding any other provisions contained in this Article, the Board may impose Special Assessments necessary for emergency situations pursuant to California Civil Code Section 5610.

9.6 Reimbursement Assessments. The Association shall levy a Reimbursement Assessment against an Owner to (a) reimburse the Association for the costs of repairing damage caused by that Owner or that Owner's Invitee, and/or (b) if a failure to comply with the Project Documents has necessitated an expenditure of monies, including attorneys' fees, by the Association to bring the Owner or the Owner's Lot or Improvements into compliance or resulted in the imposition of a fine or penalty. A Reimbursement Assessment shall be due and payable to the Association when levied. Reimbursement Assessment shall not be levied by the Association until Notice and Hearing has been given in accordance with the Bylaws. Reimbursement Assessments described in subpart (a) may be enforced by lien after Declarant no longer owns any portion of the Project. Reimbursement Assessments described in subpart (b) may not be enforced by lien.

9.7 Commencement of Assessments. The right to levy Assessments shall commence as to all Lots in a Phase on the close of escrow for the first conveyance of a Lot in the Phase. Regular Assessments shall commence as to all Lots in a Phase on the first day of the month

following the first conveyance of a Lot under authority of a Final Public Report. Thereafter, Regular Assessments shall be levied on the first day of each month. After annexation of each Phase, the allocation and Assessment charges for Common Expenses shall be reallocated among all Lots, including those in the annexed Phase of the Annexable Property.

9.8 Accounts. Assessments collected by the Association shall be deposited into at least two (2) separate accounts with a responsible financial institution, which accounts shall be clearly designated as (a) the Current Operating Account, and (b) the Reserve Account. The Board shall deposit those portions of the Assessments collected for current Maintenance and operation into the Current Operating Account for Common Expenses, and shall deposit those portions of the Assessment collected as reserves for replacement and deferred Maintenance of major components which the Association is obligated to Maintain into the Reserve Account.

9.8.1 Reserve Account. Withdrawal of funds from the Reserve Account shall require the signatures of either two (2) Directors or one (1) Director and one (1) Officer of the Association who is not a Director. The Association may expend funds from the Reserve Account only for the purposes set forth in California Civil Code Section 5510(b).

9.8.2 Current Operating Account. All costs properly payable by the Association for Common Expenses shall be paid from the Current Operating Account.

9.9 Enforcement of Assessments. Pursuant to California Civil Code Sections 5300, 5305, 5310, 5320, 5565 and 5730, the Board shall distribute a statement of the Association's policies and practices in enforcing its remedies against Owners for defaults in the payment of Regular and Special Assessments, including the recording and foreclosing of liens against Owners' Lots. In addition to all other remedies provided by law, including, but not limited to, California Civil Code Section 5700, *et seq.*, the Association or its authorized representative may enforce the obligations of the Owners to pay each Assessment provided for in this Declaration in any manner provided by law or by either or both of the following procedures:

(a) By Suit. The Association may commence and maintain a suit at law against any Owner personally obligated to pay a delinquent Assessment. The suit shall be maintained in the name of the Association. Any judgment rendered in any action shall include the amount of the delinquency, and such Additional Charges, costs, fees, charges, and expenditures and any other amounts as the court may award. A proceeding to recover a judgment for unpaid Assessments may be maintained without the necessity of foreclosing or waiving the lien established herein.

(b) By Lien. The Association or a trustee nominated by the Association may commence and maintain proceedings to establish and/or foreclose Assessment liens. No action shall be brought to foreclose a lien until the lien is created by recording a Notice of Lien. Prior to recording a Notice of Lien, the Association shall comply with the provisions of California Civil Code Section 5673. The Notice of Lien must be authorized by the Board, signed by an authorized agent and recorded in the Official Records of the County. No later than ten (10) days after recordation of the Notice of Lien, copies of the Notice of Lien shall be mailed to all record Owners of the Lot in the manner set forth in California Civil Code Sections 2924b and 5710. After expiration of the thirty (30) days following

the recording of a Notice of Lien, the lien may be foreclosed subject to the right of redemption as set forth in California Civil Code Section 5715(b).

9.10 Satisfaction of Lien. All amounts paid by an Owner toward a delinquent Assessment shall be credited first to reduce the principal amount of the debt. Upon payment or other satisfaction of a delinquent Assessment for which a Notice of Lien was recorded, the Association shall record a certificate stating the satisfaction and release of the Assessment lien.

9.11 Lien Eliminated by Foreclosure. If the Association has recorded a Notice of Lien and the lien is eliminated as a result of a foreclosure of a Mortgage or transfer pursuant to the remedies provided in the Mortgage, the new Owner of the Lot shall pay to the Association a pro-rata share of the Regular Assessment for each month remaining in the Association's fiscal year after the date of the foreclosure or transfer pursuant to the remedies provided in the Mortgage.

9.12 Waiver of Homestead Protections. Each Owner does hereby waive, to the extent permitted by law, the protections of any declared homestead or homestead exemption or redemption laws under the laws of the State of California as applied to any action to enforce or collect Assessments levied by the Association.

9.13 Subordination of Lien. Notwithstanding any provision to the contrary, the liens for Assessments created pursuant to this Declaration shall be subject and subordinate to and shall not affect the rights of the holder of a First Mortgage made in good faith and for value. Upon the foreclosure of any First Mortgage on a Lot, any lien for Assessments which became due prior to such foreclosure shall be extinguished; provided, however, that after such foreclosure there shall be a lien on the interest of the purchaser at the foreclosure sale to secure all Assessments, whether Regular or Special, charged to such Lot after the date of such foreclosure sale, which lien shall have the same effect and shall be enforced in the same manner as provided herein. For purposes of this Section, a Mortgage may be given in good faith or for value even though the Mortgagee has constructive or actual knowledge of the Assessment lien provisions of this Declaration.

ARTICLE X

AMENDMENT AND ENFORCEMENT OF RESTRICTIONS

10.1 Amendment of Declaration.

10.1.1 Prior to First Close of Escrow. Prior to the close of escrow on the conveyance of the first Lot, Declarant may amend or revoke this Declaration subject to the requirements of California Business & Professions Code Sections 11012 and 11018.7.

10.1.2 After First Close of Escrow. After conveyance of the first Lot, this Declaration may be amended or revoked only by the affirmative vote of Members representing a majority of the voting power of each class of Members of the Association and, if applicable, by Mortgagees. If only one class of membership exists at the time an amendment is proposed, then it must be approved by at least a bare majority of the total voting power of the Association, which shall include at least a bare majority of the votes of Members other than Declarant. The percentage of the voting power necessary to amend

a specific clause or provision of this Declaration shall not be less than the prescribed percentage of affirmative votes required for action to be taken under that clause or provision. If the approval of two (2) classes of membership is required, prior approval must be obtained from the FHA and/or VA if either are First Mortgagees. Any amendment shall be executed by the President and Secretary of the Association and must be recorded and shall become effective only upon being recorded in the County Recorder's Office.

