

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



ITEM: 2.7
(ID # 18972)

MEETING DATE:
Tuesday, May 10, 2022

FROM : TLMA-TRANSPORTATION:

SUBJECT: TRANSPORTATION AND LAND MANAGEMENT AGENCY/TRANSPORTATION:
Approval of Final Tract Map 33145 a Schedule "A" Subdivision in the Winchester area. District
3. [Applicant Fees 100%]

RECOMMENDED MOTION: That the Board of Supervisors:

1. Approve the Final Tract Map; and
2. Authorize the Chair of the Board to sign Final Tract Map 33145.

ACTION:Consent


Mark Lancaster, Director of Transportation 5/2/2022

MINUTES OF THE BOARD OF SUPERVISORS

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

Ayes: Jeffries, Spiegel, Washington, Perez, and Hewitt
Nays: None
Absent: None
Date: May 10, 2022
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

Final Tract Map 33145 fourth extension of time was approved by the Board of Supervisors on July 17, 2018, as Agenda Item 1.12. Final Tract Map 33145 is a 29.81-acre subdivision creating 2 lots for condominium purposes in the Winchester area. This Final Map complies in all respects with the provisions of the Subdivision Map Act and applicable local ordinances. All necessary conditions of approval have been satisfied and departmental clearances have been obtained to allow for the recordation of the final map. The Transportation Department recommends approval of this Final Tract Map.

All necessary improvements have been or will be installed under the improvement agreements for MS 4336 and MS 4337.

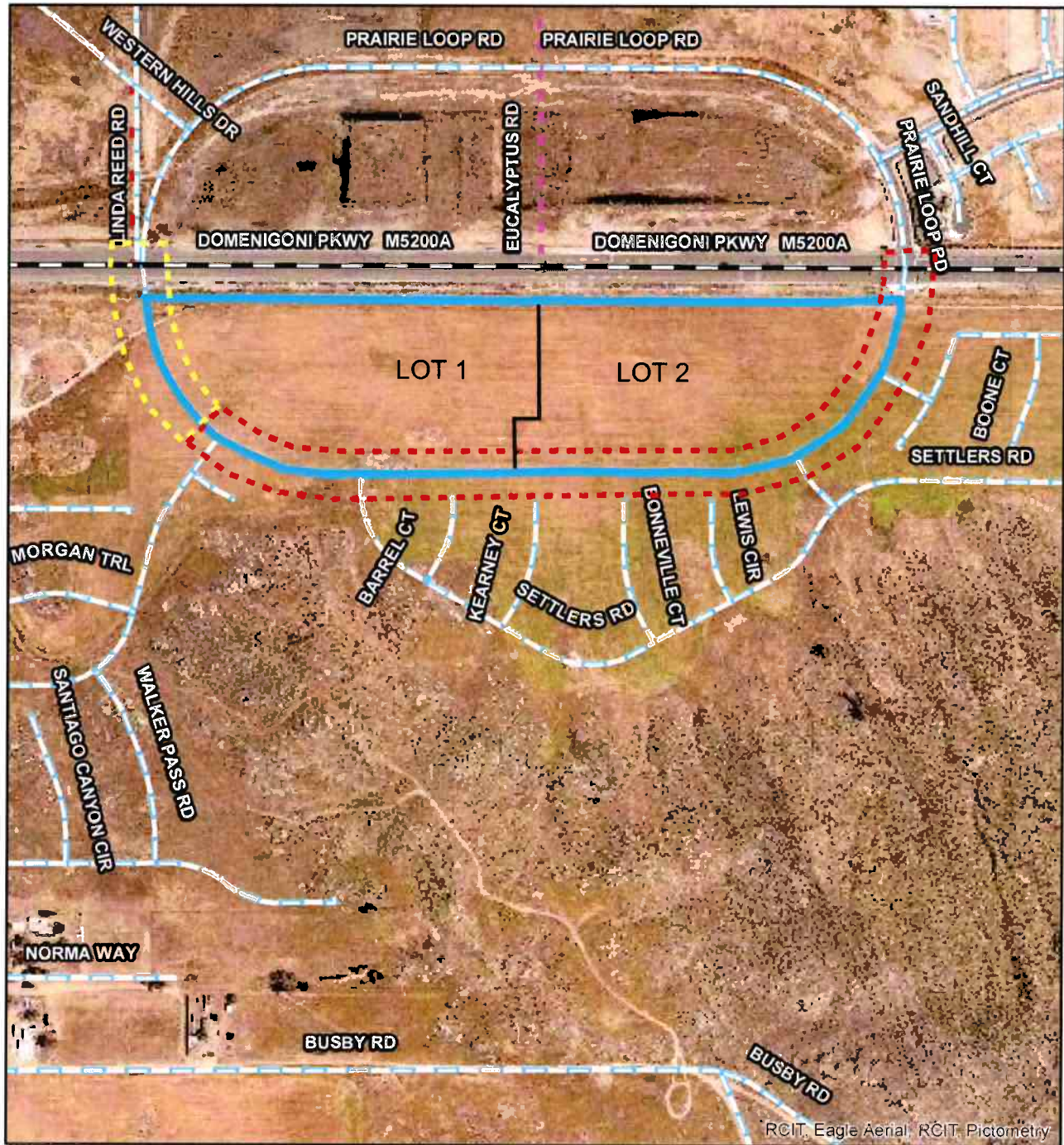
Additional Fiscal Information:

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

ATTACHMENTS:

- FPM 33145 Vicinity Map
- FPM 33145 Mylars


 Jason Farin Principal Management Analyst 5/5/2022



RCIT, Eagle Aerial RCIT, Pictometry

Legend

- Road Book Centerline TYPE**
- F.A.U. Maintained
 - F.A.S. Maintained
 - Paved Surface Maintained
 - Graveled Surface Maintained
 - Dirt Surface Maintained
 - Accepted for Public Use
 - Non-County Road
 - MS 4336 Boundary
 - MS 4337 Boundary

VICINITY MAP

Tract Map 33145

Section 32, T.5S. R2W.

Supervisorial District: 3



NOT TO SCALE

THE UNINCORPORATED TERRITORY OF THE COUNTY OF RIVERSIDE, STATE OF CALIFORNIA SHEET 3 OF 4 SHEETS

TRACT NO. 33145

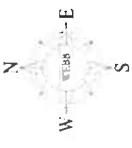
BEING A SUBDIVISION OF A PORTION OF PARCEL 1 AS SHOWN ON NOTICE OF LOT LINE ADJUSTMENT 4756 AS EVIDENCED BY DOCUMENT RECORDED SEPTEMBER 29, 2004, AS INSTRUMENT NO. 2004-073000 AND A PORTION OF PARCEL 1 AS SHOWN ON NOTICE OF LOT LINE ADJUSTMENT 4776 AS EVIDENCED BY DOCUMENT RECORDED OCTOBER 1, 2004, AS INSTRUMENT NO. 2004-0783794 ALL OF OFFICIAL RECORDS OF RIVERSIDE COUNTY, CALIFORNIA, LYING WITHIN SECTION 32, TOWNSHIP 5 SOUTH, RANGE 2 WEST, SBM

APRIL, 2015

ALBERT A WEBB ASSOCIATES - CIVIL ENGINEERS

FOR CONDOMINIUM PURPOSES

DOMENGOVI PARKWAY



DETAIL 'B'
SCALE 1"=5'

SEE SHEET 2

SEE DETAIL 'B' HEREON

LINE #	LENGTH	DIRECTION
L1	26.07'	N44°29'48"W



SEE SHEET 4

SEE SHEET 2

PL 2 LLA NO. 4756
REC. 9/29/04
DOC. NO. 2004-073000, 0.01



FRONTIER ROAD LOOP

SEE DETAIL 'B' HEREON

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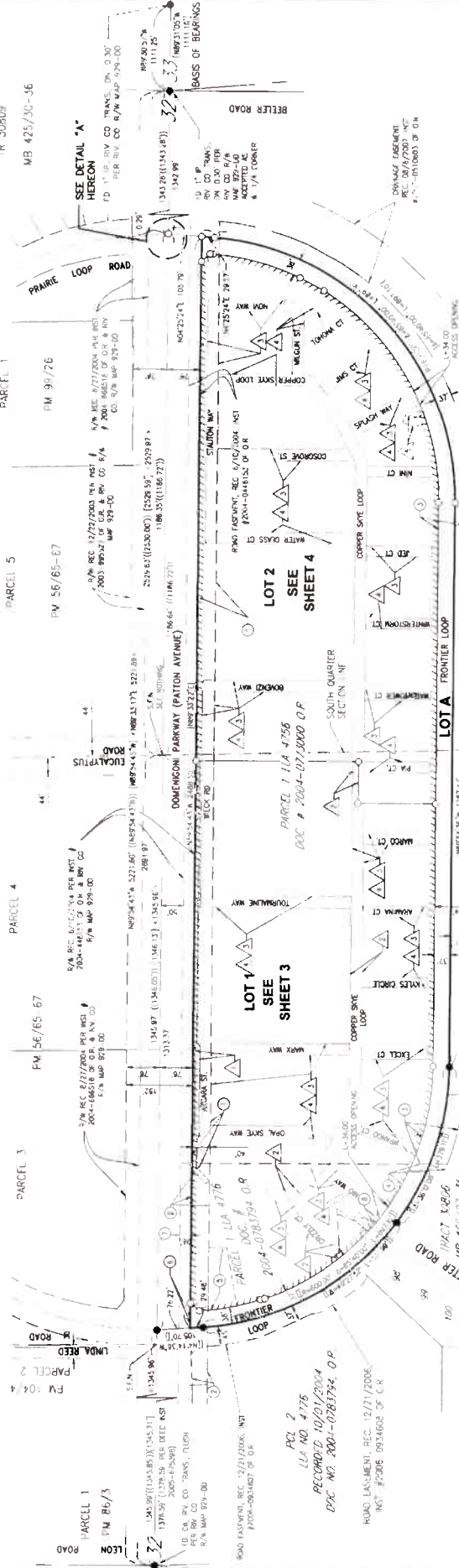
IN THE UNINCORPORATED TERRITORY OF THE COUNTY OF RIVERSIDE, STATE OF CALIFORNIA

TRACT NO. 33145

BEING A SUBDIVISION OF A PORTION OF PARCEL 1 AS SHOWN ON NOTICE OF LOT LINE ADJUSTMENT 4756 AS ENDORSED BY DOCUMENT RECORDED SEPTEMBER 29, 2004, AS INSTRUMENT NO. 2004-0773000 AND A PORTION OF PARCEL 1 AS SHOWN ON NOTICE OF LOT LINE ADJUSTMENT 4756 AS ENDORSED BY DOCUMENT RECORDED OCTOBER 1, 2004, AS INSTRUMENT NO. 2004-0783794. ALL OF OFFICIAL RECORDS OF RIVERSIDE COUNTY, CALIFORNIA, WITHIN SECTION 32, TOWNSHIP 5 SOUTH, RANGE 2 WEST, SBM.

FOR CONDOMINIUM PURPOSES

ALBERT A. WEBB ASSOCIATES, CIVIL ENGINEERS
APRIL 2015



- EASEMENT NOTES**
1. EASEMENT FOR DRAINAGE AND MAINTENANCE PURPOSES RECORDED AUGUST 13, 2004 AS INSTRUMENT NO. 2004-0645522 IN FAVOR OF COUNTY OF RIVERSIDE WITHIN THE BOUNDARY OF THIS TRACT AND ADJACENT HEREON.
 2. EASEMENT FOR DRAINAGE AND MAINTENANCE PURPOSES RECORDED AUGUST 13, 2004 AS INSTRUMENT NO. 2004-0645522 IN FAVOR OF COUNTY OF RIVERSIDE WITHIN THE BOUNDARY OF THIS TRACT AND ADJACENT HEREON.
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 20. EASEMENT FOR DRAINAGE AND MAINTENANCE PURPOSES RECORDED AUGUST 13, 2004 AS INSTRUMENT NO. 2004-0645522 IN FAVOR OF COUNTY OF RIVERSIDE WITHIN THE BOUNDARY OF THIS TRACT AND ADJACENT HEREON.
- SURVEYOR'S NOTES**
1. ALL BEARINGS AND DISTANCES ARE BASED ON THE CENTERLINE OF DOMENIGON PARKWAY BEING N89°30'37"W AS SHOWN ON 19 30 22 MR 457/73 RECORDS OF RIVERSIDE COUNTY THE BASIS OF BEARINGS FOR THIS SURVEY IS THE CENTERLINE OF ALL RIVERSIDE COUNTY RECORDS OF THE PUBLIC ROAD SYSTEM LOCAL FORM 6 BASED LOCALLY ON CONTROL STATIONS BELL & MARY POINT (N84°30'15" W, 143.87) (N84°30'15" W, 143.87).
 2. ALL BEARINGS SET UP WITH PLASTER PLUG, MOUSE LS 5428 FLUSH.
 3. INDICATES TO BE SET UP WITH PLASTER PLUG, MOUSE LS 5428 FLUSH (SEE TRACT 3087'S M).
 4. INDICATES TO BE SET UP WITH PLASTER PLUG, MOUSE LS 5428 FLUSH (SEE TRACT 3087'S M).
 5. INDICATES TO BE SET UP WITH PLASTER PLUG, MOUSE LS 5428 FLUSH (SEE TRACT 3087'S M).
 6. INDICATES TO BE SET UP WITH PLASTER PLUG, MOUSE LS 5428 FLUSH (SEE TRACT 3087'S M).
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 20. INDICATES TO BE SET UP WITH PLASTER PLUG, MOUSE LS 5428 FLUSH (SEE TRACT 3087'S M).
- ENVIRONMENTAL CONSTRAINT NOTE**
- ENVIRONMENTAL CONSTRAINT SHEET AFFECTING THIS MAP IS ON FILE IN THE OFFICE OF THE RIVERSIDE COUNTY SUPERVISOR, IN E.C.S. ROOM 3114, PACE 3A. THIS AFFECTS ALL LOTS.



TRANSPORTATION DEPARTMENT

SUMMARY/ROUTING FORM

CLERK/BOARD OF SUPERVISORS
2022 MAY -5 PM 4:33

COB
5/10/22 2.7
Agenda Backup
Se

BOARD APPROVAL R
COUNTY COUNSEL AI

<input type="checkbox"/> AGREEMENT/CONTRACT	NO.:
---	------

REQUESTED BOARD	CAN IT GO AT A LATER DATE: <input type="checkbox"/> YES <input type="checkbox"/> 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: 33145 (Schedule "A")

DESCRIPTION: APPROVAL OF FINAL TRACT MAP.

CONTRACTING PARTY: Paul Hillmer	W.O. NO.: FTR33145 (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 TO BE EXECUTED BY THE CHAIR OF THE BOARD.

THE FINAL TRACT MAP, SUBDIVISION GUARANTEE AND CC&R'S TO BE DELIVERED TO THE COUNTY RECORDER.

MINUTETRAQ (MT) NO:	TRANS TRACKING ID:	DATE RECEIVED:	INITIALS:
18972			

BOARD AGENDA DATE: 5/10/22	BOS ITEM NUMBER: 2.7
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Riverside County, CA

Jurisdiction

5391034



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:

RECORD UPON RECEIPT

1.510.340.1496

CACustomerService@GOePN.com

7357468

Rec. Date:

Rec. Time:

Pg Ct.	Seq #	Reference #1 (Order #)	Document Type	Actual Fee	Recording Fee	County Tax	City Tax	Instrument #
	1	5391034	Tract Map					
	2	5391034	Other					
	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 33145 CHARGE CODE: ePN - 2. Record Concurrently 3. Fill-ins 4. Conformed Copy 5. Please email confirmation to: jduran@firstam.com and mkeough@firstam.com firstamriv@goepn.com Doc 2: Declaration of CC&Rs

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

1. Work Order #

1. Page — of —

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

DEPARTMENTAL INFORMATION					
3. DEPARTMENT Clerk of the Board of Supervisors			8. ORG.#	10. DATE 05/11/2022	
4. ORGANIZATION County of Riverside			9. ACCOUNT #	11. MEDIA CODE	
5. ADDRESS 4080 Lemon St., Room 127			12. NO. OF BOXES TRANSFERRED		
CITY Riverside, Ca. 92501			13. RECORDS TRANSFERRED BY:		
6. MAIL STOP 1010		7. Name PHONE # FAX# Sue Maxwell 955-1069 955-1071	14. RECORDS COORDINATOR (must be Authorized):		
15. BOX # (Temp)	16. DESCRIPTION OF RECORDS <small>Must be the same as records series title on schedule</small>	17. RANGE OF YEARS	18. DESTRUCTION DATE	19. RECORD SERIES TITLE CODE	20. PERMANENT BOX # <small>(Barcode label)</small>
	Final Tract No 33145 - Sched "A" Board Date 05/10/2022 Item No 2.7 Subdivision of Portion of Parcel 1 of Lot Line Adjustments 4756 & 4776				
	Lying Within SEC32 T5S R2W SBM With CC&Rs and Subdivision Guarantee				
	District 3				
21. RECORDS RECEIVED BY: <i>[Signature]</i>			30. REMARKS		
22. TITLE ACR		23. RECEIVED VIA: Counter			
24. DATE RECEIVED:		25. TIME RECEIVED:			
26. BOXES VERIFIED BY:		27. DATE BOXES VERIFIED:			
28. NAME/DATE SCANNED TO HOLDING AREA:					
29. NAME/DATE SCANNED TO LOCATION:					

2022 MAY 11 AM 10:20
 CLERK / BOARD OF SUPERVISORS

RECORDING REQUESTED BY:

First American Title Company
Homebuilder Services Division

WHEN RECORDED MAIL TO:

Tri Pointe Homes IE-SD, Inc.
1250 Corona Pointe Court, Suite 600
Corona, CA 92879
Attention: Ms. Loretta Saginario

Order: 5391034

APN: 461-190-072
TRA: 071-337

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

**DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS
AND ESTABLISHMENT OF EASEMENTS
OF
OUTLOOK 1**

RECORDING REQUESTED BY:

WHEN RECORDED MAIL TO:

Tri Pointe Homes IE-SD, Inc.
1250 Corona Pointe Court, Suite 600
Corona, CA 92879
Attn: Ms. Loretta Saginario

**DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS
AND ESTABLISHMENT OF EASEMENTS**

OF

OUTLOOK 1

NOTICE: A MASTER DISPUTE RESOLUTION DECLARATION FOR COPER SKYE IS INCORPORATED HEREIN BY REFERENCE AND ALSO BEING RECORDED CONCURRENTLY HERewith IN THE OFFICIAL RECORDS. THE MASTER DISPUTE RESOLUTION DECLARATION REQUIRES THAT ANY DISPUTES BETWEEN DECLARANT AND AN OWNER AND/OR THE ASSOCIATION SHALL BE RESOLVED BY THE ALTERNATIVE DISPUTE RESOLUTION PROCEDURES SET FORTH THEREIN INCLUDING MANDATORY BINDING ARBITRATION. THE ALTERNATIVE DISPUTE RESOLUTION PROCEDURES DO NOT UTILIZE A JURY AND DO NOT PERMIT CLASS ACTION SUITS. A COPY OF THE MASTER DISPUTE RESOLUTION DECLARATION CAN BE OBTAINED FROM THE COUNTY RECORDER OF RIVERSIDE COUNTY.

TABLE OF CONTENTS

	Page
ARTICLE 1 DEFINITIONS.....	2
1.1 "Additional Charges".....	2
1.2 "Applicable Laws".....	2
1.3 "Applicable Rate".....	2
1.4 "Articles".....	2
1.5 "Assessments".....	2
1.6 "Association".....	3
1.7 "Association Maintenance Areas".....	3
1.8 "Association Maintenance Manual".....	3
1.9 "Association Property".....	3
1.10 "Association Rules".....	3
1.11 "Board".....	3
1.12 "Budget".....	3
1.13 "Bylaws".....	3
1.14 "Common Area".....	3
1.15 "Common Expenses".....	3
1.16 "Community".....	4
1.17 "Community Entitlements".....	4
1.18 "Residential Condominium".....	4
1.19 "Condominium Plan".....	4
1.20 "County".....	4
1.21 "County Agreements".....	4
1.22 "Cross Unit Drainage Facilities".....	4
1.23 "Declarant".....	4
1.24 "Declarant Party" or "Declarant Parties".....	4
1.25 "Declaration".....	5
1.26 "Design Guidelines".....	5
1.27 "Design Review Committee".....	5
1.28 "Development Condominium Common Area".....	5
1.29 "Development Condominium".....	5
1.30 "Development Unit".....	5
1.31 "DRE".....	5
1.32 "Eligible Holder".....	5
1.33 "Emergency".....	5
1.34 "Federal Agencies".....	5
1.35 "Final Map(s)".....	5
1.36 "First Mortgage".....	6
1.37 "First Mortgagee".....	6
1.38 "First Purchaser".....	6
1.39 "Fiscal Year".....	6
1.40 "Governing Documents".....	6
1.41 "Governmental Agencies".....	6
1.42 "Hazardous Materials".....	6
1.43 "Improvements".....	6
1.44 "Institutional Mortgagee".....	6
1.45 "Invitee".....	6
1.46 "Lease".....	6
1.47 "Lessee".....	6
1.48 "Limited Warranty".....	7
1.49 "Maintenance Obligations".....	7
1.50 "Master Dispute Resolution Declaration".....	7
1.51 "Member".....	7
1.52 "Mortgage".....	7

1.53	"Mortgagee"	7
1.54	"Module"	7
1.55	"Notice and Hearing"	7
1.56	"Occupant"	7
1.57	"Official Records"	7
1.58	"Offsite Maintenance Areas"	7
1.59	"Owner"	7
1.60	"Owner Maintenance Manual"	7
1.61	"Person"	8
1.62	"Phase"	8
1.63	"Private Streets"	8
1.64	"Property"	8
1.65	"Public Report"	8
1.66	"Recreational Facility"	8
1.67	"Residence"	8
1.68	"Residential Unit"	8
1.69	"Sideyard Easement Area"	8
1.70	"Solar Energy System"	8
1.71	"Solar Rights Act"	8
1.72	"Solar Shade Control Act"	8
1.73	"Storm Drain and Water Quality Improvements"	9
1.74	"Supplementary Declaration(s)"	9
1.75	"Utility Facilities"	9
1.76	"Voting Power"	9
1.77	"Water Quality Management Plan" or "WQMP"	9
ARTICLE 2 OWNERSHIP AND EASEMENTS		9
2.1	Ownership of Residential Condominium	9
2.2	Ownership of Development Condominiums	10
2.3	Title to Association Property	10
2.4	Commencement of Easements	10
2.5	Easements and Rights of Use in Favor of Owners	10
2.6	Encroachment Easements	11
2.7	Storm Water Drainage and Utility Easements	12
2.8	Development and Other Easements and Rights in Favor of Declarant	12
2.9	Limitations on Easements and License Rights	13
2.10	Rights of Invitees and Occupants	14
2.11	Easements Reserved by Declarant	14
2.12	Light, Air and View	14
2.13	No Separate Conveyance	14
2.14	Delegation of Use	15
ARTICLE 3 THE ASSOCIATION		15
3.1	The Organization	15
3.2	Association Action; Board of Directors and Officers; Members' Approval	15
3.3	Powers of the Association	15
3.4	Duties of the Association	17
3.5	Limitations on Authority of Board	19
3.6	Indemnification of Management Parties	21
3.7	Additional Provisions	21
ARTICLE 4 MEMBERSHIP AND VOTING RIGHTS IN ASSOCIATION		21
4.1	Membership	21
4.2	Number of Votes	22
4.3	Special Membership of Development Condominium Owner	23
4.4	Declarant's Right to Select Director	23

4.5	Joint Owner Votes	23
ARTICLE 5 ASSESSMENTS		23
5.1	Creation of Lien and Personal Obligation for Assessments	23
5.2	Funds Held in Trust	23
5.3	Purpose of Assessments	23
5.4	Regular Assessments	24
5.5	Special Assessments	24
5.6	Capital Improvement Assessment	24
5.7	Compliance Assessments	25
5.8	Utility Assessments	25
5.9	Changes to Assessments	25
5.10	Allocation of Assessments to Residential Units	26
5.11	Date of Commencement of Regular Assessments	26
5.12	Notice and Assessment Due Dates	27
5.13	Estoppel Certificate	27
5.14	Collection of Assessments; Liens	27
5.15	Additional Charges	29
5.16	Waiver of Exemptions	29
5.17	Subordination of Lien to First Mortgages	29
5.18	No Offsets	29
5.19	Personal Liability of Owner	29
5.20	Transfer of Residential Condominiums	29
5.21	Failure to Fix Assessments	29
5.22	Property Exempt From Assessments	29
5.23	Uncompleted Facilities	29
5.24	Association Property Improvements	30
5.25	Water Meters	30
5.26	Initial Capital Contribution	31
ARTICLE 6 USE RESTRICTIONS		31
6.1	Residential Use	31
6.2	Commercial Use	31
6.3	Rental of Residential Condominiums	31
6.4	Further Subdivision	32
6.5	Time Sharing	32
6.6	Owner's Liability for Damage	32
6.7	Animals	32
6.8	Antenna Restrictions	33
6.9	Signs and Displays	33
6.10	Parking and Vehicular Restrictions	33
6.11	Exterior Modifications and Installations	35
6.12	Community Entitlements	35
6.13	Owner Modifications to Association Property	35
6.14	Use Not to Impair Insurance	35
6.15	Owners Liable for Damage	35
6.16	Trash Disposal, Pickup and Recycling	36
6.17	View Impairment	36
6.18	Offensive Conduct, Nuisances	36
6.19	Mineral Exploration	36
6.20	Window Coverings	36
6.21	Fire Prevention and Fire Sprinkler Systems	36
6.22	Drainage and Erosion Control	37
6.23	Landscaping	37
6.24	Rights of Disabled	38
6.25	Compliance With Requirements Regarding Storm Water Pollution	38

6.26	Post Tension Slabs	39
6.27	Sideyard Easement Areas.....	39
6.28	Solar Energy System.....	39
6.29	Solar Shade Restrictions.....	40
6.30	Compliance with Laws, Etc	40
6.31	Notice of Airport in Vicinity	40
6.32	Exemption of Declarant	40
ARTICLE 7 MAINTENANCE RESPONSIBILITIES.....		41
7.1	Maintenance.....	41
7.2	Maintenance Obligations of Owners.....	41
7.3	Maintenance Obligations of the Association	42
7.4	Maintenance of Fences and Walls.....	43
7.5	Duty to Protect Against Mechanics' Liens.....	44
7.6	Liability to Declarant.....	44
7.7	Inspection of the Community.....	44
7.8	Future Construction.....	45
ARTICLE 8 DESIGN REVIEW.....		45
8.1	Non-Applicability to Declarant	45
8.2	Scope of Review.....	45
8.3	Design Guidelines	46
8.4	Approval of Plans and Specifications.....	46
8.5	Approval of Solar Energy System	47
8.6	Approval of Modifications to Accommodate Disabled Owners	47
8.7	Compliance With California Civil Code Section 4765	47
8.8	Inspection and Correction of Work.....	47
8.9	Diligence in Construction.....	48
8.10	Fee for Review and Inspection of Improvements.....	48
8.11	Interpretation	48
8.12	Waiver	48
8.13	Estoppel Certificate	49
8.14	Liability.....	49
8.15	Variances.....	49
8.16	Appointment of Design Review Committee.....	49
8.17	Compensation	49
ARTICLE 9 DEVELOPMENT RIGHTS		50
9.1	Limitations of Restrictions	50
9.2	Size and Appearance of Community.....	50
9.3	Marketing Rights.....	51
9.4	Title Rights.....	51
9.5	Control of Access into the Community	51
9.6	Declarant Representative.....	51
9.7	Declarant Exemptions	52
9.8	Supplementary Declarations	52
9.9	Alterations to Map	52
ARTICLE 10 INSURANCE		52
10.1	Association's Insurance Obligations	52
10.2	Compliance With Insurance Requirements in Documents of Record	55
10.3	Owners' Insurance Obligations	55
10.4	Review of Insurance.....	55
10.5	Board's Authority to Revise Insurance Requirements.....	55
ARTICLE 11 DESTRUCTION OF IMPROVEMENTS AND CONDEMNATION		55

11.1	Restoration Defined.....	56
11.2	Restoration Proceeds for Association Property	56
11.3	Rebuilding Contract.....	56
11.4	Private Streets	56
11.5	Insurance Trustee	56
11.6	Damage to Residential Units.....	56
11.7	Minor Repair and Reconstruction.....	57
11.8	Condemnation of Association Property.....	57
11.9	Condemnation of Residential Unit.....	57
ARTICLE 12 PARTITION AND SEVERABILITY OF INTERESTS		57
12.1	Suspension.....	57
12.2	Partition	57
12.3	Distribution of Proceeds	58
12.4	Power of Attorney	58
12.5	Prohibition Against Severance	58
12.6	Conveyances.....	58
ARTICLE 13 RIGHTS OF MORTGAGEES.....		59
13.1	Conflict.....	59
13.2	Liability for Unpaid Assessments	59
13.3	Payment of Taxes and Insurance.....	59
13.4	Notice to Mortgagees	59
13.5	Reserve Fund.....	59
13.6	Inspection of Books and Records.....	60
13.7	Financial Statements.....	60
13.8	Actions Requiring Eligible Holder Approval.....	60
13.9	Votes for Termination of Community.....	60
13.10	Condemnation or Destruction.....	61
13.11	Self-Management.....	61
13.12	Mortgagee Protection	61
13.13	Distribution of Insurance and Condemnation Proceeds.....	61
13.14	Voting Rights on Default.....	61
13.15	Foreclosure.....	61
13.16	Non-Curable Breach.....	61
13.17	Loan to Facilitate	62
13.18	Appearance at Meetings	62
13.19	Right to Furnish Information.....	62
13.20	Inapplicability of Right of First Refusal to Mortgagee.....	62
13.21	Written Notification to Mortgagees or Guarantors of First Mortgages.....	62
ARTICLE 14 AMENDMENTS.....		62
14.1	Amendment Before the Conveyance of First Residential Condominium.....	62
14.2	Amendments After Conveyance of First Residential Condominium	62
14.3	Approval of Material Amendments	63
14.4	Additional Approvals.....	64
14.5	Reliance on Amendments	64
14.6	Conflict with Article 13 or Other Provisions of this Declaration	64
14.7	Business and Professions Code Section 11018.7	64
14.8	Notice to Eligible Holder.....	64
ARTICLE 15 MERGERS OR CONSOLIDATIONS AND DEANNEXATION OF PROPERTY		65
15.1	Mergers or Consolidations	65
15.2	De-Annexation.....	65
ARTICLE 16 TERM AND ENFORCEMENT.....		65

16.1	Term	65
16.2	Rights of Enforcement of Governing Documents	65
16.3	Enforcement of Non Payment of Assessments.....	66
16.4	Enforcement of Bonded Obligations	66
16.5	Disputes Involving Declarant.....	66
16.6	Board and Members' Approval of Certain Actions	68
16.7	Notice Required If Reserve Funds to Pay for Litigation	69
16.8	Conflict.....	69
ARTICLE 17 COUNTY REQUIRED PROVISION		69
17.1	County Required Provision.....	69
ARTICLE 18 GENERAL PROVISIONS.....		69
18.1	Headings	69
18.2	Severability	69
18.3	Cumulative Remedies	70
18.4	Violations as Nuisance	70
18.5	No Racial Restriction.....	70
18.6	Access to Books	70
18.7	Liberal Construction	70
18.8	Notification of Sale of Residential Condominium	70
18.9	Provision of Governing Documents to Prospective Purchasers	70
18.10	Number, Gender.....	70
18.11	Exhibits 70	
18.12	Binding Effect	70
18.13	Easements Reserved and Granted	71
18.14	Statutory References.....	71
18.15	U.S. Department of Veteran Affairs and FHA Approval	71
18.16	Applicability of FHA/FNMA/VA Regulations	71

**DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS
AND ESTABLISHMENT OF EASEMENTS
OF
OUTLOOK 1**

This DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS AND ESTABLISHMENT OF EASEMENTS OF OUTLOOK 1 ("Declaration") is made this 22ND day of December, 2021, by Tri Pointe Homes IE-SD, Inc., a California corporation formerly known as Pardee Homes, a California corporation ("Declarant") with reference to the facts set forth below.

RECITALS

All initially capitalized terms used but not defined in the Recitals shall have the meanings set forth in Article 1.

A. Property to Be Owned by Declarant. Declarant is the developer of a residential community situated in the unincorporated area of the County of Riverside, State of California known as "OUTLOOK 1" ("Community"). If developed as planned, the Community may consist of approximately two hundred seventy-six (276) Residential Condominiums, together with Private Streets, recreational facilities and other private amenities. The Community consists of the real property described on Exhibit "A" ("Property"). As of the date of recordation of this Declaration, COPPER SKYE – MENIFEE, L.P., a Delaware limited partnership, is the owner of the Property. COPPER SKYE – MENIFEE, L.P., a Delaware limited partnership, has consented to the recordation of this Declaration pursuant to the Consent of Owner attached hereto.

B. Association. Declarant has formed the Outlook 1 Community Association, a California nonprofit mutual benefit corporation ("Association") to manage and govern the Community and to perform certain maintenance obligations and provide certain services for the benefit of the Community. A primary responsibility of the Association will be to maintain the areas designated as Association Property and areas designated as the Association Maintenance Areas in this Declaration and in Supplementary Declarations. In addition, the Association will provide design review and other services for the benefit of the Owners and the Community as provided in the Governing Documents.

C. Nature of Community. Declarant intends to establish a plan of condominium ownership and to develop the Property as a condominium project within the meaning of California Business and Professions Code Section 11004.5(c) and California Civil Code Section 4125 to conform with the provisions of the California Subdivided Lands Law (California Business and Professions Code Section 11000, *et seq.*) and to subject the Property to certain limitations, restrictions, conditions and covenants as hereinafter set forth, in accordance with the provisions of California Civil Code Sections 4000, *et seq.*

D. Description of Community. Declarant intends to develop the Community in multiple Phases. Declarant makes no guarantee that the Community will be constructed as presently proposed. Owners of a Residential Condominium in each Phase will receive title to a Residential Unit plus an undivided fractional interest as tenant in common to the Common Area located within the Module in which the Residential Unit is located. Each Owner of a Residential Condominium will also receive an easement for ingress, egress and recreational use over the Association Property of the Phase in which the Residential Condominium is situated and within each other Phase, effective upon conveyance of the first Residential Condominium in each such subsequent Phase to a First Purchaser, subject to the terms of the Governing Documents. Each Residential Condominium shall have appurtenant to it a membership in the Association.