10.1.3 Amendments Requiring Institutional Mortgagee Consent. Approval of any proposed amendment to the Project Documents by Mortgagees shall be implied if a Mortgagee fails to submit a response to any written proposal for an amendment within sixty (60) days after it receives proper notice or the proposal, provided the notice to the Mortgagee was delivered by certified or registered mail, with a "return receipt" requested.

(a) Any amendments to the Project Documents of a "material adverse nature" to Mortgagees shall require approval of at least fifty-one percent (51%) of Mortgagees and sixty-seven percent (67%) Owners. Amendments of a "material adverse nature" include the following:

- (i) Voting rights;
- (ii) Increases in Assessments that raise previously assessed amount by more than twenty-five percent (25%), Assessment liens, or the priority of Assessment liens;
- (iii) Reductions in reserves for Maintenance of Association Property and Association Maintenance Areas;
- (iv) Responsibility for Maintenance;
- (v) Reallocation of interests in the Association Property or rights to their use;
- (vi) Redefinition of any Lot boundary;
- (vii) Convertibility of Lots or Lots, or portions thereof, into Association Property or vice versa;
- (viii) Expansion or contraction of the Project, or the addition, annexation (except for the Annexable Property) or withdrawal of real property to or from the Project;
- (ix) Hazard or fidelity insurance requirements;
- (x) Imposition of any restrictions on the leasing of Lots;
- (xi) Imposition of any restrictions on an Owner's right to sell or transfer his or her Lot;

(xii) A decision by the Association to establish self-management when professional management had been required by the Project Documents or by an Institutional Mortgagee;

(xiii) Restoration or repair of the Project (after damage or partial condemnation) in a manner other than that specified in the Project Documents;

(xiv) Any provisions that expressly benefit Mortgage holders, insurers or guarantors; or

(xv) Any action to terminate the legal status of the Project for any reason whatsoever.

(b) Prior approval of at least sixty-seven percent (67%) of Mortgagees and sixty-seven percent (67%) of Owners other than Declarant shall be required before the Association may do any of the following:

(i) By act or omission, seek to abandon or terminate the Project, other than after substantial destruction or condemnation occurs;

(ii) By act or omission, abandon, partition, subdivide, encumber, sell or transfer any property or Improvements owned, directly or indirectly, by the Association for the benefit of the Lots and Owners (excepting therefrom, the granting of easements for public utilities or for other public purposes consistent with the intended use of the Project);

(iii) By act or omission, change, waive or abandon any scheme of regulations or enforcement thereof pertaining to architectural design or exterior appearance of Residences, the exterior Maintenance of Residences, or the upkeep of laws, plantings or other landscaping in the Project;

(iv) By act or omission, change the method of determining the obligations, Assessments, dues or other charges that may be levied against and Owner;

(v) Fail to maintain the fire and extended coverage insurance on insurable portions of Association Property on a current replacement cost basis in an amount not less than one hundred percent (100%) of the insurable value based on current replacement cost; and

(vi) Use hazard insurance proceeds for losses to any property or Improvements owned by the Association other than for the repair, replacement or reconstruction of the property and Improvements.

10.1.4 County Approval of Amendments. This Declaration shall not be terminated, "substantially" amended, or property deannexed therefrom absent the prior written consent of the Planning Director of the County or the County's successor-in-

interest. For purposes of this Section, "substantial" shall mean that the provision affects the extent, usage and/or Maintenance of Association Property established pursuant to this Declaration.

10.1.5 Unilateral Right to Amend the Declaration. Declarant (at any time prior to the sale of all Lots in the Project and subject to the provisions of California Business & Professions Code Section 11018.7) or the Association (upon Declarant's sale of all Lots in the Project) shall have the unilateral right to amend this Declaration without the approval of Members in order to bring this Declaration into compliance with all requirements and regulations of the County any Federal or state agency, an insurer or governmental guarantor of a First Mortgage, or federally insured Mortgagee and/or lender including, but not limited to, FHA, VA, FNMA and/or FHLMC, or correct any errors, mistakes or conflicts in the provisions in this Declaration.

10.2 Enforcement.

10.2.1 Generally. The Association, any Owner, including Declarant as an Owner, or the County as a third party beneficiary, shall have the right, but not the obligation, to enforce compliance with the Project Documents in any manner provided by law or in equity, or in bringing an action for damages, an action to enjoin the violation or to specifically enforce the provisions of the Project Documents, to enforce the liens provided for herein (except that no Owner shall have the right to enforce independently of the Association any Assessment. Additional Charges or Assessment lien created hereon) and any statutory lien provided by law, including the foreclosure of any such lien and the appointment of a receiver for an Owner and the right to take possession of the Lot in the manner provided by law. In the event the Association or any Owner shall employ an attorney to enforce the provisions of the Project Documents against any Owner, the prevailing party shall be entitled to reasonable attorney's fees and costs in addition to any other amounts due as provided for herein. All sums payable hereunder by an Owner shall bear interest at the maximum rate permitted by law from the due date less any grace period provided, or if advanced or incurred by the Association or any other Owner pursuant to authorization contained in the Project Document commencing fifteen (15) days after repayment is demanded. Except as otherwise provided, the Association or any Owner(s) shall have the right, but not the obligation, to enforce, in any manner permitted by law or in equity, any and all of the provisions of this Declaration.

10.2.2 Enforcement by Declarant. Declarant shall have the right, but not the obligation, to enforce the provisions of this Declaration while it is still a record owner of at least one (1) Lot, including any decision made by the ACC, in any manner provided by law or in equity, and in any manner provided in this Declaration. The provisions of this Declaration are equitable servitudes and covenants running with the land, enforceable by Declarant against the Association and/or an Owner, tenant or occupant of any Lot in the Project. Declarant has no obligation to enforce any provision of this Declaration. Declarant may elect to enforce any provision of this Declaration at any time against the Association, or any Owner and no such action shall be construed to imply any obligation on the part of Declarant to enforce the same provision against another Owner.

10.2.3 Violation of Law. The Association may treat any Owner's violation of any state, municipal or local law, ordinance or regulation which creates a nuisance to other Owners in the Project or to the Association or pertaining to the ownership, occupation or use of any property, Residence, Lot or Association Property, within the Project is hereby declared to be a violation of the Project Documents and subject to any or all of the enforcement procedures set forth in this Declaration as long as the Associations complies with the Notice and Hearing requirements.

10.2.4 No Forfeiture or Abridgement of Rights. The Association shall not cause a forfeiture or abridgement of an Owner's right to the full use and enjoyment of his/her Lot for the Owner's failure to comply with the provisions of the Project Documents, including Association Rules, except by judgment of a court of law or a decision arising out of arbitration or on account of a foreclosure or sale under a power of sale for failure of the Owner to pay Assessments duly levied by the Association.