E. Master Dispute Resolution Declaration. A separate Master Dispute Resolution Declaration will be or has been recorded against the Property and will set forth, among other matters, Declarant's binding alternative dispute resolution procedures for the resolution of all Claims by an Owner or the Association involving Declarant or a Declarant Party, and/or Declarant's Affiliated General Contractor, including without limitation, Construction Defect Claims. Each Owner and the Association are bound by the dispute resolution procedures set forth in the Master Dispute Resolution Declaration.

DECLARATION

NOW, THEREFORE, Declarant declares that the Property is, and shall be, held, conveyed, encumbered, leased and improved subject to the covenants, conditions, restrictions, easements, liens and charges set forth in this Declaration, all of which are declared and agreed to be in furtherance of a plan of condominium ownership as described in California Civil Code Section 4000, *et seq.* for the subdivision, improvement, protection, maintenance, and for the sale of Residential Condominiums and all of which are agreed to be for the purpose of enhancing, maintaining and protecting the value and appearance of the Property and which shall run with the land, shall be binding on and inure to the benefit of Declarant and all Owners having or acquiring any right, title or interest in the Property and shall be binding on and inure to the benefit of the successors in interest of such parties. Declarant further declares that it is the express intent that this Declaration satisfy the requirements of California Civil Code Section 5975.

Throughout this Declaration, there are summaries (like this summary), which appear in italics, to aid the reader's comprehension and use of this Declaration. In the event of a conflict between any summary and the text of any of the Governing Documents, the text shall control. In the event of any question as to interpretation of the summaries, the text of the Governing Documents shall control.

ARTICLE 1 DEFINITIONS

The defined terms set forth in this Article are used throughout this Declaration and in many of the Governing Documents. The definitions in this Article will assist in reading and reviewing the balance of this Declaration.

Unless the context otherwise specifies or requires, the terms defined in this Article shall, for all purposes of this Declaration, have the meanings specified below.

1.1 “**Additional Charges**” has the meaning set forth in Section 5.15.

1.2 “**Applicable Laws**” means the Community Entitlements and/or any law, regulation, rule, order and ordinance of any Governmental Agencies which are applicable to the Community, or any portion thereof now in effect or as hereafter promulgated.

1.3 “**Applicable Rate**” means the rate of interest chargeable under this Declaration equal to the rate established by the Association from time to time, but not to exceed the maximum rate allowed by Applicable Laws.

1.4 “**Articles**” means the Articles of Incorporation of the Association, as they may from time to time be amended, which are or shall be filed in the Office of the California Secretary of State.

1.5 “**Assessments**” means the assessments which are levied to cover the Common Expenses under Article 5 or other Assessments permitted to be levied by the Association under this Declaration and the other Governing Documents, which include the Assessments described below.

1.5.1 “**Capital Improvement Assessments**” means the Capital Improvement Assessments that are levied by the Association pursuant to Section 5.6.

1.5.2 “**Compliance Assessments**” means the Compliance Assessments that are levied by the Association pursuant to Section 5.7.

1.5.3 “**Regular Assessments**” means the Regular Assessments that are levied by the Association pursuant to Section 5.4.

1.5.4 “**Special Assessments**” means the Special Assessments that are levied by the Association pursuant to Section 5.5.

1.5.5 “**Utility Assessments**” means the Utility Assessments that are levied by the Association pursuant to Section 5.8 and Section 5.25.

1.6 “**Association**” means the Outlook 1 Community Association, a California nonprofit mutual benefit corporation, and any successor entity.

1.7 “**Association Maintenance Areas**” means those portions of the Property and the Offsite Maintenance Areas, if any, which, in addition to the Association Property, the Association is obligated to maintain pursuant to the Governing Documents or to comply with the Community Entitlements. The Association Maintenance Areas, if any, shall be described in a Supplementary Declaration.

1.8 “**Association Maintenance Manual**” means the manual which may be prepared by Declarant setting forth the standards and requirements for maintenance of the Association Property and Association Maintenance Areas by the Association.

1.9 “**Association Property**” means all real property owned from time to time, in fee title by the Association and/or designated as Association Property by Declarant. Upon conveyance to the Association, the Association Property for the overall Community consists of the real property more particularly described on Exhibit “B”. The Association Property included with each Phase shall be described in the Supplementary Declaration for each Phase.

1.10 “**Association Rules**” means the rules and regulations adopted by the Board from time to time.

1.11 “**Board**” means the board of directors of the Association.

1.12 “**Budget**” means the budget for the Association which sets forth all of the Common Expenses to be allocated among the Owners.

1.13 “**Bylaws**” means the bylaws of the Association, as they may be amended from time to time, which are or shall be adopted by the Board.

1.14 “**Common Area**” means the three-dimensional portion of each Module consisting of airspace, which Common Area is owned in equal undivided interests by the Owners of the Residential Units in such Module. The lateral and vertical boundaries of the Common Area are shown on the applicable Condominium Plan.

1.15 “**Common Expenses**” means the actual and estimated costs and expenses incurred or to be incurred by the Association including, without limitation, the following: expenses for maintenance, management, operation, repair and replacement of the Association Property and Association Maintenance Areas; expenses incurred in performing the duties and obligations of the Association set forth in this Declaration and the other Governing Documents; expenses incurred in complying with the Community Entitlements and Applicable Laws; expenses incurred in administering any committees formed by the Association; expenses incurred to cover due but unpaid Assessments; expenses for management and administration of the Association, including, without limitation, compensation paid by the Association to managers, accountants, attorneys, architects and consultants; expenses incurred in maintaining the legal status and qualifications of the Association as an entity in good standing and entitled to do business in the State of California; expenses of any inspections required or deemed appropriate by the Association; expenses, if any, required for the maintenance of any areas required by any Governmental Agencies or the Community Entitlements to be maintained by the Association; expenses for any utilities, trash disposal and other services benefiting the Owners and their Residential Condominiums to the extent such services are paid for by the Association; expenses of insurance and/or fidelity bonds maintained by the Association;

reasonable reserves as deemed appropriate by the Board or otherwise required pursuant to the Governing Documents or Applicable Laws; expenses of bonding of the members of the Board and any professional managing agent or any other person handling the funds of the Association; taxes and assessments paid by the Association; expenses incurred by the Association for the discharge of any lien or encumbrance levied against the Association Property and Association Maintenance Areas or portions thereof; and any other expenses incurred by the Association in connection with the operation and/or maintenance of the Association Property or Association Maintenance Areas, or in furtherance of the purposes or the discharge of any obligations imposed on the Association by the Governing Documents.

1.16 “Community” means all of the Property together with all Improvements situated thereon.

1.17 “Community Entitlements” means all governmental approvals, permits and authorizations issued in connection with the approval of the development of the Community including, without limitation, the tentative map, the Final Map, development agreements, conditions of approval and project permits.

1.18 “Residential Condominium” means an estate as defined in California Civil Code Section 4125 consisting of an undivided interest as a tenant-in-common in all or any portion of the Common Area, together with a separate fee interest in a Residential Unit as described in this Declaration, the Condominium Plan and/or in the deed conveying the Residential Condominium.

1.19 “Condominium Plan” means each of the following: (a) each Condominium Plan recorded against the Property pursuant to California Civil Code Section 4285, *et seq.* that encumbers all or any portion of the Property, and all amendments to each such plan; and (b) any recorded Condominium Plan or plans, including amendments thereto.

1.20 “County” means the County of Riverside, California.

1.21 “County Agreements” means any agreements entered into or required to be entered into by Declarant or any other Person pursuant to the Community Entitlements, which impose obligations to be satisfied by the Association, if any. County Agreements may be, but shall not be required to be, identified in a Supplementary Declaration.

1.22 “Cross Unit Drainage Facilities” means those certain subterranean and surface area drainage facilities (if any) installed by Declarant within the Property to provide for drainage between the Residential Units and/or Association Property, which are to be maintained as provided herein or in a Supplementary Declaration. The approximate locations of the Cross Unit Drainage Facilities, if any, shall be designated in Supplementary Declarations.

1.23 “Declarant” means Tri Pointe Homes IE-SD, Inc., a California corporation formerly known as Pardee Homes, a California corporation, and shall include those successors and assigns of Tri Pointe Homes IE-SD, Inc., a California corporation who acquire or hold title to any part or all of the Property for purposes of development and are expressly named as a successor Declarant to all or a portion of Declarant’s rights in an Assignment of Declarant’s Rights (“Assignment of Declarant’s Rights”) executed by Declarant or a successor Declarant, and recorded in the Official Records assigning the rights and duties of Declarant to such successor Declarant, and such successor Declarant accepts the assignment of such rights and duties. A successor Declarant shall also be deemed to include the beneficiary under any deed of trust securing an obligation from a then existing Declarant encumbering all or any portion of the Property, which beneficiary has acquired any such portion of the Property by foreclosure power of sale or deed in lieu of such foreclosure or sale.

1.24 “Declarant Party” or “Declarant Parties” means Declarant and its current and future affiliates, and the respective current and future directors, officers, employees, members, managers, partners, trustees, trust beneficiaries, agents and representative of Declarant.

1.25 "**Declaration**" means this Declaration of Covenants, Conditions and Restrictions and Establishment of Easements of Outlook 1 as said Declaration may from time to time be amended or supplemented.

1.26 "**Design Guidelines**" means the design criteria adopted by the Board pursuant to Article 8.

1.27 "**Design Review Committee**" means the committee which may be appointed by the Board pursuant to Article 8.

1.28 "**Development Condominium Common Area**" means the three-dimensional airspace portion of the Property that is initially owned in equal undivided interests by the Owners of Development Condominiums within the Community. The lateral and vertical boundaries of the Development Condominium Common Area are shown and/or described on the Condominium Plan. The Development Condominium Common Area shall ultimately be transferred to the Association as Association Property.

1.29 "**Development Condominium**" means a condominium consisting of: (a) a separate fee simple interest in a Development Unit; and (b) an appurtenant undivided interest as a tenant in common in the Development Condominium Common Area. A Development Condominium shall cease to exist as a separate condominium and shall be automatically converted into (i) Residential Units and Common Area, and/or (ii) Association Property at such time as the first Residential Condominium within that Development Condominium is separately conveyed to an Owner or upon transfer of the entire Module in fee to the Association, as applicable. The Development Condominium Common Area that was a part of a Development Condominium be conveyed to the Association as Association Property.

1.30 "**Development Unit**" means the three-dimensional envelope of airspace, earth and water below and above the existing ground elevation shown and described as such the Condominium Plan. Each Development Unit is also defined as a Module on the Condominium Plan. Each Development Unit shall be a separate freehold estate not owned in common with the other Owners of Development Condominiums in the Property, as separately shown, numbered and designated in a Condominium Plan. The vertical and horizontal boundaries of each Development Unit are set forth in the Condominium Plan. A Development Unit includes the above-described area and all Improvements within such area.

1.31 "**DRE**" means the California Department of Real Estate and any successor agency.

1.32 "**Eligible Holder**" means any Mortgagee who has given written notice to the Association specifying its name and the address of the Residential Condominium subject to the Mortgage and requesting written notice of any or all of the events to which such Eligible Holder is entitled to notice specified in this Declaration.

1.33 "**Emergency**" means any situation, condition or event which threatens substantial imminent damage or injury to Person or property.

1.34 "**Federal Agencies**" means collectively one or more of the following agencies and the following letter designation for such agencies shall mean and refer to, respectively, the agency specified within the parentheses following such letter designation and any successors to such agencies: Federal Housing Administration ("**FHA**"), Federal Home Loan Mortgage Corporation ("**FHLMC**"), Federal National Mortgage Association ("**FNMA**"), and Government National Mortgage Association ("**GNMA**"), and United States Department of Veterans' Affairs ("**VA**").

1.35 "**Final Map(s)**" means the final subdivision or parcel map(s) covering all or any portion of the Property and any corrections, modifications and/or lot line adjustments to such maps.

1.36 “**First Mortgage**” means a Mortgage that is first in priority under the recording statutes of the State of California over all other Mortgages encumbering a specific Residential Condominium in the Community.

1.37 “**First Mortgagee**” means the Mortgagee of a First Mortgage.

1.38 “**First Purchaser**” means the Owner of a Residential Condominium who acquired the Residential Condominium under authority of a Public Report from Declarant.

1.39 “**Fiscal Year**” means the fiscal accounting and reporting period of the Association selected by the Board.

1.40 “**Governing Documents**” means collectively this Declaration, the Articles, the Bylaws, Design Guidelines, Association Rules and any Supplementary Declarations.

1.41 “**Governmental Agencies**” means any federal, state, county, city, local or municipal governmental entity or quasi-governmental entity or body (or any departmental agency thereof) exercising jurisdiction over a particular subject matter for any portion of the Community.

1.42 “**Hazardous Materials**” means any biologically or chemically active or toxic or hazardous waste or materials as defined or regulated by Applicable Laws. Hazardous Materials shall include without limitation those described in the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended, 42 U.S.C. Section 9601, *et seq.*, the Resource Conservation and Recovery Act, as amended, 42 U.S.C. Section 6901, *et seq.*, any applicable state, local or federal laws and the regulations adopted under these Acts.

1.43 “**Improvements**” means each and all of the following: (a) all buildings and structures, additions and any improvements of every type and kind, including without limitation, Residences and other buildings, outbuildings, guesthouses, walkways, trails, utility installations, swimming pools, spas, garages, roads, sidewalks, driveways, parking areas, fences, screening walls, block walls, retaining walls, awnings, patio and balcony covers, stairs, decks, balconies, trellises, landscaping, irrigation systems, hedges, slopes, windbreaks, the exterior surfaces of any visible structure, paintings, planted trees and shrubs, antennae, poles, signs, solar or wind powered energy systems or equipment, and water softener, heater or air conditioning and heating fixtures or equipment; (b) the grading, excavation, filling or similar disturbance to the surface of the land including, without limitation, change of grade, change of ground level, change of drainage pattern or change of stream bed; landscaping, planting, clearing or removing of trees, shrubs, grass or plants; (c) all drainage systems; and (d) change or alteration of any previously installed Improvement including any change of exterior appearance color or texture. The Design Guidelines may identify additional items that are Improvements which require approval of the Design Review Committee.

1.44 “**Institutional Mortgagee**” means each of the following: (a) a First Mortgagee that is a bank, savings and loan association, insurance or mortgage company or other entity or institution chartered under federal and/or state law; (b) an insurer or governmental guarantor of a First Mortgage; (c) a First Mortgagee that is a Federal or State Agency; or (d) any other institution specified by the Board in a recorded instrument that is the Mortgagee of a Mortgage or the beneficiary of a deed of trust encumbering a Residential Condominium.

1.45 “**Invitee**” means any Person whose presence within the Community is approved by or is at the request of a particular Owner, including, without limitation, Occupants, agents, contractors and the family, guests, employees or licensees of Owners or Lessees.

1.46 “**Lease**” means each lease whereby a Person acquires rights to use or occupy a Residential Condominium for a specified term.

1.47 “**Lessee**” means any tenant or lessee occupying a portion of the Property with a Lease.

1.48 "Limited Warranty" means the Limited Warranty provided by Declarant to an Owner and/or the Association.

1.49 "Maintenance Obligations" means the Association's obligations and each Owner's obligations to perform: (a) all reasonable maintenance consistent with the terms of the Association Maintenance Manual and Owner Maintenance Manual, respectively; (b) any maintenance obligations and schedules in any warranty offered by Declarant or any manufacturer, and any maintenance obligations and schedules otherwise provided to the Association or the Owners by Declarant or any manufacturer, as applicable; (c) any commonly accepted maintenance practices intended to prolong the life of the materials and construction of the Association Property and Residential Units, as applicable; and (d) any maintenance obligations imposed by the Governing Documents or any Governmental Agencies.

1.50 "Master Dispute Resolution Declaration" means any Master Dispute Resolution Declaration executed by Declarant which is recorded in the Official Records against any portion of the Property. References to the Master Dispute Resolution Declaration include any subsequently recorded amendments or supplements thereto. There may be more than one (1) Master Dispute Resolution Declaration at any given time; each may apply to different Residential Units or portions of the Community. The Master Dispute Resolution Declaration recorded in the Official Records constitutes a part of this Declaration and is incorporated herein by this reference as though set forth in full herein. A copy of the Master Dispute Resolution Declaration can be obtained from the County Recorder of Riverside County.

1.51 "Member" means every Person who holds a membership in the Association.

1.52 "Mortgage" means a recorded mortgage or deed of trust encumbering a Residential Condominium in the Community.

1.53 "Mortgagee" means a mortgagee under a Mortgage as well as a beneficiary under a deed of trust.

1.54 "Module" means each module designated on the Condominium Plan(s). Each Module is a three-dimensional portion of the Property and has been created pursuant to California Government Code Section 66427. The lower and upper boundaries of each Module are set forth in the Condominium Plan. The lateral boundaries of each Module are vertical planes which are also described and depicted in the Condominium Plans. The Module includes all land and Improvements (whether now or hereafter located within its boundaries).

1.55 "Notice and Hearing" means the procedure that gives an Owner notice of an alleged violation of the Governing Documents and the opportunity for a hearing before the Board.

1.56 "Occupant" means a Person that is entitled to occupy from time to time all or a portion of a Residence, whether pursuant to a Lease, sublease, license or other similar agreement.

1.57 "Official Records" means the official public records of the County Recorder of Riverside County.

1.58 "Offsite Maintenance Areas" means any real property or Improvements located outside of the Property which the Association is obligated to maintain. The Offsite Maintenance Areas, if any, shall be described in a Supplementary Declaration.

1.59 "Owner" means the record owner, whether one or more Persons, including Declarant of any Residential Condominium, excluding those having such interest merely as security for the performance of an obligation, unless and until such Person acquires fee title thereto.

1.60 "Owner Maintenance Manual" means the manual prepared by Declarant setting forth the standards and requirements for the maintenance by an Owner of the Residential Condominium and other

Improvements. The Owner Maintenance Manual may also be referred to as the "Homeowner Manual" or "Homeowner Maintenance Manual" in other related documents.

1.61 "Person" means a natural person or any legal entity recognized under California law. When the word "person" is not capitalized, the word refers only to natural persons.

1.62 "Phase" means that portion of the Property which is the subject of a separate Public Report.

1.63 "Private Streets" means those streets, roads, drives and adjacent sidewalks within the Association Property and related lighting, private drainage, pollution control devices, sewage and water systems and other utility installations within such streets, roads, drives and sidewalks that are not maintained by a public agency or franchised utility.

1.64 "Property" means all of the real property described on Exhibit "A." In the event of the de-annexation of any Property previously subject to this Declaration, the term "Property" shall not include any such de-annexed land.

1.65 "Public Report" means the final subdivision public report issued by the DRE for a Phase in the Community.

1.66 "Recreational Facility" means those portions of the Association Property intended for the active or passive recreational use of the Owners.

1.67 "Residence" means each residential dwelling and any other improvements situated within a Residential Unit.

1.68 "Residential Unit" means the elements of a Residential Condominium which are not owned in common with the other Owners, such Residential Units and their respective elements and boundaries being shown and particularly described in the Condominium Plan. Residential Units include the above-described area and all Improvements within the boundary of the Residential Unit shown on the Condominium Plan, including, without limitation, the Residence, garage, driveway, yard, walls, columns, floors, roofs, foundations, windows, central heating and other central services, pipes, ducts, flues, chutes, conduits, wires and other utility installations to the point of connection with the main line, wherever located within the Residential Unit. In interpreting deeds and plans, the then existing physical boundaries of a Residential Unit, whether in its original state or reconstructed in substantial conformance with the original plans thereof, shall be conclusively presumed to be its boundaries rather than the boundaries expressed in the deed or Condominium Plan.

1.69 "Sideyard Easement Area" means that portion of a Residential Unit over which the Owner of an adjoining Residential Unit has an easement for access and maintenance of the Residence within the benefiting Residential Unit, as provided in this Declaration and any applicable Supplementary Declaration. The Sideyard Easement Areas shall be depicted in Supplementary Declarations, as may be amended or supplemented.

1.70 "Solar Energy System" means fixed devices, structures or devices or structures that are used primarily to transform solar energy into thermal, chemical or electrical energy including roof-integrated photovoltaic roof tiles, roof-mounted panels or other roof-mounted devices that collect solar energy and generate energy by exposure to the sun.

1.71 "Solar Rights Act" shall mean California Civil Code Sections 714, et seq., and any successor statutes.

1.72 "Solar Shade Control Act" means California Public Resources Code Sections 25980, et seq., and any successor statutes.

1.73 “Storm Drain and Water Quality Improvements” means any private storm drain and water quality protection improvements and systems including, without limitation, detention and storm water basins and other pollution control devices located within the Property which are required to be maintained by the Association.

1.74 “Supplementary Declaration(s)” means those certain declarations of covenants, conditions and restrictions, or similar instruments, which do any or all of the following: (a) deannex any portion of the Property in accordance with the provisions of this Declaration; (b) make such other complementary additions and/or modifications necessary to reflect the different character of specific real property; (c) designate a portion of the Property as a Phase; (d) identify Association Property or Association Maintenance Areas and/or make modifications or supplements to any areas designated for maintenance by the Association or any Owner; (e) conform this Declaration or any previously recorded Supplementary Declarations to Applicable Laws or any conditions of approval imposed by any Federal Agencies, Governmental Agencies or the Community Entitlements; (f) identify additional easements or use restrictions; (g) make modifications or adjustments to the description of the Property to reflect Declarant's development plan or any lot line adjustments, parcel maps and final subdivision maps and/or conditions or requirements imposed by Governmental Agencies; and/or (h) make corrections to the provisions of this Declaration or previously recorded Supplementary Declaration(s).

1.75 “Utility Facilities” means all utility facilities serving the Community including, without limitation, intake and exhaust systems, backflow preventers, storm and sanitary sewer systems, drainage systems and pollution control devices, common ducting systems for ventilation and utility services, domestic water systems, natural gas systems, heating and air conditioning systems, electrical systems, fire protection water and sprinkler systems, telephone systems, cable television systems, telecommunications systems, satellite communications systems, water systems, sump pumps, pool equipment, central utility services and all other utility systems and facilities reasonably necessary to service any Improvement situated in, on, over and under the Community.

1.76 “Voting Power” means the voting power of the Association set forth in Section 4.2 (Number of Votes).

1.77 “Water Quality Management Plan” or “WQMP” means that certain Final Project Specific Water Quality Management Plan approved by the County for the Property, prepared by Albert A. Webb Associates (Design Review/Case No. BGR1900172), as may be modified, amended or supplemented.

ARTICLE 2 OWNERSHIP AND EASEMENTS

This Article describes the easements necessary for the Association to exercise its rights and obligations under the Governing Documents, the easements necessary for Declarant to implement the development plan and marketing for the Community and the easements necessary for the Association and Owners to exercise their rights and enjoy the overall features and amenities of the Community intended for their use. Each Owner's rights of enjoyment to the Association Property are limited by some of the rights described in this Article.

2.1 Ownership of Residential Condominium. Ownership of each Residential Condominium within the Community shall include: (a) fee title to a Residential Unit; (b) an undivided interest in the Common Area located within the Module in which the Residential Unit is situated, as shown on the Condominium Plan and the deed to the Residential Condominium; (c) a membership in the Association; and (d) subject to the terms of the Governing Documents, any exclusive or non-exclusive easement or easements appurtenant to such Residential Condominium over the Association Property as described in this Declaration, the Condominium Plan, and the deed to the Residential Condominium, subject to any limitation set forth in the Governing Documents. To be effective, the easements reserved and granted herein may be, but are not required to be reserved and granted in the grant deed.

2.2 Ownership of Development Condominiums. Development Condominiums will be established for purposes of conveying portions of the Property for development purposes only. Each Owner of a Development Condominium will receive the following: (i) fee title to a Development Unit; and (ii) an undivided interest as tenant in common in the Development Condominium Common Area equal to the reciprocal number of Modules, as described in the deed conveying the Development Condominium; and (iii) membership in the Association appurtenant to each Development Condominium for the limited purposes set forth in Section 4.3 below. Development Condominiums shall cease to exist and shall be converted to Common Area, Residential Units and/or Association Property upon the first conveyance of a Residential Condominium within such Development Condominium to a First Purchaser, or upon conveyance of the entirety of the applicable Module to the Association, as applicable. The Development Condominium Common Area shall be transferred to the Association as Association Property.

2.3 Title to Association Property. Any portions of the Property within a Phase made subject to this Declaration that are intended or required to be Association Property shall be conveyed to the Association prior to the conveyance of the first Residential Condominium in that Phase to a First Purchaser.

2.4 Commencement of Easements. Each of the easements reserved or granted under this Declaration shall be deemed to be established upon the recordation of this Declaration and the conveyance by Declarant of a Residential Condominium to a First Purchaser and shall thereafter be deemed to be covenants running with the land for the use and benefit of the Owners, the Residential Condominiums, the Association, and the Association Property superior to all other encumbrances applied against or in favor of any portion of the Community.

2.5 Easements and Rights of Use in Favor of Owners.

2.5.1 Non-Exclusive Easements for Use of Association Property. Declarant hereby reserves and grants to each Owner for the benefit of such Owner and such Owner's Invitees, non-exclusive easements for: (a) ingress and egress on, over, through and across the Association Property; and (b) use and enjoyment of the Recreational Facility located within the Association Property and other areas intended for the use and benefit of the Owners and an Owner's Invitees (except the Valley-Wide Storm Drain Easement Area as shown on the Final Map and any other areas where access is restricted) by the Association.

2.5.2 Driveway Areas. To the extent any portion of the driveway improvements providing access to a Residential Unit are located within the boundary of the Association owned Private Street, the Owner of the Residential Unit serviced by such driveway shall have an easement for such driveway and the maintenance, repair and replacement thereof, which maintenance, repair and replacement obligation shall be the sole responsibility of the Owner of the Residential Unit serviced by such driveway.

2.5.3 Sideyard Easements.

(a) Grant and Reservation of Easements. If a Residential Unit is designated in a Supplementary Declaration as having the benefit of a Sideyard Easement Area ("Benefited Unit") and/or being subject to the burden of a Sideyard Easement Area over the Residential Unit ("Burdened Unit"), then the following provisions shall apply. Individual Residential Units may be both a Benefited Unit and a Burdened Unit. Declarant hereby reserves and grants to each Owner of a Benefited Unit ("Benefited Owner") a non-exclusive easement appurtenant to the Benefited Unit on, over, through and across the Sideyard Easement Area designated as benefitting such Benefited Unit for access on, over, under, along and across Sideyard Easement Area for the following purposes: (a) maintaining the exterior of the Benefited Owner's Residence, and repairing, repainting and replacing such Residence; (b) maintaining any roof overhangs, eaves, stucco or architectural features which may extend or encroach into the Burdened Unit boundary; (c) drainage from the Benefited Owner's Residential Unit; and (d) maintaining any footings from any fencing or structures situated on the boundary between the Sideyard Easement Area and the Benefited Owner's Residential Unit.

(b) Access. Any right of access by the Benefited Owner into the Sideyard Easement Area shall be exercised in a reasonable manner only and, except for emergency repairs, a Benefited Owner shall: (i) give at least twenty-four (24) hours' prior notice to the Owner of the Burdened Unit ("Burdened Owner"); (ii) enter the Sideyard Easement Area only at reasonable times; and (iii) to the extent practicable, not interfere with, restrict, disturb or hinder the full enjoyment by the Burdened Owner of his or her Residential Unit. The Benefited Owner shall repair, at the Benefited Owner's sole cost and expense, any damage caused by the Benefited Owner as a result of such entry. The Burdened Owner shall exercise reasonable care in assisting the Benefited Owner and Benefited Owner's agents and contractors in entering onto the Sideyard Easement Area for the purpose of performing such maintenance, including, but not limited to, controlling pets. Additional Sideyard Easement Area restrictions and/or easements may be set forth in a Supplementary Declaration or in the Design Guidelines. During completion of construction of the Community, Declarant may utilize the Sideyard Easement Areas for completing construction or maintenance of the adjacent residences owned by Seller.

(c) Indemnity. The Owner of each Benefited Unit shall indemnify and hold harmless the Owner of the Burdened Unit, and his or her successors and assigns, from and against all losses, liabilities, damages, costs and fees, including reasonably incurred attorneys' fees ("Claims"), arising out of any act or omission relating to the use of the Side Yard Easement Area appurtenant to the Benefited Unit. This indemnity does not include any Claims to the extent they arise out of the acts or omissions of the Burdened Owner.

2.5.4 Enforcement Easements in Favor of Declarant and the Association.

Declarant hereby reserves to itself and grants to the Association, non-exclusive easements and right of access over, upon, across and through all portions of the Property, for the purpose of taking such action as may be reasonably required to exercise the remedies of Declarant or the Association (as applicable) in regard to any violation of this Declaration or any of the other Governing Documents. In the case of any such entry over, upon, across and through any portion of the Property that is not owned by the Association: (a) Declarant or the Association shall endeavor to provide reasonable prior notice to the Owner, except notice shall not be required in the case of an Emergency or for entry for the performance by the Association of its regular maintenance obligations under this Declaration and the other Governing Documents; and (b) Declarant or the Association shall use commercially reasonable efforts to minimize any inconvenience to the Owner and/or Occupants.

2.5.5 Easements Over Association Maintenance Areas to Perform Obligations.

Declarant hereby reserves to itself and grants to the Association, non-exclusive easements over, upon, through and across the Property, including, without limitation, any Association Maintenance Areas, for performing its duties and obligations and exercising its powers described in the Governing Documents. To the extent any cluster mailboxes serving the Community are installed by Declarant or the United States Postal Service on a Residential Unit, Declarant hereby reserves to itself and grants to the Association, non-exclusive easements for maintenance, repair and replacement of such cluster mailboxes by the Association and non-exclusive easements for the use of the mailboxes by the Owners of the Residential Units serviced by such cluster mailbox.

2.5.6 Solar Energy Systems. Declarant reserves to itself the right to grant non-exclusive easements over, under, through and across the Property for installation, operation, maintenance, improvement and removal of solar energy systems, and access necessary for such purposes.

2.6 Encroachment Easements. Declarant hereby reserves to itself and grants to each Owner and to the Association non-exclusive easements over, under, across and through the Property, for encroachment, support, maintenance, repair, occupancy and use of such portions of the Residential Units and/or Association Property as are encroached upon, used or occupied as a result of any original construction design, accretion, erosion, addition, deterioration, decay, errors in original construction, movement, settlement, shifting or subsidence of any building, structure, or other Improvements or any portion thereof, or any other cause. In the event any portion of the Property is partially or totally destroyed, the encroachment easement shall exist for any replacement structure that is rebuilt pursuant to the original construction design. The easement for the maintenance of the encroaching improvement shall exist for as

long as the encroachments exists; provided, however, that no valid easement of encroachment shall be created due to the willful misconduct of the Association or any Owner. Any easement of encroachment may, but need not be, cured by repair and restoration of the structure.

2.6.1 Structural Support. Declarant hereby reserves to itself and grants to each Owner and to the Association, non-exclusive easements and rights in and to all supporting components within and upon the Residences and other portions of the Community, for structural support of the Improvements situated therein. Such non-exclusive easements shall not be deemed to create any rights for Owners to attach Improvements to the exterior of the Residences.

2.7 Storm Water Drainage and Utility Easements.

2.7.1 Easements for Drainage and Runoff. Declarant hereby reserves to itself and grants to each Owner and to the Association, non-exclusive easements for drainage through the established system of drainage pipes and facilities over, through and the Residential Units and the Association Property. Such easements shall be subject to the restrictions set forth in Section 6.22.

2.7.2 Cross Unit Drainage Facilities. Declarant hereby reserves to itself and grants to each Owner and to the Association, non-exclusive easements on, over, through and across the Residential Units and/or Association Property that are part of the same Cross Unit Drainage Facilities system for the purpose of drainage through the Cross Unit Drainage Facilities.

2.7.3 Storm Water Easements. Declarant hereby reserves to itself and grants to each Owner and the Association, non-exclusive easements over, under, through and across the Property to the extent necessary for the flow of storm water through the Storm Drain and Water Quality Improvements.

2.7.4 Utilities. Declarant hereby reserves to itself and grants to the Association, non-exclusive easements over, under, across and through the Property for the maintenance, repair and replacement of the Utility Facilities serving the Association Property or Association Maintenance Areas pursuant to this Declaration. There are hereby reserved and granted to each Owner non-exclusive easements over, under, across and through the Property for the existence and use of Utility Facilities serving such Owner's Residential Unit in the location originally installed by Declarant.

2.8 Development and Other Easements and Rights in Favor of Declarant.

2.8.1 Maintenance and Repair. Declarant hereby reserves to itself non-exclusive easements over, under, through and across the Property for access by Declarant, its agents, employees and contractors to perform necessary maintenance or repair of any Improvements or to implement any warranty provided by Declarant. Such right includes the right of Declarant to enter upon the Property to perform any work required to be performed pursuant to any of the Community Entitlements, or to cure any failure of the Association to perform any work required as a condition to the release of any bonds or other security posted with a Governmental Agency or any other obligee and to perform its obligations under any warranties provided by Declarant to an Owner and/or the exercise any repair rights granted to Declarant under this Declaration, any warranties or Applicable Laws; provided, however, that nothing contained herein shall be deemed to impose any obligations on Declarant to cure any failure of the Association to perform its Maintenance Obligations.

2.8.2 Inspection and Repair of Association Property and Association Maintenance Areas. Declarant hereby reserves to itself non-exclusive easements over, under, through and across the Property for access by Declarant, its agents, employees and contractors to inspect the Association Property and Association Maintenance Areas on a periodic basis to determine whether any repair to or routine maintenance of any Improvements within the Association Property or Association Maintenance Areas is needed in accordance with Section 7.7 and to perform any necessary repair or maintenance of any Improvements within the Association Property or Association Maintenance Areas; provided that nothing herein shall create an obligation on Declarant to inspect the Association Property or Association

Maintenance Areas, to repair or maintain any portion thereof or any Improvements there within, or to cure any failure of the Association to perform its Maintenance Obligations.

2.8.3 Declarant's Easements to Exercise Rights. Declarant hereby reserves to itself non-exclusive easements over, under, through and across the Property to perform its duties and exercise its powers granted or reserved in this Declaration.