10.2.5 Remedies Cumulative. Each remedy provided by this Declaration is cumulate and not exclusive.

10.2.6 No Waiver. The failure to enforce the provisions of any covenant, condition or restriction contained in this Declaration shall not constitute a waiver of any right to enforce any such provisions or any other provisions of this Declaration for the same or different violation thereof.

ARTICLE XI

BUDGETS AND FINANCIAL STATEMENTS

11.1 Preparation and Distribution of Budget. The Board shall annually prepare, adopt and distribute a budget in accordance with the requirements of California Civil Code Sections 5300, 5305, 5320, and 5565. A summary of the budget may be distributed in lieu of the entire budget if the requirements set forth in California Civil Code Section 5300 are satisfied.

11.2 Annual Report. The Board shall annually prepare and distribute an annual report in accordance with the requirements of California Civil Code Sections 5300, 5305, 5310, 5320, 5565 and 5730.

11.3 Quarterly Reconciliation. Pursuant to California Civil Code Section 5500, at least quarterly, the Board shall: (i) cause a current reconciliation of the Association's Current Operating Account(s) to be made and review the same; (ii) cause a current reconciliation of the Association's Reserve Account to be made and review the same; (iii) review the current year's actual reserve revenues and expense compared to the current year's Budget; (iv) review the most current account statements prepared by the financial institution where the Association has its Current Operating, and Reserve Accounts; and (v) review an income and expense statement for the Association's Current Operating, and Reserve Accounts.

11.4 Reserve Account Study. The Board shall (i) cause a study of the Reserve Account to be conducted by a person or entity not affiliated with the then-current manager for the Association, (ii) review the study annually, and (iii) consider and implement necessary adjustments

to the Board's analysis of the Reserve Account requirements as a result of that review in compliance with the provisions of California Civil Code Section 5550.

11.5 Notice of Increased Assessments. The Board shall provide notice by first-class mail to the Owners of any increase in Regular Assessments or the levy of any Special Assessments in accordance with the provisions of California Civil Code Section 5615.

11.6 Statement of Outstanding Charges. Within ten (10) days of a written request by an Owner, the Association shall provide to the Owner a written statement which sets forth the amounts of delinquent Assessments, penalties, attorney's fees and other Additional charges against that Owner's Lot. A charge for the statement may be made by the Association, not to exceed the reasonable costs of preparation and reproduction of the statement.

11.7 Owner's Right to Conduct an Independent Audit. Each Owner shall have the right to conduct an independent audit of the Association's financial records at the Owner's expense. The financial records that may be made available to the requesting Owner shall comply with California Civil Code Section 5200, *et seq.*

ARTICLE XII

INSURANCE, DESTRUCTION AND CONDEMNATION

12.1 Insurance. The Association shall maintain casualty, liability and other insurance on behalf of the Association as required by the provisions of this Declaration. The amount, term and coverage of any policy required hereunder (including the type of endorsements, the amount of the deductible, the named insureds, the loss payees, standard mortgage clauses, notices of changes or cancellations, and the insurance company rating) shall satisfy the minimum requirements for the Project by the FNMA, FHLMC, or any successor to either of those entities (with the exception of earthquake insurance which the Board shall have complete discretion to purchase). If the FNMA or FHLMC requirements conflict, the more stringent requirements shall be met. If FNMA and FHLMC do not impose requirements on any policy required hereunder, the term, amount and coverage of such policy(ies) shall be no less than that which is customary for similar policies on similar projects in the area. If the Association is unable to purchase a policy or if the Association believes that the cost of the policy is unreasonable, the Board shall call a special meeting of Members to determine what action to take.

12.2 General Provisions and Limitations. All insurance policies shall be subject to and, where applicable, shall contain the following provisions and limitations:

12.2.1 Underwriter. All policies (except earthquake insurance) shall be written with a company legally qualified to do business in the State of California and holding a "B" or better general policyholder's rating and a "6" or better financial performance index rating as established by Best's Insurance Reports, reinsured by a company described above, or if such a company is not available, the best rating possible or its equivalent.

12.2.2 Named Insured. Unless otherwise provided in this Section, the named insured shall be the Association or its authorized representative, as trustee for the Owners.

However, all policies shall be for the benefit of Owners and their Mortgagees, as their interests may appear.

12.2.3 Authority to Negotiate. Exclusive authority to adjust losses under policies obtained by the Association shall be vested in the Board or its authorized representative as trustee who shall have exclusive authority to negotiate losses under any policy provided property or liability insurance to perform such other functions as are necessary to accomplish this purpose; provided, however, that no Mortgagee having an interest in such losses may be prohibited from participating in any settlement negotiations related thereto.

12.2.4 Contribution. In no event shall the insurance coverage obtained and maintained by the Association be brought into contribution with insurance purchased by Owners or their Mortgagees.

12.2.5 General Provisions. To the extent possible, the Board shall make every reasonable effort to secure insurance policies providing for the following:

(a) A waiver of subrogation by the insurer as to any claims against the Board, the manager, the Owners and their respective servants, agents and guests;

(b) That the policy will be primary, even if an Owner has other insurance which covers the same loss;

(c) That no policy may be canceled or substantially modified without at least ten (10) days prior written notice to the Association and to each First Mortgagee listed as a scheduled holder;

(d) An agreed amount endorsement, if the policy contains a coinsurance clause;

(e) A guaranteed replacement cost or replacement cost endorsement;
and

(f) An inflation guard endorsement.

12.2.6 Term. The period of each policy shall not exceed three (3) years. Any policy for a term greater than one (1) year must permit short rate cancellation by the insureds.

12.2.7 Deductible. The policy may contain a reasonable deductible and the amount of the deductible shall be added to the face amount of the policy in determining whether the insurance equals replacement cost.

12.3 Types of Coverage. Unless the Association determines otherwise pursuant to Section 12.1, the Board shall obtain at least the following insurance policies in the amounts specified:

12.3.1 Property Insurance. A Special Form or "All Risk" policy of property insurance for all insurable Association Property Improvements and Association Maintenance Areas, including fixtures and building service equipment, against loss or damage by fire or casualty, in an amount equal to the full replacement cost (without respect to depreciation) of the Association Property, and exclusive of land, foundations, excavation and other items normally excluded from coverage. A replacement cost endorsement shall be part of the policy.

12.3.2 Liability Insurance. A combined single limited policy of liability insurance in an amount not less than Three Million Dollars (\$3,000,000) covering the Association Property, Association Maintenance Areas, and all damage or injury caused by the negligence of the Association, the Board or any of its agents, or the Owners against any liability to the public or to any Owner incident to the use of or resulting from any accident or intentional or unintentional act of an Owner or a third party occurring in or about any Association Property. If available, each policy shall contain a cross liability endorsement in which the rights of the named insured shall not be prejudiced with respect to any action by one named insured against another named insured.