2.8.4 Development Easements. Declarant hereby reserves to itself non-exclusive easements over, under, through and across the Property as are reasonable and necessary to undertake and complete the work of development, construction, marketing, conveyance and/or repair and replacement of the Improvements.

2.8.5 Easements for Signage. Declarant hereby reserves to itself non-exclusive easements over, under, through and across the Association Property to install, maintain, repair and replace, identification, promotional, and other signage, banners, flags and other advertising and promotional materials required or deemed necessary by Declarant, including, without limitation, any signage in connection with the exercise of activities described in Section 2.8.4 and Article 9.

2.8.6 Additional Improvements and Utility Facilities. Declarant hereby reserves to itself non-exclusive easements over, under, through and across the Property, for the purpose of installing, operating and maintaining landscaping, sidewalks, walkways, drainage areas, lighting, signage, monumentation, Utility Facilities, and other facilities and Improvements within the Property, as may be deemed appropriate by Declarant and/or required by the Community Entitlements, Governmental Agencies or in connection with the issuance of any permits or approvals for the benefit of Declarant or as may be required in connection with the development of the Property. In addition, Declarant hereby reserves to itself non-exclusive easements over, upon and across all Association Property for purposes of such access as may be reasonably required in connection with such activities.

2.8.7 Parking Rights for Marketing. Until Declarant no longer owns any portion of the Property, Declarant shall have the sole right to exclusively utilize the parking spaces located in the vicinity of the model homes for sales, marketing, construction and customer service purposes. In connection with such rights, Declarant shall have the right to tow any vehicles which park within any space which is designated for model home and sales use by Declarant.

2.9 Limitations on Easements and License Rights. The easement rights, and the reservations of the right and authority to grant easements, described in the foregoing provisions of this Article and elsewhere in this Declaration, shall be subject to the limitations set forth below.

2.9.1 Easements of Record. The Property and all of the easements granted or reserved herein are subject to all covenants, conditions, restrictions, encumbrances, easements, dedications, and rights of way as set forth in Supplementary Declarations, as well as the Final Map and any other matters of record, including, without limitation, the Community Entitlements and any agreements recorded against the Property. Nothing in this Declaration shall be deemed to limit the right of Declarant, or (with the prior consent of Declarant) the Association, to grant or reserve any additional easements over any portion of the Property to such grantees and for such purposes as Declarant, or the Association may deem appropriate, provided that any such easements shall not be inconsistent with the easement rights granted in this Declaration by Declarant to memorialize the easements and other rights reserved to Declarant under this Declaration.

2.9.2 Governing Documents. All of the easements and other rights reserved and granted in this Declaration are subject to the limitations, restrictions and easements set forth in the Governing Documents.

2.9.3 Restricted Access. Subject to the Governing Documents and the rights specifically reserved by Declarant, the Association shall have the right to: (a) limit and restrict the use of

the Recreational Facility located within the Association Property and portions thereof, during specific times or on specific dates for events or promotional activities and other purposes, and to prohibit all use and access to portions of the Association Property as otherwise deemed necessary by the Association for health, safety, welfare, privacy or security purposes; (b) limit or permit usage thereof by Persons as the Association deems appropriate; (c) limit the number of Persons using the Association Property; and/or (d) permit members of the public to use portions of the Association Property. The Association and the Declarant shall have the right to temporarily close or restrict access to the Association Property or other Association Maintenance Areas as may be reasonably necessary in connection with the exercise of any Maintenance Obligations or in the event of an Emergency or to exercise any other rights reserved or granted by Declarant or the Association hereunder.

2.9.4 Suspend Rights to Use Association Property. All of the easements are subject to the right of the Association, after Notice and Hearing, to temporarily suspend an Owner's rights as a Member to use the facilities within the Association Property for a period not to exceed sixty (60) days (unless such rights are suspended for failure to pay Assessments) pursuant to the terms of the Governing Documents. Notwithstanding anything to the contrary contained herein, in no event shall the Association suspend an Owner's easement or right of ingress and egress to and from such Owner's Residential Unit, or such Owner's easements for utilities servicing such Owner's Residential Unit.

2.9.5 Easements and Dedication. The Association shall have the right without the consent of the Owners to dedicate, transfer or grant easements over all or any part of the Association Property or any interest therein to any Governmental Agency or other Person, which dedication, transfer or easements shall be subject to the provisions of this Declaration and such other conditions as the Association deems proper.

2.9.6 Control Parking. Subject to the provisions of this Declaration and the rights of Declarant hereunder, the Association shall have the right to control parking within the Community and to promulgate rules and regulations to control parking in a manner consistent with this Declaration.

2.10 Rights of Invitees and Occupants. Notwithstanding any other provisions of this Declaration or the Governing Documents, nothing contained in this Article is intended to grant any third party beneficiary rights or any other rights to an Invitee and Occupant. No Invitee or Occupant shall have any rights under this Article independent of the rights granted to the Association and the Owners under this Declaration.

2.11 Easements Reserved by Declarant. Any of the easements hereunder reserved by Declarant may be assigned or transferred by Declarant to any Person, without the consent of any Owners or the Association.

2.11.1 Duration of Easement Rights. Except for the rights of Declarant, the easement rights granted under this Declaration shall be for a term and duration coextensive with the Owner's title or interest in and to a Residential Condominium. Upon conveyance of a Residential Condominium, such rights shall pass to the successor Owner(s) of the Residential Condominium being conveyed. All of the rights reserved to Declarant shall continue so long as Declarant owns any portion of the Property.

2.12 Light, Air and View. No Owner shall have an easement for light, air or view over the Residential Condominium of another Owner or the Association Property, and no diminution of light, air or view by any Improvement now existing or hereafter erected shall entitle an Owner or any Invitee to claim any easement for light, air or view within the Community.

2.13 No Separate Conveyance. The interest of each Owner in the use and benefit of the Association Property and all other easements reserved and granted hereunder to each Owner shall be appurtenant to the Residential Condominium owned by the Owner. No Residential Condominium shall be conveyed by the Owner separately from the right to use the portions of the Association Property that are open for access by the Owners and their Invitees in accordance with the Governing Documents. Any conveyance of any Residential Condominium shall automatically transfer the interest in the Owner's right

to use the Association Property as provided in this Declaration and the Governing Documents without the necessity of express reference in the instrument of conveyance.

2.14 Delegation of Use. Any Owner entitled to the right of use of the Association Property to the extent provided in this Declaration or the other Governing Documents may delegate such Owner's rights to the Occupants who reside in such Owner's Residential Condominium, subject to reasonable regulation by the Association and the Governing Documents. An Owner who has made such a delegation of rights shall not be entitled to use of the Association Property for so long as such delegation remains in effect, other than such access rights as are directly related to the Owner's rights and duties as landlord.

ARTICLE 3 THE ASSOCIATION

The Association has been formed to govern, maintain and manage the Community and to perform the other powers and duties of the Association described in this Article. The Association acts by and through a Board of Directors. This Article establishes both the powers and the duties of the Association.

3.1 The Organization. The Association is a nonprofit mutual benefit corporation formed under the Nonprofit Mutual Benefit Law of the State of California. On the conveyance of the first Residential Condominium to a First Purchaser, the Association shall be charged with the duties and given the powers set forth in the Governing Documents.

3.2 Association Action; Board of Directors and Officers; Members' Approval. Except as to matters requiring the approval of Members as set forth in the Governing Documents, the affairs of the Association shall be conducted by the Board and officers as the Board may elect or appoint. Such election or appointment shall be in accordance with the Governing Documents. Except as otherwise provided in Governing Documents, all matters requiring the approval of Members shall be deemed approved if: (a) Members holding a majority of the total Voting Power consent to them in writing as provided in the Bylaws; (b) such matters are approved by a majority vote of a quorum of Members at any regular or special meeting held in accordance with the Bylaws; or (c) in certain situations set forth in Section 3.4, such matters as are approved in accordance with the procedures set forth in Section 3.4.

3.3 Powers of the Association. The Association shall have all the powers of a nonprofit mutual benefit corporation organized under the laws of the State of California subject only to such limitations on the exercise of such powers as are set forth in the Governing Documents. It shall have the power to do any lawful thing that may be authorized, required, or permitted to be done by the Association under the Governing Documents including, without limitation, the powers set forth below.

3.3.1 Performance of Duties; Commencement of Association's Duties and Powers. The Association shall have the power to undertake all of the express duties required to be performed by the Association. Unless otherwise specified in a Supplementary Declaration, the duties, rights and powers of the Association as described in this Declaration shall commence from and after the date of the conveyance of fee ownership of any portion of the Property from the Declarant to a First Purchaser, or such earlier date that the Declarant may elect, and the Association shall thereupon assume all such duties and such rights and powers.

3.3.2 Assessments. The Association shall have the power to establish, fix, and levy Assessments against the Owners and to enforce payment of such Assessments, in accordance with the provisions of the Governing Documents.

3.3.3 Right of Enforcement. The Association, in its own name and on its own behalf, or on behalf of any Owner who consents, shall have the power to: (a) take disciplinary action and/or assess monetary fines against an Owner for violation of the Governing Documents by such Owner or their Invitees; (b) commence and maintain actions for damages or to restrain and enjoin any actual or threatened breach of any provision of the Governing Documents; (c) after Notice and Hearing, suspend the rights to use any

portion of the Association Property and the Recreational Facility or membership rights or privileges; and/or (d) to enforce by mandatory injunction, or otherwise, any resolutions of the Board or any provision of the Governing Documents. In addition, the Association can temporarily suspend the membership rights and privileges and/or can assess monetary fines against any Owner or other person entitled to exercise such rights or privileges for any violation of the Governing Documents or Board resolutions, in accordance with the procedures set forth in this Declaration and in the Bylaws; provided, however, that unless such suspension is due to a failure to pay Assessments pursuant to Article 5, such suspension shall not last longer than sixty (60) days. In no event shall the Association suspend an Owner's right and easement of access for ingress and egress over the Association Property to the extent necessary to provide access and utility service to the Residential Unit.

3.3.4 Right of Entry. Except in the case of an Emergency, in which case no prior notice need be given, the Association or any authorized representative thereof shall have the right, upon forty-eight (48) hours' prior notice and during reasonable hours, to enter in or on to the interior of any Residential Unit for the purpose of: (a) construction, maintenance or repair; (b) enforcing the provisions of the Governing Documents or to perform its obligations under the Governing Documents to cure any default by an Owner; or (c) inspecting, maintaining and repairing the Improvements, if any, located within said Residential Unit which are required to be maintained by the Association as provided in this Declaration. Such Persons shall not be deemed guilty of trespass by reason of such entry.

3.3.5 Delegation of Rights of Use. Subject to the Governing Documents, the Association shall have the power to exclusively use or to allow the Owners or Occupants the exclusive use of portions of the Association Property for events and functions, on terms and conditions that the Board deems appropriate, including charging such Owners or their Occupants for such use provided that if Declarant owns any portion of the Property, the prior consent of the Declarant shall be obtained.

3.3.6 Delegation of Powers; Professional Management. The Association shall have the power to delegate its powers, duties, and responsibilities to committees or employees, including a professional managing agent, subject to the requirements of Section 3.5.2.

3.3.7 Easements and Rights of Way. The Association shall have the power to exercise any of the easements and other rights granted to the Association under Article 2. The affirmative vote of Majority of Members shall be required before the Board may grant exclusive use of any portion of the Association Property to any Member unless the grant of exclusive use is one of the exceptions to Member approval requirements listed in California Civil Code Section 4600.

3.3.8 Capital Improvements. Subject to the provisions of Section 5.6, the Association may approve the construction, installation or acquisition of a particular capital improvement to the Association Property or other Association Maintenance Areas.

3.3.9 Acquire Property. The Association shall have the power to acquire and hold real and personal property as may be necessary or convenient for (i) the management or operation of the Association Property and/or other Association Maintenance Areas, (ii) the administration of the affairs of the Association or (iii) the benefit of the Owners. The Association may dispose of the same by sale or otherwise.

3.3.10 Restrict Access. The Association shall have the power to restrict access on or to any portion of the Association Property and Association Maintenance Areas for purposes of facilitating construction or making repairs of Improvements by the Association on such terms as the Association may deem reasonably appropriate. Any such restriction shall reasonably minimize any impact on access to and from any neighboring areas.

3.3.11 Enter Into Agreements. The Association shall have the power to enter into maintenance, cost sharing and/or easement agreements with owners of property adjacent or in the vicinity of the Property (including, without limitation, Governmental Agencies) or any owners associations. Unless otherwise specified in the agreement or a Supplementary Declaration, any agreements entered into by

Declarant with any Governmental Agency relating to the Property shall be binding on the Association. Notwithstanding any other provisions of this Declaration regarding the term of contracts with Declarant for providing services to the Association, the Association shall have the power to enter into maintenance, use, subsidy or similar agreements with Declarant.

3.3.12 Contract for Goods and Services. The Association shall have the power to contract for goods and services for the benefit of the Association Property and the Community that are necessary for the Association to perform its duties and obligations under the Governing Documents and/or as may be required by Governmental Agencies, including engaging legal, management and accounting services.

3.3.13 Borrow Funds. The Association shall have the right to borrow money to improve, repair or maintain the Association Property or other Association Maintenance Areas and to hypothecate any or all real or personal property owned by the Association, including pledging as collateral the assessment liens levied thereon provided that: (a) the borrowing of any money or hypothecation of any real or personal property in excess of five percent (5%) of the budgeted gross expenses of the Association shall require the approval by written ballot of at least sixty-seven percent (67%) of each class of Members; and (b) the lender's rights of default for any loan obtained pursuant to this Section are limited to, after taking possession of any Association Property, charging reasonable admission and fees, and, upon satisfaction of the debt, such Association Property shall be returned to the Association. Notwithstanding the foregoing, in no event may the Association borrow money to fund any litigation by the Association relating to the Community or the Improvements unless the consent of a majority other than Declarant is obtained.

3.3.14 Rights Regarding Title Policies. If any title claims regarding the Association Property are made by any third party, the Association shall have the power to pursue such claims on any title insurance policy held by the Owners or the Association, and each Owner hereby delegates on a non-exclusive basis and assigns to the Association any rights he or she may have under his or her title insurance policies to the extent that the title claim relates to the Association Property.

3.3.15 Association Rules. The Board, by majority vote, shall have the power to adopt the Association Rules. The Board shall further have the power to amend the Association Rules as it deems appropriate relating to the use and operation of the Community. Notwithstanding any provision of this Declaration to the contrary and to the extent California Civil Code Section 4340, *et seq.* is applicable to the Association Rules, any rule which is considered to be an operating rule under California Civil Code Section 4340, *et seq.* may not be adopted, changed or amended except by and pursuant to the procedures set forth in California Civil Code Section 4340, *et seq.*

3.3.16 Assignment of Maintenance Responsibilities. The Association shall have the power to relinquish or assign its maintenance responsibilities to any Governmental Agencies, including, without limitation, maintenance or assessment districts, utility companies and/or school districts, provided that such Governmental Agency shall have accepted such maintenance responsibility from the Association.

3.4 Duties of the Association. In addition to the powers described above, and without limiting their generality, the Association, has the power and the obligation to perform each of the duties set forth below.

3.4.1 Applicable Laws and Community Entitlements. The Association shall comply with all Applicable Laws and the Community Entitlements and any County Agreements.

3.4.2 Obligations Under Governing Documents. The Association shall perform all duties that may be expressly imposed on the Association in the Governing Documents.

3.4.3 Acceptance of Association Property and Association Maintenance Areas. The nature, design, quality and quantity of all Improvements to the Association Property and other Association Maintenance Areas shall be determined by Declarant, in its sole discretion. The Association

shall accept any Association Property and other Association Maintenance Areas and Improvements situated thereon and any maintenance or other easements conveyed by Declarant and/or created under this Declaration and shall maintain, repair, replace, operate, and otherwise manage all of the Improvements and facilities required to be maintained by the Association, and all personal property acquired by the Association in accordance with the terms and provisions of the Governing Documents and the Community Entitlements. The Board shall periodically review the nature and scope of the operations of the Association to assure such operations are in satisfactory compliance with the requirements of the Governing Documents. The Association shall comply with the requirements of any agreements entered into between Declarant and a Governmental Agency pertaining to the Association Property or other Association Maintenance Areas. In the event that a dispute arises between Declarant and the Association with respect to the nature, design, quality or quantity of such Improvements, or the acceptance of maintenance responsibilities therefor, the Association shall be obligated to accept title to the Association Property and any easements to maintain other real property or Improvements and undertake maintenance responsibilities therefore, pending resolution of the dispute, in accordance with the provisions for enforcement set forth in Article 16 herein.

3.4.4 Utilities. Except as otherwise provided in a Supplementary Declaration, the Association shall acquire, provide and pay for water and other utility services for the Association Property and Association Maintenance Areas to the extent necessary. The Association shall have the duty to permit utility suppliers and other providers of any telecommunications or other services to use portions of the Association Property reasonably necessary to the ongoing development and operation of the Community.

3.4.5 Management. The Association shall retain a professional manager or other Persons and contract with independent contractors or managing agents who have professional experience in the management of similar communities to perform any services required for the maintenance, protection, operation and preservation of the Community; provided that any such professional manager shall be covered by its own fidelity insurance policy, which must provide the same coverage required of the Association.

3.4.6 Taxes and Assessments. The Association shall have the duty to pay all real and personal property taxes levied against the Association Property or any other taxes or assessments which could become a lien on the Association Property or any portion thereof. Such taxes and assessments may be contested by the Association provided that they are paid or that a bond insuring payment is posted before the sale or the disposition of any property to satisfy the payment of such taxes.

3.4.7 Architectural Control. The Association shall have the duty to promulgate architectural standards and procedures as set forth in the Design Guidelines and may appoint or remove members of the Design Review Committee or hire a consultant in connection therewith in accordance with the provisions of Article 8.

3.4.8 Association Rules. The Association shall adopt and be entitled to modify and enforce the Association Rules as it deems reasonable. The Association Rules shall govern the Community. However, the Association Rules shall not be inconsistent with or materially alter any provisions of the Governing Documents. A copy of the Association Rules, as adopted, amended or repealed, shall be mailed or otherwise delivered to each Owner. In case of any conflict between any of the Association Rules and any other provisions of this Declaration, the conflicting Association Rule shall be deemed to be superseded by the provisions of the Governing Documents. Notwithstanding any provision of this Declaration to the contrary and to the extent Civil Code Section 4340, *et seq.* is applicable to the Association Rules, any rule which is considered to be an operating rule under California Civil Code Section 4340, *et seq.* may not be adopted, changed or amended except by and pursuant to the procedures set forth in California Civil Code Section 4340, *et seq.*

3.4.9 Claims and Actions. Subject to the provisions of this Declaration, and in compliance with California Civil Code Section 5980, the Association shall have the power, but not the duty, to initiate, defend, settle, release or intervene in mediation, arbitration, judicial or administrative proceedings on behalf of the Association in matters pertaining to: (a) the application or enforcement of this Declaration;

(b) any and all claims, causes of action, damages and suits for defects relating in any way to the design or construction of the Association Property, Association Maintenance Areas, or any portion thereof, on behalf of all Owners; and (c) Limited Warranty claims that may arise with respect to the Association Property or Association Maintenance Areas; provided, however that no representative of Declarant on the Board shall vote on the initiation of any claim under California Civil Code Section 895 *et seq.*, such that from and after the first election of directors in which Class A Members of the Association participate, Declarant shall have no control over the Association's ability to decide whether to initiate a claim under such statutory provisions and in the event of such a vote, the affirmative vote of the two non-Declarant representatives on the Board shall be binding so long as a quorum of the Board is present at any meeting where such vote is taken. An Owner may only assert Limited Warranty claims pertaining to such Owner's Residential Unit. The Association and not the individual Members shall have the power to pursue Limited Warranty claims or any claims or other actions using the non-adversarial procedures for construction defects in the Association Property or Association Maintenance Areas pursuant to California Civil Code Section 895 *et seq.* The Association shall comply with such non-adversarial procedures in bringing any such claims or actions. Each Owner hereby agrees to designate such authority to the Association and assigns to the Association all power and authority as is necessary for any settlement or release of any such claims

3.4.10 Warranties. The Association shall comply with the terms of each warranty in favor of the Association, if any, for any equipment or facilities within the Association Property and/or Association Maintenance Areas, which warranties may be impaired or eliminated if the Association fails to maintain the Association Property in compliance with a warranty or if it fails to keep in effect certain maintenance contracts.

3.4.11 Maintenance Manuals. The Association shall maintain at the offices of the Association a copy of the Owner Maintenance Manual(s) provided by Declarant to the Owners and shall make available to every Owner upon request a copy of the Owner Maintenance Manual applicable to such Owner's Residence. The Association shall have the right to charge the requesting Owner a fee for the copying of such Owner Maintenance Manual. The Association shall also comply with provisions of the Association Maintenance Manual provided by Declarant to the Association. The Association may, from time to time, make appropriate revisions to the Association Maintenance Manual based on the Board's review thereof to update such manual to provide for maintenance according to current industry practices so long as such changes do not reduce the useful life or functionality of the items being maintained. The Association shall require that any management company hired by the Association for the Community: (i) ensures that review of the Association Maintenance Manual requirements and issues is included on the agenda of each meeting of the Board; (ii) ensures that the Association Maintenance Manual is brought to each regular meeting of the Board; and (iii) ensures that the Association Maintenance Manual is updated with all inspection reports for the Association Property or other Association maintained areas.

3.4.12 Minutes of Board Meetings. The Association shall supply copies of the minutes or a summary of the minutes of any meeting of the Board to the Declarant within thirty (30) days of the applicable meeting of the Board for a period of one (1) year after the conveyance of the last Residential Condominium within the Property by Declarant to a First Purchaser.

3.4.13 Dedications to the County. Certain portions of the Property may have been dedicated to the County on the Final Map. If the County does not accept such dedications, the Association shall be required to accept the conveyance of such Property in fee title. The Association's acceptance of such transfer shall be through the president of the Association who shall be authorized to execute any document(s) required to facilitate transfer of such areas or any portion thereof.

3.5 Limitations on Authority of Board.

3.5.1 Actions Requiring Member Approval. The Association shall not take any of the actions listed below except with: (a) the vote or written consent of a majority of the Members of each of Class A and Class B Members during the time the Class B voting structure set forth in Section 4.2 is in effect; or (b) except with the vote at a meeting of the Association, or by written ballot without a meeting pursuant to Corporations Code Section 7513, of at least a majority of the Members of the Association including at least a majority of Association Members other than Declarant after conversion to a single Class A voting membership.

(a) **Limit on Capital Improvements.** The Association shall not, without obtaining the consent of the Members as set forth above, incur aggregate expenditures for capital improvements to the Association Property or Association Maintenance Areas in any Fiscal Year in excess of five percent (5%) of the budgeted gross expenses of the Association for that Fiscal Year;

(b) **Limit on Sales of Association Property.** The Association shall not, without obtaining the consent of the Members as set forth above, sell during any Fiscal Year property of the Association having an aggregate fair market value greater than five percent (5%) of the budgeted gross expenses of the Association for that Fiscal Year;

(c) **Limit on Compensation.** The Association shall not, without obtaining the consent of the Members as set forth above, pay compensation to Members for services performed in the conduct of the Association's business. However, the Board may cause a member of the Board to be reimbursed for expenses incurred in carrying on the business of the Association; or

(d) **Limit on Third Person Contracts.** The Association shall not, without obtaining the consent of the Members as set forth above, enter into a contract with a third person wherein the third person will furnish goods or services for the Association Property or Association Maintenance Areas for a term longer than one (1) year with the following exceptions:

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

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

(iii) A prepaid casualty and/or liability insurance policy not to exceed three (3) years duration; provided that the policy permits short-rate cancellation by the insured;

(iv) A contract for a term not to exceed three (3) years that is terminable by the Association after no longer than one (1) year without cause, penalty or other obligations upon ninety (90) days' written notice of termination to the other party; provided, however, that a contract entered into by the Declarant and subsequently assigned to the Association must be able to be terminated by the Association with no more than ninety (90) days' notice;

(v) A contract submitted to the DRE in connection with an application for a Public Report; and

(vi) Any maintenance agreement for the maintenance of any portion of the Association Property or Association Maintenance Areas which is required as a condition to the effectiveness of any warranty in favor of the Association.

3.5.2 Property Manager. The manager of the Association shall at all times be a professional manager operating as an independent contractor. The Association shall not discontinue the management of the Association by a professional, and certified or accredited management company without the vote of: (a) Declarant, so long as Declarant owns any Residential Unit within the Community;

and (b) a vote in accordance with Section 13.11; provided, however, that nothing contained in this Section 3.5.2 shall be deemed to prohibit or restrict the Board from changing professional management companies from one professional management company to another. If the Association decides to change professional management companies from one professional management company to another, then any replacement manager shall have at least five (5) years' experience in the management of Residential Condominium communities and shall have earned accreditation or certification from a professional association management organization.

3.6 Indemnification of Management Parties. No volunteer officer or volunteer director of the Board, or of any committee of the Association, or any officer of the Association, or any manager, or Declarant, or any agent or employee or consultant of Declarant (each a "Management Party"), shall be personally liable to any Owner or to any other party, including the Association, for any act or omission of any Management Party if such Person has, on the basis of such information as was actually possessed by him or her, acted in good faith without willful, wanton or gross misconduct when performing an act within the scope of the Person's duties (collectively, an "Official Act"). The Association has the power and duty to indemnify, defend, protect and hold harmless each Management Party for all damages and expenses incurred (including, without limitation, reasonable attorneys' fees and costs), and to satisfy any judgment or fine levied as a result of any action or threatened action brought because of an act or omission which such Person reasonably believed was an Official Act. Management Parties are deemed to be agents of the Association when they are performing Official Acts for purposes of obtaining indemnification from the Association pursuant to this Section. The entitlement to indemnification under this Declaration inures to the benefit of the successors-in-interest of any Person entitled to such indemnification. The Association has the power, but not the duty, to indemnify any other Person acting as an agent of the Association for damages incurred, pay expenses incurred, and satisfy any judgment or fine levied as a result of any action or threatened action because of an Official Act. The Association also has the power, but not the duty, to contract with any person to provide indemnification in addition to any indemnification authorized by Applicable Laws on such terms and subject to such conditions as the Association may impose.

3.7 Additional Provisions. Notwithstanding any provisions of this Declaration to the contrary, by accepting a deed for a portion of the Property, the Association and the Owners acknowledge and agree that there may be Applicable Laws for the operation of the Association and the Property by the Association, including, without limitation, the Davis Stirling Common Interest Development Act of Section 4000, *et seq.* of the California Civil Code, and the Association and Owners shall comply with such provisions to the extent required by such Applicable Laws.

ARTICLE 4 MEMBERSHIP AND VOTING RIGHTS IN ASSOCIATION

The Association will function as a corporate entity with Members who will participate in the governance of the various areas. This Article describes the membership of the Association. This Article also establishes the classes of voting rights. Additional provisions regarding the procedures for elections to and meetings of the Board are set forth in the Bylaws.

4.1 Membership.

4.1.1 Qualifications. Each Owner of a Residential Condominium which is subject to Assessment, including Declarant, shall be a Member of the Association. Ownership of a Residential Condominium shall be the sole qualification for membership in the Association. Each Owner shall remain a Member of the Association until such Owner's ownership interest in the Residential Condominium(s) ceases at which time such Owner's membership in the Association shall automatically cease. Any reference in this Declaration to a vote of the Members shall refer only to those Members against whose Residential Condominium Assessments have commenced unless otherwise specified in the Governing Documents.

4.1.2 Members' Rights and Duties. Each Member shall have the rights, duties, and obligations set forth in the Governing Documents, as the same may from time to time be amended.

4.1.3 Approval by Members. Except as otherwise provided in the Governing Documents, all matters requiring the approval of Members shall be deemed approved if: (a) Members holding a majority of the total Voting Power consent to them in writing as provided in the Bylaws; or (b) such matters are approved by a majority vote of a quorum of Members at any regular or special meeting held in accordance with the Bylaws.

4.1.4 Transfer of Membership. The Association membership of each Owner shall be appurtenant to each such Residential Condominium, and shall not be assigned, transferred, pledged, hypothecated, conveyed or alienated in any way except on a transfer of title to each such Residential Condominium or interest in it and then only to the transferee. Any attempt to make a prohibited transfer shall be void. Any transfer of title to a Residential Condominium or interest in it shall operate automatically to transfer the appurtenant membership right in the Association to the new Owner.

4.1.5 Commencement of Voting Rights. An Owner's right to vote, including Declarant's right to vote, shall not vest until Regular Assessments have been levied upon such Owner's Residential Condominium as provided in this Declaration. All voting rights shall be subject to the restrictions and limitations provided for herein and in the other Governing Documents.

4.2 Number of Votes. The Association shall have two (2) classes of voting membership. The voting rights described in Sections 4.2.1 and 4.2.2 shall constitute the Voting Power of the Association:

4.2.1 Class A Members. Class A Members shall be all Owners, with the exception of Declarant (until the conversion of Declarant's Class B membership to a Class A membership as provided in Section 4.2.2), and shall be entitled to one (1) vote for each Residential Condominium owned. When more than one (1) Person holds an interest in any Residential Condominium, all such Persons shall be Members. The vote for such Residential Condominium shall be exercised as they among themselves determine, but in no event shall more than one (1) vote be cast with respect to such Residential Condominium.

4.2.2 Class B Members. Class B Member(s) shall be Declarant who shall be entitled to three (3) votes for each Residential Condominium owned by Declarant in a Phase for which Assessments have commenced. The Class B membership shall cease and be converted to Class A membership on the happening of the earliest of the following to occur:

(a) The second anniversary of the first close of escrow for conveyance of a Residential Condominium to a First Purchaser in a Phase covered by the most recently issued Public Report for any Phase of the Community;

(b) The fourth anniversary of the first conveyance of a Residential Condominium to a First Purchaser covered by the original Public Report for the first Phase of the Community (subject to 4.2.2(c)(ii) below);

(c) To the extent FHA and/or VA loan encumbers any Residential Condominium in the Community, the date that is (i) 120 days after the date by which 75% of the Residential Condominiums within the Property have been conveyed to First Purchasers, (ii) seven (7) years after the conveyance of the first Residential Condominium to a First Purchaser, or (iii) such extended period of time as may be approved by FHA or VA on a case by case basis.

As long as Class B membership exists, no action by the Association that must have the prior approval of the Members shall be deemed approved by the Members unless approved by the appropriate percentage of Class A and Class B Members, except as otherwise set forth in this Declaration. Upon conversion to a single Class A voting membership, any action by the Association that must have the prior approval of the Members will require approval by at least a majority of the Members of the Association including at least a majority of Members other than Declarant.

4.3 Special Membership of Development Condominium Owner. Prior to the commencement of the Association's regular assessments against a Phase, the owner of the Development Condominium in which that Phase is located shall be a "Special Member" of the Association. The rights of the Special Member shall be limited to receiving notices of meetings of Members and attending such meetings and shall not include voting rights or any obligation to pay assessments hereunder.

4.4 Declarant's Right to Select Director. In any election of Directors after the Class B membership has been terminated, so long as Declarant owns any of the Property, the Board shall adopt special procedures to ensure that at least one (1) Director is selected by Declarant. A representative to the Board selected by Declarant pursuant to the provisions of this Section may be removed prior to the expiration of his or her term of office only with the consent of Declarant.

4.5 Joint Owner Votes. The voting rights for each Residential Condominium may not be cast on a fractional basis. If the joint Owners of a Residential Condominium are unable to agree among themselves as to how their voting rights shall be cast, they shall forfeit the vote on the matter in question. If any Owner exercises the voting rights of a particular Residential Condominium, it will be conclusively presumed for all purposes that such Owner was acting with the authority and consent of all other Owners of the same Residential Condominium. If more than one (1) Person exercises the voting rights for a particular Residential Condominium, their votes shall not be counted and shall be deemed void.

ARTICLE 5 ASSESSMENTS

The Association will levy and collect various types of assessments to provide it with the funds it needs to perform its duties and obligations under this Declaration and the Governing Documents and for such other purposes as provided in this Article. This Article describes the Assessments which can be levied by the Association, the procedures for collection of such Assessments, and the rights and remedies if such Assessments are not paid when due.

5.1 Creation of Lien and Personal Obligation for Assessments. Declarant, for each Residential Condominium owned by Declarant within the Property as to which Assessments have commenced, hereby covenants, and each Owner of a Residential Condominium by acceptance of a deed therefor, whether or not it shall be so expressed in such deed, is deemed to covenant and agree to pay to the Association all Assessments levied pursuant to the provisions of this Declaration. All Assessments levied hereunder, together with Additional Charges, shall be a charge on the land and shall be a continuing lien upon the Residential Condominium of such Owner against which each such Assessment is made, the lien to be effective upon recordation of a Notice of Delinquent Assessment (defined below). Each such Assessment, together with Additional Charges, shall also be the personal obligation of the Person who was the Owner of such Residential Condominium at the time when the Assessment fell due and shall bind its heirs, devisees, personal representatives and assigns. Unlike the lien for non-delinquent Assessments, the personal obligation for delinquent Assessments shall not pass to successive Owners, unless expressly assumed by such successive Owner. No such assumption of personal liability by a successor Owner shall relieve any Owner against whose Residential Condominium the lien was levied from personal liability for delinquent Assessments. If more than one Person is the Owner of a Residential Condominium, the personal obligation to pay such Assessment or installment respecting such Residential Condominium shall be both joint and several.

5.2 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 Community. Upon the sale or transfer of any Residential Unit, the Owner's interest in the funds shall be deemed automatically transferred to the successor in interest of such Owner. A general operating fund shall be established for current expenses of the Association.

5.3 Purpose of Assessments. The Assessments levied by the Association shall be used exclusively to perform the obligations and duties of the Association, including, without limitation, the improvement and maintenance of the Association Property and Association Maintenance Areas, and for

any other maintenance responsibilities of the Association, and to reimburse the Association for the costs incurred in bringing an Owner into compliance with the Governing Documents. The Association shall not impose or collect any Assessment, penalty or fee that exceeds the amount necessary for the purpose or purposes for which it is levied. If the Association decides to use or transfer reserve funds to pay for litigation, the Association must provide general notice to its Members of the decision in accordance with California Civil Code Sections 4045 and 5520. Such notice shall provide an explanation of why the litigation is being initiated or defended, why operating funds cannot be used, how and when the reserve funds will be replaced, and a proposed budget for the litigation. The notice must state that the Members have a right to review an accounting for the litigation as provided in California Civil Code Section 5520 which will be available at the Association's office. The accounting shall be updated monthly.