12.3.3 Worker's Compensation. Worker's compensation insurance to the extent necessary to comply with all applicable laws of the State of California or the regulations of any governmental body or authority having jurisdiction over the Project.

12.3.4 Fidelity Bond. A fidelity bond naming the Board, the Owners, the Association and such other persons as the Board may designate as obliges, in an amount equal to at least one-fourth (1/4) of the total sum budgeted for the Current Operating Account and Reserve Account for the current fiscal year, whichever amount is greater. The fidelity bond shall contain a waiver of any defense based on the exclusion of persons serving without compensation.

12.3.5 Directors and Officers. Errors and omissions insurance coverage individual liability of Directors and Officers for their negligent acts or omissions while acting in their capacities as Directors and Officers in an amount equal to at least the minimum amount specified in California Civil Code Section 5800(a)(4).

12.3.6 Other Insurance. Other types of insurance as the Board may determine in its sole discretion to be necessary to fully protect the interests of the Owners and Association.

12.4 Waiver of Subrogation. All insurance carried by the Association, or the owners, shall contain provisions whereby the insurer waives rights of subrogation as to the Association, Directors, Officers, Declarant, Owners, occupants of Lots, their family, guests, agents and employees.

12.5 Insurance by Owner. Each Owner shall obtain and maintain, at his/her expense, fire and casualty coverage as may be required by the Owner's individual Mortgagee, or if no Mortgagee encumbers a Lot, fire and casualty coverage as may be determined by the Board, with respect to damage or destruction to Improvements within Owner's Lot and Residence, provided,

however, that no Owner shall be entitled to maintain insurance coverage in a manner so as to decrease the amount which the Association, on behalf of all Owners and their Mortgagees, may realize under any insurance policy which the Association may have in effect at any time. All such individually carried insurance shall also contain a waiver of subrogation rights by the carrier as to other Owners, the Association, Declarant and Eligible First Mortgagee of such Lot. Each Owner is strongly urged to contact an insurance specialist to determine the appropriate type and amount of insurance including insurance to cover those portions of the Lot and Residence not covered by the policy held by the Association. If a policy carried by the Association offers coverage for a claim made by an Owner as a result of damage to any Improvement or personal property within a Lot or Residence, the Owner shall be responsible for paying any deductible, if the Owner wishes to adjust the claim under the Association's policy. Each Owner is strongly urged to contact an insurance specialist to determine the appropriate type and amount of insurance for his/her Lot and Residence thereon.

12.6 Annual Review of Policies. The Board shall review the adequacy of all insurance, including the amount of liability coverage and the amount of property damage coverage, at least once a year. At least once every three (3) years, the review shall include a replacement cost appraisal of all insurable Association Property Improvements, Association Maintenance Areas, and Improvements that the Association is obligated to Maintain without respect to depreciation. The Board shall adjust the policies to provide the amounts and types of coverage and protection that are customarily carried by prudent owners of similar property in the area in which the Project is situated.

12.7 Payment of Premiums. Premiums on insurance maintained by the Association shall be a component of Common Expenses funded by Assessments levied by the Association.

12.8 Damage or Destruction.

12.8.1 Association. The Board shall have the duty to repair and reconstruct the Association Property and Association Maintenance Areas without the consent of Members and irrespective of the amount of available insurance proceeds or other funds, in all instances of partial damages destruction where the estimated cost of repair and reconstruction does not exceed five percent (5%) of the budgeted gross expenses of the Association for that fiscal year. If there is total damage or destruction of any Improvement, including Association Property or Association Maintenance Areas, which are insured under an insurance policy held by the Association, the Association shall proceed with the filing and adjustment of all claims arising under the existing policies to restore, rebuild and reconstruct such Improvements to substantially the same condition and appearance in which it existed prior to the damage or destruction. The insurance proceeds shall be paid to and held by the Association.

(a) Bids. Whenever restoration, rebuilding or reconstruction is to be performed pursuant to this Section 12.8.1, the Board shall obtain such bids from responsible licensed contractors to restore the damaged Improvements as the Board deems reasonable, and the Board, on behalf of the Association, shall contract with the contractor whose bid the Board deems to be the most reasonable.

(b) Proceeds. The costs of restoring, rebuilding or reconstructing the damaged Improvements shall be funded pursuant to the provisions and in the priority established in this Section 12.8.1. A lower priority procedure shall be utilized only if the aggregate amount of funds then available pursuant to the procedures of higher priority as insufficient to restore the damaged Improvements. The priorities are as follows:

(i) Any and all insurance proceeds paid to the Association under existing insurance policies.

(ii) Any and all reserve account funds designated for the repair or replacement of the Improvement(s) that has been damaged or destroyed.

(iii) Any funds raised by a Special Assessment against all Owners levied by the Board up to the maximum amount permitted without approval of the Members as allowed by law.

(iv) Any funds raised by a Special Assessment against all Owners levied by the Board pursuant to a vote of the Members pursuant to Section 12.8.1(c) below.

(c) Additional Special Assessment. If the total funds available pursuant to Section 12.8.1(b) are insufficient to restore, rebuild or reconstruct the damaged or destroyed Improvement(s), then a special meeting of the Members shall be called for the purpose of voting whether to impose an additional Special Assessment and deciding upon the amount thereof. The Board shall then contract for the restoration, rebuilding or reconstruction of the damaged Improvement(s) as described above, making use of all funds available to it.

12.8.2 Owners. If all or any portion of a Lot is damaged or destroyed by fire or other casualty and the loss is not covered by an insurance policy held by the Association, the Owner(s) of the Improvement shall either (a) restore the damaged Improvements or (b) remove all damaged Improvements and leave the Lot in a clean and safe condition. Any restoration, rebuilding or reconstruction under subdivision (a) above must be performed so that the Improvements are in substantially the same condition in which they existed prior to the damage or destruction, unless the Owner complies with the provisions of ARTICLE VI of this Declaration. Unless extended by the Board, the Owner must commence such work within one hundred twenty (120) days after the damage occurs and must complete the work within one (1) year thereafter.

12.9 Condemnation.

12.9.1 Condemnation Affecting Association Property.

(a) Sale in Lieu. If an action for condemnation of all or a portion of Association Property is proposed or threatened by an entity having the right to eminent domain, then on the unanimous written consent of all of the Owners, and subject to the rights of all Mortgagees, if any, Association Property, or a portion of

it, may be sold by the Board. Subject to California Corporations Code Section 8724, the proceeds of the sale shall be distributed among the Lots on the same basis as their Regular Assessment obligations and between the Owners and their Mortgagees as their respective interests shall appear; provided, however, there shall be no reallocation of interests in Association Property resulting from a partial condemnation or partial destruction of the Project may be effected without approval of at least fifty-one percent (51%) of Eligible First Mortgagees.

(b) Award. If Association Property, or a portion of it, is not sold, but is instead taken, the judgment of condemnation shall by its terms apportion the award among the Owners and their respective Mortgagees. If the judgment of condemnation does not apportion the award, then the award shall be distributed as provided above.

12.9.2 Condemnation Affecting Lots and Residences. If an action for condemnation of all or a portion of, or otherwise affecting Residences and/or Lots thereon is proposed or threatened, the Owners and the Mortgagees of the affected Residence and Lot, as their respective interests shall appear, shall be entitled to the proceeds of any sale or award relating to the affected Residence and Lot. If any Residence and/or Lot is rendered irreparably uninhabitable as a result of such a taking, the Lot shall be deemed deleted from the Project and the Owners and Mortgagees of the affected Lot, upon receiving the award and any portion of the reserve funds of the Association reserved for the Lot, if any, shall be released from the applicability of the Project Documents and deemed divested of any interest in the Association Property. Any restoration or repair of the Lot after a partial condemnation or damage due to an insurable hazard shall be substantially in accordance with the Declaration and the original plans and specifications unless approval of fifty-one percent (51%) of the First Mortgagees is obtained. Any action to terminate the Project after substantial destruction or condemnation of the Project occurs or for other reasons to be agreed to by Mortgagees shall require approval of at least fifty-one percent (51%) of Mortgagees.

ARTICLE XIII

MORTGAGEE PROTECTIONS

13.1 Mortgages Permitted. Any Owner may encumber his/her Lot with Mortgages.

13.2 Priority of Mortgage. Notwithstanding any other provision of this Declaration, it is hereby provided that a breach of any of the conditions contained in the Project Documents by any Owner or of any re-entry by reason of such breach shall not defeat or render invalid the lien thereof. Any lien which the Association may have on any Lot in the Project for the payment of Assessments attributable to such Lot will be subordinate to the lien or equivalent security interest of any First Mortgage on the Lot recorded prior to the date of recordation of a Notice of Lien.

13.3 Rights of Institutional Mortgagees. Any Institutional Mortgagee who obtains title to a Lot pursuant to the remedies provided in the First Mortgage, including judicial foreclosure under a power of sale (but excluding voluntary conveyance to the First Mortgagee), shall not be

liable for the Lot's unpaid Regular Assessments, including Additional Charges, accrued prior to acquisition of title by the Institutional Mortgagee. Thereafter, the Institutional Mortgagee, as Owner of the Lot shall be obligated to pay any and all future Assessments levied against the Lot as long as the Institutional Mortgagee remains in title, including any Special Assessments levied by the Association to raise funds needed because of uncollected delinquent Assessments, as long as the Special Assessment is allocated among all of the Lots as provided in ARTICLE IX of this Declaration.

13.4 Rights of Mortgagees Upon Default of Mortgagor. In the event of a default by any Owner in any payment due under the terms of any Mortgage held by an Institutional Mortgagee encumbering a Lot, or the promissory note secured by the Mortgage, the Mortgagee or his or her representative, upon giving written notice to such defaulting Owner and the Association, and placing of record a notice of default, is hereby granted a proxy and may exercise the voting rights of such defaulting Owner attributable to such Lot at any regular or special meeting of the Association held during such time as such default may continue. Unless such written notice is provided to the defaulting Owner and the Association, any Mortgagee may appear (but cannot vote) at meetings of Members and the Board to draw attention to violations of this Declaration that have not been corrected or made the subject of remedial proceedings or Reimbursement Assessments.

13.5 Payment of Taxes or Premiums by Mortgagees. Mortgagees may, jointly or singly, pay taxes or other charges which are in default and which may or have become a charge against the Association Property, unless such taxes or charges are separately assessed against the Owners, in which case the rights of Mortgagees shall be governed by the provisions of their Mortgages. Mortgagees may, jointly or singly, also pay overdue premiums on hazard insurance policies or secure new hazard insurance coverage on the lapse of a policy for the Association Property and Mortgagees making such payments shall be owed immediate reimbursement therefor from the Association. Entitlement to such reimbursement shall be reflected in an agreement in favor of any Mortgagee which requests the same to be executed by the Association.

13.6 Effect of Breach. No breach of any provision of this Declaration shall invalidate the lien of any Mortgage made in good faith and for value, but all of the covenants, conditions and restrictions shall be binding on any Owner whose title is derived through foreclosure sale, trustee's sale, or otherwise.

13.7 Conflict with Declaration. To the extent that any of the provisions of this Declaration conflict with the rules and regulations of FNMA, FHA, VA and/or FHLMC for those Lots in which these entities are either holders, insurers or guarantors of a First Mortgage on said Lot, the rules and regulations of FNMA, FHA, VA and/or FHLMC shall control.

13.8 Notice to Mortgagees. First Mortgagees are entitled to timely written notice from the Association of (a) any condemnation or casualty loss that affects a material portion of the Project or the Lot securing the Mortgage; (b) any sixty (60) day delinquency in the payment of Assessments or Additional Charges owed by the Owner of any Lot on which it holds the Mortgage if the delinquency is not cured within sixty (60) days after its due date; (c) a lapse, cancellation or material modification of any insurance policy maintained by the Association; (d) any proposal to take any action specified in this ARTICLE XIII, or Sections 12.8 and 12.9 of this Declaration; (e)

any default by the Owner of a Lot that is subject to a First Mortgage held by the First Mortgagee in the performance of his or her obligations under this Declaration or the Bylaws which is not cured within sixty (60) days; and (f) any proposed action that requires the consent of a specified percentage of First Mortgagees.

13.9 Inspect Books and Records. Any Owner, First Mortgagee and insurers of any First Mortgage shall be entitled to inspect and copy the books, records, financial statements, the Declaration, Bylaws and Association Rules of the Association. The Association shall also make available to prospective purchasers of Lots current copies of the Declaration, Bylaws, Association Rules and the most recent annual audited financial statement, if any is prepared. The Association must provide an audited financial statement for the immediately preceding fiscal year if the First Mortgagee submits a written request for it. Said financial statement shall be furnished by the Association within a reasonable time following such request.

ARTICLE XIV

DISPUTE RESOLUTION PROCEDURES

14.1 In General. This ARTICLE XIV contains procedures concerning disputes between Owners, the Association and the Declarant related to the Project or each other. The procedures in this ARTICLE XIV do not apply to Declarant's normal customer service procedures, and Owners are encouraged to resolve any potential disputes or claims through Declarant's normal customer service procedures prior to initiating the procedures in this ARTICLE XIV. These Dispute Resolution Procedures *shall not be applicable* to disputes between the Association and/or Owners, on the one hand, and Declarant, on the other hand, including, but not limited to, disputes, issues, claims, damages, causes of action, demands or notices governed or controlled by Right to Repair Act. Any and all disputes between the Association/Owners and Declarant shall be governed by the Dispute Resolution Declaration recorded against the Project.