5.4 Regular Assessments

5.4.1 Payment of Regular Assessments. The Assessments for Common Expenses ("Regular Assessment") for each Fiscal Year shall be established when the Association approves the Budget for that Fiscal Year, which Budget shall be prepared in accordance with the provisions of the Governing Documents. Regular Assessments shall be levied on a Fiscal Year basis. Unless otherwise specified by the Board, Regular Assessments shall be due and payable in monthly installments on the first day of each month during the term of this Declaration. Declarant's obligation or subsidy for such Regular Assessments may be reduced in accordance with the terms of any maintenance or subsidy agreement executed by Declarant and the Association.

5.4.2 Budgeting. Each Fiscal Year the Association shall prepare, approve and make available to each Member a Budget as described in the Bylaws not less than thirty (30) days nor more than ninety (90) days prior to the beginning of the Fiscal Year or as otherwise required by Applicable Laws.

5.4.3 Restrictions for Tax Exemption. As long as the Association seeks to qualify and be considered as an organization exempt from federal and state income taxes pursuant to Internal Revenue Code Section 528 and California Revenue and Taxation Code Section 23701t and any amendments thereto, then the Board shall prepare its annual Budget and otherwise conduct the business of the Association in such a manner consistent with federal and state requirements to qualify for such status.

5.4.4 Reallocation of Assessments. After conveyance of the first Residential Condominium in a Phase to a First Purchaser, the Assessments shall be reallocated among all Residential Condominium, in the same manner as described above.

5.4.5 Non-Waiver of Assessments. If the Association fails to fix Regular Assessments for the next Fiscal Year before the expiration of the then-current Fiscal Year, the Regular Assessment established for the preceding year shall continue until a new Regular Assessment is fixed.

5.5 Special Assessments. If the Association determines at any time that the estimated total amount of funds necessary to fund the Common Expenses of the Association for a given Fiscal Year is or will become inadequate to meet expenses for any reason, including, without limitation, unanticipated delinquencies, costs of construction, unexpected repairs or replacements of capital improvements, damage and destruction or condemnation of the Association Property, Association Maintenance Areas, or any other areas which the Association is obligated to maintain, the Board shall determine the approximate amount necessary to defray such expenses, and may levy a special assessment ("Special Assessment"). Special Assessments shall be subject to the limitations set forth in Section 5.9; provided, however, that such limitation shall not apply to Special Assessments levied by the Board to replenish the Association's reserve account as provided in the Article of the Bylaws entitled "Association's Accounts." The Board may, in its discretion, prorate such Special Assessment over the remaining months of the Fiscal Year or levy the Assessment immediately against each Residential Condominium as to which Assessments have commenced. The Association must comply with California Civil Code Section 5610.

5.6 Capital Improvement Assessment. In addition to any other Assessments provided for hereunder, the Association may levy a capital improvement assessment for the purpose of defraying, in

whole or in part, the cost of any construction or replacement of a capital improvement ("Capital Improvement Assessment"). Capital Improvement Assessments shall be due and payable by all Owners in such installments and during such period or periods as the Board shall designate. Capital Improvement Assessments shall be subject to the limitations set forth in Section 5.9.

5.7 Compliance Assessments. The Association may levy an assessment ("Compliance Assessment") against any Owner for bringing the Owner or the Owner's Residential Condominium into compliance with the provisions of the Governing Documents and/or any other charge designated a Compliance Assessment in the Governing Documents, together with any Additional Charges. The Association shall have the authority to adopt a reasonable schedule of Compliance Assessments for any violation of the Governing Documents. If, after Notice and Hearing which satisfies California Corporations Code Section 7341 and California Civil Code Section 5855, the Owner fails to cure or continues such violation, the Association may impose an additional fine each time the violation is repeated, and may assess such Owner and enforce the Compliance Assessment as herein provided for nonpayment of an Assessment. A hearing committee may be established by the Association to administer the foregoing. A Compliance Assessment imposed by the Association as a means to reimburse the Association for costs incurred by the Association in the repair of damage to Association Property and facilities caused by a Member or a Member's Invitee may become a lien against the Member's Residential Condominium enforceable by the sale of the interest under Sections 2924, 2924b and 2924c. Notwithstanding any other provision in this Declaration to the contrary, except as provided in Section 5.14, Compliance Assessments imposed by the Association as a disciplinary measure for failure of a Member to comply with the Governing Documents are Assessments but they may not become a lien against the Owner's Residential Condominium that is enforceable by a power of sale under California Civil Code Sections 2924, 2924b and 2924c; provided, however, that this restriction on Compliance Assessment liens imposed by the Association as a disciplinary measure for failure of a Member to comply with the Governing Documents, does not apply to late payments.

5.8 Utility Assessments. In addition to any other Assessments, the Association may levy Utility Assessments for the purpose of paying the cost of water allocated to each Residential Unit and other charges imposed by the Service Provider and the service charge and any other charges of the Metering Company as described in Section 5.25. All amounts levied and charged by the Metering Company on behalf of the Association as described in Section 5.25 are referred to as "Utility Assessments." Utility Assessments shall be due and payable by all Owners in such installments and during such period or periods as the Board shall designate. Increases in Utility Assessments are not subject to the limitations set forth in Section 5.9, as they are based on each Owner's actual water use and will vary on a monthly basis.

5.9 Changes to Assessments.

5.9.1 Limitation on Assessments. From and after January 1st of the year immediately following the conveyance of the first Residential Condominium to a First Purchaser, the annual Regular Assessment may not, except in the case of an Emergency, be increased by an amount greater than twenty percent (20%) of the Regular Assessments for the preceding Fiscal Year, and Special Assessments and Capital Improvement Assessments shall not be imposed that in the aggregate exceed five percent (5%) of the budgeted gross expenses of the Association for that Fiscal Year, without the consent of the Members, constituting a quorum and casting a majority of the votes at a meeting or election of the Association conducted in accordance with the provisions of: (a) California Civil Code Section 5100, *et seq.* and the rules adopted by the Board pursuant thereto; and (b) California Corporations Code Sections 7510, *et seq.* and 7613. The Board may not increase the Regular Assessments for any Fiscal Year unless it has complied with California Civil Code Section 5605. For the purpose of this Section, a quorum shall mean more than fifty percent (50%) of the Members of the Association, pursuant to California Civil Code Section 4070, and an Emergency shall mean any one of the following:

- (a) An extraordinary expense required by an order of a court;

(b) An extraordinary expense necessary to repair or maintain the Association Property, Association Maintenance Areas, or other portions of the Community that the Association is obligated to maintain where a threat to personal safety is discovered; or

(c) An extraordinary expense necessary to repair or maintain the Association Property, Association Maintenance Areas, or other portion of the Community that the Association is obligated to maintain, that could not have been reasonably foreseen by the Board in preparing and distributing the Budget required under this Declaration and the Bylaws and California Civil Code Section 5300; provided, however, that prior to the imposition or collection of a Special Assessment under this Section, the Board shall pass a resolution containing written findings as to the necessity of the extraordinary expense which is involved and why the expense was not or could not have been reasonably foreseen in the budgeting process, and the resolution shall be distributed to the Members with the notice of Special Assessment.

5.9.2 Calculation of Percentage Increase in Regular Assessments. For the purpose of calculating whether an increase to Regular Assessments exceeds twenty percent (20%), the term "Regular Assessments" shall be deemed to include the amount assessed against each Residential Condominium as a Regular Assessment plus any amount paid by Declarant as a subsidy pursuant to any subsidy agreements, to the extent such subsidy payments offset any amount which would otherwise be paid by Owners as Regular Assessments. Any increases authorized under this Section shall not be imposed unless the Board has complied with the budgetary requirements set forth in the Bylaws with respect to the Fiscal Year for which an Assessment is being levied.

5.10 Allocation of Assessments to Residential Units. The Assessments shall be allocated as set forth below.

5.10.1 Regular Assessments. Regular Assessments shall be fixed at a uniform rate for all Residential Units and may be collected on a monthly basis and shall be determined by dividing the amount of the Assessment by the total number of Residential Units then within the Community and subject to assessment.

5.10.2 General Assessment Component. The Regular Assessments shall, for Residential Units as to which Assessments have commenced, be fixed at a uniform rate for all Residential Units.

5.10.3 Utility Assessment Component. Utility Assessments shall be allocated based upon each Owner's individual water use as set forth in Section 5.25 of this Declaration.

5.10.4 Other Assessments. Special Assessments and Capital Improvement Assessments shall be allocated in the same manner as Regular Assessments. Compliance Assessments shall be levied directly to the individual Residential Units in a manner consistent with the provisions of Section 5.7.

5.11 Date of Commencement of Regular Assessments. The Regular Assessments shall commence as to all Residential Condominiums in a Phase subject to this Declaration on the first day of the month following the conveyance of the first Residential Condominium in that Phase to First Purchaser.

5.11.1 Model Homes. In no event shall any sale or leaseback to Declarant of any Residential Unit being used as a model home, sales office, design center, construction office or similar purpose ("Model Home") and which is not occupied as a residence cause the commencement of Assessments if Assessments have not otherwise commenced through a conveyance of a Residential Unit in the Phase to an Owner who will occupy and use the Residence for residential purposes. Declarant shall be responsible to insure and maintain all portions of the Phase in which the Model Home is located until the date Regular Assessments commence against the Residential Unit being used as a Model Home.

Regular Assessments shall commence against the Model Homes upon the date the Model Home is no longer used for Model Home Purposes.

5.12 Notice and Assessment Due Dates. The Association shall provide notice by first class mail to each Owner (pursuant to California Civil Code Section 4040) of an increase in the Regular Assessment and notice of any Special Assessment or Capital Improvement Assessment (or increase therein) not less than thirty (30) days nor more than sixty (60) days prior to the increased Regular Assessment or the Special Assessment or Capital Improvement Assessment becoming due. The due dates for the payment of Regular Assessments normally shall be the first day of each month unless some other due date is established by the Association. The due date for Special Assessments or Capital Improvement Assessments shall be specified in the notice provided by the Association and if such Special Assessments or Capital Improvement Assessments are payable in installments, such installments normally shall be due the first day of each month unless some other due date is established by the Association. Each installment of Regular Assessments, Special Assessments and Capital Improvement Assessments shall become delinquent if not paid within fifteen (15) days after its due date. Additional Charges shall accrue with each delinquent installment but shall not, in any event, exceed the maximum rates permitted under California Civil Code Section 5600, *et seq.*

5.12.1 Additional Charges. As used in this Declaration and the other Governing Documents, "Additional Charges" means costs, fees, charges and expenditures, including, without limitation, attorneys' fees and costs, late charges, interest, administrative charges and recording and filing fees actually incurred by the Association in collecting and/or enforcing payment of Assessments, and other amounts levied under this Declaration. Additional Charges include, without limitation, the following:

(a) Reasonable attorneys' fees and costs incurred in the event an attorney is employed to collect any Assessment or sum due, whether by suit or otherwise;

(b) A late charge in an amount to be fixed by the Association in accordance with California Civil Code Section 5650 to compensate the Association for additional collection costs incurred in the event any Assessment or other sum is not paid when due or within any "grace" period established by Applicable Laws;

(c) Costs of suit and court costs incurred as are allowed by the court;

(d) Interest at the Applicable Rate; and

(e) Any such other additional costs that the Association may incur in the process of collecting delinquent Assessments.

5.13 Estoppel Certificate. On not less than ten (10) days' prior written request, the Association shall execute, acknowledge and deliver to the party making such request a statement in writing stating both of the following: (a) whether or not, to the knowledge of the Association, a particular Owner is in default in connection with the payment of Assessments as to such Owner's Residential Condominium; and (b) the dates to which installments of Assessments, have been paid as to such Residential Condominium. Any such statement may be relied on by any prospective purchaser or Mortgagee of the Residential Condominium, but reliance on such statement may not extend to any default not involving the payment of Assessments of which the signer had no actual knowledge.

5.14 Collection of Assessments; Liens.

5.14.1 Right to Enforce. The right to collect and enforce Assessments is vested in the Board acting for and on behalf of the Association. The Board may enforce the obligations of the Owners to pay Assessments provided for in this Declaration by commencement and maintenance of a suit at law or in equity, or the Board may foreclose by judicial proceedings or through the exercise of the power of sale pursuant to Section 5.14.5 enforce the lien rights created. Suit to recover a money judgment for unpaid

Assessments together with all other Additional Charges shall be maintainable without foreclosing or waiving the lien rights. Notwithstanding anything else to the contrary herein, a monetary penalty imposed by the Association as a disciplinary measure for failure of a Member to comply with the Governing Documents or in bringing the Member and its Residential Condominium into compliance with the Governing Documents may not be characterized nor treated as an Assessment that may become a lien against the Member's Residential Condominium enforceable by a sale of the interest hereunder. The limitation in the preceding sentence however, does not apply to any Additional Charges.

5.14.2 Notice of Assessments and Foreclosure. The Association shall distribute a written notice regarding Assessments and foreclosure as set forth in California Civil Code Section 5730 during the sixty (60) day period immediately preceding the beginning of the Association's Fiscal Year.

5.14.3 Delinquent Assessments. In collecting delinquent Assessments, the Association shall comply with the requirements of California law, including, without limitation, California Civil Code Section 5650. As of the date of this Declaration, such laws require that, among other things, before the Association records a lien against the Owner's Residential Condominium, the Association shall: (a) notify the delinquent Owner of certain matters; and (b) offer and, if requested by the Owner, participate in, dispute resolution procedures pursuant to the Association's "meet and confer" program required by California Civil Code Sections 5900 through 5920.

5.14.4 Assignment. The Association may not voluntarily assign or pledge the Association's right to collect payments or Assessments, or to enforce or foreclose a lien to a third party except where provided under California Civil Code Section 5735.

5.14.5 Notice of Default; Foreclosure. The Association can record a notice of default and, subject to the requirements and limitations of California Civil Code Section 5700, *et seq.*, can cause the Residential Condominium with respect to which a notice of default has been recorded to be sold either in the same manner as a sale is conducted under California Civil Code Sections 2924, 2924b and 2924c or through judicial foreclosure and as provided in California Civil Code Section 5700, *et seq.* However, as a condition precedent to the holding of any such sale under Section 2924c, appropriate publication shall be made. In connection with any such sale, the Board is authorized to appoint a trustee for purposes of conducting the sale. If a delinquency is cured before sale of the Residential Condominium or before completing a judicial foreclosure, or if it is determined that a lien previously recorded against a Residential Condominium was recorded in error, the Board shall apply payments and follow the procedures set forth in California Civil Code Section 5685. On becoming delinquent in the payment of any Assessment or installment, each delinquent Owner shall be deemed to have absolutely assigned all rent, issues and profits of its Residential Condominium to the Association and shall further be deemed to have consented to the appointment of a receiver (which appointment may, at the election of the Association, be enforced by the Association through specific performance). The Association, acting on behalf of the Owners, shall have the power to bid upon the Residential Condominium at foreclosure sale and to acquire, hold, lease, mortgage and convey the Residential Condominium and vote as an Owner of the Residential Condominium.

5.14.6 Creation of Lien. If there is a delinquency in the payment of any Assessment (other than a Compliance Assessment), any amounts that are delinquent, together with any Additional Charges, shall be a lien against the defaulting Owner's Residential Condominium upon the recordation in the Official Records of a notice of delinquent assessment ("Notice of Delinquent Assessment") as provided in California Civil Code Section 5675. After its recordation, the Notice of Delinquent Assessment shall be mailed to all Owners of record for the Residential Condominium for which the lien is being filed as provided in California Civil Code Section 5675.

5.14.7 Payment of Assessments. Any payments of sums due under this Article shall first be applied to Assessments owed, and only after Assessments owed have been paid in full shall the payments be applied to the Additional Charges. If an Owner requests a receipt after payment of a delinquent Assessment, the Association shall provide a receipt which sets forth the date of payment and the individual who received such payment.

5.15 Additional Charges. In addition to any other amounts due or any other relief or remedy obtained against an Owner who is delinquent in the payment of any assessments, each Owner agrees to pay Additional Charges incurred or levied by the Association including such additional costs, fees, charges and expenditures as the Association may incur or levy in the process of collecting from that Owner monies due and delinquent subject to California Civil Code Section 5650, *et seq.*

5.16 Waiver of Exemptions. Each Owner, to the extent permitted by Applicable Laws, waives, to the extent of any liens created pursuant to this Article, the benefit of any homestead or exemption laws of California in effect at the time any Assessment or installment becomes delinquent or any lien is imposed.

5.17 Subordination of Lien to First Mortgages. When a Notice of Delinquent Assessment has been recorded, such Assessment shall constitute a lien on such delinquent Owner's Residential Condominium prior and superior to all other liens, except: (a) all taxes; (b) bonds; (c) assessments and other levies that, by law, would be superior thereto; and (d) any First Mortgage now or hereafter placed upon any Residential Condominium subject to Assessment. The sale or transfer of any Residential Condominium pursuant to judicial or nonjudicial foreclosure (excluding a transfer by a deed in lieu of foreclosure for any loan which is not FHA or VA insured) of a First Mortgage shall extinguish the lien of such Assessments as to payments which became due prior to such sale or transfer. No sale or transfer shall relieve such Residential Condominium from any Assessments thereafter becoming due or from the lien of any subsequent Assessment. Where the Mortgagee of a First Mortgage or other purchaser of a Residential Condominium obtains title to the same as a result of foreclosure (excluding a transfer by a deed in lieu of foreclosure), such acquiror of title, and his or her successors and assigns, shall not be liable for the share of the Common Expenses or Assessments chargeable to such Residential Condominium that became due prior to the acquisition of title to such Residential Condominium by such acquiror, except for a share of such charges or Assessments resulting from a reallocation of such charges or Assessments that are made against all Residential Condominiums.

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

5.19 Personal Liability of Owner. No Owner may exempt himself or herself from personal liability for Assessments, nor any part thereof, levied by the Association, nor release the Residential Condominiums owned by him or her from the liens and charges hereof by waiver of the use and enjoyment of the Association Property and facilities thereof, or by abandonment of such Owner's Residential Condominiums.

5.20 Transfer of Residential Condominiums. After transfer or sale of a Residential Condominium, the selling Owner or Owners shall not be liable for any Assessment levied on such Residential Condominium after the date of transfer of ownership and written notice of such transfer is delivered to the Association. The selling Owner shall remain responsible for all Assessments and charges levied on his or her Residential Condominium prior to any such transfer.

5.21 Failure to Fix Assessments. The omission by the Board to fix the Assessments hereunder before the expiration of any Fiscal Year for that or the next year shall not be deemed either a waiver or modification in any respect of the provisions of this Declaration or a release of the Owner from the obligation to pay the Assessments or any installment thereof for that or any subsequent Fiscal Year, but the Assessment fixed for the preceding Fiscal Year shall continue until a new Assessment is fixed.

5.22 Property Exempt From Assessments. The Association Property shall be exempt from the Assessments, charges and liens created herein.

5.23 Uncompleted Facilities. Although no land or Improvements devoted to dwelling use in the Community shall be exempt from Assessment, the Board may, but shall have no obligation to, exclude from the Regular Assessments those portions of budgeted Common Expenses that are for the purpose of

defraying expenses and reserves directly attributable to the existence of Improvements to be maintained by the Association that are not complete at the time of the Assessment. Any such exemption from the payment of Assessment shall be in effect only until the earlier to occur of the following: (a) a notice of completion for the subject Association Property has been recorded; or (b) the Association Property has been placed into use.

5.24 Association Property Improvements. If the Improvements to be installed by Declarant on the Association Property in a Phase have not been completed prior to the issuance by the DRE of a Final Subdivision Public Report covering the Phase, and in the further event that the Association is the obligee under a bond to secure performance by Declarant to complete such Improvements, then if such Improvements have not been completed and a notice of completion filed within sixty (60) days after the completion date specified in the planned construction statement appended to the bond, the Board shall consider and vote upon the question of whether or not to bring action to enforce the obligations under the bond. If the Association has given an extension in writing for the completion of any such Improvement, then the Board shall consider and vote on said question if such Improvements have not been completed and a notice of completion filed within thirty (30) days after the expiration of the extension period. In the event that the Board determines not to take action to enforce the obligations secured by the bond or does not vote on the question as above provided, then, in either such event, upon petition signed by Members representing five percent (5%) or more of the Voting Power of the Association, excluding the Voting Power of Declarant, the Board shall call a special meeting of the Members of the Association to consider the question of overriding the decision of the Board or of requiring the Board to take action on the question of enforcing the obligations secured by the bond. Said meeting of Members shall be held not less than thirty-five (35) days nor more than forty-five (45) days following receipt of the petition. At said meeting, a vote of a majority of the Voting Power of Members of the Association, excluding the vote of Declarant, to take action to enforce the obligations under the bond shall be deemed to be the decision of the Association, and the Board shall thereafter implement the decision by initiating and pursuing appropriate action in the name of the Association.

5.25 Water Meters. Each Owner, by acceptance of a deed, acknowledges that the public utility ("Service Provider") provides water and sewer service to the Community. In connection with the development of the Community, Declarant has installed several public water meters for the Community. Some of the meters will meter the water used for irrigation purposes associated with the irrigation of the Association Property and certain other portions of the Community which the Association is obligated to maintain. The other public water meters will be used to measure water usage of all the individual Residential Condominiums situated within the Community. The Service Provider will prepare a bill based upon overall water usage through the Service Provider's water meters. The Association will be responsible for the payment of this bill to the Service Provider. Individual submeters will be installed on each Residential Condominium that measure water usage for each of the individual Residential Condominiums, and each Owner will be responsible for paying its share of such water bill in accordance with the procedures set forth below, which amount shall be considered the Utility Assessment for such Residential Unit.

5.25.1 Allocation of Water Bills. In order to calculate the share attributable to each Residential Unit for water, sewer and other charges imposed by the Service Provider, the Association shall have the right to enter into a contract with a water metering service company ("Metering Company"). The Metering Company is authorized to act on behalf of the Association to levy Utility Assessments as set forth herein. The Metering Company will be responsible for (a) reading the individual submeters, (b) allocating the water and other charges imposed by the Service Provider to the individual Residential Condominiums and (c) preparing the individual bills for delivery to each Owner. Additionally, the Metering Company will impose a service charge for its services which will be charged to each Owner with a submeter. All amounts levied and charged by the Metering Company on behalf of the Association are referred to as the Utility Assessments. Each Owner will be responsible for paying directly as a Utility Assessment to the Metering Company such Owner's share of water and other charges imposed by the Service Provider and the service charge to the Metering Company prior to the due date. The Metering Company will provide the Association with a statement of all Utility Assessments due by the Owners with submeters on a regular basis along with the Utility Assessments received by the Metering Company. If, in the future, there are no companies which

can provide the water metering service, then it will be the responsibility and obligation of the Association to allocate costs for water and sewer usage and the other charges levied by the County to the Owners.

5.25.2 Failure to Pay. If an Owner with a submeter fails to pay the Utility Assessments when due ("Defaulting Owner"), the Defaulting Owner will be responsible for any penalties or delinquent amounts levied by the Service Provider, the Metering Company, and/or the Association. If the Defaulting Owner fails to pay the Utility Assessments, including any penalties or delinquent amounts, the Association may pursue remedies for failure to pay Assessments as provided under this Declaration, including the filing of liens and foreclosure.

5.26 Initial Capital Contribution. Upon acquisition of record title to a Residential Condominium in the first Phase from Declarant, each First Purchaser shall contribute to the capital of the Association an amount equal to two (2) times the amount of the then monthly Regular Assessment for the Residential Condominium. Declarant may require purchasers of Residential Condominiums in subsequent Phases to pay an initial capital contribution to the Association as may be set forth in a Supplementary Declaration. This amount shall be deposited by the purchaser into the purchase and sale escrow for his or her Residential Condominium and disbursed therefrom to the Association. The obligation set forth in this Section does not apply to the resale of any Residential Condominium.

ARTICLE 6 USE RESTRICTIONS

This Article sets forth restrictions on the use of the Property. The restrictions contained in this Article will likely have the greatest impact on day to day living in the Community. Each Owner shall comply and cause its Occupants and Invitees to comply with the restrictions set forth in this Article.

6.1 Residential Use. Residential Units shall be used for residential purposes only, provided, however, that any Residential Unit may be used incidentally for the purpose of operating a home based small business if, and only if: (a) the business is operated solely within the Residence; (b) the business is limited to arts and crafts, the rendition of professional services, or other similar entities; (c) the business is operated by the Owner whose principal residence is the Residential Unit, by a Lessee whose principal residence is the Residential Unit or by a member of such Owner's or Lessee's family whose principal residence is the Residential Unit; (d) there is no sales activity conducted within the Association Property, no customers visiting the Residential Unit and no advertising anywhere in the Community; (e) the operation is permitted by and is at all times in compliance with Applicable Laws; and (f) the operation of the business does not result in: (i) the violation of any of the other provisions of this Declaration; (ii) any unreasonable increase in the flow of traffic within the Community; (iii) any unreasonable odor, noise, or vibration outside of the Residential Unit; (iv) any parking problems within the Community; or (v) any other adverse conditions to the Occupants of the individual Residential Condominiums. Notwithstanding the foregoing, nothing contained herein shall be deemed to prohibit any home based business specifically required to be allowed by Applicable Law.

6.2 Commercial Use. Except as otherwise provided in this Declaration, including without limitation Section 6.1, no part of the Community shall be used or caused, allowed, or authorized to be used in any way, directly or indirectly, for any business, commercial, manufacturing, mercantile, storing, vending, or other such non-residential purpose.

6.3 Rental of Residential Condominiums. An Owner shall be entitled to rent his or her Residential Condominium subject to the restrictions contained in the Governing Documents, any contractual agreement between Declarant and each original Owner for such Owner's Residential Condominium as to such parties, any other restrictions of record applicable to such Owner's Residence and all Applicable Laws. Any rental or lease agreement shall (a) be in writing, (b) provide that the lease is subject to the Governing Documents, and (c) provide that any failure to comply with the Governing Documents shall be a default under the terms of the rental or lease agreement. A copy of the rental or lease agreement shall, upon request, be provided to the Association. Owners shall, at all times, be responsible for their Lessee's compliance with the Governing Documents. A Lessee shall have no

obligation to the Association to pay Assessments nor shall any Lessee have any voting rights in the Association. No Owner may lease such Owner's Residential Condominium for hotel, motel or transient purposes. For purposes of this restriction, any lease which is either for a period of fewer than thirty (30) days or pursuant to which the lessor provides any services normally associated with a hotel shall be deemed to be for transient or hotel purposes and shall be prohibited. To the extent the rental restrictions set forth in this Section violate the requirements of any Federal Agency, such requirements shall be deemed to no longer apply.

6.4 Further Subdivision. Except as otherwise provided in this Declaration, no Owner may further partition or subdivide the Owner's Residential Condominium, including any division of such Owner's Residential Condominium into time-share estates or time-share uses. This provision does not limit the right of an Owner to: (a) rent or lease the entire Residential Condominium by means of a written lease or rental agreement subject to the Governing Documents; (b) sell such Owner's Residential Condominium; or (c) transfer or sell any Residential Condominium to more than one (1) Person to be held by them as tenants-in-common, joint tenants, tenants by the entirety or as community property.

6.5 Time Sharing. A Residential Condominium may not be divided or conveyed on a time increment basis (commonly referred to as "time sharing") of measurable chronological periods. The term "time sharing" as used herein shall include, but shall not be limited to, any agreement, plan, program or arrangement under which the right to use, occupy or possess the Residential Condominium, Residential Condominiums or any portion thereof in the Community rotates among various persons, either corporate partnership, individual or otherwise, on a periodically recurring basis for value exchanged, whether monetary or like-kind use privileges, according to a fixed or floating interval or period of time.

6.6 Owner's Liability for Damage. Each Owner shall be liable to the Association for any and all costs and expenses which may be incurred by the Association to repair any damage to the Association Property which may be sustained by reason of the negligence or willful misconduct of said Owner, the members of his or her family, tenants, lessees, or their respective guests or invitees, whether minor or adult. Any such costs and expenses shall be levied by the Board as a Compliance Assessment against such Owner in accordance with the provisions of this Declaration.

6.7 Animals. Only domestic animals that are kept as household pets and are not kept, bred or raised for commercial purposes are permitted to be maintained within the Property. In no event shall poultry, livestock or other farm animals (including, without limitation, goats and chickens) be kept within the Property. No Owner shall keep more than a total of three (3) dogs or three (3) domestic cats, or a combination thereof (but not to exceed three (3) total) within such Owner's Residential Unit, or the maximum capacity allowed by the County, whichever is more stringent. Domestic reptiles, birds, rodents and fish shall be permitted so long as such animals are kept in the interior of a Residence and are kept in reasonable number all as determined by the Board in its sole and absolute discretion. If an Owner keeps any birds, the birds shall not be heard outside of the Residence. Nothing contained herein shall restrict the keeping of fish in an aquarium or fish in an exterior pond or pool (such as koi) so long as the approvals for the installation of such pond have been obtained under Article 8. Notwithstanding the foregoing, the Association Rules may further limit or restrict the keeping of pets and the Board shall have the power to prohibit the keeping or maintenance of any animal, which, in the opinion of the Board, after Notice and Hearing, is deemed by the Board to constitute a nuisance to any other Owner or Occupant or which constitutes a threat to the personal safety of any Owner or Permitted User in the sole and absolute opinion of the Board. Each person bringing or keeping a pet within the Property shall be absolutely liable to other Owners and their Permitted Users for any damage to persons or property caused by such pet. Each Owner shall clean up after such animals that have deposited droppings or otherwise used any portion of the Property or any public street abutting or visible from the Property. Dogs belonging to Owners or Permitted Users must be kept within an enclosure or on a leash held by a person capable of controlling the animal when outside the Residential Unit. Nothing contained herein shall constitute a restriction on service animals. The Board has the power and discretion to determine whether the types or numbers of any animals kept in a Residence are a nuisance, and the Board shall have the power to abate the nuisance through any legal procedure that is available to the Association.

6.8 Antenna Restrictions. No Owner shall install any antenna, satellite dish, or other over-the-air receiving device ("Antenna"): (a) on any real property which such Owner is not entitled to exclusively use or control, as provided in Title 47 U.S.C. §§ 1, *et seq.*, 47 CFR § 1.4000 and any other Applicable Laws, rules and decisions promulgated thereunder (collectively "Antenna Laws"); (b) in a particular location if, in the Board's opinion, the installation, location or maintenance of such Antenna unreasonably affects the safety of any Person, or for any other safety-related reason established by the Board; or (c) that is of a size larger than is permitted under the Antenna Laws. If an Owner is entitled to install an Antenna under the foregoing requirements, such Owner shall provide the Board with written notice that such Owner intended to install the Antenna and provides evidence of compliance with the foregoing requirements. If an Owner desires to install an Antenna, other than as described above, such Owner may do so only upon the prior approval of the Board pursuant to Article 8. The Association shall not impose or enforce any restrictions upon Antennae that are inconsistent with the Antenna Laws. Notwithstanding any provision hereof, this Section shall be interpreted to comply with state and federal laws applicable to antennas in effect at the time of enforcement of this Section. In that regard, this Section shall not be interpreted or enforced in a manner which would: (i) unreasonably delay or prevent installation, maintenance or use of such Authorized Antenna; (ii) unreasonably increase the cost of installation, maintenance or use; or (iii) preclude reception of an acceptable quality signal.

6.9 Signs and Displays. No sign, advertising device or other display of any kind shall be displayed in the Community, except for the following:

6.9.1 entry monuments and community identification signs, subject to compliance with County signage criteria;

6.9.2 traffic or parking control signs maintained by the Association;

6.9.3 for each Residential Condominium, one (1) nameplate or similar Owner name or address identification which complies with the Design Guidelines;

6.9.4 for each Residential Condominium, one (1) sign advertising the Residential Condominium for sale or lease that complies with the following requirements, subject to California Civil Code Sections 712 and 713:

(a) the sign is a reasonable size; and

(b) the sign is in compliance with the Design Guidelines or is otherwise authorized pursuant to Article 8;

6.9.5 noncommercial signs permitted by California Civil Code Section 4710; and

6.9.6 such other signs or displays authorized pursuant to Article 8.

In addition to the foregoing, all signs must comply with all Applicable Laws.

6.10 Parking and Vehicular Restrictions.

6.10.1 Authorized Vehicles. The following vehicles are "Authorized Vehicles": standard passenger vehicles, including automobiles, passenger vans designed to accommodate ten (10) or fewer people, motorcycles and pickup trucks having a manufacturer's rating or payload capacity of one (1) ton or less and vehicles which are the principal source of transportation for an Owner. Authorized Vehicles may be parked in any portion of the Community intended for parking of motorized vehicles subject to this Section; provided, however, no Owner may park an Authorized Vehicle in a manner which the Association determines either restricts the passage of pedestrians or vehicles over streets, driveway, or sidewalks in the Community or extends beyond the limits of the space where the Authorized Vehicle is parked. The

Association has the power to identify additional vehicles as Authorized Vehicles in the Association Rules to adapt this restriction to other types of vehicles.

6.10.2 Prohibited Vehicles. The following vehicles are "Prohibited Vehicles": (a) recreational vehicles (e.g., motorhomes, travel trailers, camper vans and boats); (b) commercial-type vehicles (e.g., stakebed trucks, tank trucks, dump trucks, step vans, concrete trucks and limousines); (c) buses or vans designed to accommodate more than ten (10) people; (d) vehicles having more than two (2) axles; (e) trailers; (f) inoperable vehicles or parts of vehicles; (g) aircraft; (h) boats; (i) any vehicles or vehicular equipment deemed a nuisance by the Board; and (j) any other vehicles not classified as an Authorized Vehicle. Notwithstanding the foregoing, further clarification regarding certain commercial-type vehicles are authorized within the Community may be provided in the Association Rules. For example, certain types of work trucks may be designated as authorized. Prohibited Vehicles may not be parked, stored or kept within the Property or any Private Street within the Community except for brief periods for loading, unloading, making deliveries or emergency repairs; provided that Prohibited Vehicles shall be permitted within a fully enclosed garage with the garage door closed except while entering or exiting such garage, and provided further that such Prohibited Vehicle does not violate any other provision of this Declaration. Parking of Prohibited Vehicles within a driveway, sideyard or rear yard, or anywhere else within the Community is not permitted. If a vehicle qualifies as both an Authorized Vehicle and a Prohibited Vehicle, then the vehicle is presumed to be a Prohibited Vehicle unless the vehicle is expressly classified as an Authorized Vehicle in writing by the Association.

6.10.3 PARKING IN GARAGES AND DRIVEWAYS ONLY. SUBJECT TO THE RESTRICTION ON PROHIBITED VEHICLES, ALL VEHICLES OWNED OR OPERATED BY OR UNDER THE CONTROL OF AN OWNER OR AN OCCUPANT MUST BE PARKED IN SUCH OWNER'S GARAGE TO THE EXTENT OF THE SPACE AVAILABLE AND DRIVEWAY IF THE VEHICLE WILL FIT WITHIN THE DRIVEWAY WITHOUT EXTENDING INTO ANY SIDEWALK OR STREET AREA. THERE IS NO GUARANTEE, REPRESENTATION OR ASSURANCE THAT VEHICLES WILL FIT INTO THE GARAGES OR DRIVEWAYS WITHIN THE COMMUNITY.

6.10.4 Garage Use. Garages shall be used for parking vehicles only and shall not be converted for living, recreational activities, business or storage that would prevent the ability of an Owner or Occupant to park the number of vehicles in the garage that the garage was designed for, unless approved by the Board and the County. Doors to garages shall be kept closed except when actively in use. Each Owner shall ensure that any such garage accommodates at least the number of vehicles for which it was originally constructed by Declarant.

6.10.5 General Restrictions. There shall be no parking in the Community that obstructs free traffic flow, constitutes a nuisance, violates the Association Rules, or otherwise creates a safety hazard. No maintenance, repair, restoration, or construction of any vehicle shall be conducted on the Property, with the exception of minor or emergency automobile repairs within the garage.

6.10.6 County Required Parking Restrictions. Pursuant to the Community Entitlements and requirements of the County, the following provisions are included verbatim:

"Notwithstanding any provision in this Declaration to the contrary, the following provisions shall apply: Individual property owners and tenants shall be subject to parking rules generally as follows:

1. Vehicles owned by residents must be parked in garages or driveways where available.
2. Parking is not permitted within the motorcourt areas except in the driveways and garages of each residence.
3. Omitted.
4. Street parking (where permitted) is for guests of residents and will be closely monitored by the HOA.
5. Vehicles parked on the street mor than 48 hours will be towed.
6. Omitted.

7. Vehicles that appear to be owned by residents which are parked in guest parking are subject to a fine.
8. Omitted.
9. If a temporary vehicle is being used by the resident for a long prolonged period, the HOA must be notified or the resident may be subject to a fine.
10. Any cars parked in "No Parking Zones" where posted will be towed immediately."

6.10.7 Parking Regulations. The foregoing requirements have been included pursuant to the requirements of the County. In addition, the Association has the right to further regulate parking based on the site plan approved for the Community and the as-built conditions of the Community and parking areas within the Community. The Association may establish additional regulations regarding parking areas, including designating "parking," "guest parking," and "no parking" areas. Any vehicle parked within a fire lane may be towed without prior notice. The Board may take all actions necessary to enforce all parking and vehicle use regulations for the Property, including removing violating vehicles from the Community pursuant to California Vehicle Code Section 22658 or other Applicable Laws.

6.11 Exterior Modifications and Installations.

6.11.1 Generally. This Section does not apply to Improvements installed by Declarant.

6.11.2 Outside Installations. The following items are prohibited unless approved by the Board: (a) outside installations, including balcony, patio or deck covers, wiring, air conditioning equipment, water softeners, other machines and other Improvements; (b) Improvements to deck or balcony railings; and (c) other exterior additions or alterations to any Residential Condominium.

6.11.3 Basketball Standards. No basketball standards or fixed sports apparatus shall be attached to any Residential Condominium or placed anywhere within the Association Property.

6.11.4 Exterior Lighting. No additional exterior lighting may be installed by an Owner. Any exterior electrical, gas or other artificial lighting installed on any Residence shall be positioned, screened, or otherwise directed or situated and of such controlled focus and intensity so as not to unreasonably disturb the residents of any other Residential Condominiums. Further rules regarding exterior lighting may be promulgated by the Board. Some of the exterior lighting on the Residences provides light to certain exterior portions of the Community and contains a photocell which will automatically control their operation. Such exterior lighting shall not be manually turned off and the photocell shall not be altered in any way by the Owners. As provided in Section 7.2.1 below, the Owner shall maintain these fixtures and light bulbs, and the electricity supplied to them shall be metered and paid for by individual Owners, but the Owners will not control such lighting. Holiday lighting shall be in conformance with the Design Guidelines.

6.12 Community Entitlements. Each Owner and the Association shall comply with all applicable requirements and restrictions set forth in the Community Entitlements.

6.13 Owner Modifications to Association Property. Except as otherwise specifically provided in this Declaration, no Owner shall have the right to alter, paint, decorate, remodel or landscape any part of the Association Property without the prior written consent of the Association.

6.14 Use Not to Impair Insurance. No Residential Condominium shall be occupied, improved or used for any purpose or in any manner which shall cause such Residential Condominium or any Residential Condominium to be uninsurable against loss by fire or the perils of the extended coverage endorsement to the California Standard Fire Policy form, or cause any such policy or policies representing such insurance to be cancelled or suspended, or the company issuing the same to refuse renewal thereof or to increase the premium therefor.

6.15 Owners Liable for Damage. Each Owner shall be liable to the Association for all damages to the Community, including without limitation, the buildings and landscaping caused by such Owner, such

Owner's guests (or other licensees) or any occupant of such Owner's Residential Unit as such liability may be determined under California law. Each Owner shall be responsible for compliance with the provisions of the Community Governing Documents, Residential Governing Documents and the Governing Documents by such Owner's licensees and occupants of such Owner's Residential Condominium.

6.16 Trash Disposal, Pickup and Recycling. Trash, garbage or other waste shall be kept only in sanitary containers. No Owner shall permit or cause any trash or refuse to be kept on any portion of the Community other than in the receptacles customarily used for it, which shall be stored within fenced sideyards or garages except on the scheduled day for trash pickup. Trash containers may only be placed in the front of the Residences on the evening before scheduled trash pick-up and must be removed and returned to the garage or fenced sideyard by 9 p.m. on the day of trash collection. In no event shall trash containers be placed in a location that blocks or unreasonably restricts vehicular access.

6.17 View Impairment. There is no representation that any view exists from any Residential Unit. By accepting a deed to a Residential Unit, each Owner acknowledges that grading of, construction on or installation of Improvements, including landscaping, on other Residential Units and on surrounding real property may impair whatever view may exist from the Owner's Residential Unit, and each Owner consents to such impairment and waives any claim for view impairment. Each Owner and the Association, on behalf of the Members, hereby consent to such view impairment and/or loss of privacy. By accepting a deed to a Residential Unit, each Owner acknowledges that: (a) there are no protected views, no Residential Condominium is assured of the existence, quality or unobstructed continuation of any particular view, and Declarant makes no representation or warranty that there are now, or will be in the future, any such views or that any view will impact the view or desirability of any Residential Condominium; (b) any view from the Residential Condominium is not intended as part of the value of the Residential Condominium and is not guaranteed; and (c) any future development, construction, landscaping, growth of trees, or other installation of Improvements by Declarant or other Owners or of properties surrounding the Community may impair the view from any Residential Unit and/or may allow other persons to have a line of sight into Owner's Residential Unit or yard, which may affect the use and enjoyment of the Owner's Residential Condominium, including Owner's privacy. There are no express or implied easements appurtenant to any Residential Unit for view purposes or for the passage of light and air over another Residential Unit or any other property whatsoever.

6.18 Offensive Conduct, Nuisances. No noxious or offensive activities, including, but not limited to, repair of automobiles or other motorized vehicles, shall be conducted within the Community. Nothing shall be done on or within the Community that may be or may become a nuisance to the residents.

6.19 Mineral Exploration. No Property within the Community shall be used in any manner to explore for or to remove any water, oil or other hydrocarbons, minerals of any kind, gravel, earth or any earth substance or other mineral of any kind. No well for the production of, or from which there is produced, water, oil or gas shall be operated within the Community, nor shall any machinery, appliance or structure be placed, operated or maintained thereon for use in connection with any trading, manufacturing or repairing business. No slant drilling shall be permitted.

6.20 Window Coverings. Temporary window coverings ("Temporary Window Coverings") in a design and color that does not conflict with the surrounding Improvements (but excluding aluminum foil, newspapers, or any other contrasting material) shall be permitted for a maximum period of ninety (90) days from the date that a Residential Condominium is conveyed to an Owner by Declarant. Except as specifically provided above, no Temporary Window Coverings shall be used to cover any door or window of any Residential Unit. All window coverings (including Temporary Window Coverings) shall be of a neutral color harmonious with and not conflict with the color scheme of the exterior wall surface of the Residential Unit.

6.21 Fire Prevention and Fire Sprinkler Systems. No Owner shall remove, alter or impair or tamper or interfere with the proper operation of any fire prevention or fire sprinkler equipment installed by Declarant in the Owner's Residence.

6.22 Drainage and Erosion Control. There shall be no interference with the established drainage pattern over the Property, unless an adequate alternative provision is made for proper drainage with the prior written approval of the Board. For the purpose hereof, "established" drainage is defined as the drainage that exists at the time of the first close of escrow for the sale of a Residential Condominium, or that which is shown on any plans approved by the Board. Each Owner shall have the duty and obligation to maintain the drainage situated within any subterranean or other drainage pipes and other drainage facilities located within such Owner's yard area free of debris and any other material that may impede the flow of water. Each Owner shall regularly inspect and, if necessary, clean out any drainage facilities located within such Owner's yard. If such Owner fails to maintain such drainage and as a result, imminent danger to Person or property may result, then the Association shall have the right of access onto the Residential Unit for the purpose of clearing debris and other material so as to not impede the flow of water. This right of access shall be exercised only for the purpose of preventing damage to Persons and property and the entering party shall use reasonable care so as to not cause any damage to the Residential Condominium. The Owner shall reimburse the Association for any costs and expenses incurred in clearing such debris pursuant to the provisions of this Declaration.

6.23 Landscaping. Each Owner of a Residential Unit shall landscape any portions of such Owner's Residential Unit that are not landscaped by Declarant as part of the initial conveyance by Declarant, in accordance with plans approved pursuant to Article 8. The Application for any initial landscaping on a Residential Unit shall be submitted no later than six (6) months after the conveyance of the Residential Unit by Declarant to an Owner and installation of initial landscaping shall be completed no later than twelve (12) months after the conveyance of the Residential Unit by Declarant to an Owner. Prior to installing any landscaping on an Owner's Residential Unit, the Owner shall be responsible for ensuring that there is no runoff from the Owner's Residential Unit and the Owner shall be required to take such action as may be reasonably necessary to prevent any runoff, including, if necessary, installing landscaping in advance of such twelve (12) month date.

6.23.1 Intrusive Plants. The Association and each Owner shall only plant trees and other plant materials with growth characteristics that do not have the potential to create root, branch or other intrusion problems. Plants and trees shall only be planted in locations that are a sufficient distance from structures, hardscape and other improvements to minimize possible branch intrusion, root intrusion and associated damage. No tree, shrub, hedge, plant, vegetation, foliage or landscaping which exceeds the height of the Residence, or which could eventually grow to a height exceeding the height of the Residence shall be planted, installed or maintained upon any Residential Unit unless prior to the planting or installation thereof, a complete description of the species, actual and potential height and shape thereof, and proposed location within the Residential Unit have been submitted to and approved in writing in accordance with the procedures set forth in Article 8. The Association shall retain the services of a landscape company which will agree to trim, prune, cut, remove, lace, thin and maintain the landscaping and trees within the Association Property in accordance with all County requirements and so as to address damage caused by the roots of trees. In order to prevent such damage, the Board shall require that the landscape company review all trees and landscaping every ninety (90) days or such other period of time as deemed reasonable by the Board, and advise the Board of the need to take immediate action with regarding to landscaping and/or trees if necessary to prevent damage caused by the roots of trees and/or other potential damage caused by the roots of trees and/or other potential damage which may be caused by other types of landscaping.

6.23.2 Slope Control, Use and Maintenance. Each Owner shall keep, maintain, water, plant and replant all slopes located on such Owner's Residential Unit, so as to prevent erosion and to create an attractive appearance. It shall be the duty of all Owners to conduct all construction and installation of improvements on such slopes in accordance with any guidelines or rules adopted by the Board for maintenance of such slopes. Thereafter each Owner shall keep, maintain, water, and replant all in such a manner as to protect the integrity of such Owner's Residential Unit and all adjoining Residential Units and the structural improvements thereon. No structure, planting or other material shall be placed or permitted to remain or other activities undertaken on such slopes that may damage or interfere with established slope ratios, create erosion or sliding problems, or that may change the direction of flow of drainage channels or obstruct or retard the flow of water through drainage channels.

6.23.3 No Over Irrigation. No Owner shall carelessly use water, allow overflow of water or over irrigate any plants within his or her Residential Unit. The excess water may cause substantial damage to the Community.

6.24 Rights of Disabled. Subject to the provisions of Article 8, the Design Guidelines, each Owner may modify such Owner's Residential Unit and the route over the Association Property leading to the front door of its Residential Condominium, at such Owner's sole expense, to facilitate access to its Residential Condominium by persons who are blind, visually impaired, deaf or physically disabled, or to alter conditions which could be hazardous to such Persons in accordance with Applicable Laws.

6.25 Compliance With Requirements Regarding Storm Water Pollution. Each Owner acknowledges that water that enters a storm drain flows directly to waterways, creeks, streams, rivers, lakes and/or oceans. Accordingly, the National Pollutant Discharge Elimination System, the Federal Clean Water Act, and the policies and ordinances of the County prohibit discharging anything other than natural rain water into storm drainage systems, including gutters and streets which drain into storm drains. Toxic chemicals or hydrocarbon compounds such as gasoline, motor oil, antifreeze, solvents, paints, paint thinners, wood preservatives, fertilizers, lawn clippings, yard waste, detergents, pet waste, paints and other such materials and pollutants shall not be discharged into any street, public or private, gutters, or into storm drains or storm water conveyance systems. The disposal of such pollutants and materials into a storm drain system may result in significant penalties and fines and such Owner may be responsible for any activities by Owner's contractors (e.g., painters, landscapers, etc.) who dispose of such pollutants from an Owner's Residential Unit into a storm drain system. Use and disposal of pesticides, fungicides, herbicides, insecticides, fertilizers, and other such chemicals shall meet all requirements of any Governmental Agencies. All Owners and the Association are required to comply with such restrictions. Owners are encouraged to consult with the Governmental Agencies concerning the proper disposal of any Hazardous Materials.

6.25.1 Storm Water Pollution Prevention Best Management Practices. To comply with the requirements of the Governmental Agencies and the WQMP in connection with the storm water pollution prevention Best Management Practices, each Owner and the Association agree that they will, at all times, maintain all Improvements located within a Residential Unit, or in the case of the Association, within the Association Property, in a clean, safe and attractive condition, free and clear of any and all debris and in accordance with the WQMP and any agreements that are recorded or may be recorded against the Community. All landscaping shall be maintained by an Owner in a manner that will prevent soil erosion and minimize sediment transport. To the extent that the Declarant has installed any erosion protection devices (e.g., sand bags) an Owner shall not remove such devices unless and until all landscaping has been installed, and has been sufficiently grown so as to prevent soil erosion and transport of any sediment. All trash receptacles within Owner's Residential Unit shall be closed at all times except when disposing of trash. The Association and the Owners shall comply with the WQMP and all applicable Best Management Practices and perform all maintenance that may be imposed by any water quality management plan that may affect the Property. The costs of the Association's portion of such maintenance, if any, shall be treated as a Common Expense. "Best Management Practices" means all best management practices imposed from time to time by Applicable Laws or Governmental Agencies, including without limitation, pollution control practices or devices, erosion control to prevent silt runoff during construction, general housekeeping practices, pollution prevention and educational practices, maintenance procedures, and other management practices or devices to prevent or reduce the discharge of pollutants to stormwater, receiving water or stormwater conveyance system to the maximum extent practicable.

6.25.2 Liability to Declarant. So long as Declarant owns any Residential Condominium, if an Owner or the Association is not in compliance with the provisions of this Section and, as a result, Declarant may incur any liability, Declarant shall have the right but not the obligation to enter upon the Residential Unit to correct such violation. Any Owner who violates the requirements of this Section, and the Association to the extent the Association violates the requirements of this Section, shall indemnify, protect, defend and hold Declarant and Declarant's officers, directors, successors and assigns entirely free and harmless from and against any liabilities, penalties, costs, expenses and actions, including, without limitation, attorneys' fees and costs arising from or attributed to a violation of the provisions of this

Section and shall within fifteen (15) days after request from Declarant, reimburse Declarant for any costs and expenses incurred by Declarant in correcting any violation by any Owner or the Association of this Section.

6.26 Post Tension Slabs. The concrete slabs for the Residential Units in the Community may be reinforced with a grid of steel cables which were installed in the concrete and then tightened to create very high tension. This type of slab is commonly known as a "Post Tension Slab." Cutting into a Post Tension Slab for any reason (e.g., to install a floor safe, to remodel plumbing, etc.) is very hazardous and may result in serious damage to the Residential Condominium and/or personal injury. By accepting a grant deed to a Residential Condominium in the Community, each Owner specifically covenants and agrees that: (a) such Owner shall not cut into or otherwise tamper with the Post Tension Slab; (b) such Owner shall not knowingly permit or allow any person to cut into or tamper with the Post Tension Slab so long as such Owner owns any interest in the Residential Condominium; (c) such Owner shall disclose the existence of the Post Tension Slab to any tenant, lessee or subsequent purchaser of the Residential Condominium; and (d) such Owner shall indemnify, protect, defend and hold Declarant and its officers, employees, contractors and agents, free and harmless from and against any and all claims, damages, losses, or other liability (including, without limitation, attorneys' fees) arising from any breach of this Section.

6.27 Sideyard Easement Areas. The following uses are prohibited in any Sideyard Easement Area.

6.27.1 Restrictions on Burdened Residential Condominium. Residential Condominiums subject to a Sideyard Easement may be subject to additional restrictions set forth in the Design Guidelines regarding the types of Improvements and obtrusive landscaping which can be installed within the Sideyard Easement Area. Burdened Owner is prohibited from obstructing the Benefited Owner from access and use of the Sideyard Easement Area. Burdened Owners must carefully review the Design Guidelines and comply with all applicable Sideyard Easement Area restrictions.

6.27.2 No Interference With Designed Drainage. No Sideyard Easement Area shall be used in any manner which interferes with drainage designed for the Property by Declarant. For example, and not by way of limitation, decking or other improvements shall not increase the amount of surface water which flows onto a neighboring Residence.

6.27.3 No Attachment to or Contact With Adjoining Residence. No Improvement of any kind shall be attached to the wall of the adjoining Residence except for those Improvements installed as part of the original construction of the Residences and replacements thereof. No Sideyard Easement Area shall be used in such a manner which results in any physical contact with any portion of the adjoining Residence

6.27.4 Landscaping and Irrigation within Sideyard Easement Area. No landscaping, planters and related landscaping irrigation can be installed within twelve (12) inches of the wall of the adjoining Residence. Additionally, no irrigation shall spray on or within the immediate vicinity of the wall of the adjoining Residence so as to cause wet or damp areas within twelve (12) inches from the adjoining Residence.

6.27.5 No Interference With Rights of Burdened Owner. No Sideyard Easement Area shall be improved or used in a manner which interferes with rights of the Owner of the Burdened Unit (as defined in Section 2.5.3) to use the Sideyard Easement Area for the purposes stated in Section 2.5.3.

6.27.6 No Noisy Equipment. Except for equipment used in routine maintenance of the Residential Unit, no pumps, filters or other equipment that produces noise that could be heard from the Burdened Lot shall be placed in any Sideyard Easement Area.

6.28 Solar Energy System. Except for those Solar Energy Systems originally installed by Declarant, no Solar Energy System may be installed on a Residential Unit unless and until (i) the Owner

provides the Association and each of the Owner's neighbors who may be affected by the installation of the Solar Energy System with the notice set forth in California Public Resources Code Section 25982.1, and (ii) the Solar Energy System has been approved in accordance with the provisions of Article 8 of this Declaration. A Solar Energy System that is proposed to be installed on a Residential Unit must meet all applicable requirements of California Civil Code Section 714(c) and California Public Resources Code Section 25981(d).

6.29 Solar Shade Restrictions. After the installation of a Solar Energy System on a Residential Unit, neither an Owner of an adjacent Residential Unit nor the Association (in the case of adjacent Association Property) shall allow a tree or shrub to be placed or, if placed, to grow so as to cast a shadow in violation of the standards set forth in California Public Resources Code Section 25982. The Owner, not the Design Review Committee, shall bear the burden of calculating compliance of any such tree or shrub with the provisions of California Public Resources Code Section 25982. The restrictions of this Section do not apply to a tree or shrub planted prior to the installation of a Solar Energy System or to the replacement of a tree or shrub that had been growing prior to the installation of a Solar Energy System and which, subsequent to the installation of the Solar Energy System, dies or is removed for reasons of public health or safety. Approval by the Design Review Committee of the installation of particular trees or shrubs on a Residential Unit adjacent to a Solar Energy System or the installation of particular trees or shrubs by the Association on Association Property adjacent to a Solar Energy System shall not be deemed to waive or alter the provisions of this Section, and the Design Review Committee shall not be liable to the Owner of the Solar Energy System for any such approval.

6.29.1 Impact of Shading Restrictions. Depending upon the dimensions and topography of certain Residential Units, the solar shade restrictions set forth in this Section and the Solar Shade Control Act may prevent or severely restrict (a) the planting of any trees, or the planting of medium or large trees, in the yard area, if any, of the Residential Unit. The solar shade restrictions set forth in this Section and the Solar Shade Control Act may have the foregoing impacts on Residential Units on which no Solar Energy Systems are installed or constructed.

6.29.2 No Restriction on Adjacent Property. In some cases the Residential Units encumbered by this Declaration may be adjacent to other real property that is not encumbered by this Declaration. In such cases, adjacent real property may only be subject to applicable laws including without limitation the Solar Shade Control Act.

6.30 Compliance with Laws, Etc. Nothing shall be done or kept in any Residential Unit or in the Association Property that might increase the rate of, or cause the cancellation of, insurance for the Community, or any portion of the Community. No Owner or the Association shall permit anything to be done or kept in the Owner's Residential Unit or in the Association Property that violates Applicable Laws, including any Applicable Laws pertaining to the use or storage of any hazardous, contaminated or toxic materials.

6.31 Notice of Airport in Vicinity. The 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. Each Owner should consider what airport annoyances, if any, are associated with the Property before such Owner completes his or her purchase and determine whether such annoyance is acceptable to such Owner.

6.32 Exemption of Declarant. The restrictions set forth in this Article shall not apply to Declarant so long as Declarant owns any portion of the Property, or so long as Declarant is exercising any of its rights under Article 9 or any other rights or powers or easements reserved to Declarant under this Declaration.

**ARTICLE 7
MAINTENANCE RESPONSIBILITIES**

This Article sets forth the maintenance responsibilities of the Association and the standards for that maintenance to ensure the overall quality and aesthetic appearance of the Community. This Article also sets forth the maintenance obligations of the Owners. It is important that the Association and each Owner understand the maintenance responsibilities set forth in this Article. Maintaining the Community will help to preserve and protect the value and aesthetic appearance of the Community. Additional maintenance obligations may be identified in a Supplementary Declaration.

7.1 Maintenance. Unless the context otherwise requires, as used in this Article, "maintenance," "maintain" or "maintaining" means the operation, inspection, maintenance, repair, restoration and replacement of the areas and facilities designated for maintenance by the Association or Owner. To the extent repair, restoration and replacement is required as a result of damage or destruction under Article 11, then the repair and replacement shall be governed by the provisions of Article 11.

7.2 Maintenance Obligations of Owners.

7.2.1 Maintenance by Owners. Each Owner of a Residential Condominium shall be responsible for the maintenance of the Improvements described below.

(a) **Maintenance of Residential Units.** Subject to any provisions of the Governing Documents, each Owner shall be responsible for the maintenance of the Owner's Residence (including all portions of the Residence, the roof, windows, driveway and entire structure), and all Improvements situated within the Residential Unit boundary in a good condition of maintenance, as well as and any yard, driveway and patio areas within the boundaries of the Residential Unit. Each Owner acknowledges that although the Residential Unit is a Residential Condominium, the Residential Unit includes all of the Improvements within the Residential Unit, and that, therefore, each Owner has maintenance obligations similar to the maintenance obligations of an owner of a single family detached home located on a separate legal lot.

(b) **Utility Facilities.** Each Owner shall be responsible for proper operation and maintenance of the Utility Facilities exclusively servicing the Owner's Residential Condominium and located within the Residential Unit or Association Property, so long as those systems are used exclusively by such Owner and not in common; provided, however, that the Association shall have the right, but not the obligation, to undertake the maintenance of such Utility Facilities when located within Association Property and to levy a Compliance Assessment against the Owner for the cost of such maintenance.

(c) **Photocell Lighting.** Each Owner shall maintain the photocell controlled fixtures installed by Declarant that are located on certain Residences, including the garages and certain porches, in working condition and will replace as needed.

(d) **Mailbox Locks.** Each Owner is responsible for the maintenance of any locks on such Owner's mailbox.

(e) **Maintenance of Sideyard Easement Area.** The Owner of a Residential Unit burdened by a Sideyard Easement Area shall be responsible to maintain the Sideyard Easement Area.

(f) **Private Sewer Lateral.** Each Owner shall be responsible for maintenance of all portions of any Private Sewer Lateral servicing such Owner's Residential Unit. All such maintenance shall be performed in accordance with the Maintenance Obligations and any applicable private sewer lateral encroachment maintenance removal agreement.

7.2.2 Quality of Maintenance. All maintenance required to be performed by an Owner pursuant to this Declaration shall be performed in such a manner as shall be deemed necessary in the

judgment of the Association to preserve the attractive appearance thereof, and to protect the value thereof in compliance with all requirements of the Owner Maintenance Manual, the Maintenance Obligations. Any such maintenance of any of the foregoing which is visible from outside of a Residential Unit shall be consistent with the existing design, aesthetics and architecture of the Community.

7.2.3 Compliance with Maintenance Obligations. By accepting a deed to a Residential Unit, each Owner acknowledges and agrees that each Owner is required to comply with all of the Maintenance Obligations and schedules set forth in the Owner Maintenance Manual, and each Owner is further obligated to provide a copy of all documents describing Maintenance Obligations to any successor purchaser of such Owner's Residential Condominium.

7.2.4 Liability for Damage. Notwithstanding any other provision of this Article to the contrary an Owner who by his or her negligent or willful act causes damage to the Association Property or Association Maintenance Areas shall bear the whole cost of repairing such damage.

7.2.5 Non Compliance With Maintenance Obligations by an Owner. If an Owner ("Non-Maintaining Owner") fails to perform its Maintenance Obligations as required under this Declaration, the Association, in addition to any other rights under this Declaration, shall have the right to cure such failure and the provisions set forth below shall apply.

(a) Maintenance Deficiencies. Upon a finding by the Association of a deficiency by a Non-Maintaining Owner in its Maintenance Obligations, the Association may provide to the Non-Maintaining Owner a written notice (the "Notice of Deficiency"), which shall briefly specify the conditions which the Association finds to be deficient, and request that such deficiency be cured within a specified reasonable period of time. If the Association determines that such deficiency continues to exist at the end of the period of time specified in the Notice of Deficiency, the Association may, at its option, either: (a) enter on and accomplish the maintenance of such portion of the Property that continues to be deficient; (b) contract with another party to accomplish such maintenance; or (c) seek any other remedy available at law or in equity including, without limitation, specific performance or an injunction to enforce the Non-Maintaining Owner's Maintenance Obligations provided herein. Any of the foregoing remedies may be employed at the option of the Association, and the failure to employ any of such remedies upon any occurrence giving rise to such remedies shall not be a waiver of the right to employ such remedies in connection with any other occurrence.

(b) Emergency Maintenance. If the Association determines that such deficiency constitutes an Emergency which requires action prior to the expiration of any cure period, the Association may take the actions provided for in this Section without a Notice of Deficiency being given in advance of taking such action, provided that as soon as reasonably practicable after taking the Emergency action the Association gives a Notice of Deficiency (without providing a cure period) to the Non-Maintaining Owner.

(c) Reimbursement of Association. If the Association elects to perform a Non-Maintaining Owner's Maintenance Obligations, whether by use of its own employees and equipment or by contract with a third party, the entire cost of accomplishing such maintenance shall be an obligation of the applicable Non-Maintaining Owner and shall be reimbursed by the Non-Maintaining Owner to the Association with interest at the Applicable Rate within fifteen (15) days after receipt of a statement therefor. If such amounts are not reimbursed when due, the Association may levy a Compliance Assessment.

7.3 Maintenance Obligations of the Association. The Association shall maintain the Association Property and Association Maintenance Areas in a good condition of repair in accordance with the Maintenance Obligations and the Association Maintenance Manual, including all Improvements, landscaping, irrigation, monument signs and any private storm drains located on the Association Property and Association Maintenance Areas.

7.3.1 County Agreements. The Association shall perform all maintenance obligations set forth in the County Agreements, if any.

7.3.2 Private Streets. The Association shall maintain all Private Streets, including, without limitation, any parkway and sidewalk Improvements located within the Private Streets, and the street lights within or adjoining the Private Streets as part of the Private Streets.

7.3.3 Cluster Mailboxes. The Association shall maintain the cluster mailboxes, except that the Owners shall maintain the locks as provided above.

7.3.4 Utility Facilities. The Association shall maintain the Utility Facilities which service more than one Residential Unit. As provided in Section 7.2.1(b) above, the Association shall have the right, but not the obligation, to undertake the maintenance of any Utility Facility which exclusively services a Residential Unit when located within Association Property and to levy a Compliance Assessment against the Owner.

7.3.5 Storm Water and Drainage Facilities. The Association shall maintain all Storm Drain and Water Quality Improvements within the Association Property and any other storm water and drainage facility as may be designated in a Supplementary Declaration. Such maintenance shall be performed in accordance with the requirements of WQMP and all Governmental Requirements.

7.3.6 Submeters. The Association shall have the obligation to maintain, repair and replace the submeter providing service to the Community. The Association shall also have the right to test the submeters, with appropriate notice, for accuracy and shall have the right to replace or repair a substandard meter. Each Owner with a submeter shall provide unobstructed access to the Association or Metering Company for any inspections and maintenance and remove any items from the garage which would prohibit inspection and maintenance of such submeters upon prior notice of such inspection and maintenance from the Association or Metering Company of an Owner's submeter.

7.3.7 Additional Items. The Association shall also be responsible for maintaining any Improvements designated in a Supplementary Declaration and/or that a majority of the Board or a majority of the Voting Power designates for maintenance by the Association.

7.3.8 Association's Compliance with Maintenance Obligations. The Association shall comply with the Maintenance Obligations for the Association Property and the Association Maintenance Areas, in accordance with the requirements of the Association Maintenance Manual and this Declaration and all Governing Documents. The Association's Maintenance Obligations in any Phase shall commence on the date Regular Assessments commence in such Phase. Until commencement of Regular Assessments in any Phase, the Association Property, Association Maintenance Areas and Offsite Maintenance Areas in such Phase shall be maintained by the then owner of such property. Notwithstanding the foregoing, the contractors or subcontractors of Declarant may be contractually obligated to maintain the landscaping or other Improvements on the Association Property and Association Maintenance Areas pursuant to warranties or other existing contractual obligations to Declarant. The Association shall not interfere with the performance of such warranty or other contractual maintenance obligations. Maintenance performed by such contractors or subcontractors of Declarant shall not serve to postpone the commencement of Regular Assessments pursuant to this Declaration, nor entitle an Owner to claim any offset or reduction in the amount of such Regular Assessments.

7.4 Maintenance of Fences and Walls. Except as otherwise provided in a Supplementary Declaration, fences and walls in the Community shall be maintained as set forth below and such maintenance, repair and replacement shall be performed in accordance with California Civil Code Section 841.

7.4.1 Fencing and Walls within Association Property. The Association shall maintain, in a good condition of maintenance and repair, and replace if necessary any walls and any fencing and walls situated on Association Property which do not border a Residential Unit. Such maintenance shall include, without limitation, the prompt removal of all graffiti from walls or fences situated within Association Property which are the responsibility of the Association.

7.4.2 Owner Maintenance Obligations. Each Owner shall maintain, in a good condition of maintenance and repair, the fencing and walls situated on an Owner's Residential Unit. Each such Owner shall also replace, as may be necessary, such fences and walls, with fences and walls approved in accordance with Article 8. Such maintenance shall include, without limitation, the prompt removal of all graffiti from walls or fences from such walls or fences. Any glass used as a component of fencing which is damaged shall be repaired or replaced at the Owner's expense in a timely manner, but nothing contained herein shall limit any rights or remedies of an Owner against a Person causing such damage.

7.4.3 Interior Fencing or Walls Between Two Residential Units. For any fences or wall which separate two (2) Residential Units, each Owner shall have the obligation to maintain the interior of the fence or wall, and the Owners shall share, on an equitable basis, the cost of replacing such fence or wall. The Owner of each affected portion of the Property upon which a party wall or fence is located shall have a reciprocal non-exclusive easement over the Property immediately adjacent to the interior fence for the limited purpose of maintaining the party wall or fence.

7.4.4 Fencing or Walls Between Residential Units and Association Property. If any interior fence or wall separates a Residential Unit from Association Property, the Owner shall maintain the surface of the fence or wall facing the Owner's Residential Unit and the Association shall maintain the surface of the fence and wall facing the Association Property. Any tubular steel fencing shall be maintained by the Association. The Owner shall repair and replace the fence or walls.

7.4.5 Liability for Damage. Notwithstanding any other provision of this Section, an Owner who by his or her negligent or willful act causes a wall or fence within the Community to be damaged shall bear the whole cost of repairing such damage.