14.2 Disputes Between Association and Owners. All disputes, controversies, claims and demands between the Association and any Owner pertaining to the subject areas described in California Civil Code Section 5900 shall be governed by the procedures set forth in this Section 14.2.

14.2.1 Election of Statutory Procedures. Except as excused by law, prior to the initiation of a Request for Resolution or any legal proceeding, the Association and any Owner shall "meet and confer" using the procedures set forth in California Civil Code Section 5900, *et seq.*

14.2.2 Request for Resolution. If the Association and Owner are unable to resolve their dispute, controversy, claim or demand through the "meet and confer" procedures of California Civil Code Section 5900, *et seq.*, and to the extent applicable, prior to the initiation of any legal proceeding action, the parties shall comply with the Request for Resolution procedures set forth at California Civil Code Section 5925, *et seq.*

14.2.3 Attorney's Fees and Costs. In any action, including arbitration and/or civil action, between the Association and any Owner (but excluding Declarant as an Owner) to

enforce the Project Documents, the prevailing party shall be entitled to recover reasonable attorney's fees and costs, pursuant to California Civil Code Section 5975.

14.3 Disputes Between Owners. Disputes between Owners with respect to the costs or necessity of Maintenance of Shared Driveways or Party Walls, or any dispute that does not include the Association or Declarant as a party shall be resolved in accordance with the following procedures:

14.3.1 Mediation. If the Owners cannot resolve any disputes, controversies, claims and demands between themselves concerning shared Maintenance responsibilities described in 5.4 of this Declaration, the matter shall be submitted to mediation using a mediator who is acceptable to the parties. If the parties cannot agree on a mediator, any party may petition the Superior Court of the County for appointment of the mediator by the presiding judge. No person shall serve as a mediator in any dispute in which the person has any financial or personal interest in the result of the mediation, except by the written consent of all parties. Prior to accepting any appointment, the prospective mediator shall disclose any circumstances likely to create a presumption of bias or prevent a prompt commencement of the mediation process. The following rules and procedures shall apply in all cases unless the parties agree otherwise:

(a) Any Owner may initiate mediation by serving written notice to any other Owner(s) with whom an Improvement is shared demanding that the dispute, controversy, claim or demand be resolved by the mediation procedures of this Section 14.3.1. The parties shall have thirty (30) days from the date of the written notice to mutually agree on a mediator. Within ten (10) days of the selection of the mediator, each party shall submit a brief memorandum setting forth its position with regard to the issues that need to be resolved. The mediator shall have the right to schedule a pre-mediation conference and all parties shall attend unless otherwise agreed. The mediation shall be commenced within ten (10) days following the submittal of the memoranda and shall be concluded within fifteen (15) days from the commencement of the mediation unless the parties mutually agree to extend the mediation period. Mediation shall be held in the County or such other place that is mutually acceptable by the parties.

(b) The mediator has discretion to conduct the mediation in the manner which is most appropriate for settlement of the dispute. The mediator is authorized to conduct joint and separate meetings with the parties and to make oral and written recommendations for settlement. Whenever necessary, the mediator may also obtain expert advice concerning technical aspects of the dispute, provided the parties agree and assume the expenses of obtaining such advice. The mediator does not have the authority to impose a settlement on the parties.

(c) Prior to the commencement of the mediation session, the mediator and all parties to the mediation shall execute an agreement in order to exclude the use of any testimony or evidence produced at the mediation in any subsequent dispute resolution forum including, but not limited to, binding arbitration (as set forth in Section 14.3.2 of this Declaration), court or judicial reference proceedings,

pursuant to California Evidence Code Section 1115, et seq., or successor statutes. Pursuant to California Evidence Code Section 1119, the agreement shall specifically state:

“No evidence of anything said or any admission made for the purpose of, in the course of, or pursuant to, a mediation or a mediation consultation is admissible or subject to discovery, and disclosure of the evidence shall not be compelled, in any arbitration, administrative adjudication, civil action, or other noncriminal proceeding in which, pursuant to law, testimony can be compelled to be given. No writing, as defined in Section 250, that is prepared for the purpose of, in the course of, or pursuant to, a mediation or a mediation consultation, is admissible or subject to discovery, and disclosure of the writing shall not be compelled, in any arbitration, administrative adjudication, civil action, or other noncriminal proceeding in which, pursuant to law, testimony can be compelled to be given. All communications, negotiations or settlement discussions by and between participants in the course of a mediation or a mediation consultation shall remain confidential.”

(d) Persons other than the parties, the representatives and the mediator may attend mediation sessions only with the permission of the parties and the consent of the mediator. Confidential information disclosed to a mediator by the parties or by witnesses in the course of the mediation shall not be divulged by the mediator. All records, reports, documents or other information received by the mediator while serving in such capacity shall be confidential. There shall be no stenographic record of the mediation process, excepting therefrom, any settlement of the dispute which may, at the option of the parties, be memorialized in writing and signed by the parties.

(e) The expenses of witnesses for either side shall be paid by the party producing such witnesses. All other expenses of the mediation, including required traveling and other expenses of the mediator, the expenses of any witnesses, or the costs of any proofs or expert advice produced at the direct request of the mediator, shall be borne equally by the parties unless they agree otherwise.

14.3.2 Arbitration. If the Owners are unable to resolve their dispute pursuant to Section 14.3.1, above, the dispute shall be submitted to binding arbitration conducted pursuant to the procedures and rules of the Judicial Arbitration and Mediation Services, Inc. (“*JAMS*”) or any successor thereto, and subject to the following provisions:

(a) The fees and costs of arbitration shall be borne equally by the parties or, if the parties cannot agree, then as determined by the arbitrator(s) with the costs and fees of the arbitration to ultimately be borne as determined by the arbitrator(s).

(b) The arbitrator(s) shall be selected no later than sixty (60) days from JAM’s receipt of the demand for arbitration. The arbitrator(s) shall comply with

California Code of Civil Procedure Section 1297.121, and may be challenged on any of the grounds listed therein or as set forth in California Code of Civil Procedure Section 1297.124.

(c) The arbitration shall be held in the County unless the parties agree to a different location.

(d) The arbitrator(s) shall have the authority to recognize any and all available remedies, whether in law or equity, for any cause of action, claim or demand that is the basis for the arbitration, with the exception of punitive damages which may be limited or prohibited as authorized by the parties.