7.5 Duty to Protect Against Mechanics' Liens. In performing their Maintenance Obligations, and in connection with any other Improvements, the Association and any Owner (for the purposes of this Section, the "Contracting Party," as applicable) shall each promptly pay all costs, expenses, liabilities and liens arising out of or in any way connected with contracts for any service, labor or materials provided or supplied to the Property or the construction of any Improvements authorized or undertaken by the Contracting Party. A Contracting Party shall not cause or permit any mechanic's lien to be filed against the Community for labor or materials alleged to have been furnished or delivered to the Community by the Contracting Party. If any Contracting Party causes a lien to be filed, such Contracting Party shall: (a) immediately either cause the lien to be discharged within ten (10) days after notice to such responsible party by the Contracting Party, or post a bond which protects the title of the affected Contracting Party to their Property; and (b) indemnify, protect, defend and hold harmless the other Owners and/or the Association, as applicable, from any loss, damage, liability, expense or claims whatsoever by reason of any expenses incurred in connection therewith, including, without limitation, reasonable attorneys' fees and costs of defending against the foregoing claims by the Association, another Owner and any costs of enforcing this indemnity prior to the defense thereof by the Contracting Party.

7.6 Liability to Declarant. So long as Declarant has any obligation or liability under any permits issued by a Governmental Agency, if an Owner or the Association is not in compliance with the provisions of this Article and as a result, Declarant may incur any liability, Declarant shall have the right but not the obligation to enter upon the applicable portion of the Community to correct such violation. If the Association or an Owner violates the requirements of this Article, the Association or Owner shall indemnify, protect, defend and hold Declarant, and its officers, directors, successors and assigns entirely free and harmless from and against any liabilities, penalties, costs, expenses and actions, including, without limitation, attorneys' fees and costs arising from or attributed to a violation of the provisions of this Article and shall, within fifteen (15) days after request from Declarant, reimburse Declarant for any costs and expenses it incurred as a result of a violation of this Article by the Association or Owner.

7.7 Inspection of the Community. The Association shall regularly inspect all major components of the Association Property and Association Maintenance Areas at least once each year. One of the primary purposes of the inspection shall be to determine how to extend the life of Association Property

Improvements and Association Maintenance Areas and to prevent damage to such Improvements resulting from the Association's neglect or the failure to properly and adequately maintain. The Association shall keep appropriate records to document that it has performed all inspections and maintained all Improvements in compliance with the Association Maintenance Manual and this Declaration. For a period of ten (10) years after the date of the last close of escrow of a Residential Unit in the Community, Declarant shall have the right, but not the obligation, to inspect the Association Property and Association Maintenance Areas on an periodic basis, at least once each year, to determine whether any repair to or routine maintenance of the Association Property or Association Maintenance Areas is needed. Such inspection by Declarant shall be in addition to, not in place of, the inspections required of the Association in this Declaration. Nothing herein shall create an obligation on Declarant to inspect the Association Property or Association Maintenance Areas, to repair or maintain any portion thereof or any Improvements there within, or to cure any failure of the Association to perform its Maintenance Obligations.

7.7.1 Maintenance Manual Compliance. The Association has the duty and obligation, along with the attendant rights and power, to carry out Declarant's and its consultant(s)' maintenance of the Association Property in perpetuity as set forth in the Maintenance Manual and in accordance with the requirements or recommendations of Declarant and its consultant(s). The Board shall regularly determine whether the recommended inspections and maintenance activities have been followed, and, if any such recommendations have not been followed, what corrective steps need to be taken to assure proper inspections and maintenance of the Association Property. The Board shall keep a record of such determinations in the Board's minutes.

7.7.2 Declarant's Inspection Rights. For a period of ten (10) years after the date of the last close of escrow of a Residential Unit in the Community, Declarant shall have the right, but not the obligation, to inspect the Association Property on an periodic basis, at least once each year, to determine whether any repair to or routine maintenance of the Association Property is needed. Such inspection by Declarant shall be in addition to, not in place of, the inspections required of the Association in this Declaration. Nothing herein shall create an obligation on Declarant to inspect the Association Property, to repair or maintain any portion thereof or any Improvements there within, or to cure any failure of the Association to perform its Maintenance Obligations.

7.8 Future Construction. Nothing in this Declaration shall limit the right of Declarant to complete construction of Improvements to the Association Property and to Residential Condominiums owned by Declarant or to alter them or to construct additional Improvements as Declarant deems advisable before completion and sale of the entire Community.

ARTICLE 8 DESIGN REVIEW

To help maintain the architectural integrity and to project and preserve the value of the Community, the Association is charged with the responsibility of design review over the Community. The design review and approval process is intended to help to protect the interests of the Owners in the Community. Design review may be performed by either the Board, the Design Review Committee or an outside consultant. The design review process will be governed by both the provisions of this Declaration and the requirements set forth in Design Guidelines.

8.1 Non-Applicability to Declarant. The provisions of this Article shall not apply to any Improvements installed by Declarant or repaired by Declarant pursuant to the Limited Warranty, Civil Code Section 895, *et seq.*, and neither the Board nor the Design Review Committee shall have any rights of review or approval with respect thereto.

8.2 Scope of Review. No Improvements of any kind whatsoever shall be commenced, erected, placed or altered upon or around any Residential Unit until the Owner has submitted complete plans and specifications showing the nature, kind, shape, height and materials, including the color and any other requirements set forth in the Design Guidelines ("Plans and Specifications"), and such Plans and Specifications have been approved in writing as to harmony of external design and location to surrounding

structures and topography by the Board. In addition, the grade, level or drainage characteristics of the Residential Unit or any portion thereof shall not be altered without the prior written consent of the Board. An Owner shall also be obligated to obtain any approvals required by the County or other Governmental Agencies.

8.3 Design Guidelines. The Board may, from time to time and in accordance with California Civil Code Section 4355, *et seq.*, adopt, amend and repeal, rules and regulations to be known as "Design Guidelines." The Design Guidelines shall interpret and implement the provisions hereof by setting forth the standards and procedures for Board review and guidelines for architectural design of Improvements, placement of Improvements, color schemes, exterior finishes and materials and similar features which are recommended for use in the Community; provided, however, that the Design Guidelines shall not be less restrictive than the standards required by this Declaration. The Design Guidelines shall be in compliance with all Applicable Laws including, without limitation, California Civil Code Sections 4720 and 4735.

8.4 Approval of Plans and Specifications. Prior to the installation of any Improvements, or taking other action that requires the prior approval of the Board, the Owner ("Applicant") shall submit a complete set of Plans and Specifications and any review fee required pursuant to the Design Guidelines and any other materials required by the Association in accordance with the Design Guidelines. Applicant shall include evidence satisfactory to the Board that the proposed Improvements (1) are acceptable under the terms of this Declaration and the Design Guidelines, and (2) comply with all Applicable Laws and, as applicable building code requirements ("Application").

8.4.1 Time Periods for Review. Within sixty (60) days after an Owner's proper application for approval, the Board shall consider and act upon such request. In the event the Board fails to approve or disapprove of the Application within sixty (60) days after all documents and information requested by the Board have been received by it, the Owner requesting said approval may submit a written notice to the Board advising the same of its failure to act. If the Board fails to approve or disapprove any such Application within thirty (30) days after the receipt of said notice from such Owner, then said Application shall be deemed approved, provided that any Improvements conform to all conditions and restrictions contained in this Article and are aesthetically harmonious with similar structures erected within the Community.

8.4.2 Reconsideration. If a Design Review Committee is appointed and the Design Review Committee disapproves any Plans and Specifications submitted by an Owner pursuant to this Article, the Applicant may submit a written request for reconsideration to the Board. The Board must receive the written request not more than thirty (30) days following the final decision of the Design Review Committee. Within thirty (30) days following receipt of the written request for reconsideration, the Board shall render its written decision in accordance with California Civil Code Section 4765. The decision of the Board shall be binding and final.

8.4.3 Effectiveness of Final Approval. The approval granted as provided above shall be effective for a period of twelve (12) months from the date of issuance. In the event construction does not commence within such twelve (12) month period, the approval shall be deemed to have expired and a new approval pursuant to the provisions of this Article must be obtained.

8.4.4 Design Review Consultant. The Board or if formed, the Design Review Committee, shall have the right to utilize a qualified consultant ("Design Review Consultant") and empower the Design Review Consultant to act on behalf of the Board or Design Review Committee in approving, conditionally approving or disapproving Plans and Specifications; provided, however, any decision of a Design Review Consultant may be appealed by the applicant to the Board by the applicant delivering written notice of appeal to the Board within sixty (60) days after the Design Review Consultant's written decision is delivered to the applicant. The Design Review Consultant shall review the Plans and Specifications in accordance with the requirements set forth herein and in accordance with the requirements set forth in the Design Review Guidelines.

8.5 Approval of Solar Energy System. The installation of a Solar Energy System, other than a system installed by Declarant, shall require the prior approval of the Design Review Committee. Reasonable restrictions on the installation of Solar Energy System may be applied, so long as the restrictions do not significantly increase the cost of the system or significantly decrease its efficiency or specified performance. A Solar Energy System shall be appropriately certified and shall comply with the requirements for such systems as set forth in the Solar Rights Act. The criteria for approval of the installation of a Solar Energy System may implement relevant provisions of the Solar Rights Act and the Solar Shade Control Act and the provisions of this Section 8.5, but shall not otherwise be any more restrictive or subject to more scrutiny than those for any other Improvement. Any restrictions, Design Guidelines or Association Rules applied to Solar Energy Systems must comply with the Solar Rights Act and the Solar Shade Control Act. The application for approval shall be processed and approved by the Design Review Committee in the same manner as an application for approval of any other Improvement, and shall not be willfully avoided or delayed. The Design Review Committee shall have no obligation to determine compliance with the Solar Rights Act or Solar Shade Control Act or to consider the impact of landscape, present or future, on Residential Units adjacent to a Solar Energy System and shall have no liability to any person for not considering any potential landscape impacts or compliance with the Solar Shade Control Act or compliance with the Solar Rights Act. Notwithstanding the preceding sentence, until all Residential Units in the Community have been conveyed to Owners other than Declarant, the Design Review Committee shall consider the Declarant's then most current plan of development for any portion of the Community that will or is likely to affect the efficiency or performance of a Solar Energy System. Declarant shall have no liability to any Owner of a Solar Energy System for any residential structure(s) constructed by Declarant in the Community, regardless of when the residential structure(s) is constructed.

8.6 Approval of Modifications to Accommodate Disabled Owners. Any Owner proposing to install Improvements or make modifications to such Owner's Residential Unit or the Association Property leading to such Owner's Residential Unit to facilitate access for persons who are blind, visually handicapped, deaf or partially disabled, or to other conditions which could be hazardous to such persons shall be subject to the same review and approval requirements as any Owner proposing to construct Improvements or other actions requiring approval of the Board pursuant to this Declaration; provided, however, that the Board shall not deny approval of the proposed modifications without good cause.

8.7 Compliance With California Civil Code Section 4765. In approving Plans and Specifications submitted to it pursuant to this Article, the Board shall comply with the requirements of California Civil Code Section 4765.

8.8 Inspection and Correction of Work. Inspection of work and correction of defects therein shall proceed as set forth below.

8.8.1 Right of Inspection During Course of Construction. The Board or its duly authorized representative may enter into any Residential Unit, from time to time, as provided below during the course of construction or installation of any Improvements for the purpose of inspecting the construction or installation. If the Board determines that such construction and/or installation is not being done in substantial compliance with the approved Plans and Specifications, it shall notify the Owner of such noncompliance. The Board may not enter into a Residence without obtaining the prior permission of the Owner or Occupant; provided, however, that such prior permission shall not be unreasonably withheld and shall be given for entry by the Board during the daylight hours within forty-eight (48) hours of the request for entry.

8.8.2 Notice of Completion. Upon completion of any construction or reconstruction or the alteration or refinishing of any Improvements, or upon the completion of any other work for which approved Plans and Specifications are required under this Article, the Owner shall give written notice of completion thereof to the Board.

8.8.3 Inspection. Within thirty (30) days after receiving notice of completion, the Board, or its duly authorized representative, shall have the right to enter into a Residential Unit (but not the interior

of the Residence situated therein) as provided in Section 8.8.1, to inspect the Improvements to determine whether they were constructed or installed in substantial compliance with the approved Plans and Specifications. If the Board finds that such construction or installation was not done in substantial compliance with the approved Plans and Specifications, it shall notify the Owner in writing of such non-compliance within such thirty (30) day period, specifying particulars of non-compliance, and shall require the Owner to remedy such non-compliance.

8.8.4 Non-Compliance. If an Owner fails to remedy such non-compliance within thirty (30) days after the date of notification of non-compliance, the Board, after affording the Owner Notice and Hearing, shall determine whether there is a non-compliance, and if so, the nature thereof and the estimated cost of correcting or removing the same. If non-compliance exists, the Board shall require the Owner to remedy or remove the same within a period of not more than thirty (30) days from the date of the Board ruling. If the Owner does not comply with the Board ruling within such period or within any extension of such period as the Board in its discretion may grant, the Board, at its option, may (i) fine the Owner until such Owner complies, (ii) remove the non-complying Improvement, or (iii) remedy the non-compliance, and the Owner shall reimburse the Association for all expenses incurred in connection with such removal or remedying of the non-compliance upon demand. If such expenses are not promptly repaid by the Owner to the Association, the Board shall levy a Compliance Assessment against such Owner for reimbursement.

8.8.5 Failure to Notify. If for any reason the Board fails to notify the Owner of any non-compliance within sixty (60) days after receipt of the notice of completion from the Owner, the Improvements shall be deemed to be in accordance with said approved Plans and Specifications.

8.8.6 Governmental Regulations. If in the event there is any conflict between the requirements or actions of the Board and the Applicable Laws relating to the Property, to the extent that such Applicable Laws are more restrictive, the Applicable Laws shall control, and the Board shall modify its requirements or actions to conform to the Applicable Laws; provided, however, that if the Applicable Laws are less restrictive, the provisions of this Declaration shall nonetheless apply. The application to and the review and approval by the Board of any Plans and Specifications or other submittals by an Owner shall in no way be deemed to be satisfaction or compliance with any building permit process or other Applicable Laws or public utility requirements (hereinafter collectively referred to as "Additional Requirements") the responsibility for which shall lie solely with the Owner; provided, however, if the Additional Requirements are less restrictive than the provisions of this Declaration, then the other Governing Documents shall nonetheless apply.

8.9 Diligence in Construction. Upon approval by the Board or Design Review Committee of any Plans and Specifications, the Owner shall promptly commence construction of the Improvements and diligently pursue the same to completion.

8.10 Fee for Review and Inspection of Improvements. The Board shall have the right to establish a fee for the review and approval of Plans and Specifications and inspection of Improvements that must be submitted to the Board pursuant to the provisions of this Article. The Board shall have the right to hire an engineer or other consultant, the opinion of which the Board deems necessary in connection with its review of any plans submitted by any Owner, and such Owner shall be liable for payment of such engineer's and/or consultant's fee.

8.11 Interpretation. All questions of interpretation or construction of any of the terms or conditions herein shall be resolved by the Board, and its decision shall be final, binding and conclusive on all of the parties affected.

8.12 Waiver. The approval by the Board of any Plans and Specifications for any work done or proposed, or for any other matter requiring the approval of the Board under this Declaration, shall not be deemed to constitute a waiver of any right to withhold approval of any similar Plans and Specifications or matter subsequently submitted for approval.

8.13 Estoppel Certificate. Within thirty (30) days after written demand is delivered to the Board by any Owner and upon payment to the Association of a reasonable fee (as fixed from time to time by the Association), the Board shall deliver an estoppel certificate executed by any member of the Board (with respect to any Residential Unit of said Owner) that as of the date thereof, either: (a) all Improvements made and other work completed by said Owner comply with this Declaration, or (b) such Improvements or work do not so comply, in which event the estoppel certificate shall also identify the non-complying Improvements or work and set forth with particularity the basis of such non-compliance. Any purchaser from the Owner or from anyone deriving any interest in said Residential Unit through the Owner shall be entitled to rely on said estoppel certificate with respect to the matters therein set forth, such matters being conclusive as between the Association, Declarant and all Owners and such Persons deriving any interest through them.

8.14 Liability. Neither the Board, any Design Review Committee, nor any member thereof shall be liable to the Association or to any Owner for any damage, loss or prejudice suffered or claimed on account of: (a) the approval or disapproval of any Plans and Specifications, whether or not defective; (b) the construction or performance of any work, whether or not pursuant to approved Plans and Specifications; (c) damage to the Community or any property within the Community; or (d) the execution and filing of an estoppel certificate pursuant to Section 8.13, whether or not the facts therein are correct; provided, however, that the Board member has acted in good faith on the basis of such information as may be possessed by him or her. Without in any way limiting the generality of the foregoing, the Board, or any member thereof, may, but is not required to, consult with or hear the views of any Owner with respect to any Plans and Specifications or any other proposal submitted to the Board.

8.15 Variances. The Board may authorize variances from compliance with any of the architectural provisions of this Declaration, including, without limitation, restrictions upon height, size, floor area or placement of Improvements or other similar restrictions, when circumstances such as topography, natural obstructions, aesthetic or environmental considerations may require. Such variances may be evidenced in writing and must be signed by at least two (2) officers of the Board and shall become effective upon execution. If such variances are granted, no violation of the covenants, conditions and restrictions contained in this Declaration shall be deemed to have occurred with respect to the matter for which the variance was granted. The granting of such a variance shall not operate to waive any of the terms and provisions of this Declaration for any purpose except as to the particular Residential Unit and particular provision hereof covered by the variance, nor shall it affect in any way the Owner's obligation to comply with all Applicable Laws affecting its use of the Residential Unit, including, without limitation, zoning ordinances and lot setback lines or requirements imposed by the County or any other Governmental Agencies.

8.16 Appointment of Design Review Committee. The Board shall have the right to delegate its review and approval rights under this Article to a Design Review Committee or an outside consultant. If the Board so elects, the Design Review Committee shall consist of a minimum of three (3) members and a maximum of five (5) members. One (1) alternate member may be designated by the Board to act as a substitute on the Design Review Committee. In the event the Board appoints a Design Review Committee, all rights hereunder shall apply to the Design Review Committee and all references to the Board shall be deemed to refer to the Design Review Committee. Members appointed to the Design Review Committee by Declarant need not be Members of the Association. Exercise of the right of appointment and removal as set forth herein shall be evidenced by the specification in the minutes of the Association of each new Design Review Committee member or alternate member appointed and each member or alternate replaced or removed from the Design Review Committee.

8.17 Compensation. The members of any Design Review Committee appointed by the Board shall receive no compensation for services rendered other than reimbursement by the Association for expenses incurred by them in the performance of their duties hereunder, unless the Association retains a professional architect, engineer or designer as a member of the Design Review Committee for the purpose of providing professional services, in which event reasonable compensation for such member shall be approved by the Board.

ARTICLE 9 DEVELOPMENT RIGHTS

Given the size of the Community, development will extend over a long period of time. Declarant requires certain rights to enable Declarant to complete development, marketing and construction for the benefit of all of the Community. This Article describes some of those rights which are in addition to other rights reserved to Declarant under this Declaration and the other Governing Documents.

9.1 Limitations of Restrictions. Declarant is undertaking the work of developing Residential Condominiums and other Improvements within the Community. The completion of the development work and the marketing and sale, rental and other disposition of the Residential Condominiums are essential to the establishment and marketing of the Property as a first class Residential Condominium community. In order that the work may be completed nothing in this Declaration shall be interpreted to deny Declarant the rights set forth in this Article.

9.1.1 Access. Declarant and its agents, contractors and subcontractors shall have the right to obtain reasonable access over and across the Association Property to do within any Residential Unit owned by it whatever is reasonably necessary or advisable in connection with the completion of the Community and the development, marketing and maintenance thereof, and Declarant and its contractors and subcontractors shall have such rights of access over and across the Association Property for purposes of satisfying any obligation of Declarant that Declarant has secured by a bond in favor of any Governmental Agency. Declarant shall have the right to keep any gate to the Community open during the construction, sale, and marketing of the Community.

9.1.2 Construct Improvements. Declarant, its agents, contractors and subcontractors, shall have the right to erect, construct and maintain on the Association Property or within any Residential Condominium owned by Declarant such structures or Improvements, including, without limitation, sales offices and signs, as may be reasonably necessary for the conduct of its business to complete the work, establish the Community as a residential community and dispose of the Community or other communities or projects owned by Declarant by sale, lease or otherwise, as determined by Declarant in sole discretion and to perform or complete any work to improvements required for Declarant to obtain a release of any bonds posted by Declarant in favor of any Governmental Agencies.

9.1.3 Grant Easements. Declarant shall have the right to establish and/or grant such easements and rights of way on, over, under or across all or any part of the Association Property to or for the benefit of any Governmental Agency or public organization, or any public utility entity or cable television provider, for the purpose of constructing, erecting, operating and maintaining Improvements thereon, therein or thereunder at that time or at any time in the future. The Governmental Agencies furthermore are granted an easement across the Association Property for ingress and egress for use by emergency vehicles of the Governmental Agencies.

9.1.4 Use of Facilities. Declarant shall have the right to use any recreational and other facilities within the Association Property, including without limitation, the Recreational Facility for promotional and other marketing activities, and events and to reasonably display or show any recreational facilities to prospective purchasers.

9.2 Size and Appearance of Community. Declarant shall not be prevented from increasing or decreasing the number of Residential Condominiums that may be annexed to the Community or from changing the exterior appearance of Association Property structures, the landscaping or any other matter directly or indirectly connected with the Community in any manner deemed desirable by Declarant, provided Declarant obtains governmental consents required by Applicable Laws. The nature, design, quality and quantity of all Improvements to the Association Property and Association Maintenance Areas shall be determined by Declarant, in its sole discretion.

9.3 Marketing Rights. Declarant shall have the right to:

9.3.1 maintain structures (including model homes), signs, billboards, sales offices, storage areas and related facilities on any portion of the Property as are necessary or reasonable, in the opinion of Declarant, or with the prior approval of Declarant for the sale, leasing or disposition of any Residential Condominiums;

9.3.2 use such portions of the Residential Condominiums as may be necessary or advisable to complete the sale or leasing of the Residential Condominiums;

9.3.3 maintain construction, leasing and/or sales offices within the Property;

9.3.4 place signs, flags, banners, balloons and other promotional advertising materials on portions of the Property during the marketing and leasing of Residential Condominiums or any grand opening;

9.3.5 provide ongoing maintenance, operation, service, construction, punch out, and repairs to any portion of the Residential Units and other Improvements within any portion of the Property;

9.3.6 change the appearance of portions or all of the Property, or change the development plan if Declarant complies with Applicable Laws;

9.3.7 enter within or upon the Property in exercising the inspection and cure rights granted to Declarant under any other warranty rights;

9.3.8 make reasonable use of the Association Property and facilities for the sale of any Residential Condominium; and

9.3.9 conduct their business of disposing of the Residential Condominiums by sale, lease or otherwise.

Any easement rights reserved by Declarant for marketing shall continue until Declarant has conveyed all of the Residential Units within the Property to First Purchasers, and any easement rights reserved by Declarant in favor of Declarant for any construction, inspection or cure purposes shall be for a term and duration co-extensive with Declarant's, interest in any portion of the Property.

9.4 Title Rights. The rights of Declarant under this Declaration may be assigned to any successor(s) by an express assignment in a recorded instrument, including without limitation, a deed, option or lease. This Declaration shall not be construed to limit the right of Declarant at any time prior to such an assignment to establish additional licenses, reservations and rights-of-way to itself, to utility companies, to Governmental Agencies, or to others as may be reasonably necessary to the proper development and disposal of property owned by Declarant.

9.5 Control of Access into the Community. Until development of the Community is complete and Declarant has concluded sales, leasing or other marketing programs, Declarant shall have the exclusive right to control all aspects of the operation of any and all Community entry facilities, if any, (including, without limitation, keeping the Community entry facilities in an open position for sales purposes, and opening any or all of the Community entry facilities to provide access for construction traffic in accordance with Applicable Laws). Consequently, access into the Community may be open to the public for an extended period of time. At such time as Declarant relinquishes its right to control the operation of all of the Community entry facilities, such facilities will be owned, operated and controlled by the Association.

9.6 Declarant Representative. Until Declarant no longer owns any Residential Condominium, the Association shall provide Declarant with written notice of all meetings of the Board and

Declarant shall be entitled, without obligation, to have a representative present at all such Board meetings ("Declarant's Representative"), excluding any meetings while the Board is in executive session. The Declarant's Representative shall be in addition to any member which Declarant may have on the Board and, if Declarant elects to have an additional representative, Declarant's Representative may be present in an advisory capacity only and shall not be a Board member or have any right to vote on matters coming before the Board.

9.7 Declarant Exemptions. None of the covenants, restrictions and limitations set forth in Article 6, Article 8 or elsewhere in this Declaration shall be applied to the development, construction, marketing or sales or leasing activities of Declarant or construed in such a manner as to prevent or limit development, construction, marketing, leasing or sales activities by Declarant. This Section shall not be amended or removed without Declarant's prior written consent so long as Declarant owns any portion of the Property. Declarant and any Person to whom Declarant has assigned all or a portion of its rights as Declarant under this Declaration is exempt from the restrictions established under Article 6 and Article 8.

9.8 Supplementary Declarations. So long as Declarant owns any portion of the Property, Supplementary Declarations may be recorded by Declarant without the consent of any Owner, the Association or any Mortgagee, for any of the purposes for which a Supplementary Declaration may be recorded. In addition, Supplementary Declarations may be recorded by the Association for any of the purposes for which Supplementary Declarations may be recorded: (a) after Declarant no longer owns any portion of the Property; or (b) so long as Declarant owns any portion of the Property with the consent of Declarant. Supplementary Declarations may also be recorded to impose additional covenants and restrictions on the Owners with the prior consent of the applicable Owners, upon whose portion of the Property the covenants and restrictions are being imposed unless such restrictions are imposed pursuant to any of the other purposes for which a Supplementary Declaration may be recorded as set forth herein or in the other Governing Documents.

9.9 Alterations to Map. At any time within three (3) years from the date that the first Residential Condominium in a Phase is conveyed to an Owner other than Declarant, the boundaries of any Residential Condominium or Association Property in that Phase may be altered by a lot line adjustment or other change reflected on a subsequently recorded Record of Survey, parcel map, final map or amended final map, provided that the altered boundaries are approved by Declarant and all owners of the Property involved in the boundary adjustment (the Board, with respect to property owned by the Association). Any alteration approved by Declarant may make minor changes to the number of Residential Condominiums in the Community. An alteration shall be effective upon recordation of the Record of Survey or map and, upon such recordation, the boundaries of the altered Association Property shall be altered for purposes of this Declaration to conform to the boundaries as shown on the Record of Survey or map.

ARTICLE 10 INSURANCE

10.1 Association's Insurance Obligations.

10.1.1 Liability Insurance. The Association shall obtain and maintain liability insurance providing coverage at least as broad as a current Insurance Services Office, Inc. ("ISO") commercial general liability insurance form or its equivalent (including coverage for medical payments and coverage for owned and non-owned automobiles, if applicable), insuring the Association, the Declarant (as long as Declarant is the Owner of any portion of the Property and/or has any rights under Article 9) and the Owners against liability arising from the ownership, operation, maintenance and use of the Association Property by the Association and the performance by the Association of its duties under this Declaration. Coverage for such matters shall be primary to any coverage provided by any other liability insurance policy maintained by such insureds. The limits of such insurance shall not be less than Three Million Dollars (\$3,000,000) per occurrence and Three Million Dollars (\$3,000,000) general aggregate and shall at all times meet or exceed the minimum requirements of California Civil Code Section 5805. Such insurance shall include coverage against water damage liability, a broad form named insured endorsement, and a cross-liability or severability of interest endorsement insuring each insured against liability to each other insured, if

reasonably available as determined by the Board, and may include coverage against any other liability customarily covered with respect to properties similar in construction, location and use, all as may be determined by the Board.

10.1.2 Property Insurance. The Association shall obtain and maintain property insurance for the risks covered by, and providing coverage at least as broad as, a current ISO "special form" policy or its equivalent, insuring: (1) all Improvements upon, within or comprising the Association Property and any other areas to be maintained, repaired or replaced by the Association; and (2) all personal property owned or maintained by the Association. Such insurance shall be maintained in the amount of the maximum insurable replacement value of the property to be insured thereunder, as determined annually by the Board. Such coverage may exclude land, foundations, excavations, and other items typically excluded from property insurance coverage on properties similar in construction, location and use.

(a) **Course of Construction.** Whenever any Improvements or alterations to the Association Insured Property are in the course of construction, the insurance required under this Section, to the extent appropriate, as determined by the Association, shall be carried by the Association in builder's risk form written on a completed value basis, insuring against loss to the extent of at least the full replacement value of the Association Insured Property (excluding foundations and footings, except for earthquake coverage) of that which is being covered.

(b) **Payment of Insurance Proceeds.** Subject to the rights of Mortgagees, the proceeds from such property insurance shall be payable to the Association or an insurance trustee ("Trustee") to be held and expended for the benefit of the Association and the Owners, Mortgagees and others, as their respective interests shall appear. The Trustee shall be a commercial bank or other financial institution with trust powers in the county in which the Community is located that agrees in writing to accept such trust. If restoration is authorized, the Association will have the duty to contract for such work as provided in this Declaration.

(c) **Earthquake Insurance.** ALL PARTIES ACKNOWLEDGE THAT EARTHQUAKE INSURANCE IS NOT INCLUDED IN THE ASSOCIATION BUDGET AND IS NOT BEING OBTAINED BY DECLARANT FOR THE BENEFIT OF THE OWNERS OR THE ASSOCIATION. NEITHER DECLARANT NOR THE ASSOCIATION IS OBLIGATED TO MAINTAIN EARTHQUAKE INSURANCE ON THE COMMUNITY OR ANY PORTION THEREOF. Declarant or any Owner (and/or their respective lenders) may maintain earthquake insurance for their own benefit, but the premiums therefor may not be included by Declarant or the Association in the assessments. Notwithstanding the foregoing, at such time as the Board is no longer controlled by Declarant, the Association may, in its discretion, (but without any obligation to do so) obtain earthquake insurance from time to time, on those portions of the Community that are to be insured by the Association, and if so obtained, the premiums for such insurance may be included in the Assessments. All parties acknowledge that earthquake insurance is typically very expensive and if purchased by the Association a material increase in Assessments may be required to cover the additional cost of such insurance.

(d) **Primary.** With respect to Association Insured Property, the property insurance maintained by the Association shall be primary and noncontributing with any other property insurance maintained by an Owner covering the same loss.

(e) **Endorsements.** The property insurance policy shall contain, to the extent available on commercially reasonable terms as may be determined by the Board, the following endorsements or their equivalents: agreed amount, boiler and machinery (to the extent applicable), inflation guard, ordinance or law, replacement cost, pollution claims including mold, and such other endorsements as may customarily be obtained with respect to properties similar in construction, location and use, as may be determined by the Board.

(f) **Adjustment of Losses.** The Association shall timely file, pursue and complete the adjustment of all claims arising under the property insurance policies carried by the Association. The Board is appointed attorney-in-fact by each Owner (except for the Secretary, U.S.

Department of Veterans Affairs), to negotiate and agree on the value and extent of any property damage under any policy carried by the Association. The Board is granted full right and authority to compromise and settle any property damage claim under any policy of property insurance carried by the Association or enforce any such claim by legal action or otherwise and to execute releases in favor of any insurer with respect to any such claim.

(g) **Waiver of Claims and Subrogation.** The Association waives all claims against the Owners for any damage to the real and personal property that the Association is obligated under this Declaration to insure (including without limitation, any loss of use of such property), except that the Association may claim against an Owner for property damage caused by that Owner to the extent that the damage is within the amount of the deductible or self-insured retention, or such damage is caused by the gross negligence or willful misconduct of that Owner. Any property insurance policy obtained by the Association must contain a waiver of subrogation rights by the insurer consistent with this Section; provided, however, that a failure or inability of the Association to obtain such a waiver from an insurer shall not defeat or impair the waivers between the Association and the Owners as set forth herein. If an Owner is liable for damage under this Section, the Association may, after Notice and Hearing, levy a Compliance Assessment equal to the cost of repairing the damage or any insurance deductible paid under the Association's insurance policy, as applicable, and the increase, if any, in insurance premiums directly attributable to such damage.

The waivers of claims and subrogation set forth in this Subsection apply only in favor of the Owners and do not limit or waive, release or discharge any claims that the Association (or its insurers) may have against any third party, including without limitation any contractor, service provider, agent, or Invitee, provided that such waivers shall also apply in favor of a Lessee if and to the extent that the Owner has similarly agreed in such lease agreement to a waiver of claims and subrogation against such Lessee.

10.1.3 Fidelity Bond or Commercial Crime Policy. The Association shall maintain a fidelity bond or commercial crime policy in an amount equal to the greater of: (a) the estimated maximum amount of funds, including reserves, expected to be regularly held by or on behalf of the Association or a managing agent at any given time during the term of the fidelity bond; and (b) three (3) months' aggregate of the Regular Assessments on all Residential Units plus any reserve funds. If the Association maintains a bond, the bonds shall name the Association as obligee and if the Association maintains a commercial crime insurance, the policy shall name the Association as the insured and shall insure against loss by reason of the acts of the employees of the Association, and any managing agent and its employees, whether or not such persons are compensated for their services.

10.1.4 Worker's Compensation Insurance. The Association shall maintain worker's compensation insurance to the extent necessary to comply with all Applicable Laws.

10.1.5 Directors and Officers Insurance. The Association shall maintain a policy insuring the Association's officers and directors against liability for their acts or omissions while acting in their capacity as officers and directors of the Association. The limits of such insurance shall be not less than Two Million Dollars (\$2,000,000) and shall at all times meet or exceed the minimum requirements of California Civil Code Section 5800.

10.1.6 General Policy Requirements. All insurance policies the Association is required to obtain pursuant to this Article shall be placed and maintained with companies rated at least "A-/VII" by A.M. Best Company, Inc. and otherwise reasonably satisfactory to the Association. If an A.M. Best Company, Inc. rating is not available, a comparable rating service may be used. Such insurance policies may have reasonable deductible amounts comparable to those customarily maintained with respect to properties similar in construction, location and use, as may be determined by the Board. The coverage amounts required for such insurance policies may be satisfied by any combination of primary and excess policies that collectively serve to satisfy the requirements of this Article.