14.3.3 Litigation. The Owners covenant that they shall forbear from commencing any litigation without complying with the procedures set forth in Sections 14.3.1 and 14.3.2 above. If any Owner elects not to participate in the proceedings above, the other party or parties who have complied with Sections 14.3.1 and 14.3.2 may bring an action in any court of competent jurisdiction to resolve the dispute, including obtaining an order compelling compliance with the procedures described in Sections 14.3.1 and 14.3.2 above. Nothing herein shall prevent any Owner from commencing any legal action which in the good faith determination of the Owner is necessary to preserve any Owner's rights under any applicable statute of limitations, provided that the Owner shall take no further steps in prosecuting the action until it has complied with the procedures described in Sections 14.3.1 and 14.3.2, above. Notwithstanding any other provision herein to the contrary, in any dispute between the Owners (excluding Declarant as an Owner), the prevailing party shall be entitled to reasonable attorney's fees and costs. Any and all communications by and between the parties, whether written or oral, which are delivered by the parties or their attorneys or other representatives in an effort to settle the claim shall be considered communications undertaken in the course of effecting a settlement or compromise and as such shall not be admissible as the admission on the part of any party or any representative or agent of the party to be utilized for any such purpose in any action or proceeding. Nothing herein shall be considered to reduce or extend any applicable statute of limitations or repose.

14.4 Exceptions; Admissibility of Communications; Statute of Limitations. The procedures set forth in the Dispute Resolution Declaration shall not apply to any action taken by the Association against Declarant for delinquent Assessments, which shall be governed by ARTICLE IX entitled "Assessments", or in any action involving any Association Property Improvement bonds, which shall be governed by the provisions of ARTICLE XV entitled "Enforcement of Bonded Obligations." Any and all communications by and between the parties, whether written or oral, which are delivered by the parties or their attorneys or other representatives in an effort to settle the claim shall be considered communications undertaken in the course of effecting a settlement or compromise and as such shall not be admissible as an admission on the part of any party or any representative or agent of the party to be utilized for any such purpose in any action or proceeding. Nothing herein shall be considered to reduce or extend any applicable statute of repose or limitations.

14.5 Legal Proceeding Against Declarant. Not later than thirty (30) days prior to the filing of any legal proceeding by the Association against the Declarant for alleged damage to Association Property or other Improvements that the Association is obligated to Maintain or repair, the Board shall provide written notice to each Eligible First Mortgagee and Member of the Association. This notice shall specify all of the following: (a) that a meeting will take place to discuss problems that may lead to the filing of a legal proceeding; (b) the options, including civil actions, that are available to address the problems; and, (c) the time and place of this meeting. In addition, if there is available information, the Association may also elect to provide the following: (i) a good faith estimate of the costs to repair the alleged defects prepared by a licensed contractor who has submitted a bid to perform the necessary repair work; (ii) how the necessary repairs will be funded; (iii) the name of the attorney whom the Association is contemplating retaining and an estimate of the attorney's fees, consultant's fees and any other costs to be incurred to prosecute such proceedings; and (iv) how such fees and costs will be funded. Nothing in this Section shall abrogate a Member's duty to disclose to prospective purchasers the alleged defects, and the potential impact the proceedings may have on the marketability and availability of financing and/or insurance for the Lots in the Project. Notwithstanding, if the Association has reason to believe that the applicable statute of limitations will expire before the Association files the legal proceeding, the Association may give the notice, as described above, within thirty (30) days after the filing of the legal proceeding.

ARTICLE XV

ENFORCEMENT OF BONDED OBLIGATIONS

15.1 Bonded Obligations. When Association Property Improvements have not been completed prior to the issuance of the original Final Public Report to which the Association Property is subject and the Association is the obligee under a Bond to secure performance of the commitment of Declarant to complete the Association Property Improvements, the following provisions shall apply.

15.1.1 Completed Improvements. If all Improvements identified in the planned construction statement appended to the Bond are covered by one or more recorded notices of completion, the Board shall execute all required documents by the surety to release the Bond.

15.1.2 Improvements Not Completed. If 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, the Board shall consider and vote on the question of action by the Association to enforce the obligations under the Bond. If the Association has given an extension in writing for the completion of any Association Property Improvements, the Board shall 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.

15.1.3 Action by Members. If the Board fails or refuses to initiate action to enforce the bonded obligations, upon receipt of a petition for a special meeting signed by Members representing five percent (5%) or more of the total voting power of the Association, the

Board shall call a special meeting of the Members to override the Board's failure or refusal to act. The special meeting shall be held not less than thirty-five (35) days nor more than forty-five (45) days after receipt of the petition by the Board. At the special meeting, the affirmative vote of a majority of Members, excluding any votes of Declarant, shall be required to take action to enforce the obligations under the Bond and shall be deemed to be the decision of the Association. The Board shall thereafter implement the decision by initiating and pursuing appropriate action in the name of the Association.

15.2 Release of Bond. Upon satisfaction of Declarant's obligation to complete the Association Property Improvements, the Association shall acknowledge in writing that it approves the release of the Bond and shall execute any other documents that may be reasonably necessary to affect the release of the Bond. The Association may not condition its approval on the satisfaction of any condition other than completion of the Association Property Improvements. If the Association breaches any of the foregoing obligations, Declarant shall be entitled to bring suit or other appropriate legal action against the Association for any damages incurred by Declarant thereby and recover all reasonable attorney's fees and costs. Any dispute between Declarant and the Association shall be resolved in accordance with the provisions of the escrow instructions which accompany the Bond.

ARTICLE XVI

GENERAL PROVISIONS

16.1 Term. The covenants and restrictions of this Declaration shall run with and bind the Project, and shall inure to the benefit of and be binding on the Association and the Owners, their legal representatives, heirs, grantees, tenants, successors and assigns, subject to this Declaration, for a term of sixty (60) years from the date this Declaration is recorded. Thereafter, this Declaration shall be automatically extended for successive periods of ten (10) years.

16.2 Owner's Compliance. Each Owner, tenant or occupant of a Lot shall comply with the provisions of this Declaration, and (to the extent they are not in conflict with the Declaration), the Project Documents and the decisions and resolutions of the Association or the Board, as lawfully amended from time to time. Failure to comply with any such provisions, decisions, or resolutions, shall be grounds for an action to recover all Additional Charges, for damages, for injunctive relief, or to enforce such provisions, decisions or resolutions. All agreements and determinations lawfully made by the Association in accordance with the voting percentages established in the Project Documents shall be deemed to be binding on all Owners, their successors and assigns.

16.3 Notices. Unless otherwise stated in this Declaration or as allowed by law, any notice permitted or required by the Project Documents may be delivered in any manner set forth in California Civil Code Sections 4040, 4045, 4050 and 4055. If delivery is by mail, it shall be deemed to have been delivered seventy-two (72) hours after a copy of the same has been deposited in the United States mail, first class or registered, postage prepaid, addressed to the person to be notified at the current address given by such person to the Secretary of the Board or addressed to the Lot of such person if no address has been given to the Secretary.