10.1.7 Copies of Policies. Copies of all insurance policies of the Association shall be retained by the Association and available for inspection by Owners at reasonable times. All such insurance

policies shall provide that they shall not be cancelable or substantially modified by the insurer without first giving at least thirty (30) days prior notice in writing to the Owners and Eligible Holders, except that ten (10) days prior written notice shall be required if the cancellation is for non-payment of premiums. In addition to the foregoing, the Association shall provide to the Owners such information regarding the insurance of the Association as may be required by Applicable Laws or under the Bylaws.

10.1.8 Compliance with Federal Regulations. Notwithstanding any other provisions contained herein, the Association shall continuously maintain in effect such insurance and a fidelity bond meeting the minimum insurance and fidelity bond requirements for Residential Condominium projects established by the Federal National Mortgage Association ("FNMA"), the Government National Mortgage Association ("GNMA"), and the Federal Housing Authority ("FHA"), Federal Home Loan Mortgage Corporation ("FHLMC"), or any successor to those entities, so long as any of the above is a Mortgagee or an Owner of a Residential Condominium, except to the extent such coverage is not available or has been waived in writing by the FNMA, GNMA, FHA, and FHLMC as applicable. If the FNMA or FHLMC requirements conflict, the more stringent requirements shall be met.

10.2 Compliance With Insurance Requirements in Documents of Record. The Association shall obtain insurance as required by any document of record affecting the Association Property or Association Maintenance Areas. Each Owner shall obtain insurance as required by any document of record affecting such Owner's Residential Unit.

10.3 Owners' Insurance Obligations. Each Owner is strongly advised to seek the advice of a qualified insurance consultant regarding: (i) the amount of property insurance the Owner should procure for such Owner's Residential Unit including without limitation the Residence located therein; and (ii) the amount of personal liability insurance coverage the Owner should maintain.

10.4 Review of Insurance. The Board shall review the adequacy of all insurance required by this Declaration to be maintained by the Association at least once every year. The review shall include a reasonable determination of the replacement cost of all Association Insured Property without respect to depreciation.

10.5 Board's Authority to Revise Insurance Requirements. Subject to any statutory insurance requirements, the Association shall have the power and right to adjust and modify the insurance requirements set forth herein to require coverage and protection that is customarily carried by and reasonably available to prudent owners and associations of projects similar in construction, location and use. If the Association elects to materially reduce the coverage required to be maintained by the Association from the coverage required in this Article, the Board shall make all reasonable efforts to notify the Owners and Mortgagees of the reduction in coverage and the reasons therefore at least thirty (30) days prior to the effective date of the reduction. The Association, and its directors and officers, shall have no liability to any Owner or Mortgagee, if after a good faith effort, the Association is unable to obtain one or more of the insurance coverages required hereunder to the extent the insurance is no longer available, or, if available, the insurance can be obtained only at a cost that the Board, in its sole discretion, determines is unreasonable under the circumstances, or if the Owners fail to approve any assessment increase needed to fund the insurance premiums.

ARTICLE 11 DESTRUCTION OF IMPROVEMENTS AND CONDEMNATION

This Article addresses what happens in the event of any damage or destruction to a portion of the Property. It is the intent of this Article that if there are sufficient insurance proceeds or if the Members elect to impose a Special Assessment to pay the costs of any shortfalls in the insurance proceeds or elect to adopt an alternative plan of reconstruction so that the rebuilding can occur, that the Association have the responsibility and obligation to repair and restore the damaged Improvements.

In addition, the County or other Governmental Agencies can exercise rights of eminent domain that allow the County or other Governmental Agencies to "take" all or a portion of the Community. This Section describes what happens if a taking of all or a portion of the Association Property occurs.

11.1 Restoration Defined. As used in this Article, the term "restore" or "restoration" shall mean repairing, rebuilding or reconstructing damaged Improvements to substantially the same condition and appearance in which it existed prior to fire or other casualty damage. The Association shall be obligated to restore the Association Property in accordance with the provisions of this Article 11.

11.2 Restoration Proceeds for Association Property. The costs of restoration of the damaged Improvement shall be paid first from any insurance proceeds paid to the Association under existing insurance policies. If the insurance proceeds exceed the costs of restoration, the excess proceeds shall be paid into reserves and held for the benefit of the Association. If the insurance proceeds are insufficient to restore the damaged Improvements, the Board shall then add to the insurance proceeds all reserve account funds designated for the repair or replacement of the damaged Improvement. If the total funds then available are sufficient to restore the damaged Improvement, the Improvement shall be restored. If the aggregate amount of insurance proceeds and such reserve account funds are insufficient to restore the damaged improvement, and if such claims are not waived, the Association shall determine whether to levy a Compliance Assessment against any Owner or Owners who caused such damage in accordance with Section 10.1.2(g). If the aggregate amount of insurance proceeds and such reserve account funds are insufficient to pay the total costs of restoration, the Improvement shall be restored and the Board shall impose a Special Assessment for the cost of repairing and reconstructing Improvements to the extent insurance proceeds are unavailable. Such Special Assessment shall be levied as described in Article 5 (but without the consent or approval of Members, despite any contrary provisions in this Declaration).

11.3 Rebuilding Contract. The Board or its authorized representative shall obtain bids from at least two (2) licensed and reputable contractors and shall accept the restoration work from whomever the Board determines to be in the best interests of the Members. The Board shall have the authority to enter into a written contract with the contractor for such restoration, and the insurance proceeds shall be disbursed to the contractor according to the terms of the contract. The Board shall take all steps necessary to assure the commencement and completion of authorized restoration at the earliest possible date. Such restoration shall be commenced no later than one hundred eighty (180) days after the event requiring restoration and shall thereafter be diligently prosecuted to completion. Such restoration shall return the damaged Improvements to substantially the same condition and appearance in which they existed prior to the damage or destruction.

11.4 Private Streets. The Association shall restore the Private Streets. In the event the proceeds of insurance are not sufficient to cause such restoration, the Board shall levy a Special Assessment to the Owners to provide the necessary funds for such restoration.

11.5 Insurance Trustee. All property insurance proceeds payable to the Association under the policy described in Article 10, subject to the rights of Mortgagees under Article 13, may be paid to a trustee as designated by the Board to be held and expended for the benefit of the Owners and Mortgagees, as their respective interests shall appear. The trustee shall be a commercial bank or other financial institution with trust powers in the County in which the Community is located that agrees in writing to accept such trust. If repair or reconstruction is authorized, the Association will have the duty to contract for such work as provided for in this Declaration.

11.6 Damage to Residential Units. Restoration of any damage to or destruction of the Residential Units shall be made by and at the individual expense of the Owner of the Residential Units so damaged or destroyed. In the event an Owner decides not to rebuild the Residence, Owner shall landscape and maintain the Residential Unit in an attractive and well-kept condition. All restoration shall be completed as promptly as practical and in a lawful and workmanlike manner, in accordance with plans approved by the Board as provided herein.

11.7 Minor Repair and Reconstruction. The Board shall have the duty to repair and reconstruct Improvements, without the consent of Members and irrespective of the amount of available insurance proceeds, in all cases of partial destruction when the estimated cost of repair and reconstruction does not exceed Ten Thousand Dollars (\$10,000). The Board is expressly empowered to levy a Special Assessment for the cost of repairing and reconstructing improvements to the extent insurance proceeds are unavailable, such Assessment to be levied as described above (but without the consent or approval of Members, despite any contrary provisions in this Declaration).

11.8 Condemnation of Association Property. If at any time all or any portion of any Association Property, or any interest therein, is taken for any public or quasi-public use, under any statute, by right of eminent domain or by private purchase in lieu of eminent domain, the entire award in condemnation shall be paid to the Association and shall be used for restoring the balance of the Association Property. To the extent the Association is not permitted by the Governmental Agency to rebuild, then such award shall be apportioned among the Owners by court judgment or by agreement between the condemning authority and each of the affected Owners, the Association and their respective Mortgagees to such area as their interests may appear according to the fair market values of each Residential Unit at the time of destruction, as determined by independent appraisal. The appraisal shall be made by a qualified real estate appraiser with an MAI certificate or the equivalent, which appraiser shall be selected by the Board. Any such award to the Association shall be deposited into the maintenance and operation account of the Association. The Association shall represent the interests of all Owners in any proceeding relating to such condemnation.

11.9 Condemnation of Residential Unit. In the event of any taking of a Residential Unit, the Owner (and such Owner's Mortgagees as their interests may appear) of the Residential Units shall be entitled to receive the award for such taking and after acceptance thereof the Owner and the Owner's Mortgagee shall be divested of all further interest in the Residential Units and membership in the Association if the Owner vacates the Residential Unit as a result of such taking. In such event the Owner shall grant its remaining interest in the Common Area appurtenant to the Residential Unit so taken, if any, to the other Owners owning a fractional interest in the same Common Area, such grant to be in proportion to the fractional interest in the Common Area then owned by each Owner.

ARTICLE 12 PARTITION AND SEVERABILITY OF INTERESTS

12.1 Suspension. The right of partition is suspended pursuant to California Civil Code Section 4610 as to the Community. Nothing in this Article shall be deemed to prohibit partition of a co-tenancy in a Residential Condominium.

12.2 Partition. Except as provided in this Declaration, there shall be no judicial partition of the Common Area, or any part thereof, for the term of the Community, nor shall Declarant, any Owner or any other person acquiring any interest in any Residential Condominium seek any such judicial partition. The undivided interest in the Common Area described above may not be altered or changed as long as the prohibition against severability of interests in a Residential Condominium remains in effect as provided in this Declaration. Notwithstanding the foregoing, judicial partition shall be permitted as follows:

12.2.1 With the approval, after substantial destruction or condemnation of the Community occurs, of at least sixty-seven percent (67%) of the total Voting Power and approval by Eligible Holders who represent at least fifty-one percent (51%) of the Residential Condominiums that are subject to Mortgages held by Eligible Holders; or

12.2.2 With the approval, for reasons other than substantial destruction or condemnation of the Community, of at least sixty-seven percent (67%) of the total Voting Power and approval by Eligible Holders who represent at least sixty-seven percent (67%) of the Residential Condominiums that are subject to Mortgages held by Eligible Holders; or

12.2.3 As allowed by California law, including Civil Code Section 4610, as the same may be amended from time to time.

12.2.4 An Eligible Holder who receives a written request to give such approvals who does not deliver or mail the requesting party a negative response within sixty (60) days shall be deemed to have given such approval provided such written request was delivered by certified mail or registered mail with "return receipt" requested.

12.3 Distribution of Proceeds. Proceeds or property resulting from a partition shall be distributed to and among the respective Owners and their Mortgagees as specified or apportioned in the judgment of partition, or if not so specified, as their interests appear in proportion to the fair market value of the Residential Condominiums at the date of the sale as determined by an independent appraisal conducted by a member of the American Institute of Real Estate Appraisers with the designation of a Member Appraisal Institute (M.A.I.) or if such institute no longer exists, an appraiser of comparable experience.

12.4 Power of Attorney. Each of the Owners irrevocably appoints the Association as attorney-in-fact and irrevocably grants to the Association full power in the name and stead of such Owner to sell the entire Community, and to execute deeds and conveyances to it, in one or more transactions, for the benefit of all Owners when partition of the Community may be had under California Civil Code Section 4610. The power of attorney shall:

12.4.1 Be binding on all Owners, whether they assume the obligations under this Declaration or not;

12.4.2 Be exercisable by a majority of the Board acting on behalf of the Association, subject to obtaining the prior approval by vote or written consent of at least seventy-five percent (75%) of the Owners and at least seventy-five percent (75%) of all Institutional Mortgagees; and

12.4.3 Be exercisable only after recordation with the County Recorder of a certificate executed by those who have power to exercise the power of attorney that the power of attorney is properly exercisable under the authority of this Declaration. This certificate shall be conclusive evidence of proper exercise in favor of any person relying on it in good faith; provided; however, that said power of attorney shall not apply to the Administrator of Veterans Affairs, an Officer of the United States of America.

12.5 Prohibition Against Severance. An Owner shall not be entitled to sever such Owner's Residential Unit from its membership in the Association, and shall not be entitled to sever such Owner's Residential Unit and such Owner's membership from such Owner's undivided interest in the Common Area for any purpose. None of the component interests in a Residential Condominium can be separately sold, conveyed, encumbered, hypothecated or otherwise dealt with, and any violation or attempted violation of this provision shall be void. Similarly, no Owner can sever any exclusive easement appurtenant to such Owner's Residential Unit over the Association Property from such Owner's Residential Condominium, and any attempt to do so shall be void. It is intended hereby to restrict severability pursuant to California Civil Code Section 4630. Notwithstanding the foregoing, the suspension of such right of severability contained herein shall not extend beyond the period set forth in Section 12.2 in which the right to partition the Community is suspended thereunder.

12.6 Conveyances. Any conveyance of a Residential Condominium by an Owner shall be presumed to convey the entire Residential Condominium. However, nothing contained in this Section shall preclude the Owner of any Residential Condominium from creating an estate for life or years, co-tenancy or joint tenancy in the ownership of the Residential Condominium with any other person or persons.

ARTICLE 13 RIGHTS OF MORTGAGEES

Certain Mortgagees need to protect their interests in the Community. This Article gives certain Mortgagees rights to protect their security interests.

13.1 Conflict. Notwithstanding any contrary provision contained elsewhere in the Governing Documents, the provisions of this Article shall control with respect to the rights and obligations of Mortgagees as specified herein.

13.2 Liability for Unpaid Assessments. Any Institutional Mortgagee who obtains title to a Residential Condominium pursuant to the remedies provided in the First Mortgage (except upon a voluntary conveyance to the Institutional Mortgagee) or by foreclosure of the First Mortgage shall take the property free of any claims for unpaid assessments or charges against the Residential Condominium which accrue prior to the acquisition of title to the Residential Condominium by the Institutional Mortgagee.

13.3 Payment of Taxes and Insurance. All taxes, assessments and charges that may become a lien prior to the lien of any First Mortgagee shall be levied only to the individual Residential Condominium and not the Community as a whole. Institutional Mortgagees may, jointly or singly, pay taxes or other charges that are in default and that may or have become a charge against any Association Property or Improvements situated thereon and may pay overdue premiums on property insurance policies or secure new property insurance coverage on the lapse of a policy for such Association Property. Institutional Mortgagees making such payments shall be owed immediate reimbursement for such expenditures from the Association and, on demand, the Association shall execute an agreement in favor of all Institutional Mortgagees reflecting entitlement to reimbursement.

13.4 Notice to Mortgagees. A Mortgagees and guarantor of a Mortgage on a Residential Condominium within the Community are entitled to timely written notice of the following events:

13.4.1 Any condemnation loss or casualty loss that affects either a material portion of the Community or the Residential Condominium on which the Mortgagee holds a Mortgage;

13.4.2 Any delinquency in the payment of Assessments or charges owed by the Owner that is subject to a Mortgage held by the Mortgagee if the delinquency is not cured within sixty (60) days after its due date;

13.4.3 Any lapse, cancellation or material modification of any insurance policy or fidelity bond maintained by the Association;

13.4.4 Any proposal to take any action specified in this Article or Article 11, provided that, for purposes of a proposal to terminate the Community and/or dissolve the Association, "timely written notice" shall mean at least thirty (30) days' advance written notice;

13.4.5 Any default by the Owner-Mortgagor of a Residential Condominium subject to a Mortgage held by the Mortgagee in the performance of its obligations under this Declaration or the Bylaws which is not cured within sixty (60) days; or

13.4.6 Any proposed action that requires the consent of a specified percentage of the Mortgagees.

13.5 Reserve Fund. The Association shall maintain, as a reserve fund, a reserve account with funds sufficient to pay for maintenance, repair and periodic replacement of Association Property and other Association Maintenance Areas that the Association is obligated to maintain cost sharing obligations. This reserve fund shall be funded by Regular Assessments of Owners that are payable in installments rather

than by Special Assessment; provided, however, that this provision shall not be deemed to limit the power of the Association to levy any other type of Assessment or charge authorized by this Declaration.

13.6 Inspection of Books and Records. Upon request, any Owner, prospective purchaser, or Eligible Holder shall be entitled to inspect the books, records and financial statements of the Association, the Governing Documents and any amendments thereto, during normal business hours or under other reasonable circumstances.

13.7 Financial Statements. The Association, at its expense, shall prepare an audited financial statement for the immediately preceding Fiscal Year and make the same available within one hundred twenty (120) days after the Association's Fiscal Year-end to any Institutional Mortgagee or Eligible Holder that has submitted a written request for it.

13.8 Actions Requiring Eligible Holder Approval. Unless at least sixty-seven percent (67%) of the Eligible Holders (based on one vote for each First Mortgage owned) and at least sixty-seven percent (67%) of the Owners other than Declarant have given their prior written approval, the Association shall not be entitled to:

13.8.1 By act or omission, seek to abandon or terminate the Community and/or dissolve the Association;

13.8.2 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 Residential Condominiums and the Owners. (The granting of easements for public utilities or for other public purposes consistent with the intended use of the Community by the Association and Owners shall not be deemed a transfer within the meaning of this Section);

13.8.3 By act or omission change, waive or abandon any scheme of regulations, or enforcement thereof, pertaining to architectural design or exterior appearance of Residential Units, the exterior maintenance of Residential Units, or the upkeep of lawns, plantings or other landscaping in the Community;

13.8.4 By act or omission change the method of determining the obligations, assessments, dues or other charges that may be levied against an Owner;

13.8.5 Partition or subdivide a Residential Condominium;

13.8.6 Fail to maintain fire and extended coverage insurance on insurable portions of the 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

13.8.7 Use insurance proceeds for losses to any property or Improvements owned by the Association other than for the repair, replacement or reconstruction of such property and Improvements.

13.9 Votes for Termination of Community. Any election to terminate the legal status of the Community as a Residential Condominium community shall require:

13.9.1 The approval of Mortgagees that represent at least fifty-one percent (51%) of the votes of Residential Condominiums that are subject to Mortgages and at least sixty-seven percent (67%) of the total Voting Power if the election to terminate the legal status is a result of substantial destruction or a substantial taking in condemnation of the property within the Community; or

13.9.2 The approval of at least sixty-seven percent (67%) of the total Voting Power and Mortgagees that represent at least sixty-seven percent (67%) of the votes of Residential Condominiums that are subject to Mortgages, if Section 13.9.1 is not applicable.

For so long as is required by FNMA's legal requirements for Community acceptance, all references to "Mortgagees" in this Section shall be deemed to include all guarantors of such Mortgages.

13.10 Condemnation or Destruction. In the event a portion of the Community is either condemned or destroyed or damaged by a hazard that is insured against, restoration or repair shall be performed substantially in accordance with the provisions of this Declaration and the original plans and specifications for the Community unless Eligible Holders representing at least fifty-one percent (51%) of the votes of Residential Condominiums subject to Mortgages held by Eligible Holders approve the taking of other action by the Association.

13.11 Self-Management. The vote or approval by written ballot of at least sixty-seven percent (67%) of the total Voting Power and Eligible Holders that represent at least fifty-one percent (51%) of the votes of Residential Condominiums that are subject to Mortgages held by Eligible Holders shall be required to assume self-management of the Community if professional management has been required by an Eligible Holder at any time.

13.12 Mortgagee Protection. A breach of any of the conditions contained in this Declaration shall not defeat nor render invalid the lien of any First Mortgage made in good faith and for value as to any Residential Condominium; provided, however, that the conditions contained in this Declaration shall be binding upon and effective against any Owner of a Residential Condominium if the Residential Condominium is acquired by foreclosure, trustee's sale or otherwise.

13.13 Distribution of Insurance and Condemnation Proceeds. No Owner, or any other party, shall have priority over any right of Institutional Mortgagees of Residential Condominiums pursuant to their Mortgages in case of a distribution to Owners of insurance proceeds or condemnation awards for losses to or a taking of Residential Condominiums or Association Property. Any provision to the contrary in the Governing Documents is to such extent void. All applicable fire and all physical loss or extended coverage insurance policies shall contain loss payable clauses acceptable to the affected Institutional Mortgagees naming the Mortgagees, as their interests may appear.

13.14 Voting Rights on Default. In case of default by any Owner in any payment due under the terms of any Institutional Mortgage encumbering such Owner's Residential Condominium or the promissory note secured by the Mortgage, the Mortgagee or its representative, on giving written notice to such defaulting Owner or Owners, and placing of record a notice of default, is hereby granted a proxy and can exercise the voting rights of such defaulting Owner attributable to such Residential Condominium at any regular or special meeting of the Members held during such time as such default may continue.

13.15 Foreclosure. If any Residential Condominium is encumbered by a First Mortgage made in good faith and for value, the foreclosure of any lien created by any provision set forth in this Declaration for Assessments, or installments of Assessments, shall not affect or impair the lien of the First Mortgage. On foreclosure of the Mortgage, the lien for Assessments, including Additional Charges, that has accrued up to the time of foreclosure shall be subordinate to the lien of the Mortgage with the foreclosure-purchaser taking title to the Residential Condominium free of the lien for Assessments, including interest, costs (including attorneys' fees), and late charges levied by the Association with respect thereto or installments that has accrued up to the time of the foreclosure sale. On taking title to the Residential Condominium, the foreclosure-purchaser shall only be obligated to pay Assessments or other charges levied or assessed by the Association after the foreclosure-purchaser acquired title to the Residential Condominium. The subsequently accrued Assessments or other charges may include previously unpaid Assessments provided all Owners, including the foreclosure-purchaser, and its successors and assigns are required to pay their proportionate share as provided in this Section.

13.16 Non-Curable Breach. Any Mortgagee who acquires title to a Residential Condominium by foreclosure or by deed-in-lieu of foreclosure or assignment-in-lieu of foreclosure shall not be obligated to cure any breach of this Declaration that is non-curable or that is not practical or feasible to cure.

13.17 Loan to Facilitate. Any Mortgage given to secure a loan to facilitate the resale of a Residential Condominium after acquisition by foreclosure or by a deed-in-lieu of foreclosure or by an assignment-in-lieu of foreclosure shall be deemed to be a loan made in good faith and for value and entitled to all of the rights and protections of this Article.

13.18 Appearance at Meetings. Because of its financial interest in the Community, any Mortgagee may appear (but cannot vote except as may be provided for herein) at meetings of the 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 Assessments.

13.19 Right to Furnish Information. Any Mortgagee can furnish information to the Board concerning the status of any Mortgage.

13.20 Inapplicability of Right of First Refusal to Mortgagee. No right of first refusal or similar restriction on the right of an Owner to sell, transfer or otherwise convey the Owner's Residential Condominium shall be granted to the Association without the written consent of any Mortgagee of the Residential Condominium. Any right of first refusal or option to purchase a Residential Unit that may be granted to the Association (or other person, firm or entity) shall not apply to any conveyance or transfer of title to such Residential Condominium, whether voluntary or involuntary, to a Mortgagee that acquires title to or ownership of the Residential Condominium pursuant to the remedies provided in its Mortgage or by reason of foreclosure of the Mortgage or deed- or assignment-in-lieu of foreclosure and shall not apply to any sale or lease of Residential Condominium acquired by the Mortgagee or its assignee.

13.21 Written Notification to Mortgagees or Guarantors of First Mortgages. If a Mortgagee or guarantor of a First Mortgage has not given written notice to the Association specifying its name and the name of the Owner and address of the Residential Condominium encumbered by the First Mortgage, any written notice or proposal required or permitted by this Declaration to be given to such Mortgagee or guarantor shall be deemed properly given if deposited in the United States mail, postage prepaid, and addressed to the Mortgagee or guarantor at its address appearing of record in the First Mortgage (or assignment thereof, if applicable).

ARTICLE 14 AMENDMENTS

This Declaration and the easements, covenants, conditions and restrictions established under the Declaration will continue in effect for 60 years and thereafter will continue unless a certain percentage of the Owners elect to terminate the Declaration. This will help to ensure the continued operation, use and viability of the Community. This Article also describes the procedures and requirements for amendments to this Declaration. Some provisions of this Declaration may not be amended without the consent of Declarant. Moreover, each Owner acknowledges that corrections and supplements to this Declaration may be necessary and that it is important to give Declarant the right to record such Supplementary Declarations without the consent of any Owner except as otherwise provided in this Declaration.

14.1 Amendment Before the Conveyance of First Residential Condominium. Before the conveyance of the first Residential Condominium to a First Purchaser, this Declaration and any amendments to it may be amended in any respect or revoked by the execution by Declarant and any Mortgagee of record of an instrument amending or revoking the Declaration. The amending or revoking instrument shall make appropriate reference to this Declaration and its amendments and shall be acknowledged and recorded in the Official Records.

14.2 Amendments After Conveyance of First Residential Condominium. Except as may otherwise be stated in this Declaration and as set forth below, after the conveyance of the first Residential Condominium to a First Purchaser and during the period of time prior to conversion of the Class B membership in the Association to Class A membership, this Declaration may be amended at any time and from time to time provided that the vote or approval by written ballot of a majority of the Voting Power of each class of Members has been obtained. After conversion of the Class B membership in the Association

to Class A membership, this Declaration may be amended at any time and from time to time, provided that the vote or approval by written ballot of: (a) at least a majority of the total Voting Power; and (b) at least a majority of the Voting Power of the Members, other than Declarant, has been obtained. The vote on a proposed amendment to the Declaration shall be held by secret written ballot in accordance with the procedures set forth in California Civil Code Section 5100 et seq., and the rules adopted by the Board pursuant thereto. Such amendment shall become effective upon the recording of a Certificate of Amendment signed and acknowledged by the President or Vice President of the Association and the Secretary or Assistant Secretary of the Association certifying that such votes or approval by written ballot have been obtained. For the purposes of recording the Certificate of Amendment, the President or Vice-President and Secretary or Assistant Secretary of the Association are hereby granted an irrevocable power of attorney to act for and on behalf of each and every Owner in certifying and executing and recording the Certificate of Amendment in the Official Records. Nothing contained herein shall limit the Members of the Association from exercising the rights of the Association under California Civil Code Section 4275.

14.3 Approval of Material Amendments. In addition to the requirements of Section 14.2, in the case of any Material Amendment, as defined below, the vote of Mortgagees that represent at least fifty-one percent (51%) of the votes of Residential Condominiums that are subject to Mortgages and at least sixty-seven percent (67%) of the Voting Power of each class of Members (or, following conversion of Class B membership to Class A membership, at least sixty-seven percent (67%) of the total Voting Power of the Association and at least sixty-seven percent (67%) of the voting power of Members of the Association other than Declarant) shall also be required. For purposes of this Section, "Material Amendment" shall mean, for the purposes of this Section, any amendments to provisions of this Declaration governing any of the following subjects:

14.3.1 The fundamental purpose for which the Community was created (such as a change from residential use to a different use);

14.3.2 Assessments, collection of assessments, assessment liens and subordination thereof;

14.3.3 The reserves for repair and replacement of the Association Property and Association Maintenance Areas;

14.3.4 Property Maintenance Obligations;

14.3.5 Casualty and liability, insurance or fidelity bond requirements;

14.3.6 Reconstruction in the event of damage or destruction;

14.3.7 Rights to use the Association Property;

14.3.8 Reallocation or conveyance of any interests in the Common Area;

14.3.9 Voting;

14.3.10 Any provision that, by its terms, is specifically for the benefit of Mortgagees, or specifically confers rights on Mortgagees;

14.3.11 Expansion or contraction of the Community or the addition, annexation or withdrawal of property to or from the Community, the redefinition of Residential Unit boundaries or the conversion of a Residential Unit or Residential Units into Association Property;

14.3.12 Imposition of any restriction on any Owner's right to lease, sell or transfer its Residential Unit;

14.3.13 Merger or consolidation of the Association;

14.3.14 A determination not to require professional management if required pursuant to this Declaration; and

Any Mortgagee who receives written request to consent to additions or amendments requiring consent under this provision who does not deliver to the requesting party a negative response within sixty (60) days after receipt of a notice delivered by certified or registered mail, return receipt requested, shall be deemed to have consented to such request. If any provision of this Declaration requires a greater or lesser percentage of the voting rights of any class of Members in order to take affirmative or negative action under such provision, the same percentage of such class or classes of Members shall be required to amend or revoke such provision. Also, if the consent or approval of any governmental authority, Mortgagee or other person, firm, agency or entity is required under this Declaration with respect to any amendment or revocation of any provision of this Declaration, no such amendment or revocation shall become effective unless such consent or approval is obtained. Any amendment or revocation subsequent to the close of such first sale shall be evidenced by an instrument certified by the Secretary or other duly authorized officer of the Association and shall make appropriate reference to this Declaration and its amendments and shall be acknowledged and recorded in the Official Records.

14.4 Additional Approvals.

14.4.1 Governmental Approvals. If the consent or approval of any Governmental Agency, VA, FNMA or FHA is required under this Declaration with respect to any amendment or revocation of any provision of this Declaration, no such amendment or revocation shall become effective unless such consent or approval is obtained pursuant to the requirements of the Governmental Agency, VA, FNMA or FHA.

14.4.2 Amendment of Certain Provisions. If any provision of this Declaration requires a greater or lesser percentage of the voting rights of any class of Members in order to take affirmative or negative action under such provision, the same percentage of such class or classes of Members shall be required to amend or revoke such provision. Notwithstanding anything to the contrary contained in this Declaration, Sections 1.49, 7.2.3, 7.3.8 and 16.5 of this Declaration shall not be amended without the prior written approval of Declarant.

14.4.3 Declarant's Consent. So long as Declarant owns any portion of the Property, this Declaration may not be amended to do any of the following without the prior written approval of Declarant: (a) diminish or eliminate any rights specifically granted or reserved to Declarant; or (b) modify or eliminate the easements reserved to Declarant.

14.5 Reliance on Amendments. Any amendments made in accordance with the terms of this Declaration shall be presumed valid by anyone relying on them in good faith.

14.6 Conflict with Article 13 or Other Provisions of this Declaration. To the extent any provisions of this Article conflict with the provisions of Article 13 or any other provision of this Declaration except those contained in this Section 14.6, the provisions of Article 13 shall control.

14.7 Business and Professions Code Section 11018.7. All amendments or revocations of this Declaration shall comply with the provisions of California Business and Professions Code Section 11018.7 to the extent such section is applicable.

14.8 Notice to Eligible Holder. Eligible Holders shall be entitled to timely written notice of any amendments to this Declaration, the Bylaws or the Articles.

ARTICLE 15
MERGERS OR CONSOLIDATIONS AND DEANNEXATION OF PROPERTY

15.1 Mergers or Consolidations. Upon a merger or consolidation of the Association with another association, the Association's properties, rights and obligations may, by operation of law, be transferred to the surviving or consolidated association, or, alternatively, the properties, right and obligations of another association may, by operation of law, be added to the properties, rights and obligations of the Association as a surviving corporation pursuant to a merger. The surviving or consolidated association may administer the covenants, conditions and restrictions established by this Declaration within the Community, together with the covenants and restrictions established upon any other property as one plan.

15.2 De-Annexation. Declarant may delete all or any portion of the Property from the coverage of this Declaration and rescind any Supplementary Declaration, provided that: (a) Declarant is the sole Owner of all of the real property described in the Supplementary Declaration to be rescinded or obtains the consent of the fee title Owner(s) of the real property to be de-annexed; and (b) assessments have not commenced with respect to any portion of the real property to be de-annexed. Such deletion shall be effective upon the recordation of a written instrument signed by Declarant, in the same manner as the Supplementary Declaration to be rescinded was recorded.

ARTICLE 16
TERM AND ENFORCEMENT

This Article describes the enforcement rights for violations of this Declaration and the Governing Document and certain procedures which must be followed in the event of a claim. The claims procedures are intended to establish an efficient procedure to enable claims to be resolved promptly for the benefit of the Community.

16.1 Term. The covenants, conditions and restrictions of this Declaration shall run with and bind the Property and shall inure to the benefit of and be enforceable by the Association, Declarant or any Member, their respective legal representatives, heirs, successors and assigns, for a term of sixty (60) years from the date this Declaration is recorded, after which time said covenants, conditions and restrictions shall be automatically extended for successive periods of ten (10) years each, unless an instrument signed by at least sixty-seven percent (67%) of the Members has been recorded at least one (1) year prior to the end of any such period in the manner required for a conveyance of real property, in which it is agreed that this Declaration shall terminate at the end of the then applicable term.

16.2 Rights of Enforcement of Governing Documents. Subject to Section 16.5, Declarant, the Association or any Owner shall have a right of action against any Owner, and Declarant or any Owner shall have a right of action against the Association to enforce by proceedings at law or in equity, all covenants, conditions, and restrictions now or hereafter imposed by the provisions of the Governing Documents or any amendment thereto, including the right to prevent the violation of such covenants, conditions and restrictions and the right to recover damages or other dues for such violation except that Owners shall not have any right of enforcement concerning Assessment liens. The Association shall have the exclusive right to the enforcement of provisions relating to architectural control and the Association Rules unless the Association refuses or is unable to effectuate such enforcement, in which case any Owner who otherwise has standing shall have the right to undertake such enforcement. Failure of the Association, Declarant or any Owner to enforce any covenants or restrictions herein contained shall in no event be deemed a waiver of the right to do so thereafter.

16.2.1 Disputes Involving Members. Prior to filing an Enforcement Action (as such term is defined in California Civil Code 5925) by a Member solely for declaratory relief or injunctive relief, or for declaratory relief or injunctive relief in conjunction with a claim for monetary damages, related to the enforcement of the Governing Documents, the Members shall be required to comply with California Civil Code Sections 5925 through 5965, if applicable. Failure of a Member to comply with the alternative dispute resolution requirements of California Civil Code Section 5930 may result in the loss of the Member's right

to sue the Association or another Member regarding enforcement of the Governing Documents or Applicable Laws.

16.2.2 Disputes involving the Association and Members. Prior to filing a civil action by either the Association or by a Member solely for declaratory relief or injunctive relief, or for declaratory relief or injunctive relief in conjunction with a claim for monetary damages (other than for nonpayment of Assessments) related to the any of the following matters: (a) enforcement of the Governing Documents; (b) damage to the Association Property; or (c) damage to a Residential Unit that arises out of, or is integrally related to, damage to the Association Property, the Association shall be required to perform any act reasonably necessary to resolve any civil claim or action through alternative dispute resolution proceedings such as mediation, binding arbitration, or non-binding arbitration proceedings. Any dispute resolution procedure imposed by the Association shall satisfy the requirements of California Civil Code Sections 5900, 5905 and 5910. In the event the Association does not comply with the minimum requirements of a fair, reasonable and expeditious dispute resolution procedure, the Association or any Member may invoke the procedures provided for in California Civil Code Section 5915.