16.4 Notice of Transfer. No later than fifteen (15) days after the sale or transfer of any Lot whereby the transferee becomes the Owner thereof, the transferee shall notify the Association in writing of such sale or transfer. Such notice shall set forth: (a) the Lot involved; (b) the name and address of the transferee and transferor if known; and (c) the date of sale. Unless and until such notice is given, the Association shall not be required to recognize the transferee for any purpose, and any action taken by the transferor as an Owner may be recognized by the Association. Prior to receipt of any such notification by the Association, any and all communications required or permitted to be given by the Association shall be deemed duly given and made to the transferee if duly and timely made and given to said transferor.

16.5 Delivery of Project Documents to Transferee. Prior to transfer of title to a Lot, the transferor shall provide to the prospective transferee a copy of the Project Documents, the Dispute Resolution Declaration, and such other documents and information as are required by California Civil Code Sections 4525 and 4535 at the close of escrow, buyer shall be deemed to have all of these documents and shall be bound by them.

16.6 Easements Reserved and Granted. Any easements appurtenant to a Lot referred to in this Declaration shall be deemed reserved and/or granted by reference to this Declaration in a deed to said Lot.

16.7 Termination of any Responsibilities of Declarant. If Declarant conveys all of its right, title and interest in and to the Project to any partnership, individual or corporation, then and in such event, Declarant shall be relieved of the performance of any further duty or obligation hereunder, and such partnership, individual or corporation shall be obligated to perform all such duties and obligations of the Declarant.

16.8 Mergers and Consolidations. To the extent permitted by law, the Association may participate in mergers and consolidations with other non-profit organizations organized for the same purposes as this Association, provided that any such merger or consolidation shall be the written consent of all of the Members or the assent by vote of two thirds ($\frac{2}{3}$) of the Members voting in person or by proxy at a meeting duly called for this purpose, written notice of which shall be given to all Members at least thirty (30) days in advance.

16.9 Limitation of Restriction on Declarant. Nothing in this Declaration shall be understood or construed to (i) prevent Declarant, its contractors, or subcontractors from doing on the Project or any Lot or Residence, whatever is reasonably necessary or advisable in connection with completing the Project as proposed; or, (ii) prevent Declarant or its representatives from erecting, constructing and Maintaining on any part or parts of the Project, such structures as may be reasonable and necessary for the conduct of its business of completing the Project and establishing said Project as a residential community and disposing of the same in Lots by sale, lease, or otherwise; or, (iii) prevent Declarant from conducting on any part of the Project its business of completing the Project and of establishing a plan of ownership and of disposing of said Project in Lots by sale, lease or otherwise; or, (iv) prevent Declarant from maintaining such sign or signs on any of the Project as may be necessary for the sale, lease or disposition thereof, provided, however, that the maintenance of any such sign shall not unreasonably interfere with the use by any Owner of his/her Lot or the Association Property. The foregoing limitations of the application of the restrictions to Declarant shall terminate upon the sale of Declarant's entire

interest in the Project, or ten (10) years after the close of the first escrow, whichever occurs earlier. Any action taken by Declarant pursuant to any provision of this Article will not unreasonably interfere with the owners' rights and use of the Project.

16.10 Assignment by Declarant. The rights of Declarant in this Declaration may be assigned by Declarant to any successor to all or any part of Declarant's interest in the Project, as developer, by an express assignment incorporated in a recorded deed that transfers any such interest to a successor or to a Mortgagee acquiring Declarant's interest in the Project by foreclosure or by deed in lieu of foreclosure.

16.11 Severability. Should any provision or portion hereof be declared invalid or in conflict with any law of the jurisdiction where this Project is located, the validity of all other provisions and portions hereof shall remain unaffected and in full force and effect.

16.12 Estoppel Certificate. Within ten (10) days of the mailing or delivery of a written request by any Owner, the Board shall provide the Owner with a written statement containing the following information: (i) whether to the knowledge of the Association, the Owner or the Owner's Lot is in violation of any of the provisions of the Project Documents; (ii) the amount of Regular and Special Assessments, including installment payments, paid by the Owner during the fiscal year the request is received; and, (iii) the amount of any Assessments levied against the Owner's Lot that are unpaid as of the date of the statement, including any Additional Charges, late charges, interest, or cost of collection that as of the date of the statement are or may be made a lien against the Owner's Lot as provided by the Project Documents.

16.13 Successor Statutes. Any reference in the Project Documents to a statute shall be deemed a reference to any amended or successor statute.

16.14 Conflict with Project Documents. If there is a conflict among or between the Project Documents, the provisions of this Declaration shall prevail; thereafter, priority shall be given to Project Documents in the following order: Articles, Bylaws, and Association Rules.

16.15 Exhibits. All exhibits attached to this Declaration are incorporated by this reference as though fully set forth herein.

16.16 Headings. The headings used in this Declaration are for convenience only and are not to be used to interpret the meaning of any of the provisions of this Declaration.

16.17 Owner's Acknowledgment. Each Owner shall sign an acknowledgment that he/she has received and read the Project Documents.

16.18 Construction of Provisions. The provisions of this Declaration shall be liberally construed to effect its purpose of creating a uniform plan for the development and operation of a common interest development pursuant to the provisions of the Davis-Stirling Common Interest Development Act, California Civil Code Section 4000, *et seq.*, as may be supplemented, amended and/or superseded.

SIGNATURES ON THE FOLLOWING PAGES

IN WITNESS WHEREOF, the undersigned has executed this Declaration.

Dated: August 5, 2021

By: [Signature]
Name: AARON TALAKICO
Its: VICE PRESIDENT

STATE OF CALIFORNIA)
) ss.
COUNTY OF _____)

WITNESS my hand and official seal.

See attached CA
Acknowledgment

CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

(In accordance with Section 1189 of the California Civil Code)

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

State of California

County of Orange} ss.

On August 05, 2021, before me, Andrew Salazar, Notary Public, personally appeared Aaron Talarico, 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.

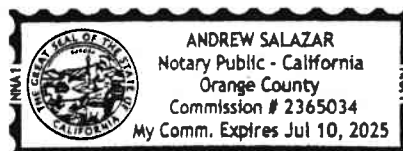
I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature



Andrew Salazar, Notary Public, #2365034
(Commission Expires July 10, 2025)



(seal)

EXHIBIT A

LEGAL DESCRIPTION OF PROPERTY SUBJECT TO DECLARATION

All that real property in an unincorporated area of Riverside County, State of California, described as follows:

Lots 1 to 142, inclusive, and Lot D, of Tract No. 37715, as shown on a map filed for record on _____, 20____, in Book _____ of Maps at Pages ____ to _____, inclusive, in the Official Records of Riverside County, California.

EXHIBIT B

DEPICTION OF MAINTENANCE AREAS

(See Attached)