16.2.3 Notice Requirements. Members of the Association shall annually be provided a summary of the provisions of California Civil Code Section 5900, *et seq.* which specifically references the provisions of California Civil Code Section 5965. The summary shall be provided either at the time the Budget required by California Civil Code Section 5300 is distributed or in the manner specified in California Corporations Code Section 5016. The summary shall include a description of the Association's internal dispute resolution procedure, as required by California Civil Code Section 5920.

16.2.4 Civil Action. A civil action to enforce the Governing Documents shall comply with California Civil Code Sections 5850 through 5985.

16.3 Enforcement of Non Payment of Assessments. Each Owner of any Residential Condominium then subject to Assessment shall be deemed to covenant and agree to pay to the Association each and every Assessment provided for in this Declaration. The Association shall have the right to enforce such payment obligation in accordance with the provisions set forth in Section 5.14.

16.4 Enforcement of Bonded Obligations. The Association shall have the right to enforce bonded obligations in accordance with the provisions set forth in Section 5.24.

16.5 Disputes Involving Declarant

16.5.1 Defined Terms. For purposes of this Section and this Declaration, the following terms shall have the meanings set forth below.

(a) "Claim" means any Construction Defect Claim or Other Claim.

(b) "Claim Process" means the pre-litigation process for the resolution of Construction Defect Claims and Other Claims as described in the Master Dispute Resolution Declaration.

(c) "Construction Defect Claim" means any claim, issue or controversy, whether or not the claim, issue or controversy is governed by or subject to the Right to Repair Act or is based upon common law, that arises from or is related in any way to any alleged deficiencies in construction, design, specifications, surveying, planning, supervision, testing, or observation of construction, including, but not limited to, any alleged violation of the standards set forth in California Civil Code Sections 895 through 897, inclusive of the Right to Repair Act.

(d) "Dispute" means any claim, issue or controversy that arises from or is related in any way to (a) the Community, (b) any Residence, (c) the Association Property or Association Maintenance Areas, (d) the relationship between the Association and Declarant, and/or (e) the relationship between any Owner and Declarant, whether contractual, statutory or in tort, including, but not limited to,

claims, issues or controversies that arise from or are related to the purchase, sale, condition, design, construction or materials used in construction of any portion of the Community or any Residence, Association Property or Association Maintenance Areas, the agreement between Declarant and Owner to purchase the Residence or any related agreement, the Limited Warranty, disclosures, or alleged deficiencies in construction, design, specifications, surveying, planning, supervision, testing, or observation of construction related to Improvements within the Association Property, Association Maintenance Areas, or the Residence, including, but not limited to, the following: (a) a Construction Defect Claim; (b) an Other Claim; (c) any disagreement as to whether a Construction Defect Claim has been properly repaired; (d) any disagreement as to the value of repairing damages which are the subject of a Construction Defect Claim; (e) the cost of repairing damage caused by the repair efforts, the cost to remove or replace an improper repair, and any alleged relocation expenses, storage expenses, lost business income, investigation costs and all other fees and costs recoverable by contract or statute as a result of a Construction Defect Claim; and (f) any disagreement concerning the timeliness of Declarant's performance or the Association's or an Owner's notification under the Limited Warranty or the Claim Process.

(e) "Other Claim" means a Dispute that does not involve a Construction Defect Claim.

(f) "Right to Repair Act" means Division 2, Part 2, Title 7 of the California Civil Code (Section 895, et seq.) as amended from time to time.

16.5.2 Dispute Resolution. Declarant has recorded a Master Dispute Resolution Declaration which sets forth the procedures that shall be used to resolve Disputes with Declarant or a Declarant Party for any Claims asserted by an Owner and/or the Association. The Master Dispute Resolution Declaration recorded in the Official Records constitutes a part of this Declaration and is incorporated herein by this reference as though set forth in full herein. For any Construction Defect Claims, the Owners and the Association shall comply with the Claims Process set forth in the Master Dispute Resolution Declaration. For any Construction Defect Claims not resolved through the Claims Process or any Other Claims, the Owners and the Association shall comply with the procedures set forth in the Master Dispute Resolution Declaration which require the Dispute to be mediated or arbitrated. Each Owner and the Association acknowledge and agree that the terms and provisions set forth in the Master Dispute Resolution Declaration are covenants running with the land which are binding upon the Owners and the Association and successor Owners.

16.5.3 CLASS ACTIONS NOT AVAILABLE. AS SET FORTH IN THE MASTER DISPUTE DECLARATION, EACH OWNER AND THE ASSOCIATION HAVE AGREED TO WAIVE THE RIGHT FOR ANY CLAIM TO BE COMMENCED, HEARD OR RESOLVED AS A CLASS ACTION. EACH OWNER, BY ACCEPTANCE OF FEE TITLE TO A RESIDENCE AND THE ASSOCIATION BY ACCEPTANCE OF FEE TITLE TO ANY ASSOCIATION PROPERTY OR BY PERFORMANCE OF THE OBLIGATIONS FOR THE MAINTENANCE OF THE ASSOCIATION MAINTAINED IMPROVEMENTS AND DECLARANT AGREE NOT TO ASSERT ANY CLASS ACTION OR REPRESENTATIVE ACTION CLAIMS AGAINST THE OTHER IN MEDIATION, ARBITRATION OR OTHERWISE, AND AGREE THAT IT IS THE EXPRESS INTENT OF EACH PARTY THAT CLASS ACTION AND REPRESENTATIVE ACTION PROCEDURES NOT BE ASSERTED OR APPLIED WITH RESPECT TO ANY CLAIM.

16.5.4 JURY, DISCOVERY AND APPEAL NOT AVAILABLE. THE OBLIGATIONS ESTABLISHED IN THE MASTER DISPUTE RESOLUTION DECLARATION TO SUBMIT DISPUTES TO NEUTRAL ARBITRATION ELIMINATES ALL RIGHTS WHICH A PARTY MIGHT POSSESS TO HAVE A DISPUTE LITIGATED IN A COURT OR JURY TRIAL. NO PARTY SHALL HAVE ANY JUDICIAL RIGHTS TO DISCOVERY OR APPEAL, UNLESS THOSE RIGHTS ARE SPECIFICALLY INCLUDED IN THE MASTER DISPUTE DECLARATION IF ANY CLAIMANT REFUSES TO SUBMIT TO ARBITRATION THEY MAY BE COMPELLED TO ARBITRATE UNDER THE AUTHORITY OF THE CALIFORNIA CODE OF CIVIL PROCEDURE.

16.5.5 Relinquishment of Control. Notwithstanding any other provision in the Declaration or the Master Dispute Resolution Declaration to the contrary (including, without limitation, any

provision which expressly or implicitly provides Declarant with control over Association decisions for any period of time), while the Declarant has majority control of the Board, Declarant hereby relinquishes control over the Association's ability to decide whether to initiate any Claim against Declarant or any of Declarant's agents or contractors ("Declarant's Agents"). No representative of Declarant on the Board shall vote on the initiation of any Claim including without limitation, any Construction Defect Claim under California Civil Code Section 895, et seq., of the Right to Repair Act, such that from and after the first election of directors in which Class A Members of the Association participate, Declarant shall have no control over the Association's ability to decide whether to initiate a Claim including without limitation, any Construction Defect Claim and in the event of such a vote, the affirmative vote of the two non-Declarant representatives on the Board shall be binding so long as a quorum of the Board is present at any meeting where such vote is taken. In addition to the foregoing, in the event a vote of the Members is taken to decide to initiate a Claim including without limitation a Construction Defect Claim, Declarant shall not have any Class A or Class B voting rights with respect thereto.

16.5.6 Pursuit of Claims. An Owner may only assert Limited Warranty claims pertaining to such Owner's Residential Condominium. The Association and not the individual Owners shall have the power to pursue any Construction Defect Claims for the Association Property and/or Association Maintenance Areas and/or Offsite Maintenance Areas. The Association and each Owner shall comply with the Claim Process in bringing any such Construction Defect Claims. Each Owner hereby agrees to delegate authority to the Association and assigns to the Association all power and authority as is necessary for any settlement or release of any Claim relating to the Association Property and/or Association Maintenance Areas and/or Offsite Maintenance Areas.

16.5.7 Notification to Prospective Buyers. In the event that the Association commences a Claim pursuant to the Master Dispute Resolution Declaration, or pursues any other legal action, all Owners must notify prospective purchasers of such action or Claim and must provide such prospective purchasers with a copy of the notice produced by the Association and delivered to the Owners in accordance with Section 6000 of the California Civil Code and this Declaration.

16.6 Board and Members' Approval of Certain Actions. In the event any claim or other action is brought by the Association against a Declarant, including, without limitation, claims brought under California Civil Code Section 895, et seq., involving allegations of construction defects relating to the Association Property and/or other Association Maintenance Areas, the Association shall not initiate a further action or arbitration proceeding without first complying with California Civil Code 6150. A majority of the Board members shall be required to approve of proceeding with the further claim or action; provided, however, that in the event Declarant appointees are serving on the Board, such Declarant-appointed Board members shall have no right to approve or disapprove such further action or arbitration proceeding and only the approval of a majority of the non-Declarant appointed Board members (or both non-Declarant Board members in the event there are only two (2) non-Declarant Board members), shall be required to approve of proceeding with such claim or action. In addition, to the extent the pre-requisite of a Member vote, or the imposition of any other limitation or precondition on the Board's authority to pursue such claim or action, has been duly-adopted by the Members as an amendment to this Declaration pursuant to Civil Code 5986(c), or to the extent a Member vote or other limitation or precondition is permitted under Applicable Law without the necessity of such an amendment first being duly-adopted by the Members pursuant to Civil Code 5986(c), then prior to commencing such further action or arbitration proceeding, the Association shall first satisfy such limitation or precondition to the extent that it is not otherwise prohibited by any provision of the Governing Documents (unless such provision has been expressly superseded by Applicable Law). In clarification of the foregoing, if no such amendment has been duly-adopted by the Members prior to the Board considering undertaking any claim or action pursuant to this Section, and if the Board believes in its sole discretion that waiting for the outcome of a Member vote regarding the adoption of such an amendment could be prejudicial to the Association's position relative to its pursuit of such claim or action, then the Board shall not be compelled to stay such claim or action pending the outcome of such a Member vote unless the Board chooses to do so by a majority vote of the Board or, if applicable, then the non-Declarant appointed Board members.

Declarant hereby advises as follows: Each Owner and the Association are hereby advised that representative claims (i.e., claims related to the Association Property or other Association Maintenance Areas or claims by the Association on behalf of the Owners) by the Association may create disclosure requirements, may result in increases to Assessments to fund such claims or actions, and may impair the ability of Owners to sell or finance their Residential Units. California Civil Code Sections 5986 and 6150 allow the Board to unilaterally decide whether to pursue legal action against Declarant. Owners are encouraged to participate in any meeting held by the Association pursuant to California Civil Code 6150 to ensure the Board considers all Owners' positions prior to commencing additional actions.

16.7 Notice Required If Reserve Funds to Pay for Litigation. As required by California Civil Code Section 5520, if a decision is made to use reserve funds or to temporarily transfer money from the reserve fund to pay for litigation, the Association shall comply with the notice and accounting requirements set forth in California Civil Code Section 5520.

16.8 Conflict. In the event of any conflict between the provisions of this Section 16.8 and the Master Dispute Resolution Declaration, the terms of the Master Dispute Resolution Declaration shall control.

ARTICLE 17 COUNTY REQUIRED PROVISION

17.1 County Required Provision. "Notwithstanding any provision in this Declaration to the contrary, the following provisions shall apply:

The Association established herein shall manage and continuously maintain the 'Association Property,' more particularly described in Exhibit 'B,' attached hereto, and shall not sell or transfer the 'Association Property' 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.

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

This Declaration shall not be terminated, 'substantially' amended, or property deannexed therefrom absent the prior written consent of the 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 'Association Property' established pursuant to this Declaration.

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

ARTICLE 18 GENERAL PROVISIONS

This Article sets forth the general provisions which govern this Declaration.

18.1 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.

18.2 Severability. The provisions of this Declaration shall be deemed independent and severable, and the invalidity or partial invalidity or unenforceability of any provision or provisions of it shall not invalidate any other provisions. In the event that any phrase, clause, sentence, paragraph, section,

article or other portion of this Declaration shall become illegal, null, void, against public policy or otherwise unenforceable, for any reason, the remaining portions of this Declaration shall not be affected thereby and shall remain in force and effect to the fullest extent permissible by law.

18.3 Cumulative Remedies. Each remedy provided for in this Declaration shall be cumulative and not exclusive. Failure to exercise any remedy provided for in this Declaration shall not, under any circumstances, be construed as a waiver.

18.4 Violations as Nuisance. Every act or omission in violation of the provisions of this Declaration shall constitute a nuisance and, in addition to all other remedies herein set forth, may be abated or enjoined by any Owner, any Member of the Board, the manager, or the Association.

18.5 No Racial Restriction. No Owner shall execute or cause to be recorded any instrument which imposes a restriction upon the sale, leasing or occupancy of its Residential Condominium on the basis of race, sex, color or creed.

18.6 Access to Books. Declarant may, at any reasonable time and upon reasonable notice to the Board or manager, cause an audit or inspection to be made of the books and financial records of the Association.

18.7 Liberal Construction. The provisions of this Declaration shall be liberally construed to effectuate its purpose. Failure to enforce any provision hereof shall not constitute a waiver of the right to enforce said provision thereafter.

18.8 Notification of Sale of Residential Condominium. Concurrently with the consummation of the sale of any Residential Condominium under circumstances whereby the transferee becomes an Owner thereof, or within five (5) business days thereafter, the transferee shall notify the Board in writing of such sale. Such notification shall set forth the name of the transferee and its Mortgagee and transferor, the common address of the Residential Condominium purchased by the transferee, the transferee's and the Mortgagee's mailing address, and the date of sale. Prior to the receipt of such notification, any and all communications required or permitted to be given by the Association, the Board or the manager shall be deemed to be duly made and given to the transferee if duly and timely made and given to said transferee's transferor. Mailing addresses may be changed at any time upon written notification to the Board. Notices shall be deemed received forty-eight (48) hours after mailing if mailed to the transferee, or to its transferor if the Board has received no notice of transfer as above provided, by certified mail return receipt requested, at the mailing address above specified. Notices shall also be deemed received on the next business day after being sent by overnight courier or upon delivery if delivered personally to any occupant of a Residential Condominium over the age of twelve (12) years.

18.9 Provision of Governing Documents to Prospective Purchasers. Pursuant to California Civil Code Section 4525, as soon as practicable before the transfer of title or the execution of a real property sales contract, the Owner shall provide copies of the Governing Documents to the prospective purchaser of a Residential Condominium, which Governing Documents include, but are not limited to, this Declaration and the Master Dispute Resolution.

18.10 Number, Gender. The singular shall include the plural and the plural the singular unless the context requires the contrary, and the masculine, feminine and neuter shall each include the masculine, feminine or neuter, as the context requires.

18.11 Exhibits. All exhibits referred to in this Declaration are attached to this Declaration and incorporated by reference.

18.12 Binding Effect. This Declaration shall inure to the benefit of and be binding on the successors and assigns of Declarant, and the heirs, personal representatives, grantees, tenants, successors and assigns of the Owners.

18.13 Easements Reserved and Granted. Any easements referred to in this Declaration shall be deemed reserved or granted, or both reserved and granted, by reference to this Declaration in the first deed by Declarant to any Residential Condominium.

18.14 Statutory References. All references in this Declaration to various statutes, codes, regulations, ordinances and other laws shall be deemed to include those laws in effect as of the date of this Declaration and any successor laws as may be amended from time to time.

18.15 U.S. Department of Veteran Affairs and FHA Approval. For so long as (i) VA blanket loan approvals are in effect for the Community, (ii) Declarant has Class B rights pursuant to Section 4.2.2 above, and (iii) any VA loan encumbers any Residential Condominium in the Community, the following actions shall require the prior approval of VA: (i) any reorganization, merger, dissolution, or consolidation of the Association; (ii) any amendment to this Declaration (as defined in Section 14.3 above), a draft of which shall be submitted to and approved by the VA prior to recordation; and/or (iii) any extraordinary actions. For purposes of this Section "extraordinary actions" means any of the following: (a) merging or consolidating the Association; (b) determining not to require professional management if previously required by a lender or; (c) expanding the Property if such addition increases the overall land area of the Community or number of units in the Community by more than ten percent (10%); (d) abandoning, partitioning, encumbering, mortgaging, conveying or selling or otherwise transferring or relocating the boundaries of the Association Property except as otherwise permitted by VA; (e) using insurance proceeds to purposes other than construction or repair of the insured Improvements, or (f) making capital expenditures (other than for repair or replacement of existing Improvements) during any period of twelve (12) consecutive months costing more than twenty percent (20%) of the annual operating budget. FHA shall have the same approval rights given to VA in this Section if an FHA blanket loan approval is in effect for the Community or an FHA loan encumbers any Residential Condominium.

18.16 Applicability of FHA/FNMA/VA Regulations. Notwithstanding anything herein to the contrary, for so long as FHA, FNMA and/or VA blanket loan approvals are in effect for the Community and while any FHA/FNMA/VA loan encumbers any Residential Condominium in the Community pursuant to such blanket approval, the FHA, FNMA and VA guidelines and regulations shall apply to the Community to the extent that FHA, FNMA or VA, respectively, asserts application of such guidelines and regulations and those guidelines and regulations are not in conflict with California law or with the requirements of the DRE. At such time as the blanket loan approvals are no longer in effect and no FHA, FNMA or VA loans encumber any Residential Condominium in the Community, the FHA, FNMA and VA guidelines and regulations shall have no further applicability with respect to the Community.

IN WITNESS WHEREOF, Declarant has executed this instrument as the date first written above.

DECLARANT:

Tri Pointe Homes IE-SD, Inc., a California corporation

By: 

Name: Michael Taylor

Title: Inland Empire Division President

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

State of California)
County of Riverside)

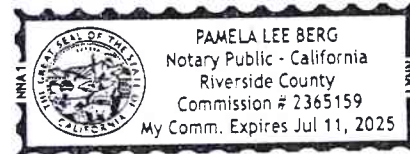
On December 22, 2021, before me, Pamela Lee Berg, a Notary Public, personally appeared Michael C. Taylor, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their 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

Pamela Lee Berg



CONSENT OF OWNER

COPPER SKYE – MENIFEE, L.P., a Delaware limited partnership, as the Owner of the Property described on Exhibit "A," hereby consents to the recordation of this Declaration of Covenants, Conditions and Restrictions and Establishment of Easements of Outlook 1.

Dated: Dec 21, 2021

OWNER:

COPPER SKYE – MENIFEE, L.P.,
a Delaware limited liability company,
General Partner

By: Cal Hearthstone PBLOS GP, LLC,
a Delaware limited liability company,
General Partner

By: Cal Hearthstone Public Builder Lot Option, LLC,
a Delaware limited liability company
Sole Member

By: Hearthstone Professionals – CS, L.P.,
a Delaware limited partnership
Member Manager

By: 

Steven C. Porath
Authorized Person

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

State of California)
County of Los Angeles)

On December 21, 2021, before me, Karen S. Hornback, a Notary Public, personally appeared Steven C. Pirant, 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

Karen S. Hornback

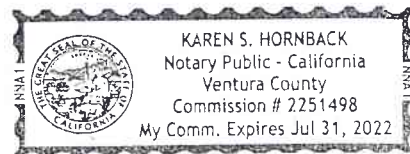


EXHIBIT "A"

DESCRIPTION OF PROPERTY

LOTS 1 AND 2, AND LETTERED LOTS B THROUGH Z, INCLUSIVE, AA, AND BB, OF TRACT NO. 33145 IN THE UNINCORPORATED AREA OF THE COUNTY OF RIVERSIDE, AS PER MAP FILED IN BOOK _____, PAGES ____ THROUGH ____, INCLUSIVE, OF THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

EXHIBIT "B"

DESCRIPTION OF ASSOCIATION PROPERTY

LETTERED LOTS B THROUGH Z, INCLUSIVE, AA, AND BB, OF TRACT NO. 33145 IN THE UNINCORPORATED AREA OF THE COUNTY OF RIVERSIDE, AS PER MAP FILED IN BOOK _____, PAGES ____ THROUGH ____, INCLUSIVE, OF THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY ("**MAP**"); AND

LOTS 1 AND 2 OF THE MAP **EXCEPTING THEREFROM**, THE RESIDENTIAL UNITS AND COMMON AREA LOCATED WITHIN LOTS 1 AND 2 OF THE MAP, AS SHOWN ON EACH OF THE CONDOMINIUM PLANS RECORDED OR TO BE RECORDED AGAINST THE PROPERTY.

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: 5391034

SUBDIVISION GUARANTEE
TRACT NO. 33145

SUBDIVISION GUARANTEE

Fee: \$150.00
Tract No. 33145

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:

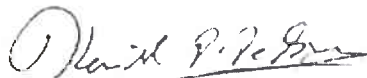
COPPER SKYE – MENIFEE, L.P., a Delaware limited partnership (Owner)

The map hereinbefore referred to is a subdivision of:

BEING A SUBDIVISION OF A PORTION OF PARCEL 1 AS SHOWN ON NOTICE OF LOT LINE ADJUSTMENT 4756 AS EVIDENCED BY DOCUMENT RECORDED SEPTEMBER 29, 2004, AS INSTRUMENT NO. 2004-0773000 AND A PORTION OF PARCEL 1 AS SHOWN ON NOTICE OF LOT LINE ADJUSTMENT 4776 AS EVIDENCED BY DOCUMENT RECORDED OCTOBER 1, 2004, AS INSTRUMENT NO. 2004-0783794 ALL OF OFFICIAL RECORDS OF RIVERSIDE COUNTY, CALIFORNIA, LYING WITHIN SECTION 32, TOWNSHIP 5 SOUTH, RANGE 2 WEST, S.B.M.

Dated: April 19, 2022

First American Title Insurance Company



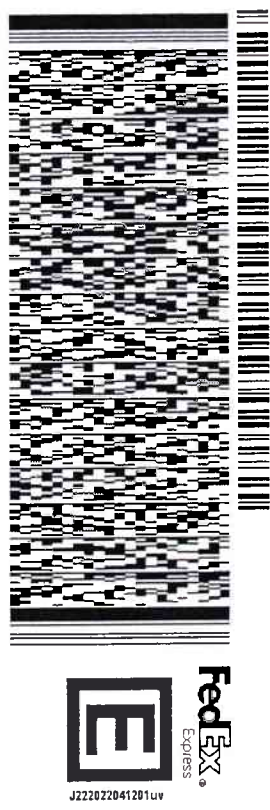
Kenneth D. DeGiorgio, President



Greg L. Smith, Secretary

ORIGIN ID: ONTA (951) 256-5827
MICHAEL KEOUGH
1250 CORONA POINTE COURT
CORONA, CA 92879
UNITED STATES US
SHIP DATE: 26APR22
ACTWGT: 1.00 LB
CAD: 101854216/NET4490
BILL SENDER

TO JESUS DURAN
FIRST AMERICAN TITLE COMPANY
1250 CORONA POINTE
SUITE 200
CORONA CA 92879
(951) 256-5827
INV TRACT 33145
REF 09794
DEPT FATCO



TRK# 7766 8860 3140
WED - 27 APR 10:30A
PRIORITY OVERNIGHT

WM ONTA 92879
CA-US ONT
Barcode

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.

TRACT NO. 33145

BEING A SUBDIVISION OF A PORTION OF PARCEL 1 AS SHOWN ON NOTICE OF LOT LINE ADJUSTMENT 4756 AS EVIDENCED BY DOCUMENT RECORDED SEPTEMBER 29, 2004, AS INSTRUMENT NO. 2004-0773000 AND A PORTION OF PARCEL 1 AS SHOWN ON NOTICE OF LOT LINE ADJUSTMENT 4776 AS EVIDENCED BY DOCUMENT RECORDED OCTOBER 1, 2004, AS INSTRUMENT NO. 2004-0783794. ALL OF OFFICIAL RECORDS OF RIVERSIDE COUNTY, CALIFORNIA, LYING WITHIN SECTION 32, TOWNSHIP 5 SOUTH, RANGE 2 WEST, S.B.M.

RE THE OWNERS OF THE LAND INCLUDED WITHIN THE SUBDIVISION SHOWN HEREON, THAT WE DO NOT CONSENT TO PASS A CLEAR TITLE TO SAID LAND; THAT WE CONSENT TO THE HIS SUBDIVISION MAP AS SHOWN WITHIN THE DISTINCTIVE BORDER LINE; THE REAL PROPERTY TO BE AS AN EASEMENT FOR PUBLIC PURPOSES. LOT "A" (FRONTIER LOOP ROAD) THE PUBLIC UTILITY PURPOSES.

ION OF LOT "A", FRONTIER LOOP, THE OWNER OF LOTS 1 AND 2, ABUTTING THIS HIGHWAY TO HAVE NO RIGHTS OF ACCESS EXCEPT THE GENERAL EASEMENT OF TRAVEL, EXCEPTING OUT ACCESS OPENINGS WITHIN LOTS 1 AND 2 AS SHOWN HEREON, ANY CHANGE OF RESULTS IN THE VACATION THEREOF SHALL TERMINATE THIS CONDITION OF ACCESS RIGHTS

TRIBUTED BELOW IS DEDICATED AS AN EASEMENT FOR PUBLIC PURPOSES: ABUTTERS JENKINSON PARKWAY. THE OWNERS OF LOTS 1 AND 2 ABUTTING THIS HIGHWAY AND DURING VACATION HEREOF SHALL TERMINATE THIS DEDICATION AS TO THE PART VACATED.

IBED BELOW IS DEDICATED AS AN EASEMENT FOR PUBLIC PURPOSES. TO EASTERN (DISTRICT), A PUBLIC AGENCY ORGANIZED AND EXISTING UNDER AND BY VIRTUE OF THE LAW OF 1911, ITS SUCCESSORS AND ASSIGNS, A PERPETUAL EASEMENT AND RIGHT OF MIN, ENLARGE, RECONSTRUCT, REMOVE AND REPLACE, OPERATE, INSPECT, REPAIR, IMPROVE ER, AND RECYCLED WATER FACILITIES, ALL AS SHOWN ON THIS MAP WITHIN THE ID: SEWER, WATER, AND RECYCLED WATER EASEMENT HEREON, TOGETHER WITH THE RIGHT SAID EASEMENT FOR THE PURPOSE OF EXERCISING THE RIGHTS GRANTED IN SAID AND THE RIGHT TO USE THE EASEMENT AREA PROVIDED THAT OWNER SHALL NOT CONSTRUCT ANY WALLS, MASONRY FENCES AND OTHER STRUCTURES OR IMPROVEMENTS, OR PLANT OR OR CHANGE THE SURFACE GRADE OR INSTALL PRIVATELY-OWNED PIPELINES WITHOUT THE F DISTRICT.

SEMENT INDICATED AS "PRIVATE SEWER EASEMENT" LYING WITHIN LOT 1 AS SHOWN HEREON E SOLE BENEFIT OF OURSELVES, OUR SUCCESSORS, ASSIGNEES, AND LOT OWNERS WITHIN SEMENT INDICATED AS "PRIVATE STORM DRAIN EASEMENT" LYING WITHIN LOT 1 AS SHOWN FOR THE SOLE BENEFIT OF OURSELVES, OUR SUCCESSORS, ASSIGNEES, AND LOT OWNERS RIBED BELOW IS DEDICATED AS AN EASEMENT FOR PUBLIC PURPOSES. LOTS B THROUGH AND BB, INDICATED AS "PRIVATE STREETS" AS SHOWN HEREON, THE DEDICATION IS FOR TOGETHER WITH THE RIGHT OF INGRESS AND EGRESS FOR EMERGENCY VEHICLES WITHIN

3 THROUGH Z INCLUSIVE AND LOTS AA AND BB, INDICATED AS "PRIVATE STREETS" AS TATE USE. FOR THE SOLE BENEFIT OF OURSELVES, OUR SUCCESSORS, ASSIGNEES, AND LOT T MAP.
L.P., A DELAWARE LIMITED PARTNERSHIP
GP, LLC
TY COMPANY,
F PUBLIC UTILITY PURPOSES. LOT "A" (FRONTIER LOOP ROAD) THE PUBLIC UTILITY PURPOSES.

FOR CONDOMINIUM PURPOSES TAX COLLECTORS CERTIFICATE

I HEREBY CERTIFY THAT ACCORDING TO THE RECORDS OF THIS OFFICE, AS OF THIS DATE, THERE ARE NO LIENS AGAINST THE REAL 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 \$174,400.00.

DATED: April 25, 2022
JENNIFER MATTIJEW JENNINGS
COUNTY TAX COLLECTOR

TAX BOND CERTIFICATE

I HEREBY CERTIFY THAT A BOND IN THE SUM OF \$174,400.00 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.

DATED: April 25, 2022
MATTHEW JENNINGS
COUNTY TAX COLLECTOR

NOTICE OF DRAINAGE FEES

NOTICE IS HEREBY GIVEN THAT THIS PROPERTY IS LOCATED IN THE SALT CREEK CHANNEL, WINCHESTER/NORTH HEMET AREA DRAINAGE PLAN WHICH WAS ADOPTED BY THE BOARD OF SUPERVISORS OF THE COUNTY OF RIVERSIDE PURSUANT TO SECTION 10.25 OF ORDINANCE 460 AND SECTION 66483, ET SEQ. OF THE GOVERNMENT CODE AND THAT SAID PROPERTY IS SUBJECT TO FEES FOR SAID DRAINAGE AREA. NOTICE IS FURTHER GIVEN THAT, PURSUANT TO SECTION 10.25 OF ORDINANCE 460, PAYMENT OF THE DRAINAGE FEES SHALL BE PAID WITH CASHIER'S CHECK OR MONEY ORDER ONLY TO THE RIVERSIDE COUNTY FLOOD CONTROL AND WATER CONSERVATION DISTRICT AT THE TIME OF ISSUANCE OF THE GRADING OR BUILDING PERMIT FOR SAID PARCELS, WHICHEVER OCCURS FIRST, AND THAT THE OWNER OF EACH PARCEL, AT THE

SURVEYOR'S STATEMENT

THIS MAP WAS PREPARED BY ME OR CONFORMANCE WITH THE REQUIREMENTS OF THE REQUIREMENTS OF COPPER SKYE, LLC, ARE OF THE CHARACTER AND OCCUPANCY ACCORDANCE WITH THE TERMS OF THE MONUMENTS ARE, OR WILL BE, SUFFICIENTLY FINAL MAP SUBSTANTIALLY CONFORMS IS TRUE AND COMPLETED AS SHOWN

DATED: OCTOBER 19, 2021
MATTHEW E. WEBB L.S. 5529

COUNTY SURVEYOR'S STATEMENT

THIS MAP CONFORMS TO THE REQUIREMENTS OF THE GOVERNMENT CODE AND THE ORDINANCES. I HEREBY STATE THAT SUPERVISION AND FOUND TO BE SUFFICIENT FOR THE PURPOSES OF THE MAP OF TRACT MAP NO. 33145 AS SUPERVISORS ON 8-15-2006, THE SUPERVISORS ON 8-15-2006, THE SATISFIED THIS MAP IS TECHNICALLY

DATED: 7-28
DAVID McMILLAN L.S. 8488
COUNTY SURVEYOR EXP. 12-31-22

EN EXECUTED AND
RNA, CONDITIONED
ALL SPECIAL
WITH THE COUNTY
ID BOND HAS BEEN

Matthew E. Webb
MATTHEW E. WEBB, L.S. 5529



CREEK CHANNEL,
BY THE BOARD OF
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CTUAL PERMIT.

COUNTY SURVEYOR'S STATEMENT

THIS MAP CONFORMS TO THE REQUIREMENTS OF THE SUBDIVISION MAP ACT AND LOCAL ORDINANCES. I HEREBY STATE THAT THIS MAP HAS BEEN EXAMINED BY ME OR UNDER MY SUPERVISION AND FOUND TO BE SUBSTANTIALLY THE SAME AS IT APPEARED ON THE TENTATIVE MAP OF TRACT MAP NO. 33145 AS FILED, AMENDED AND APPROVED BY THE BOARD OF SUPERVISORS ON 9-15-2006, THE EXPIRATION DATE BEING 1-18-2023; AND THAT I AM SATISFIED THIS MAP IS TECHNICALLY CORRECT.

DATED: 4-28, 2022

DAVID MCMILLAN L.S. 8488
COUNTY SURVEYOR EXP. 12-31-22



BOARD OF SUPERVISORS STATEMENT

THE COUNTY OF RIVERSIDE, STATE OF CALIFORNIA, BY ITS BOARD OF SUPERVISORS, HEREBY APPROVES THE TRACT MAP AND ACCEPTS THE OFFER OF DEDICATION MADE HEREON OF LOT "A", FOR PUBLIC ROAD AND PUBLIC UTILITY PURPOSES, AND AS PART OF THE COUNTY MAINTAINED ROAD SYSTEM, SUBJECT TO IMPROVEMENTS IN ACCORDANCE WITH COUNTY STANDARDS AND ACCEPTS THE OFFERS OF DEDICATION OF ABUTTERS RIGHTS OF ACCESS ALONG FRONTIER LOOP. THE OFFER OF DEDICATION ~~MADE HEREON~~ FOR PUBLIC UTILITY PURPOSES ALONG WITH THE RIGHT OF INGRESS AND EGRESS FOR EMERGENCY VEHICLES WITHIN THE "PRIVATE STREETS" AS SHOWN HEREON IS HEREBY ACCEPTED.

THE OFFER OF DEDICATION MADE HEREON OF ABUTTERS RIGHTS OF ACCESS ALONG DOMENICONI PARKWAY IS HEREBY ACCEPTED.

DATE: 5/10/22, 2022

COUNTY OF RIVERSIDE, STATE OF CALIFORNIA
KECIA HARPER
CLERK OF THE BOARD OF SUPERVISORS

BY: Jeffrey H. ...
CHAIRMAN OF THE BOARD OF SUPERVISORS

BY: Shirley ...
DEPUTY

SEC 32, T5S, R2W

IP # 060057

SCHEDULE "A"

MENT
AL WATER
EOF BY ITS